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Congressional Record

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PROCEEDINGS AND DEBATES OF THE 85th CONGRESS, SECOND SESSION

SENATE

TUESDAY, JULY 15, 1958

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Thou who in all life's crises art a shelter from the stormy blast, and as the shadow of a great rock in a weary land, we turn to Thy overshadowing presence grateful that—

From every stormy wind that blows,
From every swelling tide of woes,
There is a calm, a sure retreat:
'Tis found beneath the mercy seat.

Finding there a strength and a wisdom not our own, in patience and fidelity may we guard, at any cost, the flickering flame of freedom as we walk in the light that no darkness can put out.

We ask it in the name of the world's Redeemer who points the way to the peace for which the fear-haunted world yearns. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Monday, July 14, 1958, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Ratchford, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 12162. An act to amend the District of Columbia Stadium Act of 1957 to require the stadium to be constructed substantially in accordance with certain plans, to provide for a contract with the United States with respect to the site of such stadium, and for other purposes;

H. R. 13088. An act to fix and regulate the salaries of officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia, of the United States Park Police, and of the White House Police, and for other purposes;

H. R. 13121. An act to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes;

H. R. 13132. An act to amend the District of Columbia Teachers' Salary Act of 1955; and

H. R. 13218. An act to enact a certain provision now included in the District of Columbia Appropriation Act, 1958.

HOUSE BILLS REFERRED OR PLACED ON THE CALENDAR

The following bills were severally read twice by their titles and referred or placed on the calendar, as indicated:

H. R. 13088. An act to fix and regulate the salaries of officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia, of the United States Park Police, and of the White House Police, and for other purposes; and

H. R. 13132. An act to amend the District of Columbia Teachers' Salary Act of 1955; placed on the calendar.

H. R. 13218. An act to enact a certain provision now included in the District of Columbia Appropriation Act, 1958; to the Committee on the District of Columbia.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. O'MAHONEY. Mr. President, I wish to propound a unanimous-consent request.

The Senator from Tennessee [Mr. KEFAUVER] has just returned from Europe, where he attended the meeting of the Interparliamentary Union, to which he was necessarily called. He is chairman of the Subcommittee on Antitrust and Monopoly of the Judiciary Committee. It is very desirable that this subcommittee be permitted to meet this afternoon during the session of the Senate.

I have cleared this request with the leaders on both sides. I now ask unanimous consent that the Subcommittee on Antitrust and Monopoly be allowed to meet this afternoon beginning at 2:30 o'clock, during the session of the Senate.

The VICE PRESIDENT. Is there objection to the request of the Senator from Wyoming? The Chair hears none, and permission is granted.

On request of Mr. MANSFIELD, and by unanimous consent, the Committee on the District of Columbia was authorized to meet during the session of the Senate today.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour, for the introduction of bills and transaction of other routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

LANDING OF UNITED STATES MARINES IN LEBANON

Mr. JOHNSON of Texas. Mr. President, this morning the President of the United States ordered units of the Marine Corps into Lebanon.

Our forces were sent ashore for one reason, and one reason only—to preserve the independence of a strife-torn nation. It was the feeling of the President that there was no alternative.

The action was taken on the appeal of the Lebanese Government itself. It followed a tragic series of events in the Middle East—an area of the world that is crucial in the struggle to maintain freedom.

Mr. President, the Armed Forces of the United States have been committed. At the present time, no one can foresee the future clearly.

But whatever the future may hold in store for us, the American people will close ranks and will be united. We will make it clear to the aggressors that this country is determined to maintain freedom in this world, at whatever the cost.

Mr. President, free men are capable of attaining the highest form of unity and of meeting any test, no matter how severe it may come to be.

I ask unanimous consent that a statement issued this morning by the President of the United States be printed in the RECORD, as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY THE PRESIDENT

Yesterday morning, I received from President Chamoun of Lebanon an urgent plea that some United States forces be stationed in Lebanon to help maintain security and to evidence the concern of the United States for the integrity and independence of Lebanon. President Chamoun's appeal was made with the concurrence of all of the members of the Lebanese Cabinet.

President Chamoun made clear that he considered an immediate United States response imperative if Lebanon's independence, already menaced from without, were to be preserved in the face of the grave developments which occurred yesterday in Baghdad whereby the lawful Government was violently overthrown and many of its members martyred.

In response to this appeal from the Government of Lebanon, the United States has dispatched a contingent of United States forces to Lebanon to protect American lives

and by their presence there to encourage the Lebanese Government in defense of Lebanese sovereignty and integrity. These forces have not been sent at any act of war. They will demonstrate the concern of the United States for the independence and integrity of Lebanon, which we deem vital to the national interest and world peace. Our concern will also be shown by economic assistance. We shall act in accordance with these legitimate concerns.

The United States, this morning, will report its action to an emergency meeting of the United Nations Security Council. As the United Nations Charter recognizes, there is an inherent right of collective self-defense. In conformity with the spirit of the charter, the United States is reporting the measures taken by it to the Security Council of the United Nations, making clear that these measures will be terminated as soon as the Security Council has itself taken the measures necessary to maintain international peace and security.

The United States believes that the United Nations can and should take measures which are adequate to preserve the independence and integrity of Lebanon. It is apparent, however, that in the face of the tragic and shocking events that are occurring nearby, more will be required than the team of United Nations observers now in Lebanon. Therefore, the United States will support in the United Nations measures which seem to be adequate to meet the new situation and which will enable the United States forces promptly to be withdrawn.

Lebanon is a small peace-loving state with which the United States has traditionally had the most friendly relations. There are in Lebanon about 2,500 Americans and we cannot consistently with our historic relations and with the principles of the United Nations, stand idly by when Lebanon appeals itself for evidence of our concern and when Lebanon may not be able to preserve internal order and to defend itself against indirect aggression.

Mr. KNOWLAND. Mr. President, I rise to support the very able statement which has been made by the majority leader, and to concur with and join him in placing in the RECORD the statement made this morning by the President of the United States.

Mr. President, I believe that the people of the United States and the people of the other countries of the Free World have come to the realization that we cannot have the Free World nibbled away bit by bit. The national security of the United States and the security of the rest of the Free World are involved in the developments which have been occurring in that important and strategic area of the world.

The forces of the United States are in Lebanon at the invitation of the constitutional and sovereign government of that country. That nation has been subjected to pressures from outside its borders; arms and ammunition have been sent to rebel forces in Lebanon for the purpose of the destruction of the legal and constitutional government of that country. The nation of President Chamoun and his constitutional government have resisted those pressures upon them; and up to the time of the developments of yesterday in Iraq, there was every hope that the Government of Lebanon would be able to maintain its sovereignty and independence without calling upon other powers to do so.

With the developments of yesterday, it became obvious that unless country after country was to lose its freedom by such acts, it would be necessary for some outside assistance to be received.

The Government of the United States has requested, and there is now going on in New York, a meeting of the Security Council of the United Nations. I ask unanimous consent, Mr. President, to have printed in the body of the RECORD, immediately following my remarks, a statement made by Ambassador Lodge at the Security Council meeting in New York.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY AMBASSADOR LODGE

Mr. President, the Council meets today to confront difficulties as serious as any in its past history. The territorial integrity of Lebanon is increasingly threatened by insurrection stimulated and assisted from outside. Plots against the Kingdom of Jordan which have become evident over the past few months are another sign of serious instability in the relations between nations in the Middle East.

And now comes the overthrow, in an exceptionally brutal and revolting manner, of the legally established Government of Iraq. I have just heard this morning, Mr. President, before coming over here, of the murder of our esteemed and popular colleague here in the United Nations from Iraq—Fayid al-Jamali. Only a few weeks ago he was here with us. We heard his voice; we rejoiced in his humor; we were heartened by his fellowship. Now we learn that he was not only murdered, but his body was actually dragged through the streets of Baghdad. Decent people throughout the world, wherever they may be, will recoil at this monstrosity.

In all these circumstances, the President of Lebanon has asked, with the unanimous authorization of the Lebanese Government, for the help of friendly governments so as to preserve Lebanon's integrity and independence. The United States has responded positively and affirmatively to this request in the light of the need for immediate action, and we wish the Security Council to be hereby officially advised of this fact. In addition, the United States Government has under active consideration economic assistance to help Lebanon revive its economy.

Our purpose in coming to the assistance of Lebanon is perfectly clear. As President Eisenhower explained this morning, our forces are not there to engage in hostilities of any kind, much less to start a war. Their presence is designed for the sole purpose of helping the Government of Lebanon at its request in its efforts to stabilize the situation brought on by these threats from outside until such time as the U. N. can take the steps necessary to protect the independence and political integrity of Lebanon. They will also afford security to the several thousand Americans who reside in that country. That, Mr. President, is the total scope and objective of the United States assistance.

Now, I need scarcely say that we are the first to admit that the despatch of United States forces to Lebanon, is not an ideal way to solve present problems and they will be withdrawn as soon as the UN can take over. In fact the United States Government hopes that the UN itself will soon be able to assume these responsibilities. We intend to consult with the Secretary General and with other delegations urgently on a resolution to achieve these objectives. Until then the presence of United States troops in Lebanon will be a constructive contribution to the objectives the Security Council had in mind when it passed the June 11 resolution dealing with this problem.

Let me now review the recent history of this situation. A little over a month ago the Government of Lebanon presented a complaint to the Security Council involving "a situation arising from the intervention of the United Arab Republic in the internal affairs of Lebanon, the continuance of which is likely to endanger the maintenance of international peace and security." At that time the various members of the Council drew special attention to article 2 (4) of the Charter which enjoins all members, and I quote, to "refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state." This was one of the fundamental considerations behind the resolution which was adopted by the Council on June 11 which called for the urgent despatch of an observation group to proceed to Lebanon so as to insure that there is no illegal infiltration of personnel or supply of arms or other material across the Lebanese borders.

The United Nations observer group has thus far been able to achieve only limited success. We hope it will pursue its work; in the most effective and energetic way possible. Our forces are being instructed to cooperate with and to establish liaison immediately upon arrival.

It helped for a time to reduce interference from across the border.

Now however with the outbreak of the revolt in Iraq, the infiltration of arms and personnel into Lebanon from the United Arab Republic in an effort to subvert the legally constituted Government have suddenly become much more alarming. This development, coupled with persistent efforts over the past months to subvert the Government of Jordan, must be a cause of grave concern. They place in jeopardy the independence of Lebanon, and of any Middle Eastern state that seeks to maintain its national integrity free from outside influences and pressures. It is too early to tell what the outcome of the revolt in Iraq may be. One thing is clear; the events in both Lebanon and Iraq present grave threats to the integrity of free and independent countries.

Observing the course of events in Lebanon and in Iraq, one is constrained to conclude that there are powers at work in the Middle East seeking, in total disregard for national sovereignty and independence, to substitute force or threat of force for law. If these powers are left unchecked, free to pursue their lawless course mankind's age-long quest for peace and his search for betterment in the relationship between peoples will be checked and the world plunged into anarchy. We shall have seen the denial to the people of the Middle East of the solemn guaranties written into the U. N. Charter. We also know, as does the Government of Lebanon, that recent events in the area demonstrate a ruthlessness of aggressive purpose which tiny Lebanon cannot combat without support from other friendly nations.

We confront here a situation involving outside involvement in an internal revolt against the authorities of the legitimate Government of Lebanon. Under these conditions a request from the Government of Lebanon to another member of the United Nations to come to its assistance is entirely consistent with the provisions and purposes of the United Nations Charter. In this situation we are proceeding in accordance with the traditional rules of international law, none of which in any way inhibit action of the character which the United States is undertaking in Lebanon. The United States is acting pursuant to what the U. N. Charter regards as an inherent right—the right of all nations to work together to preserve their independence. The Council should take note that United States forces went to Lebanon

at the specific request of the duly-constituted Government of Lebanon. Let me also emphasize again that these forces will remain there only until the U. N. itself is able to assume the necessary responsibilities to ensure the continued independence of Lebanon.

One further factor must be recognized. If the United Nations is to succeed in its efforts to maintain international peace and security it should support the efforts of a legitimate and democratically elected government to protect itself from aggression from without, even if that aggression is indirect. The U. N. must be particularly alert in protecting the security of small states from interference by those whose resources and power are larger. This is a principle which has been supported here in this very hall in the past and which should be supported today regardless of who the offender may be.

Lebanon is a charter member of the U. N. and has loyally contributed to its work over the past decade. It would be unthinkable now to permit the lawfully constituted Government of Lebanon to fall prey to outside forces which seek to substitute a government which would serve their purposes in defiance of the principles of the Charter.

There can be no hope for peace in the world unless the United Nations shows this dedication to the basic principle of the Charter. All nations, large and small alike, are entitled to have their political independence and territorial integrity respected and maintained. If we vacillate with respect to this proposition, the result will be to open the floodgates to direct and indirect aggression throughout the world.

The overthrow of another state by subversion and the fomenting of internal strife is more difficult for the world to combat than is direct military aggression because the fomenting of internal strife is harder to see with your eyes. This is not the first time that the United Nations has faced such a problem. The United Nations faced such a problem successfully in Greece in 1946 when Soviet sponsored insurrection threatened to overwhelm the Greek Government, and the United Nations did so successfully in 1948 when the Communist coup—unsuccessfully I should say—the United Nations did so unsuccessfully in 1948 when a Communist coup was perpetrated in Czechoslovakia. The United Nations sought to provide means for dealing with such aggressive means in the future when in 1949 and in 1950 it adopted the Peace Through Deeds resolution of the General Assembly.

If the Council will forgive a personal look, I recall the Peace Through Deeds resolution because I actively worked to obtain its adoption the first time I was a member of the delegation to the United Nations in 1950. At this time I read a paragraph in the statement I made at that time on behalf of the United States, and I quote: The eight-power resolution not only reaffirms that when any nation resorts to any aggression it is the gravest of all crimes against the peace and security of the world, but it also freshens, modernizes, and brings up to date and makes more complete our concept of aggression by specifically including the latest form of aggression, to wit, fomenting civil strife.

Let me now quote some of the provisions of this resolution which was adopted here in the General Assembly in 1950 and I quote—it is very short—"Condemning intervention of a state in the internal affairs of another state for the purpose of changing its legally established government by the threat or use of force; one, solemning reaffirms that whatever the weapons used any aggression, whether committed openly or by fomenting civil strife in the interests of a foreign power or otherwise is the gravest of all crimes against peace and security throughout the world; two, determines for the realization of lasting peace and security that it is indispensable, one, that prompt united action be taken to meet aggression wherever it arises," and I quote from the resolution of 1950, which I submit applies very definitely to the situation which confronts us today. Remember, Mr. President, that the Government of Lebanon was a cosponsor of this resolution and the present Foreign Minister of Lebanon was its spokesman; remember that the first representative in the General Assembly to raise the issue of subversion and civil strife was the representative of Greece, which was just then overcoming the effects of Communist subversion; remember the first language of our resolution was introduced on that occasion by the representative of Bolivia, and, two, the resolution in final form was established between France, Lebanon, Mexico, Netherlands, the United Kingdom, United States, Bolivia, and India.

Remember finally that the resolution condemning the fomenting of civil strife in the interests of a foreign power—that is what it is—was adopted by a vote of 50 to 5, the Soviet bloc being significantly against it. It is a good thing to think about today—and solemnly affirmed any aggression which foments civil strife in the interests of a foreign power was one of the gravest of all crimes against the peace and security throughout the world. The General Assembly clearly had in mind just such a situation as that which we face.

The integrity and independence of a nation is as precious when it is attacked from outside by subversion and erosion as when it is attacked in the field by military action.

Mr. President, I conclude and I do so by saying to my colleagues in the Security Council to remember this one more fact: The members of the League of Nations tolerated direct and indirect aggression in Europe, in Asia, and in Africa during the 1930's and the tragic result was to strengthen and stimulate aggressive forces in such a way that World War II became inevitable. The United States, for its part, is determined that history shall not now be repeated. We hope and believe that the action which we are taking will bring stability and that United States forces now being sent into Lebanon at the request of its government can be promptly withdrawn. We must, however, be prepared to meet the situation whatever the consequences may be.

We strive for a world in which nations, great or small, can preserve their independence. This is an ideal which is close to the heart of every American, and, we believe it is close to the hearts of all free men.

We believe that the action that the United States is now taking is consistent with the principles and purposes of the United Nations and will promote the cause of world peace.

Mr. MANSFIELD. Mr. President, I would be less than honest if I did not say that I am doubtful of the wisdom of landing American Marines in Lebanon at this time. I make that statement because I think the action undertaken by our Government is one which may have momentous consequences in the weeks, the months, and possibly the years ahead. I would point out that this action has not been taken under any of the aspects or specifications of the so-called Eisenhower Doctrine, nor does it come within the confines of the Tripartite Agreement entered into in 1950 by the United States, the United Kingdom, and France.

I make this statement not as a Johnny-come-lately or as a Monday morning quarterback, because some of us have been talking on the floor of the Senate about what might be pursued in the way of policy in an attempt to bring about an amelioration or an end of the struggle in Lebanon, which is now in its tenth week.

I think I am correct in saying to the Senate I made my position fairly well known in the White House conference of yesterday. However, the President, in his constitutional capacity as Commander in Chief, and based on the reserved powers contained therein, has made a decision which, in his opinion, affects the security of our country. That decision having been made, I will do my very best as a Senator to support the action taken.

Mr. President——

The VICE PRESIDENT. The Senator from Montana.

JOINT COMMITTEE ON CENTRAL INTELLIGENCE

Mr. MANSFIELD. Mr. President, it is my intention to resubmit today a concurrent resolution to provide for a Joint Committee to oversee the Central Intelligence Agency.

The sense of shock which all of us feel about the most serious developments in the Middle East is based very greatly on our sense of surprise at these developments. It appears that we are not so well informed as we should be.

So far as I know, the Congress has willingly granted to the intelligence services the funds and personnel requested by the administration.

It seems clear that there has been a failure somewhere. There are only three possibilities:

The intelligence services are not providing our Government with the necessary information; or

The information is not being properly evaluated here in Washington; or

The evaluation is not being properly acted upon by the policymakers.

It is the duty of the Congress to find out. In a democracy every executive function should be subject to legislative review. This can be done with the proper security safeguards. It is being done with the FBI, which is subject to Congressional scrutiny. But this review must be a continuing one by well-informed legislators who can devote sufficient time to this work.

The events in Iraq of yesterday have burst upon us like a bombshell. Certain unfortunate developments during the Vice President's South American trip recently also caught us by surprise. Although this is late in the session, it is my hope that there will be sufficient time for hearings on this concurrent resolution. If it turns out there is not such time, I plan to resubmit the concurrent resolution at the beginning of the next session if I am reelected.

Mr. President, I send to the desk a concurrent resolution and ask that it be appropriately referred.

The VICE PRESIDENT. The concurrent resolution will be received and referred.

The concurrent resolution (S. Con. Res. 101), submitted by Mr. MANSFIELD,

was referred to the Committee on Armed Services, as follows:

Resolved by the Senate (the House of Representatives concurring), That there is hereby established a Joint Committee on Central Intelligence to be composed of 6 Members of the Senate to be appointed by the President of the Senate, and 6 Members of the House of Representatives to be appointed by the Speaker of the House of Representatives. Of the 6 members to be appointed from the Senate, 3 shall be members of the Central Intelligence Agency Subcommittee of the Committee on Appropriations of the Senate, and 3 shall be members of the Central Intelligence Agency Subcommittee of the Committee on Armed Services of the Senate. Of the 6 members to be appointed from the House of Representatives, 3 shall be members of the Central Intelligence Agency Subcommittee of the Committee on Appropriations of the House of Representatives, and 3 shall be members of the Central Intelligence Agency Subcommittee of the Committee on Armed Services of the House of Representatives. Not more than four members appointed from either the Senate or the House of Representatives shall be from the same political party.

SEC. 2. (a) The joint committee shall make continuing studies of the activities of the Central Intelligence Agency and of problems relating to the gathering of intelligence affecting the national security and of its coordination and utilization by the various departments, agencies, and instrumentalities of the Government. The Central Intelligence Agency shall keep the joint committee fully and currently informed with respect to its activities. All bills, resolutions, and other matters in the Senate or the House of Representatives relating primarily to the Central Intelligence Agency shall be referred to the joint committee.

(b) The members of the joint committee who are Members of the Senate shall from time to time report to the Senate, and the members of the joint committee who are Members of the House of Representatives shall from time to time report to the House, by bill or otherwise, their recommendations with respect to matters within the jurisdiction of their respective Houses which are (1) referred to the joint committee, or (2) otherwise within the jurisdiction of the joint committee.

SEC. 3. Vacancies in the membership of the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee, and shall be filled in the same manner as in the case of the original selection. The joint committee shall select a chairman and a vice chairman from among its members.

SEC. 4. The joint committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such places and times, to require, by subpena or otherwise, the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable. The cost of stenographic services to report public hearings shall not be in excess of the amounts prescribed by law for reporting the hearings of standing committees of the Senate.

SEC. 5. The joint committee is empowered to appoint such experts, consultants, technicians, and clerical and stenographic assistants as it deems necessary and advisable. The committee is authorized to utilize the services, information, facilities, and personnel of the departments and establishments of the Government on a reimbursable basis with the prior consent of the heads of the departments or agencies concerned and the Committee on Rules and Administration.

SEC. 6. The expenses of the joint committee, which shall not exceed $250,000 per year, shall be paid from the contingent fund of the Senate.

THE FARM BILL

Mr. ELLENDER. Mr. President, will the Senator from Texas permit me to ask him a question?

Mr. JOHNSON of Texas. Certainly.

Mr. ELLENDER. I wish to say that we had scheduled for 2 o'clock this afternoon a conference on the public works appropriation bill. I wonder whether the majority leader will kindly advise us what the program for today is, particularly with reference to the farm bill, which was to come up today. It is Calendar No. 1801, Senate bill 4071.

Mr. JOHNSON of Texas. It is my information that we plan to have a call of the calendar today. Then there will be a speech of perhaps 1 hour's duration by the very able junior Senator from Utah [Mr. BENNETT].

We shall have as the pending business the Atomic Energy Commission authorization bill. There is some controversy regarding that bill. Some amendments to it probably will be offered. It authorizes appropriations for the Atomic Energy Commission. I understand that an authorization item amounting to approximately $50 million or $60 million was not submitted to the Bureau of the Budget for its approval; and an amendment to reduce the amount or to strike out that part of the bill may be submitted.

In addition, I expect that perhaps the Senate will consider some noncontroversial bills during the afternoon.

But I do not expect the Senate to reach the agricultural bill today.

Mr. ELLENDER. Can the Senator from Texas inform us of the plan to take up the farm bill?

Mr. JOHNSON of Texas. The plan is to take up the farm bill at some time satisfactory to as many Members as possible. I hope that will be later in the week. But at this moment I cannot give the Senator from Louisiana any positive assurance.

Mr. ELLENDER. The Senator from Texas knows that action on the farm bill was delayed last week because of the absence of the distinguished junior Senator from Minnesota [Mr. HUMPHREY], due to the illness of his brother.

Mr. JOHNSON of Texas. I would say that action on the bill has been delayed for several reasons; I do not wish to mention specific persons in that connection. But I may say that what the Senator from Louisiana has stated is not necessarily the reason.

Mr. ELLENDER. The Senator did not permit me to complete my statement. The only reason assigned to me last week was because of the absence of the Senator from Minnesota [Mr. HUMPHREY].

Mr. JOHNSON of Texas. The Senator is speaking of the reasons for the delay. I do not want to attach to a Senator a responsibility that is not completely his. There are a number of reasons why we have not taken up the farm bill.

Mr. ELLENDER. Will the Senator from Texas inform the Senate whether or not we can expect to take up the farm bill this week?

Mr. JOHNSON of Texas. I cannot at this time.

Mr. ELLENDER. The Senator from Texas cannot. So that no action is contemplated so far as the Senator from Texas now knows?

Mr. JOHNSON of Texas. No; I would not say that. I would say no action so far as giving a firm commitment at this time is contemplated. Later in the day I shall be glad to have a discussion with the Senator, following our usual method of trying to work such matters out in a manner satisfactory to members of the committee and to the Senate itself; but at the present time I cannot make a commitment that the bill will come up this week.

Mr. ELLENDER. I am here, prepared to go ahead, as the Senator knows, in keeping with a previous understanding that the bill would be considered today.

Mr. JOHNSON of Texas. The Senator from Louisiana is always prepared. No Member of the Senate does more work than the Senator from Louisiana, and I doubt that many Senators do as much. One reason why I am glad we are not going to take up the bill is that the Senator from Louisiana will be able to take up the conference report on the public-works bill.

Mr. ELLENDER. I have just been informed that the conference has been postponed. I suggested to the senior Senator from Florida [Mr. HOLLAND] that he come here from his home in Florida in the hope that both the conference report and the farm bill would be considered. The House has not yet appointed conferees to consider the public-works appropriation bill. That is a reason why I was trying to get the farm bill taken up today. My fear is, if we do not get the farm bill up this week, we may as well forget about it.

Mr. JOHNSON of Texas. I would not go that far.

Mr. ELLENDER. I do not want to have the blame put upon me if the Senate fails to consider the farm bill.

Mr. JOHNSON of Texas. The Senator from Texas never blames the Senator from Louisiana for anything.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By Mr. CASE of New Jersey:

A concurrent resolution of the Senate of the State of New Jersey; to the Committee on Interstate and Foreign Commerce:

"Senate Concurrent Resolution 20

"A concurrent resolution concerning air terminal facilities and memorializing the Federal Housing and Home Finance Agency, the Federal Civil Aeronautics Board and the Federal Civil Aeronautics Administration to authorize and support certain proposed studies to determine the feasibility and practicability of constructing a global air terminal within this State

"Whereas the startling advance in aircraft design and the tremendous increase in air traffic during the last 10 years have forcefully called attention to the necessity of increasing and expanding the ground facilities and terminals for such aircraft and

traffic to keep abreast of such growth and of the anticipated growth of the future; and

"Whereas it is becoming more and more apparent that airport facilities should be placed outside our heavily populated areas but at the same time be readily accessible to such areas; and

"Whereas the State of New Jersey, located at the very center of the heavily populated area extending from our Nation's Capital to the city of Boston in the State of Massachusetts, has an ideal global air terminal site in the tricounty pine belt area of Burlington, Ocean and Atlantic counties, often referred to, and known as, the Pine Barrens of New Jersey; and

"Whereas the county of Burlington has already initiated action looking toward the development and construction of a global air terminal in the said pine belt area of New Jersey and, in connection therewith, has applied to the Housing and Home Finance Agency of the United States Government for Federal funds to finance preliminary engineering studies to determine the feasibility and practicability of such proposed project; and

"Whereas said application requires, in addition to the approval of the Housing and Home Finance Agency, the approval of the Federal Civil Aeronautics Board and the Federal Civil Aeronautics Administration; and

"Whereas the Legislature of the State of New Jersey desires that said studies as proposed by Burlington County be made; and

"Whereas it is most important that said studies be commenced without undue delay so as to insure the availability of said area for the said proposed project in the event the studies prove it to be feasible and practical: Now therefore, be it

"Resolved by the Senate of the State of New Jersey (the General Assembly concurring),

"1. The Federal Housing and Home Finance Agency, the Federal Civil Aeronautics Board and the Federal Civil Aeronautics Administration are urged and requested to approve the application of Burlington County requesting Federal funds to finance preliminary engineering studies to determine the feasibility and practicability of developing and constructing a global air terminal in the pine belt area of New Jersey.

"2. The secretary of the senate is directed to forward copies of this concurrent resolution to David M. Walker, regional administrator of the Federal Housing and Home Finance Agency, to James R. Durfee, Chairman of the Federal Civil Aeronautics Board, to James T. Pyle, Administrator of the Civil Aeronautics Administration, to Louis S. Rothschild, Under Secretary of Commerce, and to each member of the New Jersey Congressional delegation."

A resolution adopted by the Organization for the Defense of Four Freedoms of Ukraine, Inc., of New York, N. Y., protesting against the Soviet genocide in Ukraine; to the Committee on Foreign Relations.

A resolution adopted by the Southern New Jersey Development Council, favoring the enactment of legislation to enable the railroad industry to continue to operate economically; to the Committee on Interstate and Foreign Commerce.

A resolution adopted by the Town Council of the City of Summit, N. J., relating to the proposed location of Route 22, near the city of Summit; to the Committee on Public Works.

A resolution adopted by the Township Committee of Springfield, N. J., relating to the construction of Route 22, near Springfield; to the Committee on Public Works

A resolution adopted by the Union County Park Commission, Elizabeth, N. J., relating to the construction of Route 22, near Elizabeth; to the Committee on Public Works.

PLIGHT OF RAILROAD INDUSTRY—RESOLUTIONS

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD two resolutions adopted by the executive committee of the Supervisors' Association of the State of New York, and the board of trustees of the village of Brockport, in the State of New York relating to the plight of the railroad industry.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

Resolution on Railroads

Whereas the railroad industry has for many years provided essential services to the public as a major carrier of persons and property; and

Whereas rigid Government regulation of services and the rates charged for those services, together with the continued imposition of unfair taxes on the transportation of both freight and persons, have threatened railroads with bankruptcy; and

Whereas solution of the problems of the railroads is vital to the economy of the Nation, of this State, and of the local communities in this State because (1) the railroads provide employment for more than 100,000 persons in New York State with an annual payroll in excess of $440 million, (2) the real property holdings of the railroads constitute nearly 3 percent of all taxable real property in New York State, and (3) the railroads paid $47 million in real estate and special franchise taxes to all units of government in New York State;

Whereas bankruptcy of the railroad industry means that this vital segment of our Nation's private economy will be forced to succumb to Government ownership at a great loss to the taxpayer and to our American free enterprise system; and

Whereas there is now legislation pending in Congress which provides a first step toward strengthening our Nation's transportation system; Now, therefore, be it

Resolved, That the executive committee of the Supervisors' Association of the State of New York hereby records its support of appropriate legislation now pending before Congress to assist railroads to solve their financial problems and to permit them to compete fairly with other forms of transportation; and be it further

Resolved, That Congress of the United States be memorialized to enact legislation repealing the Federal excise taxes on transportation of freight and passenger services and other legislation designed to insure survival of our American railroads under free, competitive, private enterprise; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States, the Secretary of the United States Senate, the Clerk of the United States House of Representatives and all Members of Congress from New York State.

Resolution Adopted by the Board of Trustees of the Village of Brockport at a Meeting Held July 3, 1958

Whereas the welfare of our country and its people, in times of peace and of national emergency, depends on an efficient, economical, and prosperous common carrier transport system, of which the railroads are a major segment; and

Whereas the welfare of this community, as reflected in employment and industrial payrolls, depends in large part on the volume of materials, supplies, and services purchased annually by the railroads; and

Whereas the railroads today are faced with a dire emergency from wholly inadequate earnings brought about largely by overregulation and inequitable competitive conditions; an emergency which seriously threatens their continued existence under private ownership and operation; and

Whereas it is the considered opinion of most experts that a series of railroad bankruptcies now might well trigger both Government operation of railroads and a general economic debacle: Therefore, be it

Resolved, That the board of trustees of the village of Brockport petitions the Congress of the United States to take immediate action to:

(a) Assure competitive equality in the field of transportation;

(b) Relieve the railroads of as much as possible of the monopoly regulation under which they are now forced to operate; and

(c) Provide self-liquidating financial relief to the railroads to tide them over this emergency.

The board of trustees of the village of Brockport further recommends that these remedial measures be taken simultaneously by the Congress since they are inseparable parts of a program designed, in the public interest, to restore fair competition in the field of transport; reduce unemployment by work on production of huge volume of material, supplies, and services which the railroads could purchase if they were assured of a fighting chance to operate profitably; assure adequate transportation facilities for the growth of our economy and for the national defense; and avoid Government operation of our railroads.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BYRD, from the Committee on Finance, without amendment:

H. R. 11630. An act to amend title XV of the Social Security Act to extend the unemployment insurance system to ex-servicemen, and for other purposes (Rept. No. 1387).

By Mr. KEFAUVER, from the Committee on the Judiciary, with an amendment, in the nature of a substitute:

H. A. 6239. An act to amend sections 1461 and 1462 of title 18 of the United States Code (Rept. No. 1839).

EXTENSION OF TRADE AGREEMENTS ACT—REPORT OF A COMMITTEE—MINORITY AND INDIVIDUAL VIEWS

Mr. BYRD. Mr. President, from the Committee on Finance, I report favorably, with amendments, the bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, and I submit a report (No. 1838) thereon, together with minority and individual views, which I ask to have printed.

The VICE PRESIDENT. The report will be received and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Virginia.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GOLDWATER:

S. 4131. A bill to authorize the establishment of the Fort Bowie National Historic Site, in the State of Arizona and for other

purposes; to the Committee on Interior and Insular Affairs.

By Mr. JOHNSON of Texas:

S. 4132. A bill for the relief of Dr. Josephine Shou Chen Chu; to the Committee on the Judiciary.

By Mr. ALLOTT:

S. 4133. A bill for the relief of Capt. Thomas J. McArdle; to the Committee on the Judiciary.

By Mr. THYE:

S. 4134. A bill to authorize certain Indians to receive welfare assistance in connection with school-lunch programs of the United States; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. THYE when he introduced the above bill, which appear under a separate heading.)

By Mr. EASTLAND:

S. 4135. A bill to direct the Secretary of the Interior to issue a patent to certain land situated in the State of Mississippi to Cyrus Hugh Covington and Mrs. Mildred Covington; to the Committee on Interior and Insular Affairs.

S. 4136. A bill for the relief of Albert Albarede; to the Committee on the Judiciary.

By Mr. HUMPHREY (for himself, Mr. ANDERSON, Mr. CHAVEZ, Mr. HENNINGS, Mr. MORSE, Mr. NEUBERGER, and Mr. SYMINGTON):

S. 4137. A bill to protect the travel rights of persons owing allegiance to the United States and to govern the issuance of passports; to the Committee on Foreign Relations.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. BIBLE:

S. 4138. A bill for the relief of Marcelino Ormaechea; to the Committee on the Judiciary.

By Mr. BUSH:

S. J. Res. 191. Joint resolution to provide that during the period commencing November 16 and ending November 28, 1958, the people of the United States be urged to give especial consideration to the needs and rights of the retarded children of the Nation; to the Committee on the Judiciary.

(See the remarks of Mr. BUSH when he introduced the above joint resolution, which appear under a separate heading.)

CONCURRENT RESOLUTIONS

Mr. MANSFIELD submitted a concurrent resolution (S. Con. Res. 101) establishing a Joint Committee on Central Intelligence, which was referred to the Committee on Armed Services.

(See the above concurrent resolution printed in full when submitted by Mr. MANSFIELD, which appears under a separate heading.)

ACCEPTANCE OF STATUE OF DR. FLORENCE RENA SABIN

Mr. ALLOTT (for himself and Mr. CARROLL) submitted the following concurrent resolution (S. Con. Res. 102), which was referred to the Committee on Rules and Administration:

Resolved by the Senate (the House of Representatives concurring), That the Statue of Dr. Florence Rena Sabin, presented by the State of Colorado, to be placed in the Statutary Hall collection, is accepted in the name of the United States, and that the thanks of the Congress be tendered such State for the contribution of the statute of one of its most eminent citizens, illustrious for her work in the field of medicine; and be it further

Resolved, That a copy of these resolutions, suitably engrossed and duly authenticated, be transmitted to the Governor of Colorado.

TEMPORARY PLACEMENT IN ROTUNDA OF STATUE OF DR. FLORENCE RENA SABIN AND AUTHORIZATION FOR CEREMONIES IN CONNECTION THEREWITH

Mr. ALLOTT (for himself and Mr. CARROLL) submitted the following concurrent resolution (S. Con. Res. 103), which was referred to the Committee on Rules and Administration:

Resolved by the Senate (the House of Representatives concurring), That the State of Colorado is hereby authorized to place temporarily in the rotunda of the Capitol a statue of the late Dr. Florence Rena Sabin, of Colorado, and to hold ceremonies in the rotunda on such occasion; and the Architect of the Capitol is hereby authorized to make the necessary arrangements therefor.

PRINTING AS A SENATE DOCUMENT PROCEEDINGS IN CONNECTION WITH ACCEPTANCE OF STATUE OF DR. FLORENCE RENA SABIN

Mr. ALLOTT (for himself and Mr. CARROLL) submitted the following concurrent resolution (S. Con. Res. 104), which was referred to the Committee on Rules and Administration:

Resolved by the Senate (the House of Representatives concurring), That the proceedings at the presentation, dedication, and acceptance of the statue of Dr. Florence Rena Sabin, to be presented by the State of Colorado in the rotunda of the Capitol, together with appropriate illustrations and other pertinent matter, shall be printed as a Senate document. The copy for such Senate document shall be prepared under the supervision of the Joint Committee on Printing.

SEC. 2. There shall be printed 5,000 additional copies of such Senate document, which shall be bound in such style as the Joint Committee on Printing shall direct, and of which 100 copies shall be for the use of the Senate and 1,600 copies shall be for the use of the Members of the Senate from the State of Colorado, and 500 copies shall be for the use of the House of Representatives and 2,800 copies shall be for the use of the Members of the House of Representatives from the State of Colorado.

STANDING COMMITTEE ON AERONAUTICAL AND SPACE SCIENCES

Mr. JOHNSON of Texas (for himself and Mr. BRIDGES) submitted the following resolution (S. Res. 327), which was referred to the Committee on Rules and Administration:

Resolved, That (a) paragraph (1) of rule XXV of the Standing Rules of the Senate (relating to standing committees) is amended by inserting therein, immediately after part (o) thereof, the following new part:

"(p) (1) Committee on Aeronautical and Space Sciences, to consist of 15 Senators, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating primarily to the following subjects:

"(A) Aeronautical and space activities, except those which are peculiar to or primarily associated with the development of weapons systems or military operations.

"(B) Matters relating generally to the scientific aspects of aeronautical and space activities, except those which are peculiar to or primarily associated with the development of weapons systems or military operations.

"(C) National Aeronautics and Space Administration.

"(2) Such committee also shall have jurisdiction to survey and review, and to prepare studies and reports upon, aeronautical and space activities of all agencies of the United States, including such activities which are peculiar to or primarily associated with the development of weapons systems or military operations."

(b) Part (c) of paragraph 1 of rule XXV of the Standing Rules of the Senate (relating to the Committee on Armed Services) is amended by adding at the end thereof the following new subpart:

"13. Aeronautical and space activities peculiar to or primarily associated with the development of weapons systems or military operations."

(c) Part (j) of paragraph 1 of rule XXV of the Standing Rules of the Senate (relating to the Committee on Interstate and Foreign Commerce) is amended by inserting in subpart 4, immediately preceding the period at the end thereof, a comma and the following: "except aeronautical and space activities."

(d) Paragraph 6 (a) of rule XVI of the Standing Rules of the Senate (relating to the designation of ex officio members of the Committee on Appropriations) is amended by adding at the end of the tabulation contained therein the following new item:

"Committee on Aeronautical and Space Sciences	For aeronautical and space activities and matters relating to the scientific aspects thereof, except those peculiar to or primarily associated with the development of weapons systems or military operations."

SEC. 2. (a) Effective for the remainder of the 85th Congress, paragraph 4 of rule XXV of the Standing Rules of the Senate is amended to read as follows:

"4. (a) Each Senator shall serve on 2 standing committees and no more; except that not to exceed 24 Senators of the majority party, and not to exceed 12 Senators of the minority party, who are members of the Committee on the District of Columbia, the Committee on Government Operations, the Committee on Post Office and Civil Service, or the Committee on Aeronautical and Space Sciences may serve on 3 standing committees and no more.

"(b) In the event that during the 85th Congress members of one party in the Senate are replaced by members of the other party, the 36 third-committee assignments shall be distributed in accordance with the following table:

"Senate seats		Third-committee assignments	
Majority	Minority	Majority	Minority
48	48	26	10
49	47	24	12
50	46	22	14
51	45	20	16"

(b) Effective at the beginning of the 86th Congress, paragraph 4 of Rule XXV of the Standing Rules of the Senate is amended to read as follows:

"4. Each Senator shall serve on two standing committees and no more; except that

not to exceed 22 Senators of the majority party, and not to exceed 10 Senators of the minority party, who are members of the Committee on the District of Columbia, the Committee on Government Operations, the Committee on Post Office and Civil Service, or the Committee on Aeronautical and Space Sciences may serve on three standing committees and no more."

PRINTING AS A SENATE DOCUMENT JOINT REPORT ENTITLED "WATER DEVELOPMENTS AND POTENTIALITIES"

Mr. JOHNSON of Texas submitted the following resolution (S. Res. 328), which was referred to the Committee on Rules and Administration:

Resolved, That the joint report entitled "Water Developments and Potentialities," prepared by the Texas Board of Water Engineers, the Corps of Engineers, the Soil Conservation Service, and the Bureau of Reclamation, shall be printed as a Senate document.

SEC. 2. There shall be printed 5,000 additional copies of such Senate document for use of the Members of the Senate.

PARTICIPATION BY CERTAIN INDIANS IN SCHOOL-LUNCH PROGRAMS

Mr. THYE. Mr. President, I introduce for appropriate reference a bill which would provide for Federal assistance to Indian children in our public schools so as to aid them in participating in the national school lunch program.

It has come to my attention that there are some Indian families who are not in financial position to provide their children with the few cents a day which is charged school children for the hot lunch served by the local school district. Certain of these Indian families are given aid through the State welfare program to enable them to provide their children with the necessary student assessment for hot lunches. If an Indian family has children who are at least one-fourth Indian blood, and if the family resides on Indian-owned land, the Federal Government can contribute to the welfare of the family by providing reimbursement to the State for school lunch assistance payments. This would be in accordance with the provisions of the so-called Johnson-O'Malley contract between the State and the Federal Government.

There are those instances, however, where an Indian family may have moved away from its location on Indian-owned land, or they may not meet the requirement of one-fourth Indian blood, and in this case if the State provided school lunch aid, the State would not be reimbursed by the Federal Government.

I consider it extremely important that all Indian children be able to participate in the national school lunch program. I am therefore introducing a bill to authorize Federal reimbursement to the States for school lunch assistance to all Indian families who are enrolled on a reservation or agency roll or are listed by the Bureau of Indian Affairs as Indians.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 4134) to authorize certain Indians to receive welfare assistance in connection with school-lunch programs of the United States, introduced by Mr. THYE, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

PROTECTION OF TRAVEL RIGHTS OF CERTAIN PERSONS AND ISSUANCE OF PASSPORTS

Mr. HUMPHREY. Mr. President, on behalf of myself and Senators ANDERSON, CHAVEZ, HENNINGS, MORSE, NEUBERGER, and SYMINGTON, I introduce, for appropriate reference, a bill to protect the travel rights of persons owing allegiance to the United States and to govern the issuance of passports.

The purpose of the bill is to bring the Federal statutes dealing with the issuance, denial, and revocation of passports into conformity with the constitutional principle enunciated by the Supreme Court, namely, that "the right to travel is part of the liberty of which the citizens cannot be deprived without the due process of law of the fifth amendment."

Some of these problems were treated last month by the Supreme Court itself, when it declared illegal certain practices and procedures followed by the State Department in issuing, denying, and revoking passports; and the Court stated unequivocally that the right to travel is a constitutional right which is subject to the safeguards of the due process clause of the fifth amendment.

However, there still appear to be some confusion and dispute as to when and under what conditions a citizen's right to travel should, or may be, abridged. It is to help eliminate this confusion and dispute that I introduce this bill.

Mr. President, in considering any new passport legislation, I think it is vitally important that we take into account the operation and effect of such legislation both at home and abroad. Certainly, one of our foremost goals should be to protect and respect the rights and liberties of our citizens, while at the same time insuring adequate protection of the national interest. In this connection, great importance should be given to any move which would affect our standing in the eyes of the world as a nation dedicated to the ideals of individual liberty and freedom. We should carefully avoid restricting the freedom of our own citizens, except where the national interest clearly demands it, lest we irreparably damage our international standing by giving the impression that we do not practice at home what we preach abroad.

Therefore, the bill has been drafted in a careful attempt to balance the constitutional right of freedom to travel against the clear requirements of the national security. The bill, I believe, quite adequately achieves this balance by requiring the Secretary of State to issue a passport to any citizen or national of the United States or to any person entitled to the protection of the United States on proof of identity and payment of the prescribed fees, except in certain specified cases in which the national interest seems clearly to require some restriction on the travel abroad of United States citizens and nationals.

Mr. President, the sponsors of the bill do not introduce it as a perfect bill or as one which will solve all the many problems which may arise in the field of passports and travel control. We do believe, however, that the bill reflects, and attempts to adhere to, the principle that has made our Nation so great—that is, that the freedoms of our people should be restricted only where the national interest clearly demands it and only where the people as a whole benefit thereby. The bill has been drafted on the basis of the theory followed by our Founding Fathers in framing the Declaration of Independence and our great Constitution, but apparently overlooked or ignored by many persons today; namely, that a free people ultimately are the strongest people, both at home and abroad.

Mr. President, a short memorandum explaining the provisions of the bill has been prepared; and I ask unanimous consent that the memorandum, together with the text of the bill itself, be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill and explanatory memorandum will be printed in the RECORD.

The bill (S. 4137) to protect the travel rights of persons owing allegiance to the United States and to govern the issuance of passports, introduced by Mr. HUMPHREY (for himself and other Senators), was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That this act may be cited as the "Right To Travel Abroad Act."

SEC. 2. The Congress finds that freedom of movement is basic in the scheme of American institutions and includes both travel within the country as well as travel abroad; that the right to travel abroad is a part of the liberty of which citizens and nationals of the United States or persons entitled to the protection of the United States cannot be deprived without due process of law under the fifth amendment to the Constitution; that such right should not be restricted but is subject to the war power granted to the President and the Congress of the United States under the Constitution and also is subject to the exercise of the inherent power of the State to prosecute persons for the commission of crimes. It is also the sense of the Congress that at the present time the crucial function of a passport is control over entry or exit; and that no tests of beliefs or associations shall be applied to issuance of passports.

SEC. 3. (a) Within 30 days following the date of a written application therefor, the Secretary of State shall issue a passport to any citizen or national of the United States or to any person otherwise entitled to the protection of the United States upon proof of identity and payment of fees established by law: *Provided, however*, That the Secretary of State may refuse or limit the issuance of passports only where the provisions of section 4 of this act apply.

(b) Persons enumerated in the preceding subsection shall be referred to hereinafter as "persons under this act."

SEC. 4. The following are the only restrictions which may be imposed by the Government of the United States upon the travel abroad of persons under this act:

(a) Following a declaration of war by the Congress, the President may issue regulations and modify or revoke such regulations to govern the movement of persons out of, or into, the United States and its possessions. Upon the termination of the war, any such regulations still in effect shall be revoked automatically.

(b) Following the outbreak of hostilities in which Armed Forces of the United States participate, the President may issue regulations and modify or revoke such regulations to govern the movement of persons under this act in designated combat areas. Upon the cessation of hostilities, any such regulations still in effect shall be revoked automatically.

(c) The Secretary of State may refuse to issue a passport to, or limit the use of a passport by, any person under indictment, information, or sentence for the commission of a felony.

SEC. 5. (a) Following a determination by the President that temporarily the United States may not be able to give its usual protection to persons under this act traveling in certain designated areas of the world, the Secretary of State shall (1) publish, (2) inform each passport applicant of, and (3) inform the Congress of, this determination and the reasons therefor, such as lack of diplomatic relations or threatened or existing hostilities or disturbances in which Armed Forces of the United States are not participating.

(b) The President shall not forbid travel in these areas by persons under this act.

SEC. 6. The Secretary of State shall have authority to make, amend, and rescind such rules and regulations as may be necessary to administer this act.

The exceptions in sections 3, 4, and 5 of the Administrative Procedure Act shall not apply to this act but the provisions of that act shall be applicable to all proceedings for the issuance, limitation, denial, or revocation of passports under this act and to all rulemaking under this act.

SEC. 7. (a) The following acts or parts of acts and all amendments thereto are repealed on the effective date of this act:

(1) Section 4076 of the Revised Statutes (32 Stat. 386).

(2) Section 1 of title IX of the act of June 15, 1917 (40 Stat. 227).

(3) Section 1 of the act of July 3, 1926 (44 Stat. 887).

(4) That part of section 2 of the act of July 3, 1926, as amended (44 Stat. 887; 46 Stat. 839; 47 Stat. 157), which provides that the Secretary of State may limit the validity of a passport, passport visa, or the period of renewal of a passport to less than 2 years.

(5) Subsection (b) of section 215 of title II of the act of June 27, 1952 (66 Stat. 190).

(b) All other statutes and regulations in conflict or inconsistent with provisions of this act are, to the extent of such conflict or inconsistency, repealed on the effective date of this act.

SEC. 8. This act shall take effect at 12:01 a. m United States eastern standard time on the 15th day immediately following the date of its enactment.

The explanatory memorandum presented by Mr. HUMPHREY is as follows:

EXPLANATORY MEMORANDUM CONCERNING THE RIGHT TO TRAVEL ABROAD ACT

In view of the President's message of this week calling for strict limitations on this constitutional liberty, followed by the introduction of a bill on behalf of the administration, the cosponsors and I have decided to introduce this bill which not only insures the right of Americans to travel but also provides for the protection of our national security. Except where the United States is participating in war or hostilities, denial of passports under this bill will rest on the guilt of the individual. Most importantly the issuance or denial of passports would be divorced from the day-to-day operation of the Government's foreign policies. As long as these are tied together, there can be no real freedom to travel.

The right to travel is a part of the liberty of which the citizen cannot be deprived without the due process of law of the fifth amendment. This has been stated by the executive branch of our Government as well as the judicial branch. This right was emerging as a part of Anglo-Saxon law as early as the Magna Carta. This great document in article 42 provides that it is lawful for any person to leave and reenter England except in time of war. This article excepted from this right prisoners and outlaws and also people of nations at war with England.

Freedom of movement across frontiers in either direction, and inside frontiers as well, is a part of our heritage. Travel abroad, like travel within our Nation, is necessary for the livelihood of many of our citizens. Freedom to travel is basic in our scheme of values.

This bill proposes basic American travel right policies to be put into one Federal statute. The bill is for the purpose of protecting these travel rights and would govern the issuance of passports. It is a legislative attempt to spell out the spirit of the recent Supreme Court cases which dealt with passport applications of Rockwell Kent, Dr. Walter Briehl, and Bruce Dayton.

Section 2 is a declaration of policy that the Congress joins the executive and judicial branches of the Government in affirming a constitutional right to travel by citizens, nationals, and other persons entitled to the protection of the United States.

Under section 3, any American citizen or national, or any other person entitled to the protection of the United States would be entitled to a passport as a matter of right within 30 days of filing a written application, upon establishment of identity and payment of fees. The only restrictions to this right are contained in section 4.

The limitations are contained in section 4.

Subsection (a) provides that in time of war, the President shall have complete control over travel of persons into or out of the United States. This is a valid recognition of constitutional war powers. This would include the power to refuse to issue passports, as well as the power to limit the use of passports which may be issued.

Subsection (b) gives the President the power to issue regulations prohibiting the entry of American citizens into combat areas when United States forces are participating in hostilities which have not been formalized by a declaration of war. The President would not be given authority to refuse passports or limit them other than as to combat zones.

There is no provision in this bill for limitation upon the issuance or use of passports in times of so-called national emergencies; as far as the issuance of passports is concerned, the United States has been in a "national emergency" since 1940, and there are no prospects for a voluntary revocation of this status by the executive branch in the foreseeable future. If passports and travel can be limited in time of national emergency, there will be no freedom of travel.

Subsection (c) provides that the Secretary of State may refuse or limit a passport to any person under indictment, information, out on bail, on probation or parole. This restriction was specifically recognized by the Supreme Court in its recent decisions.

Any American Communists who have been indicted or convicted of a felony under Federal or State law fall within the provisions of section 4 (c). In time of war or hostilities, American Communists would come within the restrictions of subsections (a) and (b) of section 4. In addition, this act does not repeal (see sec. 7) that part of the Internal Security Act of 1950 which prohibits the application for, or use of, a passport by persons who are members of an organization against which a final order has been handed down by the Subversive Activities Control Board (sec. 6 of title I of the act of September 23, 1950; 64 Stat. 993).

However, this act would specifically repeal (in sec. 7) the provision making it a crime today for a citizen to leave or enter the United States without a valid passport. (Subsec. (b) of sec. 215 of title II of the act of June 27, 1952 (66 Stat. 190).) Our refusal to let American citizens, who have not committed crimes, travel abroad has hurt our foreign relations around the world.

Section 5 would prohibit the present practice of the State Department to proscribe large areas of the world as out-of-bounds to traveling Americans. This section would authorize the President to declare that certain areas are dangerous and that American citizens traveling in these areas cannot expect to receive the usual protection afforded our citizens abroad. This is, in effect, a "travel at your own risk" section. It would allow newsmen, businessmen, missionaries, and others to travel anywhere in the world, with a warning of danger in advance that certain areas are dangerous.

Section 5 would end the State Department's paternalistic attitude toward American citizens. It would also end the Department's practice of using the travel of private American citizens as a tool of foreign policy.

Procedural due process and judicial review are provided by section 6 which makes the Administrative Procedure Act available with no exceptions. Thus, even in proceedings involving the proof of identify and citizenship (or nationality or that the person is otherwise entitled to the protection of the United States), the high due process standards of the Administrative Procedure Act must be met. This means that unidentified informants or secret dossiers cannot be used. Some of these rights are: The right to a determination solely on the open record, right to counsel, right to confront any adverse witness and cross-examine him.

Section 10 of the Administrative Procedure Act provides judicial review of an adverse ruling or determination.

TREATMENT AND CARE OF MENTALLY RETARDED CHILDREN

Mr. BUSH. Mr. President, last month I had the pleasure of attending the convention of the Northeastern Regional Conference of the Society for Aid to Mentally Retarded Children. The problem of the mentally retarded children in our country is very serious and very grave, inasmuch as there are approximately 5 million retarded children and adults in the United States.

There exist in various parts of the country excellent inspired groups which are organized to provide aid to the mentally retarded, and to stimulate those who are not affected by this unfortunate circumstance to take cognizance of the problems which exist in families and among children who are affected.

I am proud to say that in my State of Connecticut there are two excellent training schools for the mentally retarded. One is the Mansfield Training School, and the other the Southbury

Training School. I have visited both institutions. I am proud to say that the founder and executive of the Southbury Training School for many years has been a friend of mine, is a very outstanding citizen, and is regarded in the United States as one of the leading authorities on the treatment and handling of mentally retarded children and adults.

Associations for aid to the mentally retarded are very eager to bring before the public the necessities involved in the treatment of such persons. To that end they have asked me to introduce—and I am very happy to introduce—a joint resolution providing that during the period commencing November 16 and ending November 28, 1958, the people of the United States shall be urged to give special consideration to the needs and rights of the retarded children of the Nation.

I ask unanimous consent that a copy of the joint resolution be printed in the RECORD at this point as a part of my remarks, and that the joint resolution be appropriately referred.

The VICE PRESIDENT. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution will be printed in the RECORD.

The joint resolution (S. J. Res. 191) to provide that during the period commencing November 16 and ending November 28, 1958, the people of the United States be urged to give especial consideration to the needs and rights of the retarded children of the Nation, introduced by Mr. BUSH, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Whereas under the American way of life, the dignity and importance of every individual is recognized; and

Whereas it is important that proper consideration be given to the needs and rights of the Nation's over 5 million retarded children and adults; and

Whereas it is a known fact that retarded children can, with proper and adequate facilities, develop fuller potentialities, and in many cases can become happy, contributing members of society; and

Whereas the Congress realizes its responsibility to help provide understanding and constructive help to mentally retarded children and adults everywhere: Now, therefore, be it

Resolved, etc., That the President is authorized and requested to issue a proclamation calling upon the people of the United States to give especial consideration to the plight of the retarded children of the Nation during the period commencing November 16 and ending November 28, 1958, and urging the people of the United States to give their heartfelt support during such period to the appeal of the National Association for Retarded Children and its more than 600 member units in every State in the Union for assistance in carrying out the program of such association for the benefit of the retarded children of the Nation.

AGRICULTURAL ACT OF 1958—AMENDMENTS

Mr. SPARKMAN. Mr. President, on behalf of myself, and my colleague, the senior Senator from Alabama [Mr. HILL], I submit two amendments, intended to be proposed by us, jointly, to the bill (S. 4071) to provide more effective price, production, adjustment, and marketing programs for various agricultural commodities. I ask unanimous consent that the amendments be printed and lie on the table, and that each amendment, together with a brief statement in explanation thereof, be printed in the RECORD.

The VICE PRESIDENT. The amendments will be received, printed, and will lie on the table; and, without objection, the amendments and explanations will be printed in the RECORD.

The amendments and accompanying statements are as follows:

On page 14, between lines 14 and 15, add the following new section:

"LEASING OF ACREAGE ALLOTMENTS

"SEC. 108. The Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end of subtitle C the following new section:

"'LEASING OF ACREAGE ALLOTMENTS

"'SEC. 378. (a) Notwithstanding any other provisions of law, the owner or operator of any farm assigned an acreage allotment for upland cotton under the provisions of section 344 may lease, as provided in subsections (a) and (b) of this section, such acreage allotment or any portion thereof to any other owner or operator of a farm in the same county for use in such county. Any such acreage allotment or portion thereof may be utilized by the farm to which it is leased as if such acreage allotment or portion thereof were assigned under the provisions of such section 344.

"'(b) Any such lease shall be made on such terms and conditions, except as otherwise provided in this section, as the parties thereto shall agree. No such lease shall be entered into for any period in excess of 5 crop years.

"'(c) The lease of any acreage allotment shall not be effective until a copy of such lease is filed with the county committee of the county in which the acreage allotment was made.

"'(d) The lease of any acreage allotment shall not affect the acreage allotment of the farm from which such acreage allotment is leased or the farm to which it is leased, except with respect to the crop year or years specified in the lease; and the amount of acreage of the acreage allotment leased shall be considered for purposes of future State, county, and farm acreage allotments to have been planted on the farm from which such acreage allotment was leased in the crop year or years specified in the lease.

"'(e) The Secretary shall issue such regulations as are necessary to carry out the provisions of this section.'"

Renumber sections 108 to 110, inclusive, as sections 109 to 111, respectively.

The statement in explanation of the foregoing amendment is as follows:

This amendment permits a farmer to whom cotton allotment has been made to lease for a period of 5 years such allotment within the county in which the allotment is made. The wording of the amendment itself explains the terms, provisions, etc., under which the leasing is to be made.

On page 2, line 10, insert after the word "year" the word "not."

The statement in explanation of the foregoing amendment is as follows:

This amendment is self-explanatory. It has the effect of excluding from consideration in determining the level of price support that cotton grown on surplus acres; that is on the acreage that constitutes the 40 percent extra acreage under choice B.

The main argument for this amendment is that it gives greater protection to the farmer actually growing the cotton. It is generally conceded that under S. 4071, the bill reported by the Senate Agriculture Committee, most farmers, especially those of Alabama and the Southeast that grow cotton on relatively small acreage, will realize less cash from cotton grown than they would realize should they be given a 20 percent reduction as is contemplated under existing legislation.

To prevent cotton grown on the 40 percent surplus acreage from being counted as part of the supply on hand in determining the level of price support would give more adequate protection to the relatively small farmer and would prove especially beneficial to small cotton growers. Actually, it would also result in a higher level of price support for those who take choice B.

It seems reasonable to me to give some protection to the grower and not to place him in the position of growing more acreage at less profit.

SMALL-BUSINESS TAX BILL—ADDITIONAL COSPONSOR OF BILL

Mr. SPARKMAN. Mr. President, I have been informed that the House Ways and Means Committee yesterday reported a small-business tax bill. This is heartening news for all of us who have been working for such tax adjustment during this session of Congress. I have not had an opportunity to study the proposed legislation reported by the House committee, but I am sure it represents a good start toward the adjustments to our tax system to permit small business to grow and prosper. There is every reason to believe that the House will pass this bill within the next few days.

The Small Business Committee held extensive hearings on the tax problems of small business last fall. The record of these hearings and the committee report will be made available to the Finance Committee for its use during its consideration of the proposed legislation. I am hopeful that this will in some small way assist that committee and expedite the handling of the matter.

The result of our Small Business Committee tax study of last year was the introduction of the bill (S. 3194) to amend the Internal Revenue Code of 1954 so as to establish an initial program of tax adjustment for small and independent business and for persons engaged in small and independent business early in this session. Senate bill 3194, the small-business tax-adjustment bill of 1958, is an omnibus measure designed to facilitate the growth and development of small business with the least possible cost to the revenue of the Federal Government. It is almost completely an elimination of features in the Internal Revenue Code of 1954 which discriminate against small businesses and their owner-operators. There is no attempt to grant special favor in this legislation.

It cannot be pointed out too often that there are over 4 million small businesses in this country. They are the greatest job makers. They are great consumers. They are great producers. To a very large extent, the whole economy is dependent on the welfare of small business. It can honestly be said that what is good for small business is good for the country.

I am happy to report again that a majority of the Senate has seen fit to join in sponsoring Senate bill 3194. I ask unanimous consent that the name of the Senator from Michigan [Mr. POTTER] may be added as a sponsor of this proposed legislation.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. SPARKMAN. Mr. President, this brings to 50 the number of Senators who have offered this bill for the welfare of small business and the general good of the country.

As printed, S. 3194 carried only 16 Senators as sponsors. Since that time, 34 other sponsors have joined the sponsors of that measure. I believe it is only fair that all of the sponsors should be named on the face of this proposed legislation.

For that reason, I express the hope that there may be a new printing of S. 3194, and I ask that when and if there is such a reprinting, the names of all 50 sponsors may be printed.

The VICE PRESIDENT. Without objection, it is so ordered.

AGRICULTURAL ACT OF 1958—ADDITIONAL COSPONSOR OF AMENDMENT

Mr. FULBRIGHT. Mr. President, yesterday, July 14, the junior Senator from Mississippi [Mr. STENNIS], for himself and for the senior Senator from Mississippi [Mr. EASTLAND], submitted an amendment intended to be proposed by them to Senate bill 4071, the Agricultural Act of 1958.

I ask unanimous consent that my name be added as a cosponsor of the proposed amendment.

The VICE PRESIDENT. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. WILLIAMS:

Address delivered by Senator FREAR on the occasion of the Camden-Wyoming Fire Co. celebration of the burning of the mortgage against its building and equipment.

NOTICE OF HEARING ON NOMINATION OF HARRY R. HEWITT, TO BE FIFTH JUDGE, FIRST CIRCUIT, CIRCUIT COURTS, TERRITORY OF HAWAII

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, July 22, 1958, at 10:30 a. m., in room 424, Senate Office Building, on the following:

Harry R. Hewitt, of Hawaii, to be fifth judge, first circuit, circuit courts, Territory of Hawaii, for a term of 6 years.

At the indicated time and place persons interested in the above nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Indiana [Mr. JENNER], and myself, as chairman.

EXTENSION OF RECIPROCAL TRADE AGREEMENTS ACT

Mr. DOUGLAS. Mr. President, I ask unanimous consent that I may be permitted to proceed for 6 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator may proceed.

Mr. DOUGLAS. This body will shortly have before it the reciprocal-trade bill, and statements will undoubtedly be made that the present organization of reciprocal trade does not provide sufficient protection for the industries of this Nation.

As we all know, some 10 years ago the escape clause was first invoked by Executive order and later written into the Reciprocal Trade Act; and, it has been continued in that act since then. There have been some 83 applications for relief under the escape clause. Seventeen of those have been duplicates, leaving 66 separate industries which have made application. Eighteen of these were withdrawn, either at the request of the applicant or after preliminary investigation; leaving 48 commodities or articles for which application was made for escape-clause investigation.

The American Association of Hardwood Plywood Users has made an analysis of the 48 industries, and I have a list which I think is extremely important and which indicates that the vast majority of cases are of minor importance. I shall read the list and make comments on the items.

Spring clothespins, which can hardly be regarded as essential to national security.

Wood screws, which would not seem to be an industry of appreciable importance.

Blue mold cheese, which is delectable, but which would not be a major item.

Motorcycles and parts, which is an important industry.

Groundfish fillets.

Bicycles and parts.

Glacé cherries, which I would not think would be an essential industry to the national security, however delectable they may be.

Bonito and tuna, which is an important industry to the west coast.

Household china tableware.

Pregnant mares' urine. I am at a loss to understand the importance of this industry, or precisely how much of a protective tariff it needs, or how the domestic supply should be protected, and what would happen if it were not protected. Nevertheless, there is apparently an association trying to get higher tariffs for pregnant mares' urine.

Chalk whiting.

Woodwind musical instruments.

Cotton-carding machinery.

Metal watch bracelets and parts.

Rosaries; which should be above economic consideration.

Mustard seeds; which do have the capacity for great growth, as the Bible reminds us, but which again would not seem to be a vital agricultural industry.

Ground chicory.

Coconuts. I had not realized that we grew a large quantity of coconuts in the United States.

Wool gloves and mittens.

Glue of animal origin and inedible gelatin.

Hardwood plywood; which is an important industry.

Red fescue seed.

Dressed rabbit furs and fur skins, not dyed.

Cotton pillowcases.

Certain jute fabrics.

Wool felts, nonwoven.

Garlic. I think the vast majority of Americans do not feel emotionally involved with regard to the domestic fortunes of that industry. The garlic habitués would probably have their desires satisfied by French or Italian garlic.

Women's fur felt hats and hat bodies.

Hatters' fur.

Dried figs.

Tobacco pipes and bowls.

Screen-printed silk scarves.

Scissors and shears.

Lead and zinc; an important industry.

Alsike clover seed.

Ferrocerium, which I am told means lighter flints.

Toweling of flax, hemp, or ramie.

Velveteen fabrics.

Violins and violas.

Straight pins.

Safety pins.

Stainless-steel table flatware.

Umbrella frames.

Clinical thermometers.

Handmade blown glassware.

Fluorspar, an important industry.

Para-aminosalicylic acid.

Watches.

That is a total of 48 commodities. Mr. President, while there are some important commodities on the list, I would say, as a whole, the list indicates that the reciprocal-trade program has not done much damage to American industry, even on the basis of the claims for relief of the industries which say they are hurt.

I think the agitation which has been aroused against the reciprocal-trade program is grossly exaggerated in its nature. As against this small amount of claimed injury, we could put the large quantities of benefits in the form of expanded international trade, greater production of goods, increased national income, and so forth and so on.

Mr. President, I ask unanimous consent that a statement prepared by the American Association of Hardwood Plywood Users be printed in the record at the conclusion of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *July 10, 1958.*

Senator PAUL DOUGLAS,
Senate Office Building,
Washington, D. C.:

Congratulations on the Associated Press report of your vote in favor of the 5-year extension of the Trade Agreements Act—more power to you. For your information, we have sent the following telegram to those

members of the Finance Committee who voted for the 3-year extension:

"Associated Press dispatch states that in tentative vote of Finance Committee today you voted for a 3-year extension of the Trade Agreements Act instead of the 5-year extension as contained in House-passed bill. Everyone seems to worry about administration of escape-clause features of the act and many claim that American industry is not sufficiently well protected by escape-clause provisions. We have just made an analysis of the escape-clause applications which have been investigated by the Tariff Commission under provisions of Executive orders which were operating prior to enactment of escape clause and since enactment of escape clause. Eliminating 18 commodities which were turned down either at the applicant's request or by the Commission after preliminary investigation, there are 48 commodities which made application for escape-clause investigation.

"This, mind you, after 10 years of operation of the escape clause, and if these 48 commodities represent a large segment of American industrial production then we are a mighty small country. The 48 commodities are:

"The final list would read as follows:

"Spring clothespins, wood screws, bluemold cheese, motorcycles and parts, groundfish fillets, bicycles and parts, glacé cherries, bonito and tuna, household china tableware, pregnant mares' urine, chalk whiting, woodwind musical instruments, cotton-carding machinery, metal watch bracelets and parts, rosaries, mustard seeds, ground chicory, coconuts, wool gloves and mittens, glue of animal origin and inedible gelatin, hardwood plywood, red fescue seed, dressed rabbit furs and fur skins, not dyed, cotton pillowcases, certain jute fabrics, wool felts, nonwoven, garlic, women's fur felt hats and hat bodies, hatters' fur, dried figs, tobacco pipes and bowls, screen-printed silk scarves, scissors and shears, lead and zinc, alsike clover seed, ferrocerium (lighter flints), toweling of flax, hemp, or ramie, velveteen fabrics, violins and violas, straight pins, safety pins, stainless-steel table flatware, umbrella frames, clinical thermometers, handmade blown glassware, fluorspar, para-aminosalicylic acid, watches.

"This is a total of 48 commodities.

"Certainly, no one of these commodities occupies an important position in the overall American economy, and all of them combined cannot approach in their annual production the $19 billion worth of goods the United States exported last year nor the $13 billion worth of goods which the United States imported last year. We think it is perfectly proper for Congress, in delegating its tariff powers to the President, to periodically review the administration of that power, but to do so every 3 years when such an infinitesimal segment of the American economy alleges to be injured by imports is captious and begging the point. If it is necessary to have such a review then by all means follow Senator FLANDERS' suggestion for the appointment of a new Commission similar to the Randall Commission, to investigate the trade situation during a 5-year extension of the act. If any sizable American industry feels they have been injured by imports they certainly have not pressed their case before the Tariff Commission. We must also remember that 10 commodities received tariff relief on one sort or another under the administration of the act. With the extremely careful winnowing-out process which is made before any American negotiators sit down to negotiate reciprocal tariff reductions with any foreign country, it is inconceivable that the tariff on any commodity would be reduced to a point whereby the United States industry manufacturing that commodity would be injured. We therefore urge you to reconsider your tentative vote and vote for the 5-year extension in the final vote tomorrow.

"Thomas D. Blake, Secretary, American Association of Hardwood Plywood Users, Washington, D. C; James R. Sharp, General Counsel, Imported Hardwood Plywood Association, San Francisco, Calif; Grant Hellar, Heidner & Co., Tacoma, Wash.; Jack Davidson, Pacific Wood Products Co., Los Angeles, Calif.; Robert L. Brightman, Johaneson Wales & Sparre, New York, N. Y.; E. N. Critchfield, California Wood Products, Inc., Santa Rosa, Calif.; E. F. Davis, Jr., Davis Plywood Co., Cleveland, Ohio; Richard England, Hechinger Co., Washington, D. C."

LANDING OF UNITED STATES MARINES IN LEBANON

Mr. PROXMIRE. Mr. President, I rise on the floor of the Senate to protest the failure of the President of the United States to prevent a situation which in his judgment necessitated sending American troops into Lebanon.

We are no longer just on the brink. American troops are being sent in to defend with their lives the Chamoun government. From this day forward it will be virtually impossible for friends of the West to enjoy popular support or political power in the Near East. American troops are likely to be locked into this intervention for a long time, and our Government faced with the terrible alternative of a withdrawal in defeat or perpetual occupation. We should press as hard as we can for the United Nations to step into this controversy and for us to step out at the earliest possible moment.

Mr. JAVITS. Mr. President, words have been uttered this morning with respect to the landing of United States troops in Lebanon. I think this is a major historic American action and requires comment from all of us who feel so moved.

Mr. President, I agree with the President of the United States. I do not believe this action will involve us interminably. On the contrary, I believe this action involves the inherent right of self-defense not only of Lebanon as provided by the U. N. Charter, but of the United States itself.

Mr. President, we must keep abreast of new techniques in Communist effort to subvert the world. We did so in Korea. We did so before then in Greece where almost the same techniques which are now being used against Lebanon were employed. We must now do so in Lebanon.

The borders of the United States now are on all the oceans; on the Atlantic and the Pacific, and on the Mediterranean Sea. This fact is what justifies our programs of trade and aid and all of our international leadership. Certainly the attack at Pearl Harbor exploded the notion that the United States could be self-sufficient within its own borders and could be impregnable and secure without looking to such farflung frontiers as those in the Mediterranean.

Mr. President, the President of the United States, if he is not invoking the letter of the Eisenhower doctrine, is certainly invoking its spirit. If legally we cannot define this aggression in Lebanon as being Communist-inspired, certainly the people of the world understand that without the backing of the Soviet Union, President Nasser would not be running the risk he is running, which so far he has run successfully, to the great damage of the Free World.

While we have all the means by which freedom can decisively succeed the Free World can fall—it can be defeated—complacency could be fatal. We should not think like the woman I heard of in England during World War II who thought she was immune to the danger of German bombs because she carried an American flag during the air raids when she was on the street. She would have been killed just the same if a bomb had hit her.

The same is true with regard to us. We can be defeated though our cause is right and wise. Hence we must take measures to protect our own security as well as the security of the nations of the Free World.

The President's action is an element of self-defense not only for Lebanon but for the United States itself. It is to be very much hoped that the United Nations Security Council will recognize this, too, in the grave emergency, and will, as it did with respect to Korea, support the efforts of the United States to act in time.

That is one of the problems of the United Nations Security Council—it may not always be able to act in time. In this case we have sought to act, late, but at least in time to save what can be saved.

I think the President is entitled to the backing of all the American people not only on the ground that he is the Commander in Chief and has the right to take such measures as he thinks are necessary and that, therefore, the American people must unite behind him but also upon the ground that he is following what is essential to United States foreign policy. The President is following the basic spirit which the Congress voted in respect to the Eisenhower doctrine, which spirit is being pursued and implemented now with respect to Lebanon. It proposed in spirit that the Near East countries should not be subverted, though the means be indirect or screened so as to serve the Communist's purposes.

Mr. President, it is not easy to be free. Many people have suffered grave sacrifices and lost treasure and blood long before us in the defense of freedom. There is no easy way to be free. Those who would be free must be prepared to sacrifice all in the cause of freedom.

The President of the United States, Mr. President, with that courage which is typical of him in this kind of a situation, took action respecting Lebanon. Whatever may be the President's shortcomings and whatever may be his lacks—and all of us have them—when he comes to this kind of situation he knows what to do and he acts with decisiveness and courage. President Truman did so before him. President Truman was backed up. President Eisenhower should be backed up by all of us, and will, I feel, be backed

up by the great majority of the American people.

Mr. NEUBERGER. Mr. President, I support the decision of President Eisenhower to send Marines to Lebanon.

This is essentially the same dilemma which confronted President Truman in the Korean crisis. If he had not acted to stem naked Communist aggression, we might have been left without a single nation in the world willing to rely upon our protection.

Today, if we do not protect our friends against intrigue from within and Nasser's Arab assaults from without, will we have any friends left? President Lincoln said that "to have a friend, you must be a friend."

I believe that President Eisenhower has taken the right decision to land marines in Lebanon—notwithstanding the many tragic mistakes which have led us to this dreadful dilemma.

During the grim fighting of the Korean war, the Republican Party set a pattern for partisan capitalizing on an international crisis which will plague that party through history.

I appeal to my fellow Democrats to make no such partisan capital of the crisis which President Eisenhower faces in the Middle East. It will be to our credit if we follow a course of statesmanship and nonpartisanship, as our party has so often done through history.

CODE OF ETHICS FOR GOVERNMENT SERVICE

Mr. BUSH. Mr. President, on Friday of last week, the Senate approved a code of ethics for Government service without advance notice to Senators that it was to be considered, and without debate. Indeed, the committee's report on the proposed code had not yet come from the printers when the distinguished majority leader [Mr. JOHNSON] of Texas moved its adoption.

Although the code is an excellent statement of general principles to which few could take exception, it fails to come to grips with the difficult problems which arise in the relationship between members and employees of Federal regulatory agencies, on the one hand, and Members and employees of the Congress and executive branch of the Government on the other.

Mr. President, I hope that the Congress will not consider it has discharged its duty by adoption of the code. A thorough study of this whole problem, as proposed by my concurrent resolution, Senate Concurrent Resolution 98, is needed. I commend it to the attention of the Judiciary Committee, to which it has been referred.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. BUSH. I yield.

Mr. JAVITS. I concur in what the Senator has said, and I wish to make a similar statement, stressing the fact that we would be acting superficially if we relied upon what we did on Friday by adopting House Concurrent Resolution 175. I point to the individual views of the Senator from Oregon [Mr. NEUBERGER] and the Senator from Pennsylvania [Mr. CLARK].

Let me say to the Senator from Connecticut that I have made a special request of the chairman of the Committee on Labor and Public Welfare, the Senator from Alabama [Mr. HILL], who happens to be in the Chamber at this moment, to afford an opportunity for hearing on all these bills, including the Senator's resolution, my bill, the bill of the Senator from Oregon, and others.

Mr. BUSH. I appreciate the Senator's statement. He has taken a leadership position in this field, and I am delighted to learn of the action he has taken.

LANDING OF UNITED STATES MARINES IN LEBANON

Mr. THYE. Mr. President, the landing of United States forces on the shores of Lebanon is firm evidence of America's intention to encourage the Lebanese Government in its fight for life against the lawless forces of aggression. As President Eisenhower stated this morning, "These forces have not been sent as any act of war." We have a clear responsibility to protect the 2,500 Americans in Lebanon and also to demonstrate our good faith in the Government of Lebanon. We should act by and through the United Nations, but we also have the right—as written into the United Nations Charter—to act in the best interests of collective self-defense.

I cannot see that the President could have done other than what he did in ordering a marine unit to stand on the soil of Lebanon to defend precious American lives. I believe that such action will make it possible to halt further aggression, and thereby give the United Nations Organization the opportunity to review the situation and bring about some order in the Middle East.

We realize that the Russians could have vetoed any proposal which might have been made in the United Nations. The delay which would have been involved would have permitted chaos to spread further in the Middle East. So I believe the President's action was the only course open to this Nation, and I shall support it.

Mr. MORSE. Mr. President, the hour is a solemn and historic one. We must have a policy in the Middle East based upon the future, not the past.

The old regimes of feudal overlords are toppling. They cannot be saved with greenbacks, though we have invested a good many of them in an effort to do so.

I also doubt that they can be saved with American military power. Certainly there is no authorization under the Eisenhower doctrine for sending American forces into Lebanon in the present situation. The language of the doctrine authorized intervention in cases of aggression by international communism. No showing has been made that the aggressive forces which are pressing the Government of Lebanon are part of the international Communist movement.

We can be sure that they are anti-West. But that is not sufficient to invoke the Eisenhower doctrine.

My opposition to that doctrine in 1957 was for the very reason that it did nothing to treat the real causes of unrest and violence in the Middle East, namely, the continuance in power of feudal systems of social, economic, and political rule. Instead, it assumed and supported their continuance in power. We are now seeing just how bankrupt that policy was when it was established, and how futile it is in a crisis.

It would be a grave mistake for the United States to undertake unilaterally, or even in conjunction with Great Britain, to interfere with every development in the world that appears to run counter to some interest of ours. We cannot direct to our own liking, by force of arms, all the forces of growth and change that are now on the loose in the Middle East, South America, or anywhere else in the world. To try to do so could mean disaster far beyond what has already occurred.

Mr. President, the American flag has moved into Lebanon; and as patriotic citizens, we close ranks behind that flag until it comes out. There can be justification for sending American troops in only on the basis of a petition by the Government of Lebanon for the protection of American lives and American property until those lives and that property can be brought out of Lebanon. While that flag is there, the senior Senator from Oregon will back the President of the United States, as Commander in Chief, behind that flag, although I believe the President has made a sorry and historic mistake this morning. That flag should come out and those American boys should come out; and United Nations forces should go in to keep the peace under the United Nations doctrine, not under the Eisenhower doctrine.

There is an old saying that water and oil will not mix. Neither, may I say to the American people, will blood and oil mix.

I am not in favor of spending American blood for oil, be it needed in Europe or elsewhere in the world. I am for our taking a stand through the United Nations for a United Nations force and for the free nations of the world making it clear that we stand united behind the ideal and the goal of peace. That should be the position of my Government.

I am proud that history will record that in 1957 I fought the Eisenhower doctrine on the floor of the Senate, for the very reasons which the crisis in Lebanon has now proved.

We are in it together now, and behind that flag I plead we join ranks. Let us keep in mind the fact that Congress has a responsibility in this crisis. The sad fact is that the chairman of the Senate Committee on Foreign Relations was not even advised that troops were going to be sent into Lebanon. The sad fact is that the Foreign Relations Committee of the Senate, up to this hour, has not been brought into consultation, in keeping with its legislative responsibility in the field of foreign policy. I understand the same thing is true with respect to the House Committee on Foreign Affairs.

Let us not forget that a mistake can be made in this crisis which will augur ill for the future of American history.

Therefore, Mr. President, there should be made crystal clear to the world the limitations to which the troops will be used in Lebanon. We have no right to use American troops in a civil war in Lebanon, or anywhere else. We have no international law right to participate in a civil war. I was just as much opposed to the Russian Government's participation in the civil war in Hungary. I am just as much opposed to American intervention in a civil war anywhere in the world.

But our American flag, if it is to continue to mean what it has always stood for in American history, must protect American lives and American property, be they in Lebanon or anywhere else, if they are in danger. However, we should proceed to make clear that we are going to move through the United Nations, asking for United Nations support and United Nations jurisdiction over the threat to the peace in the Middle East.

FORTIETH ANNIVERSARY OF GERMAN OFFENSIVE IN WORLD WAR I AND RECORD OF NATIONAL GUARD UNITS

Mr. MARTIN of Pennsylvania. Mr. President, 40 years yesterday the Germans launched their final offensives by which they hoped to achieve victory over the Allied forces. Their mighty drive was defeated by combined American and French Armies.

In the present troubled situation in the world, when national defense is our paramount concern, there is much discussion of the part that should be played by the civilian components of our Defense Establishment.

In that connection I should like to call to the attention of my colleagues a commendatory order issued by General Pershing, praising eight divisions which took part in the early fighting in France in 1918. This was General Order 143, G. H. Q., dated August 28, 1918. It commended 4 Regular Army Divisions and 4 National Guard Divisions, 1 of them the 28th Division, in which I had the honor of serving. I ask unanimous consent that this order may be inserted in the RECORD at this point as a part of my remarks.

There being no objection, the general order was ordered to be printed in the RECORD, as follows:

GENERAL ORDER 143, G. H. Q.

It fills me with pride to record in general orders a tribute to the service and achievements of the First and Third Corps comprising the 1st, 2d, 3d, 4th, 26th, 28th, 32d, and 42d Divisions of the American Expeditionary Forces.

You come to the battlefield at the crucial hour of the Allied cause. For almost 4 years the most formidable army the world had as yet seen had pressed its invasion of France, and stood threatening its capital. At no time had that army been more powerful or menacing than when, on July 15, it struck again to destroy in one great battle the brave men opposed to it and to enforce its brutal will upon the world and civilization.

Mr. MARTIN of Pennsylvania. Mr. President, during World War I the German high command made a very careful analysis of the units opposing them.

After the armistice there was revealed to an American war correspondent, a list of American divisions which the Germans considered the most efficient. The list comprised the 42d, 2d, 28th, 32d, 26th, 33d, and 37th Divisions. All of these were National Guard outfits except the 2d Division.

I ask unanimous consent that this incident, as related by the war correspondent, be inserted in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Some months after the Armistice, a war correspondent asked Major Von Rundstedt, who became Field Marshal Von Rundstedt in World War II, what their records revealed as to the efficiency of the American divisions.

The war correspondent told of the incident as follows:

"I asked the major what the high command had noted as regards the most efficient American divisions. While an aide went to get the proper books, the major said he could recall off-hand four divisions which the Germans considered among the best.

"He said, 'The division which you call Rainbow-in-the-Sky.'"

"'Forty-second,' I said. 'Yes, 42d,' he replied.

"'And that division, half of which is made up of Marines.' 'Second,' I told him. 'Yes, the 2d,' he said. 'Also the 28th and the 1st.'

"The lieutenant had brought back the record and the major found other divisions which the Germans considered were excellent. These were the 32d, the 26th, the 33d and the 37th."

Mr. MARTIN of Pennsylvania. Mr. President, the July issue of the National Guardsman, the official publication of the National Guard Association, of the United States, had as its guest editorialist Maj. Gen. Lewis B. Hershey. In his article General Hershey discusses very clearly the place of the citizen soldier in the defense of our Nation as opposed to dependence upon a professional army. I ask unanimous consent that his editorial may be inserted in the RECORD as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

It isn't what we don't know that causes us trouble, but rather the things we know that aren't so. This is a paraphrase of something allegedly said by Mark Twain. Whether he said it or not in no way affects the validity of the idea.

There are at least three examples of this saying illustrated by the following quotation: "The next war might come with only a few minutes' warning. It is impossible to provide the required state of instant readiness with men who don't want to be there. We need a professional service, manned by men who are proud of the uniform and trained for the job. We need dramatic changes in pay and attitudes to upgrade the military career in the eyes of the Nation. We can't get that change with huge numbers of men compelled to serve against their will."

In the first place, the assumption that the survival of a nation can be insured by professional forces, whatever the magnitude, has never been demonstrated in the history of the world. It has been demonstrated repeatedly that the largest professional forces that any nation has been able to possess did not alone insure the survival of that nation. It is less than frank to permit the citizens of a nation to believe that in an all-out struggle for survival they can escape defending themselves because it will be done for them by others. It is far worse to deny them training which will better their individual chances of survival and make them better able to contribute to the successful common defense.

In the second place, there is an indication in this quoted paragraph that pay alone will provide men who are proud of their uniform, who are trained for the job, and whose attitudes are those needed in a defense force. There is even an indication that a professional force of the kind needed can be provided solely by financial incentives.

History does not support the theory that survival can be secured by mercenaries. In fact, there are many indications that men who have fought for causes in which they believed and for nations they loved have been more effective than professional mercenary troops.

The third example of things that are not so is the dangerous appeal to escapism found in the theory that no one should be compelled to do his duty. This is particularly dangerous because it introduces many inaccuracies as to what is actually meant. If it is true that the great majority of the people of the United States no longer are willing to defend the United States, then attempting to survive will be fruitless. If the theory is that most of the citizens by taxation can substitute through money the services of others in their survival, this, too, indicates an attitude that only can lead to national destruction.

The philosophy of hiring others to perform fundamental duties for survival has elements of inherent dishonesty in it because it assumes that the compulsion of money will force the proper kind of individuals to guarantee the survival of all. In the first place, it nurtures compulsion at the same time it denounces it. In the second place, hiring others to carry out unpleasant obligations for you will fail. It will fail because the material gains promised will not be available in defeat and because there is a limit beyond which men will not go for money alone. In addition, the man who seeks only money will be available to the highest bidder.

It is a false premise to believe that survival can be assured by those who are promised an opportunity to sack a city if they capture it or if they defend it.

Of course, all of these heretofore undiscovered truths are based on the fact that the scientific age has changed man, which certainly remains to be demonstrated, and national disaster is an unfortunate method of redemonstrating that human nature remains unchanged.

It is true we live in troubled times and, as has been said, we tend to flee into evils we know not in order to escape those in which we find ourselves. The citizens of this Nation enjoy bodily comforts to a degree heretofore unknown in the history of the world. They have more rights and enjoy more privileges than the citizens of any other nation. Are we to believe that those same citizens have degenerated to the point where they are willing to abandon their individual right to bear arms to insure their survival and depend on professional forces whose natural unwillingness to serve has been overcome by money?

LEADERSHIP OF SENATOR MURRAY OF MONTANA

Mr. MANSFIELD. Mr. President, the past 2 weeks have been fruitful ones for the Union and its internal development. During that period of time the Senate has passed, and the President has signed

an Alaskan Statehood bill. The Senate also unanimously passed the Defense Minerals Exploration Act, the conference report on the Yellowtail project, and the minerals subsidy program covering the fields of copper, lead, zinc, fluorspar and tungsten.

This, indeed, is a noteworthy record because it will bring a new State into the Union; it will give relief to our stricken mineral industry; it will allow the Government, on a loan basis, to finance continued mineral exploration; and it places on the President's desk the conference report on the Yellowtail Dam which will mean so much to southeastern Montana. In the latter respect the Montana delegation feels that a $5 million figure would have been more acceptable and more just than the $2,500,000 figure agreed on, but, in view of the circumstances, this was the best which could be obtained if any action was to be undertaken in behalf of this project.

Mr. President, the man who was in many respects chiefly responsible for all this legislation is my colleague, the distinguished senior Senator from Montana and chairman of the Committee on Interior and Insular Affairs [Mr. MURRAY]. It was his committee which reported out all these measures. It was his leadership which was so evident in the deliberations of the committee and in the conduct of debate on the floor. Because of the great accomplishments of this outstanding Senator who has been a real credit to our State and country in all his years of service in this body, I feel it is not only incumbent but a duty and a pleasure to make these statements on the floor so that the people of Montana whom he has represented so ably for so long and the people of the Nation as a whole will understand the great contributions Senator MURRAY has made.

As his junior colleague, I pay my personal respects to him for the diligence, statesmanship, consideration and understanding he has shown. His accomplishments in this body will remain a lasting monument to his efforts in behalf of all the people all the time.

THE FAMOUS FIVE

Mr. BUTLER. Mr. President, a native son of Maryland, a distinguished journalist, Holmes Alexander, has written another enlightening and historical study entitled "The Famous Five," an advanced copy of which was placed on my desk yesterday. This book, which absorbed my attention last evening, reflects the assiduous research and fluent style which have marked Holmes Alexander's many years of reporting the Washington political scene.

The Famous Five is a biographical study of Senators Clay, Webster, Calhoun, La Follette, and Taft, the five outstanding Senators whose portraits will be placed in the Senate reception room this year in accordance with Senate Resolution 145, 84th Congress. So that the Members of the Senate may have some feeling of the flavor of this fine book, I ask unanimous consent to have printed in the body of the RECORD, at this point, the dedication by Mr. Alexander and the foreword by Senator KENNEDY, of Massachusetts.

There being no objection, the dedication and foreword were ordered to be printed in the RECORD, as follows:

DEDICATION

My favorite view in Washington is the one from the Senate Press Gallery of which I have been a denizen since 1948. I had first intended to inscribe this book on the Senate's great men to the ghost of their greatness in the famous Upper Chamber. But this would imply that the giants are all dead—something I do not believe. It strikes me as more true and more fitting to stress what is positive and specific. So, I make bold to dedicate my book to the residue of greatness, the legacy of the giants, which is evident to one observer of the current 85th Senate:

Henry Clay's parliamentary skill and winning personality in LYNDON B. JOHNSON, of Texas.

John C. Calhoun's love and understanding of America through his devotion to the principle of State sovereignty, in HARRY F. BYRD, of Virginia.

Robert T. Taft's attachment to conservative principles of government in WILLIAM F. KNOWLAND, of California.

This means that the matchless eloquence of Webster and the stubborn individualism of LaFollette are missing in our generation. More's the pity. But out of the Senate's immortal nature all good things may yet be reborn. Let that be a hope for the future.

FOREWORD

Holmes Alexander has captured vividly the essential greatness of the five outstanding Senators whose portraits will be unveiled this year in the Senate reception room. As chairman of the Senate Committee charged with making the original selection of these outstanding Senators, I am gratified that Mr. Alexander attempted this task.

The life of each of these Senators is a drama in itself. Each made a distinct historic impression during the period of his public service, and each has become a part of America's broad constitutional heritage. Clay, Webster, Calhoun, La Follette, Taft, were all men who knew the value and limits of constructive partisanship, yet each also made solitary pilgrimages at times when they differed with the prevailing mood of opinion in Congress and in the country.

Holmes Alexander's chapters convey those qualities which have clearly established these Senators' enduring legislative stature. From his own long experience as a legislative observer and penetrating reporter, Mr. Alexander has revealed to the benefit of both those in and out of politics that statesmanship is not a cliche but a quality within the reach of politicians with the vision and courage of the five Senators included in this fine volume.

He has brought to the task a long experience as a contemporary commentator on the Senate and national affairs—and wide knowledge of the Senate's role in American history—and he has succeeded.

Mr. BUTLER. Mr. President, concerning Senate Resolution 145, if the portraits of these great Americans are not to be placed in the reception room promptly, I hope that the members of the subcommittee to which this project has been entrusted will give consideration to some type of a special dedicatory ceremony—such as the awarding of the artist's commission—prior to the adjournment of this sesssion. Thereby, this lasting tribute to five eminent members of the Senate will be afforded the public and Congressional attention and support which it rightfully deserves.

Mr. President——

The PRESIDING OFFICER (Mr. HRUSKA in the chair). The Senator from Maryland.

THE NATURE OF OPPOSITION TO SENATE BILL 2646

Mr. BUTLER. Mr. President, as a further illustration of the faulty logic and gross misrepresentation on which opposition to S. 2646, dealing with certain decisions of the Supreme Court, is predicated, I ask unanimous consent to have printed in the body of the RECORD my recent exchange of correspondence with Mr. Bert A. McKasy, executive secretary, Minnesota State Bar Association.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

MINNESOTA STATE BAR ASSOCIATION,
Minneapolis, Minn., June 26, 1958.

The Honorable JOHN M. BUTLER,
Senate Committee on the Judiciary,
Senate Office Building, Washington, D. C.

DEAR SENATOR BUTLER: We are taking the liberty of enclosing a copy of a resolution adopted by the convention of the Minnesota State Bar Association, June 20, 1958, having to do with the Jenner-Butler bill, known as S. 2646.

This resolution is respectfully submitted for your consideration.

Very truly yours,

BERT A. MCKASY,
Executive Secretary.

RESOLUTION

Whereas the so-called Jenner-Butler bill, known as S. 2646, if enacted in its present form would constitute a threat to the independence of the judiciary; would be contrary to the intention of the balance of the powers set up in the Constitution between the executive, legislative and judicial branches of our Government; and in other ways would diminish the historic jurisdiction of the Supreme Court of the United States and is detrimental to the national interest and to the structure of the Government under the Constitution: Now, therefore be it

Resolved, That the Minnesota State Bar Association, in annual conventon assembled, does hereby oppose the enactment into law of that part of said bill which would in any way limit the jurisdiction of the courts or interfere with their right of review.

Resolved further, That the Secretary of this association be authorized to transmit copies of this resolution to the members of the Senate Committee on the Judiciary and to Members of the Senate and House of Representatives from the State of Minnesota and to such other individuals or committees as the executive committee of this association may consider proper.

JULY 8, 1958.

Mr. BERT A. MCKASY,
Executive Secretary Minnesota State Bar Association,
Minneapolis, Minn.

DEAR MR. MCKASY: It was kind of you to send me a copy of the resolution adopted by the convention of the Minnesota State Bar Association in opposition to Senate bill 2646.

At the outset, may I say that this resolution is glaringly incompatible with the high standards of accuracy and logic which have long been the guideposts of the legal profession. Your resolution makes a number of statements as broad generalities applying to the bill as a whole, and then it indicates by the restrictive wording of its first resolving clause, that the Minnesota State Bar Association is aware that only one section of

the bill would in any way limit the jurisdiction of the Supreme Court.

Technically speaking, this resolution opposes only the enactment of section 1 of the bill. If the bar association understood this to be the case, it would have been much more candid to say so. It would appear, on the contrary, that the whereas clause of the resolution has been carefully phrased so as to be quotable against the whole bill. I wonder where this language originated? It is interesting to note that a number of other bar associations have used similiar language in resolutions.

Your resolution opines that S. 2646 "would constitute a threat to the independence of the judiciary." The fallacy of this charge is that a court has no vested interest in its jurisdiction, and the "independence of the judiciary" really means the freedom of our courts to deal with those matters over which they do have jurisdiction, without being coerced by any nonjudicial power.

The resolution further states that the bill "would be contrary to the intention of the balance of the powers set up in the Constitution." But 3 of the 4 sections of the bill only amend criminal statutes, and have nothing to do with the balance of powers; and the fourth section (sec. 1) merely utilizes one of the check-and-balance provisions of the Constitution (that is, the authority vested in the Congress by article III, sec. 2 to regulate the jurisdiction of the Supreme Court). Can utilization of one of the check-and-balance provisions of the Constitution for the purpose for which it was intended be contrary to the intention of the balance of powers?

The resolution, moreover, says S. 2646, "would diminish the historic jurisdiction of the Supreme Court." The fact is that it is not the "historic jurisdiction" which would be diminished by section 1 of this bill, but rather a very recently claimed jurisdiction which amounted in effect to a usurpation.

In addition to withdrawing appellate jurisdiction from the Supreme Court with respect to admissions to the bars of State courts, S. 2646 would (1) reassert the power of the Congress to decide what information it needs, while preserving the power of the courts to pass on the question of whether a Congressional committee has in any case exceeded its jurisdiction; (2) restore the enforceability of State anti-subversive laws; and (3) amend the Smith Act so as to make it applicable to the current activities of the Communist conspiracy in the United States.

This is the bill which the Minnesota State Bar Association says "is detrimental to the national interest and to the structure of the Government under the Constitution."

With best wishes, I am

Sincerely yours,

JOHN MARSHALL BUTLER,
United States Senator.

Mr. BUTLER. Mr. President, I ask further unanimous consent to have printed in the body of the RECORD examples of how I have been importuned to reconsider my position in regard to this measure. These letters from the Baltimore Council of AFL–CIO unions and the Reverend Don Frank Fenn are notable for their specious reasoning.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

BALTIMORE COUNCIL OF
AFL–CIO UNIONS,
Baltimore, Md., June 27, 1958.

Hon. JOHN MARSHALL BUTLER,
United States Senate,
Senate Office Building,
Washington, D. C.

DEAR SENATOR BUTLER: It is our understanding that you are cosponsor of a bill, S. 2646, generally known as the Jenner-Butler bill. The Baltimore Council of AFL–CIO Unions, at its last meeting, discussed this proposal, and we feel that the passage of this bill would not be in the best interests of the American people.

We, therefore, urge you to reconsider your position on this proposal in the interest of protecting the civil rights of all our citizens.

Thanking you for your consideration, I remain,

Sincerely yours,

EDWARD H. JOHNS,
President.

JULY 7, 1958.

Mr. EDWARD H. JOHNS,
President, Baltimore Council of AFL–CIO Unions, Baltimore, Md.

DEAR MR. JOHNS: I am not a cosponsor of S. 2646. I am the author of amendments to the bill which, as reported from the Committee on the Judiciary, constitute sections 2, 3, and 4. I have supported section 1 as it came from the committee.

My position with respect to this measure was based on long study and careful thought. When you ask me to recede from this position solely because the Baltimore Council AFL–CIO Unions, at its last meeting, discussed the proposal and feels that the passage of the bill would not be in the best interests of the American people, you are simply asking me to yield to influence. If you have arguments against the bill or any part of it, I shall be glad to study them thoroughly. But when you simply urge me to reconsider "in the interest of protecting the civil rights of all our citizens," you are implying an assertion that the position I have taken is contrary to the civil rights of all our citizens. I do not believe this to be the case, nor do I believe you should imply this charge without at least setting forth your supporting reasons.

There has been a great deal of misunderstanding about this bill, and a great deal of misrepresentation. State bar associations have passed resolutions containing gross misstatements about the bill and its provisions. It would not be surprising, therefore, if the Baltimore Council of AFL–CIO Unions might be mistaken about what S. 2646 actually does. To the best of my knowledge and belief, it contains nothing which would adversely affect union labor or any particular union or group of unions, or for that matter the legitimate rights of any citizen. There was at one time a provision which would have affected certain labor legislation, but that provision was stricken from the bill in committee.

I appreciate your interest in writing me; but if you hope to change my position, give me facts and reasons. You do me no honor when you ask me to abandon my conscience and reverse myself on important legislation simply to conform to the possibly uninformed and possibly ill-considered conclusions of the Baltimore Council of AFL–CIO Unions.

With best wishes and kind regards, I am

Sincerely,

JOHN MARSHALL BUTLER,
United States Senator.

THE CHURCH OF ST. MICHAEL
AND ALL ANGELS,
Baltimore, Md., July 5, 1958.

Hon. JOHN MARSHALL BUTLER,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR BUTLER: I am very shocked by the proposals made in S. 2646 which is now before the Senate. I am quite sure that the Senate, and the Congress, should not attempt to substitute itself for the Supreme Court of the United States of America—and this is what this measure really proposes, when you get down to brass tacks. I think we have the greatest government ever conceived in the mind of man, and while it is possible, from time to time, that one branch of the Government may err, in the long run the preservation of this form of government is basically important for the safety of the American people and for the good of the whole world.

While I am sure, because you are one of the authors of this bill, that you cannot, and will not, heed this letter in your voting, I still feel that I must make this protest.

Very truly yours,

DON FRANK FENN, D. D.,
Rector.

JULY 9, 1958.

The Reverend DON FRANK FENN, D. D.,
The Church of St. Michael and All Angels, Baltimore, Md.

DEAR DR. FENN: There is nothing in Senate bill 2646 which involves an attempt to substitute the Senate for the Supreme Court of the United States of America.

In view of your great learning and sophistication in many fields, I am amazed that you would be the victim of the blatant misrepresentations being circulated in connection with this measure.

For your information, I enclose a copy of this bill, which I judge from your letter you have not had an opportunity to read.

You will note that the first section of the bill utilizes the authority conferred upon the Congress by article III, section 2 of the Constitution, to withdraw from the Supreme Court appellate jurisdiction with respect to admissions to the practice of law in the courts of the several States, thus leaving each State the sole judge of the qualifications of those who are to become officers of its courts.

The second section of the bill provides for legislative determination of the pertinence of questions asked a witness before a Congressional committee. What is referred to here is pertinence in the sense of legislative need for the information sought to be elicited by the particular question in each instance. Jurisdictional pertinence is not affected by this section, and the question of whether a committee has exceeded its jurisdiction in a particular instance would remain a question of law to be determined by the courts.

Section 3 of the bill would permit State antisubversive statutes, not in direct conflict with Federal statutes, to be enforced.

Section 4 of the bill would amend the Smith Act so as to make its provisions applicable to the current activities of the Communist conspiracy in this country.

I agree with you wholeheartedly that we have the greatest Government ever conceived in the mind of man, and that the preservation of this form of government is basically important for the safety of the American people and for the good of the whole world. This is why I am so concerned about the progressive usurpations of the Supreme Court; for I know that if any one branch of our Government ever becomes supreme, we shall be on the sure road to oligarchy, and through oligarchy, to tyranny.

Thank you for writing me.

Sincerely,

JOHN MARSHALL BUTLER,
United States Senator.

PROPOSED CODE OF ETHICS FOR GOVERNMENT OFFICIALS

Mr. JAVITS. Mr. President, I refer to the question raised this morning by the distinguished Senator from Connecticut [Mr. BUSH], and allude to the fact that on Friday last the Senate adopted, without debate, House Concurrent Resolution 175, a concurrent resolution which has been in the Senate for 11 months and which specifies a code of ethics for Government officials.

It is certainly desirable to have ethics legislation which is commensurate with

the problems which we face in the field of ethics. I may say, in fairness to my colleagues, the Senator from Pennsylvania [Mr. CLARK] and the Senator from Oregon [Mr. NEUBERGER], that they have recognized this fact in their comments about the resolution which was agreed to, and which they stressed in their individual views, as follows:

> We believe that, in the long run, there will be required definite and explicit conflict-of-interest statutes which will govern the executive and the legislative branches with respect to gifts, disclosure of outside income, and other matters.

The general tenor of the pending measures—my own, that of the Senator from Connecticut, and that of the Senator from Oregon—is to legislate, by statute, a code which has both enforcement and disciplinary powers, as they affect Members of Congress and Congressional employees as well as executive officials; and also to sponsor a commission to look into the vexing question in a broad-scale way; in short, to establish an interim code, which will be a law, plus a commission to develop a permanent code.

The weakness of what we have done is shown by the fact that the code which we adopted by concurrent resolution is, first, not a law, and, therefore, has no enforcement power, is not binding on anyone in the executive branch, and has no penalty or disciplinary provisions; second, it requires no public disclosure of financial or personal conflicts of interest; and third, it has no machinery for advising on ethics questions.

I found, when I was Attorney General of the State of New York, that that was extremely important.

Moreover, the provisions of the code are very elementary. For example, it requires a full day's work for a full day's pay, and that officials seek efficiency in their jobs.

In short, we have not done all we need to do. We have not carried out and fulfilled our obligation to legislate in this field.

I have today asked the chairman of the Committee on Labor and Public Welfare, the distinguished Senator from Alabama [Mr. HILL], to grant hearings upon the bills which I have pending before that committee and upon measures which other Senators have pending before that committee—indeed, upon the whole question.

It will be recalled that it was in that committee that the subcommittee headed by the Senator from Illinois [Mr. DOUGLAS] functioned a few years ago. That subcommittee prepared an admirable report on the whole question of a code of ethics.

The newspapers have predicted that all this discussion about ethics will end with fine speeches in the CONGRESSIONAL RECORD. That promises to be the case unless we actually move into the field by enacting statutory law, instead of adopting concurrent resolutions, which in themselves are all right, and say a few of the things we ought to say, but which do not actually get at the root of the problem by legislation which is urgently needed.

So, Mr. President, I hope very much that the House of Representatives and the Senate will not be satisfied with what has been done—although I have no objection to what has been done, and no one could have—but will move forward in this field in a definitive and substantive way.

Mr. President——

The PRESIDING OFFICER. The Senator from New York.

NINETEEN SEVENTY WITHOUT ARMS CONTROL

Mr. JAVITS. Mr. President, the National Planning Association, which during the last 25 years has been responsible for many challenging and important reports which were helpful in formulating national policy and in developing a sound consensus of opinion among the various interest groups in American national life, has created a Committee on Security Through Arms Control, whose members are recruited from the social sciences, law, government affairs, business, and labor. The committee proposes to make objective studies, and will seek practical methods, susceptible of immediate adoption by governments, for ending the arms race, an objective in the attainment of which we find ourselves frustrated because of Communist refusal to accept inspection and control through the United Nations. As its first study, the committee prepared a background report on the implications of modern weapons technology, which is called 1970 Without Arms Control. This document is primarily a discussion of weapons as they now exist and as they will develop in the next dozen years. It was intended to outline the dimensions of the problem to which the committee addresses itself. The committee has reserved for later studies its suggestions for disarmament.

So thorough, however, is this first report, that it has attracted nationwide attention, and is well worth reading, because it shows the urgency of arriving at an early solution of the arms problem.

The committee is so distinguished an organization, and has done such fine work, that I am glad to encourage it in its effort.

The PRESIDING OFFICER. Is there further morning business?

Mr. CARLSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Morning business is still in order. Is there further morning business?

THE ALL-STAR MARYLAND POLITICAL TEAM

Mr. BRIDGES. Mr. President, last week the all-stars of baseball played in Baltimore, Md., the home of my good friend, JOHN MARSHALL BUTLER. Holmes Alexander, a political analyst of wide reputation, took that occasion to select a bipartisan all-star Maryland political team.

It is most heartening to note that the distinguished senior Senator from Maryland was picked for the position of right field with this appraisal of his political acumen and experience:

> As a militant rightwinger who is building up a name for himself in Washington there is Senator JOHN MARSHALL BUTLER. There is not an ounce of malice in this man, and his excursions into ultraconservatism are of a constitutional nature. Thus the charges of smear and sensationalism which are often—though not always justly—associated with a politician who plays deep in right field simply do not apply to BUTLER. He is kindly toward persons and gentle toward institutions.

Mr. President, I found Holmes Alexander's article entitled "The Political All-Stars" so interesting that I ask unanimous consent to have it printed in the body of the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Baltimore News-Post of July 11, 1958]

THE POLITICAL ALL-STARS

(By Holmes Alexander)

Now that Baltimore has been host to the all-star game, it seems appropriate to pick an all-star Maryland political team. Every fan will have his own choices and all are cordially invited to make them known to this column. Meanwhile, as viewed from the press box by this reporter, the star performers within convenient memory would be as follows:

First base: The position calls for a tall man with gracefulness and poise in the field, and a punishing big stick on the offense. Since the first baseman performs his feats closer to the crowd than any other player, he often becomes a special favorite of the fans and a kind of heroic symbol of the game. Nobody in Maryland public life fits this position better than former Senator Millard E. Tydings.

Second base: Aside from the routine handling of hard-hit balls to the left and right, this position requires the extraordinary skill of making the pivot play. Mayor Tommy D'Alesandro falls perfectly into this slot. He has never been much of a run producer. As a legislator in Annapolis and Washington and as a city councilor, he left no memorable record of lawmaking. But Tommy has the administrator's knack of taking other men's throws and turning them into dazzling doubleplays. This is how he acquired a big league franchise for Baltimore when the idea was deemed impossible.

A NIMBLE SHORTSTOP

Shortstop: It is a position that requires nimbleness of foot and deftness of hand. In his heyday nobody moved faster and handled his several political jobs more surely than former governor-Senator Herbert R. O'Conor. In fact, the Maryland Democrats could use this undefeated star of yesteryear in several weak spots in their lineup today.

Third base: This is rightly called the hot corner. Many of the hard smashes down the line are of the do-or-die variety which are just as likely to bounce into the player's glove or hit him in the teeth or go between his heels. It is not a positon from which to court flattery. A star at third base must have a hard nerve and a tough skin. My choice for the most unappreciated politician of our day is former Gov. W. Preston Lane, Jr., who had the nerve to take and who took a rather unjust and unmerciful public ranzing for doing a job that made others look good.

Center field: For a man who roams far and wide, who else than Gov. Theodore

Roosevelt McKeldin? In center field you like a man who can make his voice heard from a distance, and there hardly breathes a Marylander who hasn't heard the well-known McKeldin accents.

Right field: As a militant rightwinger who is building up a name for himself in Washington there is Senator JOHN MARSHALL BUTLER. There is not an ounce of malice in this man, and his excursions into ultraconservatism are of a constitutional nature. Thus the charges of smear and sensationalism which are often—though not always justly—associated with a politician who plays deep in right field simply do not apply to Butler. He is kindly toward persons and gentle toward institutions.

NO REAL LEFTISTS

Left field: Actually Maryland has never produced a real lunatic leftist in important public office. We have our eggheads of the country club intelligentsia, and one of our universities has produced some left wing beauts, but the closest thing to an established and unrepentant New Dealer was former Congressman David Lewis of the Western Maryland (Sixth) District. It was Lewis whom President Roosevelt picked to purge Senator Tydings in 1938, and it ended the career of a really first-class fellow.

Pitcher: It would be next to impossible to dispute the supremacy in this spot of the late Gov. Albert C. Ritchie. Marylanders with long memories or with an interest in the recent past will recall how this four-time occupant of the mansion virtually took Maryland's somewhat creaky governmental machinery apart, modernized it without changing its essential nature and then stayed around just one term too many. But despite his defeat for a fifth try and his lonely death soon afterward, Ritchie left a brilliant reputation and a recollection of grandeur behind him.

Catcher: A star pitcher works best with his favorite catcher. For this reason my all-star selection would be Ritchie's favorite henchman, Col. E. Brooks Lee. In the heyday of the Ritchie regime the huge imposing figure of Montgomery County's latter day boss would tower from the floor and rostrum of the house of delegates and legislation would flow like a torrent to the tune of his commands.

LANDING OF UNITED STATES MARINES IN LEBANON

Mr. BEALL. Mr. President, now is the time to shut up or put up.

The news of the landing of Marines in Lebanon gives us pause. The decision was the President's, and it was the only decision he could make. In his statement released this morning, the reasons leading to his decision were given, and I need not repeat them.

Needless to say, I support the President's position in dispatching a contingent of United States forces to Lebanon to protect American lives, and by their presence there to encourage the Lebanese government in defense of Lebanese sovereignty and integrity. The action followed an urgent plea from the President of Lebanon. We are obligated to come to the aid of a free sister nation whose sovereignty is threatened by anti-Western sources.

Mr. President, I would go further, and say that now is the time for us to take a firm position against the encroachment of communism. Now is the time to stand up and say to Communist Russia, which undeniably has designs on communizing the world, "Thus far and no farther."

We have backed off here; we have backed off there; we have compromised. All in the good cause of peace. That is all very well, but let us not fool ourselves—if we are not to succumb, I am convinced that sooner or later we must take a firm stand, and it seems to me that the sooner we do this the better.

If we are firm now, I believe that another World War can be avoided.

Let us protect American lives everywhere in the world. Let us protect American dignity everywhere in the world. Let us uphold the provisions of the Charter of the United Nations. Let us once again prove by our actions that we are worthy of our heritage.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 655. An act for the relief of Brigadier General Chester W. Goble;

S. 2621. An act for the relief of Olive V. Rabiniaux; and

S. 2833. An act to provide for the conveyance of the interest of the United States in and to certain fissionable materials in a tract of land in the county of Alamance, State of North Carolina.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 10320) to provide for additional charges to reflect certain costs in the acceptance of business reply cards, letters in business reply envelopes, and other matter under business reply labels for transmission in the mails without prepayment of postage, and for other purposes.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1850) to adjust conditions of employment in departments or agencies in the Canal Zone.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 12858) making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, and the Tennessee Valley Authority for the fiscal year ending June 30, 1959, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CANNON, Mr. RABAUT, Mr. KIRWAN, Mr. JENSEN, and Mr. TABER were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 7863. An act to amend the District of Columbia Alcoholic Beverage Control Act; and

H. R. 10069. An act to amend the act of August 5, 1953, creating the Corregidor Bataan Memorial Commission.

CALL OF THE CALENDAR

The PRESIDING OFFICER (Mr. CASE of New Jersey in the chair). Is there further morning business? If not, morning business is closed.

Pursuant to the order previously entered, the calendar will now be called for the consideration of measures to which there is no objection, commencing with Order No. 1774.

The first measure in order on the calendar will be stated.

GEORGE PIERRE SAVIOLIDIS AND OTHERS

The bill (S. 2188) for the relief of George Pierre Saviolidis, Ethel Saviolidis, his wife, and William Saviolidis, his son, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, That, for the purposes of the Immigration and Nationality Act, George Pierre Saviolidis, Ethel Saviolidis, his wife, and William Saviolidis, his son, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

VICTORIANO DAVIZ VERASTIQUE

The bill (S. 3303) for the relief of Victoriano Daviz Verastique (Victor Davis) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, notwithstanding the provisions of paragraph (19) of section 212 (a) of the Immigration and Nationality Act, Victoriano Daviz Verastique (Victor Davis) may be issued a visa and be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of such act. This act shall apply only to grounds for exclusion under such paragraph known to the Secretary of State or the Attorney General prior to the date of the enactment of this act.

MIRKO J. PITNER

The bill (H. R. 4044) for the relief of Mirko J. Pitner was considered, ordered to a third reading, read the third time, and passed.

MARIA ALMA DIZON

The bill (H. R. 5084) for the relief of Maria Alma Dizon was considered, ordered to a third reading, read the third time, and passed.

MARIA GIANNALIA

The bill (H. R. 7987) for the relief of Maria Giannalia was considered, ordered to a third reading, read the third time, and passed.

AGRICULTURAL ACT OF 1958—BILL PASSED OVER

The bill (S. 4071) to provide more effective price, production adjustment,

and marketing programs for various agricultural commodities was announced as next in order.

Mr. BIBLE. Over, Mr. President.

The PRESIDING OFFICER. The bill will be passed over.

ROBERT KARIA

The bill (S. 92) for the relief of Robert Karia was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 212 (a) (19) of the Immigration and Nationality Act, Robert Karia may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this Act.

PROHIBITION OF REMOVAL TO DISTRICT COURTS OF ACTIONS COMMENCED IN STATE COURTS—BILL SENT TO FOOT OF CALENDAR

The bill (S. 1615) to prohibit the removal to district courts of the United States of actions commenced in State courts under State workmen's compensation laws was announced as next in order.

Mr. HRUSKA. Mr. President, I ask unanimous consent that the bill, S. 1615, go to the foot of the calendar.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nebraska? The Chair hears none, and it is so ordered.

Mr. HRUSKA subsequently said: Mr. President, I ask unanimous consent that Calendar No. 1803, S. 1615, to prohibit the removal to district courts of the United States of actions commenced in the State courts under State workmen's compensation laws be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

JOSEPH DANIEL MAEDA BETTERLEY

The bill (S. 3031) for the relief of Joseph Daniel Maeda Betterley (Toshikazu Maeda) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purpose of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child Joseph Daniel Maeda Betterley (Toshikazu Maeda) shall be held and considered to be the natural-born alien child of Sgt. and Mrs. Donald James Betterley, citizens of the United States.

MARIA MICHELA LEO DI GIOIA

The bill (S. 3676) for the relief of Maria Michela Leo Di Gioia was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Maria Michela Leo Di Gioia shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

OCEAN-SIDE LIBBY UNION SCHOOL DISTRICT

The bill (H. R. 3261) for the relief of the Ocean-Side Libby Union School District, San Diego County, Calif., was considered, ordered to a third reading, read the third time, and passed.

CARL J. WARNEKE

The bill (H. R. 3720) for the relief of Carl J. Warneke was considered, ordered to a third reading, read the third time, and passed.

MARY LOUISE SHIELDS WILKINSON

The Senate proceeded to consider the bill (S. 2935) for the relief of Mary Louise Shields Wilkinson which had been reported from the Committee on the Judiciary with an amendment in line 3, after the word "section", to strike out "301 (a) (7) of the Immigration and Nationality Act" and insert "201 (g) of the Nationality Act of 1940, as amended,", so as to make the bill read:

Be it enacted, etc., That, for the purposes of section 201 (g) of the Nationality Act of 1940, as amended, Mary Louise Shields Wilkinson shall be held and considered to have been physically present in the United States during all the time she was residing abroad with her parents while her father, Leighton Shields, was stationed abroad as an employee of the United States.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CHO HACK YOUN

The Senate proceeded to consider the bill (S. 3401) for the relief of Cho Hack Youn, which had been reported from the Committee on the Judiciary, with an amendment in line 6, after the word "of", to strike out "Mr. and Mrs. George F. Buck, citizens of the United States" and insert "Mr. George F. Buck, a citizen of the United States", so as to make the bill read:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Cho Hack Youn, shall be held and considered to be the natural-born alien child of Mr. George F. Buck, a citizen of the United States.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AUGUST WIDMER

The Senate proceeded to consider the bill (H. R. 7729) for the relief of August Widmer, which had been reported from the Committee on the Judiciary, with an amendment, on page 2, line 3, after the word "Act", to insert a colon and "*Provided further*, That the exemption granted herein shall apply only to a ground for exclusion of which the Department of Justice or the Department of State has knowledge prior to the enactment of this act."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

MAXIM KADOCH (CADOCH)

The Senate proceeded to consider the bill (S. 3402) for the relief of Maxim Kadoch (Cadoch), which had been reported from the Committee on the Judiciary, with amendments, on page 1, line 3, after the letter "(a)", to insert "(1) and"; in line 4, after the word "Act", to strike out "Maxim" and insert "Nessime"; and in line 5, after the name "Kadoch", to strike out "(Cadoch)"; so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (1) and (4) of the Immigration and Nationality Act, Nessime Kadoch may be issued a visa and be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act: *And provided further*, That the exemption granted herein shall apply only to a ground for exclusion of which the Department of Justice or the Department of State has knowledge prior to the enactment of this act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Nessime Kadoch."

CONTINENTAL HOSIERY MILLS, INC.

The Senate proceeded to consider the bill (H. R. 4229) for the relief of Continental Hosiery Mills, Inc., which had been reported from the Committee on the Judiciary, with an amendment on page 1, line 5, after the word "of", to strike out "$18,319.20 with interest thereon from the 19th day of April 1947" and insert "$21,670.11."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

BILLS PASSED OVER

The bill (S. 1864) to authorize an increase in the membership of the Board of Appeals of the Patent Office; to provide increased salaries for certain officers and employees of the Patent Office; and for other purposes, was announced as next in order.

Mr. HRUSKA. Over, Mr. President.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 3486) to amend section 41 of the Longshoremen's and Harbor Workers' Compensation Act so as to provide a system of safety rules, regulations, and safety inspection and training, and for other purposes, was announced as next in order.

Mr. HRUSKA. Over, Mr. President.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 3710) to extend, until such time as compulsory military service under the laws of the United States is terminated, the provisions of title IV of the Veterans' Readjustment Assistance Act of 1952 to veterans who entered active service in the Armed Forces after January 31, 1955, was announced as next in order.

Mr. HRUSKA. Over, Mr. President.

The PRESIDING OFFICER. The bill will be passed over.

ESTABLISHMENT OF NATIONAL PARK IN THE WHEELER PEAK-LEHMAN CAVES, NEV.

The bill (S. 3587) to provide that the Secretary of the Interior shall investigate and report to the Congress as to the advisability of establishing a national park in the Wheeler Peak-Lehman Caves area of the Snake Range, in eastern Nevada, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to make a full and complete investigation of the advisability of establishing a national park in the Wheeler Peak-Lehman Caves area of the Snake Range in eastern Nevada.

SEC. 2. As soon as practicable after the date of the enactment of this Act, the Secretary of the Interior shall report to the Congress the results of such investigation made by him under the first section of this act, together with such recommendations as he deems appropriate. Such report shall contain specific findings with respect to (1) the national importance of the proposed national park, (2) the advisability of authorizing livestock grazing, mining, and hunting and fishing with the area of such park, and (3) the estimated total cost of establishing such park.

Mr. BIBLE. Mr. President, I understand that an amendment to the bill is at the desk. I ask that the amendment be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add a new section, as follows:

SEC. 3. As soon as practicable after the date of enactment of this act, the Secretary of Agriculture, after such further investigation as he may deem necessary, shall report to the Congress on (1) the suitability of the area referred to in section 1 for continued multiple-use management, including the multiple-use benefits and potentials of the area, (2) the impact that the establishment in the area of a national park would have upon the remaining national forest and users of national-forest resources, and (3) such other information with such recommendations as he may deem appropriate.

Mr. BIBLE. Mr. President, the amendment just read was an amendment suggested by the Department of Agriculture. We have no objection to the amendment, and I ask that it be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CONVEYANCE OF CERTAIN LANDS TO THE CITY OF HENDERSON, NEV.

The Senate proceeded to consider the bill (S. 3723) to amend Public Law 522, 84th Congress (relating to the conveyance of certain lands to the city of Henderson, Nev.), which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 2, line 1, after the word "portions", to insert "by legal subdivision of the public land surveys"; in line 3, after the word "the", to strike out "election" and insert "purchase"; in line 4, after the word "city", to strike out "to purchase" and insert "of"; and in line 6, after the word "purchase", to insert "in accordance with such preceding provisions and by legal subdivisions of the public land surveys"; so as to make the bill read:

Be it enacted, etc., That the act entitled "An act to direct the Secretary of the Interior to convey certain public lands in the State of Nevada to the city of Henderson, Nev.," approved May 14, 1956 (70 Stat. 156), is amended by adding at the end thereof the following new section:

"SEC. 3. Nothing contained in the preceding provisions of this act shall be construed to preclude the city of Henderson, Nev., from purchasing, in accordance with such preceding provisions, only such portion or portions, by legal subdivision of the public land surveys, of the above-described lands as such city elects, nor shall the purchase by such city of only a portion or portions of such lands be construed to constitute a waiver or relinquishment of any of its rights under this act to purchase, in accordance with such preceding provisions and by legal subdivisions of the public land surveys, the remainder of such lands, or any portion thereof."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 4051) to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954 as amended, and for other purposes, was announced as next in order.

Mr. HRUSKA. Over, Mr. President.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 4100) to provide for the increased use of agricultural products for industrial purposes was announced as next in order.

Mr. HRUSKA. Over, Mr. President.

The PRESIDING OFFICER. The bill will be passed over.

CONSTRUCTION OF STADIUM, DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (S. 3736), to amend the District of Columbia Stadium Act of 1957 to require the stadium to be constructed substantially in accordance with certain plans, which had been reported from the Committee on the District of Columbia, with an amendment to strike out all after the enacting clause and insert:

That the District of Columbia Stadium Act of 1957 is amended as follows:

(1) The first sentence of section 2 of such act is amended by striking out "(including necessary motor-vehicle parking areas)."

(2) The last sentence of section 2 of such act is amended to read as follows: "In the event the Board exercises the authority vested in it by this section, such stadium shall be constructed substantially in accordance with the plans for such stadium contained in the Praeger-Kavanagh-Waterbury survey entitled 'Engineering and Economic Study, District of Columbia Stadium' dated March 31, 1958."

(3) Section 3 of such act is amended by striking out all that follows in that section after "and thereafter," and inserting in lieu thereof the following: "acting under authority of the act entitled, 'An act to establish a National Park Service, and for other purposes', approved August 25, 1916, as amended (16 U. S. C. 1 and the following), the Secretary of the Interior shall enter into a contract with the Board for the construction, maintenance, and operation of the stadium on such East Capitol Street site, except that such contract may be for a term of not more than 30 years."

(4) The first sentence of subsection (a) of section 4 of such act is amended to read as follows: "The Board is hereby authorized to provide for the payment of the cost of preliminary engineering and economic surveys relating to the stadium, and for the payment of the cost of planning, designing, and constructing such stadium, and to provide funds for the operation and maintenance of such stadium, and for the payment of interest on the bonds authorized herein during the period of construction and during the 12-month period following completion of construction of the stadium, by an issue or issues of negotiable bonds of the Board, bearing interest, payable annually or semiannually, as the Board shall determine, at a rate not exceeding such rate as shall be approved by the Secretary of the Treasury."

(5) The second sentence of subsection (a) of section 4 of such act is amended by striking out "act, but such cost shall not exceed $6 million." and inserting in lieu thereof "act."

(6) The fourth sentence of subsection (a) of section 4 of such act is amended (a) by inserting immediately after "outstanding bonds" a comma and the following: "and interest thereon," and (B) by striking out "occur, and shall not exceed in principal amount the principal amount of outstanding bonds replaced by such refunding bonds." and inserting in lieu thereof "occur.".

(7) Subsection (a) of section 4 of such act is further amended by striking out the last two sentences of that subsection.

(8) Subsection (c) of section 4 of such act is amended (A) by striking out "obligations" and inserting in lieu thereof "securities" and (B) by striking out "by the United States, or".

(9) Section 5 of such act is amended by striking out "without regard to any other provision of law—" and inserting in lieu thereof "without regard to any other provision of law, but subject to any contract entered into with the Secretary of the Interior under section 3 of this act—".

(10) Paragraph (5) of section 5 of such act is further amended by striking out "on such land as is provided for that purpose by the Secretary of the Interior under section 3 of this Act."

(11) Section 5 of such act is further amended by adding at the end thereof the following new paragraph:

"(11) to enter into contracts, contingent or otherwise, or expert, professional, and other personal services, and for printing, engraving, supplies, or any items or services necessary and incident to the preparation and sale of bonds, to be paid out of the proceeds of the sale of such bonds."

(12) Subsection (a) of section 6 of such act is amended to read as follows:

"(a) The Board shall place into an operating fund all receipts derived from the exercise by the Board of the powers granted by this act. All records and accounts relating to the operations, revenues, expenses, and costs of the stadium shall be kept separate and distinct from the records and accounts relating to the operations, revenues, expenses, and costs of the District of Columbia National Guard Armory. The Board is authorized, from time to time, to make advances for the operation and maintenance of the stadium from the armory board working capital fund established in section 8 of the act approved June 4, 1948 (D. C. Code, sec. 2–1708), but not to exceed a total of $25,000 at any one time. Such advances shall be reimbursed from the operating fund created by this subsection. The operating fund shall be used for constructing, operating, maintaining, and repairing the stadium. After payment or provision for payment from the operating fund of all costs for construction, maintenance, repair and operation of the stadium and the reservation of an amount of money estimated to be sufficient for the maintenance, repair, and operation during the ensuing period of not more than 12 months, the remainder of the receipts derived from the exercise by the Board of the powers granted by this act shall be placed in a sinking fund. Such sinking fund shall be used for the following purposes and in the following order of priority: (1) to pay the interest on and principal of bonds and other securities issued under authority of section 4 of this act; (2) to reimburse the District of Columbia for any moneys advanced from its revenues and any amounts borrowed by the Commissioners of the District of Columbia from the Secretary of the Treasury, including interest on such borrowed amounts to pay interest on or principal of bonds issued by the Board; and (3) to redeem bonds before maturity as provided in section 4 of this act, or to repurchase bonds before maturity. All revenues from the operation of the stadium are hereby pledged to the uses and to the application thereof as heretofore in this section required. An accurate record of the cost of the stadium, the expenditures for maintaining and operating it, and of rentals and lease receipts shall be kept and shall be available for the information of all interested persons."

(13) Section 7 of such act is amended by striking out all that follows in that section after "date of enactment of this act," and inserting in lieu thereof: "all right, title, and interest in and to the stadium constructed under this act shall vest in the United States."

(14) The last sentence of section 9 of such act is amended to read as follows: "Whenever the Board certifies to the Commissioners of the District of Columbia that there will not be a sufficient amount in the sinking fund created by section 6 (a) of this act to pay amounts becoming due and payable during any fiscal year on account of interest on or retirement of the bonds, the Commissioners of the District of Columbia shall include in the budget estimates for the District of Columbia for such fiscal year such amounts out of the revenues of the District of Columbia as may be necessary to insure the payment of such interest or the retirement of such bonds. In the event an appropriation has not been made by the time the amount becomes due and payable on account of interest on or retirement of the bonds, the Commissioners of the District of Columbia are authorized to borrow from the Secretary of the Treasury the amounts required, to bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on current marketable obligations of the United States of comparable maturities as of the last day of the month preceding the month in which the amount is borrowed. The Secretary of the Treasury is authorized and directed to lend to said Commissioners the amounts required hereunder and for such purposes the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under the Second Liberty Bond Act, as amended, are extended to include any loans to said Commissioners hereunder. Amounts borrowed by said Commissioners from the Secretary of the Treasury pursuant to this section and the interest thereon shall be repaid promptly from the funds appropriated pursuant to authority in this section and from any other appropriation available for such purpose. Amounts appropriated for payment of interest on or retirement of bonds and amounts borrowed by the Commissioners for such purpose shall be advanced by the Commissioners to the Board and shall be placed by the Board in such sinking fund. All bonds and other securities issued by the Board under authority of this act are hereby guaranteed as to both principal and interest by the United States.

(15) Section 10 of such act is amended by striking out "the accuracy by the auditor of the District of Columbia," and inserting in lieu thereof "accuracy by the Commissioners of the District of Columbia, or their designated agent."

(16) Such act is further amended by adding at the end thereof the following new section:

"SEC. 11. As used in this act the term—

"(1) 'stadium' includes necessary motor-vehicle parking areas, and all equipment, appliances, facilities, and property of any kind, necessary to carry out the purposes of this act."

SEC. 2. (a) Section 8 of the act entitled "An act to establish a District of Columbia Armory Board, and for other purposes," approved June 4, 1948 (D. C. Code, sec. 2–1708), as amended, is amended (1) by striking out "$50,000" each place where it appears and inserting in lieu thereof at each such place "$100,000"; (2) by striking out "not to exceed $11,000 at any one time to be used for office and sundry expenses of the Armory Board, including use for change-making purposes" and inserting in lieu thereof "not to exceed $15,000 at any one time to be used by the Armory Board for its office and sundry expenses and for change-making purposes in connection with the secondary purposes of this act, and in connection with the operation of the stadium pursuant to the District of Columbia Stadium Act of 1957"; and (3) by striking out *"Provided further,* That an amount not to exceed $3,000 in any fiscal year shall be available for promotional expenses in the furtherance of the secondary purposes of this act," and inserting in lieu thereof *"Provided further,* That an amount not to exceed $10,000 in any fiscal year shall be available for promotional expenses in the furtherance of the secondary purposes of this act, and of the purposes of the District of Columbia Stadium Act of 1957."

(b) Subsection (a) of this section shall take effect on the first day of the first month which begins after the date of enactment of this act.

Mr. FREAR. Mr. President, is an explanation of the bill desired?

Mr. HRUSKA. Mr. President, we would like to have an explanation.

Mr. FREAR. Mr. President, the District of Columbia Stadium Act of 1957 was approved September 7, 1957. That act authorizes the District of Columbia Armory Board to construct and operate a stadium having a seating capacity of not more than 50,000 at a cost not to exceed $6 million, which included the cost of constructing the stadium, necessary motor vehicle parking areas, interest during the construction of the stadium and for 12 months thereafter—because the stadium might be completed before substantial revenues would come in—all engineering, legal, financial, architectural, and other expenses incident for the construction of the stadium and the cost of purchasing the land.

The act authorized the construction of the stadium on the East Capitol Street site near the National Guard Armory, which site had been approved by the National Capital Planning Commission. After the stadium had been paid for the act required the Armory Board to deliver deeds or other suitable instruments of conveyance to the Board of Commissioners of the District of Columbia.

Because of the lack of a detailed study which would provide some measure of definite knowledge concerning the ownership of the land, the type and design of a suitable stadium, estimated costs of construction, methods of financing, the positions which might be taken by the various agencies and the Board of Commissioners, the Armory Board applied for and received from the Housing and Home Finance Agency an advance to make possible a preliminary engineering-economic survey, upon a basis that such advance would be repaid provided the stadium should be constructed. As a result the Armory Board employed the firm of Praeger-Kavanaugh-Waterbury to make a preliminary survey of the engineering-economic problems involved. This firm recommended that a stadium of modern style, suitable for baseball, football, outdoor conventions of religious, fraternal, and other groups could be built upon a basis that such stadium would produce revenues to operate and maintain it and also pay off principal and interest on bonds to be issued to raise funds in connection with the cost of construction and items incident thereto.

The Armory Board also secured from the Secretary of the Treasury, the Director of the Budget, the Secretary of the Interior, the National Park Service, the Board of Commissioners of the District of Columbia, the Director of Highways of the District, and various representa-

tives of banking interests whose knowledge concerning the possible issuance of bonds would be useful, a declaration of their respective positions concerning the construction of a stadium, including parking facilities, utilities in connection therewith, and the like. The Armory Board also consulted with officials of the Pro Football Inc.—the Washington Redskins—and the Washington American League Baseball Club, Inc.—Washington Senators. Each of these concerns, respectively declared that subject to working out details on a mutually agreeable basis with the Board, it would be interested in becoming a lessee of the stadium.

In sum, the substance of the testimony and the written documents introduced at the hearing on this legislation was:

First. The stadium, after it has been paid for will go to the United States Government and not to the District of Columbia, as was provided for in the Stadium Act of 1957.

Second. The Department of the Treasury agreed that (a) all bonds and securities issued by the Armory Board under the authority of the act of 1957, are guaranteed as to both principal and interest by the United States, upon a basis whereby all payments due on interest or on retirement of the bonds will be paid on their respective due dates; (b) the interest rate on such bonds must be determined by the Secretary of the Treasury; (c) such bonds or other securities will not be tax exempt to the United States, but they will be tax exempt both as to principal and interest—except estate and inheritance taxes—now or hereafter imposed by the District of Columbia—this is agreeable to the Board of Commissioners; (d) the revenues will be first applied to the costs of operation, maintenance, repairing, promotion, and such advances as may be made by the Armory Board out of Armory operations for stadium operations before it becomes available to pay interest on or to retire bonds; and (e) before bonds may be redeemed before maturity any moneys that may be borrowed by the Armory Board from the District, which in turn borrows a like sum from the United States, for the purpose of paying interest and principal on bonds or other securities on their respective due dates, must be repaid by the Armory Board, both as to the principal on such loan and interest thereon to the District of Columbia.

This legislation would amend the Stadium Act of 1957 in the following respects:

The stadium will be constructed substantially in accordance with the Prager-Kavanaugh-Waterbury survey.

Existing law provides that upon the request of the Armory Board the Secretary of the Interior shall transfer title to the land to the Board. The land is owned by the Government as a part of its national parks. The Government desires to retain title to the land, but it has expressed a willingness to enter into a concession contract for a term of 30 years. This, in part, is based upon the fact that after the bonds are paid off, title to the stadium itself will be transferred to the Government.

The bonds issued by the Board would be guaranteed as to principal and interest by the United States.

Proceeds from the sale of the bonds would be used for payment of the cost of preliminary engineering and economic surveys relating to the stadium; planning, designing, and constructing the stadium; to provide funds for operation and maintenance of the stadium; and for interest on the bonds during construction and during the 12-month period following construction of the stadium.

Refunding bonds may be issued to refinance outstanding bonds and interest thereon.

The bill eliminates from the present law the last two sentences of section 4 (a), because it was the opinion of the experts consulted by the committee that a trust indenture or mortgage was not desirable in view of the fact that the United States Government was guaranteeing payment of both principal and interest upon the bonds.

The exemption from taxation imposed by the United States on bonds or other securities issued by the Board under the act is eliminated.

The bill permits the Armory Board to maintain and operate motor vehicle parking lots.

It authorizes the Armory Board to enter into contracts, contingent or otherwise, for expert, professional, and other personal services, and so forth.

An operating fund is created into which the Armory Board deposits all receipts derived from the powers granted by this act.

The sinking fund is to be used to pay interest and principal of bonds issued by the Board; to reimburse the District of Columbia for moneys advanced from its revenues or moneys borrowed from the Treasury, including interest on borrowed amounts, to pay interest or principal on bonds issued by the Board, and to redeem any bonds before maturity or to repurchase any bonds before maturity.

An accurate record of the cost of the stadium, expenditures for maintaining and operating it, and rentals and lease receipts shall be kept and be available for the information of all interested persons.

The bill increases from $50,000 to $100,000 the maximum amount which may be accumulated in the Armory Board working capital fund.

The figure of $11,000, which heretofore was permitted for office and sundry expenses, including change making purposes for only armory operations, has been raised to $15,000 for like uses for both armory and stadium operations.

The figure of $3,000 for promotional expenses in furtherance of only armory operations, has now been raised not to exceed $10,000 in any fiscal year to promote the affairs of both the armory and stadium operations.

Mr. HRUSKA. Mr. President, I thank the Senator from Delaware for the explanation he has just given.

The PRESIDING OFFICER. The Chair is informed that there is at the desk a companion bill, House bill 12162, which will be stated by title.

The bill (H. R. 12162), to amend the District of Columbia Stadium Act of 1957 to require the stadium to be constructed substantially in accordance with certain plans, to provide for a contract with the United States with respect to the site of such stadium, and for other purposes, was read twice by its title.

The PRESIDING OFFICER. Is there objection to the present consideration of the House bill?

There being no objection, the Senate proceeded to consider the bill.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. FREAR. There are certain technical amendments to the House bill which the committee has agreed to accept. I send them to the desk and ask that they be stated and considered en bloc.

The PRESIDING OFFICER. The amendments offered by the Senator from Delaware will be stated.

The LEGISLATIVE CLERK. On page 2, line 2, before the word "such" it is proposed to strike out "union" and insert "section."

On page 5, line 2, after "District of Columbia", it is proposed to insert "from the Secretary."

On page 6, line 21, it is proposed to strike out "Commissioner" and insert "Commissioners."

On page 6, line 23, before the word "fiscal", it is proposed to strike out "each", and insert "such."

On page 9, after the numerals "1957", it is proposed to strike out the semicolon.

The PRESIDING OFFICER. Without objection, the amendments will be considered en bloc.

The question is on agreeing to the amendments offered by the Senator from Delaware [Mr. FREAR].

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The PRESIDING OFFICER. Without objection, Senate bill 3736 is indefinitely postponed.

The clerk will state the next order of business on the calendar.

BILLS PASSED OVER

The bill (S. 2769) to increase the salaries of officers and members of the Metropolitan Police Force and the Fire Department, the United States Park Police, and the White House police, was announced as next in order.

Mr. MORTON. Over, as not proper calendar business.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 3957) to amend the District of Columbia Teachers' Salary Act of 1955 was announced as next in order.

Mr. MORTON. Over.

The PRESIDING OFFICER. The bill will be passed over.

AMENDMENT OF THE DISTRICT OF COLUMBIA VEHICLE PARKING FACILITY ACT OF 1942

The bill (S. 3827) to amend the District of Columbia Vehicle Parking Facility Act of 1942, as amended was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 3 of the District of Columbia Motor Vehicle Parking Facility Act of 1942, approved February 16, 1942, as amended (sec. 40–804, D. C. Code, 1951 edition), is amended by adding thereto a new paragraph to read as follows:

"(g) The power to use moneys in the fund established by section 7 of this act, as amended, for the purpose of widening or channelizing streets or making other street improvements to correct or improve traffic conditions in the vicinity of off-street parking facilities, and to correct traffic conditions resulting from a lack or shortage of parking facilities."

SPECIAL REGULATIONS FOR THE MIDDLE ATLANTIC SHRINE ASSOCIATION MEETING IN SEPTEMBER 1958

The joint resolution (H. J. Res. 582) to authorize the Commissioners of the District of Columbia to promulgate special regulations for the period of the Middle Atlantic Shrine Association meeting in September 1958 was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF MOTOR VEHICLE SAFETY RESPONSIBILITY ACT OF THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (S. 3941) to amend the Motor Vehicle Safety Responsibility Act of the District of Columbia, which had been reported from the Committee on the District of Columbia with an amendment on page 8, at the beginning of line 17, to insert the word "and" where it first appears and inserting the word "or" in lieu thereof and by striking ",", so as to make the bill read:

Be it enacted, etc., That section 4 of the Motor Vehicle Safety Responsibility Act of the District of Columbia, approved May 25, 1954 (68 Stat. 122; sec. 40–420, D. C. Code, 1951 edition), is amended by striking the second sentence of said section and inserting in lieu thereof the following: "Application for review of any such order or act shall be in writing and shall set out in detail the reasons for such review. Such application shall be filed with the Commissioners within 5 days after the issuance of the order or occurrence of the act in question."

SEC. 2. Section 7 of said act approved May 25, 1954 (sec. 40–423, D. C. Code, 1951 edition), is amended by inserting immediately before the colon at the end of the first proviso the following: ", except that nothing contained in this proviso shall be construed to require the United States or the District of Columbia to file the undertaking hereby required."

SEC. 3. Subsection (b) of section 12 of said act approved May 25, 1954 (sec. 40–428 (b), D. C. Code, 1951), is amended by inserting immediately after "accident report" the following: ", or refuses or neglects to make such report,".

SEC. 4. Paragraph numbered (4) of section 18 of said act approved May 25, 1954 (sec. 40–434 (4), D. C. Code, 1951), is amended by inserting immediately after "section 79" the following: "of this act or part II of the Interstate Commerce Act."

SEC. 5. Subsection (a) of section 19 of said act approved May 25, 1954 (sec. 40–435, D. C. Code, 1951 edition), is amended by inserting immediately before the period at the end thereof the following: ": *Provided*, That the requirements of this subsection shall not apply with respect to any vehicle the owner of which has complied with the requirements of any law which is now or may hereafter become effective in the District of Columbia requiring insurance or other security on motor vehicles in at least the limits herein specified."

SEC. 6. Section 22 of said act approved May 25, 1954 (sec. 40–438, D. C. Code, 151 edition), is amended by adding the following new subsection:

"(d) In any accident involving property of the United States or the District of Columbia, should it appear upon investigation by or on behalf of the United States or the District that a person involved in such accident may not be liable to the United States or the District for any damage resulting therefrom, such person may submit, and the appropriate United States official and the Commissioners are hereby authorized to give to him, a statement to such effect, and such statement may be in lieu of the release required by this section: *Provided*, That the United States and the Commissioners may withdraw such statement at any time if it should appear that the person to whom it was given may be liable to the United States or the District for damages arising out of such accident, and if such statement be withdrawn, the person to whom is was given shall be required to comply with the provisions of this act."

SEC. 7. Section 24 of said act approved May 25, 154 (sec. 40–440, D. C. Code, 1951), is amended by adding the following subsection:

"(e) The Commissioners may accept evidence of a payment to the driver or owner of a vehicle involved in any accident by any other person involved in such accident or by the insurance carrier of any other person involved in such accident on account of damage to property or bodily injury as a settlement agreement relieving such driver or owner from the security and suspension provisions of this article in respect to any possible claim by the person on whose behalf such payment has been made might have for property damage or bodily injury arising out of the accident. A payment to the insurance carrier of a driver or owner under the carrier's right of subrogation for the purposes of this article shall be considered the equivalent of a payment to such driver or owner."

SEC. 8. Section 37 of said act approved May 25, 1954 (sec. 40–453, D. C. Code, 1951), is amended to read as follows:

"SEC. 37. Proof required upon certain convictions: (a) The license and registration of all vehicles registered in the name of any person who by a final order or judgment shall have forfeited any bond or collateral given to secure appearance for trial for a violation of any of the following provisions of law:

"(1) Operating a motor vehicle under the influence of any intoxicating liquor or narcotic drug;

"(2) Any homicide committed by means of a motor vehicle;

"(3) Leaving the scene of an accident in which the motor vehicle driven by him was involved and in which there is personal injury, without giving assistance or making known his identity and address and the identity and address of the owner of said vehicle;

"(4) Reckless driving involving personal injury;

"(5) Any felony in the commission of which a motor vehicle is used; or

"(6) A conviction of, or forfeiture of bail or collateral for an offense in any State which, if committed in the District of Columbia, would be one of the offenses listed in paragraphs (1) through (5) of this subsection (a);

shall be suspended by the Commissioners and shall remain so suspended and shall not at any time thereafter be renewed, nor shall any other motor vehicles be thereafter registered in the name of such person as owner, except that (1) if such owner has previously given or shall immediately give and thereafter maintain proof of financial responsibility for the future with respect to all such vehicles registered by such person as the owner, the Commissioners shall not suspend such registration unless otherwise required or permitted by law, or (2) if a conviction arose out of the operation, with permission, of a vehicle owned by or leased to the United States, the District of Columbia, a State, or a political subdivision of a State or a municipality thereof, the Commissioners shall not suspend the registration of any vehicle so owned or leased. If such person be not a resident of the District of Columbia, the privilege of operating any motor vehicle in the District of Columbia and the privilege of operation within the District of Columbia of any motor vehicle owned by him shall be suspended until he shall have furnished proof of financial responsibility for the future with respect to all such vehicles registered by such person as the owner, and such person shall not be allowed a license, nor shall such owner be allowed to register any vehicle in the District of Columbia, until he has complied with the requirements of this article to the same extent that would be necessary if, at the time of the conviction or forfeiture, he had held a license or had been the owner of a vehicle registered in the District of Columbia.

"(b) Upon receipt of a certification from any State that the operating privilege of a resident of the District of Columbia has been suspended or revoked pursuant to a law providing for such suspension or revocation for a conviction or forfeiture under circumstances which would require the Commissioners to suspend a nonresident's operating privilege had the offense occurred in the District of Columbia, the Commissioners shall suspend the license of such resident and the registration of all vehicles registered in his name."

SEC. 9. Section 39 of said act approved May 25, 1954 (sec. 40–455, D. C. Code, 1951), is amended to read as follows:

"SEC. 39. Action in respect to unlicensed person: (a) If a person by final order or judgment is convicted of or forfeits any bail or collateral deposited to secure an appearance for trial for:

"(1) Driving a motor vehicle upon the highways without being licensed to do so under the laws of the District of Columbia when so required; or

"(2) Driving a vehicle not registered under the laws of the District of Columbia when so required;

the operating privilege of such person shall be suspended and no license shall thereafter be issued to such person, but if such person has obtained a license prior to the time the Commissioners have issued an order precluding the issuance of such license, then such license shall be suspended; and no vehicle shall continue to be registered or thereafter be registered in the name of such person as owner, unless such person shall give and thereafter maintain proof of financial responsibility.

"(b) It shall be the duty of the clerk of the court in which any such conviction or forfeiture is ordered to forward immediately to the Commissioners a certified copy of said order, which certified copy shall be prima facie evidence of the facts stated therein."

SEC. 10. Section 41 of said act approved May 25, 1954 (sec. 40–457, D. C. Code, 1951),

is amended by striking "a certified copy of such judgment," and inserting in lieu thereof "a certificate of facts relative to such judgment, upon a form provided by the Commissioners,", and by striking "certified copy" and inserting in lieu thereof "certificate."

SEC. 11. Section 43 of said act approved May 25, 1954 (sec. 40–459, D. C. Code, 1951), is amended by striking the word "and" where it first appears and inserting the word "or" in lieu thereof and by striking ", on a form by another upon any highway."

SEC. 12. Section 72 of said act approved May 25, 1954 (sec. 40–488, D. C. Code, 1951 edition), is amended (a) by inserting the subsection symbol "(a)" immediately before the first sentence; and (b) by adding the following subsection:

"(b) No person shall swear falsely to any affidavit required by the Commissioners under the authority of this act."

SEC. 13. Section 73 of said act approved May 25, 1954 (sec. 40–489, D. C. Code, 1951 edition), is amended (a) by striking "or Registration" in the caption; and (b) by striking "or registration" and "or knowingly permits any vehicle of a type subject to registration under the law of the District of Columbia owned by such person to be operated by another upon any highway."

SEC. 14. Section 78 of said act approved May 25, 1954 (sec. 40–493, D. C. Code, 1951), is hereby repealed.

SEC. 15. This amendatory act shall take effect 15 days after its approval.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ENFORCEMENT OF CEASE AND DESIST ORDERS UNDER THE CLAYTON ACT

The Senate proceeded to consider the bill (S. 721) to amend section 11 of the Clayton Act to provide for the more expeditious enforcement of cease and desist orders issued thereunder, and for other purposes, which had been reported from the Committee on the Judiciary with an amendment on page 4, line 3, after the word "of", to insert "the", so as to make the bill read:

Be it enacted, etc., That (a) the first and second paragraphs of section 11 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914 (38 Stat. 735, as amended; 15 U. S. C. 21) are hereby redesignated as subsections (a) and (b) of such section, respectively.

(b) The third, fourth, fifth, sixth, and seventh paragraphs of such section are amended to read as follows:

"(c) Any person required by such order of the commission or board to cease and desist from any such violation may obtain a review of such order in the court of appeals of the United States for any circuit within which such violation occurred or within which such person resides or carries on business, by filing in the court, within 60 days after the date of the service of such order, a written petition praying that the order of the commission or board be set aside. A copy of such petition shall be forthwith served upon the commission or board, and thereupon the commission or board shall certify and file in the court a transcript of the entire records in the proceeding, including all evidence taken and the report and order of the commission or board. Upon such filing of the petition and transcript the court shall have jurisdiction of the proceeding and of the question determined therein, and shall have power to make and enter upon the pleadings, evidence, and proceedings set forth in such transcript a decree affirming, modifying, or setting aside the order of the commission or board, and enforcing the same to the extent that such order is affirmed, and to issue such writs as are ancillary to its jurisdiction or are necessary in its judgment to prevent injury to the public or to competitors pendente lite. The findings of the commission or board as to the facts, if supported by evidence, shall be conclusive. To the extent that the order of the commission or board is affirmed, the court shall issue its own order commanding obedience to the terms of such order of the commission or board. If either party shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the proceeding before the commission or board, the court may order such additional evidence to be taken before the commission or board, and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper. The commission or board may modify its findings as to the facts, or make new findings, by reason of the additional evidence so taken, and shall file such modified or new findings, which, if supported by evidence, shall be conclusive, and its recommendation, if any, for the modification or setting aside of its original order, with the return of such additional evidence. The judgment and decree of the court shall be final, except that the same shall be subject to review by the Supreme Court upon certiorari, as provided in section 1254 of title 28 of the United States Code.

"(d) The jurisdiction of the court of appeals to affirm, enforce, modify, or set aside orders of the commission or board shall be exclusive.

"(e) Such proceedings in the court of appeals shall be given precedence over other cases pending therein and shall be in every way expedited. No order of the commission or board or judgment of the court to enforce the same shall in anywise relieve or absolve any person from any liability under the antitrust laws.

"(f) Complaints, orders, and other processes of the commission or board under this section may be served by anyone duly authorized by the commission or board, either (1) by delivering a copy thereof to the person to be served, or to a member of the partnership to be served, or to the president, secretary, or other executive officer or a director of the corporation to be served; or (2) by leaving a copy thereof at the residence or the principal office or place of business of such person; or (3) by registering and mailing a copy thereof addressed to such person at his or its residence or principal office or place of business. The verified return by the person so serving said complaint, order, or other process setting forth the manner of said service shall be proof of the same, and the return post office receipt for said complaint, order, or other process registered and mailed as aforesaid shall be proof of the service of the same.

"(g) Any order issued under subsection (b) shall become final—

"(1) upon the expiration of the time allowed for filing a petition for review, if no such petition has been duly filed within such time; or

"(2) upon the expiration of the time allowed for filing a petition for certiorari, if the order of the commission or board has been affirmed, or the petition for review has been dismissed by the court of appeals, and no petition for certiorari has been duly filed; or

"(3) upon the denial of a petition for certiorari, if the order of the commission or board has been affirmed or the petition for review has been dismissed by the court of appeals; or

"(4) upon the expiration of 30 days from the date of issuance of the mandate of the Supreme Court, if such Court directs that the order of the commission or board be affirmed or the petition for review be dismissed.

"(h) If the Supreme Court directs that the order of the commission or board be modified or set aside, the order of the commission or board rendered in accordance with the mandate of the Supreme Court shall become final upon the expiration of 30 days from the time it was rendered, unless within such 30 days either party has instituted proceedings to have such order corrected to accord with the mandate, in which event the order of the commission or board shall become final when so corrected.

"(i) If the order of the commission or board is modified or set aside by the court of appeals, and if (1) the time allowed for filing a petition for certiorari has expired and no such petition has been duly filed, or (2) the petition for certiorari has been denied, or (3) the decision of the court has been affirmed by the Supreme Court, then the order of the commission or board rendered in accordance with the mandate of the court of appeals shall become final on the expiration of 30 days from the time such order of the commission or board was rendered, unless within such 30 days either party has instituted proceedings to have such order corrected so that it will accord with the mandate, in which event the order of the commission or board shall become final when so corrected.

"(j) If the Supreme Court orders a rehearing; or if the case is remanded by the court of appeals to the commission or board for a rehearing, and if (1) the time allowed for filing a petition for certiorari has expired, and no such petition has been duly filed, or (2) the petition for certiorari has been denied, or (3) the decision of the court has been affirmed by the Supreme Court, then the order of the commission or board rendered upon such rehearing shall become final in the same manner as though no prior order of the commission or board had been rendered.

"(k) As used in this section the term 'mandate', in case a mandate has been recalled prior to the expiration of 30 days from the date of issuance thereof, means the final mandate.

"(l) Any person who violates any order issued by the commission or board under subsection (b) after such order has become final, and while such order is in effect, shall forfeit and pay to the United States a civil penalty of not more than $5,000 for each violation, which shall accrue to the United States and may be recovered in a civil action brought by the United States. Each separate violation of any such order shall be a separate offense, except that in the case of a violation through continuing failure or neglect to obey a final order of the commission or board each day of continuance of such failure or neglect shall be deemed a separate offense."

SEC. 2. The amendments made by section 1 shall have no application to any proceeding initiated before the date of enactment of this act under the third or fourth paragraph of section 11 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (38 Stat. 735, as amended; 15 U. S. C. 21). Each such proceeding shall be governed by the provisions of such section as they existed on the day preceding the date of enactment of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BARGAINING BY COOPERATIVE ASSOCIATIONS OF PRODUCERS WITH PURCHASERS

The bill (S. 2444) to authorize cooperative associations of producers to bargain with purchasers singly or in groups, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry with amendments, on page 1, line 6, after the word "of", to strike out "agricultural commodities and" and insert "milk and milk"; in line 11, after the word "of", to strike out "agricultural commodities or" and insert "milk and milk"; on page 2, line 1, after the word "products", to insert "Nothing in this act shall be construed to authorize any agreement relating to the price at which milk or any product thereof may be sold by any such dealer, handler, processor, or other purchaser."; and in line 10, after the word "done", to strike out "with the United States" and insert "for the United States or any of its agencies"; so as to make the bill read:

Be it enacted, etc., That cooperative associations of producers, and marketing agencies in common owned or controlled by such associations, may bargain in good faith singly or in groups for the sale of milk and milk products and at the request of any one or more of such associations or marketing agencies, acting singly or in groups, dealers, handlers, processors, and other purchasers may bargain in good faith singly or in groups with such association, marketing agency, or group for the purchase of milk and milk products. Nothing in this act shall be construed to authorize any agreement relating to the price at which milk or any product thereof may be sold by any such dealer, handler, processor, or other purchaser. For the purposes of this act, "cooperative associations of producers" and "marketing agencies in common" mean such associations and marketing agencies as meet the requirements of the Capper-Volstead Act (42 Stat. 388, 7 U. S. C. 291–292). In determining compliance with said act, business done for the United States or any of its agencies shall not be considered either member or nonmember business.

Mr. HRUSKA. Mr. President, may we have an explanation of the bill?

Mr. AIKEN. Mr. President, the bill would permit milk marketing cooperatives and their marketing agencies—as those terms are defined in the Capper-Volstead Act—and purchasers from such cooperatives or agencies, to bargain in good faith in groups for milk and milk products. The cooperatives at present are authorized by the Capper-Volstead Act to bargain through a marketing agency in common, which may represent all of the cooperatives in the market. Consequently, permitting the cooperatives themselves to sit down in a group for bargaining purposes does not represent a great change in substance, although such action may, at present, be prohibited by the antitrust laws. By permitting joint negotiation with all handlers at one time, the bill would provide a more direct, efficient way of reaching the result now required by the Robinson-Patman Act and achieved only by negotiations back and forth between handlers, that is, providing a uniform nondiscriminatory price to all handlers.

The bill also makes it clear that business done for the United States is not to be considered as either member or nonmember business in determining whether a cooperative association meets the requirements of the Capper-Volstead Act. This is similar to a provision set out in section 521 (b) (5) of the Internal Revenue Code of 1954.

The committee amendments to the text of the bill would limit the scope of the antitrust exemption provided by the bill to milk and milk products; make it clear that nothing in the bill authorizes any agreement with respect to resale prices by purchasers; and clarify the last sentence of the bill without making any change in its substance. The committee restricted the antitrust exemption to milk and milk products because it felt that milk presented special problems recognized by Congress when it provided in the Agricultural Marketing Agreement Act of 1937 for the fixing of uniform prices in milk marketing orders. There is nothing in the bill which would permit any agreement with respect to resale prices, but in view of the questions raised by the Department of Justice in its report on the bill, the committee has inserted a provision specifically excluding any such agreement from the scope of the act.

The committee amendment to the title conforms the title to the bill as it would be amended by the committee amendments to its text.

As I say, the bill is intended to clear up an awkward situation in connection with milk marketing, and to make sure that the milk cooperatives, in complying with one law, do not find themselves in trouble with respect to another law.

Mr. HRUSKA. May I inquire whether the action of the committee on this bill was unanimous?

Mr. AIKEN. I think it was agreed to by voice vote. I do not recall any opposition.

Mr. HRUSKA. There were no objections?

Mr. AIKEN. I am advised that there were no objections.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments. Without objection, the committee amendments will be considered en bloc.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill to authorize cooperative associations of milk producers to bargain with purchasers singly or in groups and for other purposes."

INCORPORATION OF VETERANS OF WORLD WAR I

The bill (H. R. 11077) to incorporate the Veterans of World War I of the United States of America was considered, ordered to a third reading, read the third time, and passed.

Mr. NEUBERGER. Mr. President, I am indeed pleased by the passage of H. R. 11077 which grants a charter of incorporation to the Veterans of World War I of the United States of America.

I sponsored this legislation in the 84th and again in the 85th Congress, and I am gratified that our efforts, extending over this period of years, have been successful, and that the Veterans of World War I, the only general veterans organization made up exclusively of World War I veterans, will at long last have its charter.

I reintroduced the charter bill which I had sponsored in the previous Congress in January 1957, and hearings were held on my bill in August of 1957 by the Federal Charters Subcommittee, presided over by the able junior Senator from Wyoming [Mr. O'MAHONEY]. The House bill passed by the Senate today is practically identical with the legislation that I sponsored over the last 3 years in the Senate.

Following the passage of H. R. 11077 in the House of Representatives, I wrote Senator O'MAHONEY urging that prompt action be taken so that the Senate would have an opportunity to consider the Federal charter of incorporation. I was pleased and appreciative of his reply.

Mr. President, I ask unanimous consent to place, at this point in my remarks, my letter of June 26 addressed to Senator O'MAHONEY and his letter to me dated July 1.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

JUNE 26, 1958.

Hon. JOSEPH C. O'MAHONEY,
United States Senate,
Washington, D. C.

DEAR JOE: I was indeed pleased by the passage yesterday in the House of Representatives of legislation to grant a Federal Charter of Incorporation to the Veterans of World War I of the United States of America. The House bill, H. R. 11077, which passed on a rollcall vote of 389 to 2, is practically identical with my charter bill, S. 1407, and others which have been introduced in the Senate. Hearings were held last fall by your subcommittee on Federal Charters on my incorporation bill.

It is my hope that your subcommittee and the Judiciary Committee can give prompt consideration to this legislation so that it can be considered this year by the Senate.

With best wishes, I am,

Sincerely,

RICHARD L. NEUBERGER,
United States Senator.

UNITED STATES SENATE,
Washington, D. C., July 1, 1958.

Hon. RICHARD L. NEUBERGER,
United States Senator,
Washington, D. C.

DEAR DICK: Just a hasty note to acknowledge your letter of June 26th and to say that I shall try to call up the charter bill for the World War I Veterans Incorporated for action at the next meeting of the Judiciary Committee. In view of your keen interest I am anxious to do what I can to be helpful.

With kind personal regards,

Sincerely yours,

JOSEPH C. O'MAHONEY.

Mr. NEUBERGER. Mr. President, with the passage of the charter bill, I should like to pay tribute to the distinguished junior Senator from Wyo-

ming [Mr. O'MAHONEY] for the fine work that he has done in making possible the passage of this legislation by the Senate. I would also like to mention the great and successful efforts in behalf of the charter bill by the past national commander of the Veterans of World War I, Harlan W. Barnes of Portland, Oreg., and by the national legislative director, Merle Hopper, of Roscommon, Mich.

Mr. President, of the patriotic Americans who served our Nation in the First World War 40 years ago, 2,884,000 were living on May 31, 1958. Their average age was 64 years. Since the time of their service four decades ago, much history has been made and other great wars have been fought. In the memory of many Americans alive today, the great world war means that which we fought between 1941 and 1945, and another generation of Americans is growing up whose war-veteran husbands and brothers are those who fought for freedom and security in Korea.

Twenty-four years separate the service of the veterans of World War I from the beginning of the Second World War. Yet, many members of the Senate, who themselves served in the first great war of our century, will understand that, to the veterans of that war, it is a memory to be held and shared in common with their contemporaries.

For that reason, many of them have decided to form among themselves the special organization known as the Veterans of World War I of the United States of America. Already this organization, founded in Cleveland, Ohio in 1949, has over 80,000 members in all 48 States and the Territories. It has more than 1,000 barracks posts organized in 47 States.

Mr. President, it is fitting that the Veterans of World War I of the United States of America, the only general World War I veterans organization, should have a Federal charter of incorporation.

CENTENNIAL ANNIVERSARY OF THE LINCOLN-DOUGLAS DEBATE

The concurrent resolution (H. Con. Res. 346) commemorating the centennial anniversary of the Lincoln-Douglas debate which was held in Freeport, Ill., on August 27, 1858 was considered and agreed to.

RELIEF OF COMMITTEE OF REFERENCE AND COUNSEL OF FOREIGN MISSIONS CONFERENCE OF NORTH AMERICA

The bill (H. R. 2261) for the relief of the Committee of Reference and Counsel of the Foreign Missions Conference of North America was considered, ordered to a third reading, read the third time, and passed.

CLAIM OF AUF DER HEIDE-ARAGONA, INC.—BILL PASSED OVER

The bill (S. 552) to confer jurisdiction upon the United States Court of Claims to hear, determine, and render judgment upon the claim of Auf der Heide-Aragona, Inc., of West New York, N. J., was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. BIBLE. I ask that the bill go over.

The PRESIDING OFFICER. Objection is heard. The bill will go over.

RECORD OF ADMISSION FOR PERMANENT RESIDENCE OF CERTAIN HUNGARIAN REFUGEES

The bill (H. R. 11033) to authorize the creation of record of admission for permanent residence in the case of certain Hungarian refugees was considered, ordered to a third reading, read the third time, and passed.

RELIEF OF CERTAIN ALIENS

The Senate proceeded to consider the joint resolution (H. J. Res. 589) for the relief of certain aliens, which had been reported from the Committee on the Judiciary with amendments on page 1, after the enacting clause, to strike out "That, for the purposes of the Immigration and Nationality Act, Segundina Kirkby, Robert Louis Schmidt, and Annie Bertha Yarnold shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment or the required visa fees." and, in lieu thereof, to insert "That, for the purposes of the Immigration and Nationality Act, Annie Bertha Yarnold shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited or prescribed by section 213 of the said act."; in page 2, at the beginning of line 8, to strike out "Ngow Lee), Maximo C. Angeles, and George Kuosing Wu" and insert "Ngow Lee), and Maximo C. Angeles"; and on page 3, after line 4, to insert a new section, as follows:

SEC. 4. For the purposes of the Immigration and Nationality Act, Helen Demouchikous shall be held and considered to have been lawfully admitted to the United States for permanent residence as of September 17, 1948, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The amendments were agreed to.

The amendments were ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time, and passed.

ANTONIO DA COSTA

The bill (S. 1280) for the relief of Antonio da Costa was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Antonio da Costa shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

NICK TSALIKIS

The bill (S. 3270) for the relief of Nick Tsalikis was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Nick Tsalikis shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

ARTURO ERNESTO AUDRAIN Y CAMPOS

The bill (S. 3357) for the relief of Arturo Ernesto Audrain y Campos was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, notwithstanding the provisions of paragraph (1) of section 212 (a) of the Immigration and Nationality Act, Arturo Ernesto Audrain y Campos may be issued a visa and be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of such act. A suitable and proper bond or undertaking, approved by the Attorney General, shall be given on behalf of the said Arturo Ernesto Audrain y Campos in the same manner and subject to the same conditions as bonds or undertakings given under section 213 of such act. This act shall apply only to grounds for exclusion under paragraph (1) of section 212 (a) of such act known to the Secretary of State or the Attorney General prior to the date of the enactment of this act.

FEIGA CHIRINSKY ROSEMAN

The bill (S. 3598) for the relief of Feiga Chirinsky Roseman was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Feiga Chirinsky Roseman shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of her last entry into the United States.

SEC. 2. A suitable and proper bond or undertaking, approved by the Attorney General, shall be given on behalf of the said Feiga Chirinsky Roseman in the same manner and subject to the same conditions as bonds or undertakings given under section 213 of such act.

GERTRUDE YANG KOO

The bill (S. 3641) for the relief of Gertrude Yang Koo was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That for the purposes of the Immigration and Nationality Act, Gertrude Yang Koo shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

LUCIA (CASTANEDA) SAYAAN AND GLORIA (CASTANEDA) SAYAAN

The bill (H. R. 4330) for the relief of Lucia (Castaneda) Sayaan and Gloria (Castaneda) Sayaan was considered, ordered to a third reading, read the third time, and passed.

DOULATRAM CHATTULANE CHAVEZ

The Senate proceeded to consider the bill (S. 3404) for the relief of Doulatram Chattulani Chavez, which had been reported from the Committee on the Judiciary, with amendments, in line 5, after the name "Doulatram", to strike out "Chattulani" and insert "Chattulane", and in line 8, after the words "United States", to insert a colon and "Provided, That the natural parents of Doulatram Chattulane Chavez shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.", so as to make the bill read:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Doulatram Chattulane Chavez, shall be held and considered to be the natural-born alien child of Sergeant First Class Adolph G. Chavez and Stella H. Chavez, citizens of the United States: *Provided*, That the natural parents of Doulatram Chattulane Chavez shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Doulatram Chattulane Chavez."

TENNESSEE - TOMBIGBEE WATERWAY DEVELOPMENT COMPACT

The bill (S. 3987) granting the consent of Congress to the Tennessee-Tombigbee Waterway Development Compact was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the consent and approval of Congress is given to the Tennessee-Tombigbee Waterway Development Compact, as hereinafter set out. Such compact reads as follows:

"TENNESSEE-TOMBIGBEE WATERWAY DEVELOPMENT COMPACT

"*Article I*

"The purpose of this compact is to promote the development of a navigable waterway connecting the Tennessee and Tombigbee Rivers by way of the east fork of the Tombigbee River and Mackeys and Yellow Creeks so as to provide a 9-foot navigable channel from the junction of the Tombigbee and Warrior Rivers at Demopolis in the State of Alabama to the junction of Yellow Creek with the Tennessee River at Pickwick Pool in the State of Mississippi, and to establish a joint interstate authority to assist in these efforts.

"*Article II*

"This compact shall become effective immediately as to the States ratifying it whenever the States of Alabama and Mississippi have ratified it and Congress has given consent thereto. Any State not mentioned in this article which is contiguous with any member State may become a party to this compact, subject to approval by the legislature of each of the member States.

"*Article III*

"The States which are parties to this compact (hereinafter referred to as "party States") do hereby establish and create a joint agency which shall be known as the Tennessee-Tombigbee Waterway Development Authority (hereinafter referred to as the "Authority"). The membership of which Authority shall consist of the governor of each party State and five other citizens of each party State, to be appointed by the governor thereof. Each appointed member of the Authority shall be a citizen of that State who is interested in the promotion and development of waterways and water transportation. The appointive members of the Authority shall serve for terms of 4 years each. Vacancies on the Authority shall be filled by appointment by the governor for the unexpired portion of the term. The members of the Authority shall not be compensated, but each shall be entitled to actual expenses incurred in attending meetings, or incurred otherwise in the performance of his duties as a member of the Authority. The members of the Authority shall hold regular quarterly meetings and such special meetings as its business may require. They shall choose annually a chairman and vice chairman from among their members, and the chairmanship shall rotate each year among the party States in order of their acceptance of this compact. The secretary of the Authority (hereinafter provided for) shall notify each member in writing of all meetings of the Authority in such a manner and under such rules and regulations as the Authority may prescribe. The Authority shall adopt rules and regulations for the transaction of its business; and the secretary shall keep a record of all its business, and shall furnish a copy thereof to each member of the Authority. It shall be the duty of the Authority, in general, to promote, encourage, and coordinate the efforts of the party State to secure the development of the Tennessee-Tombigbee Waterway. Toward this end, the Authority shall have power to hold hearings; to conduct studies and surveys of all problems, benefits, and other matters associated with the development of the Tennessee-Tombigbee Waterway, and to make reports thereon; to acquire, by gift or otherwise, and hold and dispose of such money and property as may be provided for the proper performance of their functions; to cooperate with other public or private groups, whether local, State, regional, or national, having an interest in waterways development; to formulate and execute plans and policies for emphasizing the purpose of this compact before the Congress of the United States and other appropriate officers and agencies of the United States; and to exercise such other powers as may be appropriate to enable it to accomplish its functions and duties in connection with the development of the Tennessee-Tombigbee Waterway and to carry out the purposes of this compact.

"*Article IV*

"The Authority shall appoint a secretary, who shall be a person familiar with the nature, procedures, and significances of inland waterways development and the informational, educational, and publicity methods of stimulating general interest in such developments, and who shall be the compact administrator. His term of office shall be at the pleasure of the Authority and he shall receive such compensation as the Authority shall prescribe. He shall maintain custody of the Authority's books, records, and papers, which he shall keep at the office of the Authority, and he shall perform all functions and duties and exercise all powers and authorities that may be delegated to him by the Authority.

"*Article V*

"Each party State agrees that when authorized by its legislature, it will from time to time make available and pay over to the Authority such funds as may be required for the establishment and operation of the Authority. The contribution of each party State shall be in the proportion that its population bears to the total population of the States which are parties hereto, as shown by the most recent official report of the United States Bureau of the Census, or upon such other basis as may be agreed upon.

"*Article VI*

"Nothing in this compact shall be construed so as to conflict with any existing statute, or to limit the powers of any party State, or to repeal or prevent legislation, or to authorize or permit curtailment or diminution of any other waterway project, or to affect any existing or future cooperative arrangement or relationship between any Federal agency and a party State.

"*Article VII*

"This compact shall continue in force and remain binding upon each party State until the legislature or governor of each or either State takes action to withdraw therefrom: *Provided*, That such withdrawal shall not become effective until 6 months after the date of the action taken by the legislature or governor. Notice of such action shall be given to the other party State or States by the secretary of state of the party State which takes such action.

"SEC. 2. Without further submission of the compact, the consent of Congress is given to any State to become a party to it in accordance with its terms.

"SEC. 3. The right to alter, amend, or repeal this act is expressly reserved."

AMENDMENT OF UNIVERSAL MILITARY TRAINING AND SERVICE ACT

The bill (H. R. 8850), to amend the Universal Military Training and Service Act to authorize additional deferments in certain cases was considered, ordered to a third reading, read the third time, and passed.

CONSTRUCTION OF MODERN NAVAL VESSELS—BILL PASSED OVER

The bill (H. R. 11518) to authorize the construction of modern naval vessels was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. HRUSKA. Over.

The PRESIDING OFFICER. Objection is heard. The bill will go over.

REPRESENTATION OF INDIGENT PERSONS IN CRIMINAL CASES

The Senate proceeded to consider the bill (S. 3275) to provide for the representation of indigent defendants in criminal cases in the district courts of the United States, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That title 18 of the United States Code, section 3006, is hereby amended to read as follows:

"§ 3006. Public defenders; representation of indigent defendants

"(a) Each United States district court may appoint a public defender at each place where terms of court are held. Whenever a district court is satisfied that the number of cases assigned to a public defender is greater than can be conveniently conducted by him, it may appoint one or more assistant public defenders. The public defender with the approval of the court may appoint necessary clerks as approved by the Director of the Administrative Office of the United States Courts. Public defenders or assistant public defenders may be full-time or part-time officers as the volume of work in the judgment of the court requires.

"Whenever a court in which there is a public defender is satisfied that a person charged with a felony or misdemeanor, other than a petty offense, as defined by section 1 of this title, is unable to employ counsel, it shall assign the public defender to act as counsel. Where there are indigent defendants with such conflicting interests that they cannot all be properly represented by the same counsel, the court may appoint counsel separate from the public defender for one or more of them and provide for the compensation and reimbursement of expenses of such counsel in the same manner as is provided for counsel appointed under subsection (c) of this section. The public defender shall act as counsel for each defendant to whom he is assigned at every stage of the prosecution, unless after the assignment the court is satisfied that the defendant is able to employ other counsel. Each district court may adopt appropriate rules governing the conduct of public defenders subject to general regulations on the subject which may be adopted by the Judicial Conference of the United States.

"(b) Each public defender and assistant public defender shall be paid a salary based, upon the service to be performed, not exceeding $10,000 per annum, to be fixed by the Judicial Conference of the United States. He shall also be reimbursed for expenses necessarily incurred by him in the performance of his duties when approved by the district court.

"(c) If a district court in a district not having a city of more than 500,000 population considers that the representation of indigent defendants in criminal cases can be provided for more economically by the appointment of counsel than by the appointment of a public defender, and no public defender is appointed; or

"If a district court in a district having a city of over 500,000 population so considers, the judicial counsel of the circuit approves, and no public defender is appointed; the court may appoint counsel for indigent defendants in particular cases. Counsel so appointed may be compensated in amounts determined by the court upon the conclusion of the service, at a rate not in excess of $35 a day for time necessarily and properly expended in preparation and trial of the case, and may be reimbursed for expenses reasonably incurred in the representation and approved by the court. The aggregate amount expended for compensation and reimbursement of such counsel in any district may not exceed $5,000 in any fiscal year.

"(d) A public defender or counsel appointed by the court who represents an indigent defendant in a criminal case in the district court shall also represent him in appeal proceedings if either the district court or the court having jurisdiction of the appeal considers that there is reasonable ground for appeal and so directs. Services of the nature specified in this subsection rendered by a public defender are part of his duties and shall be performed without other compensation than his salary. Counsel appointed in the particular case may be compensated for such services in the measure specified in subsection (c) for such counsel and be reimbursed for their expenses. Sums so paid for compensation and expenses of services on appeal are included in the maximum limit of $5,000 in any fiscal year imposed by subsection (c) in the respective districts from which the appeals are taken.

"(e) There are authorized to be appropriated to the United States courts, out of any money in the Treasury not otherwise appropriated, sums necessary to carry out the provisions of this section. The salaries and expenses of public defenders and assistant public defenders and compensation and expenses of attorneys appointed by the courts to represent defendant in particular cases, above provided for, shall be paid out of appropriations available therefor under the supervision of the Director of the Administrative Office of the United States Courts.

"(f) The term 'United States district court' as used in this section shall include the District Court for the District of Alaska, the District Court of the Virgin Islands, the District Court of Guam, and the district courts of the United States created by chapter 5 of title 28, United States Code."

SEC. 2. The analysis of chapter 201 of title 18, United States Code, is amended by striking out item 3006 and inserting in its place the following item:

"3006. Public defenders; representation of indigent defendants."

Mr. JAVITS. Mr. President, the Senate is taking a very long step forward, through the effective leadership of the Senator from Tennessee [Mr. KEFAUVER], the Senator from Wisconsin [Mr. WILEY], and the other members of the Committee on the Judiciary, in considering on the call of the calendar this very worthwhile bill, which is designed to protect the constitutional rights of defendants who cannot otherwise defend themselves in criminal cases.

I hope very much that Senators will read the description of the bill as to what it involves, the precedents which it follows throughout the Nation, and the efforts of many highly dedicated lawyers who have devoted their efforts to the accomplishment of the objective of the bill.

The measure has the support of the Department of Justice, the Judicial Conference of the United States, the American Bar Association, other bar associations, and some of the most distinguished leaders of the bar throughout the country.

I ask unanimous consent to have a statement on the bill printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR JAVITS

This bill establishing a public defender program, as reported by the Judiciary Committee, is substantially in accord with the bill introduced by myself and cosponsored by Senators KEFAUVER and WILEY. It provides for the establishment of public defenders in the district courts of the United States. The public defender will act as counsel for the defendant in criminal cases at every stage of the prosecution and appeal where the court is satisfied that the defendant is unable to employ other counsel. The bill also provides that in districts without a public defender, the court may appoint counsel at a rate not to exceed $35 a day in particular cases.

The scope of the problem can be seen in the fact that 6 out of every 10 persons cannot afford to engage counsel of their own choosing. In metropolitan areas the proportion is higher. As many as 8 out of 10 require public or voluntary legal aid. And in New York State alone, criminal courts each year dispose of cases involving almost 250,000 defendants accused of all manner of crime, not including traffic and local ordinance violation.

A recent survey showed that of indigent defendants accused of crime, 40 percent received no form of legal aid whatsoever. Of the remaining 60 percent who did get legal aid—by public defenders, voluntary defender organizations such as legal aid societies, or counsel assigned by the courts—no more than 25 percent had been given a truly effective defense.

The idea of a private defender has its origins in antiquity but the idea of a public defender is relatively new. It was suggested by a woman lawyer from San Francisco at the Chicago World's Fair in 1893. It was not until 1913, however, that any community in this country established a public defender office, the honor going to Los Angeles.

The public defender concept is no longer a novelty. Nine States—California, Connecticut, Illinois, Indiana, Minnesota, Nebraska, Oklahoma, Rhode Island, and Virginia—as well as Puerto Rico and the Canal Zone have adopted the system. In addition, public defenders exist in some municipalities: in Columbus, Ohio; Memphis, Tenn.; and St. Louis, Mo. In many other cities private organization, such as the National Legal Aid Association, the Philadelphia Voluntary Defender Association, bar associations, and others, furnish representation to indigent defendants in criminal cases. In some places (as Rochester, N. Y.), limited public funds are available.

This bill differs in one important respect from the bill which I originally introduced. In the original bill the Administrative Office of the United States Courts upon recommendation of the Judicial Conference could make grants to "legal aid societies, bar associations, and other similar groups providing free legal service to indigent defenders in criminal proceedings in the district courts of the United States." I regret that such a provision was not included in the bill as reported from the committee, but it is apparent from the report of the Judiciary Committee that this question was not necessarily determined on its merits, so that there will be ample opportunity after the bill is enacted and had an opportunity to function for such amendment to be proposed and further considered.

This bill is an historic step in implementing the sixth amendment to the United States Constitution by granting adequate legal assistance in criminal cases when the defendants are financially unable to secure their own counsel.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JURISDICTION OF THE DISTRICT COURTS IN CIVIL ACTIONS

The bill (H. R. 11102) amending the jurisdiction of district courts in civil actions with regard to the amount in controversy and diversity of citizenship was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF FEDERAL CIVIL DEFENSE ACT OF 1950

The bill (H. R. 7576) to further amend the Federal Civil Defense Act of 1950, as amended, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. HRUSKA. Over.

The PRESIDING OFFICER. Objection is heard. The bill will go over.

ESTABLISHMENT OF INTERNATIONAL DEVELOPMENT ASSOCIATION

The resolution (S. Res. 264) favoring the establishment of an International Development Association in cooperation with the International Bank for Reconstruction and Development was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. BIBLE. Over, Mr. President.

The PRESIDING OFFICER. Objection is heard. The bill will go over.

That completes the call of the calendar.

Mr. BIBLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BENNETT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF DISTRICT OF COLUMBIA TEACHERS' SALARY ACT OF 1955

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 3057) to amend the District of Columbia Teachers' Salary Act of 1955, which were, to strike out all after the enacting clause and insert:

That class 1 of section 1 of the District of Columbia Teachers' Salary Act of 1955, approved August 5, 1955 (69 Stat. 521; sec. 31-659a-1, D. C. Code, 1951 edition, supp. V), is amended to read as follows:

"Class 1. Superintendent of schools, $19,000".

SEC. 2. Except as provided by section 3 of this act, the compensation of the Commissioners of the District of Columbia shall be at the rate of $19,000 each per annum.

SEC. 3. The Commissioner detailed from the Corps of Engineers of the United States Army shall receive an annual compensation which, when added to any compensation he receives as an officer of the United States Army, will equal the compensation authorized for a Commissioner by section 2 of this act.

SEC. 4. (a) This section shall take effect on the date of enactment of this act.

(b) The first section of this act shall take effect on the first day of the first pay period which begins after the date of enactment of this act.

(c) Sections 2 and 3, inclusive, of this act shall take effect on the first day of the first month which begins after the date of enactment of this act.

And to amend the title so as to read: "An act to increase the compensation of the superintendent of schools and the Commissioners of the District of Columbia."

Mr. BIBLE. Mr. President, the amendments of the House are acceptable. I move that the Senate concur in the amendments.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to.

EXECUTIVE SESSION

Mr. BIBLE. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. GREEN, from the Committee on Foreign Relations:

Charles W. Yost, of New York, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary to the Kingdom of Morocco.

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

Two hundred and twelve postmaster nominations.

The PRESIDING OFFICER (Mr. CASE of New Jersey in the chair). If there be no further reports of committees, the nominations on the Executive Calendar will be stated.

TENNESSEE VALLEY AUTHORITY

The legislative clerk read the nomination of Frank James Welch to be a member of the Board of Directors of the Tennessee Valley Authority.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Arnold R. Jones to be a member of the Board of Directors of the Tennessee Valley Authority.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

THE MISSISSIPPI RIVER COMMISSION

The legislative clerk read the nomination of Brig. Gen. William W. Lapsley to be a member of the Mississippi River Commission.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Without objection, the President will be notified of all nominations confirmed today.

LEGISLATIVE SESSION

Mr. BIBLE. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

MESSAGE FROM THE HOUSE— ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 105. An act to exempt from taxation certain property of the National Association of Colored Women's Clubs, Inc., in the District of Columbia;

S. 2419. An act to amend the District of Columbia Unemployment Compensation Act, and for other purposes; and

S. 3735. An act to amend the charter of the National Union Insurance Company of Washington.

MONETARY POLICY AND INFLATION

Mr. BENNETT. Mr. President, recently I made the first of a series of statements in which I hope to present my personal impressions and reactions to our Finance Committee hearings on the financial condition of the United States. In that statement I discussed the general nature of the problem of inflation—the central theme of the material developed in this record. Today I should like to continue this unofficial presentation by summarizing the Committee's discussion of the role of monetary policy in inflation and the position of the Federal Reserve System in this process.

Despite the wide variety of topics covered during the hearings, monetary policy claimed the major share of attention. The Committee inquired closely into the activities of the Federal Reserve System during two appearances of Mr. Martin, its Chairman, and much of the questioning of other witnesses related to Federal Reserve operations.

Before discussing recent Federal Reserve policy and the issues developed from it, let me review the high points of our monetary history during the past 5 years. Throughout 1954, monetary policy was directed toward encouraging

recovery from the recession of that year. Discount rates were twice reduced, and reserve requirements lowered. Early in 1955 it became evident that recovery was turning into a boom. Hindsight evidence shows consumer credit rising $6.4 billion in 1955, the largest rise in a single year in our Nation's history. With increasingly strong credit demands the Federal Reserve Board began its change in direction. Margin requirements on loans for purchasing and carrying listed securities were raised twice during that year, to a high of 70 percent in April, while discount rates were raised three times. When it was seen that these restrictions had failed to dampen the inflationary overtones of the boom, more stringent measures were introduced in 1956 and up to August in 1957. Discount rates were raised twice again, to a high of 3½ percent in August 1957. Open market operations were directed toward the objective of "restraining inflationary developments in the interest of sustained economic growth."

Yet even early in 1957 there were signs of an approaching business slowdown. This was shown by a fall off in new orders for machinery and equipment in the earlier months of that year and by the development of a margin of excess capacity in many key industries. When an expected business upturn failed to develop in the fall of the year, it became evident that the economy had reached a typical cyclical turning point, and the Federal Reserve began to alter the course of its policies.

As Chairman MARTIN stated in the hearings:

> In the latter part of October and early November, open market operations were used to relax somewhat pressures on commercial bank reserve positions. In mid-November, a one-half point reduction in discount rates signaled a decisive change in System policy. From this point on, restraints on bank credit expansion were progressively relaxed.[1]

Within 5 months the discount rate was dropped from 3½ to 1¾ percent. Margin requirements on loans for purchasing or carrying securities were reduced from 70 to 50 percent of market value. As additional reserves were provided by two reductions in Reserve requirements and through open market operations, member banks reduced their indebtedness at Reserve banks. The easing in bank reserve positions was reflected in a sharp expansion in bank credit and an exceptionally sharp drop in interest rates.

Federal Reserve actions which attracted most attention during the course of the hearings were the restrictive actions taken during 1956–57. These were bitterly attacked as harsh hard money policies, and yet as I look back upon that period one impression seems unmistakable: The restrictive monetary policy pursued by the Federal Reserve was about as mild a policy as could have been adopted if the System was to make any attempt at all to combat inflation. This is clearly apparent when we realize that prices rose considerably during 1957—and are still creeping upward today—despite the fact that the Federal Reserve has always had it within its power to enforce a contraction in prices.

The changes that occurred both in circulating medium and in interest rates are indicative of the lack of severity in Federal Reserve policy during 1956–57. If we take as a measure of circulating medium, total deposits—adjusted—plus currency in circulation outside of the banking system, we find that during 1956 and 1957 the rate of increase was about 2½ percent in each year. Since the rate of use of money—its velocity—was increasing fairly rapidly during this time, these increases were more than sufficient to provide for sustainable economic growth with price stability.

So far as interest rates are concerned, it was made clear during the hearings that at their peak in 1957 rates were still substantially below levels which had prevailed as late as the 1920's and the very early 1930's. As Sumner Slichter pointed out in his testimony this April:

> Although one has heard much about the scarcity of savings in recent years, interest rates have been extraordinarily low by historical standards.[2]

A chart showing long-term interest rates since 1920 was placed into the record as part of Secretary Burgess' statement last summer, and I refer my colleagues to that chart, on page 720 of the published volumes, for a graphic illustration of Professor Slichter's appraisal.

In summary, therefore, Federal Reserve policy during 1957, while restrictive, cannot be classed as severe. The very fact that it was not expansionary, but was directed toward combating inflation, quite naturally resulted in a situation in which more persons and firms than usual were unable to borrow all of the funds which they desired. Therefore we had the cries of "tight" money and "hard" money, which presented a far more harsh picture of the policy than was true in fact.

Federal Reserve policies in general were subjected to a wide variety of criticisms during the course of the hearings, both from Senators and from some witnesses. Some of these complaints were, in my opinion, frivolous; others should receive our full attention. I should like to list and discuss each of these major criticisms.

First. The first issue in my informal tabulation is one that to me is the least serious, although a surprising amount of time was devoted to it. Briefly stated, this issue arose out of the charge that the restrictive monetary policy of the Federal Reserve was the cause of the inflation, and that, therefore, the way to stop the rise in prices was to adopt an easy money policy. This claim seemed to rest upon two pieces of evidence: First, that the period during which prices were rising coincided roughly with the period in which the Federal Reserve was following a restrictive monetary policy; and second, that the pronounced rise in interest rates affected business costs and therefore prices.

This contention with respect to Federal Reserve policy was most frequently heard during the sessions of the committee last summer. I was therefore interested to observe that none of the witnesses in the spring session—including some who were quite critical of one or more aspects of Federal Reserve policy—adopted this particular brand of Alice-in-Wonderland logic.

If inflation in 1957 was indeed due to the restrictive monetary policy of the Federal Reserve System and the way to bring prices down was to increase the money supply, then it would seem to follow that in a deflation, as prices are falling, the way to bring prices up is to contract the money supply. At the moment we are in a recession and there is indication that the price level is about to decline, but I have heard no suggestion from the proponents of the view I am discussing that the Federal Reserve should now begin to contract the volume of credit.

So far as the effects of interest costs on prices are concerned, the answer given by Secretary of the Treasury Humphrey was, I believe, never successfully challenged, namely, that interest charges comprise only about one-third of 1 percent of the average sale price of manufactured goods. Of course interest is a cost, but it is ridiculous to attribute a broad inflationary movement such as that of 1956–57 to a rise in this almost insignificant business cost element in the price structure.

I do not think it is necessary for me to devote any time to the contention that the Federal Reserve program caused the inflation because it was being carried out at the same time as prices were rising most rapidly. This is equivalent to saying that if a disease continues to persist after a course of treatment is begun and the two exist together, then this coincidence is accepted as proof that the cure actually caused the disease. I will agree that a restrictive monetary policy, in its first stages at least, will increase the rate of turnover of money, as firms and individuals attempt to make more efficient use of the circulating medium available to them. To that extent, the job of the central bank is made much more difficult, but it is an anticipated consequence in the early application of a restrictive monetary policy. In the final analysis increases in velocity can proceed only so far during a restrictive monetary policy, and they can always be overcome if sufficient pressure is placed on the money supply.

In summary, these arguments that the Federal Reserve's policy caused the inflation fall of their own weight.

Second. The second issue I observed developed out of the fact that prices continued to rise during 1957 and into 1958, and relates to the ability of the Federal Reserve to exercise decisive influence over the price level. The claim was advanced that a restrictive monetary policy, which necessarily applies temporary brakes to the expansion of the economy, is indefensible if it cannot at least attain the objective of price stability.

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[1] "Investigation of the financial condition of the United States," hearings before the Committee on Finance, U. S. Senate, 85th Cong., p. 1851.

[2] Ibid., p. 1816.

The validity of this claim is hard to appraise. The basic difficulty is that we do not know—as we can never know in such instances—what would have happened if the Federal Reserve had not followed a restrictive policy. The weight of opinion in the testimony was clearly to the effect that if the Federal Reserve had not followed such a policy in 1956 and 1957, the rise in the price level would have been much more severe. As former Board Chairman Marriner Eccles put it:

> The monetary and credit policy did not prevent a certain amount of inflation from taking place, but it certainly curbed the spread of inflation and the extent to which it would have taken place.[3]

Even Professor Slichter, who has been critical of some aspects of Federal Reserve policy, agreed that restraint was desirable. As he put it:

> Certainly in 1956 and probably in the early part of 1957 credit restraint was desirable. About the middle of 1957, a relaxation, not a shift to an easy credit policy but some relaxation, would have been desirable.[4]

As I have already noted, this relaxation did occur at the end of October, so that Professor Slichter's criticism with respect to this point apparently involves a question of timing, rather than of direction.

Of the witnesses, only Professor Harris seemed to adopt the view that Federal Reserve was largely ineffective in preventing price increases. He attributed this ineffectiveness to the increasing importance of financial intermediaries, the high liquidity of business concerns, and the tendency of wage rates to rise faster than productivity. All these are important points and I discussed some of them in my previous remarks. It is perhaps regrettable that the committee was not able to devote more time to each of them. However, it appears to me that Professor Harris weakened his point when he claimed that the Federal Reserve possesses sufficient power to cause a business contraction, thereby implicity agreeing that the System and its policies are far from ineffective.

My own view is that Federal Reserve policy definitely prevented the inflation from becoming far more severe than it has been. I am aware that during his questioning the Senator from Oklahoma [Mr. KERR] preferred to dismiss such claims as speculation; but in this case, as in many others in life, such speculation is all that is available to us.

Third. The third issue in this tabulation arises out of the charge that Federal Reserve policy hurt only small business, and did not affect large corporations. On occasion, this charge was broadened to the claim that the restrictive monetary policy hurt the "little man," both business and individual, but did not affect the wealthy.

Before discussing this issue, I should like to call attention to one apparent inconsistency in this charge. Those who maintain, along with Professor Harris that the Federal Reserve policy "on the whole favored corporations against small business"[5] are generally those who also attribute the current business downturn to the same restrictive monetary policy. I plan to discuss in a later speech the relation of inflation and recession; but I pause here to observe that the large corporations which produce durable goods have suffered great shrinkage in volume, and this has produced the greatest areas of unemployment. We have seen this reflected in the first-quarter earning reports of large corporations, which are down significantly. I do not much care which horse the critics of the Federal Reserve policy prefer to ride; but I do say that they cannot at one and the same time claim that monetary policy did not bear to any extent upon large corporations, and also say that it was the cause of the present downturn which is quite obviously working a hardship on the same corporations.

So far as the charge itself is concerned, I feel that the evidence presented during the hearings were insufficient to support the conclusion that restrictive monetary policy during 1956 and 1957 was directed at, or bore more heavily upon, small business, as compared with large business. During the questioning of Secretary Humphrey by the Senator from Florida [Mr. SMATHERS], for example, there were presented numerous tables which purported to show that small business was suffering. But as Secretary Humphrey pointed out, in most instances the figures used to illustrate small business distress could not be related solely to the years of restrictive monetary policy, but, instead, showed long-term trends, running through several periods of easy-money policies, as well as restrictive policies. As a matter of fact, in a number of instances the Secretary was able to point to the fact that the position of small business improved subsequent to the introduction of the restrictive monetary policy. For example, the data of the Senator from Florida [Mr. SMATHERS] showing the percentage of sales going to manufacturing corporations with assets of less than $1 million, as well as the data showing profits after taxes for companies of the same size, revealed that the position of smaller sized business firms had improved in 1956—a year of restrictive monetary policy—over their position in the years immediately preceding. I refer my colleagues to pages 370–372 of the printed hearings.

So far as business failures are concerned, the trend for small firms has been generally upward ever since the end of World War II; but this is a development which is to be expected, in view of the rapid growth in our economy and the increasing number of business firms. As a matter of fact, in the 2 years of so-called tight money, 277,472 new business incorporations occurred, compared with 257,000 during 1954–55, 2 years of so-called easy money. And, of course, the total number of businesses operating in this country has continued to increase during recent years, totaling 4,232,300 as of June 30, 1955; 4,297,200 as of June 30, 1956; and 4,322,000 as of June 30, 1957.

The question of increasing personal bankruptcies was also raised. The overextension of credit, of which they were the inevitable harvest, most probably occurred during earlier periods when credit was too easy. I have learned this out of my 30 years of experience with retail credit. This is another instance where the cure is confused with the cause.

There is one very important and significant set of facts which often is overlooked by those who charge that restrictive monetary policy bore most heavily on small business. The truth is that the effects of this policy were felt most severely in the large financial centers and in the large banks, and were felt least in small communities and among small banks. All of us know that a very important part of the bank financing of small business is done by our small country banks, which, indeed—because of statutory loan limits—are unable to loan to any but small businesses. During my questioning of Secretary Burgess, for example, the Secretary called my attention to the fact that—

> During the past year, from May 1956 to May 1957, the New York City banks, the Chicago banks, and the Reserve city banks, which are the other large city banks, show a minus position on their free reserve; on the other hand, during that entire period the country banks, month by month, had free reserves, which is a very interesting indication that this squeeze has come much more in the money centers than it has in the country banks.[6]

Differences in the impact of restrictive monetary policies are also reflected in the deposit changes of Federal Reserve member banks over the period during which such policies prevailed. For the 22 months beginning with January of 1956, and ending with October 1957, total deposits in central Reserve city banks in New York City declined by well over $2 billion; and in Chicago, by three-quarters of a billion dollars. In the smaller member banks—those classified as country banks—total deposits during the same 22-month period of restrictive monetary policies rose by well over $2 billion. While the capacity of big banks to make loans was restricted, that of the small banks was increased. For them, money became easier, not harder.

I should also like to observe that Professor Slichter called our attention to the fact that during the period of restrictive monetary policies, the interest charged on large-sized loans went up much faster than did the interest on small loans. This is to be expected, in view of the fact that the monetary stringency was being felt primarily by the large banks. As Professor Slichter pointed out, the spread between the two rates "narrowed during the period of credit restraint. In 1955 there was a 1½-percent difference. By 1957 the difference had dropped to 1 percent."[7]

I am, of course, aware that connected with small business there are special problems which may deserve attention.

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[3] Ibid., p. 1731.
[4] Ibid., p. 1855.
[5] Ibid., p. 2015.
[6] Ibid., p. 1196.
[7] Ibid., p. 1818.

All I want to say here is that there is no evidence to show that a restrictive monetary policy during 1956–57 either added to or took away from these problems. It may be of interest to note that during his testimony Professor Slichter made the following observations on this matter:

> The assertion that the new enterprises as a whole are failing in substantial measure to get the amount of capital which they could put to good use is unproved. * * * There is some shortage of medium-term loan capital, but there is a greater shortage of attractive risks. * * * Attractive investment opportunities suitable for small, medium-term loans are more scarce than investment funds.[8]

It was Dr. Slichter's strong contention that there are more fundamental problems than money shortages standing in the way of a more rapid business growth. He made this statement in his testimony:

> The high infant mortality rate among new enterprises shows that a large proportion of business starters have more courage and hope than judgment and skill.[9]

The fourth in this tabulation of issues is one of the most important. This issue was present, but was more or less dormant in the hearings last summer, and did not break out into the open until the sessions this year. This is the question whether the Federal Reserve has any responsibility at all with respect to the maintenance of price stability. For example, the Senator from Oklahoma [Mr. KERR], in his questioning of Chairman MARTIN this spring, made it quite clear that he doubted the Federal Reserve had such responsibility, for after reading the declaration of intent in the Employment Act of 1946 the Senator stated:

> You cannot point to any specific language that says to the Federal Reserve bank, "maintain the stable value of the dollar."[10]

Professor Harris made the charge more specifically when he said:

> I might say, Mr. Chairman, that I once wrote an 800-page book on the Federal Reserve System and have not discovered, and have not still, that the Federal Reserve is given any authority to stabilize the price level. Its job is to accommodate trade and commerce.[11]

Perhaps I was wrong in stating that this is a single issue, for it is quite apparent that a number of very important issues come to focus at this point. For example, what is the duty of the Federal Government as a whole with respect to price stability? Few would quarrel with the statement of the Senator from Virginia [Mr. BYRD] at the opening of the hearings:

> This committee can never lose sight of the fact that the Government's integrity depends upon a stable currency.[12]

I, for one, am in hearty agreement. Yet if it is to be seriously maintained that the Federal Reserve has no duty in this field, it is not the same as saying that the Government itself has no such duty?

Personally, I did not expect, prior to the hearings, that the right and duty of the Federal Reserve to fight inflation would ever become an issue. As I saw it, there could well be disagreement over the manner in which the Federal Reserve was acting, but not over the goal it sought. In the past, Congressional committees have concluded that the goal of price stability was so well accepted it would be almost redundant to provide for it by legislation. In view of the appearance of this issue, however, I believe it has become of the utmost importance that the Congress add the goal of price stability to the various other objectives of the Employment Act of 1946, and to the basic Federal Reserve law, in order that there may be no question on this fundamental point.

My fifth issue relates to the independence of the Federal Reserve System. It was a big issue 7 years ago, and I shall not take much time with it now. However, I do not wish to imply that it is unimportant today. During the entire hearings the question of the independence of the Federal Reserve System was never far below the surface. Like the question of the proper function of the Federal Reserve, it really came out into the open during the spring sessions, when Professor Harris stated flatly he did not believe that Federal Reserve should be independent, a statement which seemed to be concurred in by the Senator from Oklahoma [Mr. KERR] and the Senator from Louisiana [Mr. LONG].

My own belief is that it would be a tragedy if the Federal Reserve should be made subordinate to another agency or branch of the Government to such an extent that it would not be free to take quick and effective action when faced with the prospect of either inflation or deflation. I always thought that the fight carried on by the Senator from Illinois [Mr. DOUGLAS] and others, which culminated in the restoration of the Federal Reserve's independence in 1951, was one of the most praiseworthy accomplishments in the financial field within recent years. I do not believe that the Federal Reserve can be completely outside of Government, but I am firmly convinced that, within Government, it must retain a maximum degree of independence if it is to accomplish its objectives.

Most of the questions I have discussed up to this point were opened up in last year's hearings. Let me now turn to the monetary policy issues which dominated the spring sessions of the committee. There were two, which would become Nos. 6 and 7 in my tabulation. First, there was the question of the extent to which Federal Reserve policy in 1956–57 was responsible for the current business downturn. Second, there was the charge that Federal Reserve policy today has not gone far enough in providing monetary ease. Let me deal with these one at a time.

Sixth. The question of Federal Reserve responsibility for the current downturn has one very interesting aspect, since Chairman Martin and his critics are in some measure of agreement, although for quite different reasons. The critics claim that the Federal Reserve was responsible because, to quote Seymour Harris again:

> Undoubtedly monetary policy contributed to the recession. * * *[13] To stabilize prices with a large cost inflation could only be done by inducing unemployment through a restrictive monetary policy. This the Federal Reserve accomplished.[14]

On the other hand, Chairman Martin indicated in his testimony before the committee that he, too, felt the Federal Reserve should bear a part of the blame for the downturn, but not because its policies during 1956–57 were too restrictive. Rather, as he put it:

> The real criticism * * * is that we were not more aggressive and did not make more of an effort to slow [the economy] down in 1955 and early 1956 when this got out of hand.[15]

If Federal Reserve policy in 1956–57 did in fact make a significant contribution to the current business downturn, then we should be able to trace the influence of that policy to the various segments of the economy which are presently causing the most trouble. The significant characteristics of the current downturn are probably three: First, a slump in the manufacture and sale of durable goods, particularly automobiles; second, a decline in new private capital expenditures; and, third, a decline in inventories. I doubt that anyone could seriously argue that the restrictive Federal Reserve policy of 1956–57 was reflected a year later in the decisions of consumers to hold off the purchase of automobiles and other durables. Despite the recession, both disposable personal income and the rate of savings remain high; credit was eased before this year began—the buying power is there. There has been no significant change in the interest rates applicable to automobile or appliance loans, nor has there been any change in the terms of payment which prevail. It appears to me that the real reasons for the slump in this sector of the economy are: First, high prices; second, some disenchantment with the product; and third, a shift in buying habits, reflected in the fact that consumers have apparently decided to spend less on durables and more on other things.

So far as the downturn in private capital expenditures is concerned, other factors seem to be of more importance than Federal Reserve policy. We should remember that the high level of business expenditures since 1954 led to a situation in which many firms acquired all the facilities necessary for the next few years, so that some slowdown was inevitable. As Professor Slichter pointed out in his testimony:

> The high level of investment activity * * * made the economy vulnerable to contraction, since it was natural for enterprises to slow down the increase in their investment spending.[16]

[8] Ibid., p. 1817.
[9] Ibid., p. 1817.
[10] Ibid., p. 1899.
[11] Ibid., p. 2022.
[12] Ibid., p. 3.
[13] Ibid., p. 1988.
[14] Ibid., p. 1999.
[15] Ibid., p. 1897.
[16] Ibid., p. 1822.

Somewhat the same thing can be said with respect to inventories. A rapid buildup of inventories is a natural consequence of inflation. What we are witnessing today in this sector is a readjustment to a more normal level.

In short, my own view of the particular issue is that Federal Reserve policy necessarily had some effect on the business downturn, but that by no stretch of the imagination can it be assigned the sole, or even a major, role. It seemed to me that Professor Slichter provided the committee with perhaps the most thoughtful and well-rounded discussion of the causes of the present recession. In that presentation he assigned, if I understood him correctly, major responsibility to the dropoff in business capital expenditures, that is, expenditures for plant and equipment. This decline, he felt, reflected decisions made in 1956–57 and was attributable not to Federal Reserve policy but to the perfectly natural tendency for business to take a breather after maintaining a particularly high level of such expenditures. Professor Slichter then went on to point out that other factors, such as Federal Reserve policy, Government fiscal policy, and consumer reluctance to accept the new automobiles, were aggravating rather than causal forces. And, in answer to a recent U. S. News & World Report interview on this same point, Professor Slichter said:

> No, I think the fundamental causes of the recession lie deeper than Federal Reserve policy.

Seventh. My last issue is one which could only have appeared during the spring sessions, since it involves the claim that the Federal Reserve has been halfhearted in its recent policy of monetary ease. This charge was made by Professor Harris, who pointed to the fact that since the change in policy in the fall of 1957 the bank reserves have fallen slightly and holdings of Government securities by the Federal Reserve have risen by only 2 percent. Professor Harris also cited the activity of the Federal Reserve in 1930–32 with respect to the purchase of Government securities as an illustration of what he considered to be a genuine policy of monetary ease and suggested the Federal Reserve today follow in the same course.

By the time Professor Harris appeared before the committee it was quite clear that the major tool which the Federal Reserve was using to provide monetary ease was its authority to change reserve requirements. There had been three successive decreases in reserve requirements beginning on February 27 of this year. The last decline took effect on the day Professor Harris testified, although it had been announced much earlier. The professor must certainly have known of these reductions, just as I am sure he knows full well that the powerful expansionary effect of a reduction in reserve requirements is through the release of existing reserves for credit expansion and not through a change in the dollar volume of reserves. Thus I am at a loss to understand why Professor Harris mentioned the reduction in reserve requirements only briefly—and then only the first of the three reductions—and chose to appraise current Federal Reserve policy in terms of purchase of Government obligations and the dollar volume of reserves. The only explanation I can think of is that perhaps his statement was written when only the first reduction had taken place, but if this was the case he did nothing to clear it up in his oral testimony. As a matter of fact, in his oral testimony he did not mention even 1 of the 3 reductions in reserve requirements, and emphasized again that the dollar amount of reserves had not grown.

As I said earlier, we cannot yet pass judgment on whether the Federal Reserve has gone too far or not far enough in its present course, but we can at least review factually what the system has done. Since the decision to ease credit in November, the discount rate has been lowered in 4 steps, from 3½ to 1¾ percent. These are, presumably, what Professor Harris had in mind when he referred to "a few rather inconsequential cuts in rates," a phrase I find somewhat amusing in view of the furor of last summer when these same rates were being raised. Moreover, the 3 successive reductions in reserve requirements against demand deposits have released roughly $1.5 billion of reserves, or 3 times the amount mentioned in Professor Harris' prepared statement. This, plus the effect on open market operations, has permitted an easing in the free reserve position of member banks of almost $1 billion since the end of October, in addition to providing the base for a $7 billion expansion in bank assets and deposits. The trend in free reserves has been steadily upward, moving from a negative figure of about $550 million last October to a positive figure slightly more than $600 million in April. Free reserves are excess reserves less member bank borrowings.

The easing of bank reserve positions has been reflected in a substantial expansion in bank credit and an exceptionally sharp drop in interest rates. The total of bank loans and investments increased almost $5 billion in the 6 months ending in March. This expansion of bank credit has been mainly in the form of United States Government security holdings, and its effect has been to enlarge holdings of cash balances and to increase the economy's overall liquidity. Business loans outstanding at banks have tended to decline with economic activity. However, loans on securities, which provide important support to the capital markets, have risen.

As Federal Reserve policy shifted from restraint to ease, the financial markets reacted vigorously. The recent drop in interest rates has been as rapid as any in the Nation's financial history. For example, the rates on short-term Treasury obligations—maturities under 1 year—have declined about two-thirds since last fall. In contrast, after the onset of recession in mid-1953, such rates fell only about 45 percent over a 7-month period from their mid-1953 peaks. Similarly, the rates on prime commercial paper have fallen over 50 percent recently, but in the comparable 1953–54 period declined only about 20 percent. Long-term rates, too, have declined more rapidly in the current than in the earlier recession; for example, the yields on high-grade municipals declined about 25 percent and 20 percent, respectively, in the 2 periods.

The drop in the price of money since September and October has been a good deal faster than was the rise under the preceding conditions of heavy credit demands and restrictive monetary policies. Money market rates—the yields on such instruments as short-term Treasury issues, prime commercial paper and directly placed finance company paper—were last at current levels back in the winter and spring of 1955. It took these rates 30 months or more to rise as much during the boom as they have fallen during the last 7 or 8 months. Market rates on money market instruments are now quite generally less than half as high as they were at their peaks.

Market yields on longer term securities issued by the Treasury, State and local governments and corporate borrowers have not fallen nearly so far as money market rates, but, nonetheless, have declined much faster than they rose in 1955, 1956, and early 1957. Bond yields have dropped one-half to three-quarters of a point, representing a decline of about one-sixth for long-term Treasury issues, one-eighth for high-grade corporate issues and nearly one-fourth for high-grade State and local government bonds. Most, if not all of these declines had occurred by late January. Thus, in 4 or 5 months, bond yields declined as much as they had risen in the previous year.

Before leaving this question of present Federal Reserve policy I cannot refrain from commenting on another of Professor Harris' claims, to the effect that the Federal Reserve today can profit by the example of action taken by the System in 1930–32, action characterized by Professor Harris as "tremendous" and worthy of emulation. I do not pretend to be a student of monetary history, but I am aware of no responsible study of that period which attributes a policy of monetary ease to the Federal Reserve between 1930 and 1932. As a matter of fact, even the 1932 annual report of the Federal Reserve itself implied regret over having kept banks short of reserves. What Professor Harris did, of course, was to select one of many factors bearing on reserves—purchases of Government obligations—and with the selection of appropriate dates and a bit of statistical manipulation he came up with the conclusion that an equivalent policy today would require officials to purchase Government securities in excess of $50 billion. Both the illustration and the conclusion were to me utterly ridiculous—as the professor himself seemed to imply—but if so, why mention the subject at all, unless it was calculated to leave the committee with the impression that there had been a true policy of monetary ease in 1930–32 and that present policy suffers by comparison. Surely the committee deserved better than this on such an important question.

With the discussion of this issue I should like to conclude my informal

presentation of monetary policy issues raised during the hearings before the Committee on Finance. I am aware that there were other issues and that I have not even covered all of those which properly fall in the area of monetary policy. Nevertheless, I have attempted to cover those monetary issues which seemed, in my opinion, to be fundamental. If I have succeeded, it is my hope that this summary will be of some use to those who have not been able to attend what has been a most interesting and important series of meetings.

Mr. President, with the statement I have made today I conclude the presentation of a further personal report of the hearings of the Committee on Finance on the economic health of the Nation.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator from Utah yield?

Mr. BENNETT. I am glad to yield.

Mr. MARTIN of Pennsylvania. The Senate and the people of the United States ought to be most appreciative of the reports the very distinguished Senator from Utah has been making relative to the hearings of the Committee on Finance of the United States Senate. The prevention, or control, of inflation and the economic stability of our country mean a great deal, particularly to people in the lower income brackets.

Mr. President, I extend my congratulations and thanks to the very distinguished Senator, because the reports he has been making have necessitated a great deal of work, and I think they will be of inestimable value to the people of our country when they begin to study these important problems.

Mr. BENNETT. I express my gratitude to the ranking member of our committee on this side of the aisle. Let me say again that my participation in the hearings was under his leadership, which was always in the right direction. I am happy if I have earned his approval.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. BRIDGES. I should like to join the distinguished senior Senator from Pennsylvania in paying tribute to the distinguished Senator from Utah. I think he has done an outstanding job in his presentation of the issues involved. I wish we had more like him, both in the Congress and in the country as a whole.

Mr. BENNETT. I am very happy.

BOARD OF APPEALS OF THE PATENT OFFICE AND CERTAIN SALARIES

The PRESIDING OFFICER (Mr. PAYNE in the chair). The hour of 2 o'clock has arrived; and the Chair lays before the Senate the unfinished business, which will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 1864) to authorize an increase in the membership of the Board of Appeals of the Patent Office; to provide increased salaries for certain officers and employees of the Patent Office; and for other purposes.

AUTHORIZATION OF APPROPRIATIONS FOR THE ATOMIC ENERGY COMMISSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of Calendar No. 1829, Senate bill 4051, the Atomic Energy Commission authorization bill.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 4051) to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

THE MIDDLE EAST SITUATION

Mr. BRIDGES. Mr. President, the situation in Lebanon and the Middle East can lead to very serious consequences and therefore the time has come for the United States to take a stand and to act. Where possible, we should use the United Nations as a forum for action, but as all Americans are well aware, we are faced with the customary veto position of the Soviet Union.

It would be irrational for the United States and the Free World to put up with the inability of the United Nations to take prompt action and stand idly by because of the veto obstruction thrown by Russia in the path of peaceful pursuits.

The United States and the Free World cannot afford, in the interest of world stability and peace, to sit on the sidelines and watch the Middle East fall like a ripe plum into the hands of international communism, or forces dominated by international communism. The fall of established governments in Lebanon and Iraq would immediately have dire repercussions for the United States and the Free World in the nations of Asia and Africa—to say nothing of the huge Middle East oil supplies which also would fall into the hands of the Communist bloc even though it was the Free World's ingenuity and money which developed these resources.

President Eisenhower's decisive action as Commander in Chief deserves the wholehearted support of every American.

The decision to dispatch a contingent of United States forces to Lebanon was arrived at carefully and in conformity with established principles, the protection of American lives, and the right of collective self-defense.

The American forces which landed in Lebanon today were not sent there as any act of war, but to help maintain the stability of the area until U. N. forces replace them. Also, United States forces would be on the scene in case of the failure of the U. N. to act.

This may be the Free World's last chance to act decisively in the Middle East. The alternative would seem to be to pull out of that vital area entirely and leave it to a shaky brand of Soviet-oriented Nasserism.

The chips are now down. We could not stand idly by and deny Lebanon's appeal for aid against indirect aggression. The protection of American lives in that country and the independence of Lebanon itself are too important to our national interest, to balance of power in the Middle East, and to the cause of peace and freedom in the world.

We have been forced to realize that the march of Nasserism now resembles the march of nazism before World War II, and could result in similar consequences if allowed to spread unchecked.

We are not opposed to nationalism as such, but we have been forced to realize that there are two kinds of nationalism—the benign and the malignant. We have been forced to realize that Nasser's brand of nationalism is more malignant than it is benign. And we have acted wisely and decisively upon that realization.

Lebanon appears to me to have little chance of maintaining its pro-Western posture should Iraq be lost to Nasser.

Nor, of course, does Jordan, which already is bound so closely to Iraq that it cannot possibly pursue a separate existence.

Iraq is the keystone in the anti-Nasser Arab grouping because of its population, its present resources, its future resources, and the enlightened leadership.

Iraq has been a standing challenge to the new Nasser-oriented Arab nationalism.

A successful seizure of power by violent and illegal means in Iraq will, to begin with, confirm the position of Nasser as undisputed leader of the new Arab world.

Israel will stand beleaguered.

Western influence throughout a vast region will become negligible.

Thus, this may, in turn, have its effect on countries far and wide, especially in Asia and Africa.

In the background stands Soviet Russia with its interest in unstable conditions wherever they may show up or be encouraged to show up.

This sudden eruption in the Biblical area of Mespotamia can have grim consequences. Once again the U. N. must stand a test. We are now awaiting its action, our troops standing guard in the meantime.

Therefore, in my judgment, President Eisenhower has acted rightly, in the best interest of citizens of the United States, and in the interest of the safety and security of our country.

LANDING OF UNITED STATES MARINES IN LEBANON

Mr. MORTON. Mr. President, I strongly support the action taken by the President in sending American military forces to Lebanon. He did this after consultation with Congressional leaders from both political parties.

In appraising the action taken by our Government, certain points must be borne in mind by the American people and the people of other lands:

First. American forces have entered Lebanon at the invitation of the President of Lebanon, and that invitation had the approval of every member of the Lebanese Cabinet.

Second. The evidence clearly shows that the independence of Lebanon is

menaced from without. Some may advance the legalistic argument that the Eisenhower doctrine does not apply in this case, since it cannot be clearly shown that the threat from without is Communist-inspired. Such an argument is not sound. Everyone knows that President Nasser is back of this trouble in Lebanon, and everyone knows that he has both the moral and the material support of international communism.

Third. In view of the violent action in Baghdad, where the government was overthrown and many of its members martyred, the President of Lebanon felt that immediate help was imperative. The situation was so critical that it would have been extremely dangerous to wait for United Nations action.

Fourth. The United Nations Charter recognizes the inherent right of collective self-defense. The dispatch of American marines to Lebanon is an act of collective self-defense.

Fifth. In conformity with the spirit of the United Nations Charter, our Government has reported to the Security Council concerning the measures which we have taken. The President has given assurance that our representatives in the United Nations will urge firm action by that body, so that our troops can be withdrawn as soon as possible.

Our Government has been called upon before to take prompt and drastic action to meet some Communist threat. We did so in Greece, and we took the leadership in the United Nations action in Korea. It is my belief that the President's decision in ordering these measures will be supported by public opinion, not only in the United States, but throughout the world.

JOINT COMMISSION ON CIVILIAN EMPLOYEE COMPENSATION POLICY—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 423)

The PRESIDING OFFICER (Mr. PAYNE in the chair). The Chair lays before the Senate a message from the President of the United States, relating to a joint commission on civilian employee compensation policy of the Federal Government. The Chair is advised that this message has been read in the House of Representatives. Therefore, without objection, the message will be referred to the Committee on Post Office and Civil Service, and printed in the RECORD, without reading.

(For President's message, see House proceedings of today.)

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Capehart	Dworshak
Allott	Carlson	Eastland
Anderson	Carroll	Ellender
Barrett	Case, N. J.	Ervin
Beall	Case, S. Dak.	Flanders
Bennett	Chavez	Frear
Bible	Church	Fulbright
Bridges	Cooper	Goldwater
Bush	Cotton	Gore
Butler	Dirksen	Green
Byrd	Douglas	Hayden
Hickenlooper	Lausche	Proxmire
Hill	Long	Purtell
Hoblitzell	Malone	Revercomb
Holland	Mansfield	Robertson
Hruska	Martin, Iowa	Russell
Humphrey	Martin, Pa.	Saltonstall
Jackson	McClellan	Schoeppel
Javits	McNamara	Smith, Maine
Jenner	Monroney	Smith, N. J.
Johnson, Tex.	Morse	Sparkman
Johnston, S. C.	Morton	Stennis
Jordan	Mundt	Symington
Kefauver	Murray	Thurmond
Kennedy	Neuberger	Thye
Kerr	O'Mahoney	Watkins
Knowland	Pastore	Wiley
Kuchel	Payne	Williams
Langer	Potter	Young

Mr. MANSFIELD. I announce that the Senator from Pennsylvania [Mr. CLARK], the Senator from Missouri [Mr. HENNINGS], the Senator from Washington [Mr. MAGNUSON], the Senator from Florida [Mr. SMATHERS], the Senator from Georgia [Mr. TALMADGE], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

Mr. DIRKSEN. I announce that the Senator from Ohio [Mr. BRICKER] and the Senator from Nebraska [Mr. CURTIS] are necessarily absent.

The Senator from New York [Mr. IVES] is absent on official business.

The PRESIDING OFFICER. A quorum is present.

ADJUSTMENT OF CONDITIONS OF EMPLOYMENT IN CANAL ZONE—CONFERENCE REPORT

Mr. JOHNSTON of South Carolina. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1850) to adjust conditions of employment in departments or agencies in the Canal Zone. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mr. HOBLITZELL in the chair). The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of July 15, 1958, p. 13836, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. JOHNSTON of South Carolina. Mr. President, the conference agreement accepts the House text and title of the bill. It might appear that the Senate accomplished little or nothing by going to conference on the bill, but that is not the case. We were successful in obtaining unanimous agreement on a clear and concise enunciation of intent with respect to how the compensation of United States citizen employees working in the Canal Zone is to be established in the future.

In order that the record may be clear in this respect, I ask unanimous consent that the statement of the managers on the part of the House be printed in the RECORD immediately following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JOHNSTON of South Carolina. Mr. President, this statement should serve to reassure our employees in the Canal Zone that they will receive equal treatment with employees working in the continental United States, when and if pay adjustments occur in the future as a result of Congressional action.

EXHIBIT 1

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1850) entitled "An act to adjust conditions of employment in departments or agencies in the Canal Zone," submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendments struck out all after the enacting clause and inserted a substitute text and provided a new title for the Senate bill.

With respect to the amendment of the House to the text of the Senate bill, the committee of conference recommends that the Senate recede from its disagreement to the amendment of the House and agree to the same.

The committee of conference strongly emphasizes that, with respect to the repeal of certain provisions of existing law by section 16 (b) of this legislation as agreed to in conference, it is intended that, when by act of Congress employees in the United States receive pay increases, United States citizen employees in the Canal Zone now covered by the laws being repealed by such section 16 (b) will not be deprived of benefits which would have accrued to them if such laws had not been so repealed.

By the repeal by such section 16 (b) of certain provisions of existing law, the committee of conference again strongly emphasizes that it is not intended to deprive the four groups of employees concerned of any wage benefits. It is the intent of the Congress that the precedent established in the Canal Zone in relating Canal Zone wage increases to comparable wage increases in the United States will continue to be followed.

It is in the light of the intent of the Congress as above stated that the repeal of certain provisions of existing law by section 16 (b) is included in the conference agreement.

With respect to the amendment of the House to the title of the Senate bill, the committee of conference recommends that the Senate recede from its disagreement to the amendment of the House to the title of the Senate bill and agree to the same. Such title of the conference substitute as proposed by the House amendment is as follows: "An act to implement item 1 of a memorandum of understandings attached to the treaty of January 25, 1955, entered into by the Government of the United States of America and the Government of the Republic of Panama with respect to wage and employment practices of the Government of the United States of America in the Canal Zone."

Mr. CARLSON. Mr. President, I concur in the statement made by the chairman of the Committee on Post Office and Civil Service, the distinguished Senator from South Carolina, with reference to the conference report. As he has said, it probably appears, on the surface, as though not much has been accomplished,

so far as the Senate is concerned. But actually I think an agreement was reached which will be more than satisfactory, or it should be more than satisfactory, to the employees of the United States in the Panama Canal Zone.

I have every reason to believe that this is a very satisfactory solution of the problem.

Mr. JOHNSTON of South Carolina. Mr. President, the report only implements the treaty between the United States and Panama.

Mr. CARLSON. That is my understanding of the report.

Mr. JOHNSTON of South Carolina. That is true.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

PUBLIC STATEMENTS REGARDING THE UNITED STATES AND ITS POLICIES

Mr. CAPEHART. Mr. President, it seems obvious to me, and I am sure it must be just as obvious to most other persons, that a very bad habit is developing in the United States—the invariable condemnation of the United States and its leadership for almost every unfortunate situation which arises throughout the world. Today there exists a strong tendency on the part of many persons in the United States to take the position that our country is always wrong, regardless of what it or its leadership may do or may advocate. I believe this tendency can be observed on the floor of the Senate, in newspaper articles, and in statements made on the radio and television.

Mr. President, if great leaders in the United States, Members of the Senate, and other persons in this country are to take that position, how can the people of the rest of the world be expected to believe in our country?

If Americans continually take the position that practically everything the United States and its Government does is wrong, we can expect the leadership and the peoples of other countries to take the same view.

I believe the time has come for us to take the position that, although the United States may make mistakes, our country has made great sacrifices in behalf of the rest of the world. We should be stressing the fact that in the United States the people enjoy prosperity, a high standard of living, a popular, democratic form of government, which guarantees the liberties and freedoms, including freedom of speech, with which even our schoolchildren are familiar.

We must stop "selling the United States short."

Furthermore, in many instances there is no factual basis for the criticisms which are made of our country. Yet many Members of Congress and many other persons seem regularly to take the position that regardless of what the State Department or other agencies of our Government may do, their actions are just patently wrong. In my opinion, that attitude gets us into trouble, Mr. President.

Many of our people ask, "What is wrong with the United States? Why do not other countries like our country?"

I believe one of the reasons may be that so many people in the United States, citizens of our great Nation, have a tendency to criticize their Government; and in view of the fact that they so often criticize the United States, they give the impression that even they do not like the United States, its Government, and its leadership.

Today the world situation is serious. I believe the time has come for the American people to unite in their support of their Government and their President.

Such unjustified criticisms remind me of a case in which a man who had committed murder was taken before a judge. The onlookers in the court room became angry with the judge, and began to condemn him, rather than the man who had committed the murder.

Mr. President, the people of the United States cannot prevent people throughout the world from doing things which we believe to be wrong, for we have no control over other sovereign nations in the world. But too often when some untoward development takes place in another country—for instance, as in the case of Iraq—Americans of great influence blame the United States for it. Their attitude is similar to that of the persons who criticize a judge sitting in the trial of a man charged with murder.

I believe that the Members of Congress must accept much of the responsibility for this attitude, because many of them are constantly criticizing our country and our Government. I do not say that the Members should not criticize or differ, or that in executive session they should not discuss these matters very frankly. But I believe the criticism has gone beyond that point, and now has reached the point where the United States is beginning to be somewhat of a laughing stock to the rest of the world, in that our leaders, legislators, newspaper writers, columnists, and radio and television announcers so often take the position that the United States is in the wrong and is responsible for practically every crisis in the rest of the world.

Mr. President, I do not think the United States is responsible for these developments. Our Nation has a magnificent record of helping other peoples in the world. In view of that record; in view of the great sacrifices our people have made for others and the policies our country has adopted and the fine results our country has achieved, we deserve better treatment than we are receiving.

So I plead with my colleagues and with the people of the country generally, particularly at this time, when the world is in a ferment and an explosion may occur at any moment, to be very, very careful of what they say.

Now, of all times, we should support our Government and our leaders. We should talk about the good things in the United States and the fine things our country has done, rather than constantly and continually make statements to the effect that practically everything the United States does or has done in the past is or has been wrong.

LANDING OF UNITED STATES MARINES IN LEBANON

Mr. COOPER. Mr. President, President Eisenhower, at the request of the Government of Lebanon, has ordered the dispatch of troops to Lebanon.

Whatever may be our individual judgment, the President has acted; our troops have landed in Lebanon; our flag is there; and we must support the President and our troops to the very limit of our capabilities.

The President stated that troops were dispatched to protect American lives, and to encourage the Lebanese Government in the defense of its sovereignty. I have no doubt that he acted within his constitutional powers and with all available facts before him.

I am hopeful, although I see difficulties in the way, that the United Nations will take immediate steps to police the area; and I believe that troops of the United States, France, Great Britain, Russia, and the other great powers should not be included.

Yesterday, I made the statement, on the Senate floor, that I thought it would be unwise to send troops into the Middle Eastern countries. In making that statement, I was aware that the alternative to military intervention might be the fall of the area to the forces driven by the nationalism of President Nasser, of the United Arab Republic, and anti-Western and anti-United States in sentiment. Nevertheless, I made the statement because that was my conviction, and still is. I believe there are operating in the Middle East forces and movements which cannot be bottled up or settled by force. As I said yesterday, these forces are:

First. The unsettled problems between the Arab nations and Israel.

Second. The sentiment in the area against Great Britain and France, because of their former colonial position and their invasion of Egypt in 1956—with which we shall be associated.

Third. Revolution against the feudal governments is the central fact of life in the area.

The question is not whether we agree with these movements. The fact remains that they exist, and we must take them into account. We have taken a decisive step. I am sure that the President and our Government have taken into account all the consequences that may flow from this step. Because of the revolution and the nationalism in the area, we may find ourselves without popular support, and fighting against the people of the area. We must face the fact of possible Russian intervention, either direct or through the use of volunteers. We must also face the fact that in the event of such intervention, total war would at least be a possibility.

I do not suggest that these consequences are inevitable. I hope with all my heart that they will not develop. I know that the purposes of the President are wholly against war and are for peace and stability; but I believe it would be a mistake if the Government, the Congress, and our people as a whole do not prepare themselves for every eventuality.

Again, I say that the President has acted; and we must, and we will, support him in every way, for in supporting him, we support our country.

AUTHORIZATION OF APPROPRIATIONS FOR THE ATOMIC ENERGY COMMISSION

The Senate resumed the consideration of the bill (S. 4051) to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

Mr. ANDERSON. Mr. President, I should like to discuss, for the consideration of the Senate, S. 4051, the AEC authorization bill.

This bill, which authorizes a total of $386,679,000 for AEC facility projects, and about $24 million for the cooperative power demonstration program, passed the House yesterday without amendment, on a voice vote. This was quite an achievement, and is a tribute to the devotion and good sense of CARL DURHAM, the chairman of the Joint Committee on Atomic Energy, and JIM VAN ZANDT, the ranking minority member, as well as several others of the committee from both sides of the aisle. It was also a tribute to the harmonious consideration of the bill in the Joint Committee and the fact that the bill was reported without a dissenting vote.

I should like to add that I think the effectiveness of Representative DURHAM, of North Carolina, and Representative VAN ZANDT, of Pennsylvania, was really outstanding. The fact that they were able to persuade the House of Representatives to take the bill without amendment and trust in the good sense they had and the committee had I think was noteworthy.

In a sense, the House vote was a good omen for what I hope will turn out to be a new era in relationships between Congress and the executive branch in the atomic energy field. I had a few words to say on that subject yesterday.

I certainly hope that our consideration of this bill today will be as harmonious. For, as I indicated yesterday, there is a great deal at stake in this bill and in the other atomic energy proposals, such as Euratom, which are before this Congress in its closing days.

The events which are occurring in Iraq and the Middle East serve to underline our need for measures to deal with small wars with small weapons, and to assist our friends and allies in Europe in developing atomic power rapidly so as to decrease dependence on Middle East oil. The bill before the Senate helps in these respects by providing for increased production capacity for plutonium—the essential ingredient for small yield atomic weapons. It also provides for increased facilities and studies in the field of basic research and reactor development.

The following is a brief summary of the bill:

First. The bill follows the same format and has the same standard provisions as previous bills. It contains a total of 57 projects under the heading of atomic weapons, production, and the like. It is of note that all projects requested by AEC and approved by the Bureau of the Budget are included in the bill. In addition, the Joint Committee restored some projects requested by AEC and disapproved by the Budget Bureau. The Joint Committee also added some projects which while generally favored by AEC, never were formally submitted to the Budget Bureau.

Second. The projects added by the Joint Committee fall into three general categories:

(a) The plutonium production reactor of convertible type—$145 million. The Senator from Washington [Mr. JACKSON] will discuss this reactor during the debate. I have taken a personal interest in this project and believe that it is absolutely necessary.

(b) A number of facility projects in the field of basic physical research—laboratories, cyclotrons, and the like. A total of $39 million was added. The Senator from Rhode Island [Mr. PASTORE] will discuss these projects during our consideration of the bill.

(c) Certain design and engineering studies on promising power reactor concepts. These total in the neighborhood of $9 million.

I digress at this point to say that in the discussion in the House yesterday some of the Members seemed to feel that the proposal with reference to the plutonium reactor at Hanford was based upon a desire to abandon the present reactors on economic grounds. No one who sat through the long weeks of studies of this proposal could make that mistake. The reactors at Hanford are 14 years old, and the best advice the Joint Committee was able to get from engineers was that we might look forward to a useful life of 5 years. It may run to 10 years. I have no way of knowing. Neither do the experts. But those in charge of the project, the General Electric Co., came to us with testimony that all we could safely count on was 5 years of useful life. If we are to have a reactor that fails in 5 years, and if plutonium is the priceless ingredient for small and lighter weapons, then we must make sure that we have something to replace it; and the design is one which has the strong endorsement not only of the Atomic Energy Commission, but of the engineers in charge of the project.

The Senator from Washington [Mr. JACKSON] will deal with this matter, but I hope no one will believe this reactor is being put forth solely on economic grounds. It is being put forth, as Representative VAN ZANDT stated on the floor of the House and in committee, because it is directly tied to national defense. The fact that these reactors could lose their usefulness in 5 years is something of interest to me, because the reactors in question could not possibly be put in operation for 3 or 4 years, and probably 5 years is a more accurate figure.

I should like to say a few words concerning the reactor development, or atomic power, portions of the bill.

First, it should be noted that we have included all the items requested by the AEC. This includes the Florida and central Ohio projects and the Pennsylvania Power & Light project. It also includes the $20 million authorization for the private power demonstration program, to be administered as provided in section 109 (f), as explained on page 22 of the committee report.

We have also included the provisions requested by AEC which permit the gas-cooled project to be built under the power reactor demonstration program. I should like to emphasize that any proposal submitted for this project must be made in good faith in order to qualify. Any organization which makes a proposal to do this job solely to keep the Government out will have trouble qualifying for Government assistance under the demonstration program or in getting such assistance later if it goes it alone at the present time. Since this is an experimental prototype, with provision for testing both natural uranium as well as enriched uranium fuel rods, it is rather unlikely that any private utility group will wish to undertake it.

We have provided a total of 3 months for obtaining proposals and an additional 3 months for submission of the basis of arrangements for private construction of the gas-cooled graphite moderated reactor. As everyone knows, industry has been free to make a proposal to construct this reactor for the past several years, and AEC has indicated that there has been little or no interest. The AEC report on its study of this reactor has been published and available since April 1, 1958. So industry has had and will have plenty of notice concerning this reactor project.

Mr. President, in order to make absolutely sure that people were put on notice as to what was in the proposal, and in order to be sure they would not be barred from doing what they thought essential, I took the liberty this morning of calling the company mentioned by the Chairman of the Atomic Energy Commission as a company which desired to submit a proposal; that is, General Dynamics. Any Member of the Senate who feels this language is so restrictive that it would be difficult for them to comply with it should call General Dynamics and ask whether they are satisfied with the provision for the 180 days carried in the proposal.

Further details on the projects added by the Joint Committee and the reasons therefor, may be found on pages 6–19 of the committee report.

Later I may wish to discuss the need for a reactor to provide propulsion for a tanker, in the light of the Middle East situation.

Undoubtedly the most advantageous use to which we could promptly put atomic power would be for the propulsion of a large size tanker by atomic energy. I believe such a tanker would permit the transportation of oil from the Middle East areas around Africa and to the countries of Europe at a cost fully competitive with the present cost of moving the oil through the Suez Canal.

I, along with others, hope the current situation in the Middle East and elsewhere will not lead to more serious trouble, but if it should result in serious

trouble, the greatest reassurance we could give the fuel-hungry countries of Europe would be that the tanker would be rather speedily constructed. I think this use has tremendous possibilities, and the Congress at some time will want to authorize this type of reactor.

The interesting point is that a tanker is now being constructed. If orders were to be given in the next few months—certainly if they were given in the next few days—this tanker could still become a nuclear-propelled tanker. If we wait, it will be a long time before such a tanker will be available.

In conclusion, I remind Senators on this side of the aisle and our friends across the aisle that I hope we can confine the debate to the merits and within the bounds of good sense. The charge of socialism and public power has no place in these discussions.

In some ways our efforts on the plutonium reactor cause me to recall the days back in 1952 when Brien McMahon was on his deathbed, and we urgently needed more plutonium and U–235 from the proposed plants at Savannah River, Paducah, and Portsmouth. I recall very well the important efforts my good friend the Senator from Iowa [Mr. HICKENLOOPER] and other Senators made in the debate on the appropriations far into the night and morning.

Plutonium and U–235 are now being produced, and I say thank God. But not in sufficient quantities according to all of our military and weapons advisers.

I hope that 5 years from now, as the Soviet menace increases, we can look back and say "thanks" for what the Congress did today.

Mr. SALTONSTALL. Mr. President——

The PRESIDING OFFICER (Mr. MORTON in the chair). The Senator from Massachusetts.

Mr. SALTONSTALL. I have offered several amendments to the bill, which I have talked over with the distinguished Senator from New Mexico [Mr. ANDERSON]. I should like to call up my amendments No. 1, which are amendments to the language on page 9 of the bill.

The PRESIDING OFFICER. The amendments will be stated.

The LEGISLATIVE CLERK. On page 9, line 18, it is proposed to strike out "and the," and insert in lieu thereof "and—"; and strike out all of line 19.

On page 9, line 20, immediately after "(a)" it is proposed to insert "the Commission and the Secretary of Defense certify that."

On page 9, line 22, immediately after "(b)" it is proposed to insert "the Commission and the Secretary of Defense certify that."

One page 9, line 25, immediately after "(c)" it is proposed to insert "the Commission certifies that."

Mr. SALTONSTALL. Mr. President, section 106 of the bill provides for the transfer of funds authorized to be appropriated from projects specified in the bill to other new projects as substitutes. In making such substitutions the bill calls for two certifications to be made by the Atomic Energy Commission which relate, first, to the essentiality of the new project to common defense and security, and second, to the necessity of the new project as required by changes in weapons characteristics or weapons logistics operations.

My amendments would provide that these two certifications would be made jointly by the AEC and the Secretary of Defense instead of by the AEC alone. I think the reason for the proposed change is clear. The Department of Defense is principally charged with responsibility for the Nation's defense. It is this Department which generates the requirements for the AEC's contribution to weapons and weapons systems. Accordingly, if new projects are to be substituted on grounds of defense needs and weapons needs, the Secretary of Defense should be a party to the certification of these needs as a condition of substitution.

I have talked the amendments over with the Senator from New Mexico [Mr. ANDERSON], and I believe the amendments are satisfactory.

Mr. ANDERSON. Mr. President, I wish the amendments had been presented to the committee, so that we might have had the comments of the Department of Defense and the Atomic Energy Commission. However, I see nothing wrong with the amendments and I am happy to accept them and take them to conference.

The PRESIDING OFFICER. The question is on agreeing en bloc to the amendments offered by the Senator from Massachusetts [Mr. SALTONSTALL].

The amendments were agreed to.

Mr. SALTONSTALL. Mr. President, I thank the Senator from New Mexico for his cooperation.

Mr. President, I now call up my amendments No. 2 and ask that they be stated.

The PRESIDING OFFICER. The amendments will be stated.

The LEGISLATIVE CLERK. On page 2, line 15, it is proposed to strike out "convertible type,"; and in line 16, to strike out "$145,000,000", and to insert in lieu thereof "$120,000,000."

On page 1, line 7, it is proposed to strike out "$386,679,000" and insert in lieu thereof "$361,679,000."

Mr. SALTONSTALL. Mr. President, the effect of the amendments is to provide that $120 million instead of $145 million shall be authorized for the plutonium producing reactor. This saving is made possible because it is also provided in the amendments that the reactor will be made solely a plutonium producer and not made convertible to the manufacture of electric power.

I offer the amendment because if the reactor is to be built, it is not appropriate that it be made in such a way as to be operated in competition with private industry. The additional expense of $25 million is too high a price for insurance against the possibility of the facility being wasted in the event of a lack of need for plutonium. Furthermore, an additional expenditure of some $70 million would be necessary to make the reactor power-producing.

I realize that the amendment is not acceptable to the committee, but I believe it is a wise amendment, because it brings the public power issue directly into focus with the atomic energy problem. Making this reactor convertible will serve no research or defense purpose, but would make such more costly.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. JACKSON. Will the Senator be good enough to state where in the bill the question of public power enters the picture?

Mr. SALTONSTALL. Will the Senator please repeat his question?

Mr. JACKSON. Will the Senator be good enough to advise the Senate at what point in the bill the public power issue enters the picture?

Mr. SALTONSTALL. Public power, as I understand, enters into the picture in the making this reactor a convertible type, because if the reactor were converted at a later date, it would be producing public power.

Mr. JACKSON. Is the Senator aware of the power requirements at Hanford?

Mr. SALTONSTALL. Not entirely. I understand that if this reactor were converted, it would make more power than is needed at the present time.

Mr. JACKSON. Does not the Senator feel that it is sensible to make possible the development of power, instead of wasting the heat energy and dumping it into the Columbia River, as is the case now?

Mr. SALTONSTALL. I believe that if more power is needed there, the issue should come up at a later time when the power is needed. Then a decision can be made on the question as to whether to furnish public power or private power.

Mr. JACKSON. That is exactly what we are doing.

Let me read what the past Chairman of the Atomic Energy Commission had to say as late as June 24, 1958, before the Joint Committee:

> Senator BRICKER. I would like to ask if we are going to then authorize this reactor for special nuclear material should it be limited to a convertible type? Should the committee on the Congress tie you down to a certain type of reactor?
>
> Representative VAN ZANDT. Do you mean a single purpose reactor?
>
> Senator BRICKER. Whether it should be a regular convertible type or whether it should be left to the judgment of the Commission?
>
> Mr. STRAUSS. Without knowing anything about the Johnson testimony I would say this, that had it been possible at the time that the Hanford reactors were built and the Savannah River reactors were built to make them convertible, it would, I think, be the smart thing to do.
>
> Senator BRICKER. If this authorization is made you would desire to put up a convertible type at the present time?
>
> Mr. STRAUSS. Personally, I would. I would not know how the Commissioners feel about it. He [Senator JACKSON] said they testified to the same effect so we are in accord.

On June 9 we heard the testimony of the other four Commissioners, including Dr. Libby, who is the technical man assigned to the Commission, also supporting the convertible-type reactor.

Further, the RECORD will disclose that by making the reactor convertible we are doing the prudent thing, because a convertible reactor, as was testified before

the committee, would pay out in 4 years, whereas if it remained a single-purpose reactor, it would require 14 years.

There is nothing in the bill which would authorize the Atomic Energy Commission to sell power to public or private utilities. This proposal is merely an effort on the part of the committee to take the prudent step now and make the reactor susceptible to the production of power as well as plutonium. That testimony is in the record. So I do not know on what the Senator bases his contention.

Let me quote from Commissioner Vance:

STATEMENTS FROM THE ATOMIC ENERGY COMMISSION IN SUPPORT OF A CONVERTIBLE-TYPE PLUTONIUM PRODUCTION REACTOR, JUNE 9, 1958, BEFORE THE SUBCOMMITTEE ON LEGISLATION

1. Commissioner Vance: "With regard to the different types of reactors listed here on the board, I think that our technical people feel as Mr. Johnson has stated, that the safer and not only the safer course, but the better course, is to proceed in two stages as contemplated by 1–B (the convertible-type reactor). Not only will we have the additional time to perfect the new type of fuel element, which had to be perfected as Mr. Johnson emphasized, we will get plutonium out of this new reactor quicker by that method. I emphasize the latter point because of the consideration we have given to the necessity for having additional plutonium capability." (P. 315 of the hearings.)

2. Commissioner Libby: "I pretty well agree with what Mr. Vance has said. I think either A or B looks like a pretty good deal. If we have a continuing need for plutonium for 10 years, this is going to make the additional reactor at Hanford particularly desirable. * * * But I think 1–B (the convertible type) is a pretty safe bet." (P. 317 of the hearings.)

3. Commissioner Graham: "If I were forced to vote this morning on this question, I think I would go along with 1–B (the convertible type)." (P. 318 of the hearings.)

4. Commissioner Vance: "A question was asked a moment ago of Dr. Libby, which one of these types we discussed with the Bureau of the Budget and he said 1–A (single-purpose). I would like to explain why when the GE report came to the Commission on the 1st of March, and at that time we first discussed the matter with the Bureau of the Budget, 1–B (the convertible type) was much less firm than it is today. We did not have the full figures on 1–B. Therefore, at that time it was largely a choice between 1–A and 3, and as between those 2 we discussed with the Bureau 1–A. I think if we had had all this information today the discussion would have been on the basis of 1–B (the convertible type) and not on 1–A (the single-purpose type)." (P. 318 of the hearings.)

Mr. SALTONSTALL. I make the contention that this reactor is proposed for the production of plutonium, so the project should be limited to that purpose. I am not a member of the committee, and I did not hear the secret testimony. It is my understanding that we may want more plutonium at this time, and that that explains the need for the reactor.

Mr. JACKSON. The Senator will recall that when this question arose on the floor of the Senate a year ago, the proposal was opposed at that time on the ground that we did not need the plutonium. Now, of course, every one realizes that we face a terrible possibility in the Middle East, and that we need plutonium for small weapons. Yet the argument on this floor a year ago was to the effect that we did not need plutonium. Now the argument is that we need it, but that we should not use the reactor for power.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. HICKENLOOPER. I should like to comment on the statement of the Senator from Washington. Let us analyze the statement. I submit that the Middle East situation will be resolved one way or the other in a comparatively short time. The evidence shows that this plant will not produce plutonium for another 4 or 5 years. So the argument that we need plutonium for the Middle East is a rather weak reed upon which to lean.

Mr. JACKSON. I do not wish to go into all the details, but had the steps been taken which were recommended in the Joint Committee 4 years ago, when the suggestion was made, we would be in a much better position today than we now are.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. ANDERSON. The work done by the able Senator from Iowa [Mr. HICKENLOOPER] and the late Senator McMahon of Connecticut in increasing our capacity makes us better prepared for what is going on in the world today than we would otherwise be. I hope that if another crisis arises 5 years from now we shall be equally prepared, by reason of the statesmanlike action we take today.

Furthermore, I do not know that the difficulties in the Middle East will be settled in a short time. We once thought that the Korean situation would be settled in a few days, but it continued on and on. The situation in the Middle East today can continue on and on and on.

I was very much impressed by the statement of the junior Senator from Minnesota [Mr. HUMPHREY] the other day with reference to the situation in connection with Arab nationalism. He stated that that was a very live issue in that area of the world. I do not see how anyone can put out the conflagration in 3 or 4 days with a hand fire extinguisher. I think we had better heed the requests of the Joint Chiefs of Staff, made one after another, earlier this year, for small weapons. In September 1956, August 1957, and as late as May 8th or 9th of 1958, the Joint Chiefs of Staff asked for more plutonium. The amount of money they want is $500 million and not $145 million. I think we had better take a step in the right direction.

Mr. SALTONSTALL. Mr. President, I am not making an argument against the Senator from Washington or the Senator from New Mexico on the issue as to whether we need more plutonium. It is my understanding that we may need more over the next 3 or 4 or 5 years, and that is the reason for this proposal. When we are authorizing an extra $25 million, with the possibility of authorizing still an additional $70 million, there is a question to which there should be a clear-cut answer, as to whether the power needs can be better or more cheaply supplied by publicly or privately owned utility companies, or by the AEC's plutonium reactor.

Mr. ANDERSON. Mr. President, I am glad we are not going to argue about whether or not we need more plutonium, because the Atomic Energy Commission made some representations to the Bureau of the Budget with respect to a $120 million plant. The figure which has been cited meets the requirement. I think it would be desirable to agree that we are likely to need more plutonium in the future. The question is, what is the wise and businesslike way to go about producing it? I think we should follow the recommendations which were made to us in the committee on this score. The able Senator from Massachusetts does not need to depend on secret testimony. I refer him to page 315 of the hearings. Commissioner Vance was testifying. He said:

With regard to the different types of reactors listed here on the board, I think that our technical people feel, as Mr. Johnson has stated, that the safer, and not only the safer course, but the better course is to proceed in 2 stages as contemplated by 1–B (the convertible-type reactor). Not only will we have the additional time to perfect the new type of fuel element, which has to be perfected as Mr. Johnson emphasized, we will get plutonium out of this new reactor quicker by that method. I emphasize the latter point because of the consideration we have given to the necessity for having additional plutonium capability.

Mr. Johnson is not an advocate of public power. He is a General Electric man, the manager of the GE Hanford organization, and General Electric is managing this project under contract with AEC.

All I can say to the Senator from Massachusetts is that General Electric, which is a reasonably large business and is not known to be a public power advocate, has said that this is the businesslike way in which to proceed.

Commissioner Libby said he pretty well agreed with what Mr. Vance said. Commissioner Libby said:

I think 1–B (the convertible type) is a pretty safe bet.

Mr. Graham said:

If I were forced to vote this morning on this question I think I would go along with 1–B (the convertible type).

Mr. Vance was asked why he did not recommend it originally. Mr. Vance used to be the head of a large automobile company. He is as fine a businessman as could be placed on the Commission. He is one of the most faithful and conscientious men I have ever seen. Mr. Vance said, at page 318 of the printed hearings:

Mr. VANCE. A question was asked a moment ago of Dr. Libby, which one of these types we discussed with the Bureau of the Budget and he said 1–A.

Senator ANDERSON. Yes.

Mr. VANCE. I would like to explain why. When the GE report came to the Commission on the 1st of March, and at the time we first discussed this matter with the Bureau of the Budget, 1–B was much less firm than it is today. We did not have the field figures on

1–B. Therefore, at that time it was largely a choice between 1–A and 3, and as between those two we discussed with the Bureau 1–A.

These are very significant words from Commissioner Vance:

I think if we had had all this information today the discussion would have been on the basis of 1–B and not 1–A.

He refers to the discussion with the Bureau of the Budget. 1–A is the single-purpose type. 1–B is the convertible type.

The answer, as the Senator from Massachusetts well knows, is that this proposal affords an opportunity for cheaper plutonium, which would make a great difference to the Treasury of the United States over the next few years. We have simply followed the recommendations of General Electric, Mr. Strauss, Mr. Vance, Dr. Libby, Mr. Graham, and Mr. Floberg.

The names represent the whole Commission and those who have contracted to do the work.

I fail to see how anyone can turn this situation into an issue between public and private power. I should like to remind the Senator from Massachusetts that if the authorization is approved, before there can be a conversion, it will be necessary to submit the proposal to Congress. It is not possible to proceed with it blindly.

I am happy to note for the RECORD that, so far as I am concerned, when that matter comes to Congress, and I am still a Member of it, I hope we will put such restrictions on the power that will not become public power in the ordinary sense of being subject to a preference clause for the sale of power to cooperatives. It need not be and it should not be. However, in the meantime, the Government should not deprive itself of the tremendous economic advantages of building the convertible plant, which has been recommended by everyone who has studied the subject.

Mr. SALTONSTALL. I am not a member of the Joint Committee on Atomic Energy, and I was not present during the closed sessions when classified testimony was given.

Mr. ANDERSON. I have referred to the published testimony. It is contained in the book in front of the Senator from Massachusetts.

Mr. SALTONSTALL. I gather from the public testimony that the Commission recommended the construction of a 1–B or convertible reactor. They felt, as I understand, that they had not particularly considered the 1–A or nonconvertible type. They indicated, I believe, that they might have favorably considered a 1–A reactor, but they had not yet considered it. At least that is my understanding of the testimony and the record in the case.

Mr. ANDERSON. The answer is that on that particular morning of the hearing in question, the figures were placed on a blackboard, and one by one the Commissioners had gone over these figures, as did the members of the Joint Committee. The members of the committee expressed themselves favorably, and the members of the Commission expressed their interest. The recommendation of General Electric was that this was the way to go ahead with the matter.

It is unfortunate that people should look at it as if there were anything involved except the cold facts of economy with respect to the way this operation should be carried on.

Mr. SALTONSTALL. I certainly do not wish to labor the point, but the issue of how much private power should be used for carrying forward the program we are discussing, and the question of public power, and how far it should be extended in this matter, are questions which should be debated by themselves, and apart from this issue. The question before us is the providing of more plutonium, which is needed for our national defense. With respect to that particular program I am in entire accord with the Senator from Washington and the Senator from New Mexico. On the other question I often find myself on the opposite side. I believe as long as private utilities can do the job, they should be given the opportunity to do it, and to do it as cheaply as possible.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. JACKSON. Would the Senator be opposed to the construction of a steam plant on a military reservation to provide the power requirements of a Government facility?

Mr. SALTONSTALL. I have never heard of such an instance. I will not say that there is no such powerplant installation. However, on military reservations we buy our power from the local utility companies. That is the general rule.

Mr. JACKSON. Is the Senator opposed to the powerplant supplying power to the Capitol?

Mr. SALTONSTALL. Does the Senator refer to the building we are in at the present time?

Mr. JACKSON. Yes.

Mr. SALTONSTALL. Certainly not. That is power used in our Capitol Building.

Mr. JACKSON. That is exactly the point. The power would be used at the Hanford reservation. There is no provision in the bill for the sale of power to a private or public utility.

Mr. SALTONSTALL. That may be so. It might be obtained, however, from an outside source, as I understand. And there may be the possibility of power produced in excess of Hanford's needs.

Mr. JACKSON. That would require additional authorization by Congress. There is nothing in the bill authorizing the sale of power to a private utility or to a public utility.

Mr. SALTONSTALL. I do not refer only to the sale of power. I say a private utility could furnish the power for the Hanford installation. If we presently put $25 million into making the plutonium reactor convertible and later put an additional $70 million to make it produce power, we will be making AEC compete with the local power producer.

Mr. JACKSON. I should like to point out to the Senator from Massachusetts that if he will read the testimony on this point he will find there are in the particular area no private utilities to supply Hanford. All the power is supplied directly by the Bonneville system. The argument the Senator makes has no application to this situation.

Mr. SALTONSTALL. Mr. President, I yield the floor.

Mr. JACKSON. Mr. President, I wish to join my colleagues on the Joint Committee on Atomic Energy in support of S. 4051. This is an original committee bill, unanimously reported by the committee. In particular, I wish to call attention to project 59–a–5, in section 101, appearing on page 2, lines 14 through 16, of the bill. In my opinion, it is one of the more important items, if not the most important item, in the bill. The committee can take justifiable pride in having initiated this item.

Project 59–a–5 would authorize the expenditure of $145 million for construction of a convertible-type production reactor at Hanford, Wash. This project was not in the authorization bill as received by the Joint Committee from the Atomic Energy Commission. Although a similar type project had been recommended by the Commission, it was eliminated by the Bureau of the Budget prior to submission to the committee. The Joint Committee—on the basis of known needs of the military for additional plutonium—added project 59–a–5 to the bill.

I believe it is desirable that all Senate Members understand the reason for the committee's action and the extreme importance the Joint Committee attaches to this project. To fully understand this, it is necessary that the Senate Members comprehend the purpose and objective of this project.

Very simply, this is a project to produce additional plutonium for military purposes. Plutonium is one of the materials that is used to make nuclear weapons. It is a material that is needed in the small nuclear-weapons field.

For a considerable period of time, the Joint Committee has been concerned with the obvious need for additional plutonium production. I refer the Members of the Senate to appendix 1, beginning on page 24 of the committee report which summarizes the Joint Committee's recommendations and actions in this matter from 1947 to the present.

As chairman of the Subcommittee on Military Applications of the Joint Committee on Atomic Energy, I have followed this important problem closely, over an extended period of time. During the past 3 years, the Subcommittee on Military Applications has received testimony from leading scientists in the weapons development field, representatives from the individual military services, as well as the Joint Chiefs of Staff, and the Atomic Energy Commission.

All of this testimony has impressed us with the urgent need for additional plutonium. I personally have visited the weapons laboratories and have discussed this problem with the scientists who have the responsibility for insuring United States supremacy in the nuclear weapons field. They are greatly concerned over what they realize to be an acute shortage of this material.

In testimony before the Subcommittee on Military Applications in May of this year, representatives of the Army, the Navy, and the Air Force, separately and individually, informed us that the currently planned production rate of plutonium will be insufficient to meet the needs of their respective services. We know that the Joint Chiefs of Staff, over 2 years ago, in September 1956 recommended to the Secretary of Defense additional reactor production facilities. In 1957, and again this year, the Joint Chiefs of Staff expressed concern that existing reactor production would not be sufficient to meet military requirements. In May 1958, the Joint Chiefs of Staff unanimously recommended to the Secretary of Defense that the earliest practical steps be taken to substantially expand plutonium production.

I am not permitted to state publicly the amount of increase the Joint Chiefs of Staff unanimously recommended. The Department of Defense and the Atomic Energy Commission have taken the position that this information is highly classified and should not be released to the public. I can say, however, that project 59–a–5, by itself is not sufficient to meet the minimum additional requirements recommended by the Joint Chiefs of Staff and the weapons development scientists.

Therefore, I wish at this time to alert the Members of the Senate that Congress may be called upon in the near future to authorize additional projects of a similar nature, as a matter of national defense.

For several years, there has been no doubt, in my mind, of the necessity for additional production of this material. On May 24, 1956, I joined the chairman of the Joint Committee on Atomic Energy in sending a letter to the President of the United States pointing this matter out to him and proposing the establishment of an atomic bank for the stockpiling of this material for future use.

On July 30, 1957, as chairman of the Subcommittee on Military Applications I joined the chairmen of every subcommittee of the full committee in a public statement calling attention to what we considered a dangerous situation.

In April 1958, in cooperation with the chairman of the Joint Committee, I appointed an independent advisory panel of responsible private citizens to look into this matter and to make a report to the Subcommittee on Military Applications.

This panel was composed of four eminent American citizens whose background and special training gave them special competence to make an objective study of this subject. They were Mr. Gordon Dean, senior vice president of the General Dynamics Corp. and former Chairman of the Atomic Energy Commission; Dr. John Herold Lampe, dean of engineering, North Carolina State College, a leading authority and educator in the field of engineering, with broad background in nuclear energy; Dr. John A. Wheeler, professor of physics at the Palmer Physical Laboratory, Princeton University, who is world renowned as the codiscoverer of uranium 235 and, who, for many years, has had extensive and detailed knowledge in the peaceful as well as the weapons use of nuclear energy; Mr. J. Kenneth Mansfield, assistant to the director of the Nuclear Division, Combustion Engineering Co., who, prior to his present position, for many years was Chief of Special Projects on the staff of the Joint Committee on Atomic Energy.

The panel made an exhaustive study, and in June 1958 submitted a top secret report to the Joint Committee. In this report the panel members unanimously concluded that the present and planned output of reactor products is substantially inadequate to meet the minimum future needs of the armed services. The panel concluded that a major expansion program for production of reactor products is economically sound and desirable.

With this background supported by detailed classified testimony on file with the Joint Committee, the committee found it necessary to include a production reactor facility in the fiscal year 1959 authorization bill.

Personally, I was amazed that the Bureau of the Budget saw fit to disregard a recommendation by the Atomic Energy Commission for a similar type project and eliminated it from the AEC bill. This is all the more amazing because previously, in January of 1958, the Bureau of the Budget approved a request authorization for over $200 million to purchase plutonium from foreign sources for military use.

This was a "buy back" proposal contained in a bill to amend section 55 of the Atomic Energy Act of 1954. This proposal would have set up a revolving fund in excess of $200 million to purchase plutonium from foreign countries at a price in excess of what it would cost us to produce plutonium in a plant such as will be constructed under project 59–a–5.

Needless to say, the Joint Committee did not acquiesce in this foreign "buy back" proposal.

Having determined that there is a need for additional plutonium production facilities in the United States, the Joint Committee received testimony from production reactor experts as to the best type of reactor that should be constructed. In addition, the Joint Committee requested and received from the Atomic Energy Commission a technical report evaluating various possible types. Last year's authorization act, Public Law 85–162, in project 58–b–8, required the Commission to make this study and to submit its report to the Joint Committee by April 1, 1958.

On the basis of that report and the testimony of the production reactor experts, it was determined that a convertible type would serve the best interests of the United States. This type will be used exclusively to produce plutonium but, if necessary, with some modification, in the future, it can be made to produce power.

The Atomic Energy Commission testified that if a production reactor is to be built it should be a convertible type.

In selecting Hanford as the site for this project, the committee gave consideration to the fact that the original 3 Hanford reactors are 15 years old and that their continued future use for any predictable period of time is questionable. Maintenance and operating costs of the older Hanford reactors are continuing to rise to such an extent that—on a question of economics alone—we are reaching a point where justifiable replacements should be constructed. Current processing and separation facilities at Hanford are capable of absorbing additional products from this new reactor.

In conclusion, I wish to emphasize that the production reactor contained in project 59–a–5 will not by itself meet the recommended military needs of the Joint Chiefs of Staff nor of the weapons development scientists. This will remain an important problem. As chairman of the Military Applications Subcommittee, I will continue to follow this problem closely and I intend to bring it to the attention of the Senate again at a future time.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a further statement by me in connection with plutonium, together with other material, including letters of the Joint Committee on Atomic Energy, a letter from the President to Representative JENSEN, and my comments on the President's letter.

There being no objection, the statements and letters were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR JACKSON

Under the proposed amendment to section 55 of the Atomic Energy Act of 1954, as recommended by the Department of Defense, the AEC, and the President, and approved by the Bureau of the Budget, in addition to the original $200 million, the administration proposed a revolving fund from which the foreign plutonium would be purchased. All moneys received from distribution of nuclear material by the United States to foreign nations would go into the revolving fund to buy back the plutonium. There was no limit or ceiling on this sum of money which would be used to buy back the plutonium.

As of this date, the United States has committed itself to furnish a total of 38,320 kilograms of uranium enriched in the isotope U-235 to foreign nations or agencies. The President has promised the International Agency 5,070. The total amount promised to individual foreign nations by various bilateral agreements that have been or in the process of being negotiated, equal 33,250 kilograms.

The value of the 5,070 kilograms for International Agency is approximately $81,700,000. The value of the 33,250 kilograms to other individual foreign nations is approximately $536 million. In total, therefore, the United States has committed itself to make available this material to foreign countries in the value of $617,700,000 which, when added to the $200 million, would amount to over $817 million to purchase plutonium from foreign sources. That is what the administration proposed in January 1957. The Joint Committee preferred to spend less money and obtain plutonium from a dependable service in the United States.

PRESS RELEASE FROM THE OFFICE OF THE JOINT COMMITTEE ON ATOMIC ENERGY

Congressman CARL T. DURHAM, chairman of the Joint Committee on Atomic Energy, called for an expanded program for increased production of plutonium. He stated he was joined by Vice Chairman ANDERSON and certain other members of the committee.

In connection with reporting out the AEC authorization bill, Congressman DURHAM stated that it provided only a modest beginning for an expanded program in terms of authorization of design of a plutonium production reactor.

Chairman DURHAM repeated his dissatisfaction with the methods of establishing weapon materials requirements used by the executive branch, and the lack of any forward planning for plutonium requirements. Mr. DURHAM stated: "I am disturbed over the lack of a realistic small-weapons program, or any consideration of the necessity for ultimately establishing a stockpile of plutonium for weapons or peacetime purposes. Any such program would require substantial increases in productive capacity."

Chairman DURHAM further stated: "Testimony received by the full committee as well as by Senator JACKSON'S Subcommittee on Military Applications from responsible military officials and leading scientists in the nuclear weapons development field during the past two years indicates a need for a substantial increase in present and currently planned plutonium production. In light of the evidence presented by experts, I am concerned over the fact that more effort isn't being directed toward greater development of our small-weapons program and the fact that the AEC 1958 fiscal year budget does not call for construction of additional plutonium-producing facilities."

The chairman of the Joint Committee on Atomic Energy was critical of the methods used by the AEC and Department of Defense in determining the amount of fissionable material needed for national defense.

He stated: "The AEC takes the position that it will not request or support construction of additional plutonium-producing facilities unless the Department of Defense formally requests more material. Our military planning at the same time apparently is geared to current AEC production capacity instead of our needs. From the point of national defense, this is a dangerous arrangement which I and other members of the Joint Committee repeatedly have criticized. It is contrary to the basic atomic energy policy of the United States as set out in the Atomic Energy Act of 1954 which provides 'the development, use, and control of atomic energy shall be directed so as to make the maximum contribution to the general welfare subject at all times to the paramount object of making the maximum contribution to the common defense and security.'"

Congressman DURHAM pointed out that there are indications the Department of Defense is reviewing its method of determining requirements but that unfortunately its study and recommendations will not be ready prior to enactment of the current AEC authorization bill.

In addition to Senator CLINTON P. ANDERSON, vice chairman of the Joint Committee on Atomic Energy, Chairman DURHAM was joined by the following members in the statement: Senator JOHN O. PASTORE, chairman of the Subcommittee on Agreements for Cooperation; Senator ALBERT GORE, chairman of the Subcommittee on Raw Materials; Senator HENRY M. JACKSON, chairman of the Subcommittee on Military Applications; Representative CHET HOLIFIELD, chairman of the Subcommittee on Legislation; Representative MELVIN PRICE, chairman of the Subcommittee on Research and Development; Representative PAUL J. KILDAY, chairman of the Subcommittee on Security; and Representative JOHN J. DEMPSEY, chairman of the Subcommittee on Communities.

Chairman DURHAM stated he was hopeful all members of the Joint Committee would join in support of the substance of his views.

JUNE 16, 1958.

The honorable the SECRETARY OF DEFENSE:

DEAR MR. SECRETARY: As you are aware from past correspondence, the Joint Committee has been deeply concerned over the adequacy of the current plutonium production capability to meet projected military requirements.

We are forwarding, under separate cover, a classified report prepared by members of the Advisory Panel to the Military Applications Subcommittee. The following members of the panel participated in a series of subcommittee hearings concerning military requirements for reactor products conducted on May 12, 13, and 21 of this year and were requested to make findings and recommendations to the subcommittee concerning the adequacy of present and planned programs for reactor products:

Mr. Gordon Dean, senior vice president, General Dynamics Corp.

Dr. John Harold Lampe, dean of engineering, North Carolina State College.

Dr. John A. Wheeler, professor of physics, Palmer Physical Laboratory, Princeton University.

Mr. J. Kenneth Mansfield, assistant to the director nuclear division, Combustion Engineering, Inc.

While the formal panel report contains detailed information as a basis for their findings and recommendations and is, therefore, classified, in general the panel concluded the following:

1. Present and planned output of reactor products is substantially inadequate to meet the minimum future needs of the armed services.

2. A major expansion program for reactor products is economically sound and desirable, and

3. The existing system of establishing requirements for fissionable materials has important shortcomings.

As you undoubtedly know, in addition to the extensive testimony received by the committee in the past years as to the need for additional reactor products, the subcommittee received testimony during the current session in January 1958 from Dr. Herbert York, then director of Livermore Laboratory, to the effect that a most urgent need existed for additional plutonium production.

During the May 12, 1958, hearings the subcommittee was informed that as early as September 1956 the Joint Chiefs of Staff pointed up the need for a significant expansion of reactor facilities. In August and October of 1957 they informed the Secretary of Defense of the trend toward smaller diameter, lighter weight weapons. As late as January 1958, they summarized this trend again and expressed deep concern over the capability of reactor production to meet military requirements in the early sixties.

General Twining informed the subcommittee on May 21 of this year that the Joint Chiefs of Staff had unanimously recommended on May 9, 1958, that the earliest practicable steps to expand reactor production be taken to the maximum extent feasible without construction of additional plutonium separation and processing facilities. He pointed out that this recommendation lacked the definitive statement of 5-year requirements which your office desired, but stated that these detailed requirements could be computed and submitted within 30 days.

During committee hearings this spring on the bill which would have authorized exchange of materials and information with our allies, the Under Secretary of Defense and the Special Assistant to the Secretary of Atomic Energy, stated that the Defense Department could use all the plutonium which could be purchased abroad for weapons purposes for the next 10 to 15 years. This testimony was in support of a $200 million revolving fund for purchase of foreign plutonium at a premium price.

The plutonium requirements situation is particularly urgent from a legislative standpoint in connection with Joint Committee consideration of additional plutonium facilities in the AEC authorization bill for 1959. In order to carry out our obligations to the Congress and the Nation, we must proceed expeditiously with consideration of the AEC authorization bill during the next few days.

For your information, we are enclosing as an attachment, a chronological summary of action taken in the past by the committee in regard to this matter.

Sincerely yours,

HENRY M. JACKSON,
Chairman, Subcommittee on Military Applications.

CHET HOLIFIELD,
Subcommittee on Legislation.

CLINTON P. ANDERSON,
Vice Chairman.

CARL T. DURHAM,
Chairman.

BRIEF SUMMARY OF THE JOINT COMMITTEE'S INTEREST IN THE NEED FOR ADDITIONAL WEAPONS MATERIAL, PARTICULARLY PLUTONIUM

For a considerable period of time, based upon testimony of responsible military commanders and top-ranking weapon development scientists, the Joint Committee has maintained there is an urgent necessity for increasing weapons material. The committee has been strongly opposed to the still current practice whereby the Department of Defense determines its military requirements for weapons on the basis of existing AEC production facilities, rather than the actual military needs.

The following unclassified portion of the record is indicative of the Joint Committee's position and recommendations with regard to this matter:

1. In 1947, at the committee's very first hearing with regard to military applications, the committee criticized the military method of determining requirements for weapons material because the military were determining their requirements on the basis of AEC's planned production. The committee followed up on this matter over the years.

2. After extensive hearings covering the atomic preparedness of this country during 1955, a letter was sent to the President of the United States on July 29, 1955, enclosing a report unanimously adopted by the members of the Military Applications Subcommittee and approved by the full committee, pointing out that existing and presently planned facilities for producing special nuclear materials will, in all probability, be inadequate to meet future requirements for nuclear weapons and recommending that by October 1, 1955, the Joint Chiefs of Staff submit their estimates for future additional requirements and that these estimates be independent of the AEC's planned production rates.

3. On May 24, 1956, the chairman of the Joint Committee, in conjunction with the chairman of the Subcommittee on Military Applications and the Subcommittee on Research and Development, sent a letter to the President pointing out their belief that increased production of material was necessary and proposing the establishment of an atomic bank for the stockpiling of this additional material for future use.

4. On July 30, 1957, the chairman and vice chairman of the Joint Committee made a public statement in which, within the

bounds of security, they called public attention to what they considered a dangerous situation in the need for additional plutonium. In this statement, they were joined by the chairman of each of the subcommittees of the Joint Committee.

5. On November 13, 1957, the chairman of the Joint Committee and the chairman of the Subcommittee on Military Applications sent a letter to the new Secretary of Defense, Neil H. McElroy, calling his attention to the inadequate planned production of weapons material and the dangerous methods by which requirements were being determined.

6. On December 3, 1957, the chairman of the Joint Committee sent a letter to the President of the United States pointing out those areas in the atomic energy field which necessitated action on the part of the United States Government, including the need for additional plutonium producing facilities, as well as correction in the manner by which the Department of Defense continued to determine their requirements on the basis of AEC planned production.

7. On January 9, 1958, the chairman of the Joint Committee again directed a letter to the Secretary of Defense reemphasizing this important problem and requesting information with regard to a study the Department of Defense was supposed to have made with regard to it.

JULY 10, 1958.

Gen. NATHAN F. TWINING,
Chairman, Joint Chiefs of Staff,
Department of Defense,
Washington, D. C.

DEAR GENERAL TWINING: As you will recall when you testified before the Subcommittee on Military Applications on May 21, 1958, you advised that the Joint Chiefs of Staff had made a recommendation to the Secretary of Defense for additional reactor production facilities. You further stated, however, that the recommendation had been returned by the Secretary of Defense with instructions that it be restudied and resubmitted with a more definitive statement of requirements.

We pointed out, at that time that we were in the midst of preparing the AEC authorization bill for fiscal year 1959 and hence needed to know the definite requirements of the Joint Chiefs of Staff for additional reactor production. You stated that, in your opinion, the Joint Chiefs of Staff could accomplish this restudy within the next 30 days. Since more than the 30 days have elapsed, the Joint Committee, of necessity, has had to report out the authorization bill on the basis of the obvious future needs for reactor products as evidenced during committee hearings in the current and past sessions of Congress.

As you are undoubtedly aware, the committee has included in the authorization bill project 59-a-5, $145 million, for construction of a plutonium reactor at Hanford. We are attaching, for your information, a copy of the Joint Committee report which accompanied the authorization bill. Pages 5-9 and appendix 1 (pp. 24-26) of the report relate to the plutonium production reactor.

In reviewing your testimony of May 21, 1958, it is noted that you took the position that the Joint Chiefs of Staff could realistically plan for definitive reactor products requirements based on individual weapons programs projected 5 years ahead, but that planning for 10 years in the future could not be as specific and of necessity would have to be quite general.

In view of rapid developments in the technology of nuclear weapons the committee well understands the logic of this position. We agree wholeheartedly and believe that, while it is imperative that material requirements should be projected for a 10-year period, the requirements should be expressed in total material and not tied down to specific types and numbers of weapons.

In this regard, we note with extreme interest that the Advisory Panel on Reactors Products of the Military Applications Subcommittee in its report of June 11, 1958, also independently reached a similar conclusion. The Advisory Panel felt that for even the 5-year period it might be difficult to predict exactly how many weapons of each type would be needed, but that it should be possible to make forecasts which are accurate enough to constitute a basis for establishing total nuclear materials requirements. A copy of this panel report was forwarded to the Secretary of Defense June 20, 1958. Realizing that the Joint Chiefs of Staff might wish to have the report available for their own use, we are enclosing a copy.

In view of his interest in this important matter, we are sending a copy of this letter to the Secretary of Defense.

Sincerely yours,

CARL T. DURHAM,
Chairman, Joint Committee on Atomic Energy.

HENRY M. JACKSON,
Chairman, Subcommittee on Military Applications.

LETTER FROM THE PRESIDENT TO REPRESENTATIVE BEN JENSEN

JULY 10, 1958.

The Honorable BEN JENSEN,
House of Representatives,
Washington, D. C.

DEAR MR. JENSEN: Thank you for your and your colleagues' letter of June 30 commenting on construction authorizing bills for the Atomic Energy Commission for 1959.

The new construction program of $193.4 million was approved after careful examination of our priority atomic-energy needs, many other urgent civilian and military requirements, and the present fiscal situation. The results of that analysis find expression in H. R. 12459 and S. 3788. It appears, however, that the Atomic Energy Committee is sponsoring bills (H. R. 13121 and S. 4051) which would almost double the new program. Generally I must oppose the new items added by the committee.

These new items fall into three major groupings. First is the plutonium production reactor, convertible to power production. This reactor would be built at Hanford at an initial cost of $145 million. I realize that each of the military services has given its separate assessment of plutonium requirements for weapons, but these separate views are subject to review by the Joint Chiefs of Staff, the Secretary of Defense, and the President. The most recent communication the Atomic Energy Commission received on this subject from the Secretary of Defense stated that military needs do not require additional production reactor facilities. I emphasize that changes in present requirements would have major military program implications in 1960 and later years, and these requirements are now being reviewed by the Defense Department. Should I find upon review of further conclusions by the Secretary of Defense that a pressing military need for additional plutonium capacity has developed, I shall urge the Congress to provide that capacity. Pending such a finding, however, there can be no justifiable basis to proceed. Replacement of existing Hanford facilities on economic grounds and the proposed power-conversion features of the project seem to me to be clearly unwarranted at this time.

The second category of new items consists of additional facilities in support of basic research. I would not object to authorizing such projects for the future, but they do not represent a balanced or high-priority group of projects for funding in 1959, and I am informed that they were not so reported by the AEC to the Bureau of the Budget.

Third, I must also object to the atomic power reactor design projects added by the committee along with mandatory reporting requirements. These projects lay the groundwork for additional Government construction of power reactors. The need for such construction is yet to be demonstrated; and at all events, any needed preliminary design work can be initiated with available funds and without specific authorization.

Your letter also comments on the gas-cooled power reactor which the Commission proposed in its 1959 construction authorizing bill. This is an enriched uranium version of this reactor type rather than the natural uranium version proposed by Congress and opposed by the Commission in the 1958 authorizing bill. The study undertaken by the AEC pursuant to the 1958 authorizing act indicated that construction and operation of the enriched uranium version of such a reactor would advance the atomic-power program.

My conviction is that construction of this reactor by private industry with some Government assistance in research and development offers the best promise for the atomic-power program. The bill the Commission proposed would authorize this partnership approach and would stimulate energetic efforts to accomplish this project through private construction. In fact, as your letter indicates, certain industrial groups are already considering the submission of such proposals. However, H. R. 13121 and S. 4051 would place deadlines on submission of proposals and on the negotiations of suitable arrangements. Such provisions are most unwise. Arbitrary time limits on difficult technical negotiations of importance to both parties can only discourage proposals, increase Government costs, and diminish the demonstrated benefits of Government-industry cooperation.

I trust it is clearly understood that funds were requested to allow Government construction of the project solely in order to provide an alternative should it prove impossible to obtain industry participation.

Sincerely,

DWIGHT D. EISENHOWER.

COMMENTS BY SENATOR JACKSON ON LETTER FROM THE PRESIDENT TO REPRESENTATIVE BEN JENSEN, DATED JULY 10, 1958

The following comments are submitted on the President's letter of July 10, 1958, to Congressman BEN JENSEN, a copy of which was sent to Chairman DURHAM by letter dated July 12, 1958, from Wilton B. Persons, Deputy Assistant to the President. The President's letter indicates general opposition to the new items added by the Joint Committee, including the plutonium production reactor, the power reactor design studies, and the basic research projects.

I. PLUTONIUM PRODUCTION REACTOR

The White House appears to be very poorly informed with respect to the plutonium requirement situation and the need for additional capacity. Thus, the letter states the following after recognizing that the separate military services have recommended additional plutonium production:

"The most recent communication the Atomic Energy Commission received on this subject from the Secretary of Defense stated that military needs do not require additional production reactor facilities."

It goes on to say:

"Should I find upon review of further conclusions by the Secretary of Defense that a pressing military need for additional plutonium capacity has developed, I shall urge the Congress to provide that capacity."

These statements omit a number of very important factors in our defense situation:

(a) In addition to the separate recommendations of the Army, Navy, and the Air Force on increased requirements, the Joint Chiefs of Staff and the weapons development scientists for the past 2 years have recommended additional productive capacity

for plutonium production. In September 1956, the Joint Chiefs of Staff recommended expanding plutonium production facilities as soon as possible. The Secretary of Defense returned their recommendation for reconsideration. In August 1957 and January 1958, the Joint Chiefs of Staff again expressed concern to the Secretary of Defense over the shortage of this material. On May 9, 1958, the Joint Chiefs of Staff unanimously recommended to the Secretary of Defense that additional plutonium production reactors should be constructed. The amount of expansion recommended by the Joint Chiefs is in excess of what the one project inserted by the Joint Committee would provide. Following the May 9, 1958, recommendation the Secretary of Defense again requested the Joint Chiefs to review their requirements and to submit more detailed justification within 30 days. That time has now elapsed and it is our understanding that the Joint Chiefs continue to recommend additional plutonium production facilities.

(b) It takes approximately 5 years after Congressional authorization before a plant can be constructed and in operation and before any plutonium is produced. The White House letter, while recognizing that changes in present requirements being reviewed by the Department of Defense "would have major military program implications in 1960 and later years," fails to recognize we have already lost any chance for improving our position before 1963, even if Congress authorizes additional capacity now. Any further delay by the Secretary of Defense or the Bureau of the Budget loses us one more year in providing adequately for our national defense.

(c) With respect to the economic question of replacement of the existing Hanford facilities, the record was clear that there is no guaranty as to how long the existing Hanford reactors will be in operation since they are already beyond their original anticipated life span. Any reliance on their production after 5 years from now is a gamble with our national defense that no responsible government should take.

II. BASIC RESEARCH FACILITIES

With respect to the basic research facilities, the testimony before the Joint Committee by responsible scientists and AEC officials indicated that they did represent a balanced high-priority group of the projects but that they did not meet the Bureau of the Budget's standard of the most essential projects and, therefore, were not submitted by the Commission.

III. REACTOR DESIGN AND ENGINEERING PROJECTS

With respect to the reactor design and engineering projects, as pointed out by earlier statements, most of the projects were for reactor concepts recommended by the Commission and the two large-scale design projects were specifically recommended by the Commission. The primary purpose of these projects is to provide a basis for the private-power reactor demonstration program and Euratom to construct these promising concepts. Before any such projects could be constructed by the Government they would require additional authorization and appropriation.

IV. GAS-COOLED PROJECTS

With respect to the gas-cooled project the timing requirements were provided in line with the recommendations of the authoritative spokesman of the AEC, namely Commissioner Vance, who testified in his capacity as Acting Chairman before the Joint Committee. He indicated that 60 to 90 days was all that was required to obtain proposals for construction of this project under the power-reactor demonstration program. This is incorporated into the committee's bill. It should be noted that a total of 6 months or 180 days is given to develop proposals and negotiate the basis of agreements for consideration by the Joint Committee.

It should also be noted that private industry has had full opportunity in the past to make proposals to construct this type of project and has been on specific notice as to the type of projects since April 1, 1958, when the Commission published its design study on the project.

Further, during the hearing on the project, authoritative spokesmen for the Commission indicated that no interest had been evidenced on this project. The former AEC Chairman, however, did indicate that possibly one organization was interested in it but he had not informed his fellow Commissioners or the Joint Committee on this point.

The letter is also in error where it states that the Congress proposed a natural-uranium gas-cooled reactor which the Commission opposed. The Joint Committee's report on the authorization bill for fiscal 1958 made clear that the AEC was authorized to consider both natural uranium and enriched uranium as a fuel. This point was recognized in the AEC report on the gas-cooled reactor dated April 1, 1958, where it is stated:

"Commission implementation of this authorization act took cognizance of a subsequent hearing of the Joint Committee on Atomic Energy on September 17, 1957, in which attention was drawn to the intent to include consideration of enriched fuels in the study."

Mr. PASTORE. Mr. President, I join with my colleagues in the Joint Committee in their support of S. 4051 authorizing appropriations for the Atomic Energy Commission for fiscal year 1959. This bill has had long and careful consideration by the Joint Committee, both in public hearings and in executive session. I believe the bill represents a well-balanced program for new construction, both in the peacetime and defense fields, and cooperative efforts in development of atomic power.

As a member of the Research and Development Subcommittee of the Joint Committee, of which my distinguished colleague from the House, Representative PRICE, of Illinois, is the chairman, I wish to comment briefly on that part of the bill which pertains to the AEC physical research program and to underline the importance which the committee attaches to providing an adequate level of support of this vital area of scientific research.

It must be quite evident to everyone by now that success in the so-called practical applications of science, as dramatized by the American and Soviet satellites, is directly dependent upon a well-balanced and vigorous program of basic research. In order to maintain such a vigorous program of basic research in this country, we must provide our scientists with adequate tools with which to do their work and adequate facilities for their research activities. It is the committee's opinion, which I wholeheartedly share, that the present level of support for the AEC physical research program does not meet national needs in the field of basic research, and unless it is increased substantially we may be jeopardizing our world leadership in scientific advancement.

Last February the Research and Development Subcommittee held extensive public hearings on the Commission's physical research program, and it was the virtually unanimous view of some 50 expert witnesses from our laboratories and universities that we must greatly increase our efforts in the field of basic research if we are to compete effectively with the Soviet Union and meet the scientific challenge which has been presented to us by the Communist world.

Last November, the President, in his two addresses to the Nation on science and security, emphasized the importance of increasing our present basic research efforts. This thought had been echoed many times by responsible individuals both inside and outside the Government. Visits to our field laboratories by members of the Joint Committee and the committee staff have confirmed these views.

In contrast to the demonstrated need for a greater level of support, as noted in the committee's report on page 14, the Bureau of the Budget has informed the Atomic Energy Commission that only the most essential construction projects could be submitted to the Bureau of the Budget for inclusion in the 1959 budget. As noted in the report, other projects which were not submitted were considered to be not as essential. The inference is, of course, that there were essential projects which the AEC would like to have submitted to the Budget Bureau, but under this restrictive criterion imposed by the Budget Bureau had to be held back as not as essential.

It seems to me that in this post-sputnik era, when all of us are talking about the need for increasing our basic research efforts, we had better match our words with action to provide our research scientists with adequate facilities in which to do their work. It is patently unwise at this stage of affairs to hamstring our scientists in their efforts to compete effectively with the Soviet Union by failing to provide them with even minimum research facilities.

With this thought in mind, the committee has inserted in the authorization bill 14 projects in addition to the 3 items currently listed under "Physical Research" in the budget request. As noted on page 15, the first of these projects, providing for two accelerators at Pennsylvania State University, is needed to improve that institution's research facilities. The other projects listed, beginning with the cyclotron at the University of California Radiation Laboratory, have been recommended by the Research Division of the Commission and are in the committee's judgment hard core projects from the standpoint of national needs and readiness of the projects to go forward.

I shall not go into detail on these individual projects, but I emphasize their importance to the future of our research program. These projects represent an investment of about $40 million, to be utilized over a wide range of research activities conducted by the AEC in the major fields of nuclear physics, chemistry, and metallurgy. Considering that the total budget for the Atomic Energy Commission is more than $2½ billion,

this modest investment does not seem excessive in view of the vital relation it has to the success of our future scientific efforts.

Mr. President, I reiterate my strong support for this and the other sections of the bill, which I believe will adequately meet the needs of our atomic energy program in the coming year. I sincerely hope the bill will receive prompt and favorable action by the Senate.

Let me state, for the benefit of my distinguished colleague from the sister State of Massachusetts, that I have always been, still am, and expect to be in the future a great protagonist of private industry and private enterprise. For a long time I have stated on the floor of the Senate—I did so when the Senate passed the Atomic Energy Act of 1954—that in New England electric power is available only at high cost. So I have been very anxious to have such an installation made in the New England area.

I am very happy that the public-utility companies in New England, through a concerted drive, are now building an atomic-energy plant at Rowe, Mass. I talked with the man who spearheaded that work, the very able Mr. William Webster, of the New England Power Association. He is a very dear and close friend of mine, and I believe he is also a friend of the senior Senator from Massachusetts.

After talking with Mr. Webster, it is my impression that if the proper research and development for the peaceful uses of atomic energy are proceeded with, by 1965 there can be produced in New England, electric power which will be comparable and competitive in price with electric power produced by the use of fossil fuels and oil.

Mr. President, consider what that will mean to all the world. Why is the Middle East important today to the United States and to the rest of the Free World? Why have emergency meetings been called at the White House on yesterday and today? Why have the Joint Chiefs of Staff been called in? Why have our representatives at the United Nations requested the calling of a special meeting of the Security Council? Because electric power is essential to the development and the maintenance of the culture and the economic stability of Western Europe. And oil is needed for that.

So, Mr. President, when a man of the caliber of Mr. Webster informs us that if this job is proceeded with, by 1965 it will be possible to obtain from atomic-energy electricity at rates which will be competitive with those of electricity produced by the use of the conventional fuels, we realize that in that event, as far as power needs are concerned, we shall have mastered the situation in the Middle East which troubles us today.

In the case of the plant to be built at Hanford, let me say that a year or two ago it was my privilege to go to Hanford and to talk to Mr. Johnson in charge of operations. At that time I was interrupted by a call which came to me from the distinguished Senator from Washington [Mr. JACKSON], who expressed his regret that he could not be there at that time. I went to Hanford to talk to Mr. Johnson about this very item of the authorization bill. He told me that by means of a convertible type of reactor it would be possible to produce all the power—and no more—that would be needed at Hanford.

Therefore, Mr. President, if we invest the additional $25 million, will power which will go into the grid of either private or public utilities in that area be produced? Of course not. Instead, we shall produce only 300 megawatts of electric power which is needed very badly at Hanford; and thus we shall have met our responsibility, because power from auxiliary sources will still be needed if the reactors break down.

So if my good friend, the Senator from Massachusetts [Mr. SALTONSTALL], entertains any fear that this matter involves a power fight between public groups and private groups, I hope he will dispel any such fear from his mind, because such is not the case. Instead, I believe it would be extremely foolish to spend $120 million to build a single-purpose reactor merely to produce plutonium, when we would invest $25 million more and thus could have a type of reactor which could be converted—only after the consent of Congress was obtained—to produce the needed power, in addition to the power being produced today at Hanford, and being paid for.

So I believe this would be an excellent business investment. It would be foolish for us not to avail ourselves of this opportunity.

Mr. SALTONSTALL. Mr. President, will the Senator from Rhode Island yield to me?

The PRESIDING OFFICER (Mr. CHURCH in the chair). Does the Senator from Rhode Island yield to the Senator from Massachusetts?

Mr. PASTORE. I yield.

Mr. SALTONSTALL. I have listened with great interest to the statement the Senator from Rhode Island has made. The basis for his argument in favor of construction of the reactor is, as I understand it, that, primarily, it is needed for the production of raw plutonium.

Mr. PASTORE. That is correct.

Mr. SALTONSTALL. The Senator from Rhode Island has stated unequivocally that he believes in the use of private utilities, so far as that is practical.

Mr. PASTORE. That is correct.

Mr. SALTONSTALL. I join the Senator from Rhode Island in his respect for that activity in New England, and also in his respect for Mr. Webster.

Let me ask whether I correctly understood the Senator from Rhode Island to say that the question of when the reactor will be converted is still before the Congress, and that he retains an open mind on the question of whether the work can be done cheaper at the Hanford plant or whether the power should be brought in from the outside; and that when the facts are fully available, he will consider all of them in connection with that problem.

Mr. PASTORE. Yes.

Mr. SALTONSTALL. Does the Senator from Rhode Island know what additional funds will be required if ultimately such a plant is converted to the production of electric power? I understand that the ultimate cost will be an additional $70 million.

Mr. PASTORE. That may be; but that would be the cost for the conventional type of equipment, and those funds would have to be spent in any case, regardless of whether a reactor was built, because that machinery would have to be purchased even if the conventional-type system were to be used.

I wish to state further—and I will fight and fight and fight again for this position—that I want the Government of the United States in the business of the production of power only so long as it relates to research and development. The day when we reach the point where such power is produced at a price competitive with the price of electric power produced by means of the use of conventional fuels, then I want the Government of the United States to get out of the business completely, and to put it in the hands of the private concerns, because I do not want the Government of the United States in the electric-power business unless it has to be there and unless private industry cannot do the job. I do not know how I can state the matter any more categorically and unequivocally than that.

Mr. SALTONSTALL. I certainly agree with the Senator from Rhode Island.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts [Mr. SALTONSTALL].

Mr. HICKENLOOPER. Mr. President, I wish to support the amendment of the Senator from Massachusetts to strike out the item of $25 million in connection with project 5.

I have been extremely interested in the arguments which have been made in the Senate this afternoon in regard to what a great thing for atomic power and the atomic-energy program this $25-million item may be. But I am not convinced; neither have I been convinced over the years.

In my judgment, this item would indeed put the Atomic Energy Commission in the business of producing and selling electricity—whether to the Commission itself or whether to the contractors of the Commission, or whether the electricity would go into a grid. In any event, if the conversion were to be made, the Atomic Energy Commission would be put squarely in that position; and that is no more the province of the Atomic Energy Commission than it is the province of the Civil Aeronautics Administration to operate an airline. I have taken that position consistently, and I still take it.

Mr. President, one point has not been sufficiently emphasized during the debate, namely, that no Defense Department requirement has been laid down for the plutonium which will be produced by means of this plant. The Department of Defense has not said that the plutonium is needed. That is why the Bureau of the Budget did not approve the $120 million item for the pure plutonium plant.

So far as I am concerned, I am fairly well convinced that eventually we shall need more plutonium. I believe it is only a matter of time until the requirements will be laid down. I do not believe the matter is so urgent as some would have us believe today. In my opinion, our supplies of plutonim are adequate for the reasonably foreseeable future. The size and extent of our future military programs will determine the amount of plutonium we shall need—whether it be large or small. But, so far as I am concerned, because the Atomic Energy Commission did request $120 million from the Bureau of the Budget for the building of a plutonium producing plant—and bear in mind that the only excuse in the world for the plant is that we need plutonium for the defense effort—and because of other evidence which is cumulative, I feel justified in supporting the $120 million item, despite the fact that the President and the Bureau of the Budget are opposing it at this time.

I was very much interested in the statement the Senator from Rhode Island made about Mr. Webster, whom I know very well. He is a very capable man. Again, I go back a few years, to whatever experience I have had in this committee work, and I find that year by year sincere persons, competent engineers and scientists, have been saying, "Oh, in another 2 or 3 or 4 years we are going to have power so cheap, so far as heat is concerned, that it will surprise you." It has not happened, and I see no evidence which convinces me that there is anything on the drawing boards today which would bring the cost of atomic energy down to such point that it would be competitive with conventional fuels in the foreseeable future. When I say foreseeable future I do not mean 20 or 30 years from now. I think it will be done some time; but I am not now, and have not been, so optimistic as some persons are. Some day there will be a breakthrough, but there will have to be a breakthrough in engineering and science and chemistry in this field before the cost of atomic energy will be competitive with that generated from conventional fuels.

Therefore, I shall support the effort of the Senator from Massachusetts to change the proposal so the plant will not be a convertible type, which was not originally requested, and will leave it as a pure plutonium producing reactor.

Again I wish to call attention to the fact that the need for the plutonium is still speculative. It is not firm. I have never been one to rely too much on the desire of persons in the lower echelons of Government to be a controlling influence on what committees will recommend by way of legislation. I know what the Joint Chiefs of Staff have said. I know what the individual services have said about the need for plutonium. But the coordinating branch of the Government, the responsible branch of the Government—the Department of Defense—has not laid down a requirement. There is a great deal of justification for saying that we should not build the plant until the agency of the Government which is responsible for the defense of the country lays down a requirement for the plutonium. As I said before, because I think that eventually we shall need it, perhaps we had better get on with the project, in spite of the fact that there has been no requirement set forth by the Department of Defense. Perhaps we had better spend the $120 million, but I want to see it spent for the construction of a plutonium plant, and I do not want to see the Federal Government enter into the business of producing and selling electricity.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. PASTORE. The Senator from Iowa is technically correct when he states that the military has not formally laid down a requirement.

Mr. HICKENLOOPER. I said the Department of Defense.

Mr. PASTORE. The Department of Defense. But the Senator will recall that when we were considering amendments to the atomic energy law, there was under consideration an amendment to section 55, which had to do with giving authority to the Atomic Energy Commission for a number of years, beyond the 1-year authorization presently in the law, to buy plutonium. The arguments made at that time, not only by the AEC and the State Department, but also by the Assistant Secretary of Defense, Mr. Quarles, were to the effect that they wanted section 55 amended because more plutonium was needed.

It is true that the Defense Department has not formally laid down a requirement, but the fact of the matter is that its representatives have said to our committee, in very explicit terms, "We are in need of more plutonium for small weapons."

Mr. HICKENLOOPER. For small weapons, if we go on the small weapons theory. I am not certain whether that decision has been made, but I say the Department of Defense is the coordinating agency. It must take into consideration what our own production potentials are. It must take into consideration what it may obtain from private plants being built. It must take into consideration what plutonium it may get from abroad under programs in which we may participate. It must take into account all those matters, and then come to the conclusion, after putting all those considerations together, that we do or do not need additional plutonium production facilities at this time.

I say that at this time the responsible agency of Government, the Department of Defense, has not laid down a requirement that we need more plutonium production facilities at this time. In spite of that fact, I am willing to go along with the $120 million authorization.

Efforts have been made from time to time, almost every year, to put the Atomic Energy Commission into the business of production and commercial sale or disposal of electricity. We do not need any know-how on making generators to produce electricity, or hanging wires on poles, or putting light sockets in walls. We do not need that know-how now. I contend we do not need $120 million to make the plant convertible, and then $70 million to make it productive for electricity. If we need the plant at all, we need it for the production of more plutonium. Let us leave the production of electricity to those who can produce it cheaply and economically. This is a first step, I repeat, toward putting the Atomic Energy Commission in the business of producing and selling electricity.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. SALTONSTALL. If more electricity were needed in the Hanford plant, the question would arise whether the electrical power industry could produce the electricity cheaper than it could be produced through the reactor plant for some years to come. Am I not right?

Mr. HICKENLOOPER. There is no question in my mind that electricity at the Hanford plant can be obtained from local sources at a reasonably cheap price.

I do not know for what the Atomic Energy Commission would sell the electricity to the Hanford contractors or to the Hanford operation, but we may rest assured, upon all evidence that is sound, that, so far as the Government is concerned, the process would be costly indeed. The kilowatt-hours would be extremely dear. I do not think we are at all justified in getting into such a situation.

This is the first real program to put the Atomic Energy Commission into the public power business which is in danger of passing. That is what it is; I do not care how it is dressed up or how it is painted. This is a public power proposal.

As I said a while ago, I do not think the Commission has any more business in engaging in the production and sale of power, even to itself, than the Civil Aeronautics Commission has any business in the running of airlines.

That is my position, Mr. President, and I support the Senator from Massachusetts.

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. JENNER obtained the floor.

Mr. ANDERSON. Mr. President, will the Senator from Indiana yield and withhold his statement until we have disposed of the Saltonstall amendment?

Mr. JENNER. I will yield for that purpose.

Mr. SALTONSTALL. Mr. President, I should like to ask the Senator from New Mexico one question. The Senator from New Mexico in a private conversation with me has assured me that when and if the matter comes up for an appropriation, with respect to turning the reactor into a public powerplant, the Senator will take a position similar to the position taken by the Senator from Rhode Island [Mr. PASTORE], namely, that if it can be done better and cheaper by private utility interests, that is the way he wants it to be done. Will the Senator tell me for the RECORD his feelings on that subject?

Mr. MORSE. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. JENNER. Mr. President, I have the floor.

Mr. MORSE. I do not think the RECORD will bear out the quotation the Senator from Massachusetts made of the Senator from Rhode Island. I do not think we ought to be tying Senators up a year or two in advance.

Mr. SALTONSTALL. I will say to the Senator from Oregon that if I have misquoted the Senator from Rhode Island, I certainly did not intend to do so.

Mr. MORSE. I can only say that I did not make the same interpretation of the remarks of the Senator from Rhode Island as given by the Senator from Massachusetts.

Mr. President, I rise to protest, because I think the Senator from New Mexico and the Senator from Rhode Island made themselves very clear. They have been very fair and openminded about the matter. We had better cross the bridge about which the Senator from Massachusetts is talking when we get the evidence before us at that time, rather than to seek to get people tied down, so that it would be possible to say, "You made a commitment back in July of 1958" in regard to facts which are not now in existence, which may be in existence at some time in the future.

Mr. SALTONSTALL. I will say to the Senator from Oregon that I have no such desire. I may not be a Member of the Senate when the matter comes up, and it is possible the Senator from New Mexico may not be. The Senator made a statement to me which he said he would be willing to make for the RECORD, and that is all I was asking him to do.

Mr. ANDERSON. I want to say, and reiterate, that by the passage of the authorizing legislation today we shall not in any way commit ourselves ever to convert the plant. The question of the conversion will have to come to the Congress for a decision. When that question comes to the Congress for a decision I hope to make sure we are not considering current which would ever be generated by the Government to put the Government into the public power business as a result of it. I do not say that the study might not report the desire to use the power at Hanford. If that is the result, the matter can be brought to the Senate floor and carefully discussed. I do not believe that situation will arise, but, if it should, I say that when it comes to the Senate floor we will have to make our decision.

I was only trying to say to the Senator from Massachusetts that the vote on the bill we have under consideration today would be in no way a commitment that the plant would ever be converted. If the plant is to be converted, the Congress of the United States will have to prescribe the circumstances and conditions under which it is to be done.

Mr. SALTONSTALL. I will say that was the statement the Senator made to me, and that is what I understood he would say.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts [Mr. SALTONSTALL].

The amendment was rejected.

MIDDLE EAST CRISIS

Mr. JENNER. Mr. President, the Middle East situation is not new. There is no crisis today which was not clearly outlined in the debate in Congress on the Middle East resolution in February of 1957.

The situation is this: The American Government organized NATO. Then NATO was extended to include Greece and Turkey. We helped to organize the Baghdad Pact, among countries along the southern borders of the Soviet Union. Then we boastfully announced that we had closed the ring around the Soviet Union in Europe and the Middle East.

The Soviet leaders simply said they would leapfrog over the line we had set up along their borders. That is when the present Middle East crisis began. That is when our answer should have been ready.

Soviet fifth columns began their probing operations in every Middle Eastern country. They proceeded, according to sound military principles, to set up beachheads in weak places. When they had set up their beachheads they brought in reinforcements, to make islands of civil war, from which they could fan out in every direction, to find new weak spots and join them together to make a larger base.

Any competent high school student who had read his history could have predicted at that time all the developments in Egypt, Syria, Lebanon, Jordan, and Iraq today. Everything followed according to standard military principles.

I do not think men entrusted with leadership by the American people have the right to run around in circles talking about one crisis after another when there is nothing new.

The PRESIDING OFFICER (Mr. CARROLL in the chair). The Senator will suspend. The Senate will be in order. The Senator cannot be heard.

The Senator from Indiana may proceed.

Mr. JENNER. They should not do so when there is nothing new, nothing for which we had not had plenty of clear warning. The Communists told us they were going to leapfrog over the NATO line by probing for weak places in the Middle East, and they did.

Now we wring our hands as though something new had been created. It is one thing, Mr. President, to send American boys to protect American citizens in Lebanon. It is said we have 2,500 citizens there, and I am in favor of that program. However, it is another thing to wring our hands and create hysteria while sending American boys to die in a civil war in Lebanon. I am against that.

What have we been doing in all these intervening years, other than talk? We have been paying out the foreign aid funds for irrigation, schools, point 4, and the like, all over that area. Is that a policy? Is that hard thinking about how to preserve and safeguard the United States of America in a world falling back on all sides into barbarism, armed with intercontinental missiles? Imagine the Europeans thinking they could defeat Attila the Hun by building bridges, or that they could stop Genghis Khan by building a new school building.

We have today no policy for dealing with the Middle Eastern situation. We have no policy for dealing with the Soviet advance by means of fifth columns fanning out into every sector of the Free World.

If we are so concerned about Communists in Lebanon and Syria, why are we not concerned about the Communists in the United States? Have we seen anybody in the Senate get hysterical about correcting these infamous decisions of the Supreme Court, which have destroyed block by block the security of this country, with respect to the very Communist conspiracy we are supposed to be excited about in the Middle East?

There is a bill in the Senate which has been here since May 15. I have tried to bring the bill up for action. No one seems to be concerned about communism here. It is always communism away off somewhere. The United Nations reported that in Lebanon there was no serious Communist infiltration. Yet American boys are there today. Why do we not get our people out of there? What right have we to engage in a civil war which, according to the United Nations' own report, does not even involve communism?

One problem we must settle first. Are we going to act as a sovereign nation, or bind ourselves by what President Eisenhower called in his Middle East message "the overriding authority of the United Nations Security Council"? It is meeting right now. Are we going to permit American fighting men to be gradually absorbed under U. N. command, with pretty words about peace and police forces? We have one tragic experience with letting our men serve under United Nations command, only to have the victory won with their blood snatched from them by the United Nations, which is going through the same gyrations as I talk?

The United Nations police forces can never be an instrument of peace in the Middle East, because they must follow the wishes of Russia as much as of the United States.

I say there is no significance to the plan to use United Nations troops in that area, except as part of the 20-year-old program to put all national armies under the United Nations.

But fighting forces are sovereign power. If our troops are transferred to U. N. control, our national sovereignty is gone.

The plans are all made, the structure is built, the ways are all greased, to launch us on a military enterprise where our troops are to operate under the United Nations, as they did in Korea.

Our policy in the Middle East is perfectly designed to get us morally involved, then to require our sending troops, and then, with an air of deep thought, to ask the United Nations to please take over and guide the troops we send in, so everything will be legal and we can call it peace.

I pointed out in the debate nearly 2 years ago that nothing in the Middle East doctrine made sense unless it was part of a plan to put our Armed Forces into a U. N. straitjacket.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks the speech which I delivered on this floor concerning this very situation on February 25, 1957.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JENNER. The legal precedent set up in 1950 still stands. A President of the United States, serving under the Constitution accepted office as agent of the United Nations, and used his consitutional authority as Commander in Chief to put our troops under a U. N. command.

No action has ever been taken by Congress to repudiate that advance toward world government. The precedent stands.

Instead Congress added to the Middle East resolution a provision giving the President authority to send American troops (number unlimited) to serve in the U. N. forces and allot American funds (amount unlimited) for their expenses.

Our forces in Europe are deeply intertwined in NATO. What will happen if France goes Communist, or Great Britain comes under a pro-Soviet regime? Collective security is a fraud.

There is no security for America, and the United States can make no reliable promises to the world, unless we insure for now and all time that no President of this country can use American troops in any unconstitutional manner whatsoever. Our troops must serve only as national forces of the United States, under a President whose only military responsibility is as Commander in Chief of American forces acting within the Constitution.

Although I sometimes speak alone, as I did in connection with the Middle East resolution debate almost a year and a half ago, and although what I predicted at that time has already come to pass sooner than I expected, I am not alone in this fear that American fighting forces will be internationalized before Congress and the people wake up.

In 1944, Secretary of State Hull wanted Congress to agree in advance to plans for a league of nations which could bind us to plans for a peace settlement regardless of what Americans thought about it.

Senator Vandenberg wrote Hull:

> I believe our Constitution clearly lodged the exclusive power to declare war in Congress. Frankly I do not believe the American people will ever agree to lodge this power anywhere else.

Later, in 1944, he wrote of the Dumbarton Oaks plan for the United Nations:

> I am opposed to what is generally understood by the term "international peace force." So I believe, are the President, Secretary Hull, and most realistic students of this problem. To be adequate, an international police force would have to be larger than the regular army and navy of any other power on earth. I think it is fantastic to believe that the people would long consent to the maintenance of any such enormous concentration of power in the postwar peace, and I also think that the temptation to reach for its ultimate control could become the greatest possible threat to peace in years to come.

I do not think we will find a better statement of the issue than that. That is where our country stands today. It is up to us to assert ourselves.

Vandenberg said again—and this is not ancient history, but 1944:

> I am one of those who do not believe that our greatest hope for peace lies in trying to put peace in a steel straitjacket.

Governor Dewey in 1944 said the main issue in the campaign was American participation in the use of armed force by the proposed U. N. organization.

Secretary Hull invited Dewey to send a representative to confer with him. Governor Dewey sent John Foster Dulles, the architect of the famous plan of the Commission on a Just and Durable Peace, for world government with a world currency, world law, world citizenship, and a world military establishment strong enough to prevent resistance by any nation.

The proposals to internationalize our Armed Forces have proceeded step by step. Even the defense reorganization bill soon to come before the Senate contains provisions for divorcing military operations from military thinking. It would greatly facilitate the meshing of our armies with those of the United Nations.

I believe with Senator Vandenberg that the American people will never permit brave American youth fighting to save our country to be made subjects of a world government. They will never permit their fighting men to be put under any agency which might be controlled by a pro-Communist majority.

A country which invokes military action under conditions which divide the people is already half defeated. Are we in Congress to spend our time on the latest news and forget the fundamentals?

The security of America is our first and last concern. The duty of safeguarding the independence of our national military forces falls on Congress. The time to settle the question is now, I say: Remember Korea. That was a war we could not win and dared not lose. All we could do was stand there and die, because the United Nations would not let us win.

Mr. President, I am introducing a resolution providing that under the Constitution the President of the United States may not accept any office or function under the United Nations or any international agency, and may not transfer any members of our Armed Forces to any such international jurisdiction.

The resolution affirms that this limitation is binding regardless of any changes made by Congress by statute law, or any indirect amendments of our Constitution by means of treaty law.

If that safeguard is once established, I believe the American people will be ready to do whatever is necessary and wise, to help Lebanon and Iraq defend themselves, and prevent the outflanking of Greece, Turkey, and Iran. As of today that means sending American troops into the Middle East, for one purpose only, to get Americans out as fast as possible.

If it is a civil war in Lebanon, we have no right whatever to intervene. If it is not a civil war, but a Communist invasion, then why put our men under the Security Council where the Soviet Union controls every action? Remember Korea. Let our memories not be so short. The Secretary-General of the United Nations said there was no Communist infiltration in Lebanon. If we have faith in the United Nations, we must believe him. If we doubt his judgment, how can we put him in command over our fighting men?

There are three ways to safeguard the United States against the new barbarian invasions. The first is to do everything to weaken the Soviet war machine. That means weakening their control over the vast supply areas in the satellite countries. It means ending trade, loans, cultural and diplomatic relations with all Communist governments, and every country which traffics with them. Second, we must tell the nations which wish to stay free to rely on direct action, without the present costly, time-consuming, secretive international overhead, with its possibilities for Communist infiltration. Third, we must restore the United States politically and economically to the peak of health and strength.

That means we must close out now all efforts to make our country part of a One World government. We must abandon all the thinking of the welfare decades since 1932 which would, by big spending, turn the United States into a huge, soft spongy mass, without the guts to oppose the lean and brutal strength of the Soviet Union.

We must stop looking far away to communism in the Middle East, and be more concerned about communism here at home.

When the Supreme Court handed down a series of decisions which affected the executive branch of the Government, the first one being the Jencks case, up came the executive department and said, "We have to stop the damned Supreme Court."

When the Court handed down its decision in the Mallory case, the executive branch said, "Come on, Congress; we have to stop the Supreme Court. Correct this situation."

When the Supreme Court handed down decisions in favor of Communists, decisions which affected their visas and passports, the State Department came running up with hat in hand saying, "O, my God, help stop this awful Supreme Court."

But when that Court in decision after decision, brick by brick has torn down the security of this country; when it has handcuffed and made a liability of the actions of Congress; the executive branch has not said a word.

As a matter of fact, as I said earlier, I brought a bill to the floor after long hearings had been held. I fought for it almost alone for more than a year. That bill has been reported by the Committee on the Judiciary by a vote of 10 to 5, after long hearings and debates. It has

been before the Senate since May 15. If Senators are so interested in communism far away, why can they not be interested in communism on their very doorstep? Think it over. It will soon be their baby; I am going home.

The Supreme Court handed down a series of decisions which the Communist press called one of the greatest victories they had ever won. My bill has been in the Senate for months. It would rebuild this dangerous gap in our defenses. I cannot get any action on it. But we must stop everything important here at home to act, without time to think, because communism is invading the Middle East.

Mr. President, I came into this body in 1947. From that time on I have watched the United States sink gradually down into the muck.

Our only trouble is that no one will take a stand. Our political parties have lost their vigor and independence. Our executive branch is seriously weakened. Our press, radio, and television are deep in confusion, secrecy, and censorship. Our society is disintegrating. Our only hope is in individuals with courage. Where shall we expect to find such individuals better than in Congress?

Where can we better begin than with a firm pronouncement by this Congress that no American fighting men will be sent into action except under the American flag, on orders of an American President concerned with no office or duty or responsibilities to anything except the security of the United States and the preservation of our constitutional liberty?

Mr. THURMOND. Mr. President, I am in accord with the sentiments expressed by the able and distinguished Senator from Indiana [Mr. JENNER] with regard to his bill concerning reversing decisions of the Supreme Court. I think one of the most important bills which could be considered by the Senate is the Jenner bill, to offset decisions of the Supreme Court which tend to undermine the security of the Nation. I hope the Senate will see fit to consider the bill at this session of Congress so that action may be taken on this important piece of proposed legislation.

EXHIBIT 1

MIDDLE EAST RESOLUTION

We are all aware of the importance of widespread agreement in Congress on any matter involving foreign nations. For that reason I should have wished, if possible, to vote in favor of President Eisenhower's recommendations on foreign policy.

Instead I find many members of the House voted for the resolution "reluctantly with grave doubts," "with misgivings." Some of our colleagues in the other body expressed the hope that the Senate would amend the resolution, which they were not able to amend under their rule.

I regret that after studying a thousand pages of hearings and reports, I am obliged to say that this resolution will certainly be harmful, perhaps very harmful, to the security of our country.

In accordance with my oath as Senator, to uphold the Constitution, I can not justify my voting to give the President the arbitrary powers over the spending of our national resources, or the employment of our Armed Forces which are granted in the Middle East resolution, in both the House and the Senate versions.

The witnesses from the executive branch argued that there is a power vacuum in the area, because England and France are no longer welcome there, and the Middle Eastern nations will seek help from the Soviet Union unless we step in.

They argued that the Middle East is a link between NATO and the Baghdad Pact nations, and therefore must not be lost to Russia. They said that blockage of the Suez Canal had led to losses of revenue and economic upheaval in the area.

The arguments submitted seem to me far removed from the political, economic and strategic realities in that part of the world.

The resolution does not help solve the most immediate problems in that troubled zone—blockage of the Suez Canal and the Syrian pipelines; the longstanding conflict between Israel and the Arab nations; and the dangers from Communist subversion rather than overt military attack.

We are asked to vote a blank check for economic aid of something like 200 million dollars a year.

But the Middle East nations have vast wealth from their oil supplies. The present rulers use much of this money as their private income. Are we to pay for economic development of their country, while they waste their wealth as the spirit moves them? Nations with valuable oil wells have collateral for loans. Are we to pay their expenses when they can borrow the money, against wealth in the ground?

We are not told what would be done with our people's money. Would it be spent for current budget deficits? If so, we are really subsidizing their rulers in their luxurious tastes. Is it to be used for capital investment, for welfare, or what?

A subcommittee of the House Committee on Government Operations has just made an intensive study of our foreign aid to Iran, another oil-rich Middle Eastern country.

There is almost no folly which our Government agents did not commit in their eagerness to give away our wealth to the country which had just cut off its own income from its oil wells. What reason do we have for hoping a bigger plan for aid for all the Middle East will be any better than our work in Iran?

The military side of the picture is equally confusing. The President already has power to use American troops in an emergency. There is no evidence of a new situation which would justify the need for a special resolution. If Congress grants blank-check power to the President for use of American Armed Forces, it has voted away its constitutional power to declare war. We are told the President will not have time to consult with Congress in an emergency, but he promises to consult with the United Nations.

There is much talk of halting communism but nothing precise. Do we have reason to believe the Soviet leaders, or their satellites, intend overt military attack? No evidence has been given us. If the danger is from subversion how will American troops help? In the debate it is said that we are to help these nations build their own armed forces to put down internal subversion. Does that mean we are to guarantee the status quo in every nation in the Middle East. Are we to range ourselves permanently on the side of governments which sanction slavery? Are we to help suppress any rebellion within their dominions? There is a rebellion in Indonesia at this moment. Sukarno has indicated his warm support of Soviet ideas. His people are rebelling to preserve their religion, to establish a limited federal government, in place of a centralized authoritarian one, and to keep part of their earnings at home, instead of having most of their money absorbed by the government. Is Congress voting a blank check which could mean our helping to protect the Sukarno government against "subversion" by patriots fighting for liberty?

Are we going to help Egypt and Syria, which are friendly to Moscow? There, the Communist "volunteers" are assisting the government in power, and any resistance by the people would be resistance against communism. Are we to commit ourselves to helping governments already Communist, against their own people?

Frankly I cannot find that we are confronted with any new Communist threat.

We know the Communists have had every intention of getting control of the Middle East for years. Why have we done so little up to now?

What is new about the present proposal? If we approve the use of American troops, that will help only in the unlikely instance that the Soviet Union engages in open war. But then we would face the strategic question—should we defend the Middle East by another local Korean-type war, or strike for the heart of the enemy's military power, as we failed to do with Red China? Is Congress voting to give the right to start a new world war, perhaps in the wrong place?

We hear much of how the Soviet Union will lend money to these nations, if we do not. At the moment the Soviet Union has its hands full. It has had to put so much money back into Poland and Hungary to prevent disorder that the Soviet 5-year plan was reduced in scope. Red China wants money and is probably not backward about asking for it. The Communists are apparently trying to build up their trade with the non-Communist world. They will need goods for trading. Are they going to cut down even lower the living standards of their people, when rebellion is as near as Hungary?

The Communists moved into the Middle East, with arms for Egypt, during the very days when the western heads of state were meeting at Geneva, to establish peace in our time. This calculated insult to an American President told us 3 years ago all we needed to know.

The Soviet Union is not trying to penetrate the Middle East. She is in. She is today a power which must be reckoned with in that quarter of the world.

It is no credit to us that Soviet designs to get fully established in the Middle East were not carried out in full. Soviet plans were upset by the Hungarian patriots, who rose up, without arms, against the the might of Soviet tanks, and proved for long and bloody weeks that the armed might of communism can be stopped. The Soviet satellite armies collapsed. Their own Russian troops went over to the rebels. It was not until the Kremlin brought in Mongolian soldiers that it could put out the fires of patriotic rebellion.

There is nothing new in Soviet designs on the Middle East. There is no new Communist danger there. If there were, there is no hope that we will do anything in the Middle East to shame the Communist power, as the children of Hungary, the workers of Hungary, the writers of Hungary, shamed and weakened it.

The Communists understand well the old nursery rhyme, "Sticks and stones may break my bones, but names will never hurt me."

You cannot find in all the pages of these Congressional hearings any evidence whatever of any new Communist threat in the Middle East. You will find every evidence, in the loose, vague, rubbery words, with which the plan was advocated, convincing evidence that the proposal is designed to give the executive agencies something else, something far removed from the Arab States, from the Communists in Syria, and from the power vacuum supposedly left by the withdrawal of England and France.

It took me a long time to see through the layers of words, to find what this proposal meant.

The first clue I came upon was this mysterious vagueness about the geographical limits of the Middle East.

At first, Mr. Dulles said he would state the limits of the area only in executive session. How far have we gone on the road to executive absolutism, when a Government official tells Congress he will not define even a geographic area, except behind a curtain of secrecy, which means the representatives of most of our States are barred from learning the answer.

Mr. Dulles later relented and told the Senate committee that he accepted "in general" the area defined in a State Department official's recent speech, which said:

"There is no officially or generally recognized definition of the term 'Middle East' * * * I think it is safe to say that when the American Government thinks in terms of the Middle East, it is thinking about the area lying between, and including Libya on the west and Pakistan on the east, and Turkey on the north, and the Arabian peninsula to the south."

The Senate report refers to the same general area, but the resolution refers only to "the general area of the Middle East." There are no legal limits here. When Congress legislates, it takes full responsibility for any reasonable interpretation of the words it uses. It cannot limit the meaning of words in a law to what someone thought we thought. We are giving the President authority to involve us in any area which has ever been classified as the Middle East by any responsible governmental or scholarly agency. So far, I have found that the term "Middle East" has been used by responsible people to include, and accepted as including, all North Africa as far west as Morocco, together with Egypt, the Sudan, Uganda, Ethiopia, and Tanganyika, to the south; and Turkey and Iran on the north. On the east it may include Afghanistan, Pakistan, India, and Indonesia.

The population of Indonesia is 80 million. Egypt, Iran, and Ethiopia together have 60 million more. If we exclude India, the population of the receiving nations exceeds our own. But we have no basis for excluding India. It is as logically included as Egypt or Saudi Arabia. We are, like Atlas, carrying most of the world on our backs. How many people should a nation of 170 million support?

Congress has been given only the vaguest and most shadowy justification for voting to spend the earnings of the American people. To accept loose and shadowy explanations in place of precise language for Government spending is a violation of the separation of powers. The Constitution gives to Congress the duty of guarding the earnings of our people against the never-ending demands of Government agencies. Vague authorizations are unlimited authorizations.

Such a practice in the best of times is a violation of our constitutional responsibility. But today the American people are approaching the 25th year of "emergency" spending on their hard-earned money. The value of our dollar has been cut in half. Our gold has been taken from our people and made the property of the Government. A dangerously high fraction of this gold is owed to foreign nations—partly as a result of our foreign spending—and that debt is callable on demand. We have a public debt of nearly $280 billion plus contingent liabilities in billions for all sorts of programs. Our people have a heavy burden of private debt. Family incomes are under almost unendurable strain. A break or a slow decline in employment would put us in a position where foreign obligations could crush us entirely.

What is the delusion which makes our Government officials believe they can go on spending our substance forever? Our forefathers understood the delusion well. That is why they believed Government officials should never be allowed to decide how much money they needed. That is why the Constitution put upon the Representatives of the people in Congress the duty to watch spending, and to keep it down to what should properly be taken from our families and given to Government.

Unless Congress defines precisely the area involved, it will by its vote give the executive branch permission to operate in all of that area—at least—and it will assume the responsibility for defending all of that area with American fighting men. I do not mean, that, if this resolution passes, American forces will be stationed in Afghanistan or Indonesia tomorrow, but I do say Congress will have given its permission for, and will be responsible for, any such use of American fighting men, anywhere under the maximum interpretation of such unprecise words.

Congress will be taking the men stationed in these areas out from under the protection of the American Constitution. It will make them subject, if they are charged with a crime, to the law of the land they are guarding. We have had enough trouble under the status of forces treaties with Americans accused of crimes in France and England. Have the men who urged this resolution looked carefully into the dangers that might face our young men sent by vote of Congress to Iran or Afghanistan or Ethiopia?

So I began asking myself what the State Department was really asking for, in such a vast area, and why it insisted that important Congressional restrictions, like not spending large sums in a rush at the end of the fiscal year must be lifted. What was the real aim?

Suddenly the answer was as clear as day. This plan could only be our old familiar friend, the Wallace-Truman-Bowles plan for dividing up American wealth by industrial development of backward areas. Everything was there, in fancy new dress. I ask the Congress to consider this. The administration is asking, under a new name, for the permission it sought last year to make commitments for American spending for years ahead, on long-term capital projects all over the world.

You will remember that point 4 has 2 guises. It is a modest plan for sending Americans, proficient in know-how, to help undeveloped nations make 2 blades of grass grow where 1 grew before. But that is only the edge of the crowbar. The other aspect of point 4, and its real purpose, is the plan by which the United States will supply the capital for global projects to bring heavy industry, and the most advanced New Deal social welfare schemes, to all the face of the earth.

The supporters of this plan have stated frankly their expectation of getting the capital for their global investment by reducing our defense expenditures and converting most of the savings to a giveaway program for industrial pyramids all over Africa and Asia, built by Socialist or national Communist governments, installed by our planners, and supported by our taxes.

You have read in the columns of our intellectual guiding lights, that a group within the administration believes we should abandon our ties with the West and throw in our lot with Asia and Africa—not of course with hard-fighting anti-Communists like Free China, Korea, and Vietnam, but with the philosophical neutralists who cannot turn their backs on the Soviet Union.

Behind the American spokesmen for this doctrine of winning over the "uncommitted" nations, by a vast outlay of our people's earnings are the sinister figures of Tito, Nehru, and Sukarno, the "friends" of America who are to take the place of Chiang, and Syngman Rhee, and Diem.

This dream plan has been with us for a long time. It has been endorsed by many patriotic Americans, who did not suspect its kindly sentiments covered a subtle and daring Soviet plan for destruction of our military advantage.

The Soviet aim is to divide the wealth of the United States among all the people of the earth. The Marxian doctrine which requires the cutting down of all incomes within a nation, to the national average, has been carried a step further by Stalin, to require the leveling of the income of the "have" nations to that of the "have not" nations. The high income of 170 million Americans is ultimately to be divided among the 2 billion human beings of the globe.

Behind Stalin's welfare idea of equal shares, is of course the military strategy of taking from the United States the surplus capital which supports our development of the world's best military equipment. Hindenberg said World War I was won by American industrial superiority. Stalin understood the industrial prowess of America in World War II. The Communists have no intention of going to combat with the United States until they have stripped from us our protective armor of guns, planes, tanks, the most fantastic wealth of protective and fighting equipment any fighting forces ever possessed. They know they can strip us of their protective armor by cutting holes through which our industrial capital will leak away, and our fighting forces will no longer have advantage of our industrial genius.

What will a Nation of 170 million people do then against the 800 million people of the Communist orbit?

Let me repeat, the outer guise of point 4, the know-how program, is American. The hidden aim of this plan for backward areas is not American, though it is promoted by men whose loyalty to America is above reproach.

Mr. Truman said in one of his last statements as President, "With patience and courage we shall some day move on into a new era—a wonderful golden age—an era when we can use the peaceful tools that science has forged for us to do away with poverty and human misery everywhere. Think what can be done, once our capital, our skills, our science—most of our atomic energy—can be released from the tasks of defense and turned wholly to peaceful purposes all around the world. There is no end to what can be done.

"I can't help but dream out loud a little here. The Tigris and the Euphrates Valley can be made to bloom as it did in the times of Babylon and Nineveh. Israel can be made the county of milk and honey as it was in the times of Joshua. There is a plateau in Ethiopia some 6,000 to 8,000 feet high, that has 65,000 square miles of land just exactly like the Corn Belt of northern Illinois. Enough food can be raised there to feed a hundred million people. These things can be done and they are self-liquidating projects. If we can get peace and safety in the world under the United Nations, the developments will come so fast we will not recognize the world in which we now live."

Here is the Walter Mitty dream plan for an easy, effortless world, in which money works magic, and all problems will be solved by pressing the pushbutton marked "peace." But we in Congress are the heirs of Jefferson and Franklin, John Quincy Adams, and John Hay.

We cannot endorse a foreign policy of tranquilizing pills, under whose influence the American people are put to sleep while their power and vigor seep away.

We are coming closer to the real Middle East doctrine, translated from its soft, fluffy words to cold, hard realities.

Now I ask you, do you think Congress can sign a blank check to let American Armed Forces be used anywhere in the world, in

defense of such vague objectives? Can we, who have taken an oath to uphold the Constitution of the United States, vote away our powers and duties for such ends?

Congress must, I believe, go thoroughly into this question of its constitutional relation to our Armed Forces. We have been sidestepping it since 1945. Do we have the moral right to sidestep it a moment longer?

We are told events move so fast these days that the President does not have time to consult Congress. So we must give him a blank check in advance.

Now I cannot understand this argument. How many Members of Congress come to Washington by stagecoach? How many Members of this body get their news from Europe by sailing ship?

Hasn't Congress heard about telephone, and radio, and television? Can't Senator KNOWLAND reach Washington from California as quickly as the jet fliers who have cut flying time from the coast to 4 or 5 hours?

What do the State Department experts really mean? Japan did not formally declare war on us in 1941, it is true, but word of the attack on Pearl Harbor reached Members of Congress within minutes on that fatal Sunday morning. The executive branch did, it is true, have warning in advance of the attack. They could have told the Members of Congress, but they did not even tell the naval commander in Hawaii. The men on the *Arizona* never knew.

The President in his original Middle East proposal said that any employment of American forces in that area would, and I quote, "have to be consonant with * * * any action or recommendation of the United Nations. They would also, if armed attack occurs, be subject to the overriding authority of the United Nations Security Council, in accordance with the charter."

This I cannot understand. The President of the United States says he must have blank check authority to employ our Armed Forces because there is not time enough to consult Congress, but he promises continuously to consult the Security Council of the United Nations. Is it easier to assemble the Security Council from Moscow and the Philippines, than to assemble Members of Congress from Florida and California?

The President uses the ominous words "the overriding authority of the United Nations Security Council." What does that mean? Does he mean the United Nations Security Council has overriding authority over American fighting forces?

A great many people who write me believe this provision of the Middle East proposal is designed to place the military forces of the United States under the United Nations, as they were placed in Korea, and to make our fighting forces over—given time enough—into parts of a United Nations Military Force.

I personally believe that is true. I see overwhelming evidence that such has been the intention of our foreign policy planners since the idea of the United Nations was born. Mr. Dulles included an all-powerful international "police" in the original proposals for a postwar international organization, which he recommended to the American people, in December 1940, through the Commission on a Just and Durable Peace, of the Federal Council of Churches. Mr. Dulles' Commission recommended "a world government of delegated powers, strong immediate limitations on national sovereignty and international control of all armies and navies."

I ask the Members of Congress to stop now and decide what stand we are going to take, for the rest of our lives, on the question of our sovereign right to direct American Armed Forces in the manner prescribed in the Constitution.

We are coming to the heart of the matter. The question before Congress is this: Shall American fighting men be used by the executive power to support its global plans, or shall they be sent into the fighting only for defense of the Nation, only with the consent of Congress?

I shall ask you first to review with me the debates in the Senate in the summer of 1944, when our postwar policies were being established. The State Department wanted the Senate "Committee of Eight," which had been studying proposals for the United Nations, to give an endorsement in advance.

Senator Vandenberg wrote to Mr. Hull, on May 29, 1944, "With great respect, I do not think you have any right to expect this Senate Committee either to endorse your plans in advance, or to agree that your league shall bind us, regardless of whether the peace (settlement) satisfies the American conscience or not."

As he wrote in his diary, "This is no time for Senators (particularly Republican Senators) to sign up in the dark."

President Roosevelt wanted Congress to authorize in advance American participation in international military sanctions, without specific approval in each case.

Vandenberg wrote to Hull, on August 29, 1944, "I believe our Constitution clearly lodges the exclusive power to declare war in Congress. Frankly, I do not believe the American people will ever agree to lodge this power anywhere else."

In September he wrote Walter Lippman, "Why hand the President a blank check which in turn invites the American opponents of all international collaboration to prejudice this total adventure by shouting on the Middle Western hustings—'Are you willing to let the President take you into world war No. III without regard to the Constitution, and without any consultation of your Congress?' "

After the conclusion of the Dumbarton Oaks Conference Vandenberg wrote to a constituent, on September 30, 1944, "I am opposed to what is generally understood by the term 'international peace force.' So I believe, are the President, Secretary Hull, and most realistic students of this problem. To be adequate, an international police force would have to be larger than the regular army and navy of any other power on earth. I think it is fantastic to believe that the people would long consent to the maintenance of any such enormous concentration of power in the postwar peace, and I also think that the temptation to reach for its ultimate control could become the greatest possible threat to peace in years to come." I do not think we will find a better statement of the issue than that.

Vandenberg said again, "I am one of those who do not believe that our greatest hope for peace lies in trying to put peace in a steel straitjacket."

He suggested (in August 1944) a thorough study of the question where under the Constitution the power of the Commander in Chief to use our military force without consulting Congress ends (as in the sending of Marines to Haiti, Nicaragua, and so forth), and where the exclusive power of Congress to declare war begins.

The story of the real agreements at Teheran began to leak out in articles in the Saturday Evening Post. Vandenberg said, "The Atlantic Charter is already out the window."

Governor Dewey pointed out how the great powers had at Teheran set up an organization which permanently established their coercive power over the world. Secretary Hull denied it, and invited Governor Dewey to send a representative to confer with him. Thus John Foster Dulles began on August 23, 1944, the participation in making State Department policy which has continued virtually unbroken ever since.

Dewey said there was only one major issue in foreign policy involved—that was American participation in the use of armed force by the proposed United Nations Organization. Dewey clearly recognized the tremendous implications of this problem in relation to the future welfare of the United States and the peace of the world, but in spite of the deep concern in the Senate over this constitutional issue, in spite of Vandenberg's efforts to find a genuine solution Secretary Hull and Mr. Dulles reached an agreement on August 25 that the subject would not be debated in the campaign. That meant that an issue touching the very lives of the people of this country could not be publicly discussed for their enlightment. The shadows that hide our foreign policy have never been lifted since.

Now I ask you to go on to the opening of the Korean war, when the President ordered our men to take part in stopping the Communist onslaught.

I agree that there was an emergency, though it is not true that we had received no warnings of the ominous Communist buildup in North Korea. Senator Taft protested that Congress was in session, and the President could easily have asked for a constitutionally correct declaration of war. The Senator decided not to press the point, in the midst of the bitter struggle by our men to keep a foothold in Korea.

I submit, Mr. President, that this decision to authorize use of the Armed Forces against the Communists in Korea without authority from Congress was not the only important constitutional issue.

The President of the United States was quickly named as "military representative" of the United Nations, and our troops (and those of the other nations engaged) were labeled "United Nations Forces." Someone will say, "But this was not war. It was only a police action," and I will answer, "What difference did that make in the casualty lists?"

If our forces are put into a United Nations military force, perhaps there will never be another war. There will only be police actions. But that is only another trick with words.

Our men will be killed, in the same way. The difference is that America will have no fighting men to guard her freedom.

I pass over the patent folly of pretending our men in Korea represented the moral force of the United Nations, when the enemy was a member of the Big Three who helped form the United Nations, had a permanent seat on the Security Council, and an absolute veto over condemnation of its lawlessness. Insofar as the war in Korea was a U. N. action, it was civil war. In fact it was begun as an American war to stop the onslaught of Communist armies. It is proper that we should have provided the men and the leadership. The errors grew out of our putting our President, our fighting men, and our policies under the pretended direction of the United Nations.

Again and again I have raised the question, What are the constitutional implications of this transfer of American military power to the United Nations? I have received no answer—not even an echo of my question.

Article I, section 9 of the Constitution says, "No person holding any office of Profit or Trust under (the United States) shall, without the consent of the Congress, accept of any present, emolument, office, or title, of any kind whatever, from any king, prince or foreign state."

As I read that section, no President of the United States, or anyone holding an office of trust, could legally accept designation as any kind of agent or representative for the United Nations or any international political entity whatsoever.

This section was put into the Constitution of the United States for a reason. The members of the Constitutional Convention did not wish our governing officials to have any slightest temptation to divided or clouded loyalties. Their oath was to uphold the Constitution of the United States. They could not give their whole minds to that

task if they owed any loyalty, gratitude, obedience, or anything else to any other government or governmental agency of any sort whatever.

I believe that our President all unwittingly violated the Constitution when he accepted any designation whatever to represent or act for the United Nations, or to command any forces called United Nations forces.

Please be assured I have no wish to criticize our President personally, or to blame anyone for an unchallenged action of 7 years ago. I do not wish, however, to make sure this act is not left standing as a precedent for the future, to help put a future Commander in Chief of the Armed Forces of the United States into any international military establishment.

We have another constitutional issue in the Korean war.

By what constitutional authority did the United States Government designate American fighting men as part of the United Nations command?

What changes took place in the constitutional rights of our fighting men?

What changes took place in the powers of the American President?

Let me explore these questions a little further.

The preamble of the Constitution refers to it as "this Constitution for the United States of America."

Article I of the Constitution establishes a Congress of the United States, article II establishes a President of the United States.

Section 8 of article I says "The Congress," that is, the Congress of the United States, shall have the power to "raise and support Armies, * * * To provide and maintain a Navy; To make Rules for the Government and Regulation of the land and naval Forces;"

I can find nothing in these words which permits the agencies, legislative or executive, established by the Constitution for the United States of America, to raise Armed Forces which shall serve any other political entity.

I do not see in the office of the President, as described in the Constitution, any loose and general powers to decide to serve some other political entity than the United States of America. I certainly do not find any authority for the Chief Executive of this Constitutional Republic to transfer the Armed Forces of the Republic to some other political body.

So zealous is the Constitution of the right of the American people to direct their Armed Forces that one Congress can not even bind a succeeeding Congress, by making an appropriation for their use for a longer term than 2 years.

I believe the Constitution is equally zealous of the rights of the men who shall be called on to risk their lives for the protection of the Republic. Where in the Constitution is there any authority for either Congress or the President, to raise armies to protect the security of the country which they love, and then transfer these men, under oath to obey their American leaders, to service of some other political entity?

There is one more shadowy area in the picture. If the President of the United States could add to his powers and duties the powers and duties of a quite different office, under a quite different set of laws, what has happened to the constiutional limits on the actions of this hybrid Chief Executive?

The favorite phrase is that our officials wear two hats, when they take office in international agencies.

Can the President of the United States—under this precedent—act within the strict limits of the Constitution when he wears one hat, and then, quickly takes off his American hat, puts on an international hat, and operate without any of the restrictions set in the Constitution?

What is to prevent him—if he wishes—from going to any extreme?

Can the President of the United States accept an oath of obedience from Americans serving in the Armed Forces of the United States, and then, by changing hats, insist that that oath obliges them to obey any orders he gives outside the limits of the Constitution?

Can the President of the United States, by changing his hat, get the power to give orders to what are virtually his own private armies to serve anywhere for any purpose he may designate?

Could he as U. N. representative order these men to put down rebellion in the United States, even though the rebellion might have the purpose of returning to the Constitution?

Now let us agree at once that no President had so far had any such intentions, and could not have been induced to try any such acts.

Let us agree that our brief experiment in collectivized armies caused no untoward incident—except of course the catastrophic limitations on the fighting at the Yalu, and the twisting of the peace settlement. But Congress is responsible for the laws. It dare not leave dangerous loopholes in the law, and hope no ambitious man will find them.

What disturbs me is that it is standard technique for the political elite in our midst to introduce their changes in bits and pieces, to try them out briefly and then withdraw them, before the public is aware of the danger.

It is no help to us that transferring our fighting men to a U. N. command in 1950 caused no untoward incidents. The finesse of the operation only increases my belief that Korea was a dress rehearsal for making over American military power to an international state. Congress cannot escape the fact that that action left us with two acts which are precedents of the greatest, most frightful danger.

This Middle East resolution contains no safeguards whatever against the chance that some later President may put American forces serving in the Middle East, without the protections of the Constitution, into a Middle East military establishment or a United Nations military establishment, and Congress would be morally involved and legally helpless.

Perhaps you will say that we are already involved in joint military operations with other nations under a supernational command, by virtue of our approval of the United Nations Charter.

To that I reply that if the United Nations Charter commits us to transferring our military forces to a command other than the sovereign Government of the United States, this constitutes an amendment of the Constitution, by means not sanctioned in the Constitution. It is completely null and void. Neither the legislative body created by the Constitution, nor the executive body created by the Constitution, were given power to destroy the Constitution. They cannot abrogate the separation of powers, and they cannot deprive the Republic founded by the Constitution of its means to defend itself.

Anything in the United Nations Charter which apparently authorizes the executive branch to alter in any way the complete responsibility on our Government for using American Armed Forces to protect the United States, is null and void.

Any attempt by any official in the executive branch to carry out such a doctrine, and to amalgamate the American Army, Navy, or Air Force with the military forces of other areas in a supernational agency, is a matter for impeachment.

I have only touched the surface of this question, but I say again, for nearly 15 years now there has been a growing body of evidence that a determined group of men is at work amalgamating our military power with that of other once sovereign nations, and depriving it of the right and duty of protecting the United States to the uttermost.

I say the Middle East proposal is vague, indefinite, confused, and I say Congress is the only power in the United States which can protect the right and power of our Nation to defend itself.

For myself, I am willing to devote the rest of my life to demolishing any and every attempt to destroy American sovereignty by transferring American fighting forces to any political or military command other than that of the sovereign United States. I shall not keep silent in the face of proposals which may—by any chance—leave our country without its own military strength.

I believe every Member of this body is as deeply determined as I to preserve our Nation's security. I say to them the danger is real. It is here. Do not, I beg of you, sign a blank check, which might leave the United States helpless, its fighting strength weakened by legal and political finesse, until its subordination to the rulers of the new world state becomes complete and irreversible.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States communicated to the Senate by Mr. Ratchford, one of his secretaries.

DEATH OF ARCHBISHOP MICHAEL

Mr. LANGER. Mr. President, Archbishop Michael, 1 of the 6 presidents of the World Council of Churches, and 1 of the great church leaders of the world, passed away yesterday in New York City.

Many of us in Congress know of the excellent work he has done in the Greek Orthodox Archdiocese in North and South America since his arrival in America in 1950.

Two years ago, I had the pleasure of appearing before the lay clergy conference of the Greek Orthodox Church in Washington, where I had a chance to observe the fine work which was being done in this country.

Archbishop Michael has submitted numerous statements to various Congressional committees, showing a great interest in many of the problems which confronted Congress.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article entitled "Archbishop Michael Dies," published in the Washington Post and Times Herald of July 14, 1958.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ARCHBISHOP MICHAEL DIES

NEW YORK, July 13.—Archbishop Michael, 66, head of the Greek Orthodox Archdiocese in North and South America, died of heart failure at Doctors Hospital today after an intestinal operation.

He became ill while attending an ecclesiastical congress in Salt Lake City and was flown here last Tuesday night for treatment.

He was the spiritual leader of a million Americans of Greek descent and of an estimated 5 million communicants of all Eastern Orthodox churches in the Western Hemisphere. His archdiocese has 380 churches.

A hospital spokesman said part of Archbishop Michael's colon was removed during an extensive operation last Wednesday. He

suffered shock but responded quickly to medication and seemed to be recovering, the spokesman added.

Today his attending physician asked the tall, gray-bearded prelate how he felt. He nodded, then died.

BISHOPS SUMMONED

Bishop Athenagoras of Boston, Chancellor Arthinandrite Neothytos of the Archdiocese and John Coliacopoulos, Greek Consul General in New York, were summoned to the hospital immediately after the archbishop's death.

Bishop Athenagoras conducted a preparatory requiem service known as Trisagion at the archbishop's bedside. A requiem service was held at the Greek Cathedral this afternoon.

The bishop said the archbishop's body would lie in state for 5 days at the cathedral. He will be buried in a local cemetery with his flock, the bishop added.

Archbishop Michael was born Thucydides Constantinides in 1892 in the province of Maronia in western Trace. He studied at the Patriarchal Theological Academy on the island of Halki in Turkey and did postgraduate work at the historic seminaries of Petrograd and Kiev in Russia.

ELECTED IN 1949

He served his church in various administrative capacities and was elected archbishop in October 1949.

Archbishop Michael became a citizen of the United States after assuming his new post. In 1954, he enrolled President Eisenhower in the Grand Order of the Holy Sepulchre in recognition of the President's efforts toward world freedom, justice and peace. And last year, he was 1 of the 4 clergymen who participated in the President's second inauguration.

Archbishop Michael was regarded as one of the most learned clergymen in the Eastern Orthodox Church. In addition to Greek, he was fluent in English, French, and Russian. He wrote several books on the administration and teachings of the Greek Church.

Bishop Athenagoras said a successor would be selected by the Synod of Istanbul at a date to be selected.

Mr. KEFAUVER. Mr. President, the religious world mourns the loss of one of its great church leaders in the passing of Archbishop Michael on Sunday. Archbishop Michael was 1 of the 6 presidents of the World Council of Churches and was the head of the Greek Orthodox Church in North and South America. He was the spiritual leader of 1 million Americans of Greek descent and a spokesman for an estimated 5 million communicants of all Eastern Orthodox Churches in the Western Hemisphere.

Mr. President, as chairman of the Senate Subcommittee To Investigate Juvenile Delinquency in the past, I have had the privilege of receiving statements from Archbishop Michael as to the views of his church on this important social problem. He also made available the bishops of his church and clergymen to appear as witnesses in many of the cities where our subcommittee held hearings. The viewpoint of the Greek Orthodox Church was always most welcome.

Archbishop Michael came to the United States in 1950 and he has done much to gain the recognition of the Greek Eastern Orthodox faith in this country to the position it has now attained. I recall in 1955 receiving communications from Archbishop Michael regarding Senate bill S. 106 recognizing Greek Orthodox servicemen in the Armed Forces which became an accomplished fact later that year. Archbishop Michael was one of the most learned of the Eastern Orthodox followers and has served in many capacities in numerous countries including head of the Greek Orthodox Church in England.

I join my many colleagues in the Congress of the United States in extending our deepest sympathies to the Greek Orthodox Church in the loss of its great spiritual leader.

THE MATERNAL AND CHILD HEALTH CARE PROGRAM

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD, at the conclusion of my remarks, excerpts from an illuminating article describing the status of maternal and child health care in my own State of Minnesota.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit A.)

Mr. HUMPHREY. Mr. President, the article, written by Drs. D. W. Freeman and Alex Barno, appeared originally in the February 1958 issue of Minnesota Medicine. It tells an inspiring story of the fight which my fellow Minnesotans have waged against obstetric deaths.

The statistics are impressive: In a recent 13-year period, maternal mortality rates have decreased 76 percent, falling from 2.03 per 1,000 live births in 1941 to 0.49 per 1,000 live births in 1954. In the same period, the proportion of preventable obstetric deaths decreased from 73.2 to 30 percent. Last year there was further progress in this direction, with only 17 maternal deaths occurring in a total of 85,000 births. This further drop in maternal deaths reduces the Minnesota maternal mortality rate to 0.2 per 1,000 births, one of the lowest in the country.

Although these statistics are encouraging, and demonstrate the effectiveness of government expenditures for child and maternal health protection, they also have their grim side: The fact remains that preventable maternal deaths account for about 30 percent of all maternal mortality; that is to say, 3 out of every 10 childbirth deaths occur needlessly. What is most lamentable about this fact is that, given adequate Federal and State aid, such deaths could be avoided. With adequate information and access to the necessary facilities, preventable deaths in childbirth could be completely eliminated. Both information and facilities could easily be made available, given sufficient funds. Unfortunately, under present appropriation limits, adequate funds are not available.

Mr. President, this is an area in which we cannot afford to be miserly. To sacrifice on the altar of the budget the lives of these unborn children is nothing short of criminal.

Moreover, continuing increases in our child population and rising costs necessitate expanding programs in the field of maternal and child health to meet the growing needs of our citizens. Care is needed for mothers and children, not only in the form of obstetric and pediatric assistance, but also in later years to help children who are physically and mentally retarded. An outstanding example of such attention is the four-county project for retarded children, in Fergus Falls, Minn. Here, local civic and health groups have joined the Minnesota Department of Health in organizing and maintaining a local center for mentally retarded children. By hard work and sacrifice, my fellow citizens have been able to care for children who might otherwise be deprived of the aid that is so badly needed.

Recognizing our country's growing health needs, the Association of State and Territorial Health Officers requested that in November of last year, Congress raise the statutory limits on crippled children, child welfare, and maternal, and child health funds to $25 million each. Since then, there have been introduced in both the House and the Senate bills to raise the statutory ceilings on these funds. These bills currently await action by the Senate Finance Committee and the House Ways and Means Committee.

Mr. President, to deny this raise in the fund ceilings may be to cheat unborn infants of their lives. When dealing with human life, we cannot afford to be niggardly. I am sure my distinguished colleagues join me in hoping for an early report by the committee in question and prompt action on the floor.

EXHIBIT A

[From Minnesota Medicine of February 1958]

HOSPITAL AND HOSPITAL STAFF RESPONSIBILITY FOR MATERNAL MORTALITY

(By D. W. Freeman, M. D.; Alex Barno, M. D., Minneapolis, Minn.)

Substantial reductions in maternal mortality rates have occurred within recent years. Gross maternal mortality rates in Minnesota have decreased from 2.03 per 1,000 live births in 1941 to 0.49 per 1,000 live births in 1954, a reduction of 76 percent. The proportion of preventable deaths decreased in the same period from 73.2 percent to 30 percent. In a recent 5-year period in Minnesota, only 177 obstetric deaths occurred among almost 400,000 live births. A summary of these deaths showed, however, that 45 percent were considered preventable.

Clearly, room for improvement still exists. The responsibility of patients through failure to avail themselves of care, attempted self-induced abortions, suicides, etc., accounts for a negligible fraction of the deaths. This is in marked contrast to earlier studies such as the New York Study which showed that patients were responsible for over one-third of the deaths. It follows that continuing efforts to reduce maternal mortality must be directed primarily to physicians doing obstetrics. This is now being done by education at medical school and at postgraduate levels, at medical society meetings, by publication of maternal mortality study committee findings, and by letters and case summaries directed to the physicians concerned. Since almost all of the deliveries are conducted in hospitals, maternal mortality rates could probably be lowered further by general adoption and enforcement of effective hospital regulations governing the conduct of obstetric practice. Formulation and enforcement of such regulations should be the joint responsibility of the hospital staffs, the hospital admini-

strators and the official health agencies concerned.

The purpose of this paper is to analyze the preventable maternal deaths which occurred in Minnesota during the 5-year period 1950–54, with the aim of determining what improvement could have been made had the hospital practice of obstetrics been better organized.

TABLE I.—*Responsibility for preventable maternal deaths occurring in Minnesota hospitals, 1950–54*

Responsible	Number	Percent
Physician	66	90.4
Patient	2	2.7
Nurse-anesthetist	2	2.7
Laboratory	2	2.7
Hospital administration	1	1.4
Total	73	99.9

TABLE II.—*Causes of preventable maternal deaths occurring in Minnesota hospitals, 1950–54*

Cause of death	Number	Percent
Hemorrhage	33	45.2
Toxemia	12	16.4
Infection	8	11.0
Anesthesia	7	9.6
Electrolyte imbalance	3	4.1
Air embolism	2	2.7
Incompatible blood	2	2.7
Heart disease	2	2.7
Diabetic acidosis	1	1.4
Pituitrin shock	1	1.4
Over transfusion	1	1.4
Unknown	1	1.4
Total	73	100.0

During the time period mentioned there were 83 maternal deaths in the State which were judged by the Maternal Mortality Committee of the Minnesota State Medical Association to have been preventable. Of these, 4 resulted from nonobstetric causes and 6 patients died at home. The remaining 73 deaths occurred in hospitals and of these, physicians were judged to have been responsible for 66 and the hospitals through nurse-anesthetist, laboratory and/or administrative error were directly responsible for 5. The responsibility for 2 deaths was charged to the patients (table I). The causes of the 73 deaths are indicated in table II.

TABLE III.—*Tabulation of deaths due in large part to inadequate patient study*

Cause of death:	Number
Hemorrhage	7
Infection	5
Anesthesia	5
Toxemia	4
Electrolyte imbalance	3
Incompatible blood	2
Heart disease	1
Diabetic acidosis	1
Unknown	1
Total	[1] 29

[1] 39.7 percent of 73 preventable deaths occuring in hospitals.

TABLE IV.—*Deaths due directly to faulty conduct of labor, delivery and early puerperium*

Cause of death:	Number
Improper anesthesia	7
Improper use of pituitary extract	7
Accouchement force	6
Inadequate observation of patient in labor and/or postpartum	5
Internal version	3
Inadequate predelivery preparation	3
Total	[1] 31

[1] 42.5 percent of 73 preventable deaths occurring in hospitals.

TABLE V.—*Consultations obtained in cases of preventable maternal deaths in Minnesota hospitals, 1950–54*

	Number	Percent
None	37	50.7
Inadequate and/or delayed	30	41.1
Adequate	6	8.2
Total	73	100.0

TABLE VI.—*Tabulation of cases of maternal deaths in which lack of consultation played a major role*

Cause of death:	Number
Hemorrhage	27
Toxemia	5
Infection	5
Electrolyte imbalance	3
Heart disease	2
Anesthesia	2
Diabetes	1
Unknown	1
Total	[1] 46

[1] 63 percent of 73 preventable deaths occurring in hospitals.

Fifty-four of the deaths occurred in out-State hospitals and 19 in the 4 largest cities in the State. This distribution of the deaths is out of proportion to the distribution of births occurring in the State, these being divided approximately equally between the four largest cities taken together and the remainder of the State. Data previously published showed that the physician responsibility maternal mortality rate was 2½ times higher in rural than in metropolitan areas. Obviously, some fundamental differences in the hospital practice of obstetrics exist in the two areas.

Factors which have been evaluated as to their influence on the occurrence of these 73 preventable deaths include patient workup (history, physical examination, pelvic mensuration, laboratory and X-ray studies), conduct of labor and delivery (including administration of anesthesia), and consultation. In many instances more than one of these factors were involved in a death. This overlap accounts for the fact that in tables III, IV, and VI, percentages total more than 100.

SUMMARY

A remarkable 76-percent drop in maternal mortality rates was achieved in Minnesota between 1941 and 1954. This commendable improvement is probably the result of a number of factors such as improved undergraduate training of physicians, increasing postgraduate and refresher courses in obstetrics, widespread use of chemotherapeutic agents, and early and adequate blood replacement. It includes an increasing percentage of babies born in new, modernized, and better staffed hospitals, from 49 percent in 1935 to 99.1 percent in 1955. In addition, public-health measures such as education of the public to the importance of early and adequate prenatal and obstetrical care, as well as maternal mortality surveys for the education of physicians, are other factors in the reduction of maternal mortality. Perhaps the greatest credit is due the physicians in the State, most of them general practitioners, who are actually doing the obstetrics.

Despite the great achievements of the recent past, it has been shown by the Maternal Mortality Committee's studies that room for improvement still exists. It is with this in mind that an analysis of 73 preventable maternal deaths occurring in hospitals in the State of Minnesota in the 5-year period of 1950–54 is presented. An attempt is made to determine what improvement could have been made had the hospital practice of obstetrics been more adequately controlled. Forty-two and one-half percent of the deaths could be directly attributed to faults in the conduct of labor, delivery, and the early puerperium which should not be tolerated in well-organized hospitals.

Patient workup, including such simple things as history, physical examination, and basic laboratory and X-ray studies, was deficient in the majority of cases. This failure was considered a definite contributing factor in 39.7 percent of the total deaths. Adequate consultation was obtained in only 8 percent of the cases and lack of such consultation was a major factor in 63 percent of the deaths. It is concluded that in spite of continuing improvement, further strides can be made in reducing maternal mortality by properly organizing and supervising the hospital practice of obstetrics. The time has come for each hospital accepting obstetric patients to give this serious consideration.

Formulation of a detailed workable set of recommendations for the organization and regulation of obstetrical departments in all hospitals in the State should be undertaken by the State health department in cooperation with representatives of other interested groups. Such groups should include the State and local health departments, State and local medical societies, the State hospital association, and State and local obstetrical societies.

AUTHORIZATION OF APPROPRIATIONS FOR THE ATOMIC ENERGY COMMISSION

The Senate resumed the consideration of the bill (S. 4051) to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

Mr. SALTONSTALL. Mr. President, I shall offer one more amendment to the Atomic Energy Commission authorization bill. The amendment has been prepared in conjunction with the vice chairman of the committee, the Senator from New Mexico [Mr. ANDERSON]. So far as I know, there is no objection to it.

Mr. ANDERSON. Mr. President, did the Senator include in his amendment the change on page 14, line 14, to strike out "periods" and insert in lieu thereof "period"?

Mr. SALTONSTALL. That change is in the amendment.

Mr. ANDERSON. I have not had much opportunity to study the amendment, since it has just been finally prepared. But I am in full sympathy with the purpose of the Senator from Massachusetts. I think I am in complete sympathy with the wording of the amendment. I think it should be adopted. I certainly recommend that it be adopted and taken to conference, and that the conferees on the part of the Senate try to sustain the amendment.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 12, line 17, after "(a)" it is proposed to insert "(1)."

On page 13, line 16, after the word "shall", it is proposed to insert "subject to the provisions of clause (2)."

On page 13, between lines 18 and 19 it is proposed to insert the following:

(2) If the Commission determines, at any time within 60 days after the announcement provided for in clause (1) that (i) any public, private, or cooperative power group, equipment manufacturer, or other person or organization is prepared and proposes to design, construct, and operate such a reactor

at such person's or organization's own expense and not in conjunction with any cooperative arrangement with the Commission and (ii) the purposes of the Commission's reactor-development program would be substantially fulfilled by the construction of the reactor by such person or organization, then the Commission shall not be obligated to proceed with such project under clause (1).

On page 14, line 14, it is proposed to strike out the word "periods" and insert the word "period."

On page 14, line 15, it is proposed to insert a period after the word "purposes" and strike out all thereafter in line 15 and all of lines 16 through 19 and substitute in lieu thereof the following:

Upon the expiration of such period the Commission may offer the reactor and its appurtenances for sale to any public, private, or cooperative power group at a price to reflect appropriate depreciation but not to include construction costs assignable to research and development, or the Commission may dismantle the reactor and its appurtenances.

Mr. SALTONSTALL. Mr. President, I wish to make a very brief explanatory statement regarding the amendment, inasmuch as the Senator from New Mexico [Mr. ANDERSON] has agreed to accept it. It provides that the reactor may be sold to public, private, or cooperative power groups when it has outlived its research or national-defense usefulness; and the amendment would absolve the Atomic Energy Commission from responsibility for building the reactor in the event private industry should elect to build the reactor under the cooperative program set forth in the bill, or should propose to build a satisfactory reactor at its own expense.

That is the purpose of the amendment; and I am glad that the Senator from New Mexico has accepted it.

Mr. ANDERSON. Mr. President, again I say that I am very happy to support the amendment which has been submitted by the able Senator from Massachusetts.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The question is on agreeing en bloc to the amendments of the Senator from Massachusetts [Mr. SALTONSTALL].

The amendments were agreed to.

Mr. ANDERSON. Mr. President, I ask unanimous consent that the junior Senator from Tennessee [Mr. GORE] may file a statement to be printed in the RECORD at the conclusion of the debate on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ANDERSON. Mr. President, I have prepared a statement with reference to a nuclear tanker project, with the idea of possibly submitting an amendment to authorize it. Under the circumstances, I ask unanimous consent to have the statement printed at this point in the RECORD, and I shall not submit any such amendment at this time.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR ANDERSON CONCERNING A NUCLEAR TANKER PROJECT

I had considered the desirability of offering an amendment to S. 4051, the AEC authorization bill as reported out by the Joint Committee. Naturally, of course, I would not want to offer an amendment to the bill after the Joint Committee has spent many weeks of deliberation on it. However, it has just developed within the last week that a very important project—namely, that of the nuclear propelled oil tanker—will not go ahead unless affirmative action is taken promptly by the Congress.

As my colleagues in the Senate know, the United States has long led the world in the field of nuclear ship propulsion because of the outstanding success of our nuclear submarine program under the direction of Rear Adm. Hymen G. Rickover, United States Navy. For many years the Joint Committee has also been interested in extending the field of nuclear ship propulsion to commercial applications. In 1955, shortly after I became Chairman of the Joint Committee, I established a special panel to study the impact of the peaceful uses of atomic energy, with Mr. Robert McKinney as chairman, who is now the United States delegate to the International Atomic Energy Agency. That panel made an outstanding report, and among other things indicated that the most promising area for the peaceful uses of nuclear ship propulsion was in the field of nuclear propelled oil tankers or ore carriers. I should like to quote briefly from page 77 of the panel's report as it was made to the Joint Committee:

"Atomic propulsion should have the best chance of being competitive in the case of large, high-powered ships which carry heavy bulk cargoes in unlimited supply and spend the maximum amounts of time at sea. Ships with these characteristics could utilize the heavy investment in nuclear powerplants to the maximum advantage and could employ effectively the space saved by eliminating fuel supplies to increase the cargo payload. The Maritime Administration considers oil tankers and bulk ore carriers the best examples of these types of commercial vessels. A modern oil tanker, for example, has a very large cargo payload and spends up to 90 percent of its life at sea. The fuel oil required by a tanker for a long voyage may amount to as much as 10 percent of the payload of oil delivered. The elimination of this fuel oil requirement by atomic power could be translated directly into an increased payload of oil. This could result in additional revenue for a single 20,000-ton tanker equal to about $1 million a year.

"At the present stage of development, many vessel types do not meet any of the requirements for effective utilization of atomic power. Size and speed of dry-cargo freighters is normally held down by availability of cargo; thus, extra hold space is at no premium. Ships which spend 50 percent or more of their lives in port being loaded or unloaded probably cannot obtain an adequate return on the high capital investment required in atomic marine engines."

The Joint Committee continued to study the subject of nuclear propulsion of commercial ships; and later that year when I appeared before the Senate Committee on Interstate and Foreign Commerce, I delivered a statement, in which I indicated that I believed that nuclear propelled oil tankers constituted the next desirable step. I should like to quote briefly from the statement I delivered before the Senate Commerce Committee in the spring of 1956:

"The McKinney panel report discusses the impact of nuclear propulsion on commercial shipping at page 78 of volume I. It concludes that, in general, atomic ship propulsion, if it becomes economically competitive, seems likely to have only good effects on the United States economy. The goal therefore should be economically competitive nuclear propulsion. At page 78 it is also stated that oil tankers appear to be the most logical candidates for atomic propulsion. The proper design and construction of a nuclear propelled oil tanker would seem to be the logical first step, therefore, and I hope that the Congress will enact the necessary legislation for this first step.

"SUMMARY

"The Joint Committee on Atomic Energy has long been interested in the design and construction of a nuclear-powered merchant ship, and our committee stands ready at all times to cooperate with your committee in the furtherance of this project. I believe that the findings and conclusions of the McKinney panel on this subject, as set forth in its January 1956 report to the Joint Committee, are sound and well-reasoned. It would appear, on the basis of the technical information furnished us to date, that our first step should be to design and construct a nuclear-powered oil tanker, and I hope that the Congress will provide the necessary authorizing legislation to proceed with this project. Many technical problems remain, but by starting now and by going forward with all our efforts along an intelligent, well-planned course, we can hasten the day when economic surface ship propulsion can become a reality."

Subsequently, the Congress authorized the nuclear ship *Savannah*, and I am glad to see that project moving forward. The Joint Committee on Atomic Energy is doing whatever it can to assist that project, including a study of the indemnity problems involved.

I believe that we are ready to commence work on a second nuclear-powered commercial ship, and that ship should be an oil tanker.

The AEC has been studying the possibility of installing a nuclear reactor in a 23,500-ton tanker designated as the T-5 now under construction in the Ingalls Shipbuilding Corp. at Pascagoula, Miss. Although this tanker may not be the perfect size for nuclear propulsion, because ultimately very large tankers would seem to be the most desirable, it appeared to be a good first step, and the hull is already under construction. Accordingly, after due study and the feasibility of the project was established, the Commission requested $7 million for a reactor for this ship from the Bureau of the Budget in its request for its fiscal year 1959 budget.

At a hearing before the Joint Committee on its fiscal year 1959 program on May 14, 1958, representatives of the Commission and the Bureau of the Budget testified that the project was still under study, and might be granted by the Bureau of the Budget in the Maritime Administration budget, if not in the AEC budget.

Finally, just last week, it developed that the Bureau of the Budget had finally turned the project down for this year.

I should like to quote briefly from a public hearing held last week before the Subcommittee on Research and Development under the chairmanship of my colleague, Representative MEL PRICE, at which Mr. PRICE was questioning Mr. Richard Godwin, Chief of Maritime Branch of the Division of Reactor Development, AEC.

I quote from pages 45 and 46 of the transcript:

"Representative PRICE. Do you have any comment with regard to the desirability of the tanker project?

"Mr. GODWIN. In this particular instance, the Atomic Energy Commission and the Maritime Administration have been studying what would be the second logical approach to commercial propulsion.

"After completing 2 years of study, it was determined that a boiling water reactor installed in a merchant vessel had the greatest potential to achieve economic nuclear propulsion. This would be the first kind to be put into ship service.

"We had hoped to use existing hulls to minimize the cost. Preliminary studies were

originated on a T–5 tanker in Mississippi, a rather large tanker of 22,500 tons, and it was determined that the boiling water reactor could be installed on the T–5. This proposal was recommended both by the Atomic Energy Commission and the Maritime Administration to be initiated as far as the detail design was concerned in fiscal year 1959.

"However, the Bureau of the Budget, in weighing this particular project against other projects, turned it down."

Again, at page 52 of the transcript it was indicated that Ingalls has recently been instructed to install conventional rather than nuclear propulsion equipment, unless this project is added to this bill. I quote briefly from the hearing in questions to Mr. Godwin by Mr. Toll, the Joint Committee staff counsel, at page 52 of the transcript:

"Mr. TOLL. It has not yet been authorized by the Bureau of the Budget or the Maritime Administration as a nuclear powered ship. Is that correct?

"Mr. GODWIN. The T–5?

"Mr. TOLL. Yes. Unless something is done, as now planned it will be a conventional type of ship.

"Mr. GODWIN. This is right. This week Ingalls was told to go ahead and install conventional equipment.

"Mr. TOLL. Regardless of which agency has overall charge, if it were to be a nuclear powered ship, if the Maritime Administration had overall charge, they would still transfer funds to the Atomic Energy Commission, is that correct?

"Mr. GODWIN. Yes.

"Mr. TOLL. Therefore, if funds could be made available directly to the Commission to get along with this job, it would be, in effect, the same. You would have the same effect as if it were to proceed under the Maritime Administration?

"Mr. GODWIN. That is right. All that has happened is that we consider this as another ship and the propulsion plant happens to be nuclear and since the AEC is responsible for that, we buy the nuclear plant from the AEC.

"The project would go along in an identical way either way."

As I mentioned at the outset, I had planned to submit this amendment because the necessity for it has developed only since the time the Joint Committee reported out its bill. The Joint Committee reported the bill on July 2, 1958; and it was only at the hearing a week later, July 9, 1958, that it was established that the nuclear oil tanker project would not go forward unless prompt action is taken by the Congress at this time.

I realize that this bill has already passed the House of Representatives without this project, but I feel it might have been well to add it to the bill in the Senate. However, I have examined the CONGRESSIONAL RECORD of July 14 and I noticed that both Mr. VAN ZANDT from the Republican side and Mr. PRICE from the Democratic side of the aisle made statements in support of a nuclear powered oil tanker project as soon as possible. Therefore, I hope that this proposal may later appeal to the Members of the House as well as the Senate.

Therefore I will put into the RECORD the following amendment to S. 4051. On page 5 between lines 12 and 13, insert the following:

"17. Project 59–d–17, reactor for oil tanker, $7 million."

In closing, I should like to point out that the urgency for a nuclear powered oil tanker has been graphically illustrated by the troubles in Iraq and the Near East of the past few days. A nuclear powered oil tanker would be able to carry oil from the Persian Gulf around the Cape of Good Hope to Europe or to the United States. A conventionally powered oil tanker on the other hand is not as well suited for this purpose. It has been because of the Near East situation and the unreliability of access to the Suez Canal that I have urged the development of nuclear powered oil tankers.

I hope that my colleagues in the Senate will later support this amendment, because I believe it represents a good step forward in the development of nuclear ship propulsion, and advancing the peaceful uses of atomic energy.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 4051) was ordered to be engrossed for a third reading, and was read the third time.

Mr. HUMPHREY. Mr. President, will the Senator from New Mexico yield to me?

Mr. ANDERSON. I am glad to yield.

Mr. HUMPHREY. Mr. President, I should like to ask several questions in regard to the bill.

First, I wish to commend the Senator from New Mexico for his fine leadership in the field of atomic energy, for his excellent address yesterday, and also for his work today in presenting this bill to the Senate.

As I understand, the bill outlines very definite procedures, as well as appropriations, for the peaceful development or peaceful use of atomic energy in the reactor field in particular.

There have been brought to my attention by the American Public Power Association the following information and the following request, and I should like to bring it to the Senator's attention and get his observations. I read from a letter which I received on July 9, 1958:

When S. 4051 comes up in the Senate for debate, it should, in our opinion, be amended so as to make the $51 million gas-cooled reactor (project 59–d–10) clearly a Federal atomic powerplant. This can be done by striking out section 110. In lieu of the present section 110, language could be substituted authorizing Federal construction and operation at the AEC installations at either Oak Ridge, Tenn., or Arco, Idaho, with the power used to meet AEC's own requirements.

What is the situation in the bill concerning that particular observation and suggestion?

Mr. ANDERSON. I wish to say to the able Senator from Minnesota that we tried very hard in this bill to avoid raising the question of public versus private power. I received a letter from the American Public Power Association, and I considered it carefully. I believed, after the decision taken by the joint committee and after the bill had been reported to the Senate and to the House, that it would have been unwise to try to strike section 110 from the bill.

The able Senator from Massachusetts [Mr. SALTONSTALL] presented some amendments to this particular section, which have been accepted and adopted by the Senate. I think it is far more important to do what the committee has tried to do, and what the Congress now has done, namely, provide a plant for the production of plutonium, and provide for certain studies with reference to other reactors, and also provide that time shall be given for private industry to seek to build a gas-cooled reactor.

The bill contains a provision under which the Atomic Energy Commission will have 30 days to make an announcement. Following such announcement, it will wait 60 days for proposals from private industry. Studies on the gas-cooled reactor were completed on April 1, 1958. So, in reality, private industry has had from April 1 until today to consider the matter. I admit that in advance, before anyone mentions it. But in addition to that, private industry will have 60 days after the first announcement by the Commission. In addition, if someone makes an offer which looks interesting, the Commission will have 90 days in which it may negotiate with the individual company. If the individual company then fails to contract to do the work, the Government is required to go ahead.

The Senator from Minnesota is going to have to take this matter on faith. A year ago we had before us provisions with reference to cooperative powerplants. The Senator from Minnesota was very vigorously contending for the Elk River plant. He had to take the assurances of the Joint Committee, on faith, that what we were trying to do was better than what was offered. The only proof I can show him is that today, under fine circumstances, the plant at Elk River is being constructed. It will be owned by the Federal Government and used by the cooperative, but there is no possibility that the funds of the cooperative can be jeopardized by the construction.

I might want to build every plant as a public plant or as a private plant, depending on my own personal inclinations; but that is not the way to get a program going. We should recognize that there are both public and private bodies in this field. We want to be fair to both.

After the bill had been reported, after it had been favorably commented on by many individuals, after the Joint Committee had committed itself to taking a certain course of action, this letter came. I can only say it came too late. I further believe that the language in the bill is good and will advance technological development in this field.

Mr. HUMPHREY. Will the Senator yield further?

Mr. ANDERSON. Yes, I am happy to yield.

Mr. HUMPHREY. The feeling I have is that the matter is not related to the public power-private power conflict, as such, and I know that conflict continues in many places in the Nation. What I am primarily concerned with is getting the projects under way. I am wondering if section 110 does not lend itself to undue delay. I mention that matter not because of the original 60-day provision, but if it looks as if there is a feasible project in the offing, additional time is permitted, which could lend itself to certain types of administrative procrastination.

Mr. ANDERSON. That is a fair analysis of the bill. What the Senator has said is absolutely true, but, at the same time, I say to him we were very anxious

to get this gas-cooled type of reactor built. In order to get it built we were willing to go to extreme lengths and be unduly lenient in the time given to private enterprise to make a proposal.

I want to reassure the Senator. This morning I talked with the president of an organization which I now understand is going to submit a proposal. I believe that organization will submit its proposal promptly. I do not know whether it will be a proposal which the Atomic Energy Commission can accept, but it involves some very interesting—I almost said radical—departures from what we have hitherto regarded as an acceptable type of gas-cooled reactor. If the purpose of this gas-cooled graphite-moderated project can be done that way, obviously there is no reason why the Federal Government should spend $51 million. I would rather have it put that money into a tanker.

While it is true that a bureaucracy, if it wished to do so, could delay matters, with a provision of 180 days, I am willing to give private industry a reasonable period to come up with a proposal. If it does not, in 60 days the Atomic Energy Commission will be able to move promptly on this front.

I am not trying to commit the new chairman of the Atomic Energy Commission, because he has not had an opportunity to study the matter. I have great faith he will go ahead. Mr. Vance seemed to be enthusiasticaly committed to going ahead with some sort of proposal. So far as I am concerned, I believe the Commission will.

Mr. HUMPHREY. I wish to say at this point, first of all, that I have the greatest reliance and faith in the word and advice of the Senator from New Mexico. My experience with him to date is one that lends itself to great faith in his adherence to his word. I am, however, deeply concerned over section 110.

I wish to state now that I shall carefully watch, as one Senator, the activities of the Atomic Energy Commission under the terms and provisions of section 110. I feel that there is a clear duty on the part of the Commission to expedite the developments under this particular section of the bill for a gas-cooled power reactor. I do not believe this language ought to be interpreted by anyone as being conducive to procrastination or as lending itself to undue delay. As I understand the purpose of the bill and of the Joint Committee, it is to get action, but at the same time not to exclude in the development of a gas-cooled power reactor the possibility of a private utility engaging in such an enterprise. This section, however, should not be interpreted to be a sort of stumbling block to forward progress.

Am I correct in my analysis, may I ask the Senator from New Mexico, as to the purpose and the objectives of the Joint Committee in its interest in the bill and in the report on the bill?

Mr. ANDERSON. The Senator is correct. We do not mean that this action shall foreclose public or private enterprise from entering this field.

I believe we have tried to say that it would be desirable to attempt to find out whether proposals would be made. If such proposals should be made, then there is a provision for 60 days in which the proposals can be received, and 90 days during which they can be negotiated. If no proposals are received within 60 days I have a feeling that the Atomic Energy Commission will go ahead with the construction itself.

I desire to say to the Senator that I believe that private industry should have an opportunity to come forward with a proposal. I hope it will be a satisfactory proposal in all respects and that the purpose can be accomplished. On the other hand, since it is an experimental project it may not be possible for private industry to swing it.

If the Senator from Minnesota is agreeable, it might be well to have printed in the RECORD at this point the memorandum of the American Public Power Association regarding the partnership program terms.

Mr. HUMPHREY. I hope the Senator will ask to have that printed.

Mr. ANDERSON. I have great respect for Mr. Alex Radin. I think he is a fine man and a good public official.

I therefore ask unanimous consent, Mr. President, in view of the colloquy between the Senator from Minnesota and myself, to have printed in the RECORD at this point the memorandum on partnership program terms in S. 4051 and the memorandum on gas-cooled atomic powerplant project in S. 4051.

There being no objection, the memorandums were ordered to be printed in the RECORD, as follows:

AMERICAN PUBLIC POWER ASSOCIATION,
Washington, D. C., July 8, 1958.

MEMORANDUM ON "PARTNERSHIP" PROGRAM TERMS IN S. 4051—THE ATOMIC ENERGY COMMISSION AUTHORIZING BILL

S. 4051, the authorizing bill for the Atomic Energy Commission, would expand the AEC partnership program for assisting utilities in the construction of developmental atomic powerplants, but under terms which will make further participation by the rural electric cooperatives and the local publicly owned systems impossible and will leave the field to the private power companies.

SECTION 109 EXPANDS "PARTNERSHIP PROGRAM"

Section 109 of S. 4051 would authorize an additional $20 million in Federal assistance for more "partnership" atomic power projects. The funds are not earmarked for any specific projects nor are there any pending projects for which the funds are needed. After the $20 million is authorized and appropriated, AEC will invite additional proposals from utilities and use the funds to assist projects which meet the terms of S. 4051 and the Commission's policies thereunder.

SUMMARY ANALYSIS

Unfortunately, S. 4051 proposes to make these funds available under essentially the same terms as those in the Atomic Energy Commission's current third invitation for proposals or third round under its power demonstration reactor program. These terms offer Federal aid in the form of research and development grants and fuel subsidies (waivers of AEC's 4-percent annual lease charge for uranium fuel), and free loans of heavy water. However, Federal assistance on capital costs is specifically excluded. An acceptable proposal must provide that the sponsoring utility will finance all plant construction costs and pay most of the abnormal operating expenses.

The private power companies can make proposals and finance developmental atomic power projects with Federal aid under these terms, but the local publicly owned systems and the rural electric cooperatives cannot. In its two previous invitations, AEC recognized this fact and provided capital financing for the reactor portion of projects proposed by municipal systems and rural cooperatives. In 1957, the Joint Committee on Atomic Energy and Congress approved this policy.

AEC's third invitation thus represented an important departure from previous Federal policy, and S. 4051 seems to represent a similar departure. Although the Commission has argued that since the same terms are offered to all types of utilities, the program is open to all on a nondiscriminatory basis, the fact is that this equality of opportunity is only theoretical. It is well-known that the nonprofit, consumer-owned systems cannot themselves finance the entire capital cost of atomic powerplants because of the abnormally high costs and risks involved. To make this a condition of the demonstration program is to freeze them out of further participation in it.

TERMS SUITED ONLY TO PRIVATE POWER COMPANIES

AEC's third round terms are workable for the private power companies but not for the consumer-owned systems because:

1. The private power companies are able to shift all or most of the abnormally high costs of an atomic-power project to their consumers. Except in a small minority of cases, State regulatory commissions are already allowing the private utilities to charge the full costs of these projects into their operating and capital expense accounts. They thus eventually will be covered by higher rates.

2. The private power companies generally are much larger than the consumer-owned systems. In addition, they form large combinations to finance atomic-power projects and so are able to spread the costs and risks over a large number of consumers and a large financial base. The only two private power companies undertaking atomic-power projects by themselves are the largest in the United States—Consolidated Edison (New York) and Pacific Gas & Electric (California)—and neither project is under AEC's demonstration program. Every private utility project proposed under the "partnership" program is being sponsored by an aggregation of private power companies.

3. On the other hand, the local publicly owned systems and the rural electric cooperatives are nonprofit operations, and most are smaller systems. They do not have the large financial resources needed to finance the entire capital cost of an atomic powerplant. In many instances, there also are legal limitations on investments in uneconomic projects. The rural electric cooperatives cannot borrow any funds from REA to finance a nuclear-power reactor, but are limited to financing only the conventional turbine-generator portion of an atomic-power facility.

4. The difficulties, legal and otherwise, of municipally owned systems and/or rural cooperatives combining to finance jointly the construction of a developmental, high-cost project like an atomic powerplant are so formidable as to make this a practical impossibility.

EARLIER POLICIES ALLOWED PARTICIPATION

In its first two invitations or "rounds" under the demonstration program, the Commission recognized that the financial and legal situations of the local publicly owned and rural electric cooperative systems required AEC financing and ownership of the reactor portion of an atomic-power project, and provided such assistance.

SECOND ROUND TERMS

The Joint Committee on Atomic Energy in 1957 approved this AEC policy and strengthened it in language which the Congress enacted into law in section 111 (a) (1)

of Public Law 85-162. This language specified the nature of the contract arrangements for the projects sponsored under the second round by rural cooperative and municipal systems, where AEC would finance and retain title to the reactor system and pay reactor operating costs, and the utility would provide the site and turbine-generating facilities and buy steam from AEC at the "going rate" for comparable steam from a conventional plant.

The provisions enabled the municipal systems and rural electric cooperatives to participate in the atomic power development program on terms which avoided placing undue financial burdens on them and at the same time provided no more Federal assistance than needed to cover the above-normal costs and risks of building and operating these experimental projects.

FOUR PROJECTS APPROVED

Under the terms of AEC's first and second invitations as revised by the Joint Committee and Congress in 1957, four projects proposed by rural electric cooperatives and local publicly owned system have been approved—those of Consumers Public Power District of Nebraska; Rural Cooperative Power Association, Elk River, Minn.; the city of Piqua, Ohio; and the Chugach (Alaska) Electric Association.

THIRD ROUND TERMS PRECLUDE PARTICIPATION

However, with the issuance of its third (and current) invitation in January 1957, the Commission in effect precluded any additional proposals under the demonstration program by the consumer-owned systems by foreclosing any Federal financing for reactor construction costs.

S. 4051 does not explicitly endorse this current AEC policy, but the Joint Committee report on the bill (S. Rept. 1793) states on page 13 that "In section 109 provision is made for extending the third round of the power reactor demonstration program by adding the amount of $20 million requested by AEC." It seems clear that S. 4051 intends the expanded partnership program to be conducted under the terms of the third round, except as modified by several subsections of section 109.

ADDITIONAL PUBLIC AND CO-OP PROJECTS ARE IN PUBLIC INTEREST

The earlier policies of the Commission and the Congress which did recognize and accommodate the differences between the consumer-owned utility systems and the private power companies should be reinstituted, in our opinion, as a matter of equitable treatment by the Government of the types of utility systems which make up the power industry in this country.

Beyond this, the consumer-owned systems wish continued opportunity to participate in order to further the development of economically feasible atomic powerplants in the 10,000-50,000 kilowatt size range. Their development is important if the smaller nonprofit utilities are to protect their long-run ability to compete, and to provide their consumers with adequate supplies of low-cost power.

Additionally, facilities of this size (10,000-50,000 kilowatts) would be useful to numerous industrial plants and to the underdeveloped countries of the world.

However, these smaller plants are of little interest to the relatively larger private utilities. If the rural cooperative and municipal systems are now excluded from further participation, the development of commercially practical plants in the 10,000-50,000 kilowatt size range is apt to be neglected, the role of the consumer-owned utilities in the power industry will be diminished, and their long-run competitive position—already difficult enough—may be endangered.

S. 4051 SHOULD RENEW SECOND-ROUND TERMS

Section 109 of S. 4051 should be amended, in our opinion, to make it clear that in administering the expanded demonstration program the Commission is authorized to participate in additional joint projects with rural electric cooperatives and locally publicly owned power systems on terms similar to those authorized for the second round in section 111 (a) (1) of Public Law 85-162.

SUGGESTED AMENDMENT TO SECTION 109 OF S. 4051

1. Section 109 is written as a series of amendments to Public Law 85-162, which was the AEC authorizing bill for fiscal year 1958, enacted last year. The amendment to S. 4051 suggested below would be an additional amendment of the language of Public Law 85-162.

2. The purpose of the suggested amendment is to make it clear that the additional $20 million which S. 4051 would authorize for the Commission's power reactor demonstration program, under which Federal aid is made available to utilities which sponsor developmental atomic power projects, is to be available not only under the terms of the Commission's third round but also under terms such as those of the second round. This would enable the local publicly owned systems and rural electric cooperatives to participate. The second round terms otherwise will not be available and it is financially impossible for local publicly owned systems and rural electric cooperatives to make proposals which are responsive to the terms of AEC's third invitation.

3. To accomplish this, it is suggested that section 109 of S. 4051 be amended by adding the following paragraph:

"(g) Funds appropriated to the Commission, pursuant to the authorization contained in subsection (a) of this section, shall be available to the Commission for cooperative arrangements on projects sponsored by local publicly owned electric systems and rural electric cooperatives, in addition to those approved under the second round of the Commission's power reactor demonstration program, on terms which make it financially feasible for these types of utilities to participate, such as the terms contained in subsection (a) (1) of this section."

AMERICAN PUBLIC POWER ASSOCIATION,
Washington, D. C., July 8, 1958.

MEMORANDUM ON GAS-COOLED ATOMIC POWER PLANT PROJECT IN S. 4051—THE AEC AUTHORIZING BILL

The 1959 construction authorization bill for the Atomic Energy Commission (S. 4051) poses a policy issue in respect to the one atomic power plant which it would authorize for construction.

In addition to this project, S. 4051 would authorize a plutonium production reactor at Hanford, convertible at some future time for power production, and this is an important project. The bill also would authorize five power reactor design studies by AEC, also a most desirable step forward.

The basic issue raised by S. 4051 is in respect to the only atomic powerplant for which construction is authorized—a 40,000 kilowatt gas-cooled reactor (project 59-d-10). In 1957, the Senate approved this as a Federal plant but was reversed by the House. The Senate and House compromised on a design study. In S. 4051, this project would be authorized under terms which make it almost certain that this will not be the first Federal atomic powerplant, but just one more project preempted by a private power company proposal under the cumbersome arrangements of the AEC "partnership" program.

S. 4051 would authorize $51 million for Federal construction of the plant, but section 110 of the bill would allow AEC a total of 90 days to receive "partnership" proposals from utilities to finance, build and operate the plant on their system with the usual Federal research and development grants and fuel subsidies. An additional 90 days is allowed for the negotiation of contracts for this Federal aid. Only if no satisfactory contract proposal is received and negotiated within the time limits would this plant be undertaken as a Federal project.

Considering the long and unyielding opposition by the private power companies to any sizable Federal plants, it is reasonable to expect them to submit one or more proposals in order to prevent Federal construction of this project. (The terms of S. 4051 are such as to preclude a municipal electric system or rural electric cooperative from submitting an acceptable proposal.) S. 4051 thus compromises virtually to the point of surrender on the longstanding issue of whether the private power companies are to continue to prevent any full-scale Federal atomic powerplants and the initiation of a fully effective United States atomic power development program.

RETREAT GOES TOO FAR

This issue has been before the Senate repeatedly beginning with the debate on the Atomic Energy Act of 1954, and the Senate has always stood firm. During the 1954 debate, the Johnson amendment (Senator Ed Johnson of Colorado) to empower the Atomic Energy Commission to build atomic powerplants—either itself or in concert with Federal power agencies—and to authorize power marketing under the preference clause, was passed by the Senate but defeated in the House. In 1956, the Gore-Holifield bill to authorize AEC to build some large developmental plants at AEC sites and some small advanced reactors was passed by the Senate and lost in the House by only 12 votes.

In 1957, a majority of the Joint Committee on Atomic Energy took the initiative to accelerate the atomic power program by recommending authorization of $40 million for a Federal 40,000 kilowatt gas-cooled atomic powerplant, over the objections of AEC. This project lost in the House but was approved by the Senate. The difference was compromised by approving a design study, which provided the basis for the gas-cooled power project now in S. 4051. Thus, the Senate has consistently upheld the principle of Federal atomic powerplants but has adopted progressively more modest proposals in an effort to reduce opposition.

S. 4051 makes a further retreat from the Johnson amendment and the Gore-Holifield bill. Considering the importance of the principles and the program involved, we strongly believe that this retreat goes too far. The modest 40,000-kilowatt plant which has survived should not be authorized on terms which virtually abandon the position that the Government has a responsibility to take a much more positive role in the atomic power program.

SECTION 110 SHOULD BE STRICKEN OUT

Section 110 of S. 4051 should be deleted, and language substituted authorizing Federal construction at the AEC installations at either Oak Ridge, Tenn., or Arco, Idaho, with the power to be used by the Commission.

JUSTIFICATION FOR STRIKING SECTION 110

The reasons for striking out section 110 are:

1. For 4 years, AEC has been trying to get full-scale developmental atomic powerplants built under the partnership policy. Numerous projects have been proposed, primarily by private power company combinations, and several are under construction, but every partnership project has experienced delays of

1 to 3 years due to technical problems and consequent cost increases. None will be completed for another 2 years or more. The only full-scale power reactor completed to date (on schedule) is the pressurized water reactor at Shippingport, Pa.—a federally financed reactor built under the leadership of Admiral Rickover.

The time limits in section 110 do not remedy this consistent weakness in the partnership policy. They limit delays due to obtaining proposals and negotiating contracts, but there is no assurance that the project will in fact be built, if unforseen problems arise, or will be built on schedule. Only the Federal Government has this capability.

2. There is no assurance against the likelihood that a privately financed project would cut corners on experimental features in order to save money, thus reducing the value of the plant for experimentation and development—its chief purpose.

3. A partnership project is conducted under the technical guidance of the sponsoring utilities and their contractors, with only such help as they request from the AEC national laboratories. This reduces materially the participation of the best reactor development organizations we have—the national laboratories. On a Federal project, the national laboratories would play a much more active role, with great benefit to the quality of the reactor and to its value as a developmental project.

In 1957, the Joint Committee majority in recommending the gas-cooled reactor as a Federal plant urged that AEC assign this project to Admiral Rickover, in light of his highly successful leadership of the PWR (Shippingport) project, with the design and development work being at AEC's Bettis Laboratory near Pittsburgh—which developed the PWR and the very successful submarine reactors.[1]

Another possibility is AEC's Oak Ridge National Laboratory. Oak Ridge has made engineering studies of this specific plant now proposed and its interest in this reactor type dates back to 1944, but it has never been allowed to go ahead with it.

4. All technical and economic data derived from the development, design, construction, and operation of a Federal plant would be in the public domain—available to all industrial firms, large and small alike. This condition would materially speed general technical progress and also be an important safeguard against a few giant corporations gaining effective control over atomic power technology through patents and trade secrets.

5. The partnership approach has stimulated the formation of private utility combinations all over the country. At one time, the Government took the initiative in breaking up power company combines; the present partnership policy is turning back the clock and actually encouraging their formation. S. 4051 may stimulate the formation of still another private power company combination unless section 110 is stricken out.

6. Section 110 speaks of cooperative; that is, partnership arrangements with public, private, or cooperative power groups but the municipal systems and rural electric cooperatives cannot, for financial and legal reasons, propose to design, construct and operate the reactor at its own expense. They would not want to saddle their consumers with the abnormal costs of a developmental plant even if able to do so. S. 4051 opens the door wide to partnership proposals from the private power companies but by its terms excludes the municipals and the rural electric cooperatives.

7. The private power companies have known about the Joint Committee's direct interest in the gas-cooled reactor concept for more than a year but have shown no interest in proposing a partnership project. Why, then, should the Government continue to temporize on going ahead on a Federal basis? Why should S. 4051, by posing a showdown alternative of either a proposal in 90 days or a Federal plant, force the utilities to do for ideological reasons what they have not wanted to do for technical or economic reasons, and force their power consumers to pay for it?

8. The deletion of section 110 and the establishment of this one project as a Federal undertaking would not hinder or interfere with the AEC partnership program. As a matter of fact, S. 4051 includes authorization of another $20 million to provide Federal subsidies to as yet unproposed and unidentified utility partnership projects—and incidentally under terms which serve effectively to exclude the municipally owned systems and rural electric cooperatives.

RECOMMENDED AMENDMENT TO S. 4051 ON THE GAS-COOLED ATOMIC-POWER PLANT

1. The present section 110 of the bill should be stricken out.

2. To eliminate possible controversy over the marketing of the power produced by a Federal atomic-power plant, the following new section 110 should be substituted:

"SEC. 110. Gas-cooled power reactor: The gas-cooled power reactor and associated generating facilities authorized in section 101 of this act, project 59-d-10, shall be developed, designed, and constructed by the Commission under the technical leadership of a Commission national laboratory, and constructed at the Commission site at either Oak Ridge, Tenn., or Arco, Idaho. The electric energy generated shall be used by the Commission in connection with the operation of the Commission facilities at such site."

Mr. HUMPHREY. I hope the Senator from New Mexico will give me a moment more of his time, because section 109 of the bill is also of vital interest.

Mr. HICKENLOOPER. Mr. President, I notice that the Senator has been discussing section 110, I believe, and I should like to clear up one point, to be sure there is no misunderstanding in the RECORD.

It is my understanding it has been quite well agreed that the intention of the sponsors of the proposed legislation is that if purely private sources—whether a public source far removed from the Atomic Energy Commission, or private enterprise, or some combination of such sources—should build a gas-cooled reactor, or should start to build one, there would be no compulsion on the Atomic Energy Commission to duplicate the work by building another gas-cooled reactor, since one was already being constructed.

Mr. ANDERSON. Yes; if it were the same.

Mr. HICKENLOOPER. That is different from the coperative provision of section 110, which has been discussed. There is a provision about not duplicating the facilities.

Mr. ANDERSON. The Senator is entirely correct. If it is the same type of reactor and occupies the same time scale, there would be no point in spending $51 million of Federal money to build a duplicate plant.

Mr. HUMPHREY. However, the Federal Government could well build a gas-cooled reactor which might be of some different type of development from the one undertaken by an entirely private or other public source?

Mr. ANDERSON. The Senator is correct. I think a private power group which calls itself the Florida public power group, though it is a private utility, plans to build a gas-cooled reactor. That is quite different from what we are contemplating, because it would be a heavy water moderated reactor. I am sure the Atomic Energy Commission would say, "We want a certain thing done, and if private enterprise is doing about what we want done, we will be satisfied. If private enterprise is not doing so, we have the authority to go ahead by ourselves."

I trust the Atomic Energy Commission would do that.

Mr. HUMPHREY. I remember vividly the debate over the amendment of the Atomic Energy Act of 1954. I believe in that debate and in the ultimate conclusion relating to the amendment we set forth firmly the responsibility of the Federal Government and the Atomic Energy Commission to do developmental and pioneering work in the field of atomic energy for reactors; that is, for the creation of the many types of reactors which may be available or usable in power development. Therefore, I want to be sure at the present time we are doing nothing more than to implement the earlier decision, and to broaden its purpose. Is that the understanding of the Senator from New Mexico?

Mr. ANDERSON. I want to be very careful when I answer the Senator, because I do not want the legislative history to show that the bill would do nothing more than what was done in 1954.

Mr. HUMPHREY. I said it was our desire to implement and broaden the purpose.

Mr. ANDERSON. Everything we are seeking to do is in furtherance of the previous act, and will help it on its way. There are many things which are being done by private companies, and things which are contemplated which may not be fully accomplished, which will tremendously advance the art. I want to be perfectly free to utilize all those things.

The bill as at present drawn represents a long study by the joint committee. I believe, when the design studies are incorporated, we have included all the promising things which need to be included at the present time.

Mr. SALTONSTALL. Mr. President, will the Senator yield on that point?

Mr. ANDERSON. I yield.

Mr. SALTONSTALL. I should simply like to check my understanding with respect to one statement which was made by the Senator from Minnesota. I wonder about how strictly accurate was the answer given by the Senator.

It is my understanding that some private industry and some private utilities are working together and doing research work on atomic reactors, and that they are doing so both on their own and in cooperation with the Atomic

[1] See S. Rept. No. 791, 85th Cong., 1st sess. on S. 2674 (AEC authorizing bill) dated August 2, 1957, p. 25ff. This report discusses the natural uranium gas-cooled reactor project recommended in 1957 by the Joint Committee. The gas-cooled reactor in S. 4051 would use slightly enriched uranium fuel but is otherwise substantially the same project.

Energy Commission, so the responsibility is not completely that of the Atomic Energy Commission.

Mr. ANDERSON. Very definitely. For example, only a short time ago there was a plant in California which was discussed, which was to be built by the Pacific Gas & Electric Company of Eureka. That plant is being engineered by the Bechtel Corp., and a great deal of the work will be done by the General Electric Co., in planning for it. I think the plant has some promise of developing electric current at a very reasonable price. Every incentive should be given and is being given to that work.

Mr. SALTONSTALL. That is true in Massachusetts, also.

Mr. ANDERSON. Yes, indeed.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. HUMPHREY. I feel this is a general situation throughout the country. In many areas this type of atomic reactor development is under way.

I solicit the attention of the Senator from Massachusetts. The Senator from Minnesota said that the Atomic Energy Commission has the responsibility to see to it that the peaceful development of atomic energy is accomplished in the United States. That does not mean the Atomic Energy Commission has to do all the work itself, all alone, as a public activity. The Commission should encourage private enterprise and should cooperate with private enterprise in the work, as well as with the rural electric cooperatives in the development of pilot and protoytpe plants.

Even though private sources undertake these activities, the Atomic Energy Commission itself may develop the facilities needed.

Mr. SALTONSTALL. The Commission is to stimulate whenever it can and to develop whenever it has to.

Mr. HUMPHREY. Yes.

There is another question I should like to ask the Senator from New Mexico, which relates to section 109, the so-called partnership program, and its relation to the rural electric cooperatives.

I have been led to understand that the bill would authorize an additional $20 million for expansion of the AEC demonstration program, for assisting utilities in the construction of developmental atomic powerplants.

There is a feeling on the part of some that the language is restrictive and that it could result in terms which would make it rather difficult or impossible for the rural electric cooperatives and local publicly owned power systems to participate further in this program.

Mr. ANDERSON. I will say to the Senator that the language is restrictive; there is no secret about that. The provision is for $20 million, which will largely go to private utilities.

I will repeat what I said a moment ago. We have tried to reach some sort of a balance. In the cooperative program under the second round, we tried to take care of a great number of cooperatives. It could be said that was discriminatory against the private companies. Now we have a provision to help the private companies.

I will suggest to the Senator that after the survey in the field we did not think there were cooperative projects coming along for which we needed to appropriate money at this time. When the projects are ready, I believe the money will be available.

Mr. HUMPHREY. Am I correctly informed that research and development grants and fuel subsidies are available to the cooperatives under the $20 million, but that there is no capital grant such as was given under the second round provisions we agreed to last August?

Mr. ANDERSON. I think that is correct. When the Senator says "fuel subsidies" with respect to cooperatives, from the $20 million, I am not so certain. I think fuel charges may be waived under the third round, but there may be some question as to whether this would apply to cooperatives since the Government would own the reactor and the facility would not be licensed. I believe that is a technical and legal question. I hope the Senator will realize that I am not a lawyer, and I do not wish to become involved in this program by my answers.

Mr. HUMPHREY. All I wish to make clear is whether section 109 further excludes cooperative participation at this stage in the program.

Mr. ANDERSON. I think it practically excludes them, because the Government must finance them completely. Therefore, we shall require another program, as we did in round two, permitting the Government to pay the entire cost, as at Elk River, and as has been suggested at other spots.

Mr. HUMPHREY. The Senator is always candid, and tells us what the situation is.

My second question is, Were there any requests from rural electric cooperatives for further grants under this type of experimental pilot and prototype plant program?

Mr. ANDERSON. No, there were not; and that is why we did not feel that we had to make extra money available.

Mr. HUMPHREY. Are we to interpret this particular section of the bill as being a policy statement, to the effect that there will be no further grants to rural electric cooperatives?

Mr. ANDERSON. Not at all.

Mr. HUMPHREY. In other words, what we are dealing with is the present situation, relating to the applications which have been advanced to the Atomic Energy Commission and brought to the attention of the Joint Committee on Atomic Energy.

Mr. ANDERSON. That is correct.

Mr. HUMPHREY. We are dealing with facts as they are, and not making long-range policy in this particular authorization.

Mr. ANDERSON. That is correct. The Atomic Energy Commission, as the Senator pointed out, and as we all know, is charged with the duty of developing this field. It moved ahead very strongly in the cooperative field under the bill of last year as we amended it. This year the emphasis seems to be on trying to develop some of the facilities upon which private utilities need to work. Therefore the authorization is put where the apparent need exists at the present time.

I assure the Senator that everything that needs to be done for the cooperatives and the publicly owned utilities has been done in this bill.

Mr. HUMPHREY. I conclude my remarks by saying that I am refreshed by the observations and statements of the Senator from New Mexico as to the policies which are being pursued. I am hopeful that when and if there is need for further capital grants under the pilot and prototype plant developmental program of the Atomic Energy Commission for reactors, the Rural Electric Cooperatives will be included when such applications are made. As I understand, we make these authorizations for appropriations every year. Therefore, if next year a rural electric cooperative is able to present a reasonable and feasible project to the Atomic Energy Commission, I trust that the Joint Committee on Atomic Energy will follow through, as it did in August 1957 with the authorizations for the appropriations which are necessary for this kind of development.

My concern is that some people may attempt to interpret the bill upon which we are acting as being essentially and wholeheartedly a private power bill.

I am not one who believes that everything ought to be public power, nor do I believe that everything ought to be private power. I think there should be a balance. What I am mainly concerned with is that we must advance development in the field of atomic energy reactors. I believe that a fair interpretation of the Atomic Energy Act, as amended, so far as the peaceful uses of atomic energy are concerned, is that the Nation, through private enterprise, cooperative enterprise, and public enterprise, should proceed as rapidly as possible in the development and perfection of atomic energy reactors. I believe that is a fair analysis of the purpose of the act.

Mr. ANDERSON. Let me say to the Senator from Minnesota that I have attended many meetings of the Joint Committee when it was dealing with this question. I have never yet seen any indication that any member of the Joint Committee would bar the cooperatives from participation in the program; and I hope no member of the committee would bar private utilities from participation in the program.

I think the committee has been fair. I have no reason to believe that it will be other than fair in the future.

It so happens that at one time there is a little extra emphasis on cooperatives; and the next time there may be some extra emphasis somewhere else. But the program must be one which the Atomic Energy Commission evolves after careful study and long discussion with the Joint Committee. I believe this bill follows that pattern.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks, in the colloquy between myself and the distinguished Senator from

New Mexico, a letter which I have received from Mr. Alex Radin, of the American Public Power Association, as well as a letter from Mr. James G. Patton, president of the National Farmers Union.

The substance of the letters has been discussed in the colloquy among Senators, and I believe we have gained a great deal of useful and valuable information as to the purposes and policies which are being authorized in the bill.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NATIONAL FARMERS UNION,
Washington, D. C., July 11, 1958.

Hon. HUBERT H. HUMPHREY,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HUMPHREY: We are writing you to present our views on S. 4051, "A bill to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended." We are convinced that the public interest in our great atomic energy resources requires amendment of this bill before passage. We in the National Farmers Union feel that the people's stake in the development of this new energy resource must be protected, free from the tentacles of monopoly, and to keep this country in the forefront of atomic power development.

During the legislative battle over enactment of the Atomic Energy Act of 1954, farm, labor, and consumer groups supported the concept of atomic energy as a power resource of the people. They took the position that, in connection with the encouragement of private development of atomic power, there should also be opportunity for Federal development on behalf of the people themselves, with the power marketed under the traditional preference provision.

It was stated on the Senate floor:

"The flowing stream is regarded as a natural resource belonging to the people. Therefore, for many years, so far as I can recall, every single power bill which has been enacted relating to the use of the natural resource of the flowing water has contained a preference clause for the benefit of public bodies, municipal systems, State-owned systems, and REA's.

"Are plutonium and uranium, refined at the taxpayers' expense, any less natural resources belonging to the people than the water in a flowing stream?" (CONGRESSIONAL RECORD, volume 100, part 8, page 10483.)

The people lost out in 1954 in the battle for a provision enabling them to share with private companies in the development of their vast new energy resource, although the necessary amendment, introduced by Senator JOHNSON of Colorado, passed the Senate. But in subsequent Congresses, the battle continued over what was known as the Gore-Holifield bill, to authorize the Atomic Energy Commission itself to build demonstration atomic powerplants as well as to assist in private construction of such facilities. Here again, although passed by the Senate, the proposal was blocked in the House.

While the present authorization bill was in process of preparation, it was the hope of our people that the entire field would not be left, so far as large demonstration plants are concerned, to private development. It was our expectation that the principle of the people's right to share in the development of their great modern energy resource through several large-scale all-Federal plants would be preserved.

The authorization bill makes a pretense of authorizing funds for such a Federal project, in addition to those to be undertaken under the partnership program, and then opens the door wide for a private power group to take it over under the same partnership program. The final decision as to whether this full-scale prototype atomic power plant is to be undertaken by the Government is left, not with the Joint Committee, not with Congress, but with the private power combine.

We are convinced that only by an amendment striking section 110 from the bill (S. 4051) can Congress avoid falling into a trap which would open the way to domination of atomic power development by private monopoly. We feel that the people are entitled to sufficient Federal participation from the start so that companies cannot claim to have "staked out" the entire atomic power field.

With the elimination of section 110, and the substitution of language authorizing Federal construction at the AEC installations at either Oak Ridge, Tenn., or Arco, Idaho, we are convinced that enactment of the bill will represent a step forward. It will help keep the United States in the running in the stiff competition with England and Russia for leadership in the atomic power field.

We trust we can count on your support to assure perfection of this bill in terms of the country's great stake—both national and international—in the development of atomic power.

Sincerely,
JAMES G. PATTON, *President.*

AMERICAN PUBLIC POWER ASSOCIATION,
Washington, D. C., July 9, 1958.

The Honorable HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HUMPHREY: The American Public Power Association is seriously concerned about two aspects of S. 4051, the bill to authorize construction projects for the Atomic Energy Commission, recently reported out by the Joint Committee on Atomic Energy. The bill does provide for a number of projects and design studies, in addition to those requested by the Atomic Energy Commission. These projects and design studies represent laudable steps forward in the atomic power development program.

However, the only atomic powerplant for which the bill authorizes construction is a 40,000 kilowatt gas-cooled reactor. This project would be authorized under terms (in sec. 110) which make it almost certain that this will become another partnership proposal sponsored by a private power company instead of a Federal project, despite the authorization of sufficient funds for a Federal plant. Although this project was approved as a Federal plant by the Senate last year, it was defeated in the House, and the Congress finally compromised on a design study. We are most concerned that the terms of S. 4051 compromise the issue further to the point of abandoning, for all practical purposes, the effort to authorize this as a Federal undertaking.

The atomic power development program is lagging and it continues to need strengthening through the addition of some Federal projects. Although the opponents of any Federal atomic powerplants have succeeded in blocking them in past years, this issue should not be abandoned.

When S. 4051 comes up in the Senate for debate, it should, in our opinion, be amended so as to make the $51 million gas-cooled reactor (project 59-d-10) clearly a Federal atomic powerplant. This can be done by striking out section 110. In lieu of the present section 110, language could be substituted authorizing Federal construction and operation at the AEC installations at either Oak Ridge, Tenn., or Arco, Idaho, with the power used to meet AEC's own requirements. I am enclosing a memorandum which explains the issue in more detail and the reasons why be believe section 110 of the bill should be stricken out. A suggested amendment is enclosed.

The second aspect of S. 4051 which concerns us is section 109. This authorizes an additional $20 million for expansion of the AEC demonstration program for assisting utilities in the construction of developmental atomic powerplants, but does so on terms which would make it impossible for the rural electric cooperatives and the local publicly owned power systems to participate further in this program. The funds are for no particular projects and will allow AEC to invite additional proposals. We believe that S. 4051 should be amended so that the terms of the AEC invitation will make it financially feasible for the consumer-owned utilities, as well as the private power companies, to submit proposals.

I am enclosing a memorandum explaining this issue also, together with a suggested amendment to section 109 of S. 4051.

I should like to urge you to sponsor or support such amendments, and would be glad to talk with you about this.

Sincerely,
ALEX RADIN.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. KEFAUVER. I also received a letter—as did all Senators—from the American Public Power Association. I wish to associate myself with the points of view expressed by the Senator from Minnesota, and to thank the distinguished Senator from New Mexico for his full and fair explanations.

I wish to ask two questions. As I understand, subsection (a) of section 110 allows a total of 180 days—30 days in which to issue a notice, 60 days in which to wait for an offer or proposal, and 90 days thereafter to negotiate a contract in the event a proposal is received.

Mr. ANDERSON. That is correct.

Mr. KEFAUVER. Of course, if no proposal is received, the Commission can negotiate under project 59-d-10 after the expiration of 60 days. Is that correct?

Mr. ANDERSON. I do not believe that is correct. I believe that if no proposal were received within 60 days the Commission would probably decide that there was not much interest in the project, and would proceed to build the plant itself.

Mr. KEFAUVER. That is what I meant.

It is provided in subsection (b), however, that in the event the Commission does not receive a satisfactory proposal under subsection (a)——

Mr. ANDERSON. I had forgotten that the Senate adopted an amendment offered by the Senator from Massachusetts [Mr. SALTONSTALL], to the effect that, even though the Commission did receive a proposal within 60 days, but was satisfied that a private development was along the line it wanted, it would not proceed to build the project by itself. I had overlooked that fact. I was so sure in my own mind—and I believe everyone else was sure—that if a satisfactory private project came along no one would want the Atomic Energy Commission to jump in and duplicate it, that I did not consider any other possibility. However, the situation is clarified by the amend-

ment offered by the Senator from Massachusetts.

Mr. KEFAUVER. I understand. In the event a reactor is built by the Commission, and no private proposal has been made, it is provided in subsection (d) that the electric energy shall be used by the Commission in connection with the operation of such installation. Is it contemplated that there will be any electricity for sale from the reactor?

Mr. ANDERSON. No. Let us take an example. Suppose a reactor were to be built at Arco. There is a substantial need at Arco for current; and if a gas-cooled reactor were built and tested, and it developed a little current, the power would be used at Arco. It would not be offered for sale. It could be interchanged, but it would not be offered for sale.

Mr. KEFAUVER. If any of it is to be sold, I wondered whether the preference law would apply to any installation built by the Atomic Energy Commission.

Mr. ANDERSON. There will not be a sale. I should like to say to the Senator from Tennessee that if we start to put in preference clauses and provide for sales, we probably will not have a gas cooled reactor built for years. I say that because there are strong opinions on both sides of the question. If we can go ahead and build a gas-cooled reactor, then either public or private utilities can pick it up from there and build their own plants at a later date. Then there will be plenty of time to discuss the question as they see it. However we do not contemplate that the current will be sold. It will be used at the site or exchanged, but it will not be sold.

Mr. KEFAUVER. In other words, we are not establishing a precedent which will be used later against the preference clause.

Mr. ANDERSON. No. I have engaged in a good many discussions over public and private power. This is not the time to take it up one way or another, but only to get around the delays which might occur if we tried to settle all the questions at the one time.

Mr. KEFAUVER. I congratulate the Senator from New Mexico on his leadership in bringing the bill to the Senate and in discussing it. I am glad the program is moving along.

Mr. ANDERSON. I thank the Senator from Tennessee.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. MORSE. I join the Senator from Tennessee in congratulating the Senator from New Mexico [Mr. ANDERSON], the Senator from Washington [Mr. JACKSON] and the other members of the Joint Committee on Atomic Energy for bringing the bill to the Senate. However, I do not want someone to turn back to the CONGRESSIONAL RECORD of July 15, 1958, and say, "MORSE, where were you on July 15, 1958? Why didn't you seek to improve the bill and protect the public from some serious defects?" I do not want them to ask me that if certain critical contentions can be made in the future about this bill. Therefore I want to make a legislative history on the pending bill.

Therefore I rise to establish the legislative history on some points which concern me. I associate myself with everything the Senator from Minnesota [Mr. HUMPHREY] and the Senator from Tennessee [Mr. KEFAUVER] have said by way of the legislative history which they have just established on the floor of the Senate. I too have received a letter from the American Public Power Association. I ask unanimous consent that it may be incorporated in the RECORD as a part of my remarks, along with the memorandum which is attached to it.

Mr. KEFAUVER. It has already been placed in the RECORD.

Mr. MORSE. The letter is addressed to me, and I should like to have it printed in my own remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN PUBLIC POWER ASSOCIATION,
Washington, D. C., July 9, 1958.

The Honorable WAYNE MORSE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MORSE: The American Public Power Association is seriously concerned about two aspects of S. 4051, the bill to authorize construction projects for the Atomic Energy Commisison, recently reported out by the Joint Committee on Atomic Energy. The bill does provide for a number of projects and design studies, in addition to those requested by the Atomic Energy Commission. These projects and design studies represent laudable steps forward in the atomic power development program.

However, the only atomic powerplant for which the bill authorizes construction is a 40,000 kilowatt gas-cooled reactor. This project would be authorized under terms (in sec. 110) which make it almost certain that this will become another "partnership" proposal, sponsored by a private power company instead of a Federal project, despite the authorization of sufficient funds for a Federal plant. Although this project was approved as a Federal plant by the Senate last year, it was defeated in the House, and the Congress finally compromised on a design study. We are most concerned that the terms of S. 4051 compromise the issue further to the point of abandoning, for all practical purposes, the effort to authorize this as a Federal undertaking.

The atomic power-development program is lagging and it continues to need strengthening through the addition of some Federal projects. Although the opponents of any Federal atomic powerplants have succeeded in blocking them in past years, this issue should not be abandoned.

When S. 4051 comes up in the Senate for debate, it should, in our opinion, be amended so as to make the $51 million gas-cooled reactor (project 59-d-10) clearly a Federal atomic powerplant. This can be done by striking out section 110. In lieu of the present section 110, language could be substituted authorizing Federal construction and operation at the AEC installations at either Oak Ridge, Tenn., or Arco, Idaho, with the power used to meet AEC's own requirements. I am enclosing a memorandum which explains the issue in more detail and the reasons why we believe section 110 of the bill should be stricken out. A suggested amendment is enclosed.

The second aspect of S. 4051 which concerns us is section 109. This authorizes an additional $20 million for expansion of the AEC demonstration program for assisting utilities in the construction of developmental atomic powerplants, but does so on terms which would make it impossible for the rural electric cooperatives and the local publicly owned power systems to participate further in this program. The funds are for no particular projects and will allow AEC to invite additional proposals. We believe that S. 4051 should be amended so that the terms of the AEC invitation will make it financially feasible for the consumer-owned utilities, as well as the private power companies, to submit proposals.

I am enclosing a memorandum explaining this issue also, together with a suggested amendment to section 109 of S. 4051.

I should like to urge you to sponsor or support such amendments, and would be glad to talk with you about this.

Sincerely,

ALEX RADIN.

AMERICAN PUBLIC POWER ASSOCIATION,
Washington, D. C., July 8, 1959.

MEMORANDUM ON PARTNERSHIP PROGRAM TERMS IN S. 4051—THE ATOMIC ENERGY COMMISSION AUTHORIZING BILL

S. 4051, the authorizing bill for the Atomic Energy Commission, would expand the AEC partnership program for assisting utilities in the construction of developmental atomic powerplants, but under terms which will make further participation by the rural electric cooperatives and the local publicly owned systems impossible and will leave the field to the private power companies.

SECTION 109 EXPANDS PARTNERSHIP PROGRAM

Section 109 of S. 4051 would authorize an additional $20 million in Federal assistance for more partnership atomic-power projects. The funds are not earmarked for any specific projects nor are there any pending projects for which the funds are needed. After the $20 million is authorized and appropriated, AEC will invite additional proposals from utilities and use the funds to assist projects which meet the terms of S. 4051 and the Commission's policies thereunder.

SUMMARY ANALYSIS

Unfortunately, S. 4051 proposes to make these funds available under esentially the same terms as those in the Atomic Energy Commission's current third invitation for proposals or third round under its power demonstration reactor program. These terms offer Federal aid in the form of research and development grants and fuel subsidies (waivers of AEC's 4 percent annual lease charge for uranium fuel), and free loans of heavy water. However, Federal assistance on capital costs is specifically excluded. An acceptable proposal must provide that the sponsoring utility will finance all plant construction costs and pay most of the abnormal operating expenses.

The private-power companies can make proposals and finance developmental atomic-power projects with Federal aid under these terms, but the local publicly owned systems and the rural electric cooperatives cannot. In its two previous invitations, AEC recognized this fact and provided capital financing for the reactor portion of projects proposed by municipal systems and rural cooperatives. In 1957, the Joint Committee on Atomic Energy and Congress approved this policy.

AEC's third invitation thus represented an important departure from previous Federal policy and S. 4051 seems to represent a similar departure. Although the Commission has argued that since the same terms are offered to all types of utilities, the program is open to all on a nondiscriminatory basis, the fact is that this equality of opportuntiy is only theoretical. It is well known that the nonprofit, consumer-owned systems cannot themselves finance the entire capital cost of atomic powerplants because of the abnormally high costs and risks involved. To make this a condition of the demonstration program is to freeze them out of further participation in it.

TERMS SUITED ONLY TO PRIVATE POWER COMPANIES

AEC's third round terms are workable for the private power companies but not for the consumer-owned systems because:

1. The private power companies are able to shift all or most of the abnormally high costs of an atomic power project to their consumers. Except in a small minority of cases, State regulatory commissions are already allowing the private utilities to charge the full costs of these projects into their operating and capital expense accounts. They thus eventually will be covered by higher rates.

2. The private power companies generally are much larger than the consumer-owned systems. In addition, they form large combinations to finance atomic power projects and so are able to spread the costs and risks over a large number of consumers and a large financial base. The only two private power companies undertaking atomic power projects by themselves are the largest in the United States—Consolidated Edison (New York) and Pacific Gas & Electric (California)—and neither project is under AEC's demonstration program. Every private utility project proposed under the partnership program is being sponsored by an aggregation of private power companies.

3. On the other hand, the local publicly owned systems and the rural electric cooperatives are nonprofit operations, and most are smaller systems. They do not have the large financial resources needed to finance the entire capital cost of an atomic powerplant. In many instances, there also are legal limitations on investments in uneconomic projects. The rural electric cooperatives cannot borrow any funds from REA to finance a nuclear power reactor, but are limited to financing only the conventional turbine-generator portion of an atomic power facility.

4. The difficulties, legal and otherwise, of municipally owned systems and/or rural cooperatives combining to finance jointly the construction of a developmental, high-cost project like an atomic powerplant are so formidable as to make this a practical impossibility.

EARLIER POLICIES ALLOWED PARTICIPATION

In its first two invitations or rounds under the demonstration program, the Commission recognized that the financial and legal situations of the local publicly owned and rural electric cooperative systems required AEC financing and ownership of the reactor portion of an atomic power project, and provided such assistance.

SECOND ROUND TERMS

The Joint Committee on Atomic Energy in 1957 approved this AEC policy and strengthened it in language which the Congress enacted into law in section 111 (a) (1) of Public Law 85–162. This language specified the nature of the contract arrangements for the projects sponsored under the second round by rural cooperative and municipal systems, where AEC would finance and retain title to the reactor system and pay reactor operating costs, and the utility would provide the site and turbine-generating facilities and buy steam from AEC at the going rate for comparable steam from a conventional plant.

The provisions enabled the municipal systems and rural electric cooperatives to participate in the atomic power development program on terms which avoided placing undue financial burdens on them and at the same time provided no more Federal assistance than needed to cover the above-normal costs and risks of building and operating these experimental projects.

FOUR PROJECTS APPROVED

Under the terms of AEC's first and second invitations as revised by the Joint Committee and Congress in 1957, four projects proposed by rural electric cooperatives and local publicly owned systems have been approved—those of Consumers Public Power District of Nebraska; Rural Cooperative Power Association, Elk River, Minn.; the city of Piqua, Ohio; and the Chugach (Alaska) Electric Association.

THIRD ROUND TERMS PRECLUDE PARTICIPATION

However, with the issuance of its third (and current) invitation in January 1957, the Commission in effect precluded any additional proposals under the demonstration program by the consumer-owned systems by foreclosing any Federal financing for reactor construction costs.

S. 4051 does not explicitly endorse this current AEC policy, but the Joint Committee report on the bill (S. Rept. 1793) states on page 13 that "In section 109 provision is made for extending the third round of the power reactor demonstration program by adding the amount of $20 million requested by AEC." It seems clear that S. 4051 intends the expanded partnership program to be conducted under the terms of the third round, except as modified by several subsections of section 109.

ADDITIONAL PUBLIC AND CO-OP PROJECTS ARE IN PUBLIC INTEREST

The earlier policies of the Commission and the Congress which did recognize and accommodate the differences between the consumer-owned utility systems and the private power companies should be reinstituted, in our opinion, as a matter of equitable treatment by the Government of the types of utility systems which make up the power industry in this country.

Beyond this, the consumer-owned systems wish continued opportunity to participate in order to further the development of economically feasible atomic powerplants in the 10,000–50,000 kilowatt size range. Their development is important if the smaller nonprofit utilities are to protect their long-run ability to compete, and to provide their consumers with adequate supplies of low-cost power.

Additionally, facilities of this size (10,000–50,000 kilowatts) would be useful to numerous industrial plants and to the underdeveloped countries of the world.

However, these smaller plants are of little interest to the relatively larger private utilities. If the rural cooperative and municipal systems are now excluded from further participation, the development of commercially practical plants in the 10,000–50,000 kilowatt size range is apt to be neglected, the role of the consumer-owned utilities in the power industry will be diminished, and their long-run competitive position—already difficult enough—may be endangered.

S. 4051 SHOULD RENEW SECOND ROUND TERMS

Section 109 of S. 4051 should be amended, in our opinion, to make it clear that in administering the expanded demonstration program the Commission is authorized to participate in additional joint projects with rural electric cooperatives and local publicly owned power systems on terms similar to those authorized for the second round in section 111 (a) (1) of Public Law 85–162.

SUGGESTED AMENDMENT TO SECTION 109 OF S. 4051

1. Section 109 is written as a series of amendments to Public Law 85–162, which was the AEC authorizing bill for fiscal year 1958, enacted last year. The amendment to S. 4051 suggested below would be an additional amendment of the language of Public Law 85–162.

2. The purpose of the suggested amendment is to make it clear that the additional $20 million which S. 4051 would authorize for the Commission's power reactor demonstration program, under which Federal aid is made available to utilities which sponsor developmental atomic power projects, is to be available not only under the terms of the Commission's third round but also under terms such as those of the second round. This would enable the local publicly owned systems and rural electric cooperatives to participate. The second round terms otherwise will not be available and it is financially impossible for local publicly owned systems and rural electric cooperatives to make proposals which are responsive to the terms of AEC's third invitation.

3. To accomplish this, it is suggested that section 109 of S. 4051 be amended by adding the following paragraph:

"(g) Funds appropriated to the Commission, pursuant to the authorization contained in subsection (a) of this section, shall be available to the Commission for cooperative arrangements on projects sponsored by local publicly owned electric systems and rural electric cooperatives, in addition to those approved under the second round of the Commission's power reactor demonstration program, on terms which make it financially feasible for these types of utilities to participate, such as the terms contained in subsection (a) (1) of this section."

AMERICAN PUBLIC POWER ASSOCIATION,
Washington, D. C., July 8, 1958.

MEMORANDUM ON GAS-COOLED ATOMIC POWERPLANT PROJECT IN S. 4051—THE AEC AUTHORIZING BILL

The 1959 construction authorization bill for the Atomic Energy Commission (S. 4501) poses a policy issue in respect to the one atomic powerplant which it would authorize for construction.

In addition to this project, S. 4051 would authorize a plutonium-production reactor at Hanford, convertible at some future time for power production, and this is an important project. The bill also would authorize five power reactor design studies by AEC, also a most desirable step forward.

The basic issue raised by S. 4051 is in respect to the only atomic powerplant for which construction is authorized—a 40,000-kilowatt gas-cooled reactor (project 59–d–10). In 1957, the Senate approved this as a Federal plant but was reversed by the House. The Senate and House compromised on a design study. In S. 4051, this project would be authorized under terms which make it almost certain that this will not be the first Federal atomic powerplant, but just one more project preempted by a private power company proposal under the cumbersome arrangements of the AEC "partnership" program.

S. 4051 would authorize $51 million for Federal construction of the plant, but section 110 of the bill would allow AEC a total of 90 days to receive "partnership" proposals from utilities to finance, build, and operate the plant on their system with the usual Federal research and development grants and fuel subsidies. An additional 90 days is allowed for the negotiation of contracts for this Federal aid. Only if no satisfactory contract proposal is received and negotiated within the time limits would this plant be undertaken as a Federal project.

Considering the long and unyielding opposition by the private-power companies to any sizable Federal plants, it is reasonable to expect them to submit one or more proposals in order to prevent Federal construction of this project. (The terms of S. 4051 are such as to preclude a municipal electric system or rural electric cooperative from submitting an acceptable proposal.) S. 4051 thus compromises virtually to the point of surrender on the longstanding issue of whether the private-power companies are to continue to prevent any full-scale Federal atomic powerplants and the initiation of a fully effective United States atomic power development program.

RETREAT GOES TOO FAR

This issue has been before the Senate repeatedly beginning with the debate on the Atomic Energy Act of 1954, and the Senate has always stood firm. During the 1954 debate, the Johnson amendment (Senator Ed Johnson, of Colorado) to empower the Atomic Energy Commission to build atomic powerplants—either itself or in concert with Federal power agencies—and to authorize power marketing under the preference clause, was passed by the Senate but defeated in the House. In 1956, the Gore-Holifield bill to authorize AEC to build some large developmental plants at AEC sites and some small advanced reactors was passed by the Senate and lost in the House by only 12 votes.

In 1957, a majority of the Joint Committee on Atomic Energy took the initiative to accelerate the atomic power program by recommending authorization of $40 million for a Federal 40,000-kilowatt gas-cooled atomic powerplant, over the objections of AEC. This project lost in the House but was approved by the Senate. The difference was compromised by approving a design study, which provided the basis for the gas-cooled power project now in S. 4051. Thus the Senate has consistently upheld the principle of Federal atomic powerplants but has adopted progressively more modest proposals in an effort to reduce opposition.

S. 4051 makes a further retreat from the Johnson amendment and the Gore-Holifield bill. Considering the importance of the principles and the program involved, we strongly believe that this retreat goes too far. The modest 40,000-kilowatt plant which has survived should not be authorized on terms which virtually abandon the position that the Government has a responsibility to take a much more positive role in the atomic-power program.

SECTION 110 SHOULD BE STRICKEN OUT

Section 110 of S. 4051 should be deleted, and language substituted authorizing Federal construction at the AEC installations at either Oak Ridge, Tenn., or Arco, Idaho, with the power to be used by the Commission.

JUSTIFICATION FOR STRIKING SECTION 110

The reasons for striking out section 110 are:

1. For 4 years, AEC has been trying to get full-scale developmental atomic powerplants built under the partnership policy. Numerous projects have been proposed primarily by private power-company combinations, and several are under construction, but every partnership project has experienced delays of 1 to 3 years due to technical problems and consequent cost increases. None will be completed for another 2 years or more. The only full-scale power reactor completed to date (on schedule) is the pressurized water reactor at Shippingport, Pa., a federally financed reactor built under the leadership of Admiral Rickover.

The time limits in section 110 do not remedy this consistent weakness in the partnership policy. They limit delays due to obtaining proposals and negotiating contracts, but there is no assurance that the project will in fact be built, if unforeseen problems arise, or will be built on schedule. Only the Federal Government has this capability.

2. There is no assurance against the likelihood that a privately financed project would cut corners on experimental features in order to save money, thus reducing the value of the plant for experimentation and development, its chief purpose.

3. A partnership project is conducted under the technical guidance of the sponsoring utilities and their contractors, with only such help as they request from the AEC national laboratories. This reduces materially the participation of the best reactor development organizations we have—the national laboratories. On a Federal project, the national laboratories would play a much more active role, with great benefit to the quality of the reactor and to its value as a developmental project.

In 1957, the Joint Committee majority in recommending the gas-cooled reactor as a Federal plant urged that AEC assign this project to Admiral Rickover, in light of his highly successful leadership of the PWR (Shippingport) project, with the design and development work being at AEC's Bettis Laboratory near Pittsburgh—which developed the PWR and the very successful submarine reactors.[1]

Another possibility is AEC's Oak Ridge National Laboratory. Oak Ridge has made engineering studies of this specific plant now proposed and its interest in this reactor type dates back to 1944, but it has never been allowed to go ahead with it.

4. All technical and economic data derived from the development, design, construction, and operation of a Federal plant would be in the public domain—available to all industrial firms, large and small alike. This condition would materially speed general technical progress and also be an important safeguard against a few giant corporations gaining effective control over atomic-power technology through patents and trade secrets.

5. The partnership approach has stimulated the formation of private-utility combinations all over the country. At one time, the Government took the initiative in breaking up power-company combines; the present partnership policy is turning back the clock and actually encouraging their formation. S. 4051 may stimulate the formation of still another private power-company combination unless section 110 is stricken out.

6. Section 110 speaks of "cooperative," that is, "partnership" arrangements with "public, private, or cooperative power groups" but the municipal systems and rural electric cooperatives cannot, for financial and legal reasons, propose to "design, construct, and operate the reactor at its own expense." They would not want to saddle their consumers with the abnormal costs of a developmental plant even if able to do so. S. 4051 opens the door wide to partnership proposals from the private power companies but by its terms excludes the municipals and the rural electric cooperatives.

7. The private power companies have known about the Joint Committee's direct interest in the gas-cooled reactor concept for more than a year but have shown no interest in proposing a partnership project. Why, then, should the Government continue to temporize on going ahead on a Federal basis? Why should S. 4051, by posing a showdown alternative of either a proposal in 90 days or a Federal plant, force the utilities to do for ideological reasons what they have not wanted to do for technical or economic reasons, and force their power consumers to pay for it?

8. The deletion of section 110 and the establishment of this one project as a Federal undertaking would not hinder or interfere with the AEC partnership program. As a matter of fact, S. 4051 includes authorization of another $20 million to provide Federal subsidies to as yet unproposed and unidentified partnership projects—and incidentally under terms which serve effectively to exclude the municipally owned systems and rural electric cooperatives.

[1] See S. Rept. No. 791, 85th Cong., 1st sess. on S. 2674 (AEC authorizing bill) dated August 2, 1957, p. 25 ff. This report discusses the natural uranium gas-cooled reactor project recommended in 1957 by the Joint Committee. The gas-cooled reactor in S. 4051 would use slightly enriched uranium fuel but is otherwise substantially the same project.

Mr. MORSE. Mr. President, we have a difference of opinion within the Senate in regard to the future of public power policy in the United States. I have found myself in disagreement with much of the position of the Senator from Massachusetts [Mr. SALTONSTALL] on this subject. I am not a private power monopoly advocate. I believe that in this country we must have both public power and private power. I am in favor of the maximum development of the power resources of this country by both public and private groups. I do not ignore the fact that billions of dollars were spent during the war by the American taxpayers to develop the atomic energy program in this country, without private utilities spending a red sou for its development.

Of course, during the war they applied the personnel and the brains of personnel, but the taxpayers footed the bill. I pointed out that fact in the debate in 1954, when the attempt was made on one afternoon to rush through the Senate the atomic energy give away bill. I objected to any proposal by way of a unanimous consent agreement to try to do it that afternoon. I was told, as the RECORD will show, that I could either go along with it or start talking. I said I would start talking, with pleasure. What the opposition forgot was that I had an army behind me before we got through. We talked for 13 days and 6 nights in the Senate. I held down the graveyard shift for 2 nights in that historic fight, as I fought to protect the American people in their right to have public power out of atomic power, along with the development of private power.

I wish to make certain that I am not getting myself into a position this afternoon where I am weakening one iota for the future the right of the American people, by future action of Congress, to develop a public power program out of the reactor program. If there is anything in the bill that does that, I shall be happy to talk for another 13 days and 6 nights, if necessary, to protect the American people in their precious right to the development of the maximum potential of electric energy in the country. We will need that energy in the next 100 years, to meet the Russian threat.

Therefore, my first question to the Senator from New Mexico is this: If I vote for the pending bill, am I in any way giving away to the private utilities control over the development of power from the reactors, or will my voting for the bill leave the road clearly open for future action by Congress in determining how the power shall be developed in the future?

Mr. ANDERSON. I can only say to the Senator from Oregon that I remember the 13 days and 6 nights very well.

Mr. MORSE. The Senator should. He was my leader in the fight.

Mr. ANDERSON. I can assure the Senator from Oregon that if I thought what he fears was being done by the pending bill, I would hardly support it on the floor of the Senate.

Mr. MORSE. I understand; but I am making the legislative history on this bill so that clear notice will be served as

to the intent and purpose of the Senate in respect to this bill.

Mr. ANDERSON. I am glad the Senator is making the legislative history. Every effort has been made to make certain that the door shall be kept wide open for the development of power in the United States. However, no decisions are attempted and no decisions are desired on the question whether it shall be public or private power development. I believe there will be plenty of time to fight that question out when the time comes. The able Senator from Massachusetts was interested in what was going to happen if the plant was converted. I want first to build the plant which will produce the plutonium our country needs.

Mr. MORSE. I think that is the only fair way to do it at this time. I wish to make certain that what we are doing at this time will in no way jeopardize—and I speak for those of us who believe in both private and public power—the rights of REA's, public power groups, municipalities, or any other power group, to develop public power programs from reactors such as are involved in the bill we are passing today.

Mr. ANDERSON. I can only say to the Senator that, to the best of my belief, we are not jeopardizing any of those things.

Mr. MORSE. I wish to say to the Senator from New Mexico that his word is good enough for me.

Mr. ANDERSON. I hope it is correct. I believe it is correct. I can say to the Senator from Oregon very sincerely that I have given a good many hours to the bill. I have discussed it with a great many people. The bill may not be exactly as I should like to have it in the form of every paragraph in it. However, a good many of the things we have today are the best we can achieve. I believe that in achieving the pending bill we did not surrender one principle.

As the Senator from Oregon knows, I have joined with him in the sponsorship of the construction of the high Hells Canyon Dam, and have stood with him in that battle for a long time. I strongly believed that it was the desirable thing to do, and I still believe it was what should have been done.

With that history, and a little other history, like the Dixon-Yates fight, and a few other things, I can say to him that I firmly believe that this is a good and fair bill.

A year ago we passed a bill which provided some very fine cooperation with the State of Nebraska in a public power district, for cooperation with Elk River, Minn., for a project in the State of Michigan, for a project at Chugach in Alaska, and for cooperation with the city of Piqua, Ohio. We tried to make sure that those communities and States had the authorization to develop public power as they thought they ought to develop it.

What we did then does not mean that that was a precedent and that we would not do anything for private power. This year the bill contains more provisions for private power. However, that is just the way the ball bounces. This time the private power people have provisions in the bill. The next time I do not know what the answer will be. However, I do not attempt to foreclose or decide any of these issues by what is being done. I wish to get on with the development of a program. That is the most important thing we can do.

Mr. MORSE. I thank the Senator from New Mexico for getting on with the program, and I thank him for helping me to make this legislative record. I have one more question to ask him; then I shall say a word about him personally.

The Senator from New Mexico is familiar with the letter written by Alex Radin, which has been placed in the RECORD. He is familiar with the letter which the Senator from Minnesota [Mr. HUMPHREY] received from Mr. Patton, of the Farmers' Union. Does the Senator from New Mexico agree with my conclusion that in voting for the bill this afternoon, the Senator from Minnesota, the Senator from Tennessee, the senior Senator from Oregon, and the others of us who have stood in the Senate, time and time again, and voted for both public and private power, are not in any way jeopardizing the interests of the writers of these letters as they have set forth their points of view in those letters, so far as future action is concerned?

Mr. ANDERSON. I also received a letter from the National Rural Electric Cooperative Association; a letter from Mr. Patton; and a letter from American Public Power Association. I do not say that the bill does everything they would like to have us do.

Mr. MORSE. I understand.

Mr. ANDERSON. They wanted to have certain sections stricken from the bill.

Mr. MORSE. I understand.

Mr. ANDERSON. But I do say that the passage of the bill will not in any wise jeopardize the fights which the Senator from Oregon, the Senator from Tennessee, and the Senator from Minnesota have made for the development of power in this country. If any decisions are to be reached as a result of the proposed legislation, they will have to be reached by Congress at a later time, but not by the bill.

Mr. MORSE. That is the record I wanted to make.

If the Senator from New Mexico will permit me to do so, and will not be embarrassed by my saying so, I think he is to be complimented for the great work of stabilization he has done in the Senate in this very controversial field. All of us know the Senator from New Mexico. We all know that his economic inclination undoubtedly would be, when a particular situation would make it feasible, to support a private utility development in place of a public utility development. At the same time, he has stood behind us, time and time again, when we have come forward with proposals which we thought had advantages on the public utilities side as against the private utilities side. Nothing could be fairer than that.

In behalf of the people of the State of Oregon, I express appreciation to the Senator from New Mexico for his great help in joining with us in developing the power resources of the Pacific Northwest, both public and private, because the private utilities in the Pacific Northwest have been the greatest beneficiaries of the public utility program which Congress has sponsored from time to time. Where would the private utilities of the Pacific Northwest be today if we did not have Bonneville, if we did not have Grand Coulee, if we did not have the great public dams which have made possible the pools of power out of which the private utilities can get large quantities of power to sell to their customers?

I wanted to pay this tribute to the Senator from New Mexico today because so often, it seems to me, we think only of those who are on one side or the other of this great issue, and forget the great stabilizing force which usually draws us together so that a majority vote can be obtained for the passage of legislation. The Senator from New Mexico served that function in 1954 in the great atomic energy debate—how well I remember it—and he is serving it again today in what was considered to be a controversial measure, but has ended without controversy. We are ending the debate with a good bill, and I thank the Senator from New Mexico deeply for it.

Mr. ANDERSON. I thank the Senator from Oregon.

STATEMENT BY SENATOR GORE

I should like to join my colleagues on the Joint Committee in supporting all the provisions of this bill including the convertible plutonium production facility, and the reactor development projects. The atomic power projects do not go as far as I would desire, but they are a step in the right direction.

I should like particularly to join my colleague, the gentleman from Rhode Island, in the comments he has made about the importance of increasing our efforts in the field of basic research. I would like to call attention particularly to several items which the Joint Committee has included in the bill to provide badly needed research facilities at Oak Ridge National Laboratory, in the State of Tennessee.

One of these projects is for a metals and ceramics research building designed to consolidate and expand present facilities for metallurgical research and developmental activities at Oak Ridge. It is becoming abundantly evident as we gain more experience, that the progress of reactor development depends upon the solution of crucial metallurgical problems associated with the structural materials of reactors. It is equally evident that there will be a continuing need for large-scale metallurgical research and development activities in support of reactor development for the indefinite future. For this reason I think it is imperative that such facilities as the metals and ceramics research building proposed for Oak Ridge be constructed promptly.

Three other projects for Oak Ridge National Laboratory are also included in the bill which I believe are important to the progress of our basic research program. One is a central research laboratory designed to permit permanent housing in a centralized location for scattered research groups presently located in temporary facilities.

Such physical separation of these research groups from the rest of the laboratory staff is a definite impediment to the overall effectiveness of the laboratory's research program. Furthermore, integration of the presently separated research groups and consolidation of their activities will result in maximum economy of operation.

Another project, expansion of stable isotope production at the laboratory, will permit much greater flexibility and accuracy in the utilization of this wonder tool of atomic-energy research. Such expansion will meet pressing demands for larger samples of stable isotopes which cannot be supplied with present facilities, and will mark a major step forward in our research into the secrets of the atom.

Finally, I am gratified that the bill includes provision for a high-energy cyclotron, or atom smasher, which the laboratory has needed for a long time to investigate important and unexplored scientific areas in the field of high-energy physics.

I believe that these projects, together with the others inserted by the committee for the AEC physical-research program, will assist measurably in boosting our basic-research efforts and are a concrete demonstration of America's determination to meet the Soviet scientific challenge head-on.

Mr. ANDERSON. Mr. President, the bill having been read the third time, I ask unanimous consent that S. 4051 be temporarily laid aside and that the Senate proceed to the consideration of H. R. 13121.

The PRESIDING OFFICER laid before the Senate the bill (H. R. 13121) to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes, which was read twice by its title.

The PRESIDING OFFICER. Is there objection to the present consideration of the House bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. ANDERSON. Mr. President, I ask unanimous consent that all after the enacting clause of the House bill be stricken, and that the provisions of Senate bill 4051, as amended, be substituted therefor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill (H. R. 13121) was read the third time and passed.

Mr. ANDERSON. Mr. President, I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. PROXMIRE in the chair) appointed Mr. ANDERSON, Mr. PASTORE, Mr. JACKSON, Mr. HICKENLOOPER, and Mr. BRICKER conferees on the part of the Senate.

The PRESIDING OFFICER. Without objection, Senate bill 4051 is indefinitely postponed.

Mr. ANDERSON. Mr. President, I move that the vote by which H. R. 13121 was passed be reconsidered.

Mr. MANSFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

LEGISLATIVE APPROPRIATIONS, 1959

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H. R. 13066, Calendar No. 1870.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 13066) making appropriations for the legislative branch for the fiscal year ending June 30, 1959, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Appropriations with amendments.

NOMINATIONS OF ARNOLD JONES AND FRANK JAMES WELCH TO TENNESSEE VALLEY AUTHORITY

Mr. KEFAUVER. Mr. President, I wish to make a few comments about the two nominees to the Board of TVA.

Last year, when the nomination of Mr. Arnold Jones was first submitted to the Senate, I attended the hearings before the Committee on Public Works and was granted the privilege of questioning him. I had considerable doubts about his qualifications, largely because of a lack of familiarity on his part with TVA, its purposes, and its operations, coupled with his past service in the Budget Bureau, which has been notably unfriendly, during the present administration, toward TVA.

Therefore, I was satisfied that he be given an interim appointment, so that he might serve a trial period, so to speak, before his regular nomination was confirmed. He has done this, and I must say that he appears to have devoted himself to his task of learning about TVA with zeal. He has made a good impression on the people of the valley. They tell me that they believe him to be sincerely interested in TVA and say that he has shown an active concern and understanding of their problems, as they relate to TVA. I believe that he now understands and appreciates both the spirit and facts concerning TVA, and I shall approve his appointment.

As for Dr. Welch, I have never known of any reason why his nomination should not be confirmed. His reputation and work in the university systems of Kentucky and Mississippi, where he was familiar with TVA and its work, were good. I believe that he will be an asset to the Board.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ASSISTANCE TO REPUBLIC OF LEBANON—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 422)

The PRESIDING OFFICER (Mr. MCNAMARA in the chair) laid before the Senate a message from the President of the United States, which was read and referred to the Committee on Foreign Relations.

(For President's message, see House proceedings for today.)

Mr. MORSE. Mr. President, I wish to make a few brief comments on the President's message. The message leaves unsaid much which, in my opinion, should have been said in it.

Mr. President, let us consider the message for a moment. Apparently the President has decided—not under the Eisenhower doctrine, but under his Commander in Chief powers, which are inherent, in my opinion, to proceed to protect American lives and property in Lebanon, which he alleges are jeopardized.

Mr. President, I have always taken the position that a President of the United States has that authority. But it is a limited authority. In my opinion it calls for a limitation of action on the part of the President of the United States in connection with the sending of troops under the exercise of his Commander in Chief authority.

It is not an authority which permits an occupation of a foreign country by American troops. It is not an authority which permits a President of the United States to send troops to occupy an area in which a civil war is taking place for any period longer than that necessary for the protection of American lives and property. That is to say the President has no right to leave the troops in Lebanon longer than for the period necessary for the evacuation of those Americans and for the working out, in the best way possible, of an international understanding for the protection or disposition of the American property. But, Mr. President, nothing in the President's message of this afternoon indicates that he proposes to follow any such limited course of action in Lebanon.

The record is perfectly clear that the Secretary General of the United Nations, Mr. Hammarskjold, went to the Middle East, at our urging and at the urging of other countries, to investigate the Lebanon situation and to ascertain the extent to which the facts might show that Lebanon was being subjected to danger from aggression from without. All of us know the conclusion reached by the Secretary General of the United Nations: When he returned, he pointed out that a civil war was occurring in Lebanon, and that it did not involve aggression from without.

In his message of this afternoon, the President has pointed out that arms from Arab countries have gone into Lebanon. I think there is no doubt of that;

and there is also no doubt that arms from the United States have gone into Lebanon.

The United States, as well as other countries, has also been a shipper of arms into the Middle East.

I am proud to say on the floor of the Senate, Mr. President, that time and time again in the past I have opposed the shipment of arms by any nation—including my own—into the Middle East. In times past, when we have had other discussions of this matter, I have warned that the real danger was that such armament action in the Middle East—whether participated in by Russia, by the United States, or by any combination of powers—was likely to lead to a serious crisis which might endanger the lives of Americans and even might endanger war.

Mr. President, I will support, and I believe all patriotic Americans will support—in fact, we must support—whatever program this action leads to. As I said earlier in the afternoon, so long as our flag is there, it is our duty to close ranks behind that flag.

But if we are to fulfill our responsibilities of statesmenship as Members of the Senate, we now have the duty of trying to develop a course of action which will provide the greatest possible guaranty that peace will be preserved and the American foreign-policy record of nonaggression and of peace will be kept unsullied.

In his message the President states that the United States will support the United Nations, to the end of seeking to work out a settlement of the problem in the Middle East. I read now from the second paragraph of the President's message:

> He also expressed the hope that the United Nations could soon take further effective measures to meet more fully the situation in Lebanon. We will continue to support the United Nations to this end.

What is the concrete, constructive, positive proposal of the President of the United States to the United Nations to that end? Are we going to wait for United Nations action, or are we going to try to help develop United Nations action to that end? What recommendations for United Nations action does President Eisenhower propose? The American people want to know. They are entitled to know and quickly.

We have heard on two occasions the Senator from Montana [Mr. MANSFIELD] make his eloquent plea for United Nations forces to be sent into such trouble spots of the world as the Lebanon spot is tonight. I join in that plea. In my opinion, the United States Government ought to use all its prestige, through the office of the Presidency of the United States and through the office of our Ambassador at the United Nations, Mr. Lodge, to try to obtain the adoption of a definite course of action by the United Nations for the sending of a United Nations force into Lebanon, so the American force can be withdrawn. In the meantime we should proceed, under the inherent power of the President, to protect American lives in Lebanon, which means we should evacuate those individuals rather than keep them there. We must not follow a course of delayed action which will require the keeping of American troops there for some time. We have no right under the pretense of protecting Americans in Lebanon to use American troops to strengthen one side or another in a civil war.

How long are we going to keep the troops there? How long are we going to continue to run the risk, not only to those American boys and American civilians in Lebanon, but to other boys who may possibly be sent over there if this conflagration should spread?

I happen to believe the Congress has a responsibility in this matter. In my judgment, Congress has the responsibility to take a course of action that will require the withdrawal of those troops as soon as we can withdraw and evacuate Americans who are in danger. Certainly it cannot be seriously argued, just because a nation has been friendly to us, that if some persons in that nation decide on a revolt and a civil war takes place we should take sides in that nation. I hope we have not reached the point in American foreign policy where our Government is going to choose sides in internal strifes in many nations of the world where the march for freedom is on. That applies particularly to countries in Asia, Africa, Latin America, and the Middle East. That fact cannot be erased, because it is indelibly written in modern history that in many parts of the world the people are on the march for self-government.

When the Secretary General of the United Nations comes back and reports that what is taking place in Lebanon is a civil war strife, I do not think it is up to the United States to take sides in that strife just because our Government likes one side better than the other. It so happens that the senior Senator from Oregon finds himself very much in favor of the Chamoun regime insofar as its objectives are concerned, because, from what I know about the attempts to overthrow it, they do not augur very well for freedom in Lebanon. But that is not for us as Americans to decide. It is for the Lebanese to decide.

I find much not written in the President's message that the American people are entitled to hear about from him in respect to the revolt in Lebanon. Mr. President, how long do you propose to keep the troops there? What are you doing for the protection of American lives by way of evacuating our American citizens in Lebanon? All President Eisenhower seems to be saying in this inadequate message is that we have a right to join with a friendly nation in giving it military support with American troops, under the inherent power of the President to protect American lives and property, and that we are sending in the troops also to protect a government from a revolt within its borders.

I know of no doctrine of international law that would sustain the President on that latter premise. As I read the message, I think what the President is attempting to do is read into his Commander in Chief powers, a power which in fact does not exist. He has no right to use American troops to help put down a revolt in Lebanon.

I close by saying I think the President has gone entirely too far in his message, in that it leaves the impression, as I read it, that he proposes to have American troops remain in Lebanon not only to protect American lives and property there, but to sustain a government in futuro. For how long, the President does not tell us.

So I desire to say, as I said earlier this afternoon, I think the President of the United States is making a serious mistake unless he proceeds with dispatch to get American civilians out of Lebanon, so he can get the American troops out of Lebanon at the earliest possible moment. He ought to use the influence of his office and urge the United Nations to act under the United Nations Charter, rather than put us in a position where we are going to be charged with unilateral action in an area where we have no right to take unilateral action, save and except to protect American lives and property.

LEGISLATIVE APPROPRIATIONS, 1959

The Senate resumed the consideration of the bill (H. R. 13066) making appropriations for the legislative branch for the fiscal year ending June 30, 1959, and for other purposes.

Mr. STENNIS. Mr. President, I understand the business before the Senate is the legislative appropriations bill. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. STENNIS. The bill and the report are before the Senate. The bill contains relatively small items and takes care of housekeeping for the Senate and the House of Representatives, and agencies common to each House, such as the Library of Congress.

Mr. President, I ask unanimous consent that the committee amendments to the legislative appropriation bill for fiscal year 1959, H. R. 13066, be agreed to en bloc, and that the bill as thus amended be regarded for the purpose of amendment as original text; provided, that no point or order shall be considered to have been waived by reason of agreement to this order.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendments which were agreed to en bloc are as follows:

At the top of page 2, to insert "Senate."

On page 2, after line 1, to insert:

"SALARIES OF SENATORS, MILEAGE OF THE PRESIDENT OF THE SENATE AND OF SENATORS, EXPENSE ALLOWANCE OF THE MAJORITY AND MINORITY LEADERS OF THE SENATE, AND SALARY AND EXPENSE ALLOWANCE OF THE VICE PRESIDENT

"Compensation of Senators

"For compensation of Senators, $2,328,245."

On page 2, after line 8, to insert:

"Mileage of President of the Senate and of Senators

"For mileage of the President of the Senate and of Senators, $51,000."

On page 2, after line 12, to insert:

"Expense allowance of majority and minority leaders

"For expense allowance of the majority leader and the minority leader of the Senate, $2,000 each; in all, $4,000."

On page 2, after line 16, to insert:

"Compensation of the Vice President of the United States

"For the compensation of the Vice President of the United States, $37,695."

On page 2, after line 20, to insert:

"Expense allowance of the Vice President

"For expense allowance of the Vice President, $10,000."

On page 2, after line 22, to insert:

"SALARIES, OFFICERS AND EMPLOYEES

"For compensation of officers, employees, clerks to Senators, and others as authorized by law, including agency contributions as authorized, which shall be paid from this appropriation without regard to the below limitations, as follows."

On page 3, after line 2, to insert:

"Office of the Vice President

"For clerical assistance to the Vice President, at rates of compensation to be fixed by him in basic multiples of $5 per month, $101,925."

On page 3, after line 6, to insert:

"Chaplain

"Chaplain of the Senate, $5,000."

On page 3, after line 8, to insert:

"Office of the Secretary

"For office of the Secretary, $572,915."

On page 3, after line 10, to insert:

"Committee employees

"For professional and clerical assistance to standing committees, and the Select Committee on Small Business, $2,030,650."

On page 3, after line 14, to insert:

"Conference committees

"For clerical assistance to the conference of the majority, at rates of compensation to be fixed by the chairman of said committee, $40,000."

On page 3, after line 18, to insert:

"For clerical assistance to the conference of the minority, at rates of compensation to be fixed by the chairman of said committee, $40,000."

On page 3, after line 21, to insert:

"Administrative and clerical assistants to Senators

"For administrative and clerical assistants and messenger service for Senators, $9,664,000."

At the top of page 4, to insert:

"Office of the Sergeant at Arms and Doorkeeper

"For office of Sergeant at Arms and Doorkeeper, $2,056,870: *Provided*, That effective July 1, 1958, the basic annual compensation of the following positions shall be: chief clerk, post office, $3,060 in lieu of $2,760; superintendent of mails, $3,060 in lieu of $2,400; laboratory technician, $2,580 in lieu of projectionist, film inspector, $2,280; 18 additional privates, police force, at $2,160 each; 2 additional sergeants, police force, at $2,280 each; 22 additional mail carriers at $2,100 each; 1 registry clerk at $2,220; assistant superintendent, press photographers' gallery at $2,820."

On page 4, after line 12, to insert:

"Offices of the Secretaries for the majority and the minority

"For the offices of the Secretary for the majority and the secretary for the minority, $98,240: *Provided*, That effective July 1, 1958, the basic compensation of the chief telephone page for the majority and the chief telephone page for the minority may be fixed by the respective Secretaries at not to exceed $3,480 per annum each, and the basic annual compensation of 1 telephone page for the majority and 1 telephone page for the minority shall be $2,580 each in lieu of $2,220 each."

At the top of page 5, to insert:

"Offices of the majority and minority whips

"For 2 clerical assistants, 1 for the majority whip and 1 for the minority whip, at not to exceed $5,580 basic per annum each, $20,045."

On page 5, after line 4, to insert:

"OFFICE OF THE LEGISLATIVE COUNSEL OF THE SENATE

"For salaries and expenses of the Office of the Legislative Counsel of the Senate, $187,385."

On page 5, after line 7, to insert:

"SENATE PROCEDURE

"For compiling, preparing, and editing 'Senate Procedure,' $10,000, of which amount $5,000 shall be paid to Charles L. Watkins, Parliamentarian of the Senate, and $5,000 shall be paid to Floyd M. Riddick, Assistant Parliamentarian of the Senate."

On page 5, after line 13, to insert:

"CONTINGENT EXPENSES OF THE SENATE

Legislative reorganization

"For salaries and expenses, legislative reorganization, $106,500."

On page 5, after line 17, to insert:

"Senate policy committees

"For salaries and expenses of the majority policy committee and the minority policy committee, $111,825 for each such committee; in all, $223,650."

At the top of page 6, to insert:

"Joint Economic Committee

"For salaries and expenses of the Joint Economic Committee, $143,360."

On page 6, after line 3, to insert:

"Joint Committee on Atomic Energy

"For salaries and expenses of the Joint Committee on Atomic Energy, $233,520."

On page 6, after line 6, to insert:

"Joint Committee on Printing

"For salaries and expenses of the Joint Committee on Printing, $72,300; for expenses of compiling, preparing, and indexing the Congressional Directory, $1,600; in all, $73,900."

On page 6, after line 11, to insert:

"Committee on rules and administration

"For reimbursement to General Services Administration for space furnished the United States Senate, $35,010."

On page 6, after line 14, to insert:

"Vice President's automobile

"For purchase, exchange, driving, maintenance, and operation of an automobile for the Vice President, $7,600."

On page 6, after line 17, to insert:

"Automobile for the President pro tempore

"For purchase, exchange, driving, maintenance, and operation of an automobile for the President pro tempore of the Senate, $12,600."

On page 6, after line 21, to insert:

"Automobiles for majority and minority leaders

"For purchase, exchange, driving maintenance, and operation of 2 automobiles, 1 for the majority leader of the Senate, and 1 for the minority leader of the Senate, $25,200."

On page 7, after line 2, to insert:

"Reporting Senate proceedings

"For reporting the debates and proceedings of the Senate payable in equal monthly installments, $188,825."

On page 7, after line 5, to insert:

"Furniture

"For services and materials in cleaning and repairing furniture, and for the purchase of furniture, $31,190: *Provided*, That the furniture purchased, is not available from other agencies of the Government."

On page 7, after line 10, to insert:

"Inquiries and investigations

"For expense of inquiries and investigations ordered by the Senate or conducted pursuant to section 134 (a) of Public Law 601, 79th Congress, including $380,000 for the Committee on Appropriations, to be available also for the purposes mentioned in Senate Resolution No. 193, agreed to October 14, 1943, $3,160,000."

On page 7, after line 17, to insert:

"Folding documents

"For the employment of personnel for folding speeches and pamphlets at a gross rate of not exceeding $1.77 per hour per person, $29,000."

On page 7, after line 21, to insert:

"Senate restaurants

"For repairs, improvements, equipment, and supplies for Senate kitchens and restaurants, Capitol Building and Senate Office Building, including personal and other services, to be expended under the supervision of the Committee on Rules and Administration, United States Senate, $85,000."

On page 8, after line 3, to insert:

"Mail transportation

"For maintaining, exchanging, and equipping motor vehicles for carrying the mails and for official use of the offices of the Secretary and Sergeant at Arms, $16,560."

On page 8, after line 7, to insert:

"Miscellaneous items

"For miscellaneous items, exclusive of labor, $1,601,245."

On page 8, after line 9, to insert:

"Postage stamps

"For Office of the Secretary, $870; Office of the Sergeant at Arms, $300; Offices of the secretaries of the majority and the minority, $140, for maintenance of a supply of stamps in the Senate Post Office, $1,000; and for airmail and special-delivery stamps for Senators and the President of the Senate, as authorized by law, $43,650, and the maximum allowance per capita of $400 is increased to $450 for the fiscal year 1959 and thereafter; in all, $45,960."

On page 8, after line 18, to insert:

"Stationery (revolving fund)

"For stationery for Senators and the President of the Senate, $174,600; and for stationery for committees and officers of the Senate, $12,900; in all, $187,500, to remain available until expended."

At the top of page 9, to insert:

"Communications

"For an amount for communications which may be expended interchangeably for payment, in accordance with such limitations and restrictions as may be prescribed by the Committee on Rules and Administration, of charges on official telegrams and long-distance telephone calls made by or on behalf of Senators or the President of the Senate, such telephone calls to be in addition to those authorized by the provisions of the Legislative Branch Appropriation Act, 1947 (60 Stat. 392; 2 U. S. C. 46c, 46d, 46e), as amended, and the First Deficiency Appropriation Act, 1949 (63 Stat. 77; 2 U. S. C. 46d–1), $14,550."

On page 9, after line 12, to insert:

"ADMINISTRATIVE PROVISIONS

"Effective July 1, 1958, the paragraph relating to payment of toll charges on official long-distance telephone calls, originating and terminating outside of Washington, District

of Columbia, under the heading 'Contingent Expenses of the Senate' in Public Law 479, 79th Congress, as amended (2 U. S. C. 46d), is amended by striking out $1,200 where it appears therein and inserting in lieu thereof $1,800."

On page 9, after line 21, to insert:

"The Secretary of the Senate is hereafter authorized, in his discretion, to advance to the Sergeant at Arms of the Senate such sums as may be necessary, not exceeding $2,000, to meet any extraordinary expenses of the Senate."

On page 10, after line 3, to insert:

"The contingent fund of the Senate is hereafter made available for reimbursement of transportation expenses incurred by Senators in traveling, on official business, by the nearest usual route, from Washington, D C., to their resident cities in their home States, and return, for not to exceed two such round trips in each fiscal year."

On page 11, line 17, after the word "assistants," to strike out "$497,660" and insert "$514,620."

On page 17, line 11, after the word "Board," to strike out "$30,360" and insert "$36,700."

On page 19, after line 9, to insert:

"Joint Committee on Reduction of Nonessential Federal Expenditures

"For an amount to enable the Joint Committee on Reduction of Nonessential Federal Expenditures to carry out the duties imposed upon it by section 601 of the Revenue Act of 1941 (55 Stat. 726), to remain available during the existence of the committee, $22,500, to be disbursed by the Secretary of the Senate."

On page 22, after line 17, to insert:

"Subway transportation, Capitol and Senate Office Buildings

"For maintenance, repairs, and rebuilding of the subway transportation system connecting the Senate Office Buildings with the Capitol, including personal and other services, $6,000."

At the top of page 23, to insert:

"Senate Office Buildings

"For maintenance, miscellaneous items and supplies, including furniture, furnishings, and equipment, and for labor and material incident thereto, and repairs thereof; for purchase of waterproof wearing apparel and for personal and other services; including eight female attendants in charge of ladies' retiring rooms at $1,800 each, for the care and operation of the Senate Office Buildings; uniforms or allowances therefor as authorized by the act of September 1, 1954, as amended (5 U. S. C. 2131); to be expended under the control and supervision of the Architect of the Capitol; in all, $1,822,000."

On page 23, after line 12, to insert:

"Extension of additional Senate Office Building site

"To enable the Architect of the Capitol, under the direction of the Senate Office Building Commission, to carry out the provisions of Public Law 85-429, approved May 29, 1958 (72 Stat. 148), relating to the acquisition of property in square 724 in the District of Columbia, including necessary incidental expenses, $965,000, to remain available until expended."

On page 25, line 7, after the word "plant", to strike out "$1,738,000" and insert "$1,730,221."

On page 27, line 15, after the word "Board", to strike out "$6,171,686" and insert "$6,224,851."

On page 28, line 1, after "(2 U. S. C. 166)" to strike out "$1,250,000" and insert "$1,265,000."

On page 32, line 6, after the word "the", to insert "Senate and", and in line 7, after the word "for", to insert "Senators and."

On page 32, after line 20, to insert:

"SEC. 105. Effective July 1, 1958, the annual rates of basic compensation of members of the Capitol Police shall be: Captain, $3,420; lieutenants, $3,120; special officers, $3,120; sergeants, $2,820; privates (more than 4 years' service), $2,340; and privates (not more than 4 years' service), $2,160. In computing length of service for the purposes of this paragraph, there shall be credited all service performed within any 5-year period, whether or not continuous, as a member of the Capitol Police. A change in the rate of compensation of a private, based on the completion of 4 years' service, shall be effective on the first day of the first pay period which begins after such completion."

On page 33, line 8, to change the section number from "105" to "106."

Mr. STENNIS. Mr. President, my remarks on the bill will be brief and to the point, and will cover particularly items which are changes from the bill as reported and passed last year.

Mr. President, it will be observed from the front page of the committee report that the bill reported to the Senate totals $123,320,419, and is $26,378,304 in excess of the House bill. This relatively large increase is due to the fact that following the practice adopted by the House many years ago, no action by that body was taken on purely Senate items. With the exception of $68,165 added to the bill by the committee for science research specialists in the Library of Congress, all of the increase is directly related to operation of the Senate.

The amount recommended by the committee for the Senate is $23,479,140, which is an increase of $422,384 over a comparable figure for the Senate for the preceding fiscal year. More than half of this increase, $274,450, is due to the need for the employment of additional police and mail carriers for the New Senate Office Building. The other large item of increase is in "Miscellaneous items," and amounts to $146,245.

I will give the Senate the major details of this increase.

The committee considered a proposal to authorize reimbursement from the contingent fund of the Senate for the expenses of transportation incurred by Senators in traveling on official business from Washington, D. C., to their resident cities and return to Washington for not to exceed two round trips each fiscal year. It was estimated that such a proposal would cost $45,000 each year. Should any Senator not make the trips, the funds would lapse and revert to the Treasury, and the language of the amendment refers only to transportation expenses. The language would exclude lodging and would exclude any expense of the trip other than the actual transportation costs actually incurred. The committee adopted the proposal and felt it was entirely justified in doing so in view of the fact that most Senators make at least two such trips each year to their resident cities, and it is necessary that Senators do so in order properly to represent their States.

Mr. President, I should like to say an additional word. Even though this was not my proposal, there was an overwhelming fact in connection with it which, to my mind, made is very strong. This is the only way even to begin to equalize the current enormous load of traveling expenses which falls upon Members of the Senate, in a comparison between those who live near Washington and those who live rather far away. To give an illustration, the round-trip cost for a ticket by air from Washington, D. C., to Portland, Oreg., or San Francisco, Calif., or any of the cities of the far west area, is approximately $326. That is for one fare, round trip.

This proposal, as I have said, is limited to the actual transportation costs actually incurred and is limited to two trips on official business for each year.

Another proposal from the committee increases the telephone allowance for Senators from $1,200 per annum to $1,800 per annum for long-distance telephone calls originating and terminating outside of Washington, D. C. It has been found by many Senators that the present amount is insufficient for official telephone calls, and, consequently, the Senators have been required to finance the difference from their own funds.

This is the fund which pays for the so-called "credit cards" for calls originating and terminating away from Washington. The sums are not to be spent unless the service is actually provided, according to the records of the telephone company.

In accordance with the recent rate increases on postage stamps, the committee has increased the amounts available for airmail and special-delivery stamps. That increase was merely in proportion to the increase in postal rates which goes into effect August 1.

The committee has recommended that $5,000 be paid to the Parliamentarian and $5,000 be paid to the Assistant Parliamentarian in recognition of the special and valuable services rendered by these two employees in the preparation of the book entitled, "Senate Procedure" which Senators will recall was recently published.

The book is a supplement in a way to the Senate Manual, and it is the first time these many precedents, as accumulated by Mr. Watkins over the years, have actually been put in a presentable book form. Incidentally, the book was in preparation for several years and represents a great deal of very painstaking, minute, and highly important work.

Another matter of interest to the Senate is the proposal of the committee to increase the salaries of the members of the Capitol Police. The details are explained on pages 9 and 10 of the committee report, and I will only say that the disparity between certain grades in the department was felt to be too great. Using the salaries of the Metropolitan Police Department as a yardstick, the committee recommendation corrects this situation. The recommendation of the committee includes a plan whereby a private on the force will receive an automatic increase in salary after he has served 4 years.

Mr. President, that is a very modest increase, I think, of only a little over $300, which will give some inducement for the young men who have rendered as much as 4 years of service. It will

be a slight steppingstone at the end of 4 years for those men who take positions on the Capitol Police Force, and in that way we will have a better chance to recruit young men who will mature and perhaps make a career of rendering this important service.

On page 32 of the bill, the committee has amended a House general provision so as to include the Senate under its terms. It was found that many of the items carried in the legislative appropriation bill for the Senate did not have legislative authority in the technical sense. The effect of the Senate amendment is to give permanent statutory authority for every item which is carried in the bill as it passes the Senate.

Under the Architect of the Capitol, the committee has included $965,000 to purchase approximately 40 percent of the privately owned properties in square 724, which is located immediately north of the New Senate Office Building. That is the square on which the Carroll Arms Hotel is located. The purchase, of course, would not include the hotel building or other major buildings on the square, but would include about 40 percent of the property. The land will be held in reserve for future Senate expansion, and temporarily it will be utilized for parking accommodations for approximately 285 automobiles.

There are no funds in this bill for construction on the New Senate Office Building. However, the House has included $22½ million for the additional House Office Building.

I may say at this point that there are no funds in the bill for the extension of the east front of the Capitol. There are no funds in the bill for the purchase of furniture and supplies for the New Senate Office Building.

Last year funds were provided for the employment of 142 new employees for the New Senate Office Building. This year the committee has included funds to continue this employment; but, funds have not been provided for any additional employees other than the 142 authorized last year.

For the Library of Congress, the committee recommends a total appropriation of $12,436,442, an increase of $68,165 over the House bill. With this increase, the Library will be in a better position to handle the greatly increased demand for authoritative information in a wide variety of scientific areas.

Mr. President, this item is covered specifically in the report on the bill, and there was a showing made by the Library, through the testimony of the Librarian himself, as to the need for the science research specialists. Two GS–15 positions were created. One assistant chief, at GS–14, was provided. There was also provided 1 GS–11 science research assistant; 1 GS–11 Slavik science specialist, 1 GS–5 secretary, and 1 GS–3 typist.

Additional funds in the sum of $15,000 were also allowed in connection with the increased load on the Legislative Reference Service.

Mr. President, there are no increases in salary provided in the bill except for the ones I have mentioned, and 2 very slight increases in the post office with respect to 2 positions, in order to bring them in line with comparable salaries paid by the Post Office Department downtown.

There is a slight increase for a laboratory technician in the recording studios. There is a slight increase for the chief and assistant chief of the cloakroom telephone operators. I have already mentioned the increase for the police force.

We have also created one new position in the nature of an assistant in the Press Photographers Gallery. That need was brought about by the increased work and the additional burden which will be imposed by the spreadout through the New Senate Office Building.

I believe the items I have mentioned cover all the new items in the bill. There are 22 new mail carriers, and 1 additional registry clerk, which will be necessary for prompt delivery of the mail throughout the New Senate Office Building. Some Senators will be left in the old building, as well as some committees and staffs. It is necessary to deliver the mail promptly in the new building.

Twenty-two mail carriers and one additional registry clerk were recommended by the committee. The original request was reviewed by the Post Office Department for a recommendation. Two fewer were allowed than were requested, because of the fact that the committee did not see fit to grant the substation which was requested.

I believe that covers the highlights as well as most of the details of the bill.

I shall be glad to yield for questions. If there are no questions, I yield the floor.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

Mr. STENNIS. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. STENNIS, Mr. CHAVEZ, Mr. HAYDEN, Mr. JOHNSON of Texas, Mr. BRIDGES, Mr. SALTONSTALL, and Mr. DIRKSEN conferees on the part of the Senate.

Mr. STENNIS. Mr. President, I yield the floor.

Mr. MANSFIELD. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. STENNIS. I move to lay that motion on the table.

The motion to reconsider was laid on the table.

EXTENSION OF TRADE AGREEMENTS ACT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House bill 12591, the Trade Agreements Extension Act of 1958.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Finance, with amendments.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, I wish to announce to the Senate that the Senate will work late tomorrow, and will meet every night for the remainder of the week. It is the hope of the leadership that action on the bill will be completed this week.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. WATKINS. Does that mean we shall be working on Saturday?

Mr. MANSFIELD. There is a strong possibility.

Mr. WATKINS. And there will be a Saturday night session as well?

Mr. MANSFIELD. I hope not. I hope we can complete consideration of the bill before Saturday; but if necessary the Senate will meet on Saturday to complete consideration of the bill.

Mr. WATKINS. I thank the Senator.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, July 15, 1958, he presented to the President of the United States the following enrolled bills:

S. 105. An act to exempt from taxation certain property of the National Association of Colored Women's Clubs, Incorporated, in the District of Columbia;

S. 2419. An act to amend the District of Columbia Unemployment Compensation Act, and for other purposes; and

S. 3735. An act to amend the charter of the National Union Insurance Company of Washington.

ADJOURNMENT

Mr. MANSFIELD. Mr. President, if there is no further business to come before the Senate at this time, I move that the Senate adjourn.

The motion was agreed to; and (at 6 o'clock and 34 minutes p. m.) the Senate adjourned until tomorrow, Wednesday, July 16, 1958, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 15, 1958:

TENNESSEE VALLEY AUTHORITY

Frank James Welch, of Kentucky, to be a member of the Board of Directors of the Tennessee Valley Authority for the remainder of the term expiring May 18, 1960.

Arnold R. Jones, of Kansas, to be a member of the Board of Directors of the Tennessee Valley Authority for the term expiring May 18, 1966.

THE MISSISSIPPI RIVER COMMISSION

Brig. Gen. William W. Lapsley, United States Army (lieutenant colonel, Corps of Engineers), to be a member of the Mississippi River Commission.

HOUSE OF REPRESENTATIVES

TUESDAY, JULY 15, 1958

The House met at 12 o'clock noon. The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Psalm 25: 4: *Show me Thy ways, O Lord; teach me Thy paths.*

Almighty God, grant that we may never doubt Thy divine sovereignty and control over the affairs and destinies of men and of nations.

May we have the courage and faith to believe that Thou art working in and through the confusion and chaos of the times.

Inspire us with a greater sense of our individual responsibility in building a finer social order.

Help us to have a clear vision of that day when Thy will shall be done on earth as it is in heaven.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On July 7, 1958:

H. R. 7999. An act to provide for the admission of the State of Alaska into the Union.

On July 11, 1958:

H. R. 982. An act to amend section 77 (c) (6) of the Bankruptcy Act;

H. R. 7718. An act for the relief of Roy Hendricks, of Mountain View, Alaska;

H. R. 10154. An act to empower the Judicial Conference to study and recommend changes in and additions to the rules of practice and procedure in the Federal courts;

H. R. 11424. An act to extend the authority of the Secretary of Agriculture to extend special livestock loans, and for other purposes;

H. R. 11861. An act authorizing the city of Chester, Ill., to construct new approaches to and to reconstruct, repair, or improve the existing approaches to a toll bridge across the Mississippi River at or near Chester, Ill.;

H. R. 11936. An act to extend the time for the collection of tolls to amortize the cost, including reasonable interest and financing cost, of the construction of a bridge across the Missouri River at Brownville, Nebr.;

H. R. 12311. An act to amend the act of September 7, 1950 (relating to the construction of a public airport in or near the District of Columbia), to remove the limitation on the amount authorized to be appropriated for construction;

H. R. 12827. An act to amend the provisions of title III of the Federal Civil Defense Act of 1950, as amended; and

H. R. 13130. An act to extend for 2 years the existing authority of the Secretary of the Treasury in respect of transfers of distilled spirits for purposes deemed necessary to meet the requirements of the national defense.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3880. An act to create a Civil Aeronautics Board and a Federal Aviation Agency, to provide for the regulation and promotion of civil aviation in such a manner as to best foster its development and safety, and to provide for the safe and efficient use of the airspace by both civil and military aircraft.

IMPLEMENTATION OF WAGE AND EMPLOYMENT PRACTICES AGREEMENT WITH REPUBLIC OF PANAMA

Mr. MURRAY. Mr. Speaker, I call up the conference report on the bill (S. 1850) to adjust conditions of employment in departments or agencies in the Canal Zone, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. 2149)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1850) entitled "An act to adjust conditions of employment in departments or agencies in the Canal Zone", having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows: That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill and agree to the same.

TOM MURRAY,
JOHN YOUNG,
ROBERT W. HEMPHILL,
RALPH J. SCOTT,
EDWARD H. REES,
GLENN CUNNINGHAM,
DAVID DENNISON,
Managers on the Part of the House.

OLIN D. JOHNSTON,
DICK NEUBERGER,
FRANK CARLSON,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1850) entitled "An act to adjust conditions of employment in departments or agencies in the Canal Zone," submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendments struck out all after the enacting clause and inserted a substitute text and provided a new title for the Senate bill.

With respect to the amendment of the House to the text of the Senate bill, the committee of conference recommends that the Senate recede from its disagreement to the amendment of the House and agree to the same.

The committee of conference strongly emphasizes that, with respect to the repeal of certain provisions of existing law by section 16 (b) of this legislation as agreed to in conference, it is intended that, when by act of Congress employees in the United States receive pay increases, United States citizen employees in the Canal Zone now covered by the laws being repealed by such section 16 (b) will not be deprived of benefits which would have accrued to them if such laws had not been so repealed.

By the repeal by such section 16 (b) of certain provisions of existing law, the committee of conference again strongly emphasizes that it is not intended to deprive the four groups of employees concerned of any wage benefits. It is the intent of the Congress that the precedent established in the Canal Zone in relating Canal Zone wage increases to comparable wage increases in the United States will continue to be followed.

It is in the light of the intent of the Congress as above stated that the repeal of certain provisions of existing law by section 16 (b) is included in the conference agreement.

With respect to the amendment of the House to the title of the Senate bill, the committee of conference recommends that the Senate recede from its disagreement to the amendment of the House to the title of the Senate bill and agree to the same. Such title of the conference substitute as proposed by the House amendment is as follows: "An act to implement item 1 of a Memorandum of Understandings attached to the treaty of January 25, 1955, entered into by the Government of the United States of America and the Government of the Republic of Panama with respect to wage and employment practices of the Government of the United States of America in the Canal Zone."

TOM MURRAY,
JOHN YOUNG,
ROBERT W. HEMPHILL,
RALPH J. SCOTT,
EDWARD H. REES,
GLENN CUNNINGHAM,
DAVID DENNISON,
Managers on the Part of the House.

Mr. MURRAY. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

Mr. MURRAY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. MURRAY. Mr. Speaker, the conference report is identical to the bill as it passed the House. The Statement of Managers, however, contains a clarification of the position of the conferees with respect to the repeal of certain laws which made mandatory increases for employees in the Canal Zone employed as postal employees, policemen, firemen, or school teachers. The mandatory provisions would have given them automatic salary increases each time there was such an increase granted by Congress for similar employees in the Postal Field Service or in the District of Columbia. The crux of the Statement of Managers is found in their statement: "The committee of conference strongly emphasizes that, with respect to the repeal of certain provisions of existing law by section 16 (b) of this

legislation as agreed to in conference, it is intended that, when by act of Congress employees in the United States receive pay increases, United States employees in the Canal Zone now covered by the law being repealed by such section 16 (b) will not be deprived of benefits which would have accrued to them if such laws had not been so repealed."

POSTAL CHARGES

Mr. MURRAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 10320) to provide for additional charges to reflect certain costs in the acceptance of business reply cards, letters in business reply envelopes, and other matter under business reply labels for transmission in the mails without prepayment of postage, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, strike out lines 4 to 12, inclusive, and insert "Postage thereon at the regular first-class rate, and an additional charge thereon of 2 cents for each piece weighing 2 ounces or less and 5 cents for each piece weighing more than 2 ounces, shall be collected on delivery."

Page 2, line 14, strike out "July" and insert "August."

Page 2, after line 14, insert:

"SEC. 3. (a) Section 85 of the act of January 12, 1895 (39 U. S. C. 326), is amended by inserting after the words 'Secretary of the Senate,' wherever they appear the words 'Sergeant at Arms of the Senate.'

"(b) (1) Section 7 of the act of April 28, 1904 (39 U. S. C. 327), is amended by inserting after the word 'Congress,' the following 'and the Secretary of the Senate and the Sergeant at Arms of the Senate.'

"(2) Such section is further amended by adding at the end thereof the following 'In the event of a vacancy in the office of Secretary of the Senate or Sergeant at Arms of the Senate, such privilege may be exercised in such officer's name during the period of such vacancy by any authorized person.'

"(c) Section 2 of the act entitled 'An act to reimburse the Post Office Department for the transmission of official Government-mail matter,' approved August 15, 1953 (67 Stat. 614; 39 U. S. C. 321o), is amended by inserting after the words 'Secretary of the Senate,' the words 'the Sergeant at Arms of the Senate.' "

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

Mr. MURRAY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. MURRAY. Mr. Speaker, as this bill passed the House, its purpose was to eliminate serious administrative problems and extra costs to the Post Office Department that have arisen in the handling of business reply mail—that is, mail without postage prepaid, which requires collection at destination.

The Senate added two amendments neither of which materially affect the bill as it passed the House. The first retains the present rates on business reply cards. These rates will recover cost of handling and would be the same under the bill as it passed the House. However, the House position would have permitted, in the future, the Postmaster General to increase rates if costs rose. The second Senate amendment merely authorizes the Sergeant at Arms and Secretary of the Senate to use their frank for sending official business as well as public documents. At the present time, they use their frank for public documents only. Since this is a matter solely related to the Senate, it is my opinion there is no question that should be raised by this body.

COMMITTEE ON HOUSE ADMINISTRATION

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Subcommittee on Elections of the Committee on House Administration may be permitted to sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

TROOPS TO THE MIDDLE EAST

Mr. SIKES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SIKES. Mr. Speaker, I support Mr. Eisenhower's action in sending troops to the Middle East. America should be firmly united behind this action.

The alarming acceleration of adverse events in the Middle East makes very clear the fact that America must now act or watch the influence of the Western World in that area disintegrate.

Talk is useless. Negotiations cannot cope with force and democracy can no longer rely on diplomacy alone to deal with violence.

Nasser, working in the shadow of the Kremlin, makes a joke of the democratic processes which saved his own neck. But in his tactics, copied verbatim from his Russian tutors, are found a stern lesson for the United States.

The Eisenhower doctrine for the Middle East was the Dulles substitute for the positive policies of Britain, France, and Israel. In the 2 years of its existence, events have gone from bad to worse. Our stature in the area and that of the West has steadily deteriorated. Now Nasser openly espouses the role of force. Talk will not stop him. We can still pick the place and method for a showdown—but not for long. We are close to the end of the line in the Middle East. Unless there is a sharp reversal, the area soon will be lost and with it the approaches to Africa.

America takes no pride in indecision or in temporizing. America will support strong policies. America knows waiting invites disaster. If we have to fight it is better to learn it now than to wait until we are backed into a corner.

PRESIDENT EISENHOWER BREAKS HIS OWN COMMITMENT TO CONGRESS BY INTERVENING IN THE MIDDLE EAST WITHOUT CONSULTING CONGRESS

Mr. REUSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. REUSS. Mr. Speaker, American troops are landing in Lebanon.

Under our existing commitments, we are not obliged to intervene.

The Eisenhower doctrine calls for intervention by the United States at the request of a Middle Eastern country subjected to an armed attack by a country controlled by international communism. The U. N. recently determined that no such outside attack was being made.

By intervening, we risk not only world war III, but also the moral revulsion of the uncommitted world. The West has great interests in the Middle East, including oil and Israel. But may not these interests be better served by recognizing irrepressible Arab nationalism and trying to channelize it constructively, than by declaring war to the death against it now?

Because of the great issues at stake, the administration should not have intervened in the Middle East without consulting Congress and allowing debate. If a sudden change in events confronted us with a situation like Korea, intervention without debate would be justified. But this has not happened.

President Eisenhower in 1957 told Congress:

If * * * a situation arose which called for military application of the policy which I ask the Congress to join me in proclaiming, I would, of course, maintain hour-by-hour contact with the Congress if it were in session. And if the Congress were not in session, and if the situation had grave implications, I would, of course, at once call the Congress into special session.

If the President is obliged to consult Congress in the event of a violation of the Eisenhower doctrine, how much more is he required to consult Congress in the event of an intervention not required by the Eisenhower doctrine. If speed is required for the consultation and debate, I know that Members are prepared to sit morning, noon, and night. If secrecy is required, this body has adequate machinery under its rules for proceeding in executive session.

EMPLOYEES OF THE FEDERAL GOVERNMENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read, referred to the Committee on Post

Office and Civil Service, and ordered to be printed.

To the Congress of the United States:

The compensation of its employees by the Federal Government is of major concern to the taxpayers of the United States, the Government itself, and, of course, its employees. A salary system should be compatible with sound business practice, justifiable in cost, and should insure equitable pay relationships among all employees. There is increasing evidence that the pay policy of the Federal Government falls short of these criteria.

During recent years it has become more and more difficult for the Federal Government to recruit and retain competent employees because its salary scales often have not remained competitive with those of non-Federal employment. The recent debates in the Congress on the postal and classified pay bills have emphasized the problems inherent in a system which depends exclusively on the legislative process for the periodic adjustment of salary schedules. A number of Members of Congress have expressed a desire for a better way of adjusting the pay of Government employees.

It has been more than 30 years since a comprehensive review has been made of the manner in which the Federal Government compensates its employees. During this period the size of the Government and the complexity of its activities have increased enormously. As new activities have been added, new pay systems have been created.

It is estimated that there are now at least 77 different pay plans in the executive branch. Nearly a million employees under the Classification Act and another one-half million under the postal service have their pay fixed and adjusted by statute. Another large group, the 777,000 blue collar employees, have their wages adjusted from time to time by the heads of employing agencies in accordance with prevailing rates. Pay rates under some of the remaining plans are set by statute and others are fixed by agency heads. Moreover, when an agency head fixes such rates he operates under statutory restrictions which vary from one system to another. It has been found that there are more than 300 different statutes bearing on the pay of Federal employees.

Over the past 10 years adjustments in the salaries of most white collar workers have been made on the average of once every 2½ years. Blue collar workers, on the other hand, have averaged one adjustment annually. The total percentage of increase thus realized by blue collar workers is considerably in excess of that realized by white collar workers whose pay is fixed by statute. As a result, supervisors in some establishments, because their pay is fixed by statute, are receiving less money than their blue collar subordinates. This is but one example of the many inconsistencies among the many systems.

The inadequacy of Federal pay rates, at least for certain levels and kinds of work, has led the Government to improvise with special pay provisions for certain groups, such as Public Law 313 rates for scientists and technical personnel and section 803 of the Classification Act which authorizes higher rates for hard-to-recruit categories. The effects of such patchwork should be investigated. Particularly should it be ascertained what such patch work does to the basic principle of equal pay for equal work.

The fact of the matter is, the Federal Government has no comprehensive, uniform pay policy. Some systems base salary rates on the degrees of difficulty and responsibility of the job, but recognize no difference between individuals with minimum qualifications and those of above average ability. Others, such as the Foreign Service and Veterans' Administration Medical and Surgical Service, set salaries on the basis of the personal qualifications of the individual.

For those positions where salary is established by statute there are no clear-cut criteria for determining when pay adjustments are necessary or the amount of adjustment to be made.

The periods between pay adjustments vary from annually for employees whose wages are fixed by wage boards to an average of every 20 years for Members of Congress, Federal judges, and members of the President's Cabinet. The rigidity in the pay of top Government officials has had the effect of depressing the salaries of career employees in the upper grades and has resulted in a gradual but progressive distortion of what were originally sound salary structures.

In summary, periodic revisions of the Classification Act salary schedule, the granting of numerous exemptions, and the development of new categories of employees have all resulted in a variety of pay systems, a lack of sound relationships among the salaries of various groups, and a failure to provide equitable treatment for all Federal employees. The piecemeal approach to this problem has put an excessive demand on the time of the Congress and has subjected it to a variety of pressures. The lack of coordination among the various pay systems has resulted in inequities and has adversely affected the Government's ability to recruit and retain all of the qualified people needed to conduct the Nation's business in an efficient and satisfactory manner.

In recent years a number of groups have studied the pay problems of various segments of the Government. These groups include the Commission on Judicial and Congressional Salaries, the Defense Advisory Committee on Professional and Technical Compensation (Cordiner committee), and the Committee on Scientists and Engineers. The most recent study was made by the Interdepartmental Committee on Civilian Compensation and Pay Systems Within the Executive Branch. Copies of this last report will be made available to the Congress shortly.

The reports of these studies have each made some sound recommendations for correcting certain of the deficiencies of the Federal pay systems—but few have been adopted. None dealt with the compensation policy of the Federal Government as a whole. What is needed is a comprehensive, all-inclusive study of the pay systems of all three branches so that the interrelationships of the various systems can be explored and recommendations made to achieve a high degree of coordination among them. I am convinced that the formulation of a sound, comprehensive Federal compensation policy can be accomplished only through joint legislative-executive action based upon an overall study of this kind.

Therefore, I propose:

I. That there be established a Joint Commission on the Civilian Employee Compensation Policy of the Federal Government, the Commission to be composed of 15 members:

One, the Chairman, to be appointed by the President;

Three, members of the executive branch, to be appointed by the President;

Four, Members of the Senate, to be appointed by the President of the Senate;

Four, Members of the House of Representatives, to be appointed by the Speaker of the House; and

Three, representing the public, to be appointed by the President.

II. That appropriations be made sufficient to enable the Commission to employ an Executive Director and necessary staff and to engage the services of experts from outside the Federal Government. The Commission should be authorized to draw upon the facilities and personnel of any of the agencies of the Government.

III. That the Commission be directed to study all compensation systems in all three branches of the Federal Government and determine upon a compensation policy which will provide equitable treatment for all, and which will contribute to the Government's ability to recruit and retain an adequate work force of qualified individuals.

A. In discharging this duty:

1. The Commission should, in addition to considering past studies, conduct any other studies necessary to provide itself with relevant and current information regarding salary structures within the Federal Government.

2. The Commission, because the military pay system is newly and entirely revised, should consider it only to the extent of its relationship to other compensation systems.

3. The Commission should recognize that the Foreign Service pay system is unique and is designed to fulfill a need not elsewhere encountered in the Government and that, therefore, it must remain a separate system.

B. The Commission should make recommendations, among other things, as to:

1. The criteria to be followed in creating a sound basic compensation structure, including the criteria for determining the proper number of grade levels, within grade salary ranges and between grade differentials.

2. The criteria to be followed in determining the actual salaries to be paid under the basic compensation structure.

3. The methods to be employed in making subsequent salary adjustments without impairing the basic compensation structure.

4. The criteria to be followed in determining whether, in a particular case, a special pay system is needed.

5. The criteria to be followed in establishing sound relationships between career employees pay systems, between the compensation of career employees and that of elected and appointed officials, and between salaries paid in all three branches of the Government; also, the methods to be employed to insure the maintenance of these sound relationships when salary adjustments subsequently are made.

6. The feasibility and advisability of increased administrative authority to fix and adjust salaries, and the means of exercising such authority.

IV. That the Commission be directed to complete its work and submit a report to the President and the Congress on or before January 1, 1960.

I urge the enactment of legislation during the current session of the Congress to carry out these proposals.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *July 15, 1958.*

PUBLIC WORKS APPROPRIATION BILL, 1959

Mr. CANNON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 12858) making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, and the Tennessee Valley Authority, for the fiscal year ending June 30, 1939, and for other purposes, with Senate amendments thereto, disagree to the amendments of the Senate and agree to the conference asked by the Senate.

Mr. TABER. Mr. Speaker, reserving the right to object, I hope the conferees on the part of the House will uphold the position of the House to the utmost.

Mr. CANNON. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Missouri.

Mr. CANNON. Mr. Speaker, I am in thorough agreement with the gentleman from New York. And the needs of the day emphasize his position. It is high time we realized that the only consideration recognized by much of the world today is force.

All efforts to build up friendship and mutual cooperation in the disturbed areas of the world in the last decade have met with utter and complete failure.

Nothing is written more clearly and legibly on the horizon this morning than the immediate necessity of reappraisal of our foreign policy and the adoption of a practical program to meet practical situations which confront us on every hand with growing complexity and insistence.

If we had let the French and British polish off Nasser in the beginning when it was merely a matter of hours, or if we had intervened in Lebanon when Nasser first violated every principle of international law, not to mention the tacit understanding which we had maintained in saving him from much needed chastisement by those he had plundered in connection with his indefensible confiscation of the Suez Canal, the present crisis would have been avoided.

Now, Mr. Speaker, I have no desire to discuss foreign relations. I am wholly uninformed on current international affairs; and in referring to them I am speaking strictly privatim as a private citizen. But I do wish to refer in this connection to three appropriation bills which are still pending and which have not yet been taken up in conference, the foreign aid bill, the defense bill and the public works bill. In all three of these bills there are millions of dollars that must be borrowed for purposes and projects which we could do without. Half a dozen responsible members of the House Appropriations Committee could sit down together and blue pencil out of them billions of dollars which can be deferred without inconvenience or prejudice to any department of the Government, at least until our international problems are composed, and the peace of the world is assured.

I earnestly invite Members of the House to take into consideration the importance of developing not only military strength, but economic strength as well in order to establish and maintain permanent world peace.

To accomplish this we need at this time three things, and we need them desperately: Nuclear submarines, intercontinental missiles, and, especially, a solvent Treasury.

The SPEAKER. Is there objection to the request of the gentleman from Missouri? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. CANNON, RABAUT, KIRWAN, JENSEN, and TABER.

AREA REDEVELOPMENT ACT

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, Senate bill 3683, known as the Area Redevelopment Act, passed the Senate May 13, 1958.

The House Committee on Banking and Currency held 2 months of hearings and reported the bill on July 1. This is July 15 and as yet no request has been made for a rule.

With only a few weeks left in this Congress, unless a rule is requested and granted immediately there will be no area redevelopment legislation enacted at this session of Congress.

Mr. Speaker, we who represent the 263 distressed areas of this country would like to know why a rule has not been requested.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first bill on the Private Calendar.

OLIVE V. RABINIAUX

The Clerk called the first bill, S. 2621, for the relief of Olive V. Rabiniaux.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 212 (a) (9) of the Immigration and Nationality Act, Olive V. Rabiniaux may be issued a visa and be admitted to the United States for permanent residence, if she is found to be otherwise admissible under the provisions of such act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EVA S. WINDER

The Clerk called the bill (S. 488) for the relief of Eva S. Winder.

Mr. LANE. Mr. Speaker, I ask unanimous consent that this bill be pased over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CASEY JIMENEZ

The Clerk called the bill (S. 1879) for the relief of Casey Jimenez.

Mr. LANE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

WILLIAM F. PELTIER

The Clerk called the bill (S. 2146) for the relief of William F. Peltier.

Mr. LANE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CONVEYANCE OF INTEREST OF THE UNITED STATES IN AND TO CERTAIN FISSIONABLE MATERIALS IN TRACT OF LAND IN THE COUNTY OF ALAMANCE, STATE OF NORTH CAROLINA

The Clerk called the bill (S. 2833) to provide for the conveyance of the interest of the United States in and to certain fissionable materials in a tract of land in the county of Alamance, State of North Carolina.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Administrator of General Services is authorized and directed to convey by quitclaim deed to T. E. Steed, of the county of Alamance, State of North Carolina, and to his heirs and assigns, all right, title, and interest of the United

States in and to fissionable materials, uranium, thorium, and all other minerals determined pursuant to section 5 (b) (1) of the Atomic Energy Act of 1946 (60 Stat. 761) to be peculiarly essential to the production of fissionable material, contained in the tract of land in Burlington Township, county of Alamance, State of North Carolina, which was conveyed to said T. E. Steed by quitclaim deed executed August 20, 1947, by the Reconstruction Finance Corporation (recorded on December 22, 1947, at book No. 169, pp. 310–312, of the deed records of Alamance County, N. C.), as supplemented by an amendatory quitclaim deed executed December 6, 1954, by the United States through the Administrator of General Services (recorded February 9, 1955, at book No. 231, pp. 385–387, of the deed records of such county).

The bill was ordered to be read a third time, was read a third time, and passed, and a motion to reconsider was laid on the table.

CONVEYANCE OF INTERESTS OF THE UNITED STATES IN AND TO URANIUM, THORIUM AND OTHER MATERIALS IN CERTAIN TRACTS OF LAND SITUATED IN JACKSON COUNTY, MISS.

The Clerk called the bill (H. R. 11933) to provide for the conveyance of interests of the United States in and to uranium, thorium, and other materials in certain tracts of land situated in Jackson County, Miss.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Administrator of General Services is authorized and directed to convey by quitclaim deed to the record owner, as of the date of enactment of this act, of each lot of Pinecrest Park Subdivision, sections 1, 2, and 3, as per plat thereof recorded in book 3, pages 12, 38, and 39, respectively, of the records of plats of Jackson County Miss., contained in the tract of land in the county of Jackson, State of Mississippi, which was conveyed by quitclaim deed from the United States of America to the Ingalls Shipbuilding Corporation, recorded on May 15, 1950, in book 112, pages 428–431, of the land deed records of Jackson County, Mississippi, all of the right, title, and interest of the United States in and to uranium, thorium, and other materials in such lot determined pursuant to section 5 (b) (1) of the Atomic Energy Act of 1946 (60 Stat. 761) to be peculiarly essential to the production of fissionable material. The exact legal description of such land shall be determined by the Administrator of General Services.

SEC. 2. The Administrator of General Services is authorized and directed to convey by quitclaim deed to the record owner, as of the date of enactment of this act, of each lot of Pinecrest Park Subdivision, sections 1, 2, and 3, as per plat thereof recorded in book 3, pages 12, 38, and 39, respectively, of the records of plats of Jackson County, Mississippi, contained in the tract of land in the county of Jackson, State of Mississippi, which was conveyed by quitclaim deed from the United States of America to E. H. Bacot, recorded on June 10, 1950, in book 112, pages 498–601, of the land deed records of Jackson County, Mississippi, all of the right, title, and interest of the United States in and to uranium, thorium, and other materials in such lot determined pursuant to section 5 (b) (1) of the Atomic Energy Act of 1946 (60 Stat. 761) to be peculiarly essential to the production of fissionable material. The exact legal description of such land shall be determined by the Administrator of General Services.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIG. GEN. CHESTER W. GOBLE

The Clerk called the bill (S. 655) for the relief of Brig. Gen. Chester W. Goble.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Brig. Gen. Chester W. Goble, Army of the United States, retired, shall be advanced on the Army of the United States retired list to the rank of major general effective March 1, 1955, and shall be entitled to retired pay from such date computed on the basis of the rate of basic pay to which he would be entitled if serving on active duty in the grade of major general.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PHILIP FERDINAND LINDEMAN

The Clerk called the bill (H. R. 9299) to authorize the appointment of Philip Ferdinand Lindeman as permanent colonel of the Regular Army.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That (a), notwithstanding any other provision of law, the President, by and with the advice and consent of the Senate, may appoint in the regular grade of colonel in the Regular Army, Philip Ferdinand Lindeman, a member of the Army Reserve presently serving on active duty in the grade of major general.

(b) The person appointed under subsection (a) shall, while on the active list, be charged against the authorized strength of the Regular Army in colonels on the active list.

(c) The person appointed under subsection (a) may not be retired, other than for physical disability, before he has at least 20 years of active service as a commissioned officer as defined by section 3926 of title 10, United States Code.

(d) The Secretary of the Army may retire the person appointed under subsection (a) after he becomes 60 years of age.

(e) If the person appointed under subsection (a) is retired under subsection (d), he is entitled to retired pay computed under formula C, section 3991 of title 10, United States Code.

(f) Upon appointment, the name of the person appointed under subsection (a) shall be placed on the Army promotion list existing on the date of his appointment at the foot of the list of colonels of the Regular Army.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROBERT WESLEY COLGLAZIER, JR.

The Clerk called the bill (H. R. 9300) to authorize the appointment of Robert Wesley Colglazier, Jr., as permanent brigadier general of the Regular Army.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, (a) notwithstanding any other provision of law, the President, by and with the advice and consent of the Senate, may appoint in the regular grade of brigadier general in the Regular Army, Robert Wesley Colglazier, Jr., a member of the Army Reserve presently serving on active duty in the grade of major general.

(b) The person appointed under subsection (a) shall, while on the active list, be charged against the authorized strength of the Regular Army in general officers on the active list.

(c) The person appointed under subsection (a) may not be retired, other than for physical disability, before he becomes 60 years of age.

(d) The Secretary of the Army may retire the person appointed under subsection (a) after he becomes 60 years of age. The person appointed under subsection (a) may be retired, upon his request, after he becomes 60 years of age.

(e) If the person appointed under subsection (a) is retired under subsection (d) with less than 20 years active service as a commissioned officer, he is entitled to retired pay computed under formula numbered 3, section 1401 of title 10, United States Code. However, if the person appointed under subsection (a) is retired after he has 20 years of active service as a commissioned officer, as defined by section 3926 of title 10, United States Code, he is entitled to retired pay computed under formula C, section 3991 of title 10, United States Code.

(f) For the purpose of determining the rank and eligibility for promotion of the person appointed under subsection (a), his name shall be placed at the foot of the permanent recommended list for promotion to the grade of brigadier general in the Regular Army existing on the date of enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRIEDRICH A. VON HOYNINGEN-HUENE, MICHAEL ANDREAS VON HOYNINGEN-HUENE, CHRISTIAN BEREND JOHANN VON HOYNINGEN-HUENE, AND BRIGITTE ANITA PECK (NEE VON HOYNINGEN-HUENE)

The Clerk called the bill (H. R. 3147) for the relief of Friedrich A. von Hoyningen-Huene, Michael Andreas von Hoyningen-Huene, Christian Berend Johann von Hoyningen-Huene, and Brigitte Anita Peck (nee von Hoyningen-Huene).

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Attorney General is authorized and directed to return to Friedrich A. von Hoyningen-Huene, Michael Andreas von Hoyningen-Huene, Christian Berend Johann von Hoyningen-Huene, and Brigitte Anita Peck (nee von Hoyningen-Huene) their respective interests in the trusts created under the will of George William Ellis, the will of Aimee F. C. Ellis, and the trust agreement dated October 9, 1935, between William R. C. Corson and the Hartford National Bank & Trust Co., which were acquired by the Attorney General under vesting orders Nos. 3883 (dated July 11, 1944), 4067 (dated August 25, 1944), and 9895 (dated October 1, 1947).

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN I. STRONG

The Clerk called the bill (H. R. 1435) for the relief of John I. Strong.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated to John I. Strong, Maitland, Fla., the sum of $2,013.92. The payment of such sum shall be in full settlement of all claims of the said John I. Strong against the United States for compensation for damage caused to citrus trees and other property owned by him on October 30, 1952, when two jet aircraft of the United States Air Force collided in midair and one of them fell and exploded on his property. Such claims are not cognizable under the tort claims procedure as provided in title 28 of the United States Code: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 4, strike out "in excess of 10 percent thereof."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LESTER R. LOOMIS

The Clerk called the bill (H. R. 7124) for the relief of Lester R. Loomis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subsection (d) of section 15 of the War Claims Act of 1948 and section 105 of the War Claims Act amendments of 1954 are each hereby waived in favor of Lester R. Loomis, Waukesha, Wis., and his claim for benefits under section 15 of the War Claims Act of 1948 is hereby authorized and directed to be acted upon under the remaining provisions of the War Claims Act of 1948, if he files claim for such benefits with the Foreign Claims Settlement Commission within the 6-month period which begins on the date of enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MONROE WOOLLEY

The Clerk called the bill (H. R. 8688) for the relief of Monroe Woolley.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $500 to Monroe Woolley, of Crockett, Tex., in full settlement of all claims against the United States. Such sum represents damage sustained as the result of a fire set by the United States Forest Service, Department of Agriculture, on February 27, 1956: *Provided*, That no part of amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

S. N. T. FRATELLI GONDRAND

The Clerk called the resolution (H. Res. 604) providing for sending the bill H. R. 7686 and accompanying papers to the United States Court of Claims.

There being no objection, the Clerk read the resolution, as follows:

Resolved, That the bill (H. R. 7686) entitled "A bill for the relief of S. N. T. Fratelli Gondrand," together with all accompanying papers, is hereby referred to the United States Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code; and said court shall proceed expeditiously with the same in accordance with the provisions of said sections and report to the House of Representatives, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand, as a claim legal or equitable, against the United States, and the amount, if any, legally or equitably due from the United States to the claimant.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ELIZABETH C. GARNER AND CHARLES P. GARNER

The Clerk called the bill (H. R. 6589) for the relief of Elizabeth C. Garner and Charles P. Garner.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That sections 15 to 20, inclusive, of the Federal Employees' Compensation Act are hereby waived in favor of Elizabeth C. Garner and Charles P. Garner and their claims for compensation benefits by reason of the act of July 15, 1939 (5 U. S. C. 797, 797a), arising out of the death of William C. Garner (serial No. AO807724), who died on January 19, 1949, as the result of an aircraft accident which occurred while he was serving on active duty for training as an officer of the United States Air Force, shall be acted upon under the remaining provisions of the Federal Employees' Compensation Act if Elizabeth C. Garner files claim for such benefits on her own behalf and on behalf of the said Charles P. Garner with the Bureau of Employees' Compensation, Department of Labor, within 6 months after the date of enactment of this act. Any amounts which accrue to Elizabeth C. Garner and Charles P. Garner by reason of the enactment of this act shall be reduced by an amount equal to all amounts received by them from the Veterans' Administration on account of the death of the said William C. Garner.

The bill was ordered to be engrossed, and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COL. JOHN T. MALLOY

The Clerk called the bill (H. R. 7417) for the relief of Col. John T. Malloy.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Col. John T. Malloy, O–18576, United States Army, the sum of $1,347.59, in full satisfaction of all claims against the United States for reimbursement of expenses incurred by him in connection with the payment of ocean freight transportation on his private automobile from San Francisco, Calif., to Java and return. The Army orders issued incident to these shipments authorized the transport of one privately owned automobile by Army transport subject to availability of space, and, inasmuch as no Army transport service to Java existed and the Department of the Army had no discretion to ship the automobile by other means, and it was found after Colonel Malloy's arrival in Java on or about January 29, 1949, that the automobile was necessary to the establishment of a new military liaison office and the performance of his duty as assistant military attaché Batavia, Netherlands East Indies, shipment of his automobile by commercial transport was arranged on or about May 13, 1949, at a cost of $634.47, and also at the time of his return on or about March 18, 1950, at a cost of $713.12, as Army transport service to Java had not been established: *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MR. AND MRS. JOHN R. HADNOT

The Clerk called the bill (H. R. 9180) for the relief of Mr. and Mrs. John R. Hadnot.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for purposes of determining the entitlement of Mr. and Mrs. John R. Hadnot, of Baton Rouge, La., to parent's insurance benefits under section 202 (h) of the Social Security Act for any month after June 1956, their son Luke R. Hadnot, who died July 4, 1956, shall be deemed to have died without leaving a surviving widow or child.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

E. L. TERRY, W. A. WARD, AND G. S. MANESS

The Clerk called the bill (H. R. 9808) for the relief of E. L. Terry, W. A. Ward, and G. S. Maness.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not

otherwise appropriated, to Mr. E. L. Terry, Dermott, Ark., Mr. W. A. Ward, Damascus, Ark., and Mr. G. S. Maness, Damascus, Ark., jointly the sum of $51: *Provided* that the payment of such sum shall be in full settlement of all claims of E. L. Terry, W. A. Ward, and G. S. Maness against the United States for reimbursement of legal and other expenses incurred by them to establish their clear title to certain land with respect to which the United States erroneously claimed that no patent had been issued.

With the following committee amendment:

Page 2, line 3, after the colon insert "*Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANCIS M. HAISCHER

The Clerk called the bill (H. R. 10263) for the relief of Francis M. Haischer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit the account of Francis M. Haischer, of Albany, N. Y., of the sum of $2,037.72. Such sum represents an overpayment of retired pay which was paid by the Department of the Navy which he received in good faith.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NORTH COUNTIES HYDRO-ELECTRIC CO.

The Clerk called the bill (H. R. 10419) for the relief of North Counties Hydro-Electric Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding any statute of limitation, lapse of time, or any prior court decision of this claim by any court of the United States, jurisdiction is hereby conferred upon the United States Court of Claims to hear, determine, and render judgment on the claim of North Counties Hydro-Electric Company, of Illinois, against the United States for damages sustained as the result of a dam built by the United States on the Fox River, at Dayton, Ill., in 1952. Suit upon such claim may be instituted hereunder not later than 1 year after the date of the enactment of this act: *Provided, however*, That nothing contained in this act shall be construed as an inference of liability on the part of the United States.

With the following committee amendments:

Page 1, line 9, after the word "damages" insert "to its powerplant and dam at Dayton, Ill."

Page 1, line 10, strike "Fox" and insert "Illinois," and strike "Dayton" and insert "Starved Rock near Ottawa."

Page 1, line 10, strike ", in 1952." and insert a period.

Page 2, lines 1 through 4, strike ": *Provided, however*, That nothing contained in this act shall be construed as an inference of liability on the part of the United States." and insert a period.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

McCUNE C. OTT

The Clerk called the bill (H. R. 11611) for the relief of McCune C. Ott.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to McCune C. Ott, mixed gang foreman at the Colorado National Monument, Fruita, Colo., the sum of $2,044 in full satisfaction of any claim for loss of certain personal property resulting from a fire at the area on September 29, 1956, reportedly caused by faulty wiring or combustion: *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GERALD EARLY

The Clerk called the bill (H. R. 12063) for the relief of Gerald Early.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Gerald Early of Brockton, Mass., is hereby relieved of all liability for payment to the United States of the sum of $1,257, representing overpayments of per diem which he received as an employee of the Department of the Navy while he was assigned to duty at the Golcuk Navy Yard, Ismet, Turkey, such overpayments having been made as a result of administrative error.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Gerald Early, the sum of any amounts received or withheld from him on account of the overpayments referred to in the first section of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PETER A. BEKLEMISHEV, MICHAEL LINDEN, AND SERGE OULASSUK

The Clerk called the bill (H. R. 12204) for the relief of Peter A. Beklemishev, Michael Linden, and Serge Oulassuk.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Court of Claims be, and hereby is, given jurisdiction to hear and determine the claims of Peter A. Beklemishev, Michael Linden, and Serge Oulassuk, for services rendered the United States in defense of a suit brought by the Russian Volunteer Fleet in the Court of Claims to recover compensation for ships requisitioned by the United States during World War I, and to enter such decree or judgment against the United States as equity and justice shall require for the reasonable value of the services rendered by said former employees of the United States in such suit.

SEC. 2. Suit upon such claims may be instituted at any time within 6 months after the date of enactment of this act, notwithstanding the lapse of time, laches, or any statute of limitations. Proceedings for the determination of such claims and appeals from, and payment of, any judgment thereon shall be in the same manner as in the case of claims over which such court has jurisdiction under section 1491 of the Judicial Code as amended (28 U. S. C. 1491).

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

C. A. NOLAN

The Clerk called the bill (H. R. 6970) for the relief of C. A. Nolan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $495.22 to C. A. Nolan, of Seymour, Ind., in full settlement of all claims against the United States.

The payment of such sum represents the increased costs of production of one thousand and fifty one-hundredths tons of bituminous coal furnished various Civilian Conservation Corps camps under contract No. W-5501-qm-CIV-1649, dated June 11, 1941. Such Civilian Conservation Corps camps were under the jurisdiction of the United States Department of the Army.

With the following committee amendment:

Page 2, line 3, strike the period and insert: ": *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANK J. FARLEY

The Clerk called the bill (H. R. 5169) for the relief of Frank J. Farley.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the time limitation for execution of applications for retirement under section 6 of the Civil Service Retirement Act of May 29, 1930, as in effect on November 16, 1951, is hereby waived in favor of Frank J. Farley, of Queens Village, N. Y., formerly employed at the New York Naval Shipyard, Brooklyn, N. Y., and his application for retirement as of November 16, 1951, on account of disability under such

section 6 shall be considered and acted upon under the remaining provisions of such act, as in effect on November 16, 1951, if he files such application with the United States Civil Service Commission not later than 90 days after the date of enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BERNARDINE M. A. DE LA MOTTE

The Clerk called the bill (H. R. 7793) for the relief of Bernardine M. A. de la Motte.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Bernardine M. A. de la Motte, widow of James F. de la Motte, Washington, D. C., the sum of $6,334.16, in full settlemeht of all claims against the United States for accumulated annuity payments under the civil-service retirement system: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. TYRA FENNER TYNES

The Clerk called the bill (H. R. 9487) for the relief of Mrs. Tyra Fenner Tynes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That sections 15 to 20, inclusive, of the Federal Employees' Compensation Act are hereby waived in favor of Mrs. Tyra Fenner Tynes, New Orleans, La., and her claim for compensation for the death of her husband, Tyra Fenner Tynes, a former civilian employee of the Corps of Engineers, United States Army, who died in the Canal Zone on September 23, 1942, shall be acted upon under the remaining provisions of such act if she files such claim with the Bureau of Employees' Compensation, Department of Labor, within 6 months after the date of enactment of this act. No benefits shall accrue by reason of the enactment of this act for any period prior to the date of its enactment.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GERALD K. EDWARDS, LAWRENCE R. HITCHCOCK, THOMAS J. DAVEY, AND GERALD H. DONNELLY

The Clerk called the bill (H. R. 9756) for the relief of Gerald K. Edwards, Lawrence R. Hitchcock, Thomas J. Davey, and Gerald H. Donnelly.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the persons enumerated below the sums specified, in full settlement of all claims against the Government of the United States as reimbursement for personal effects destroyed as a result of the fire which occurred on July 13, 1956, at Girkwood, Alaska, when the claimants were employed on a survey crew with the Alaska Railroad: Gerald K. Edwards, $415; Lawrence R. Hitchcock, $443; Thomas J. Davey, $797; and Gerald H. Donnelly, $298.

SEC. 2. No part of the amounts appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with these claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. CHRISTINA TULES

The Clerk called the bill (H. R. 11103) for the relief of Mrs. Christina Tules.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the provisions of the act entitled "An act providing for the barring of claims against the United States," approved October 9, 1940 (31 U. S. C. 71a), are hereby waived in favor of Mrs. Christina Tules, Plainfield, Conn., and the claim submitted by her for amounts due her as beneficiary of the late Frank J. Tules (service number 31123302), which was received in the United States General Accounting Office on May 11, 1956, shall be considered as having been received within the time limitation provided in such act of October 9, 1940.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PIONEERS, INC., A CORPORATION, AND JESS M. RITCHIE, INDIVIDUALLY, AND AS AN OFFICER OF SAID CORPORATION

The Clerk called the resolution (H. Res. 167) for the relief of Pioneers, Inc., a corporation, and Jess M. Ritchie, individually, and as an officer of said corporation.

There being no objection, the Clerk read the resolution, as follows:

Resolved, That the bill (H. R. 3875) entitled "A bill for the relief of Pioneers, Inc., a corporation, and Jess M. Ritchie, individually, and as an officer of said corporation," together with all accompanying papers, is hereby referred to the United States Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code; and said court shall proceed expeditiously with the same in accordance with the provisions of said sections and report to the House, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand, as a claim legal and equitable, against the United States, and the amount, if any, legally or equitably due from the United States to the claimant.

The resolution was agreed to, and a motion to reconsider was laid on the table.

VALIDATING THE CONVEYANCE OF CERTAIN LAND IN THE STATE OF CALIFORNIA BY THE CENTRAL PACIFIC RAILWAY CO. AND THE SOUTHERN PACIFIC CO. TO D'ARRIGO BROS. CO. OF CALIFORNIA

The Clerk called the bill (H. R. 13026) to validate the conveyance of certain land in the State of California by the Central Pacific Railway Co. and the Southern Pacific Co. to D'Arrigo Bros. Co., of California.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, subject to section 3 of this act, the conveyance executed by the Central Pacific Railway Co. and the Southern Pacific Co., and described in section 2 of this act, involving certain land in the city of Lodi, county of San Joaquin, State of California, forming a part of the right-of-way granted by the United States to the Central Pacific Railway Co. by the act of July 1, 1862 (12 Stat. 489), as amended by the act of July 2, 1864 (13 Stat. 356), is hereby legalized, validated, and confirmed, as far as the interest of the United States is concerned, with the same force and effect as if the land involved therein had been held by the Central Pacific Railway Co. and the Southern Pacific Co. at the time of such conveyance under absolute fee simple title.

SEC. 2. The conveyance referred to in the first section of this act was made by the Central Pacific Railway Co. and the Southern Pacific Co., grantors, to D'Arrigo Brothers Company of California, a California corporation, grantee, and was recorded on October 1, 1956, in Code 1906, at page 332, in the office of the County Records of San Joaquin County, Calif., under records; serial No. 37272.

SEC. 3. (a) Nothing contained in this act is intended or shall be construed to—

(1) diminish the right-of-way referred to in the first section of this act to a width less than 50 feet on either side of the center of the main track or tracks of the Central Pacific Railway Co. and the Southern Pacific Co. as established and maintained on the date of enactment of this act; nor

(2) legalize, validate, or confirm any right, title, or interest in and to the land referred to in the first section of this act arising out of adverse possession, prescription or abandonment, and not confirmed by conveyance made by the Central Pacific Railway Co. and the Southern Pacific Co. before the date of enactment of this act.

(b) There is hereby reserved to the United States all oil, coal, or other minerals in the land referred to in the first section of this act, together with the right to prospect for, mine, and remove the same under such rules and regulations as the Secretary of the Interior may prescribe.

With the following committee amendments:

Page 2, line 11, strike out the words "D'Arrigo Brothers Company of California," and insert "D'Arrigo Bros. Co. of California."

Page 2, line 13, strike out the word "Code" and insert "book."

Page 2, strike out all of line 14 and insert in lieu thereof the following: "Recorder of San Joaquin County, California, under recorder's."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended to read: "A bill to validate the conveyance of certain land in the State of California by the Central Pacific Railway Co. and the Southern Pacific Co. to D'Arrigo Bros. Co. of California."

A motion to reconsider was laid on the table.

VALIDATING THE CONVEYANCE OF CERTAIN LAND IN THE STATE OF CALIFORNIA BY THE SOUTHERN PACIFIC CO. TO JAMES GIONO

The Clerk called the bill (H. R. 9792) to validate the conveyance of certain land in the State of California by the Southern Pacific Co. to James Giono.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That, subject to section 3 of this act, the conveyance executed by the Southern Pacific Co., and described in section 2 of this act, involving certain land in the county of Los Angeles, State of California, forming a part of the right-of-way granted by the United States to the Southern Pacific Railroad Co. by section 23 of the act of March 3, 1871 (16 Stat. 573), said Southern Pacific Co. being the successor, by mesne consolidations and merger, to said Southern Pacific Railroad Co., is hereby legalized, validated, and confirmed, as far as the interest of the United States is concerned, with the same force and effect as if the land involved therein had been held by the Southern Pacific Co. at the time of such conveyance under absolute fee simple title.

SEC. 2. The conveyance referred to in the first section of this act was entered into between the Southern Pacific Co., grantor, and James Giono, grantee, on April 30, 1957, and recorded on August 22, 1957, volume 55414, page 30, of Official Records of Los Angeles County, Calif.

SEC. 3. (a) Nothing contained in this act is intended or shall be construed to—

(1) diminish the right-of-way referred to in the first section of this act to a width less than 50 feet on either side of the center of the main track or tracks of the Southern Pacific Co. as established and maintained on the date of enactment of this act; nor

(2) legalize, validate, or confirm any right, title, or interest in and to the land referred to in the first section of this act arising out of adverse possession, prescription, or abandonment, and not confirmed by conveyance made by the Southern Pacific Co. before the date of enactment of this act.

(b) There is hereby reserved to the United States all oil, coal, or other minerals in the land referred to in the first section of this act, together with the right to prospect for, mine, and remove the same under such rules and regulations as the Secretary of the Interior may prescribe.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that further call of the calendar be dispensed with.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

COMMITTEE ON WAYS AND MEANS

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tomorrow night to file a report, including a minority report and supplemental views, on the bill H. R. 13382.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

CALL OF THE HOUSE

Mr. HALEY. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Without objection, a call of the House is ordered.

There was no objection.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 127]

Allen, Calif.	Eberharter	Mou'der
Andersen,	Engle	Norrell
H. Carl	Friedel	O'Hara, Minn.
Anderson,	Gordon	Osmers
Mont.	Gregory	Polk
Avery	Gubser	Powell
Baring	Gwinn	Radwan
Berry	Hays, Ark.	Robeson, Va.
Bolling	Hays, Ohio	Santangelo
Brown, Mo.	Ikard	Shuford
Buckley	James	Sieminski
Burdick	Jenkins	Smith, Kans.
Chamberlain	Kilburn	Taylor
Christopher	Lennon	Trimble
Clark	McGregor	Wigglesworth
Coudert	Machrowicz	Williams, N. Y.
Cramer	Mailliard	Younger
Delaney	Miller, N. Y.	
Dies	Morris	

The SPEAKER. On this rollcall 377 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

ESTABLISHING RULES OF INTERPRETATION FOR FEDERAL COURTS INVOLVING THE DOCTRINE OF FEDERAL PREEMPTION

Mr. COLMER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 597 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3) to establish rules of interpretation governing questions of the effect of acts of Congress on State laws. After general debate, which shall be confined to the bill and continue not to exceed 6 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. COLMER. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN], and pending that I yield myself 10 minutes.

Mr. Speaker, the marines landed this morning on a foreign shore to protect the property, the lives, and the liberties of Americans in that far-flung foreign land. That action is something that involves all Americans.

Today, after long years of hard and patient work, we will consider a matter on the floor of this House which is of equal, if not transcendent importance, although less spectacular, affecting the lives, the property, and the liberty of every American on this continent. I feel confident that the marines will soon have things well in hand over there. I hope that when the consideration of this rule and bill will have been concluded that we may say as much for the people here at home.

The marines are there to prevent the establishment of a totalitarian dictatorship for the people of Lebanon. The purpose of this bill is to curb a runaway Court, reaffirm the sacred principles enunciated in the 10th amendment to the Constitution, preserve some semblance of State sovereignty and stem the tide toward the establishment of a totalitarian form of government in this country.

The Founding Fathers, anticipating the evils of centralization of power in an all-powerful Federal Government, provided this stop sign in the 10th amendment:

> The powers not delegated to the United States by the Constitution nor prohibited by it to the States, are reserved to the States respectively, or to the people.

This bill, which I have the honor to cosponsor, is nothing more or less than a reaffirmation of that amendment.

This bill would not take any constitutional power which the Supreme Court has away from it. It simply serves as a stop, look, and listen sign to the Court. It says to the Court, before you declare a State statute, otherwise constitutional, null and void under the doctrine of preemption because the Congress has legislated in the same field, there must be some declaration by the Congress, that it intended to legislate in that field exclusively. And I ask you what is wrong with that?

Now, Mr. Speaker, let us see who is for this bill.

First, the American Bar Association is for it. And I ask you who is better qualified as lawyers than that association.

Second, the American Farm Bureau and the Grange, groups of patriotic laymen, have endorsed it.

Third, the conference of 48 Governors, representing the 48 sovereign States, have endorsed this measure.

Fourth, the Attorney Generals' Association of the 48 States of the Union, in an effort to protect what is left of States rights, have unqualifiedly endorsed the proposal.

Fifth, I think you will find that every organization and every individual patriot in your Districts who are familiar with the intent and purpose of this bill have also endorsed it.

Now I realize, Mr. Speaker, that in this age of conflicting ideologies, that on the other hand you will find a small group of self-styled liberals who are opposed to

this type of legislation under the misguided philosophy that it will interfere with the liberties of the people. While I am, for the sake of this argument, willing to grant them sincerity in their motives, I say to you candidly and firmly that nothing could be further from the truth. The purpose of this bill is to protect the true liberties of all of the people of these United States. It is in line, in fact, it is a reaffirmation of the true, liberal Jefferson doctrine of keeping the Government on a local level as close to the people as possible as against concentration in an all-powerful Federal Government. Need I remind you that it was Jefferson who said, "There is no danger I apprehend so much as the consolidation of our Government by the noiseless and, therefore, alarming instrumentality of the Supreme Court."

And, further, while on that subject, may I remind my self-styled liberal friends that this true exponent of true liberalism, the author of the Bill of Rights, called the people who advocated centralizing the power of Government, even as you are doing here, "Tories."

This is not a sectional bill. The decisions already rendered by the Court which this bill would cure were mostly from other States outside of the South. There is no South, no East, no North, or West involved here. Neither is there a racial or labor question involved.

Mr. BUDGE. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to my friend.

Mr. BUDGE. Mr. Speaker, I should like to affirm what the gentleman has said, that this is not regional legislation, and the point the gentleman is now making about affirmative action of the Congress is something which the West thinks is of the utmost importance. I think this legislation is perhaps more important to the arid States of the West than to any other section of the country. Stretched out over a period of almost 100 years the Congress of these United States has in 18 separate acts provided that the water in these arid States shall be appropriated and used in accordance with the laws of those States and Territories. Each of these 18 pronouncements is still the law of the land. On the other hand, the Congress has not once said that appropriation and use should be under Federal law.

However, even in the face of that history we in the Western States are constantly threatened with Federal domination in this field. The passage of this bill will be of great assistance in preserving the rights of the States in this most important struggle. It should receive the support of every westerner as well as those from all other geographical areas.

Mr. COLMER. I thank the gentleman very, very much. He is imminently correct.

Finally, Mr. Speaker, may I point out that this bill, if enacted into law as it should be, will protect not only the rights of the sovereign States as provided by the Founding Fathers, but the liberties of all of the people, including those who cry out against it under the modern, but false doctrine of liberalism. Mr. Speaker, I repeat, this is the most important bill to come before this House in the whole of the 85th session of Congress.

I urge the adoption of the resolution and the bill.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself 4 minutes.

Mr. Speaker, little remains to be said and it is difficult for me to speak after listening to the patriotic and American remarks of my good friend from Mississippi [Mr. COLMER]. I also understand that my good friend the gentleman from Virginia, Judge SMITH, will be heard on this bill, as well as the gentleman from Louisiana [Mr. WILLIS]. During my 26 years in Congress I do not know of anyone who speaks for the good and the continuation and the perpetuation of the Constitution of the United States and the Bill of Rights more than those three gentlemen.

Mr. Speaker this rule makes in order the consideration of H. R. 3, a bill to establish rules of interpretation governing questions of the effect of acts of Congress on State laws.

It is an open rule, and provides for 6 hours of debate.

H. R. 3 was the subject of extensive hearings by the House Judiciary Committee during the 84th Congress.

It was subject to extensive hearings before the full Judiciary Committee during the current session of this Congress. The House Judiciary Committee, in executive session, favorably reported it with amendment.

You will kindly note that the report carries the minority views of nine members of the Judiciary Committee. It carries the additional views of the gentleman from New York, Representative KEATING.

This would indicate that the measure is extremely complicated. In my opinion, it is extremely simple.

The only question—as I see it—is whether or not its enactment will curtail Federal or Congressional prerogatives.

In my considered judgment it will not—and at the same time, it will enhance the integrity of State laws.

Like most of you, I have received hundreds of letters regarding H. R. 3. Practically all favored the enactment of this legislation. These letters came from the American Farm Bureau, from outstanding business, patriotic, and civic organizations, from outstanding citizens.

I urge the adoption of the rule presently before us, as well as the passage of H. R. 3.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Pennsylvania.

Mr. FULTON. The serious question arises on how far this bill goes in affecting the various fields and elements of legislation that are already on the Federal statute books. Query: First, does the bill H. R. 3 by its provisions go into the field of labor-management relations? Would it affect those statutes already passed and now on the statutes books covering railroad employee legislative benefits, as well legislation which protects the operation of interstate railroads, buses, trucks, airplanes, oil and gasoline pipelines from unwarranted State restrictions and interference? Secondly, would H. R. 3 affect the civil rights legislation. Thirdly, would this bill affect only situations such as the criminal cases including the Steve Nelson case that have come up on subversion or is it so broad we cannot tell how far the jurisdiction extends, and it will result in tremendous ligitation in many wide areas of the law?

What is the limit? How far does the bill go? Does it go clear the whole way down through the statute books for 150 years because of the retroactive provisions, or are there limits either specifically stated, or implied from the statutory language?

Mr. ALLEN of Illinois. In reply to the gentleman, I would say to the best of my judgment it does not affect any of those liberal acts.

Mr. FULTON. What is the provision in the bill that would prevent it from affecting those areas in the Federal statutes?

Mr. ALLEN of Illinois. None that I know of.

Mr. COLMER. Mr. Speaker, I yield 5 minutes to my distinguished colleague on the Committee on Rules, the gentleman from Indiana [Mr. MADDEN].

Mr. MADDEN. Mr. Speaker, this resolution which provides for the consideration of H. R. 3, if adopted, will call upon the Congress to pass a piece of legislation which, if enacted, will jeopardize the basic and fundamental relationship between the legislative and judicial departments of our Government. The proponents of this bill will have you believe that H. R. 3 is a simple, uninvolved regulation which will curtail future actions and remedy past decisions of the Supreme Court regarding cases involving questions concerning Communists and subversive activities. Nothing could be further from the truth. H. R. 3, although appearing short in verbiage and innocent in its import, nevertheless, if enacted into law, could inaugurate the legislative and judicial departments of our Government on a course of conflict the like of which we have not known since the Articles of Confederation were written.

This bill provides that no act of Congress shall be affected unless it provides that the legislative field with which it pertains is specifically preempted by the Federal Government or unless there is a direct and positive conflict between the State and Federal legislation. There is no present method of surveying the limited field of legislation which this bill would hamper, curtail, and throw into the courts for litigation. It would create consternation on the enforcement of all State and Federal regulations which are similar. This bill would practically limit the Congress to legislation concerning foreign relations, war, national defense, naturalization and immigration if any of the 48 States had legislation dealing with other regulatory problems on their statute books. One certain fact is that H. R. 3 would unsettle a large body of existing laws in many vital areas such as interstate commerce, immigration, naturalization, agriculture, labor relations, and civil rights. This bill would

throw into turmoil the railroads, buses, and other interstate transportation facilities wherein States would pass laws regulating the size of trains, number of passengers, terminal stops, and other Federal regulations which are so necessary in interstate transportation. States that have regulations regarding immigration, agriculture, pure-food laws, health, and sanitation, would also render existing laws dealing with these important matters in a position of jeopardy which only could be settled through numerous lawsuits and long delayed court decisions. This bill also would apply retroactively and could resurrect long dormant State statutes and regulations enacted back in the kerosene-lantern days. Farmers and dispensers of agricultural produce who are compelled to comply with the Federal Food, Drug, and Cosmetic Act, no longer would be protected from prosecution under numerous State laws which set up different standards for compliance. Federal regulations with respect to rate discrimination, rebates, transfer service, and other matters would become a football for lawsuits under this bill.

This bill, if enacted into law, would throw the field of labor relations involving Federal and State laws concerning collective bargaining, minimum wage and all forms of management and employee disputes into confusion and turmoil.

I am merely mentioning a few of the hazards and complications which this bill would present. The Interstate Commerce Commission, the Association of American Railroads and the Railway Labor Executive Association are all strongly opposed to this legislation. In fact, the Association of American Railroads, in a statement, among other things, said that H. R. 3 without language exempting railroads "would create chaos in the field of Federal regulations of railroads."

Strong opposition to this bill has been expressed by the Department of Justice and the AFL–CIO. Numerous other groups and organizations throughout the country would also be opposed to this legislation if they knew the true facts concerning its devastating consequences and had knowledge that it was about to be considered by the Congress.

It is highly necessary that every Member of Congress take time to study the far-reaching consequences of this bill. Hearings were held on this bill by the Judiciary Committee during the last session of Congress. It has been dormant in the Judiciary Committee for over 6 months where it was reported out with a divided vote. It then went to the Rules Committee where it was reported out by a one-vote margin. In my opinion, this legislation would not be on the floor of the House today had not the Congress enacted into law the civil-rights legislation a year ago. If H. R. 3 is enacted into law, legislation dealing with pending civil-rights regulations or future laws concerning civil rights could be rendered null and void or enmeshed in the courts for decision. Any State having present laws regarding rights of minorities could, under this bill, question the rights of Congress of the United States to pass laws concerning rights of minorities within their borders. This would also apply to Federal laws concerning civil rights which the Congress might enact at some future date.

I hope the Members of the House give this legislation serious, careful, and long deliberation and reject the same so that our Government can continue to advance in progress under the provisions of our Constitution which amply provides for regulations controlling the powers of both the judicial and legislative departments.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, in the short time that is allotted to me I wish to discuss both this bill and this rule which makes the consideration of the bill in order. I am hoping the rule will be adopted. I support the rule, and I expect to support the bill.

There has been a great deal of general talk here about how the passage of this bill could set aside this Federal law or that Federal law, yet there is no evidence submitted to that effect. No specific case can be pointed out showing how this proposed law could or would set aside or invalidate or weaken any Federal law in any way.

This bill comes to you because of a decision of the Supreme Court of the United States in the Steve Nelson case from Pittsburgh, Pa., in which a man was convicted of subversive activities under a State law. The Supreme Court of the United States overruled the Supreme Court of Pennsylvania by saying that inasmuch as there was a Federal law dealing with subversive activities Pennsylvania could not have a State law along the same lines. As far as I am concerned—do not count me as among those who line up with Steve Nelson and the other people of his ilk in this country—this bill is very simple. Decide for yourselves whether or not any State law could set aside a Federal law under its provisions. The bill simply provides:

> No act of Congress shall be construed as indicating an intent on the part of Congress to occupy the field in which such act operates, to the exclusion of all State laws on the same subject matter, unless such act contains an express provision to that effect, or unless there is a direct and positive conflict between such act and a State law so that the two cannot be reconciled or consistently stand together.

That is pretty plain language in my book. It has been a long time since I read and studied law, but I have spent a great deal of years with the English language since I went to law school, and that seems to be pretty clear English to me. In other words, no State law can stand, by any subtle reasoning, if it is contrary to the Constitution of the United States, or if it is contrary to any statute passed by the Congress of the United States on the subject, or if it is inconsistent with such a Federal statute. That is a very simple truth you can figure out for yourself.

As has been said, the Constitution of the United States under the Bill of Rights, or the 10th amendment, reserves to the States all rights which the States themselves have not delegated to the Federal Government under the Constitution. Certainly the Constitution does not prohibit a State from having an antisubversive law to protect its own people, under its own police powers, against the activities of espionage agents and other subversives. It has a right to have a law against the sale of narcotics. It has a right to protect its citizens from other crimes or violations of their rights just as the Federal Government has the right, through the Congress, to protect the people of the Nation as a whole in the same ways under Federal laws.

Mr. Speaker, I hope this rule will be adopted and that the bill will be passed.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. KEATING].

Mr. KEATING. Mr. Speaker, I do not know how many votes will be influenced by this debate, but I want to ask you to reason with me for a moment.

I am opposed to this bill and I want to set forth in as fair a manner as I can my reasons therefor. I know the bill is well intentioned, I am in sympathy with the basic objectives of the bill, I have no doubt of the power of Congress to adopt this legislation, if that is the will of the majority, but there are pitfalls in these few words which I want to point out.

I believe in the importance of preserving our State laws and policies to the maximum extent consistent with our Federal system.

Under this bill, however, a tendency could easily develop to include unnecessarily preemption provisions saying that the Federal law shall preempt the State law in Federal legislation. This is because without such provision there would be the danger that even a plainly implied intent to occupy the field would be insufficient. Knowing as we all do the pressure under which we often legislate, the easier course would be, if this bill becomes law, to add a preemption section merely as a safeguard. It is easy to see that such a practice would lead in some instances to a blanket prohibition or proscription on State action which otherwise could be reconciled with Federal law. As a result, the practical effect of this legislation may well be to curtail rather than to enlarge the area of State rights. That is No. 1.

Secondly—and this is something which in my discussions with Members I have found many have not understood—this bill applies retroactively. It applies to every statute on our books today, extending back for 150 years. If this bill applied only to the future and we were faced only in the future with this problem of construction, it would be quite a different problem.

If we are going to enact legislation here, I feel it should be as good legislation as it can be. For that reason in the course of the debate I shall offer an amendment to have this bill apply only prospectively. If the Members are really interested in protecting our statutes for the future and they want to bring this about, they will support my amendment. But that will not be acceptable to those who are seeking by these few words to

affect every single statute on our books, and to change every past law where Congress neglected to include an express provision stating an intent to occupy the field.

Without such an amendment, every past law would be in jeopardy, no matter how plainly an intent could be inferred from its language. Business and labor groups—business and labor I stress—will act at their peril in disregarding antiquated State laws, these old laws, and will have to go to great expense to remove all doubt as to their renewed validity.

Let me give you a couple of illustrations. Farmers and marketers of agricultural commodities complying with the Federal Food, Drug and Cosmetics Act, no longer would be protected from prosecution under numerous State laws which set up varying standards for compliance.

Warehousemen, subject to Federal regulations with respect to rates, discrimination, rebates and service and all that sort of thing, would also become subject to varying State regulations with respect to the same matters.

The unsettling impact of the bill can be illustrated by examples taken straight from the brief filed by the able and distinguished author of this bill. This brief notes that under existing precedents State laws limiting the size of trains, fixing the number of cars in an interstate train and the number of passengers to be carried in each car, requiring certain intrastate stops and so on—all of those, says he, have been held invalid in spite of the absence of Federal legislation on the specific requirements at issue. And the brief adds that it is in this area that the Smith Act will have its effect, if any.

That adds up to a prediction that under this bill railroads and other carriers operating in more than one State would be subject to regulations by several jurisdictions. It means that railroads and other interstate carriers which have for years been functioning in full conformity with Federal laws and regulations will now also have to conform, in some cases under threat of criminal prosecution, to wholly different standards asserted by any one or more of the States in which they operate.

In view of this it is easy to understand why the Department of Justice, the Interstate Commerce Commission, the Association of American Railroads, and the Railroad Labor Executives Association are all strongly opposed to the bill.

Now, I have been concerned, very much concerned, about the tendency toward judicial law-making evidenced in a number of recent Supreme Court decisions. I know that the proponents of this measure share that deep concern. I think it would be fair to say, to make the claim that there has been no one more active than myself in seeking to overcome the effect of some of those decisions. One of those is the Nelson decision, on which our committee has reported out a bill with only one vote against, to provide that Congress has not intended to preempt the field relating to legislation to punish subversion. The bill before us, on the other hand, will further rather than limit the tendency of the Supreme Court to legislate.

Here is a bill that will have absolutely no meaning until meaning is breathed into it in Federal court cases. That is virtually acknowledged in the brief filed by its distinguished author. It will require action by the court to make this bill mean anything, and this inability on the part of the proponents of the bill to spell out in advance what it means and where it will affect the various present decisions is something that we should ponder about.

I refuse to invite the Supreme Court to make national policy, as they will have to make it if this bill becomes law, in a host of fields affected by the bill. I cannot lend my support to a measure that has those ramifications. It is clear to me that the long-range consequences of this bill can only be to blur even more the vital distinction which is so important between law-making and law interpreting. Rather than to divorce the Supreme Court from its legislative functions, this bill virtually enjoins the Court to act as a quasi-Congressional body set up to reexamine legislative intentions of enactments going back for 100 years, and it will result in endless litigation in the courts. The only responsible way, in my judgment, is to deal with these decisions with which we disagree—and I repeat, there are plenty of them with which I disagree—on a case-by-case basis.

This is the difficult, but the painstaking way to do it. I know from attempts to deal, as we have here, with the Jencks and Mallory and Yates and Watkins and Nelson cases that this approach is fraught with difficulties. There are those who stand in the way of our efforts to legislate on specific matters laid down by the Supreme Court. But we must meet that problem and meet it in a responsible manner.

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mr. COLMER. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Louisiana [Mr. WILLIS].

Mr. WILLIS. Mr. Speaker, it has been well demonstrated that we cannot, during the short time allotted for the consideration of this rule, properly debate this bill. For example, just as a very quick reference, a statement has been made here that this would affect civil rights and segregation. That issue has been decided by the Supreme Court on a constitutional basis, and that is the end of it. No act of Congress or acts of the States can have anything to do with that.

Believe you me, much of the criticism that has been leveled at this bill really addressed itself to H. R. 3 as it was originally introduced. Much of that criticism is no longer valid as a result of an amendment offered by the gentleman from Maryland [Mr. HYDE]. We hope to show, if we are permitted to debate it in the regular order, that the scope of this bill really is limited.

As I have said, there is no constitutional question presented here. This bill does not, as it cannot, make valid an invalid State law or make constitutional an unconstitutional State or Federal law. The only thing the bill provides is that if Congress expresses an intent to occupy a whole field where there is concurrent jurisdiction, then the act of Congress will prevail exclusively. Then the bill goes on to say that even if the bill does not express an intent to preempt, yet if there is a conflict between a State law and a Federal law, then, again, the Federal law shall be the supreme law of the land. We hope to expand on that in general debate. But let me say that there is nothing novel about this legislation. We have been passing laws along that line since the founding of our Republic.

There are 50 titles of the United States Code. The very first chapter of the very first title, title I of the Code, is entitled "Rules of Construction, General Provisions." At present there are six sections to that chapter.

This bill is an amendment to that chapter and adds another section which is strictly a rule of statutory construction.

What is the function of the Court? When, as here, we are dealing with constitutional laws, laws of the States and of the Federal Government that could stand side by side and operate together, what is the function of the Court? The function of the Court is strictly to seek out the legislative intent. The wisdom or the unwisdom of an act is left to Congress and not the courts when there is no constitutional issue at stake. Congressional policy is a matter for the legislative and not the judicial branch of the Government.

What this bill seeks to do is to provide that the Supreme Court shall not indulge in judicial legislation.

I submit that the fair way is to listen to both sides of the issue and, after you have listened to the debate, reserve to yourselves the right to vote either way. I hope the rule will be adopted.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. LATHAM].

Mr. LATHAM. Mr. Speaker, in the course of a session of Congress we deal with a great number of bills covering a wide variety of subjects. In my opinion the bill before us today is more important to the preservation of the fundamental liberties and freedoms of Americans wherever they may be, than any measure that has been before this Congress.

I am very happy to join with the chairman of my committee and the ranking minority member in urging the adoption of the rule and the passage of the bill.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 4 minutes to the gentleman from California [Mr. HIESTAND].

Mr. HIESTAND. Mr. Speaker, Abe Lincoln said:

> Our safety, our liberty, depends upon preserving the Constitution of the United States, as our Founding Fathers made it, inviolate.

A fundamental principle of the Constitution is best expressed in the 10th amendment, that—

> Those powers not delegated to the Federal Government * * * shall be reserved to the States or to the people.

History records that the Constitution surely would not have been ratified without the Bill of Rights and especially the 10th amendment.

I hold the conviction that this Nation is vastly stronger as a Republic composed of 48 sovereign republics, each with law enforcement responsibility, than it would be as a dictatorship.

H. R. 3 as now presented clearly would restate, or if you will, reenact the 10th amendment. It is just that simple.

The Supreme Court has frankly stated that even with the rules of interpretation it has developed, it is "often a perplexing question" whether the Congress intended to preempt in a particular statute—*Rice* v. *Sante Fe Elevator* (331 U. S. 218, 1947).

H. R. 3 is intended and does clearly state the intent of Congress not to preempt a field of legislation unless it so specifies—or of course, unless its statute is in direct conflict.

Enactment of H. R. 3 should clarify the basic principle of preemption and make misinterpretation on the part of the Court less possible. Let us get at the cause of the problem rather than always having to be doctoring the results. Let us correct the fundamental doctrine upon which many of these decisions, directly contrary to Congressional intent, have been based. It is broad, but indeed, it should be because it deals with a broad general principle.

It is not only the matter of the Steve Nelson sedition case, nor the Cloverleaf pure food law case, nor the Wisconsin Employment Relations Board UAW–CIO case, nor many others. We can, of course, enact legislation to correct any misinterpretations by the Court, on a case-by-case enactment, but I am particularly concerned about future Court decisions.

Who knows when an appeal to the Court may come in a narcotics case, or a kidnaping case, or the vast field of antitrust, or public utility, or water, or tax legislation. And who indeed is better equipped and more legally qualified to interpret Congressional intent than the Congress itself?

The uncertainty, the jeopardy into which this preemption doctrine has placed that whole vast body of State legislation, is frightening. The chaos is here.

The Federal Bureau of Narcotics enforcement, for example, has only some 200 operatives to cover the entire United States, Europe, Asia, Africa, and South America. Where would we be without thousands of State and local law-enforcement officers? But can they do their job with the threat of reversal from State laws because of preemption hanging over them?

Mr. Speaker, the need is urgent, and I can see no reason why we should be denied the right to consider and debate this threat to constitutional government, and the suggested remedy, H. R. 3. The rule should be approved.

Now my very good friend and able colleague, the gentleman from New York [Mr. KEATING], and the distinguished chairman of the great Judiciary Committee, for whom I have great respect, have outlined their objections to the bill in the committee report.

Mr. Speaker, every one of the nine points they made can be answered and answered effectively. In fact, in most instances, their very arguments can be used against the stand they take. We have the answers to all objections, but time limitations in the discussion of the rule simply do not permit detailed debate on those points.

Could that be the reason why they are so emphatically fighting this rule which would allow full discussion of this all important matter? Are they afraid to face the replies which could knock out their arguments? Why not let the House consider and decide whether their arguments will stand up?

Such a discussion might well be as important a debate as this House has seen in this Congress.

I emphatically urge the adoption of this rule.

Mr. COLMER. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Speaker, I am opposed to the rule. The Department of Justice is opposed to the bill. The Department of Labor likewise opposes. Organizations as wide apart as the AFL–CIO and railway companies oppose. The Railroad Executives Association and the Railroad Brotherhoods, the Interstate Commerce Commission, the National Association for the Advancement of Colored People are opposed to this legislation. I have received a communication from the American Bar Association handed to me within the hour which among other things says as follows:

> While the basic principles of the bill, as approved by the American Bar Association, and the bill now under consideration by the House are similar, it is not correct to say that the association has approved the pending bill. I am certain the American Bar Association will be glad to consider the pending bill and report upon it at an early date, if given an opportunity to do so.

This is signed by Charles S. Rhyne, president of the American Bar Association.

I will say to the gentleman from Pennsylvania [Mr. FULTON], who propounded a question to one of the speakers, that this bill is not only prospective looking to the future, but it is restrospective and concerns the past. It would have an effect on every piece of legislation that we ever adopted in this Congress, particularly where there would be the possibility of concurrent jurisdiction between the Federal Government and the State governments. That would apply specifically to aliens, aviation, trucking, railroads, merchant marine, agriculture, labor, all criminal laws, waterpower, natural gas, radio, television, foods and drugs, canals, roads, rivers, mines, mining and so on. You can readily appreciate that it was impossible, because they never had under consideration a bill of this character, that when we passed legislation in past years, we did not expressly preempt jurisdiction. Where jurisdiction is not expressly preempted then the States may enjoy concurrent jurisdiction.

This bill states that unless Congress has expressly preempted jurisdiction, that is, excluded the States from jurisdiction where there is conflict, there can be concurrent jurisdiction between a State government and the Federal Government. Let us take labor, for example; what will that mean? It will mean that States—and I have in mind certain Southern States that are not labor minded—would have the right to pass and would indeed pass little Wagner Acts, little Taft-Hartley Acts, which could be used to harass and to molest certain types of people in those communities. One of the speakers said that, I think the gentleman from Illinois [Mr. ALLEN] said that the bill will not affect labor. I suggest that he read the reports, those in favor of the bill and those opposed to the bill, and he will see that it is as clear as a pikestaff that this bill affects labor. It seriously affects railroads so seriously as to incur their hostility. The railroads have come forward and have stated "We could not operate, because different States through which the railroad line passes might require different kinds of safety appliances, might have different laws with respect to railroad labor, different laws with respect to the length of freight cars, different laws with reference to the length of passenger trains." There would be a veritable mishmash. The railroads could not possibly change the length of trains when they left one State and entered another. Each State would have different laws with reference to the subject of railroads. All would be operative and effective. They say, "For goodness sake, do not hamper and make impossible the operation of our railroads by passing this bill."

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. CELLER. In just a moment. I listened with interest to the gentleman from Ohio when he spoke about subversion. He left us with the impression, amazing as it was, that it was the Supreme Court which subverted, if I may use that term, which overturned a State decision. There was no such thing. The Supreme Court of the State of Pennsylvania declared unconstitutional the Pennsylvania statute, and all the Supreme Court of the United States did was to affirm what the very State of Pennsylvania did through its own high court.

I herewith insert the letter from the department of legislation, AFL–CIO, and the letter from the president of the American Bar Association, Mr. Charles S. Rhyne:

> AMERICAN FEDERATION OF LABOR
> AND CONGRESS OF
> INDUSTRIAL ORGANIZATIONS,
> *Washington, D. C., July 14, 1958.*
>
> *To All Members of the United States House of Representatives.*
>
> DEAR CONGRESSMAN: The American Federation of Labor and Congress of Industrial Organizations strongly opposes the enactment of H. R. 3, a bill which would throw the whole fabric of Federal regulatory statutes into chaos.
>
> It is apparent that the principal motivation behind H. R. 3 is an attempt to rebuke the Supreme Court for its decisions on segregation and civil liberties. The bill would,

however, have no effect on decisions, which were based on the Constitution rather than on the statutes.

It is impossible to predict with accuracy precisely what future effect H. R. 3 would have in fields where it would apply. These include Federal regulatory programs, such as those administered by the Interstate Commerce Commission, the Federal Power Commission, the Civil Aeronautics Board, the National Labor Relations Board and others, but it is certain that the bill would invite relitigation of innumerable issues which have been long settled.

We urge you to do everything in your power to insure defeat of this bill.

Sincerely yours,

ANDREW J. BIEMILLER,
Director, Department of Legislation.

AMERICAN BAR ASSOCIATION,
Washington, D. C., July 15, 1958.

The Honorable EMANUEL CELLER,
Chairman, House Judiciary Committee, House Office Building, Washington, D. C.

DEAR MR. CHAIRMAN: It is my understanding that the House will consider H. R. 3 today. It is also my information that there is considerable misunderstanding about the position of the American Bar Association on this bill. This is to advise that according to the records of official American Bar Association action, the bill that our House of Delegates approved is different from the bill now under consideration by the House. While the basic principles of the bill as approved by the American Bar Association and the bill now under consideration by the House are similar, it is not correct to say that the association has approved the pending bill.

I am certain that the American Bar Association would be glad to consider the pending bill and report upon it at an early date if given an opportunity to do so.

Respectfully yours,

CHARLES S. RHYNE.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 4 minutes to the gentleman from Maryland [Mr. HYDE].

Mr. HYDE. Mr. Speaker, I strongly urge the adoption of this rule so that the merits of the bill, H. R. 3, may be thoroughly debated.

Before debating the bill covered by this rule, I want to make it abundantly clear that my part in this debate is not in any sense intended as an attack upon the Supreme Court. I have agreed with some of its recent controversial decisions and disagreed with others. I have agreed with some of the Court's decisions on the question of Federal supremacy, involved in the pending bill, and disagreed with others on this question. I am not now particularly concerned with any particular decision. I am concerned with the application of the princip1 of Federal supremacy under article VI, clause 2, of the Constitution.

For the strength and stability of our Nation and the preservation of our freedom, it is necessary for those who hold office in any of our three great branches of government to respect the prerogatives and integrity of each branch. It is also necessary and proper for each branch to check the others in order to curb abuse of power and provide a balance of power, as intended by the Constitution.

I commend to the attention of the Members an article which appeared in the June issue of the American Bar Association Journal entitled "The Role of the Supreme Court." It says this about judicial power:

> The essence of judicial power is that it is a solvent of personal frictions, whether they grow out of relationships of individuals to each other or of the individual, on the one hand, and the collectivity of mankind represented by the state, on the other. When the clash comes, it is the judicial power which must settle it, if society is to be ordered by reason rather than by superior force alone, which is the very negation of civilized living.

The article concludes with this quotation from the eminent historian of the Court, Mr. Charles Warren:

> No institution of government can be devised which will be satisfactory at all times to all people. But it may truly be said that, in spite of necessary human imperfections, the Court today fulfills its function in our national system better than any instrumentality which has ever been advocated as a substitute.

We have a duty as lawmakers to help preserve respect for the Supreme Court as an institution.

Let us debate the important issue in the legislation before us without getting involved in bitter attacks upon the Court.

NO FEDERAL LAW

It is my view, as I will try to make clear in the general debate, that the bill, made in order by this rule, is a proper attempt by the legislative branch to place a check on the judiciary in the exercise of the judicial power to interpret acts of the Congress.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 4½ minutes to the gentleman from California [Mr. JACKSON].

Mr. JACKSON. Mr. Speaker, it is not too much to say that the resolution presently under consideration is preliminary to discussion of and debate upon one of the most important pieces of legislation to reach the floor of this House during recent years. I shall not, at this time, do more than urge adoption of the pending rule to permit debate on the bill on its merits. It is unthinkable to me, and I am certain that I bespeak the sentiments of millions of Americans in this regard, that a measure as important to the present and the future of our Government, should not be discussed in all of its many aspects and ramifications.

Basic in the provisions of H. R. 3 are questions related to the rights and responsibilities of legislative bodies in the several States and their various subdivisions to provide for the common safety of their own citizens and to exercise, without undue restriction, the constitutional charge specifically and affirmatively laid upon them in the Constitution of the United States.

At the outset I should say that many of us who are supporting this resolution and the bill, have time after time voted for legislation designed to increase and strengthen the civil liberties of our people. Nor does the gentleman from California yield to anyone in his regard for an independent Federal judiciary, operating within the bounds delineated in the Constitution, and exercising the restraints laid upon it under the provisions of that document. Nonetheless, we have seen in recent months the emergence of a court doctrine which has caused a massive concern to be evidenced throughout the land.

It may appear presumptuous for anyone not versed in the law, to assume a role in discussion of such an intricate legal problem as is here presented, but it might be pointed out that to the support of bill H. R. 3 can be brought the considered and thoughtful expressions of many of the Nation's finest legal minds.

Too, one need not be engaged in the practice of dentistry to know when he has an aching tooth. Nor does one need a knowledge of the chiropractic arts to tell him that his back is aching. There is a serious dislocation in the processes of orderly government in the United States today, and without question, and in some instances, there has been serious infringement by the Supreme Court upon the proper functions of the legislative branch. It has been found necessary in recent months for the Congress to move promptly and on an emergent basis to meet certain situations arising from several of the decisions, but these actions by the Congress have been designed only to meet specific problems involving the rights of several States, and the legislative devices have not gone to the greater problem of continuing preemption of State authority. It is the purpose of H. R. 3 to say again in clear and unequivocal language what those who drafted the Constitution said so plainly and emphatically in article IX, and I quote:

> The enumeration in the Constitution, of certain rights, shall not be construed to deny or disparage others retained by the people.

Then as if to sound another clear warning against the possibility of executive, legislative or judicial tyranny at the act of Government, the drafters went on to say in article X, and I quote:

> The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people.

Thus, in successive paragraphs a clear, concise and lucid prohibition is placed upon the exercises of the powers of the Federal Government.

I have searched the Constitution, but in vain, in an effort to determine in what manner and by what authority the legislative actions of several State legislatures, and those of lesser subdivisions representing the people, have been swept aside as if they were nonexistent, or that there existed no authority for their enactment. The Supreme Court has gone beyond the facts of law involved in some of the decisions to impose the concept of its majority of what the law ought to be, in their opinion.

It has superimposed its vast powers upon those traditionally exercised by city councils, county supervisors, and State legislatures. It has released from jail, and returned to a society fighting for its very existence, dedicated agents of the international Communist conspiracy. In the name of individual liberty, the Court majority has indicated its philosophical conviction that the civil liberties of a convicted conspirator is of greater importance than the safety and welfare of

the community at large. It has upset long-established customs and procedures in the several States in the areas of taxation and the exercise of the police power. It has linked the hands of conscientious law-enforcement agencies to those of folly and frustration.

The massive and vibrant concern of the American people relative to these matters has brought H. R. 3 on a reluctant journey. It is not a measure hailed with great enthusiasm throughout the land and all of us deplores that stern reality has dictated the necessity for such action.

Today the American people were informed that American troops have landed to defend American life and property in Lebanon. This landing has been necessitated by the continued subversion and political aggression of world communism. Those who do not hesitate to use the sword and the torch as instruments of Soviet domination, are blood brothers of those here at home who would destroy our institutions if given the opportunity. We have several duties to perform, not the least important of which is to insure that in our efforts to maintain the civil rights of our people, we do not render them vulnerable to attack from within or without.

Let us proceed then, Mr. Speaker, to reluctant debate with the courage and with the determination to do the right as we are given to see the right.

H. R. 3 is not an instrument of retaliation. It is a vehicle by which we can insure the orderly progress of the Republic within the well-defined limits of the constitutional charge laid upon us. It is reaffirmation of our traditional belief in the integrity and the sovereignty of the several States and of the merit of governmental institutions that are close to the people. It reiterates our belief that a government should protect and defend its people, and not restrict, befuddle, and harass them. Thomas Jefferson wrote, "A single consolidated government would be the most corrupt government on earth," and it must be our continuing task to insure that all power is not centered in the Federal Government.

In 1878, Senator Benjamin Harvey Hill, in speaking of corporations, said:

I do not dread these corporations as instruments of power to destroy this country, because there are a thousand agencies which can regulate, restrain and control them; but there is a corporation we may all dread. That corporation is the Federal Government. From the aggression of this corporation there can be no safety, if it is allowed to go beyond the bounds, the well-defined limits of its power. I dread nothing so much as the exercise of ungranted and doubtful powers by this Government. It is, in my opinion, the danger of dangers to the future of this country. Let us be sure we keep it always within its limits. If this great, ambitious, ever-growing corporation becomes oppressive, who shall check it? If it becomes wayward, who shall control it? If it becomes unjust, who shall trust it? As sentinels on the country's watchtower, Senators, I beseech you, watch and guard with sleepless dread that corporation which can make all property and rights, all States and people, and all liberty and hope, its playthings in an hour and its victims forever.

Mr. COLMER. Mr. Speaker, I yield the remaining 5 minutes to the distinguished gentleman from Virginia, the author of the bill [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Speaker, the opponents of this bill in the Committee on Rules insisted on having 6 hours of debate in order that the House might understand what it was all about. I understand they now seek, after 1 hour, to defeat the rule so that the House may not have the opportunity to understand what this bill is all about, because it is quite a complicated subject.

Now, I have lived with this bill for over 4 years trying to get it before this House. It has taken me 4 years to do it. The 5 minutes that I have does not permit me to argue this bill in an intelligent way. I am appealing to you to adopt the rule, listen to the argument on the bill, because you will have nothing before you at this session that is more important to the fundamental principles of this Government than the bill which you are now about to consider.

There is just one thing that I do want to advert to that was raised by the gentleman from New York, the distinguished chairman of the committee, in which he said that the American Bar Association did not favor this bill. I have here before me—and I will go into it fully in general debate—a letter from the chairman of the committee on jurisprudence and law reform, sending me a copy of a resolution adopted by the full American Bar Association—not by the president of the American Bar Association—which reads as follows:

Resolved, That the American Bar Association favors the enactment of H. R. 3, entitled "A bill to establish rules of interpretation governing questions of the effect of acts of Congress on State laws," and authorizes and directs the standing committee on jurisprudence and law reform to advocate by all appropriate means its passage by the Congress of the United States.

I have just 3 days ago received a letter from the chairman of the committee in charge, Mr. Benjamin Wham, a very distinguished lawyer of the Chicago bar. He says that they proposed an amendment to H. R. 3 because they did not think H. R. 3 was strong enough. They wanted to strengthen it, they did not want to weaken it. In conclusion he says:

We were merely trying to improve it as we thought. The fact is that we are heartily in favor of H. R. 3 as being an improvement over the present situation. We urge you and others to continue to fight for the preservation of State law from preemption of the Federal Government.

The President of the United States has made several expressions in favor of preserving the right of States to operate. The American Bar Association, as I have just shown you, approves this bill. The Association of Attorneys General of the United States, composed of all the attorneys general of the 48 States, advocated very strongly the principles of this bill. We differed with them somewhat about language, but they were strongly behind it.

At the Atlantic City conference of the governors of the 48 States of this Union they passed a resolution urging the adoption of this bill. May I say to the Members of the House that each one of you represents a State. Each one of you has a State governor, and the governors of all of your States have advocated this bill.

The American Medical Association have been strongly behind this bill. And the reason they are strongly behind this bill is because they are having trouble right at this minute with the matter of narcotics. They are engaged in litigation today in the State of Pennsylvania, and I suppose there are some Members here from Pennsylvania, with a pharmaceutical association that is manufacturing a drug that the health authorities of that State say is habit forming. They are trying to inspect and ascertain what it is and control it. And yet they are in court today fighting it because of the fact that Congress has passed a narcotics act and the defense is that Congress has preempted the field so that State narcotics acts cannot be enforced.

Is that the kind of situation you gentlemen want to live under—you gentlemen over there who, I noticed, applauded so loudly the opposition to this bill? Do you want to live under a State government which is powerless to control the narcotics traffic?

There is a case pending in the State of Virginia right this minute, a narcotics case where they have gone into the Federal courts and asked the Federal courts to enjoin the State from prosecuting a narcotics ring. Is that the kind of government you are here to represent? If you are, God save the United States of America.

Mr. COLMER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

Mr. YATES. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 268, nays 114, not voting 48, as follows:

[Roll No. 128]

YEAS—268

Abbitt	Brooks, La.	Dawson, Utah
Abernethy	Brooks, Tex.	Dennison
Adair	Broomfield	Derounian
Albert	Brown, Ga.	Devereux
Alexander	Brown, Ohio	Dixon
Alger	Brownson	Dooley
Allen, Ill.	Broyhill	Dorn, S. C.
Andrews	Budge	Dowdy
Arends	Burleson	Doyle
Ashmore	Bush	Durham
Aspinall	Byrne, Ill.	Dwyer
Auchincloss	Byrnes, Wis.	Elliott
Baker	Cannon	Everett
Baldwin	Cederberg	Evins
Barden	Chamberlain	Fallon
Bass, N. H.	Chelf	Fascell
Bass, Tenn.	Chenoweth	Fenton
Bates	Chiperfield	Fino
Baumhart	Church	Fisher
Beamer	Clevenger	Flynt
Becker	Coffin	Ford
Beckworth	Collier	Forrester
Belcher	Colmer	Fountain
Bennett, Fla.	Cooley	Frazier
Bentley	Cramer	Garmatz
Berry	Cretella	Gary
Betts	Cunningham, Iowa	Gathings
Blitch	Cunningham, Nebr.	George
Boggs	Curtis, Mass.	Glenn
Bolton	Curtis, Mo.	Grant
Bonner	Dague	Gray
Bosch	Davis, Ga.	Griffin
Bow	Davis, Tenn.	Gross
Boykin	Dawson, Ill.	Hale
Bray		Haley

Halleck	McGregor	Rogers, Mass.
Harden	McIntire	Rogers, Tex.
Hardy	McIntosh	Rutherford
Harris	McMillan	Sadlak
Harrison, Nebr.	McVey	St. George
Harrison, Va.	Mack, Wash.	Schenck
Harvey	Mahon	Scherer
Haskell	Mailliard	Schwengel
Hébert	Martin	Scott, N. C.
Hemphill	Mason	Scrivner
Henderson	Matthews	Scudder
Herlong	May	Selden
Heselton	Meader	Sheehan
Hess	Merrow	Sikes
Hiestand	Michel	Siler
Hill	Miller, Nebr.	Simpson, Ill.
Hillings	Mills	Simpson, Pa.
Hoeven	Minshall	Smith, Calif
Hoffman	Mitchell	Smith, Miss.
Holmes	Moore	Smith, Va.
Holt	Morrison	Spence
Horan	Mumma	Springer
Hosmer	Murray	Stauffer
Huddleston	Natcher	Steed
Hull	Neal	Taber
Hyde	Nicholson	Teague, Calif.
Ikard	Nimtz	Teague, Tex.
Jackson	Norblad	Tewes
Jarman	Norrell	Thomas
Jennings	Ostertag	Thompson, Tex.
Jensen	Passman	Thomson, Wyo.
Johansen	Patman	Thornberry
Jonas	Pelly	Tollefson
Jones, Ala.	Philbin	Tuck
Jones, Mo.	Pilcher	Utt
Judd	Pillion	Van Pelt
Kean	Poage	Van Zandt
Kearney	Poff	Vinson
Kilburn	Porter	Vorys
Kilday	Preston	Vursell
Kilgore	Prouty	Walter
Kitchin	Quie	Watts
Knox	Rains	Weaver
Krueger	Ray	Westland
Lafore	Reece, Tenn.	Wharton
Laird	Reed	Whitener
Landrum	Rees, Kans.	Whitten
Lankford	Rhodes, Ariz.	Williams, Miss.
Latham	Riehlman	Willis
LeCompte	Riley	Wilson, Calif.
Lennon	Rivers	Wilson, Ind.
Lipscomb	Roberts	Winstead
Loser	Robison, N. Y.	Wolverton
McCulloch	Robsion, Ky.	Wright
McDonough	Rogers, Fla.	Young

NAYS—114

Addonizio	Granahan	Multer
Anfuso	Green, Oreg.	Nix
Ashley	Green, Pa.	O'Brien, Ill.
Ayres	Griffiths	O'Brien, N. Y.
Bailey	Hagen	O'Hara, Ill.
Barrett	Healey	O'Konski
Bennett, Mich.	Holifield	O'Neill
Blatnik	Holland	Patterson
Boland	Holtzman	Perkins
Bolling	Johnson	Pfost
Boyle	Karsten	Powell
Breeding	Kearns	Price
Byrd	Keating	Rabaut
Byrne, Pa.	Kee	Reuss
Canfield	Kelly, N. Y.	Rhodes, Pa.
Carnahan	Keogh	Rodino
Carrigg	King	Rogers, Colo.
Celler	Kirwan	Rooney
Coad	Kluczynski	Roosevelt
Corbett	Knutson	Saund
Curtin	Lane	Saylor
Dawson, Ill.	Lesinski	Scott, Pa.
Delay	Libonati	Seely-Brown
Dent	McCarthy	Sisk
Diggs	McCormack	Staggers
Dingell	McFall	Sullivan
Dollinger	McGovern	Teller
Donohue	Macdonald	Thompson, N. J.
Dorn, N. Y.	Mack, Ill.	Udall
Engle	Madden	Ullman
Faberstein	Magnuson	Vanik
Feighan	Marshall	Wainwright
Flood	Metcalf	Widnall
Fogarty	Miller, Calif.	Wier
Forand	Montoya	Withrow
Frelinghuysen	Morano	Yates
Fulton	Morgan	Zablocki
Gavin	Moss	Zelenko

NOT VOTING—48

Allen, Calif.	Burdick	Friedel
Andersen, H. Carl	Christopher	Gordon
	Clark	Gregory
Anderson, Mont.	Coudert	Gubser
	Delaney	Gwinn
Avery	Denton	Hays, Ark.
Baring	Dies	Hays, Ohio.
Brown, Mo.	Eberharter	James
Buckley	Edmondson	Jenkins
Machrowicz	Radwan	Talle
Miller, Md.	Robeson, Va.	Taylor
Miller, N. Y.	Santangelo	Thompson, La.
Morris	Shelley	Trimble
Moulder	Sheppard	Wigglesworth
O'Hara, Minn.	Shuford	Williams, N. Y.
Osmers	Sieminski	Younger
Polk	Smith, Kans.	

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Hays of Arkansas for, with Mr. Santangelo against.

Mr. Trimble for, with Mr. Denton against.

Mr. Friedel for, with Mr. Buckley against.

Mr. Robeson of Virginia for, with Mr. Delaney against.

Mr. Dies for, with Mr. Christopher against.

Mr. Baring for, with Mr. Eberharter against.

Mr. Morris for, with Mr. Gordon against.

Mr. Jenkins for, with Mr. Shelley against.

Mr. Avery for, with Mr. Anderson of Montana against.

Mr. Taylor for, with Mr. Sieminski against.

Mr. Shuford for, with Mr. Machrowicz against.

Mr. Miller of New York for, with Mr. Hays of Ohio against.

Mr. Talle for, with Mr. Sheppard against.

Mr. Thompson of Louisiana for, with Mr. Burdick against.

Mr. Osmers for, with Mr. Clark against.

Mr. James for, with Mr. Allen of California against.

Mr. Williams of New York, for with Mr. Polk against.

Mr. Radwan for, with Mr. Coudert against.

Until further notice:

Mr. Brown of Missouri with Mr. Smith of Kansas.

Mr. Gregory with Mr. Wigglesworth.

Mr. Moulder with Mr. H. Carl Andersen.

Mr. Edmondson with Mr. Miller of Maryland.

The result of the vote was announced as above recorded.

Mr. WILLIS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3) to establish rules of interpretation governing questions of the effect of acts of Congress on State laws.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 3, with Mr. THOMPSON of Texas in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. CELLER. Mr. Chairman, I yield half of the time allotted to me, to wit, one hour and a half, to the distinguished gentleman from Louisiana [Mr. WILLIS].

Mr. WILLIS. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, certain decisions of the United States Supreme Court in recent years have nullified many State laws by the doctrine of preemption. The word "preemption" means to seize, appropriate, or take over. Large areas of concurrent Federal and State legislation have been exclusively occupied or taken over as a result of those decisions. Those decisions have brought about widespread criticism that the Supreme Court has been indulging in judicial legislation.

The Steve Nelson and the Cloverleaf decisions are typical illustrations of this trend in the field of Federal preemption. Under the Steve Nelson decision the States can no longer prosecute their own citizens under State sedition laws, because there happens to be a Federal sedition law of Congress. Under the Cloverleaf decision the States can no longer enforce their own agricultural sanitary laws, because there happens to be a Federal Pure Food and Drug Act on the Federal lawbooks.

The bill before us today, H. R. 3, deals with this general subject of Federal preemption. I want to explain and pinpoint the limited scope of this proposed legislation. But there has been so much misunderstanding about the purpose of the bill that I think I should start by pointing out what the bill does not do.

This legislation does not, as indeed it cannot, validate invalid State laws. Thus a Federal act is supreme in any field involving exclusive Federal power. Examples of such fields of Federal power are foreign relations, war, naturalization, coinage, bankruptcy, post office and postal legislation, and so forth. Article 1 of section 10 of the Constitution specifically denies certain powers to the several States. Any State legislation involving these broad fields of Federal power would, of course, be completely unconstitutional and utterly null and void.

Now there are many areas where Federal and State laws could constitutionally stand side by side. These are commonly referred to as areas of concurrent jurisdiction. Nevertheless if the Federal act expresses the intent of Congress to occupy a particular field, then the Federal law is supreme. This has been the consistent jurisprudence enunciated by the United States Supreme Court over the years. The bill before us, H. R. 3, respects this jurisprudence in unequivocal language.

And if in these areas of concurrent jurisdiction there is a direct and positive conflict between a Federal act and a State law so that the two cannot be reconciled or consistently stand together, the Federal act is likewise supreme. This also has been the well-recognized jurisprudence reiterated time and again by the Supreme Court in the past. And again the bill, H. R. 3, bows to this jurisprudence in specific terms. But in comparatively recent cases the Supreme Court has applied the doctrine of preemption even though the Federal act did not express a Congressional intent to occupy a whole field of legislation and even though there was no direct conflict between the Federal act and the State law involved.

In some of those cases the Supreme Court resorted to a presumption of legislative intent in order to preempt a field. For example, in the Steve Nelson case the Federal act did not express an intent on the part of Congress to occupy the whole field of sedition; and the Court did not find that there was a direct and positive conflict between the Federal act and the Pennsylvania law so that the two could not be reconciled or consistently stand together. In that case both the Federal act and the State law were perfectly constitutional and could have stood side by side together. The

Supreme Court, as I have indicated, resorted to a presumption of Congressional legislative intent in order to strike down the State law.

And similarly in the Cloverleaf case the Federal Pure Food and Drug Act did not express a Congressional intent to occupy this whole field of legislation; and the Court did not find that there was a direct and positive conflict between the Federal act and the State law so that the two could not be reconciled or consistently stand together. There again no constitutional question was presented and both laws could have been given effect. But in that case the Supreme Court in effect held that the Federal law must be deemed to have destroyed the State law by implication. This was one of those 5-to-4 decisions. And in a vigorous dissent Mr. Justice Frankfurter said:

> If ever there was an intrusion by this Court into a field that belongs to Congress, and which it has seen fit not to enter, this is it. And, what is worse, the decision is purely destructive legislation—the Court takes power away from the States but is, of course, unable to transfer it to the Federal Government (p. 179).

What then does the bill provide? It reads as follows:

> No act of Congress shall be construed as indicating an intent on the part of Congress to occupy the field in which such act operates, to the exclusion of all State laws on the same subject matter, unless such act contains an express provision to that effect, or unless there is a direct and positive conflict between such act and a State law so that the two cannot be reconciled or consistently stand together.

Stated differently, if an act of Congress expresses an intent to occupy a particular field of law, then the Congressional act is supreme, to the exclusion of any State law on the same subject matter. Or if there is a direct and positive conflict between a Federal act and a State law so that the two cannot be reconciled or consistently stand together, then again the State law becomes inoperative and the Federal act becomes supreme.

But if the act of Congress and the State law are both constitutional, with no expression of intent to exclude the State law and the two statutes are not in direct conflict, then both must and should be given effect. In other words, a Federal act is not to be presumed to repeal a State law and the State law is not to be destroyed by inferences or implications.

And notice that the two conditions are expressed in the disjunctive. This represents a substantial change in H. R. 3 as it was originally introduced. This change was made as the result of an amendment offered by the gentleman from Maryland [Mr. HYDE]. Now most of the criticisms that were advanced were made to the bill as originally introduced rather than to the proposal presently before the House for consideration. And I suspect that many of the letters and telegrams you might have received, and some of them that might be read on the floor during general debate, were dated and written prior to the amendment offered by the gentleman from Maryland and approved by a majority of the full House Committee on the Judiciary.

Now we did not dream up or pick out of thin air the language "unless there is a direct and positive conflict between such act and a State law so that the two cannot be reconciled or consistently stand together." That language was used by the Supreme Court of the United States in Sinnot against Davenport as early as 1859 and this rule of statutory construction has been adhered to by a formidable array of decisions ever since.

And let me show you how close our position is to that of the members of the Judiciary Committee who signed the minority report, especially since the bill as originally introduced was amended by the gentleman from Maryland. Here is what the minority members have to say on page 11 of the report:

> All that H. R. 3 does in this respect is to establish a standard for making that decision.
>
> That standard is not a new one. The language "direct and positive conflict * * * so that the two cannot be reconciled or consistently stand together" is to be found in opinions of the Supreme Court as far back as 1859 in *Sinnot* v. *Davenport* (22 How. 227), and as recently as 1953 in *United Construction Workers, etc.* v. *Labernum Construction Corp.* (347 U. S. 656).

Of course, the minority members then proceed to advance reasons why H. R. 3, even in its present form, should not be adopted. But the fact remains that they correctly state that the standard proposed "is not a new one" and that our respective views in this respect are tweedle-dee and tweedle-dum. Our opponents contend that this legislation will create chaos in Federal jurisprudence. They say that this is so because this bill will affect all past laws and that a research of State laws will have to be made every time we pass a bill. I respectfully submit that this criticism does not meet the test of common sense or modern legal bibliography.

Exactly how would past laws be affected and exactly how would a test case arise? Let us suppose that a second Steve Nelson case should arise in the future. What would the Court have to do? First, it would have to read the Federal sedition statute and the State sedition statute. Is that a formidable job? Does not the Court have to do this at the present time? If, upon critical examination of the two statutes, the Court should find that the Federal act expresses an intent to preempt the field of sedition, it would have to hold that the Federal act is supreme, and that would end the case. If, upon careful study, the Court should find the Federal act does not expressly preempt the field, then it would examine the two laws to find out if there is a direct conflict between the two; and if there is, then again it would have to declare that the State law is inoperative and that the Federal act is supreme. But if it could not find an expressed intent to preempt or if it could not find a direct conflict, then it would be enjoined by this proposal not to impute an intent on the part of Congress and not to infer an intent and not to imply an intent on the part of Congress to destroy a perfectly valid and constitutional State law.

And the same process is followed in connection with law research. After all, this is a government of laws, and law research is not any more mysterious than business research. For example, you and I might get lost at Macy's, but a clerk will invariably guide us to the counter we desire. The Congressional Library is probably the largest in the world, but with their marvelous index system they can pull out any volume we want at a moment's notice. We write thousands of letters a year, but they are not filed away helter-skelter; they are filed in alphabetical order, and our staff can pull out a letter written 10 years ago in a matter of minutes. If we want to look up a word in the dictionary, we do not have to read the whole book. For example, if we want to look up the word "vicuna," we should look under the V's, because if we look under the D's, we will find "deep freeze." We apply the same process in looking up a point of law, because a legal index is no different than a dictionary. And a bill always involves only a single subject matter, so let us then refer again to the Nelson case. If we want to look up the statutes dealing with sedition, we surely would not look under the R's, or else we are liable to rape our own lawsuit. And so all this talk about past laws and legal research is just a smokescreen—is just a lot of ballyhoo.

We are liable to hear a great deal about railroads during general debate. But are the railroads entitled to special treatment? And by the way, they fared out pretty well during this session of Congress. We passed a special bill for the relief of the railroads this year, and they are the only industry that received special tax treatment. And while I do not mean to imply that they are satisfied with this bill, I can say that one responsible railroad man told me that their real concern was removed by the amendment offered by the gentleman from Maryland, which has become a part of the bill.

And now let me make this final point. This proposal is not a novel one. We have passed laws along this line since the founding of our Republic. For example, there are 50 volumes of the United States Code. The very first chapter of the very first volume is entitled "Rules of Construction—General Provisions." This chapter contains six sections, and what we are proposing is to add an additional section, numbered "7." This proposal, therefore, makes absolutely no change in substantive law. It merely proposed additional rules of statutory construction. And these rules are in complete accord with the real jurisprudence formulated by the Supreme Court over the years.

And so in summary the situation is this. This bill will not validate invalid State laws. If such laws are unconstitutional, that's the end of the matter. If Congress expresses an intent to occupy a particular field of law, the Federal act becomes the supreme law of the land. If there should be a direct conflict between a Federal act and a State law, again the Federal act would remain the supreme law of the land.

Here we are dealing with perfectly constitutional State and Federal laws which can consistently operate side by side. What is the function of the Court in a situation of this kind? If a particular law under consideration is constitutional, the sole and cardinal function of the judicial branch is to seek out the intent of the legislative branch of our Government. The wisdom or unwisdom of a particular statute is a legislative and not a judicial problem. Congressional policy is to be left to the legislative branch of the Government and not the judicial branch. Simply stated, therefore, this proposal sets out a Congressional policy to the effect that the courts are not to impute an intent which is not expressed; and the courts are not to imply a conflict which does not exist. That is the sum and substance of it all.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. CELLER. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Does not the gentleman feel that this language in the second section of the bill stating: "No act of Congress shall be construed as indicating an intent on the part of Congress to occupy the field in which such act operates, to the exclusion of all State laws on the same subject matter, unless such act contains an express provision to that effect, or unless there is a direct and positive conflict between such act and a State law so that the two cannot be reconciled or consistently stand together" will tend to increase the ramifications of an already too centralized form of government?

Mr. WILLIS. If this bill will result in doing something which we do not intend, my only answer is, I personally am willing to take a chance.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I yield to the gentleman from New York.

Mr. CELLER. Will you not have this rather strange situation: If there is any doubt, for example, as to whether Congress should or should not express in the statute a preempting clause, the Congress in order to remove that in almost every instance would say, "We expressly preempt the field and exclude the States." Would you not defeat your own purpose, which is to protect State rights?

Mr. WILLIS. I will say to the gentleman that it has always been my view, and it is my view today, that the heart of the bill is in the second part of the bill. But I see no objection whatever, and I think it is an improvement on it to have it there, because we certainly have the constitutional power to include that language.

Mr. CELLER. Would not the bill have the effect that in the future, so as to be on the safe side and to insure exclusive jurisdiction, to remove that doubt Congress in almost every single instance would say: "We expressly preempt jurisdiction and exclude the States."

Mr. WILLIS. I do not think it would result in that. I really do not. I concede that Congress has done so in the past, but very seldom. Take in the field of agriculture or all the laws that come to your mind. Very seldom does Congress preempt. So what? If it does, the Federal act survives and the State law dies. However, even without that express provision, if there is a direct conflict between the two, then again the Federal act would become and be the supreme law of the land.

Mr. CELLER. Supplementing what I said, I have in mind the fact that since we did not have an H. R. 3 in the past, naturally Congress never thought of expressly—and the word "expressly" is used in the bill—preempting jurisdiction; therefore, the predilection in the future would be to expressly preempt in almost every bill that we pass, and therefore your attempt to strengthen the State's concurrent jurisdiction would go by the boards, because the express preemption feature would appear in almost all bills.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I yield to the gentleman from Illinois.

Mr. MASON. Congress did express itself definitely in the Smith sedition case. It did say that nothing in this act shall preempt this field, and yet in spite of that the Supreme Court said the Congress preempted the field. Now, if the Supreme Court will do a thing of that kind, it is about time we said in this law, when we say we preempt, it is preempted, and when we do not say we preempt, you must not say it.

Mr. WILLIS. Unless there is a conflict.

Mr. MASON. That is right.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I yield to the gentleman from Maryland.

Mr. HYDE. As to the question raised by the gentleman from New York, first it is better to have the Congress decide that question rather than the Court; secondly, the whole question is a political one, and if Congress goes too far, it can be decided by the people at the polls.

Mr. CURTIS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I yield to the gentleman from Massachusetts.

Mr. CURTIS of Massachusetts. The gentleman has stated if there is no express preemption in the field and there is no conflict, it is perfectly proper that the two laws should stand side by side. Referring to the railroad situation that was presented, 2 boxcars as against 4 boxcars——

Mr. WILLIS. I did not raise that.

Mr. CURTIS of Massachusetts. May I ask the gentleman what he would say about a case such as this, where the Federal Government has provided that certain safety equipment must be used on trains and some State comes along and maybe they have a company in that State that makes some special kind of equipment and they prevail on the State legislature to say that every train going through this State must have this kind of a safety device on it, what would the gentleman say about that?

Mr. WILLIS. I will say that that obviously would involve an undue burden on interstate commerce, deliberately planned by the State, and that State law, to begin with, would be unconstitutional. But, if constitutional, the conflict would be so obvious that the Federal law would have to prevail.

Mr. KEATING. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman, I will try not to go over a lot of the material which I discussed under the rule, although there will necessarily be some repetition.

This is a short bill, and it is deceptively simple, perhaps one might say. The motives behind the bill are the finest. I share the concern which is felt by the author of the bill, the gentleman from Louisiana, and others about some of the decisions of the Court. I am very glad that the gentleman from Maryland, in his remarks under the rule, drew a distinction between the decisions of the Court and the Court as an institution. Because much as we may disagree with the decisions from time to time let us not forget that the Court as an institution is an integral and necessary part of our system of government and is one of the bulwarks of liberty in our country.

This matter has to be studied closely. It deals with the fundamental relationship between the main components of our republican system, the Federal Government, and the States. The nature of that relationship is defined, as has been said, in our Constitution, in a myriad of statutes and resolutions, and in 150 years of tradition, practice, and Court decisions. It is a complex and delicate relationship. Many times it has needed adjustments. But it is too sensitive and too important to be dealt with indiscriminately, to be dealt with by shotgun legislation as opposed to rifle legislation.

What is true of the nature and relationship between the Federal Government and the States, is true also of the relationship between the Congress and the Supreme Court. There is no doubt in my mind that there are decisions where the Supreme Court has misconstrued the intention of Congress. In such a situation there is every justification for reasserting the Congressional will. But this never should be done in a manner which will injure the Court as an institution. We should and we can exercise our legislative prerogatives fully and effectively without unnecessarily tampering with the Court's processes.

In my judgment H. R. 3 does not meet the requirements for sound legislation in this field. Why? It reaches too far and encompasses too much. It is altogether too broad and too unpredictable. Legislation in this field should be precise, selective, and cautious. What we are given is vague, sweeping, and uncertain.

What will be the result of this legislation? Will any particular case be overturned? Will any particular judge-made doctrine be changed? The proponents will not say for sure, and it is no wonder since the vague language of this bill

would make such predictions foolhardy. Is there not the danger in such an approach that we will be striking down decisions favored by a majority of Congress and will be leaving unmolested decisions a majority dislike?

There are some predictions which can be made about the effects of this bill. We can predict that its effect on legislative processes will be bad. I shall elaborate on these points in a minute. We can predict that its effect on the stability of the law will be bad. We can predict that its effect on attempts to keep the courts out of the lawmaking field will be bad. None of these predictions which can be made serve to recommend the bill.

In the first place, I firmly believe in the importance of preserving State laws and policies to the maximum extent consistent with our Federal system. But, as has been pointed out, under this bill a tendency could easily develop to include preemption provisions in Federal legislation unnecessarily. Because of the pressure under which we operate, the simpler course would be to add a preemption statement merely as a safeguard. Such a practice would lead in many instances to a blanket prohibtion on State action which otherwise could be reconciled with the Federal law. Under these circumstances, the effect of this legislation might well be to limit the area of States rights rather than to enlarge it.

In the second place—and this goes to the very heart of this legislation—seldom are we presented here in Congress with a bill which operates retroactively. We instinctively abhor retroactive legislation. We pass some, but we do not like to normally. This bill applies retroactively.

Every past law in which Congress neglected to include an express provision stating an intent to occupy the field, and there were very few of those, will be in jeopardy, no matter how plainly the intent may be inferred. Long-dormant State statutes and municipal ordinances enacted in the horse-and-buggy age will be resurrected.

Business and labor groups assume a grave risk in disregarding those old laws. They would be put to great expense in court actions to remove all doubt as to their revived validity.

Under the rule, I pointed out as an illustration how farmers and marketers of agricultural products complying with the Federal Food, Drug, and Cosmetics Act, under this bill could also be compelled to comply with all kinds of State laws on the subject, I stated also that warehouses under Federal regulation as to rates and rebates might well have to comply in addition with many State laws.

Reference has been made to the railroads. In the brief filed with our committee by the able author of this legislation it was noted that under existing precedents, State laws limiting the size of trains, fixing the number of cars in an interstate train, the number of passengers to be carried in each car, requiring burdensome intrastate stops of interstate trains, and requiring an interstate railroad to detour its through passenger trains for the benefit of some small city, all have been held invalid despite the absence of Federal regulation on the specific requirements involved.

Having cited these examples, the brief goes on to say that it is in this area that the Smith Act will have its effect, if any.

This adds up, in my judgment, to a prediction that under H. R. 3 railroads and other carriers operating in interstate commerce could be subject to regulation by any number of jurisdictions. Railroads and other interstate carriers which for years have been functioning in full compliance with Federal laws and regulations will now also have to conform, in some instances under threat of criminal prosecution, to entirely different standards established by any one or more of the States in which they operate. It means that the public will have to be content with a national transportation system burdened by limitations on size and service dictated by the special interests of each of the several States.

There is, therefore, little wonder that the Interstate Commerce Commission, the Association of American Railroads, and the Railroad Labor Executives Association, as well as all the brotherhoods, are all strongly opposed to this bill. The statement of the Association of American Railroads that was sent to every member of our committee in May of this year concludes that the enactment of H. R. 3 without language exempting the railroads "would create chaos in the field of Federal regulation of the railroads."

That statement points out that H. R. 3 "might lead to establishment of multitudinous rates on a single commodity depending upon the action of State courts and juries as to a reasonable rate"; that it might nullify "car service orders of the Interstate Commerce Commission"; that it might permit the substitution for Federal law of innumerable and conflicting State statutes requiring particular safety devices on railroad rolling stock," and "would lead to untold complications and additional expenses in complying with" a diversity of State employment laws.

As late as this morning, I have been in touch with the Association of American Railroads whose position, according to their general solicitor, as of this moment is exactly the same as it was when that statement was written. An exception for the railroad can, of course, be written into this bill, but that takes care of no one else. The very fact that the railroads cannot live with this bill in its present form illustrates the dangerous potentialities of the legislation. This bill is not going to get anywhere. It will not be taken up in the other body, and if it ever is taken up and passed, its fate thereafter I feel confident would not be good.

At this point, I think I should read into the RECORD a statement I am authorized to make which was given to me this morning and from which I give you my understanding of the position of the President of the United States. Both he and the Attorney General are for the objectives of this bill. I align myself with those two distinguished individuals: I too am for the objectives of this bill. However—and I have written this down because I want to be accurate—the President has serious questions about the generalities of the bill. On the advice of the Attorney General, under its present provisions, such as the retroactive feature, he feels it would cause serious difficulty.

If legislation is to be enacted, if those of us who oppose the legislation develop to be in the minority, then we ought to try to report out as good a bill as possible—I would prefer to say, "as unbad a bill as possible." For that reason in the amendment stage, I intend to offer an amendment to insert in the first line of the bill, after the words "no act of Congress," the words "hereafter enacted." That would remove from the bill the retroactive feature which, to my way of thinking, is the most serious objection to this legislation. It would mean that prospectively, in the future, the construction which is sought here would be required to be made by the Court, but it would not apply to all of the 150 years of statutes that are now on the books.

It seems to me if we are going to legislate in this field at all, the only sound way is to legislate for the future and not for the past. As many of the Members know, I have been greatly concerned about many of these recent Supreme Court cases. I know that many proponents of this legislation share my concern. I question seriously, however, whether this bill will limit the tendency of the Court to legislate—but rather further it.

This bill will have absolutely no meaning whatever until life and meaning are breathed into it by the Court. That is virtually acknowledged in the brief filed with the Committee on the Judiciary by the author of the bill. This brief, like the majority report of the committee, does not conclude that any particular decision will be overruled by the bill, but instead states that in various fields the bill "would possibly affect the decisions of the Supreme Court," or "may have led the Court to rule differently," or "could render some relief from judicial decisions precluding State actions."

The inability on the part of the proponents of this measure to predict its effects will impose that duty directly upon the Supreme Court.

It is not the Supreme Court which should make national policy in the many hosts of fields affected by this bill, and I refuse to lend my support to a measure that would invite it to do so. Such a course would be an abdication, not an affirmation, of legislative responsibility.

It seems quite clear that over the long run the consequences of this bill can only be to blur even more than they are now blurred that vital distinction between lawmaking and law interpreting which must be maintained. This bill invites a new decision in all these fields. In effect, it enjoins the Court to act as a quasi-legislative body to finish what Congress has started to do by reexamining legislative intentions and enactments going back in some instances over a hundred years. If such a study is to be under-

taken it should be by a legislative, not a judicial body.

If we are to legislate in a responsible manner we must deal with decisions or court doctrines which we do not like on a case-by-case basis. That is the difficult yet the most direct road to legislative clarification of intention. I know only too well of my own attempts to modify the Jencks, Mallory, Yates, Watkins, and Nelson cases that this method of reform is fraught with difficulties. But we really have no choice if we want to pursue a responsible and far-sighted course and if we want to make sure, moreover, that our revisions of the law mean something.

I am convinced that the only real safeguard of our rights and legislative prerogatives lies in the plain statement of legislative intention in connection with each statute.

There is no protection of legislative will in the enactment of an ambiguous bill which in essence is no more than a resolution of protest.

I think it has been said that this bill would not be here today if it were not for a resentment, and in some respects a well-founded resentment, against the decision of the Court.

I know, and I want to say this in all candor because I think it is important, that there are judicial absolutists who condemn every effort by the Congress to study the effects of Supreme Court decisions. They resort to distortions of the purpose of modifying legislation and erect roadblocks wherever they can to prevent consideration of the issues by a majority of the Congress. Their obstructionist tactics are a spur to the very kind of sweeping legislation we have here today. But let us not forget that even these tactics have not prevented action by this House on a number of bills dealing with specific Court cases. One was the Cole case dealing with subversives, or disloyal people in nonsensitive parts of our Government. We acted on the Cole case just last week in the Walter bill. The Mallory case is another that we acted on recently, and the Jencks case on which we acted in the last session of Congress is still another.

That is the way to deal with these problems created by court decisions. I am convinced that while we must proceed in a determined way to preserve the legislative prerogatives of a majority of Congress, we must also be cautious lest we becloud all past precedents on our books.

After all, there are many more decisions on the books with which we would all agree than with which we would disagree. No matter what the provocation, we should not paint our strokes so broadly that they cover the good as well as the bad cases. Congress can restore proper balance in these fields only if it acts with care and discrimination. In reviewing the decisions of the Court it will not be demonstrating its control of the situation by passing legislation with consequences which even its proponents cannot foresee.

The proponents of this bill misjudge the complexity of the preemption problem if they believe that a new rule of construction is all that is needed to maintain proper Federal and State relationships. The truth is that a single rule of construction for all circumstances is impossible because of the multitude of situations which arise in each field. No one would seriously urge, for example, that preemption be determined by the same formula under a Federal statute dealing with national defense as under a Federal statute dealing with crime, health, or educational problems. One looks in vain in the pending bill for any such distinction.

I urge that we avoid precipitous action today which is bound to plague us ever after if this bill becomes law. Let us act with wisdom and not in anger. Let us continue to be judicious in our approach so that we may with a clear conscience criticize whatever injudiciousness we uncover in the approach of others. Our rejection of this bill, in my judgment, will be an example of legislative self-restraint in the face of considerable pressure. It will earn great respect and praise for this body from every student and observer of government in this country.

I earnestly urge the defeat of this measure.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield to the gentleman from Maryland.

Mr. HYDE. The gentleman made reference to the matter of State laws regulating railroads. That same reference was made, I note, in a brief filed with the committee by representatives of the labor unions, and in the remarks of the gentleman from Virginia [Mr. SMITH], When you speak of the effect of this bill on a State law regulating railroads when there has not been any judicial act on the subject, you do not intend to convey the impression that this bill would affect such a State law? This bill affects only Federal laws, it affects the interpretation of the effect of a Federal law.

Mr. KEATING. That is right. All of our interstate railroads have operated under the assumption that they were governed by Federal statutes administered and interpreted by the Interstate Commerce Commission. To put it mildly, this bill would throw doubt on whether those regulations and laws would in the future be exclusive.

An illustration was given here about protective devices on cars. Suppose the Federal statute said a railroad had to have one handrail on a freight car moving in interstate commerce, while Arizona required 3, Maryland required 2, and California required 5. Michigan on the other hand, might require that they be made of copper, Wisconsin, that they be made of cast iron. It is possible that a court would say those 2 were in such direct and positive conflict they could not consistently stand together, but I am not at all sure that the courts can say so. It would require a decision by the Supreme Court.

Mr. HYDE. That question has already been decided by the Court in many similar actions on the ground that the railroads were under the Interstate Commerce Act.

Mr. KEATING. I do not think that has been decided.

Mr. HYDE. We disagree on that.

Mr. KEATING. Even if it had been decided, there would also be open the question of whether this was an intention to interfere with those decisions.

Mr. HYDE. This bill affects only the interpretation of an act of Congress.

Mr. KEATING. That is right.

Mr. HYDE. It does not affect State law on a subject concerning which there is no act of Congress.

Mr. KEATING. Well, now, the very fact the gentleman and I are in disagreement on that points up the difficulties with this bill.

Mr. HYDE. The bill itself says "No act of Congress shall be construed," and so forth.

Mr. KEATING. That is right, unless here is a direct and positive conflict. The several State laws will stand unless there is a direct and positive conflict. Who is to say whether there is a direct and positive conflict if the Federal statute has a requirement of 1 handrail and the State has 3? If the Federal statute is not in conflict with the State statute, they can both stand together.

Now, I will read later in the debate—I do not want to take the time now, because others have asked for time—the views of the counsel for the Association of American Railroads indicating in detail just why it is that they are so concerned about this problem.

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield to the gentleman from Ohio.

Mr. SCHERER. The gentleman referred to a statement or brief that has been prepared by the Association of American Railroads. What was the date of that? I believe you said it was May 4.

Mr. KEATING. It was May 19.

Mr. SCHERER. Was that prior to the adoption in the committee of the Hyde amendment to the bill?

Mr. KEATING. It was. Let me say this: the Hyde amendment greatly improved this bill. I concede that.

Mr. SCHERER. Has the Association of American Railroads furnished a subsequent brief analyzing the bill as it is now before the House?

Mr. KEATING. Not in writing.

Mr. SCHERER. Not in writing?

Mr. KEATING. I talked with the counsel this morning, and their position in regard to this bill is the same as it was at the time they filed their statement.

Mr. SCHERER. But they have not analyzed the present bill?

Mr. KEATING. As far as I know, they have not in writing.

Mr. DORN of New York. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield to the gentleman from New York.

Mr. DORN of New York. I wish to congratulate the gentleman from New York on his well-reasoned statement. I join with it. I am in sympathy with the aims of the bill before us because I have disagreed with many of the recent Supreme Court decisions, but do not

think that this legislation will change them.

This legislation has ramifications which none of us can foresee. As the gentleman from New York has stated, the Supreme Court will not be curbed by this legislation from encroaching upon the lawmaking prerogatives, but rather will increase the Court's power to redefine national policy in almost every field of endeavor and thus further encroach on Congressional power. Those who favor this bill are unable to state what the Supreme Court will do in interpreting it, and this bill gives the Court a wide field for interpretation.

They are attempting by firing a shotgun to hit the mark, but I fear the shot will fall far wide of the mark and result in chaos rather than remedying the wrongs which have already been committed and will not, in and of itself, upset the unfortunate Supreme Court decisions. It is up to us here in Congress to affirmatively override these decisions one by one as we are doing rather than to abdicate our legislative responsibility and attempt in this bill to make legislators of the Supreme Court Justices. We are doing exactly what we wish to get away from. Again, let me congratulate the gentleman from New York on his leadership in this matter.

Mr. KEATING. I thank the gentleman.

Mr. CELLER. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, throughout its history the Supreme Court has at times been a storm center of violent controversy. Down through the years clamor by those aggrieved by its decisions have urged impeachment of judges, dilution of its jurisdiction, changing methods of selection of its members, increasing its members by so-called packing the Court, and now we have H. R. 3. Yet, throughout the years the Court has stood firm and continues to be considered the most exemplary judicial tribunal in the world. Even its detractors have hastened to it to seek redress of their own wrongs. It remains a citadel for the protection of our rights and our liberties.

As the eminent historian of the Supreme Court, Charles Warren, stated:

> No institution of Government can be devised that will be satisfactory at all times to all people, but it may truly be said that in spite of necessary human imperfections the Court today fulfills its function in our national system better than any instrumentality which has ever been advocated as a substitute.

The Court's decisions have decided impact on powerful business and professional interests. The decisions sometimes bring not only economic but emotional disturbances. Both sides of the controversy cannot win. One side loses and smarts under it. Resentment ever widens. But it is one thing to be critical of the Court's handling of particular issues and quite another to attack so far as to obscure the Court's juridical function and risk its permanent impairment.

Justice Holmes once said of the latter destructive criticism that it bespoke "an unrest that seems vaguely to wonder whether law and other pay."

Against such critical nihilism we in Congress should provide the antidote of reason and understanding and not action in pique and in spite.

Very likely some of the proponents of H. R. 3 have railed against the Supreme Court because of the desegregation decision. Their grievance—those who believe in segregation—their grievance against the Court is not that it made a choice between two views of the question but because its choice was against their views. One of the ways they seek to strike back at the Court is through H. R. 3. They strike in anger, not in reason.

This is not unlike Teddy Roosevelt's attack through recall of judges and the younger Roosevelt's "packing" of the Court. Happily both failed, and so this latest attempt will fail.

Mr. JACKSON. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. JACKSON. I am sure the gentleman does not intend to imply that all who are in support of the provisions of H. R. 3 are doing so out of pique with reference to the desegregation decision of the Supreme Court. There are a considerable number of us who have not railed at that decision.

Mr. CELLER. If the gentleman were attentive he would have heard that I did not say "all"; I said "some."

Mr. JACKSON. I am very anxious to have the "some" emphasized in the RECORD, Mr. Chairman.

Mr. CELLER. With reference to this presumptive doctrine of H. R. 3, a bill to establish rules of interpretation governing questions of the effect of acts of Congress on State laws, in one sentence the bill proposes to deal with over 150 years of jurisprudence in the delicate and intricate realm of the distribution of legislative authority between State governments and the Federal Government. Like many other bills which have come before Congress during the past few years, H. R. 3 is indeed an expression of discontent with the liberal position which the Court has recently taken in safeguarding the rights of the individual. One factor which precipitated the introduction of H. R. 3 more than any other was undoubtedly the decision in Pennsylvania against Nelson which affirmed a decision of the highest court of Pennsylvania declaring unconstitutional the Pennsylvania sedition statute. However, unlike other bills which have sought to review legislatively the Supreme Court on specific issues H. R. 3 goes beyond the problem of State sedition statutes and by shotgun legislation affects broad questions of interstate commerce, criminal law, labor relations, and the like.

I indicated in my remarks on the rule that this bill will encourage a rash of State legislation concerning labor, farming, food and drugs, and what have you. You will have little Taft-Hartley Acts, little Wagner Acts, which will be devised to harass and molest beyond peradventure of a doubt certain classes of peoples in certain States.

We will have denials of that, but to my mind the denials will not wash, because there will be attempts, no doubt, to reach out for and reassert control and dominion over conditions of work and labor in certain States concerning certain individuals.

H. R. 3 provides that—

> No act of Congress shall be construed as indicating an intent on the part of Congress to occupy the field in which such act operates, to the exclusion of all State laws on the same subject matter, unless such act contains an express provision to that effect, or unless there is a direct and positive conflict between such act and a State law so that the two cannot be reconciled or consistently stand together.

However, viewing this proposal in perspective, it must be recalled that the Constitution apportions the powers of government between the States and the Federal Government in various ways. Certain powers are granted to the Federal Government, while they are specifically denied to the States, for example, treatymaking, coinage, weights and measures, matters of defense, and foreign policy. There are other areas, however, in which the Federal Government is authorized to act but in which the States acting under the powers reserved to them may also legislate, as in commerce, public health, and labor. Thus while Congress may regulate interstate commerce the States may also regulate commerce within their borders, even though such regulations may materially affect interstate commerce.

The problem arises when there is inconsistency between the Federal and State laws. Although it is perfectly clear that under the supremacy clause of the Constitution, article VI, clause 2, Federal law is supreme, the applications of the doctrine to specific situations present complex problems. Determinations of this kind are not the results of mechanical or mathematical processes. They are reached only by painstaking weighing of consequences to a system of government and to a dynamic society.

The easier cases arise where Congress has acted and the provisions of the State law are clearly contradictory, but suppose that both Congress and the State have acted, and the State law, while not expressly contradictory to Federal law, establishes local regulations in an area predominantly of Federal interest, or where national uniform regulation is necessary. The proper resolution of this problem is no less essential to a successful Federal system than is the case where there is an express inconsistency. Therefore, as a logical and necessary application of the supremacy clause courts have declared over a long period of years the doctrine of preemption, which says no more than that when Congress legislates in a given field there may be an intention to preclude State action.

This doctrine has been carried a step further in a number of cases where State legislation has been held invalid even in the absence of Federal legislation. On that theory, that there was a need for national regulation by a single authority, and I point to the Southern Pacific case. The proponents of H. R. 3 argued that the Supreme Court in applying this doctrine has distorted the purpose of Congress and in the process has

all but destroyed the right of the States to exercise their concurrent powers.

However, any fair or proper analysis of the Supreme Court decisions in recent years indicates that the case is quite to the contrary. The Court has in fact gone far, gone exceedingly far, and I say that specifically to the gentleman from Louisiana, who made a very magnificent statement with reference to the cause represented by H. R. 3, in upholding State action especially in questions involving public health, safety, and order. As recently as May 20 of this year, the Supreme Court refused to apply the preemption doctrine and sustained the States' power to entertain certain damage suits arising from union activity in a labor dispute subject to the Taft-Hartley Act. I refer to the International Association of Machinists against Gonzales and International Union against Russell. I ask the gentleman from Louisiana, if I may have his attention, to look at page 9 of the report which I signed and which was signed by the minority. There you have a whole list of cases, a very formidable list of cases which clearly indicates that the Court has gone out of its way to uphold the State on questions of concurrent jurisdiction. I have but to read the following:

Thus, in the dairy and cattle industry, an order of the State of New York prohibiting the importation of cattle without a health certificate was upheld against the argument that the Cattle Contagious Diseases Acts (33 Stat. 791 (1903), 33 Stat. 1264 (1905)), had preempted the field (*Mintz* v. *Baldwin*, 289 U. S. 346 (1933)). Similarly, in the area of agricultural controls, the Court sustained a California agricultural marketing program as not being in conflict with or precluded by the commerce clause, the Sherman Act, or the Federal Agricultural Marketing Agreement Act (50 Stat. 246 (1937), *Parker* v. *Brown*, 317 U. S. 341). In *Townsend* v. *Yeomans* (301 U. S. 441 (1937)), a Georgia statute fixing maximum charges for handling and selling leaf tobacco, as applied to tobacco for export, was held not to conflict with the Tobacco Inspection Act (49 Stat. 731 (1905)).

In *Union Brokerage Co.* v. *Jensen* (322 U. S. 202 (1944)) the Court upheld the exclusion by Minnesota from its courts of a firm licensed by the Federal Government because of its failure to obtain the license required by State law. In a case arising under the Natural Gas Act (52 Stat. 821 (1938)) the Court upheld the right of States to regulate rates for gas sold within the State by an interstate pipeline company (*Panhandle Eastern Pipe Line Co.* v. *Public Service Commission of Indiana*, 332 U. S. 507 (1947)).

In the field of State regulation of grain exchanges, the Court has upheld the right of a State to prescribe such rules as did not conflict with the provisions of the Commodity Exchange Act (49 Stat. 1491 (1936), *Rice* v. *Chicago Board of Trade*, 331 U. S. 247 (1947)). In *California* v. *Zook* (336 U. S. 725 (1949)) the Court rejected the argument that the Federal Motor Carrier Act (49 Stat. 543 (1935)) precluded the States from prohibiting the sale of transportation over the highways.

In the field of labor relations, the Court has found that the Wagner and Taft-Hartley Acts do not preclude all State legislation in the field. Thus, in a number of cases arising in Wisconsin, the Court has upheld orders of the State employment relations board, although the industry was in interstate commerce (*Allen Bradley Local* v. *Employment Relations Board*, 315 U. S. 740 (1942); *Auto Workers* v. *Wisconsin Board*, 336 U. S. 245 (1949); *Algoma Plywood and Veneer Co.* v. *Wisconsin Board*, 336 U. S. 301 (1949)).

The Court has continued to uphold State action in the labor relations field in *United Construction Workers, etc.* v. *Laburnum Construction Corp.*, 347 U. S. 656 (1953), which upheld State court jurisdiction over a common law tort action for damages even though the conduct complained of also constituted an unfair labor practice under Federal law. In somewhat similar situations, the Court in two decisions handed down on the same day (May 26, 1958) just a few weeks ago, reasserted State power in this field (*International Union* v. *Russell*, 356 U. S.— (1958); *International Association of Machinists* v. *Gonzales*, 356 U. S. — (1958).

In addition, the Supreme Court has gone far in respecting State action directed at preserving public order in labor disputes in interstate commerce. Similarly, in matters affecting public health and safety, the Court has, wherever possible, upheld the right of the States to protect their people.

There are about 20 cases that I have called attention to in the report, which clearly indicate that the courts have gone out of its way to uphold the State acts in the face of similar Federal acts. We have had paraded before us all manner and kinds of arguments that the Supreme Court does not give a hoot and howl for the State acts. That is not true and it is well to present before this body the exact state of facts. I ask you to read page 9 of the report where you have cases as late as June of this very year where the Supreme Court has gone out of its way to uphold the State statutes where there would be the slightest conflict—or even the greatest conflict—in some instances with the Federal statute.

I have before me an article from the New York Times. The headline is "High Court Backs States Over the ICC—5 to 4 Verdict Blocks the Sale of a Bus Line in California and Blocks Rail Rate Rise in Utah."

Mr. DINGELL. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Fifty-one Members are present, not a quorum.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 129]

Albert	Friedel	Radwan
Allen, Calif.	Gordon	Rhodes, Ariz.
Andersen, H. Carl	Gregory	Robeson, Va.
	Gubser	Rooney
Anderson, Mont.	Gwinn	Santangelo
	Hays, Ark.	Shelley
Avery	Hays, Ohio	Shuford
Barden	Hillings	Sieminski
Baring	James	Smith, Kans.
Barrett	Jenkins	Smith, Miss.
Boland	Kearney	Spence
Bolling	Kearns	Staggers
Buckley	Kirwan	Steed
Burdick	Kluczynski	Talle
Chiperfield	LeCompte	Taylor
Christopher	Macdonald	Teague, Tex.
Clark	Machrowicz	Thompson, La.
Coudert	Magnuson	Trimble
Denton	Miller, N. Y.	Vinson
Dies	Morris	Vursell
Eberharter	Moulder	Watts
Edmondson	O'Hara, Minn.	Wigglesworth
Farbstein	Osmers	Williams, N. Y.
Fogarty	Powell	Younger

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. THOMPSON of Texas, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H. R. 3, and finding itself without a quorum, he had directed the roll to be called, when 352 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. CELLER. Mr. Chairman, before the quorum call I had endeavored to indicate the vast preponderating number of cases where our Supreme Court has upheld the States' jurisdiction and has refused Federal preemption. The few cases where the Supreme Court has indicated that the Federal court was supreme were in the main difficult cases, difficult to decide, intricate to fathom. They were cases usually decided by a divided court.

The effect of these cases has been unduly exaggerated by the proponents of H. R. 3. I point now to the many, many cases where Federal preemption was denied. We rarely hear of those cases. They are conveniently forgotten.

I commend for your reading page 9 of the minority report on this bill, where I unfold these many cases covering a plethora of subjects, all manner and kind of subjects, where the Court has said, "No; we will not recognize the preeminence of the Federal authorities. We recognize the State authorities, and the State shall be supreme in this matter."

Those are the cases that stick up like sore thumbs, but we never hear about them. Those who are in favor of this bill, as I indicated before, conveniently like to disregard them.

I repeat what I said before: In applying the doctrine of H. R. 3 the proponents of H. R. 3 claim that the Court has distorted the purpose of the Congress and has all but destroyed the rights of the States in the exercise of their concurrent powers. That is not true. That is not true.

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. SCHERER. The gentleman from New York cited a long series of cases in which the Supreme Court, as he says upheld the State law and found that the Federal law did not preempt the field. I want to ask the gentleman this question: With the exception of one case, in all of these which you cited, is it not a fact that those cases were all decided before 1954?

Mr. CELLER. No, sir. I gave you two cases decided in 1958—the cases of International Union against Russell in 356th United States Reports; and International Association of Machinists against Gonzales, 1958; and the United Construction Workers, etc., against Laburnum Construction Corp., 1953; and so on. I did not cite all the cases. I can give you many more cases.

Mr. SCHERER. Just a minute. With the exception then of the two cases.

Mr. CELLER. No, no, not at all. There are many, many other cases which can be cited.

Mr. SCHERER. Let me ask the gentleman this question then. So far as the cases listed in the minority views, however, all of them with the exception of two were decided before 1954; were they not?

Mr. CELLER. That is an unfair statement. I can read to you now some more cases.

Mr. SCHERER. I am only asking you about the cases cited.

Mr. CELLER. You will not catch me in that kind of a trap.

Mr. SCHERER. I am not trying to catch you in that kind of a trap.

Mr. CELLER. I say to you there are many more cases and we have not cited them all. I must decline to yield further to the gentleman at this point. I want to read this. Listen to this. I hold in my hand a report of the New York Times which speaks of two more important cases just cited a short while ago on May 19 of this year. The news item reads as follows—I have not been able to get these reports, but the item says:

> Supreme Court in two cases today restricted the authority of the Interstate Commerce Commission to regulate transportation within a single State. In one State the ICC had approved a proposal by the Pacific Greyhound Lines to transfer to a subsidiary all its operations in the San Francisco Bay area.

The ICC, of course, represents the Federal Government.

The item reads further:

> The Commission claimed authority to approve the transfer regardless of the views of the California Public Utilities Commission and the Supreme Court upheld the views of the California State commission and blocked the transfer.

In the other case, the ICC had ordered an increase in railroad freight rates within Utah to meet interstate rates, and the Supreme Court sustained the States' contentions and blocked the railroad increased rates promulgated by the ICC.

So that it is as clear as rain. It is crystal clear. We have any number of cases where the Court has interceded on behalf of the State as against the Federal Government in these matters.

Mr. SCHERER. Will the distinguished gentleman yield for another question?

Mr. CELLER. I yield.

Mr. SCHERER. Is it not a fact that this legislation is before us today because the Court in the last 3 years has practically reversed its position from that set forth in the great number of cases you have cited?

Mr. CELLER. How naive can a man get? How naive can you get in making that kind of a statement? I can tell you I am quite sure there are many underlying causes for this legislation.

Mr. SCHERER. Why is this legislation before us?

Mr. CELLER. Just a moment. This legislation is very much like an iceberg. You can only see about one-third of this bill. But, most of this bill is submerged and you do not see it.

Mr. SCHERER. If I am wrong, tell us why.

Mr. CELLER. Mr. Chairman, I must decline to yield further to my colleague.

Mr. Chairman, this bill is being used as a subterfuge to see to it that certain factions in certain States can molest and hurt and hound certain peoples.

This is a way of getting around some of the Supreme Court's decisions, and that is why I say to the gentleman with all due respect, that he is quite naive if he does not see through this legislation.

Mr. SCHERER. Does the gentleman say——

Mr. CELLER. Mr. Chairman, I do not yield.

Mr. SCHERER. But the gentleman said I was naive.

The CHAIRMAN. The gentleman declines to yield.

Mr. CELLER. The gentleman can answer in his own time. Certainly there are cases in the courts, some recently, that need correction; but as has been stated so very splendidly by my distinguished colleague, the ranking member of the Judiciary Committee, in those cases let us take the matter up case by case. It is unfair and improper to use this shotgun approach, because in a certain sense we do a grave injustice by using this shotgun approach.

Certainly the one clear result of the enactment of H. R. 3 will be a rush of unnecessary litigation since, as a rule of construction, the bill would be retrospective as well as prospective, working backward as well as forward. It would place in doubt legal relationships and responsibilities which have come to be accepted and understood over decades. Thus railroads would no longer know whether they were obliged to conform with Federal or State safety appliance acts. Unions frequently would be unable to decide whether their rights and obligations were governed by State labor relations acts or the Taft-Hartley Act. Power companies and natural gas companies as well as many other utilities would be similarly affected. How in thunder, for example, could a nationally occupied concern like General Motors, or Standard Oil, or American Telephone and Telegraph, or the Du Pont Co. operate in many States when they might be confronted with 7, 8, 9, or 10 different kinds of labor laws? That is possible if you pass this bill.

They have learned to rely upon the Taft-Hartley Act, for the standards which shall govern them, but under this bill you permit the States to act individually and they can say, "We have concurrent jurisdiction," and they would have concurrent jurisdiction.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CELLER. Mr. Chairman, I yield myself 5 additional minutes.

How then, Mr. Chairman, could these national associations with their activities spread over many States really conduct their operations in a successful manner? I ask that question, and I would like to get an answer.

Mr. WILLIS. Mr. Chairman, will the gentleman yield for an answer?

Mr. CELLER. I yield to my distinguished colleague.

Mr. WILLIS. Will the gentleman state more specifically a situation where the condition he indicated will arise? He states a matter with which I do not for a moment disagree; but will the gentleman conjure up a set of facts where that situation could arise? If it is as horrible as the gentleman envisions, I certainly would agree with what he states; but will the gentleman conjure up a set of facts embodying those horrible things he envisions?

Mr. CELLER. Yes. I indicated that little Taft-Hartley Acts could be passed by various States where General Motors operates, for instance. Therefore, General Motors will be confronted with labor-relations acts that might be different from the Taft Hartley Act. I cannot resolve the insoluble. Then they would be up against it. They would not know whether to comply with the State or the National standard. They would be up against different standards in maybe 2, 3, or 4 States, and they would not know which standard to comply with.

Mr. WILLIS. What standard is the gentleman talking about?

Mr. CELLER. Labor standards, hours of employment, and conditions of employment, collective-bargaining units, unfair practices, and the like.

Mr. WILLIS. All right; let us take the question of hours; where would you have different standards?

Mr. CELLER. Under this bill, the State of Illinois or the State of Louisiana could pass a Taft-Hartley Act setting up standards of their own.

Mr. WILLIS. Let us get down to brass tacks, let us take one illustration, let us take hours.

Does the gentleman mean to say that that would be the squeeze if the Federal law provided a 40-hour week and the State law provided for a 50-hour week? Is that what the gentleman has in mind?

Mr. CELLER. Yes, and that is why the American Federation of Labor and the CIO have indicated to us in no uncertain language their position. If that were not so they would say, "Pass your bill, and bless you." They have indicated they are opposed to this bill.

Mr. WILLIS. The gentleman asked for an answer. Will he permit me to answer the last case, the only illustration he gave, that General Motors or somebody might be squeezed in the event that this bill was passed, because the Federal law being 40 hours per week the States might pass little Taft-Hartley laws making it 50 hours a week. That is the illustration of where the trouble will arise. This bill specifically says that if there is direct conflict between the Federal law and the State law the Federal law prevails. Can the gentleman conceive of anything more directly conflicting than the two numbers of 50 and 40? I will say to the gentleman that does not hold. The railroad illustration does not hold. The arithmetic is not good. I have yet to hear any illustration based upon fact rather than a conclusion that something might arise.

Mr. CELLER. The gentleman's conclusions are not justified by the facts. I

say that that is not what we call or what the bill calls an irreconcilable conflict. It may be a conflict but it is not an irreconcilable conflict.

Mr. WILLIS. The 40 and 50?

Mr. CELLER. That is not what we call an irreconcilable conflict, therefore the State law could continue to operate alongside the Federal law and create confusion worse confounded. That is the gravamen of our complaint against this bill.

Mr. THOMPSON of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from New Jersey.

Mr. THOMPSON of New Jersey. Is not the distinguished gentleman confusing the Fair Labor Standards Act and the Taft-Hartley Act?

Mr. CELLER. I think he is. Let us take the Railroad Labor Act.

Mr. WILLIS. Will someone give me an illustration of facts?

Mr. CELLER. I gave it to the gentleman. I can give you others on the question of the farms, on the question of farm products. You may have various kinds of packaging laws and branding laws in various States which may be in conflict with the Federal law, but not in irreconcilable conflict; therefore, the farmers would be sorely put to it to determine what to do with reference to marketing and with reference to packaging and with reference to warehousing. There are many kinds of illustrations.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CELLER. Mr. Chairman, I yield myself 5 additional minutes.

Mr. METCALF. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Montana.

Mr. METCALF. The Taft-Hartley law and the labor-management laws all deal with unfair labor practices. For example, suppose that a State law provides that certain things shall be deemed to be unfair labor practices. Maybe they have taken the same section out of the Taft-Hartley law. You go to the State courts and they interpret that differently than the Federal courts have determined it. We would therefore have a conflict between the State and Federal law under the exact language of the two sections.

Mr. WILLIS. Those conflicts arise now. With reference to the gentleman's statement on agriculture, I hold in my hand here a telegram from the American Farm Bureau.

Mr. CELLER. Will the gentleman take that out of his own time?

Mr. WILLIS. I do not want to impose on the gentleman's time.

Mr. CELLER. I hope the gentleman will take that out of his own time.

Mr. THOMPSON of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from New Jersey.

Mr. THOMPSON of New Jersey. Under the Bethlehem case, is it not true that in that situation that, for instance, New York has a little Wagner Act which allows the recognition of a foreman's union, which is not recognized under the Taft-Harley Act?

Mr. CELLER. That is correct.

Mr. THOMPSON of New Jersey. Is that not an applicable illustration?

Mr. CELLER. That is an excellent illustration.

Mr. THOMPSON of New Jersey. So if carried to its logical conclusion in this case, the Taft-Hartley Act would to all intents and purposes in several States be effectively repealed, in New York at least, having a little Wagner Act, and thus would become the labor law of the State?

Mr. CELLER. I think the gentleman is eminently correct and I thank him for his contribution.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Michigan, and I hope that he will hereafter, when he speaks of the Committee on the Judiciary, do it with a little more reverence than he did on the last occasion when he spoke with reference to a bill coming out of the Committee on the Judiciary.

Mr. MEADER. The reason I asked the gentleman to yield to me was because I know he has studied this subject so thoroughly that he can clear up some confusion which has resulted from his last observation. If I understood him correctly, he fears the adoption of H. R. 3 because it will adversely affect the Federal legislation in the field of labor, yet on page 9, which he urged us all to read, the next to the last paragraph, the gentelman says: "The court has continued to uphold State action in the labor relations field" and he cites two cases decided on May 26, 1958, upholding State action in the field of labor relations, and he cites them, as I understand his argument, as saying this preemption doctrine has not impaired State action in various fields. Now, I think there may be others that are as confused as I am. I think he should clear us up, and if he does clear it up, I will be very happy to commend him and his great Committee on the Judiciary.

Mr. CELLER. I simply cite those two cases as the latest illustrations of how the court in its wisdom has rejected Federal preemption and has indicated that it will accept the State's jurisdiction in those particular instances, and the court having done that not only in those two cases but in many others that I have cited and many others that I can cite, there is no need for legislation of this sort. That is why I cite these cases, because the States are getting a fair deal now, despite the views that we heard to the contrary, from the Supreme Court, and therefore there is no need for H. R. 3, which will have damaging effects all along the line, which will have damaging effects as to what we did in the past. I want the gentleman to know that this legislation not only looks to the future, but it looks to the past, because this is a rule of construction and it speaks of every act of Congress, so that you might take up some act of 1830 or some act of 1840 and somebody might say there is no preemption there, because Congress did not expressly—did not in so many words say that we shall have preemption jurisdiction here, and therefore the States will pass some legislation parallel to those old statutes, upset the Federal statutes, upset all the case law that have been congealed and developed as the result of the Federal statute and cause naught but confusion. That is why I am objecting to this bill.

The problem is particularly acute in the transportation industry where enactment of H. R. 3 could lead to the imposition of diverse requirements by the various States as to conditions of labor not specifically covered in Federal legislation. It would bring into effect innumerable and conflicting State statutes requiring particular safety appliances, diverse rights of way, station facilities, conflicting labor requirements, and thus impose a costly and unreasonable burden on interstate transportation industries. It could result in varying requirements by the many States as to locomotive equipment and design—matters which are now controlled by the Federal Locomotive Boiler Inspection Act. The vitalizing of diverse State laws on the subject of employers' rights would play havoc with the Federal Employer's Liability Act. Little State railway labor acts would upset time-honored conditions set by the United States Railway Labor Act. Interstate transportation systems could be subjected to the orders of State commissions requiring costly modifications, such as the relocation of main line tracks, even though the State commission had not taken into account the overall condition and needs of the system. At the very least, a flood of lawsuits over these and hundreds of similar problems will inevitably result if this bill is enacted.

I read the following telegram:

WASHINGTON, D. C., *May 19, 1958.*

Congressman EMANUEL CELLER,
Chairman, House Office Building,
Washington, D. C.:

Enactment of H. R. 3 without language excepting its application to carriers subject to Part 1 of the Interstate Commerce Act such as railroads would create chaos in the field of Federal regulation of the railroads. For example, in areas now preempted by Federal legislation such as: (1) Rates, H. R. 3 might lead to establishment of multitudinous rates on a single commodity depending upon the action of State courts and juries as to a reasonable rate; (2) Penalties, many antiquated State laws are in existence and would have application to interstate rail transportation service if H. R. 3 were enacted, including nullifying car service orders of the Interstate Commerce Commission; (3) Safety appliances and free interchange of rolling stock among railroads in this country, H. R. 3 would permit the substitution for Federal law of innumerable and conflicting State statutes requiring particular safety devices on railroad rolling stock; (4) Locomotive inspections, conflicting State laws might be given full application with resulting intolerable operation conditions; (5) Hours of service, the diversity of State employment laws is a matter of common knowledge and enactment of H. R. 3 would lead to untold complications and additional expense in complying therewith as compared to existing Federal law. Cannot overemphasize the undesirable nature of and chaotic condition that would be created in the field

of interstate railroad transportation by enactment of H. R. 3 without language excepting its application in instances of railroads subject to the Interstate Commerce Act.

GREGORY S. PRINCE,
Vice President and General Counsel, Association of American Railroads.

RAILWAY LABOR EXECUTIVES' ASSOCIATION,
Washington, D. C., May 22, 1958.

Hon. EMANUEL CELLER,
Chairman, House Judiciary Committee, House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: The Railway Labor Executives' Association wishes to record with you its strong opposition to H. R. 3 which we understand is actively under consideration by the House Committee on the Judiciary. Our basic reason for this opposition is the widespread disruption and confusion which enactment of the bill would create in the railroad industry.

There are many statutes in the field, including the Railway Labor Act, the Railroad Retirement Act, the Carriers' Taxing Act, the Railroad Unemployment Insurance Act, the Federal Employers' Liability Act, the Hours of Service Act, the Safety Appliance Act, and many provisions of the Interstate Commerce Act, the settled construction of which would be seriously jeopardized and exposed to a rash of litigation if this bill passes. I am sure you recognize that railroads, their employees, and their bargaining representatives are direct instrumentalities of interstate commerce.

Aside from the danger of impairing the settled construction of these statutes, the enactment of H. R. 3 could also lead to very substantial injury to the employees themselves with respect to many benefits which they now enjoy under Federal law.

We urge that if there is a proven need for less Federal regulation and operation of greater State authority with respect to certain problems, the Congress should consider those matters separately by statute rather than to seek to reach it by broad enactment which we believe would only create more harm than good. The broad approach involved in H. R. 3 would affect all Federal statutes in all fields of Federal legislation without any precise evaluation of the need in each such field, and would inevitably thwart many of the express desires of Congress embodied in statutes such as those in the railroad field dealing with specific subject matters.

We will appreciate your supporting our position in opposing this bill.

Kind regards.

Respectfully,

A. E. LYON,
Executive Secretary.

Since the function of preemption depends upon the interrelationship of State and Federal law, a responsible decision on the question requires knowledge of State and municipal law. To consider each bill with a view to possible preemption requires knowledge of the law of each of the 48 States on almost every subject. Even then the decision can only be made on the basis of existing State law. Yet the Federal law is equally affected by subsequent State law. I submit that the enactment of H. R. 3 would place Congress in the position of an already overburdened blind man trying to find a black hat in a dark room.

Finally, H. R. 3 would have the ironic effect of diminishing rather than increasing States rights. Faced with the dilemma of having either to preclude all State action in a given area or to remain silent and thus accept all State action, present and future, Congress will resort to pro forma preemption. Congress would say "When in doubt add words of preemption." Take no chances. Thus, instead of enhancing States rights the effect may be the opposite.

Indicative of the widespread consternation which H. R. 3 has caused is the strenuous opposition of such disparate groups as the AFL–CIO and the Association of American Railroads. In addition, every Government agency charged with administering laws affected by H. R. 3 has opposed the bill as creating a plethora of problems by upsetting responsibilities which have become accepted and understood through years of experience under existing legal doctrine.

Problems concerning the relation of the Federal and State governments were the prime subjects of discussion at the time of the adoption of our Constitution, and down through the years new situations have occurred which have given rise to similar problems. In each case the problems had to be met and dealt with in accordance with the demands of each individual set of circumstances. It appears questionable that a formula could be found that would serve to define in all instances just how the relationship between State and Federal laws should be interpreted. This is recognized in the Nelson decision itself. There the court observed that courts have utilized different criteria as a basis for finding whether or not the Federal law does in fact supersede State law in a specific instance. The court in that decision quoted as follows from the earlier case of *Hines* v. *Davidowitz* (312 U. S. 52, 67) in order to describe some of those criteria:

> This court, in considering the validity of State laws in the light of * * * Federal laws touching the same subject, has made use of the following expressions: conflicting; contrary to; occupying the field; repugnance; difference; irreconcilability; inconsistency; violation; curtailment; and interference. But none of these expressions provides an infallible constitutional test or an exclusive constitutional yardstick. In the final analysis, there can be no one crystal clear distinctly marked formula.

Perhaps a broadening of concurrent powers may be desirable in some fields, but if it is, a reasonable legislative approach demands no less than that we know what we are doing when we act and we can only do that by legislating for situations which are specific and limited enough for the probable effects of the legislation to be apparent.

Certainly, a complex, 20th century economy should not be subjected to the chaos inherent in H. R. 3. It is a horse and buggy formula applied to an atomic age.

Permit me to give you the views of the Department of Justice and the Department of Labor:

DEPARTMENT OF JUSTICE,
OFFICE OF THE DEPUTY ATTORNEY GENERAL,
Washington, June 27, 1955.

Hon. EMANUEL CELLER,
Chairman, Committee on the Judiciary, House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: This is in response to your request for the views of the Department of Justice concerning the bill (H. R. 3) "To establish rules of interpretation governing questions of the effects of acts of Congress on State laws."

The bill would provide that no act of Congress shall be construed as occupying the field in which such act operates, to the exclusion of State laws on the same subject, without express provision to that effect. It would further provide that no State law shall be construed as invalidated by an act of Congress, unless there is such a direct and positive conflict between an express provision of such act and such provision of the State law so that the two cannot be reconciled or consistently stand together.

It is understood that the bill is intended to meet a situation exemplified by the decision of the Pennsylvania Supreme Court in the case of *Commonwealth* v. *Nelson* (104 A. 2d 133 (January 25, 1954)), holding that a conviction under Pennsylvania law of sedition against the United States could not be sustained because the Smith Act (18 U. S. C. 2084–85) by defining sedition against the United States and prescribing punishments therefor, had suspended the operation of the State sedition law.

The rule of interpretation proposed in the bill would radically change the rules applied by the courts since the early days of this country to one major aspect of the problem of concurrent Federal and State jurisdiction in certain areas. See *Gibbons* v. *Ogden* (9 Wheat. 1). Under the Constitution, certain powers may validly be exercised either by the Federal Government or by the States, until "Congress shall see fit to act upon the subject." *Ex parte McNiel* (80 U. S. 236, 240). Enactment of a Federal law, however, excludes the State act from the field occupied by the Federal statute. Since the "Constitution, and the laws of the United States which shall be made in pursuance thereof * * * shall be the supreme law of the land * * *" (Constitution, art. VI) "where the United States exercises its power of legislation so as to conflict with a regulation of the State, either specifically, or by implication, the State legislation becomes inoperative and the Federal legislation exclusive in its application." *Cloverleaf Co.* v. *Patterson* (315 U. S. 148).

The principal area of Federal legislation involved is that under the commerce clause, although problems of concurrent jurisdiction might well arise in any field of Federal operation. In recent times, the Federal legislation on labor-management relationships affecting interstate commerce has been the subject of litigation under the supremacy clause. *Allen-Bradley Local* v. *Board* (315 U. S. 740); *Hill* v. *Florida* (325 U. S. 538); *Garner* v. *Teamsters, Chauffeurs and Helpers Local Union No. 776* (346 U. S. 485). Conflict problems have also been raised recently in connection with the Federal exercise of war powers in price control legislation, *Case* v. *Bowles* (327 U. S. 92), and Federal control over aliens under the foreign relations and immigration powers. *Hines* v. *Davidowitz* (312 U. S. 52). *Takahashi* v. *Fish and Game Commission* (334 U. S. 410).

Under the present rules of interpretation, the courts look to the purpose and scope of the Federal legislation to determine as a matter of fact whether there is such a conflict or likelihood of conflict that the State law must be overridden by the Federal. *Cloverleaf Co.* v. *Patterson* (315 U. S. 148). Enactment of the bill would require the courts to look first to the provisions of the Federal legislation to find an express statement of intention to occupy the field, and then to its scope and purpose to find that there is an actual, direct and positive conflict. If this intention and this conflict are present, then a court could regard the Federal legislation as excluding the State legislation, but not otherwise. Thus, the effect of the bill might be to attempt to subordinate the Federal legislation to the State law,

despite the specific constitutional provision that Federal law, under the Constitution, shall be the supreme law of the land.

With respect to future legislation, the rule proposed by the bill would create some problems of draftsmanship, to insure that the precise intent of Congress in this respect be fully expressed. An additional burden on the legislative process implicit in the bill would be the requirement that study be given to the legislation that may exist in any State in an area of contemplated Federal action, and that there be a detailed outlining of any area which Congress intends Federal law to occupy. In fact, one immediate and important result of this bill would be to require the Congress as a practical matter to review the very substantial body of Federal statutes enacted in areas where Federal-State conflicts are possible, to determine which of such statutes should be amended by the express provision as to occupation of the field.

More importantly, by its application indiscriminately to all Federal statutes whenever enacted, this bill would create great confusion in important areas, raising difficult and substantial legal and practical problems. It would require persons who are operating in full conformity to Federal statutes which wholly govern their field of operations, suddenly to conform their operations also to the rules of each of the States in which those operations may be conducted. Under this arrangement, a railroad clearly operating in interstate commerce and in full conformity to Federal safety requirements, might find it necessary, under threat of criminal punishment, to conform to wholly different standards asserted by any one or more of the States in which it operated. Indeed, in that case it might well find that the requirements of Federal and State law are wholly incompatible and be unable to comply with both.

Besides the question of the constitutional authority of the Congress to enact such a provision, the breadth of its application raises serious legal and practical problems, not only for those who administer the laws, but more particularly for those who must obey them. Under these circumstances it would appear that, where the Congress deems it appropriate to limit the operation of Federal laws to permit State activity, it would be more effective to amend each such law specifically to eliminate the possibility of conflict with the State statutes, rather than, by the enactment of blanket legislation, to throw into doubt operations in many areas to an extent presently unpredictable.

In view of the foregoing considerations, the Department of Justice is unable to recommend the enactment of the bill.

The Bureau of the Budget has advised that there is no objection to the submission of this report.

Sincerely,

WILLIAM P. ROGERS,
Deputy Attorney General.

UNITED STATES DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, July 21, 1958.

The Honorable EMANUEL CELLER,
Chairman, Committee on the Judiciary, House of Representatives, Washington, D. C.

DEAR CONGRESSMAN CELLER: This is in further response to your request for an expression of my views on H. R. 3, a bill to establish rules of interpretation governing questions of the effect of acts of Congress on State laws.

The Deputy Attorney General submitted a report on this bill under date of June 27, 1955. In general I join in the views expressed in this report. I am particularly concerned with the confusion and legal and practical problems referred to in the report of the Deputy Attorney General insofar as they affect the administration and enforcement of Federal labor-management relations statutes. As the President indicated in his January 11, 1954, message to the Congress on legislation affecting labor-management relations there is a need for clarification of jurisdiction between the Federal and the State Governments in this field. This clarification should be effected, however, within the framework of labor-management relations law and not by a bill, such as H. R. 3, of general application.

The Bureau of the Budget advises that it has no objection to the submission of this report.

Sincerely yours,

JAMES P. MITCHELL,
Secretary of Labor.

Here are the views of the NAACP as to this bill. Remember there are those who say this bill has nothing to do with civil rights and segregation:

MAY 23, 1958.

MY DEAR CONGRESSMAN CELLER: We are deeply concerned about the possibility that the House Judiciary Committee may approve H. R. 3, the Smith bill, establishing rules of interpretation governing questions of the effect of acts of Congress on State laws. On page 138 of the 1956 hearings on this proposal, we submitted the following:

"In prior hearings conducted on April 28 and July 12, 1955, on this bill, proponents stressed chiefly two areas in which the bill would be effective in reversing existing Federal controls in interstate commerce and labor relations. These are two fields in which the lessening of Federal control could vitally affect the civil rights of our citizens.

"The passage of H. R. 3 would so affect, or at least cast into doubt, recent decisions by the Interstate Commerce Commission prohibiting racial discrimination and segregation in interstate transportation and facilities used in such transportation. It could, and I am sure it is the desire of many of the proponents of this legislation, revive discredited State laws requiring racial segregation in waiting rooms and facilities used by common carriers."

We earnestly hope that you will vote against H. R. 3 in committee. It would be grossly unfair to permit the proponents of racial segregation to accomplish a major setback in the field of civil rights under the guise of protecting State prerogatives.

Sincerely yours,

CLARENCE MITCHELL,
Director, Washington Bureau.

As to H. R. 3, it may sit as close to its author as his shirt, but it will be a hair shirt to the Nation.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that the gentleman from New York [Mr. SANTANGELO] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SANTANGELO. Mr. Chairman, I oppose H. R. 3, a bill to establish rules of interpretation governing questions of the effect of acts of Congress on State laws.

This bill is a blunderbuss when all that is needed to chastise the Supreme Court is a paddle. This bill, in my opinion, upsets settled rules of construction when all that is needed is to amend the specific Federal statute involved in order to reverse what is considered to be a disagreeable and wrong decision. Whether a specific Supreme Court decision should be reversed is a question of legislative policy and consideration, and I do not discuss that subject.

This bill, H. R. 3, introduced by the gentleman from Virginia, adds a new section to chapter I of the United States Code and seeks to establish a new rule of interpretation governing questions of the effect of Federal statutes on State laws. This new rule would deny preemption to an act of Congress unless the Congressional legislative act expressly grants preemption or unless there is a direct conflict between such act and a State law. This rule of interpretation would apply to Federal statutes which have been passed and will be passed. In its application, this rule is retrospective as well as prospective. We Congressmen who are lawyers must approach this proposal from a legal as well as a political view. From a legal point of view, this bill is unnecessary and undesirable. It is undesirable not only because it will create confusion in areas of settled law, but also because it will fail to curb Federal power at State expense. This bill, if enacted, will produce chaos in the legal relationship governing substantial areas of economic and political life. In the area of interstate commerce, where numerous State statutes operating in the same field as Federal statutes have been upheld, there would be a reappraisal and relitigation of these statutes.

The same reappraisal would apply in the area of agriculture, labor, and licensing. In order for Federal legislation to be effective, Congress would be required to enact legislation preempting the field and thereby ousting States from their jurisdiction, whereas today the States are exercising power concurrently with the Federal Government. In the process of Congress declaring that Federal legislation is intended to preempt the field, State statutes which have been upheld may fall.

The Supreme Court under the present rules of interpretation and construction has gone far in respecting State action directed at preserving public order. It has upheld States in enactment of labor legislation and found that the Wagner Act and the Taft-Hartley law do not preclude, for example, a little Wagner Act in the State of New York, or all State legislation in the field of labor. When matters affecting public health and safety are involved, the Supreme Court has sustained the States police power and upheld the right of the States to protect their people. Of course, where the Supreme Court has upheld the action of the police power, no clamor is heard that the Court has engaged in judicial legislation or had distorted the will of Congress.

This bill is unnecessary because no one demonstrated the need to reverse the entire body of statutory law or the construction of statutes. The minority report to this bill indicates that a substantial part of the committee hearings was devoted to the issue whether a given situation required action of one sort or another.

From a political point of view, we must determine whether we desire to bludgeon

the Supreme Court to interpret a Federal or State statute in a manner which will conform to sectional or popular prevailing views. We must also consider whether we want to accept an undesirable rule of construction only because court decisions have decreed that our Bill of Rights is a protection for unpopular and despicable characters. We must not forget that our individual rights cannot be trampled upon and our traditional protections must not be destroyed in the understandable attempt to protect our people from harm and our Nation from wicked designs.

You gentlemen are aware that under article VI, clause 2, of the United States Constitution, the Constitution, the laws made in pursuance thereof and treaties, are the supreme law of the land. Under this system, our Nation has expanded and grown strong. It is truly a union of united States and not a confederacy to be dissolved at the whim or petulance of any one of the 48 States.

Court decision has evolved several rules of interpretation. Federal legislation has necessarily been held to be supreme in fields involving exclusive Federal power, such as in fields of foreign relations, war, immigration, and coinage. If this were not so, these United States would be like Europe with its barriers between countries, its intrigues, its various monetary systems with cumbersome exchanges.

A Federal act is also supreme where it expressly supersedes a State statute or declares a field subject to exclusive Federal jurisdiction. If this were not so, each State could by statute nullify Federal action and by its unilateral action cancel article VI, clause 2, of our United States Constitution.

Where there is concurrent jurisdiction and Federal legislation is in direct and positive conflict between Federal and State law, Federal law necessarily is supreme.

The proponents of this bill, it seems to me, do not quarrel with the foregoing rules of interpretation. They do, however, quarrel with the courts' interpretation that because there is involved a great national interest and concern, Congress when it legislated must have intended to preempt the field even though it did not expressly say so. The criticism should not be directed to the Supreme Court. The fault lies not with the Supreme Court, but with the inartistic language contained in Federal legislation. Greater care should be exercised in expressing the intent of Congress.

It is no remedy to obliterate and to destroy all the case law which has been decided down through the years. There is a remedy in better legislative drafting and clarification of our intentions. Such a procedure is tedious and time consuming, but slowly effective. There is an old Italian proverb which says, "He who goes slowly goes safely and far." In trying to dictate to the Supreme Court, let us not rush heedlessly in all directions, but let us make haste slowly.

Within the past 2 years I have seen Congress, when disturbed by Court interpretation, pass legislation which corrected ambiguous language or clarified its intentions. By its action, Congress reversed particular Court decisions the consequences of which Congress heartily disapproved. I refer to last year's legislation which barred unlimited access to FBI files and permitted partial inspection only under limited conditions. I also have reference to this year's bill, H. R. 6239, which permitted prosecutions of persons mailing obscene literature at the place of distribution as well as at the point of deposit.

This method of reversing specific decisions, which Congress deems to be wrong, is appropriate and effective. It corrects the evil without impairing the good. It does no great harm. The approach of H. R. 3, in my opinion, is wrong. To adopt this rule of interpretation would be to take a wrong giant step toward preconstitution days and to legal chaos.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that the gentleman from New Jersey [Mr. RODINO] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RODINO. Mr. Chairman, this House has before it today a bill which can cause only manifold confusion in areas of law which require stability and as clearcut an understanding of legal relationships as we can attain.

H. R. 3 is predicated upon a deep antipathy to the actions of the Supreme Court in the past few years when the Court, in keeping with our traditions of equality and human dignity has upheld the rights of the individual to his constitutional guaranties.

But putting aside the real motivation for this bill, its proponents argue that the Supreme Court has usurped for the Federal Government, powers which properly belong to the States. On the contrary, a fair analysis of Supreme Court decisions over the past 10 years will clearly demonstrate that as a general rule the Court has leaned over backward to uphold State law. Proponents of H. R. 3 do not complain in any of these cases where the Supreme Court has found that Federal law had not preempted the field, that the Supreme Court had misinterpreted the intent of Congress.

Aside from the fact that there is no need for this bill, it is a badly conceived proposal. What is its effect? Nobody really seems to know. As the minority report points out, the author of the bill, the author of the amended bill, and the Deputy Attorney General could not agree as to the effect of this bill were it to become law. I think that I can tell the House what this bill will do. It will purely and simply create legal chaos. It will generate litigation of epidemic proportions over legal relationships which the parties have come to fully understand over a period of many years. Whom will it affect? It will affect everyone whose business is subject to concurrent regulation by Federal and State Government—railroads, shipping lines, aviation, power and natural gas producers, every shipper in interstate commerce, the labor unions and the employers of labor, and so forth.

The bill provides that without an express preemption provision in the Federal law, State law must be upheld unless there is a "direct and positive conflict" with Federal law. This applies not only to future law but also to that vast body of law which has been enacted since the foundation of the Republic. The Federal-State relationship of many of our existing statutes has already been established by litigation. In deciding those cases the courts have used not only the formula of "direct and positive conflict" but also such terms as "conflicting," "contrary to," "occupying the field," "repugnance," "irreconcilability," and so forth. Substantively the courts probably meant the same thing as "direct and positive conflict." But now under H. R. 3 we have to litigate all of those issues all over again.

Furthermore, how can Congress tell whether it should preempt the field in every proposal before it? It might survey every existing State and municipal law on the subject and act accordingly. But even if it undertook this heavy burden, what about future State law? As omniscient as we often think ourselves, we certainly could not anticipate what 48 State legislatures will do on every subject tomorrow or next year or 10 years from now. Without such knowledge we can no more determine the preemption question on any single legislative proposal than we can predict the 1972 budget today.

The result will be either automatic preemption by Congress or a highly intensified and continual legal battle over what is properly for the States and what is properly for the Federal Government. Either alternative is totally undesirable for a nation faced with the problems and the opportunities which are before the United States today.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that the gentleman from Illinois [Mr. LIBONATI] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LIBONATI. Mr. Chairman, the theory of preemption as formulated in this bill, H. R. 3, provides that if it is the legislative intent of the Congress to determine exclusive governmental jurisdiction over the subject matter or area of the legislation, that it can do so by including express words of limitation in said legislation; by such action vesting sole authority in the United States Government to legislate on the subject, thus depriving the States of any right to enact laws in this field, and also abrogating the enacted State laws on the subject.

Certainly by use of this legal device, a Congress, spurred by an ambition to establish central federalized power, would expand its control over many legislative fields that heretofore have been covered by State enactment.

Article X of the Constitution provides that—

The powers not delegated to the United States by the Constitution, nor prohibited by

it to the States, are reserved to the States respectively, or to the people.

It was never intended that Congress could by Congressional legislative act abrogate these limitations as prescribed in article X.

There are many old and new fields wherein the legislatures of the respective States enacted laws for operative control and regulations of matters incidental to the needs and purposes of State services and State problems; for example, especially over various types of taxes, intra-State rates, and in the field of aviation, labor, and so forth.

There are many new avenues of legislation opened through the medium of medical, engineering, and social sciences, that are presently in a formative stage. The support of the tax structure of the State, counties, municipalities, and township divisions of government have necessitated new forms of taxation, that is, employment tax, sales tax, gas tax, use tax, and so forth, to finance expanding services and new services to the people.

H. R. 3, in its fundamental concept could nullify these laws by simply enacting a law in Congress with the express words of sole limitation.

Of course, the test of H. R. 3, as to its constitutionality, with such a delegation of power is a moot question. It is an old adage in government that the power to tax is the power to destroy. Certainly the power to divest the States of their fundamental vested power is the power to destroy the lawful functioning of State government. There is serious doubt that the express words of limitation or exclusion would stand the test of constitutional inquiry in view of the express limitations in delegation of powers by the States to Congress under article X.

Under H. R. 3, it is possible that if similar legislation is passed by both Congress and a State legislature that the interpretation of the State act by the State supreme court is the law of that State regardless of an opposite interpretation of the Congressional act by the United States Supreme Court as to its intent and meaning—both acts being similar—yet differently interpreted. Many Congressmen fear that the labor laws and civil rights regulatory Federal acts could be subjected to these abuses.

A Congress with an overly imbued spirit in its adherence to the States rights doctrine could create confusion and dissention throughout the Republic.

The United States Supreme Court would be in all matters curtailed and limited in its jurisdiction. It could not pass judgment on any subject matter that either the Congress or State legislatures determined were without its jurisdiction.

The many dangers in the field of legislation opened by this act and the necessity of Congress to relegislate many acts passed over the years past and the future acts necessary to confirm the preemption provisions of H. R. 3 by specific wordage certainly prohibit any serious consideration of its enactment as a contribution to the purposes and intent of its sponsors.

Mr. LANE. Mr. Chairman, H. R. 3 is so simple.

It consists of one disarming sentence.

Yet this one sentence is blanket legislation affecting broad areas of American life. Even the sponsors of this bill cannot give us a clear picture as to where its ramifications may finally lead us.

It is prompted by certain recent decisions of the Supreme Court, which the advocates of this bill dislike. In fact, some of the opponents of H. R. 3 also disagree with one or more of those decisions, but we maintain that it is the right and the duty of Congress as it sees fit to reverse the Supreme Court on the application of the preemption doctrine—one case at a time.

It is far better to face each issue directly as it comes before us, rather than endorse the broad approach of H. R. 3, which seems to be predicated on the reckless thought: "Let's jump in and see where the crosscurrents will take us."

It would open the Pandora's box of problems that have been solved by settled law through 160 years of jurisprudential development, during which the principles of preemption have been applied in a manner that has contributed to the harmonious progress of our Nation.

These delicate adjustments would be upset and chaos would result, if H. R. 3 should become law. Because it applies retroactively, long-sleeping State statutes would be revived, in a welter of challenging litigation that would paralyze the administration of justice.

There is nothing in this law to prevent the States from merely passing a law identical with the Federal law and thus gaining concurrent power on issues that require national uniformity. Bypassing the Federal courts, the States would make their own interpretations.

Disagreement with the Nelson decision, or any other decision of the recent past or imminent future, is no justification for the sweeping power hidden behind the innocent-appearing language of H. R. 3.

The need for this type of legislation has not been established.

Congress still has the right to reverse legislatively any application of the preemption doctrine with which it does not agree.

It should do so only in specific instances, and by amendment of the individual Federal statute involved. H. R. 3 would deprive the Federal courts of their traditional and effective interpretative powers, when the circumstances warrant Federal preemption.

The minority views have quoted numerous cases to prove that the doctrine of preemption is not one which inevitably deprives the States of their concurrent powers. Even in the celebrated case of Pennsylvania against Nelson, the power of the State to act in the area of subversion against the Federal Government was nullified in the first instance, not by the Supreme Court of the United States but by the highest court of the Commonwealth of Pennsylvania.

In numerous other cases, State laws operating in the same field as Federal statutes have been upheld by the Supreme Court of the United States.

Where then is the need for the drastic change proposed by H. R. 3?

One has the feeling that there is more to this bill than meets the eye.

In hearings before the Committee on the Judiciary there was no agreement as to its meaning or effect. That is the factor that serves as a warning signal.

It is so vague that it could be motivated by planned confusion based on fear. It may have been conceived in desperation to delay, stop, or reverse those inevitable trends in the evolution of democracy which require those adjustments which some people are not prepared to accept.

If this bill should become law, it would turn back the clock to the latter part of the 18th century, and it would mean the end of effective Federal Government representing the United States.

Judge Lawrence E. Walsh, from the Department of Justice, in testifying before the Committee on the Judiciary, stated that:

> The Constitution provides, as you all know, that the laws of the United States which shall be made in pursuance thereof, shall be the supreme law of the land. That means that if there is constitutional, Federal statute in effect, there can be no question that any conflicting State law must yield to it. There cannot be a conflict of the two. The State law must be the law to yield.

Further on in his testimony he said:

> As you look back over those cases, you will find that there has not been any hostility to the States and that time and again the Supreme Court has said: "There has got to be a clear showing of unavoidable conflict before we will strike down a State statute by implication."

H. R. 3 is an anachronism.

It would upset the delicate balance which has served the States and the Federal Union so well.

It is a step backward which would lead to such confusion and division that all could be lost.

Mr. KEATING. Mr. Chairman, I yield 15 minutes to the gentleman from Maryland [Mr. HYDE].

Mr. HYDE. Mr. Chairman, I want to congratulate the very distinguished chairman of our Committee on the Judiciary, the gentleman from New York [Mr. CELLER], and our very distinguished ranking minority member, the gentleman from New York [Mr. KEATING], on their splendid arguments in opposition to this legislation. I might say that I think as a lawyer I could argue their side of the case, but as a legislator I must support H. R. 3.

Mr. Chairman, this bill is an interpretation by the Congress of its own acts for the guidance of the courts and the people. It is also a construction of article VI, clause 2, of the Constitution.

There can be no reasonable argument that the Congress does not have the power, right, and indeed the duty, to make clear to the courts and the people, what it intends by its acts. The Congress regularly passes bills which do little more than clarify its intentions in previous acts.

The Constitution gives to no branch of the Government the right, exclusive or otherwise, to construe its provisions. John Marshall assumed that power for the Supreme Court in the famous case of Marbury against Madison and, today,

no one seriously questions the wisdom of that decision. But this does not mean that the Congress may not place its constitutional construction upon its own acts. In fact, the Congress regularly does this in the separability clauses which it adds to many acts. Indeed, all of the so-called omnibus bills contain a separability clause. Hence it seems clear that Congress may construe the Constitution as we propose in the pending bill. Of course, if the Supreme Court disagrees with Congressional construction, it has the power and right to say so.

Article VI, clause 2, of the Constitution provides in part:

> This Constitution and the laws of the United States which shall be made in pursuance thereof * * * shall be the supreme law of the land.

The words "which shall be made in pursuance thereof" are important in this clause. This means, among other things, that not every Federal law is the supreme law of the land.

A Federal law which exercises a power belonging exclusively to the National Government is the supreme law of the land.

A Federal law which assumes a power belonging exclusively to the States is not the law of the land.

A Federal law which exercises a power which may be exercised independently by both the States and National Government is not supreme to the extent that it invalidates a State law in the same field.

We are concerned in H. R. 3 with the acts of Congress dealing with powers which may be exercised by the States until the National Government sees fit to act in the same field. In such instances, whether or not the Federal law occupies the field to the exclusion of State law is a question of the intent of Congress. H. R. 3 says that such is not the intent of Congress unless the Congress expressly says so in the law or unless there is a conflict between the Federal and State law so that the two cannot be reconciled or consistently stand together.

The Supreme Court has followed a doctrine variously called implied preemption or presumption of preemption. This means that when the Congress passes an act in the field in which the States may act until Congress says otherwise, the Congress impliedly preempts the field for Federal enforcement to the exclusion of State law and State laws in the same field are invalid.

In recent years, with the trend for greater areas of activity by the Federal Government, the Court, in the opinion of many, in the application of this doctrine, has gone far beyond the intention of the framers of the Constitution and beyond the limits which are safe for the preservation of our system of sovereign States and indeed for the preservation of freedom in a way which has been unique in governments of the world.

How far the thinking of some members of the Court has gone in this direction can be gathered from dissenting opinion in the case of Machinists' Association against Gonzales. True, this was a dissenting opinion, but it is the Chief Justice speaking. He said:

> When Congress, acting in a field of dominant Federal interest as part of a comprehensive scheme of Federal regulation, confers rights and creates remedies with respect to certain conduct, it has expressed its judgment on the desirable scope of regulation, and State action to supplement it is as conflicting, offensive, and invalid as State action in derogation. * * * This is as true of a State common-law right of action as it is of State regulatory legislation.

In that case, the dissent believed that Federal labor laws barred a common-law right of action for damages for personal injuries.

The decision of the Court in the famous Nelson case dealing with Federal and State laws on subversive activities went far beyond the intent of Congress in the Smith Act and no one has seriously denied this. It has rendered the States powerless to deal with this dangerous subject.

Some will argue that this bill, if enacted into law, will make the Constitution too inflexible; that we should not be bound by what the framers intended; that it is a living document and we should interpret the Constitution in the light of conditions as they exist today.

I deny that this bill would make the Constitution too rigid and inflexible. Indeed, the very fact that Congress has the power and the right to express its intentions in this manner in the area with which we are dealing is a way of making use of the Constitution as a flexible, living document.

I say that those who would stick blindly to an established and ever-narrowing policy of the Court are the ones guilty of the sin of inflexibility.

I agree that we should interpret the Constitution in the light of conditions to which we are applying it, and that is what this bill proposes to do.

We are faced today with preserving a system of government which has given man his greatest freedom. That system is being endangered by another which has as its keystone centralized power in the National Government. We must avoid being dragged into that trap by the misused cliché of fighting fire with fire.

In the article to which I referred in my remarks on the rule, the Role of the Supreme Court, under the heading, "The Court and the Democratic Ideal," this observation is made about our Constitution:

> Not only the courts, but the inevitable and desirable friction of contending authority, the President versus the Congress, the States versus the Nation, were relied on to help preserve an equilibrium of power within the system and thus to enforce the grand design of the Constitution itself.

I believe it is essential to our freedom that we preserve that "inevitable and desirable friction of contending authority" between the States and the Nation.

It will be said that this bill will throw into uncertainty all the existing laws in this area. The answer to that is that their status is uncertain with or without this bill. Can anyone say, with respect to such State and Federal laws that have not been to the Supreme Court on this issue, what their status will be? If anything, I submit this bill will make such laws more certain of accurate interpretation.

We are told to treat each individual law on its own merits, that this is the shotgun approach. Without this law you have no gun at all. With it you can still treat each case on its own merits after the Court has acted. If we feel the Federal law should be supreme—when the Court has said it is not—under this bill, we can make it so.

I have thought long and hard about this issue. After weighing advantages and disadvantages to the best of my ability, I believe the best interests of our States and Nation and the people can be best served by the enactment of H. R. 3.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I yield.

Mr. MEADER. I was interested in the gentleman's statement about the shotgun approach. I read the report and the hearings in part and I am under the impression that the doctrine of preemption such as announced in the Nelson case in 1956 was at least in the sweeping pronouncement of that decision a new doctrine and that it might very well be said that the doubt as to the validity of many State laws of long standing was attacked by a shotgun in the Nelson decision. Am I far from the truth in my understanding of the situation?

Mr. HYDE. Not too far. But, I would say it was not a new doctrine. It was, however, such a broadening of the old doctrine that you are certainly correct that it throws into doubt the status of many, many laws on the State statute books today to an extent which they were not in doubt before the Nelson decision.

Mr. MEADER. I was interested in the gentleman's comments on article VI of the Constitution. I wonder if the previous decisions invalidating State action could not very well be based upon this theory that the Constitution expressly delegated particularly to the legislative branch of Government various areas of national interest and in so doing and placing them in the exclusive charge of the Federal Government, the remainder of governmental authority was left to the States and to the people respectively. Those powers were exclusively and expressly vested in the United States Government. They were in a sense taken away from the States.

In other words, when the Congress has the authority to pass laws with respect to bankruptcy and taxes the States would have no such authority—or the coinage of money; and with regard to any State action in these fields the Court could hold properly that the State had no jurisdiction.

Mr. HYDE. This bill, of course, does not affect powers which are exclusive in the States. This bill does not affect those powers at all.

Mr. MEADER. But I am contending that the doctrine of preemption of an entire field where there has been concurrent legislative authority between the States and the Federal Government is a

new doctrine that arose primarily with the Nelson case, and the previous decisions were based on an entirely different theory.

Mr. HYDE. No, I cannot entirely agree; it is not new; it is the broadening of an old doctrine, but not new.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I yield to my distinguished colleague from California.

Mr. ROOSEVELT. I thank the gentleman. Let me state frankly, I am not a lawyer, but I just want to try to get straight in my own mind why the gentleman thinks it is possible to take a statute such as this proposed statute which states that unless such an act contains an express provision to that effect which means, in my interpretation of it—and if I am wrong I would like to be corrected—that any old statute or statute previously enacted would now have to be reviewed and we would have to put into that statute such an expressed intent; otherwise it would be presumed that it was not the intent of Congress at that time that it have that preemption in it.

Mr. HYDE. Unless there is a direct and positive conflict.

Mr. ROOSEVELT. Does the gentleman honestly think it is feasible to go back over all the statutes that have been passed and in effect have them reviewed?

Mr. HYDE. Oh, yes. I am glad the gentleman asked me that question because it is a question of which risk you are willing to take. I think the opponents of this bill prefer the risk of too much Federal power; I prefer the risk of too little. For this purpose, at least, I am taking Jefferson and giving you Hamilton.

Mr. CELLER. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. THOMPSON of Texas, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 3, had come to no resolution thereon.

FURTHER MESSAGE FROM THE PRESIDENT

A further message in writing from the President of the United States was communicated to the House by Mr. Hawks, one of his secretaries.

LEBANON — MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. 422)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States:

On July 14, 1958, I received an urgent request from the President of the Republic of Lebanon that some United States forces be stationed in Lebanon. President Chamoun stated that without an immediate showing of United States support, the Government of Lebanon would be unable to survive. This request by President Chamoun was made with the concurrence of all the members of the Lebanese cabinet. I have replied that we would do this and a contingent of United States Marines has now arrived in Lebanon. This initial dispatch of troops will be augmented as required. United States forces will be withdrawn as rapidly as circumstances permit.

Simultaneously, I requested that an urgent meeting of the United Nations Security Council be held on July 15, 1958. At that meeting, the permanent representative of the United States reported to the Council the action which this Government has taken. He also expressed the hope that the United Nations could soon take further effective measures to meet more fully the situation in Lebanon. We will continue to support the United Nations to this end.

United States forces are being sent to Lebanon to protect American lives and by their presence to assist the Government of Lebanon in the preservation of Lebanon's territorial integrity and independence, which have been deemed vital to United States national interests and world peace.

About 2 months ago a violent insurrection broke out in Lebanon, particularly along the border with Syria which, with Egypt, forms the United Arab Republic. This revolt was encouraged and strongly backed by the official Cairo, Damascus, and Soviet radios which broadcast to Lebanon in the Arabic language. The insurrection was further supported by sizable amounts of arms, ammunition, and money and by personnel infiltrated from Syria to fight against the lawful authorities. The avowed purpose of these activities was to overthrow the legally constituted Government of Lebanon and to install by violence a government which would subordinate the independence of Lebanon to the policies of the United Arab Republic.

Lebanon referred this situation to the United Nations Security Council. In view of the international implications of what was occurring in Lebanon, the Security Council on June 11, 1958, decided to send observers into Lebanon for the purpose of insuring that further outside assistance to the insurrection would cease. The Secretary General of the United Nations subsequently undertook a mission to the area to reinforce the work of the observers.

It was our belief that the efforts of the Secretary General and of the United Nations observers were helpful in reducing further aid in terms of personnel and military equipment from across the frontiers of Lebanon. There was a basis for hope that the situation might be moving toward a peaceful solution, consonant with the continuing integrity of Lebanon, and that the aspect of indirect aggression from without was being brought under control.

The situation was radically changed, however, on July 14, when there was a violent outbreak in Baghdad, in nearby Iraq. Elements in Iraq strongly sympathetic to the United Arab Republic seem to have murdered or driven from office individuals comprising the lawful government of that country. We do not yet know in detail to what extent they have succeeded. We do have reliable information that important Iraqi leaders have been murdered.

We share with the Government of Lebanon the view that these events in Iraq demonstrate a ruthlessness of aggressive purpose which tiny Lebanon cannot combat without further evidence of support from other friendly nations.

After the most detailed consideration, I have concluded that, given the developments in Iraq, the measures thus far taken by the United Nations Security Council are not sufficient to preserve the independence and integrity of Lebanon. I have considered, furthermore, the question of our responsibility to protect and safeguard American citizens in Lebanon of whom there are about 2,500. Pending the taking of adequate measures by the United Nations, the United States will be acting pursuant to what the United Nations Charter recognizes is an inherent right—the right of all nations to work together and to seek help when necessary to preserve their independence. I repeat that we wish to withdraw our forces as soon as the United Nations has taken further effective steps designed to safeguard Lebanese independence.

It is clear that the events which have been occurring in Lebanon represent indirect aggression from without, and that such aggression endangers the independence and integrity of Lebanon.

It is recognized that the step now being taken may have serious consequences. I have, however, come to the considered and sober conclusion that despite the risks involved this action is required to support the principles of justice and international law upon which peace and a stable international order depend.

Our Government has acted in response to an appeal for help from a small and peaceful nation which has long had ties of closest friendship with the United States. Readiness to help a friend in need is an admirable characteristic of the American people, and I am, in this message, informing the Congress of the reasons why I believe that the United States could not in honor stand idly by in this hour of Lebanon's grave peril. As we act at the request of a friendly government to help it to preserve its independence and to preserve law and order which will protect American lives, we are acting to reaffirm and strengthen principles upon which the safety and security of the United States depend.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *July 15, 1958.*

PANAMA: STORM CENTER OF HOSTILE PROPAGANDA AGAINST THE UNITED STATES

The SPEAKER. Under previous order of the House, the gentleman from Pennsylvania [Mr. FLOOD] is recognized for 30 minutes.

Mr. FLOOD. Mr. Speaker, in previous addresses this session to the House, I have dealt at great length with the vital

question of United States sovereign control over the Canal Zone and Panama Canal. The agitation on this subject since the Suez crisis of 1956 has mounted in gravity, with an increasing number of attacks against the United States, culminating in an organized raid of Panamanians on May 2, 1958, to plant Panamanian flags in the Canal Zone. In my address of June 9, 1958, delivered after the recent scenes of public disorders in the Panamanian terminal cities of Panama and Colon, I expressed the fear that the end is not yet.

In following the Isthmian situation since then, I have seen nothing to remove this fear. Rather, the campaign to create anti-United States feeling has increased in volume, especially in the Spanish language newspapers of the Republic of Panama. These papers cater to an entirely different set of readers from its English language press and are far more extreme and provocative.

The inevitable result is that the people of the United States are not as well informed as they should be on the true nature of the Isthmian storm center of hostile propaganda that is now forming to the south of us. But some few are.

Thoughtful Panamanians and North Americans, familiar with the current Isthmian situation, liken it to a smoldering period presaging violent volcanic eruption.

All events of the isthmus subsequent to June 9 concerning these matters confirm the bold official policy of the Republic of Panama, as announced by Alfredo Aleman, Jr., speaking for the National Assembly. This policy is to engage in worldwide propaganda derogatory of the United States and is aimed at bringing about the surrender of the United States long established position as exclusive sovereign over the canal enterprise, with inordinate claims for a grossly unmerited share of total receipts derived from the operation of the canal.

As a corollary of this effort is the undoubted purpose of many of the extreme radicals involved to place President de la Guardia in an unfavorable light with the hope that his deposition may be brought about.

My addresses on the canal situation this session have evoked a nationwide correspondence from persons in all walks of life, including respected leaders in highly responsible positions, who have studied the subject in its broadest sense.

Now, Mr. Speaker, I can report to the House that the views expressed in these addresses have voiced unanimous approval of the stand for the United States as set forth in House Concurrent Resolution No. 205, 85th Congress, introduced by me in the present Congress on June 6, 1957.

For the present, however, I shall limit myself to reading a letter typical of the communications I have received. It is from William R. McCann of Hopewell, Va., whose long residence in the Canal Zone, where he was an engineer on Panama Canal construction, record of subsequent achievement, and lifetime interest in Isthmian problems, enable him to speak with authority. The letter follows:

JUNE 30, 1958.

DEAR CONGRESSMAN FLOOD: Before me lies CONGRESSIONAL RECORD of June 9, 1958, containing at page 10581 your address to the Congress, pointing out "Panama Canal—Latest Developments." Your masterful diagnosis and presentation of this most acute international situation commands my utmost admiration.

Your address, coupled with others of your pen earlier this year, constitute adequate warning to the people of this country that the defeat of the British and the French at Suez 2 years ago, in history, will prove infinitesimal, compared to the impending defeat of America at Panama.

Ignored by press, columnists, the administration, and the Congress, the Panama cauldron merrily bubbles along, hotter and hotter each day, headed for an explosion that will shake the world. Meanwhile, like Nero and his fiddle while Rome burned, we dabble with an Adams and his hotel bills, for the headlines and leading editorials.

Each day I meditate whither do we wander at Panama. No longer should the United States today delay taking a firm stand before the world. We should state plainly and decisively, even provocatively, that we will brook no interference whatsoever with the sovereign rights of America in its peaceful possession of the Canal Zone. And House Concurrent Resolution No. 205, introduced by you June 6, 1957, is unquestionably the first step in making clear our position.

House Concurrent Resolution 205 should be approved—and promptly.

Wishing you well and happy, I am,

Sincerely yours,

W. R. MCCANN.

What Mr. McCann has to say on the subject of our indifference to what is transpiring on the isthmus is of the utmost verity and timeliness. Why is it, Mr. Speaker, that we always wait for a tragic situation to develop before taking action, and then in our haste do what may be altogether inadequate or tragically unfortunate? Why is it that we do not measure up to the statesmanship required and announce our policy based upon a reasoned line of action?

There is little of real importance to add to what I have previously presented with documentation to the House, except to stress that the situation at Panama is only a part of a worldwide pattern. I wish to mention, however, that one of the most quoted of the Panamanian leaders is Dr. Ernesto Castillero P., former Vice Minister of Foreign Relations of the Republic of Panama. While serving in that capacity, Dr. Castillero was quoted in El Panama America of May 28, 1958, as having had talks on the problems of nationalizing the Suez Canal with several United Arab and Suez Canal officials. An informative and objective news story by Ralph K. Skinner, a resident of the Isthmus, in the Christian Science Monitor of June 28, 1958, develops at length some of the views of Dr. Castillero, who is now a professor of diplomacy at the University of Panama.

Dr. Castillero is quoted as emphasizing his insistent demand that the United States pay to the Republic of Panama one-half of the gross proceeds derived from the canal enterprise; this in addition to the $1,930,000 annuity provided in the 1955 treaty. If this extreme and fantastic demand should ever be granted, it would mean that the United States—based on current receipts and disbursements—would sustain an annual loss of approximately $26,500,000 to be borne by the already overburdened American taxpayer.

As a further contribution to the growing documentation on the Panama situation, the Skinner article should be of great interest to the Congress and further emphasize the necessity for a prompt and clear declaration by the Congress of United States policy concerning future control of the Panama Canal.

Thus, as part of these remarks, I quote the indicated news story—Skinner, Ralph K., Panamanian Urges 50–50 Canal Share, the Christian Science Monitor, Boston, Saturday, June 28, 1958—followed by House Concurrent Resolution 205, 85th Congress:

PANAMANIAN URGES 50–50 CANAL SHARE

(By Ralph K. Skinner)

PANAMA CITY, PANAMA.—The people believe Panama should receive 50 percent of the gross income of the Panama Canal. To make this income more substantial, tolls should be raised at the interoceanic short cut.

The Republic of Panama has never received the benefits due it as a "partner" with the United States in the Panama Canal enterprise, and the people have legitimate cause to expect far greater benefits from the United States.

These are the opinions of Dr. Ernesto Castillero, who served as Panama's Vice-Minister of Foreign Relations from October 1956, until he resigned this month. He is now serving again as full professor at the University of Panama, where he teaches diplomacy and, even more important, a course on relations between Panama and the United States.

Not all Panamanians are in complete agreement with Dr. Castillero, of course, but this is a persuasive theory which has support among large groups of the population.

CONTACT MAINTAINED

Regarding his viewpoint on United States-Panama relations, Dr. Castillero said, "This is what I have taught my students for 6 years, and this is what I shall continue telling them."

Dr. Castillero studied at Fletcher School of Law and Diplomacy at Tufts University and also at Johns Hopkins University. He speaks English readily and well, and is the author of a book on Panama-United States relations. He was president of the Panama Students Federation in 1943, and has maintained active contact with students activities since then.

Dr. Castillero's statements are based on his premise that Panama and the United States are equal partners in the Panama Canal. As he puts it, "The Panama Canal is a common enterprise with two parties participating. Panama gave the land; the United States gave the money, the engineering, the construction and now the operating know-how. Neither contribution would be worth anything without the other."

But, he continues, Panama has not received much from the operation of the canal, whereas the United States has received imponderable benefits.

ADVANTAGES CITED

Dr. Castillero cites two of these advantages as:

1. Economic, because the United States merchant marine and naval craft are saved the necessity of going around South America in coast-to-coast travel.

2. Strategic because the United States has a military, naval, and Air Force base right

in the center of the hemisphere. "It could not pay for these 2 advantages with the $40 million to $50 million annually which Panama desires," he says.

Dr. Castillero did not mention the United States viewpoint that these bases provide protection for Panama itself.

It is claimed by the former Vice Foreign Minister that Panama actually is subsidizing the North American merchant marine in providing this shortcut to trade between the east and west coasts of North America. He asks the rhetorical question, Why should Panama sacrifice herself for the North American merchant marine and bolster the economy of the United States?

MANAGEMENT SHUNNED

Dr. Castillero, unlike most of his contemporaries, has no desire to participate in the administrative and financial management of the Panama Canal. Other prominent Panamanian politicos would like to have Panamanian representation in the financial management of the Panama Canal to assure that the accounts are kept correctly and that Panama gets its proper share of the income.

The foreign ministry official says he would prefer handling it as the oil companies handle things with foreign countries where they share their income. A check once a year would suit Dr. Castillero, and he would let the United States continue to control operations at the canal.

Dr. Castillero made his original proposal that Panama should receive a half share in the gross income of the Panama Canal before a student congress in this capital city last December.

At that time he was misquoted and misunderstood, he claims, because he was thought he meant 50 percent of the net profit of the Panama Canal.

STAND CLARIFIED

That is not so. Dr. Castillero emphasized that Panama should get 50 percent of the gross income of the Panama Canal and the United States should pay the necessary expenses out of its own half because of the special additional advantages it has which Panama does not share.

The former Vice Foreign Minister said the people of Panama believed in and backed his proposal. He said the Panama press was uniformly behind him. Many civic organizations expressed their support. Foreign Minister Aquilino Boyd supported the Castillero proposal.

Dr. Castillero reported, "The only dissenters were those who said my proposal was not enough—Panama should demand nationalization of the Panama Canal."

Actually, President da la Guardia termed the proposal unrealistic, but when Foreign Minister Boyd and Vice Foreign Minister Castillero then proffered their resignations, he refused to accept them.

Asked if the people of Panama expect that eventually the Panama Canal will become the possession of their country, Dr. Castillero said, "The people think that. But I have never said it. I have never said that the Panama Canal should be nationalized. That would be unfair to my mind.

DIFFERENCE NOTED

"I am a lawyer and versed in international affairs. There is a difference in the juridical status of the Suez and Panama Canals. In the case of Suez, an Egyptian company was nationalized by Egypt with every right.

"But the Panama Canal Company is not a Panama company. It is wholly owned by the United States Government. Therefore negotiations must be conducted by treaty between the two equal sovereign countries interested.

"Internationalization is a different matter. It is very interesting and poses many problems," said Dr. Castillero. He added that if the United States would give Panama the suggested 50 percent of the gross income of the Panama Canal, it would wipe out all differences between the countries.

The constant demands in Panama for further treaty revisions were proof that the people were not satisfied with their treatment by Washington, the professor added. He said that the revised treaties of 1936 and 1955 were merely steps in the right direction. He considers many more steps (and many more treaties) will be required before Panama's aspirations are reached.

In a statement released this week to the Student Federation of Panama, Dr. Castillero stated:

"We do not want more charity. We want justice. And millions."

House Concurrent Resolution 205

Whereas there is now being strongly urged in certain quarters of the world the surrender, by the United States, without reimbursement, of the Panama Canal, to the United Nations or to some other international organization for the ownership and operation of the canal; and

Whereas the United States, at the expense of its taxpayers and under, and fully relying on, treaty agreements, constructed the canal, and since its completion, at large expenditure, has maintained and operated it and provided for its protection and defense; and

Whereas the United States, following the construction of the canal, has since maintained, operated, and protected it in strict conformity with treaty requirements and agreements, and has thus made it free, without restriction or qualification, for the shipping of the entire world; and, in consequence of which, with respect to the canal and the Canal Zone, every just and equitable consideration favors a continuance of the United States in the exercise of all the rights and authority by treaty provided, and in the discharge of the duties by treaty imposed: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That (1) it is the sense and judgment of the Congress that the United States should not, in any wise, surrender to any other government or authority its jurisdiction over, and control of, the Canal Zone, and its ownership, control, management, maintenance, operation, and protection of the Panama Canal, in accordance with existing treaty provisions; and that (2) it is to the best interests—not only of the United States, but, as well, of all nations and peoples—that all the powers, duties, authority, and obligations of the United States in the premises be continued in accordance with existing treaty provisions.

THE MENSHIKOV CASE

Mr. SPEAKER. Under previous order of the House, the gentleman from Ohio [Mr. FEIGHAN] is recognized for 15 minutes.

Mr. FEIGHAN. Mr. Speaker, the presence of Russian Ambassador Menshikov on the American scene has become a great public issue. In a long series of calculated activities, by use of the American television, radio, and other public forms, Menshikov has violated all accepted norms of diplomatic conduct. He has been accorded every opportunity to carry out the normal functions of an accredited diplomat. In typically American fashion, a large number of public forums have been made available to him, principally in the hope that he might convey to the American people an honest and sincere expression that the Russian Communists had abandoned their goal of world conquest and that the Kremlin was prepared to take those steps which would lead to a lessening of world tensions and eventually to a just and lasting peace. Following the first summit conference with the Russians, the American people were led to believe that serious and hopeful changes were taking place within the ruling class of the modern day Russian empire, and that these changes would have a profound effect upon the future peace of the world. It will be recalled that the summit conference was held in an effort to end the cold war which now grips every segment of humanity. It is understandable therefore that the American people had good reason to expect that Russian Ambassador Menshikov would be a herald of good tidings and an envoy dedicated to the establishment of peace, law, and order in the world.

The performance of Ambassador Menshikov to date has aroused the indignation of the American people. Contrary to their expectations, Menshikov's mission to the United States has been to increase world tensions by casting false doubts upon the peaceful intentions of the United States toward the other nations of the world. In this effort, Menshikov has attempted to shake the confidence of the American people in their Government and its earnest desire for a just and lasting peace. Insult upon insult has been heaped upon the intelligence of the American people by Menshikov. He has shown a contemptuous disregard for the office of the President of the United States and the office of Secretary of State of the United States by making a direct appeal to the Congress in a calculated effort to prevent military assistance being extended to the free and democratic Federal Republic of Germany. This maneuver was made at a time when Congress was actively considering legislation embracing foreign-aid and military-assistance programs. It also occurred just before the arrival in the United States of President Theodor Heuss, whose mission was to further cement friendly relations between the American people and the people of the Federal Republic of Germany.

The direct appeal to Congress by Menshikov has only one parallel in American history. That occurred back in 1793, when Citizen Genet, an accredited diplomatic representative of the French Revolutionary Government, publicly disagreed with the foreign policy of George Washington and threatened to take his cause directly to the American people in an effort to shake their confidence in the administration of the first President of the United States. President George Washington promptly declared Citizen Genet to be persona non grata and demanded his recall by the French Government.

Russian Ambassador Menshikov has become emboldened week by week by the failure of the United States Government to take any meaningful action to prevent his spreading palpable lies upon the American scene. The Assistant Secretary of State for Public Affairs has, in a public address in New Orleans, invited public attention to the false propaganda

activities being carried on by Menshikov and has condemned such activities. At that very moment the Russian aggressors were busy shooting down an unarmed American military transport plane carrying 11 American soldiers who narrowly escaped being killed by this outrageous and unprovoked attack. At the same time the Communist regime of East Germany which, as is known, is nothing more than an obedient creature of the Kremlin, has been holding nine American citizens as hostages in an effort to force American recognition of that illegal regime.

From this record of deeds it is clear that the Kremlin is engaged in a worldwide effort to discredit the United States, to reduce the prestige of the American Nation among all the peoples of the world, and to picture our country as a nation of weaklings who are unable to protect their own citizens or to stand up for their own interests.

Last month President A. Whitney Griswold of Yale University, in a baccalaureate address, observed that: "We have become too much a nation of lookers and listeners, a nation of spectators." Ambassador Menshikov has been playing an insidious game in the United States while the Government has remained a spectator, refusing to enter the contest in any effective manner and being content with the role of spectator and frustrated listener.

While Russian Ambassador Menshikov continued to engage in activities which impair and threaten the interest of the United States we hear the notion expressed that it is necessary for us to have patience, that it is necessary for us to demonstrate freedom of television, freedom of radio, freedom of the press. In the words of President Griswold of Yale University:

> This is worse than making a virtue of necessity. It is making a virtue of disaster.

An extensive itinerary of public appearances has been prepared for Ambassador Menshikov, including additional appearances on local TV and radio stations where a favorable climate of acceptance is being developed for him. It is time that a halt was called to the nondiplomatic and propagandistic activities of Menshikov. The American people are incensed over the failure of our Government to take positive and forthright action on the Menshikov case.

It appears that there is disagreement within the administration on taking action to declare him persona non grata. In discussions I have had with high ranking officers of the Department of State on this question, not one has denied that good and sufficient reasons exist for demanding his recall by the Kremlin. This disagreement within the administration must be resolved.

It remains for Congress, the voice of the American people, to express their indignation and to call upon the President to rid the American scene of a skillful Russian propagandist who is doing more damage to the security interests of the United States than all the Communist spies and espionage agents who to date have been exposed, jailed, or put to death. To that end, I have today introduced House Concurrent Resolution 362 expressing the sense of Congress that Ambassador Menshikov has violated the prescribed norms of diplomatic conduct by engaging in a long series of deliberate acts of propaganda calculated to cause dissension and political disunity on the American scene and to cast false doubts upon the peaceful intentions of the Government of the United States, and therefore should be forthwith declared persona non grata by President Eisenhower.

House Concurrent Resolution 362 reads as follows:

> Whereas the Government of the United States has, in accordance with long-standing precedents, accepted the credentials of Mikhail I. Menshikov as Ambassador of the Union of Soviet Socialist Republics to the United States; and
>
> Whereas the diplomatic accrediting of Ambassador Menshikov carries with it certain prescribed norms of conduct developed by civilized nations over the centuries; and
>
> Whereas such prescribed norms of diplomatic conduct are accepted by all civilized nations and govern the activities of their accredited representatives; and
>
> Whereas Russian Ambassador Menshikov has done violence to the prescribed norms of diplomatic conduct by a long series of willful and deliberate activities, among which have been:
>
> (a) Spreading palpable lies through the use of American television, radio, and other public forums for the purpose of causing dissension and political disunity on the American scene.
>
> (b) Contemptuously disregarding the office of the President of the United States and the Secretary of State, the prescribed channels for all official communications emanating from Moscow, by making a direct appeal to the Congress in a calculated effort to prevent military assistance being extended to the free and democratic Federal Republic of Germany which, as a member of the NATO, has assumed large responsibilities for preventing war and defending human freedom.
>
> (c) Casting false doubts upon the peaceful intentions of the United States toward the other nations of the world by the public use of sly inferences, omissions, and misrepresentations of well-known policies and practices of the Government of the United States.
>
> (d) Spreading insidious Russian propaganda with respect to conditions of life behind the Iron Curtain, particularly in regard to Russian jamming of the Voice of America, the denial of basic human rights, and the absence of free elections; and
>
> Whereas the Assistant Secretary of State for Public Affairs, speaking officially for the Department, has invited public attention to the false propaganda activities of Ambassador Menshikov and condemned such activities; and
>
> Whereas longstanding diplomatic practice holds that when an accredited diplomat willfully engages in activities which impair or thretaten the interests of the host state, his recall is requested: Now, therefore, be it
>
> *Resolved*, That it is the sense of Congress that Ambassador Menshikov has violated the prescribed norms of diplomatic conduct by engaging in a long series of deliberate acts of propaganda calculated to cause dissension and political disunity on the American scene and to cast false doubts upon the peaceful intentions of the Government of the United States, and therefore should be forthwith declared persona non grata by President Eisenhower.

LET'S GO TO COLLEGE

Mr. BARDEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to include a talk delivered on a recent television program by Dr. Leo W. Jenkins, vice president of East Carolina College, Greenville, N. C.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BARDEN. Mr. Speaker, some time ago I listened to Dr. Leo W. Jenkins, vice president of one of North Carolina's finest educational institutions address a television audience on the subject of "Let's Go To College." One of the things about Mr. Jenkins' remarks that impressed me so much was that he told of some of the finer things of our educational system, and I regarded his statements as being so constructive and informative, and so much in line with my belief on the subject, I wanted others to have an opportunity to read them. I therefore immediately called him over long distance and asked him to favor me with a copy of his address, which he did. His remarks were as follows:

LET'S GO TO COLLEGE

(Remarks on public education by Dr. Leo W. Jenkins, vice president, East Carolina College, Greenville, N. C., on a television program on WNCT, channel 9, Greenville, N. C., sponsored by East Carolina College)

This is the season for graduation. The faculty and staff at East Carolina College will deliver some 50 commencement addresses in our neighboring high schools during the next 2 weeks. Thousands of young people throughout our State and Nation will be completing their high school and college education this spring. I strongly urge all these high school graduates who have the ability to profit from a college education to do everything in their power to get one. Life in this new electronic age will be increasingly more difficult without a good education.

This is also the season for evaluating the past school year and the status of our public schools in general.

We hear a lot of talk these days about how wonderful the Russian schools are and how weak the American schools are. Frankly, much of this talking is being done by people who know little about either school system. The American schools today, and historically in the past, have done a wonderful job with our young people. The following quotation from Henry Steele Commager is quite revealing. He says: "No other people ever demanded so much of education as have the American. None other was ever served so well by its schools and educators. From the beginning education has had very special, and very heavy, tasks to perform. Democracy could not work without an enlightened electorate. The various States and regions could not achieve unity without a sentiment of nationalism. The Nation could not absorb tens of millions of immigrants from all parts of the globe without rapid and effective Americanization. Economic and social distinctions and privileges, severe enough to corrode democracy itself, had to be fought. To our schools went the momentous responsibility of inspiring a people to pledge and hold allegiance to these historic principles of democracy, nationalism and Americanism."

It may bring some satisfaction to all of us to know that America has the oldest public school system in the world. When people from other countries talk and write disparagingly about the American public

schools, when they say we neglect the fundamentals, it is very comforting to look them straight in the face and say that these schools that they criticize have been able to keep us from succumbing to the vulgar, rotten and evil appeals of fascism, nazism, and communism. Can they claim that honor for their supposedly superior schools? To answer them in another way, perhaps the world would be better off if more countries had so-called weak school systems such as America is accused of having. Let us look for a moment at the size of this school system in order to appreciate its gigantic task. Our people have entrusted in the hands of some 400,000 school board members and boards of trustees, the task of handling over 38 million children and young people who are now enrolled in the Nation's schools and colleges. Since 1946, over 9 million youngsters have been added to our school rolls, and each year for at least the next 6 years, the schools will have to handle a million more than they handled the year before. Statistics can become tiring, so I should like to draw two simple comparisons to show growth. The high school enrollment in America in 1900 was 500,000. Today it is over 7 million. There are more students enrolled in colleges and universities now than we had enrolled in high schools in 1920. It is my understanding that there are more young men and women attending college in New York City alone than in all England. You may also be interested in knowing that college attendance among Negroes in America exceeds total college attendance in most other countries.

Enrollment in American colleges and universities is constantly increasing. Matriculations will soon pass the 3 million mark. America is, and always has been, an education conscious Nation. More than 25 percent of our college-age population, the 18- to 21-year-olds, go to college. This is proportionately 5 times as many as in England, 6 times as many as in Germany, and 10 times as many as in France.

Let us look for a few minutes at the status of these schools. One thing we know for certain; in recent years they have been under attack because of many alleged failings. They are accused of failing to give children mastery of the basic tools of learning. They are accused of being antireligious. In this connection there appear to be some people who do not embrace public school education at all and would not hesitate to destroy the public school system through unfair criticism. They claim without much basis for their information that our schools are not antireligious, but merely nonreligious. This sly approach can be quite effective, but in reality it is much like saying that a man does not club his wife, he merely whips her.

Dr. David D. Henry, president of the University of Illinois, stated that "there are those who seek to use public education for private partisan purposes and destroy the schools' integrity when they succeed and undermine the schools' program when they fail. Many of our citizens are becoming aware of such people."

There are those so-called experts in some of our colleges and in some of our professions who have not been in a schoolroom since childhood, and who join in passing negative judgment on every phase of the schools' program. There are those who need a scapegoat for frustration and fear, and find the schools easy victims to attack, realizing all the time that the schools are not in a position to retaliate. There are the disappointed parents who vent on the schools the unhappiness of their impossible expectations or their own home failures. It is but common knowledge that not all children can be academically minded. It is not fair to blame the school for this. There have always been with us the professional haters who have been able to find followers.

The American people should be constantly reminded that our schools have a unique duty. The paramount function of all these schools is to teach the value of the democratic process and love for our great country. It is hoped that with God's help they will be permitted to continue this great task without being diverted to a crash program of one type or another brought on by pressure to emulate the school system of some other country. It is also hoped that our people will not neglect to have at all times a historic prospective of education. Let us not forget that the so-called Spartan-like education of the Nazis was considered worthy of adoption by some of the critics of public education during the thirties. There is not much use in discussing the foolishness of this recommendation.

Dr. Paul R. Mort and William S. Vincent, in their book, A Look at Our Schools, write: "There are a number of checks and restraints which deter all schools from being in every practical respect as good as we know how to make them. One of these restraints is the attitude of the public itself. There are people who are suspicious of much that is different in the schools today from what schools were doing 25 or 30 years ago. This is like objecting to a modern doctor's treatment of pneumonia by sulfa drugs, because the family doctor of our childhood relied on a poultice of crushed onions, turpentine, kerosene, and mustard."

We should not forget that the majority of our leaders in all walks of life in America today received their training in public schools. We should not forget that the schools have come a long way from the so-called three R's. A concentration on the three R's exclusively would make for a less expensive school, but the end result in our complex society would be a totally inadequate public education.

In an attempt to make for better citizens, our schools have taken on many more responsibilities beyond the three R's. We are concerned today with self-realization, human relationships, economic efficiency, and civic responsibility. It might well be said that the present school is trying to teach not just the 3 R's, but 7 R's—8 R's—yes, even 9 or 10 R's. Reading, writing, 'rithmetic, rights, relationships, recreation, responsibilities, and religion. If it is just the three R's that we want, then sight must not be lost of the fact that the Nazis had the three R's. So did the Fascists, and so do the Communists today. But with their three R's they succeeded wonderfully in giving the world nations of brutes instead of men.

My friends, before we become too critical of our teachers and school administrators, we ought to remember that they labor under many handicaps not experienced by other professions.

Almost everyone knows how to run the schools better than the people trained to run them. In contrast, we want justice from our courts, but we don't tell lawyers about legal proceedings. We want good medical practice, but we don't tell doctors how to operate or prescribe medicine, but when it comes to the school we all know how to teach better than the teacher.

Let us remember also that the school is the ideal victim of the unthinking generalizer. If one child cannot spell as well as he should, then we immediately have proof that all the children in a particular school are not taught how to spell. If one child is ill-mannered or rude, then all children are so classified.

I should like to close by reminding you that the great danger today in public education is not in the weaknesses of the school program. The great danger is in the complacent indifference on the part of too many of our thinking citizens.

Fortunately, our teachers, our civic-minded citizens, and the students themselves, are working assiduously to improve these schools. This summer, for example, hundreds of teachers, at their own expense, will be taking courses at East Carolina College with the sole objective of becoming better teachers.

There are a few things we ought to remember about our public schools that may cause us to appreciate them more. We are the only Nation in the world that dares to educate all its people. A program this ambitious is bound to be expensive. A program this large cannot be without faults. North Carolina dares to teach more than a million of its young people in public schools today. This does not include the thousands in college.

Reflect on this and be thankful you are living in this wonderful place called America.

USE OF OPERATORS OF CIVIL AIRCRAFT IN THE CARRIAGE OF GOVERNMENT TRAFFIC

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FLOOD. Mr. Speaker, I send to the desk for introduction and appropriate reference two bills designed to maximize the use of operators of civil aircraft in the carriage of Government traffic.

The first bill has been drawn up by the Civil Aeronautics Board and was transmitted to you, Mr. Speaker, by the Chairman of the Civil Aeronautics Board in a letter of July 9, 1958, following an extended correspondence between myself and the Chairman of the Civil Aeronautics Board during the preceding 3 months.

I ask permission to insert the text of the correspondence with the Civil Aeronautics Board following my remarks.

I am glad, Mr. Speaker, that the Civil Aeronautics Board has now spoken up on this subject and is assisting the Congress in the adoption of a policy that preference should be given to private enterprise in the air transport industry in the movement of Government traffic before use is made of Government-owned and Government-operated transport planes.

This policy was first laid down by the House, Mr. Chairman, in House Report 2104 of the 84th Congress, 2d session, on May 3, 1956. The position of the House was upheld in the conference committee as indicated in Senator CHAVEZ' joint letter with Congressman MAHON'S to the Secretary of Defense.

Again in 1957 in the report on the defense appropriation bill for fiscal year 1958, Congress reiterated its position in Senate Report No. 543 and House Report No. 841.

And, for the third year in a row, the House on June 3, 1958, in House Report 1830, directed the Department of Defense to use their appropriations to foster the growth of the civil air transport fleet.

I ask leave, Mr. Speaker, to insert relevant extracts from all these Congressional reports following my remarks.

The legislation which I am introducing is designed to carry out the policy laid down by the Congress and to put teeth into it.

I believe tribute should be given, Mr. Speaker, to the gentleman from Oregon [Mr. PORTER], and to the gentleman from California [Mr. HOLIFIELD], for stimulating the establishment of a joint working group of the Civil Aeronautics Board and the Defense Department which has given some study to this problem and has resulted in the draft legislation which I am introducing today.

The second bill which I am introducing, Mr. Speaker, was drafted by myself rather than by the Civil Aeronautics Board and is somewhat stronger and tighter and more specific than the CAB bill. It eliminated certain loopholes such as "to the maximum extent consistent with economical operations" which exist in the CAB draft and which I think are subject to considerable misinterpretation in that the Assistant Secretary of the Air Force, Mr. Sharpe, has already used those very words to justify the empire building of MATS and the carriage by MATS of nearly all the Government traffic.

If what the CAB has in mind is that the rates from the commercial operators to the Government for carriage of Government traffic should be reasonable, then that is adequately spelled out in line 5 of my bill which states that "the rates for such service are reasonable."

Both these bills, Mr. Speaker, are designed to carry out in the form of permanent legislation the policy which the Congress has laid down each year in connection with the Defense Department appropriation.

As such I think it will simply confirm on a permanent basis what we have been deciding each year in connection with the appropriation bill and have the advantage of being permanent.

It is a source of great regret to me to report to you that within the last 4 months 10 of the largest, most modern, 4-engine transport planes which have been assigned to the United States Civil Reserve Air Fleet have been sold by commercial operators to foreign companies or to foreign governments because, in each case, the American commercial operators testified that MATS was taking away so much of their business that they could not continue to operate profitably.

As a result of this MATS competition the Civil Reserve Air Fleet has been reduced by 10 of the largest and most modern transport planes and these are 10 fewer planes which will be ready to answer the call to duty when the whistle blows.

It is obvious to me that this is progress in the wrong direction.

Instead of shooting down our civil airlines, we should be building them up and building up a huge air merchant marine which will be indespensible in time of either a localized war or general war.

That is the underlying purpose of this legislation which I am introducing today: Fostering the growth of the civil transport fleet so that it can become an effective air merchant marine to meet the needs of the Army, the Marine Corps, the Navy, and the Air Force in time of war, and it is painfully obvious, Mr. Speaker, that we are confronted with a dangerous deficit in airlift and we have got to do something about it.

This bill will, in my opinion, properly enforced, double the size of the present civil airlift reserve and will prove to be a significant contribution to national defense as well as a reaffirmation of our policy of giving preference to private enterprise over Government-owned and Government-operated transportation.

A bill to amend the Civil Aeronautics Act of 1938, as amended, to include a declaration of policy relative to the use of civil aircraft in meeting the needs of the Government for transportation by air.

Be it enacted, etc., That title I of the Civil Aeronautics Act of 1938, as amended, is amended by adding after section 3 thereof a new section, as follows:

"GOVERNMENT TRANSPORTATION

"SEC. 4. In meeting the requirements of the Government for transportation by air, preferential consideration should be given to utilizing the facilities made available by operators of civil aircraft who are willing, able, and authorized to provide such transportation. Accordingly, it is declared to be the policy of the Government that the Department of Defense and other agencies of the Government in arranging for such transportation should utilize the facilities provided by operators of civil aircraft to the maximum extent consistent with economical operations, the national defense, and national security considerations."

A bill to amend the Civil Aeronautics Act to provide for maximum use of operators of civil aircraft in the movement of Government traffic, and for other purposes

Be it enacted, etc., That title I of the Civil Aeronautics Act of 1938, as amended, is hereby amended by adding at the end thereof:

"GOVERNMENT USE OF OPERATORS OF CIVIL AIRCRAFT

"SEC. 4. All passenger, cargo, and mail requirements of the Government of the United States for air transportation shall be procured from operators of civil aircraft to the extent that the required service is available, is adequate, and the rates for such service are reasonable. The Comptroller General of the United States shall not allow credit for expenditures for transportation by air on carriers other than operators of civil aircraft in the absence of satisfactory proof of the necessity therefor. The applicability of this section to a particular department, agency or instrumentality of the Government of the United States may be temporarily waived whenever the Congress by concurrent resolution, or the President of the United States, or the Secretary of Defense, declares that an emergency exists justifying such temporary waiver."

CIVIL AERONAUTICS BOARD,
Washington, April 28, 1958.

Hon. DANIEL J. FLOOD,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN FLOOD: I wish to thank you for your letter of April 17, 1958, addressed to Vice Chairman Chan Gurney, in connection with the Board's proposed legislation to express the policy of the Government that the Department of Defense and other agencies utilize to the maximum extent possible the facilities provided by operators of civil aircraft. Attached is a copy of draft legislation to accomplish this objective. As soon as final action is completed in connection with this matter, the Board intends to formally transmit this to the President of the Senate and the Speaker of the House for their consideration.

Sincerely yours,

JAMES R. DURFEE,
Chairman.

Be it enacted, etc., That title I of the Civil Aeronautics Act of 1938, as amended, is amended by adding after section 3 thereof a new section as follows:

"GOVERNMENT TRANSPORTATION

"SEC. 4. In meeting the requirements of the Government for transportation by air, preferential consideration should be given to utilizing the facilities made available by operators of civil aircraft who are willing, able, and authorized to provide such transportation. Accordingly, it is declared to be the policy of the Government that the Department of Defense and other agencies of the Government in arranging for such transportation should utilize the facilities provided by operators of civil aircraft to the maximum extent consistent with economical operations, the national defense, and national security considerations."

STATEMENT OF PURPOSE AND NEED FOR PROPOSED LEGISLATION—A BILL TO AMEND THE CIVIL AERONAUTICS ACT OF 1938, AS AMENDED, TO INCLUDE A DECLARATION OF POLICY RELATIVE TO THE USE OF CIVIL AIRCRAFT IN MEETING THE NEEDS OF THE GOVERNMENT FOR TRANSPORTATION BY AIR

The Board believes that the Government, the Nation's largest single user of transportation, in providing for transportation by air, should, whenever practicable, utilize the services and facilities of operators of civil aircraft offering such transportation. In particular, the policy of the Department of Defense not to engage in competition with the operators of civil aircraft should be continued and encouraged by statutory sanction.

The value to the Nation of civil aircraft operators as a means of providing a reservoir of aircraft and trained personnel which can be utilized by the military in time of emergency has been pointed out many times. By utilizing the services of such operators the Government can not only strengthen them, but even in marginal cases can assure their continued existence. In the case of a subsidized air carrier, the advantages of making use of its facilities, where it is practicable to do so, may be even more pronounced, by reason of the additional advantage of reducing or eliminating the need of the air carrier for Government subsidy.

The addition of the proposed new policy statement would be responsive to the recommendations made by the President's Air Policy Commission in 1954 (Report on Civil Air Policy, May 1954, p. 17), and the recommendation of the Comptroller General in his report to the Congress on the Civil Aeronautics Board in 1955 (audit report to the Congress of the United States, Civil Aeronautics Board, October 1955, p. 30). However, the Board's proposal is broader, and would not be limited to the certificated air carriers.

ANALYSIS OF PROPOSED AMENDMENT TO TITLE I OF THE CIVIL AERONAUTICS ACT OF 1938

The proposed amendment consists simply of the addition of a new section to title I. The new section is numbered section 4 and is entitled "Government Transportation."

Primarily, the purpose of the amendment is to assure, by declaration of congressional policy, the continuance by the Department of Defense, the Nation's largest single user of transportation, of its policy not to engage in competition with the operators of civil aircraft. However, considerations prompting such a declaration of policy also apply, in

lesser degree, to other agencies of the Government. The proposed amendment therefore has been made of general applicability but includes specific reference to the Department of Defense.

Likewise, the legislation has been drafted so as not to limit the expression of Congressional policy to utilization of the services of the certificated air carriers, as distinguished from other operators of civil aircraft willing and able to furnish transportation by air.

MAY 2, 1958.

Hon JAMES R. DURFEE,
Chairman, Civil Aeronautics Board,
Washington, D. C.

DEAR MR. CHAIRMAN: I appreciate your thoughtful letter of April 28 letting me see your proposed legislation to maximize the use of civil transport planes by the Defense Department.

However, I doubt that there will be much beneficial effect from the legislation as you have worded it for the reason that the Assistant Secretary of the Air Force, Mr. Sharp, has already stated in some detail that he does not consider increased use of commercial air to be "consistent with economical operations," to quote from your draft bill.

Since he has already found the loophole in your draft bill, I see no point in proceeding with it further.

One possible alternative for immediate use in connection with the defense appropriations bill is the attached draft No. 9 which I have prepared.

I should appreciate your keeping it confidential and giving me the benefit of your comments on it before the close of business on Tuesday, May 5.

Sincerely yours,

DANIEL J. FLOOD,
Member of Congress.

CIVIL AERONAUTICS BOARD,
Washington, May 7, 1958.

Hon. DANIEL J. FLOOD,
Appropriations Committee,
House of Representatives,
Washington D. C.

DEAR CONGRESSMAN FLOOD: This is in reply to your letter dated May 2, 1958, which unfortunately did not reach the Board until after office hours on May 6, 1958. I understand you wish to have the Board's comments before the end of this day on a provision, draft No. 9, to be inserted in the Department of Defense Appropriation Act for fiscal year 1959 to the effect that at least 50 percent of military cargo and 50 percent of military passengers moving by air between the United States and foreign countries are to be carried by United States commercial air carriers. Your covering letter states that the legislation drafted by the Board to increase the use of civil air transport by the Defense Department would be ineffective since it contains the limiting phrase "consistent with economical operations" and Mr. Sharp, Assistant Secretary of the Air Force, has already stated his opinion that increased use of commercial air transport would not be consistent with economical operations.

In submitting its legislative proposal to the Congress, the Board was quite aware of the significance of the phrase "consistent with economical operations, the national defense, and national security considerations." In drafting the proposed legislation, the Board had in mind that the Department of Defense had voluntarily arranged for meeting a portion of its transportation needs through the medium of commercial aircraft. Presumably this use of commercial aircraft was consistent with economical operation of the Department and was dictated primarily by the needs of the Department of Defense. In our view, the action of the Department in utilizing the facilities of commercial aircraft operators had such beneficial consequences in relation to these operators that it was felt that the action of the Department should be encouraged by an explicit declaration of Congressional policy on the subject. The Board is still of this opinion and urges favorable consideration of the legislation proposed for this purpose. It is not the purpose of the Board to propose legislation which would require the Department of Defense to conduct its operations in an uneconomical manner or in any way prejudicial to the needs of national defense. Hence, the phrase "consistent with economical operations" was incorporated in our draft.

The matter of obtaining additional traffic for civil air carriers from the Department of Defense where feasible has been a project of immediate and continuing concern to the Board. The approach of the Board is to endeavor in cooperation with the Department of Defense to ascertain those areas where the Department can make greater use of operators of civil aircraft. For the full exploration of such possibilities the Board has set up a working group with the Department which is actively engaged in this project, and several meetings of the working group have already been held.

Your draft No. 9, on which you ask us to comment, approaches the matter from an entirely different viewpoint. In effect your draft would require the Department of Defense to fulfill 50 percent of its needs for passenger and cargo requirements for air transportation between the United States and foreign countries by the use of commercial air carriers.

Since the requirement of carriage of 50 percent by commercial air carriers is phrased in your draft as an absolute requirement which can be waived only by emergency declaration of Congress, the President, or the Secretary of Defense, the effect of your draft would be to increase the amount of defense business to be given to the commercial aircraft operators beginning July 1, 1958. The increase is illustrated by the following figures taken from Mr. Sharp's testimony earlier this year before the subcommittee of the House Government Operations Committee (transcript p. 500) and characterized by Mr. Sharp as preliminary. According to these figures, the volume of Defense Department international airlift between this and foreign countries during the last 6 months of calendar year 1957 was as follows:

Total passenger ton-miles, 206,662,054.

Carried by commercial air carriers, 76,073,454.

Percentage, 36.8.

Total cargo ton-miles, 367,955,647.

Carried by commercial air carriers, 37,896,647.

Percentage, 10.2.

The Board wholeheartedly favors the principle behind the provision drafted by you, namely, the obtaining of additional military traffic for civil carriers. It believes that, as a general proposition, the civil industry can now absorb very substantial amounts of Department of Defense traffic and can make provision in the future for all the potential air transport service which the Department might require.

Such additional carriage would substantially strengthen our national and international air transportation systems. We strongly support any reasonable legislation which will procure a greater volume of military traffic for civil aviation. Certainly the proposed legislation would accomplish this objective from an economic viewpoint. However, the Board is not prepared to comment on the military feasibility of such a requirement.

Following are comments on some specific provisions of Draft No. 9:

1. The draft applies only to requirements for air transportation between the United States and foreign countries. In this respect it is narrower than the Board's draft which applies to transportation by air generally and thus includes not only foreign air transportation but domestic and overseas air transportation as well.

2. The phrase "commercial air carriers" may be construed to limit the benefits of the bill to air carriers as defined in section 1 (2) of the Civil Aeronautics Act. Air carriers as so defined are limited to common carriers, and would not include the so-called contract carriers. If it is desired to include the contract carriers, it is suggested that there be substituted the term operators of civil aircraft.

3. Draft No. 9 further requires that the business be given to "United States commercial air carriers." This would exclude by statutory enactment the utilization by the Defense Department of the service of foreign aircraft operators. The Board is advised that such exclusion of foreign air carriers from the benefits of the legislation could well result in the enactment of similar legislation by other countries, thus creating an artificial restriction on the availability of traffic to American flag lines. It is entirely possible that restricting the legislation to United States air carriers would result in a net loss to our United States flag carriers if foreign countries were to react unfavorably and withhold a substantial share of their government business from our carriers. It is likely that the Defense Department would give the overwhelming bulk of its business to United States carriers even without an express statutory provision to this effect. Against the unlikely possibility that the defense cargoes would not go primarily to United States carriers, the draft might well provide a limitation on the amount or percentage of such cargoes which may be shipped via foreign air carriers.

Sincerely yours,

JAMES R. DURFEE,
Chairman.

CIVIL AERONAUTICS BOARD,
Washington, D. C., July 9, 1958.

Hon. SAM RAYBURN,
The Speaker,
House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: The Civil Aeronautics Board recommends to the Congress for its consideration the enclosed draft of a proposed bill "To amend the Civil Aeronautics Act of 1938 as amended, to include a declaration of policy relative to the use of air carriers in meeting the needs of the Government for transportation by air."

The Board has been advised by the Bureau of the Budget that there is no objection to the presentation of the draft bill to the Congress for its consideration.

Sincerely yours,

JAMES R. DURFEE,
Chairman.

DEFENSE APPROPRIATIONS, FISCAL YEAR 1957

CONGRESSIONAL INTENT, AS EXPRESSED IN REPORTS OF HOUSE AND SENATE COMMITTEES ON APPROPRIATIONS, REGARDING POLICY TO BE FOLLOWED BY THE DEPARTMENT OF DEFENSE IN USING COMMERCIAL AIR TRANSPORTATION AND REGARDING THE MILITARY AIR TRANSPORT SERVICE (MATS)

1. House Report 2104, 84th Congress, 2d session, May 3, 1956, on Department of Defense appropriation bill for fiscal year 1957, pages 45–47:

"The Military Air Transport Service has, for some time, been one of the most controversial activities of the Air Force. The controversial aspects of this service result primarily because, to some extent, it is competitive with commercial air facilities. MATS, as the Military Air Transport Service is called, is an integrated Air Force Command providing strategic airlift, technical services, and a global air route system. Since it was originally organized in 1948, it has been the subject of much comment and numerous

studies and recommendations. Several years ago, the Committee on Appropriations recommended that the air transport portions of MATS be set up under an industrial fund type operations. The last so-called Hoover Commission has made a similar recommendation. The President's budget for fiscal year 1957 contained a provision for placing the air transport portion of the MATS operation on an industrial fund basis during that year.

"The MATS organization is an enormous operation supporting more than 110,000 miles of global air routes, and employing approximately 105,000 military and civilian personnel. Of this total, over 16,000 are civilians. It should be pointed out, however, that approximately 63,000 of these employees are assigned to technical services and independent units of the MATS operations, that only 42,000 are assigned to the air transport activities. MATS has 506 4-engine aircraft of the C–54 and larger variety assigned to the transport mission. The total operating costs for fiscal year 1955 are reported to have been about $560 million, of which approximately 40 percent was for technical services, 22 percent for base support, 30 percent for strategic transport operations, and the remainder for miscellaneous activities.

"From the foregoing data, it is evident that the MATS operation is one of the major commands of the Department of the Air Force. It is also evident from the testimony given the committee that the mission assigned to MATS is of major strategic importance. It is more than just a convenient air transportation system. It is a significant portion of our overall air defense forces. Because of its size and the complexity of the problems involved, witnesses from the Air Force stated that it would be impossible to accomplish conversion of the air transport phases of MATS to an industrial fund type operation during fiscal year 1957. Therefore, the committee is not providing the necessary funds for this purpose during fiscal year 1957. Nevertheless, it is expected that the agencies of the Department of Defense will continue to work toward the objectives of setting up a consolidated air transport organization which can be placed under an industrial fund method of operation. The committee strongly favors such procedure.

"As noted in the previous paragraph, the committee recognizes the strategic importance and necessity of a strong MATS type of operation. At the same time, the committee notes that it is apparent that commercial air facilities, including scheduled and nonscheduled airlines, are an essential part of the overall mobilization transport strength of the United States, and as it has been stated by Air Force representatives, will provide a major part of the ability of the Nation to meet the huge demands for transport in the event of a sudden war emergency.

"Because of the significant role that the Military Air Transport Service plays in our mobilization, the committee does not desire to set an arbitrary limit on the size of the MATS operation. However, it is the opinion of the committee that the Air Force should give attention to handling its air transport business in such a way as to assist in keeping the nonscheduled and other airlines in a reasonably sound financial and operating position. In this regard, President Eisenhower's Air Coordinating Committee 1954 report on air policy (p. 17) had this to say: 'The Government should, to the greatest extent practicable, adjust its use of air transportation so as to use existing unutilized capacity of United States air carriers.'

"The committee strongly endorses that statement.

"As was stated in the hearings, the committee will require complete annual operating statements from the Air Force and the MATS organization for consideration in connection with the annual appropriation requests. At the time of the fiscal year 1958 hearings, it is expected that the Air Force will have a firm statement on its plans for industrialization of the Air Transport organization. The statement to be prepared for the committee should contain firm information with respect to the following points:

"(1) The basis for determination of the number of aircraft to be assigned to the consolidated Air Transport organization.

"(2) The number of hours, by type and model, that it is planned to fly the aircraft assigned to the Air Transport organization during fiscal year 1958.

"(3) The policy to be followed with respect to the assignment of cargo and passengers to the Air Transport organization and commercially operated aircraft.

"(4) The routes to be regularly serviced by the consolidated Air Transport organization.

"(5) The policies to be followed in contracting for commercial airlift.

"(6) The policies to be followed in dividing Department of Defense peacetime traffic between the consolidated Air Transport organization and commercial carriers.

"(7) The policies to be followed in leasing aircraft owned by agencies in the Department of Defense to private operators.

"(8) The extent to which transport-type aircraft are to be retained by other operating elements of the Department of Defense and the purpose for which such aircraft are to be utilized.

(9) A statement of accounting principles to be followed in determining the costs and the method by which the using agencies are to reimburse the Industrial Fund operation."

2. House Report 2076, 84th Congress, 2d session, April 27, 1956, on Department of Commerce and Related Agencies Appropriation bill for fiscal year 1957, page 4.

"For a number of years, the committee has been concerned about the necessity for the Military Air Transport Service to occupy a considerable portion of the airport. With the constantly increasing demands being placed upon this airport by civilian traffic, the Committee is at a complete loss to understand how responsible officials of the executive branch can continue to allow this situation to exist. The committee feels that the Secretary of Commerce should insist that the Military Air Transport Service be located at some other field convenient to Washington."

3. Senate Report 2039, 84th Congress, 2d session, May 23, 1956, on Department of Commerce and Related Agencies Appropriation bill for fiscal year 1957, page 5, commends Congressional efforts "to achieve increased commercial air carrier revenue, with accompanying decreases in subsidies, by pressing for curtailment of MATS services, where commercial service is available."

Page 4. "The committee joins with the House committee in its statement that the Secretary of Commerce should insist that the Military Air Transport Service be located at some other field convenient to Washington to relieve the increasing demands being placed upon Washington National Airport by civilian traffic."

4. Senate Report 2260, 84th Congress, 2d session, June 18, 1956, on Department of Defense Appropriation bill for fiscal year 1957, page 8.

"the committee wishes to make it clear that the Department of Defense should, in the future, utilize the services of commercial transportation to the fullest extent possible when it is more economical, and that in evaluating relative costs of transportation, the Department should recognize the element of time saved as an important factor."

The Department of Defense Appropriation bill (H. R. 10986, 84th Cong., 2d sess.) for the fiscal year 1957 was considered in the Conference Committee (H. Rept. 2529), passed by both Houses, and signed into law as Public Law 639, 84th Congress, 2d session, July 2, 1956.

[From the CONGRESSIONAL RECORD of May 27, 1957]

DEFENSE APPROPRIATIONS, FISCAL YEAR 1958

Mr. FLOOD. The gentleman has been reading my speeches. I agree with you.

Now, I would like to direct my remarks to one phase of the Air Force bill, although it comes under the general heading of defense as well. One of the most controversial phases of our entire Defense Department is the Military Air Transport Service known affectionally as MATS. Now, Secretary Wilson and the other civilian Secretaries came to us in the last 2 or 3 years and they have been sending us vast lists of where they are putting the Government out of competition with private business. Now, everybody on the Appropriations Subcommittee for Defense is in favor of that. We have eliminated popcorn machines and shoeshining machines; we have eliminated beauty parlors; we have eliminated all kinds of paint and other factories. So we are consistent with the best wishes of a businessman's administration for whom our heart bleeds in putting the Government out of competition with business. I am for that. Everybody is for that. And we did it. And yet here, in this Military Air Transport Service—and it is not chickenfeed—you have the United States Government in competition with commercial airlines by at least $500 million a year.

The commercial airlines are no great friends of mine; because, when I served on the Appropriations Subcommittee for the Department of Commerce, with the gentleman from New York [Mr. ROONEY] we went to bat to cut out their subsidies. So I am not a very popular fellow with them, either. And we succeeded in doing it. They can use their own money. This House did it.

But if you want to take the Government out of competition with business, and you mean it, here is where you can do it, providing, in the course of it, you do not even indirectly endanger the national security or the national defense by interfering with the operations of the Air Force. If you do that, then I am against it. But my information is that you do not, if you exercise merely the rule of reason; that the Air Force should control their aircraft and have as much of it as they need, where they need it, and when they need it. I am for that. But you can have a reasonable difference of opinion as to what constitutes how much and when and where.

We believe that in the best interests of national defense, a greater amount of military traffic, cargo and people, should be contracted for by the Department of Defense with commercial air carriers. Why not? If they cannot carry them, then do not give it to them. If they cannot buy their aircraft and maintain them properly, then do not bother about it. But if they can, if they will buy their own aircraft and maintain them and fly them safely and more cheaply—and for the purpose of emphasis I repeat "more cheaply," much more cheaply than the Air Force—then if those facts are correct, it is difficult for me to understand why these commercial airlines, businessmen in a business administration, great contributors, should not have a reasonable opportunity to engage in that transportation.

Last year this subcommittee, after an exhaustive examination, and again this year with a special investigation and long hearings, 610 pages of hearings on this question, had this to say. And I would like to have the chairman reaffirm the language which was the gist of a 2- or 3-page statement we made last year, because I do not want the

Air Force on July 1, if this language is not in the report or in this RECORD, to pretend that we forgot about it. This is the language from the Hoover Commission report and it is the language from the committee's and Senate report of last year. I shall read it and I hope that the gentleman from Texas [Mr. MAHON] will agree that again, for the purpose of emphasis if for no other reason, and to protect our flanks, the language be reaffirmed. This is the language:

"The Government should to the greatest extent practicable adjust its use of air transportation so as to use existing unutilized capacity of United States air carriers (H. Rept. 2104, 84th Cong., 2d sess., p. 46)."

What in the world is the matter with that, and who possibly could object to it? For that reason, because of his sound judgment, I am sure the gentleman from Texas would concur.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from Texas.

Mr. MAHON. As I understand it, the gentleman from Pennsylvania is suggesting that we agree that our view and our statement in the report of last year for the current fiscal year for the defense budget with references to MATS is still the view and opinion of the committee. I believe the view and opinion of the committee is still as we expressed it in the language we used in the report last year. I wish to assert very strongly that it is my own view that we should favor civilian aircraft as long as we can do so without jeoparidizing the necessary military air transportation. I strongly support and reaffirm the language in the report last year in regard to MATS and I have so notified Air Force officials.

Mr. FLOOD. The highest form of compliment I could pay to the gentleman from Texas is to say I could not have said that better myself.

The very distinguished gentleman from Texas [Mr. MAHON], who is the chairman of the Defense Appropriations Subcommittee and floor manager of this bill, has clearly expressed the sense of our committee and I know that we all expect the Defense Department to reduce its expenditures on MATS and other Government-owned air transport activities and devote these funds to making far greater use of United States air carriers.

More extensive use by the military of United States air carriers, as is being directed by our committee, will result in considerable net savings to the American taxpayers, as well as a reduction of Government competition with private taxpaying business.

GENERAL STATEMENT—USE OF COMMERCIAL CARRIERS

(Extract from S. Rept. No. 543, 85th Congress, on Defense Department appropriations for fiscal year ending June 30, 1958, to accompany H. R. 7665, now Public Law 85-117, effective August 2, 1957)

Last year in the conference committee on the Defense appropriations bill the Senate joined with the House in stating in a letter to the Secretary of Defense that the Government should, to the greatest extent practicable, adjust its use of air transportation so as to use existing unutilized capacity of United States air carriers. This statement was based upon our position that maximum utilization by the Department of Defense of United States civil air carriers is essential both in the promotion of our free enterprise economy and in the provision of the necessary ready reserve civil airlift for national defense; and that Government operations of its own air transport facilities should be limited to that essential to military security.

The committee reaffirms its position of last year that the Department of Defense should utilize the services of commercial transportation in preference to Government-owned and Government-operated transportation, to the fullest extent possible when, upon using the same cost standards for both commercial and Government facilities, it is found to be more economical, and further, that in evaluating relative costs of transportation, the Department should recognize the specific monetary value of time saved as an important factor in the award of competitive bids in transportation.

It is the desire of the committee that all commercial carriers be given a fair and equal opportunity to offer their facilities on a bid basis to the Department of Defense, and be provided to the extent practical with equal access to information regarding commercial movements of cargo and personnel. The Department should make every effort to centralize the procurement of such transportation so as to consolidate movements in the interests of economy and to avoid the practice of arbitrarily dividing groups into such small units as to necessitate unwarranted additional expense.

The committee desires that at installations where private carriers are permitted to offer their services for sale to individual personnel, representatives of all commercial carriers should be afforded equal access without discrimination.

The committee notes with approval that the Air Force budget reflects increased use as compared with fiscal year 1957 of civil air carriers to augment the Military Air Transport Service in the movement of military personnel and dependents. This is offset in part, though, by the decreased use of civil air carriers in moving cargo for MATS. In summary we do not feel that sufficient effort has been made by the Department of Defense in the international and overseas field to adjust its use of air transportation so as to use existing unutilized capacity of United States air carriers.

It is the wish of the committee, therefore, that within the 1958 appropriations for operations and maintenance and for military personnel the Defense Department reprogram expenditures for operating MATS and other Government-owned transport activities sufficiently to permit the funds so reprogramed to be applied toward procuring the services of United States civil air carriers to meet as nearly as possible 40 percent of the passenger requirements and 20 percent of the cargo requirements of the Military Air Transport Service.

The committee desires that a report be made by the first of January 1958 which would indicate the progress made by the Department of Defense in implementing this directive.

EXTRACTS FROM HOUSE REPORT NO. 841, 85TH CONGRESS CONFERENCE REPORT ON DEFENSE DEPARTMENT APPROPRIATIONS FOR FISCAL YEAR ENDING JUNE 30, 1958

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Amendment No. 36: Deletes provision of the Senate providing for competitive bidding. This matter also is now under study by the legislative committees. The committee of conference strongly feels that competitive bidding should be required whenever practicable for more effective and economical procurement.

Amendment No. 37: Deletes provision of the Senate pertaining to the procurement of commercial transportation. The committee of conference emphasizes the importance of the Senate committee report on use of commercial carriers and calls on the Department of Defense to carry out the full intent. However, it is realized that the procurement of commercial transportation must be made in accordance with existing law.

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GEORGE MAHON, HARRY R. SHEPPARD, ROBERT L. F. SIKES, W. F. NORRELL, JAMIE L. WHITTEN, GEORGE ANDREWS, JOHN J. RILEY, DANIEL J. FLOOD, CLARENCE CANNON, R. B. WIGGLESWORTH, ERRETT P. SCRIVNER, GERALD R. FORD, JR., EDWARD T. MILLER, HAROLD C OSTERTAG, JOHN TABER, Managers on the Part of the House.

DEFENSE APPROPRIATIONS, FISCAL YEAR 1959

DEPARTMENT OF DEFENSE APPROPRIATION BILL 1959—H. R. 12738—HOUSE REPORT 1830

Airlift

It is most important that our military forces be highly mobile and capable of moving rapidly to any area of the world should trouble develop. We do not have enough mobility at present and steps should be taken to work out more realistic plans for the essential airlift portion of this requirement. The committee reaffirms its views that the airlift requirement should be met by a combination of military and civil capability.

The Civil Reserve Air Fleet must be depended upon to provide a substantial amount of airlift should the United States become involved in either local or general war. To be fully effective the Civil Reserve Air Fleet must be modern and capable of being quickly mobilized. In order to promote an atmosphere in which this civil capability can operate and modernize, the Government must not create undue competition with private industry. The Military Air Transport Service is the largest air transport service in the world. The committee questions whether this operation is not creating undue competition for private enterprise. On the other hand, the committee heartily endorses the necessity in peacetime for a hard-core, efficient and immediately responsive Military Air Transport Service. The basic problem is the establishment of an equitable combination of military and civil capability.

The committee feels that adequate arrangements can be developed by fair and objective cooperation to foster the growth of the civil fleet and at the same time maintain an effective Military Air Transport Service.

* * * * *

Air Force stock and industrial funds

The Air Force budget for 1959 contained no request for increases in capitalization of either of the Air Force working funds.

The committee notes with satisfaction that the Military Air Transport Service is finally to be placed on an industrial fund operating basis. The committee has advocated this action for several years. Funds in the amount of $75 million were provided for this purpose by transfer during fiscal year 1958.

The committee feels that prudent management of these two funds, particularly with the addition of the Military Air Transport Service, will result in considerable benefit to the Air Force.

THE TUNA INDUSTRY

Mr. WILSON of California. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WILSON of California. Mr. Speaker, the tuna fishing industry of the United States, which centers in my District of San Diego, is in a very serious condition arising from imports of cheap

tuna, chiefly from Japan. The condition of the industry and the sources of its injury have been adequately described in a report on tuna fish issued by the United States Tariff Commission in May of this year and in a report of the Secretary of the Interior on fresh and frozen yellowfin, skipjack, and bigeye tuna issued later in May of this year. A summary of these reports was presented to the House on May 26 by my distinguished colleague, the gentleman from California, JAMES B. UTT, and appears in the CONGRESSIONAL RECORD for that date. Accordingly it is not necessary for me to further describe those conditions at this time.

There are three classic ways to handle such a problem: First, impose a tariff to equalize the cost of production; second, grant a subsidy sufficient to equalize the cost of production; or third, let the industry go broke and go out of business.

We in San Diego have no intention of letting this industry go out of business if we can humanly avoid it. The 138 vessels that we have left out of the fleet of 210 we had in 1951 still bring in about $25 million in new wealth from the sea each year and this is a principal source of income to the port and the city. Furthermore it is the established policy of the United States Government, enunciated repeatedly by its officers from the President down, that the working of our foreign trade policy shall not be permitted to seriously injure efficient domestic industries.

In 1951 the Committee on Ways and Means after studying this problem reported out a bill providing a temporary tariff of 3 cents per pound on frozen tuna during the period necessary for the Tariff Commission and the Department of the Interior to make a thorough study of the problem and report to the Congress on appropriate means for a permanent solution to the problems of the industry. That bill passed the House of Representatives, was reported favorably by the Senate Committee on Finance, and was narrowly defeated in the Senate under vigorous attack from the Department of State.

Time has gone forward and in the succeeding 7 years our fleet has declined by 24 percent while the Japanese share of the United States tuna market was increasing from 21 to 46 percent.

Last year four west coast Congressmen including Congressman UTT and myself introduced legislation aimed at stabilizing these tuna imports without cutting them back. Pursuant to a resolution of the Senate Committee on Finance the Tariff Commission brought its studies of the tuna problem up to date and pursuant to the Fish and Wildlife Act of 1956, the Secretary of the Interior completed his study of the effects of frozen tuna imports on the domestic tuna industry. Both of these studies were completed and published in May of this year. They show serious injury from imports to the tuna fishing industry under every criteria listed in the trade laws. We then succeeded in getting the departmental reports on our legislation up to the Committee. We were fully prepared to make amendments to our legislation to accommodate our position to those reports. This was known to the committee, and I have introduced the bill which had the endorsement of the tuna fishing industry under those conditions.

We have been informed, however, that the Committee on Ways and Means will not hold hearings or take further action on this or any other bill dealing with tariffs on tuna this session.

The normal procedure in such a situation is for the industry to seek relief under the escape clause provisions of the Trade Agreements Act. This avenue of relief is closed to the tuna fishing industry.

Under present, or contemplated, law the President cannot transfer a commodity from the free list to the dutiable list if it is not the subject of a foreign trade agreement and, accordingly the Tariff Commission would not recommend such action to him. The Commodity which is causing the major share of the difficulty is frozen yellow fin, skipjack and bigeye tuna. It is free of duty and it is not the subject of a foreign trade agreement. Therefore, it does not come within the purview of the escape clause provisions of the Trade Agreements Act. The Chairman of the United States Tariff Commission so testified to the Committee on Ways and Means February 20, 1958.

Accordingly the tuna fishing industry cannot get relief under the Trade Agreement Act and it cannot get a chance to even plead its case before the Committee on Ways and Means. No matter what pious words of sympathy are expressed to us, the practical fact is that the tariff or quota paths to relief from its import problems are completely closed to the tuna fishing industry, regardless of what the Congress or the President has said on the subject while the various trade agreements acts were in the process of being acted upon in the Congress.

The other alternate way out of this problem is a subsidy. The Senate has just adopted S. 4036, a bill to stabilize the production of copper, lead, zinc, acid-grade fluorspar, and tungsten from domestic mines. The problems of those mining industries are substantially identical with that of the tuna fishing industry. The fishing fleet is in effect mining a raw material from the sea. I may say that none of those mining industries, aside from copper, vary in size much from the tuna fishing industry or are more valuable than it to the domestic economy. This metals bill was devised in the Department of the Interior and is apparently the way that the administration prefers to use to meet such problems.

Accordingly I have prepared and introduced a bill modeled closely upon the metals bill to provide for the stabilization of the tuna fishing industry in the same manner as that bill provides for the stabilization of these mining industries. I do not think subsidies are the best answer to excessive imports. But if subsidies are acceptable and tariffs are not, then we must demand equal consideration with the mining industry.

Section 2 of the bill provides that the Secretary of the Interior can, under specified conditions, pay an amount equal to but not exceeding the difference in the price a tuna producer can sell his fish for, and the tuna stabilization price. The tuna stabilization price is specified for albacores as 19 cents per pound—$380 per ton; yellowfin and bigeye, 15 cents per pound—$300 per ton; bluefin, 14½ cents per pound—$290 per ton; and skipjack, 13 cents per pound—$260 per ton. These are normal tuna prices under which an efficient fisherman can make a profit on the fish he can catch if he can sell it. They are all lower than the average prices of the past 10 years. See the report of the Secretary of Interior.

Aside from limiting such payments to American-flag vessels landing their catches in American ports and, using only American crews, and selling only through legally established fishery cooperatives, the bill further safeguards the public treasury by limiting the volume of production that can be subsidized, the maximum unit subsidization that can be employed, the total amount of money that can be expended over a five year period, and limits the entire program to a five year period.

The total volume of tuna upon which a subsidy can be paid in any 1 year is limited to 355 million pounds, which was the domestic production in 1956, or 60 percent of the apparent annual consumption of tuna in the United States which was the ratio of United States landings to the sum of consumption and exports in 1956. Both of these figures are taken from table 1 of the Tariff Commission report on tuna fish, alluded to above.

No stabilization payment shall be made on tuna in excess of 3 cents per pound. Accordingly the maximum amount that this program could cost per year is about $10 million. This is further specified in section 9 where the total sum to be spent on this program over the 5-year life of the program is specifically limited to $50 million.

It should be pointed out, however, that this maximum amount would not necessarily be spent in the 5 years and the likelihood is that expenditures would be much less than that. The price being received by albacore fishermen in San Diego at this time is 20 cents per pound or $400 per ton and the likelihood is that that price will last for the year. Accordingly under this bill no subsidization payment would be made this year on albacore. The prices being paid for yellowfin and skipjack in San Diego at auction are now running at about $275 and $235 per ton respectively and it is the height of the season. It is reasonably anticipated that those prices may rise to $300 per ton and $260 respectively this fall. Under the present conditions the subsidy payment would be only $25 per ton instead of the $60 per ton provided as a maximum in the bill, and under the hoped for conditions this fall it would drop to zero. It is further pointed out that the price of yellowfin and skipjack has stayed around $270 and $230 per ton for 3 years, with one notable dip last summer. Accordingly,

one could say with some degree of certainty that the cost of this bill would be closer to $5 million per year than the $10 million per year maximum that is provided in the bill.

The amount less than the maximum which the bill would cost, right down to zero, is clearly within the control of the Department of State of the United States Government. The price of tuna received by domestic fishermen in San Diego is regulated by the f. o. b. Tokyo prices established by the Japanese frozen tuna cartel for exports to the United States. The prices which the Japanese frozen tuna cartel charge are under the direct regulation of the Japanese Government. They cannot be changed except by authority of a committee of the Japanese Government upon which sit representatives of the foreign office, ministry of international trade and industry, and ministry of agriculture and forestry.

The reason why the prices of tuna have not strengthened in San Diego is because the Japanese frozen tuna cartel has limited the volume of tuna to be sent here this year and raised the check prices at which it can be exported. This has been done through the agreement, if not at the direction, of the Japanese Government for the purpose of helping in the defeat of tuna import legislation in this Congress.

The Department of State is quite competent to encourage the Japanese Government in keeping the price of tuna in San Diego at the tuna stabilization prices provided for in this bill so that this bill would neither cost the United States Government any money, or damage in any way the total volume or value of the Japanese tuna trade with the United States.

If the United States Government, either through the adoption of this bill, or another measure having the same effect, would keep the tuna prices at the level specified in this bill it would not be necessary to provide for any of the other crutches such as differential construction subsidies, grants in aid, help on insurance payments, and so forth, that are being talked about. A fisherman can build a boat, get credit, and pay his bills if he makes a profit on the fish he catches. If he does not make a profit he can do none of these things, and the provision of crutches of this sort are only a waste of the Government's money in keeping a fatally sick business alive.

In summary this bill would provide for a healthy, growing, and prosperous tuna fishing industry for a maximum cost of $10 million per year over a 5-year period, a more likely cost if $5 million per year over that period, and no cost at all if the Department of State would ask the Japanese Government to exercise moderation in its dumping of tuna fish into this market.

IN SUPPORT OF H. R. 308, TO REPEAL THE TAFT-HARTLEY ACT

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, the Taft-Hartley Act was enacted in 1947, over President Truman's veto. In the 11 years since then, it has become obvious that this law has failed to improve labor-management relations.

The historic Wagner Labor Relations Act was signed on July 5, 1935, by President Franklin D. Roosevelt. On April 12, 1937, the Supreme Court upheld the constitutionality of the Wagner Act. This law established the legal right of workers to organize into unions of their own choice without fear of coercion or intimidation. Collective bargaining was to be encouraged.

Then, in 1947, during the period of postwar economic readjustment, the pendulum swung the other way. Taft-Hartley was designed to lower the labor standards that were maintained even during the emergency of war. In its mood and in its approach to the problem, this legislation emasculated labor's bill of rights.

No one disputes the need for corrective legislation to maintain an even balance in the labor-management relationship, or to protect labor, management, and the public from such abuses that may develop.

We are currently witnessing a situation where, under the pretext of eliminating those abuses, a determined effort is being made to weaken the labor movement in the United States. There are those who would add to the punitive restrictions of the Taft-Hartley Act, despite the fact that this act is wrecking our hopes for harmonious labor-management relations.

A 1950 Senate subcommittee, after investigating Taft-Hartley's impact on labor-management relations in the southern textile industry, made this pertinent observation:

> In stopping a union organizing campaign, the employer will use some or all of the following methods: surveillance of organizers and union adherents; propaganda through rumors, letters, news stories, advertisements, speeches to the employees; denial of free speech and assembly to the union; organizing the whole community for antiunion activity; labor espionage; discharges of union sympathizers; violence and gun play; injunctions; the closing or moving of the mill; endless litigation before the NLRB and the courts, etc.
>
> After all these fail, the employer will try to stall in slow succession, first the election, then the certification of the union, and finally the negotiations of the contract. Few organizing campaigns survive this type of onslaught.

As the Taft-Hartley works out, it blocks new organizing efforts, while it steadily undermines the rights of labor in organized industries.

In effect, Taft-Hartley encourages employers to seek injunctions that frustrates legitimate union activity. As temporary restraining orders, injunctions can become operative with a judge's signature. Hearings as to the legality of the injunction are not scheduled until weeks later, and after the strike has been broken by this technique.

These delaying actions are also evident in the operations of the National Labor Relations Board. In its refusal to take cases that had previously been considered national in character, on the flimsy excuse that the companies involved did not measure up to an arbitrarily determined volume of business, it has denied to hundreds of thousands of workers the established processes of labor-management relations.

By reinterpreting section 8 (c) of Taft-Hartley, it has tipped the scales in favor of management, enabling it to intimidate and coerce the workers in their choice of a bargaining agent.

By willingly and perhaps intentionally stepping aside from such cases, it is diverting them to the States and to the death sentence implicit in section 14 (b) of Taft-Hartley, which grants to the States the authority to outlaw all forms of union activity. By voiding Federal authority and responsibility, the NLRB is covertly turning back labor-management relations to the States. Here, in gerry mandered legislatures, where the rural and conservative groups have power beyond their actual strength, employers are pushing through restrictive labor legislation under the cloak of misleading right-to-work laws. Even the Taft-Hartley did not dare challenge the principles of the Wagner Act that established as our national policy, the right of labor and management to work out their own agreements free from Government interference. Taft-Hartley pays lipservice to this policy, but the fine print contradicts it.

We in New England, where the textile industry was once centered, know from tragic experience, know what it means when those employers who are opposed to collective bargaining escape from it by moving to those States where the spirit and intent of industrial democracy is subverted by redtape, delaying actions, and coercion.

Now, most of our mills have gone, in a mass migration to avoid their responsibilities to the workers who served them so well.

The economic dislocations we endured, and the sufferings of the displaced textile workers, have convinced us that only a national labor relations act, without escape clauses, will promote harmonious labor-management cooperation.

Some of the reasons for New England's losses to the South are pointed out by the economist, Seymour Harris, in his Research Study—the Competitive Position of the New England Textile Industry, published in 1952:

> But New England's losses have not been the result merely of superior human and natural resources available to the South. In part, the gains may be ascribed to southern social policies which are well below national standards in various fields; examples are minimum-wage legislation, laws relating to trade unionism and attitudes towards trade unions, standards of workmen's compensation and unemployment insurance, and factory legislation. By encouraging standards below national levels, the South further

strengthens its competitive position in textiles. Perhaps we should add that, though it has been rising, the standard of living in the South is still substantially lower than in New England; and a lower standard of living tends to depress wage levels.

Of what use then, is the defective Taft-Hartley Act when it is rigged, not only to provide so many State loopholes that make a mockery of national labor legislation, but actually encourages, under the deceptively named "right to work" laws passed in the several States, the revival of the industrial strife which our economy cannot tolerate.

Because of the rise in the number of those who are unemployed, a few groups of employers think that the time is ripe to press for more restrictive labor legislation. On the divide-and-conquer strategy that plays upon human misfortune, they think they can play off the unemployed against the employed, or convince those now working that they may lose their jobs, and by these psychological pressures undermine the unity of organized labor. If they should succeed in "turning back the clock," they would take away the economic gains that organized labor has won, not only for its own members, but for all who depend upon wages for their livelihood.

In their veiled though stubborn opposition to collective bargaining, they fail to understand the serious social and economic losses threatening the national security, that would result if they had their way. A return to the pre-Wagner days, when labor was treated as a commodity, would be disastrous for all, including those employers whose memories are so short.

I can remember the long and bitter strikes in the days before the obstacles to collective bargaining were removed, thanks to the Wagner Act.

The Taft-Hartley Act looks backward to those days. The administration and interpretation of that law has provoked misunderstanding and hostility in the field of labor-management relations.

The National Labor Relations Board set forth its reactionary policy in a hearing that followed a strike at the Pipe Machinery Co., Cleveland, Ohio, in February 1957. It decided that the strikers forfeited their right to their jobs because the company offered to rehire them, under the guise of a back-to-work movement. The NLRB twisted the workers' refusal to give up their union into "failure to apply for reinstatement," and ruled that the strikebreakers were not temporary employees, but that they intended to become permanent employees of the company.

Such slanted interpretations did not go unchallenged. The conservative and highly respected Christian Science Monitor observed that: "A worker has a moral right to his job. When one party owns the job and the other must have the job to eat, the bargaining power is not identical or equal. The theory of the Taft-Hartley Act, like that of the Wagner Act which it amended, was to equalize bargaining power. Actually, it has done just the reverse."

From Business Week, a magazine that reflects the views of industry, comes this convincing indictment:

What was wrong was that the Taft-Hartley Act went too far. It crossed the narrow line separating a law which aims only to regulate from one which could destroy. By going that far, the law defeated itself.

It is plain that this law is now antiquated and, in fact, dangerous.

Patchwork amendments will not remedy it.

Some of the subtleties in it will remain to poison the climate of negotiation and hamper the progress of our economy.

It must be scrapped, and a new Labor-Management Relations Act, to revive and extend both the spirit and the pioneering procedures of the Wagner Act, should be enacted.

I ask for your approval of H. R. 308, which provides for outright repeal of the Taft-Hartley Act.

PROPOSED AMENDMENTS TO S. 3651, SMALL BUSINESS INVESTMENT ACT OF 1958

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, today I am inserting in the record for the information of Members several amendments I propose to offer on the floor to S. 3651, the Small Business Investment Act of 1958, when that measure comes up for consideration later this week.

The amendments I am proposing are as follows:

Strike lines 9 and 10, page 10, being the last 2 lines of section 301 (a).

Strike the words "Prior to July 1, 1961," and revise the remainder of line 21, page 23, being the first line of section 401 (a), to read as follows: "Any investment."

Strike lines 16 and 17, page 27, being subsection (6) of section 502.

The amendments I propose would strike language appearing in lines 9 and 10, page 10; strike and revise language appearing in line 21, page 23; and strike lines 16–17, page 27.

The effect of these amendments would be to eliminate the automatic expiration of certain features of the Small Business Investment Act of 1958 on June 30, 1961.

The purpose of my offering amendments to that end is to provide that the Small Business Investment Division of the Small Business Administration chartering shall continue until Congress decrees otherwise. We have just taken action of a similar nature regarding the Small Business Administration through the approval of H. R. 7963. There is no good reason for treating the Small Business Administration different from our treatment of its Small Business Investment Division.

When the automatic expiration date of June 30, 1961, was being inserted in S. 3651 in the Senate, the proposal was being made in the Senate and in the Banking and Currency Committee of the Senate to amend H. R. 7963 to provide for the life of the Small Business Administration only to and including June 30, 1961. However, since the Senate passed S. 3651 on June 9, 1958, it has taken final action on H. R. 7963. In taking the latter action it eliminated from H. R. 7963 the language regarding the Small Business Administration I now propose to be stricken from S. 3651 regarding the Small Business Investment Division of the Small Business Administration.

House Report No. 2060, as does Senate Report No. 1652, explains that the termination date of June 30, 1961, of the authority of the Small Business Administration to charter small-business investment companies was placed in the bill with the thought that within 3 years all States should be in a position to enact the necessary enabling legislation to provide for the chartering of small-business investment companies to operate under this program. Consequently, it was thought that the chartering function in the Small Business Administration would be unnecessary after June 30, 1961.

It is believed that since SBA has now been approved as a permanent agency, the chartering of small-business investment companies by SBA should not terminate June 30, 1961. We should not burden any State with the necessity of chartering small-business investment companies in order to insure the help we are trying to provide for small business. Perhaps in State A small-business men will form small-business investment companies before June 30, 1961, but will not get around to doing that in State B before July 1, 1961. Therefore, unless S. 3651 is amended as I propose, State B will of necessity be burdened with the function of chartering small-business investment companies or small business in that State will then be left without the financing facilities we are seeking to provide.

Of course, it is recognized that in about 20 States where State and local development corporations are now in existence, extra means are provided in S. 3651 for supplying small business with needed financing. Small business in those States without State and local development corporations are in a less fortunate situation. For that reason we should make certain that no provision in the bill will operate to restrict in the future small-business men from forming small-business investment companies in those States where State and local development corporations do not exist. For that and other reasons I have mentioned, the amendments I propose should be adopted.

I see no real reason for opposition to these proposed amendments. Therefore, it is hoped that they will be adopted when the bill is called up.

DISORDER IN THE GOVERNMENT BOND MARKET IS GROWING

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, there was another spectacular drop in the price of Government bonds yesterday. The 3½ percent bond, due in 1990, dropped by $1.75 on the $100. The 4¼ percent bond of 1978–83 and the 4¼ percent of 1985, each dropped by $1.50 on the $100 and closed at their lowest point for the year.

CYCLES OF SUDDEN DROPS AND SLOW RISES

The morning papers blame these terrific price breaks on the bad news from Iraq. This news may well have triggered the decline. But to understand why the price decline went to such extremes we have to consider the remarkable nature of the market for Government bonds. This market is one of almost complete disorder. It is a market where many small, amateur speculators are gambling on very small margins. And it is a market in which there are a few professional dealers with tremendous holdings who can take advantage of the thin-margin position of the amateur speculators to influence prices and pick up bargains. Last Wednesday, I called attention to the increasing disorder in this market. On the previous day, there had been a similar debacle when the price of the 3¼ percent, 27-year bond, dropped by $1 on the $100.

On Wednesday morning, I sent a telegram to Chairman Martin of the Federal Reserve Board, asking if the Board could not do something to bring order out of chaos in this market. The next day Chairman Martin wrote me that he was leaving for Denver but would discuss this matter with members of the Board on his return to Washington this week. In the meantime, the conditions in this market seem to have been getting worse, not better. On last Wednesday, bond prices showed a considerable recovery after the Tuesday drop, and there had been a general trend toward recovery up until yesterday, when prices dropped again, this time even more severely than before. It is to be strongly hoped that the Board of Governors can find some appropriate action to take to improve the trading in Government bonds.

5-PERCENT MARGINS ATTRACT SPECULATORS

The principal invitation to disorder in the Government bond is the extremely small margins on which trading is permitted. This is probably the smallest margin allowed in any securities or commodity market in the country. In the stock market, the present Federal Reserve regulation requires at least 50 percent margin, and this, incidentally, is extremely low. The margin in this market was reduced from 70 percent to 50 percent as part of the Reserve System's recent program of easing credit.

In contrast, trading in Government bonds is done in many instances on margins as low as 5 percent. There is no regulation at all, and trading could be done on 1 percent, if the trader could find a broker or financial institution willing to carry him on a 1 percent margin. This encourages outright speculators and gamblers to take flyers in the Government bond market, in which case the speculators are gambling on quick and substantial changes in the prices of these bonds.

TREASURY GIVEAWAYS ATTRACT SPECULATORS

Another thing which has attracted speculators to this market, and attracted numbers of amateur speculators, is that the Treasury has for several years engaged in a long series of giveaways. The Treasury has been issuing bonds at interest rates which were above current market rates, with the result that the prices of these bonds have risen in the market almost immediately after they were issued. Bond buyers who got in early have, for the most part, been able to make a quick profit. Furthermore, by buying on a margin of only 5 percent, speculators have been able to make quick profits amounting to 50 percent or more on their investments.

These Treasury giveaways have attracted some attention. Furthermore, the financial columnists have written words of advice to amateur investors, encouraging them to take advantage of the quick profits which could be made in this market. And recently, the Treasury's activities have been especially strange. The odd circumstances under which it issued huge amounts of new intermediate-term and long-term bonds at the beginning of last month led amateur speculators to believe that these bonds were being issued at especially nice giveaway prices, that were practically certain to offer quick profits.

TREASURY SEEKS THE HIGH-INTEREST MARKET

In the first place, the Treasury's decision to issue any large amounts of long-term securities—at the time it did—was most remarkable. Yet the Treasury not only issued some $7.4 billion of a new 2⅝-percent 6¾-year bond, at the beginning of June, it issued at the same time some $1.1 billion of a new 3¼-percent bond of a 27-year maturity.

At the time this decision was reached the Federal Reserve System had brought about a terrific reduction in the interest rates on short-term securities, but almost no reduction in the high rates of the tight-money period on longer term bonds. In other words, the Treasury announced its decision to shift from short-term financing to long-term financing at the very time when rates on short-term issues had been brought down to the lowest levels of several years, and when rates on long-term issues were still fantastically high.

For example, the Federal Reserve had brought the interest rate down on 91-day Treasury bills from 3.38 percent in the week ended November 16, to 1.02 percent in the week ended May 15, before the Treasury's new financing was announced on May 29. Subsequently, by the week ended June 14, this rate was down below 1 percent—to be exact, to 0.83 percent. This meant a drop of 70 percent in the rate on Treasury bills between November 16 and May 15, and the drop of another 5 percent to June 14.

In contrast, the rate on long-term Treasury bonds had been brought down hardly at all. Bonds having a maturity of more than 10 years were going at a rate of 3.62 percent in the week of November 16, and were still up to 3.15 percent in the week of May 15, and still at 3.15 percent in the week of June 16. In other words, the reduction in the rate on these bonds between the peak of the tight-money period and the peak of what was supposed to be the loose-money period, represented a decline of only 13 percent.

FEDERAL RESERVE HAS BROUGHT SHORT-TERM RATES DOWN, LEFT LONG-TERM RATES UP

The reason for this different treatment of short-term and long-term securities is that the Federal Open Market Committee has adopted a rule which ties its hands with reference to long-term securities. The Open Market Committee buys Government securities from time to time, when it wishes to ease credit, but it has had a so-called bills only policy for several years now by which it has resolved to buy only short-term securities and no long-term securities. One of the unfortunate results of this policy, incidentally, is that the Federal Reserve has arbitrarily locked up its method for getting private bank rates down. Despite the action taken to ease credit over the past 6 or 7 months, which has meant mostly that the Federal Reserve has handed over billions of dollars of additional reserves to the private banks, there has been little or no reduction in the rates which the banks charge on loans made from this increased supply of credit. Consequently, the increased supply of credit, which has been brought about without substantial reduction in the price to borrowers, has had little effect in stimulating business borrowing which was supposed to relieve the business recession. The prime rate on business loans has for some months now remained fixed at 3½ percent, which is only ½ percent below the rate that was being charged in mid-summer of last year, when the Federal Reserve was doing its utmost to choke off the demand for business borrowing. Furthermore, a number of small-business associations, as well as many individual small-business people, have written me that the banks have made no reduction whatever in the rates they charge small companies. Those who were fortunate enough to get bank loans at 6 percent, are still paying 6 percent. I do not wish to argue that the Federal Reserve's methods of easing credit have been calculated to keep bank rates high. On the other hand, its experiences by now should have driven home the point that the rate which the commercial banks charge is not lowered by increasing the supply of money which these banks have to lend. Rather, commercial bank rates come down when rates in the bond market come down, so that the corporations have reason to shift their demands for credit over to that market.

Yet it was under these unusual conditions prevailing in the market—when short-term rates had been brought down and long-term rates were still near their tight-money highs—that the Treasury decided to shift a larger proportion of the Federal debt over to long-term financing. It paid off at this time large amounts of maturing notes and large

amounts of short-term bonds, issuing 6¾-year bonds and the 27-year bonds, plus about $1.8 billion in 1-year certificates.

TREASURY EXCHANGED HIGH-INTEREST BONDS FOR LOW-INTEREST BONDS

Another strange thing about the Treasury's June financing which served to confuse, at least the amateur speculators, is that it called prematurely several billion dollars of bonds bearing relatively low interest rates, and immediately announced the 2⅝-percent and the 3¼-percent bonds. Actually, the Treasury called $3.8 million of a 2¼-percent bond which was not due until September 15, 1959, and it called almost $1 billion of a 2⅜-percent bond which was not due until March 15, 1959, giving the holders notice that they could exchange these for any other obligation of the United States. Naturally, there was a very large subscription for the 2⅝-percent bonds—although the Treasury expressed surprise.

The 3¼ percent was also issued at a bargain rate, for cash, and likewise prompted a terrific subscription—so much so that the Treasury had to allocate the supply of these among the would-be buyers. Commercial banks were allocated only 40 percent of the amount they offered to buy, subscriptions from savings type of investors, such as insurance companies and mutual savings banks, were allocated 60 percent, while other subscribers received an allocation of 25 percent.

The result of all this was that a great many speculators went into the market, on thin margins. And, since the middle of June, the big operators have been shaking out these amateurs, letting prices make several sudden and large falls which have put the thin-margin boys into forced liquidation. On each of these days when spectacular price declines occurred, trading was reported as light. This was the report last Tuesday, and this was the report again yesterday. The big dealers simply sat on their hands and watched prices fall, bringing about more forced liquidations and even lower prices.

TREASURY NOW BUYING BACK ITS BONDS

These developments have driven the Treasury to some most unusual steps. For the first time last Thursday, the news came out that the Treasury itself has been going into the market and buying back large amounts of both its 2⅝ percent and 3¼ percent bonds in order to support the market. The Federal Reserve's Open Market Committee has sat on its hands and refused to buy, and at the same time the Federal Reserve has neglected to take any kind of action to stop the disorderly processes in the market. The Treasury apparently was forced to take this action, although the Treasury is not prepared and equipped to take this kind of action. This is the kind of action which the Federal Reserve's Open Market Committee should take.

I believe that the Members can find an accurate description of what has been going on in the Government bond market from an account which appeared in the Wall Street Journal of last Thursday, July 10. The pertinent excerpts from this account are as follows:

TREASURY BUYS BACK $589.5 MILLION OF 2⅝ PERCENT BOND ISSUE SOLD LAST MONTH—AIM IS TO EASE DISTURBING EFFECT OF HEAVY SALES BY SPECULATORS

WASHINGTON.—The Treasury announced it had found it necessary to buy back $589.5 million of the 2⅝ percent 6-year 8-month bonds it issued just last month. The aim was to ease what the Treasury called the disturbing effect on the bond market of heavy sales of the issue by speculators.

And there was no indication in the Treasury's announcement that the Department is through buying back the issue. Officials noted that the bond market rallied somewhat yesterday, but indicated they thought this might only be a temporary rally. Though they did not say so, the comments of officials made it obvious that the Department stands ready to make more purchases if it finds it necessary. Just how much more buying might be done, however, the Department would not disclose.

* * * * *

The Treasury announcement said purchases were made between June 19 and yesterday. Of the amount bought, $456 million of the bonds were retired and $133.5 million were made for the account of Government investment funds. In addition, the Treasury said it bought $4.8 million of the 3¼ percent, 27-year bond issued June 3 to raise more than $1 billion in new cash.

The actual purchases of the 2⅝'s and 3¼'s were made by the New York Federal Reserve Bank in its capacity as fiscal agent for the Treasury.

When the 2⅝-percent bond was offered as part of an exchange, holders of maturing issues elected to take more than $7.3 billion of the issue—an amount "in excess of anticipated exchanges at the time of the offering," the Department said.

While the Treasury did not say so, it was obvious officials believed that their troubles stemmed from speculators who hopped on the issue, then ran for cover when its price began to drop. The Treasury, in explanation of its purchases, said: "The weight of an issue of this size, which was primarily adapted to commercial bank investors, together with large acquisitions by temporary holders, exercised a disturbing effect on the price structure in the market for outstanding public debt issues."

Under these circumstances and inasmuch as the Treasury's cash balances from the June 15 income tax collections amounted to nearly $10 billion, Treasury Secretary Anderson approved the purchase of the 2⅝-percent bond for retirement "so as to reduce it to an amount which can be more readily absorbed by the market," the Department said.

Officials denied they were trying to stabilize the whole bond market, and said that the pattern of buying clearly indicated what they were trying to do—get the burden of the 2⅝-percent bonds off the market.

Department officials said that since so few holders of the securities maturing June 15 decided to turn them in for cash rather than take new issues, the money used in the purchase operations won't affect the Treasury's plans to raise some $3 billion in new cash sometime in August.

Holders of about $360 million of securities maturing June 15 elected to turn them in for cash rather than for new issues—a rate of attrition officials at that time termed low.

Officials said Treasury purchases of its own issues is not unusual, but that such buying is customarily made for Government investment accounts, rather than for retirement of the issues. The implication was that purchases such as the ones made during the June 16 to July 9 period to retire a specific issue were on the unusual side.

* * * * *

The Federal Reserve Board has not made it a policy to support the price of Government securities since a famed accord of 1951 with the Treasury. Shortly after that was negotiated, the FRB dropped its price-propping operations, which had pegged 2½-percent bonds at par.

However, the Board does stand ready to correct what it terms "disorderly conditions" in the bond market. But the determination of what are disorderly conditions lies with the Board and is not prescribed by law.

As a practical matter, the Board confines its purchases of Government securities to short-term issues, usually Treasury bills, and does not, in its open market operations to supply reserves to member banks, purchase securities in the intermediate or long-term area.

One official said that the FRB has no control on margins on bonds—the amount of cash a purchaser puts up—nor does it have any direct control on dealers. There is no law, he said, saying that a specific agency is responsible for the policing of the operation of the bond market.

SELECT COMMITTEE ON OUTER SPACE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the conferees of the Select Committee on Outer Space may have until midnight tonight to file a conference report on the bill H. R. 12575.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. FRIEDEL (at the request of Mr. FALLON), for Tuesday and Wednesday, July 15 and 16, 1958, on account of official business.

Mr. GORDON (at the request of Mr. YATES), for the balance of the session, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mrs. ROGERS of Massachusetts, for 10 minutes, today.

Mr. POWELL, for 60 minutes, on July 22.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. SIKES and to include extraneous matter.

Mr. DONOHUE in five instances and to include extraneous matter.

Mr. BURDICK (at the request of Mr. ROBSION of Kentucky) and to include extraneous matter.

Mr. McCARTHY.

Mr. MILLER of Nebraska and to include a report.

Mr. SHEEHAN and to include extraneous matter.

Mr. MOORE (at the request of Mr. TEAGUE of California) and to include extraneous matter.

Mr. DIXON (at the request of Mr. TEAGUE of California) in two instances and to include extraneous matter.

Mr. KEATING.

Mr. CELLER (at the request of Mr. MCCORMACK) in two instances and to include extraneous matter.

Mr. DAWSON of Illinois (at the request of Mr. MCCORMACK) and to include extraneous matter.

Mr. RUTHERFORD (at the request of Mr. LIBONATI).

Mr. DIES (at the request of Mr. KILGORE).

Mrs. GREEN of Oregon.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 3880. An act to create a Civil Aeronautics Board and a Federal Aviation Agency, to provide for the regulation and promotion of civil aviation in such a manner as to best foster its development and safety, and to provide for the safe and efficient use of the airspace by both civil and military aircraft; to the Committee on Interstate and Foreign Commerce.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 7863. An act to amend the District of Columbia Alcoholic Beverage Control Act; and

H. R. 10069. An act to amend the act of August 5, 1953, creating the Corregidor Bataan Memorial Commission.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 105. An act to exempt from taxation certain property of the National Association of Colored Women's Clubs, Inc., in the District of Columbia;

S. 2419. An act to amend the District of Columbia Unemployment Compensation Act, and for other purposes; and

S. 3735. An act to amend the charter of the National Union Insurance Company of Washington.

ADJOURNMENT

Mr. LIBONATI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 1 minute p. m.) the House adjourned until Wednesday, July 16, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2129. A letter from the Comptroller General of the United States, transmitting a report on the review of activities in the Pacific Northwest (region 6), Forest Service, Department of Agriculture, June 1957, pursuant to the Budget and Accounting Act, 1921 (31 U. S. C. 53), and the Accounting and Auditing Act of 1950 (31 U. S. C. 67); to the Committee on Government Operations.

2130. A letter from the Acting Secretary, Smithsonian Institution, transmitting a report on tort claims paid by the Smithsonian Institution during the fiscal year 1958, pursuant to section 404 of the Federal Tort Claims Act (28 U. S. C. 2673); to the Committee on the Judiciary.

2131. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation entitled "A bill to authorize Federal assistance to Guam, American Samoa, and the Trust Territory of the Pacific Islands in major disasters"; to the Committee on Public Works.

2132. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, relative to the case of Sister Teresa Lim Yi Hung, A–10075302, involving suspension of deportation under the provisions of section 244 (a) (1) of the Immigration and Nationality Act of 1952, and requesting that it be withdrawn from those before the Congress and returned to the jurisdiction of this Service; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MORGAN: Committee on Foreign Affairs. S. 3437. An act authorizing the Department of Highways of the State of Minnesota to construct, maintain, and operate a free highway bridge between International Falls, Minn., and Fort Frances, Ontario, Canada; without amendment (Rept. No. 2155). Referred to the House Calendar.

Mr. KILDAY: Committee on Armed Services. H. R. 9673. A bill to amend title 10, United States Code, to provide the conditions under which retired pay may be paid in the case of retired officers dropped from the rolls, and for other purposes; with amendment (Rept. No. 2156). Referred to the Committee of the Whole House on the State of the Union.

Mr. BARDEN: Committee on Education and Labor. H. R. 13247. A bill to strengthen the national defense and to encourage and assist in the expansion and improvement of educational programs to meet critical national needs, and for other purposes; without amendment (Rept. No. 2157). Referred to the Committee of the Whole House on the State of the Union.

Mr. LANE: Committee on the Judiciary. H. R. 4804. A bill for the relief of the Newington School District, New Hampshire; with amendment (Rept. No. 2159). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. S. 1939. An act to amend the Federal Seed Act of August 9, 1939 (53 Stat. 1275), as amended; without amendment (Rept. No. 2160). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H. R. 10277. A bill to reduce from 15 to 13 inches the minimum width of paper in rolls which may be imported into the United States free of duty as standard newsprint paper; without amendment (Rept. No. 2161). Referred to the Committee of the Whole House on the State of the Union.

Mr. WALTER: Committee on the Judiciary. H. R. 13378. A bill to facilitate the naturalization of adopted children and spouses of certain United States citizens performing religious duties abroad; without amendment (Rept. No. 2162). Referred to the House Calendar.

Mrs. GREEN of Oregon: Joint Committee on the Disposition of Executive Papers. House Report No. 2163. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. BROOKS of Louisiana: Committee on Armed Services. H. R. 9721. A bill to amend section 1482 of title 10 of the United States Code to provide for the payment of transportation expenses of certain survivors of deceased servicemen to attend group burials in national cemeteries; without amendment (Rept. No. 2164). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS of Louisiana: Committee on Armed Services. H. R. 13374. A bill to provide for the retention of deferment or exemption upon change of membership in a reserve component, Army National Guard or Air National Guard; without amendment (Rept. No. 2165). Referred to the Committee of the Whole House on the State of the Union.

Mr. McCORMACK: Committee of conference. H. R. 12575. A bill to provide for research into problems of flight within and outside the earth's atmosphere, and for other purposes (Rept. No. 2166). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HÉBERT: Committee on Armed Services. H. R. 13366. A bill to provide for the advancement of Maj. Gen. Claire L. Chennault, United States Air Force, retired, to the grade of lieutenant general on the retired list; with amendment (Rept. No. 2158). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DIXON:

H. R. 13402. A bill to provide for the erection of a Federal building in Ogden, Utah; to the Committee on Public Works.

By Mr. EVERETT:

H. R. 13403. A bill to amend the Fair Labor Standards Act of 1938, as amended, to exempt home workers in rural areas from the minimum wage and maximum hours provisions of that act in certain cases; to the Committee on Education and Labor.

By Mr. LESINSKI:

H. R. 13404. A bill to amend section 404 (c) (1) of the Postal Field Service Compensation Act of 1955 to grant longevity credit for service performed in the Panama Canal Zone postal service; to the Committee on Post Office and Civil Service.

By Mr. McINTYRE:

H. R. 13405. A bill to amend the Internal Revenue Code of 1954 to provide an income tax deduction for certain expenses of attending colleges and universities; to the Committee on Ways and Means.

By Mr. McMILLAN (by request):

H. R. 13406. A bill to amend the District of Columbia Redevelopment Act of 1945, as amended; to the Committee on the District of Columbia.

By Mr. MACDONALD:

H. R. 13407. A bill to expedite the utilization of television facilities in our public schools and colleges, and in adult training

programs; to the Committee on Interstate and Foreign Commerce.

By Mr. SMITH of Virginia:

H. R. 13408. A bill to amend section 3401 of title 18, United States Code; to the Committee on the Judiciary.

By Mr. TELLER:

H. R. 13409. A bill to provide that the alien children and spouses of aliens lawfully admitted to the United States for permanent residence shall be nonquota immigrants; to the Committee on the Judiciary.

By Mr. WILSON of California:

H. R. 13410. A bill to stabilize the tuna fishing industry; to the Committee on Merchant Marine and Fisheries.

H. R. 13411. A bill to regulate the importation of tuna; to the Committee on Ways and Means.

By Mr. RUTHERFORD:

H. R. 13412. A bill to provide for the acquisition of sites and the construction of buildings for a training school and other facilities for the Immigration and Naturalization Service, and for other purposes; to the Committee on Public Works.

By Mr. CRETELLA:

H. R. 13413. A bill to amend title II of the Social Security Act to provide a 10 percent increase in all monthly insurance benefits payable thereunder; to the Committee on Ways and Means.

By Mr. TOLLEFSON (by request):

H. R. 13414. A bill to authorize a per capita payment to enrolled members of the Confederated Tribes and Bands of the Yakima Indian Nation; to the Committee on Interior and Insular Affairs.

By Mr. BUCKLEY:

H. J. Res. 654. Joint resolution requiring the Secretary of Commerce to submit certain recommendations for legislation to equitably reimburse States for certain highways on the National System of Interstate and Defense Highways; to the Committee on Public Works.

By Mr. ASPINALL:

H. Con. Res. 350. Concurrent resolution accepting the statue of Dr. Florence Rena Sabin, presented by the State of Colorado, to be placed in Statuary Hall; to the Committee on House Administration.

H. Con. Res. 351. Concurrent resolution to place temporarily in the rotunda of the Capitol a statue of Dr. Florence Rena Sabin, and to hold ceremonies on said occasion; to the Committee on House Administration.

H. Con. Res. 352. Concurrent resolution to print the proceedings in connection with the acceptance of the statue of Dr. Florence Rena Sabin; to the Committee on House Administration.

By Mr. CHENOWETH:

H. Con. Res. 353. Concurrent resolution accepting the statue of Dr. Florence Rena Sabin, presented by the State of Colorado, to be placed in Statuary Hall; to the Committee on House Administration.

H. Con. Res. 354. Concurrent resolution to place temporarily in the rotunda of the Capitol a statue of Dr. Florence Rena Sabin, and to hold ceremonies on said occasion; to the Committee on House Administration.

H. Con. Res. 355. Concurrent resolution to print the proceedings in connection with the acceptance of the statue of Dr. Florence Rena Sabin; to the Committee on House Administration.

By Mr. HILL:

H. Con. Res. 356. Concurrent resolution accepting the statue of Dr. Florence Rena Sabin, presented by the State of Colorado, to be placed in Statuary Hall; to the Committee on House Administration.

H. Con. Res. 357. Concurrent resolution to place temporarily in the rotunda of the Capitol a statue of Dr. Florence Rena Sabin, and to hold ceremonies on said occasion; to the Committee on House Administration.

H. Con. Res. 358. Concurrent resolution to print the proceedings in connection with the acceptance of the statue of Dr. Florence Rena Sabin; to the Committee on House Administration.

By Mr. ROGERS of Colorado:

H. Con. Res. 359. Concurrent resolution accepting the statue of Dr. Florence Rena Sabin, presented by the State of Colorado, to be placed in Statuary Hall; to the Committee on House Administration.

H. Con. Res. 360. Concurrent resolution to place temporarily in the rotunda of the Capitol a statue of Dr. Florence Rena Sabin, and to hold ceremonies on said occasion; to the Committee on House Administration.

H. Con. Res. 361. Concurrent resolution to print the proceedings in connection with the acceptance of the statue of Dr. Florence Rena Sabin; to the Committee on House Administration.

By Mr. FEIGHAN:

H. Con. Res. 362. Concurrent resolution that it is the sense of Congress that Ambassador Menshikov has violated the prescribed norms of diplomatic conduct by engaging in a long series of deliberate acts of propaganda calculated to cause dissension and political disunity on the American scene and to cast false doubts upon the peaceful intentions of the Government of the United States, and therefore should be forthwith declared persona non grata by President Eisenhower; to the Committee on Foreign Affairs.

H. Res. 631. Resolution that it is the sense of Congress that Ambassador Menshikov has violated the prescribed norms of diplomatic conduct by engaging in a long series of deliberate acts of propaganda calculated to cause dissension and political disunity on the American scene and to cast false doubts upon the peaceful intentions of the Government of the United States, and therefore should be forthwith declared persona non grata by President Eisenhower; to the Committee on Foreign Affairs.

By Mr. BUCKLEY:

H. Res. 632. Resolution to provide funds for the Committee on Public Works; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. MORANO:

H. R. 13415. A bill for the relief of Arthur Carlos Do Carvalho; to the Committee on the Judiciary.

H. R. 13416. A bill for the relief of Quirino Crecco; to the Committee on the Judiciary.

By Mr. ROONEY:

H. R. 13417. A bill for the relief of Mark Kohn; to the Committee on the Judiciary.

By Mr. THOMAS:

H. R. 13418. A bill for the relief of Baici Pompeo (also known as John Base); to the Committee on the Judiciary.

By Mr. WALTER:

H. R. 13419. A bill for the relief of Ilda Mato Martinez; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

708. By the Speaker: Petition of Lawrence David Horton, Cincinnati, Ohio, relative to a redress of grievance relating to his recent detainment in Rollmans Receiving Hospital in Cincinnati; to the Committee on the Judiciary.

709. Also, petition of Alexander Meiklejohn, Berkeley, Calif., relative to E. R. Stabler and others endorsing the petition of Alexander Meiklejohn, relating to a redress of grievance pertaining to the House Committee on Un-American Activities; to the Committee on Rules.

EXTENSIONS OF REMARKS

The Mideast Situation Belongs in the United Nations

EXTENSION OF REMARKS

OF

HON. HAROLD D. DONOHUE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1958

Mr. DONOHUE. Mr. Speaker, it may or may not be an unfortunate matter that the President's best wisdom has ordered our troops into Lebanon, but it is useless to argue about that now. Our clear patriotic course now is to go along with the President in a demonstration of unity, while permanent solution of the problem is sought within the United Nations. We can thus, at least, try to prevent any additional triumphs of Soviet propaganda.

We may be certain that the Russians will make the most of our entrance into Lebanon and try to convince the rest of the world that it is an imperialist gesture toward war and not, as it is truly meant to be, an attempt to promote peace.

In my opinion, it is most essential that we make every effort to counteract the Russian propaganda, and it would appear that the best way to do so is to pursue a solution through the United Nations. It is vitally important that we show the world that we will not reject even the germ of an idea or a proposal that could help the cause of peace. It is also vitally important in this propaganda battle, I think, not to abruptly reject any Soviet suggestion for solution, even though we feel that their motives are false and hypocritical.

We have been on the losing end of too many propaganda battles with the Russians in the past, and it is imperative that the prestige of the United States be salvaged in this complex Lebanon and Mideast situation. The forum in which that can be accomplished is the United Nations, and I most earnestly hope that the President will insist that any negotiations be conducted within that international organization, originated for the purpose.

Meanwhile, let us pray divine guidance for the President in this historical hour while we remain united behind him.

Our Metals Eggs in Foreign Baskets

EXTENSION OF REMARKS
OF
HON. HENRY ALDOUS DIXON
OF UTAH
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 15, 1958

Mr. DIXON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following testimony I gave this morning before the House Subcommittee on Mines and Mining on the subject of the administration's long-range minerals policy. Each domestic mine that shuts down places another of our metals eggs in a foreign basket. These critical times require that the Congress act immediately to rescue our domestic mining industry from ruin. The text of my statement follows:

TESTIMONY OF REPRESENTATIVE H. A. DIXON BEFORE HOUSE INTERIOR SUBCOMMITTEE ON MINES AND MINING ON THE SUBJECT OF THE LONG-RANGE MINERALS PROGRAM, THURSDAY, JULY 17, 1958

I would like to express my acute concern not only over the critical Middle East situation but also over the pitiful deterioration of our metal mines upon which we will depend in the event of war.

In my State, Utah, in recent years our producing lead-zinc mines have dropped from 21 to 9 or less. Our employed miners have been reduced in those short years from more than 3,000 to a little more than 1,400. Our big smelter at Midvale has shut down.

I am here in support of the so-called Seaton plan which will be implemented by my own bill H. R. 13266 and similar ones, some of which are sponsored by members of this committee.

These bills in essence provide a plan that will help to stabilize the price of lead and zinc to a maximum of 4 cents above the market prices with additional slight bonus payments to each mine for the first 500 tons produced. This should stabilize the price of common lead at 15½ cents per pound and prime western zinc at 13½ cents. Total tonnages of these ores for the 5 years duration of the program are to be 350,000 tons and 550,000 tons, respectively.

Acid grade fluorspar will be stabilized at $53 per short ton with a maximum subsidy payment of $13 per ton and a total 5-year tonnage involved of 180,000 tons. Tungsten trioxide will be stabilized at $36 per short ton unit with a maximum subsidy price of $18 per short ton and a total 5-year tonnage of 375,000 short tons.

Additionally these bills would establish a short-term stockpiling program for domestic copper which will aid that sagging industry by the Government purchase in 1 year of 150,000 tons of domestic ore at 27½ cents per pound.

This bill does not provide enough relief but it is a great help because these mine closures weaken our economy as well as our defense.

It will be a full year this coming August 1 since I appeared before another committee of this House (Ways and Means) imploring that an import excise tax be imposed on foreign-produced lead and zinc sufficient to establish peril points needed by our domestic industry, 17 cents per pound for lead and 14½ cents per pound for zinc.

At that time I stressed five points which were:

1. Action should not be delayed until the next session of Congress because our mines were closing so rapidly that immediate action was necessary;

2. The shutdown of our domestic lead-zinc mines has threatened national security and resulted in tax losses, economic shock, and unemployment to hundreds of fine mining families;

3. Domestic mines couldn't compete with foreign producers unless cost differentials are recognized and compensating measures provided;

4. The Government has a responsibility to protect our strategic mining industry;

5. The administration's program is a step in the right direction.

The passage of a year's time has not dimmed the essential validity and urgency of these points and they seem to me today to be truisms that hardly require the elaboration provided a year ago.

My support of this bill does not indicate an uneconomic urge to retain in production "marginal" mines, so-called. Anyone that knows anything about mining knows that these type mines have been closed for a long time. The alarming thing about the current situation is that the price has been driven so low that many of our historic metals-producing mines have been forced to cease operations.

No doubt stimulative prices during the war brought into production some mines that could not reasonably hope to remain operative and had not been operative, in the normal give and take of a free economy. As stated, these have long since gone by the boards and it is the goal of those of us interested in the present program to keep operative, at least on a minimal program, these historic sources of metals supply that are now threatened. I think we all understand that, if passed, this program does not constitute a bounteous feast for the price-starved metals producers. It is a minimal program and nothing more.

Domestic metals producers, particularly lead-zinc, have tried every avenue available to them to get relief and in each instance they have acted in good faith. They tried to get special excise-tax legislation passed but abandoned that when they were urged to seek relief under the escape clause. They waited for months while the Tariff Commission investigated their plight. Finally the Commission unanimously agreed that the lead-zinc industry was being damaged by the excessive imports but the 3 Democrats urged one policy on the President and the 3 Republicans urged another.

Then Mr. Secretary Seaton produced the administration's own proposals and the President announced that he would withhold action on escape-clause implementation of Tariff Commission recommendations until the Congress had acted upon the long-range minerals stabilization plan. Hence, we in Congress now have the ball and I hope we are not going to go home next month until we have run with it.

In the meantime, the domestic producers continue to suffer, continue to lay off, continue to shut down.

Last year, because we didn't act, the old Chief Consolidated mine in my district at Eureka, Utah, which had been producing lead-zinc ore since 1909, ceased to operate. This wasn't in any sense a marginal mine. It was a historic mine and one which should in our own interests still be operative.

There is another great old mine in Utah at Park City, the United Park City Mines Co., which has been operative since 1868 and lost $73,105 even with skeletal operation during the first quarter of this year. In 1957 United Park lost $80,582 before depletion and the year before they lost $118,045 before depletion. They have cut their development program almost to the bone in order to reduce losses and they still cannot break even under the stress of cheap foreign ore flooding our market.

When a mine ceases development and exploration work, producing only from its known reserves, it is in effect "eating its seed corn." In mining lingo the phrase is "gutting the mine."

These domestic producers should not be allowed to go under. Whenever I feel that I need justification for my feeling I think back 5 or 6 years ago to the time when we desperately needed domestic copper, tungsten, lead, and zinc to fight the Korean war, when our domestic production did not fill the demand. We tacked price ceilings on our own industries and they still produced at capacity. In the meantime our foreign friends repaid our generous market sharing with them of previous years, by highjacking the price for their ore far above that which we would allow our own mines to charge—and we had to pay them.

They did then willingly gouge us in a time of grave international peril.

These same foreign producers who gouged us when we needed them, now have engineered the domestic price of lead, zinc, copper, tungsten, and other metals so low that our own domestic and historic sources of supply cannot compete with them.

It is to our own interest to insure their continued operation.

The events of this week in the Middle East underscore that need and interest.

I said more than a year ago in a speech on the floor of the House that it just makes good commonsense for us not to put all our metal eggs in foreign baskets.

A Personal Statement

EXTENSION OF REMARKS
OF
HON. MARTIN DIES
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 15, 1958

Mr. DIES. Mr. Speaker, I regret very much that circumstances beyond my control have prevented me from being in Washington most of this session. I feel that my colleagues and constituents are entitled to an explanation because every Member has the duty to attend the sessions of Congress unless prevented by unavoidable circumstances.

As is well known, my son, Martin Dies, Jr., was critically injured in an automobile collision on February 28. Mrs. Dies and I flew to Galveston on March 1 to be by his bedside in John Sealy Hospital. My son suffered a broken neck and a fractured knee. He was compelled to lie flat on his back for 12 weeks with his head and leg in traction. Because of this position, he developed serious complications. He was on the critical list as long as he was in traction and unable to move.

By the grace of God he survived these complications. His broken bones reunited and fused perfectly and he returned to Lufkin 3 weeks ago. He is now well on the road to complete recovery and the doctors have assured us of his full recovery.

During this entire period, his wife, Mrs. Dies, and I spent most of our time in his room doing all within our power to give him moral support and aid.

Because of this long and terrific strain and anxiety, Mrs. Dies and I have not been well since we returned to Lufkin. I developed a low grade infection

and have been under the care and treatment of my doctor, who has advised me not to return to Washington until Mrs. Dies and I are in better condition.

The House of Representatives gave me a leave of absence indefinitely, but I feel that the facts should be incorporated in the CONGRESSIONAL RECORD so that my colleagues and constituents may know that I have not abused this leave of absence.

The Desperate Need for Federal Aid to Education

EXTENSION OF REMARKS
OF
HON. HAROLD D. DONOHUE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 15, 1958

Mr. DONOHUE. Mr. Speaker, unquestionably one of the most challenging legislative subjects that has faced this Congress, and several preceding ones, is finding ways and means through which the Federal Government can reasonably and sensibly extend desperately needed assistance to the several States to advance their educational standards and provide adequate educational facilities.

It is true that many Members of Congress have entertained deep and sincere convictions in opposition to most of the educational aid proposals that have been suggested. It is equally true that the administration itself has not demonstrated any great enthusiasm or exercised energetic leadership in the matter.

All of this in spite of the almost unanimous declaration of educational authorities that the plight of our educational system nationally amounts in substance to a national emergency.

However, the dramatic Soviet demonstration of scientific achievement has inspired, I think, a more responsive mind and attitude to this problem, both in the Members of this body and the general public. It would seem that the time has come for us to resolve our differences on such a vitally important national necessity and fulfill our legislative responsibility.

In my opinion, an excellent opportunity to do so is presented to us in the form of the measure I understand is being today reported out of the House Education and Labor Committee, H. R. 13247.

In summary, this bill is designed to provide Federal scholarships and also student loan funds to enable superior students without finances to attend college. Its emphasis is placed upon the teaching and study of science, mathematics, and foreign languages. It would improve testing and counseling in secondary and elementary schools and it would help train more college teachers.

No matter on what other phases of the problem we may have some differences, I believe that there is no single Member of the Congress who would question the foundation importance of education to a progressive future for this great Nation.

I most earnestly hope that both the Congress and the administration will join their efforts toward the enactment of the substance, at least, of this bill as a united action in concern for the basic welfare and continuing development of this country.

The Welfare of Italy

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 15, 1958

Mr. CELLER. Mr. Speaker, I have always been interested in Italy and its people. No Representative from New York City could be otherwise. A great number of my constituents have always been Italian immigrants or their descendants. New York City owes a great deal of its prosperity to its citizens of Italian heritage. Its arts and sciences have been quickened by them. Its industry would wither without their brain and brawn. The highly important dress trade and manufactory of New York could not exist without its Italian seamstresses, stitchers, cutters, tailors, designers, and workmen. Its food and restaurant industry is linked ineluctably with them. One of New York's greatest mayors was Fiorello La Guardia, son of an Italian musician immigrant.

I cannot conceive of the Metropolitan Opera without Del Monaco, Albanese, Siepi, Tagliavini. Then there were the unforgettable Caruso and Pinza. Small wonder, then, that during the opera season you can find me and my dear wife and daughter in our accustomed seats each Saturday night listening intently to La Boheme or Otello, Andrea Chernier or Aida. I often sing myself to sleep with the heavenly arias from La Tosca or Butterfly or the Barber of Seville.

All of which brings me to Italy and its desperately desired prosperity under its new premier Fanfani, who is soon to come to the United States. We shall offer him sincere welcome. As our friend and ally in NATO we must aid Italy to the utmost. Our people, too, should do their share. They can and should invest in Italy's future. She offers great inducements for safe and profitable investments. Her domestic economy is expanding at a rapid rate. Her seaports, open year round in the sunny Mediterranean, afford wonderful shipping facilities. She plies the ocean trade with the fourth largest merchant marine fleet in the world. Nearby lie the rapidly developing markets of Africa and the Middle East; to the north, the prosperous NATO community affords a ready outlet for all kinds of manufacture and produce.

Italy was formerly known primarily for her agricultural commodities. Who, for example, has not partaken of delicious Italian wine? But in recent years, the complexion of the nation has changed completely. Today, Italy is predominantly an industrial nation engaged in a wide variety of manufacturing. Her steel production has risen to almost 7 million tons per year and total industrial output since the end of World War II has doubled.

Foreign capital has already participated to a considerable extent in the development of the Italian economy. Substantial foreign investments have been made in Italy's textile industry, her growing chemical and pharmaceutical industry, and in her electrical industry. In Sicily, the island lying off Italy's southwestern coast, large expenditures have, with foresight, been made for exploring and developing her petroleum resources. Present instability in the Middle East would dictate that more Western capital be employed to make maximum utilization of the Sicilian oil fields.

I can assure you that, unlike many other areas of the world, capital investment from the United States is most welcome in Italy and much has been done to provide the economic climate necessary to attract dollars from abroad. Under Italy's new foreign investment law, foreign investors are provided with the same rights and privileges of domestic concerns. There exist no limitations on the amount of money that may be invested in newly established companies in Italy nor on the number of nonnationals who direct or manage such ventures.

Truly, Italy provides a golden opportunity for American investment. By assisting in her economic development, not only will we in the United States be profitably employing our own capital resources, but we will be providing vital assistance to an important ally in this unsettled world. We cannot forget that it was an Italian who discovered America. It is now time for Americans to rediscover Italy.

Josiah Cusick: 70 Years of Faithful Service

EXTENSION OF REMARKS
OF
HON. ARCH A. MOORE, JR.
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 15, 1958

Mr. MOORE. Mr. Speaker, a rather unusual event occurred in my District during this last week which I think is worthy of calling to the attention of my colleagues.

Occasionally, we note in the newspapers that an individual is being honored upon his retirement after 20, 25, or even 30 years of employment with a particular company. It is a rare occasion indeed when a man has worked 50 years for the same firm. But, in the case of Mr. Josiah Cusick of Wellsburg, W. Va., a half century was not nearly enough. Mr. Cusick this week chose the occasion of his 85th birthday to retire from his work at the Eagle Manufacturing Co. in Wellsburg after completing 70 years of employment with the same company. I believe this is an out-

standing record which is certainly worthy of recognition.

Mr. Cusick has been in charge of the shipping and receiving department of the Eagle Manufacturing Co. for more than 50 years. During this time, he has witnessed many changes in the modes of manufacturing and in transportation as our Nation emerged progressively from the horse and buggy days into the present jet era. He started work in 1888 during the first year of the plant's operation, and his first job was as a carrying boy in the glassmaking operations.

Born in Rayland, Ohio on July 14, 1874, Mr. Cusick has resided in West Virginia since infancy. He is an active member of the Free Methodist Church and has served as Sunday school superintendent and as a trustee for over 50 years. Cusick has 5 children, 19 grandchildren, and 8 great-grandchildren.

I want to take this opportunity to extend my congratulations to this outstanding citizen of my District and to wish him good health and happiness in the years ahead.

Extend Title VII, Public Health Act

EXTENSION OF REMARKS
OF
HON. HENRY ALDOUS DIXON
OF UTAH
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 15, 1958

Mr. DIXON. Mr. Speaker, the right to good health has always been commonly accepted as a fundamental right by every citizen of this Nation. Fortunately, we have 85 medical teaching centers which have consistently, through extensive research and educational programs, enabled our people to enjoy the greatest health status of any people on this globe.

It is interesting to note that less than 60 years ago, most American medical schools could be called second or third rate when compared with those in Germany, England, and other nations. It was not unusual to have a proprietary institution or diploma mill operating for profit without such necessities as laboratories, equipment, hospital affiliations, or competent instructors. Today's medical schools, however, are more than just educational institutions. They have become complex centers of medical science and are the basic institutions involved in the search for new knowledge in the prevention, diagnosis, and treatment of human illness. Truly our 85 medical schools are the foundation of our entire health and medical structure.

The swarm of new activities has given rise to many new problems in our medical schools, chiefly those of finance. Medical school deans and university presidents are unanimous in designating finances as the number one headache of the past decade. And in spite of the voluntary contributions by the people of this Nation through State appropriations and private gifts, plus the support the Frederal Government has provided in recent years, the increasing demands on the part of our healthy constituents for even more extensive health services forecast an even greater financial burden on these schools in the future.

From the standpoint of national prosperity and security, this Nation has no greater asset than the high standard of health so prevalent among its people. This is why the American people have supported medical education through their donations and support of State and Federal legislation. They fully realize that the smallest discovery in a research laboratory can eliminate polio, or perhaps prevent a plague, or control a dangerous disease such as diabetes. In other words, our people realize that medical research has not only made it possible for them to live 20 years longer than their forefathers, but that additional discoveries have made these 20 active and productive years. Knowing that the people of America support us, I urge early passage of H. R. 12876.

Tribute to the Christian Science Monitor

EXTENSION OF REMARKS
OF
HON. KENNETH B. KEATING
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 15, 1958

Mr. KEATING. Mr. Speaker, a 50th birthday is an important occasion any time. The 50th anniversary of the Christian Science Monitor is particularly significant because it marks a half century of important contributions to the American scene. It marks the golden anniversary of a newspaper which has done as much as any single publication in this country to raise the standards of journalism.

The breadth and depth of the Christian Science Monitor are properly legendary. I never cease to be amazed at the speedy and accurate manner in which the Monitor's outstanding staff interprets rather than reports, analyzes rather than repeats, the major news events of the day. I look forward with pleasure to the thought-pieces on little publicized, but important topics, and the penetrating essays on subjects far removed from the ordinary spotlight of news events. I applaud the Monitor's adherence to a pithy style and its stress on that which is really important and not what is merely sensational.

All of these attributes add up to the international daily newspaper. Its worldwide reputation merits that title.

To the firm hand and leadership of Erwin D. Canham, the present editor, must go much of the credit for this outstanding performance. He has consistently championed the highest ideals of journalism and the purposes for which the Monitor was founded.

It is a pleasure to salute the Monitor on its golden anniversary and to express the wish that it will continue for many more years its unique mission of analyzing, searching, and dissecting the byways, as well as the highways, of the world in which we live.

A Bill to Provide for an Immigration and Naturalization Training School

EXTENSION OF REMARKS
OF
HON. J. T. RUTHERFORD
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 15, 1958

Mr. RUTHERFORD. Mr. Speaker, I have today introduced a bill authorizing the Administrator of General Services to acquire sites and plan, design, construct, and equip an immigration and naturalization training school and adjunct facilities, including living quarters for officers, for use by the Attorney General for administration and enforcement of the Immigration and Nationality Act.

The provisions of my bill concur with the request presented to the Congress on January 28 this year by the Department of Justice. On that date I wrote to the Honorable William P. Rogers, Attorney General of the United States, congratulating him on making the request for a permanent Immigration and Naturalization Academy. I pointed out to Mr. Rogers that the temporary Border Patrol Training School has been in the El Paso, Tex., area for a number of years—in fact, for more than 30 years—and summarized some of the advantages that location has. It is my purpose to call to the attention of the House those advantages, and touch on the background of the Border Patrol Training School.

Years ago the Immigration and Naturalization officials recognized many advantages of locating these training facilities in the El Paso area. El Paso is first the largest city on the United States-Mexico border, and Juarez, located just across the Rio Grande River, is the largest Mexican city on that border. El Paso has thousands of Spanish speaking people, and daily contact with them has proved helpful to border patrolmen in their training. El Paso has the largest and busiest international bridge in the world, and the patrolmen may receive daily on-the-job training at that site. The Santa Fe Street Bridge in El Paso was crossed by 2,044,516 people going north during June of this year. Yes, Mr. Speaker, more than 2 million persons in 1 month. At the end of June a total of 12,155,084 crossings had been made, leading officials to predict that some 25 million border crossings will be made there during the year. Bear in mind that all 25 million of these people will afford the trainees practical training of the same type they will need in their day-to-day jobs. From the operational site at El Paso, the trainees have hundreds of miles of international border to use in their training program. Obviously, since the present border patrol training school has remained in El Paso over these years, being moved only briefly for a few special sessions, the Department of Justice has found it practical and beneficial to locate its training school in that area. My bill does not prescribe a location for the proposed new Immigration and Naturalization Academy since it is not the practice of the Congress to direct a specific

site, but I heartily recommend to the Justice Department officials that the permanent Academy be located in El Paso.

I have been assured by civic leaders, officials in the local government and responsible individuals that El Paso will cooperate with the Department of Justice to locate this new permanent structure in El Paso to replace the longtime temporary school which has been housed at Fort Bliss, Tex., through the cooperation of the Department of the Army and the commanding generals of Fort Bliss. With Fort Bliss growing and expanding as a part of our defense effort, space is needed there, and with the border patrol and other phases of the Immigration Service playing an important role in our national life, it seems desirable to create this new Immigration and Naturalization Academy. I have gone so far as to check the possibility of a location in El Paso for this Academy and I believe I am in a position to state that there is a very good chance that the land will be granted to the United States free of charge. I urge favorable consideration of my bill, and assure the immigration officials and others within the Department of Justice of the full cooperation of El Paso officials and individuals as well as my own complete cooperation in this regard.

Defense Reorganization for Essential Military Unity

EXTENSION OF REMARKS
OF
HON. HAROLD D. DONOHUE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 15, 1958

Mr. DONOHUE. Mr. Speaker, in the near future we will be called upon to exercise our responsibility of enacting legislation essentially needed to provide military unity and restrain the unhappy rivalries existing among the separate branches of our armed services.

We can each have sincere and conscientious differences as to the precise legislative provisions to accomplish the desired objective. For instance, some of us very earnestly feel that the right of the individual services to come directly to Congress with complaints and recommendations should be preserved, while others do not so feel. Some of us may disagree as to the retention of Congressional veto power over changes in combat functions within the services, but few of us will disagree that, in time of war or imminent hostilities, the President's power should be unlimited.

Despite any differences that Members may have about the measure to be presented, the bill, in my opinion, does provide some substantially forward steps. It is designed to give the Defense Secretary clear power to assign weapons to services of his choice and to centralize research and development under a single director. The power of unified commanders over all forces under them ought to be, and is, spelled out to prevent conflicts of authority among and between rival service commanders.

It is our clear duty to conscientiously attempt the enactment of a measure that will remove, so far as reasonably possible, the disastrous jealousies that admittedly exist among the services, and that will provide for the centralization of research and development under one director, in order to stop the appalling waste of the taxpayers' money due to the duplication of efforts and absurd competition among the services in this vital field of Russian challenge.

In our exhortations for unity among the armed services, it is encumbent upon us to show an example of unity here, to restore the confidence of the American people in the Congress and in the military forces. Let us resolve our differences and patriotically provide a bill that will do the job.

Criminology and Crime Prevention

EXTENSION OF REMARKS
OF
HON. TIMOTHY P. SHEEHAN
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 15, 1958

Mr. SHEEHAN. Mr. Speaker, today I would like to bring to the attention of the American people a book coauthored by Dr. Lois Lundell Higgins, president of the International Association of Police Women and director of the Crime Prevention Bureau of Chicago, and Dr. Edward E. Fitzpatrick, president emeritus, Mount Mary College and director of the Institute of Human Education. Dr. Higgins resides in my Congressional District.

This book entitled "Criminology and Crime Prevention"—Bruce, Milwaukee, 1958—deals with the study of crime in America, crime of matter and of spirit. In a comprehensively documented manner, the authors have presented an analysis of the many aspects of crime and the judicial procedures designed to cope with this social malady.

Of the arresting 26 chapters of this book, I have chosen to reflect a while with that dealing with treason, disloyalty, and communism.

Treason against the United States is defined by the Constitution, article III, section 1, to consist "only in levying war against them, or in adhering to their enemies, giving aid and comfort to them."

The student of government and the citizen will find clear elucidations in the subchapters treating of the Supreme Court interpretations of the constitutional provisions revolving around disloyalty, misprision of treason, treason against the States, conscientious objection to war, the Communist world revolutionary conspiracy, the continuity of the Communist Party, and interlocking subversion in government. Timely as these subjects are, the student and the citizen will learn further of the Communist tactics and techniques. He will review the history of the privilege of non-self-incrimination, a unique heritage to Anglo-American law, and will compare its use in modern day courts.

In an absorbing manner, assisted by first-hand experience in penology and sociology, Drs. Higgins and Fitzpatrick have truly contributed a basic textbook to our newer generations.

I recommend this treatise to the American public and join with the Citizens' Advisory Committee which works with the Crime Prevention Council and the Illinois Crime Prevention Bureau in bringing it into the hands of those presently engaged in the never-ending battle against crime for the benefit of all mankind.

The Greatest Need of the Present Day Is Reasonable Hospitalization

EXTENSION OF REMARKS
OF
HON. USHER L. BURDICK
OF NORTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 15, 1958

Mr. BURDICK. Mr. Speaker, a poor man cannot afford, under present hospitalization agencies, to be sick. In my own case I am not wealthy nor poor, but I soon would be as poor as a starved turkey if I patronized hospitals much longer. In one hospital a doctor looked at me twice and charged me $500, and the second look was more of a squint than a look. Hospital rooms, no better than a $4 room at Williston Hotels, cost all the way from $19.50 per day to $29. In addition, nurses charge from $1.50 per hour to $2. When you add to this X-rays and doctors' fees, you can see that people with a fund even as high as $5,000 for sickness would find themselves stripped clean in a comparatively short time.

The public health of the Nation demands a different deal from this. At least the average citizen should have recourse to health improvement that does not make a pauper of him; or the other alternative of going without medical care and dying before his time. In my judgment the private system of medical care is all right as far as the well-to-do are concerned, but the system does not reach the average citizen of which there are many more millions than can be found in the well-to-do class. If no one can survive the rigors of poor health or accidental disability except the rich, this great country can be said to be headed for trouble.

I have talked this matter over with my son Quentin Burdick, who is a candidate for a seat in Congress, and he outlined to me the fact that this health question is one of the pressing needs of the country—more important than sending a mouse to the moon. I have always been of the opinion that a public health bill can be written by Congress that will give the poor man a chance for his life. If we cannot do that we have dismally failed in our legislation. The preamble of the Constitution provides for this very purpose when it says:

We the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquility, provide for the common defense, promote the general

welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America.

Nothing could possibly promote the general welfare any more than the care of the health of the Nation. The bill should be written so as to provide adequate medical care to the many. The few can patronize the present system and get along well enough as they are getting along today, but the many, many millions cannot do that. They have not the money to spend, and shall we say that because a family has no money available commensurate with charges under the present system the United States is going to say, "Die if you haven't been smart enough to accumulate money enough to stand the drain of the present medical care and attention." Is not this Nation concerned with the general health of the Nation? Shall we abandon the millions who need medical attention just to preserve the present medical system?

Yes, this question can be solved, and I am glad to see younger men who aspire to a seat in this great Congress giving earnest attention to what I believe is one of the great failures of this Government. What can a world renowned government amount to finally, without protecting the health of the huge majority of the people? Can we get fighting men from families broken in health? Can we lessen the great demand for hospitalization by providing a system that will check the ravages of disease before hospitalization is necessary? My fight for pure food and pure water is a part of this program, and one step further will be to provide facilities for the millions to be examined and treated, although they have no money at all. What is money compared to the results of nonattention to the health of the Nation?

A Bill to Amend the National Housing Act

EXTENSION OF REMARKS
OF
HON. EUGENE J. McCARTHY
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 15, 1958

Mr. McCARTHY. Mr. Speaker, I have introduced a bill which would make three changes in the section 221, relocation housing program, of the National Housing Act.

The first change would liberalize locational requirements. Under present law, the liberal mortgage insurance provided by section 221 housing is available to families located in a community with a federally approved workable program for community improvement who are displaced as a result of governmental action or displaced from an urban renewal area.

The bill would extend benefits of section 221 to families displaced through governmental action without regard to the fact that these families live in a community which does not have a workable program, provided that the displacement takes place in the environs of a community which has such a program.

There are situations where families are displaced in areas adjacent to communities with a workable program but at present they are not eligible for section 221. Definition of the term environs would be left to the Housing and Home Finance Administrator.

The second change would increase the mortgage ceilings. The bill would increase the maximum insurable loan amount from $9,000 to $10,000 in normal cost areas, and from $10,000 to $12,000 in high-cost areas for single-family housing insured under FHA section 221.

As the urban renewal program progresses, it becomes evident that substantial numbers of persons will be displaced. For the most part, these displaced families will be low-income families. They will not be in a position to avail themselves of housing produced at normal cost levels within their respective communities. It was for this reason that mortgage ceilings at the comparatively low level of $9,000 ($10,000 in high-cost areas) were established for this program. Considerable testimony produced over the past 18 months has shown that, particularly in larger cities and especially in the northern sections of the country, the existing insurable loan amounts for section 221 are not adequate to provide housing. While there is a danger of increasing maximum amounts to the point where housing will be produced beyond the income range of displaced families, unless such housing is built, it cannot be made available for these families. This increase in the maximum loan amount should encourage the production of additional relocation housing.

The third change would provide more rental housing under section 221. Presently the only rental housing possible under section 221 is housing constructed by nonprofit corporations and public bodies, and so far there has been no interest at all. This is unfortunate because unquestionably many of the displaced families cannot even muster the $200 downpayment required for sales housing under section 221, or have occupations or credit records which would make it difficult for them to pass a credit review.

The bill would make section 221 insurance available to private builders for the production of rental housing for displaced families. The loan amount would be determined on the same basis as under section 220 redevelopment housing; that is, in the case of new construction, the loan could be in an amount equal to the estimated replacement cost or actual certified cost—whichever is lower—exclusive of any allowance for builder's and sponsor's profit and risk. In the case of repair or rehabilitation, the loan could be in an amount equal to the Commissioner's estimate of the value of the property when the proposed repair or rehabilitation is completed. Such mortgagor corporations would also be subject to regulation by the Commissioner as to rents, sales, charges, capital structure, rate of return, and methods of operation as in the case of other FHA rental housing programs.

The possibility of any such corporations obtaining so-called windfalls is eliminated by making the cost certification requirements of section 227 applicable to such mortgagor corporations.

Equal Opportunity for All

EXTENSION OF REMARKS
OF
HON. HAROLD D. DONOHUE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 15, 1958

Mr. DONOHUE. Mr. Speaker, we have indeed suffered many disastrous and discouraging diplomatic and propaganda defeats at the hands of Soviet Russia. These too-often-repeated disasters have seriously depreciated our prestige in and claim of leadership among the free nations. We call ill afford another major defeat by the Kremlin, particularly in the field of propaganda against our claim and desire for leadership in the areas of economic development and social justice. Unhappily, most authorities agree we are gravely threatened with such further defeat unless a federally encouraged effective program to alleviate national conditions of substantial unemployment in certain economically depressed areas is promptly initiated.

Over the past decade increasing evidence has developed to convincingly demonstrate that our vaunted boast of having the highest living standards anywhere is in danger of being exploded and exploited as another American capitalistic myth. May divine providence, a determined Congress, and a united people, forbid.

It is most unhappily apparent that substantial economic decline is visiting increasing hardship and lowering the living standards in large areas of the country, particularly in New England, along the eastern seaboard, and in certain southern sections. There are varied causes for this catastrophe but principal among them are the migration of industry from New England, technological changes, such as those affecting the coal industry, and the disjointed advantages, through our foreign trade program, given to foreign competitors of multitudinous domestic industries.

All of these causes add up to chronic unemployment and permanently distressed areas which present a double threat against our internal development and our external security. Our internal development has been based on a constantly growing domestic market and that development will obviously be sabotaged if buying power is taken away from large numbers of our people. Faith in our external security has been based upon the idea of being always able to realize and utilize our full productive strength and resources and that security is obviously threatened if a great many willing wage workers cannot engage in our national production effort.

Clearly then, chronic unemployment and permanent depression anywhere in our economy is a subject of national concern and primarily so in this emergency struggle with Russia.

Responding to this challenge, in patriotic thought and purpose, a great many Members, including myself, have filed legislative proposals designed to forestall and prevent this economic tragedy.

Substantially all these proposals provide for the creation of an Area Redevelopment Administration, to formulate and project an overall industrial rejuvenation program, in cooperation with local authorities, for those distressed areas suffering from persistent and enlarging unemployment.

In summary this program would include loans for industrial projects, grants for public facilities, and financial assistance, through the cooperation of the Labor and Health, Education, and Welfare Departments, to expand vocational training programs.

Most of these provisions, with added features, are contained in the Senate passed bill, S. 3683, now waiting upon our action in the House. At stake is our continuing national well-being and high morale, our world reputation of providing equal opportunity for all our citizens, and our ability to defend ourselves and assume the offensive in the vitally important propaganda battle with Russia. I most earnestly urge that this measure will be presented to and adopted by this House before any further idea of adjournment is entertained.

Federal Employees Should Not Be Subjected to Unfair Discharge Procedures

EXTENSION OF REMARKS
OF
HON. WILLIAM L. DAWSON
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 15, 1958

Mr. DAWSON of Illinois. Mr. Speaker, I oppose S. 1411—85th Congress—which is intended to reverse the Supreme Court's 1956 decision in *Cole* v. *Young* (351 U. S. 536). I oppose this bill for many reasons.

This bill is unnecessary. It authorizes Government officials to exercise arbitrary power in a manner that is contrary to American concepts of fairness and due process. Its vagueness and lack of standards can be used to harm loyal Government employees. There is no emergency requiring such hasty enactment of this bill and the Department of Justice itself has recommended that the interests of the individual employee as well as the Government would best be served by deferring any legislative action relating to this bill.

I want to emphasize, Mr. Speaker, that no one is more opposed to communism and totalitarianism than I am. However, I am also opposed to using the threat of communism as an excuse to subject Government employees to arbitrary and unfair discharge.

The sponsors of this bill are wrong when they say that the Supreme Court's decision in Cole against Young has prevented the Government from removing disloyal employees.

In the first place, there are several laws now on the statute books which can be used to remove from Government employment any person who is a Communist or subversive or a member of any organization which advocates the overthrow of our Government by force or violence. These statutes are the Subversive Activities Control Act of 1950, the Hatch Act of 1939, and the Lloyd-La Follette Act of 1912. In addition, the act of August 26, 1950—64th Statutes, page 476—authorizes immediate summary dismissal of any person in a sensitive position affecting the national security.

In the second place, the Supreme Court did not prevent the firing of disloyal employees. It merely rules that a veteran who is discharged on loyalty grounds is entitled, under the Veterans' Preference Act, to appeal to the Civil Service Commission. Indeed, the Court specifically noted that there is ample authority under the statutes I have mentioned to dismiss employees on loyalty grounds, and that "the question for decision here is not whether an employee can be dismissed on such grounds, but only the extent to which the summary procedures authorized by the 1950 act are available" as against a veteran. Thus, the only issue before the Court, and the only issue it ruled on, was whether a veteran could be dismissed without permitting him to appeal to the Civil Service Commission, which, of course, could have affirmed the dismissal if it was found to be proper. The Court ruled that the 1950 act applied only to sensitive positions, and that veterans in nonsensitive positions still had a right to appeal.

Firing a person from his job should never be arbitrary. Every Government employee, whether veteran or nonveteran, should be entitled to appeal from arbitrary dismissal, no matter what the alleged ground of dismissal. That would be in keeping with the American tradition of fairness and decency. Any person in a sensitive position could be transferred to a nonsensitive position during the time his appeal is being decided.

This bill, however, goes in the opposite direction. It vests in Government officials an unrestricted, arbitrary power to suspend and fire any Government employee simply by saying that his discharge is deemed necessary or advisable in the interest of national security. No standards, no criteria, are set forth for such charge. Nor is the employee entitled under this bill to be notified of the specific reasons for his suspension, or to know who accused him, or to face and cross examine his accusers, or to obtain judicial review as to the merits of his discharge.

This unbridled discretion to fire governmental employees can be used to imperil the livelihood and security of over 2 million Government employees and subject them to removal on the basis of prejudice, personal malice, or even simply the whim of officials who are inexperienced, naive, or ignorant about national security and who confuse social and economic thought with loyalty. This is no way to treat governmental employees. They are entitled to have, and should have, justice, fair play, and due process of law just as any other citizen.

I deplore the growing tendency to undermine the rights and treatment of Government employees.

S. 1411 is not necessary to protect us against Communists. But it does undermine the civil service system, it imperils the rights and security of Government employees, and it sullies the basic concepts of fairness and justice that make our country's legal system the best in the world. I hope S. 1411 is not enacted into law.

Television Code—Advertising

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 15, 1958

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I insert the following exchange of letters between Mr. Harold E. Fellows, president and chairman of the board of the National Association of Broadcasters and myself, relating to the advertising of hard liquor on the air:

TELEVISION CODE REVIEW BOARD,
NATIONAL ASSOCIATION OF BROADCASTERS,
Washington, D. C., June 16, 1958.

Hon. EMANUEL CELLER,
House of Representatives,
Washington, D. C.

DEAR MR. CELLER: As you undoubtedly know, the major function of the television code review board of the National Association of Broadcasters is the administration of the television code, a document supported by 309 television stations and the 3 television networks. You may have occasion to refer to the specific provisions of the code and the method of its administration. Therefore, we thought you might like to have the fourth edition of the television code, recently published, together with a brief brochure descriptive of the industry's program of self-regulation.

If we may provide further details or be of assistance to you in any way, please do not hesitate to call on us.

Cordially,

HAROLD E. FELLOWS,
President and Chairman of the Board.

JUNE 20, 1958.

Mr. HAROLD E. FELLOWS,
President and Chairman of the Board,
National Association of Broadcasters,
Washington, D. C.

DEAR MR. FELLOWS: I am in receipt of your letter of June 16 and your brochure entitled "The Television Code—National Association of Broadcasters Seal of Good Practice." Permit me to make some comment.

I notice on page 6 of your television code a proscription against the advertising of hard liquor and that the advertising of beer and wines is acceptable only when presented in the best of taste and discretion, and is ac-

ceptable subject to Federal and local laws. Since the repeal of prohibition, liquor is a legal product, that includes beers, wines, whiskies, and cordials. Prohibiting whisky to be advertised, to my mind, is timid and pusillanimous. How can television deny the advertising of a legal product which is carried in the newspapers and magazines? Our magazines and newspapers are brought into so-called dry territory. Thus, if you offer the argument that telecasts or broadcasts would seep into dry areas, your argument will not wash.

You demand good taste and discretion in beer and wine advertising. Admittedly, all advertising should be in good taste. Would that the canons of good taste were followed in all television advertising and programing. There is an unwarranted implication that beer and wine are apart from all other products and must therefore be handled gingerly.

It is very difficult for me to follow your reasoning and I, for one, wish to protest.

Very truly yours,

EMANUEL CELLER.

NATIONAL ASSOCIATION
OF BROADCASTERS,
Washington, D. C., June 27, 1958.

The Honorable EMANUEL CELLER,
House of Representatives,
Washington, D. C.

DEAR MR. CELLER: Thank you very much for your letter of June 20.

Those questions posed in your letter have been matters that broadcasters and the distilling industry have wrestled with for many years, and this proscription against advertising hard liquor on the air was adopted by both the distilling and broadcasting industries over 20 years ago.

Broadcasters have voluntarily limited themselves to the advertising of beer and wine, and it has been suggested before that such a distinction is an arbitrary one—not justified by the products themselves. Our only explanation lies in the fact that historically a distinction has been made in the minds of the American people between beer and wine on the one hand, and hard liquors on the other. Personally, I would agree that such a distinction is not based entirely on logic. The distinction, however, was extant long before broadcasting became a force in American society. Broadcasting, it seems to me, merely adopted the mores already established.

I am sure, also, that you are aware of the fact that this voluntary action on the part of our industry is not a unilateral one. The distilled spirits industry has adopted a similar self-regulatory code against the use of the broadcasting mediums. Just as in our industry, there are undoubtedly individuals in that industry who do not agree with the wisdom of such a line of demarcation. It is reasonable to assume that if hard liquor advertising appeared on radio and television this industry would obtain a percentage of that advertising expenditure comparable to that which it derives from beer and wine. Beer and wine advertising accounts for, we estimate, about 2.4 percent of all advertising expenditures in radio and television.

Nevertheless, we believe there is a substantial feeling throughout the country favoring the provisions of the television code in this respect, which, I would say, goes back to the days following the repeal of prohibition when the FCC admonished broadcasters that liquor advertising might be against the public interest.

We appreciate exceedingly the expression of your views on this matter, and intend to bring your letter to the attention of our television code review board and our board of directors.

Sincerely,

HAROLD E. FELLOWS.

JULY 11, 1958.

Mr. HAROLD E. FELLOWS,
President and Chairman of the Board,
National Association of Broadcasters,
Washington, D. C.

DEAR MR. FELLOWS: I have your letter of June 27, in reply to mine of June 20, and I cannot let the matter rest with your conclusions.

Radio and television play an important part in our lives and since they are among the most important mediums of communication, the broadcasting industry cannot close its eyes to our everyday existence. Hard liquor and cordials, as well as beer and wine, are distributed and used throughout the Nation—even in so-called dry territory. Why should your industry be so myopic? Just because the proscription against whisky has been in effect for a number of years is no reason why it should be continued. You agree that the distinction between hard and light liquor is not based on logic. If that is so, why continue a practice that is illogical? You say that broadcasting merely adopted the mores already established. Who established those mores? The broadcasting industry? The temperance societies? Surely not the public.

In any event, mores change and broadcasting and telecasting must change with the change in mores. Otherwise, your industry puts the dead hand on progress. Just because a river has run in a certain direction is no reason for it to be permitted to run in that same direction if progress and improvement require some change. That is why we dam rivers and actually change the course of rivers or even reverse their course. It would seem to me that you are thinking in the past and not for the future.

You say "the distilled spirits industry has adopted a similar self-regulatory code against the use of the broadcasting mediums." I don't know of such self-regulation, but if they have done this, they have been most ill advised.

I shall place this entire correspondence in the CONGRESSIONAL RECORD.

Very truly yours,

EMANUEL CELLER.

The Hour Is Late for the Survival of Small Business—Let Us Act Now

EXTENSION OF REMARKS
OF
HON. HAROLD D. DONOHUE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 15, 1958

Mr. DONOHUE. Mr. Speaker, since the time I have been privileged to be a Member of this legislative body, one of the subjects about which I have heard a great deal of discussion, with proportionately little action, is the extending of reasonable Federal assistance toward the survival of small business.

The urgent need of Federal aid to small business has been practically unanimously recognized, but we are still working on the legislative accomplishment of the help we know is vital to their continuing existence.

The basic requirement for the preservation of our traditional acceptance and encouragement of small business is a means of providing them with equity capital and long-term credit, which commercial banks and the Small Business Administration are not in any position to grant.

This essential need is adequately met in the substance of S. 3651, while at the same time preserving the full structure of our free-enterprise system. Free enterprise has nothing to fear from this bill, and there is certainly no danger inherent in it of Federal control or favored competition.

The provisions for the extension of equity capital and long-term credit are contained in the basic idea to create small business investment companies, fashioned after the accepted establishments of national farm loan associations, the land bank system, the farm cooperatives, and so forth, all of which, in their inception were financially assisted by the Federal Government. A good many of these are now wholly owned by private interests and others are in the continuing process of liquidating Federal ownership.

The independent study contained in a Rockefeller report emphasized the needs of American small business in this advancing economic age by this language:

> The need is primarily for long-term equity or loan funds. As a result of the inability to obtain capital funds, the opportunity for establishing a new firm, or for expanding an established firm, is often lost. Often the established firm merges with a larger enterprise that can command the necessary resources. The past few years have seen a wave of such mergers. Such a condition is neither conducive to vigorous competition nor to economic growth.

Mr. Speaker, I do not believe that there is anyone in this body who does not earnestly desire to strengthen free competitive enterprise in the United States and preserve the healthy traditions and contributions of small business in our historical progress in prosperity. I most earnestly hope that the Senate will consider the House amendment in the near future and that a sensible conference agreement will be soon approved so that this Congress will not pass without discharging its duty to the small-business interests of the country in their most desperate hour.

Need for Airmail Field at Portland International Airport

EXTENSION OF REMARKS
OF
HON. EDITH GREEN
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 15, 1958

Mrs. GREEN of Oregon. Mr. Speaker, some 22 months ago, on September 20, 1956, I wrote the Postmaster General urging the acquisition of space at the new terminal building at the Portland International Airport for the establishment there of an airmail field. Since that request was not acceded to and since the new terminal building at the airport will shortly be opened, I have more recently renewed my request for the establishment of such a field facility.

Under unanimous consent, I ask that there be printed in the CONGRESSIONAL RECORD both of my letters to the Postmaster General as well as the reply received to my earlier letter.

Shortly after my writing the Postmaster General in 1956, the National Postal Transport Association conducted tests to compare the speed of mail sent by air from Portland, Oreg., from the airport there, and from Seattle, Wash. These tests showed that the worst en route time for a letter mailed at the Portland Airport was 73 hours compared with the worst en route time of 49 hours for a letter mailed from the Seattle Airport.

The net delay, the time in excess of what passengers or other air cargo would require to make the same flight, was 42 hours in the case of the letter mailed from Portland and only 17½ hours in the case of the letter mailed from Seattle.

Horse and buggy mail delivery in a jet age is intolerable and indefensible. Modern business cannot be and is not conducted at the snail's pace which this study shows has resulted from the lack of terminal facilities at the Portland International Airport.

Under unanimous consent, I ask that the results of this study be printed in full in the CONGRESSIONAL RECORD, together with a recent article by Jack Ostergren in the Oregon Journal for July 10, 1958.

[From the Oregon Journal of July 10, 1958]

PORTLAND AIRMAIL DETOURED VIA SEATTLE AIRPORT

(By Jack Ostergren)

Airmail destined for Portland flies over the City of Roses, goes on to Seattle to be worked by postal employees there, and then is flown back to Portland.

Why?

Because Portland has no adequate airport mail facility, despite the fact that approximately 5,000 square feet of space in the new air terminal is available for that purpose.

Again, why?

Apparently because regional postal officials feel that such a facility isn't necessary.

"We're crusading for an AMF (airport mail facility) at your new terminal," declares Paul A. Nagle, of Washington, D. C., a Post Office Department employee on leave, who is president of the National Postal Transportation Association. He looked at the local situation while he was here to speak at the biennial convention of the association's 13th division, composed of northwest postal transportation clerks.

"The setup here now is primitive," Nagle observed bluntly. "There is a bathroom-sized room (49 square feet) in the old airport facilities.

"The clerk has to collect airmail from the drop box, postmark it, and open bags that come out there from the post office, to put the airport mail into the proper bags."

Even this system is an improvement over that in use before May 1957. Airmail letters dropped off at the airport used to go back downtown to the main post office for postmarking, and then make the trip back to the airport to go aboard a plane.

"One airline here has more space and a more elaborate setup for their own business mail than the postal department does at the airport," Nagle declared.

Nagle, a Pennsylvanian by birth, said he feels strongly that all post office facilities in Portland should be improved. He said it is unusual for a city of this size to have such decrepit buildings and facilities for postal service.

"The 4-cent stamp will help," he asserted. "While the increase is only half of what we asked for, the net return is such that it must have a beneficial effect upon post office construction."

He talked of false economies—for example a practice of unloading a railroad car of mail destined for Seattle, putting it in trucks at Portland, and driving it over the highway to Seattle while the empty railroad car travels the rails the rest of the way to Seattle.

Why? Because the truck carrier underbid the railroad. The false economy? The contract carrier's price did not include the cost of having postal employees load and unload the truck—work which the railroad employees would have done without extra charge.

Nagle sees a growing need for mail distribution in railway and highway post offices, as well as for airport mail facilities. Population is stringing out into suburbs, and it is becoming increasingly necessary to have mobile post offices.

The association which Nagle heads has 166 branches and 15 divisions, and it represents 30,000 postal transportation clerks who work in railway post office cars, highway post offices busses, railroad and air terminals.

New officers of the Portland branch of the 13th division, elected at the convention in the Congress Hotel are Lucien E. Bracy, president; Francis D. Savage, vice president; Howard E. Waterbury, Jr., secretary, and Howard N. Butterfield, financial secretary.

PORTLAND, OREG., *September 20, 1956.*

Hon. ARTHUR E. SUMMERFIELD,
The Postmaster General, Post Office Department, Washington, D. C.

MY DEAR GENERAL SUMMERFIELD: Because final planning and commitment of space in the new terminal building at Portland International Airport will be completed in the immediate future, I am writing to urge prompt action by the Post Office Department to acquire terminal facilities for an airmail field post office while it is still possible. Unless action is taken soon, I am advised that excellent and appropriate facilities now available will be committed to other uses.

At the present time, as you know, Portland is one of the few large cities in the United States without airport facilities for proper handling of mail. Indeed, a number of cities with only one-fifth to one-third our volume of airmail now have these facilities. Almost alone among major cities, Portland's transit airmail must presently be trucked into the city for sorting, then trucked back to the airport for forwarding. With more than one hundred airmail flights serving Portland International and over a million people in the area potentially served by transit airmail service here, this is clearly a cumbersome and inefficient system which, I am told, often results in a full day's delay in the delivery of airmail.

In previous discussions with interested local citizens and groups, regional officials of the Post Office Department have, I believe, strongly recommended creation of an airmail field post office here, but the Bureau of Transportation has expressed opposition. The Port of Portland, which favors this installation, has available excellent facilities in the projected new terminal. Postal Transport Union leaders have indicated, in response to my inquiry, their strong belief that this is a desirable improvement in postal service.

In view of the short time remaining before this space is committed to other uses, which would indefinitely prevent this project, prompt action is necessary if an airmail field post office is to be included in the new terminal. Your favorable action can give better and more efficient airmail service to the people of Portland and throughout Oregon on a par with that already enjoyed by Seattle, Spokane, and most other west coast cities.

An early consideration of this matter will be appreciated.

Sincerely,

EDITH GREEN.

POST OFFICE DEPARTMENT,
Washington, D. C., October 8, 1956.

Hon. EDITH GREEN,
House of Representatives,
Washington, D. C.

DEAR MRS. GREEN: Postmaster General Summerfield has requested that we reply to your letter of September 20, 1956, concerning the establishment of an airmail field at the Portland International Airport.

It is true that we have received recommendations in the past from regional officials of the Post Office Department concerning an airmail field at Portland. We have analyzed their reports very thoroughly and do not feel that an airmail facility can be justified at Portland. The size of a city really has very little effect on the need for an in-transit distributing facility at the airport, since all large cities distribute their own outgoing mail and the majority of mail handled through the airfield is mail for onward dispatch by air. In some cases an airmail field delays the delivery of mail to the local post office since the mail is dispatched directly to the post office if there is no airmail field and if there is an airmail field on some trips it is necessary that this mail be consolidated with the transit and actually delayed in delivery to the post office.

As stated before we have given this proposal very serious consideration and we do not feel that we can justify an airmail field at Portland. If it later develops through changes in airline schedules that an airfield can be justified, we would not anticipate too much difficulty in obtaining space at that time.

Sincerely yours,

J. N. MCKEAN,
Special Assistant
(For the Assistant Postmaster General).

AIRMAIL TEST CONDUCTED AT PORTLAND, OREG., AND VICINITY, BY NATIONAL POSTAL TRANSPORT ASSOCIATION

Method of test: All airmail letters involved were mailed to the same address in Washington, D. C. This is a business address with three mail deliveries daily.

All letters were mailed 2 hours in advance of closing time of flight over which they were intended to be dispatched. This is more time than schedule shows is needed to process mail at any of the installations where mailings were made.

At the time test was made (February 1957) there were 8 flights daily to Washington, D. C. that flew both from Portland and Seattle. Seven of these flights were from Seattle to Portland to Washington and one was from Portland to Seattle to Washington. Roughly, by the schedule then in effect, Seattle was 1½ hours farther from Washington by air than was Portland.

The same flights were used, or intended to be used, regardless of where the mailings were made. These flights involved transfers at Denver, San Francisco, Los Angeles, Chicago, Fort Worth, and Minneapolis.

Mailings at both Portland and Seattle were made simultaneously at downtown main offices and at airport. At Seattle, there was no appreciable difference between the two. Due to more frequent motor vehicle service and promptness of postmarking, all downtown mailings at Seattle apparently made the flights intended within the 2 hour advance. For that reason the times shown under Seattle are applicable to either city or airport mailings.

The flying time under Oregon cities mailings allows time to connect through Portland post office (theoretically) or some AMF depending upon the flight. Cities used in this mailings were all airstops that have direct local feeder air service to Portland airport,

such as Salem, Eugene, Klamath Falls, Roseburg, Bend, Astoria.

All mailings were made on Mondays, Tuesdays, Wednesdays to avoid weekend layovers. Flight conditions were normal during the period of the test. All times shown are to the nearest half hour and are the average of the 8 DCA flights. Since the same flights were used in all cases, the net results are the same as if each flight were listed separately from each point of mailing.

Time average	Seattle AMF and main office	Portland main office	Portland Airport	Oregon cities
Actual delivery time [1]	37	41	60	64
Flying time en route [2]	15½	14	14	18
Delay [3]	21½	27	46	46
Delay not chargeable [4]	4	4	4	4
Net delay above schedule [5]	17½	23	41	42
Best en route time [6]	23	34	33	41
Worst en route time [7]	49	51	73	70
Postmarking time [8]	½	1	5½	2½

[1] This is the total elapsed time from mailing of letter to delivery.

[2] This is the flying time en route plus time for connections at transfer points. It is the time the mails were in custody of the airlines.

[3] Difference between lines 1 and 2. Mails were in custody of Post Office Department.

[4] This is the average amount of time not chargeable to delays due to some flights arriving after closing times when the letters could not be delivered.

[5] Net delay. This is the amount of time that the actual delivery exceeded post office processing time and airline flying time. Allowance was made for all distribution required at both ends of flight. In other words, this is the time in excess of what passengers or other air cargo would require to make the same flight.

[6] The fastest time made from each point.

[7] The slowest time made from each point.

[8] This is the time between actual drop of letter in mail chute or box and the time of postmarking at office preparatory to distribution.

From evaluation of results of the airmail test, the following conclusions may fairly be drawn:

While Seattle is farther away from Washington, D. C. (and this also would apply to any other eastern point) than is Portland, the general public would gain time by driving to Seattle from Portland (3½ hrs.) to mail their airmail. This can partly be explained by the fact that distribution is done at the field at Seattle and frequent vehicle shuttle service is maintained between there and city. Mail deposit boxes are emptied at least every hour and both AMF and city post office staffs are to be commended for their awareness that airmail has some time value and should be immediately postmarked and dispatched.

At Portland main office there appears to be some laxness in pickup and postmarking time, as well as inability to get letters through airmail distribution. It appears that few, if any, of the letters made the flight intended with the 2-hour advance. In no case was next day delivery possible from Portland. Some of this is due to the fact that distribution is so remote from field and vehicle service so erratic that no last-minute dispatches can be made. It is interesting to note that on the return of these letters from Washington to a residential address in Portland with one delivery daily, next day delivery was made in all cases except one.

The service from the airport at Portland seems to be at least one day slower than from either Portland or Seattle. There is no service performed at airport. Mail deposited there is sent to city post office for postmarking and distribution, and is then returned to airport for flight. Due to poor coordination of vehicle service and slowness through city post office the time averages 5½ hours to postmark, and then mail has still to be worked and returned to field for flying. About 500 airmail letters mailed weekly at the airport, many by people who drive there to speed their mail, are delayed at least one day.

The service from outlying cities suffers from the same handicaps as does that from the airport. Mail is flown to Portland by local service from Oregon, Washington, Idaho cities, trucked to city post office, worked and trucked back to field hours later. Or, small offices do not have enough mail to make up directs, so their Eastern States are massed on Seattle, or Denver, or Chicago, and instead of making direct plane to plane transfers, mail is delayed 1½ to 2 hours going through AMF cases hence losing at least one flight. This also results in flying many small pouches, sometimes the equipment weighs more than the mail it contains. In some cases eastern mail passes through Portland to be massed on Seattle where it is worked and returned through Portland en route east. Local postal clerks and officials have made recommendations to alleviate the above delays. All such recommendations have been ignored.

JULY 15, 1958.

Hon. ARTHUR E. SUMMERFIELD,
The Postmaster General,
Washington, D. C.

MY DEAR MR. SECRETARY: Almost 22 months have now elapsed since I wrote you on September 20, 1956, urging your Department to acquire terminal facilities for an airfield post office at the new terminal building at the Portland International Airport. At that time I stated:

"At the present time, as you know, Portland is one of the few large cities in the United States without airport facilities for proper handling of mail. Indeed, a number of cities with only one-fifth to one-third of our volume of airmail now have these facilities. Almost alone among major cities, Portland's transit airmail must presently be trucked into the city for sorting, then trucked back to the airport for forwarding. With more than 100 airmail flights serving Portland International and over a million people in the area potentially served by transit airmail service here, this is clearly a cumbersome and inefficient system which, I am told, often results in a full day's delay in the delivery of airmail."

This letter is being written to urge you to reconsider the decision contained in the reply to me dated October 8, 1956, not to establish an airmail field at that time.

Tests conducted early in 1957 by the National Postal Transport Association of mailings from Seattle and Portland to Washington, D. C., showed that it took as much as 73 hours for a letter mailed at the Portland Airport to arrive in Washington, D. C. This is comparable to the worst en route time of 49 hours for a letter mailed from the Seattle Airport. The conclusion of the NPTA was:

"While Seattle is farther away from Washington, D. C. (and this also would apply to any other eastern point), than is Portland, the general public would gain time by driving to Seattle from Portland (3½ hours) to mail their airmail. This can be partly explained by the fact that distribution is done at the field at Seattle and frequent vehicle shuttle service is maintained between there and the city. Mail deposit boxes are emptied at least every hour and both AMF and city post office staffs are to be commended for their awareness that airmail has some time value and should be immediately postmarked and dispatched."

I, therefore, urge you, most strongly, to take the necessary steps to obtain space at the new terminal building at the Portland International Airport for the establishment there, without delay, of an airmail field.

Sincerely,

EDITH GREEN.

Address Delivered by Hon. J. Allen Frear at Camden-Wyoming Fire Company Celebration

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EXTENSION OF REMARKS
OF
HON. JOHN J. WILLIAMS
OF DELAWARE
IN THE SENATE OF THE UNITED STATES
Tuesday, July 15, 1958

Mr. WILLIAMS. Mr. President, last Saturday, July 12, in Delaware, the Camden-Wyoming Fire Company celebrated the burning of the mortgage against its modern building and equipment. This volunteer fire company and its facilities represent the joint venture of the two towns of Camden and Wyoming, Del., and their success is a tribute not only to the members of the fire company, but also to the citizens of those communities. Senator FREAR, as the speaker on this historic occasion, emphasized the great service rendered by the volunteer firemen of America. I ask unanimous consent that his remarks be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is hardly necessary for me to say that I consider it a very great honor to break bread with you this evening.

It is a privilege to share in this moment of triumph when you burn the mortgage and look with pride on your fire building, which you have released from financial obligations through your continuous hard work and cooperation.

The subscribers who have labored so long and earnestly toward complete payment now see the result of their efforts.

It is most fitting that such a result should crown the devoted and self-sacrificing work of the many who have given freely of their time, energy, and means in this community's behalf.

Recently in a message to the Brandywine Hundred Fire Company on the occasion of dedication ceremonies at the new fire hall, I said that America is a Nation of volunteer fire departments, due primarily to its widespread rural population, the vastness of the country and the number of counties, small cities, towns, and villages, both incorporated and unincorporated, all requiring fire protection.

A volunteer fire department is more than a group of men with shining red equipment—it is, indeed, a shining example of that quality which has made America great—that is individual initiative.

The burning of the mortgage this evening represents an offering on the altar of the noblest aims of civilized mankind.

This building, which you have relinquished from all debt, is more than foundation stones, walls, beams, steps, and a roof. It embodies the principles of community service and cooperation which exist within your volunteer fire company for the good of all.

What twist of nature, human or otherwise, causes fires at such inopportune times?

We all know that the life of the volunteer fireman is not a bed of roses.

The siren is sure to blow just as the juicy steak is being lifted from the pan, or just as the fireman is having his only extra nap of the week, or taking his family for a picnic or afternoon drive, or when he is at church or the movies.

And if he is away from home at the time, the sound of the siren puts unholy fear into his heart and speed into his feet.

Fire hazards are not so great as in the olden days, even in the country.

Mrs. O'Leary's cow would have a hard time finding a lantern to kick over now, because no doubt her barn would be lighted with electricity.

But with all our fire prevention methods and improved fire apparatus, there is always a real danger.

Our cities and towns have need of men who are willing to serve under the banner of flame and smoke.

The volunteer fire department is something of which its community should be proud—for its men are eager, earnest, brave, and efficient.

Fire is the world's greatest paradox, for it is at once man's worst enemy and his best friend. A marvelous servant when properly handled but a dreaded master when it gets the upper hand. No wonder our ancestors worshiped it and made sacrifices to it.

We are still making sacrifices.

Not a day passes but the fire-god claims its innocent victims.

America is a Nation of hero worshipers. She pays homage to scientists, inventors, and intrepid adventurers. She has taken to her heart in great crowds her returned soldiers. But not enough has ever been said about the arm of fire fighters—the men who go forth each day, ready to suffer or die in the performance of their duty.

One of the great buildings of the world—and one with which it is my good fortune to be very familiar—is the United States Capitol. Its history dates back to the day George Washington laid the cornerstone. This great structure has been visited by fire numerous times in its 163-year-old history. And it is interesting to know that on more than one occasion, the United States Capitol was saved by volunteer firemen long before the paid fire department was organized in the District of Columbia.

One of the fires at the Capitol Building occurred on the bitter cold night of December 24, in the year 1851. The volunteer firemen of Washington, D. C., had just finished battling a big hotel fire when news reached them that the Capitol was on fire. They at once started for the scene of the new conflict, and found upon arrival that the fire had started in the Library of Congress, at that time housed in the central wing of the Capitol. The fire was discovered by Edward Everett, great statesman and orator, who was browsing in the Library.

Included in the library were 6,700 volumes from the private library of Thomas Jefferson.

According to the fireman's record, the Anacostia volunteer fire company which had not been in service at the hotel fire, attempted to get its suction engine into the Capitol rotunda (as it was necessary for the water to be forced from hand engine), but it was too large to pass through the door.

The Columbia fire company was more fortunate, and soon the rotunda echoed with the working of the brakes. Hose was run to the roof and water poured in torrents to the floors below. A portion of the roof fell in shortly after the firemen had taken position on it, but fortunately no one was hurt.

Volunteer firemen down through the history of this great Nation have been willing to take risks—very considerable risks—to save life and property. Their efforts should not be taken for granted.

For the firemen every blaze is a challenge and must be fought until it is "dead" out.

Even where the fire has such headway upon arrival that there is little likelihood of saving the structure, and when no nearby property is threatened I have observed that the fire department puts the blaze out with great swiftness.

By so doing, it would seem the firemen have served notice that, had they been called in time, there could have been no question that they would have controlled the outbreak with minimum loss.

I have never noted a let-the-ruins-burn attitude in a volunteer fire department.

Fire fighting calls for high strategy. Thus, your usefulness to this community does not just happen.

Volumes upon volumes have been written about military strategy, but the story of the battle against fire, the strategy of fire-fighting, has gone largely unrecorded.

The stakes may not be so great—although the existence of a city often hangs in the balance at a great conflagration—and the casualty lists are not so long.

But action and danger are there—action that calls for the same combination of brains and brawn, the same qualities of daring and physical doggedness as an engagement at arms.

In some ways the strategy of fire fighting taxes the genius of man as a military engagement rarely does. It has been said that when Germany declared war against France, Field Marshal von Moltke sent a telegram and went to bed. The entire campaign had been worked out beforehand through years of patient preparation: the terrain was known to the square foot, the forces to be met with could be predicted with almost mathematical certainty, every possible move of the enemy had been discounted, every subordinate officer knew precisely what to do when the day should arrive. The entire military machine was loaded and aimed. All the commander had to do was pull the trigger.

This illustration is no doubt overdrawn—but it points to an interesting comparison.

The fire department commander cannot possibly work out his strategy until he arrives on the scene of the engagement. He has no idea where the action will take place until the alarm sounds and even then it may be any one of many buildings. Nor can he gage ahead of time the strength of the enemy's attack. When he reaches the scene he may find a bonfire in the street that can be put out with a splash from an extinguisher, or he may find an entire building a mass of fire that reaches out on every side for further fuel and a score of lives may be hanging in the balance.

The very nature of fire puts a staggering premium on quickness of decision. Time is of the essence in fire fighting. The longer it takes to control a fire, the more difficult it becomes to control. Were the public as fully aware of this as the fireman, I firmly believe there would be less grumbling when fire apparatus goes hurtling through traffic in a dizzy, headlong rush.

One cannot help but realize the cooperative spirt which is engendered by the way in which the volunteer fire department answers the cry of distress from its neighbors.

On top of it all, is the fact that your volunteer company is maintained and equipped largely through public contributions and not through direct taxation—an item which means much to the average homeowner.

It is an American habit for people to boost the community in which they live. However, have you ever stopped to wonder what makes a city a good place in which to live?

Dr. Edward L. Thorndike, a psychologist of Columbia University, wondered about this question and set to work to study in detail 117 different cities to determine which were better places in which to live. His studies revealed the surprising fact that money had little to do with making a city, or community, a good place to live, and the per capita wealth of the citizens was not so important as the way in which they spent whatever money was at their disposal.

The community where people spend their money on homes, providing schools for education, maintaining the public safety, and are unselfish in their support of their churches is a good place in which to live.

Communities where the people are kind and neighborly and have an interest in the welfare of others are better than communities of greater wealth where selfish interests sometimes prevail.

It is the quality of the citizens who make up a community that is more important than the amount of their incomes.

Your community has become a good place in which to live because you have made it so. You have kept in mind that short phrase, "the greatest good." It has guided your volunteer fire department successfully and should become the private and public code of every true American.

This is a proud moment for me, when I can congratulate you on the "burning of your mortgage."

You have planned wisely.

The citizens of this community are fortunate, indeed, to have a good volunteer fire department to serve them.

May you always have the wholehearted cooperation of your neighbors, in your efforts not only to put out fires, but to prevent their starting.

May your equipment always be as bright and shining, and in as perfect working order, as it is tonight.

Report of Water Resources Policy Committee to the 45th National Convention of the National Rivers and Harbors Congress

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EXTENSION OF REMARKS

OF

HON. ROBERT L. F. SIKES

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1958

Mr. SIKES. Mr. Speaker, under leave to extend my remarks, I wish to include the report of the committee on water resources policy to the 45th National Convention of the National Rivers and Harbors Congress, which was unanimously adopted by the convention on May 16, 1958.

The National Rivers and Harbors Congress has long recognized the need for a national water resources policy, and after President Eisenhower at our convention in 1954 announced the appointment of his Advisory Committee on Water Resources Policy, and requested the assistance of our organization and its members, a conference was had with the Chairman of the Committee, the Secretary of the Interior, and his assistants, participated in by President Brooks, National Vice President Holland, resolutions committee chairman and then Mississippi Vice President Smith, and the executive vice president.

Subsequently, President Brooks appointed a committee on water resources policy consisting of the following: Representative Robert L. F. Sikes, of Florida, chairman; Francis A. Pitkin of Pennsylvania, vice chairman; William H. Webb of the District of Columbia, secretary.

This committee has participated with representatives of other national and regional organizations over a period of several years in an effort to reach an agreement on what might be contained in a water resources policy bill, and the

committee's report describes these conferences, as follows:

REPORT OF COMMITTEE ON WATER RESOURCES POLICY TO THE 45TH NATIONAL CONVENTION OF THE NATIONAL RIVERS AND HARBORS CONGRESS

Your committee on water resources policy, through one or more of its members, participated during the past year in several conferences with members of water policy committees of six other national or regional agencies which have been vitally interested in establishing policy for the proper development of the waters and related land resources of the Nation.

The other organizations are the American Farm Bureau Federation, Chamber of Commerce of the United States, the Engineers Joint Council, the Mississippi Valley Association, the National Reclamation Association, and the National Water Conservation Conference.

At these interorganization meetings the assembled representatives carefully reviewed and expressed their respective views on the recommendations for the establishment of a national water policy, which are contained in the report of President Eisenhower's Advisory Committee on Water Resources Policy which was transmitted to the Congress in January of 1956.

The recommendations of the Presidential Committee were analyzed to a large degree in the light of water policy principles which had been formulated by the several committees of the respective participating organizations. They were also appraised in conjunction with the findings and conclusions contained in the reports of the Senate Committees on Insular and Interior Affairs and on Public Works, pursuant to Senate Resolutions 148 and 281.

We who represented the National Rivers and Harbors Congress in these discussions realized that we were not equipped or authorized to speak for the National Rivers and Harbors Congress on all of these matters. All we could do was hope to express in these discussions points of view which seemed to reflect those who are gathered here for this conference. We hope we have done no violence to your feelings on some of the highly controversial matters that are included.

The result of the conferences was complete agreement on many of the recommendations made by the Presidential Advisory Committee, particularly those that urged elimination of friction and duplication of activities among Federal agencies, better definition of the procedures and standards for the evaluation of projects, and more effective cooperation with the States and local governments. There was also unanimous agreement in opposition to the creation of a Water Resources Coordinator in the Office of the President. There was disagreement among the participants as to the advisability of the establishment of a board of review; 4 seemed to be in favor, and 3 in opposition.

As a consequence of these several interorganization conferences, a compromise bill was drafted by representatives of the American Farm Bureau Federation and was carefully reviewed at the last of the interorganizational meetings. It was agreed that efforts should be made to secure Congressional sponsorship of this bill after further revisions for its improvement. It was also agreed that the interorganizational group should press for the introduction of legislative proposals which, it is understood, have been drafted by the administration. As far as is known, nothing has come from these efforts thus far.

Your committee regrets that a more detailed report, presenting more specific recommendations cannot be presented. You will understand, however, that complete agreement cannot be reached by so many different agencies having such widely different objectives. Nonetheless, your committee feels that these explorations of mutual objectives have been productive and may well be continued as such opportunities arise in the future.

Respectfully submitted.

ROBERT L. P. SIKES,
Chairman.
FRANCIS A. PITKIN,
Vice Chairman.
WILLIAM H. WEBB,
Secretary.

Unanimously adopted by the congress, May 16, 1958.

Report of the Committee on Irrigation and Reclamation to the National Rivers and Harbors Congress

EXTENSION OF REMARKS
OF
HON. A. L. MILLER
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 15, 1958

Mr. MILLER of Nebraska. Mr. Speaker, the report by the Committee on Irrigation and Reclamation to the National Rivers and Harbors Congress' 45th National Convention was presented to that group on May 16. Much credit for its composition again goes to Ival V. Goslin, engineer-secretary to the Upper Colorado River Commission, and to William Welsh, secretary-manager of the National Reclamation Association.

I would suggest that my colleagues review this report and if you do, you will understand that more than half of the funds for reclamation comes from the sale of public lands, certain minerals, and the repayment on reclamation projects. Irrigation allocations are returned to the Treasury without interest in accordance with a 56-year-old reclamation law.

Irrigation is a sound investment for the Nation. For instance, every 4 years the value of crops produced on reclamation farms equals the total appropriation for Federal reclamation which started 56 years ago. It has been estimated that the Federal Government has received more than $5 billion in Federal taxes from reclamation projects and adjacent trade territories. The land irrigated would be nonproductive without water and good people to work the land. Irrigation projects produce food for a growing, expanding population. Only about 2 percent of the products on irrigated farms add to our surplus agricultural products. It would not be possible to have an abundance of cheap vegetables without the irrigation of good land.

REPORT OF COMMITTEE ON IRRIGATION AND RECLAMATION

(By Congressman A. L. MILLER, of Nebraska)

INTRODUCTION

At the 44th Annual Convention of the National Rivers and Harbors Congress held a year ago, President OVERTON BROOKS announced the creation of the committee on irrigation and reclamation. The assembly, without a dissenting vote, approved the forming of this committee, adopted its report, and made the committee a permanent part of this organization. In compliance with this directive, Mr. William H. Webb, executive vice president, on April 21, 1958, notified members of the committee of their scheduled participation in the proceedings of this meeting.

Purposes of the irrigation and reclamation committee

Original instructions to this committee directed it to deal only with matters of general policy. This course has continued in effect. Individual projects for which the approval of the United States Congress is sought are to be considered, as in the past, by the projects committee of the National Rivers and Harbors Congress, under the chairmanship of Congressman SID SIMPSON, of Illinois.

Last year the paramount purposes of this committee were defined as the formulation of a policy and a program for the continued, orderly development by reclamation and irrigation of our water and land resources in the arid and semiarid regions of the West, and to suggest ways and means whereby the National Rivers and Harbors Congress may better cooperate and coordinate its efforts with the advocates of reclamation and irrigation. We will continue to function under the basic philosophy that orderly and progressive development of our water and land resources is in the best interests of the United States, or, as more ably expressed by that wise American statesman, Daniel Webster:

"Let us develop the resources of our land, call forth its powers and build up its institutions, promote all its great interests and see whether we, also, in our day and generation, may not perform something worthy to be remembered."

Committee personnel

You will observe the personnel of this committee on irrigation and reclamation, now in its second year, on page 1 of this report. With only two exceptions the membership is the same as that of last year. This fact demonstrates the enthusiasm of these men and their dedication to the task assigned to them of representing the reclamation interests of our great Nation. Most of the men on the roster are interested not only in irrigation and reclamation, but in flood-control projects, rivers and harbors projects, and in fact all phases of water resource development.

PROGRESS

In this committee's report of 1957 to the National Rivers and Harbors Congress we outlined several policy and procedural recommendations designed as guides and suggestions for implementing basic principles. The adoption of these recommendations by this organization has contributed greatly to a better understanding of western resource problems by eastern people, of midwestern problems by both easterners and westerners, and of eastern problems by the rest of the Nation. It is gratifying to note that sponsors of projects in all parts of the Nation are beginning to recognize new possibilities for coordination of efforts and cooperation in proceeding with the development of water and land resources. This new spirit and its resultant accomplishments, we place in the category of progress—not because during the past year we feel that the program of project development has been accelerated to the point necessary or desirable; but rather because the goal is still in sight, and it is believed that future results will prove the justification and wisdom of united efforts.

During the past year the Small Reclamation Projects Act was put into force. Presently, there is one small project in Texas that has signed a repayment contract under the terms of this new law; while another in Utah is now pending before the Interior and Insular Affairs Committees of Congress, awaiting approval. Others in various States

of the West are being investigated and processed.

RECLAMATION IS MORE IMPORTANT TODAY THAN EVER BEFORE

Changing times

Less than a year ago, we were facing the results of a governmental economy program with which we, as conservationists and sponsors of water development projects, found no fault as far as fundamental objectives were concerned.

We have now been shocked into the realization that the effects of an economic recession are in our midst. We have not lost sight of the responsibilities of world leadership that our Nation must assume and which requires a strong economic and moral character. To be strong we must maintain a dynamic and accelerated progress in the development of our national resources in order to maintain a high standard of living at home, and at the same time, meet the challenges of world affairs. Reclamation and the irrigation of arid and semiarid lands have become vital parts of the American way of life by contributing greatly to a higher standard of living and to our strong position as a Nation.

Population increasing, productive land decreasing

The population of the United States continues to increase at a rate that provides approximately 3 million more mouths to feed each year. At the same time, we are losing more than a million acres of good agricultural land every year to highways, airports, municipal and suburban developments, industrial and military establishments, and by other means. These two opposing but interrelated influences pertaining to our need and capacity to produce, speak for themselves.

Will agricultural production increase fast enough

Our total farmland has remained about the same for the past 40 years. About the only means of increasing our farm acreage is through reclamation, irrigation, and drainage. It is very doubtful whether production on our existing farmlands can be increased fast enough to meet the demands of our growing population—228 million by 1975.

True, our agricultural production is continuing to increase but our rate of production per acre, during the past 10 years, has increased at a much slower pace than it did during the preceding 10-year period, or during World War II. The extremely high rate of increase in crop production per acre per year for the decade beginning about 1938 was the result of several factors including increased use of modern farm machinery, more extensive use of better fertilizers, better control of insects and plant diseases, and an abundance of rainfall supplemented by irrigation. Farm Output, a publication of the Agricultural Research Service of the Department of Agriculture, reveals that the rate of increase in production per acre per year for the past decade is less than one-third of the rate of increase per acre per year for the previous decade—in other words, our production per acre continues to increase but the rate of acceleration is less.

This same governmental agency has shown that if we are to meet our agricultural production requirements by 1975 (and assuming that our total acreage remains static), the rate of increase in crop production per acre per year until 1975 must be more than twice the increase per acre per year during the last 10 years. Even if we are able to increase our total farmland 300 million acres by 1975, the rate of increase in crop production until then must be 50 percent greater than the rate of increase in the last 10 years. Furthermore, this projection of 30 million additional acres of farmland by 1975 is predicated upon the assumption that 5 million of these new acres will be irrigated. That is more new land than the Bureau of Reclamation has brought under irrigation during its 56 years of existence. Therefore, it is plain to see that if we are to meet 1975 and subsequent conditions we must have more land under cultivation, or the rate of increase in production per acre per year will have to be far greater than it has been in recent years.

Reclamation is for the future

Many years are required, often a quarter of a century or more, to bring a major reclamation project into agricultural production. For instance, the Colorado River storage project and participating projects will require about 30 years for completion; the Columbia River Basin project at least 40 years, etc. An average reclamation project requires at least 10 years for completion and often longer.

Agricultural surpluses

Some of the top men in the Department of Agriculture predict that a balance between production and consumption of food products will be reached in the early 1960's. These facts mean in simple terms that there will be a full disposition of agricultural surpluses now prevalent in some crops long before reclamation projects now being authorized can be brought into production. The same applies to some projects like the two mentioned above that are currently under construction. Agricultural surpluses now so frequently cited as reasons for not authorizing reclamation projects are only temporary. We cannot afford to bury our heads in the sand and wait until increased amounts of foods and fibers are needed before we start our reclamation projects. To do so may mean national catastrophe.

Another fact that has not been fully appreciated is that reclamation projects contribute only insignificant amounts to our crop surplus accumulations. As an example, wheat, upland cotton, corn, tobacco, and rice are the crops that have been giving the greatest headaches to our agricultural experts. Of these crops, only 2.2 percent of the wheat is raised on irrigated lands, and 5.3 percent of the upland cotton, 0.46 percent of the corn, 0.54 percent of the rice and none of the tobacco come from reclamation projects. If a herd of elephants and an insignificant little mouse cross a bridge at the same time, the bridge collapses, is it reasonable to blame the poor mouse for the damage?

Recent authorizing acts for some of the larger reclamation projects include a proviso that water cannot be delivered to lands that produce crops declared to be surplus for a period of 10 years from the date of the authorization. This restrictive legislation further protects the United States markets from additional surpluses.

According to Mr. Donald A. Williams, Administrator, Soil Conservation Service, writing in the Coronet magazine:

"For every 4 people sitting down to a meal this year, there will be 6 in another 30 years and as our population continues to skyrocket, we are faced with the fact that the land available to feed these extra mouths keeps dwindling.

"In our time we shall see the rising population and the dwindling amounts of farmland meet. From that day on, you and your children can no longer be assured of the healthy balanced diet to which we have become accustomed."

RECLAMATION'S NATIONAL VALUES

Irrigation and reclamation are enterprises that have contributed greatly in economic, social, and welfare values to the development of America. More than 3,200,000 acres of desert land have been made productive; more than 4,140,000 acres have received supplemental water necessary for a sound farming economy; 93,500 new farms have been brought under irrigation; 360,000 Americans occupy those farms; and 1,800,000 people are living in areas supported by reclamation.

It should be emphasized that not all reclamation and irrigation has been made possible by the Federal Government. Private enterprise and individual initiative have accounted for the creation, operation and maintenance of many projects involving millions of productive acres. In other areas the Federal Government and private enterprise have worked hand in hand cooperating in the full development and utilization of the water resources.

Americans should not forget that large percentages of the fresh fruits, the vegetables, citrus fruits, nuts, semitropical fruits, and other items of our everyday diet are raised on irrigation and reclamation projects of the West. Doctors and dietitians are agreed that these fresh fruits and green vegetables are prime factors behind the superior health and well-being of our Nation.

Economists and financial experts have found that the overall reclamation program has proved to be an economically sound and financially feasible enterprise for participation by the Federal Government. Every 4 years the value of crops produced on reclamation farms equals the total money appropriated for Federal reclamation since its inception 56 years ago. The cash value of the crops produced in 1956 was more than $951,623,656. Since the reclamation program was initiated in 1902, $12,349,504,000 worth of crops have been produced. The Federal Government has received nearly $3,218 million in Federal taxes derived from reclamation projects and adjacent trade areas since 1940. Irrigation farmers have repaid the Federal Treasury more than $129,826,000. As emphasized many times, from a financial standpoint, reclamation projects repay the investment in many ways besides repaying to the United States all of the costs allocated to irrigation features without interest and the costs allocated to power and municipal water supplies with interest.

RECOMMENDATIONS

The following recommendations are found upon the basic principles adopted a year ago. At the same time we must keep in mind that the Nation in some areas is now feeling the effects of an economic recession and some unemployment with the general economy in need of a stimulus that can be supplied in part, at least, by the consummation of sound public works projects such as reclamation and other water resources development.

Last year it was recommended that reclamation should be continued at an accelerated pace because of its importance to the entire Nation in providing the basic necessities of life—food and fiber; in raising the standard of living; in creating new wealth and increasing the tax base. January 1958 saw the placing of a $200 million ceiling on the reclamation program by the Bureau of the Budget. The starting of new projects was to be prohibited. Some projects previously under construction were to be stopped; while on others construction could only proceed at a snail's pace. Later, and particularly as a means of combating the recession, the Bureau of the Budget recommended an additional $46 million be appropriated to accelerate construction of projects already underway. There has been some moderation of the no-new-starts policy.

A careful study of the projects currently under construction, the backlog of authorized projects on which construction is not yet started and the projects for which authorization is pending in the Congress shows that a $300 million reclamation program for at least the next 8 to 10 years is justified.

Such an increase would prove a stimulus to the sagging national economy and aid materially in meeting the problem of unemployment.

With the foregoing in mind we recommend:

1. The reclamation construction program should be accelerated to at least $300 million per year and maintained at that level from year to year.

2. Congress should appropriate funds for the construction of authorized reclamation projects for which advanced planning has been completed, and especially those that have formed legal organizations and have negotiated and executed repayment contracts. Reclamation construction should not be subjected to a stop-and-go policy because that procedure is too costly and inefficient.

3. The Congress of the United States should firmly establish and maintain its right to determine the policy and criteria under which all Federal water development projects will be authorized. This principle should be extended to cover the appropriation of funds and the designation of their use.

4. On multipurpose projects, wherever practicable, the development of water resources should be preceded by basinwide, multipurpose planning.

5. Power revenues derived from Federal projects should be used on a basinwide or areawide basis to assist in repayment of irrigation costs beyond the ability of the water users to repay.

6. The principle of the interstate compact should be encouraged in order to avoid litigation between and among States and to preclude domination of the development and control of natural resources by Federal agencies.

7. Procedures under which Federal water resources projects are investigated and reported should be simplified. The creation of a board of review or the office of coordinator would mean another obstacle in water resource development and should be opposed.

8. Basic land and water inventories, soil and water research, snow surveys, and stream forecasting should be continued and expanded, where necessary, in order to provide data for current and future planning.

9. The use of conservancy-type districts capable of levying taxes on project beneficiaries as agencies to execute repayment contracts with the Federal Government should be required in order to more equitably allocate costs of a project and meet the burden of expensive and complex project construction.

10. In planning and constructing water resource projects the principle of supplying supplemental water to lands presently inadequately irrigated should be given priority over bringing new lands into cultivation.

11. It is further recommended that the National Rivers and Harbors Congress, through its executive offices and appropriate communities:

(a) Step up its campaign in support of a water-utilization program designed to fully develop our land and water resources, placing special emphasis on starting new water development projects that are financially feasible and economically justified and are now ready for construction;

(b) Continue to bring to the attention of the executive and legislative branches of our Federal Government the need for a continuous, progressive, planned program of project authorization;

(c) Urge and actively support adequate appropriations for investigating and planning water-use projects;

(d) Support legislation requiring compliance with and adherence to State water laws by Federal agencies.

SUMMARY

In summary, the purposes of the Committee on Irrigation and Reclamation of the National Rivers and Harbors Congress shall be to continue to promote the development, control, conservation, preservation and utilization of the Nation's water resources, to work for the continuation of the services and the coordination of activities of Federal agencies dealing with water resources, to cooperate with and assist in securing authorization and construction of Federal water-use projects which meet with the approval of States and local agencies, to assist water users of the Nation in the economic development of river basins, to preserve the rights and interests of the States in their water resources, to promote the enactment of legislation favorable to these principles, and to oppose legislation detrimental to the orderly and progressive development of the river basins of the United States of America.

SENATE

WEDNESDAY, JULY 16, 1958

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal God, who art behind the enshrouding shadows and in them, Thou has called us to play our part in tragic yet decisive years which are determining the shape of tomorrow's life on this earth which is our home.

Untouched by the shattering events which fling their angry fury across our world, we would maintain an inner sanctuary inviolate and still.

As increasing tests await this dear land of our hope and prayer, we pray that we may not shirk facing the issues of these creative days or lose our victorious faith in the final overthrow of evil and the enthronement of righteousness and truth, but that solemnly committing ourselves and our cause unto Thee, who knoweth the way we take, we shall come forth like gold tried in the fire.

We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, July 15, 1958, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Ratchford, one of his secretaries, and he announced that on July 15, 1958, the President had approved and signed the joint resolution (S. J. Res. 12) to provide for transfer of right-of-way for Yellowtail Dam and Reservoir, Hardin unit, Missouri River Basin project, and payment to Crow Indian Tribe in connection therewith, and for other purposes.

THIRD ANNUAL REPORT ON ADMINISTRATION OF CHAPTER 73, TITLE 10, UNITED STATES CODE—MESSAGE FROM THE PRESIDENT

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Finance:

To the Congress of the United States:

Pursuant to the provisions of section 1444, title 10, United States Code, I transmit herewith for the information of the Congress the Third Annual Report on the Administration of Chapter 73—Annuities Based on Retired or Retainer Pay, Title 10, United States Code.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *July 16, 1958.*

(NOTE.—Actual report transmitted to the House of Representatives.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 1435. An act for the relief of John I. Strong;

H. R. 3147. An act for the relief of Friedrich A. von Hoyningen-Huene, Michael Andreas von Hoyningen-Huene, Christian Berend Johann von Hoyningen-Huene, and Brigitte Anita Peck (nee von Hoyningen-Huene);

H. R. 5169. An act for the relief of Frank J. Farley;

H. R. 6589. An act for the relief of Elizabeth C. Garner and Charles P. Garner;

H. R. 6970. An act for the relief of C. A. Nolan;

H. R. 7124. An act for the relief of Lester R. Loomis;

H. R. 7417. An act for the relief of Col. John T. Malloy;

H. R. 7793. An act for the relief of Bernardine M. A. de la Motte;

H. R. 8688. An act for the relief of Monroe Woolley;

H. R. 9180. An act for the relief of Mr. and Mrs. John R. Hadnot;

H. R. 9299. An act to authorize the appointment of Philip Ferdinand Lindeman as permanent colonel of the Regular Army;

H. R. 9300. An act to authorize the appointment of Robert Wesley Colglazier, Jr., as permanent brigadier general of the Regular Army;

H. R. 9487. An act for the relief of Mrs. Tyra Fenner Tynes;

H. R. 9756. An act for the relief of Gerald K. Edwards, Lawrence R. Hitchcock, Thomas J. Davey, and Gerald H. Donnelly;

H. R. 9792. An act to validate the conveyance of certain land in the State of California by the Southern Pacific Co. to James Giono;

H. R. 9808. An act for the relief of E. L. Terry, W. A. Ward, and G. S. Maness;

H. R. 10263. An act for the relief of Francis M. Haischer;

H. R. 10419. An act for the relief of North Counties Hydro-Electric Co.;

H. R. 11108. An act for the relief of Mrs. Christina Tules;

H. R. 11611. An act for the relief of McCune C. Ott;

H. R. 11933. An act to provide for the conveyance of interests of the United States in and to uranium, thorium, and other materials in certain tracts of land situated in Jackson County, Miss.;

H. R. 12063. An act for the relief of Gerald Early;

H. R. 12204. An act for the relief of Peter A. Beklemishev, Michael Linden, and Serge Oulassuk; and

H. R. 13026. An act to validate the conveyance of certain land in the State of California by the Central Pacific Railway Co. and the Southern Pacific Co. to D'Arrigo Bros. Co., of California.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

H. R. 2261. An act for the relief of the Committee of Reference and Counsel of the Foreign Missions Conference of North America;

H. R. 3261. An act for the relief of the Oceanside-Libby Union School District, San Diego County, Calif.;

H. R. 3720. An act for the relief of Carl J. Warneke;

H. R. 4044. An act for the relief of Mirko J. Pitner;

H. R. 4330. An act for the relief of Lucia (Castaneda) Sayaan and Gloria (Castaneda) Sayaan;

H. R. 5084. An act for the relief of Maria Alma Dizon;

H. R. 7987. An act for the relief of Maria Giannalia;

H. R. 8850. An act to amend the Universal Military Training and Service Act to authorize additional deferments in certain cases;

H. R. 11033. An act to authorize the creation of record of admission for permanent residence in the case of certain Hungarian refugees;

H. R. 11077. An act to incorporate the Veterans of World War I of the United States of America;

H. R. 11102. An act amending the jurisdiction of district courts in civil actions with regard to the amount in controversy and diversity of citizenship; and

H. J. Res. 582. Joint resolution to authorize the Commissioners of the District of Columbia to promulgate special regulations for the period of the Middle Atlantic Shrine Association Meeting of A. A. O. N. M. S. in September 1958, to authorize the granting of certain permits to Almas Temple Shrine Activities, Incorporated, on the occasions of such meetings, and for other purposes.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H. R. 1435. An act for the relief of John I. Strong;

H. R. 3147. An act for the relief of Friedrich A. von Hoyningen-Huene, Michael Andreas von Hoyningen-Huene, Christian Berend Johann von Hoyningen-Huene, and Brigitte Anita Peck (nee von Hoyningen-Huene);

H. R. 5169. An act for the relief of Frank J. Farley;

H. R. 6589. An act for the relief of Elizabeth C. Garner and Charles P. Garner;

H. R. 6970. An act for the relief of C. A. Nolan;

H. R. 7124. An act for the relief of Lester R. Loomis;

H. R. 7417. An act for the relief of Col. John T. Malloy;

H. R. 7793. An act for the relief of Bernardine M. A. de la Motte;

H. R. 8688. An act for the relief of Monroe Woolley;

H. R. 9180. An act for the relief of Mr. and Mrs. John R. Hadnot;

H. R. 9487. An act for the relief of Mrs. Tyra Fenner Tynes;

H. R. 9756. An act for the relief of Gerald K. Edwards, Lawrence R. Hitchcock, Thomas J. Davey, and Gerald H. Donnelly;

H. R. 9808. An act for the relief of E. L. Terry, W. A. Ward, and G. S. Maness;

H. R. 10263. An act for the relief of Francis M. Haischer;

H. R. 10419. An act for the relief of North Counties Hydro-Electric Co.

H. R. 11108. An act for the relief of Mrs. Christina Tules;

H. R. 11611. An act for the relief of McCune C. Ott;

H. R. 12063. An act for the relief of Gerald Early; and

H. R. 12204. An act for the relief of Peter A. Beklemishev, Michael Linden, and Serge Oulassuk; to the Committee on the Judiciary.

H. R. 9299. An act to authorize the appointment of Philip Ferdinand Lindeman as permanent colonel of the Regular Army; and

H. R. 9300. An act to authorize the appointment of Robert Wesley Colglazier, Jr., as permanent brigadier general of the Regular Army; to the Committee on Armed Services.

H. R. 9792. An act to validate the conveyance of certain lands in the State of California by the Southern Pacific Co. to James Giono; to the Committee on Interior and Insular Affairs.

H. R. 11933. An act to provide for the conveyance of interests of the United States in and to uranium, thorium, and other materials in certain tracts of land situated in Jackson County, Miss.; to the Committee on Government Operations.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Antitrust and Monopoly Subcommittee of the Committee on the Judiciary was authorized to meet during today's session of the Senate.

On request of Mr. BYRD, on behalf of Mr. GREEN, and by unanimous consent, the Committee on Foreign Relations was authorized to meet, with Under Secretary of State Herter, during today's session of the Senate.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. HILL, from the Committee on Labor and Public Welfare:

Morrough P. O'Brien, of California, to be a member of the National Science Board, National Science Foundation;

Dr. William Bennet Bean, of Iowa, to be a member of the Board of Regents of the National Library of Medicine, Public Health Service; and

Dr. William Walter Stadel, of California, to be a member of the Board of Regents of the National Library of Medicine, Public Health Service.

By Mr. EASTLAND, from the Committee on the Judiciary:

Edgar D. Crumpacker, of Hawaii, to be first judge of the first circuit, circuit courts, Territory of Hawaii;

Harold W. Nickelsen, of Hawaii, to be second judge of the third circuit, circuit courts, Territory of Hawaii; and

William Z. Fairbanks, of Hawaii, to be second judge of the first circuit, circuit courts, Territory of Hawaii.

The VICE PRESIDENT. If there be no further reports of committees, the nominations on the calendar will be stated.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of Charles W. Yost, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Morocco.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the postmaster nominations be considered en bloc.

The VICE PRESIDENT. Without objection, these nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON REAPPORTIONMENT OF AN APPROPRIATION

A letter from the Director, Bureau of the Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Department of Agriculture

under the Soil Bank programs for the acreage reserve program, for the fiscal year 1959, had been apportioned on a basis which indicates the necessity for a supplemental appropriation; to the Committee on Appropriations.

AMENDMENT OF DISTRICT OF COLUMBIA REDEVELOPMENT ACT OF 1945, AS AMENDED

A letter from the Chairman pro tempore, Board of Directors, District of Columbia Redevelopment Land Agency, Washington, D. C., transmitting a draft of proposed legislation to amend the District of Columbia Redevelopment Act of 1945, as amended (with an accompanying paper); to the Committee on the District of Columbia.

REPORT ON REVIEW OF ACTIVITIES OF PACIFIC NORTHWEST FOREST SERVICE

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on review of activities of Pacific Northwest (Region 6) Forest Service, Department of Agriculture, dated June 1957 (with an accompanying report); to the Committee on Government Operations.

REPORT PRIOR TO RESTORATION OF BALANCES, GENERAL SERVICES ADMINISTRATION

A letter from the Administrator, General Services Administration, Washington, D. C., transmitting, pursuant to law, a report prior to restoration of balances in that Administration, as of May 31, 1958 (with an accompanying report); to the Committee on Government Operations.

REPORT ON TORT CLAIMS PAID BY SMITHSONIAN INSTITUTION

A letter from the Acting Secretary, Smithsonian Institution, Washington, D. C., transmitting, pursuant to law, a report on tort claims paid by that Institution, during the fiscal year 1958 (with an accompanying report); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF ALIENS—WITHDRAWAL OF NAME

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the name of Sister Teresa Lim Yi Hung from a report relating to aliens whose deportation has been suspended, transmitted to the Senate on April 1, 1958; to the Committee on the Judiciary.

ADMISSION OF DISPLACED PERSONS—WITHDRAWAL OF NAME

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the name of Emilio Antonio Morel from a report transmitted to the Senate on March 15, 1957, pursuant to section 6 of the Refugee Relief Act of 1953, with a view to the adjustment of his immigration status; to the Committee on the Judiciary.

FEDERAL ASSISTANCE TO GUAM, AMERICAN SAMOA, AND THE TRUST TERRITORY OF THE PACIFIC ISLANDS IN MAJOR DISASTERS

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to authorize Federal assistance to Guam, American Samoa, and the Trust Territory of the Pacific Islands in major disasters (with an accompanying paper); to the Committee on Public Works.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A resolution adopted by the Small Craft Harbors Commission, Department of Natural Resources, State of California, favoring the enactment of legislation to provide sufficient funds to complete a harbor survey report of Santa Barbara Harbor, Goleta Harbor, and the Carpinteria area, California; to the Committee on Public Works.

A resolution adopted by the Common Council of the City of Syracuse, N. Y., favoring the enactment of Senate bill 4035, the Housing Act of 1958; ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GREEN, from the Committee on Foreign Relations, with an amendment:

S. 2933. A bill to extend the life of the Alaska International Rail and Highway Commission and to increase its authorization (Rept. No. 1840).

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce, without amendment:

S. 3951. A bill to amend the act of June 7, 1897, as amended, and section 4233A of the Revised Statutes, so as to authorize the Secretary of the Treasury to prescribe day signals for certain vessels, and for other purposes (Rept. No. 1842).

STUDY OF UNITED STATES RELATIONS WITH THE AMERICAN REPUBLICS—REPORT OF A COMMITTEE

Mr. GREEN, from the Committee on Foreign Relations, reported an original resolution (S. Res. 330) authorizing a study of United States relations with the American Republics, and submitted a report (No. 1841) thereon, which resolution was referred to the Committee on Rules and Administration, as follows:

Resolved, That the Committee on Foreign Relations, or any duly authorized subcommittee thereof, is authorized under sections 134 and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate to make a full and complete study of United States relations with the American Republics.

SEC. 2. For the purposes of this resolution the committee is authorized to (1) make such expenditures; (2) to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate; (3) to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents; (4) to take such testimony; (5) to employ, upon a temporary basis, technical, clerical, and other assistants and consultants; and (6) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government as it deems advisable.

SEC. 3. In the conduct of this study the committee may use the experience, knowledge, and advice of private organizations, schools, institutions, and individuals in its discretion, and is authorized to divide the work of the study among such individuals, groups, and institutions as it may deem appropriate and may enter into contracts for this purpose.

SEC. 4. The expenses of the committee under this resolution, which shall not exceed $150,000 for the period ending January 31, 1959, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

SEC. 5. The committee shall complete the study by June 30, 1960, but it shall submit to the Senate not later than January 31, 1959, such results of the study herein authorized together with such recommendations as may at that time be found appropriate.

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. JOHNSTON of South Carolina, from the Joint Select Committee on the Disposition of Papers in the Executive Departments, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted a report thereon, pursuant to law.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. PROXMIRE:

S. 4139. A bill to create a Supply and Service Administration as a Department in the Department of Defense, and for other purposes; to the Committee on Armed Services.

S. 4140. A bill to amend section 602 of the Federal Property and Administrative Services Act of 1949 with respect to the utilization and disposal of excess and surplus property under the control of executive agencies; to the Committee on Government Operations.

(See the remarks of Mr. PROXMIRE when he introduced the above bills, which appear under a separate heading.)

By Mr. MAGNUSON (by request):

S. 4141. A bill to amend the Civil Aeronautics Act of 1938, as amended, to include a declaration of policy relative to the use of civil aircraft in meeting the needs of the Government for transportation by air; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bill, which appear under a separate heading.)

RESOLUTIONS

The following resolutions were submitted or reported, and referred as indicated:

INCREASED EXPENDITURES FOR INVESTIGATION OF PROBLEMS OF AMERICAN SMALL AND INDEPENDENT BUSINESSES

Mr. SPARKMAN submitted the following resolution (S. Res. 329), which was referred to the Committee on Rules and Administration:

Resolved, That section 4 of Senate Resolution 209, agreed to January 29, 1958, is hereby amended by striking out the figure "$90,000" where it appears therein and by inserting in lieu thereof the figure "$102,500."

Mr. GREEN from the Committee on Foreign Relations, reported an original resolution (S. Res. 330) authorizing a study of United States relations with the American Republics, which was referred to the Committee on Rules and Administration.

(See the above resolution printed in full, which appears under the heading "Reports of Committees.")

PRINTING AS A SENATE DOCUMENT MANUSCRIPT ENTITLED "THE RIGHT TO TRAVEL AND UNITED STATES PASSPORT POLICIES"

Mr. JOHNSTON of South Carolina (for Mr. HENNINGS) submitted the following resolution (S. Res. 331), which was referred to the Committee on Rules and Administration:

Resolved, That the manuscript entitled "The Right To Travel and United States Passport Policies," prepared as a staff study by the Subcommittee on Constitutional Rights of the Committee on the Judiciary, be printed as a Senate document, and that 1,000 additional copies be printed for the use of that committee.

PRINTING AS A SENATE DOCUMENT STUDY ENTITLED "THE SOVIET EMPIRE: PRISON HOUSE OF NATIONS AND RACES"

Mr. JENNER. Mr. President, the Internal Security Subcommittee recently had printed, for the use of the committee, an extremely able study of Soviet genocide and related practices. The title of this document is "The Soviet Empire: Prison House of Nations and Races." Demand for this document has been so great that the committee's supply is virtually exhausted. Because of the very widespread interest in this publication, I believe that instead of seeking the printing of additional copies by the committee, as a committee print, the study should instead be printed as a Senate document.

I am, therefore, submitting a resolution to have this document "The Soviet Empire: Prison House of Nations and Races" printed as a Senate document.

The VICE PRESIDENT. The resolution will be received and appropriately referred.

The resolution (S. Res. 332) was referred to the Committee on Rules and Administration, as follows:

Resolved, That a study of Soviet genocide and related practices, prepared for the Senate Internal Security Subcommittee of the Senate Committee on the Judiciary and heretofore printed as a subcommittee print under the title "The Soviet Empire: Prison House of Nations and Races," be printed as a Senate document.

SEC. 2. There shall be printed 7,000 additional copies of such Senate document for use of the Subcommittee on Internal Security of the Senate Committee on the Judiciary.

LIMITATIONS ON MILITARY ASSIGNMENTS OF ARMED FORCES

Mr. JENNER submitted the following resolution (S. Res. 333), which was referred to the Committee on Armed Services:

Resolved, That it is the sense of the Senate that no members of the Armed Forces of the United States should be assigned or permitted to engage in any military or police activities or services, except under the sovereign Nation Government of the United States, under the sole direction of the President of the United States, acting within the Constitution and laws that conform to the Constitution.

It is further the sense of the Senate that only by a direct amendment to the Constitution of the United States and not by any authorization purported to be given by statute, Presidential directive, treaty, or executive agreement using powers incorporated into the Constitution through the use of the treaty clause, can the Congress or the President transfer or assign American Armed Forces to any command other than one subject only to the sovereign National Government of the United States.

SUPPLY AND SERVICE ADMINISTRATION—AMENDMENT OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT

Mr. PROXMIRE. Mr. President, I introduce, for appropriate reference, two bills designed to improve the operations of Government and save more than $1 billion of Government revenue.

One is a bill to create in the Department of Defense a Supply and Service Administration which would act as a central purchasing agent and supply service for the nonmilitary materials used by the armed services.

The second would provide for more efficient utilization and disposal of excess and surplus property under the control of executive agencies.

Both these measures have been recommended by the second Hoover Commission.

Mr. President, I think the quest for ways to improve the lives of our people ought to be accompanied by a ceaseless search for ways to cut unnecessary expenditures and end inequities in our tax system. Just as I am proud to be the author or cosponsor of many constructive measures to provide for or improve needed services for our people, I am equally proud to work whole-heartedly for measures to ease the tax burden on our people.

The VICE PRESIDENT. The bills will be received and appropriately referred.

The bills, introduced by Mr. PROXMIRE, were received, read twice by their titles, and referred as indicated:

To the Committee on Armed Services:

S. 4139. A bill to create a Supply and Service Administration as a Department in the Department of Defense, and for other purposes.

To the Committee on Government Operations:

S. 4140. A bill to amend section 602 of the Federal Property and Administrative Services Act of 1949 with respect to the utilization and disposal of excess and surplus property under the control of executive agencies.

AMENDMENT OF CIVIL AERONAUTICS ACT OF 1938, RELATING TO DECLARATION OF POLICY FOR USE OF CIVIL AIRCRAFT

Mr. MAGNUSON. Mr. President, by request, I introduce, for appropriate reference, a bill to amend the Civil Aeronautics Act of 1938, as amended, to include a declaration of policy relative to the use of civil aircraft in meeting the needs of the Government for transportation by air. I ask unanimous consent to have printed in the RECORD a statement of purpose and need for the proposed legislation, together with an analysis of the amendment and a comparison with existing law.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the statement, analysis, and comparison will be printed in the RECORD.

The bill (S. 4141) to amend the Civil Aeronautics Act of 1938, as amended, to include a declaration of policy relative to the use of civil aircraft in meeting the needs of the Government for transportation by air, introduced by Mr. MAGNUSON (by request), was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The statement, analysis, and comparison presented by Mr. MAGNUSON are as follows:

STATEMENT OF PURPOSE AND NEED FOR PROPOSED LEGISLATION

A BILL "TO AMEND THE CIVIL AERONAUTICS ACT OF 1938, AS AMENDED, TO INCLUDE A DECLARATION OF POLICY RELATIVE TO THE USE OF CIVIL AIRCRAFT IN MEETING THE NEEDS OF THE GOVERNMENT FOR TRANSPORTATION BY AIR"

The Board believes that the Government, the Nation's largest single user of transportation, in providing for transportation by air, should, whenever practicable, utilize the services and facilities of operators of civil aircraft offering such transportation. In particular, the policy of the Department of Defense not to engage in competition with the operators of civil aircraft should be continued and encouraged by statutory sanction.

The value to the Nation of civil aircraft operators as a means of providing a reservoir of aircraft and trained personnel which can be utilized by the military in time of emergency has been pointed out many times. By utilizing the services of such operators the Government can not only strengthen them, but even in marginal cases can assure their continued existence. In the case of a subsidized air carrier, the advantages of making use of its facilities, where it is practicable to do so, may be even more pronounced, by reason of the additional advantage of reducing or eliminating the need of the air carrier for Government subsidy.

The addition of the proposed new policy statement would be responsive to the recommendations made by the President's Air Policy Commission in 1954 (Report on Civil Air Policy, May 1954, p. 17), and the recommendation of the Comptroller General in his report to the Congress on the Civil Aeronautics Board in 1955 (Audit Report to the Congress of the United States, Civil Aeronautics Board, October 1955, p. 30). However, the Board's proposal is broader, and would not be limited to the certificated air carriers.

ANALYSIS OF PROPOSED AMENDMENT TO TITLE I OF THE CIVIL AERONAUTICS ACT OF 1938

The proposed amendment consists simply of the addition of a new section to title I. The new section is numbered "section 4" and is entitled "Government Transportation."

Primarily, the purpose of the amendment is to assure, by declaration of Congressional policy, the continuance by the Department of Defense, the Nation's largest single user of transportation, of its policy not to engage in competition with the operators of civil aircraft. However, considerations prompting such a declaration of policy also apply, in lesser degree, to other agencies of the Government. The proposed amendment, therefore, has been made of general applicability but includes specific reference to the Department of Defense.

Likewise, the legislation has been drafted so as not to limit the expression of Congres-

sional policy to utilization of the services of the certificated air carriers, as distinguished from other operators of civil aircraft willing and able to furnish transportation by air.

COMPARISON WITH EXISTING LAW

TITLE I—GENERAL PROVISIONS

Government transportation

SEC. 4. In meeting the requirements of the Government for transportation by air, preferential consideration should be given to utilizing the facilities made available by operators of civil aircraft who are willing, able, and authorized to provide such transportation. Accordingly, it is declared to be the policy of the Government that the Department of Defense and other agencies of the Government in arranging for such transportation should utilize the facilities provided by operators of civil aircraft to the maximum extent consistent with economical operations, the national defense, and national security considerations.

ASSISTANCE TO CERTAIN SEGMENTS OF THE FISHING INDUSTRY—AMENDMENTS

Mr. SALTONSTALL. Mr. President, I submit, for appropriate reference, amendments in the nature of a substitute to the bill (S. 3229) to provide a 5-year program of assistance to enable depressed segments of the fishing industry in the United States to regain a favorable economic status, and for other purposes, a bill to supplement the provisions of the Fish and Wildlife Act of 1956. I introduced earlier in this session Senate bill S. 3229, which provided for a very comprehensive program of aid and assistance to the New England ground-fish industry. Extensive hearings were held on the companion measure in the House of Representatives, and hearings are presently under way here in the subcommittee of the Committee on Interstate and Foreign Commerce, of which the Senator from Maine [Mr. PAYNE] is chairman.

It has become apparent, after extensive discussion with industry and Government officials, that the revised bill which I am today offering best meets the most immediate needs of this depressed industry. I hope, therefore, that the amended version will receive the earliest possible consideration by the Congress.

I shall only add that the fishing industry, having twice established a case before the Tariff Commission for tariff relief, has been denied this relief due to pressing reasons of national security. Equity and the national interest require that this bill receive prompt attention.

The VICE PRESIDENT. The amendments will be received, printed, and will lie on the table.

AGRICULTURAL ACT OF 1958—AMENDMENTS

Mr. HILL (for himself and Mr. SPARKMAN) submitted amendments, intended to be proposed by them, jointly, to the bill (S. 4071) to provide more effective price, production adjustment, and marketing programs for various agricultural commodities, which were ordered to lie on the table and to be printed.

EXTENSION OF TRADE AGREEMENTS ACT—AMENDMENTS

Mr. ERVIN submitted an amendment, intended to be proposed by him, to the bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. CAPEHART submitted an amendment, intended to be proposed by him, to House bill 12591, supra, which was order to lie on the table, and to be printed.

Mr. CLARK submitted an amendment, intended to be proposed by him, to House bill 12591, supra, which was ordered to lie on the table, and to be printed.

Mr. CAPEHART. Mr. President, I submit an amendment, intended to be proposed by me, to the bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, and ask that it be printed and lie on the table. I ask unanimous consent that a statement prepared by me relative to the amendment be printed in the RECORD.

The VICE PRESIDENT. The amendment will be received, printed, and will lie on the table; and, without objection, the statement will be printed in the RECORD.

The statement presented by Mr. CAPEHART is as follows:

STATEMENT BY SENATOR CAPEHART

Great responsibility rests with the Congress in drafting reciprocal trade legislation which will meet a seemingly paradoxical situation of aiding foreign trade with the United States and at the same time avoiding harmful effects to United States industry.

We find in existent law a provision intended by the Congress to inspire trade between Western Hemisphere countries and the United States.

However, a Treasury interpretation of the Western Hemisphere Trade Corporation Act has resulted in a discriminatory situation denying smaller manufacturers the same tax benefits available to larger manufacturers operating under the act.

The amendment I submit to H. R. 12591, the reciprocal trade bill, would require the consideration by the President of the United States of the inclusion of Western Hemisphere Trade Corporation Act provisions in the negotiation of trade agreements with Western Hemisphere countries.

It would also clarify the original intent of Congress whereby the existing discrimination would be eliminated.

Under the original Western Hemisphere Trade Corporation Act, which was made a part of the Internal Revenue Code of 1942, all corporations meeting the requirements of the act would be subject to 38 percent tax.

At the time the Senate Finance Committee recommended passage of the act, the committee said in its report and I quote:

"American companies trading in foreign countries within the Western Hemisphere are placed at a considerable competitive disadvantage with foreign corporations under the tax rates provided by the bill. To alleviate this competitive inequality, the committee bill relieves such corporations from surtax liability."

I call your attention to the fact that the Senate Finance Committee clearly indicated in its report that the benefits were intended to place all United States industry in a more desirable competitive position.

Treasury's interpretation provides that only those manufacturers whose Western Hemisphere trade corporation changes title outside continental United States shall benefit.

Nothing in the bill nor in the committee's report indicates it was the Congressional intent to create the inequality created by the Treasury interpretation.

That there is discrimination and inequality in the effect of the interpretation is admitted by Treasury.

I have in my possession a letter from a former Acting Secretary of the Treasury in which discrimination is admitted.

Also, in answering questions before the Senate Banking and Currency Committee on small business matters a high official of the Treasury Department admitted for the record that an inequality exists.

Nevertheless, Treasury Department reports on bill S. 808, introduced by myself, and Senators FREAR, SMATHERS, and JENNER to correct the inequality, oppose its adoption.

I will present Treasury objections and answers to those objections soon.

S. 808 which is now before the Senate Finance Committee, differs from the amendment I offer today in that it would amend the Western Hemisphere Trade Corporation Act to make the tax benefits available to all qualified Western Hemisphere trade corporations which are wholly owned by manufacturers and whose products are actually shipped for consumption in a Western Hemisphere country outside the United States.

The amendment I offer today to the reciprocal trade bill would have the same effect when those conditions of sale are incorporated in trade agreements conceived under the provisions of the bill.

Now, let me point out the discrimination existing in the operation of the Western Hemisphere Trade Corporation Act under Treasury's interpretation.

The larger manufacturer has no problem in changing title to goods outside continental United States since he maintains agencies in most of the Western Hemisphere countries.

Smaller manufacturers, operating under the historical small business method of changing title at domestic banks where buyers maintain lines of credit, cannot afford to maintain agencies in the many countries of the Western Hemisphere since the volume of export for them would not support that type operation.

As a result we find the smaller manufacturer is denied a favorable competitive position with low-labor-cost countries for Western Hemisphere business.

We also find that Western Hemisphere buyers who desire United States goods are forced to purchase from other countries because of the price differential.

Many cases of lost contracts have been cited to me where a 14-point tax benefit to the United States producer would have permitted him to bid successfully for the business.

Before turning to the refutation of Treasury's argument against correction of this inequity in the law, I want to point out that hearings were held last fall by the Senate Select Committee on Small Business on the need for amending the Western Hemisphere Trade Corporation Act in the manner proposed by S. 808 and the amendment I offer today.

After considering the evidence submitted to the committee that committee said in its report, and I quote:

"Foreign trade by smaller concerns is as important to this country as trade by bigger businesses. Such trade may even be more important to the continued existence and good health of small business. Legislation permitting equal application of the Western Hemisphere trade corporation provisions to

small business should be passed immediately."

At this point I want to say that the Small Business Administration, in its report to the committee on the proposed change in the Western Hemisphere Trade Corporation Act, supported the adoption of the amendment as a definite benefit to small manufacturing exporters and a means of eliminating the existing discrimination.

Also, the Export-Import Bank submitted a report supporting the proposed amendment.

As we all know the Export-Import Bank has much experience in the export problems of smaller manufacturers.

One further point of interest with regard to the support of this legislation is the fact that the House Ways and Means Committee in 1953 voted to make the change in the act.

Now it is only fair that we discuss some of the points Treasury raises in opposition to the passage of an amendment to correct the act.

First, of course, would be the fear of loss of revenue.

I can best answer that by reading from a letter I received from a smaller manufacturer who has been hurt by the existing inequality and I quote:

"As a specific illustration let us assume that one or more small companies were able to do enough export business that they were able to show a profit of $100,000.

"At the present time the tax on this at 52 percent would amount to $52,000.

"At the 38-percent rate which the export corporation would be entitled to the tax would be $38,000 and the Treasury might figure that they had lost $14,000 revenue.

"But if these small companies were able to take enough additional business away from the large corporation export subsidiaries (which pay no United States tax) to earn a profit of $38,000, then the small companies would pay a tax of 38 percent on $38,000 or $14,060, which is more than the Treasury thought they were losing."

Actually from what I saw of our competition on my visits to Latin America in recent years, I am quite confident that we can lose no revenue by this change because small manufacturers are finding it less and less possible to compete in this market.

If we are not doing the business, we cannot lose revenue. It is more likely that we would increase revenue by increasing the business potential at 38 percent.

Another point raised by Treasury in support of its interpretation is established by the wording of the report of the conference committee on the original act in 1942.

That report stated that the surtax exemption would be provided to domestic corporations deriving their income principally—here I quote from the report—"from the active conduct of the trade or business in foreign countries within the Western Hemisphere."

In other words, Treasury has said over the past years that you can qualify under the Western Hemisphere Trade Corporation Act only if you are actively conducting business in a foreign Western Hemisphere country.

If that is the case, then we find the interpretation encouraging the incorporation of United States businesses in foreign countries and we would derive no revenue whatever from its operations.

Even under that argument, we have failed to find any case where sales were made in Western Hemisphere countries by smaller manufacturers where the seller's services through representatives or engineers were not involved in consummating the sale at the consuming point.

I believe that to properly inform the Senate of the legal technicalities which have involved the Western Hemisphere Act and the proper interpretation of the intent of Congress, the following copy of a letter by Otis E. Nelson, a Wichita Falls, Tex., attorney, to John H. Wilson, president of the Wilson Export Corps., of Wichita Falls, should be inserted in my statement at this point.

NELSON, MONTGOMERY, ROBERTSON & SELLERS,
Wichita Falls, Tex., April 21, 1958.

Mr. JOHN H. WILSON,
Wilson Export Corp.,
Wichita Falls, Tex.

DEAR MR. WILSON: This letter refers to the letter dated March 30, 1958, written by Mr. Colin F. Stam to Senator RUSSELL B. LONG and relating to Western Hemisphere corporations.

I do not agree with Mr. Stam that the interpretation of the law that a sale is completed where the title passes has been recognized by the Treasury Department as the law since the year 1921. The Treasury Department was taking a different position in the year 1936, and as Mr. Stam states, it was 1947 before the Treasury Department adopted the rule that a sale was completed at the point where the title passed.

As a matter of fact, the first time that any court passed on this problem as related to Western Hemisphere corporations was by the Tax Court in the case of *American Food Products Corporation* v. *Commissioner*, which is reported in 28 Tax Court, No. 3, and which was decided in 1957.

Mr. Stam cites a group of cases as disclosing the fact that this same rule of law has been in effect since 1921. I will discuss these cases as he cited them.

The first case he cites is *Compania General* v. *Collector* (279 U. S. 306) decided in 1929. In that case a Spanish corporation who did business in the Philippine Islands was assessed a tax under section 10 of the Philippine Income Tax Law of March 7, 1919, as amended by act No. 2926 dated March 20, 1920, which law imposed a tax of 3 percent annually upon the total net income received in the preceding calendar year from all sources within the Philippine Islands by every corporation organized under the laws of any foreign country. The facts in the case were stipulated.

The plaintiff sued for a refund of this tax and the plaintiff recovered the income tax in the judgment of the trial court, but this judgment was reversed by the Supreme Court of the Philippine Islands. The Supreme Court of the United States granted a writ of certiorari.

The Supreme Court in passing on the stipulation, which stated that the merchandise was sold in the United States, stated that that statement could not be taken without qualification; that it must be read with the limitation immediately following that such sales were subject to confirmation and absolute control as to price and other terms and conditions by petitioner's Philippine branch. The Court stated that it did not appear whether or not the confirmation was in each case given by the Philippine branch directly to the buyer or was otherwise a final act consummating the sale within the Philippine Islands, or whether, as the trial court and the petitioner seemed to have assumed, it was a mere approval or ratification of the negotiations had by petitioner's American agent and authority to him to confirm or otherwise complete the sale in the United States. The Court held that if the confirmation was given by the Philippine branch, then the final acts of petitioner making effective the sales which were the source of profit took place in the Philippine Islands as an incident to and a part of its business conducted there. The Court then said:

"Further, in the absence of a clear showing of error, this Court should be slow to reverse the judgment of a Territorial court on questions of fact or of local law."

It will thus be seen here that the Supreme Court did not state that the contingency as to whether title passed in the United States or in the Philippine Islands had anything to do with the question of whether they were doing business in the Philippine Islands. It seems to me that they decided the case on the theory that the sales were subject to confirmation and absolute control as to price and other terms and conditions by petitioner's Philippine branch.

The next case to which Mr. Stam refers is the case of *United States of America* v. *Israel Dalanovski et al.*, decided on August 14, 1956. That case involved a suit to recover income taxes. The question was whether the partnership which was sued was doing business in the United States. The Court in this case held in substance the following:

"Goods are deemed sold within the statute providing that a nonresident alien engaged in business in the United States derives income from a sale of personal property in the country in which the goods are sold when the seller performs the last act demanded of him to transfer ownership and title passes to the buyer.

"When documents of title, such as a bill of lading, are given up the presumption is that seller has given up title together with the documents.

"In f. o. b. and f. a. s. contracts there is a presumption that title passes from the seller just as soon as the goods are delivered to the carrier, free on board, or free along the ship, as the case may be, and this presumption is not altered by the use of a letter of credit.

"Where a member of an Argentine partnership located suppliers in the United States and took care of details of paying suppliers and shipping goods to Argentina, and the partnership negotiated sales of goods to agency of Argentine Government in Argentina, but title to and beneficial ownership of the goods passed in the United States, the United States would be deemed to be the place of sale for such goods rather than Argentina, notwithstanding the fact that Argentina was the place where income-producing contracts were formally concluded and the place of the buyer's business and destination of the goods, and therefore members of the partnership were liable for taxes on the entire profits of such partnership sales."

The next case cited was the case of *Commissioner of Internal Revenue* v. *Piedras Negras Broadcasting Company.*

In that case the defendant maintained a broadcasting station and an office at Piedras Negras, Mex., which was across from Eagle Pass, Tex. It had an office in Eagle Pass and maintained a mailing address there and used a hotel room there in which it counted and allocated the funds received in the mails each day. The Commissioner of Internal Revenue attempted to subject this company to the payment of income tax in the United States.

You will note that this decision was in 1942 and the Commissioner of Internal Revenue then was contending that because some of the income came from the United States and the company maintained an office in the United States that it was doing business in the United States. I do not think that this decision supports the contention of Mr. Stam that a sale is made where the title passes.

The court in deciding the case held the following:

"Where income of taxpayer, a foreign corporation, was derived exclusively from the operation of its broadcasting facilities located in Mexico or for rental of these facilities, the income was either compensation for personal services or rentals or royalties from property or both and the taxpayer had no income from sources within the United States on which tax could be levied, notwithstanding the majority of taxpayer's responses from listeners came from the United

States and 95 percent of its income was from advertisers within the United States.

"Under revenue act classifying income as to the source thereof, the 'source of income is the situs of the income-producing service as respects liability of foreign radio corporation not engaged in business within the United States for income tax.'"

The case of *Commissioner of Internal Revenue* v. *East Coast Oil Company* (85 Fed. 2d 322, writ of certiorari denied, 57 Sup. Ct. 234), is a case which was decided in 1936 by the Court of Appeals of the fifth circuit at New Orleans.

In that case the East Coast Oil Co. S. A. was a corporation organized under the laws of Mexico, dealing in crude petroleum and having agents in the United States for the negotiation of sales. This case was appealed by the Commissioner of Internal Revenue from a decision of the Tax Court holding that this concern was not taxable on its income in the United States.

The profits sought to be taxed arose from sales of oil to parties in the United States through these agents under contracts for future delivery, payment to be made to the company's agent in the United States at delivery. Some of the contracts provided for delivery f. o. b., others for delivery c. i. f., all of the oil sold being produced in Mexico, part by the company and the balance purchased. All of the oil was delivered to ocean carriers at the company's wharf in Tampico, Mexico. The c. i. f. contracts provided for ultimate delivery at points in the United States. The contracts contained a provision that the oil should be inspected, tested, and gaged by representatives of both parties at the place of delivery. The Commissioner contended in this case that inasmuch as the sales were negotiated in the United States and payment was made in the United States, the income was derived from sources within the United States.

You will notice here that the Commissioner did not agree at this time that the sale was made at the point where the title to the goods passed, but contended because of delivery in the United States and payment in the United States that title passed there.

The court in this case held generally as follows:

"Under sales contract providing either for delivery f. o. b. or c. i. f., title to goods passes from seller to buyer on delivery of goods to carrier, and delivery to buyer of the bill of lading and other documents of title.

"Where oil produced in Mexico by a Mexican corporation was to be delivered in the United States either f. o. b. or c. i. f., provisions of sales contract for inspection and gaging of oil at place of delivery held not to provide for passing of title to oil after its arrival in the United States so as to make income derived from sales taxable as derived from sources within the United States."

In the case of *Commissioner of Internal Revenue* v. *Briskey Company* (78 Fed. 2d 816), the taxpayer had purchased skins in India and had shipped the skins to itself in the United States. The Indian Government levied an income tax on the taxpayer for the profits he realized out of the skins. The Commissioner of Internal Revenue contended that the taxpayer owed income tax on the profit made on the skins because they were delivered to the United States, but the Circuit Court of Appeals for the Third Circuit held otherwise.

The court held:

"Where taxpayer's agent bought skins in India, paying therefor by drawing against letters of credit furnished by taxpayer's American customers for whom skins were purchased, and while skins were consigned to taxpayer, it acted simply as a conduit whereby skins reached buyers furnishing money to pay therefor, taxpayer held entitled to credit against its United States income taxes on account of income taxes paid on such transactions to Indian Government since sales were not made in the United States."

The last case cited by Mr. Stam is the case of *Amtorg Trading Corporation* v. *Higgins, Collector of Internal Revenue*, decided by the Court of Appeals of the Second Circuit and reported in 150th Federal Reports, 2d series, page 536. This decision was in 1945.

This case is not very clear. The case involved excise taxes on matches. The Amtorg Trading Corp. as seller and Northam as buyer entered into a contract that Amtorg was to deliver to Northam not less than 1,500,000 gross of matches within a period of 10 months. On some of the matches the price was fixed f. o. b. Leningrad; if these matches were shipped from some other Soviet port, the seller was to absorb the increase in freight charges. The buyer had his choice on other shipments of a price f. o. b. Leningrad or f. o. b. Hamburg. It seems that most of the bills of lading were made to the order of Amtorg. The entry papers listed Amtorg as the owner. Some of the matches were stored in warehouses in the name of another concern and Northam paid all warehouse charges. The pro forma invoices listed Amtorg as purchaser and another concern as seller. A consular invoice similarly listed Amtorg as purchaser. Prior to the filing of the lawsuit, Amtorg pledged some of the matches in the warehouse to the Chase National Bank.

The trial court in this case gave judgment for Amtorg in the sum of $25,000, apparently on the theory that Northam had paid a part of the tax. The trial court did not pass upon the question as to whether or not the sale was made in the United States or was made in Russia. In reversing the case, the court said that the trial court applied the wrong rule of law and that it was necessary for the trial court to determine definitely whether the sale from Amtorg to Northam occurred in the United States or in Russia. It held that Amtorg had failed to carry the burden of proof necessary to entitle it to a recovery of $25,000 awarded to it by the district court and that there was certain evidence that was inadmissible which had been considered by the trial court.

It is my opinion that the decisions of the courts now support the rule that a sale is made in the country where the title passes, particularly the case of *American Food Products Company* v. *Commissioner*, which was decided in 1957 under the Western Hemisphere Corporation Act. I do not agree with Mr. Stam that the law was clear to this effect since 1921. From the decisions which he has cited you will note that the Director or Commissioner of Internal Revenue has not been consistent in his contention and from his own letter, the Commissioner did not adopt this rule until the year 1947. For that reason I do not believe that Congress could have considered that the rule of the sale occurring where the title to the property passed would be applicable to the Western Hemisphere Corporation Act.

I enclose herewith a photostatic copy of regulation 16,296.7, paragraphs (a), (b), and (c). Paragraph (c), you will note, in the first portion states that the sale will be held to have occurred in the case of personal property where the rights, title, and interest of the seller are transferred to the buyer. The last sentence of that paragraph, however, shows that the Commissioner of Internal Revenue does not intend to apply that rule if there is any way by which he can get out of it for the reason that he states that if the transaction is arranged in any particular manner for the primary purpose of tax avoidance, the foregoing rules will not be applied, but the negotiations, the execution of the agreement, the location of the property and the place of payment will be considered and the sale will be treated as having been consummated at the place where the substance of the sale occurred. This appears to me to give to the Director of Internal Revenue the option of contending that the sale did not take place where the title passed to the purchaser, but to always be able to contend that taxes will be due at the Director's discretion.

Very truly yours,

OTIS E. NELSON.

Since Mr. Nelson's letter referred to a letter dated March 30, 1956, from Mr. Colin F. Stam to Senator LONG, I requested and received permission from Senator LONG to use in full the reply by Mr. Nelson since it points up most decisively the reason why the Congress in 1942 could not have intended Western Hemisphere Act provisions be governed by the title-passage rule which was not established until 1947.

In closing I should like to say that by giving the President the authority to include the originally intended provisions of the Western Hemisphere Act in trade agreements with Western Hemisphere countries we will be taking long-needed action on behalf of the smaller manufacturers and at the same time strengthening our trading position with those countries.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. THURMOND:

Letter written by him to the Architect of the Capitol regarding a book entitled "The Famous Five," referring to the five Senators whose portraits are to be hung in the Senate reception room.

LANDING OF UNITED STATES MARINES IN LEBANON

Mr. SMITH of New Jersey. Mr. President, in the daily press, of course, we read a great deal about the present crisis in Lebanon. This morning, I note in the New York Herald Tribune an editorial entitled "Action To Save Lebanon"; and in the New York Times, an editorial entitled "Marines in Lebanon." I believe these editorials are very much in point and very much in support of the President's position; and I ask unanimous consent that they be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune of July 16, 1958]

ACTION TO SAVE LEBANON

The die is now cast.

President Eisenhower has heeded the urgent request of the Lebanon Republic to help preserve its integrity and independence. Under the screaming cover of jet aircraft from the aircraft carrier *Essex*, 5,000 combat-ready United States marines have landed in Beirut.

The cover proved unnecessary. Friendly Lebanese gathered as for a picnic to wave and shout at the tough leathernecks swinging up their beaches from the landing craft. "I've got a cousin in New York" cried one grinning Lebanese. "Welcome, welcome," shouted others.

The President made it most clear that the United States is acting only until the United Nations itself can adequately protect the tiny Lebanese nation, a charter member of the

U. N. "In the face of the tragic and shocking events that are occurring nearby," he said, "more will be required than the team of United Nations observers now in Lebanon. * * * We cannot, consistently with our historic relations and with the principles of the United Nations, stand idly by when Lebanon appeals itself for evidence of our concern and when Lebanon may not be able to preserve internal order and to defend itself against indirect aggression."

The President based his action on Lebanon's direct appeal, and on article 51 of the U. N. Charter:

"Nothing in the present charter shall impair the inherent right of individual or collective self defense if an armed attack occurs against a member of the United Nations, until the Security Council has taken measures necessary to maintain international peace and security."

As the marines were landing, Ambassador Henry Cabot Lodge arose in the U. N. Security Council—convened at the President's request the previous evening—to announce the fact and to express the hope that "the United Nations itself will soon be able to assume these responsibilities."

Ambassador Lodge cited section 4 of article 2 of the U. N. Charter in connection with the indirect aggression in Lebanon, represented by Egyptian propaganda and Syrian arms-smuggling:

"All members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the purposes of the United Nations."

In shocked and sober tones he brought home to the other delegates the horrible nature of the deeds now being perpetrated in Iraq. Only a few weeks before Iraq's scholarly Foreign Minister Fadhil al Jamali, a doctor of philosophy, had stood before the delegates, recalling how he had defended Egypt against aggression, and pleading help now for Lebanon. Ambassador Lodge reported that the mobs in Baghdad had murdered Dr. Jamali and dragged his body through the streets. "Decent people throughout the world, wherever they may be, will recoil at this monstrosity."

The Soviet delegate, Arkady Sobolev, arose to mutter ominous threats about the American action. It "could have the most serious consequences," he said, and "plunge the world into the abyss of a new world war."

Thoughtful Americans believed it far more likely that war ultimately could result from failing to act, from allowing one after another free and friendly nation to be murdered from within through the provocation and propaganda dinned daily through the Middle East by Nasser's radio and secret agents, spurred on by skilled Soviet advisers.

The whole country closed ranks behind the President.

"Under the circumstances," said former President Harry Truman, who intervened to halt Communist aggression in Korea, "the President had no other choice. The peace of the world is at stake."

Senator LYNDON JOHNSON, of Texas, majority leader of the Democratic opposition in the Senate, spoke for all Americans: "No one can foresee the future clearly. But whatever the future may hold the American people will be united. We will make it clear to the aggressors that this country is determined to maintain freedom in the world at whatever the cost."

Speaker of the House SAM RAYBURN, leader of the Democratic opposition in Congress, said the President's action was the proper thing to do.

The leaders of the President's own party backed him to the hilt. House Republican Leader JOSEPH W. MARTIN said: "The decision of President Eisenhower was the only choice he had. If we allowed this little liberty-loving people to fall undefended against outside aggression we would have lost face with the entire Free World. And it is the only course that can bring us peace. The United Nations is the proper organization to guarantee the defense of Lebanon and I believe they will share that responsibility."

WILLIAM F. KNOWLAND, Republican leader in the Senate, said that every one in the Free World has "come to the realisation that you cannot have the Free World nibbled away bit by bit."

Britain and France were both informed beforehand. Both approved the action. Both readied their own forces and fleets for possible action. The United States Atlantic Fleet was also put on alert status.

The President has advised the Congress that additional United States troops will be sent to Lebanon as requested.

King Hussein, of Jordan, may require assistance to stave off new plots by Nasserite conspirators in his army. Furthermore, in the absence of King Faisal's government, he also becomes head of the Arab Union and as such, the legal spokesman for Iraq as well. Should Hussein request assistance it will be seriously considered.

In any event the President of the United States has drawn a line at Lebanon and said: Thus far and no farther. A line had to be drawn somewhere if big war is to be averted. For as Ambassador Lodge said: "The members of the League of Nations tolerated direct and indirect aggression in Europe, in Asia, and in Africa during the 1930's and the tragic result was to strengthen and to stimulate aggressive forces in such a way that World War II became inevitable. The United States, for its part, is determined that history shall not now be repeated."

This is the warning now laid down to Nasser and his Kremlin inciters: They shall not pass.

[From the New York Times of July 16, 1958]

MARINES IN LEBANON

In the circumstances the move taken by the United States in landing marines in Lebanon was the right one. Either the United States, and with our country the democratic West, had to give up hope of preventing the whole Middle East from falling into hostile hands or something had to be done.

Once this fact was accepted in Washington, London and Paris, the choice of what to do and what could be done was narrow. In theory our move was simply in response to an urgent request for aid from President Chamoun of Lebanon and to protect American citizens. In reality we acted to contain the revolt in Iraq and prevent the spread of the infection.

This is an abrupt change in American thinking, since we previously took the line that Lebanon did not need help and the United Nations observers were sufficient to keep things in line there. However, the Iraqi revolt has changed the picture.

In order to be successful, American military intervention must be limited in scope and effect. It must not be, nor must it have the appearance of being, an invasion of the Middle East. The Iraqi revolution was certainly inspired by Nasserism and one can guess that Soviet agents played a customary role, but on the face of it the revolt was an internal affair. Such being the case, however deplorable and dangerous it appears to be, the United States cannot step in to turn the clock back. The Lebanese Government wants to preserve its sovereignty and independence and has asked for help. As President Eisenhower pointed out, the United Nations Charter recognizes that "there is an inherent right of collective self-defense." To help Lebanon is a defensive move.

The legal and moral issues therefore seem clear enough, even though they do not by any means cover the whole situation. The fate of the Middle East could be involved, and this is the transcendent issue. If the West lost its access to the oil of the Near East or was barred from using the area as the strategic crossroads to Europe, Asia and Africa, the result could be to make the Soviet Union by far the greatest power in the world.

The United States has thus far avoided making the basic decisions in the Middle East that events are forcing upon us. A Middle East that was truly independent and neutral in the sense that India is independent and neutral under Prime Minister Nehru would offer no grave problems, even if it had to be a Middle East dominated by President Nasser of Egypt and the forces of pan-Arabism for which he stands. A Middle East allied to the Soviet Union and playing the Soviet game would be fatal. American policy has accepted neither horn of this dilemma. We have played to keep the Middle East divided into sovereign and independent states and tried to win each country separately to a support of the West. The result was a precarious balance now shattered by the revolt in Iraq.

The dynamism of the situation makes it extremely difficult and delicate to handle. The policy now followed must not drive Nasser and his group into the Soviet camp. It must not turn the Arab world against the United States and the West in general. It is not a question of popularity or unpopularity, but of winning respect and trust. Whatever is done or not done involves some danger and it is better to face danger boldly than to throw up Maginot Lines against it or fall back on appeasement.

Any move such as Washington has now taken in Lebanon is open to dispute as to whether it was right or wrong, wise or unwise. This is one way of saying that there is no obvious solution and that chances have to be taken. In our opinion the debarkation in Lebanon was a calculated risk worth taking.

Mr. JOHNSON of Texas. Mr. President, if no other Senator desires to address the Senate during the morning hour, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). Without objection, it is so ordered.

OBJECTION TO HEARINGS ON PASSPORT BILL BY FOREIGN RELATIONS COMMITTEE DURING SENATE SESSIONS

Mr. MORSE. Mr. President, there is pending before the Senate Foreign Relations Committee the administration passport bill. The chief architects, so far as I can ascertain, are Mr. Dulles and Mr. Murphy. I would describe their architectural work as an illegal, unconstitutional house of legislative ill fame, because it is such a serious attack upon the basic liberties of the American people, and it is, in my judgment, so in violation of the elemental principles of due process of law. Under this bill the courts would not have available to them the unrecorded, secret evidence the Sec-

retary of State would use in denying a passport. How could such a shocking proposal be made to the Congress of the United States by a President of the United States?

I consider this such a challenge to American civil rights and the constitutional guaranties of a free people that I propose to be in attendance at the committee hearings when this bill is under consideration. Therefore, I now notify the Senate that I file a standing objection to any hearing being conducted by the Senate Foreign Relations Committee on passport legislation while the Senate is in session.

I cannot be here on the floor of the Senate and in the committee room at the same time. Therefore, let the RECORD show that the senior Senator from Oregon objects to any meeting of the Foreign Relations Committee for the purpose of conducting hearings on passport legislation while the Senate is in session.

The PRESIDING OFFICER. The Chair inquires of the Senator from Oregon whether his objection applies only to passport hearings.

Mr. MORSE. Only to the passport hearings, because I intend to follow those hearings minute by minute and hour by hour, and I have a great many questions to ask the administration witnesses in regard to their bill.

Never, during my 13 years of service in the Senate, have I been so deeply moved by what I consider to be an inexcusable attack on constitutional guaranties as are to be found in the administration's proposed passport bill. Therefore, the greatest service I can render the people of the sovereign State I, in part, represent is to see to it that I am present when the hearings are held.

The PRESIDING OFFICER. The objection of the Senator from Oregon will be noted.

DEFICIENCIES OF THE LABOR BILL

Mr. GOLDWATER. Mr. President, during the course of the current hearings before the McClellan committee, dealing primarily with the infiltration of gangsters and hoodlums into the union movement in Chicago, it has become increasingly apparent that the Kennedy-Ives bill, recently passed by the Senate, is inadequate to meet the abuses now being revealed.

Time and again during debate on the Senate floor I warned that failure to include proper provisions imposing fiduciary responsibility on labor leaders as well as failure to assure effective democratic procedures in unions would result in a bill with no teeth.

Repeatedly I heard the assertion made that we must accept a moderate bill, that the Kennedy-Ives measure was the best which could be passed. I never agreed with that attitude. It is impossible for me to understand what the people who called for a moderate bill meant when they objected to offered amendments. If they meant they would only accept a bill which failed to provide means for unions to clean their own houses and failed to impose fiduciary responsibility on union leaders, the Kennedy-Ives bill, by its many omissions, satisfies those standards.

I again desire to point out that if some of the Members of this body who were most insistent on a moderate bill as the only thing which could pass the Senate had cast their votes in favor of strengthening amendments, their votes alone would have been the margin of difference between the bill which is presently on Speaker Rayburn's desk and the strong bill which was needed, and which, with their help, could have been passed.

I, therefore, urge the House of Representatives carefully to consider this measure, in full hearings before its Education and Labor Committee, in order to correct its obvious weaknesses in the light of the disclosures now being made before the McClellan committee, and to provide the amendments which are absolutely necessary to give protection to rank and file union members.

I might point out that some of the fifth amendment witnesses themselves recognize that strong legislation is needed. Thus, yesterday, in answer to a direct question put by a member of the McClellan committee to James O'Connor, former business agent and president of Local 394, Cooks, Waiters and Miscellaneous Union of Chicago, who, by the way, took the fifth amendment many times, as to whether the Congress ought to pass a law making it a crime for a union official to use his union office to engage in extortion, Mr. O'Connor answered, "Yes." If an affected labor union official agrees that laws are needed to protect union members, there can scarcely be any justification for the failure of the Congress of the United States to pass the needed legislation.

TRADE AGREEMENTS EXTENSION ACT OF 1958

Mr. BUSH. Mr. President, the Senate faces action on the Trade Agreements Extension Act at a very fateful time in the history of this country. This is a crucial hour in which we find ourselves and in which our friends of the free Western World find themselves. It is perhaps unfortunate, yet it may be fortunate in another way, that the proposed legislation must be considered under such circumstances.

Mr. President, I strongly urge the Senate to restore the language written into the trade agreements extension bill by the House of Representatives, and to reject the crippling amendments which have been placed into the bill by the Committee on Finance of the Senate.

We have operated for some 24 years under the legislation which is now up for extension. During that period of time, as a nation we have increased our imports from some $2 billion a year to approximately $20 billion a year. We have attained a business in exports which represents approximately 5 percent of the gross national product of the United States, and that 5 percent is a very important factor to many, many companies in the United States. We have developed, in connection with exports, business which it is estimated employs 4½ million people. This has become a very vital matter to the United States.

More than that, Mr. President, in this day and age, with communications so excellent and travel so easy, and with a battle raging between the Free World and the Communist nations of it world, it is absolutely essential, in my view, that we do what we can to improve the trade relations among the free countries of the world. Trade will bring these countries closer together, and increase their confidence in each other and their dependence upon each other. Trade will thus bring the free nations closer together spiritually, politically and socially, which I think will be greatly to the advantage of the United States in the long run.

Mr. President, I intend to support amendments to the bill which will extend the Trade Agreements Act for 5 years rather than 3 years, which the committee recommends, and amendments which will restore to the bill the House provision in connection with escape clause proceedings and appeals therefrom. I think these matters are of vital importance to the United States.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. BUSH. I yield to the Senator from Kentucky.

Mr. COOPER. Mr. President, as the Senate begins debate on the extension of the Reciprocal Trade Agreements Act, I should like to associate myself with the remarks which have been made by the distinguished Senator from Connecticut. I know many of us are in accord with the statement which was made by Secretary of Commerce Weeks, that the committee bill would "completely emasculate the legislation" proposed by the administration.

I know many Senators want to support amendments which will make the bill effective and in accordance with the proposal submitted by the President. We have complete confidence in our colleagues on the committee who have attempted to make the bill effective. We want to support our colleagues. We want to have the chance to support them.

I express the hope that the administration will not agree to compromises which will make the act ineffective. I believe if the bill is passed in the form in which it has been submitted by the Senate Committee on Finance it will be a sham Reciprocal Trade Agreements Act.

Undoubtedly the most damaging amendment written by the committee is the so-called escape-clause amendment, which would in effect make the President a figurehead. This amendment alone would emasculate the Trade Agreements Act.

All of us have problems concerning industries in our States. We have had to make the decision that the act in the long run is best for the country. That is the decision we have made. I hope that there will be no compromises. I hope we shall have a chance to restore the bill to its original form.

I join with my friend from Connecticut in support of his position.

Mr. CASE of New Jersey and Mr. BUTLER addressed the Chair.

The PRESIDING OFFICER. The Chair wishes to state that the Senate is proceeding in the morning hour.

Mr. BUSH. Mr. President, I should be glad to yield to the Senator from New Jersey on his own time, if that is in order. Otherwise, I shall yield the floor.

The PRESIDING OFFICER. Does the Senator ask for additional time?

Mr. BUSH. Mr. President, I ask unanimous consent that I may yield to the Senator from New Jersey for not to exceed 3 minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Connecticut? The Chair hears none, and it is so ordered.

Mr. CASE of New Jersey. Mr. President, I thank the Senator from Connecticut. I wish to associate myself with the remarks of the Senator from Connecticut and the Senator from Kentucky in vigorously opposing the amendments which the Committee on Finance has recommended to the bill as passed by the House of Representatives. As the Senator from Kentucky said, I think the most harmful of the amendments is that relating to the so-called escape clause, under which it would be necessary, if the President wished to make a determination different from the recommendation of the Tariff Commission, to have his determination supported by a majority vote of both Houses. This, I think, would effectually tie the hands of the President, and render practically nugatory the whole mechanism of the reciprocal trade program.

I agree equally with respect to the limitation of 3 years instead of 5 years, as approved by the House of Representatives, and the provision which would limit to 5 percent a year, noncumulative, the reduction which might be made, instead of the cumulative authority voted by the House which would make possible a total reduction of 25 percent and which could be applied at rates up to 10 percent a year.

These things, as has been stated, ought to be done at this time, particularly in view of the fact that the European Common Market is now getting under way. It is essential for this country to be able to work into a freer and more flexible pattern of trade with the countries of that union. If the President is not given at least the power provided by the House of Representatives in the bill the House passed, the whole program may well collapse.

Again I express my vigorous concurrence with the remarks of the Senator from Connecticut and the Senator from Kentucky on these matters.

Mr. BUSH. Mr. President, I thank the Senator from Kentucky [Mr. COOPER] and the Senator from New Jersey [Mr. CASE] and compliment them on the fine statements they have made on this highly important issue.

WE MUST FIND THE ANSWER TO PAN-ARAB NATIONALIST PROPAGANDA; WE MUST REFUTE POISON WITH THE TRUTH WHICH SETS MEN FREE

Mr. WILEY. Mr. President, the Nasser-incited situation in Iraq, in Lebanon, in Jordan, should not have come as much of a surprise as it apparently did.

For months and months, Egyptian propaganda sources have been poisoning the minds of the peoples of the Middle East and have been building up to the present situation.

What have they been poisoning the Arab peoples against? Poisoning against the United States and her allies, against Western influence—yes, against the white man.

Cairo Radio represents one of the most powerful propaganda agencies in the world. It utilizes 11 strong transmitters, beaming a stream of radio broadcasts into the surrounding regions and into Africa, urging violence and assassination against the white man, the European, the Westerner.

Mr. President, we must find the answer to this hateful propaganda.

We must make known the truth—the truth which sets men free. We must demonstrate to the Arab peoples:

First. We, of the United States, certainly do not oppose the desire of the Arab peoples to gain greater unity. An Arab nationalism which is reasonable, which is enlightened, is something which we support and favor, for we are proud of our own nationhood.

Second. We do not believe in oppression of the Arab peoples from any source. We oppose imperialism and colonialism. We oppose feudalism and serfdom.

Third. We strongly support the Arab peoples in their desire for raising of their own standards of living.

HOW NASSER'S ACTIONS BELIE THESE THREE GOALS

But considering these three principles, what has President Nasser actually done? The record will show that he has done exactly the opposite of what he professes. It is not an enlightened nationalism which Nasser invokes, but a blind nationalism which hates, which seeks to destroy.

He speaks as a so-called foe of Western imperialism. Yet, from Nasser's own aggressive action in the Sudan and elsewhere, it is clear that he, himself, is imperialistically ready, willing, and eager to dominate other countries and make them the serfs of Cairo.

And, so far as Egypt's own standards of living are concerned, what, precisely, has he accomplished for his own Egyptian people? How many Egyptian houses has he built; how many hospitals, how many schools? How much more food has he put into the stomachs of the Egyptian people; and how much of their sickness has he helped to cure? When, Mr. President, you try to answer the last question, you can understand why Nasser now seeks to direct the attention of his people into military adventures.

No, Colonel Nasser's phony claims are refuted by his actions. He condemns us, of the West, yet he, himself, is guilty of the very same crimes of which he so wrongly accuses us.

The answer to the problem of the Arab peoples must come from the Arab nations themselves. Responsible, moderate leadership is the only answer to the problems of the Arab peoples.

But, because of the poison from Cairo Radio; because of the subsidizing of street mobs with Cairo gold, because of the hiring of assassins, President Nasser has made it virtually impossible for Arab moderates to survive. An Arab moderate can often expect for his pains little but a bullet in his back from a hired assassin.

This, then, is the grim situation which we face, and which poses such a problem to the world: How to help the Arab peoples cleanse the poison from their bloodstream.

PRESIDENT EISENHOWER HAD NO ALTERNATIVE

Of course, we might have hoped that it would not have proven necessary to dispatch United States Marines to Lebanon. But, as Harry Truman himself stated, Dwight D. Eisenhower had no alternative if American lives and property, at the very minimum, are to be protected.

MILWAUKEE JOURNAL EDITORIAL EXPOSED CAIRO RADIO

In last Saturday's issue of the Milwaukee Journal, there was a very fine editorial on the poisoning by Cairo Radio of the minds of the Middle East. This editorial demonstrates why the situation which we face today could have been foreseen, at least in part. I ask unanimous consent that the editorial be printed in the body of the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CAIRO RADIO BLASTS AWAY WITH LIES—THEY HAVE EFFECT

Cairo Radio, the many tongued voice of President Nasser, has been busy for some time telling the Lebanese what is happening in Lebanon. It reports bombings in Beirut that never occurred. It reports street battles in places that have known nothing but quiet since the civil war started. Almost completely, Cairo Radio makes up its news.

This is typical wherever Cairo Radio is received. In Jordan not too long ago, for instance, Cairo Radio was announcing that the streets of Amman were running with blood. To one walking down the streets, as we were recently, all heavily guarded by police and the former Arab legion, the broadcasts seemed exceedingly clumsy. Surely, one thought, Nasser's propagandists were discrediting themselves.

To an extent, they do. But the overall pounding from Cairo and the constant use of the big lie techniques has a powerful effect.

The force of Cairo Radio over the Middle East and Africa can't be underestimated. The New York Times, in a current survey, estimates that there are 11 big transmitters being used now by Nasser and half a dozen more, obtained from Czechoslovakia, almost ready to go into operation.

These beam Nasser's propaganda to all quarters of the Arab world. They blanket Africa. They even reach into Israel for 3 hours a day, and do it in the Hebrew language. For 19 hours and 15 minutes a day, not counting special broadcasts aimed at Europe and Asia, Nasser's view of the world goes forth in dozens of tongues, from Arabic to Somali, from Sudanese to Ashanti.

To western ears the voice is often jarring in its intemperance. It repeatedly speaks of foreigners as "white dogs, imperialists bloodsuckers, colonialist oppressors." It promises a world in which western pythons will be driven out and Pan-Arabism will take over. Even more bitter names are hurled at the Arab kings of Iraq and Jordan who oppose Nasser.

And the words are welcome to many Arab ears, and perhaps to some African ears which are not Arab. To a man in poverty in Jordan a voice that promises him, as an Arab, a place in the sun is welcome—even when it is caught in a bare lie. The Arab is proud. In one way or another he has been or is being oppressed. A promise of a savior is as welcome as a song.

And the thing Nasser is trying to do, and with some success, is to equate himself and the United Arab Republic with hope of a powerful and prosperous and independent Arab world.

"We don't believe him," one Arab leader after another will tell you in the anti-Nasser countries. "But perhaps we don't count. The men in the coffee houses believe him. And they are the great majority."

"Cairo Radio is one of the strongest propaganda networks in the world," a man who works on a western monitoring project tells us. "It's something to reckon with—and whoever thinks that it can't be effective because of its intemperance forgets two things: Hitler's big lie technique and the success he had with it and the Arab penchant for believing a leader who promises to destroy those he considers enemies."

THE CRISIS IN LEBANON—STATEMENT BY THE PRESIDENT

Mr. KNOWLAND. Mr. President, I ask unanimous consent that there be printed in the body of the RECORD at this point a statement made by the President over the radio to the American people last night, on the subject of the crisis in Lebanon.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY THE PRESIDENT

Yesterday was a day of grave developments in the Middle East. In Iraq a highly organized military blow struck down the duly constituted Government and attempted to put in its place a committee of Army officers. The attack was conducted with great brutality. Many of the leading personalities were beaten to death or hanged and their bodies dragged through the streets.

At about the same time there was discovered a highly organized plot to overthrow the lawful Government of Jordan.

Warned and alarmed by these developments, President Chamoun of Lebanon sent me an urgent plea that the United States station some military units in Lebanon to evidence our concern for the independence of Lebanon, that little country, which itself has for about 2 months been subjected to civil strife. This has been actively fomented by Soviet and Cairo broadcasts and abetted and aided by substantial amounts of arms, money, and personnel infiltrated into Lebanon across the Syrian border.

President Chamoun stated that without an immediate show of United States support, the Government of Lebanon would be unable to survive against the forces which had been set loose in the area.

The plea of President Chamoun was supported by the unanimous action of the Lebanese Cabinet.

After giving this plea earnest thought and after taking advice from leaders of both the executive and congressional branches of the Government, I decided to comply with the plea of the Government of Lebanon. A few hours ago a battalion of United States Marines landed and took up stations in and about the city of Beirut.

The mission of these forces is to protect American lives—there are about 2,500 Americans in Lebanon—and by their presence to assist the Government of Lebanon to preserve its territorial integrity and political independence.

The United States does not, of course, intend to replace the United Nations which has a primary responsibility to maintain international peace and security. We reacted as we did within a matter of hours because the situation was such that only prompt action would suffice. We have, however, with equal promptness moved in the United Nations. This morning there was held at our request an emergency meeting of the United Nations Security Council. At this meeting we reported the action which we had taken. We stated the reasons therefor. We expressed the hope that the United Nations would itself take measures which would be adequate to preserve the independence of Lebanon and permit of the early withdrawal of the United States forces.

I should like now to take a few minutes to explain the situation in Lebanon.

Lebanon is a small country, a little less than the size of Connecticut, with a population of about 1½ million. It has always had close and friendly relations with the United States. Many of you no doubt have heard of the American University at Beirut, which has a distinguished record. Lebanon has been a prosperous, peaceful country, thriving on trade largely with the West. A little over a year ago there were general elections, held in an atmosphere of total calm, which resulted in the establishment, by an overwhelming popular vote, of the present Parliament for a period of 4 years. The term of the President, however, is of a different duration and would normally expire next September. The President, Mr. Chamoun, has made clear that he does not seek reelection.

When the attacks on the Government of Lebanon began to occur, it took the matter to the United Nations Security Council, pointing out that Lebanon was the victim of indirect aggression from without. As a result, the Security Council sent observers to Lebanon in the hope of thereby insuring that hostile intervention would cease. Secretary General Hammarskjold undertook a mission to the area to reinforce the work of the observers.

We believe that his efforts and those of the United Nations observers were helpful. They could not eliminate arms or ammunition or remove persons already sent into Lebanon. But we believe they did reduce such aid from across the border. It seemed last week that the situation was moving toward a peaceful solution which would preserve the integrity of Lebanon and end indirect aggression from without.

Those hopes were, however, dashed by the events of yesterday in Iraq and Jordan. These events demonstrate a scope of aggressive purpose which tiny Lebanon could not combat without further evidence of support. That is why Lebanon's request for troops from the United States was made. That is why we have responded to that request.

Some will ask, Does the stationing of some United States troops in Lebanon involve any interference in the internal affairs of Lebanon? The clear answer is "No."

First of all, we have acted at the urgent plea of the Government of Lebanon, a government which has been freely elected by the people only a little over a year ago. It is entitled, as are we, to join in measures of collective security for self-defense. Such action, the United Nations Charter recognizes, is an inherent right.

In the second place, what we now see in the Middle East is the same pattern of conquest with which we became familiar during the period of 1945 to 1950. This involves taking over a nation by means of indirect aggression; that is, under the cover of a fomented civil strife, the purpose is to put into domestic control those whose real loyalty is to the aggressor.

It was by such means that the Communists attempted to take over Greece in 1947. That effort was thwarted by the Truman doctrine.

It was by such means that the Communists took over Czechoslovakia in 1948.

It was by such means that the Communists took over the mainland of China in 1949.

It was by such means that the Communists attempted to take over Korea and Indochina, beginning in 1950.

You will remember at the time of the Korean war that the Soviet Government claimed that this was merely a civil war, because the only attack was by North Koreans upon South Koreans. But all the world knew that the North Koreans were armed, equipped and directed from without for the purpose of aggression.

This means of conquest was denounced by the United Nations General Assembly when it adopted in November 1950 its resolution entitled, "Peace Through Deeds." It thereby called upon every nation to refrain from "fomenting civil strife in the interest of a foreign power" and denounced such action as "the gravest of all crimes against peace and security throughout the world."

We had hoped that these threats to the peace and to the independence and integrity of small nations had come to an end. Unhappily, now they reappear. Lebanon was selected to become a victim.

Last year, the Congress of the United States joined with the President to declare that "the United States regards as vital to the national interest and world peace the preservation of the independence and integrity of the nations of the Middle East."

I believe that the presence of the United States forces now being sent to Lebanon will have a stabilizing effect which will preserve the independence and integrity of Lebanon. It will also afford an increased measure of security to the thousands of Americans who reside in Lebanon.

We know that stability and well-being cannot be achieved purely by military measures. The economy of Lebanon has been gravely strained by civil strife. Foreign trade and tourist traffic have almost come to a standstill. The United States stands ready, under its mutual security program, to cooperate with the Government of Lebanon to find ways to restore its shattered economy. Thus we shall help to bring back to Lebanon a peace which is not merely the absence of fighting but the well-being of the people.

I am well aware of the fact that landing of United States troops in Lebanon could have some serious consequences. That is why this step was taken only after the most serious consideration and broad consultation. I have, however, come to the sober and clear conclusion that the action taken was essential to the welfare of the United States. It was required to support the principles of justice and international law upon which peace and a stable international order depend.

That, and that alone, is the purpose of the United States. We are not actuated by any hope of material gain or by any emotional hostility against any person or any government. Our dedication is to the principles of the United Nations Charter and to the preservation of the independence of every state. That is the basic pledge of the United Nations Charter.

Yet indirect aggression and violence are being promoted in the Near East in clear violation of the provisions of the United Nations Charter.

There can be no peace in the world unless there is fuller dedication to the basic principles of the United Nations Charter. If ever the United States fails to support these principles the result would be to open the floodgates to direct and indirect aggression throughout the world.

In the 1930's the members of the League of Nations became indifferent to direct and indirect aggression in Europe, Asia, and Africa. The result was to strengthen and stimulate aggressive forces that made World War II inevitable.

The United States is determined that that history shall not now be repeated. We are hopeful that the action which we are taking will both preserve the independence of Lebanon and check international violations which, if they succeeded, would endanger world peace.

We hope that this result will quickly be attained and that our forces can be promptly withdrawn. We must, however, be prepared to meet the situation, whatever be the consequences. We can do so, confident that we strive for a world in which nations, be they great or be they small, can preserve their independence. We are striving for an ideal which is close to the heart of every American and for which in the past many Americans have laid down their lives.

To serve these ideals is also to serve the cause of peace, security and well-being, not only for us, but for all men everywhere.

PROPOSED AMENDMENTS TO EXISTING AGREEMENTS FOR COOPERATION WITH BRAZIL AND DENMARK CONCERNING CIVIL USES OF ATOMIC ENERGY

Mr. PASTORE. Mr. President, in accordance with section 123c of the Atomic Energy Act of 1954, the President has submitted to the Congress proposed amendments to the existing agreements for cooperation with the Governments of Brazil and Denmark concerning civil uses of atomic energy.

The amendment to the Brazilian agreement would permit the Government of Brazil to have in its custody at any one time up to 15 instead of 6 kilograms of contained U–235 in uranium enriched up to a maximum of 20 percent U–235, plus such additional quantity as, in the opinion of the Atomic Energy Commission, is necessary to permit the efficient and continuous use of the reactors involved.

The amendment to the Danish agreement provides for the transfer of a net amount of 50 kilograms of uranium enriched up to a maximum of 20 percent U–235, except that the Atomic Energy Commission, at its discretion, may make a portion of the foregoing 50 kilograms available as material enriched up to 90 percent for use in research and materials testing reactors capable of operating with a fuel load not to exceed 8 kilograms of contained U–235 in uranium. The amendment also provides for the transfer of special nuclear materials for defined research projects related to the peaceful uses of atomic energy.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the following documents concerning the Brazilian amendment:

First, a letter dated June 30, 1958, from the Atomic Energy Commission to the Joint Committee on Atomic Energy explaining the proposed amendment;

Second, a letter from the Chairman of the Atomic Energy Commission to the President, dated June 23, 1958;

Third, a letter from the President to the Chairman of the Atomic Energy Commission, dated June 25, 1958; and

Fourth, a copy of the proposed amendment to the agreement.

I also ask unanimous consent to insert in the RECORD the following documents concerning the Danish amendment:

First, a letter from the Atomic Energy Commission to the Joint Committee on Atomic Energy, dated July 10, 1958, explaining the proposed amendment;

Second, a letter from Dr. Libby, Acting Chairman of the Atomic Energy Commission, to the President, dated July 3, 1958;

Third, a letter from the President to the Acting Chairman of the Atomic Energy Commission, dated July 7, 1958; and

Fourth, a copy of the proposed amendment to the agreement.

There being no objection, the letters and other documents were ordered to be printed in the RECORD, as follows:

UNITED STATES
ATOMIC ENERGY COMMISSION,
Washington, D. C., June 30, 1958.

Hon. CARL T. DURHAM,
Chairman, Joint Committee on Atomic Energy, Congress of the United States.

DEAR MR. DURHAM: Pursuant to section 123 c. of the Atomic Energy Act of 1954, as amended, there is submitted with this letter:

1. Three copies of an amendment to the agreement for cooperation with the Government of the Kingdom of Denmark, as amended, which was signed on July 25, 1955;

2. Three copies of a letter from the Commission to the President recommending approval of the amendment;

3. Three copies of a letter from the President to the Commission approving the amendment, containing his determination that it will promote and will not constitute an unreasonable risk to the common defense and security; and his authorization to execute the proposed amendment.

The amendment submitted with this letter would modify the agreement for cooperation signed by the Government of the United States and the Government of the Kingdom of Denmark on July 25, 1955, which has been modified by an earlier amendment signed on June 27, 1956.

Article I of the proposed amendment would provide for the transfer of a net amount of 50 kilograms of uranium enriched up to a maximum of 20 percent in the isotope U–235, except as noted below. This uranium would be sold or leased by the Commission to the Government of the Kingdom of Denmark for fueling defined reactor projects in Denmark. The Commission, at its discretion, may make a portion of the foregoing 50 kilograms available as material enriched up to 90 percent for use in research and materials testing reactors capable of operating with a fuel load not to exceed 8 kilograms of contained U–235 in uranium. It is contemplated that most of the fuel to be transferred under the agreement, as amended, will be utilized in a research reactor being purchased in the United States and to become operational in the fall of 1958 at Risoe, west of Copenhagen.

The quantity of uranium enriched in the isotope U–235 transferred to the Government of the Kingdom of Denmark for use as fuel in reactors will not at any one time be in excess of the amount of material necessary for the full loading of each defined reactor project plus such additional quantity as, in the opinion of the Commission, is necessary to permit the efficient and continuous operation of the reactor or reactors while replaced fuel elements are radioactively cooling or, subject to Commission approval, are being reprocessed in Denmark.

Article II of the proposed amendment would permit the transfer of quantities of special nuclear materials, including U–235, U–233, and plutonium, on an as-may-be-agreed basis, for defined research projects related to the peaceful uses of atomic energy.

Article III of the proposed amendment indicates that the parties affirm their common interest in the International Atomic Energy Agency and that the parties agree to consult with each other to determine in what respects, if any, they desire to modify the provisions of the agreement for cooperation in view of the establishment of the Agency.

Article IV of the proposed amendment incorporates several provisions which are designed to minimize the possibility that material or equipment transferred under the agreement will be diverted to nonpeaceful purposes.

The amendment will enter into force when the two governments have exchanged written notification that their respective statutory and constitutional requirements have been fulfilled.

Sincerely,

W. F. LIBBY,
(For Chairman).

JUNE 23, 1958.

THE PRESIDENT,
The White House.

DEAR MR. PRESIDENT: The Atomic Energy Commission recommends that you approve the enclosed proposed amendment to the agreement for cooperation between the Government of the United States of America and the Government of the Kingdom of Denmark concerning civil uses of atomic energy and authorize its execution.

The amendment has been negotiated by the Atomic Energy Commission and the Department of State pursuant to the Atomic Energy Act of 1954, as amended, and is, in the opinion of the Commission, an important and desirable step in advancing the development of the peaceful uses of atomic energy in Denmark in accordance with the policy which you have established. This amendment would modify the agreement for cooperation signed by the Government of the United States and the Government of the Kingdom of Denmark on July 25, 1955, which has already been modified by an earlier amendment signed on June 27, 1956. The agreement provides for the transfer of fuel from the Commission to the Government of the Kingdom of Denmark for use in research reactors. The first amendment modified the agreement to permit the Government of the Kingdom of Denmark to have in its custody, at any one time, up to 12 instead of 6 kilograms of contained U–235 in uranium enriched up to a maximum of 20 percent U–235, plus such additional quantity as, in the opinion of the Commission, is necessary to permit the efficient and continuous use of the reactor involved. Article I of the proposed amendment would provide for the transfer of a net amount of 50 kilograms of uranium enriched up to a maximum of 20 percent in the isotope U–235, except as noted below. This uranium would be sold or leased by the Commission to the Government of the Kingdom of Denmark for fueling defined reactor projects in Denmark. The Commission, at its discretion, may make a portion of the foregoing 50 kilograms available as material enriched up to 90 percent for use in research and materials testing reactors capable of operating with a fuel load not to exceed 8 kilograms of contained U–235 in uranium. Article I of the proposed amendment would provide for the transfer of special nuclear material received from the United States required reprocessing, such reprocessing shall be performed either in

Commission facilities or in facilities acceptable to the Commission.

The quantity of uranium enriched in the isotope U–235 transferred to the Government of the Kingdom of Denmark for use as fuel in reactors will not at any one time be in excess of the amount of material necessary for the full loading of each defined reactor project plus such additional quantity as, in the opinion of the Commission, is necessary to permit the efficient and continuous operation of the reactor or reactors while replaced fuel elements are radioactively cooling or, subject to Commission approval, are being reprocessed in Denmark.

Article II of the proposed amendment would permit the transfer of quantities of special nuclear materials, including U–235, U–233, and plutonium, on an as-may-be-agreed basis, for defined research projects related to the peaceful uses of atomic energy.

Article III of the proposed amendment indicates that the parties affirm their common interest in the International Atomic Energy Agency and that the parties agree to consult with each other to determine in what respects, if any, they desire to modify the provisions of the agreement for cooperation in view of the establishment of the Agency.

Article IV of the proposed amendment incorporates several provisions which are designed to minimize the possibility that material or equipment transferred under the agreement will be diverted to nonpeaceful purposes.

Following your approval and subject to the authorization requested, the agreement will be formally executed by the appropriate authorities to the Government of the United States of America and the Government of the Kingdom of Denmark and placed before the Joint Committee on Atomic Energy in compliance with section 123c of the Atomic Energy Act of 1954, as amended.

Respectfully,

———, *Chairman.*

THE WHITE HOUSE,
Washington, June 25, 1958.

The Honorable LEWIS L. STRAUSS,
Chairman, Atomic Energy Commission.

DEAR MR. STRAUSS: Under date of June 23, 1958, you informed me that the Atomic Energy Commission has recommended that I approve the proposed amendment to the agreement for cooperation between the Government of the United States of America and the Government of the Kingdom of Denmark concerning civil uses of atomic energy, and authorize its execution.

The recommended amendment has been reviewed. It provides for the transfer of a net quantity of 50 kilograms of enriched uranium to the Government of the Kingdom of Denmark, and the Commission, at its discretion, may make a portion of the foregoing 50 kilograms available as material enriched up to 90 percent for use in research and materials testing reactors. The proposed amendment will permit the transfer of quantities of special nuclear materials, including U–235, U–233 and plutonium, for defined research projects related to the peaceful uses of atomic energy on an as-may-be-agreed basis rather than in limited quantities as now provided in the existing agreement. It also indicates that the parties affirm their common interest in the International Atomic Energy Agency and that they agree to consult with each other to determine in what respects, if any, they desire to modify the provisions of the agreement for cooperation in view of the establishment of the agency. Finally, the proposed amendment incorporates provisions designed to minimize the possibility that material or equipment transferred under the agreement will be diverted to nonpeaceful purposes.

Therefore, pursuant to the provision of section 123 of the Atomic Energy Act of 1954, as amended, and upon the recommendation of the Atomic Energy Commission, I hereby—

(1) Determine that the performance of the proposed amendment will promote and will not constitute an unreasonable risk to the common defense and security of the United States; and

(2) Approve the proposed amendment to the agreement for cooperation between the Government of the United States and the Government of the Kingdom of Denmark enclosed with your letter of June 23, 1958, and

(3) Authorize the execution of the proposed amendment for the Government of the United States by appropriate authorities of the Atomic Energy Commission and the Department of State.

It is my hope that this amendment will enhance the very productive program of cooperation between the United States and Denmark in the peaceful uses of atomic energy.

Sincerely,

DWIGHT D. EISENHOWER.

AMENDMENT TO AGREEMENT FOR COOPERATION BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE UNITED STATES OF BRAZIL CONCERNING CIVIL USES OF ATOMIC ENERGY

The Government of the United States of America and the Government of the United States of Brazil, desiring to amend the agreement for cooperation between the Government of the United States of America and the Government of the United States of Brazil concerning civil uses of atomic energy, signed at Rio de Janeiro on August 3, 1955, hereinafter referred to as the "agreement for cooperation," agree as follows:

ARTICLE I

Article I of the agreement for cooperation is amended to read as follows:

"A. Subject to the limitations of article V, the parties hereto will exchange information in the following fields:

"1. Design, construction, and operation of research reactors and their use as research, development, and engineering tools and in medical therapy.

"2. Health and safety problems related to the operation and use of research reactors.

"3. The use of radioactive isotopes in physical and biological research, medical therapy, agriculture, and industry.

"B. The application or use of any information or data of any kind whatsoever, including design drawings and specifications, exchanged under this agreement shall be the responsibility of the party which receives and uses such information or data, and it is understood that the other cooperating party does not warrant the accuracy, completeness, or suitability of such information or data for any particular use or application."

ARTICLE II

Article II, paragraph B, of the agreement for cooperation is amended (1) by adding after the phrase "by the Commission" the following: "under this article" and (2) by deleting the words "six (6)" wherever appearing in this paragraph and substituting in lieu of each such deletion the following: "fifteen (15)."

ARTICLE III

1. Article VI, paragraph A, of the agreement for cooperation is amended by deleting the phrase "uranium enriched in the isotope U–235 leased from the Commission" and substituting in lieu thereof the phrase "special nuclear materials received from the Commission."

2. The following new paragraph is added to article VI of the agreement for cooperation:

"D. Some atomic energy materials which the Government of the United States of Brazil may request the Commission to provide in accordance with this arrangement are harmful to persons and property unless handled and used carefully. After delivery of such materials to the Government of the United States of Brazil, the Government of the United States of Brazil shall bear all responsibility, insofar as the Government of the United States of America is concerned, for the safe handling and use of such materials. With respect to any special nuclear materials or fuel elements which the Commission may, pursuant to this agreement, lease to the Government of the United States of Brazil or to any private individual or private organization under its jurisdiction, the Government of the United States of Brazil shall indemnify and save harmless the Government of the United States of America against any and all liability (including third party liability) from any cause whatsoever arising out of the production or fabrication, the ownership, the lease, and the possession and use of such special nuclear materials or fuel elements after delivery by the Commission to the Government of the United States of Brazil or to any authorized private individual or private organization under its jurisdiction."

ARTICLE IV

This amendment shall enter into force on the date on which each Government shall have received from the other Government written notification that it has complied with all requirements for the entry into force of such amendment and shall remain in force for the period of the agreement for cooperation.

In witness whereof, the undersigned, duly authorized, have signed this amendment.

Done at Washington, in duplicate, in the English and Portuguese languages, this 9th day of July, 1958.

For the Government of the United States of Brazil:

HENRIQUE RODRIGUEZ VALLE.

For the Government of the United States of America:

R. R. RUBOTTOM, Jr.
JOHN F. FLOBERG.

UNITED STATES
ATOMIC ENERGY COMMISSION,
Washington, D. C., July 10, 1958.

Hon. CARL T. DURHAM,
Chairman, Joint Committee on Atomic Energy, Congress of the United States.

DEAR MR. DURHAM: Pursuant to section 123c of the Atomic Energy Act of 1954, as amended, there is submitted with this letter:

1. An executed amendment to agreement for cooperation between the Government of the United States of America and the Government of the United States of Brazil concerning civil uses of atomic energy.

2. A letter dated July 3, 1958, from the Commission to the President recommending approval of the amendment.

3. A letter dated July 7, 1958, from the President to the Commission containing his determination that it will promote and will not constitute an unreasonable risk to the common defense and security, approving the amendment, and authorizing its execution.

Article II of the amendment would permit the Government of the United States of Brazil to have in its custody at any one time, as a result of the agreement, up to 15 instead of 6 kilograms of contained U–235 in uranium enriched up to a maximum of 20 percent U–235, plus such additional quantity as, in the opinion of the Commission, is necessary to permit the efficient and continuous use of the reactors involved.

The additional U–235 has been requested by Brazil to fuel a training and research reactor intended for construction at the University of Minas Gerais, Belo Horizonte, and an Argonaut-type reactor to be located at the University of Brazil, Rio de Janeiro. These

proposed reactors cannot be fueled within the 6 kilograms limitations set by the existing agreement.

Articles I and III of the amendment include new provisions which are designed to clarify the responsibilities that the parties to the agreement have assumed with respect to liability for any information, special nuclear material, or fuel elements transferred pursuant to the agreement.

The amendment will enter into force when the two Governments have exchanged notifications that their respective requirements have been fulfilled (art. IV).

Sincerely yours,

W. F. LIBBY,
Acting Chairman.

UNITED STATES
ATOMIC ENERGY COMMISSION,
Washington, D. C., July 3, 1958.

THE PRESIDENT,
The White House.

DEAR MR. PRESIDENT: The Atomic Energy Commission recommends that you approve the enclosed proposed amendment to agreement for cooperation between the Government of the United States of America and the Government of the United States of Brazil concerning civil uses of atomic energy and authorize its execution.

The proposed amendment has been negotiated by the Atomic Energy Commission and the Department of State pursuant to the Atomic Energy Act of 1954, as amended, and is, in the opinion of the Commission, an important and desirable step in advancing the development of the peaceful uses of atomic energy in Brazil in accordance with the policy which you have established.

Article II of the proposed amendment would permit the Government of the United States of Brazil to have in its custody at any one time as result of the agreement up to 15 instead of 6 kilograms of contained U–235 in uranium enriched up to a maximum of 20 percent U–235, plus such additional quantity as, in the opinion of the Commission, is necessary to permit the efficient and continuous use of the reactors involved.

The additional U–235 has been requested by Brazil to fuel a training and research reactor intended for construction at the University of Minas Gerais, Belo Horizonte, and an Argonaut-type reactor to be located at the University of Brazil, Rio de Janeiro. These proposed reactors cannot be fueled within the 6 kilograms limitation set by the existing agreement.

Articles I and III of the proposed amendment include new provisions which are designed to clarify the responsibilities that the parties to the agreement have assumed with respect to liability for any information, special nuclear material or fuel elements transferred pursuant to the agreement.

Subject to your approval and to the authorization requested, the proposed amendment will be formally executed by the appropriate authorities of the Government of the United States of America and the Government of the United States of Brazil and placed before the Joint Committee on Atomic Energy in compliance with section 123c of the Atomic Energy Act of 1954, as amended.

Respectfully,

W. L. LIBBY,
Acting Chairman.

THE WHITE HOUSE,
Washington, July 7, 1958.

HON. WILLARD F. LIBBY,
Acting Chairman, Atomic Energy Commission, Washington, D. C.

DEAR MR. LIBBY: Under date of July 3, 1958, you informed me that the Atomic Energy Commission has recommended that I approve the proposed amendment to agreement for cooperation between the Government of the United States of America and the Government of the United States of Brazil concerning civil uses of atomic energy and authorize its execution.

The recommended amendment has been reviewed. It permits the Government of the United States of Brazil to have in its custody, at any one time, as a result of the agreement, up to 15 instead of 6 kilograms of contained U–235 in uranium enriched up to a maximum of 20 percent U–235, plus such additional quantity as, in the opinion of the Commission, is necessary to permit the efficient and continuous use of the reactors involved. This additional material is requested by Brazil to fuel a research and training reactor intended for construction at the University of Minas Gerais, Belo Horizonte, and an Argonaut-type reactor to be located at the University of Brazil, Rio de Janeiro. These proposed reactors cannot be fueled within the 6 kilograms limitation set by the existing agreement. It also includes new provisions which are designed to clarify the responsibilities that the parties to the agreement have assumed with respect to liability for any information, special nuclear material or fuel elements transferred pursuant to the agreement. The amendment is, in the opinion of the Commission, an important and desirable step in advancing the development of the peaceful uses of atomic energy in Brazil.

Pursuant to the provisions of section 123 of the Atomic Energy Act of 1954, as amended, and upon the recommendation of the Atomic Energy Commission, I hereby—

(1) Determine that the performance of the proposed amendment will promote and will not constitute an unreasonable risk to the common defense and security of the United States; and

(2) Approve the proposed amendment to the agreement for cooperation between the Government of the United States of America and the Government of the United States of Brazil enclosed with your letter of July 3, 1958; and

(3) Authorize the execution of the proposed amendment for the Government of the United States of America by appropriate authorities of the Atomic Energy Commission and the Department of State.

It is my hope that this amendment will enhance the productive program of cooperation between the United States and Brazil in the peaceful uses of atomic energy.

Sincerely,

DWIGHT D. EISENHOWER.

AMENDMENT TO AGREEMENT FOR COOPERATION BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE KINGDOM OF DENMARK CONCERNING CIVIL USES OF ATOMIC ENERGY

The Government of the United States of America and the Government of the Kingdom of Denmark, desiring to amend the agreement for cooperation concerning civil uses of atomic energy between the Government of the United States of America and the Government of the Kingdom of Denmark signed at Washington July 25, 1955 (hereinafter referred to as the "agreement for cooperation"), as amended by the agreement signed at Washington June 27, 1956, agree as follows:

ARTICLE I

Article II of the agreement for cooperation, as amended, is hereby amended to read as follows:

"A. The Commission will sell or lease, as may be agreed, to the Government of the Kingdom of Denmark, uranium enriched up to 20 percent in the isotope U–235, except as otherwise provided in paragraph C of this article, in such quantities as may be agreed in accordance with the terms, conditions, and delivery schedules set forth in contracts for fueling defined research and materials testing reactors, which the Government of the Kingdom of Denmark, in consultation with the Commission, decides to construct or authorize private organizations to construct in Denmark and as required in experiments related thereto; provided, however, that the net amount of any uranium sold or leased hereunder during the period of this agreement shall not exceed 50 kilograms of contained U–235. This net amount shall be the gross quantity of contained U–235 in uranium sold or leased to the Government of the Kingdom of Denmark during the period of this agreement less the quantity of contained U–235 in recoverable uranium which has been resold or otherwise returned to the Government of the United States of America during the period of this agreement or transferred to any other nation or international organization with the approval of the Government of the United States of America.

"B. Within the limitations contained in paragraph A of this article, the quantity of uranium enriched in the isotope U–235 transferred by the Commission under this article and in the custody of the Government of the Kingdom of Denmark shall not at any time be in excess of the amount of material necessary for the full loading of each defined reactor project which the Government of the Kingdom of Denmark or persons under its jurisdiction decide to construct and fuel with United States fuel, as provided herein, plus such additional quantity as, in the opinion of the Commission, is necessary to permit the efficient and continuous operation of such reactor or reactors while replaced fuel elements are radioactively cooling, are in transit, or, subject to the provisions of paragraph E of this article, are being reprocessed in Denmark, it being the intent of the Commission to make possible the maximum usefulness of the material so transferred.

"C. The Commission may, upon request and in its discretion, make a portion of the foregoing special nuclear material available as material enriched up to 90 percent for use in research and materials testing reactors each capable of operating with a fuel load not to exceed 8 kilograms of contained U–235 in uranium.

"D. It is understood and agreed that although the Government of the Kingdom of Denmark may distribute uranium enriched in the isotope U–235 to authorized users in Denmark, the Government of the Kingdom of Denmark will retain title to any uranium enriched in the isotope U–235 which is purchased from the Commission at least until such time as private users in the United States of America are permitted to acquire title in the United States of America to uranium enriched in the isotope U–235.

"E. It is agreed that when any source or special nuclear material received from the United States of America requires reprocessing, such reprocessing shall be performed at the discretion of the Commission in either Commission facilities or facilities acceptable to the Commission, on terms and conditions to be later agreed; and it is understood, except as may be otherwise agreed, that the form and content of any irradiated fuel elements shall not be altered after their removal from the reactor and prior to delivery to the Commission or the facilities acceptable to the Commission for reprocessing.

"F. With respect to any special nuclear material not owned by the Government of the United States of America produced in reactors fueled with materials obtained from the United States of America which is in excess of the need of the Government of the Kingdom of Denmark for such materials in its program for the peaceful uses of atomic energy, the Government of the United States of America shall have and is hereby granted

(a) a first option to purchase such material at prices then prevailing in the United States of America for special nuclear material produced in reactors which are fueled pursuant to the terms of an agreement for cooperation with the Government of the United States of America, and (b) the right to approve the transfer of such material to any other nation or international organization in the event the option to purchase is not exercised.

"G. Special nuclear material produced in any part of fuel leased hereunder as a result of irradiation processes shall be for the account of the Government of the Kingdom of Denmark and after reprocessing as provided in paragraph E hereof shall be returned to the Government of the Kingdom of Denmark at which time title to such material shall be transferred to that Government, unless the Government of the United States of America shall exercise the option, which is hereby accorded, to retain, with appropriate credit to the Government of the Kingdom of Denmark, any such special nuclear material which is in excess of the needs of the Government of the Kingdom of Denmark for such material in its program for the peaceful uses of atomic energy.

"H. Some atomic energy materials which the Government of the Kingdom of Denmark may request the Commission to provide in accordance with this agreement are harmful to persons and property unless handled and used carefully. After delivery of such materials to the Government of the Kingdom of Denmark the Government of the Kingdom of Denmark shall bear all responsibility, insofar as the Government of the United States of America is concerned, for the safe handling and use of such materials. With respect to any special nuclear materials or fuel elements which the Commission may, pursuant to this agreement, lease to the Government of the Kingdom of Denmark or to any private individual or private organization under its jurisdiction, the Government of the Kingdom of Denmark shall indemnify and save harmless the Government of the United States of America against any and all liability (including third party liability) for any cause whatsoever arising out of the production or fabrication, the ownership, the lease, and the possession and use of such special nuclear materials or fuel elements after delivery by the Commission to the Government of the Kingdom of Denmark or to any authorized private individual or private organization under its jurisdiction."

ARTICLE II

Article III bis of the agreement for cooperation, as amended, is hereby amended to read as follows:

"ARTICLE III BIS

"Materials of interest in connection with defined research projects related to the peaceful uses of atomic energy undertaken by the Government of the Kingdom of Denmark, including source materials, special nuclear materials, byproduct material, other radioisotopes, and stable isotopes, will be exchanged for research purposes in such quantities and under such terms and conditions as may be agreed when such materials are not available commercially."

ARTICLE III

The following new article is added directly after article V of the agreement for cooperation:

"ARTICLE V BIS

"The Government of the United States of America and the Government of the Kingdom of Denmark affirm their common interest in the International Atomic Energy Agency and to this end:

"A. The parties will consult with each other, upon the request of either party, to determine in what respects, if any, they desire to modify the provisions of this agreement for cooperation. In particular, the parties will consult with each other to determine in what respects and to what extent they desire to arrange for the administration by the International Atomic Energy Agency of those conditions, controls, and safeguards including those relating to health and safety standards required by the Agency in connection with similar assistance rendered to a cooperating nation under the aegis of the Agency.

"B. In the event the parties do not reach a mutually satisfactory agreement following the consultation provided for in paragraph A of this article, either party may by notification terminate the agreement. In the event this agreement is so terminated, the Government of the Kingdom of Denmark shall return to the Commission all source and special nuclear materials received pursuant to this agreement and in its possession or in the possession of persons under its jurisdiction."

ARTICLE IV

Article VI of the agreement for cooperation, as amended, is amended to read as follows:

"A. The Government of the United States of America and the Government of the Kingdom of Denmark emphasize their common interest in assuring that any material, equipment, or device made available to the Government of the Kingdom of Denmark pursuant to this agreement shall be used solely for civil purposes.

"B. Except to the extent that the safeguards provided for in this agreement are supplanted, by agreement of the parties as provided in article V bis, by safeguards of the International Atomic Energy Agency, the Government of the United States of America, notwithstanding any other provisions of this agreement, shall have the following rights:

"1. With the objective of assuring design and operation for civil purposes and permitting effective application of safeguards, to review the design of any (i) reactor and (ii) other equipment and devices the design of which the Commission determines to be relevant to the effective application of safeguards, which are to be made available to the Government of the Kingdom of Denmark or persons under its jurisdiction by the Government of the United States of America or any person under its jurisdiction, or which are to use, fabricate, or process any of the following materials so made available—source material, special nuclear material, moderator material, or other material designated by the Commission.

"2. With respect to any source or special nuclear material which is to be made available to the Government of the Kingdom of Denmark or any person under its jurisdiction by the Government of the United States of America or any person under its jurisdiction and any source or special nuclear material utilized in, recovered from, or produced as a result of the use of any of the following materials, equipment, or device so made available: (i) source material, special nuclear material, moderator material, or other material designated by the Commission; (ii) reactors; (iii) any other equipment or device designated by the Commission as an item to be made available on the condition that the provisions of this subparagraph B 2 will apply, (a) to require the maintenance and production of operating records and to request and receive reports for the purpose of assisting in ensuring accountability for such materials; and (b) to require that any such material in the custody of the Government of the Kingdom of Denmark or any person under its jurisdiction be subject to all of the safeguards provided for in this article and the guaranties set forth in article VII.

"3. To require the deposit in storage facilities designated by the Commission of any of the special nuclear material referred to in subparagraph B 2 of this article which is not currently utilized for civil purposes in the Kingdom of Denmark and which is not purchased or retained by the Government of the United States of America pursuant to article II of this agreement or otherwise disposed of pursuant to an arrangement mutually acceptable to the parties.

"4. To designate, after consultation with the Government of the Kingdom of Denmark, personnel who, accompanied, if either party so requests, by personnel designated by the Government of the Kingdom of Denmark, shall have access in the Kingdom of Denmark to all places and data necessary to account for the source and special nuclear materials which are subject to subparagraph B 2 of this article to determine whether there is compliance with this agreement and to make such independent measurements as may be deemed necessary.

"5. In the event of noncompliance with the provisions of this article, or the guaranties set forth in article VII, and the failure of the Government of the Kingdom of Denmark to carry out the provisions of this article within a reasonable time, to suspend or terminate this agreement and require the return of any materials, equipment, and devices referred to in subparagraph B 2 of this article.

"6. To consult with the Government of the Kingdom of Denmark in the matter of health and safety.

"C. The Government of the Kingdom of Denmark undertakes to facilitate the application of the safeguards provided for in this article."

ARTICLE V

Notwithstanding the provisions of the first paragraph of article VIII of the agreement for cooperation, the agreement, as amended, shall remain in force for a period of 10 years from the date this amendment enters into force, and shall be subject to renewal as may be mutually agreed.

ARTICLE VI

This amendment shall enter into force on the date on which each Government shall have received from the other Government written notification that it has complied with all statutory and constitutional requirements for the entry into force of such amendments and shall remain in force for the period of the agreement for cooperation, as amended.

In witness whereof, the undersigned, duly authorized, have signed this amendment.

Done at Washington, in duplicate, this 26th day of June 1958.

For the Government of the United States of America:

C. BURKE ELBRICK,
Assistant Secretary of State for European Affairs.
HAROLD S. VANCE,
Commissioner, Atomic Energy Commission.

For the Government of the Kingdom of Denmark:

HENRIK KAUFFMANN,
Ambassador of Denmark.

THE MIDDLE EAST SITUATION

Mr. FULBRIGHT. Mr. President, the Middle East situation is so grave, so explosive, and so dangerous, that I have been reluctant to discuss it publicly.

On the other hand, as a member of the Committee on Foreign Relations, it is my duty to participate in the discussion of these recent catastrophic events.

I shall attempt to do so without crimination or bitterness, difficult as that is. Nevertheless, any discussion of the events without relation to their causes or consequences would be hypocritical.

Let me say this at the outset:

Now that the decision of the President to order troops into Lebanon has been made, I support that action, even as I regret its necessity, and I appreciate its tragic implications.

The wisdom of the decision will be determined by events. But as a pressing and immediate necessity, without relation to its causes, it may perhaps be justified, at the time it was made. We must, therefore, support it, if only because it has been done.

The examination of our policies leading up to these violent and tragic occurrences must be left for later and, we hope, calmer times. I hope we may achieve these calmer moments of appraisal, discussion, and evaluation in the study of our foreign policies which has been approved by the Foreign Relations Committee. I hope this study will not be delayed for surely there is sufficient evidence within the recent past to warrant it.

However, recent events illustrate problems and questions which we should begin to examine immediately and some of which I wish to touch on now.

I would be less than candid were I not to repeat what I have said in the past, namely, that the United States has had no long-range policy to serve as a guide in the day-to-day decisions which we have had to make. We have never made the fundamental policy decision as to whether Arab nationalism—epitomized in Nasser—was a force which we should try to work, or a force which we should oppose. As a consequence our day-to-day actions have vacillated between tempting Arab nationalism with offers of assistance, on the one hand, and on the other hand, taunting it with refusals to sell wheat, refusals to continue CARE programs, and similar petty annoyances.

Instead of long-range consistent policies we have, in this area and elsewhere, relied on military pacts and doctrines without relation to the question whether the dangers involved were of a military nature or whether their solution was possible by military means. Neither the Baghdad Pact nor the Eisenhower Doctrine went beyond a pat military answer to recognize the basic underlying problems capable of no military solution. In fact, they obscured the basic problems and postponed their solution.

Has not our concentration on military pacts and doctrines, not only in the Middle East, but in much of the rest of the world, caused us to lose touch with the ordinary people. This fundamental error in approach is illustrated to me by the fact that both we and the Government of Iraq were so completely unaware of a plot involving so many people as this one apparently did.

We have given Iraq considerable military assistance and have had a substantial number of military personnel in that country. Apparently, our people—whether they be military or civilian—have not succeeded in establishing friendly communication with the Iraqi. This suggests that the efficiency and the character of our military, diplomatic, and intelligence representatives should be reevaluated. Do these representatives speak the language of the country; are they familiar with the history and the culture of Iraq? Do they associate with and make friends with the citizens of the country? Can they do so under the inhibitions of our policies?

As a consequence of our concentration on military pacts and doctrines, there are few of the newly independent countries in the world in which we have an understanding of the motivations of the common man. In most countries, the United States has dealt with princes, potentates, big-business men, and the entrenched, frequently corrupt, representatives of the past. We have not been true in our foreign policy to the precept of our own Declaration of Independence in which we declared that "a decent respect of the opinions of mankind" required us to set forth certain self-evident truths and in giving effect to those truths to recognize that "governments are instituted among men, deriving their just powers from the consent of the governed."

Another aspect of this problem which deserves special study is the question of whether we have not been so obsessed with our fear of communism that we are unable fairly to appraise the motivations of such violent revolutions as are occurring in the Middle East. The fact that the Kremlin approves violent revolutions in the areas is not necessarily equivalent to its domination of revolutions in that area. To put it another way, indigenous revolution may very well be quite a different thing from subversion by violence directed from the Kremlin. But our policies, as implicit in the Baghdad Pact and the Eisenhower doctrine, recognize only one brand of revolution—that which is directed by communism. Consequently our policies are not adapted to dealing with any other brand.

This, I think, is also symptomatic of the fact that our policies have lost touch with the ideals and aspirations of the common man. People everywhere who aspire to the good life are unable to identify their desires with our policies. Unless our long-range policies can be adapted to the opinions of mankind, our foreign policies are doomed to continued failure.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks an editorial entitled "The Use of Force," published in today's issue of the Wall Street Journal. It is an excellent analysis of the current situation in the Middle East. I also ask unanimous consent to have printed in the RECORD at this point an article entitled "The United States Mid-East Policies Bypassed Real Danger for Imaginary One," written by Edward Crankshaw, of the London Observer News Service, and published in the Washington Post of this morning; an article entitled Students Talk Turkey, published in the Washington Post of this morning, and the column by Joseph Alsop, also published in this morning's Washington Post.

There being no objection, the editorial and articles were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal of July 16, 1958]

THE USE OF FORCE

If the United States—with the United Nations or alone—is willing to use enough force it can very likely establish whatever order it chooses in the Middle East.

We can, if the Russians do not also intervene, quash the revolt in Iraq, see to it that governments approved by us are installed in neighboring countries; or, in the extremity, we could even topple the Egyptian Government of Mr. Nasser, which we once prevented the British and French from doing.

In short, the United States has the power to take over the Middle East. That will require more than a few marines, but we do not doubt that it can be done.

But if that is what we are going to do, if we are going to plunge ourselves deeper into this maelstrom, we had best have clearly in mind what it is we are doing. And understand what the consequences may be, not just for tomorrow, but for years to come.

The first thing to understand is what we are fighting against.

Now it may be true that in one sense we are here opposing Moscow. But this is so only because Moscow has shrewdly and opportunistically allied itself with the forces in the Middle East which we have chosen to oppose. In no sense is this a battle against communism as an ideology, or as in Korea, a war against Communist imperialistic aggression.

What we are struggling against in the Middle East is a rising tide of a people's deep emotions. It is not, strictly speaking, nationalism, since the emotions involved are not localized by accepted national boundaries. It is not Nasserism, as it is often called, because it did not originate with Mr. Nasser nor will it disappear with Mr. Nasser. The best term is probably Pan-Arabism.

But whatever it is called, it is plainly a powerful force. It spreads over the whole Arab world from Iraq to North Africa. It is the fulcrum on which Mr. Nasser rose to power in Egypt and which Egypt is now using to create an Arab Federation. This is what we would combat with troops.

And if this is what we are fighting against, what are we fighting for?

The most direct answer is that we are fighting for the oil fields of the Middle East. We are told that if Mr. Nasser, or someone like him, gain control of the oil fields there is no telling what might happen. At worst the oil may go to Russia. At the least the Western nations would have lost control of vital resources.

Of course it is by no means certain that Arabian oil in the hands of Arabs is denied to the Western World. Even Mr. Nasser must sell his oil where the oil can be used. But in any event, if this is the reason we are ready to fight then it is not a crusade against communism and aggression upon which we ride but a frank power drive of precisely the kind we have so long deplored in others.

And if this is the reason, it still leaves unanswered the question of what we do afterward. If our only policy toward middle-eastern oil is to hold on to it by force of arms, we foreclose ourselves from any other policy. We leave ourselves no alternative but to stand on guard with arms for a long time to come.

We will have no other alternative either if our objective is to halt the growth of this Pan-Arabism, to prevent the formation of an Arab Federation under Mr. Nasser or anyone else. To be sure, we can keep the Middle East divided with our soldiers; we can check Mr. Nasser's personal ambitions. But are we

to suppose that the use of our force will diminish the resentments against the West, and against the United States?

This leads us directly to the central question about the Middle East, unanswered by our present policy and as yet unexplained by the President: After we have used our force to put down disorder and establish the kind of order we want, what then do we do?

And that cannot be decided until we are first ready to ask ourselves frankly whether we have been right to cling to a policy that puts us in futile opposition to the tide that is running amongst the Arab peoples. Can the United States in the long run, gain by a policy that makes it necessary to use force?

This newspaper does not think so. It may be true, although it is not a certain conclusion, that the rise of Pan-Arabism will not be a good thing for the immediate interests of the United States. There is always a danger that any movement of this kind will rush to extremes, and that we will suffer from the release of centuries of pent-up resentments.

But surely the answer to that, for the United States, is not to turn those resentments into hatred of America. And that we will surely do if we can find no other way than the use of force.

[From the Washington Post and Times Herald of July 16, 1958]

NEWS IN PERSPECTIVE—UNITED STATES POLICIES BYPASSED REAL DANGER FOR IMAGINARY ONE

(By Edward Crankshaw)

LONDON, July 15.—The whole idea behind the Baghdad Pact and the Eisenhower Doctrine was to prevent Communist encroachment in the Middle East. It was a misbegotten idea, it was a disastrous doctrine, because both pact and doctrine diverted attention from the real danger to an imaginary one.

The real danger was never communism. It was that Arab nationalism, for too long pent up, would break loose and sweep away all Western ties. Neither the pact nor the doctrine had any relevance to this danger. All the Russians had to do was to encourage, with seeming altruism, pro-Arab and anti-Western emotions. This they have done.

It is impossible to tell to what extent Col. Gamal Abdel Nasser was specifically encouraged by the Kremlin to seize the Suez Canal. The Russian part, if any, in the Iraq revolution is even more obscure. One thing is certain, and that is that the Kremlin leaders have been only too happy to see the Iraqis do their work for them.

NEGATIVE ACTION SEEN

Why should Russia openly encroach on the Middle East? What does she want from it? The answer is precisely nothing—except to make it too hot there for the West. In other words, seen from the Kremlin, all Soviet action in the Middle East has been essentially a negative and denying action.

The Soviet Union does not need the Middle East oil; she has a huge and swiftly growing output of her own, and immense unexploited reserves. Even if she did want this oil, she would have no means of conveying it in quantity to Russia. But the Soviet Union is very interested in making it difficult for the West to get the oil.

Nor does the Kremlin want to occupy the Middle East. It knows very well that attempted military occupation would, pact or no pact, immediately lead to war, further, that Communist revolutions in the Middle East would bring more trouble than they would be worth. But it would very much like to see the Western position made untenable, and the Western bases abandoned.

SIMPLE TASK FOR REDS

Its task, therefore, at least on the short-term view, has been simplicity itself. All Soviet Premier Nikita S. Khrushchev had to do was to sit back and offer surplus arms and moral support to nationalist elements.

The Baghdad Pact and the Eisenhower Doctrine thus beat the air. They did worse: they made it hard, if not impossible, for pro-Western Arabs to persuade their anti-Western brethren that Britain and the United States were interested in other things besides oil and bases.

The Arab nationalists asked for recognition and we gave them a doctrine; the Russians hid their doctrine and gave them recognition.

[From the Washington Post and Times Herald of July 16, 1958]

RE IRAQ—STUDENTS TALK TURKEY

Turkish students visiting Washington said yesterday that the overthrow of King Faisal II, of Iraq (Turkey's neighbor to the southeast), caught them by surprise and that they now look to the United Nations for a peaceful settlement to the explosive situation.

"I'd call what's going on in Iraq and Lebanon a game of Nasser," said Hilmi Toros, who hopes someday to be a middle-eastern correspondent for an American newspaper.

"He (Nasser) has the whole Arab world in his hands. Jordan will probably be his next victim. I can't see any reason for United Nations troops not going into Lebanon if they ask for assistance."

Hilmi and the other Turkish students who have just completed a year of study in this country under the auspices of the American Field Service, were interviewed at a luncheon in their honor at the Turkish Embassy following President Eisenhower's White House meeting with the AFS group.

Hilmi, who has been sending accounts of his American visit back to an Istanbul paper, added: "It will be a great loss for the West if Iraq withdraws from the Baghdad Pact. The only thing that would save the alliance is for the United States to join up."

Seventeen-year-old Ilter Turan, who is planning on a career as a nuclear chemist, said: "I think the United Nations forces should move into Iraq to settle the situation. This situation especially endangers the existence of Turkey, because now we have no neighbor we can call a friend except Iran."

Ilter added that he thinks the pipelines from Iran should go through Turkey "to guarantee the transportation of oil to the Western World * * * and American aid to Turkey should be increased."

Pretty, dark-eyed Ulka Ertan, who's studying to be an English teacher, said she was "saddened" by the news from Iraq. "I've been in America a whole year and I'll probably feel lots of things when I go back home. * * * I'm not in favor of war."

Eighteen-year-old Saylan Ilgin, a law student, wants King Faisal back on the throne of Iraq. "I think he should take his place again, because he's a good governor and a good neighbor of ours."

Caner Tunaman, who is studying for a career in the Turkish Diplomatic Service, said, "I'm surprised with the latest situation in Iraq, because we always thought Iraq was a pro-Western country."

Ayse Gursen, who is also studying to be an English teacher, said: "Many people think there'll be some kind of war, but I don't. I don't think there are many major problems that can't be solved through negotiations. We can still solve problems without war."

[From the Washington Post and Times Herald of July 16, 1958]

THEY LOOK LIKE VULTURES

(By Joseph Alsop)

The chickens are coming home to roost at last; and, as might have been foreseen, they look like bloodstained vultures.

That is the thing to say about the catastrophe in Iraq, which is so much more significant than the halfhearted American landing in Lebanon. This tragedy is a quite direct result of the Eisenhower administration's policy—or lack of policy—in the Middle East. It is the grim proof of the rule that governs all middle-eastern politics: "If you won't stand by your friends, you must expect to lose them."

The foundations were laid by the administration's disastrous handling of the Suez crisis. The superstructure was built by the havering and wavering, the faking and fiddling of the period after Suez.

The roof was put on the catastrophe by our prolonged display of feebleness and indecision in Lebanon, where we indulged in a bad parody of Neville Chamberlain for 2 long months.

The damage will not be undone, either, by the landing in Lebanon which has now been made under the dire pressure of events. Landing in Lebanon now is like taking purely preventive medicine when you are already dying of the disease the medicine is supposed to prevent. The President has at least not absolutely dishonored the United States by dishonoring his commitment to the Lebanese Government. But he has not yet indicated what he is going to do about the total collapse of the Western position in the Middle East—which means what he is going to do about Iraq.

No doubt the administration's waning band of propagandists will say the British were also fooled in their management of the Suez crisis. They were. Of course, the State Department's fuglemen will talk at great length about powerful tides at work among the Arab masses. They will be right.

The point is, however, that the American Government might have nullified the follies of others; it might even have controlled or channeled the tides running in the Middle East by wise, foresighted, and courageous action. It was at least the American Government's duty to try to solve the situation. Instead, the American Government added its own follies—the moral prating and hectoring, for instance, that played such a part in transforming the badly prepared Suez operation into a terrible defeat that might still have been avoided.

No doubt the State Department's fuglemen will also plaintively inquire, "But what could we have done to stop a plot in the Iraqi Army?" The answer is quite simple, and it comes out of their own mouths. Middle-eastern army plots are no doubt inevitable, but successful Middle Eastern plots are most emphatically not inevitable. The State Department has quite openly taken credit for its share in frustrating the military Nasserite conspiracies to destroy King Hussein of Jordan in March a year ago. This was not empty boasting, either.

At that time, the absence of real content in the Eisenhower doctrine had not yet been widely perceived. Everyone in the Middle East watches to see which way the bandwagon is traveling. The Eisenhower doctrine was briefly thought to mean that the bandwagon might still be traveling in the direction of the friends of the West. Hence just enough people stood by King Hussein to enable him, with great personal courage, to frustrate the plot that Gamal Abdel Nasser had organized in the Arab Legion.

Thereafter, however, the doctrine's fraudulence was shown up in Syria. Finally, in Lebanon, we made a solemn commitment to rescue our friends there. And then we passed two mortal months pleading with our Lebanese friends not to make us keep our promise, organizing U. N. imitations of the Runciman mission to Czechoslovakia, and otherwise doing everything possible to prove the worthlessness of American friendship. After that, any fool in Baghdad could guess

the direction of the middle-eastern bandwagon. So a lot of people in Iraq jumped aboard the bandwagon. And now the vital question is not what to do about Lebanon, but what to do about Iraq and the whole Middle East.

God knows, the American Government had ample warning that these results must be expected. Tough old Nuri Pasha himself, the Shah of Iran, the Turkish leaders, the leaders in Lebanon, the more courageous experts in both the British Foreign Office and in our own intelligence—all these persons ingeminated warning after warning of trouble in Iraq if we did not respond boldly to the challenge in Lebanon. To descend to a much, much lower level, this reporter did the same thing.

If the Iraqi tragedy produces the really catastrophic sequels that now seem likely, it will be no consolation to say, "I told you so." But do you remember those richly ringing promises of "a dynamic new foreign policy" which would "recapture the initiative," based on "American military power capable of massive retaliation"? Those phrases had better not be used again either.

THE CITIZEN SOLDIER

Mr. MARTIN of Pennsylvania. Mr. President, in the discussions of our defense preparations which have taken place in the past few years, a great deal of attention has been given to the size and organization of the Reserve components.

Since the embattled farmers stood their ground against British regulars at Lexington and Concord, to the time when American forces fought on thef rozen hills of Korea, the citizen soldier has taken an important part in the defense of our Nation.

This outstanding fact of our military history should have the thoughtful consideration of every American. Many of us have felt that the proposal to reorganize the National Guard and the Reserve into pentomic divisions should be weighed with extreme care. In the event of brush wars, in which we are likely to be engaged, manpower will be of great importance. We will need manpower also in case of civilian emergencies such as floods, fires, and other catastrophes.

It is not easy to maintain civilian military components. They must be recruited and at times it is almost necessary to ring doorbells to stir up interest in the various outfits. So far as possible a division should be kept within State borders for better organization and more enthusiastic participation in military work.

A recent article in the Army-Navy Journal describes the Army's latest plan relating to the National Guard and Reserve divisions. This is of utmost importance to the Nation, and I ask unanimous consent that the article be printed at this point in the RECORD as a part of my remarks.

There being no objection the article was ordered to be printed in the RECORD, as follows:

ARMY'S REVISED GUARD RESERVE PLAN WILL COME UNDER REPEATED STRONG FIRE

The Army, which announced and then abandoned under fire plans to eliminate 6 National Guard and 4 Reserve divisions, has come up with a new plan.

It calls for keeping all 27 National Guard and the 23 existing Reserve divisions on the rolls.

But of the guard total, only 11 divisions will have the full pentomic strength of 5 battle groups when they are reorganized.

The other 11 guard divisions will be skeletonized to a strength of 3 battle groups.

The outburst of criticism which followed the Army's earlier announcement of plans to eliminate 6 guard divisions and maintain 21 at full battle group strength will be repeated.

The Adjutant General Association meets in Washington July 14–15. A spokesman for the association declared:

"The plan still calls for elimination of nearly one-third of the National Guard's organized, trained, and equipped units. It is very doubtful that the plan in its present form will be acceptable."

The National Guard Association noted that the three battle group divisions would be "bobtailed" outfits which "could not effectively be employed until the missing battle groups could be scraped up—from where?"

The Army has been in National Guard troubles all year. The difficulties started with the release of the President's budget in January.

It called for a guard strength of 360,000 instead of the 400,000 for fiscal year 1958.

The governors protested. Guard leaders sent to Congress for relief, and as a result the House voted funds for the 400,000-man force.

The Reserve Officers Association has protested strongly the cut in Reserve strength in the fiscal 1959 budget.

It is noteworthy that of the 23 Reserve divisions, only 10 are fully organized and the Army explains that 6 will have a higher authorized strength than the other 4.

Here is the excerpt from the Pentagon announcement concerning specific plans for guard and Reserve divisions.

ARMY NATIONAL GUARD

The solution approved by the Secretary of the Army as a basis for proposing detailed troop lists to each of the States, Territories, Commonwealth of Puerto Rico, and the District of Columbia contains 27 Army National Guard divisions, 21 infantry and 6 armored. Five of the infantry divisions will be fully organized with all organic elements; 16 infantry divisions will be organized, less 2 battle groups. The six armored divisions will be fully organized.

The 5 Army National Guard infantry divisions and 6 Army National Guard armored divisions which are to be fully organized are: 26th Infantry, Massachusetts; 28th Infantry, Pennsylvania; 30th Infantry, North Carolina; 32d Infantry, Wisconsin; 38th Infantry, Indiana; 27th Armored, New York; 30th Armored, Tennessee; 40th Armored, California; 48th Armored, Georgia, Florida; 49th Armored, Texas; 50th Armored, New Jersey.

The Army National Guard solution preserves the 27 Army National Guard combat divisions, reaffirms the essential importance of nondivisional units in the Army National Guard and provides the high priority units required by war plans. It also represents the maximum number of Army National Guard units which will be required by the Army for early mobilization in the event of war and hence is the maximum number for which there is a justification for peacetime support.

ARMY RESERVE

There are 23 existing infantry division organizations in the Army Reserve. Under the new guidance, 10 of these divisions will be retained as combat divisions and 13 will be retained as divisions with a mobilization training mission.

The 10 combat divisions will be fully organized with 6 at a higher authorized strength than the other 4. These 10 combat divisions are: 77th, New York; 79th, Pennsylvania; 83d, Ohio; 90th, Texas; 102d Missouri, Illinois; 103d, Iowa, Minnesota; 63d, California; 81st, Tennessee, Georgia; 94th, Massachusetts; 96th, Montana, Idaho, Utah, Arizona.

The following 13 infantry divisions will be organized under a special table of organization to accomplish their mobilization training mission: 70th, Michigan, Indiana; 76th, Vermont, Connecticut, Maine, Rhode Island, New Hampshire; 78th, New Jersey; 80th, Maryland, Virginia, District of Columbia; 84th, Wisconsin; 85th, Illinois; 89th, Colorado, Kansas, Nebraska; 91st, California; 95th, Oklahoma, Arkansas, Louisiana; 98th, New York; 100th, Kentucky, West Virginia; 104th, Washington, Oregon; 108th, North Carolina, South Carolina.

THE SITUATION IN THE MIDDLE EAST AND AMERICAN FOREIGN POLICY OF THE UNITED STATES

Mr. CAPEHART. Mr. President, I am sorry that the able Senator from Arkansas [Mr. FULBRIGHT] has left the floor. I should like to say a word about the statement he made with reference to the Middle East situation. His statement bears out what I have said on the floor several times, namely, that there is a tendency in the United States to say that everything the United States does and whatever its leadership does is wrong; that everyone else is right, but the United States is always wrong; that it makes no difference what we do, because we are always wrong.

If my memory serves me right, Mr. Nasser, who is stirring up the trouble in Iraq and in other nations of the Near East is the same Mr. Nasser whose skin—I use that term advisedly—the policy of the United States, through the President of the United States, saved a few years ago, when the French and British were making war against him. It was the President of the United States and our policy which stopped that war and saved Mr. Nasser. Now Mr. Nasser, in appreciation for that action, is stirring up trouble throughout the Middle East.

No one seems to take the position, which is true and 100 percent factual, that Mr. Nasser is being promoted and abetted and encouraged by Russia, in direct opposition to our interests, principles and beliefs.

I again wish to say that there must be something good about the United States we can hear of, and there must be something good about our policy we can speak of. Why is it necessary constantly to make statements which make it possible for the peoples of other countries of the world to come to the conclusion that even our own people, and even men in high public places, do not believe in the policies of the United States, are opposed to the United States, and opposed to what it is trying to do? That is selling the United States short.

I am not unmindful of the fact that we have made mistakes, and that perhaps we have made a great many mistakes in the past. I suspect that we will make more mistakes in the future. I have made mistakes. I do not know of

any human being who has not made mistakes. But why is it necessary constantly to accuse the United States of being wrong in everything it undertakes, and to contend that everyone else is always right?

INTERNATIONAL DEVELOPMENT ASSOCIATION

Mr. MONRONEY. Mr. President, I ask unanimous consent to have inserted in the RECORD at this point in my remarks an editorial on the proposed International Development Association, from the magazine, the Commonweal, and others from newspapers in widely separated parts of the country—the Wichita (Kans.) Eagle; the Dayton (Ohio) Daily News; and the Newark (N. J.) News.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Commonweal of June 13, 1958]

SECOND WORLD BANK?

When Senator MONRONEY, of Oklahoma, made his proposals for a new kind of international bank for loans on easier terms to the underdeveloped countries, things seemed to be going comparatively well. The administration did not take too kindly to the idea. In March two important White House spokesmen testified against it. Since then we have all been startled by the vehemence of anti-American sentiment, even among our neighbors in the Western Hemisphere. The return of de Gaulle, whose program for meeting the deepening French colonial and financial crisis remains a matter of conjecture, raises new anxieties about a nation which is one of our principal NATO allies.

In this climate the chances for the Monroney plan have taken a new turn. In fact, C. Douglas Dillon, the Deputy Under Secretary of State who had testified against the proposal last March, now favors many of its provisions. The plan also appears to have several other influential friends in court.

In essence this proposal would serve to supplement the loans for development which are now extended by the World Bank on a commercial basis with interest and principal payable in hard currencies. The original capital would consist of a billion dollar fund buildup by the purchase of voting stock for such hard currencies as dollars, pounds sterling, Dutch guilders, French francs, deutschemarks and Swiss francs. Of this multinational fund the United States would put up 30 percent.

One reason that some such program is now looked upon with greater favor in Washington is that the World Bank has had to turn down certain applications for loans for genuinely constructive purposes because the country in question found itself unable to contract for payments wholly in hard currencies. By accepting part payment in local currencies the proposed International Development Association would be able to supplement considerably the development programs that have qualified for loans from the World Bank so far. A modified Monroney plan can be considered as a politically feasible alternative to SUNFED (the proposed Special United Nations Fund for Economic Development) in which the United States would have but one vote as to how the funds should be expended, regardless of the extent of the American contribution.

Assuredly the raising of productivity in underdeveloped areas is a joint responsibility of the industrialized Western World. A series of loans on easier, feasible terms made from the proposed common fund, and amplified where possible by available local currencies, would supply capital that is urgently needed to establish new industries and means of transportation in lands where recent scientific advances have very often resulted in a heightening of the pressure of population on inadequate productive resources. Such loans from a multinational fund would need to be extended on these financially easier terms without requiring political commitments. Loans of this sort could serve as one answer to the anticolonial resentments that stand in the way of much wholehearted international cooperation.

[From the Wichita Eagle of June 1, 1958]

GOOD PLAN WINS FAVOR

Some weeks ago Senator MIKE MONRONEY, of Oklahoma, proposed that an affiliate of the World Bank be established to make soft loans. The World Bank itself makes hard loans in the sense that conservative banking principles are applied. If the risk looks bad, the nation seeking the loan doesn't get it. So the record of the World Bank, on repayment of capital risked, is very good.

Our State Department, the Treasury, and others looked coldly on MONRONEY'S resolution at first. Now these administration authorities seem to be changing their minds. The head of the World Bank, Eugene R. Black, has long thought that institution needs help along the line MONRONEY proposes.

It is quite evident that the foreign economic aid program of the United States is running out. It can't be administered well and is too ideologically controversial. If something like the Monroney plan—to lend money for doubtful projects which the United States Treasury now finances—can be established under international auspices, much or most of the United States burden will be removed and the development of backward nations can proceed anyhow.

This thing of the United States Treasury forever spewing dollars out over the world, often wastefully, is running into more and more ill favor at home and abroad. It is high time an international agency took charge of constructive projects in needed lands.

[From the Dayton Daily News of June 4, 1958]

TRUTH COMING HOME

The troubled earth has turned many times these last 3 months, teaching harsh new things about the restiveness of Asians, Arabs, and Latins; opening up fresh drains on United States aid coffers to such places as Indonesia and Morocco. The truth comes home that world events cannot be channeled, much less controlled, by periodic pious declarations of good faith. Economic progress is the hottest political issue in dozens of countries. World leadership goes only to those who devise the further means of its achievement.

Congress is belatedly aware that economic and technical aid and trade, since these are increasingly in use, are the most dangerous weapons in the Soviet arsenal. It is therefore more understanding of every kind of foreign aid and credit operation than at any time in recent years.

All this, plus the fine missionary work of Under Secretary of State for Economic Affairs Douglas Dillon, now has brought a turnabout in the White House. With a few minor changes, the International Development Association plan sponsored by Senator MIKE MONRONEY will have administration support.

Within a year, if the right moves are made promptly, there could be set up a banking operation, mixing the hard and soft currencies of 60 non-Communist nations (except for Yugoslavia), to backstop the World Bank with second-mortgage operations and lower interest rates, and to multiply the capital working in developmental areas. The purpose would be to step up the flow of credit to underdeveloped countries ineligible for World Bank loans.

In terms of world needs, human aspirations and the greater political stability many nations need to reject the call of communism, this idea is far more galvanic than was the President's atoms-for-peace proposal. All groups in the country now organized in support of a dynamic foreign economic policy should rally to its support to improve the chances for legislative action this year.

[From the Newark News of July 5, 1959]

SECOND WORLD BANK

The Eisenhower administration has indicated that it is now more receptive to the formation of a second world bank as a means of using soft currencies to provide multilateral loans to underdeveloped countries on a long-term, low-interest basis.

When Senator MIKE MONRONEY, Democrat, Oklahoma, first advanced his plan for the creation of an International Development Association as an affiliate of the International Bank for Reconstruction and Development (the World Bank), administration officials expressed skepticism.

At hearings on the resolution Secretary of the Treasury Anderson and Deputy Under Secretary of State Douglas Dillon, among others, showed they were cool to the Monroney plan. Mr. Anderson said the proposal was a "valuable suggestion," but he had found many arguments against it. Assistant Secretary of Commerce Kearns testified that he feared the proposed agency might disturb our relationships with friendly exporting nations. But Paul G. Hoffman, former Economic Cooperation Administrator, told the Senators that it would be tragic if the exciting proposal did not receive favorable action.

Russia's recent success in making economic inroads upon underdeveloped nations apparently has caused the administration to take a second look at the resolution. It now develops that the Treasury and State Departments are willing to support the Monroney proposal if changes are made in its language.

Under the Monroney plan, loans could be made which the World Bank cannot undertake legally. The World Bank makes so-called bankable loans at commercial interest rates (currently at about 5 percent), repayable in dollars and other hard currencies such as Swiss francs, West German marks, and Dutch guilders.

The new agency would relieve the United States of some of the responsibility of supplying capital to underdeveloped nations on a bilateral basis under the present Development Loan Fund. Some of the stronger nations which have been beneficiaries of United States assistance, such as West Germany, would share this load through participation in the proposed International Development Association and in this way meet a moral obligation to help other nations.

Eugene R. Black, president of the World Bank, has long recognized the need of such an agency and has explored its possibilities. The Monroney proposal seems to meet the specifications.

THE SITUATION IN LEBANON AND IRAQ

Mr. BUTLER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement which I made yesterday to the public press on the Lebanon and Iraq situation.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BUTLER

The situation confronting us in Lebanon and Iraq presents the greatest challenge since Pearl Harbor. We must fish or cut bait and unfortunately we have cut bait too often. As the leader of the Free World we must assert ourselves either in concert with other free nations or acting alone. We cannot, we must not evade this challenge. If it means limited war, we must wage such a war. The alternative of inaction will inevitably lead to something much greater—a third war involving the entire world, and perhaps the end of civilization.

The President of the United States has ordered American troops into Lebanon. I heartily support this move. Unless we move boldly in the Middle East this Nation must necessarily retreat into a fortress America isolationism. This means that every free nation would be at the mercy of the Communist objective of world domination.

It is my fervent hope that in this hour of national crisis, the Congress and the American people will unite behind the President. We cannot afford the luxury of political bickering over foreign policy. Nor can we create the impression before the world that we are a people divided. Politics traditionally in America stop at the water's edge. It is of utmost importance that this tradition be observed now.

HIGHER EDUCATION

Mr. CLARK. Mr. President, this morning we have another report by highly qualified educators pointing out the need, if we are to keep up with the Soviet menace, for far greater attention to higher education in this country than that subject has received.

I ask unanimous consent to have printed in the RECORD at this point in my remarks the text of a preliminary report on higher education in the Soviet Union, prepared by Dr. Edward H. Litchfield, chancellor of the University of Pittsburgh, who headed a group of leading educators who visited that country.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

[From the New York Times of July 14, 1958]

TEXT OF PRELIMINARY REPORT ON HIGHER EDUCATION IN THE SOVIET UNION

(Following is the text of a preliminary report by Chancellor Edward H. Litchfield of the University of Pittsburgh on the findings of a group of United States educators who have just completed a survey of higher education in the Soviet Union, and an additional statement by Deane W. Mallott, president of Cornell University.)

LITCHFIELD REPORT

There are two things which deeply impress us all. First, there is almost universal belief in the Soviet Union in the value of higher education. Second, the Soviets are willing to pay the very high costs that are involved in money, in plant, in human effort.

Evidence of these points and the deadly seriousness of Soviet effort was apparent on every hand.

Industry releases its employees at full pay for more than 250 million man-hours each year in order to permit the workers to do work in universities or in engineering and other university level institutions. At a time of some shortage of industrial workers, more than 800,000 are each permitted 2 full months of study with all expenses paid.

Students also regard higher education as of tremendous importance. Two to three times as many apply as are accepted. Many now and 80 percent in a few years will be required to work in industry for 2 years before entering the university. Those who are finally admitted are expected to work from 9 to 10 hours each day 6 days a week plus home study on Sunday in many cases. In addition, they are expected to participate actively in scientific societies and sports clubs. A very large percentage are also active members of the Young Communist League.

Student regarded as hero

The superior student is regarded as a hero, not as a grind.

The Government shows its deep commitment to higher education in many ways. Scholarships are large in amount and given to from 80 percent to 90 percent of the students so that virtually all of the superior men and women are able to attend. Salaries and perquisites for teaching and research personnel are among the highest in the Nation, with the consequence that scholarship attracts a very high percentage of the country's most able people.

The state's investment in capital plant and equipment has been large and apparently will continue to be. At the most cautious appraisal of the ruble, at least $200 million have been invested in during the last 9 years and construction is still under way.

In the university at Alma-Ata, deep in central Asia, an already extensive plant for a resident student body of only 4,000 has now been allocated $27 million worth of additional facilities.

The Minister of Education claims total plant development in the next 5 years for a resident student population of constant size will exceed $1½ billion.

Library collection large

Further evidence of the seriousness of Soviet commitment is found in the size and extensiveness of library collections. While a definitive appraisal ought to be undertaken by specialists, it would, nevertheless, appear that, judged by the most conservative standards and making ample allowance for variations in terminology, the Moscow University library collection is one of the largest in the world. Its new capacity of 12,500,000 volumes may well be the largest.

The University of Leningrad claims 4,500,000 volumes and the large polytechnical institute in the same city is said to receive over 600 foreign periodicals. A relatively small university in Georgia, with 4,300 full-time students boasts of more than 1,500,000 volumes. The University of Middle Asia in Tashkent, established after the revolution, has but 4,000 full-time and 1,000 correspondence students, but already has accumulated better than 1 million volumes.

If our information is even roughly correct, these are impressive statistics, though we had no opportunity accurately to appraise library usage.

The determination of the Soviet Government to provide a university education for its people is well illustrated by the efforts it has made in Kazakstan. Forty years ago these nomadic people were almost all illiterate and had no university-level schools. Today not only is illiteracy largely eliminated but there are 27 institutions of higher education providing instruction to more than 60,000 persons.

Natural sciences stressed

Others have already reported on the heavy emphasis on education in the natural sciences and foreign languages. We only confirmed this emphasis in the classroom, but were not particularly impressed with the number of persons, young or middle aged, whose linguistic competence was equal to that one might find in university-trained people in many European nations.

We cannot pretend to precise judgments on individual aspects of the total system of higher education. Interpretations rest upon uncertain definitions and often ambiguous translations. Statistics may be exaggerated and possibly misleading. With all these reservations, however, one overall pattern is abundantly clear. The Soviet Government and its people have dedicated themselves to higher education to a degree which must inspire their allies and give very serious pause to any nation which finds itself in a competitive position.

They believe in higher education and they are willing to pay for it. As a consequence they have accomplished a tremendous amount in a relatively brief period of time, and with their determination they will continue to progress at an impressive rate.

Having paid our respects to the intensity of Soviet application to its goal of a well-educated leader group, we must now enter serious reservations about what they are attempting to achieve by means of their education system and the way in which they are doing it.

Disagreement expressed

We are in fundamental disagreement with an educational philosophy which educates the individual exclusively in the interest of the momentary notions of what the state requires. Relatively little importance is attached to individual growth for its own sake. Hence the value lies almost exclusively in acquiring knowledge and only indifferently in the development of the capacity for personal intellectual effort in fields other than the physical sciences. In the long run both the creativity and the retained reserve of individual thought and competence must suffer in such a system.

Partially as a result of the concern for education as a way of serving the state and in part because of the limited role of the individual as citizen, there is no effort made in higher institutions to provide the student with a liberal education as we know the term. The Soviet view that this is provided in the 10-year school is not an impressive answer.

Nor is the work offered at higher levels in Communist Party history and philosophy. Both are aimed at the acquisition either of knowledge of the humanities as knowledge or of the party's concepts as equally uncontrovertible facts. Neither seeks the growth of the informed and critical mind which is the objective of a liberal education.

Rigid curriculum criticized

We found frequent criticism by Soviet university officials of the rigidity of the curriculum. The lack of opportunity for individual work and the inflexibility of course selection results in what was several times characterized by Soviet students as education for the average. This, too, militates against the growth of creative individual minds.

Again we question whether any faculty can achieve anything approaching its maximum contribution when it enjoys so little freedom in the determination of curriculum, of course content, of fields for development and of areas for productive research. Academic freedom in the affirmative sense of that term exists to only a limited extent in Soviet higher education. Its absence will always constitute a built-in limitation upon the long-range contribution of higher education in society.

Facilities widely separated

We noted the accuracy of prior observations as to the gross inadequacy of both the substance and the methods of the social sciences generally and the behavioral sciences particularly. Psychologists are found in small numbers in philosophy of law faculties.

Anthropology and sociology are rudimentary. Behavioral studies could not be discerned at all.

Finally, we were constantly reminded of the far-reaching fracturing of the university which has taken place. Virtually every professional school, other than law, has been established outside of the university framework. The tremendous opportunities which result from community of scholarship are lost when the academic disciplines and the several professional faculties are so widely separated both functionally and geographically.

MALLOTT STATEMENT

It is clear to us that the higher education system of the Soviet Union must be said to have accomplished a tremendous amount under the high priority of support given it.

On the other hand, its objectives and its methods depart so significantly from our own as to leave an American educator with very serious reservations.

It is clear to all of us, however, that if we want the American system of higher education to be as effective in realizing our objectives as the Soviet system is in realizing theirs, we must be prepared to establish a higher priority of attention to our system and be prepared to pay the very considerable cost involved.

Mr. CLARK. The report is signed by a number of distinguished educators, including three outstanding Pennsylvanians: Dr. Edward H. Litchfield, chancellor of the University of Pittsburgh; Gaylord P. Harnwell, president of the University of Pennsylvania; and Alan M. Scaife, chairman of the board of trustees of the University of Pittsburgh.

This report has received the practically unanimous approval of the press. Yesterday the distinguished junior Senator from Wisconsin [Mr. PROXMIRE] placed in the RECORD an editorial on this subect which had been published in the Washington Post.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial entitled "Red Challenge to United States Schools," published in the Philadelphia Inquirer of July 15, and an editorial entitled "Soviet Education," published in the New York Times of July 15. These editorials comment favorably on the report.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Philadelphia Inquirer of July 15, 1958]

RED CHALLENGE TO UNITED STATES SCHOOLS

With the sense of urgency aroused by the sputnik launchings now well worn off and the complaints of citizens against local school taxes once more obscuring the plight of our schools and colleges, the report of seven eminent American educators just finished with an inspection of Soviet education should serve as a timely warning.

It is the consensus of this group that the Soviet Union and its people have dedicated themselves to higher education with "deadly seriousness" and that the intensity of their efforts must "inspire their allies and give very serious pause to any nation which finds itself in a competitive position."

Spokesman for the educators, which include the University of Pennsylvania's Dr. Gaylord P. Harnwell, emphasized that two things deeply impressed them. He says:

"First, there is almost universal belief in the Soviet Union in the value of higher education. Second, the Soviets are willing to pay the very high costs that are involved in money, in plant, in human effort."

It is this kind of zeal, the educators believe, that is behind the "tremendous amount" the Soviets have accomplished in such a short space and which will drive them on to even greater progress. What have we in the United States to match it?

Certainly we do not intend to imitate the Russian methods or take over any of their totalitarian goals. But we can't afford to ignore the fact that the intent of all this effort is to make the fullest possible use of the intelligence and energies of Soviet manpower for the advancement of the idea of Communist world conquest.

In order to defend ourselves against it, we must do even better, in terms of efficient employment of American human resources. In the face of the Soviet drive, it is a matter of national survival to combat the present outrageous waste of talent because of crowded classrooms and badly trained or overworked teachers.

Half our high school pupils, including many of the most intelligent, never finish, in spite of softer and softer standards of scholarship. The ratio of college freshmen who do not go on to degrees is even higher.

This is something for every American taxpayer to think about when he faces the question of whether more or less money should be spent in support of American education.

[From the New York Times of July 15, 1958]

SOVIET EDUCATION

Seven leaders in American higher education have come back from a 2 weeks' survey of Soviet higher education with another sobering report of the magnitude and importance of Soviet educational activity. While critical of the philosophy of Soviet education and of particular features, such as the rigidity of curriculums, the report by President Litchfield of the University of Pittsburgh emphasizes that the Soviet effort in higher education must "give very serious pause to any nation which finds itself in a competitive position."

In the Soviet Union, to use the report's words: "The superior student is regarded as a 'hero,' not as a 'grind'." We are a much richer nation than the Soviet Union and it will be useful if understanding of the Soviet emphasis on higher education induces us to increase the allocation of our resources to our universities and colleges so that their increasingly great needs are met adequately.

At the same time, we should be wary of giving the Soviet Union excessive credit and of ignoring the serious problems which exist for Soviet higher education. President Litchfield's report notes, for example, the tendency to require Soviet youngsters to work in industry for 2 years before entering college. There seems little question that this trend is connected with the concern of Soviet leaders over the dissident and subversive ideas which appeared spontaneously in many Soviet universities during 1956 and early 1957. The show places among Soviet universities, such as Moscow University, are impressive indeed, but many of the less famous institutions are badly overcrowded and lack important facilities.

President Litchfield indicates that his group was impressed by Soviet higher education in Kazakhstan, but we should not forget that in this area it is often the new settlers from European Russia, rather than the native Kazakh people, who have provided the bulk of university students. What is needed, in short, is a balanced view, and it is to be hoped that President Litchfield and his colleagues will supplement their brief visit by extensive research on the abundant materials on this matter available in our libraries.

Mr. CLARK. Mr. President, as the session nears a close, I have been increasingly concerned with the fact that practically everyone interested in education in the United States, except Congress, realizes the Soviet menace; realizes the need for greater educational efforts in this country; and realizes the need for Federal aid to education.

I hope the 85th Congress will not be marked as a body which was guilty of political lag, so far behind the obvious needs of the country, so unwilling to face up to the realities of our educational crisis, that it would not even debate an adequate bill on the floor of the Senate. I certainly hope that before the adjournment of this session, we shall have an opportunity to vote upon a comprehensive Federal aid to education bill, a bill which not only will include scholarships, but also will provide for help to our hard-pressed teachers and a suitable construction program for our many badly overcrowded schools.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. HUMPHREY. I join with the Senator from Pennsylvania in the sentiments he has expressed in relation to the educational needs of the Nation. I am certain the Senator recalls that only recently the President, through the Department of Health, Education, and Welfare, and the Bureau of the Budget, expressed grave concern about the fact that the House committee had reported a bill authorizing 25,000 national scholarships. The President said that 10,000 scholarships were adequate.

Mr. CLARK. I am aware of that. I deplored the statement at the time.

Mr. HUMPHREY. I redeplore it, because it seems to me that a program of 10,000 scholarships is again symbolic of that famous phrase "Too little, too late." Actually, there is a need for a minimum of from 40,000 to 50,000 scholarships a year. The proposal of the other body was a modest one of 25,000 scholarships. That is in the scholarship field alone, not taking into account assistance to colleges or other institutions of higher learning, or aid to teachers, which the Senator from Pennsylvania has pointed out is an imperative need; or aid for elementary and secondary school construction, for which there is a crying need. Yet the administration says that 10,000 scholarships should be the extent of the program.

I wonder if people actually realize what is going on in the United States in the field of education. I wonder if people in high places realize what the Soviet threat in this area truly means. I am beginning to wonder if anybody reads what is written about it. All one has to do is to read the newspapers and educational journals to see the reports that the Soviet Union is moving ahead in a tremendous educational offensive, while we are merely whistling in the dark, letting things go by, and contenting ourselves with the accomplishments of yesterday.

I thank the Senator from Pennsylvania. He is performing a great public service by speaking in the Senate, week

after week, and telling the American people and his colleagues of the imperative need for our Government, especially Congress, to take action.

Mr. CLARK. I thank the Senator from Minnesota for his pertinent and helpful remarks.

ST. LAWRENCE SEAWAY TOLL SCHEDULES

Mr. HUMPHREY. Mr. President, when the President recently ordered the transfer of control of the St. Lawrence Seaway from the Corps of Engineers to the Department of Commerce, a number of voices from the Midwest, including that of the distinguished junior Senator from Michigan [Mr. McNAMARA], were raised, protesting that this move might result in higher tolls on shipping passing through the seaway, thereby restricting the tonnage moving by ship into and from the Midwest.

As might have been expected, the administration has been deaf to protests made to the President, for the Presidential order was announced suddenly and without prior consultation so far as I know, with responsible Members of the Congress. It had all the earmarks of a fixed position unlikely to be changed by mere entreaties.

That is why I welcomed the introduction of proposed legislation by the junior Senator from Michigan [Mr. McNAMARA] to provide for an independent regulatory board to administer the seaway, and why I joined in co-sponsoring this important measure.

Mr. President, such a regulatory board would be at least as independent of administration pressures as the other regulatory agencies, such as the CAB, the FCC and the FTC. Granted that these agencies have not functioned as independently of the White House as the Congress would desire, but it is to be hoped that the independence of the regulatory agencies as a group will be strengthened by the current inquiries being made by the Congress.

At any rate, the establishment of a regulatory agency is the most promising proposal to keep the St. Lawrence Seaway free from political and economic interests opposing its efficient operation, and I strongly urge that hearings be scheduled on this proposed legislation at the earliest possible moment, prior to the final determination of the toll schedules for the seaway.

Mr. President, an editorial entitled "Seaway Problems," published in the St. Paul Pioneer Press of July 3, 1958, discusses the question of toll rates, and indicates support of the McNamara-Humphrey bill. I ask unanimous consent to have the editorial printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SEAWAY PROBLEMS

The dynamite blast at Massena, N. Y., signaled the end of one phase of the St. Lawrence Seaway project and was a significant step toward giving the Midwest its long-sought direct outlet to the sea.

But the blast eliminated only a physical obstacle to the opening of the waterway next year. There are other problems as well. Principal ones are the questions of control over the American portion of the 360-mile project and toll rates. Neither will be resolved without a great deal of controversy.

Two committees studying the question of rates on the waterway have submitted a proposal which they feel is low enough to encourage adequate use of the project and high enough to pay off the debt incurred by the American and Canadian Governments. The tentative schedule—it will be the subject of a public hearing August 6—does something for shippers that no big waterways have done before. It not only sets a low rate for ships in ballast, it also makes it possible for a carrier to come in or leave the waterway with only a small cargo or an empty hold without paying for the full capacity of the ship. In other words, a shipper will not be penalized for unused space. Also, the tolls were set lower than those charged at either the Suez or Panama Canals.

Since revenue from the seaway is dependent upon traffic, the proposal also included estimates on tonnage. The $471 million waterway will open for full operations in 1959 and the prediction is that it will handle 25 million tons of cargo the first year, 33 million in 1961, 47 million in 1967 and level off at about 50 million tons by 1968. An estimated 10 or 12 percent of the total will be general cargo with the rest in bulk—coal, iron ore, and grain.

Supporters of the project, however, are concerned about the recent Presidential order transferring control of the seaway from the Corps of Engineers and the Department of Defense to the Commerce Department. This action has been viewed as ill-advised by several midwestern Senators who feel the Commerce Department may insist on the high toll schedule advocated by eastern railroad and port interests.

Whether or not this fear is justified it is difficult to ascertain. One solution to the problem would be to set up the St. Lawrence Seaway Corporation as an independent agency of the Government with its own rate making authority—a plan already before Congress in a bill sponsored by Senator PAT MCNAMARA, of Michigan.

Mr. HUMPHREY. Mr. President, I call attention especially to the last sentence of the editorial, which reads:

One solution to the problem would be to set up the St. Lawrence Seaway Corporation as an independent agency of the Government with its own ratemaking authority—a plan already before Congress in a bill sponsored by Senator PAT MCNAMARA, of Michigan.

I thank the Senator from Michigan for his insight into these problems and commend him for his protection of the legitimate purposes and objectives of the St. Lawrence Seaway.

ERIE—PENNSYLVANIA'S SECOND PORT

Mr. CLARK. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial entitled "Pennsylvania: From Lake to Sea," published in the Harrisburg Evening News of June 12, 1958.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PENNSYLVANIA: FROM LAKE TO SEA

In this age of massive highway, rail, and air transportation, the importance of waterways to the prosperity and welfare of a State like Pennsylvania often is overlooked.

The Commonwealth shares responsibility with neighboring New Jersey, New York, and Delaware in planning for the development and control of the Delaware River Basin, and the future role of this valuable water resource was discussed by top-level representatives of the four States last Thursday in Bucks County.

Stressing the need for greater cooperation, Governor Leader told the conference:

"In order to assure the health, happiness, and economic security of the additional millions who will dwell within our States during the next 50 years, we must plan and build when necessary to control and develop the waters which flow from the Poconos and Catskills."

For Pennsylvania, at least, the Delaware River has been even more important than as a source for recreational facilities, hydroelectric power for industry and drinking water. Until now, it has provided the Commonwealth with its only direct access to the ocean. And it has made Philadelphia an important port.

Soon, the St. Lawrence Seaway will turn Erie into another port city. With the completion of this grandiose inland waterway, cities on the Great Lakes will have their own link with major oceangoing vessels. It will be a tremendous boon for business and industry in that inland portion of our country. The seaway will be completed sometime next year.

Will Pennsylvania be ready to obtain its share of this new prosperity, to take advantage of this great economic opportunity?

It isn't enough to sit back and wait for the opening of the St. Lawrence Seaway.

Erie's new status as an oceangoing port will be an inducement to industry only if the raw materials they need and the products they produce can be transported easily between their plants and the port city.

Some of the problems can be solved only by the city of Erie and its officials. But the State and Federal Governments have their roles, too.

The St. Lawrence Seaway will bring with it potential benefits not just for the Pennsylvania city, but for much of the rest of the Commonwealth as well. Pennsylvania will have to move quickly, however, if it is to capitalize on this potential increase in its economy in the years just ahead.

In planning for this State's share of the Federal Interstate Highway System, the need for a north-south express highway connecting Erie directly with the industrial centers of western and central Pennsylvania should receive priority consideration.

Mr. CLARK. Mr. President, the editorial points out the interesting fact that since the foundation of our country Philadelphia has been one of the great ports of the Nation, and still is. Its port traffic is increasing each year.

However, with the advent of the St. Lawrence Seaway, another great Pennsylvania port comes into the picture as the city of Erie has access to oceangoing traffic.

One of the things which our Commonwealth needs most is assistance in building across Pennsylvania, from Erie to Philadelphia, a diagonal highway which will make it possible for these two great ports of Pennsylvania to have the proper transportation facilities to make the best use of their port facilities. The editorial points out that need. I hope it will receive the attention of all concerned.

VOCATIONAL EDUCATION

Mr. HUMPHREY. Mr. President, I shall ask unanimous consent to have

printed in the RECORD an exceptionally perceptive article on this country's vocational education program. The article, written by Richard C. Davids, appeared originally in the March 1958 issue of the Farm Journal. Selecting examples of outstanding programs of vocational education from Louisiana, Kentucky, and my own State of Minnesota, Mr. Davids sketches an illuminating picture of a constructive and important, though often neglected, part of the American educational system.

Some time ago, the Soviet Union fired an earth satellite and dramatized, thereby, a challenge to the United States and American education. This challenge was underscored this morning by the distinguished junior Senator from Pennsylvania [Mr. CLARK].

After the initial hubbub from sputnik subsided, there remained a continuing and healthy concern over the quality of our education. Comparative studies of Russian and American educational standards and methods were undertaken and proved useful in pointing out weak spots in the American educational program—weaknesses which are in need of remedy if we are to build a strong educational foundation for future generations.

Yet, despite this apparently widespread concern over education, the administration has failed to introduce any comprehensive program for the improvement of American educational standards and facilities. In fact, its only effort has been a scholarship program of disappointingly narrow scope, to which I referred earlier today, in colloquy with the Senator from Pennsylvania [Mr. CLARK]. Moreover, not only has the administration refused to exercise mature and responsible leadership in strengthening American instruction; in some areas of education, it has sought to abandon responsibilities already effectively discharged by the Federal Government under programs introduced by previous Democratic administrations.

One such area is vocational education. Perhaps the most alarming fact to emerge from the recent comparisons of Soviet and American educational systems was a revelation of the academic vacuum which exists at the level between American high schools and professional training. With the increasing complexity of tasks in industry and agriculture, there has arisen a demand for skilled technicians requiring men with preparation beyond the high school, but not at the professional level. To meet this demand, the Soviets have constructed an elaborate system of Tekhnikums or technical schools. In contrast, the present administration, rather than extending vigorous and forceful leadership in the development of such a system of vocational education, has called for a wholesale withdrawal of existing Federal support from vocational instruction programs.

To replace Federal aid, the administration would return to the States 40 percent of the proceeds from taxes on local telephone service. As 70 percent of such a rebate would accure to one-quarter of the States in the Union, it can hardly be hoped that this refund would consitute a practical means of financing a geographically balanced vocational education system. Moreover, there is no assurance that the returned funds would be employed to defray the costs of vocational education. While it can be expected that some States would assume the increased burden and would seek to maintain these programs at a full level, it is too much to hope that every State would do so.

The continuation of Federal aid is essential to the continued growth and prosperity of vocational education, such as under the George-Barden Act, which was sponsored by one of the truly great Members of the Senate, the late and beloved Senator George, of Georgia. Yet at a time when we should be expanding vocational education, instead of curtailing it, the administration proposes to wipe out 40 years of progress toward improved educational opportunities for young people unable to continue with higher education beyond high school. When we consider that nearly 80 out of every 100 children entering school will not enjoy the benefits of college education, it is clear that the Government's responsibility in maintaining intermediate schools is of too great importance to be disregarded. To sacrifice the vocational future of our youth and squander valuable technological potential on the budgetary altar of this administration is foolhardy and is simply another example of the ridiculousness of this kind of fiscal and budgetary policy.

A service rendered by vocational schools which is currently of particular importance is the technical education of farmworkers interested in finding nonagricultural employment. Such training is essential if we are effectively to transfer unemployed farmworkers to sectors of the economy where they are needed. Indeed, such a transfer has been repeatedly lauded by Secretary of Agriculture Ezra Taft Benson as a solution to our current farm problem.

Yet the administration would curtail the operation of training centers which are instrumental in securing the very movement of farmworkers out of agriculture so urgently demanded by the Secretary of Agriculture. It verges on the ridiculous for some administration leaders to be demanding industrial employment of farmers at precisely the same time that other administration leaders are hindering the process by which such employment is to be achieved.

My own State of Minnesota furnishes an excellent example of what a vigorous and energetic State government can accomplish with Federal aid. In 1955 over 77,000 men and women were enrolled in the 645 vocational guidance centers located throughout the State. Providing some 82 percent of the funds required by the program, State and local governments have contributed heavily toward insuring that their youth and adults have an opportunity for vocational training. Much has been done to insure ample opportunity for technological training, but much more remains to be done—much that cannot be done without continued and expanded Federal aid. With the State of Minnesota as an example of the possibilities of vocational education, let us train our sights on the future of all our youth, and make sure that they have adequate opportunities to become constructive, contributing citizens.

Therefore, Mr. President, I ask unanimous consent to have the article to which I have referred printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE KIND OF SCHOOL WE NEED EVERYWHERE

(By Richard C. Davids)

You've seen many a boy—maybe your own—who was just sort of lost after getting out of school.

He didn't want to go on to college—or couldn't; he wasn't interested in farming or he couldn't get a start in it. He worked for a while in a gas station, then drifted on to other jobs—always starting at the bottom.

I've just visited a kind of school that's tailor made to help boys and girls like this. It turns them into top-notch machinists, secretaries, draftsmen, and electronics specialists. Does it in 18 months to 2 years, too, and practically guarantees that they'll move directly into highly paid jobs.

Called an area vocational school, its the type we've needed everywhere, especially in rural areas, to take over where high schools leave off. And we need them more than ever right now, when the farm population is declining.

Russia's satellites have removed all doubt of it. A college-trained engineer or scientist—to get the most out of his training and experience—needs an average of five technicians.

We don't begin to have that many, and as a result, many of our scientists are doing work that skilled technicians could easily handle. Technicians are well paid, and their work is important, indeed vital.

We've had vocational schools for years. But not enough of them. And nearly all have been in big cities, far out of reach of farm boys and girls.

Some far-sighted Louisiana educators recognized this problem 20 years ago and put up a few vocational schools in rural areas. They did such a good job that now the State has 27 schools, each serving 2 or 3 counties (called parishes in Louisiana).

I spent a week studying the school at Crowley (population 12,000) which handles students from Acadia and Lafayette Parishes. And if I'm not mistaken, it offers a pattern that farm people everywhere might study hard.

In this bayou county of big families, farm boys by the hundreds have been forced to leave the farm—just no more farmland left. The school at Crowley has helped ease the shift to town jobs.

Nearly half the tradesmen in the area learned their life's work there.

"It's the most important part of the town," said G. K. Cutrer, a banker.

Since the war, a big share of the students have been GI's in training, but now a growing number of the 550 who crowd the school from 8 a. m. till 10 p. m. are fresh out of high school. A third are still in high school, sampling several trades to see which suits them best.

Adults come too. In fact, any time that enough people want a course, area vocational schools can usually offer it.

Farmers learn welding, diesel repair, electric wiring—skills that will save them considerable money. A few come to learn a new trade altogether. They need it if they're going to get a decent job in town. There is no tuition charge. School runs the whole year long. There are no semesters or terms. A student simply begins as soon as there is room and his application is approved.

Each student works at his own speed. He can go from one job to the next as fast as he picks up a new skill. No wonder you don't see boys loafing or bored. The whole place has more the air of a busy industry than a school.

Rules are strict. Students punch in on a timeclock, and a boy with only three unexcused absences is dropped. A boy doesn't leave one job until he's proficient at it. In auto repair, for instance, he has to overhaul a transmission in the 3 hours or so allotted by a mechanic's flat-rate book.

Beyond that, the school trains a boy to open up his own business, even serves as an employment agency. Hardly a day passes but what some business—a Texas oil company or Detroit auto manufacturer—calls for boys.

During my stay at Crowley, 5 farm boys, after 1,200 hours of training as draftsmen, went to work for architects in Baton Rouge at good pay.

"The big trouble," says the school director, J. W. Mitchell, "is keeping boys until they've finished. The offer of a good job sometimes argues louder than a diploma."

What is the cost of a school like this? About $325 a year per pupil for everything, or about like the average high school. Since most courses are 2 years long, that's a total of $650 for each pupil. Not much when you remember that it's fitting a boy for a lifetime of work.

Let's see what that expenditure can mean to a farm boy. Norvin Langlinais got out of the Marines and started farming, but he decided that three families were too many on one place.

He took the 2-year farm mechanics course at the Abbeville, La., school and took a job in the local Ford tractor shop. When it came up for sale, he scraped together enough cash to buy it.

Farmers say he's one tractor man who gives good quick service. He has done so well that he hired another graduate of the school to assist him.

I asked Norvin what he might be doing without his school training.

"Probably day labor in a rice mill or roustabout work in the oilfields. There aren't many unskilled jobs left."

We heard that story again and again. A farm boy without special training finds just about every door locked to him, except unskilled, low-pay work.

Two Abbeville students bought out a radio and TV shop. Another started his own auto air-conditioning business.

Do those seem like highly specialized skills? They are. If you haven't visited a modern vocational school, you'll be amazed at the contrast with yesterday's "manual training and welding shops." No wonder Louisiana is winning a reputation among industrialists as a place to get topnotch craftsmen.

So, too, is Kentucky. Stop in at Paintsville and visit the Mayo School there if you ever go through Kentucky.

A family from Hershey, Pa., did that 2 years ago and were so impressed that they dropped their boy off at the dormitory and left him to start school. He's back home now on a good job, thanks to his training.

A boy came who had worn out his welcome at two high schools. He hated math, couldn't do fractions. Within the year he was doing trigonometry. Why? Because he needed it to be a machinist, and could see a point in "wading through that stuff." Learning for the sake of making a living is a powerful spur.

Elmer Stevenson was a mountain farm boy who wanted to become a welder. He had no hands. They had been burned off. The Mayo School sent him home—there were too many able-bodied boys waiting to get in. But he came back again and again until finally he was enrolled. After a heroic struggle he learned to weld, holding the torch with his elbows. Two years after he got a job in Detroit he won a prize as the fastest welder in the factory.

Good vocational training can change the lives of people.

I talked to a man of 52 who, after 20 years in the coal mines, could no longer work underground. He was driving 62 miles each way to school, learning auto repair along with his son who was studying bodywork. After only 6 months of school, they had more business than they could begin to handle after hours at home. His teacher told me: "We could place four times the men we can turn out."

A boy in welding took a job in West Virginia, came back a week later and took the whole class back to start work. The last two farm boys out of the electronics department in Lexington went to work for $625 a month—quite a salary for mountain boys with 2 years' training beyond high school.

Industry keeps a sharp watch on the area around a vocational school as a place to put a factory. The Diamond Match Co. picked a site outside Paintsville, largely because of the Mayo school. The director said: "I've been kept busy the last 2 years showing the school to site locators for industry."

Kentucky has 13 other area vocational schools, but that isn't nearly enough. James L. Patton, State director of vocational education, says that every school has waiting lists.

Minnesota has several fine area vocational schools in rural areas.

Farm Journal goes on record as strongly in favor of State aid to provide for more funds for area vocational schools. We need such schools to keep America strong and we need them for the sake of farm boys and girls.

Why not do something about it in your community and your State?

Mr. BUTLER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MONRONEY in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BUTLER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). Without objection, it is so ordered.

Is there further morning business? If not, morning business is closed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 1045) to amend the Soil Conservation and Domestic Allotment Act, as amended.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 12575) to provide for research into problems of flight within and outside the earth's atmosphere, and for other purposes.

EXTENSION OF TRADE AGREEMENTS ACT

The Senate resumed the consideration of the bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

Mr. BYRD obtained the floor.

Mr. MALONE. Mr. President, will the Senator from Virginia yield, so that I may submit a correction of the report on the bill?

Mr. BYRD. I yield.

Mr. MALONE. Mr. President, Report No. 1838 on House Bill 12591 contains an error on page 28, in the minority views. The next to the last paragraph on that page reads as follows:

Our foreign trade has been maintained by supplying foreign countries with more than $125 million extracted from the taxpayers and made available to foreign governments to use in buying American products.

The latter part of the paragraph should read: "$125 billion extracted from the taxpayers and made available to foreign governments to use in buying American products."

I ask that the correction be made.

The PRESIDING OFFICER. The correction will be made.

Mr. BYRD. Mr. President, as is customary, I ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill as thus amended be considered as original text for the purpose of amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments which were agreed to en bloc are as follows:

On page 1, line 9, after the date "June 30,", to strike out "1963" and insert "1961"; on page 3, line 17, after the word "by", to strike out "25" and insert "15"; on page 4, line 19, after the word "than", to strike out "five" and insert "three"; in line 20, after the word "exceed", to strike out "10" and insert "5"; in line 23, after the word "such", to strike out "10" and insert "5"; on page 5, at the beginning of line 4, to strike out "five" and insert "three"; in line 13, after the word "than", to strike out "five" and insert "three"; after line 16, to strike out:

"'(C) In the case of any decrease in duty to which subparagraph (A) of this paragraph applies, no part of a decrease after the first part shall become initially effective (1) until the immediately previous part shall have been in effect for a period or periods aggregating not less than 1 year, nor (ii) after the first part shall have been in effect for a period or periods aggregating more than 4 years. If any part of a decrease has become effective, then any time thereafter during which such part of the decrease is not in effect by reason of legislation of the United States or action thereunder shall be excluded in determining when the 4-year period expires.'"

And, in lieu thereof, to insert:

"'(C) In the case of any decrease in duty to which subparagraph (A) of this paragraph applies, no part of a decrease after the first part shall become initially effective until the immediately previous part shall have been in effect for a period or periods aggregating not less than 1 year. No part of any decrease in duty to which the alternative specified in subparagraph (A) (1) of this paragraph applies shall become initially effective after the expiration of the 3-year period which begins July 1, 1958. If any part of such decrease has become effective, then for the purposes of the preceding sentence any time thereafter during which such part of the decrease is not in effect by reason of legislation of the United States or ac-

tion thereunder shall be excluded in determining when the 3-year period expires.'"

On page 9, after line 22, to strike out:

"SEC. 6. Subsection (c) of section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U. S. C., sec. 1364 (c)), is amended by inserting '(1)' after '(c)' at the beginning thereof, and by adding at the end thereof the following:

"'(2) The action so found and reported by the Commission to be necessary shall take effect (as provided in the first sentence of paragraph (1) or in paragraph (3) as the case may be)—

"'(A) if approved by the President, or

"'(B) if disapproved by the President in whole or in part, upon the adoption by both Houses of the Congress (within the 60-day period following the date on which the report referred to in the second sentence of paragraph (1) is submitted to such committees), by the yeas and nays by a two thirds vote of each House, of a concurrent resolution stating in effect that the Senate and House of Representatives approve the action so found and reported by the Commission to be necessary.

For the purposes of subparagraph (B), in the computation of the 60-day period there shall be excluded the days on which either House is not in session because of an adjournment of more than 3 days to a day certain or an adjournment of the Congress sine die.

"'(3) In any case in which the contingency set forth in paragraph (2) (B) occurs, the President shall (within 15 days after the adoption of such resolution) take such action as may be necessary to make the adjustments, impose the quotas, or make such other modifications as were found and reported by the Commission to be necessary.'

"SEC. 7. (a) The following subsections of this section are enacted by the Congress:

"(1) As an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in such House in the case of resolutions (as defined in subsection (b)); and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

"(2) With full recognition of the constitutional right of either House to change such rules (so far as relating to the procedure in such House) at any time, in the same manner and to the same extent as in the case of any other rule of such House.

"(b) As used in this section, the term 'resolution' means only a concurrent resolution of the two Houses of Congress, the matter after the resolving clause of which is as follows: 'That the Senate and House of Representatives approved the action—

"'(1) found and reported by the United States Tariff Commission to be necessary to prevent or remedy serious injury to the respective domestic industry, in its report to the President dated , 19 , on its escape-clause investigation No. under the provisions of section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U. S. C., sec. 1364), and

"'(2) disapproved by the President in whole or in part in his report (dated , 19) pursuant to the second sentence of paragraph (1) of section 7 (c) of such act.', the blank spaces therein being appropriately filled; and does not include a concurrent resolution which specifies more than one such investigation.

"(c) A resolution with respect to an investigation shall be referred to the Committee on Finance of the Senate or to the Committee on Ways and Means of the House of Representatives by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

"(d) (1) If the committee to which has been referred a resolution with respect to an investigation has not reported it before the expiration of 10 calendar days after its introduction (or, in the case of a resolution received from the other House, 10 calendar days after its receipt), it shall then (but not before) be in order to move either to discharge the committee from further consideration of such resolution, or to discharge the committee from further consideration of any other resolution with respect to such investigation which has been referred to the committee.

"(2) Such motion may be made only by a person favoring the resolution, and shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same investigation), and debate thereon shall be limited to not to exceed 1 hour, to be equally divided between those favoring and those opposing the resolution. No amendment to such motion shall be in order, and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

"(3) If the motion to discharge is agreed to or disagreed to, such motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same investigation.

"(e) (1) When the committee has reported, or has been discharged from further consideration of, a resolution with respect to an investigation it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of such resolution. Such motion shall be highly privileged and shall not be debatable. No amendment to such motion shall be in order and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

"(2) Debate on the resolution shall be limited to not to exceed 10 hours, which shall be equally divided between those favoring and those opposing the resolution. A motion further to limit debate shall not be debatable. No amendment to, or motion to recommit, the resolution shall be in order, and it shall not be in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

"(f) (1) All motions to postpone, made with respect to the discharge from committee, or the consideration of, a resolution with respect to an investigation, and all motions to proceed to the consideration of other business, shall be decided without debate.

"(2) All appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution with respect to an investigation shall be decided without debate.

"(g) If, prior to the passage by one House of a resolution of that House with respect to an investigation, such House receives from the other House a resolution with respect to the same investigation, then—

"(1) If no resolution of the first House with respect to such investigation has been referred to committee, no other resolution with respect to the same investigation may be reported or (despite the provisions of subsection (d) (1)) be made the subject of a motion to discharge.

"(2) If a resolution of the first House with respect to such investigation has been referred to committee—

"(A) the procedure with respect to that or other resolutions of such House with respect to such investigation which have been referred to committee shall be the same as if no resolution from the other House with respect to such investigation had been received; but

"(B) on any vote on final passage of a resolution of the first House with respect to such investigation the resolution from the other House with respect to such investigation shall be automatically substituted for the resolution of the first House."

And, in lieu thereof, to insert:

"SEC. 6. Subsection (c) of section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U. S. C., sec. 1364 (c)), is amended to read as follows:

"'(c) (1) Within 30 days after receipt of the Tariff Commission's recommendations, the President shall proclaim such adjustments in the rate or rates of duty, impose such quotas, or make such other modifications as are recommended by the Commission to be necessary to prevent or remedy serious injury to the respective domestic industry, unless, prior to the expiration of such 30 days, the President shall have submitted a report to the Congress recommending that no such adjustments or modifications be made, or no such quotas be imposed, or recommending a rate of duty as an alternate to that recommended by the Tariff Commission, or recommending a quota as an alternate to that recommended by the Tariff Commission, or recommending a rate of duty as an alternate to a quota recommended by the Tariff Commission, or recommending a quota as an alternate to a rate of duty recommended by the Tariff Commission, as a means of preventing or remedying serious injury to the respective domestic industry, be adopted. If either the Senate or the House of Representatives, or both, are not in session at the time of such submission, such report shall be filed with the Secretary of the Senate or the Clerk of the House of Representatives, or both, as the case may be.

"'(2) If the President submits his report to the Congress while the Congress is in session and more than 90 days before the date on which the Congress adjourns sine die, he shall, within 90 days after the submission of such report, proclaim such adjustments, quotas, or other modifications as have been recommended by the Commission, unless, prior to the expiration of such 90 days, both Houses of Congress shall have adopted a concurrent resolution stating in effect that the Senate and House of Representatives approve the recommendations made by the President, in which event the President shall proclaim the recommendations so approved. If the President submits his report—

"'(A) when the Congress is not in session, or

"'(B) less than 90 days before the adjournment of the Congress sine die and the Congress before such adjournment has not acted on a concurrent resolution approving the recommendations made by the President, the adjustment in the rate or rates, quotas, or other modifications specified in the recommendations of the Commission shall become effective 90 days after the date on which the next session of the Congress begins, unless during such 90-day period the Congress, by concurrent resolution, shall have approved the President's recommendations.

"'(3) In any case of divided vote calling for the application of subsection (d) (1) of section 330 of the Tariff Act of 1930 (19 U. S. C., sec. 1330), as amended, the findings and recommendations of the Commission for the purposes of this subsection shall be the findings and recommendations of that group within the Commission which recommends the greatest measure of relief (as specified by the President in his report to the Congress pursuant to paragraph (1)), and which the President is authorized to consider as the findings and recommendations of the Commission under such section 330.'

"SEC. 7. (a) The following subsections of this section are enacted by the Congress:

"(1) As an exercise of the rulemaking power of the Senate and the House of Rep-

resentatives, respectively and as such they shall be considered as part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in such House in the case of resolutions (as defined in subsection (b)); and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

"(2) With full recognition of the constitutional right of either House to change such rules (so far as relating to the procedures in such House) at any time, in the same manner and to the same extent as in the case of any other rule of such House.

"(b) As used in this section the term 'resolution' means only a concurrent resolution of the two Houses of Congress, the matter after the resolving clause of which is as follows (with appropriate changes to cover the situation referred to in section 7 (c) (3) of the Trade Agreements Extension Act of 1951, as amended by the Trade Agreements Extension Act of 1958): 'That the Senate and House of Representatives approve the action recommended by the President in his report (dated , 19) pursuant to paragraph (1) of section 7 (c) of the Trade Agreements Extension Act of 1951, as amended, disapproving in whole or in part the action found and reported by the United States Tariff Commission to be necessary to prevent or remedy serious injury to the respective domestic industry, in its report to the President dated , 19 , on its escape clause investigation numbered under the provisions of section 7 of such act.', the blank spaces therein being appropriately filled; and does not include a concurrent resolution which specifies more than one such investigation.

"(c) A resolution with respect to an investigation shall be referred to the Committee on Finance of the Senate or to the Committee on Ways and Means of the House of Representatives by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

"(d) (1) If the committee to which has been referred a resolution with respect to an investigation has not reported it before the expiration of 10 calendar days after its introduction (or, in the case of a resolution received from the other House, 10 calendar days after its receipt), it shall then (but not before) be in order to move either to discharge the committee from further consideration of such resolution, or to discharge the committee from further consideration of any other resolution with respect to such investigation which has been referred to the committee.

"(2) Such motion may be made only by a person favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same investigation), and debate thereon shall be limited to not to exceed 1 hour, to be equally divided between those favoring and those opposing the resolution. No amendment to such motion shall be in order, and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

"(3) If the motion to discharge is agreed to or disagreed to, such motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same investigation.

"(e) (1) When the committee has reported, or has been discharged from further consideration of, a resolution with respect to an investigation it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of such resolution. Such motion shall be highly privileged and shall not be debatable. No amendment to such motion shall be in order and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

"(2) Debate on the resolution shall be limited to not to exceed 10 hours, which shall be equally divided between those favoring and those opposing the resolution. A motion further to limit debate shall not be debatable. No amendment to, or motion to recommit, the resolution shall be in order, and it shall not be in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

"(f) (1) All motions to postpone, made with respect to the discharge from committee, or the consideration of, a resolution with respect to an investigation, and all motions to proceed to the consideration of other business, shall be decided without debate.

"(2) All appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution with respect to an investigation shall be decided without debate.

"(g) If, prior to the passage by one House of a resolution of that House with respect to an investigation, such House receives from the other House a resolution with respect to the same investigation, then—

"(1) If no resolution of the first House with respect to such investigation has been referred to committee, no other resolution with respect to the same investigation may be reported or (despite the provisions of subsection (d) (1)) be made the subject of a motion to discharge.

"(2) If a resolution of the first House with respect to such investigation has been referred to committee—

"(A) the procedure with respect to that or other resolutions of such House with respect to such investigation which have been referred to committee shall be the same as if no resolution from the other House with respect to such investigation had been received; but

"(B) on any vote on final passage of a resolution of the first House with respect to such investigation the resolution from the other House with respect to such investigation shall be automatically substituted for the resolution of the first House."

On page 23, line 18, after the word "and", to strike out "if" and insert "unless"; in line 19, after the word "is", to insert "not"; in line 21, after the word "security", to insert "as set forth in this section"; in line 24, after the word "article", to insert "and its derivatives", and in the same line, after the word "not", to insert "so"; on page 24, line 15, after the word "requirements", to insert "in the Administration of this section, the Director and the President shall further recognize the close relation of the economic welfare of the Nation to our national security, and shall take into consideration the impact of foreign competition on the economic welfare of individual domestic industries; and any unemployment, decrease in revenues of government, loss of skills or investment, or other serious effects resulting from the displacement of any domestic products by excessive imports shall be considered, without excluding other factors, in determining whether such weakening of our internal economy may impair the national security."; and on page 27, after line 16, to insert a new section, as follows:

"SEC. 11. (a) There is hereby established a bipartisan commission to be known as the Commission on International Trade Agreement Policy.

"(b) (1) The Commission shall be composed of nine members as follows:

"(A) three appointed by the President of the United States none of whom shall be from the executive branch of the Government;

"(B) three appointed from the Finance Committee of the Senate by the Vice President; and

"(C) three appointed from the Committee on Ways and Means of the House of Representatives by the Speaker of the House of Representatives.

"(2) No more than two members from each class shall be from the same political party.

"(c) The Commission shall elect a Chairman and Vice Chairman from among its members.

"(d) Six members of the Commission (including at least four who are Members of Congress) shall constitute a quorum.

"(e) (1) Members of Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

"(2) The members from private life shall receive not to exceed $75 per diem when engaged in the performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

"(f) (1) The Commission may appoint such personnel as it deems advisable, without regard to the civil-service laws, and shall fix the compensation of such personnel in accordance with the Classification Act of 1949, as amended. The Commission may procure temporary and intermittent services in accordance with section 15 of the act of August 2, 1946 (5 U. S. C., sec. 55a), but at rates not to exceed $75 per diem for individuals. The Commission may reimburse employees, experts, and consultants for travel, subsistence, and other necessary expenses incurred by them in the performance of their official duties and make reasonable advances to such persons for such purposes.

"(2) Except for members of the Commission appointed by the Vice President or the Speaker of the House, service of an individual as a member of the Commission, employment of an individual pursuant to the first sentence of paragraph (1), and service by a person pursuant to the second sentence of paragraph (1), shall not be considered as service or employment bringing such person within the provisions of sections 281, 283, or 284, of title 18 of the United States Code, or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States.

"(g) There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, so much as may be necessary to carry out the provisions of this section.

"(h) (1) On or before June 30, 1959, the Commission shall make a preliminary report of its findings to the President and to the Congress; and on or before June 30, 1960, the Commission shall make a final report of its findings and recommendations to the President and to the Congress.

"(2) Ninety days after the submission to the Congress of the final report provided for in paragraph (1) the Commission shall cease to exist.

"(i) (1) The Commission is directed to investigate and report on the international trade agreement policy of the United States and to recommend improvements in policies, measures, and practices.

"(2) Without limiting the general scope of the investigation the Commission shall consider and report on the following matters:

"(A) the number of labor hours lost by expanded imports through concessions granted in trade agreements, as balanced against the increased labor hours resulting

from expansion of exports through concessions received from foreign countries;

"(B) the effect of tariff reductions under past trade agreements on small and local industries;

"(C) what industries may become vulnerable and what industries would not be vulnerable to decrease of employment and production if present trends of foreign competition continue;

"(D) the possible effect of the exportability of American capital (whether direct or by private or governmental loans), equipment, and technical experience into other countries;

"(E) the extent to which the products of such exported facilities have entered the American market or otherwise affected American production and employment;

"(F) the extent to which the United States has used up its bargaining margin, including the extent to which tariff rates have been reduced and potential future reduction;

"(G) the possibility of a reduced rate of exports due to more rapid inflation of the cost of labor, materials, and other elements of production in the United States than in foreign countries; and

"(H) the desirability in special cases of employing quotas rather than tariff adjustments.

"(j) (1) The Commission or, on the authorization of the Commission, any subcommittee or member thereof, shall have power to hold hearings and to sit and act at such times and places, within the United States or elsewhere, to take such testimony, and to make such lawful expenditures, as the Commission or such subcommittee or member may deem advisable.

"(2) The Commission is authorized to request from any department, agency, or independent instrumentality of the Government any information it deems necessary to carry out its functions under this section; and each such department, agency, and instrumentality is authorized to furnish such information to the Commission, upon request made by the Chairman or by the Vice Chairman when acting as Chairman."

Mr. BYRD. Mr. President, I desire to make a very brief explanation of the pending bill. I hope Members of the Senate will have an opportunity to read the report of the Senate Finance Committee, which very fully covers all the details of the bill.

The bill, H. R. 12591, known as the Trade Agreements Extension Act of 1958, is one of great importance, and has taken on added significance even during the past 10 days or so, because of world events we did not foresee.

It is my strong personal feeling that we should proceed with dispatch and vote to continue the authority of the President to enter into international negotiations in order to make further progress in promoting reciprocal trade.

The committee reported a bill which, although it modifies the House bill in some respects, nevertheless gives to the President greater authority to reduce tariffs than was granted to him under the extension act of 1955.

Under this bill he will be able to enter into new trade agreements and reduce duties 15 percent below their present level; reduce duties by 2 percentage points; or reduce any duty that is now above 50 percent down to that level. These are alternatives which are available to him under the bill as reported.

The President asked for greater authority, namely to reduce duties by 25 percent over a period extending as long as 10 years, although the negotiations for such reductions would have to be concluded within 5 years. Testimony before the committee indicated that no new trade agreements were anticipated for 2 to 3 years, pending final arrangements for a European Economic Community, which will need a long period in which to work out its new tariff rates. When those rates are known, our State Department wants to be in a position to negotiate for their reduction.

After very careful study of the many problems involved the committee voted to limit the length of the extension to the maximum which has been used in the past, namely 3 years. This carries with it the tariff-cutting authority which I have already mentioned. The vote on that question was 10 to 5. The senior Senator from Virginia voted with the minority.

The committee made other changes in the House bill. The bill as reported provides that the President, if he chooses to overrule the findings of the Tariff Commission in an escape clause action, may enlist the support of a simple majority of the Congress, and thereby put into effect his own suggestions in that particular case. The House bill would have allowed the President to overrule the Commission unless the industry affected could, within 60 days, persuade two-thirds of each House of Congress to overrule the President. Under the reported bill, the President would have 90 days in which to persuade a majority of each House to go along with him.

The committee also added the proviso that, in cases where the vote in the Tariff Commission was divided as to injury, the group finding in the affirmative would be considered as the group expressing the finding of the Commission. In cases where the Commission was divided as to the remedy for an injury, the finding granting the greatest amount of relief, as measured by the President, would be considered as the finding of the Commission. This amendment was adopted by a vote of 8 to 7. The senior Senator from Virginia voted with the minority.

The committee also amended the House bill by provisions aimed at strengthening the national-security section. More and more the national security becomes important, and more and more the strength of our internal economy becomes an essential part of our security.

I sponsored an amendment providing that the President, in administering the national-security provision, must take into consideration the effect on the national security of a weakening of the general internal economy by excessive imports of competitive products to the extent that unemployment, loss of revenue to Government, or loss of investment would result. The committee adopted that amendment by a 10-to-1 vote.

Considerable unfavorable comment has reached the committee about the administration of what was thought to be a strongly worded national-security amendment in the 1955 extension. That section has been further strengthened so that sound results may be expected from it. The committee amendment provides that after the Director of the Office of Defense Mobilization has studied the matter and indicated to the President that in his opinion the national security is being or is likely to be impaired the President must take corrective action covering materials and their derivatives, unless he finds that the security is not being so threatened.

The committee voted to establish a commission to study these and the many other trade problems which face the country today. The Commission would be composed of 9 members, 3 appointed by the President, 3 by the Vice President, and 3 by the Speaker of the House. An interim report is to be filed in 1 year and a final report and recommendations are to be filed by June 30, 1960, in ample time for the Congress to digest it before the time for the next extension arrives.

Mr. BUTLER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BUTLER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERTSON. Mr. President, as a member of the House Ways and Means Committee it was my privilege to participate in the initial effort to substitute for the trade-throttling Hawley-Smoot Tariff Act the program of mutually beneficial reciprocal foreign trade which is associated with the name of Cordell Hull.

My interest in that program has continued ever since although, since I became a Member of the Senate, I have not served on the committee that handles taxes and tariffs and have been pleased to leave the study of details to my distinguished colleague, the senior Senator from Virginia [Mr. BYRD], who now heads that committee.

The advantages of a plan which allows the United States to negotiate with other nations treaties under which barriers to our exports are removed in return for concessions we make on imports, seem so obvious that I can see no reason why it should not be considered a permanent part of our foreign policy. Limits within which action can be taken are, of course, subject to change to conform to changed conditions, and details of the program can and should be reviewed by succeeding Congresses. But, it has seemed unfortunate to me that the basic act on which this program rests always has been treated as temporary legislation which must be renewed periodically in order to prevent lapsing.

The resulting fight every 2 or 3 years on the question of renewal always puts believers in reciprocal trade on the defensive, because if no action is taken, their cause is lost. The advantage is on the side of those who need only block passage of a bill to start a retreat to the prohibitive rates of the Hawley-Smoot tariff law, which is still on our statute books, and which in the first year after

its enactment touched off retaliatory measures by 19 nations.

Those who would kill the program if they could, but who realize that they are a minority, also have the opportunity to attract allies by supporting individual amendments which would be helpful to small but sensitive segments of our economy. They know full well that if enough exceptions and restrictions can be included, the program will be nullified.

After an experience of more than 20 years in these recurring legislative battles I frankly feel that the assaults made this year on the fundamental principles involved in the Hull reciprocal trade program are the most serious I can recall. To save the program now will require the best efforts of all who believe that trade wars lead to shooting wars, and who also believe in putting the general welfare—namely that of a majority of businessmen and of all consumers—above that of minority pressure groups.

I am encouraged, however, by the fact that the Virginia delegation in the House was united in its stand for continuation of the program in a workable and effective form and that the leadership of my senior colleague [Mr. BYRD], as chairman of the Senate Finance Committee, has been so capably directed toward that same goal.

My purpose today is to support their efforts and justify their position and mine by outlining, briefly, the importance of foreign trade to our economy generally, its specific value to my own State, and the relation of trade agreements to our national security.

ECONOMIC CONSIDERATIONS

The kind of tariff protection advocated by Alexander Hamilton in the early days of our Nation, and traditionally supported by the Republican Party, had an appeal to an undeveloped, largely agricultural country, which needed encouragement of manufacturers to promote a more diversified economy. It is difficult to see, however, the applicability of the same arguments to the most nearly economically self-sufficient nation in the world today.

Cutting off foreign supplies today would significantly lower our standard of living and reduce our potentiality for continued economic growth because of our dependence, either partly or wholly, on imports of many critical raw materials and certain foodstuffs, such as tin, natural rubber, industrial diamonds, nickel, cobalt, asbestos, chromite, manganese, coffee, tea, sugar, spices, and many other products. In addition to these there are some manufactured products involving a high percentage of hand labor which can be produced in the United States only at costs too high to be economic.

On the other side of the picture are certain industrial exports ranging from 10 to 50 percent of production and the export of a wide variety of farm products including 25 percent of our cotton, 32 percent of our wheat, and 28 percent of our tobacco.

The United States Department of Commerce estimates that directly or indirectly the jobs of some 4,500,000 American workers, or about 7 percent of our total labor force, are dependent on foreign trade. In contrast, the Department of Commerce has estimated that only from 200,000 to 400,000 workers are employed in industries which are dependent in any substantial degree on tariff protection.

In other words, if we adopted a policy of free trade, not more than 400,000 persons would have to be taken care of through some equitable arrangement for compensation or relocation. But, of course, no one is talking today about free trade. The attitude of this Congress has been demonstrated by its action on an antidumping bill and by the safeguards placed in the Reciprocal Trade Act itself to insure continuation of reasonable protection in areas where substantial damage to domestic industries can be proved.

My attitude—and I believe that of most advocates of the reciprocal trade program—is not that we should abolish tariffs, but that we should use them as instruments for preventing unfair competition between nations and that at the same time we should stimulate free enterprise trading on the widest possible scale.

When another government does not have free enterprise or interferes with it and creates conditions which make fair competition impossible, we can and should defend ourselves by restrictive tariffs, and even by quotas and embargoes where fire must be fought with fire. On the other hand, if we extend tariff and quota protection merely to ease competition, and perhaps at the expense of efficiency, we tend to weaken private enterprise, both by diminishing self-reliance and by setting a pattern for government regimentation of industry.

HOW FOREIGN TRADE AFFECTS VIRGINIA

In the foregoing remarks, I have discussed our trade policy in terms of its relationship to the Nation as a whole. I wish in this part of my address to discuss more specifically its relationship to my own State of Virginia. In doing this, I recognize that in a very real sense the interests of a particular State cannot be sharply separated from those of the entire Nation. Nevertheless, the State of Virginia has a very concrete interest in the extension of the Trade Agreements Act. This interest is shown specifically and in detail in a survey recently made by the Department of Commerce, entitled "Foreign Trade Impact Study—State of Virginia." In considerable part, what I shall here set forth is based upon information contained in that survey.

Virginia is both an agricultural, and an industrial and mining State. Some 240,000 persons in Virginia live on farms, according to the Department of Agriculture. By coincidence approximately the same number were, as of the 1954 census, employed in manufacturing industry. Some 21,000 persons are employed in mining.

First, let us see how the interests of Virginia farmers are affected by foreign trade. It is estimated that in the fiscal year ending June 30, 1957, Virginia shared, directly or indirectly, to the extent of nearly $41 million in United States total exports of $2.8 billion worth of farm products. Outstanding in this total was Virginia's export of tobacco, amounting to $25 million. Dairy farmers profited, directly or indirectly, from the total United States exports of $231 million worth of dairy products of which Virginia's share was $3.7 million; poultrymen from our total exports of $46 million worth of poultry and poultry products of which Virginia's share was $1.4 million; applegrowers, from total exports of $230 million worth of fruits, of which Virginia's share—chiefly apples and apple products—was $4.8 million; and livestock raisers from the $423 million worth of exports of livestock and livestock products—excluding dairy and poultry—of which Virginia's share was $4.4 million.

I digress to say that I have this week received information from Mr. Cameron, of the Trade Agreements Section, Department of State, to the effect that the Government of the United Kingdom has announced that for the 1958–59 season, it will establish a northern hemisphere quota for fresh apples, including apples from the dollar area. The quota will be 75,000 long tons, of which 15,000 will be admitted from July through December 1958, and the remaining 60,000 in January through June 1959. This new arrangement according to Mr. Cameron, is a further step toward the liberalization of imports from the dollar area in addition to that made by the establishment of the dollar fruit quota. United States apple producers will now have the opportunity of competing for trade worth 2½ times as much as would have been the case if apples had been included in the $20 million quota for fruit. The $20 million quota was established by the British about a month ago.

Anyone who knows anything about the export of apples, knows that in the days of Queen Victoria, before the advent of refrigerator ships, a great many apples were shipped abroad. I have been told that the Queen's favorite was the Albemarle pippin. The British also took the old-time winesap. That was because the pippin and the winesap were the two best keepers.

Therefore I am encouraged by the increase in the quota for apples. Virginia will share very liberally in the export, because for a hundred years the English people have known about Virginia apples, which have been a favorite on the British market.

As stated earlier, United States exports of agricultural products represent the output of some 60 million acres of cropland. In a sense, all these exports benefit Virginia agriculture, since in their absence more of our cropland would be shifted to production of other crops, including kinds grown in Virginia, thus intensifying domestic competition in these branches of agriculture. The only major branch of agriculture in Virginia that is importantly concerned with import competition is the peanut industry and under section 22 of the Agricultural Adjustment Act its interests in this regard are safeguarded.

I must stress particularly the importance of the trade agreements program to Virginia's tobacco industry. The de-

pendence of this country's tobacco-growing and manufacturing industry upon export outlets is historic and generally familiar. As stated earlier, about 28 percent of our national production of leaf tobacco is exported. Of Virginia's production the ratio is even higher, namely about a third. In addition, some 3 or 4 percent of this country's enormous production of cigarettes is exported. Moreover, this export trade has greatly increased during the past 2 decades. Thus our leaf tobacco exports increased from about 477 million pounds in 1933 to about 560 million pounds in 1957. Cigarette exports increased from about 3 billion annually during the earlier period to 17 billion cigarettes last year. There has been complaint in some quarters concerning increased imports of certain types of leaf tobacco. In the main, however, these imports have been essential for blending with domestic tobacco for quality purposes, especially in cigarette manufacture. These imports have not prevented a virtual doubling of the volume of our tobacco output as compared to a generation ago.

Exports obviously have been an important factor in the growth of this industry. The trade agreements program is important to the maintenance of foreign outlets. It is true that, despite this program, some foreign countries have imposed, and some still maintain, quantitative restrictions on imports of tobacco and tobacco manufactures, thus handicapping our export trade. This circumstance has, I regret to say, been seized upon by some critics of the trade agreements program as a reason for not giving further support to it. There is, of course, no logic in this and no justification for it. Most of these foreign restrictions have been the result of a severe shortage of dollars in the countries imposing them, and to conserve dollars these countries have imposed restrictive quotas on imports of such things as tobacco. These countries are, however, obligated under the GATT to remove such restrictions at the earliest practicable date; and nothing could be more foolhardy than to lose the benefit of this assurance, while at the same time further reducing the capacity of such countries to earn dollars from sales of goods to the United States, by repudiating our liberal trade policy and turning the clock back to the discredited protectionism of a generation ago.

Virginia's manufacturing industries also have a large stake in United States export trade. As late as 1954, there were, as already stated, nearly 240,000 workers in manufacturing industry in the State. About 80 percent of these workers were employed in the manufacture of chemicals, transportation equipment, textiles, food and kindred products, tobacco, lumber and wood products, apparel and related products, and furniture and fixtures. Virginia's share in total United States exports of the products of these particular industries is estimated to have amounted in 1956 to nearly $132 million. Let us now see how each of these major branches of industry shared in this vast trade.

In 1956, Virginia's share of our enormous chemical export trade—nearly $1.4 billion—was valued at nearly $43 million. Of our exports of transportation equipment—$2.8 billion—Virginia's share in the same year is estimated at $29 million. Of our large exports of textile-mill products—over $452 million—Virginia's share was almost $19 million. Of total exports of food and kindred products—$1.1 billion—Virginia's share was nearly $16 million. Of tobacco manufactures—total exports nearly $66 million—Virginia's share was $17.5 million. Of lumber and wood products—nearly $141 million—over $5 million. Of apparel and related products—nearly $116 million—$1.8 million. Of furniture and fixtures—nearly $48 million—$1.3 million. This listing does not include various other kinds of manufacturing in which the State also profits from export trade, notably in the case of certain kinds of machinery such as air-conditioners, agricultural machinery, grading machinery, calculating and computing machines, a variety of electrical apparatus, and fabricated metal products.

Virginia likewise has a very important interest in the coal export trade. So much is heard nowadays about the alleged competition of imports of fuel oil with the domestic coal industry that the importance of coal exports tends to be overlooked. In 1957, the United States exported nearly $829 million worth of bituminous coal, amounting to almost 20 percent of our total production. A vast amount of this coal originates in West Virginia and Virginia and moves out of Hampton Roads. In 1957, shipments of coal out of Hampton Roads amounted to over 60 million tons, of which over 51 million tons were exported. This vast foreign trade in coal is the source not only of major activity in the Norfolk and Hampton Roads area, but, in addition, is a very large source of income to the railroads carrying it through the State of Virginia to the seaboard.

It is worth pointing out in this connection that both the Norfolk Port Authority and the Hampton Roads Foreign Commerce Club have adopted resolutions strongly supporting extension of the Trade Agreements Act without crippling amendments. Its extension is, without doubt, of great importance to this great seaport area.

I have cited the foregoing facts in order to indicate in concrete terms why Virginia has a vital interest in the extension of the Trade Agreements Act. In so doing I am not overlooking the fact, however, that among and within some of these industries there has been opposition to the trade agreements program. I wish now briefly to allude to this opposition.

For example, there has been a great deal of opposition to the program in the southern cotton textile industry. It is a well-known fact that some branches of the domestic textile industry have felt the impact of increased competition from imports, particularly from Japan. I do not seek to minimize this in the least. I think, however, that this matter should be viewed in proper perspective, and I do not believe, when this is done, that it offers any justification for amendments to this legislation that would virtually destroy its effectiveness. I call attention, in particular, to the following facts:

First. Imports of cotton cloth from all sources amounted in 1957 to only approximately 1.1 percent of domestic production.

The fine city of Danville, Va., has the largest cotton textile plant in the world. The daily output of the Dan River Mills is so vast that if 1 day's production was devoted to cotton cloth 1 yard wide, the string of cotton cloth would reach from Danville, Va., to New York, could be wrapped around the Empire State Building, and come back to Philadelphia. That is a lot of cotton cloth. It means employment for many of my friends.

I am not unmindful of the protests which have been filed by the president of Dan River Mills and by other textile companies of the South which want additional restrictions upon imports beyond those imposed in the House bill.

But I already have pointed out that one-third of Virginia's tobacco must go into foreign markets. Even so, the acreage allotments of the tobacco grower have been so drastically reduced that it is now becoming very difficult for the average Virginia producer of tobacco to make both ends meet on tobacco alone. For instance, the largest acreage is in flue cured tobacco; and the allotment averages only 2.9 acres per farm.

In the West and Southwest, where burley tobacco is produced, allotments have been cut to 65 percent of 1 acre. Everyone knows that the volume itself, no matter what the price is, is too small to provide an adequate standard of living. Everyone who has tried to work less than 3 acres of tobacco knows that he cannot buy the machinery which is needed in order to pay his operating costs.

As I have said, the second largest industry in Danville, Va., is the tobacco industry. Three of the largest tobacco warehouses in Virginia are located there. They handle more leaf tobacco than is handled at any other point in the United States, except at one place in North Carolina. Tobacco is the major crop of Pittsylvania County, which contains the largest population of any county in Virginia. It is the second largest county in the State, and embraces more than 1,000 square miles. The tobacco produced there, which is primarily flue-cured tobacco, depends on the export trade to the extent of at least one-third; otherwise it would break the domestic market. Under the law, if exports were reduced it would be necessary for the farmers to have smaller and smaller allotments, until they would be squeezed into an almost underprivileged status.

So, when we compare the stake of the tobacco interests in Danville and in Pittsylvania County—throughout all of Virginia, for that matter—with the very fine and efficient textile mills located there, we must consider the facts with respect to textiles.

First, the imports of cotton cloth from all sources amounted, in 1957, to only 1.1 percent of domestic production.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. CARLSON. I dislike to interrupt the Senator's statement with respect to tobacco. Kansas does not produce tobacco, which is one of the important agricultural products, but Kansas is greatly concerned about agricultural exports.

Kansas is the largest winter wheat-producing State in the Nation. I know how vital the foreign trade program is to agriculture. My information is that the United States, in 1957, exported 550 million bushels of wheat, and also farm equipment, valued at $958 million. That was equal to 55 percent of the total acreage production of wheat in the United States. As I understand, that means that the wheat produced on practically 1 out of every 2 acres in the United States is exported.

Mr. ROBERTSON. The Senator is correct. The average production of wheat in Virginia now is down to 10 acres per farm. If we had not been able to export such a significant percentage, the acreage allotment would have reached the point where a farmer could not afford to raise wheat in Virginia, and it would have been necessary for Virginia farmers to buy wheat raised in the fine State of Kansas, or elsewhere.

That is why I say that even though Virginia does not now raise as much wheat as we consume, the export of wheat is very vital to us, because it takes off the market the surplus which otherwise would be very depressing to the price which the small Virginia grower would get for his wheat.

Mr. CARLSON. I regret that I did not hear the beginning of the Senator's speech, but it was necessary for me to be out of the Chamber when he started. However, I commend him for the speech he is making in behalf of the international trade program, a program which I think is important to the future growth and development of the Nation.

We have had some experience in foreign trade. In the past 40 years there have been many changes. We have changed from a debtor to a creditor Nation. I think it is important that we keep that fact in mind when we deal with questions involving international trade.

With respect to the wheat situation, Kansas would like very much to be able to furnish Virginia some wheat. This year Kansas will produce 274 million bushels. This will be the third largest crop in the history of the State.

While last year we exported 550 million bushels, based on information which I have received, I think in view of the increased production in foreign countries and the exports of wheat from Canada, we will be fortunate in the next fiscal year to export 375 million bushels. So we will be looking for markets for wheat, not only outside the United States, but within the United States.

Mr. ROBERTSON. I can assure the distinguished Senator from Kansas that Virginia will buy some of his wheat. I understand that Kansas wheat is sold to Pillsbury. The old mountaineers tell me that, for breakfast, Virginians like hot biscuits made of local flour, flour which does not have all the real nourishment taken out of it. But now they do not want anything but Pillsbury's Best Flour, because it is made from wheat which rises so nicely.

Mr. THYE. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. THYE. I heard the distinguished Senator mention the name Pillsbury, and the trade name Pillsbury's Best.

I concur in the statement that Pillsbury's Best is the finest flour which has ever been milled anywhere in the world. It will always be the best. But I add, that much of that flour is made from wheat grown in the Northwest. As great a wheat-producing State as Kansas is, nevertheless, we do bring wheat from the Northwest, and Minnesota contributes some of the wheat which is milled into Pillsbury's Best.

I simply wanted the RECORD to be crystal clear that Pillsbury's Best is the best. [Laughter.]

Second, I want it distinctly understood that important as is the wheat of Kansas, wheat is brought from the Northwest.

Mr. ROBERTSON. I will admit that Pillsbury's Best is the best for some purposes, but from my personal standpoint, when I get up at 4 o'clock in the morning to go hunting or fishing, I would rather have hot biscuits made from a little heavier flour, the kind we produce in Virginia. In Virginia, there are more flour mills than are to be found in any other State of the Union except Pennsylvania. That is because the early settlers ground their own cornmeal and their own flour; and on every little mountain stream with enough water to turn a mill wheel there was a mill; and a farmer could throw a bag of corn or a bag of wheat on the back of his horse and could take it to the mill and have it ground there.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 1864) to authorize an increase in the membership of the Board of Appeals of the Patent Office; to provide increased salaries for certain officers and employees of the Patent Office; and for other purposes.

Mr. BYRD. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 1875, H. R. 12591.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate resumed the consideration of the bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

Mr. THYE. Mr. President, will the Senator from Virginia yield again to me?

Mr. ROBERTSON. I yield.

Mr. THYE. The State of Virginia may have more mills; but Minnesota has larger mills which grind more barrels of flour.

If the Senator from Virginia really wants something that will "stay with him" while he is fishing, I suggest that he eat not only wheat cakes made from Pillsbury's Best, but add some good Northwest bacon and eggs. Then he will really have something that will "stay with him" all day. [Laughter.]

Mr. ROBERTSON. Now the Senator from Minnesota is taking up another subject, which also interests me; and I could speak on it at length, were it not for the fact that at this time I must devote my remarks to the reciprocal trade program extension bill.

However, apropos of Pillsbury's Best, I wish to say that everyone knows that so much of the real wheat germ was taken out of the flour in preparing Pillsbury's Best, that the company had to advertise "enriched flour," and enriched it by adding some vitamins to replace some of the wheat germ which had been removed. That is why the mountaineers used to say, "If you have a hard day's work to do, eat hot biscuits made from good old country-ground flour."

Mr. FLANDERS. Mr. President, will the Senator from Virginia yield to me?

Mr. ROBERTSON. I yield to the Senator from Vermont, who undoubtedly wants to talk about maple syrup on hotcakes. [Laughter.]

Mr. FLANDERS. Mr. President, maple syrup served on flapjacks or on almost any other item of food is well worth while.

On the other hand, I wish to refer for a moment to corn. I regret that I do not see in the Chamber at this time any Senator from a corn-producing State.

Mr. THYE. Mr. President, Minnesota produces an enormous quantity of corn.

Mr. FLANDERS. Undoubtedly Minnesota raises everything. So the Senator from Minnesota will be interested in what I am about to say: A lobsterman on the Maine coast had been the object of a sales campaign by the groceryman at the wharf. The sales campaign had gone on for many weeks; the groceryman had been trying to sell the lobsterman a package of corn flakes. Finally, the sales resistance of the lobsterman broke down, and the groceryman sold him a package of corn flakes. The next morning the groceryman said, "George, how did you like your corn flakes?"

George replied, "Well, now, they're nothin'. You eat 'em, and they're gone. Now, you take one of Mary's pies—I can row around my lobster pots all morning, and feel it lyin' there, and nourishin' me, and nourishin' me, and nourishin' me."

So, Mr. President, obviously, some nourishment is to be obtained from sources other than "Pillsbury's Best."

Mr. ROBERTSON. That is true. I recall that on one occasion one of my distinguished colleagues sang a song that had been written in Vermont in the early days, "You don't get bread with one meatball."

Mr. FLANDERS. In the original version, it was "one fishball." However, in view of the fact that there is no way to place musical notations in the CONGRESSIONAL RECORD, I shall not attempt to sing that song.

Mr. ROBERTSON. It would be well worth while if we had a recording machine. [Laughter.]

Mr. COOPER. Mr. President, will the Senator from Virginia yield to me?

Mr. ROBERTSON. I yield to the Senator from Kentucky.

Mr. COOPER. I should like to join in what has been said by my distinguished colleague who comes from Virginia, my neighbor State; and I particularly stress the point that he is my mountaineer neighbor. I think most of the Members from other States do not understand what he has been talking about in his references to various kinds of wheat and to the way wheat is ground into flour. I know, as the Senator from Virginia knows, that in the hills the farmers would take their little turn of corn or wheat to the water mill and would have it ground. Cornmeal or wheat flour ground at such a mill has a taste that no other cornmeal or flour has; and such flour does make the fine biscuits the Senator from Virginia likes so well.

I know he will agree with me that sometimes good ham gravy "goes well" on those biscuits.

Mr. ROBERTSON. I fully agree; and I know how true that is, because before the Revolutionary War, Kentucky was part of Augusta County, Va.—adjoining my home in Lexington; and in those early days, all the people of that section grew up with similar tastes.

Mr. President, I return to my discussion of the cotton textile situation.

As I have said, in 1957, the imports of cotton cloth from all sources amounted to only approximately 1.1 percent of domestic production.

Second. The total value of our exports of cotton cloth in 1957 was more than double the value of our imports.

Third. There is now in effect a program of voluntary restriction of exports of cotton textiles from Japan to the United States which effectively limits the volume competition from that source, not only overall, but also specifically with respect to each particular category of goods where the competition has been felt. That includes velveteens, ginghams, and so forth.

Fourth. Finally, it is worth noting that studies which have been made of the difficulties of the cotton-textile industry clearly disclose that its troubles arise in the main from causes other than import competition.

Another industry from which there has been considerable complaint, on a nationwide basis, is the hardwood plywood industry. There are a number of hardwood plywood plants in my own State of Virginia. There is no doubt that the domestic industry has felt the impact of increased competition from Japan in recent years, for there has, indeed, been a large increase in imports. The Tariff Commission found, in 1955, in an escape-clause investigation, that imports were not a cause of serious injury to the industry; but, since then, imports have measurably increased. I do not seek here to pass upon the merits of this issue. I merely point out that if the domestic industry is convinced that it is being seriously injured by imports, there is no apparent reason why it should not again apply to the Commission for relief. It will be necessary, however, in any such case, for the industry to distinguish clearly between difficulties attributable to imports and those caused by the rapidly growing competition from our domestic producers of competitive hardboard and scrapboard which coincided with a period of reduced home construction and a decline in furniture manufacturing.

Mr. President, another industry represented in Virginia which has strongly opposed the trade-agreements program is the chemical industry. More strictly speaking, the center of this opposition emanates from that part of the United States chemical industry producing synthetic organic chemicals. This opposition is of long standing and remains strong, in spite of the fact that the chemical industry, as a whole, is one of our giant industries, with a total business of about $24 billion a year; and in spite of the fact that our chemical exports amount to about $1.4 billion a year, as compared with chemical imports of around $277 million. In fact, the chemical industry is one of our most profitable industries. It has been estimated that, in 1957, the ratio of profits to sales in this industry, after taxes, was 7.6 percent—the next highest, after petroleum refining, among all of our great industries.

In Virginia there are a large number of chemical establishments engaged variously in making organic and inorganic chemicals, drugs and medicines, paints, fertilizers, and vegetable and animal oils. Though it may be that some of these firms are adversely affected by foreign competition, it would appear from the nature of their respective operations that the majority of them are either little affected by such competition or have a direct interest in the export trade.

Then there is the situation regarding coal. As already mentioned, there has been an organized effort to pit this industry against the trade-agreements program on the ground that it is being seriously injured by imports of residual fuel oil. The fact is, however, that this competition is one of the least important of the troubles of the coal-mining industry. The loss of the railroad market, by reason of dieselization alone, accounts, it is estimated, for over 100 million tons of coal a year. There is a further loss of around 50 million tons per year in the house-heating market. There is also increasing substitution of natural gas for coal in various sectors of American industry. It is doubtful whether imports of residual fuel oil displace more than 5 million tons of coal per year. These imports of residual fuel oil, valued at $465 million in 1957, were only a little more than half of the value of our coal exports, namely, $829 million, in the same year.

Finally, I want to make a brief reference to difficulties now being experienced by the wool-carpet industry, because of increased imports of wool carpets and rugs. One of the largest producers in the United States has a plant at Glasgow, Va., in my home county. It is one of the most modern and efficient plants in the United States. It produced Wilton, Velvet, and Axminster carpets and rugs. This industry has applied for relief under the escape clause of the Trade Agreements Act, and an investigation is now in progress in the Tariff Commission.

Since 1951, imports of Wiltons and Velvets have nearly tripled. In 1957, they amounted to 4.7 million square yards, as contrasted to the domestic production of the same types of somewhat over 39 million square yards—equivalent to about 12 percent of domestic output.

I call attention to the serious opposition of cotton-textile producers. Imports of cotton cloth amount to only 1.1 percent, but imports of certain types of wool carpets which compete with those made in my home county represent more than 12 percent of the trade.

The Virginia firm makes Axminster and tufted rugs, as well as the Wilton and Velvet types, and if comparison is made on the basis of total imports and domestic production of all machine-made pile-surfaced floor coverings, the ratio of imports to production is only about 3 percent.

I do not here undertake to pass upon the merits of the pending case, but the increase in the ratio of imports of Wilton and Velvet rugs from 5 percent in 1951 to nearly 12 percent in 1957 does give me concern, and certainly merits careful investigation to determine if there is injurious competition which merits relief.

Indeed, in my discussion, I do not wish to seem critical of any industry that feels it has a just cause for complaint and which seeks relief under the appropriate procedures established for that purpose. I think it is clear, however, that the economic interests of my State will be best served by continuance of our present liberal trade policy. I think also that concessions made in past years and made by the House of Representatives this year in amending the Reciprocal Trade Act go about as far as we can go in giving protection without wrecking the program.

I am interested, as I have indicated, in the influence which foreign trade has on the economy of our Nation, and particularly on the economy of Virginia. But I also am concerned, as every American must be, about the relationship between international trade policies and our national security.

The nature of the threat to our security which would be involved in a backward step from our past program of trade agreements has been so fully and convincingly set forth by the Secretary of State, the Secretary of Commerce, and other responsible officers of our Government, in their testimony before the Ways and Means Committee and the Committee on Finance, that it is unnecessary for me to dwell on it at great length.

We must constantly keep in mind that the Soviet bloc has openly declared trade war upon the United States as one of the chief means by which it hopes to win the cold war and win world domination.

We were explicitly warned of this by Khrushchev himself when he said, a short time ago:

> We declare war upon you * * * in the peaceful field of trade. We declare a war we will win over the United States. The

threat to the United States is not in the ICBM, but in the field of peaceful production. We are relentless in this and it will prove the superiority of our system.

On an earlier occasion, Khrushchev told a group of visiting United States Congressmen:

We value trade least for economic reasons and most for political purposes.

There is not the slightest doubt that this Soviet trade offensive is one of the most potent weapons in the Soviet arsenal by which she hopes to achieve world domination. We can ignore it only at our peril. The central idea, as the Secretary of State has recently pointed out, is to subvert country after country through trade penetration and in other ways, isolate them from the United States, and eventually bring about our own economic strangulation.

Nor are the Soviets indulging in merely idle boasts. On the contrary, they are making alarming progress. Soviet industrial capacity is now growing at the rate of about 10 percent a year, as against a rate of 4 percent for the United States. Offers of trade and economic aid to the uncommitted countries are being followed up with economic assistance and trade pacts on a rising scale. Since 1954, exports of the Communist countries to the free nations have increased by about 70 percent. The number of their trade agreements with the free nations has more than doubled during the past 3 years. Trade with the less developed countries between 1954 and 1957 approximately doubled.

The capacity of the Soviets to supply the West and the uncommitted countries with capital equipment and manufactured goods is rapidly increasing. The Soviet bloc already has made great strides in this trade offensive. Through it they are bidding for ultimate political domination, precisely as Khrushchev has warned. To gain their ends they will stop at nothing. They count on the prospect that many countries in the Western World, dependent upon expanding foreign markets for their goods, will find it increasingly necessary to trade with them to dispose of their surpluses and gradually will be drawn into their orbit.

In this situation, the enactment of trade agreement legislation that will give us the maximum opportunity to meet and frustrate this challenge becomes essential for our security. Our allies cannot be militarily strong unless they also are economically strong. Most of them are highly dependent upon foreign trade. If they cannot trade with us they will have to trade increasingly with the Soviet bloc. That is true also of the undeveloped and the uncommitted countries. Through trade and aid pacts, the Soviets hope to achieve political domination of these areas.

In these circumstances, we should give our Chief Executive adequate authority in the realm of foreign trade policy to meet this crisis. This is no time for half measures. If we do not extend this legislation, or extend it only in a half-hearted manner and with seriously crippling amendments, we will be forced to increase our expenditures for defense and mutual aid to offset the economic advantages of the Soviets in the cold war.

It is with pride and pleasure that I look back upon my association with Cordell Hull. On any list of great Secretaries of State he always will rank high. Our Nation faces a more serious type of war than it did in 1934, when Secretary Hull proposed a program of mutually beneficial foreign trade as an essential ingredient of peace. In turning down crippling amendments to the pending bill, the House recognized that fact. I hope the Senate will do likewise.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. DOUGLAS. I wish to congratulate the Senator from Virginia for his very able and very courageous speech. I know there are a number of very powerful industrial interests in Virginia which want protection, and that it required a great deal of courage and statesmanship on the part of the Senator from Virginia to take the position he has assumed. The aid of the Senator from Virginia will be of tremendous assistance in the fight. I congratulate him from the bottom of my heart.

Mr. ROBERTSON. Mr. President, I appreciate very much the kind and generous words of the Senator from Illinois. It is true we have in Virginia some major interests which are opposed to the program. But, as I have indicated, if the laws we now have are properly administered, I see no inherent reason why adequate relief cannot be given to those who are able to prove serious injury from foreign competition.

I thank the Senator from Illinois.

Mr. DOUGLAS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOUGLAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. JORDAN in the chair). Without objection, it is so ordered.

Mr. DOUGLAS. Mr. President, if the bill reported by the committee is enacted into law, it will mean the virtual abandonment of the reciprocal trade program which was started by Cordell Hull in 1934. Under that program, the United States and its foreign trade have prospered.

But signs of retreat from it began in 1948 when the Republican-controlled 80th Congress inserted the peril point requirement into the renewal of the act. While this was eliminated in 1949, following the shift of political power in the elections of the previous year, it was restored in 1951, and the escape clause was also written into law as the political pendulum swung partially in the direction of the Republicans. In 1955, the Reciprocal Trade Act passed the House by a very narrow margin and the Secretary of the Treasury Humphrey before a vote agreed to a weakening of the bill in the Senate by the insertion of a national security clause and by a broadening of the escape clause.

Now it is again up for renewal.

During the past 5½ years, the Eisenhower administration—despite its professed belief in expanded international trade—has steadily packed the Tariff Commission with protectionists until it has become a citadel of that faith. This has naturally made the Commission popular with the advocates of protection. They, therefore, would greatly like to increase the powers of that body and to decrease those of the President.

During this same period, moreover, the economic drive for protective tariffs and quotas has gained ground. The spread of textile manufacturing into the South has transformed many hitherto low-tariff areas into protectionist strongholds. Similarly, the importation of low-cost Venezuelan oil has strengthened the protectionist forces within the oil and coal-producing States. The rapidly growing and powerful chemical industry has also thrown its weight on the protectionist side, while the recent fall in the prices of lead, zinc, and copper has inclined in the same direction, these industries and the States where these nonferrous minerals are mined. The ranks of the protectionists have also been swollen by the addition of a number of miscellaneous industries. All this has increased the opposition to reciprocal trade both within the Democratic Party and the country itself.

The formation of the European Customs Union, better known as the Common Market, has, on the other hand, increased the need for further tariff bargaining by us in order to reduce the differential disadvantage which our exports to free continental Europe will suffer as the national tariffs of the member countries relative to each other are reduced and ultimately abolished, while their external tariffs relative to us are maintained at the present average.

It is to the credit of the administration that some within its ranks have realized the importance of this new factor and have sought to renew the Reciprocal Trade Act on meaningful terms. I wish to pay all honor to those men. It was obvious that it would be hard to continue the program in any real sense unless its sponsors showed real determination and a fighting spirit.

Unfortunately, however the administration began to retreat before a shot was fired, and partially surrendered befor the battle was opened. Hitherto, the power of the President to increase duties under the escape clause and upon recommendation of the Tariff Commission had been limited to 50 percent above the 1945 level. Since these tariffs amounted on the average to about 13 percent, there was a possibility of tariffs being raised to an average of around 20 percent.

But this year the administration voluntarily proposed that the new maximum should be 50 percent above the tariff schedules in effect on June 30, 1934. The significance of that date lies in the fact that the Hull program of reciprocal trade had not then gone into effect, and that we were instead operat-

ing under the Smoot-Hawley-Grundy Act of 1930. This was the highest tariff in American history, with average rates of 52 percent.

To give administrative officers the power to raise duties 50 percent above these high levels has created the possibility that the act could be turned into an instrument for restrictive rather than expanded trade.

But if the administration thought it would assuage the protectionists within and without its own ranks, it was sadly mistaken. So a further concession was made by the House Ways and Means Committee. This provided that goods which were "bound" on the free list could be taken from it and then loaded down with duties of up to 50 percent. Then, to neutralize the opposition of the mining States, a 5-year subsidy amounting to over $400 million—$155 million the first year—on copper, lead, zinc, fluorspar and tungsten was proposed and put through the Senate.

Thus, the new negotiation authority was granted only after additional protective measures were added to the bill. But the Senate Finance Committee bill would all but end the authority to negotiate and also extend the protective feature to ruinous proportions and virtually assure increases of tariffs to new all-time highs. This is no compromise at all between conflicting American high and low tariff interests, and if the bill is not significantly changed by action on the Senate floor or in conference committee, it should be defeated. In its present form it is worse than no bill at all.

Let us examine the bad features of the bill.

HOW THE AUTHORITY TO NEGOTIATE IS DENIED

The Senate bill extends the act for only 3 years instead of 5 years. Even more important, it reduces the authority to negotiate. The House bill provides an authority to reduce tariffs by 25 percent to be used over a period of 5 years, with no more than 10 percent of that authority to go into effect in any 1 year, and with authority to carry over the unused portion and to put it into effect by gradual stages. In the Senate version, this authority is not only reduced to 15 percent over 3 years, but it is stated that no more than 5 percent may be used in any 1 year, and it denies the ability to carry over any authority not used up in each year. Further, under the Senate amendments, not only must the authority be used in any 1 year but if all the authority is to be used, the agreements must be signed, sealed, and go into effect in the first year, otherwise the authority is pared down in each succeeding year.

This 15 percent, no carry-over authority would be almost useless, and would essentially kill the tariff-lowering features of the Reciprocal Trade Act.

In the first place, under the bill, before negotiations can begin, the President must now give a 6 months' peril point notice—rather than the existing 120 days—of the particular items which he has any intention of using in negotiations. Second, about half of present American tariff rates are at 10 percent or below. Another 20 to 30 percent of the rates are between 10 and 20 percent. The duties on 70 to 80 percent of dutiable items, therefore, are below 20 percent. Consequently, 5 percent of an existing 20 percent rate is 1 percent, and would bring a reduction from only 20 percent to 19 percent. A reduction of 5 percent on a 10 percent would be a reduction of only one half of 1 percent, although the 2 percentage point authority could apply in such a case. Therefore, the 15 percent over 3 years, and 5 percent per year authority is no authority at all, for, first, it would be almost impossible even to begin negotiations in the first year or to finish them in the third year; and, second, we would have no chips to bargain with to get European and other rates reduced on our exports when we could reduce our rates by only such minor amounts. We would thus be handicapped because of inadequate bargaining power.

Therefore, for all practical purposes, the Senate version of the bill means no significant tariff reductions, and probably no reductions at all. This, of course, delights the protectionists.

WHY THE 5-YEAR 25 PERCENT AUTHORITY IS IN THE SELF-INTEREST OF THE UNITED STATES

The major reason we need the full 5-year, 25 percent authority lies in the fact that the European Common Market—Germany, France, Italy, Holland, Belgium, and Luxembourg—and the European Free Trade Area—Britain, Scandinavia, and most all of the other free European countries—now are coming into effect.

In the next 4 or 5 years, the 6 Common Market countries will lower their tariff barriers to each other by 30 percent in 3 stages of 10 percent.

This is the first step on the road to an ultimate abolition over a 12- to 15-year period of all tariffs between these nations. This means an automatic disadvantage to the United States, for with lower rates between and among the six, it will be to the advantage of the Germans, for example, to buy from France, Italy, or Benelux, rather than from the United States. The United States will suffer an automatic comparative disadvantage within the Common Market as these reductions take place. Failure to bargain will not preserve the status quo but will automatically put our exports at a disadvantage.

Affected by these Common Market arrangements are some $3.2 billions of American goods, each year, or almost 20 percent of all United States exports if we use the 1957 figures. Combined with the Free Trade Area, these arrangements will affect almost 30 percent of our exports, or $5.3 billion per year.

The six Common Market countries alone received in 1957, 36 percent of all our exports of oil and oilseeds, 22 percent of our tobacco exports, 34 percent of all our raw cotton exports, 30 percent of all our exported aircraft, 20 percent of all our manufactured and synthetic rubber exports, and huge quantities of grains, foodstuffs, textiles, wood and paper products, and iron and steel mill products, to name only a few.

Nothing could be more damaging to the American economy and American industry than for us to be gradually shut out of these markets. This will happen automatically unless the United States has adequate bargaining authority.

At the same time that the 6 countries lower their internal barriers to each other by 30 percent, they are to erect by stages a single comprehensive external tariff for the entire area against outside products including our own. This new Common External Tariff is to be at the arithmetical average level of existing rates. Thus, on balance, it will be at existing levels although levels for individual products will go up or down to meet the arithmetical average of existing tariffs on individual products of the six nations.

The only way American exports can compete in this market is if the United States has the authority to negotiate to get this common external tariff lowered at the same relative rate as the internal tariffs are lowered, or by 30 percent in the first 4- to 5-year period.

On January 1, 1962, the first stage of this common external tariff goes into effect. Negotiations between the six countries and the United States and other countries will begin in early 1961. Therefore, negotiations on this matter of vital importance to the United States will only take place from the middle of the third year to the middle of the fourth year of a new 5-year extension of the Reciprocal Trade Act. Under the bill as passed by the House, the entire 25 percent authority could be used in these negotiations. No part would have expired.

The 3-year, 15 percent provision of the Finance Committee, with no more than a 5 percent reduction a year, would be ruinous to the self-interest of the United States. In fact, it is difficult to comprehend how the self-interest of the United States could be harmed more than by this provision of the bill.

It is wholly inadequate because:

First. United States negotiators would have to return to Congress for new authority right in the middle of the negotiations which would start in January of 1961 or 2½ years from now. This would be a tremendous disadvantage to the United States and of great advantage to the Europeans.

Second. The United States would have left only 5 percent of even the 15 percent authority when we went to the bargaining table in the third year. Furthermore, this would have to be used up and actually go into effect half way through the negotiations, or it would be lost forever.

Third. The United States actually needs a 30 percent authority if we are to match the internal reductions of the six Common Market countries. With only 5 percent of our authority left in the third year when the bargaining begins, United States exports would suffer an increasing disadvantage in the European market.

Of course, all of this assumes that the Europeans would, in fact, be willing to negotiate. However, if the Senate bill should become law, it is more likely that there would be no negotiations and that the Europeans would concentrate on

their own internal development at the expense of trade with the United States.

What is so amazing about Finance Committee amendments is that the groups which support them are the ones who are generally most vociferous in their assertions that foreign countries always get the better of the United States in negotiations. Yet the effect of the action which they support will be, in the best event, to give the European producer a tremendous advantage over the United States producer in the new European market.

The 25 percent authority in the House bill, with its carryover provision, would put us at least close to parity with the 30 percent bargaining weapons of the Europeans; while the Senate 3-year, 15 percent and 5 percent per year, no carryover authority would send our negotiators into battle with the Europeans with almost no weapons and with both hands tied behind their backs.

At a minimum, the United States needs the full 5 years, the full 25 percent, and the carryover provisions of the House bill, so that any bargains we get or give can be put into effect by stages over time rather than all in 1 year.

Two other points should be noted here. One is that with less authority to reduce rates, in any bargaining situation the United States will have to reduce the rates on a greater number of products to compensate for the lack of authority to reduce any one rate significantly.

The second point is that, with the likelihood that under the Senate Committee version of the bill there will be numerous successful escape-clause proceedings, much or most of the very limited authority would be used in compensating other countries for concessions which we withdrew under the escape-clause proceedings. It is, therefore, very doubtful that any significant bargaining could occur under these provisions.

WHY THE SENATE ESCAPE-CLAUSE PROVISIONS WOULD RUIN THE RECIPROCAL TRADE PROGRAM

While the 3-year, 15 percent authority amendments virtually deny the ability to lower tariffs, the escape clause provisions of the Senate bill greatly expand the methods by which tariffs may be increased, and increased to levels as much as 50 percent above the highest levels in our history.

Under the bill as it now stands, a tariff commission finding of injury now becomes more likely than before. In addition, by the new escape clause amendment it is made almost impossible for an elected President and an elected Congress to reverse such a finding and which may well be a finding of as few as 3 of the 6 appointed members of the Tariff Commission.

Under the new escape clause, a tariff commission finding becomes final unless the President disapproves and both Houses of Congress—by majority vote within 90 days—adopt resolutions supporting the President. The full weight of any inaction is thus thrown on the side of protection and in favor of the Tariff Commission as compared with the President.

Furthermore, under the new amendment, tie votes of the 6-man appointed Commission become findings of injury, and if there is a finding of injury and a divided vote on the recommended remedy, the "recommendations of that group within the Commission which recommends the greatest measure of relief" shall go into effect unless overruled by the President and both Houses of Congress. Thus, the Commission may find injury by a 3 to 3 vote, and the greatest measure of relief recommended even by less than a majority shall go into effect.

These provisions, in conjunction with existing escape clause provisions in both past and present legislation would make it almost impossible to upset a Tariff Commission finding.

Consider the following: First, the Tariff Commission must only consider by law the narrow question of injury or threat of injury. Moreover, these can be considered only for specific products and sections of industries. In addition, it may find injury even though there is only a relative rather than an absolute injury. The Commission by law can consider no other factor than injury, the threat of injury, or relative injury, and cannot consider what effects its recommendations would have on the American consumers, on other sectors of our economy, on our foreign relations, on our treaty obligations, or whether the withdrawing of concessions by other countries would seriously injure American exports, the status of delicate negotiations, or even on balance whether a finding of injury would do more harm than good.

The Tariff Commission is therefore to consider only the most narrow question of economic injury to specific producing groups. It is not to consider at all whether this action may result in significantly higher prices to housewives and consumers. It does not consider that this may result in immediate and even drastic retaliation to an American exporter. It is for all of these reasons, I submit, that the President must have adequate authority to review and reject Commission findings and recommendations based on such narrow grounds.

In addition to all this, the Tariff Commission, under the present bill, has new authority to recommend relief by increasing rates to a level 50 percent above the 1934 levels rather than the 1945 levels. As the 1945 levels of tariffs were about 13 percent on the average, and as the 1934 levels were about 50 percent on the average, this means the Commission can, as I have already pointed out, recommend raising rates not by 50 percent above existing levels, or from about 13 percent to 20 percent, but by 50 percent above the 1934 levels. Furthermore, these levels can be recommended by less than a majority of the Commission and yet become effective.

In fact, a situation could well occur where the President, because of foreign policy reasons, would disapprove of a Commission finding and where the Senate, for equally persuasive reasons of foreign policy, would uphold the President only to find that the House of Representatives would fail to sustain the President. In such a case, the President and Senate—who have jurisdiction over matters of foreign policy—would be denied their right to exercise this jurisdiction by a House of Congress which has no such primary jurisdiction.

In practice, under the new escape clause, the findings of the Commission would almost always become final. The possibilities of delay in getting a resolution through committees in both Houses, the discharge procedures which would have to be invoked if the committees failed to act, and the delays in getting passage in both Houses in the face of vocal but minority pressures, are almost too numerous to mention. Anyone who has studied the rules of the Senate knows that discharging a committee is a most unusual practice, is seldom used, and is even less often successful.

One final point should be made concerning this escape-clause section. The bill provides that action must be taken in 90 days. If the President disapproves a Tariff Commission recommendation less than 90 days before the end of a session of Congress or while Congress is adjourned, the matter is carried over until the beginning of a new Congress and must then be acted upon in 90 days. Under this new provision of the bill, there will certainly be more escape-clause recommendations than in the past. Further, because of this carry-over provision, a large proportion of them will normally be acted on during the first 90 days of a new Congress or a new session of a Congress. This offers numerous log-rolling possibilities where one group of protectionist interests can join with several other groups to form a majority so that no single escape-clause recommendation may be overruled. This would return us to the days of tariff log-rolling, which were among the sorriest chapters in our history.

In my judgment, the Senate should at least and even reluctantly return to the House version of the bill which provides that if the President disapproves of a Tariff Commission finding, the President's views can be overturned by a vote of two-thirds of each House. In fact, we should strike out the whole provision and let matters stand as they are now.

However, the House language would retain Presidential review, but it would permit the Congress to override the President by a two-thirds vote in the same manner that the Congress can override the President on legislative matters, although, as I have said, I would prefer no change at all.

THE NATIONAL SECURITY AMENDMENT

In 1954 the extension of the Trade Act provided that no trade agreement reduction in duty shall be made if it would threaten domestic production needed for projected national defense requirements. In 1955, the act was amended to provide a procedure for investigation and action by the President if he agrees with the Director of the Office of Defense Mobilization that any article is being imported in such quantities as to threaten to impair the national security.

This national security section was never meant to be an alternative to escape-clause relief. Its purpose was to avoid a threat to the national security through imports. The question of in-

jury, while it might be a factor in the consideration, was not the object of the provision as such. As the House report states:

> The interest to be safeguarded is the security of the Nation, not the output or profitability of any plant or industry except as these may be essential to the national security.

By amendment the Senate changed the nature and intent of this section. The national security amendment sets up an implicit syllogism which states, in effect:

First. The economic welfare of the country affects national security.

Second. Any industry which is injured by imports weakens the economic welfare of the country.

Third. Therefore, injury to a domestic firm or product, or unemployment, or a decrease in Government revenues, loss of skills or investment, affects the national security.

This really means that virtually every industry or product can qualify as a national security industry and obtain tariff relief.

This would mean an overlapping of the functions of the Tariff Commission, under the existing escape clause, and the Office of Defense Mobilization, under the national security amendments. It would put unneeded and unnecessary burdens on the Office of Defense Mobilization which has many more important functions to carry out in the field of our vital national security. It would give domestic industries two avenues for relief and would bring an unending number of cases and disputes before both bodies. When one considers examples of cases which have gone before the Tariff Commission in escape clause proceedings, and when one considers that these industries would now, by definition, be considered to be national security industries, the folly of this amendment can be seen. For example, the industries producing the products or articles I shall name, which have sought escape clause relief in the past, could now seek relief as national-security industries. I placed in the RECORD yesterday a list of the products which could seek relief as national-security industries. I cited a list of the 48 industries which have sought escape-clause provisions in the past 10 years. It will be seen how ludicrously unimportant some of these products are to the national security:

Spring clothespins, wood screws, bluemold cheese, groundfish, glace cherries, bonita and tuna, ground chicory, cocoanuts.

There may be coconuts grown in the United States, and probably are, but I have never seen them. Glue of animal origins and inedible gelatin; hardwood plywood; red fescue seed; dressed rabbit furs and fur skins, not dyed; cotton pillow cases; certain jute fabrics; wool felts, nonwoven; garlic.

How important is garlic to the national security: women's fur felt hats and hat bodies; hatters' fur; dried figs; tobacco pipes and bowls; scissors and shears; ferrocerium (lighter flints); velveteen fabrics; straight pins?

Now we have something really for the birds: pregnant mares' urine. I stared at that item for a long time and could hardly believe my eyes. It is difficult for me to understand how this product can be protected. Why does it need protection? What would be done with it without protection? Apparently, though, a trade association is seeking to get higher tariffs on the urine of pregnant mares. This is tariff protection with a vengeance. Household china tableware, chalk whiting, woodwind musical instruments, metal watch bracelets, rosaries. These certainly should be above economic considerations. Mustard seeds. The parable which Jesus quoted indicates that great growth can be expected from mustard seeds, but they are hardly important in our national economy. Wool gloves and mittens; stainless steel table flatware; umbrella frames; clinical thermometers; handmade blown glassware; watches; motorcycles and parts; bicycles and parts; cotton carding machinery; lead and zinc; fluorspar; para-aminosalicylic acid; screen printed silk scarves; alsike clover seed; toweling of flax, hemp, or ramie; violins and violas; safety pins.

Mr. WILEY. Mr. President, will the Senator from Illinois yield to me?

The PRESIDING OFFICER (Mr. JORDAN in the chair). Does the Senator from Illinois yield to the Senator from Wisconsin?

Mr. DOUGLAS. I am glad to yield.

Mr. WILEY. As the Senator from Illinois knows, I am not a member of the committee. I have listened with great interest to the remarkable address being made by the Senator from Illinois. I should like to ask several questions.

I notice that the Senator from Illinois has been discussing the provision of the law that no reduction of duty shall be made if it threatens the security of a domestic industry. In that connection, the Senator from Illinois has been referring to various items, including hardwood plywood, bicycles, and watches. As I recall, a few months ago, one of the eastern watch-manufacturing companies received from the Commission an order which affected the domestic watch-manufacturing industry. Does the Senator from Illinois remember that incident? The question was whether American labor would be deprived of work.

Mr. DOUGLAS. Is the Senator from Wisconsin referring to the application of the domestic watch-manufacturing industry for an increase in the duty, which the President granted?

Mr. WILEY. Yes.

Mr. DOUGLAS. I remember it.

Mr. WILEY. Of course, that did not come under this particular section of the law.

Mr. DOUGLAS. It came under the escape clause.

Mr. WILEY. Two items in which I am particularly interested—because unemployment in the industries which produce them has resulted in my State—are bicycles and hardwood plywood. I wish to call this matter to the attention of the Senator from Illinois because I realize that he, with his fine, philosophical mind, has considered the future, and realizes that in the past 10 or 15 years there have been built, through our generosity, competitive manufacturing plants in various foreign countries. The difficulty is that in Japan, for instance, such labor is paid only 40 cents a day, whereas American labor in the competing industry is paid $2 on hour.

Mr. DOUGLAS. I think the difference is not quite that great; I believe that labor in the competitive Japanese industry is paid 15 cents an hour, as compared to the $1.80 or $2 an hour received on the average by American labor.

Mr. WILEY. That creates a situation which, of course, is not competitive; instead, it is suicidal.

In view of the fact that the match-manufacturing industry was granted relief, now that hundreds—in fact, thousands—of American workers in the plywood industry are unemployed, what remedy would the Senator from Illinois propose?

Mr. DOUGLAS. They already have the same remedy, by way of the escape clause, that the watch-manufacturing industry used.

Mr. WILEY. I realize that. But I wish to pursue the matter further. In recent years we have educated the Japanese people to the point where they have become the greatest foreign consumers of American-grown wheat, but at the same time the Japanese are manufacturing plywood products which are imported into the United States and result in putting Wisconsin workers in our domestic plywood industry out of work, in view of the fact that the Japanese product is placed on the market at a price 50 percent less than the price at which the American plywood industry must sell its product. Thus, a foreign market has been created for American-grown wheat, but the American market has been taken away from our domestic plywood manufacturers.

I am considering the future, when not only American-made plywood and watches will be at such a terrific disadvantage, but when other American-manufactured items will suffer from similar competition from products imported from foreign countries. If a tariff is immediately imposed, international difficulties are created.

I want the Senator from Illinois, with his fine brain, to think about this matter, and see whether he can give me the answer. If he cannot give it to me now, I shall continue to seek it, because it is most important that we do not give our domestic producers of wealth—such as our domestic plywood industry—the impression that we are taking their market away from them and are giving it to the Japanese, at the same time that we are creating a Japanese market for American-grown wheat. Certainly this subject requires the great intellectual ability and spiritual intuition of the distinguished Senator from Illinois. Can he give me the answer?

Mr. DOUGLAS. If Japanese imports to the United States were to be shut off——

Mr. WILEY. Does the Senator from Illinois mean if they were totally shut off?

Mr. DOUGLAS. If they were appreciably reduced—whether in the case of plywood or textiles—naturally the amount of American products which the people of that country could purchase would be decreased, and that would reduce their purchases of American wheat, machinery, soybean oil, and so forth. That is the first point.

Second, of course we realize that the transportation costs from Japan to the United States, which are appreciable, already constitute something of a tariff.

Third, we should take into consideration not only the hourly wages, but also the output per manhour, in order to arrive at a proper comparison on the basis of labor cost per unit of output. The difference between the American and the Japanese labor cost per unit of output is by no means so great—despite the industrial machinery used today by Japan—as the difference in wages. In many cases we have the advantage, not they. In fact, most foreigners complain that with our efficiency we can produce more cheaply than they can.

Fourth, if the Japanese were to export more goods to the United States than they imported from the United States—of course, I am sure that is not the case today—the result would be an outflow of gold to Japan, for the effects of the flow of gold are not completely insulated, even under modern banking conditions, from the Japanese price levels; and their price levels would rise. That would put their exports at a disadvantage, because with higher costs there, and possibly lower prices here, the Japanese would not be in so favorable a condition as they had been. Since 1950, average wholesale prices of products in this country have risen by only 14 percent, whereas wholesale prices in Japan have risen 50 percent.

Finally, as a country becomes industrialized, trade unionism increases, the wage rates rise, and the political branch of the labor movement puts into effect mininmum wages and sound security so that industrialization in part creates its own correctives.

I grant that it would take time for all those factors to operate. But any reduction in tariffs would also be gradual.

So I wish to emphasize the point that we should move forward, in the direction of expanding international trade, rather than in the direction of contracting international trade.

Mr. WILEY. Mr. President, I hope the Senator from Illinois does not object to my questions.

Mr. DOUGLAS. Certainly not.

Mr. WILEY. There is an old slogan, which I believe to be correct, namely, that the American market belongs primarily to the American producers. Our country has been built on that doctrine.

The latest figures which have come to my attention show that our country has a total production valued at approximately $440 billion. The latest information I have in regard to our exports is that they amount to approximately $19 billion. My point is that we must be sure that in attempting to obtain the $19 billion, we do not stick a dagger into the $440 billion. We must be sure that in obtaining exports, we do not injure the morale of our own producers and cause them difficulties.

The Senator from Illinois has not given me a solution to the unemployment situation in our plywood industry. He has discussed the philosophy, but he has not supplied the answer.

Mr. DOUGLAS. Of course we cannot expect to have the benefits of trade and commerce evenly distributed over society as a whole; and very frequently, in the process of distributing benefits, certain industries are injured.

I think the Senator from Wisconsin has made a very strong argument in favor of compensatory payments to both industry and labor, for any losses which they may suffer. I have sponsored such an amendment; and, to judge by the remarks the Senator from Wisconsin has made, I believe I may have made a convert.

Mr. WILEY. A what?

Mr. DOUGLAS. A convert.

Mr. WILEY. How does the Senator from Illinois spell that word? [Laughter.]

I doubt whether compensatory payments, about which the Senator has been talking, are the answer.

I should like to ask one other question about a matter which has been discussed. Again, I must plead my ignorance, because I am not on the committee, and I have not done any reading on the subject. I have a pocketful of material which I hope to be able to read tonight, including the minority views of the Senator from Illinois. But is not a part of the answer to be found in quotas?

Mr. DOUGLAS. To answer that question immediately, I would say "No"; quotas would be just as bad as tariffs, and possibly a little worse.

Mr. WILEY. Why are quotas not the answer? Let us assume that the American market will take X number of plywood board feet. Let us assume that last year Japan furnished 25 percent of that market. Now, because of this wonderful America of ours, with its tremendous buying ability, Japan is after 100 percent of the market, which, if Japan succeeds, will put out of work the group of people who are willing to have Japan take 25 percent. Now Japan wants 100 percent of the market. I am trying to reconcile my concept of religion with economics. The Senator from Illinois quotes the Bible. I think Paul said that he who does not look after his own is unworthy. Why would not a 25 percent quota—if that is the correct ratio—be a fair one which Japan should have, and let the American producers have 75 percent of the market?

I am trying to see my way clear to rationalize the just way to proceed.

I also realize the Senator from Illinois and I have not discussed the foreign-relations aspect of the problem. That aspect must be taken into consideration in the contracting world of today. But I do not think our foreign relations are helped when we permit community after community in the United States to be raped by having their entire plywood industry taken away from them.

Mr. DOUGLAS. Once quotas are started and are imposed on foreign goods coming into this country, we can be perfectly certain that foreign countries will then impose quotas on United States goods, and there will be limitations upon Wisconsin butter going to Japan and limitations on American wheat going to Japan. Some persons think we are the only nation that can play this quota game, but foreign countries can retaliate, and the ultimate result will be a general shrinking in trade.

I have a robust faith in competition. I have a robust faith that if the markets are kept open, goods will ultimately be produced in those countries where they can be manufactured most effectively. It seems extraordinary to me that persons who profess to believe in competition and free enterprise are afraid of it when it is applied across national lines.

Mr. WILEY. Will the Senator yield further?

Mr. DOUGLAS. I yield.

Mr. WILEY. The distinguished Senator from Illinois has been a bulwark for the rights of American labor, and has insisted on a living wage and on the right that the returns of labor shall be constantly increased. I cannot understand his last remark, because, in my humble opinion, the evidence is very clear that the Japanese workingman is as clever, and in many respects more so, in producing goods as are some of our own people. Last week I had lunch with a colonel who was in Japan. He showed me a little loudspeaker which costs $50 in this country. He had bought it for $18. Why is that so? Because a Japanese workman, instead of getting $2 or $3 a hour, which the American workingman gets, receives only 40 cents an hour. I am thinking in terms not only of today or tomorrow, but the tomorrows of next year and the years after that.

The Senator has stated he is afraid that if this country imposes quotas, foreign countries will impose quotas on goods we may send to them. Japan had 25 percent of our plywood market. It should have been pleased with that percentage of the market. Japan needed wheat, and she was able to buy wheat under that arrangement. There are other markets in which Japan can sell, and is selling, her products; but in the plywood line, good American workmen are being put out of business. I want to find a way to protect American labor. The Senator from Illinois has been an exponent of the rights of American labor, and he has stood back of the American workingmen all his life. Instead of finding a solution for them, he is talking about taking away their jobs.

Mr. DOUGLAS. It is not merely the plywood industry that wants quotas. The textile industry has been able to get the President to force Japan to put into effect informal quotas on textiles. Quotas are being extended very far, informally, even though they are not provided for in the law. The Senator from Wisconsin is proposing that quotas be further extended. If the principle is carried further, it will be applied to every article we import, and imports will be

frozen at existing totals or proportions. By that very action American imports will be frozen. We cannot export unless we import. Only by means of exporting to us are foreign countries able to buy products from us. In the long run, they can buy our exports only in the quantities of the sales of their products.

The Senator is, in effect, proposing that there be a freezing of our exports to foreign countries, as well as a freezing of their imports to us. Does the Senator want that kind of a world?

Mr. WILEY. No; I think the Senator is drawing a wrong conclusion. I am merely saying that he who does not look after his own is unworthy. The way to take care of the situation is by commonsense rationing. I am asking the Senator if fixing the market for imports at 25 percent is not the correct way. The Senator from Illinois has said the President has done something in relation to textiles. Nineteen billion dollars worth of exports should not cause us to take our eye off the ball and to ignore $440 billion worth of production. We must consider our gross national product. The minute labor in a certain industry stops producing, our gross national product is reduced by that amount.

I hope the Senator from Illinois, with his penetrating mind, which is so generally set on what he thinks is right, will give a little consideration to this situation and let me talk it over with him tomorrow, because I want the benefit of his fine economic brains and his sometimes fine political brains—I said sometimes—to see if we can arrive at a solution.

Mr. DOUGLAS. I shall be glad to talk with the Senator tomorrow or any other time. It is a pleasure to be with him. It so happens I have thought about this problem most of my adult life. I assure the Senator the matter is serious, but not so serious as he thinks. For instance, total imports last year were $13 billion. The gross national product is now at about the rate of $420 billion. The Senator is afraid of competition for 3 percent of the gross national product? Consumers and exporters are involved in the matter. I should have thought the Senator from Wisconsin would have been glad he could buy a loudspeaker for $18, for which he would have had to pay $50 if it were produced in this country.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DOUGLAS. I will yield in a moment to the Senator from Louisiana, but first I should like to make a further reply to the Senator from Wisconsin. Is not the American consumer entitled to some consideration in this process? We ought not to consider only those who are producing articles which are rivals to those produced in other countries, but consumers as well.

In the old days of the automatic gold standard we had a very simple answer, namely, if we had an excess of imports over exports there would be an outflow of gold, and such an outflow of gold would raise the price levels in the countries from which we were importing and would lower the price levels in the United States. This would automatically operate to reduce the exports to us from the other countries, and would expand our exports to them. The situation on the face of it does not move so directly now that the countries are largely off the automatic gold standard, but gold is not completely insulated from influence on domestic price levels. In addition, there are adjustments of exchange rates, which help to establish a balance.

Mr. WILEY. We have been exporting gold lately.

Mr. DOUGLAS. There is nothing to worry about in that connection.

Mr. WILEY. In spite of the $19 billion of exports and what the Senator calls $13 billion of imports, that is the case. That is due to the fact that there is other income, such as the tourist dollars, and so forth. Be that as it may, I should like to know what the solution is for American labor, for which the Senator has always stood up.

Mr. DOUGLAS. The Senator from Wisconsin has wept tears about Wisconsin plywood.

Mr. WILEY. About American plywood; yes.

Mr. DOUGLAS. Let me quote from a statement by Charles H. Percy, a leading member of the same party as the Senator from Wisconsin.

Mr. WILEY. Who is that?

Mr. DOUGLAS. Charles H. Percy. He is the champion money raiser for the Republican Party in the State of Illinois.

Mr. WILEY. How does the Senator happen to be so well acquainted with the gentleman?

Mr. DOUGLAS. It happens that Mr. Percy was once a student of mine, but he strayed from the fold.

Mr. WILEY. Oh, another man gone wrong. [Laughter.]

Mr. DOUGLAS. I should like to read from the statement of Mr. Percy. Incidentally, Mr. Percy is an excellent man. He said during the hearings on this bill, in reply to a question by the Senator from Vermont [Mr. FLANDERS]:

> May I comment on the plywood industry, Senator? I would like very much to have you visit our own plywood plant.

Mr. Percy is the president of Bell & Howell Co. He went on to say:

> We are manufacturers of plywood. We have been now for many years. We simply did not feel that that industry was highly enough mechanized to produce the product at a cost that our customers are willing to pay.
>
> Therefore a number of years ago we opened our own wood shop, we buy veneer from Minnesota, and other States, and we manufacture our own plywood under mechanized methods.
>
> We use the latest devices we possibly can. Our buying department has absolute authority to buy plywood from any place in the world. We have been trying to get out of this business for many years, but every time we threaten to pull out of it if our managers are not using that space profitably, because it is expensive plant space, our own people find a new technique, a new method to reduce the costs a little bit lower and they undercut the costs that our buying department can obtain on plywood.

I suggest to my good friend from Wisconsin that he have the plywood manufacturers get in touch with Mr. Percy. Mr. Percy will show them how to organize their factories. Wisconsin can learn in this respect, as in so many others, from Illinois.

Mr. WILEY. When Illinois got Chicago we were glad to have Illinois get Chicago, but we do not want to have Illinois steal the water from our lakes.

Mr. DOUGLAS. We will meet at Philippi on that question.

Mr. WILEY. What was the date of the statement the Senator read, and where does Mr. Percy live?

Mr. DOUGLAS. Does the Senator not know Mr. Percy?

Mr. WILEY. I probably know him. There are several Percy families. I remember Shakespeare had one.

Mr. DOUGLAS. Mr. Percy's statement was in the hearings in June of 1958. The statement appears on pages 684 and 685 of the hearings in the Senate committee on the bill presently under consideration.

Mr. WILEY. From where does Mr. Percy come?

Mr. DOUGLAS. Mr. Percy is from Chicago.

Mr. WILEY. Oh, Chicago. Well, that accounts for it.

Mr. DOUGLAS. Mr. Percy is a very efficient fund raiser for the Republicans and an excellent businessman.

Mr. WILEY. That accounts for it. I have a book like that, too, some place. So Mr. Percy is from Chicago. I can see the Senator is influenced by everything he said.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. LONG. I for one would be willing to join the Senator in taking Mr. Percy up on his proposal as to reducing tariffs. Let us apply that principle to the camera and motion picture camera industry.

Let us offer an amendment to remove the tariff on those items. I will predict that before the expiration of the 5 years which the Senator is requesting Mr. Percy and Bell & Howell will be producing cameras overseas, if at all. I would be willing to join the Senator in applying Mr. Percy's logic to Mr. Percy's industry.

Mr. DOUGLAS. I think he would be perfectly willing to have that done.

Mr. LONG. I would be willing to prepare the amendment.

Mr. DOUGLAS. While I differ with Mr. Percy on many points of political philosophy, I think he is sincere, and I think he is an able manager. I believe his company can look the world in the face and fear not any man.

Mr. LONG. Mr. Percy appears to be the best one round salesman I have heard. I would be willing to take Mr. Percy up on his proposal and to remove the tariff with respect to his product, to see what happens over a period of a few years.

Mr. DOUGLAS. I am not speaking today to make a sales talk for Bell & Howell, but the Bell & Howell Co. competes with producers in Germany and Japan and is perfectly ready to do so in the foreign market, without any protection whatsoever.

Mr. LONG. I hope the Senator will join me in sponsoring such an amendment and in voting for it, because I should like to see Mr. Percy's proposal tested. Mr. Percy says that he and his associates are so good at improving methods that they can stay ahead of the world. He says that labor is a significant portion of the cost of their machinery and the cost of what they are producing, but that we should not worry about it.

Mr. Percy is one of the best and most able spokesmen, as well as one of the most eloquent, I have heard about. I propose that we take Mr. Percy up on his statement, to see how it will work. If it works the way he says, perhaps we can apply it to other industries and those industries will not need tariffs.

Mr. DOUGLAS. As my good friend from Louisiana knows, Congress has surrendered the power to fix tariff schedules and has turned that power over to the executive department, subject to review.

If we could be certain we would reduce tariffs by the use of legislative authority, I would be glad to recommend that power, but we know quite well that the protectionist point of view would be so strong that if we once again started to deal with the tariff schedules here in Congress the result would be increased protection.

Mr. LONG. We have the bill under consideration now.

Mr. DOUGLAS. I am sure Mr. Percy would be perfectly willing in the next tariff negotiation to have the tariffs on photographic equipment reduced. I am sure of that.

Mr. LONG. The Senator is complaining that under the bill the tariffs will not be cut enough.

Mr. DOUGLAS. I am saying that under the bill——

Mr. LONG. Let us take Mr. Percy up on his proposition and apply his theory to the industry in which Mr. Percy is engaged, to see what happens to the industry.

Mr. DOUGLAS. He would be delighted to have that done.

Mr. LONG. I would be happy to have such an amendment added to the bill.

The point I wanted to ask the Senator about, when I first asked the Senator to yield, relates to imports. About one-third of the imports are imports of items we do not produce and which I do not believe we should produce. For example, I speak of imports such as cocoa beans, bananas, and other tropical fruits.

Mr. DOUGLAS. Oh, there is going to be a demand that we produce our own bananas, very shortly—under glass. [Laughter.]

Mr. LONG. About one-third of our imports are in that category. The remainder of the imports amount to about 2 percent of the gross national product, and those fall into categories of various things this country does produce. That is a general statement, but I believe it is correct.

My question is: Why must we trade in such a way that only a very few industries have to take almost all—I would say perhaps 75 to 80 percent—of the burden of foreign competition, while the great majority of the industries have very little foreign competition? Why should we not so shape our trade program that the burden of foreign competition would be spread somewhat evenly?

Mr. DOUGLAS. Mr. President, the majority leader has requested that I yield to him for the presentation of a conference report which, of course, is privileged at all times. I shall be glad to yield with the understanding that the proceedings with respect to the conference report will be printed at the conclusion of my remarks. I will then make a reply to the Senator from Louisiana, after the conference report has been presented and acted upon.

(At this point Mr. DOUGLAS yielded to Mr. JOHNSON of Texas for the submission of a conference report on House bill 12575, which appears elsewhere in today's RECORD following the speech of Mr. DOUGLAS.)

Mr. DOUGLAS. Mr. President, at the time I yielded for the submission of a conference report, my good friend from Louisiana [Mr. LONG] was asking the question as to why a comparatively small number of industries had to suffer from exports sent to us by other countries, and why the burden of meeting this competition was not more widely distributed over a greater number of industries.

My first reply to my good friend is that a much smaller number of industries are actually affected by imports than one would believe from the complaints of the industries in question.

For example, in the chemical industry we export many times as much in total value of chemicals as we import. In fact, in 1956 we exported $1.2 billion of chemicals and related products and imported only $274 million of chemicals and related products yet, the chemical industry is crying to high heaven and demanding increased tariffs and quotas, ignorant of the fact that if we were to impose increased tariffs and quotas on the chemicals we import, we could be quite certain that the other nations would place tariffs and quotas on our chemicals, and that the chemical industry would suffer far more than it would gain.

I believe that much the same thing is true of the textile industry, because we export a very large volume of textiles.

Mr. LONG. I do not believe the Senator would find that to be the case at the present time. I believe he would find that relatively small amounts of textiles are exported now, as compared with imports.

Mr. DOUGLAS. They are about even. In 1956 we exported $629 million worth of textile manufactures. We imported $648 million worth. So the Senator is correct in that——

Mr. LONG. The Senator is quoting 1956 figures?

Mr. DOUGLAS. Yes.

Mr. LONG. He does not have the latest figures, I believe.

Mr. DOUGLAS. For the first 9 months of 1957 we exported $497 million worth of textiles, and imported $485 million, so we had a slight advantage for those 9 months. I should say that, on the whole, the exports and imports of textiles are about equal. In addition we exported $803 million of raw cotton in these 9 months.

My first reply is that many of those who cry that they are hurt are not hurt to the degree they say they are.

The second point I should like to make——

Mr. LONG. The Senator is not applying that statement to oil, is he? At present imports are running almost 23½ percent, and exports are less than 2 percent, if I correctly recall the latest figures.

Mr. DOUGLAS. I think the Senator is correct in the case of oil.

The second point I make is that with respect to some commodities we export more than we import. That is true of wheat, soybeans, farm machinery, tobacco, raw cotton, earth-moving machinery, automobiles, tractors, trucks, electrical machinery, and so forth. Just as we export more than we import in a number of industries, so it follows that in certain industries we must import more than we export. We cannot have a situation in which all our industries export more than we import. That would be like the case of the golfer who said he always played better than his average but never fell below it.

Mr. LONG. The point remains that certainly we have made it possible, by means of exporting American capital, American management and American knowhow—and then by spending taxpayers' money to help teach foreign people to do things our way, for those nations to become low-cost producers.

That is a result for which I have voted, by the way. Thus in first one commodity and then in another commodity, foreign nations will become low-cost producers.

As a matter of fact, I would not be surprised to see within 10 years from now foreign nations being able to produce almost any manufactured item at a cost below what it costs to manufacture it in this country. My guess is that when that day is reached, our Nation will have to subsidize agricultural exports to pay for raw materials that are imported.

This point occurs to me, as long as we are increasing the importation of foreign commodities into this country, why should we not attempt at least to have a plan about it? Why should we not try to make it so that a few industries will not have to take the entire brunt of such a policy, as is the case now?

Mr. DOUGLAS. I normally believe in the competition of the market, and I believe in having a nation specialize in the things which it can do best and most effectively. If we do that, we will get specialization as between countries, just as we now get specialization within a nation. The net result will be that the total world income and the total national income of the United States will be greater than if we try to protect some industries and force labor and capital to go into industries which are relatively less efficient than others.

Mr. LONG. I should like to give the Senator an illustration of what has been happening under the reciprocal trade

program, which has grown up like Topsy.

I refer particularly to oil. The tariff was cut approximately in half. At that time the principal country interested was Venezuela. I do not believe we had a most favored nation agreement with the world in general at that time.

It made sense at that time to cut the tariff on Venezuelan oil. If I recall correctly, this Nation was exporting more oil than it was importing, particularly if we consider oil products in addition to the crude oil. The tariff being fixed in cash, the figure, therefore, was reduced to about one-third with respect to crude oil as well as many of the other commodities.

Today the effective tariff is only about one-sixth of what it was when the act was passed. Today the oil industry is at a tremendous competitive disadvantage, particularly with respect to Saudi Arabia, which now gets the benefit of the most favored nation treatment.

Therefore, in the field of oil it is entirely possible that foreign producers and foreign affiliates could take the entire United States market. The average well in Saudi Arabia flows at 5,000 barrels a day. In many cases, it does not cost as much to drill a well in Saudi Arabia as it costs to drill a United States well, which flows about 11 barrels a day.

Therefore, by a development we did not relate to the circumstances at the time the agreements were made, the oil industry is one of those selected for extermination, unless something is done, as is proposed to be done in connection with the so-called defense amendment. That could have happened just as well to many other industries.

The way these agreements were negotiated was that the foreign country would state what commodity it wished to negotiate on. Then the negotiations would proceed along the lines requested by the foreign country, in the interest of the country which sought to obtain concessions here. Our country would then indicate what concessions it desired to obtain from the foreign country.

Whereas this Nation was a low-cost producer of a particular commodity at the time the act was passed, now at a later date we find the foreign producers, because of American export of capital and American export of methods and American export of know-how, are capable of producing economically at a lower cost many commodities which in previous years they produced at greater cost.

Under those circumstances some American industries find themselves well protected. It seems to me that in the administration of the overall program, by mere happenstance certain industries have been greatly jeopardized, whereas others have had more protection than they really need.

Mr. DOUGLAS. While I am not enthusiastic about the escape clause, that clause is in the act, and the oil industry can resort to it. In addition, a national security provision is already in the act. What does the Senator propose? Does he propose a program of quotas with respect to Venezuelan oil?

If he does, let him think about the consequences. The result will be that Venezuela will not be able to buy as large a quantity of American goods as it does now. That may not affect Louisiana or Texas or Oklahoma, but it will affect the rest of the country very sharply.

I see on the floor the distinguished junior Senator from Michigan [Mr. McNAMARA]. That will mean that there will be fewer automobiles and fewer trucks which Detroit, Mich., can send to Latin America.

Mr. LONG. The Senator from Illinois will find that in recent years some of the oil-importing countries have increased their shipments to the United States by as much as 500 percent, while their purchases from us have increased by only about 50 percent.

My general proposal would be that we attempt to maintain about the same ratio of imports as against exports on oil that we had in effect in 1954.

Incidentally, that is what the President's committee recommended we should do, at the time it made its investigation of the necessity of having an oil industry for purposes of national defense.

The Senator has been criticizing the amendments to the defense provision. Does the Senator seriously think that the language in the bill—and if he thinks so, I wish he would show why he does—in the defense amendment would actually apply to these various items, such as pregnant mares' urine?

Does the Senator believe there is anything in the defense amendment which would cause the President to determine that the national security was impaired because we had imports of pregnant mares' urine?

Mr. DOUGLAS. I should like to direct the Senator's attention to the language on page 24 of the bill, which reads:

> In the administration of this section, the director and the President shall further recognize the close relation of the economic welfare of the Nation to our national security, and shall take into consideration the impact of foreign competition on the economic welfare of individual domestic industries.

Therefore, under the strong wording in the bill, if one industry is affected adversely, it is held to affect the economic welfare of the Nation, and if it affects the economic welfare of the Nation, it is said to affect the Nation's security. Therefore, blue-mold cheese, pregnant mares' urine, and some of the other items I have mentioned could be defended as necessary for our national security. It is fantastic, but no more fantastic than the claims which are already being made under the escape clause.

Mr. LONG. The language to which the Senator refers states that the President "shall take into consideration the impact of foreign competition on the economic welfare of individual domestic industries." I submit that the examples the Senator from Illinois is citing, such as pregnant mares' urine, spring clothespins, groundfish, and so forth, are absolutely ridiculous when used as examples.

Mr. DOUGLAS. Consider clothes pins, for example. They were granted an increased tariff last summer under the escape clause.

Mr. LONG. But not under the defense amendment. I do not believe they would be granted any relief under the defense amendment.

Mr. DOUGLAS. Why, then, is there the language in the bill that the President shall consider "the impact of foreign competition on the economic welfare of individual domestic industries; and any unemployment, decrease in revenues of government, loss of skills or investment, or other serious effects resulting from the displacement of any domestic products by excessive imports shall be considered, without excluding other factors, in determning whether such weakening of our internal economy may impair the national security"?

If language means anything, it means that if one industry is hurt, then that will affect the economic welfare and the national security.

It may be that this is a lot of palaver which has been foisted on us, but I like to think that words mean something.

Mr. LONG. The effect is to say that the President shall take into consideration the impact of foreign competition on individual American industries. But I submit that to take that language and argue to the conclusion which the Senator from Illinois attempts to reach, by applying it to the urine of pregnant mares, is absolutely ridiculous. I do not know why the Senator included that item in his speech, unless it was for the purpose of being amusing, which the Senator from Illinois can be, if he wants to be.

Mr. DOUGLAS. There is nothing wrong about being amusing. But the most amusing thing are some of the claims of the protectionists.

Mr. LONG. I can understand how anyone in that business might refer to certain language and contend that the urine of pregnant mares was essential to the national defense, but the President would not be likely to agree with such a ridiculous argument.

Mr. DOUGLAS. I expect to find that the Association to Protect the Urine of Pregnant Mares will make such a claim. They could not get by under the escape clause, so I assume they may try to get by under national security.

Mr. LONG. I am well satisfied that no such conclusion would be reached by the President under this language; nor do I believe that would be the case with regard to most of the items which the Senator has mentioned. It seems to me there might be 1 or 2 items on the Senator's list which might have connection with national defense.

Mr. DOUGLAS. Glacé cherries?

Mr. LONG. The Senator from Illinois mentioned lead and zinc. The President might very well conclude that the lead and zinc industries were important.

Mr. DOUGLAS. I filed dissenting views a year ago on the proposal to increase the tariffs on lead and zinc. Does the Senator think, as to lead and zinc, that we will not be driving Canada and

South America away from us, by shutting off imports from those countries?

Mr. LONG. I do not share the Senator's fear. It seems to me that what would likely happen would be that the President would determine the level of imports desirable in this country and would determine the levels of domestic production which should be retained in this country for the preservation of our own Nation.

Mr. DOUGLAS. Why not let the competition in the marketplace determine that situation? The result will be that the more efficient firms will get the market, and the less efficient firms will go out? That is the law of life. But I favor a trade agreement program to soften the impact.

Mr. LONG. We are seeing right now a good example of why we should not follow such a course. Our troops are now in the Middle East. One of our concerns in the Near East is the protection of the fuel supply which is very important to Western Europe.

I certainly hope the Senator from Illinois would not want this Nation to become totally dependent for its fuel supply upon the oil industry of foreign nations and the sort of persons who spit on the Vice President's wife and tried to kill the Vice President himself; people who change their loyalty when they are seeking aid. I certainly hope we will not have to depend on that type of people for our fuel supply in the event we have to fight a war, because the Senator knows that fuel is very important to any nation.

Mr. DOUGLAS. When we get into the field of national security, we get into noneconomic considerations. I quite grant that in the world as it is now, it is necessary to have certain items ready in case of war. I merely say that the national security clause can be stretched too far because everybody is trying to get on board.

We had an example of that in the case of the so-called watchmakers craft. It was said that we had to have a domestic watch industry in order to have skilled precision workers. We investigated that claim and found that it is not necessary to maintain precision workers in that one industry; they can be developed in a number of other industries. The watchmaking industry is not the sole industry in which to do this. We made a careful study of that problem.

I think my good friend from Louisiana, of whom I am very fond, does not have a sufficiently robust faith in the ability of the people of the United States to compete with the people of other countries.

Mr. LONG. I have faith in our ability to develop better methods. I heard the testimony of the Senator's friend from Illinois, Mr. Percy. His was a very inspiring statement. But I am convinced of one thing, namely, that Americans can teach others to do things the way we do them. We have spent large sums of money on just that belief. We have spent much money sending our technicians overseas to show foreigners how to do things the way we do them.

If we send our capital overseas at the rate of $3 billion a year to build plants and to invest in foreign production, and if we export American management and know-how, we will be able to show foreigners how to produce as cheaply as we can produce in this country.

I am convinced that over a period of time we will make it possible for foreign nations to become low-cost producers of almost every item we make in the United States today, once we have supplied American machinery, taught American methods, and sent American capital. I think that will be the case. It may not be the case now, but I predict that someday it will be the case.

It seems to me that in deciding which industries in the United States should go out of business, we should at least try to treat them equally, rather than simply let matters develop by happenstance, so that some industries will get the death sentence, while others will receive, eventually, some protection to enable them to stay in business before it is too late to save them.

Mr. DOUGLAS. I think one of the lessons we need to learn in life is that, on the whole, we are benefited if our neighbors are prosperous. If our neighbors are poor and miserable, they will not have the purchasing power to buy from us the articles which we produce, no matter how efficient we may be. If they are efficient and can produce, they can buy from us, and our prosperity will increase, because we will need markets in order to get a good return for what we sell.

That is true inside this Nation. If a section of the Nation has very low purchasing power, that section pulls down the rest of the Nation. It is also true of the world. If a major portion of the world is sunk in poverty, it will not have the puchasing power to buy from us the articles in which we have both a positive and a comparative advantage. As their prosperity increases, they will be better customers of ours, and will buy more from us.

Mr. LONG. I agree with the Senator's general argument. It seems to me, however, that in trying to reach that result, we should recognize that over a period of time we must expect to see foreign manufacturers become low-cost producers of the majority of the items which are manufactured today in the United States. I think we are tending in that direction.

Mr. DOUGLAS. I think the Senator from Louisiana is altogether too gloomy.

Mr. LONG. I am not gloomy; I am optimistic. We have been spending money to reach that result. The Senator from Illinois has voted for such spending; so have I.

Let us keep in mind that a Japanese laborer can be a very efficient and capable laborer, once he has been taught how to do a particular job. So can a German laborer; so can a laborer in Argentina or Brazil.

If we tend in that direction, I simply maintain that we ought to have some plan for it, so that instead of simply handing the death sentence to one industry and affording elaborate protection to another, the burden of foreign competition should be more evenly shared.

Mr. DOUGLAS. That, presumably, is precisely the reason for the trade agreements. The Department of State, under the President, draws up a list of commodities as to which they want other nations to make concessions to us. Then they draw up a list of commodities which the United States is willing to trade off against these commodities from foreign countries. Presumably, that is precisely what is done in the case of the industries where the damage done by reductions in tariff rates would be least. Presumably that is precisely what they do.

Mr. LONG. In following the process the Senator from Illinois has outlined, when we have made it possible for foreign producers to obtain a certain share of the American market—and offhand it would seem to me that about 5, 10, or even 15 percent of the American market might be a fair share, depending on the commodity involved—at that point we should cease doing things which would increase imports, and perhaps should turn in the other direction, in order to maintain a desirable ratio of domestic production to imports, rather than simply permit the American industry to be driven out of business.

Mr. DOUGLAS. Is the Senator from Louisiana ready, in turn, to have other countries limit the amounts they will import from the United States?

Mr. LONG. Certainly, because they do so anyway.

Mr. DOUGLAS. We are working to get them to remove quotas, and we have had considerable success in that direction. A little later I shall place in the RECORD the figures which pertain to that matter. We are working for disarmament on quotas, as well as on tariffs.

But if the Senator from Louisiana is successful, with the result that the United States begins to impose quotas, we can be sure that the other countries will start to impose quotas.

Mr. LONG. Of course, my idea of reciprocal trade is that it should be to mutual advantage. I do not believe we have ever included in our concept of reciprocal trade the concept that free trade with other countries would be developed for the express purpose of permitting a foreign industry to drive one of our domestic industries out of business, or vice versa.

So I shall wait with interest, to see whether the Senator from Illinois can cite one case in which a foreign nation has permitted an American industry to drive out of business one of the established industries of that foreign country or, for that matter, to obtain a significant share of the market which that foreign industry previously had in that country.

Mr. DOUGLAS. I think American earth-moving machinery moves rather freely over the world; and I believe that—I say this subject to correction—not many foreign countries try to monopolize the earth-moving machinery industry. Instead, they are very glad to permit the importation of Caterpillar bulldozers—which, incidentally, are manufactured in Illinois.

Mr. LONG. Perhaps the Senator from Illinois will point out a nation which had an earth-moving machinery industry of considerable size, in which the American industry was able to acquire a major portion of the market in that foreign country. Inasmuch as the Senator from Illinois has cited that as an example, I am curious to know what nations found themselves in that situation.

Mr. DOUGLAS. Of course, earth-moving machinery is relatively new; the bulldozer has been developed in the last 30 years or so.

Mr. LONG. The Senator from Illinois has cited that as an example; so I shall await with interest a presentation by him of a case in which a foreign country has permitted the American earth-moving machinery industry to displace an established earth-moving machinery industry in that foreign country.

Mr. DOUGLAS. Does not the Senator from Louisiana admire the banana trade?

Mr. LONG. Of course.

Mr. DOUGLAS. The climate of Louisiana is very salubrious. Why not develop a banana industry in Louisiana, and shut off imports of bananas from Central America? Does the Senator from Louisiana like to see the Great White Fleet bring bananas into the United States from Central America?

Mr. LONG. We are delighted to see them come in.

Mr. DOUGLAS. But that prevents the development in Louisiana of a banana industry.

Mr. LONG. I am simply waiting for an illustration of the Senator's statement about a situation in which a foreign country has permitted the displacement of an industry which has existed there. Perhaps the Senator from Illinois is able to provide us with such an example, and I shall be delighted to have him do so.

Mr. DOUGLAS. Let me say that men are men in foreign countries, as well as in the United States; and foreign industries run for protection, just as American industries do. But that does not mean that we should lead the procession. On the contrary, it seems to indicate that if we can get them not to push for protection, but, instead, to give it up to the same degree that we give it up, that will be better than to have a retaliatory battle.

Mr. LONG. I should like to see trade expand. But I believe the policy should result in the expansion of trade in a general sense, and not in the imposition of punishment on a few industries, while leaving other industries with far more protection than they need.

I agree that many industries complain when they do not have a genuine case for complaint. Some industries export 4 or 5 times as much of a particular commodity as is imported. Certainly I have little patience with complaints from such sources.

On the other hand, when a few industries are required to absorb the bulk of foreign competition, it seems to me the trade program should seek to spread the burden, rather than simply permit it to be pinpointed against a small number of American industries. I hope the Senator from Illinois will agree that spreading the burden should be at least an objective of the program.

Mr. DOUGLAS. Mr. President, although my good friend, the Senator from Louisiana, has a philosophic temperament, and is able to look at this issue from a general point of view, most of those who say they wish to expand trade wish to have it expanded in commodities other than the ones they produce. Many persons say, "We like the policy, but let us expand trade elsewhere." If that point of view were to be followed universally, there would not be any trade.

Mr. LONG. The Senator from Illinois is always fair, and uses good logic; and usually I find myself in agreement with him. But I believe that if he thinks about this matter a little more, he will realize that the State he represents does not absorb foreign competition to the extent that Louisiana does.

For example, Louisiana produces 90 percent of this Nation's sugar cane. Louisianians have supported a bill for the regulation of the sugar-producing industry. That bill provides, in effect, that 50 percent of the American market for sugar will go to the foreign producers.

Similarly, Louisiana has an economy which perhaps is more dependent upon oil production than is the economy of any other State in the entire Nation.

The Senator from Illinois will recall that a few years ago I voted against a provision to protect this Nation against foreign oil imports. That was at a time when the foreign producers were importing approximately 15 percent. But if a State's economy is largely dependent upon the production of oil, anyone can see what will happen to it when the foreign producers take 25 percent of the American market, and when there is a likelihood that they will take all of the American market.

So it seems to me that the fair thing to do is to spread the burden, so that other industries will share the burden of the imports, and so that consumers, in general, rather than only the consumers of a particular commodity, will receive the benefit of competition from imports.

Mr. DOUGLAS. Oil is produced in Illinois, too; so I suppose on the Senator's logic that Illinois should sponsor a movement to purchase only Illinois oil and to have the industrial concerns of the State use only Illinois oil. But Illinois is very glad to use Louisiana oil, and thus to help Louisiana; and Louisiana, in turn, will purchase the corn, the machinery, and other products that are produced in Illinois.

Mr. LONG. I cannot recall ever having known the Senator from Illinois to vote for anything that would help the American producers of oil. So far as I recall, the Senator from Illinois has voted against the depletion allowance for the American oil business.

Mr. DOUGLAS. That is partially correct. But I have only proposed to reduce the allowance for the big producers and not for the little fellows.

Mr. LONG. And the Senator from Illinois also has voted, so far as I know, on the side opposed——

Mr. DOUGLAS. I voted against the gas bill, and I voted against the offshore oil bill. I am proud of both of those votes; I want to have that record inscribed on my tombstone. Those were measures which injured the great mass of the people of this Nation for the benefit of a comparatively small group of wealthy men.

Mr. LONG. It seems to me that the Senator from Illinois has been completely consistent; he has never missed an opportunity to vote against anything that the American oil and gas industry felt they needed, or to vote for anything that they did not want.

Mr. DOUGLAS. I wish to say that my wife and I have a very modest automobile, and we are glad to purchase, for use in that automobile, gasoline produced in Texas and Louisiana, as well as gasoline produced in Illinois. The prosperity of our country has been founded very largely on a disregard of State lines, with the result that other States can specialize in the things they do best, and my State of Illinois can specialize in the things it does best. The people of the States exchange commodities with each other; and, as a result, all of us have more than we would have if Louisiana produced all the corn consumed in Louisiana and if Illinois produced all the cane sugar needed for the sugar consumed in Illinois. All the States could proceed in that restricted way, but I hope they do not.

Mr. LONG. Mr. President, I hope the Senator from Illinois does not succeed in putting Louisiana industries out of business; I hope he does not succeed in making it impossible for them to continue to produce the commodities in which they specialize. If that does not happen, Louisiana will continue to trade with Illinois.

Mr. DOUGLAS. Good. It is always a pleasure to talk with my friend from Louisiana. He is always temperate; he is always good natured; he is never mean; he is never vicious; and it is always a joy to have a discussion with him.

Mr. President, I shall try to complete my statement in a brief time.

The list to which I had referred before the interruption is the complete list of items or articles for which escape-clause action has been sought in the 10 years since the escape clause has been in operation. It excludes duplicate items, together with 18 items which were withdrawn either at the applicant's request or by the Commission after preliminary investigation. At best a very few of these 48 products or articles could conceivably be considered to have any direct effect on national security, and for some of these—lead and zinc, and fluorspar, for example—it is now proposed that they be subsidized by the Federal Government.

WHY WE SHOULD CONTINUE TO MOVE TOWARD FREER TRADE

But I do not want merely to stress the gross weakness of the committee amendments. There is also need for the Congress and the public to realize more fully the great positive advantages of broader international trade which we have been hinting at in the colloquies of the preceding hour.

These advantages are both economic and political in character, and would be largely lost if the committee amendments were to be finally adopted. For there can be no doubt that, if this happens, not only will the downward movement of tariffs be stopped, but that, under inevitable protectionist pressure, they will be increased.

The great economic advantage of broader international trade is that it permits goods to be produced in those areas where they can most advantageously be turned out. Each nation can specialize in those articles which it can produce best, and then can exchange these articles for others in which other nations excel. A greater total output of goods and services is thus obtained than if each nation were to become self-sufficient and use its labor and capital on articles where it was comparatively less efficient. The people of all countries therefore gain from the international division of labor which is fostered by low tariffs and an international market. For, as Adam Smith pointed out nearly two centuries ago, the division of labor is limited by the extent of the market. We in the United States already have the great advantage of the largest free internal market in the world, whereby goods can move from one State to another with comparatively little hindrance. As a result, we have geographic specialization—to which I have just referred—and a more minute division of labor. While no one proposes that all tariffs between nations be abolished, it is certainly true that a mutual lowering of such barriers would permit us to share more fully in the increased production which such a further extension of the market would bring.

It is extraordinary that protectionists do not realize how much of our prosperity is based upon our huge internal market and that further gains could be made by extending it. These gains would come from our having a comparative advantage in certain industries as well as a positive advantage in others. An increase in protection would force us to withdraw some labor and capital from industries where they are more efficient, to those where they are less efficient. It would increase the cost of living to consumers, which is already too high, while a reduction in tariffs would help to lower prices.

We should further recognize that if we restrict imports into this country, whether by quotas or tariffs, we automatically and correspondingly restrict our exports to them. The sales which other nations make to us furnish them with the means to buy from us. This used to be effected indirectly by gold movements and changes in the price levels. Thus, as we cut down on our imports, foreign countries had to send us gold for our exports, which raised our price level and lowered theirs. This means that our exports were produced at higher costs and were sold abroad at lower prices, and hence were reduced in volume.

In these days of the dominance of dollar credits in international trade and exchange, the connection between exports and imports is even more direct. If, by tariffs and quotas, we reduce our imports, we make available to them a smaller quantity of dollars which they can use to buy our goods.

Thus, if we restrict the importation of textiles, chemicals, fuel oil, minerals, glassware, pottery, and so on, we will automatically decrease our exports of raw cotton, tobacco, wheat, soybean oil, farm and earth-moving machinery, electrical equipment, automobiles, trucks, and so on. We will destroy as many jobs as we will create, and will turn our energies into less productive channels. Moreover, if we start raising our tariffs and imposing quotas, we can be sure that other nations will soon follow suit and will discriminate against our goods. The Smoot-Hawley tariff of 1930 caused other countries to indulge in retaliatory reprisals against us, and this bill in its present form would have a similar effect.

The whole system of imperial preference in Great Britain and her Commonwealth states developed as a reprisal against the Smoot-Hawley tariff. In addition to that, France and Germany raised their tariffs.

Furthermore, trade tends on the whole to unite countries in a mutuality of interests. It thus builds friendship by developing complementary cooperation. Now that we are in a struggle with Soviet imperialism, we need to have the other nations of the Free World on our side. Similarly, they need us. It would be the height of folly to drive an economic wedge between them and us by passing the present bill. For that would still further fragmentize the Free World and make united action more difficult. We have already done a great deal of damage by restricting the flow of Canadian oil into the west coast and by forcing Japan to impose informal quotas on textiles.

In order to atone partially for the damage to Canada, the President had to make a special trip there to soothe the Canadians' feelings.

The further adoption of such a policy is indeed likely to drive Japan into the arms of Red China. For if we prevent Japan from trading with us, virtually the only market left for her will be in China.

Japan is a country of well over 80 million people, who live on small islands, and of many manufacturing concerns. Her function is to produce manufactured goods which she can trade with other nations. She is the Great Britain of the Orient. If we prevent Japan from trading with us, she will have to find other nations with which to trade if her people are to live, and the logical place will be China. But we may be sure that Red China will only permit Japan to do this if Japan in turn agrees to weaken her political ties with us and to move over toward and ultimately into the Communist orbit. In their blindness, the protectionists, whose patriotism we do not doubt, will therefore unwittingly but surely weaken the defenses of the Free World and hence of ourselves.

I am well aware of the objections raised against the reciprocal trade program. It is said we have not received any real concessions in return for those which we have made. The record of the hearings refutes this by giving a detailed list of the concessions we have obtained, which fills 6 pages in fine type—pages 903–908 of the hearings.

Then it is argued that wages in foreign countries, notably the Orient, are so much lower than ours that they can undersell us even when their physical output per man-hour is less.

This has been the theme of the questioning by the Senator from Wisconsin and the Senator from Louisiana.

It is said that this danger is heightened by the fact that our machines and scientific know-how can be exported to those countries and used to undersell products in the American markets.

There is something to this contention, but not nearly as much as is claimed. In the first place, gold has not been completely insulated from affecting the domestic price levels, and imports of this type would bring about an outflow of gold which would raise prices and costs in the exporting countries. Wholesale prices in Japan, for example, rose 50 percent between 1950 and 1957, as compared with an increase in the United States of only 14 percent. Fluctuations in exchange rates would also be a compensating factor. Furthermore, the growth of trade unionism and of protective labor legislation in the countries in question will gradually raise wage costs per unit of output and put prices more on the basis of comparative efficiencies.

These compensatory factors will take time to operate but it should always be remembered that any reduction in tariffs will be gradual and that transportation costs will always be an added cost which imported goods will have to pay and hence will be a form of national protective tariff.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. DOUGLAS. Yes, I am glad to yield to the Senator from Oregon.

Mr. NEUBERGER. I merely want to assure the Senator from Illinois that I not only have been listening to this speech of his on the reciprocal trade question, but I have listened attentively to earlier addresses by him on the same subject. I wish to assure the Senator from Illinois, who is the leader of what might be called the reciprocal trade forces in the Senate, that I follow his leadership on this issue. He has done a great deal to help educate me as to the importance of reciprocal trade, although I might say my education on this subject began quite a few years ago at the University of Oregon, when I had a wonderful economics teacher on this subject, Dr. James H. Gilbert.

Many of the things being said by the Senator from Illinois on the floor of the Senate bear out what Dr. Gilbert and others taught me long ago.

I think the present international crisis helps to make more pertinent and timely than ever the speech the Senator from Illinois is delivering this afternoon. It seems to me if we are to survive in this tense and troubled world, we simply must have commercial ties with many of the nations overseas which share with us a heritage and love of freedom. I think it is folly to believe we can have

bases on the soil of these countries and the political allegiance of their people, yet at the same time not have trade with them.

I believe we can look at the example in Iceland of some years ago, when that country's parliament turned against us and against democracy in general, after we had raised our tariffs so disastrously that the ability of Iceland to export fish to our shores was greatly impaired. We can see the ideological and political trends in those countries following commercial possibilities. If I am not mistaken, Iceland then entered into an agreement with Russia to ship a great deal of fish to Russia. This was important to the people of Iceland, because they had to export fish, which is almost their only product, or they could not survive economically. But their political views were shaped by their foreign trade.

I think the Senator from Illinois knows, as a Senator from Oregon, I have been subject to a good deal of pressure from various groups in my State, who feel they are being hurt by imports from overseas of plywood, tuna fish, cherries, filberts, and other commodities.

I want to say, in defense of those people, that I think they have been reasonable, although some of them are put out with me politically. I believe when we ask our soldiers to make sacrifices by landing at Iwo Jima, landing in Korea, and landing today in Lebanon, sometimes we have to ask people at home to make sacrifices economically if we are to survive in the kind of world we inhabit now.

I am strongly in support of the position taken in the Committee on Finance by the Senator from Illinois. As he pursues that position and attitude on the floor of the Senate, I want him to know that he can count on at least one private serving in the ranks under his generalship.

I should like to invite attention to one other matter, and then I shall not speak further at this time. I believe earlier today there was some discussion on the Senate floor, when I was not present, with regard to plywood imports.

I want to note that a good deal of controversy has been stirred up in the Pacific Northwest about the alleged impact of plywood imports on the domestic production of plywood. Oregon—and the rest of the Pacific Northwest—is a great center of production of softwood plywood in our Nation. The plywood which is being imported is the more expensive hardwood variety, and the Tariff Commission has found that it is not competitive with that produced in the Pacific Northwest. Nevertheless, an effort has been made to exploit plywood imports as an issue in the protectionist fight against the Trade Agreements Extension Act now before the Senate.

The Portland Oregonian recently published an editorial reviewing the comments on this subject which were collected by the publication entitled "The Timberman." The Oregonian editorial states that—

Answers summarized in the just-released Forest Industries Yearbook issue of the Miller Freeman publication indicate the industry is not nearly so exercised over increasing imports of Japanese plywood as are some Members of Congress.

It concludes:

If the Timberman's answers are a fair sample of general opinion in the plywood industry, and there is no reason to doubt it, the producers have a broader view than some would credit them. More are for two-way foreign trade than are against it, even if it hurts a little. It appears that a few Members of Congress, some labor leaders, and others have been shouting up the wrong tree.

Mr. President, I ask unanimous consent that the editorial from the Portland Oregonian of June 21, 1958, entitled "Up the Wrong Tree," be printed in the RECORD with my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

UP THE WRONG TREE

Among questions asked forestry leaders in all parts of the United States by editors of the Timberman was this one: Re foreign log and product imports—do you think this will critically affect softwood plywood plants?

Answers summarized in the just-released Forest Industries Yearbook issue of the Miller Freeman publication indicate the industry is not nearly so exercised over increasing imports of Japanese plywood as are some Members of Congress. Here are summarized replies by sections of the country:

Oregon—"We can't compete with foreign production. Nor can we rely upon protective tariffs, which violate our help-foreign-countries policy. Free trade should prevail. Japanese plywood will hurt ¼-inch and ⅜-inch sanded fir plywood production. It's already hurting the hardwood-on-fir industry."

Washington—"The softwood plywood industry will not be affected seriously by foreign imports. We can compete with them on thicker panels, but in panels ⅜-inch and under it's tough to do it.

"Foreign manufacturers extend our raw materials source.

"Preservation of the Free World is important—it's our foreign policy. We gain valuable information and know-how in exchanges of technical knowledge with foreign countries.

"Foreign logs will save the west-coast plywood industry.

"Foreign imports are in categories where we can't compete with them, as in skins for doors.

"Growing population will demand both foreign and domestic plywood."

Eastern and southeastern area—"We do not anticipate any problem greater than that now facing plywood plants—it shouldn't increase. Overall, it isn't a great problem."

Southeastern region—"On foreign log imports, the consensus is that the effect of these imports is not so great. Most feel that this is one facet of the defense program, i. e., foreign aid, and approve of foreign aid. A few feel this will critically affect softwood plywood. On the face of it, most would like to see foreign competition built up as plain and simple competition, not subsidized with United States dollars. Competition, arising out of efforts to help friendly countries, seems to be tolerated and not too widely condemned."

If the Timberman's answers are a fair sample of general opinion in the plywood industry, and there is no reason to doubt it, the producers have a broader view than some would credit them. More are for two-way foreign trade than are against it, even if it hurts a little. It appears that a few Members of Congress, some labor leaders and others have been shouting up the wrong tree.

Mr. NEUBERGER. I should like to add, Mr. President, that it is encouraging that the Oregonian, the paper of the largest circulation in our State, supports those of us who are arguing for a liberal and enlightened trade policy.

Mr. DOUGLAS. Mr. President, I thank the Senator from Oregon for his comments. The Senator from Oregon is well able in these matters to proceed under his own steam and with his own ability, without regard to any influence from anyone else. I commend the Senator for the courage he has shown in placing the long-run interest of his own State and of the Nation ahead of the complaints of individual groups, which often create a terrific amount of noise, much out of proportion to the actual injury which they suffer. It is only if we have Senators who take the attitude of the Senator from Oregon that we shall obtain a policy which is really in the best interest of the country.

Mr. NEUBERGER. I thank the Senator from Illinois for his very generous comments.

Mr. DOUGLAS. Mr. President, there is another objection I should like to consider; namely, it is frequently said that we get concessions in tariffs from other countries in return for our tariff concessions but that the other countries later "doublecross" us by imposing quotas upon our goods, and therefore in effect take back the concessions which they presumably originally made.

Let me say I think there is a certain degree of truth in this contention. I do not think the behavior of all the foreign countries has been impeccable in this matter. There are legitimate grounds for complaint.

In fact, I had a series of conferences with British officials, both heads of ministries and civil servants, last December. I urged them to expand some of their quotas as an evidence of good will, and stated that the United States could not be expected to make all the concessions.

I am very happy to know that during the last few weeks, the British have made concessions upon fruit, and are willing to admit larger amounts of Oregon and California fruits to the British market, as well as Virginia apples. I hope these concessions will continue.

Mr. President, I should like to make two points concerning this matter. First, a great deal of progress is being made in reducing the quotas. I had a memorandum prepared in this regard, and I studied the subject when I was abroad a few months ago. I think the following is a fairly accurate statement. In Austria 40 percent of the quotas have been liberalized in the period from 1953 up to the 1st of January 1958. Eighty-six percent of the quotas in Belgium and Luxembourg have been liberalized. Fifty-five percent of the quotas in Denmark have been liberalized. In France there has been no progress, largely because of the difficulties which the French franc has had in international affairs. In Germany, 93 percent of the quotas have been liberalized. I think there is still more progress which Germany should make in this direction, because Germany certainly does not now have a

balance of payments difficulty. Ninety-nine percent of the quotas in Greece have been liberalized. Seventy-one percent of the quotas in Italy, 86 percent of the quotas in the Netherlands, 86 percent of the quotas in Norway, 68 percent of the quotas in Sweden, none of the quotas in Turkey, and 59 percent of the quotas in the United Kingdom have been liberalized. I must say again that the United Kingdom has more quotas than I would like to see imposed, although the figures for Sweden and the United Kingdom do not include the most recent announced dollar liberalization measures. The point is that progress is being made.

It is in the GATT organization, which is despised by so many protectionists, that we are carrying on the campaign to reduce these quotas. This is the place where we put the pressure on against the quotas. It is necessary that we function effectively in GATT, and on equal terms, if we are to make our voices heard in the reduction of quotas.

To conclude, Mr. President, there is therefore every reason why we should push forward on a meaningful extension of the reciprocal trade program. To do so will help the consumers and the Nation and will improve our position both economically and politically.

The committee amendments should therefore be rejected, and the power of the President to raise duties under the escape clause be made no greater than that which he now possesses.

Mr. President, I yield the floor.

NATIONAL AERONAUTICS AND SPACE ACT OF 1958—CONFERENCE REPORT

During the delivery of Mr. DOUGLAS' speech:

Mr. JOHNSON of Texas. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 12575) to provide for research into problems of flight within and outside the earth's atmosphere, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of July 16, 1958, pp. 13978–13985, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. JOHNSON of Texas. Mr. President, I have informed the distinguished minority leader that this conference report would be laid before the Senate. The distinguished ranking minority member of the conference committee, the Senator from New Hampshire [Mr. BRIDGES], is present in the Chamber.

The bill worked out by the conference committee represents the collective judgment of Members of both Houses. In my opinion, and I believe in the opinion of all the conferees, it brings together the best provisions of the original House and Senate versions.

We proceeded on the assumption that the issue of space is a matter of highest national policy. The subject is of such great importance that it should be the direct and immediate concern of the very highest officials of our Government.

For this reason, we have created a National Aeronautics and Space Council which would be headed by the President of the United States himself. This Council would be responsible for advising the President in overall policy planning and in the decision functions which he, and only he, can make.

We are dealing with a new dimension only recently opened to us by an onward march of science. We know very little about that dimension. In fact, the only thing we know with certainty is that its exploration will dominate our activities for many centuries to come.

At this point, most of our knowledge of outer space is theoretical. But our need for this bill and for a clear-cut policy on outer space is far from theoretical.

It is a practical and very urgent necessity. We cannot wander into outer space solely on the basis of happenstance.

Without this bill, of course, we would still have a policy on outer space. But it would be a policy created solely by default. As far as our country is concerned, it would mean that our major efforts to penetrate outer space would be dictated almost entirely by the needs of the military for new weapons.

As prudent men, we have no desire to place roadblocks in the efforts of the armed services to defend our people against aggression. But our sights would be sadly limited if we looked upon this new dimension solely as an arena for armed conflict.

Instead, we must look upon outer space as a challenge to the creative impulse of mankind. And if we meet that challenge properly, we may find that the road to lasting peace truly lies through the stars. The challenge is so great that it dwarfs the animosities and the hatreds that divide humanity today. We must be big enough to meet that challenge, and I have confidence that we will be big enough to meet that challenge.

Mr. President, it is seldom that I have had the heartwarming experience of working with such a cooperative group of men as those who have produced this bill. The cooperation was evidenced by Members of both sides of the aisle and in both Houses of Congress.

Great credit is due the chairman of the House committee and the House majority leader, the Honorable JOHN W. MCCORMACK, and I wish to extend through him my deep and personal thanks to all of the members of his committee.

I also wish to commend the ranking minority member [Mr. BRIDGES] and all of the other minority members of the Senate committee. They have all done a splendid job on a difficult and important task. I am grateful to them, as I am to the majority members of the committee.

The men who worked on this bill found that differences were quickly submerged. The desire for effective legislation became our dominating thought.

I believe this is an omen of good things to come. I believe that the desire to advance humanity through the exploration of outer space will also become a dominating thought.

Mr. President, I hope that the Senate will approve the conference report and that the measure will quickly be enacted and sent to the President where it can become a permanent and abiding guidepost to the future. The conference report has been previously unanimously approved by the House of Representatives.

Before action is concluded upon the conference report, I wish to express my gratitude to members of the Senate staff, particularly John Herberg, of the Senate Legislative Counsel's office; Edwin L. Weisl, special counsel to the committee; Cyrus Vance; Dr. Homer J. Stewart, of the California Institute of Technology; Glen Wilson; Eilene Galloway; and Mary Rita Guilfoyle.

I am also grateful for the able leadership demonstrated by the members of the House staff.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. BRIDGES. I concur in what the able Senator from Texas has said. He acted as chairman of the special committee created to study the subject. He has carried through very ably, very impartially, and very intelligently. As a result of his leadership and the cooperation of the other members of the committee, we have not only made an excellent start, but we have produced a good bill.

Let me say also, that, as the distinguished majority leader has suggested, the House of Representatives did an outstanding job, under the leadership of Representative JOHN MCCORMACK. Rarely have we seen a conference in which a vitally serious subject like this was more agreeably settled, in the very important details involved.

I am glad to concur with the distinguished majority leader in urging the adoption of the conference report.

Mr. JOHNSON of Texas. I thank my friend from New Hampshire for his kind and complimentary, but undeserved, remarks about me.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

UNITED ARAB REPUBLIC INTERVENTION IN LEBANON

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD as a part of my remarks a list of reports received by the United States Government bearing on the intervention in Lebanon by United Arab Republic, Egypt and Syria. I think the Members of the Senate will find the documentation of great inter-

est. It is one which should be available to the Senate and to the country.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

A LIST OF REPORTS RECEIVED BY THE UNITED STATES GOVERNMENT BEARING ON UAR INTERVENTION IN LEBANON, MAY–JUNE 1958

MAY 11

Reliable sources state that they have positive proof that Syrian Deuxieme Bureau agents had instigated and were taking prominent lead in riots in Tripoli May 8.

Two hundred Druzes of Jumblatt's forces receive paramilitary training in Syria and crossed the frontier into south Lebanon.

MAY 12

About 100 men entered from Syria to launch attack on Masnaa, Lebanese passport-control station.

Growing evidence of heavy infiltration from Syria of guerrilla-type fighters. The opposition controls the shore road from Tripoli north to Syria. Infiltration believed to be in excess of 200 has been moving in steadily and has already clashed with Christian villagers. There are reports of equally heavy infiltration into the Harmal area and yet heavier infiltration into the Rashayya area, which was described by an observer as being to all intents and purposes in Syrian hands.

Lebanese seized 3 ships—1 at Tarbaja (north of Juniya), 1 at Damur, 1 off the coast of Barja (south of Damur). They were from Gaza, carrying arms and fadayin. Lebanese aircraft had spotted other ships still in international waters.

Approximately 300 Syrian infiltrators were engaged in a flight in Harmal.

MAY 13

In Makassid section of Basta there were 2 Syrians and 6 Egyptians among 150 individuals rounded up. The Egyptians were identified as members of Jumblatt's staff.

Ship sailing from Gaza was apprehended off Damur, Lebanon, carrying 12 persons, 6,000 rifles, E£50,000. (Independent source stated the 12 were Palestinians and the ship was taken near Sadiyat.)

Supplies are entering north Lebanon from Syria where the frontier is completely open.

Afternoon of 13 May: Several small ships from Gaza landed about 100 Egyptian and Palestinian commandos on the southern coast of Lebanon. They were captured by the Lebanese Army approximately 1600–1700 hours May 13.

Two million Syrian pounds delivered to Lebanese opposition on orders of Syrian Minister of Interior for Syrian region (Sarraj).

Gendarmerie post in Rashayya attacked May 12. Two attackers killed, 2 wounded, 11 arrested; 13 French rifles confiscated, identical with those in use in Syrian Army.

Attack on Masnaa frontier post made by 300 to 400 men believed to be Jumblatt followers who came from Syria where they had received training. Six Lebanese customs officials had been killed and building burned. Attackers apparently dispersed to join rebellion elsewhere, probably in Shuf district.

Top leadership and direction of current strikes and demonstrations coming from Syrian Deuxieme Bureau, with full support of Lebanese opposition.

MAY 11–14

Between 2030 and 2100 hours May 11, about 70 civilian vehicles, mostly trucks and buses, observed traveling north on the Homs Road between Qutayfa and the junction of the Baghdad Road. The movement was well after dark, and included about 20 buses loaded with men in Arab tribal dress. Believed to be a movement of infiltrators from Syria joining revolt in Homs-Tripoli area.

MAY 14

Opposition leader Abdullah Yafi reportedly had visited Damascus.

Approximately 3 ships of minor tonnage intercepted during evening of May 13 off the southern coast of Lebanon containing over 100 Egyptian and Palestinian commandos. Confirmed reports of participation of Syrians and Egyptians in the Beirut riots and actions against security forces.

Cabinet Ministers stated today that a Syrian soldier clad as a shepherd was captured near Beirut gendarmerie headquarters. After investigation he was found to be a soldier in the Syrian Army on 15 days' leave, having left Syria 10 days ago. The Ministers also stated that four Palestinians arriving from Gaza were arrested.

At least two Syrians, carrying Syrian ID cards, were involved in Bayt al-Din fracas.

A Syrian in UAR's Second Army, dressed in shepherd's clothes, was arrested May 14 in Beirut near gendarmerie headquarters.

MAY 11–14

Two thousand Syrian commandos of the UAR First Army (Syria) who had been based at Qatana now operating into Lebanon from various points along border. Most Syrians attribute the raid on Masnaa frontier post to these commandos.

Damascus paper, al-Ayyam, May 14 reported that 3 canvas-covered trucks approached the Masnaa outpost, supposedly loaded with fruits and vegetables. The canvas suddenly opened revealing armed men who attacked the outpost. (New account did not say from which direction the trucks came.)

MAY 14

In Rashayya area, Shibli Arayan massed 700 of his men, group joined by 300 Syrian commandos. Syrians equipped with material of old French type.

MAY 15

Syrian Deuxieme Bureau reported to have supplied Lebanese opposition elements with arms as of the middle of April 1958.

Egyptian Under Secretary for Presidential Affairs went to Damascus May 4. Under Secretary reputed to be Nasir's organizer for subversive activity in Arab States and he possibly laid groundwork for riots in Lebanon.

At Rashaya, Shibli Arayan's forces, plus Syrian commandos attacked citadel.

Beirut: About 1,000 antigovernment insurgents most of them from Syria, tonight were reported holding a small north Lebanon airfield at Aliat near the Syrian border.

Lebanese troops and jet fighters regained some ground from Syrians who had attacked Lebanese police posts and seized some frontier territory.

MAY 16

Beirut: First official details released here tonight on the raid against the northern frontier said that 6 dissidents had been killed, as well as 1 Lebanese Army captain. More than 1,000 insurgents—mostly from Syria—are reported to be opposing Government troops.

Government statement: On the evening of May 13 a boat from the Egyptian-controlled Gaza sector fell into the hands of the Lebanese coast guard near the town of Damur (south Lebanon). Aboard were 11 Egyptian and Palestinian agents of destruction and crimes, as well as a large sum of money and arms and ammunition to be used by them and their colleagues in Lebanon for subversion, destruction and assassination.

After midnight May 11–12 customs officials at Masnaa detained a car driven by the Belgian consul general at Damascus. In the car was a large quantity of arms and ammunition and important information and instructions from organizers in Damascus to agents in Beirut.

A large group of armed men, most of whom were Syrians, attacked customs, police, and public security outposts at Masnaa. Preliminary investigations showed that the attackers had come from Syrian territory.

The day before yesterday the armed forces confiscated about 100 rifles with Egyptian Army markings, which had been sent to mutineers in Tripoli.

Lebanese air force fighters on May 15 destroyed a mule caravan carrying arms and ammunition from Syria.

An American source stated that 400 Syrians with arms are located at Minya with others at Abdi. An even larger group is present in the mountains on the Lebanese side of the border. Officials at Jbrail, Halba, and other points in the area have considerable evidence of Syrian infiltration.

MAY 16–17

Syrian officers were leading some of Kamal Jumblatt's men in the Shuf area. In the Bekaa Syrian Popular Resistance Organization members were under the command of the UAR First Army officers.

MAY 18

Beirut: Reports were investigated and confirmed that insurgent operations in Tripoli were directed by eight Egyptian Army officers.

Former Syrian Chief of Staff Shawqat Shuqayr has joined opposition forces in the Shuf area.

MAY 18–19

May 19. Considerable numbers of tribesmen loyal to opposition leaders were assembled in four Lebanese villages along Syrian frontier. There they were given arms brought in by Syrian Army trucks; included were rifles, grenades, dynamite, heavy machineguns, antiaircraft guns, mortars. Syrian fadayin in mufti crossed the border and joined the rebels, specifically to operate antiaircraft guns and mortars.

MAY 19

Syrian agents numbering 100 were apprehended by the Lebanese. In these instances proof of their activities was found. The period of time within which these arrests were made is not known.

MAY 20

Well informed persons state borders between the Syrian region and Lebanon are almost open and the Syrian town of Tal Kalakh is central liaison from which weapons are supplied to opposition forces.

Egyptian National Union Secretary (Sadat) and labor leader (Tu'ayma) held discussion of difficulty of providing funds and arms to labor groups in Tripoli, Lebanon—these groups key elements in opposition to Lebanese Government.

UAR (Egyptian Government has been supplying funds and arms to selected Lebanese labor leaders since 1956).

MAY 20–21

A rebel force in Harmal area assembled on 20 May, numbered about 1,000 and included many UAR First Army personnel in mufti. Syrian arms delivered to rebels in the same area. During night of May 20, rebel leader Sabri Himadah went to Ba'albek accompanied by a small number of Syrian fadayin. On May 20, an opposition force which included about 200 to 300 Syrian soldiers moved toward Marj'uyan to attack.

MAY 20–21

Brigadier General Muhammad Muhib Abd al-Ghaffar left Cairo for Damascus on 21 May. Ghaffar was arms smuggling expert, highly regarded as an intelligence officer and close to UAR Minister for Presidential Affairs Kamal Rif'at who went to Damascus

also. Ghaffar also known as expert on unconventional warfare.

MAY 21

A ship loaded with arms, and apparently out of Latakia, was intercepted May 20 off of Tripoli.

MAY 22

A foreign diplomatic official in Syria was told that there are 1,000 volunteers for the Lebanese fighting. Infiltration as well as the smuggling of arms continue unhindered as it is not possible to patrol the frontier.

Syrian town of Sirghaya near Baalbek being used by Syrian Army as center for arms shipments to Lebanon and point where Syrian Army commandos, in peasant garb, assemble for incursions into Lebanon.

Syrian Ministry of Interior Special Bureau made large delivery of arms and explosives for Lebanese opposition May 22.

MAY 21–23

Rebel force in Akkar area numbered 1,500 with Syrians in the force at the ratio of approximately 1 to 25.

New quantities of Syrian arms brought to border town of Qusayr on May 22 by the Syrian Army G–2 Chief in Homs, Abu-Hakim, and distributed to rebels.

MAY 24

Security forces arrested the person responsible for the bomb incident at the Beirut vegetable market. According to his confession he is on active service with the Syrian Army.

MAY 25

About 200 Syrian guerrillas in mufti crossed into Lebanon on May 24 in Harmal area. Brought to border by Syrian trucks.

MAY 25 (CIRCA)

The Special Bureau of the Syrian Ministry of Interior is directing Lebanese insurrection movements through Lebanese opposition leaders. The special bureau distributed arms on May 23 to 24 to rebels in the Ba'albek region. Some Syrian Druze left Syria on May 22 to 23 to join Lebanese Druze. Syrian Capt. Burhan Bulus is directing opposition movements in Tripoli area. Special Bureau is arming Palestinian refugees from Lebanon and returning them secretly through Marj'uyun.

MAY 26

During the morning of May 26, approximately 30 buses full of young men, most of them apparently armed, arrived from the UAR at Masnaa, a Lebanese border post. The men alighted, scattered, and disappeared into the countryside. Source believed they were headed toward Rashayya to join the rebels there.

MAY 27

It was learned that a mule caravan (coming from Syria) intercepted yesterday was carrying howitzer ammunition. The caravan was on its way to the area of Kamal Jumblatt's Druzes who had no howitzers a few days ago. However, they are reliably reported to have received at least 20 in the past 24 hours, probably of 4-inch caliber.

Other reports from a reliable source said air reconnaissance had shown that at least 500 men reached Jumblatt's forces from Syria yesterday. These are believed to be Lebanese who were armed in Syria.

MAY 27

Capture of 45–50 mules arms caravan reveals that Jumblatt is equipped with at least 20 howitzers of French-Syrian origin.

A force composed of Egyptian commandos (so identified by their manner of speech) attacked post in Baalbek area. Antitank guns were left behind.

MAY 27–28

A rebel at 'Arsal with armored cars was being organized and directed by Capt. Husayn Hiddi, UAR First Army officer on active duty.

MAY 28

A mixed patrol of Lebanese Army and gendarmerie intercepted a truck carrying arms enroute to Tripoli, Lebanon, in the vicinity of Turbal (near the Iraq Petroleum Co. pipeline). The wounded man admitted that the arms had originated in the UAR (Syrian region) and were being transported to opposition forces in Tripoli.

The weapons which were taken from the truck included: (a) 88 Beretta submachine guns; (b) 1 FN machinegun; (c) 60 rifles, French-made model 36; (d) 2 rifles, British made; (e) 1 rifle, German made; (f) 18 Energa grenades, antitank; (g) 12 bags of rifle ammunition; (h) 13 cases of hand grenades, FI. Comment: probably identical with the Soviet F–1 defensive fragmentation hand grenade; (i) 47 cases of hand grenades, OF: Believed to be an old type of French offensive hand grenade; (j) 129 cases of high explosives.

The cartridges, submachine guns, and rifles carried markings of the United Arab Republic's First and Second Armies.

Kamal al-Din Rif'at, possibly Assistant Chief of Egyptian Intelligence may be directing UAR activities in Lebanon. (Sent there around May 18.)

MAY 18–29

As of late May, former Syrian Chief of Staff Shawkat Shuqayr was directing Druze military activities in the Shuf area of Lebanon in conjunction with Muhammed Abu Shaqrah.

During the week or May 18–24, 420 armed Syrian Druze left Suwayda as volunteers to aid the Lebanese Druze opposition. Many were killed by Lebanese before they reached the Shuf area.

MAY 29

Primary responsibility for approximately 2,000 popular resistance volunteers, according to a non-Arab diplomatic source, is in the hands of the Baath Party. Within the party a council of 8 men under Michel Aflak is in charge of supporting the opposition in Lebanon. The group of Lebanese Druzes in the Shuf which is receiving Syrian aid is commanded by former Syrian Chief of Staff Shuqayr. The armed volunteers are not organized in army units.

PRIOR TO MAY 30

In late May, the Syrian Special Bureau was not accepting Syrian volunteers for Lebanon, preferring to send Palestinians on unattributable missions of this type. An opposition delegation from Baalbek contacted the Syrian G2 in late May requesting urgent medical aid, arms, and ammunition. The request was complied with. Bombs in the form of pens [sic] were given by the Syrian G2 to a Lebanese Shi'a Muslim opposition leader for distribution to the Lebanese opposition.

The Syrian town of Nabak was an assembly point for Syrian aid to the Lebanese insurgents in Tripoli and Baalbek regions. Qusays and Sirghaya were infiltration centers.

MAY 30

Syrian couriers delivered submachineguns and pistols of American manufacture to Saeb Salaam, Lebanese opposition leader in Beirut, on the night of May 26–27.

A Syrian Social National Party (PPS) leader at the battle of Idbil in north Lebanon heard rebel fighters talking in Egyptian and Syrian dialects.

PRIOR TO MAY 31

Fadayin from Gaza were being infiltrated into Lebanon in fishing boats, eluding or bribing the Lebanese coast guard.

MAY 31

Lebanese army major, who was selected for his relationship with both Kamal Jumblatt and Najib Shams, was sent on May 29 or May 30 to investigate reports of growing numbers of Syrian infiltrators aiding the rebels. Shams told him that more and more Syrians were entering his area, taking up defensive positions, and ignoring his requests to leave. Shams was worried and in a quandary, feeling that he could not attack the interlopers, since the Syrians were the chief suppliers of his tribe's arms and ammunition.

On May 30, Kamal Jumblatt sent an emissary with a similar story to another opposition leader with whom he is on close terms. With infiltration increasing steadily, he feared loss of control.

About 300 Lebanese working in Kuwait were recruited to join the Lebanese opposition and transported by the Syrian airline to Damascus. These recruits were armed and reportedly entered Lebanon within 2 days. Funds for this operation may have been provided by the Syrian Government.

CIRCA MAY 31

UAR Minister of Interior for Syrian Region in late May applied pressure on Lebanese opposition leaders Hamadah and Asad for renewal of fighting. The Syrian Minister was pressing hard to send reinforcements into Lebanon as rapidly as possible, with or without consent of opposition.

Guerrilla fighters and supplies were being sent into Lebanon from various Syrian bases.

As of late May 1958 Lebanese opposition Druze leader Jumblatt was receiving arms and ammunition from the UAR, Syrian region, on a regular basis.

About May 28 Lebanese opposition leader Al-Asad met with a UAR official to request increased Syrian aid.

Independent source reported June 1 that Asad received large amounts of arms and money in Damascus.

Three roads were being used to transport Syrian aid to Lebanese opposition:

Homs via the Akkar plain, to Tripoli.

Yabrud to Baalbek and Harmal.

Dayr al-Ashayir to Rashayya and southern Lebanon. Lebanese opposition youth were being given a short training course in Homs.

Druze soldiers in the UAR First Army (Syrian) were being released and sent to the Shuf to aid Kamal Jumblatt's forces.

JUNE 1

Lebanese opposition leader Ahmad Asad conferred in Damascus for 90 minutes with Syrian Region Interior Minister Sarraj. Volunteers are being sought in Damascus by the Education Ministry to join the Lebanese opposition.

MAY 31–JUNE 2

Since about May 2 Homs has become a center for Lebanese rebels. Every day more than 300 Lebanese rebels came to Homs to receive arms and ammunition to take to Lebanon.

UAR First Army (Syrian) was forging Lebanese, Jordanian, and Iraqi identification cards, sending agents to Lebanon with them.

MAY 31–JUNE 2

Special Burea of UAR Ministry of Interior (Syrian region) paid Palestinian refugee 200 Syrian pounds to carry arms and explosives to Tripoli.

Special Bureau offered 500 Syrian pounds per month to each Palestinian who was willing to be infiltrated into Lebanon to fight with opposition.

JUNE 2

UAR Syrian region frontier from Sirghaya to Qatana declared out of bounds for civilians—this area was used for staging operations into Lebanon, particularly to South Lebanon and Shuf Region.

Lebanese from Kuwait landed at Mezze Airport. They did not go through customs, but departed from the Syrian Air Force section of the field. With regard to housing, the provision of arms, and onward transport to Lebanon many of those arriving made known that Syria would meet these needs. A Danish-run hospital at

Nabak, Syria was asked to care for wounded Syrians.

Increasing rebel strength could be augmented in about 20 days to as many as 30,000 men. The rebels obtain arms and supplies from Syria.

MAY 25–JUNE 3

On May 29, 50 bus loads of Syrian Druze volunteers left Majd al-Shams (southern staging base for UAR support of Lebanese rebels). Volunteers paid 270 Syrian pounds per month.

Approximately May 25, 20 Palestinian refugees went to Ministry of Interior in Damascus to volunteer for service in Lebanon. They were directed to special office in Syria Ministry of Education.

Syrian soldiers and officers volunteering for service in Lebanon being paid the equivalent of their monthly base for each week in Lebanon.

JUNE 3

A UAR First Army (Syrian) captain left Syrian Region for Lebanon with 400 Palestinian commandos. (A detachment of these commandos had marched in the Syrian Army Day parade.)

JUNE 2–4

At the battle of Nabi Uthman (June 2–3) defenders could hear commands shouted to rebels in Egyptian Arabic. The concern of rebels to call a truce to remove their dead due to possibility that UAR irregulars were among the dead.

Reports from Damascus stated that UAR Government is pressuring Damascene businessmen to contribute money for support of Lebanese opposition.

Serious Egyptian activities toward promoting an overthrow of the Lebanese Government began about a week prior to the assassination of Lebanese publisher Nasib Matni. Fadayin from Gaza have been sent in groups of approximately 30 men twice weekly. Most of them have returned to Gaza: about 150 remain in Lebanon as of June 4.

JUNE 5

Five hundred Palestinian commandos released from UAR First Army (Syrian) and left on night of June 3 for Lebanon.

A large quantity of arms, including antitank and antiaircraft weapons, have been sent from Syria to different areas in Lebanon.

While entering Lebanon at a point along the frontier, 250 volunteers coming from Syria were subjected to a surprise attack by a Lebanese unit.

JUNE 6

An opposition village in south Lebanon was encircled by security forces. Opposition forces in the town, estimated at 400 to 500, included 150 Syrians and an unknown number of Syrian officers.

Northeast of Damascus at Duma between 1,000 and 1,500 unarmed men similarly dressed were seen. According to dialects of their speech, they seemed to be Palestinians and men from surrounding villages. Those watching called them mujahidin en route to assist the Lebanese opposition.

Syrians have established recruiting and processing stations at Bloudan for volunteers to fight in Lebanon. Monthly pay of 500 Syrian pounds with 15,000 Syrian pounds to be paid to relatives in case of death. Rate of recruitment at Bloudan is 2,530 per day. A Syrian said he had been offered a flat 1,000 Syrian pounds to fight in Lebanon, and was accepting since he had no regular job.

Reports received state that there are 5,000 rebels in the Bekaa Valley. It was feared that, headed by Syrian military personnel, they might coordinate their activities.

JUNE 8

Muhammed Bakri Rabi Ammunah, a Syrian from Aleppo, is accused of throwing explosives on May 19 and 20 in the Beirut vegetable market and business center.

MAY 23–JUNE 7

UAR (Syrian region) Ministry of Interior Special Information Bureau established recruiting offices on May 23 at Dira, Suwaydah, and Maru northwest of Dira) for recruiting volunteers to fight in Lebanon. Recruiters hired only Muslims, claiming that fighters were needed against Christians in Lebanon. Each volunteer was paid £S150 monthly, given 1 rifle (various types), 200 rounds ammunition, 4 hand grenades, 1 sticky bomb. As of June 7, the recruiters had signed up 40 from Dira and Maru and 300 from Suwaydah. Early in June many volunteers returned to Damascus wounded, creating problems. Hospitals in Damuscus were full.

JUNE 7

The situation in Tripoli has passed out of hands of rebel leader Rashid Karame, and the organization and direction of opposition now in the hands of Syrian infiltrators. * * * The Syrian G–2 was paying the ringleaders in Tripoli.

JUNE 6–8

Beirut: The Lebanese Air Force, using rockets and napalm bombs, smashed a column of 500 men bringing arms and explosives down the main road from Homs, Syria, to Baalbek, Lebanon, yesterday.

JUNE 9

While an American journalist was in Syria, he observed volunteer camping sites where Lebanese were gathering in preparation to aid the opposition forces.

Lebanese opposition leader Shibli Aryan has following missions:

1. Organize transfer of arms from Syria to the Shuf region.

2. Facilitate passage of armed men from Syria to the Shuf and vice versa.

When band from Kamid al-Lawz (south Bekaa) asked for arms to defend their village, Aryan advised that he would give them arms only if they would go to Syria and from there proceed to Akkar to fight.

JUNE 9

General sources in the area of Hama and Homs stated that casualties from Lebanon are being evacuated to their area. Volunteers, who are paid 200 Syrian pounds and equipped with rifles and mortars, are transported in groups of about 50 each to the frontier in the charge of two Syrian Army men. One example is cited of a Greek businessman who had an employee who volunteered.

JUNE 10

As of June 10, 15,000 Syrian volunteers had been recruited and the majority of them were already in Lebanon. On June 4, 10 truckloads of cheering volunteers carrying arms entered Damascus from the direction of Homs. (BSF): Prior to June 7, approximately 400 youths from the Druze village of Jaramanah, near Damascus, had volunteered.

Jumblatt's military operations as of this date were still under direction of former Syrian Chief of Staff Shawkat Shukayr.

A high Lebanese official reported evidence that Kamal Jumblatt was receiving reinforcements from the Syrian Druze.

JUNE 11

An Ex-Director Political Affairs, Syrian Foreign Ministry admitted that:

1. Lebanese opposition smuggling arms from Syria—arms purchased on open market.

2. Lebanese expatriates in Syria infiltrating to aid opposition—possibly several hundred.

3. Perhaps some Syrians also volunteering.

4. Syria not helping infiltrators or smugglers but doing nothing to prevent them.

A former Syrian official revealed that Lebanese living in Syria were returning to Lebanon—possibly in the hundreds—to join the opposition which is also obtaining weapons in Syria. It is possible some Syrians might be among the returnees. The government in Damascus is neither helping nor hindering these activities.

JUNE 12

On June 12 a commercial bus was parked beside the serail in downtown Damascus. Approximately 30 men in civilian clothes were seen loading wooden cases on top of the bus, later departed in the bus. Observers stated that the men were volunteers to assist the Lebanese rebels, and that they received £S200 per month. This going rate of pay was widely quoted in Damascus, and UAR denials of complicity in the Lebanese situation were subject to much caustic comment in Damascus.

JUNE 9–13

Lebanese opposition leaders from the Baalbek region were seen in Damascus during week of June 9-13 receiving arms and money.

JUNE 14

On two successive nights early in June a number of Lebanese of the opposition forces passed through a part of Israeli territory on trips to and from Syria to obtain weapons. There is no doubt that they were armed on the return trip.

Overnight on June 13–14, 40 trucks loaded with weapons were sent to Sirghaya (Syria) to be taken from there by clandestine means to Baalbek. On June 11 and 12, 2,500 and 1,500 volunteers respectively crossed into Lebanon. Their nationality was not known.

JUNE 16

In Nabak on June 15 the following were general subjects of conversation among the people: To assist in recruiting more volunteers, as the fighting in Lebanon is going on longer than had been anticipated; 300 rather than 200 Syrian pounds are being offered for enlistments; those enlisting proceed from Yabrud to Baalbek; considerable enlistment processing is done at Yabrud, Dayr al-Tiya, and Nabak; the proprietor of a Nabak cafe has his son and four relatives with the Lebanese rebels.

A convoy of 50 Mercedes trucks loaded with unconcealed ammunition and small arms which had come from Damascus area was at 'Artus on June 16. At a road junction, a UAR official, who was leading the column, left his vehicle and directed half of the convoy towards Qatana and the other towards Qunaytrah.

JUNE 17

A reliable source noted that rebel strongholds in Beirut were full of commandos from Egypt, Syria, and Palestine.

In cafe conversations, many UAR First Army officers on the Israeli front were critical of UAR intervention in Lebanon. As of mid-June, their concern in general centered on Arabs fighting Arabs and the number of wounded being returned to the UAR Syrian regions.

JUNE 18

Report confirmed that a Syrian mission was in Kuwait gathering Lebanese for training and despatch to Lebanon.

JUNE 19

On June 19 an order was issued which alerted UAR military personnel who were serving with the rebels in Lebanon to be ready to return immediately in the event that U. N. troops or United States-United Kingdom forces land in Lebanon. U. N. observers have not deflected UAR from direct support of Lebanese rebels.

JUNE 21

The following is an account of the trip of a Lebanese rebel into Syria for arms which is an experience typical of others.

The villager walked to a town (Dabbousi) on the Tripoli-Homs road just inside the Lebanese border where both Lebanese and

Syrian transport was assembled. After having shown his Lebanese identity card and indicating which Lebanese rebel in Syria he wished to see, he was given a free bus ticket to his destination (Homs). Once arrived he was given hotel and food accommodations and then taken to arms depot where he was supplied with boots, gun and ammunition. He was told where and how to get more ammunition at Lebanese villages in his locale. Next day, he was sent back with a free bus ride to the border where he was taken over in groups of 20 and started back to his village.

Some of the rebels were complaining of the duration of the fight and were wondering about the machine which made them act.

EXTENSION OF TRADE AGREEMENTS ACT

The Senate resumed the consideration of the bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

Mr. THURMOND. Mr. President, the decision on the escape clause provisions of the Trade Agreements Act which now faces the Senate is one of the most important of the session. The question is whether the Congress will accept a part of its constitutional responsibility to regulate foreign trade, or pass the responsibility to the President.

The responsibility is assigned to Congress in article I, section 8, of the Constitution:

> The Congress shall have the power * * * to lay and collect taxes, duties, imposts, and excises—

And—

> The Congress shall have power * * * to regulate commerce with foreign nations, and among the several States, and with Indian tribes.

I shall not take the time to trace the history of the Trade Agreements Act, by which the Congress handed the President what amounted to virtually full control over the tariff-fixing procedures. The story is well known to the Members of the Senate. I will, however, briefly describe the Senate Finance Committee's escape clause provision, and show how it differs from the change in escape clause procedure embodied in the bill as passed by the House of Representatives. In my opinion, once the provision is understood, reasonable men should have no objection to it.

The escape clause provision is, I believe, a strong step toward the goal of fairness to all. It is in harmony with the basic purpose of the Trade Agreements Act, which is directed toward the progressive elimination of those tariff barriers which are unnecessary and the stimulation of world trade. At the same time, the provision brings the Trade Agreements Act more nearly in harmony with the Constitution, and provides a small measure of the safeguards which import-affected domestic industries require if they are to continue to support the high standard of living of domestic workers.

I am sure that most of my colleagues are aware that I favor full and proper safeguards to protect our domestic industries, our war mobilization base, and the jobs of millions of working people and their families. It is my opinion that these safeguards can best be provided by a system of select legislative quotas. However, I am enough of a realist to know that legislative quotas cannot be enacted at this session of the Congress.

Therefore, I am supporting this entirely reasonable approach to the problem of continuing our trade program along the lines favored by a majority of the Congress while, at the same time, returning to Congress a portion of its constitutional responsibility and giving our domestic industries and their employees a fighting chance to survive.

The escape clause provision would require the President to obtain the support of a majority of both Houses of Congress before he could be sustained in his refusal to implement a Tariff Commission decision granting escape clause relief to a domestic industry.

The principle that the Congress should reassert some of its power to regulate foreign commerce was accepted by the House of Representatives. Unfortunately, the provision written into the bill by the House is a sham and a delusion. It accepts the principle that Congress should have a voice in tariff determinations, but it provides no realistic way for Congress to exercise its powers.

The House bill provides that Congress may override the President's veto of an escape-clause finding, but only by a two-thirds vote of both Houses. To pretend that this would bring any relief at all to an industry found by the Commission to be injured by foreign imports or some aspect of our trade program would be to succumb to a sheer delusion. Representatives and Senators are only too well aware of the difficulty of obtaining a two-thirds vote in both Houses. To say that a small domestic industry with limited resources and few plants in few States—or, for that matter, any single American industry, no matter what its size—could obtain the necessary two-thirds majority vote in both Houses is ridiculous.

Let me point out another obvious absurdity in the House provision. Congress has the power, of course, to enact a law, at any time, setting a new tariff on any commodity. This is a constitutional power of Congress. Now it is proposed that Congress, having shunned its duty over a period of many years, vote itself the power to override a tariff decision by the President only by a two-thirds vote of both Houses. Yet Congress needs only a simple majority in both Houses to enact legislation altering the whole tariff structure. The House provision, designed to restore some voice to Congress in tariff decisions, actually proposes a further abdication of Congressional power.

The opponents of the Senate Finance Committee escape-clause provision have said that it would be a difficult thing for the President to obtain the consent of Congress for refusing to implement a Tariff Commission finding. It has been said that this is a high-tariff provision, the enactment of which would result in a general increase in tariff rates. It is no such thing.

The history of the Tariff Commission's activities in administering the escape clause clearly shows that the Commission is quite strict. It does not recommend relief without a sound basis for doing so. Of the 87 applications for relief which have been filed with the Commission since 1951, only 30 cleared the Commission's hurdles and went to the White House with a recommendation for action. Of these 30 cases, no action has been taken in 3, and in 17 the President declined to implement the Tariff Commission findings.

These are the 17 cases which would have been reviewed by Congress if the escape clause provision had been in effect since 1951. Fewer than 3 cases a year, on the average, would have been subjected to Congressional scrutiny.

These 17 cases involved the following industries: Garlic, watches, tobacco pipes and bowls, scissors and shears, groundfish fillets, lead and zinc, handmade blown glassware, spring clothespins, screen-printed silk scarves, wood screws, acid-grade fluorspar, para-aminosalicylic acid, ferrocerium lighter flints, velveteen fabrics, straight pins, violins and violas.

These are the industries which would have worked for a favorable vote of Congress if this provision had been in effect when the President refused to implement the Tariff Commission's findings granting them relief. The prestige and influence of the administration would have been arrayed against them. In the matter of winning Congressional approval, is the White House overmatched in a contest with, for example, the manufacturers of spring clothespins? If the merits of the argument are equally divided, can the makers of American lighter flints outmaneuver the administration in the legislative halls?

I think not. This administration, or any administration, will have the advantage of great experience in the business of politics and the advantage of having its own partisans in both Houses of Congress. This is why I say that the administration, if its argument for refusing to grant relief has any merit to it at all, will certainly be sustained by the Congress.

Congress will refuse to sustain the administration whenever it finds that the administration's reasons for refusing to grant relief are specious, flimsy, or arbitrary.

Perhaps there are Members of Congress who feel that they do not wish to bear the burden of voting on 3 or 4 tariff cases per year. Those Members—if such there be—should reread article I, section 8 of the Constitution which plainly makes the regulation of foreign commerce and the question of tariffs a duty of Congress. I feel the Members of this body are willing to do the work required of them by the Constitution.

I have made the point that only a small percentage of the tariffs would ever be subject to Congressional review, under the provision. It would be a fallacy to assume, because of this, that the provision is unimportant.

One great value, I believe, is that it will restore confidence to a great many workers and managers in American industries who, at the present time, see little chance of ever gaining relief from the increasing competition of foreign imports. It has become Federal policy to treat the import regulations solely as an instrument of foreign policy. We are using tariff concessions principally as bargaining material in our efforts to win friends abroad.

The policy is foolhardy. Military alliances bought with trade concessions are likely to collapse like a house of cards in times of stress, when nations put self-preservation foremost. I do not believe in this policy, and I would welcome legislation to eliminate the Department of State as a decisive force in making tariff decisions.

However, as I have pointed out, the escape-clause provision before the Senate is not that far reaching at all. It merely provides a court of last resort to which an injured industry may appeal when the President puts foreign policy considerations ahead of domestic welfare. Congress will have the opportunity to determine the proper priority in each case that comes before it.

Surely, there is no organ of government which is better qualified to review a tariff finding in the broad perspective of all governmental problems than is the Congress of the United States. I believe we can depend on Congress to act in the best interest of all America. It would be a sad commentary indeed if the Senate acts on the presumption that only the President is qualified to determine what is best for the country from an overall standpoint. If such be true, the Congress has been guilty of no less than treason in enacting legislation over the veto of the President of the United States.

I reject such a conclusion as absurd.

Industrial might is a vital part of a nation's war potential. In these difficult times, it is inviting disaster to drive industry out of this country and into foreign lands. Yet, that is what we are doing with many industries that would be invaluable to us in time of war.

In order to keep America strong, and to keep our workers on the job, it is essential that we give our import-affected industries at least a fighting chance to survive.

The Senate Finance Committee's escape clause provision offers that chance.

Most importantly, the provision reverses the trend of constantly increasing the power of the executive branch of the Government at the expense of the legislative.

Mr. KUCHEL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. ERVIN in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNITED STATES INTERVENTION IN THE MIDDLE EAST

Mr. HUMPHREY. Mr. President, I have just come from the Committee on Foreign Relations where, for the past hour, the committee has been listening to the testimony of the Under Secretary of State, Hon. Christian Herter, on the fateful decisions which have been taken by the Government during the past 48 hours. Those discussions will go on, I am sure, for some time. I shall comment briefly, not on what has transpired in the committee, but on some of my own observations as to where I believe we are heading in this grave international crisis.

The fateful decisions which have been taken during the past 48 hours, once taken, cannot be reconsidered or reversed easily or possibly at all. I am sure my colleagues realize that I have looked upon the decision of military intervention as one which was unwise. But, like my good friend and colleague, the distinguished junior Senator from Montana [Mr. MANSFIELD], I recognize also that the decision has been taken; and out of loyalty and patriotic duty I support the United States, even though I believe the decision to send forces to Lebanon was unwise and filled with dangers.

On all sides, among the leaders of the Government and in the public press, there is agreement that these decisions have been very difficult and, needless to say, are filled with risk.

On all sides there is some recognition of the truth of the statement that the situation in the Middle East had deteriorated to a point where we were faced with almost impossible alternatives.

Mr. President, on Monday of this week I spoke on that process of deterioration; today I repeat that that deterioration has not been accidental. It has occurred because of the failure of the Government of the United States to adopt policies which were commensurate with the needs of the area.

I desire to call the attention of my colleagues to the fact that on June 26 of this year, I spoke in the Senate on the crisis in Lebanon; on that occasion, in my role as chairman of the Subcommittee on the Middle East, Africa, and South Asia, of the Foreign Relations Committee, I made what I regarded as constructive suggestions. They were the result of consultation, conference, and hearings.

On Monday, I also referred to the adoption by the Senate of Senate Resolution 15, which had been submitted on January 7, 1957, by the Senator from Alabama [Mr. SPARKMAN], for himself, the Senator from Alabama [Mr. HILL], the Senator from Tennessee [Mr KEFAUVER], the Senator from Montana [Mr. MANSFIELD], the Senators from New Jersey [Mr. SMITH and Mr. CASE], the Senator from Wisconsin [Mr. WILEY], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Vermont [Mr. FLANDERS], the Senator from New York [Mr. JAVITS], and myself. That resolution called upon the Government of the United States to seek the establishment of a permanent United Nations police force.

Section 2 of the resolution, the operative section, provided that—

It is the sense of the Senate that—
(a) a force of a similar character—

The reference was to the United Nations emergency force which was referred to in the beginning of the resolution—

should be made a permanent arm of the United Nations:
(b) such a force should be composed of units made available by members of the United Nations: *Provided*, That no such units should be accepted from permanent members of the Security Council;
(c) consideration should be given to arrangements whereby individuals would be allowed to volunteer for service with such a force: *Provided*, That individuals who are nationals of permanent members of the Security Council should not be acceptable;
(d) equipment and expenses of such a force should be provided by the United Nations out of its regular budget.

Mr. President, I ask unanimous consent to have the entire resolution, together with the report on it, printed at this point in the RECORD.

There being no objection, the resolution (S. Res. 15) and the report (No. 613) were ordered to be printed in the RECORD, as follows:

Whereas the United Nations emergency force, created pursuant to resolutions of the United Nations General Assembly of November 3 and 4, 1956 (A/RES/391 and A/RES/394), has made an important contribution to international peace and security in the Middle East; and

Whereas the need for such a force appears likely to continue; and

Whereas such a force could be an important instrument for the maintenance of international peace and security not only in the Middle East but also in other areas of the world: Therefore be it

Resolved, That the Senate welcomes the establishment of the United Nations emergency force.

SEC. 2. It is the sense of the Senate that—

(a) a force of a similar character should be made a permanent arm of the United Nations;

(b) such a force should be composed of units made available by members of the United Nations: *Provided*, That no such units should be accepted from permanent members of the Security Council;

(c) consideration should be given to arrangements whereby individuals would be allowed to volunteer for service with such a force: *Provided*, That individuals who are nationals of permanent members of the Security Council should not be acceptable;

(d) equipment and expenses of such a force should be provided by the United Nations out of its regular budget.

The Committee on Foreign Relations, having had under consideration Senate Resolution 15, favoring the establishment of a permanent United Nations force similar in character to the United Nations emergency force operating in the Middle East, reports it favorably, with amendments, and recommends that it do pass.

1. PURPOSE OF THE RESOLUTION

The purpose of the resolution is to express the sense of the Senate that a force similar in character to the United Nations emergency force created pursuant to resolutions of the United Nations General Assembly of November 3 and 4, 1956, now operating in the

Middle East, should be made a permanent arm of the United Nations.

2. COMMITTEE ACTION

Senate Resolution 15 was submitted on January 5, 1957, by Mr. SPARKMAN (for himself, for Mr. HILL, Mr. HUMPHREY, Mr. KEFAUVER, and Mr. MANSFIELD) and was referred to the Committee on Foreign Relations. The committee considered the resolution on July 9, 1957, in executive session, together with Senate Concurrent Resolution 29, having a similar purpose. In view of the similarity of purpose of Senate Resolution 15 and Senate Concurrent Resolution 29, the committee decided to invite those sponsors of Senate Concurrent Resolution 29 who were not also sponsors of Senate Resolution 15 to join in sponsorship of Senate Resolution 15 as reported by the committee, if they so desired. The committee decided to recommend Senate Resolution 15 favorably to the Senate, with several clarifying amendments.

3. CONSIDERATIONS TAKEN INTO ACCOUNT

The Committee on Foreign Relations believes that the success of the United Nations emergency force in helping to keep peace in the Middle East provides substantial reason for giving urgent attention to means for strengthening the capacity of the United Nations to deal effectively with threats to peace.

The committee has not made an exhaustive study of the many problems connected with the establishment of a United Nations force. The resolution does state several principles which the committee believes to be important but these criteria are not intended to be exhaustive. The resolution provides that any permanent United Nations force should not have units from permanent members of the United Nations Security Council and recommends the same principle with respect to individual volunteers. The resolution also provides that equipment and expenses should be provided by the United Nations out of its regular budget.

The committee recognizes that there are many other problems to be considered: The problem of how such a force would be controlled, the technical military problems involved and the question of the kinds of situations in which a United Nations force is likely to be most useful. The main objective of the committee in recommending the adoption of the resolution is to underline the urgency of continuing to work on the problem of devising a military-type force which will be helpful in achieving the objectives to which members of the United Nations have subscribed.

The committee had before it the comments of the Department of State upon Senate Resolution 15 as it was introduced. The Department favored the objectives of the resolution but suggested amendments designed to make clear that consideration should be given to creation of a force similar in character to the United Nations Middle East force rather than that the United Nations emergency force in the Middle East, as presently established should, with all its limitations, be made permanent. The committee adopted such clarifying amendments.

4. CONCLUSIONS

The Committee on Foreign Relations recommends that the Senate approve Senate Resolution 15.

Mr. HUMPHREY. Mr. President, I emphasize that particular action by the Senate, because it was another case in which the Senate by unanimous vote forcefully recommended to the administration certain action as a part of United States policy. As my colleagues will recall, that was done just prior to the adoption of the Middle East resolution. It was done with the knowledge that many foreign-policy matters relative to the Middle East should be conducted through the United Nations.

I repeat that we could make no greater mistake than to have the United States alone become the policeman of the world. If police power is to be exercised in the world, it should be exercised by a community of nations—the United Nations. Certainly in the Middle East, where there are at work historic hatreds, bitternesses, tensions, and political, social, and economic revolutions, it is most important to have programs and policies which are designed within the framework of the United Nations and are carried out under the auspices of the United Nations.

But I respectfully state, Mr. President, that the United States has failed to do anything about that matter. Our country continues to operate on the basis of bilateral arrangements; our actions and policies cast us in the historic pattern of the British and the French, who themselves finally failed in the Middle East in their relations with the Arabic and other Middle Eastern countries.

Of course, all this is postscript; it is history; because a new situation has developed. We are now faced with the climax of a situation which has been developing over a long period of time.

Mr. President, I submit that when we come to such critical moments in our history, it is time to make some agonizing reappraisals and to do some soul-searching in terms of constructive policies for the future. There will be another session of the United Nations; and we should have clearly in mind our ideas and policies as to our future course.

In the existing situation the President has chosen to do what seems to him, on the basis of his information, the least impossible of alternatives. But no one seems to be happy about the landing of our marines in Lebanon.

In fact, I hold in my hand a copy of a dispatch which has come today from the United Nations. It reads as follows:

The President of the Lebanese Chamber of Deputies protested to the United Nations Security Council and the United States Government today against the landing of American marines in Lebanon. The Lebanese official, Adel Aseeran, called the United States' action a threat to peace in the Middle East, and demanded immediate withdrawal of the marines. He disputed the right of President Camille Chamoun to ask for the United States forces.

Mr. President, another dispatch which has come today from New York reads as follows:

Secretary General Dag Hammarskjold said today that the United Nations watchdog team now in Lebanon can do the job of stopping outside aid to Lebanese rebels.

United Nations diplomats interpreted his statement as a move to put the skids under a United States proposal for an international military force to stabilize the strife-torn Middle East country.

So, as I have said, few seem to be happy about the landing of our marines in Lebanon. I am sure the President of the United States is not happy about it. I sympathize with him in this hour of grave crisis and terrible decision. I do not seek to harass or unduly criticize. But I believe it important that we consider this matter in a restrained and responsible way.

Everyone agrees that the decision to dispatch our forces to Lebanon was a calculated risk. It is difficult for anyone who is not privy to the President's office and to the information he has available to him to state flatly that the President's decision was wrong. Under these circumstances, some persuasive and authoritative voices have suggested that silence and national unity should be the themes of the hour.

I understand the importance of unity. I know it is important when our country is in trouble. But, Mr. President, unity is not necessarily unanimity. Unity comes about when men of good will and of responsible attitudes and manner seek to work out decisions based upon consultation, conference, and sometimes, indeed, compromise.

Yes, Mr. President, I understand the importance of unity; but I am not convinced that this is a time to seal one's lips or to be silent, when, indeed, people all over the world are looking to the United States and are wondering what the United States is up to and what its purposes are.

I have heard some say, "After all, didn't we dispatch our forces to Korea? Is not this the same?" In fact, some persons have tried to indicate that there is great similiarity between the Korean war situation and what is occurring today in the Middle East.

Mr. President, I submit that there is very little or no similarity. In the case of Korea, there was an open, armed attack of the massive military forces of a nation-state; those forces crossed an international frontier, a line of demarcation which had been established by the United Nations. The military forces of North Korea openly attacked, in an overt, military aggression, with massive military formations, with military manpower and materiel, the Republic of South Korea. We responded to that attack, under our obligations to the Republic of South Korea, under our obligation to protect our vital interests in the area and protect our personnel, and under the terms of the Charter of the United Nations. I submit there was visible, tangible, overt, indisputable military aggression. There have even been those who said that the instances of the Greek-Turkish situation in 1946-47 was identical or similar, whereby our Government took action to fortify Greece or Turkey. But no military manpower or combat unions were sent in the instance of Greece and Turkey. We provided military and economic assistance, training groups or corps or military advisers or teams for the purpose of instruction and consultation with the Greek and Turkish forces.

In the instance of Lebanon, a statement on the matter has now been made by none other than the United Nations observer team itself. As a result of a resolution which the United States introduced in the Security Council such an observer team was sent to Lebanon, including the Secretary General of the United Nations. That observer team and the Secretary General reported there was no evidence to substantiate the

charge that there had been overt aggression in the instance of Lebanon. To be sure, there was some infiltration. To be sure, there were supplies being sneaked in. There were obviously Communist agents. There were undoubtedly Syrian agents of the United Arab Republic. There was no doubt that Radio Damascus and Radio Cairo were spewing out hate and vitriol and language of conspiracy. But, Mr. President, insofar as overt military action was concerned—an attack by military forces—it was not present.

So the similarity between the Korean situation, the Greek-Turkish situation, and the Lebanese situation is one that does not exist except in the sense that communism is at work. In the instance of Korea it was at work by way of military operations. Surely, in Greece it was at work by means of military operations. But even in the civil war of Greece, when a friendly government was under open attack by forces that were being supplied by the Soviet Union, and in the early stages by Communist Yugoslavia, military forces from the United States were not sent, because it was a civil war. Military and economic assistance were given by this Government, and military advisers were sent to Greece. I want only to establish the true outlines of the record in each and every one of these cases.

On other occasions, I have spoken and voted in the Senate of the United States in support of President Eisenhower and his foreign policy. I have supported mutual aid. I support the reciprocal trade program for which the President asks. I do not believe in irresponsible partisanship. I do not believe foreign policy should be the subject of partisan privilege or partisan pettiness. As I have said on those occasions, I have at all times reconciled my doubts on matters of policy, where there was a shade of doubt, in behalf of the President, because, after all, he is our President and the Commander in Chief.

In a sense, because of his position and because what the President does cannot easily be undone, we must always give the President the benefit of the doubt. But my conscience compels me to state for the RECORD on this occasion that I have never had graver doubts about the wisdom of the President's policy than I have today about the decision which was made to send troops to the Middle East.

The problems confronting us in the Middle East are not susceptible of military solution. The landing of American forces and marines settles nothing. The kind of aggression taking place in Lebanon is not the kind of aggression which can be fought by the Marine Corps. Troops do nothing to jam Radio Cairo broadcasts. When we hear our officials say that Radio Cairo and Radio Damascus incited the rebels in Iraq and other places, I ask, Why did we not jam their radio broadcasts? Their radio broadcasts are not jammed by armed forces. Radio broadcasts are jammed by electronic devices. We should not be told that we cannot do it, because the Voice of America and other broadcasts in Europe are jammed by Russia. There are ways and means of doing it. Military forces do not stop the conspiratorial forces of an underground movement. Economic and political subversion and infiltration are met by political and economic means and by counterintelligence means and by means of modern technology. They are not met by bazookas and tanks, or even airpower.

I am sure the President has much more information than has any Member of Congress, even though we have tried desperately to get information. I think members of the Foreign Relations Committee should have had more of the official information, and should have had it earlier than we did. Be that as it may, on the basis of the public information apparently available to me, I calculate the risk which has been taken in our recent action as more serious than do those who are in responsible control.

It is clear that the mere presence of the American marines in Lebanon is supposed to provide security and prestige for President Chamoun and his government. We all know that within a period of 8 or 9 days the Parliament of Lebanon is to elect a new President. There were hopeful signs this political problem in Lebanon was to be worked out. This is much to the credit of our State Department. The Department was doing a reasonably effective job in working out a solution with the friendly people of Lebanon of the political impasse which had come about in that country.

According to our President, there is also a necessity to protect American lives and property in Lebanon. All of us have read the President's message to Congress, so we know what the thinking of the administration is and what the President's thoughts are relating to the decision to send armed forces into the area.

So much for the positive arguments in favor of the President's decision. The decision was based on what the President believed to be essential requirements of national security. His decision was based upon what he believed to be the necessity of being able to have friendly governments in the Middle East.

Against those factors we must weigh a great many others. There is the fact that we have intervened unilaterally. I cannot overemphasize the importance of that fact. There is the fact that we have told the United Nations about it under circumstances which are not very convincing in terms of expected United Nations response. I submit that today, when the Secretary General of the United Nations responded he thought the U. N. watchdog team now in Lebanon can do the job of stopping outside aid to Lebanese rebels, we find ourselves in a rather difficult situation.

There is another factor to be taken into account. It is the fact that the United Nations observers had termed the Lebanese situation to be essentially an internal dispute, while the basis of the present action is that Lebanon attacks are being directed from outside the country. We must consider the fact that neither the Eisenhower doctrine nor our sponsorship of the Baghdad Pact are relevant to or justify our intervention in Lebanon.

There is the likelihood that the presence of American troops will aid and abet the cause of Arab nationalism more than calm it down. Arab nationalism is a fact. Sometimes it is a disturbing one, but it is a fact. It is not going to be rubbed out by our wishing it did not exist.

There is the probability that the troops themselves will become a symbol for Arab indignation and a target for new attacks on the United States.

There is a certainty that our intervention will be greeted with dismay by some, with apprehension by others, and with repudiation throughout many of the new free nations of Asia, Africa, and Latin America. There is evidence to this effect today in the dispatches from many capitals.

Above all, there is the great unknown factor of what the Soviet Union will do.

We can expect the Soviet Union to engage in the most flagrant kind of intimidation.

Without doubt Khrushchev and his associates in the Kremlin have designed a policy to spread fear, doubt, and concern throughout the entire Western World and vast areas of Asia and Africa. One of their purposes is generating a public opinion which will compel the leaders of the countries friendly to the United States to insist that we attend a summit conference, for which we are unprepared—a conference which will be held at a time of Soviet choosing and at a time when the conditions are conducive to Soviet success. Today's events will help the Soviet Union to appear to be acting in the interests of peace and at the same time be able to accomplish certain objectives.

Lately the threats which have been unleashed upon Western Europe by Khrushchev, the speeches in East Germany, the speeches in Czechoslovakia, the vitriolic attacks on Tito, in the press and the organs of information of China and the Soviet Union, plus the assassination of Imre Nagy and the Hungarian patriots, all are further demonstrations by the Soviets that they will go great lengths against American power and against the West. All this is further evidence that the Soviets are willing to take the world to the brink of war.

Under such circumstances let us consider the Middle East. Here recent developments tend to force public opinion in the world to a point of near desperation in fear that there will be a nuclear war. Then will come the hour when Khrushchev and his kind will say, "There is only one way to settle these problems, and that is to have a big meeting of the leaders." They will serve notice that they are prepared for the meeting, that they want to meet, and that they want to have a certain agenda, for which we have not planned.

Mr. President, I know the Secretary of State and the President have said that if there is to be a summit meeting there must be an agreed-upon agenda. I concur with that statement. However, just about the time those words come out of the mouths of the President and the Secretary of State, the Soviet Union steps up its diversionary activity to spread fear and consternation throughout the world. We find ourselves running hither and yon, pell mell, trying to

put out fires, getting ourselves involved all the more deeply in some of the most difficult areas of the world. So, Mr. President, we never reach the point where we can really prepare the agenda and can really think through what we are going to discuss at a conference when and if it takes place.

Is there anyone who can say what General DeGaulle would do at a summit conference? Is there anyone who can say what would be the position of Great Britain, Germany, and other free nations at a summit conference? We know, for example, that public opinion in Britain and Germany is very critical of the leadership of Mr. Macmillan and Mr. Adenauer in a conference. Khrushchev is cleverly and cunningly planning to bring about a summit conference which will have two particular purposes. One purpose is to have the status quo continue in the Eastern European states—I repeat, to have the status quo in the Eastern European states continue—which will give the Soviets the kind of assurance they need for their purposes in that area. Second, it is their purpose to bring the Soviet Union formally and officially into participation in reaching decisions about the Middle East. Those are their purposes.

These are not simply observations of the junior Senator from Minnesota. They are observations of persons who have studied Soviet techniques and strategy for years. Regrettably, we do not read very much about them, but if we search the journals of opinion and information about Soviet strategy and tactics we learn this is what thoughtful observers are concluding.

The Soviet Union is in the Middle East today. The Soviets wish to formalize their appearance in the Middle East. They wish to be able to say they are there because there is an agreement for them to be there. They are going to try to force the hand of the West, and particularly of the United States, in this particular situation.

I claim no prophetic knowledge, but I submit that one who studies this subject even a little can come to no other conclusions.

I believe the American people need to have very broad evidence that all the factors which I have discussed—the possibility of Soviet military intervention, the possibility of enraged public opinion, and the possibility of Arab indignation—were carefully weighed before any decision was made. I assume that they were, and I hope that that assumption is valid. I know that those factors must have been given thoughtful consideration.

The Soviet Union, even as of today, has branded our action as aggression, which we could have expected and has said that it is a war, which we could have expected, and has said that it reserves to itself the right to take whatever action it sees fit, and has further said that it will not stand idly by and see American military power in the Middle East. Mr. President, all this might well come about. There could be a great conflagration, and we must take into consideration the possibility that there could be a terrible war, even the beginnings of world war III. I am still, however, of the opinion that the Soviet Union is not going to engage in a conflict which would blow the world to pieces, because that is what would happen. I am sure she is convinced that any military effort on her part in the Middle East would be met with massive force. I am sure she knows that she could not achieve any great victory in terms of material resources, because they would be destroyed.

Therefore, I am of the opinion that the calculating Soviet leaders are not out to blow the world to pieces, but are waiting for us to make enough mistakes so that they can pick it up piece by piece. They are looking now at the Middle East. They are going to appear as the champions of Arab nationalism. They are going to appear by every bit of propaganda they can put out, as the "protectors" of the Arab peoples' "rights."

All the time we shall be branded by their network of propaganda, by Communist Parties, and by those who are sympathetic to Communist forces, and, indeed, by the forces of Nasser himself and the United Arab Republics, as the aggressor, as the imperialist, as the intervenor. We can expect this.

During the past month, since the outbreak of the revolt in Lebanon against President Chamoun, there have been a multitude of informed articles in the public press about the complexities of that dispute. It is difficult for me to believe that the use of marines in that situation is going to reduce those complexities or help to remove them.

Two highly pertinent articles which appeared in the Wall Street Journal on May 20 and May 29, 1958, present the kind of information about the Lebanese crisis which has been readily available to the public and readily available to the administration. These two articles in the responsible Wall Street Journal are dispatches from Beirut by Philip Geyelin, a staff reporter of the Wall Street Journal.

I ask unanimous consent that the text of these articles be inserted at this point in my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal of May 20, 1958]

MIDEAST MAELSTROM: WEST'S STOCK SINKS TO NEW LOW, THREATENING ITS VITAL OIL INTERESTS—MOVES TO WOO NASSER ALIENATE SOME UNITED STATES FRIENDS—FEARS OF ARAB OIL GRAB GROW—NEW EXPLOSIONS HIT LEBANON

(By Philip Geyelin)

BEIRUT, LEBANON.—"How can you win?"

That cry of despair burst the other day from a United States diplomat who has been closely studying the local scene, but his meaning goes far beyond the current Lebanese crisis.

Quite possibly, a government friendly to the West may yet survive the violence here, at least temporarily, for Lebanon is an untypical, Westward-tending Mideast State. But a hard look at the anti-Western outbursts in Lebanon in recent days offers fresh evidence to many onlookers of wider and deeper troubles for the United States and the West all over Mideast.

HOW LONG?

Increasingly, the big question in the minds of many diplomats, oilmen and local politicos is not who's winning the cold war in the Middle East; the edge is generally conceded to Arab nationalist forces led by Egypt's Gamal Abdel Nasser, and ultimately to Russia. What worries most observers here is simply how long the West can hang on to its oil interests in the Middle East, which are vital now and are fully expected to become increasingly so as far ahead as most oilmen and European economists can see.

Already, Mideast oil accounts for 20 percent of world output, up from 1 percent in 1914 and only 7 percent as recently as 1945; some authorities in Europe expect annual demand there for Mideast oil to double its present yearly rate of 100 million barrels or so and then double again by 1978 to 400 million barrels a year.

Perhaps a more impressive measure of the oil stake in the outcome of the East-West tug of war in the Middle East is the fact that two-thirds of known world reserves lie in the area around the Persian Gulf.

Investment by American companies in Mideast oil has soared in the past 2 decades—from about 14 percent of total investment in 1939 to well over 50 percent at latest reckoning. Standard Oil Co. (New Jersey) has a big stake in Saudi Arabia and also has interests in Iraq and Iran. Sharing the Arabian concession with Jersey Standard are Standard Oil Company of California, Texas Co., and Socony Mobil Oil Co. These three concerns also have an interest in Iran. Socony also shares with Jersey Standard its participation in the Iraq concession.

OTHER STAKES

Gulf Oil Corp. does a big Mideast business with a half interest in fabulously oil-rich Kuwait and a share of the Iran group. Operating in the neutral zone between Kuwait and Saudi Arabia are Getty Oil and American Independent Oil Co., the latter owned in varying parts by 10 American concerns, with Phillips Petroleum Co. having the largest share. A concession in the Bahrein Islands in the Persian Gulf is owned jointly by California Standard and Texas Co.

How long will these and such European giants as British Petroleum, Royal Dutch Shell, and the French Compagnie Francaise de Petroles be able to hang on to their Middle East holdings? Even if they hang on, how long will their operations be profitable?

Nobody can say precisely, of course. An assassin's bullet or some gentler form of coup d'etat might topple a pro-Western oil king—or even stop Mr. Nasser's drive to bring nationalism's blessings to all Arabs. But talks in recent days with local experts whose job—be it oil or diplomacy or local politics—requires continuous watch on the Arab world, as well as similar soundings in the past few months in other places, suggests that gloom is thickening fast.

"I give the oil companies 5 years more of reasonably normal operations out here," says one French oilman, with an eye cocked hopefully toward the equally turbulent, not-nearly-so-oil-rich Sahara. An American colleague puts the time as high as 10 years. Both foresee nationalist pressures forcing ever stiffer terms on Western oil companies in the meantime; already such pressure is threatening the traditional 50–50 profit-splitting formula in Saudi Arabia, Kuwait, and Iran.

Last month, 3 American oil companies signed an agreement with the National Iranian Oil Co. that would give Iran 75 percent of any profits on their oil operations in that country. The companies—Standard Oil of Indiana, Pan American Petroleum Corp. and Pan American International Oil Co.—are exploring off-shore oil possibilities.

Earlier, Japanese and Italian companies had signed contracts with Mideast countries giving the latter more than 50 percent of any profits.

CHAIN REACTION

Some pessimists look for outright, widespread nationalization of the oil properties, preceded by growing demand for increasing Arab control. A chain reaction of this sort might set in quickly, it's reasoned by some, if pro-Western regimes in any of the key oil states—Iraq, Saudi Arabia, or Kuwait—should succumb to a nationalist takeover.

Not all is pessimism, to be sure. There are some officials here who philosophically accept the precarious prospect of years of Mideast strife and tension and think the West can keep its foothold in the oil lands.

Some major oil interests would appear to share that view. There's no evidence of any major slackening of expansion activity; new wells are brought in almost weekly. Perhaps more significant is word that Royal Dutch Shell, which up to now has been relatively inactive in the Mideast, has been bidding hard for franchises in Iran, Saudi Arabia, and other oil lands.

There's a note of desperation, however, in the reasoning behind this seeming vote of confidence in future prospects for the Middle East: With long-term oil demand sure to rise rapidly, no big oil company can afford, oilmen contend, to be shut off from the world's biggest oil pools, however risky this may be. Exploration in areas outside the Middle East, it should be added, is feverish.

"It isn't entirely a question of whether the Mideast is a good investment," says one expert, adding, "The big boys simply have to assume it will be if they want to be in the business 30 years from now—it's a gamble they have to take."

The argument is often made that nationalizing oil fields did not profit Iran's wild and weepy Mossadegh a few years back. Moreover, lack of control over the vast distribution and marketing facilities of the international oil giants, it's often argued, would discourage Arab nationalization moves.

But other authorities argue equally persuasively that the Russians would cheerfully supply any needed technicians and happily buy up enough Mideast oil to make the idea look worthwhile, at least at the outset. Either the Arabs or the Russians could offer the oil to Europe—for hard currency—and thus put the squeeze on Europe's skimpy hard currency reserves.

If the timing or nature of any Arab oil grab cannot be predicted, the trend can at least be measured and there are few who don't think it's running against the West.

A businessman just back from Saudi Arabia finds anti-Americanism sharply on the rise there. A British diplomat is pessimistic about the United Kingdom's chances of holding sway for long in its Kuwait protectorate, source of roughly half of British oil needs and scene of active propaganda efforts by Egypt's Nasser.

Lebanon is only the latest evidence that there's no abatement, and probably an increase, in the efforts of the Egyptian leader to subvert the West's rather shaky Mideast strongholds, including not only Lebanon and Kuwait but Saudi Arabia and the newly formed, still-hard-to-assess, Iraq-Jordan Arab Union.

The West's counterstrategy until recently has been the Eisenhower doctrine. Aimed at rallying Arab countries against communism and rewarding their efforts with economic and military aid, the policy has been criticized most frequently for focusing on what one United States diplomat frankly calls the wrong target. He adds: "Sure we know communism is a threat, but the enemy these people see is Israel, and they don't think we are prepared to defend them also from the Israelis."

Says a respected pro-Western Lebanese politico: "Your Eisenhower doctrine and your Sixth Fleet are driving your friends away from you." A high-ranking Iraqi, equally friendly to the United States, urges "a lot less doctrines and a little more sympathy for our aims." A United States visitor to Saudi Arabia finds top officials of that not unfriendly monarchy arguing seriously that Americans don't respect Arabs. "They claim," he says, "Americans have contempt for them, and now that the Americans are trying so hard to be friendly, the Saudis have contempt for the United States."

If there are doubts about United States efforts to prop up the oil kings and other pro-American regimes, there's equal skepticism about new efforts to inch closer to Nasser—to try simultaneously to ride the popular nationalist tide. "You can't have it both ways," says a Westerner who reports considerable concern in Jordan, Iraq, and here in Lebanon about American moves to patch things up with Nasser. The argument of friendly regimes is that this will undercut their efforts to keep a lid on nationalist forces in their own country.

United States policymakers perceptibly softened their stand on Nasser after Egypt signed a pact last month to compensate owners of the nationalized Suez Canal. This United States easing led to the unfreezing of some $30 million of Egyptian Government assets in the United States. Officials indicated the United States also would gradually resume sending Egypt economic aid, permit greater quantities of trucks, tires, and certain other goods to be shipped to Egypt, and resume the sale of cutrate wheat to Egypt, among other things.

This thaw in United States-Egyptian relations—and the unfavorable reaction to it in pro-United States states in the Mideast—is causing some diplomats hereabouts considerable frustration.

"We are stymied," moans one leading American expert in this area. "We can't lick Nasser and we can't join him."

Crisis fatigue, to be sure, probably accounts for some of the pessimism; the final outcome of Lebanese uprising was still in doubt yesterday and the sporadic street fighting and bomb tossing showed no sign of stopping. New explosions rocked a Beirut market yesterday, killing an undisclosed number of shoppers. There's still some chance that forces favorable to Mr. Nasser will seize control here and lengthen rather quickly the odds against the West in the Middle East. A sharp shift by Lebanon away from the West might prove highly contagious in the pro-Western kingdoms and sheikdoms.

To get an idea how the Lebanon crisis is feeding on anti-United States sentiment, call on Saem Salam, a peppery and tough opposition leader of the uprising here. Cooped up in his great yellow stone fortress of a house in the explosive Moslem-populated Basta section of Beirut and guarded by hard-eyed, machinegun-toting followers, he perches on a sofa in his fourth-floor command post overlooking the city and gives the orders that help trigger much of the current trouble.

What's his beef? Mostly, ex-Prime Minister Salam wants to be back in power. But the campaign theme he's using against pro-Western President Chamoun is significant nevertheless. It's violent anti-Americanism and shrewd politico Salam has reason to think its a winning line.

"We are ready to fight communism as a social order," says he. "But we don't see any danger of that—we don't think they are interfering in our affairs." He adds, "We feel the United States is."

Observers are inclined to dismiss Salam as an unprincipled opportunist but there are plenty of observers here who think the Salam theme song has its serious side. They reason that there are only 1 or 2 issues capable of firing up Arab masses and being against Western imperialism—the other side of the nationalism coin—is 1 of them. Thus they maintain that full-scale American support for Chamoun or any other pro-Westerner almost inevitably will generate powerful anti-Western counterreaction. "Why can't the United States just keep quiet and be more subtle about its support?" asks a United States businessman long in the area. "Showering these people with affection just plays into the opposition's hands."

Even those who favor full support of Mr. Chamoun concede this policy is not without its dangers. The opposition here, for instance, probably would not have carried its anti-Americanism to the point of riots, bloodshed, and the burning of United States libraries—or so some observers believe—but once the general strike was called, 10 days ago, the movement got out of hand, with an undoubted prod from the Egyptians and Syrians.

"It's easy to let this geni out of the bottle," is the wry observation of an American official here.

That the genie should be loose in Lebanon is surprising in itself. Since its independence in 1943, this half-Christian, half-Moslem land has studiously avoided extremes and more or less successfully maintained a balance between the two religious blocs. This split, and a penchant for free and fancy commerce, have had the effect of tilting Lebanon toward the West and theoretically giving this country more immunity to Nasser's brand of nationalism and to communism than most Mideast states. The United States has sought to strengthen Lebanon's natural tilt with some $38 million in economic aid over a 6-year span and a flood of friendly propaganda.

The results of this United States effort in Lebanon are causing no cheers in Washington, nor among pro-Western circles in the Arab world. And though many of the Arab lands in the Mideast are still politically oriented toward the West, the West's outlook as far as current trends are concerned is pretty bleak, veteran observers agree.

In Egypt, Nasser has recently returned from a 3-week tour of the Soviet Union, professing great friendship for the Russians and apparently bringing back promises of greater Soviet economic aid.

In Saudi Arabia, diplomats agree, there has been a perceptible leaning in recent weeks toward Nasser's anti-Western United Arab Republic. Crown Prince Feisal, reportedly sympathetic to Nasser, has important new governing powers. It is expected Saudi Arabia may now withdraw its financial and military support from pro-United States Jordan.

In Jordan, King Hussein is having continuing troubles. Nasser reportedly is dispatching hordes of agents into the tiny Mideast state and they are succeeding in infiltrating some important areas.

Yemen, the tiny Arab kingdom in southwestern Arabia, has become the third member of Nasser's anti-Western clique along with Syria and Egypt. Aden, the southwestern region of Arabia controlled by the British, has been fending off raids by Yemen tribesmen supplied with Soviet arms.

Iraq appears to be firmly oriented toward the West but diplomats note it was necessary for strongman Nuri Said to be called back as premier to maintain control in the country.

Where have United States policies gone wrong? Does economic aid do no good? Is American propaganda faulty?

There are no certain answers at this point, But United States officials here say the nationalists and the Communists have some advantages here that are not easily overcome.

One is the United States role in the creation of Israel, a club Arab politicians find

potent in swinging against all American policies. The Russians also voted in the U. N. to set up Israel but the Soviets, of course, find it convenient now to take the Arab side of the issue.

Another disadvantage is America's alliances with Britain and France—prime targets of the anti-imperialist line. With this, Arab politicians have no difficulty tarring the United States with the imperialist brush. Active efforts by the United States to shore up friendly Arab States make it even easier for the Soviets to cry interference.

Some Western officials frankly say their own democracy is a drawback. "Wouldn't it be wonderful if everybody would shut up back home," declares a British official only half joking. "You have no idea what advantage the Russians get by being able to speak with one voice."

So handy is the American whipping boy that logic often is not a very useful defensive weapon. Consider the reasoning of opposition leader, Salam on the subject of emergency American shipments of tear gas, riot guns and the like to the Chamoun government last week:

"You are interfering in our internal affairs," says he, charging that the equipment had been passed along to a rightwing extremist group. Reminded that the United States Embassy had insisted it was only helping arm legitimate security forces, he asked abruptly: "How do they know what happens to the guns after the Government gets them?" The United States Government checks up, he is told.

"Ah, hah," he exclaims, "see what I mean? Interference."

Even in a few cases where United States foreign aid generally is considered to have been a critical factor in keeping a country in the Western camp, there's little evidence the help has kindled any widespread friendship. In Jordan, where the United States States has spent over $50 million in economic and military aid, the charge is heard that the sum is not enough. "There's no profit in being with the West," allows one miffed Jordanian.

An American official long based in Syria sums up the sentiment of many in this area: "We are on the wrong side of a social revolution here and it's uphill work."

[From the Wall Street Journal of May 29, 1958]

THE IRONY OF LEBANON: TOO ARDENT UNITED STATES WOOING SPURS RISING ANTI-AMERICANISM

(By Philip Geyelin)

BEIRUT.—What went wrong with United States policy in Lebanon, turning a most promising Western beachhead in the Middle East into a land torn by strife that is increasingly anti-American?

Early last year Lebanon eagerly accepted the Eisenhower doctrine and was confidently marked down as America's firmest Middle East friend. With only half of its populace Moslems and the rest Christians, it was thought that Lebanon had special immunity to the siren song of Gamel Abdel Nasser's Arab nationalism. But a year later this little land is torn by a Nasser-inspired insurrection that so far has the United States a heavy loser.

Opinions differ as to what went wrong. But a surprising number of on-the-spot observers, including some United States diplomats, agree on a couple of somewhat startling points. Lebanon's handsome pro-Western President Camille Chamoun, they charge, has been asking for trouble by leaning too heavily on American support. The United States, many observers maintain, has been overly lavish in its affection for Mr. Chamoun.

The lesson of the Lebanese upheaval, in short, is that the West's ties with friendly Middle East political leaders can sometimes be too tight. By backing an ardent ally, the reasoning goes, the United States inevitably ran the risk of provoking a reaction, from within as well as outside, that sooner or later might bring to power a fervent foe. That risk will remain, almost everyone agrees, even if Mr. Chamoun manages to put down the nasty and inconclusive insurrection here.

"Nasser has been gunning for Chamoun ever since Lebanon accepted Eisenhower's doctrine," says one American. Adds a western oilman: "It does not pay for anybody in this part of the world to be close to the West." A member of Mr. Chamoun's cabinet bluntly warns that the United States is "on the wrong side of a popular issue—nationalism. Your doctrine and your Sixth Fleet are only hurting your friends."

DILEMMAS ABOUND

These comments point to a dilemma confronting the West. They are more in the nature of a diagnosis of the dilemmas confronting the West all over the Arab world. The problems involved in preserving Western influence in Lebanon are much the same as those encountered in such precarious western citadels at the newly formed Federation of Jordan and Iraq, the Kingdom of Saudi Arabia, the British-run Sheikdom of Kuwait. Their ties with the West also collide quickly with the anti-imperialism preachings of Arab nationalism.

To understand the dilemmas, look at the gamble America is taking here. Simply by backing the Chamoun regime, the United States has staked its prestige throughout the Arab world on the uncertain outcome of a power struggle that may hinge on such uncontrollable factors as the willingness of an army boss to fight, or on the efficiency of a gang of bomb-tossing terrorists.

How did the United States get so deeply entangled in the fate of Camille Chamoun?

United States officials reply rather testily that they had no choice. In the Suez aftermath, an embittered Nasser was out to do in the West. The Soviets were moving into Syria. Jordan's King Hussein was in deep trouble. The West's prestige was slipping fast. But many of Lebanon's leaders, notably the Christians led by Chamoun, were understandably leary of engulfment by the Moslem nationalist-Communist tide. So they grabbed at the Eisenhower doctrine's promises of economic aid and guaranties against Communist controlled aggression before the doctrine had even cleared the United States Congress. And the United States, its doctrine rebuffed by most Arabs, was happy to find a friend.

Once hitched to Mr. Chamoun, almost everybody agrees, the United States was obliged to rush to his rescue 3 weeks ago. Failure to do so, United States officials argue, would have encouraged anarchy. It might also have hastened his downfall. Moreover, abandoning him to fend for himself against Syrian and Egyptian agitators would have hardly been reassuring to America's other Middle East allies—Jordan's Hussein, for example, or Iraq's strong man, Nuri Said.

Hence the airlift of tear gas and riot guns, the hurried shipment of tanks, the alarums from the United States State Department, and Britain's Whitehall, and the excursions of the United States Sixth Fleet.

"We had to do something when a friend asked for our help," says one United States official. Adds the American oilman, by way of endorsing the West's moves, "The only thing these people understand is force."

The West's display of force may indeed help Mr. Chamoun stand off the immediate Cairo-Moscow threat and some Middle Eastern experts are convinced that's all the West can hope for. Only the threat of nuclear war could stop the Russians and Mr. Nasser from meddling in the Middle East, they reckon, and neither the Kremlin nor Nasser would appear to be very fearful the United States would make good on that threat. Thus America, in the view of one official, is at best going to be "fighting brush fires" in the Middle East for a long time. "What else can we do," he asks, "if we can't stop them from breaking out"

What the United States can do, in the view of many people here, is not fan the brush fire quite so much. The Lebanese crisis, they argue, is a case in point. To begin with, there has been widespread criticism of America's show of force. "Why can't you be more subtle," says one Chamoun supporter. "Your airlift and your fleet invite a reaction from the Russians, and that gives the opposition a new lift." Even Mr. Chamoun's able and ardently pro-Western foreign minister, Charles Malik, admits the Sixth Fleet's saber rattling offers embarrassment as well as a sense of security.

More important than these critiques is the question in many minds of whether the crisis would have happened at all, or at least been so violent, if the United States-Lebanese alliance had not been quite so close.

A DELICATE BALANCE

To see why, requires a quick look at the delicate political balance required to keep this little country in one piece. "Compromise is the key to political life here," says one authority, noting the great pains that have been taken to give all religious groups a voice. Item: Seats in Parliament and top government posts are divided up along religious lines; thus the President by tradition is a Maronite Christian, the Prime Minister is a Sunni Moslem, the Speaker of Parliament is a Shia Moslem, and so on.

Political jealousy is strong and the Lebanese are quick to react to the threat of overly long rule by anybody—as Mr. Chamoun should know. He helped unhorse his predecessor with the aid of a general strike when his predecessor was contemplating a change in the constitution to permit him a second term. Mr. Chamoun is suspected of the same ambition, and though he has never said he wants to run again, the outs, as seems to be the custom here, have directed a general strike against Chamoun.

Not surprisingly, in their search for an issue, they fastened on Mr. Chamoun's and Mr. Malik's American ties. "I would not have accepted the Eisenhower doctrine," snaps Saeb Salam, the most outspoken of the opposition. Since Mr. Salam put his name to the first United States economic aid agreement for Lebanon, this has the ring of campaign oratory. But the fact remains it would not be as effective a weapon if Chamoun were not so unabashedly leagued with the West.

Nor would the opposition, or Mr. Nasser's agents, find it quite as easy to stir up trouble and prolong the 3-week general strike, if there were not at least considerable sentiment among the citizens in favor of shifting away from the West and closer to Nasser's Arab world.

"Outsiders are exploiting the trouble here," says a top American official, "but most of the steam is generated locally."

There is some evidence the United States embassy is convinced that Mr. Chamoun may be too far out on a limb. Though the United States some months or even weeks ago might have welcomed another term for him, most officials now would not be upset to see him quit after his present term expires in September. Some Americans who once thought he should stand his ground would now like to see him make a concession to the opposition in the form of an airtight guarantee that he won't try to run again.

AN IRONIC HITCH

There's an ironic hitch in this, however. Precisely because the United States is closely allied with Chamoun, its influence with him is not very great. "Once you support somebody like that, your bargaining power is gone, because you cannot afford to withdraw your support," explains one observer, add-

ing "And don't think Chamoun doesn't know it." This man's opinion, shared by others, is that the United States by supporting pro-Westerner Chamoun in Lebanon—if only by helping restore law and order—has unavoidably been helping politician Chamoun keep the door open to a second term.

Perhaps the United States in fact has no choice. Any effort by America to back away from its old Arab friend and climb on the Nasser bandwagon could only make it that much easier for that unreliable Egyptian to realize his pan-Arabic dreams. Many officials, however, think there may be a middle ground; for example, if order is restored here and Chamoun gracefully retires, the way might be cleared for a new United States-Lebanese relationship, with Lebanon steering clear of the shoals of Nasser's United Arab Republic but also not pointing due West.

"In the beginning," says one American, "the United States switch need only be slight—just a little less overbearing affection, not so much showing of the flag, a little less taking of sides." The reasoning behind such talks is that the law of opposites is a big factor in the unstable Arab world; extremes beget extremes. And the opposite of an unadulterated ally, it is noted, is unhappily an unadulterated foe.

Mr. HUMPHREY. I invite the attention of my colleagues to the fact that in one of the articles entitled "The Irony of Lebanon," Mr. Geyelin says:

Too ardent United States wooing spurs rising anti-Americanism.

He then goes on to ask the question:

What went wrong with United States policy in Lebanon?

Then he gives the answers:

The United States, many observers maintain, has been overly lavish in its affection for Mr. Chamoun.

The lesson of the Lebanese upheaval, in short, is that the West's ties with friendly Middle East political leaders can sometimes be too tight.

Farther along in the article we find the following, quoting a Lebanese official:

"Nasser has been gunning for Chamoun ever since Lebanon accepted Eisenhower's doctrine," says one American. Adds a western oil man: "It does not pay for anybody in this part of the world to be close to the West." A member of Mr. Chamoun's cabinet bluntly warns that the United States is "on the wrong side of a popular issue—nationalism. Your doctrine and your Sixth Fleet are only hurting your friends."

This sentiment was often expressed by one of our very dear friends, the Foreign Minister of Lebanon. The Foreign Minister is quoted in this very article as pointing out:

Even Mr. Chamoun's able and ardently pro-Western Foreign Minister, Charles Malik, admits the Sixth Fleet's saber rattling offers "embarrassment" as well as a sense of security.

More important than these critiques is the question in many minds of whether the crisis would have happened at all, or at least been so violent, if the United States-Lebanese alliance had not been quite so close.

These are not my words. These are the words of a responsible reporter and observer for a great American newspaper which is read by conservative people, by a very select American public opinion audience.

For reasons discussed in these articles and others like them, Mr. President, it seemed to me last month that the President should call for a special session of the United Nations General Assembly to discuss the Lebanese problem. I made such a suggestion on June 26, 1958, and ask unanimous consent that my remarks at that time be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE SITUATION IN LEBANON

(Remarks on the floor of the Senate by Senator HUBERT H. HUMPHREY, of Minnesota, June 26, 1958)

Mr. President, * * * the situation in Lebanon continues to provide dangerous threats to world peace. Unfortunately that situation underscores another danger—the lack of policy on the part of our Government in the Middle East, and the apparent inability or unwillingness to design one. Developments are occurring hourly, but a major one occurred yesterday in President Camille Chamoun's decision not to ask for foreign military aid outside the provisions of the United Nations Charter.

President Chamoun's appeal for a United Nations force to seal off Lebanon's frontiers from infiltration by Egyptian and Syrian volunteers should squarely place this issue on the agenda of the United Nations.

In fact, the United States should have made it its business to propose placing the entire question of the safety and sovereignty of Lebanon and the protection of the independence and freedom of Lebanon on the United Nations agenda long before now.

I think the situation is sufficiently serious for a special session of the United Nations General Assembly to be convened. I urge that our Government exercise its rights as a permanent member of the Security Council, and as one of the most active and important members of the Assembly, as well, to urge the United Nations to take a firm position on this particular problem.

I pay tribute to the Secretary General of the United Nations, Mr. Dag Hammarskjold, and his associates, for their courage and their effectiveness thus far in this critical area of the Middle East.

I repeat that unilateral action on our part, outside the confines of the United Nations, would be reckless at this particular time. I was pleased to read in the press this morning that the Department of Defense is reported to agree; that the position of our military authorities is that the United States should not unilaterally intervene by military action.

Mr. President, I conclude on this item by saying that the so-called Middle East doctrine, or Eisenhower doctrine, has again demonstrated its inapplicability to a situation such as the one which has developed in the State of Lebanon. It was designed to meet certain situations where there is external aggression from a Communist source or a Communist state. There is nothing in Lebanon which fits that situation.

What is needed in that area is a fortification of the United Nations jurisdiction and authority. The entire Middle East is a tinderbox. It is constantly on the verge of an explosion. It would be folly for the United States of America to attempt to police that area alone, even if it could. To do so would invite the Soviet Union even more definitely into the area. It would augment and increase international tensions. I doubt whether a policing action on our part alone could be effective.

However, anyone who has visited that area knows that the United Nations is respected. He knows that the nations of the area look to the United Nations for guidance, for counsel, for security. That is why I have felt, and feel now, that we should support, in the United Nations, and not only support, but advance the establishment of a permanent United Nations police force. We cannot afford any longer to see infiltration and aggression take place in the fringe areas of the world.

For the United States to intervene alone would be to invite the Soviet Union to take counter action. This could well precipitate a major conflagration.

On the other hand, for the United States to be talking about intervention, only to have the Soviet Union threaten us with counter measures, and then for us to withdraw, would be to admit weakness and defeat. The answer is not to get ourselves into such a position, but rather to develop an alternative power. That alternative power could be a combination of a United Nations police force, a Middle East Development Agency, which could pool and provide technical assistance, and the proposal advanced by the Senator from Montana [Mr. MANSFIELD] that the United States sponsor in the United Nations an Arms Traffic Commission, which would seek to seal off the flow of arms into the Middle East, and, I might add, inside the Middle East as well.

I have also proposed that we advance in the United Nations what we call the Middle East open-skies policy, where we can test on an experimental pilot-project basis a type of open-skies operation to ascertain whether there is a movement of troops and material which in any way threatens the peace.

I hope, therefore, that the United States Government will give the most sober and serious consideration to urging United Nations action, including patrols, to guarantee and protect borders, and that we will pledge our assistance to the United Nations in broader ways to assure the economic and political development of Lebanon and other countries in the Middle East.

Mr. HUMPHREY. Let me read a few excerpts from my remarks. I said on that occasion that—

The situation in Lebanon continues to provide dangerous threats to world peace.

I went on to point out that—

The United States should have made it its business to propose placing the entire question of the safety and sovereignty of Lebanon and the protection of the independence and freedom of Lebanon on the United Nations agenda long before now.

That was June 26.

I think the situation is sufficiently serious for a special session of the United Nations General Assembly to be convened. I urge that our Government exercise its rights as a permanent member of the Security Council and as one of the most active and important members of the Assembly, as well, to urge the United Nations to take a firm position on this particular problem.

Continuing to quote from the June 26 statement:

I repeat that unilateral action on our part, outside the confines of the United Nations, would be reckless at this particular time. I was pleased to read in the press this morning that the Department of Defense is reported to agree—

According to the newspapers of our country, on June 26 the position of the Department of Defense and the military authorities was—

that the United States should not unilaterally intervene by military action.

In that message of June 26, I also outlined what I believed were policies which could still be undertaken while there was yet time. I say with sadness and heartache that those suggestions—not necessarily all my suggestions, but suggestions gleaned from many others as well—were ignored.

I invite attention, for example, to the suggestions of the Senator from Montana [Mr. MANSFIELD] and the Senator from Alabama [Mr. SPARKMAN]. I invite the attention of the administration to the proposals which have been advanced by the Senate Foreign Relations Committee, to no avail.

Another proposal was made in an article which appeared in the June 30 issue of the New Republic. This article was written by Mr. Bushrod Howard, a knowledgeable man on Middle Eastern affairs. The title of the article is "Lebanon: Firm Allies Who Fade Away." The article has taken on almost an aura of prophecy.

I invite the attention of my colleagues to the fact that on page 10 of the June 30, 1958, issue of the New Republic, Mr. Bushrod Howard had this to say:

> In my opinion, if United States troops are used to support the unpopular regime of President Chamoun and Foreign Minister Charles Malik, not only Lebanon, but Iraq, Jordan, and Saudi Arabia will turn to the Soviet Union for support.

Now I happen to admire Charles Malik. I have met and visited with President Chamoun, who is a fine, distinguished public servant and statesman.

I believe that Lebanon is very important to the society of free nations. It is a beautiful country and some fine and wonderful people live there. I have no criticism of the Lebanese as individuals. I am not talking about individuals, either in America or abroad, but, rather, about policies or lack of policies.

I should like to call attention what this knowledgeable and informed observer of the Middle East had to say in conclusion:

> Every day the fighting continues, the danger grows that Communist agents will succeed in inciting attacks on the American colony. When (not if) such an attack occurs, there will be no alternative but to land marines to evacuate Americans. And this move will probably trigger a revolt in Iraq.

Actually, Mr. President, the revolt in Iraq happened before that move. However, it is interesting to me to note that time after time it is said that we have not had any inkling or information that there would be trouble in Iraq. I submit that there was a great deal of such information available. Some persons expected there would be a revolt in September. Even officials of our own Government felt so. Some persons who returned only recently from the Middle East indicated that such was the case. Only last night in a conversation with two Members of the Senate an agricultural service officer said there were political problems of immense proportions and possibility of open revolt.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Pennsylvania.

Mr. CLARK. I have been listening with a great deal of interest to the Senator's very illuminating discussion. I have heard a great deal of criticism in Washington during the past few days—I do not know whether it is justified—with respect to the Central Intelligence Agency. It has been said that it had not reported to the State Department or to the President the actual condition of affairs in Iraq. I wonder if my good friend from Minnesota has any information from which he could enlighten me as to whether the Central Intelligence Agency had in fact some information but did not properly evaluate it; or whether it did have it and properly evaluated it and sent it along to the State Department and to the President, where it was ignored; or whether it is true that the Central Intelligence Agency also was caught by surprise.

Mr. HUMPHREY. I do not have any information which would verify that situation one way or the other. Therefore, I shall only say that all I know is what I read in the press, to the effect that the Central Intelligence Agency agents were caught by surprise, as was the Department of State. In fact, I understand that the British intelligence agency was likewise caught short. However, that is what I have read in the press. That is all I know about it. What I suggest is that the situation merits penetrating analysis. The Senator from Montana [Mr. MANSFIELD] has reintroduced his proposal with respect to a joint committee of Congress which would have jurisdiction over the Central Intelligence Agency. In that way we would have some way of finding out about these matters.

Mr. CLARK. I have personally had a very high regard for Mr. Allan Dulles, the head of the Central Intelligence Agency, and I have had the opportunity of meeting a number of his subordinates. It has always seemed to me that they know what they are doing. I did note the proposal the Senator from Montana has made, and I believe it to be an excellent one. I should like to ask the distinguished Senator from Minnesota, who is a member of the Foreign Relations Committee, whether he is in a position to tell us if the committee is preparing to conduct a general review of our foreign policy in the Middle East, as was suggested earlier.

Mr. HUMPHREY. I am very happy to say that as a result of yesterday's meeting, the Senate Foreign Relations Committee voted to undertake an exhaustive, comprehensive, objective, unprejudiced study of American foreign policy, not merely to look at yesterdays, and at what mistakes, if any, we have made—and I believe some mistakes of great proportions have been made—but rather to chart a course for the future. So that the American people may know we are not indulging in any petty partisanship, let me say the action to make such a study was bipartisan. That is the first thing I should like to say.

Secondly, we are going to utilize the services of great universities and foundations and research institutions, and not rely merely on the probing by individual Members of Congress. If we did, there might be the feeling on the part of some that such individual probing was politically motivated.

I should like to call attention to the fact that the study which was made of the mutual security program 2 years ago resulted in a very constructive set of suggestions and proposals, which I believe have improved our overall mutual security program.

Mr. CLARK. I am happy to hear the Senator say that, because that is the sort of review which should be conducted. I have been loath to make any public statement with respect to the situation in the Middle East, first, because I am a junior Member of the Senate and not a member of the Foreign Relations Committee, and therefore have no special competence in these matters; and, second, because it has seemed to me that, as the majority leader has said, we should rally behind the President until we see what is forthcoming, because it may be that a situation may develop which will be of the greatest possible importance. On the other hand, I share some doubts with respect to the conduct of our foreign relations, much along the line the Senator has asserted. I take it the Senator from Minnesota agrees with the majority leader, in substance, that this is not a time when destructive criticism of the State Department is pertinent. I am happy to note that the criticism the Senator from Minnesota has been making has been of a constructive nature.

Mr. HUMPHREY. I hope that I shall be able to conduct myself in that way at all times. I do not believe anyone should indulge in unwarranted criticism of policies or persons. With reference to CIA, I have always admired the work of that Agency. Perhaps sometimes we expect too much from an agency. After all, Americans have not been connected with counterintelligence for a very long time. I am of the opinion that, by and large, CIA improves every year. It is no secret that I have on many occasions personally commended Mr. Allen Dulles for what I believe to be the excellent work he has done. No doubt his agency has some shortcomings. However, we can find shortcomings in all agencies and persons. I am not trying to say that CIA should have known, or did know and did not report on the Near East situation. What I am saying is what I have heard, namely, that it was caught off guard and caught short. I do not know whether that is the case. Of course, there may be many reasons if that is the case.

Some persons say the reason the revolt took place in Iraq at the time it did was that the King of Jordan had found a conspiracy in Jordan involving about 60 top officials, even 1 of his personal aids. At that time the conspirators in Iraq felt that the noose was tightening around their necks, and they acted in the middle of the night. There may be some truth to that story. I am not trying to be critical of CIA. I am not trying to be critical of anyone personally or of any particular person. I hope that when we look back—and the only purpose of the study of history is to learn about the future and to prepare for the future—there may have been some things which

should have been done, and perhaps some things which it was suggested should be done, but which, regrettably, were not done. There may be good reasons why.

The Senator from Alabama [Mr. SPARKMAN] today mentioned the resolution with respect to a United Nations permanent police force. That resolution had been adopted unanimously by the Senate. I heard the Senator say that he wrote to every member of our United Nations delegation, urging action on the resolution, and also wrote to the State Department. He went out of his way to follow up the action of the Senate. Certain reasons were advanced why no action was taken on the resolution, but I do not believe those reasons are very convincing. It was stated, for example, that it would be too expensive to provide a United Nations police force. Therefore our Government did not pursue the idea. I am convinced that had it been pursued and had it been successful, it would not only not have been expensive, in the light of the apparent cost now, but that it would have saved the United States from being in the unwanted and the most undesirable role of running around the world like a self-appointed policeman acting in every family squabble.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. SPARKMAN. I may say to the Senator from Minnesota that answers came to me from the members of our delegation to the United Nations. I wrote to each delegate and to each alternate delegate, and, as the Senator from Minnesota knows, that we have 5 delegates and 5 alternate delegates.

Mr. HUMPHREY. That is correct.

Mr. SPARKMAN. I wrote to all of them, and I also wrote to the Department of State, urging that in the General Assembly, which was in session at that time, the United States assume the leadership in advocating the program set forth in the resolution.

The Senator will remember that that fine statesman and neighbor of ours, Lester Pearson, of Canada, who was the representative of his country for a long period of time in the United Nations, and was for some time President of the General Assembly, had been strongly in favor of the proposal, but for some reason our country, in spite of the unanimous vote of the Senate in favor of the resolution, has not taken the lead. I feel that if the United States had taken the lead in advocating such a force, it could have been created.

I received answers from all our delegates and alternates. Most of our delegates wrote courteous replies, but the principal reason given in opposition was, as stated by the Senator from Minnesota, that the cost would be too great.

The Senator said that had we been successful, we might have been saved the predicament in which we now find ourselves. I myself believe that we could have been saved this difficulty, because I think away back, at the very beginning, had the United Nations been able to put a force into Lebanon, as a force was sent to the Gaza Strip, the border could have been protected and conditions stabilized, and we would not be in the position in which we now are.

The thought which comes to me is that it is likely to cost us more to maintain our forces in Lebanon, for goodness only knows how long, than it would have cost to establish a United Nations permanent police force.

Now if the Senator from Minnesota will permit me to do so, I should like to say a word concerning the matter about which he and the junior Senator from Pennsylvania were speaking a few minutes ago, namely, the question of an overall study of our foreign policy. As the Senator has correctly stated, such a resolution was adopted yesterday by the Committee on Foreign Relations, without a dissenting voice or vote, as I recall.

As the Senator has correctly stated, the study is to be full, fair, adequate, thorough, and completely nonpartisan. We are not trying to point the finger at anyone or to rake over dead coals or to criticize what has been done wrong in the past or what has been left undone or what should have been done. We want to find out where we are, and what the road ahead looks like.

Has the Senator from Minnesota read the very thoughtful and excellent editorial entitled "In Need of Review," published in today's Washington Evening Star, which deals with this subject?

Mr. HUMPHREY. I am sorry to say that I have not.

Mr. SPARKMAN. If the Senator will permit me to do so, I should like to ask unanimous consent to have the editorial printed at this point in the RECORD.

Mr. HUMPHREY. I am glad to have the Senator do so.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the article may be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

IN NEED OF REVIEW

In authorizing a broad study or reappraisal of long-range American policies abroad, the Senate Foreign Relations Committee has set in motion a project that can be of great value if it is carried out in a thoroughly objective and nonpartisan spirit. The "if" here is an important one. Certainly, in these dangerous days, nothing could be more imperative for our country than that such a review, if it is conducted at all, should be conducted in keeping with the wise old axiom about politics stopping at the water's edge.

It is in this spirit, happily, that Senator FULBRIGHT and other members of the Foreign Relations Committee—Democratic and Republican members alike—seem to be approaching the projected new study. Their avowed aim is to be constructive rather than to make a political football out of what may or may not have been the shortcomings or errors of our present and past administrations in dealing with the rest of the world. Accordingly, as the Senators themselves have explained it, their primary objective will be to reexamine what has been done or left undone—especially as regards the inflamed Middle East—and to apply their findings in a way calculated to help make our international policies more effective in the future.

In any event, as demonstrated by the grave developments in Iraq and Lebanon, there can be no doubt that such a reexamination—again assuming that it will be objective and nonpartisan—is very much in order. For there is obvious reason now to question the soundness of certain of the premises on which some of our programs abroad have been based. As far as the Middle East is concerned, for example, we must in all candor ask ourselves whether the Eisenhower doctrine is actually well designed—legally, psychologically, and otherwise—to cope with the kind of situation that prevails there at present primarily as a result of rampant Arab nationalism. We must ask ourselves, too, whether we have properly evaluated the phenomenon of "Nasserism" and whether we might not have been able to follow a less ambiguous and more affirmative policy in our dealings with Egypt's President.

On this latter point, by way of illustration, Mr. FULBRIGHT has recalled that Chairman GREEN of the Foreign Relations Committee, spoke as follows to the Senate last April: "One of the results of our lack of clear policies in the Middle East is that we have been unable to make up our minds as to whether or not we wanted to get along with Colonel Nasser. Sometimes—as in making the Aswan Dam offer—we have acted as though we did want to get along with him, and sometimes—as in withdrawing that offer—we have acted as though we did not want to. Until we decide this basic question, it is idle to debate whether we can get along with him if we do want to."

In the light of current events, these words may be academic. Even so, they serve to point up the fact that our country's foreign policy in the Middle East, and in other areas as well, has fallen far short of perfection and that it needs to be reappraised in an effort to strengthen it. The Senate committee's forthcoming study is therefore a thing to be heartily welcomed—always with the proviso, of course, that it will be carried out carefully, quietly, and without politicking.

Mr. SPARKMAN. I commend the reading of the editorial to the Senator from Minnesota, because I am certain it expresses the view which he and I and other Members of the Senate hold; namely, that much good can be done by a careful, objective study of United States foreign policy.

Mr. HUMPHREY. I thank the Senator from Alabama. I believe that what he is saying is to the effect that when the country is in trouble, we are all in trouble. Whether we like a particular decision or not, once the decision has been made, it is a decision with which we have to live and with which we must work.

My idea is not to reach for a club and start beating somebody. It is to discuss the subject in a responsible and cooperative manner, as I have assured the representatives of the State Department my attitude would be.

I believe it is imperative that we should always work in a cooperative, constructive mood, and discuss the subject openly, so that at least the few who are interested and want to listen and participate can share views. Perhaps something good can come from them.

Mr. President, on Monday morning, July 14, 1958, we found ourselves faced with the results of inaction; results which, according to the President, required that we use action of the worst possible kind—armed intervention.

Now that the Marines have dug in at the Beirut Airport, what are they to do? There is no fighting at the moment, but they will be easy targets. The forces

of Arab nationalism in the Middle East do not line up in battle array in 19th century military fashion. As likely as not, these forces consist of underground, guerilla fighters, of the type of determined young Arabs who will throw sticks of dynamite through windows at night.

Are we prepared, and do we intend, to become involved in that kind of endless situation? To invite that kind of provocation and to return it with bullets?

Even more important, Mr. President, where are we going from here? That is the real question.

If the situation in Lebanon is bad, the Iraqi situation is worse. To intervene in Iraq, where a pro-Western Government has apparently already been crushed by a rebel coup, would mean that we are prepared to tell the world something we have already come perilously close to stating; namely, that, regardless of democracy or the lack of it, regardless of an invitation or the lack of it, regardless of formal commitments or the lack of them, we have interests which are overriding and which we will defend come what may—including the opposition of governments and people on the spot.

I hope we will not do that. If we do, we shall simply be weakening our political and moral position in the world. Let us remember that we have condemned the Soviet Union, and justly so, for her interference in Poland, Czechoslovakia, and Eastern Germany. Let us not forget that we have condemned the Soviet Union, and rightly so, for her brutal attacks on and her brutal suppression of Hungary. The Soviet Union justified her intervention by saying that the Government in Hungary was unfriendly, so it was necessary to stamp it out.

I hope that the United States will not in any way lend itself to anything which even comes close to that. I do not think we will. I want to make the RECORD clear that I do not believe that is our intention. I am certain that the intention of the present action is merely to stabilize the situation in Lebanon and to protect the lives and property of Americans who may be there.

But I serve warning now that for us to intervene in Iraq could really destroy our moral and political position throughout all of Asia, Africa, and Latin America. We did it once before in Latin America, and it was branded as dollar diplomacy.

If this is the pass to which our policies have returned, those policies will not only prove bankrupt; they will drain us of stature, prestige, and democratic leadership. We will represent little more than the new imperialism taking over from the old. No American wants that. That is not our purpose.

Mr. President, the distinguished columnist for the London Observer, Mr. Edward Crankshaw, contributed to the Washington Post and Times Herald this morning an article entitled "United States Mideast Policies Bypassed Real Danger for Imaginary One." I consider Mr. Crankshaw to be one of the most informed and enlightened political observers throughout the world. His article states, in capsule form, the same points which I tried to raise in the Senate 2 days ago. I ask unanimous consent that Mr. Crankshaw's article be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit A.)

Mr. HUMPHREY. Mr. Crankshaw states:

> The whole idea behind the Baghdad Pact and the Eisenhower doctrine was to prevent Communist encroachment in the Middle East. It was a misbegotten idea, it was a disastrous doctrine, because both pact and doctrine diverted attention from the real danger to an imaginary one.
>
> The real danger was never communism. It was that Arab nationalism, for too long pent up, would break loose and sweep away all Western ties.
>
> Neither the pact nor the doctrine had any relevance to this danger. All the Russians had to do was to encourage, with seeming altruism, pro-Arab and anti-Western emotions. This they have done.

Toward the end of the article by Mr. Crankshaw, we find the following:

> The Baghdad Pact and the Eisenhower doctrine thus beat the air. They did worse: They made it hard, if not impossible, for pro-Western Arabs to persuade their anti-Western brethren that Britain and the United States were interested in other things besides oil and bases.
>
> The Arab nationalists asked for recognition and we gave them a doctrine; the Russians hid their doctrine and gave them recognition.

Mr. President, I think Mr. Crankshaw has rendered a service by his plain words. We must consider what we have been doing.

I believe it is about time—since we have made such grave decisions, and since our Nation may be perilously close to war—to ask ourselves publicly this question: If Nasser is the central figure in some of these problems, if the Nasser regime is the one that has instituted this conspiratorial activity, and since we still have at least formal diplomatic relationships with the United Arab Republic, should not we consider who will talk to Nasser? Before the shooting starts, would not it be well to see whether some discussions might be helpful?

Instead, we have relied on having Nasser visit with Khrushchev and Tito. I believe that others could well talk to Nasser. How about Nehru of India? He is admired throughout the Middle East, and he is a man of peace. In fact, if Nasser is the source of so much trouble, no matter how impolitic it may seem, it is important for the peace of the world that he be talked to by a Secretary of State, a Vice President of the United States, or even a President of the United States.

This is no time for false pride. This is a time for the most thoughtful, constructive action. If we can ask a nation to sacrifice almost to the point of war, and perhaps to war, certainly we can ask that before such an event occurs, every possible means of communication and negotiation with honor, without sacrificing principle or without sacrificing position, be used.

I make this suggestion as a possible alternative. Since we once preserved the regime in Egypt, by means of our resolutions in the United Nations, where we called upon the British, the French, and the Israelis to withdraw, after they had almost accomplished their victory; and since we were I believe, almost entirely responsible for the continuance in power of Gamal Nasser, the President of Egypt and of the United Arab Republic, I believe it would be well for him to be talked to in terms of the responsibility which his country and he, himself, as a person, have for peace and justice. We shall not accomplish anything by ignoring the existence of these people. We may accomplish something by lending our good offices, in the interest of organizing such efforts based on a sense of justice.

EXHIBIT A

UNITED STATES MIDEAST POLICIES BYPASSED REAL DANGER FOR IMAGINARY ONE

(By Edward Crankshaw)

LONDON, July 15.—The whole idea behind the Baghdad Pact and the Eisenhower doctrine was to prevent Communist encroachment in the Middle East. It was a misbegotten idea, it was a disastrous doctrine, because both pact and doctrine diverted attention from the real danger to an imaginary one.

The real danger was never communism. It was that Arab nationalism, for too long pent up, would break loose and sweep away all western ties. Neither the pact nor the doctrine had any relevance to this danger. All the Russians had to do was to encourage, with seeming altruism, pro-Arab and anti-Western emotions. This they have done.

It is impossible to tell to what extent Col. Gamal Abdel Nasser was specifically encouraged by the Kremlin to seize the Suez Canal. The Russian part, if any, in the Iraq revolution is even more obscure. One thing is certain, and that is that the Kremlin leaders have been only too happy to see the Iraqis do their work for them.

NEGATIVE ACTION SEEN

Why should Russia openly encroach on the Middle East? What does she want from it? The answer is precisely nothing—except to make it too hot there for the West. In other words, seen from the Kremlin, all Soviet action in the Middle East has been essentially a negative and denying action.

The Soviet Union does not need the Middle East oil; she has a huge and swiftly growing output of her own, and immense unexploited reserves. Even if she did want this oil, she would have no means of conveying it in quantity to Russia. But the Soviet Union is very interested in making it difficult for the West to get the oil.

Nor does the Kremlin want to occupy the Middle East. It knows very well that attempted military occupation would, pact or no pact, immediately lead to war, further, that Communist revolutions in the Middle East would bring more trouble than they would be worth. But it would very much like to see the Western position made untenable, and the Western bases abandoned.

SIMPLE TASK FOR REDS

Its task, therefore, at least on the short-term view, has been simplicity itself. All Soviet Premier Nikita S. Khrushchev had to do was to sit back and offer surplus arms and moral support to nationalist elements.

The Baghdad Pact and the Eisenhower doctrine thus beat the air. They did worse; they made it hard, if not impossible, for pro-Western Arabs to persuade their anti-Western brethren that Britain and the United States were interested in other things besides oil and bases.

The Arab nationalists asked for recognition and we gave them a doctrine; the Russians hid their doctrine and gave them recognition.

Mr. McNAMARA. Mr. President, will the Senator from Minnesota yield to me?

The PRESIDING OFFICER (Mr. THURMOND in the chair). Does the Senator from Minnesota yield to the Senator from Michigan?

Mr. HUMPHREY. I yield.

Mr. McNAMARA. I should like to ask the Senator from Minnesota how the information he has jibes with the report from the United Nations which indicates there was no outside interference in Lebanon. Does the Senator from Minnesota accept that report as stating the fact? What is the situation? The Senator from Minnesota, who formerly was a delegate to the United Nations, is in a better position than most of us to judge.

Mr. HUMPHREY. I must say that I think the report of the United Nations observation team indicated that there had been some infiltration. Certainly there had been a movement of supplies from Syria, and there had been a movement of commandos from the Gaza Strip, and Syrian agents had gone into Lebanon. But it was a matter of degree. Mr. Hammarskjold has said the United Nations' representatives are able to prevent any further action of that sort. But that statement is not to be interpreted as meaning that the Nasser elements or Nasser influences were not at work, because they were.

Let me say—as I said to the President of Egypt himself, when I talked with him last year in Cairo—that I considered Radio Cairo's propoganda and activities to be contrary to peace and to be filled with hatred and prejudice which could lend themselves only to violence. I said that to Nasser himself. He denied that the programs were such; but all that is a matter of record.

Mr. President, there comes a time when the most straightforward talk must be had. I do not say who should be the ones to hold the conference with a head of state; but certainly the time may well be at hand when a meeting with the leaders of the Middle East States would be helpful.

Mr. McNAMARA. Mr. President, will the Senator from Minnesota yield further to me?

The PRESIDING OFFICER (Mr. ALLOTT in the chair). Does the Senator from Minnesota yield further to the Senator from Michigan?

Mr. HUMPHREY. I yield.

Mr. McNAMARA. I wish to say that I believe the suggestion the Senator from Minnesota has made is a very timely one. He has called the attention of the Senate and the attention of the responsible officials of Government to the fact that an approach such as the one he suggests should be made. I am not in a position to say that it would be the best approach.

Mr. HUMPHREY. Neither am I.

Mr. McNAMARA. I think the Senator from Minnesota is in a much better position than is the average Senator, for the Senator from Minnesota has had experience as a delegate to the United Nations, and he has dealt at first hand with some of the persons to whom he has referred.

But I do not suppose we could expect such suggestions to be received any better than the suggestions the Senator from Minnesota made late in June, which apparently were ignored.

I would add only that I believe the remarks the Senator from Minnesota has made have been timely and very worthy of consideration by all of us; and I desire to compliment the Senator from Minnesota on the fine presentation he has made in connection with the very delicate and dangerous situation in which we find ourselves today.

Mr. HUMPHREY. I am very grateful to the Senator from Michigan for his kind remarks.

Mr. President, at this time I wish to speak on the Reciprocal Trade Agreements Act extension bill. I have sent to the press gallery copies of a statement which I wish to review briefly.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House insisted upon its amendments to the bill (S. 493) for the relief of Irene Montoya, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. LANE, Mr. DONOHUE, and Mr. POFF were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 12162) to amend the District of Columbia Stadium Act of 1957 to require the stadium to be constructed substantially in accordance with certain plans, to provide for a contract with the United States with respect to the site of such stadium, and for other purposes.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 13121) to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DURHAM, Mr. HOLIFIELD, Mr. PRICE, Mr. VAN ZANDT, and Mr. HOSMER were appointed managers on the part of the House at the conference.

THE HOUSING ACT OF 1958

Mr. SPARKMAN. Mr. President, at this time will the Senator from Minnesota yield to me, to permit me to make a brief statement for the RECORD?

Mr. HUMPHREY. Certainly.

Mr. President, I ask unanimous consent that at this time I may yield, without losing my right to the floor, to the Senator from Alabama [Mr. SPARKMAN], and also to the Senator from Pennsylvania [Mr. CLARK], who, I believe, wishes to make some remarks on the same matter the Senator from Alabama desires to discuss.

Mr. CLARK. Yes; the Senator from Alabama and I are interested in the same matter.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. SPARKMAN. Mr. President, first let me express my appreciation to the Senator from Minnesota for permitting me to make a statement at this time. I wish to discuss briefly a matter of great importance.

Mr. President, last Friday the Senate passed, and sent to the House, Senate bill 4035, which, if enacted, would become the Housing Act of 1958.

Senate bill 4035 represents a major legislative effort of the Subcommittee on Housing. It was the result of many weeks of hearings and many months of preparation.

In my opening statement at the beginning of the debate on the bill, I said I thought it was, on balance, a good bill.

My explanation of the bill appears in the CONGRESSIONAL RECORD of Friday, July 11, 1958, on pages 13526 to 13533.

This year's housing bill is, in my opinion, a constructive and responsible effort to extend and amend existing laws in the fields of housing and urban renewal. Therefore, I am somewhat at a loss to understand the unexpected attitude expressed this morning by the New York Times, in its editorial columns.

The Times editorial characterizes Senate bill 4035 as a "$2,475 million omnibus housing bill."

This is substantially correct. The precise figure is $2,475,300,000. This total breaks down into the following parts:

One billion, eight hundred million dollars for a 6-year urban renewal program.

Five hundred and twenty-five million dollars for extension of the existing college loan program.

One hundred and fifty million dollars to carry out the existing direct loan program for veterans.

Three hundred thousand dollars for a continuance of the existing farm housing research program.

By way of comparison, I should like to comment on the differences between the bill as passed by the Senate and the original recommendations made by the administration. S. 4035 provides urban renewal grant authorization in the amount of $300 million a year for 6 years, or a total of $1.8 billion. The administration proposal was also for 6 years, but in varying amounts—between $200 million a year and $250 million a year for a total of $1.3 billion. However, this reduced amount was offered by the administration only on the assumption that the Federal share would be reduced and the local share would be increased. I am sure that even administration spokesmen will agree that unless the Federal share is reduced, $200 million a year will simply not carry the program. Since S. 4035 did not reduce the Federal share, the $300 million a year becomes a necessity.

I may point out it is at a rate of $50 million less than the authorization at the present time.

With respect to college housing, S. 4035 provides $400 million for the existing program. The administration proposed $200 million, plus a bond guaranty program of another $100 million, or a total of $300 million. With respect to the new phase of the college housing program making funds available for classrooms,

laboratories, and so forth, S. 4035 provides $125 million for direct loans and a bond guaranty program similar to the administration's for $250 million.

S. 4035 provides $150 million for veterans direct loans, whereas the administration did not recommend any funds for this program. It is no secret that the administration has opposed the direct loan program, and, in fact, recommended that the whole VA housing program for World War II veterans be allowed to expire. The committee, and I believe the Congress, does not think this should be done. Since there was no money available for VA direct loans, I asked the Veterans' Administration to indicate how much was needed to provide loans for veterans now on waiting lists. The Veterans' Administration indicated that $150 million would be needed, and that was the exact amount provided by the bill; as I recall, by the unanimous vote of the members of the committee.

The Senate-passed bill also authorizes $300,000 for farm housing research over a 3-year period. This is simply an authorization and funds must be appropriated therefore. Here again is another example of another worthwhile program which is currently going on and for which no request for appropirations is ever made by the administration.

Speaking of authorizations, the Times editorial has not referred to the largest authorization in the bill, namely the FHA insurance authorization of $4 billion a year for each of 4 years, or a total of $16 billion. This amount was recommended by the administration and is continued in the bill. This is in addition to $4 billion authorized for the FHA earlier this year in a separate bill; again, in accordance with the request of the administration itself.

Mr. President, I have cited these figures to show that in spite of the bad picture drawn of this particular bill by the New York Times editorial, the bill actually differs with the administration's proposal only in degree and, in a few points, on programs with which the administration has not been in agreement all along, but which the Congress has repeatedly enacted into law.

Therefore, I submit that the bill passed by the Senate and sent to the House was not the kind of monstrosity which the Times editorial would have us believe it to be.

At this point I ask unanimous consent that there be printed in the RECORD the editorial to which I have referred.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HOUSING HODGEPODGE

The Senate has just sped to passage a new $2,475 million omnibus housing bill in which it has virtually thrown restraint to the winds. Almost every Member who had any pet ideas for spending that might by any stretch of terminology come under the head of housing seems to have been welcome to the open house that passed this hodgepodge measure. As our correspondent pointed out, "the Senate adopted several amendments by voice vote without ever having them read or explained. The Senators present shouted approval of the measure and sent it to the House."

Earlier in the session an emergency housing bill amounting to $1,850 million was passed, and was signed, apparently with some reluctance by the President. If we add to the amount of funds provided in that bill the total just authorized by Congress we get a grand total of $4,355 million, compared with $1,600 million asked by the President in his budget.

In recent years the very word housing has seemed to exercise a magic spell on Congress, with the result that increasingly unsound proposals that could not possibly be accepted under other labels slip through under this one with little or no opposition. But it is an oversimplification of prevailing conditions to conclude that all we need today is to inundate the area with cheap credit and subsidies. This overlooks several factors, one of which is that the rise in prices of new homes has carried them beyond the reach of would-be buyers of earlier postwar years. Residential building costs have risen by well over 40 percent since 1947.

All this is not to say that we should have no housing program. But a program based on the theory that housing is suffering from a shortage of funds is not likely to produce any miracle in the months ahead, while it could produce minor disasters in the period beyond that.

Mr. SPARKMAN. Mr. President, I have prepared a little table which shows the existing authorization for the various programs affected by this year's bill. The table shows the existing cumulative authorization, the additional authorization provided by the committee bill, the authorization as modified by floor amendments, and the anticipated use of authorization during the fiscal year 1959.

I ask unanimous consent that the table be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

New authorization for (a) insurance, (b) investments, (c) loans, and (d) grants under S. 4035

	Existing cumulative authorization	Authorized by committee bill	Authorized by Senate passed bill	Authorized by Senate bill, available during fiscal year 1959
(a) Insurance: FHA mortgage insurance	$29,800,000,000	$16,000,000,000	$16,000,000,000	(1)
(b) Investments: FNMA special assistance-cooperative housing	200,000,000	50,000,000		
(c) Loans:				
College housing	925,000,000	400,000,000	400,000,000	$400,000,000
College classrooms, laboratories, and related facilities	None	250,000,000	125,000,000	125,000,000
VA direct loans	1,175,000,000	150,000,000	150,000,000	150,000,000
(d) Grants:				
Urban renewal	1,250,000,000	2,100,000,000	1,800,000,000	300,000,000 450,000,000
Farm housing research	600,000	300,000	300,000	100,000

[1] A $4,000,000,000 additional authorization was provided by Public Law 85-442, effective June 4, 1958, for the balance of fiscal 1958 and for fiscal 1959.

Mr. SPARKMAN. Mr. President, it is important to note that the authorizations consist of four types: authorization for FHA mortgage insurance, Government investments in mortgage purchases, direct loans, and grants. The largest single item in this whole array of authorizations is $16 billion in FHA mortgage-insurance authorization. This amount was requested by the administration and was adopted without amendment by the subcommittee, by the full committee, and by the Senate. Of course, this figure represents a contingent liability and is not a charge on the Federal budget. The authorizations for mortgage purchases and direct loans are charges on the Federal budget, but in the long run there is no net loss and, in fact, there is a profit to the Federal Government.

The Times editorial indicates that in passing the housing bill the Senate threw restraint to the winds. The Times correspondent apparently wrote that the Senate adopted several amendments by voice vote without ever having them read or explained.

I can understand how difficult it must be for a reporter to follow fast moving Senate floor action, especially if he is not familiar with the amendments being proposed. But inability to follow the debate and the actions taken by the Senate is no valid reason for a newspaper as responsible as the Times to claim editorially that the Senate acted without restraint or to imply that Senators having responsibility for the bill did not understand the amendments being offered.

As a matter of fact, the Times editorial staff and its reporters are undoubtedly aware that it is common practice to work out compromises wherever possible, especially on complicated legislation such as housing.

It is natural that such compromises were reached on the omnibus bill. For many days the staff members, representing both the majority and the minority, had been discussing the objections which had been made to the bill with every one of the Government agencies concerned, such as the HHFA, the FHA, the PHA, the GAO, the Department of Defense, and the FNMA. These discussions often led to suggested compromises.

Several Senators, including the chairman of the Committee on Banking and Currency, the Senator from Arkansas [Mr. FULBRIGHT] and I, the chairman of the subcommittee, discussed with the Senator from Indiana [Mr. CAPEHART] the ranking Republican member of both the subcommittee and the full committee, and with various other Senators who had expressed an interest in the housing legislation, the various features of the bill and possible compromises. In addition, a more formal meeting was held with several Senators, including the Senator from Indiana [Mr. CAPEHART].

The Senator from Pennsylvania [Mr. CLARK] will remember, I am sure, the conference at which we sat down and went over the bill item by item. The conference was held for the sole purpose of discussing the bill.

Furthermore, the Democratic members of the committee met with the majority leader, the Senator from Texas [Mr. JOHNSON]. It will be remembered that all the Democratic members sat down with the majority leader and went over the bill item by item.

It is my understanding that the Republican members also caucused to discuss the bill. All of these things took place within the 3 days preceding the passage of the housing bill.

I observe the Senator from Arkansas [Mr. FULBRIGHT], the chairman of the Committee on Banking and Currency, who took an active part in all the conferences, is on the floor. I know the Senator from Arkansas will agree that the most complete and thorough discussions took place with reference to shaping up the legislation—to a greater extent than I had ever seen with respect to a housing bill. I am sure the chairman of the full committee, who has the responsibility of seeing to it that proposed legislation is properly handled in the committee, will agree with me in that statement.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. SPARKMAN. I am glad to yield.

Mr. FULBRIGHT. I certainly agree with the Senator. Not only did the bill have extensive consideration this year, but very similar legislation has had extremely lengthy study year after year.

None of the proposals is novel. When we consider such a thing as the college-housing program, it is old stuff. The only change the bill makes is a slight one, in accord with the amendment of the Senator from Pennsylvania. That is a simple change.

The Senator from Alabama is an authority on the subject, but I believe, with respect to all the items I know anything about, we have dealt with all of them before. There is nothing novel or strange in the bill.

Mr. SPARKMAN. The Senator will recall that I pointed out a few minutes ago there was only a difference in degree rather than in substance.

Mr. FULBRIGHT. The Senator is correct.

Mr. SPARKMAN. As the Senator correctly pointed out, the college-housing program has been with us since 1950. The administration this year asked, if I recall correctly, for $200 million.

Mr. FULBRIGHT. The Senator is correct.

Mr. SPARKMAN. The committee felt, after getting the best evidence possible from all over the country, that if the program were to be carried on properly, $200 million would not do the job, and that at least $400 million was needed.

Mr. FULBRIGHT. That is the only difference. It seems to me there is certainly no secret about the need for college housing. Every newspaper we pick up, including the New York Times, calls attention to the deficiency in classrooms and college housing in general.

What is most surprising to me with respect to the criticism is that there is no community in the country which would be a greater beneficiary of the legislation than the city of New York. I do not quite understand why there is such a critical view of the measure.

Mr. SPARKMAN. I wish to say one more thing, before we leave this subject. Let me invite the attention of the Senator from Arkansas—and certainly no one has taken a greater interest in the college-housing program than he has, for he offered the amendments which modernized the program a few years ago—to the fact that in addition to the $200 million which the administration recommended, the administration recommended a bond-guarantee program.

Mr. FULBRIGHT. Yes.

Mr. SPARKMAN. We decided, based upon the evidence from the colleges, that for the college-housing program the bond guaranty program would not work. Therefore, we provided $400 million, instead of $200 million.

Mr. FULBRIGHT. And included the other features separately.

Mr. SPARKMAN. We included the other features relating to loans for classrooms, laboratories, and libraries as a separate section, and adopted the administration's guaranty plan to this phase of the program.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. CLARK. In view of what my friend from Arkansas has said, I should like to comment, that on the very day the editorial is published in the New York Times, the mayor of New York is reported as testifying before the House of Representatives Committee on Banking and Currency, urging the passage of the Senate bill.

Mr. SPARKMAN. And urging things be done beyond what the Senate did.

Mr. CLARK. My friend is correct.

Mr. SPARKMAN. The mayors are saying that we provided entirely too little for urban renewal and for housing. The mayors feel, as the Senator from Pennsylvania well knows, and as the Senator from Arkansas knows, that more like $500 million a year are needed to do an adequate job of slum clearance. We should remember that administration spokesmen a few years ago said that at the present rate of progress it will take more than 200 years to clean out the slums in this country.

Mr. FULBRIGHT. If the Senator will yield, I have one further observation.

The program which the Senator from Alabama mentioned, as to slum clearance and urban renewal, is merely a stepping up of the program and not a change of anything, basically. The program merely envisions more money, to get the job done a little quicker.

Mr. SPARKMAN. We did not agree with the President's request for lowering the Federal participation and increasing the participation of the cities.

Mr. FULBRIGHT. We kept the relationship the same as before.

Mr. SPARKMAN. As the Senator from Arkansas pointed out, New York City will profit most of all by the legislation.

Mr. FULBRIGHT. Yes.

Mr. SPARKMAN. As a matter of fact, it is well known that there has been strong agitation to change the formula so as to permit that city to spend more than the amount allocated for expenditure in a single State.

Mr. FULBRIGHT. I will admit there is no city I know of which needs urban renewal more than New York City.

Mr. CLARK. With the possible exception of Philadelphia, I think my friend will agree.

Mr. SPARKMAN. Both of those cities will be great beneficiaries of the act.

Let me say, because I think it is important, not only are the great cities throughout the country the beneficiaries of this legislation, but also the smaller cities and larger towns. I have heretofore pointed with great pride to my own home town, which has done one of the best jobs of renewal in the country, even though it has a population of only 50,000 to 60,000. The city has grown rapidly during the past few years. As a matter of fact, my State, which has only one city with a sizable population of close to half a million, and no other city within that category, is one of the leading States in the Nation in the number of cities participating in the program and in the number of urban-renewal projects. My State is basically a rural State. I point that out to show that while this program is of great benefit to the large cities, it has likewise proved to be of great benefit to the smaller cities and towns.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from Indiana, who has been one of the most helpful Members of the Senate over the years in devising good, sound, practical housing legislation, and without whose help we never could have written as good a bill as we have.

Mr. CAPEHART. I thank the Senator for his kind words.

Let me say, with respect to the editorial which the Senator is discussing, that I do not believe the bill deserves that kind of criticism. There were some things about the bill I was not too fond of——

Mr. SPARKMAN. It represented a compromise for all of us.

Mr. CAPEHART. Some of the amounts were too high, but we did reduce the bill as it was reported from the committee by $475 million. That was handled by a unanimous agreement of the leadership on both sides, after consultation.

Mr. SPARKMAN. After rather extensive consultation.

Mr. CAPEHART. Another thing that is completely overlooked by those who criticize the bill is that we are talking about a 6-year bill. The money involved is to be spent over a period of 6 years. So we are talking about $600 million a year, or perhaps a little more. But the $1,800 million for urban renewal is to cover a period of 6 years.

Mr. SPARKMAN. The Senator is correct.

Mr. CAPEHART. Another portion of the $4 billion plus which is discussed is an authorization.

Mr. SPARKMAN. That is correct.

Mr. CAPEHART. And insuring of mortgages by the FHA, which requires no direct appropriation from the Treasury.

Mr. SPARKMAN. That is correct.

Mr. CAPEHART. When we are through, what will be the amount of actual expenditure? Perhaps the able Senator from Alabama knows.

Mr. SPARKMAN. Two billion, four hundred seventy-five, and three hundred thousand dollars was the total; but, as the Senator points out, $1,800 million of that is spread over 6 years.

Mr. CAPEHART. That is $300 million a year. There was only one new feature in the bill. It was principally an extension of what we had been doing in the past, except for loans and guarantees for the building of classrooms.

Mr. SPARKMAN. And laboratories.

Mr. CAPEHART. And laboratories—which we felt were very much needed in the United States, as a result of the discussion we had some weeks ago, and all the newspaper publicity about training more scientists and having more space and greater facilities and equipment in our universities. We felt that that was one way to accomplish the objective, with very little drain upon the United States Treasury.

The purpose was to create more space and greater facilities, to train more scientists and engineers. I was under the impression that the New York Times and other newspapers were in favor of that sort of thing.

Mr. SPARKMAN. I appreciate the contribution of the Senator from Indiana.

Mr. CAPEHART. My chief criticism of the bill was never so much because of the money involved, because I thought the amount of money involved was not too great, it being spread over a period of 6 years. My criticism related to some of the other features having to do with public housing, most of which is in New York City, which may be the beneficiary of the liberalization of the public-housing features of the existing law, which I did not particularly favor.

Mr. SPARKMAN. We had differences on that point.

Mr. CAPEHART. We removed some of those features.

Mr. SPARKMAN. We had honest differences of opinion, but we arrived at a compromise. That particular feature of the bill, as the Senator correctly points out, calls for no immediate expenditure of funds, and it is not mentioned in the Times editorial.

Mr. CLARK. Mr. President, will the Senator yield at this point?

Mr. SPARKMAN. Yes; I yield to the Senator from Pennsylvania, who, by the way, worked steadily with us on this bill and took a very active part in its preparation in the subcommittee, in the full committee, and in handling it in conferences and on the floor of the Senate.

Mr. CLARK. I thank my friend for his kind comments. I have listened with great interest to his discussion of the housing bill, of which I personally am very proud, and I was proud indeed to serve in connection with the housing bill under the leadership of my good friend from Alabama.

I think it would be helpful to make a quick résumé of the seven titles of the bill, showing what they do. I suspect that when the New York Times analyzes the bill it will discover that it is not opposed to it.

I am correct, am I not, in stating that the principal purpose of title I is to provide increased authorization, over a 4-year period, in connection with the guaranteeing of mortgages?

Mr. SPARKMAN. In keeping with the request made by the administration.

Mr. CLARK. I think my friend from Alabama will agree that there is little, if any, likelihood that the Government will ever sustain any substantial loss as a result of that provision.

Mr. SPARKMAN. I have absolute confidence that it will not. As a matter of fact, I think it is one of the best built-in protections for our whole economy, and is helping greatly to achieve the object which Congress stated in 1949; that is, a decent home for every American family.

Mr. CLARK. I would be very much surprised if, on reflection, the New York Times would be opposed to title I.

Mr. SPARKMAN. I am sure it would not be opposed.

Mr. CLARK. Title II provides a new program for housing for elderly people. It does not provide for any additional expenditure, but it contemplates that the program for housing for the elderly will be sustained out of the regular FHA insurance authorization.

Mr. SPARKMAN. The Senator is correct. It fully conforms to the administration's request. The committee had a program, on which it had been working for a couple of years. The administration came forward with a program. Title II largely conforms to the administration's proposal. That, too, is not mentioned in the Times editorial.

Mr. CLARK. I think the Senator will recall the concern, over the years, of the New York Times, with the plight of the elderly. I should be very much surprised if, on reflection, the Times did not decide that it does not oppose title II.

Mr. SPARKMAN. I feel quite certain that the New York Times, which is a great newspaper, with a brilliant editorial page, would not be opposed to title II.

Mr. CLARK. Turning to title III, that is the one in which the largest single amount of authorization is included. That is the slum clearance and urban renewal title. I think the Senator will agree that I am correct in my recollection that the rate at which urban renewal and slum clearance is provided for in the bill during the next 6 years is about the same rate that was called for during the past year.

Mr. SPARKMAN. The Senator is correct. It is really at a lowered rate. During the past year the rate has been $350 million a year.

I believe I know what the attitude of the New York Times would be on that subject. I think it would praise that program, and say that by all means we ought not to slow it down from the present rate. I am confident that the New York Times would be in favor of title III of the bill. It probably would say that we have not gone far enough.

Mr. CLARK. I think the Senator is correct.

Turning to title IV, as the Senator so aptly pointed out, that title merely rewrites the public-housing sections of the bill in the interest of greater local authority and greater flexibility. I should be very much surprised if the New York Times wanted to keep our public-housing program in the straitjacket in which it presently exists, which has come pretty close to killing the program, as the Senator well knows.

Mr. SPARKMAN. I agree with the Senator in that statement. I feel confident that the New York Times, if it knew how stymied the public-housing program is throughout the country, and if it were familiar with the great volume of evidence which we accumulated during hearings last year, would advocate some kind of program for reforming the public-housing program.

Let me say to the distinguished Senator from Pennsylvania that the New York Times does not mention this title in its editorial. I am confident that the New York Times would be in favor of title IV.

Mr. CLARK. I wonder if the New York Times would believe that that title could be defined as a pet idea for spending, or an increasingly unsound proposal which could not possibly be accepted under any other label, as the editorial states. I doubt it very much; and I suspect that the New York Times, knowing the huge relocation program which has been occasioned by urban renewal and slum clearance, as well as the highway program, would be the first to criticize the Congress if it were in any way to curtail the public housing program, which is a principal housing resource for relocating displaced families.

Mr. SPARKMAN. I believe the Senator is correct.

Mr. CLARK. I now turn to title V, which has to do with college housing. That was adequately discussed by my friend from Alabama and by the chairman of the committee, the distinguished Senator from Arkansas [Mr. FULBRIGHT]. I need only add that I suspect the Senator from Alabama agrees with me that there has been hardly any newspaper in the United States which has been more concerned with the present plight of higher education in the United States than has the New York Times.

Mr. SPARKMAN. The Senator is correct. I believe that the New York Times would endorse title V if it were to study the bill.

Mr. CLARK. The Senator is correct. I now turn to title VI, which has to do with military housing.

Mr. SPARKMAN. The New York Times does not mention that title. Very

little change was made in that title. It is an existing program, and it has been in existence for some time.

Mr. CLARK. It is my understanding that the military housing program is considered by the Defense Department to be essential in the interest of our national security.

Mr. SPARKMAN. They have so testified. The New York Times does not mention that title in its editorial. I am confident that the New York Times would support the Senate action in that respect if it studied the bill.

Mr. CLARK. I now come to title VII of the bill, which provides additional funds—I think it is $150 million—for the veterans' direct loan program. It is my understanding—and the Senator from Alabama is more familiar with this phase of the bill than I am—that the veterans' program has made a real contribution toward defeating the recession and getting more housing starts underway. I would be very much surprised if, on reflection, the New York Times would want to call off the veterans' housing program, in view of the fact that it has afforded very real assistance in combating the recession.

Mr. SPARKMAN. I feel certain the Senator is correct. I believe that if the newspaper were to make a very careful study of what the Senate did, it would be in favor of that title, also, and in favor of the entire bill the Senate passed.

Mr. CLARK. I am sure that the New York Times has some very able editorial writers, and I am certain that if they will take another look at the editorial "Housing Hodgepodge," and further study the bill, they will wish to applaud the Senator from Alabama, and would not go as far astray again as this editorial does.

Mr. SPARKMAN. I thank the Senator from Pennsylvania.

Mr. President, as a result of prior discussion and extensive preparation, 11 amendments were adopted. Members responsible for the bill had been consulted on all these amendments and were well aware that they would be offered. Parenthetically, I may say that many other amendments were never offered because they could not pass muster after full and careful discussion and consideration.

Of the 11 amendments, 5 were fully explained and discussed. Of the other 6, 1 represented deletions from the bill rather than additions to it; 4 can properly be described as technical, necessary to conform certain sections of the bill with other sections or with well-settled policies adopted in previous housing acts, and only 1 could be considered as introducing a new and liberalized policy. This was the amendment of the Senator from New York [Mr. JAVITS] to raise the relocation allowance from $100 to $200 per family. It must be remembered, however, that even this relatively minor liberalization will be considered by the House and, if adopted, will constitute only an authorization and will not be mandatory upon the administration.

In conclusion, I believe this is one of the best housing bills the Senate has ever passed. It is well balanced and it is the result of bipartisan work. I hope the House will pass it and that it will become law.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. SPARKMAN. I should like to add one more word.

There was something said also in the editorial about the Emergency Housing Act. I believe that that act is recognized across the country as having done more toward putting people to work than any measure which has been passed since the first of this year. It is one of the best bills ever to be enacted by Congress. The New York Times, in its editorial, points to the high cost of housing and states that, because of the high cost, housing has moved out of the market in which people can afford to buy houses.

I believe Senators will remember that I have made the point year after year that we must provide lower-cost housing. That is principally what the emergency housing law accomplished. We provided a special program for housing which will not cost more than $13,500 a unit. We find that a great many housing starts have been made since April 1, when the bill was signed into law, and that a substantial volume of housing is being built at a top cost of $13,500.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. HUMPHREY. I wish to associate myself with the comments of the Senator from Alabama [Mr. SPARKMAN], the Senator from Pennsylvania [Mr. CLARK], and, indeed, with the comments of the Senator from Indiana [Mr. CAPEHART].

Mr. SPARKMAN. May I suggest also the chairman of the committee?

Mr. HUMPHREY. Yes; the chairman of the committee, the Senator from Arkansas [Mr. FULBRIGHT]. As has been said, the bill was the result of a compromise. We must always compromise somewhat in legislating. The bill is definitely a forward step and an advance. It is the general consensus across the country that it is definitely an advance and a forward step.

Furthermore, I really could not believe what I read this morning in the New York Times editorial. It did not seem to be "New York Timesy." It did not seem characteristic of the New York Times' enlightened attitude on questions of important public policy.

Therefore I wish to rise now to pay my respects to the Senator from Alabama, who has been the key force in the matter of housing. He has made a mark for himself, his State, and the Nation in the field of housing, as in other areas as well. The bill is a good bill, and it goes in a reasonable degree into areas where housing is badly needed.

As the Senator has pointed out, the provisions relating to college housing, particularly with respect to classrooms and facilities, deal with a situation which is greatly in need of being taken care of. Of all the newspapers which have discussed the urgent necessity of improving our educational structure, none has been more enlightened and vigorous than the New York Times.

Mr. SPARKMAN. I appreciate the comment of the Senator from Minnesota. He formerly was a member of the Committee on Labor and Public Welfare. The Senator from Oregon [Mr. MORSE] is a member of that committee. Recognizing the fact that college housing, with respect to laboratories, and so forth, might fall within the jurisdiction of the Committee on Labor and Public Welfare, I did not feel that I should add that feature to the bill until I had an opportunity to talk with my collegue, the chairman of that committee. He told me that he hoped we would put it in our bill.

There was another item which was added to our bill, which I felt also fell under the jurisdiction of the Committee on Labor and Public Welfare. I cleared it with the members of that committee, to make certain that we were not trespassing on the jurisdiction of that committee.

I am frank to say that never has a bill been worked out with more painstaking care than was the housing bill. It was worked out in consultation with many Senators and with staff members, and with agencies and departments downtown who knew what it was all about.

Mr. HUMPHREY. Since I was sure that what we were doing would be noted and perhaps used as a basis of joining issue with us from the other side, I studied the bill very carefully before it was voted on. In fact, I had prepared a rather substantial statement——

Mr. SPARKMAN. The bill was pending in the Senate for over 3 weeks.

Mr. HUMPHREY. That is correct. It was very unfortunate for me that I was unable to be present on the day the bill was passed. The Senator knows it was due to the illness of my brother.

When I returned I placed my statement in the RECORD. I was very careful to do that because I felt that someone might say, "The junior Senator from Minnesota commented on the editorial, but he was not there when the bill was passed."

Mr. SPARKMAN. We all know why the Senator was not present.

Mr. HUMPHREY. The Senator from Alabama is known throughout the land as Mr. Housing of the Congress. I mean that sincerely and as a tribute to the Senator. Whenever I travel through cities and see the urban renewal programs which are under way, and when I see block after block of new housing which has been built, my heart is warmed and my mind goes to the Senator from Alabama, because it is through his leadership that this tremendous housing program has been brought about, for the social good of America and its well-being. Alabama is indeed a fortunate State. It has both "Mr. Housing" and "Mr. Medical Care."

Not every State is twice blessed, but the Senator's State of Alabama is.

Mr. SPARKMAN. I appreciate the generosity of the Senator from Minnesota.

I now yield to the Senator from Oregon.

Mr. MORSE. Mr. President, the people of Oregon, a State which has the largest lumber production of any State

in the Union, are highly appreciative of the work which the Senator from Alabama and his colleagues have done on the housing bill. The Senator from Alabama, a few minutes ago, referred to the emergency housing bill. As he has said, that measure has been a great stimulus to the economy of the country, particularly with respect to the building and construction trades. In my judgment, the housing bill of which the Senator from Alabama has been the leader in the Senate, and which we hope will pass the House, will have a deep and positive constructive effect on the building industry of the Nation.

As the Senator knows, I am one of the cosponsors, together with the Senator from Pennsylvania [Mr. CLARK], of the so-called college loan program.

Mr. SPARKMAN. Which we write into the bill.

Mr. MORSE. That is what I wish to comment about. I have informed the college administrators of my State, including the president of Reed College, of my sponsorship of this proposal, and I wanted to make this brief comment about it.

It is one of the constructive things we can do to help meet the educational needs of the country at present, because, as the Senator from Alabama knows, and as I have said on more than one occasion in the Senate, while we cannot keep ahead of Russia in manpower, we simply cannot afford to fall behind Russia in brainpower; and the hope of our keeping ahead of Russia in brainpower rests in improving the educational system of the country.

I thank the Senator for the cooperation he gave to the Senator from Pennsylvania, who recently was speaking in the Senate, and to me with respect to the college loan program and for making it a part of the housing bill.

If the Senator will permit me to do so, I should like to speak on another matter and make an insertion in the RECORD.

Mr. SPARKMAN. I have finished my statement. I am glad to yield the floor.

UNITED STATES FOREIGN POLICY—ADDRESS BY GOV. AVERELL HARRIMAN

Mr. MORSE. Mr. President, I know the Senator from Colorado [Mr. ALLOTT] wishes to take the floor in his own right. I am willing that he be recognized now, if he will permit me to make a short statement and place a matter in the RECORD.

Mr. ALLOTT. So that the RECORD may be kept straight, the Senator from Minnesota [Mr. HUMPHREY] has the floor under a unanimous-consent agreement. If he will yield to me for a short statement, with the understanding that I may yield to the Senator from Oregon for an insertion in the RECORD, I will ask unanimous consent that that be done, with the understanding that the Senator from Minnesota will have the floor upon the conclusion of my statement.

The PRESIDING OFFICER (Mr. HUMPHREY in the chair). In the light of the present circumstances, and without objection, consent is granted.

Mr. ALLOTT. Mr. President, I yield to the Senator from Oregon.

Mr. MORSE. Mr. President, on Saturday, July 5, 1958, the Governor of the State of New York, Hon. Averell Harriman, delivered a very significant speech before the foreign policy conference of Colgate University, Hamilton, N. Y. I should like to have the Senate note the date of the speech: July 5, 1958, which was some days before President Eisenhower made what I consider to be the great historic mistake he has made with respect to Lebanon; a mistake, I think, which will live to plague American foreign relations for decades to come; a mistake which, in my judgment, plays right into the hands of Nasser, plays right into the hands of the Russians, and, in my judgment, will alienate further the leaders of many nations in Asia and Africa. In fact, I think what is happening throughout the world today is further proof of the fact that in this country we have been plagued for some years past with a most unfortunate leadership in the field of foreign policy.

The speech by Governor Harriman on July 5 not only contains some very serious criticisms of the Eisenhower foreign policy, but also offers a constructive program for American foreign policy which I think is worthy of the consideration of Congress.

It is particularly worthy of the consideration of, and I think it should be considered must reading for members of the Committee on Foreign Relations, which is about to ask for an authorization to conduct a broad study in the field of foreign policy.

Mr. President, I ask unanimous consent that the address delivered by Governor Harriman be printed at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

TEXT OF ADDRESS BY GOVERNOR AVERELL HARRIMAN AT THE COLGATE FOREIGN POLICY CONFERENCE, COLGATE UNIVERSITY, HAMILTON, N. Y., SATURDAY, JULY 5, 1958

This is the third time in 5 years that I have had the pleasure of addressing this conference at Colgate, and I must say that I always thoroughly enjoy my visits here. It is great fun to see so many old friends again, to talk over problems of foreign policy, and incidentally—in keeping with the season—to set off a firecracker or two.

I am sure you agree that requisite No. 1 of "an ordered world" is that our country shall live up to the responsibilities of its great tradition and present power, and that it shall, with wisdom and understanding, lead the free nations of the world in unity toward desired goals. This being so, the sharp and continuous decline in our country's world prestige and influence during the Eisenhower administration can hardly be viewed as other than a major disaster.

Within 4 months of the inauguration of President Eisenhower in January 1953, impartial observers—including erstwhile Eisenhower supporters such as Walter Lippmann—were already writing about the precipitous decline abroad of confidence in our leadership as the administration displayed weakness and indecision. Addressing this conference here at Colgate in 1954, I said, and I quote "Today our policies are confusing and uncertain, our leadership is questioned, our alliances are creaking, and American prestige in the world has suffered a major eclipse." That statement, made 4 years ago, could have been made with accuracy any day since. There has been a certain recovery in recent weeks due largely to blunders on the other side, but this is only a relative matter. Six years ago, the world looked to us for leadership. Nowadays it awaits anxiously every word Mr. Khrushchev drops at a vodka party in Moscow.

The newest evidence of the decline in our prestige appears right here among our neighbors in this hemisphere, and shocking evidence it is, too.

It has been the custom of this administration's leaders periodically to sweep aside mountainous evidence to the contrary and to declare that our international relations are in fine shape, our alliances sound, and our world prestige high. It must be they convinced themselves of this, if no one else, for in the month of May they sent Vice President NIXON on a "good will tour" in South America at a time when it was a matter of common knowledge that resentment against us was boiling up down there. Or it may have been they thought Mr. NIXON could assuage hurt pride, frustrated hopes, and damaged economic conditions by personal charm. In any event, Mr. NIXON went to South America, and, in five different countries you know what happened. The demonstrations against him there coincided with mob assaults on USIA offices in Lebanon and Algeria.

Now, hurtling stones, howling mobs and spit are rather tangible forms of disapproval, and they shocked the Nation. I must say that at that point some of us remembered with nostalgia the late-lamented Good Neighbor Policy, and its architect, Franklin Delano Roosevelt, and the tremendous outpouring of genuine love and affection that greeted him whenever he went to Latin America.

Reasons for Latin American feeling against us are not hard to discover. Economic and social expectations are on the upgrade in Latin America, and the people there are keenly aware that the United States, as their chief market and source of capital and technical assistance, holds the chief keys to their advancement. The Latin Americans feel we have not used those keys to open the doors we should; that we have ignored and neglected them; and that we have by positive acts, and failures to act, added to their poverty.

For years, Washington has been deaf to Latin American pleas for cooperative measures to stabilize the prices of materials they supply us. Now, business recession in the United States has reduced both the volume and the price of their exports to us, and they are suffering the consequences.

We have given Latin America technical assistance and substantial loans, but far less aid than we have been giving in other parts of the world. They resent our unnecessarily cordial relations with hated dictators. Latin Americans dislike our taking them for granted.

If, for one reason or another, you discount the evidence of anti-Americanism in South America, take a look at relations with our esteemed neighbor to the north. The Canadians are by nature reserved, self-disciplined, and given to understatement rather than overstatement, but there is no mistaking the temper of the Canadians today as they look southward. They had a general election this spring, and the Conservative Party won by a landslide. There were, of course, many domestic issues and personal equations, but underlying them all was a strong flow of anti-American resentment and determination to make Canada more independent of our heedless and capricious economic policies and of our irresponsibility in world affairs.

For 20 years, up until a year ago, a Liberal government was in power in Canada, and so long as the Democrats were in power in

Washington it identified itself with close cooperation with the United States—a relationship based upon mutual respect, self-interest, and confidence. But when the Republicans went to Washington in 1953 this relationship began to change. Almost at once, and ever since then, Canada has found itself acutely embarrassed by the recklessness of Mr. Dulles' foreign policies and by his arrogant assumption that Canada would automatically support without consultation whatever he chose to say and do. At the same time, Canada has encountered in Washington a persistent unconcern for the billion-dollar annual deficit in her trade with us, a creeping protectionism in the United States that makes the problem worse, and the dumping of our agricultural surpluses abroad in disregard of her historic world economic interests. Add to that our current economic recession, which for my part I have felt has been unnecessary and which has spread to Canada, and you begin to understand Canadian feeling toward us today.

Let me say here that I have great respect for Prime Minister Diefenbaker and his colleagues in the Government of Canada, who have conducted themselves with restraint. They have spoken out for Canadian national interests, self-respect, and economic independence, but there is no doubt about the Canadian temper to which they have appealed. If you want a profound analysis of it by one of Canada's most distinguished writers and editors, a time-tested friend of the United States, I suggest that you read Bruce Hutchison's article in Harper's magazine for May, entitled "Why Canadians Are Turning Anti-American."

Mr. Hutchison says:

"What chiefly infuriates us is not so much the economic lunacy of a neighbor who expects to sell where he does not buy, but his stubborn refusal to look across the border and try to understand us."

And again:

"In the last 5 years the largest preoccupation of Canadian diplomacy has been to repair Mr. Dulles' blunders, as Canada sees them."

Before I leave this subject, allow me to say this is not the first time a Republican administration has deeply offended the Canadian nation and contributed to a basic political shift there. The same thing happened in 1930. The Republican Hawley-Smoot tariff of 1930 angered every segment of Canadian economic life and promised to increase the already huge deficit in Canada's trade with the United States. There was a roar of protest throughout Canada and demand for retaliation. It was in this atmosphere that the Canadian general election of 1930 was held. The Conservative Party, promising increased protection and Empire preference, and implying prompt economic retaliation against the United States, swept easily to power. It subsequently carried out its promises, too—and the great depression deepened.

I wish it could truthfully be said that these humiliating losses of confidence and esteem among our neighbors in this hemisphere had been offset by gains elsewhere in the world. Unhappily, it cannot be said, and I think you here will agree this is so. In the Middle East for example, we open our papers hurriedly each morning to find out in what new form disaster has struck. For 3 years the West has been in steady retreat there.

Four weeks ago, shortly after the Latin American attacks on Mr. NIXON, Mr. Dulles journeyed to Capitol Hill and assured the Foreign Relations Committee, and the Nation, that "We are not being tossed about rudderless on a sea of change. We are guiding and influencing the character of change, so that it will be constructive."

Mr. Dulles minimized recent occurrences which, as he said, introduce a mood of discouragement, and presented the committee with a cold war balance sheet showing the United States purposefully shaping dynamic events and the Soviet Union beset by insoluble problems.

This balance sheet may have reflected Mr. Dulles' true judgment, or it may have been what he considered expedient to say. I do not know which is more alarming to believe.

We may not be rudderless on a sea of change, but overwhelming evidence suggests we are pilotless, and that the first mate is suffering delusions.

Three months before President Eisenhower was inaugurated, Stalin himself, assisted by Malenkov, chartered a basic change in Soviet strategy, and succeeding Soviet leaders have over the years spelled out the new course in detail, time and time again. Economic growth, penetration, attraction, and domination were given open precedence over military action, political penetration, and subversion as the spearhead of the Soviet Union's world advance. Asia and other underdeveloped areas were given priority as the primary theater of operations. And the propaganda line became peaceful coexistence.

Soviet leaders have not only spelled out the line for us, but for 5 years they have systematically acted it out. And yet, only this year, after sputnik, and after alarming reports had been published here of the extent of success of the Soviet economic operations—only this year has the Eisenhower administration begun to give evidence that it recognized that a change has occurred.

In an address made before this conference here 4 years ago, I described the changed nature of the Soviet challenge and pointed out that if the administration would only recognize and accept the challenge and exercise the proper leadership, the Free World could without doubt win the competition while avoiding major war. In that speech, I believe I originated the phrase "competitive coexistence" as being more realistic than the Kremlin's "peaceful coexistence"—and it has since come into general use—even by Khrushchev. I also outlined at some length the things that needed doing to win the competition. And I might say parenthetically, that I also suggested that although the job of promoting economic growth and building economic defenses could be furthered by bilateral arrangements, we should work increasingly through the United Nations and through regional organizations, including specifically the Organization of American States.

Since that time, many constructive studies of this subject have appeared, as well as thousands of good speeches, articles, and editorials. Today there is a wide consensus among informed students and observers of world affairs not only on the broad lines of what should be done but on the extreme urgency of taking action.

It is necessary, however, to keep clearly in mind what it is we are talking about. The expression "Soviet economic offensive" has come into vogue lately and is beginning to be used by people who have an exceedingly narrow conception of it.

During the last few months, the Soviet Union has actively entered world aluminum markets with surplus supplies, unsettling world prices. This has caused concern in the business world and many businessmen have for the first time taken notice of the Soviet economic offensive. I have no doubt we are going to see more of this, and I can see coming the erection of a partial view of the Soviet offensive exclusively in terms of narrow economic warfare: mass buying and selling by state agencies for control of national markets or for disruption of orderly Free World prices and trade.

Such a limited conception of Soviet strategy can be highly dangerous. It can obscure understanding of the larger problems. And it can lead to pressures at home for economic warfare on Soviet terms and to a crippling of the Free World's trading system. On the other hand, I am confident that with a clear understanding, and with proper action on our part, the Free World's trading system can be saved and fortified.

The basic Soviet purpose is not control of markets or the economic advantage of trade, as Mr. Khrushchev has made clear, but control over the minds of men and their governments. The Kremlin has no interest in the economic success of independent countries. Their economic proposals are lures as first steps toward political domination. The attraction of the Soviet Union to underdeveloped countries is not just its trade or even its aid, but its dazzling rate of industrial growth, its example of what can be done quickly to achieve industrialization and national power and prestige, and its propaganda and promises to aid other countries, under their tutelage, to do likewise.

A great many people in the underdeveloped countries may be dazzled by all this, but by and large their leaders, and thinking citizens generally, are not. They may be impressed by certain Soviet features; they may be impatient to speed up their development; and they may grow desperate and succumb to Soviet lures; but they are certainly not unaware of its dangers. And if they needed any reminders, they have had some compelling ones recently. I refer to Mr. Khrushchev's sudden suspension of promised development credits to Yugoslavia when Tito refused to knuckle under to the Kremlin's political domination. I refer to the murder of the Hungarian patriot, Nagy, and his colleagues, for having asserted a measure of independence of Moscow. And I recall to you the humiliating self-abasement forced on Gomulka and the Polish nation by the turn of the screw in the Kremlin. These events can hardly fail to weaken at least temporarily the Soviet economic offensive. But it would be a grave mistake for us to rely for our security upon Kremlin errors.

The liberal system of nondiscriminatory trade and investment swept across the world during the last century and secured its hold because it offered the best method of economic development and trade with the least danger of sacrificing national independence. Outside the Communist world that system has a deep hold today, and it will not be abandoned lightly. But there are two dangerous new factors with which faith in that system must now contend. One is the tremendous pressure of mass expectation for rapid development and improvement in conditions of life. The other is the fact that, for a variety of reasons of which you are aware, the free private market is not supplying, and is not by itself capable of supplying enough of the right kind of development capital to the right countries for the right purposes. If the underdeveloped countries continue to be forced to choose between a Free World which does not supply their pressing needs for development, and a Communist affiliation which promises to do so—even though its dangers are apparent and even though the promises might not be fulfilled—it seems likely that many will eventually choose the latter.

The central problem, therefore, is for the Free World to equip itself with dependable institutions, disposing of a reliable and adequate flow of funds, to which their less developed members can turn with confidence for help in meeting their pressing needs for economic and social development. It is imperative that they have some place to go other than the Soviet Union. Obviously, most of the funds, whether for loans or grants or technical assistance, will have to be supplied by the industrial countries. And just as obviously, for this task vigorous American leadership is required.

If we do this, in the right spirit and on the proper scale, I have no fears of the Soviet offensive. If we do not, I foresee the increasing reliance of the underdeveloped

countries upon the Soviet Union, and a steady contraction of the Free World.

There have been a number of impressive indications this year that the problem is now understood in its true dimensions by some individuals in the administration, and that the case for vigorous leadership is backed by overwhelming official evidence. This being so, one cannot but be appalled by the administration's failure to act. The President's Intelligence Director, Mr. Allan Dulles, made a hard-hitting speech in April before the United States Chamber of Commerce in which he declared that "under its present policies, the U. S. S. R. does not intend to use its military power in such a way as to risk a general war," and that "it is most probable that the fateful battles of the cold war will, in the foreseeable future, be fought in the economic and subversive areas."

Mr. Douglas Dillon, Under Secretary of State for Economic Affairs, also understands the problem—as was made clear in an 111-page document prepared under his direction and issued by the State Department 3 weeks ago. In that document, it is stated that although the U. S. S. R. has not abandoned building up its military might, "the most dangerous of all," among the threats it offers us, is its new tactic of economic penetration.

Even Secretary Dulles on April 28 told a House Appropriations Subcommittee, which was considering the administration's foreign aid proposals, that American ideals were in greater jeopardy from the cold war than from a hot war. "I think we would win a hot war," he said, "and I do not know if we will win this cold war or not; it all depends on whether we have an adequate program." On June 15, the Secretary acknowledged the Soviet Union is "shifting now to economic offensives" and that "we have to be better prepared than we have been." But only a short while before that he asserted at a press conference that "there is nothing we can do in foreign policy that is basically different from what we are now doing."

What I would like to know, and what the Nation should demand urgently to know is this: Has the National Security Council ever formally considered whether it is a greater immediate and serious threat than war? I can hardly believe this question has not been considered, but nevertheless it is important to have a direct answer from the President. If it is true the Nation faces an immediate danger greater than war, to say that there is nothing we can do to deal with the threat than what we are now doing is defeatism and abdication of responsibility.

I am well aware that the President made a strong appeal to Congress on February 19 of this year for an increased foreign aid program, and also that the House Appropriations Committee last week slashed the innards out of it, including the Development Loan Fund. But I am also aware that the President asked for only $625 million for the Development Loan Fund, whereas Mr. Dulles said 3 weeks ago that the fund had loan applications pending for $1½ billions.

I repeat, the problem has never been presented to Congress or the Nation in its true dimensions or urgency. And above all, it has never been presented in connection with any inspiring proposal to mobilize the world's resources in such a way as to open the doors of greater opportunity for all, and in the process to safeguard freedom, and fortify the peace. If it had been, or if it were now, I am confident it would find overwhelming support in Congress and in the Nation.

There is a great work to be done, and in doing it the solutions to many of the most fearful problems besetting the human race today may be found. As I pointed out in my address to you 4 years ago, what is needed is a sustained, cooperative undertaking, including both industrialized and underdeveloped countries, with two aims: One should be to enable the underdeveloped countries to break through the vicious circle of poverty and dependence into a new cycle of economic growth, capital formation and social advancement in dignity and freedom, with the attainment of acceptable minimum standards of nutrition, hygiene, housing, and education; and the other aim should be to enable the industrialized countries to continue to expand their production and to increase their productivity, while improving their social conditions and enriching their culture. These two aims are complementary and inter-dependent: One can scarcely be achieved without the other.

I ask you to consider what might be the result if the President in accents of world leadership, were to propose to the United Nations that the Secretary General be instructed to undertake a survey of the minimum investment requirements of the underdeveloped countries over a period of years to break through vicious circles of poverty and establish new cycles of economic growth and advancement. The survey should include how much the underdeveloped countries themselves might be able to find from their own resources, and how much would have to be obtained from outside sources.

A highly expert committee should be selected for the survey on the basis of skills rather than nationality. The survey should cover what might be expected from private investment, from established national and international institutions, and what in addition would be required which might be supplied through some new international institution associated with the United Nations. The survey should make recommendations for a 5-year program and for machinery to carry out its purposes, and the relative participation it would be appropriate to expect from the different industrial countries.

The administration has in the past opposed a United Nations approach to the problem, partly, at least because it has not been willing to have international participation in the determination or administration of development funds that would in fact have to be supplied in considerable part by the United States. The efforts of the United Nations' Economic and Social Council to move ahead with economic development under United Nations auspices have therefore been frustrated.

This position on the part of the United States is no longer tenable. World events have overtaken it.

The new cooperative approach such as I am suggesting should avoid as far as possible all questions of nationalist influence or advantage in order to eliminate the fear of imperialistic motive and to reduce the frightening prospect of economic warfare. It should be carried out in such a way as to assure the most effective use of the skills, talents, and resources of all nations.

As a member of the United Nations, the Soviet Union would, of course, have the opportunity to contribute to the common program. If she should accept, and do her share, good could result. If she should decline, her motives, as Governor Stevenson has suggested, would be exposed, her influence restricted, and the rest of the world could get on with the work of building in freedom. You will recall that this procedure was followed in connection with the Marshall plan. When Molotov withdrew from the Paris meeting, and the Kremlin refused to permit the satellites to participate, the program for European recovery went ahead without them. This great cooperative program was successful beyond expectation, and its influence still lives on today.

If this approach were properly developed, it might well alter the attitudes and the prospect of peoples throughout the world and break the chains of frustration and hopelessness that now restrain their advance toward self-fulfillment. It might render harmless and obsolete current Soviet strategy and lift from the world the fear of it. I cannot believe that, with vigorous Presidential leadership, any Congress could in the end resist the public pressures for the implementation of this kind of comprehensive program.

In making this suggestion I bear in mind the fact that in this generation science and technology have opened the doors to potential productive capacity such as the world has never before known. There is no longer any physical reason in scarcity, for hunger, grinding poverty, or hopelessness—anywhere in the world. These can be relieved through the application of adequate capital to known or developing resources and the encouragement of self-propelling capital formation. Communicable diseases can be controlled, mass suffering relieved. Endless energy and a continuous stream of new materials, foods, drugs, and labor-saving devices offer possibilities for changing the face of the world.

The world has achieved endless potential capacity to create for man's need but at the same time it has attained infinite potential capacity to destroy. Good and evil—competing as always for the soul and body of man. I am firmly convinced that man will control his capacity to destroy only as he dedicates himself vigorously to creation—for the common good.

Mr. MORSE. Mr. President, I thank the Senator from Colorado for yielding to me.

STATEHOOD FOR HAWAII

Mr. ALLOTT. Mr. President, first, I thank the distinguished junior Senator from Minnesota for his never failing courtesy in yielding to me. I know that he has not completed his own statement. Therefore, I appreciate his yielding to enable me to make this short statement on Hawaiian statehood.

Mr. President, the day of adjournment is fast approaching, and there is still no indication that we will be permitted to act upon the Hawaiian statehood bill, S. 50. I am sure the great majority of my colleagues are keenly aware of our promises to act favorably on this measure, and I am equally sure they are anxious to do so.

We are now under even closer scrutiny by the people of the United States since that historic day, June 30, 1958, when this body voted overwhelmingly to admit Alaska into the Union. It is inconceivable that this august body should postpone action on Hawaiian statehood beyond this session of Congress. Such delay would be completely contrary to the will of the American people. And, Mr. President, are we not here to represent the interests and wishes of the American people?

Action on this bill is the solemn obligation of us all. I know I speak for a majority of my colleagues on this side of the aisle when I say that we are bending every effort to realize that obligation. But more than this, the importance of Hawaiian statehood transcends partisan politics. I ask my friends on the other side of the aisle to press forward with us and bring this bill to the floor.

I have considered this problem from every angle, and I cannot, Mr. President, find any good reason why Congress should vacillate any longer. The merits of Hawaiian statehood have been recorded voluminously. Since 1935, a

total of 20 Congressional investigations have been held by House and Senate committees. A total of 9,352 pages of official testimony in hearings and reports have been compiled. Debates in both Houses have ensued intermittently. The record is complete and the time to act is now.

This body has acted on so-called controversial issues before; and we have acted with dispatch and efficiency on many of these issues. Only last week, for example, we passed the minerals bill after only 1½ days of debate. This is an indication of what can be done by the United States Senate when its Members are determined to accomplish a definite end.

There is no question in my mind that when the Hawaiian statehood bill is brought to the floor, debate will be brief and the vote overwhelmingly favorable. The opponents of Hawaiian statehood are, for the most part, the same who opposed Alaskan statehood. They know, from their experience with Alaskan statehood, that the voice of this body spoke loudly and clearly, not only for Alaskan statehood, but for Hawaiian statehood as well. Will we perpetrate an unconscionable delay?

Members of this body who outspokenly favor Hawaiian statehood certainly must not be content with mere lip service at a time like this. Let us here test the sincerity of our party platforms. Let us find whether we are willing to stand here and vote for the Hawaiian statehood pledge which both our parties gave in 1956.

Mr. President, many of my colleagues and I intend to do everything within our means to bring the Hawaiian statehood bill to the floor of the Senate before Congress adjourns.

Mr. President, in connection with this very vital issue, I call upon my colleagues to read an editorial entitled "Give Hawaii Her Chance," written by C. W. Snedden, publisher of the Fairbanks (Alaska) Daily News-Miner. I believe every Member of the Senate should read it. As a man who worked tirelessly for Alaskan statehood, his is a unique viewpoint on the statehood of Hawaii. I ask unanimous consent that his stirring editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

GIVE HAWAII HER CHANCE

Now that Alaska has won approval of Congress for early admission to the Union, no good reason exists why Hawaii should not speedily be brought in as the 50th State.

Whether the task can be accomplished in the time left in this Congress is a question which can be answered only by reference to the realities of politics. Hawaiians know, as well as Alaskans, how very difficult it is "to get all one's ducks lined up in a row" so things will go right.

All of the arguments against admission of Hawaii collapsed when the Alaska bill passed the Senate.

Hawaii is now just 26 seconds away from Washington by telephone (that's the time it usually takes to get a call through—and the signal is perfect).

Hawaii is well able to support the costs of statehood. Her population is approaching three times that of Alaska.

More than 80 percent of her sugar and pineapple executives, all of her public utilities, all transportation companies (air, sea, and ground), the majority of bankers and small-business men, all of her newspapers, radio, and TV stations, and the great bulk of Hawaii's population is definitely for statehood now. That is a matter of public record.

If the bugaboo of communism, which Hawaii statehood enemies try consistently to inject into the picture in an effort to defeat statehood, were as serious as they would have the Members of Congress believe, why would these same business interests, whose "all" is invested in the islands, be so ardently for statehood?

Hawaii has been investigated by 23 Congressional committees. There isn't an angle of her life that isn't covered by reams of printed testimony. There isn't a single qualification for being granted statehood, such as has been required of other territories before being admitted as States, which Hawaii has not met or exceeded. That goes for an unequaled war record in World War I, II, and the Korean war, in buying bonds, in paying taxes, in health, education, and local government.

Geographically, Hawaii will always be the crossroads of the Pacific, where East meets West, where racial understanding, friendship and harmony contribute so much to our national welfare, particularly among those whose good will we need and want in the Far East.

Both political parties, in Hawaii and nationally, have repeatedly endorsed Hawaii for immediate statehood. They do so right now. President Eisenhower has asked the Congress for favorable action five times. Opinion polls of the American people, oft repeated, favor the move. So does the great majority of the American press—so do the majority of the Members of both Houses of Congress.

Yet, in spite of all this support, Hawaii's big problem is, as Alaska's was, to get the question of statehood before the House and the Senate for a vote in the same session. Political finagling has always blocked this from happening in the past.

When Alaska's Senators and Representative get into Congress next session there is no doubt but that they will support Hawaii's bid.

It has been said that Hawaii really deserves statehood more than does Alaska—because of the island Territory's excellent record of development of industry and a uniquely happy civilization which has much to contribute to the Nation.

Mr. ALLOTT. Mr. President, I ask unanimous consent also to have printed at this point in the RECORD an article entitled "How Bender Sold Alaska to Congress," written by Alvin Silverman, and published in the Cleveland Plain Dealer of July 13, 1958; and an article written by Clyde Mann, and published in the Akron Beacon Journal of July 13, 1958. Both articles relate to the part which former Senator Bender, of Ohio, played in the admission of Alaska to statehood.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Cleveland (Ohio) Plain Dealer of July 13, 1958]

HOW BENDER SOLD ALASKA TO CONGRESS

(By Alvin Silverman)

WASHINGTON, July 12.—History is studded with the names of individuals such as Amerigo Vespucci and Francis Hopkinson who never received the acclaim of posterity for their accomplishments or, worse yet, had the credit go to someone else.

It would appear that history is about to repeat itself in the case of Alaska's admittance as the 49th of the United States.

Even before the formalities have been completed, several persons are being hailed as the man most responsible for Alaska having been granted statehood.

There is E. L. (BOB) BARTLETT, Alaska's Delegate in the House of Representatives since 1945. There are former Gov. Ernest Gruening and William A. Egan, chairman of the constitutional convention, and Congressman Ralph J. Rivers.

High on the list, youthful Gov. Mike Stepovich, an Eisenhower appointee. In recent days, more and more credit is being given to Secretary of the Interior Fred A. Seaton.

Without question all these men contributed a great deal to Alaska's victory. But not 1 of them—indeed, not 2 or 3 of them combined—contributed any more to the decision than did an individual whose name you never hear mentioned in connection with Alaska's entry into the Union.

And who is this forgotten man? None other than your old Ohio buddy, George H. Bender.

HAS STRENGTH, TOO

Unlike you or me, Georgie Boy has his faults and limitations. His weaknesses, however, do not include lack of friends. Bender has more friends on Capitol Hill than you can shake a filibuster at.

In the more-than-20 years that he has worked and lived in Washington, he has developed close personal relationships with Senators and Representatives of both Parties. He plays poker weekly (but not weakly) with a number of the top Congressional leaders. When they were freshmen, he gave advice and assistance to Congressmen who today are ranking Members.

These friends have needled Bender a lot in the last year, most of which he spent as a special assistant to Interior Secretary Seaton. They kidded him for spending all his time promoting Alaska and Hawaii and other Territories and possessions. They joked about him working when he held a political sinecure.

Bender, though, is a fellow who doesn't understand how not to work. What he does may not always meet popular approval, but indolent he isn't. In fact, the real reason he recently resigned his Interior post was that he felt he was not being given enough to do.

Nor is Georgie Boy one to take any assignment or any promise lightly. As he understood it, his assignment was to sell Alaska to Congress because the Eisenhower administration, both in the party platform and in the President's speeches, had promised to work for Alaskan statehood. As a matter of fact, so had the Democratic national platform.

PLOTS CAMPAIGN

Last fall Bender went to Alaska and delivered a number of speeches to the residents there. The subject: How they should work for statehood. He told them how to behave politically. He told them which Members of Congress should be swamped with mail and which should be laid off. In effect, he plotted a campaign for them.

Then, personally, he wrote from Alaska to every Member of Congress, telling them what a wonderful Territory it was, what splendid people lived there, and how it now was ready for statehood. Above all else, he stressed the platform pledges the Congressmen had promised to support.

Back in Washington, as statehood became a stronger possibility, Bender buttonholed legislators in the corridors, at luncheon tables, in committee rooms. When he saw them socially, he preached the doctrine of Alaska. He would stop dealing a hand of cards to get in a remark about Alaska.

Once in a while he would encounter a Congressman who saw no particular reason

to vote for Alaska or, perhaps, opposed it. Bender's approach immediately changed. He would ask for a supporting vote "as a personal favor to me, to help me in my job." Quite a few, including an influential Democrat, acquiesced solely on a friendship basis.

It is, of course, not fair to conclude that George H. Bender got Alaska into the Union. But it is fair to say that, without his efforts, the 49th State might not have made it at this time. And it is fair to say that no individual was more responsible for Congress' action than the ex-Senator from Chagrin Falls.

[From the Akron (Ohio) Beacon Journal of July 13, 1958]

(By Clyde Mann)

The late Bob Taft was asked once why he had George Bender working in his presidential campaign. Taft replied Bender puts his heart and soul into everything he does.

Bender put his heart and soul in Taft's campaign for the GOP presidential nomination and, with the aid of a cowbell and his big powerful bass voice, stirred up the delegates at the convention.

Later, when trounced for United States Senator by Frank Lausche, George was given a job by the Eisenhower administration to promote Alaska and Hawaii into the Union.

Bender went to work. He organized the Alaskans and Hawaiians to write letters to voters in the United States.

He wrote a series of letters to every Member of Congress, urging them to vote for the statehood bills. He made hundreds of speeches in which he appealed to his audiences to write to their Congressmen and Senators.

The Hawaiian bill got snagged in political red tape. But the Alaskans were admitted. Secretary of Interior Fred Seaton said Bender, as much as anyone else, played the important part in getting the Alaskan bill passed.

Many took the credit. Not a single word was written out of Washington, however, that George Bender, former Ohio Senator, had even played a secondary role in the Alaskan affair.

EXTENSION OF TRADE AGREEMENTS ACT

The Senate resumed the consideration of the bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

Mr. WILLIAMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HUMPHREY in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WILLIAMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ALLOTT in the chair). Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, the Senate is faced with a major challenge in the effort to promote a free and healthy world economy.

The Senate is now considering a proposal to extend the Trade Agreements Act. But the bill the committee has recommended has been riddled with so many protectionist devices that it is now a pitifully weak instrument of our domestic and foreign economic policy. In fact, as was pointed out in the Senate last Thursday, and again today, by the distinguished senior Senator from Illinois [Mr. DOUGLAS], passage of this bill in its present form would endanger the whole idea of reciprocal trade, to which this Nation has been committed, and from which we have received such great benefits for 25 years.

I hope Congress will extend the Trade Agreements Act; but in the process of doing so, I hope Congress will strengthen it, not weaken it. In other words, I support the President's proposal in the field of reciprocal trade. The committee amendments would, in my opinion, make the act an ineffective instrument of foreign economic policy. We should extend the act in such a form that it will be an effective device and a ringing declaration of our commitment to expand trade opportunities for our own industries and workers and those of other free countries.

Foreign policy, as I have repeatedly emphasized, must be carried on simultaneously on many fronts. Ours cannot be a military campaign alone, or a propaganda campaign, or even these two together, with a campaign of economic and technical assistance through grants and loans. We are under dire compulsion to find a way increasingly to encourage the development of all non-Communist countries, including our own, through the operation of natural economic processes—principally trade. The expansion of world trade is at least as essential as any of the other steps we have taken to insure our strength, as compared to that of the Soviets.

Many of us have felt that a thorough rethinking and extensive additional action are needed if the problems of world economic growth are to be dealt with adequately. Our present international programs are but a patchwork. This is because they have been individually devised to meet particular crises, and because they have been revised from time to time in the face of other considerations not necessarily relevant to foreign policy.

A study of the requirements for a coordinated international economic policy, with the purpose of making some concrete suggestions for meeting them, has now been made. I refer to the study of the Rockefeller Brothers Fund called Foreign Economic Policy, for the 20th Century. This study provides much of the background we need if we are to develop a sound, coherent foreign economic policy which relates aids, grants, loans, technical assistance, and trade.

But, Mr. President, obviously we shall not obtain from this administration a broad-gage all-inclusive program. Instead, we must deal with individual aspects of foreign policy as they come before us. Thus, we are here considering only one facet, although an integral one, of our whole foreign economic policy.

ROLE OF FOREIGN TRADE

The role of foreign trade in foreign policy seems obvious. But we do not find among the public or in Congress an increased understanding of the importance of foreign trade or a readiness to liberalize our own trade barriers in return for equal consideration from other countries.

Instead, this year we see the reciprocal trade program in more trouble than it has even before been in since it was born in 1934. Earlier in the year we heard that the administration would be lucky if the Congress made a minor extension of the existing law, with no liberalization, or even with new restrictions on the President's tariff-cutting powers.

Luckily, disaster was staved off in the House. The House of Representatives, by means of the crucial vote on the so-called Simpson substitute, rejected that protectionist measure by approximately a 5-to-3 ratio. This was welcome news to those who are concerned with the overall problem of the maintenance of a viable, Free World economy.

But the victory was achieved at a price—the price of compromises made before the fight by the administration began.

The bill as passed by the House contained provisions which amounted to serious retreats from the principle of reciprocal trade. I refer to the language which would broaden the provisions in regard to the escape-clause actions required to be commenced by the Tariff Commission; the language which would broaden the provisions in regard to the right to file escape-clause actions; the language which would reduce the time for escape-clause investigations; the provisions doubling the existing rate-increase authority of the President under the escape clause; the provisions which would subject duty-free items to the list of items on which the President may impose a duty; and the provision of new authority to enable Congress to override Presidential decisions not to take escape-clause action.

Those provisions in the bill as passed by the House were serious enough, but they were included as part of the price which had to be paid for a 5-year extension of the Trade Agreements Act.

The Senate committee has now, in my opinion, mortally wounded the reciprocal trade program. It will be a program in name only if the Senate committee bill is enacted into law. The reduction from 5 years to 3, the opening of the flood gates for all important industries to qualify under the national-security clause, the provision that the President may raise tariff rates to 50 percent above the Smoot-Hawley level, and the unconscionable amendment requiring an affirmative vote of both Houses in order to defeat a Tariff Commission recommendation, constitute a crushing blow to the best interests of the Nation's economy and to the economy of all the rest of the Free World.

Now the enemies of trade, those who would stifle huge segments of our economy, in the mistaken belief that such action would aid a particular locality or industry, hope to weaken the bill further.

ENEMIES OF TRADE

The dangers confronting the Reciprocal Trade Agreements Act have been building up for a long time. For more than a decade, protectionist sentiment in the United States has been rising. While the Nation has come to accept its international political role in the world, there

has been a gradual retreat to isolationism in the economic realm.

This is no accident. Many men have been hard at work for a long time to destroy the Reciprocal Trade Agreements Act. They are the lobbyists for the high-tariff interests. They would like to ring this country with tariff walls higher than the ones that cut us off from the rest of the world until 1934, when Cordell Hull succeeded in having the Reciprocal Trade Agreements Act passed.

The high-tariff lobbyists are busy not only in Washington; they are active all across the United States. They know that the surest way to a Congressman's heart is through the people in his home District. Wherever an industry is in trouble and must lay off some of its employees, the high tariff lobby is there. Its message is convincing in its simplicity: low-cost foreign labor threatens the jobs of American workers. The solution the high-tariff lobby urges is equally simple: raise tariffs. This simplistic explanation for all economic ills has been spread about for so long that it has almost taken on the dignity of a national myth.

Woodrow Wilson, during his first term, felt it necessary to issue the following warning to the country:

> I think the public ought to know the extraordinary exertions being made by the lobby in Washington to gain recognition for certain alterations in the tariff bill. Washington has seldom seen so numerous, so industrious, and so insidious a lobby. The newspapers are being filled with paid advertisements calculated to mislead not only the judgment of public men, but also the public opinion of the country itself. There is every evidence that money without limit is being spent to sustain this lobby, and to create an appearance of a pressure of opinion antagonistic to some of the chief items of the tariff bill. It is of serious interest to the country that the people at large should have no lobby and be voiceless in these matters, while great bodies of astute men seek to create an artificial opinion and overcome the interests of the public for their private profit. It is thoroughly worth the while of the people of this country to take knowledge of this matter. Only public opinion can check and destroy it.

Thus Woodrow Wilson spoke more than 40 years ago. His words are equally fitting today. The special-interest lobbies are riding high; and the more general interest of the public is suffering.

We in Congress are wise to the ways of lobbies; we know when to discount hundreds of letters, all with nearly the same wording, inspired by a pressure group. But when a lobby molds public opinion for many years, as the high-tariff lobby has done, it becomes difficult for a Member of Congress to resist the kind of pressure that results. Much of my mail, not obviously inspired, shows a genuine belief that unemployment in my State is caused by the lowering of tariffs. I know that many factors, other than competition from imports, are causing the economic distress. But I also know that if I ignore the pleas of the people I represent, I may one day cease to represent them.

This steady pressure on Congress has resulted in recent years in a series of amendments to the Reciprocal Trade Agreements Act: The escape clause, the peril-point provision, and the national security amendment. This year the Finance Committee proposes to broaden the national-security clause and to make Tariff Commission recommendations for all purposes final. We have before us amendments to make rigid import quotas mandatory. Such provisions would change the true purpose of the act. Any tariff that has been lowered under a reciprocal-trade agreement is in danger of being raised again if the escape clause or any other of these protectionist devices is invoked.

The psychological effect is all important. United States trade agreements can no longer be relied upon. A businessman in another country is increasingly wary about exporting to the United States. He must invest in new packaging for his product, in advertising, and in sales representatives in this country. As soon as his product begins to sell successfully—boom—the escape clause can be invoked and the tariff can be raised against him. Even if the escape clause is not invoked, the mere existence of these protectionist devices is enough to discourage imports by businessmen in other countries. The result is anything but reciprocal trade.

The question is, where does the true national interest of the American people lie? Is it simply, as the tariff lobby would have us believe, in shutting out low-cost foreign products, so that American workers will not lose their jobs?

SOVIET ECONOMIC CHALLENGE

First, an almost overwhelming consideration—which the tariff lobby ignores—is the present Communist economic offensive. Since the ICBM and sputnik, we are in danger of fixing all our attention on the competition in armaments. However, the Russians are not relying solely on military weapons. They are aware that all-out war could mean the destruction of themselves, as well as the rest of the world. As far back as 1952, their strategy for spreading communism shifted from military aggression to an economic and diplomatic offensive. It was Stalin himself who proclaimed the new economic warfare as the means whereby communism would eventually dominate the world.

Each year since then the Russian Communists' economic offensive has been stepped up. The Communists are concentrating on countries whose people yearn to rise out of the poverty that has always afflicted them. These nations sorely need investment capital if they are to industrialize. The Soviet and Chinese Communists are extending credit to them on terms we have not been able to match. Such nations need technical assistance. The Soviet Union, with its great output of highly educated scientists and engineers, now has surplus technicians available for export to backward countries which do not always trust the United States and the countries of Western Europe because of racial discrimination and the legacy of colonialism.

The aspirations of these newly independent countries are probably greater than their capabilities for industrialization. No matter how much help they receive from the free nations and from the Communist bloc, some of them probably will not be able to achieve a continually rising standard of living. Their populations are increasing at terrific rates. The yearning of their people for economic betterment feeds upon the example before their eyes of the industrially advanced countries of the West. Yet many of them are now at a less advanced stage than the countries of Western Europe were before the industrial revolution began. For their present moderate, prodemocratic leaders, failure to satisfy the desires of their people will lead to political catastrophe. In that event, more extreme leaders, often friendly to communism, or even outright Communists, would take over.

The leaders of the Communist bloc are alert to all this, and have been shrewdly playing upon the situation. Listen to the words of a Soviet spokesman at the Asian-African conference held recently in Cairo:

> Tell us what you need. We are ready to help you as brothers help brothers, without any interest whatever. Our only condition is extension of aid with no conditions at all. We don't ask you to participate in any blocs, reshuffle your governments, or change your foreign policy. We can build industries for you, hospitals, schools, research institutes. We will send specialists to you, or you can send technicians to us. Do what is better for you. Tell us what you need.

That all this is offered "without any interest whatever" is put in doubt, however, when the rest of the Soviet spokesman's address is considered. He characterized capitalism as "worldwide oppression, consisting of a few robbers and their victims—the vast majority of the world's populations." Then he went on to tell the delegates at the Asian-African conference that their countries should nationalize and should expropriate the industries and other enterprises of the "capitalist-imperialist-colonizers," as Egypt did with the Suez Canal and as the mobs did in Indonesia. To do so, of course, would create chaos and would deprive those countries of investment capital and technical assistance from any source other than the Communist bloc. This is exactly what the Communists want, in connection with their desire to subvert the countries in southeast Asia and the Middle East.

Trade has been a primary weapon in the arsenal of this Communist economic offensive. Trade missions from the Soviet Union, Communist China, and the satellite countries have been busy, especially in the uncommitted countries of Asia and the Middle East. The number of trade agreements negotiated between the Communist bloc and other countries has more than doubled since 1953. The ultimate Communist goal is complete subversion of these countries. But, short of that, the Communists would be happy if they could reorient the trade of many nations to their own Communist bloc. An example of the economic effects which such reorientation of trade can have on Western nations was provided at the time of the Suez crisis. The shortage of oil from the Middle East threatened the industries and transportation systems of Western Europe. The report of the Commission on the Nation's Natural

Resources gave us warning that the United States would be equally vulnerable if our sources of strategic raw materials should be cut off.

Yet while the Soviet, Chinese, Czech, and East German trade delegations have been out negotiating trade agreements, our own trade negotiations with other nations have become increasingly hamstrung by the protectionist amendments added to the Reciprocal Trade Agreements Act. Instead of assuring other nations that our trade policy is a steady, consistent one they can rely upon, the escape-clause, peril-point, national-security, and quota provisions suggested to be added to the Reciprocal Trade Act have made our trade policy more and more unreliable. At the very time the Communists are stepping up their use of trade as a weapon against us in the cold war, we are in danger of destroying our own most effective instrument for promoting trade among the free nations of the world. What is needed is a kind of economic sputnik that would alert the American people to the danger of losing the trade race.

FREE-WORLD ECONOMIC HEALTH

A second consideration concerns the importance of trade for the continued economic and political well-being of the whole Free World. Nearly every nation in the non-Communist world—with few exceptions—needs to buy more products from the United States than we need to buy from them. This is economically unhealthy. Obviously, if other countries cannot sell goods to earn dollars with which to purchase United States goods, one of the following must result:

First. We must loan or give them the dollars they must have to buy from us. Oddly enough, often the same people who urge high tariffs also oppose foreign aid, which is in part made necessary by tariff barriers.

Second. The countries who must buy from us, but cannot sell as much to us, are caught in an inflationary situation. The current French financial crisis grew from paying out more for imports than could be earned by selling exports. Unless measures are taken to prevent such financial crises from deepening, political chaos results. Usually the corrective measures are injurious to trade with other countries, including the United States. Almost always such crises injure our allies and weaken the strength of the Free World. The trade and tariff wars that raged before the trade-agreements program came into being helped bring on the economic disasters of the 1920's and 1930's.

Third. Other nations are faced with the alternative of trading with the Communist bloc or developing arrangements among themselves. Such arrangements are beneficial to them, but tend, ultimately, to exclude the United States from trade with its regular markets. The nations of Europe have had to resort to both alternatives in recent years. Their exports to Communist countries have increased considerably since 1951. In addition, six European nations have entered into a common market, and others are considering the establishment of a free-trade area. Both arrangements have the primary purpose of promoting trade among the nations of Europe. At the same time, however, the common market will establish a common tariff on goods entering the area from other nations. The authority will be able to lower tariffs within the common market by 30 percent. This is the reason President Eisenhower asked a 5-year extension of the Reciprocal Trade Agreements Act and authority to reduce tariffs by a total of 25 percent over this period. The common tariff will become effective during 1962. Unless the President has the authority to negotiate reductions in tariffs, the common market tariff will tend to exclude United States products. Apart from the economic consequences, such divisive trade policies lead to a breakdown of the alliances we have with other nations providing mutual security against Communist aggression.

What is not usually fully appreciated in the United States is the importance to other countries of the products they sell to us. Our productive size is simply enormous compared to most other nations of the world. We are a veritable economic giant. Other nations must sometimes feel we are a blind giant, stumbling about the world and crushing them economically.

As one who has long been interested in the reciprocal-trade program, I have from time to time initiated and engaged in studies of the impact of foreign trade on the State of Minnesota. Consequently I was particularly interested to receive some new material just released by the Department of Commerce entitled "Foreign Trade Impact Study—State of Minnesota."

While I had no role in the preparation of this particular study and cannot take responsibility for its conclusions, nevertheless, I think it is of considerable interest, not only to Minnesotans but to the country at large.

Therefore, I ask unanimous consent that a summary of the study be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit A.)

Mr. HUMPHREY. Mr. President, every time the escape clause is invoked, some nation or a number of nations suffer. During the past few months there have been escape clause actions resulting in the raising of tariffs on such items as clothes pins and safety pins. Probably few of us in the United States even noticed this in our newspapers. But for the nations that export these products to us, the consequences for their economies can be disastrous. Nations that have been affected by such actions in recent years include friends of ours—Norway, Denmark, Switzerland—whose economies are nowhere near the size of ours and who depend greatly on trade. The complaint in this country is that imports threaten some industry or other.

Imagine our reaction if, at the whim of another country, our entire economy was threatened. This is exactly what we may do when we invoke the escape clause against the exports of single-product countries. Little wonder there is resentment and the United States begins to lose its friends.

TRADE: A TWO-WAY STREET

A third consideration, which the tariff lobby always carefully fails to mention, is the importance of trade to American industry, American workers, and the American consumer. To listen to the tariff lobby, trade is a one-way street—there are low-cost imports flooding the American market, nothing more. Reciprocity is a misnomer, its enemies assert. But the United States not only imports; we export as well. In fact, our exports far exceed our imports. Last year's exports are reported to total more than $20 billion, while imports were slightly more than $13 billion.

It is surprising how little this is understood in the United States. Quite clearly, since the United States exports more than it imports, there are more workers employed producing products for export than could possibly be affected by imports. At least 4½ million Americans earn their living from foreign trade. Of these, 3.1 million produce goods for export, and another 1.3 million are handling and processing imported goods. It has been estimated that no more than 150,000 workers could be affected by totally unrestricted imports, and many more would find new employment through further expansion of trade. Yet, one never hears the cry go up, "Lower tariffs. High tariffs are hurting American business and throwing American workers out of work."

This is a measure of the success the high tariff lobby has had in spreading its too-simple explanation about trade and tariffs. Far more workers would be affected by the cutback in exports that increased tariffs bring. If this were understood, I am firmly convinced, Mr. President, workers in industries whose products are sold abroad would be writing their Senators in support of reciprocal trade.

Other nations want to buy more from us than they presently can. When we get them to agree with us to lower tariffs, reciprocally, they can sell more to us, and in turn buy more of those goods from us they need and would like to buy. The increased trade means that United States production increases and our whole standard of living is raised. In addition, the American consumer gets to buy, at a reasonable price, imported goods that we can now only buy with the heavy duty tacked on. Even for those who are oblivious to the Communist economic offensive or unconcerned about the well-being of our allies and alliances, there are sufficient reasons of more immediate self-interest for supporting reciprocal trade.

The benefits to the entire Nation's standard of living would be so great from a reduction of tariffs, in fact, that the most advantageous policy the United States could adopt would be the elimination of almost all tariffs, unilaterally. This is being advocated by those who understand America's most favored trading position in the world. Less industrially advanced countries must have tariff protection, just as we did when

our industries were struggling to get their footing.

This is no longer the case for the United States. Our productivity far outstrips that of any other nation of the world. We are now in a position much like that of England at the height of her commercial power in the 19th century. Then, she did away with all tariffs. The United States would gain greatly in increased trade and the more rapid growth of our economy if we were to eliminate completely our tariff barriers.

Instead, we have become, and are becoming increasingly, protectionist. At the same time we urge a lowering of tariffs in other nations less favored in trade than ourselves. This is sheer folly and utter nonsense. Other nations of the Free World can only despair and lose confidence in the United States as a responsible world leader when confronted with such contradictory words and deeds.

A rational trade policy for the United States would indeed be the nearly complete elimination of tariffs. Anyone faced with the battle now looming here in the Senate on reciprocal trade, though, must be concerned not so much with what should be done as with what is politically possible. I do not, therefore, Mr. President, urge radical advances in our trade policy. But certainly we cannot go on and on weakening the Trade Agreements Act at each extension. At this rate, it will not be long before the reciprocal trade is swept away altogether.

Our responsibility here at this time is clear. It is to reverse this tide of short-sighted protectionism that seems about to engulf the Nation. We must reverse the 8-to-7 vote of the committee by which they recommended removal of Presidential authority to consider the national interest in ruling on escape-clause proceedings. The Tariff Commission itself recognizes that it can consider only the narrowest evidence in its recommendations.

We must restore the 5-year extension and the authority to cut tariffs 25 percent, as passed by the House. This is the only way that the President can bargain a favorable position for us from the European common market.

The President has clearly proved the need for these provisions. The responsible leadership of the Senate has recognized the urgency of meaningful extension of true reciprocal trade. We cannot afford to let short-term, narrow interests dictate our action on this matter so vital to our long-term national interests.

TRADE ADJUSTMENT

In dealing with this problem it is necessary to recognize that trade and tariffs present real problems for many Members of Congress. Even some who realize the wisdom of reducing tariffs are often under such pressure from constituents that they must support protectionist amendments. What his constituents think to be true may be as much a political fact of life for a Senator as what he knows to be true.

For him especially, as well as for the Nation, there is an alternative. The choice is not simply the perennial one between free trade and protectionism. A Member of Congress does not have to vote either to raise tariffs, thus endangering the Free World as well as hurting the Nation's economy, or to lower tariffs, and, as some claim, injure specific American industries and workers. There is a third way.

The alternative is trade adjustment. Under this program, the President would be given another means of dealing with an escape-clause action. If the Tariff Commission in its studies concluded that an industry had been injured by a lowering of tariffs, the President would not have to raise the tariff again to aid the industry. He could instead recommend that assistance be given to help the threatened sections of the industry adjust to the new economic conditions.

If our trade policy requires that some industries and some workers suffer competition from increased imports, however slight, then it is only fair that that hardship should be shared by all of us. Trade adjustment recognizes our responsibility for leadership in world trade, but is not without conscience for those workers and industries which might experience some economic distress from a gradual lowering of tariffs.

The trade-adjustment program is not a subsidy; it is not permanent assistance to enable industries or communities to hobble along. It is assistance to help them over a period of adjustment.

I like to compare the idea of trade-adjustment assistance with veterans' rehabilitation. We recognize the latter as a basic tenet of policy. When a man is wounded as a result of duty with the armed services of his country, his country has a responsibility to help him recover; and moreover, in case of permanent damage, to help him to develop new skills that will enable him to adjust to his changed condition and to lead a productive life.

We should view an industry injured as a result of our national trade policy in much the same way. If we believe world trade is crucial for our national economic health and for our success in foreign relations, as everyone should by now be convinced it is, then anyone seriously injured in the pursuit of this policy should be eligible to receive such aid as may be required to assist him to change operations to become productive again. Such workers or such firms as might be hurt by lowering trade barriers have, in fact, service connected disabilities in the cold war. Let us then treat them as we do others who suffer hardship from a deliberate national policy. Let us not subsidize; let us not indemnify; let us instead assist them to adjust their activities to meet the new economic conditions that result. This is what we mean by trade-adjustment assistance.

Mr. President, recently I introduced two amendments to the Trade Agreements Extension Act and cosponsored a third. All of them deal with trade-adjustment assistance.

Frankly, Mr. President, I do not know whether there will be any point in calling up these amendments this session. They are intended to be a reasonable solution for Senators who believe restrictions on trade should be reduced, but wish to aid those industries and workers who encounter hardships because of trade. Developments in the last few days have made it clear that foes of trade extension will not be satisfied with a means of helping those who are disadvantaged by our trade policy. I fear that they will not rest until all imports are choked off completely, unless the resulting debacle of our own and the whole world's economy wakes them up to the essentiality of trade in the modern world.

I would, however, like to explain briefly the idea of trade adjustment. If we decide to reject the debilitating amendments to the Extension Act now before us, perhaps we can work out the details of adjustment assistance.

The first amendment I introduced on Saturday, June 14, for myself and the distinguished Senators DOUGLAS, NEUBERGER, and MCNAMARA. The text can be found on pages 11157–11160 of the CONGRESSIONAL RECORD. It is a revision of earlier legislation I had the honor of sponsoring with the distinguished junior Senator from Massachusetts [Mr. KENNEDY] in the 84th Congress. I have restudied the proposals we made at that time. I think they are basically sound. What I propose in this amendment is the establishment of a Trade Adjustment Board. As an alternative to accepting peril-point and escape-clause recommendations of the Tariff Commission, the President could turn the matter over to the Trade Adjustment Board. This Board, an interdepartmental committee, would, upon application by a community, an industrial development corporation, a business enterprise, an employee, or a union, determine whether the applicant had been adversely affected by the lowering of trade barriers. If the Board decided that the applicant had been so injured, a number of kinds of assistance would be available.

First, information and advice. In the amendment, an obligation is placed upon the various agencies of the Government to supply to business enterprises technical information, market research, and other forms of information and advice which might be of assistance in development of new or more efficient lines of production. A community or an industrial development corporation similarly would be eligible for assistance in developing a more balance and diversified economy.

I might say, as an aside, that if the area redevelopment legislation we passed this session becomes law, an orderly and direct means of supplying such technical advice and information to seriously afflicted communities will be available. Area redevelopment legislation applies similar solutions to any community that trade adjustment applies to those places handicapped by our national trade policy. Trade adjustment, however, applies as well to individual enterprises and workers.

A second kind of aid proposed in the trade adjustment amendment is loans. These would be granted through the regular procedures of the Small Business Administration to enterprises or communities to enable them to adjust

to new economic conditions resulting from lowering trade barriers.

Third, firms and communities would be allowed accelerated amortization for developing new or different lines of production or more diversified economies when such change is made necessary by the national trade policy of the United States.

As for assistance to individual workers who lose their jobs because of our trade policy, I propose several kinds of assistance. First, additional unemployment compensation. My amendment would authorize the supplementing of State benefits from Federal funds. A worker could receive up to two-thirds of his weekly pay for 52 weeks. Unemployment compensation would be a stopgap measure until other employment was available.

If a worker is over 60 years of age when he loses his job through the operation of international trade, and if he cannot get another job because of his age, this amendment would allow him to retire under the Social Security Act.

Other workers, however, with many productive years ahead, would be provided the opportunity to receive retraining in skills that are in demand in the national economy. Or, if their present skill was still useful, but the only jobs available were in a distant area, the worker would be financially assisted to move himself and his family to the labor scarcity area.

Mr. President, I believe that such a measure as I have described in briefest detail here today would go far toward resolving the dilemma that many of us face. The staunchest advocates of expanded trade opportunities do not want to allow the few to suffer because of the greater benefits that will flow to the many. We can avoid such hardship with an adjustment program.

Mr. President, trade adjustment is not merely an untried idea. It has actually been tried, and found workable. I refer to the experience of the European Coal and Steel Community, commonly called the Schuman plan. It was recognized by the far-sighted men who set up this first major venture in international administration of economic resources that hardships would fall to certain areas because of shifts in production centers, greater productivity through technical development, and reduction of marginal enterprises.

So the concept of readaptation was evolved and put into operation in 1952. Readaptation in the Coal and Steel Community offers similar aids to disadvantaged firms and workers as those proposed in my trade adjustment amendment.

It offers a generous waiting allowance—actually unemployment compensation—retraining, relocation, and the encouragement of new industry through direct investments or low-interest loans.

By and large, in 5 years' experience, the program has met with success. As the end of the transitional period draws near, readaptation is undergoing revision to meet new conditions in Europe. The treaty establishing the European Economic Community—the general common market—continues the idea of adjustment assistance in areas affected by reduction of trade barriers.

Mr. President, I ask unanimous consent that there be printed in the RECORD at the close of my remarks an article entitled "Notes on the Readaptation Program," prepared by the Information Service of the European Community for Coal and Steel, and a covering letter from the Committee on Foreign Trade Education, Inc. These two documents explain in more detail the operation of the trade adjustment idea in Europe.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit B.)

Mr. HUMPHREY. Mr. President, I am a practical man. In saying that, however, I still express my conviction that we should never relent in proposing and fighting for the programs we think are necessary. That is why I have proposed this amendment to establish a Trade Adjustments Board. I would be most pleased to see it adopted by the committee and accepted by the Senate.

On the other hand, I recognize the difficulties in getting such a far-reaching measure made a part of the Trade Agreements Extension Act this year. The amendment I have discussed is a complex measure, which touches at many points our established welfare programs. We would want to have the benefit of detailed study of such legislation by our committee before we adopted it. I hope that such study will be made this year.

I trust that the Committee on Finance gave consideration to my trade adjustment amendments to the Trade Agreements Act. If I may, I should like respectfully to remind the distinguished chairman of our committee of a colloquy he and I engaged in about such legislation during the debate on the 1955 extension of the Reciprocal Trade Act. At that time—and this exchange can be found in the CONGRESSIONAL RECORD of May 4, 1955, volume 101, part 4, pages 5574 and 5575—I suggested that trade adjustment assistance legislation was of sufficient importance to merit thoughtful consideration by itself, other than as consideration in connection with an overall tariff bill. The distinguished chairman [Mr. BYRD] at that time replied:

> If the Senator introduces proposed legislation on the subject, it will receive full consideration by the Committee on Finance.

A PRACTICAL APPROACH

If the Senate should decide it is not ready to embark on a fullfledged trade adjustment program at this time, I shall propose another approach. On June 12, 1958, I submitted a more general trade adjustment amendment, on behalf of myself, and the distinguished Senators CLARK, NEUBERGER, MCNAMARA, and DOUGLAS. I ask unanimous consent that the text of this amendment be printed at this point in my remarks.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

> SEC. —. For the purpose of sections 6 and 7 of the Trade Agreements Extension Act of 1951, as amended (19 U. S. C. 1363, 1364), the Tariff Commission shall include in its investigations the possibilities for alternative employment for the production facilities and workers involved and shall report fully to the President the nature and extent of adjustment difficulties that have been occasioned by any consession made pursuant to section 350 of the Tariff Act of 1930, as amended (19 U. S. C. 1351). If the President refrains from increasing the protection afforded producers pursuant to an escape-clause recommendation, he shall, to such extent as may be desirable and practicable, make full use of all available procedures heretofore or hereafter authorized by law, to avoid or ameliorate the economic hardships which particular communities, industries, enterprises, and individuals may suffer in the adjustment of their productive activities to the economic conditions created by our national trade policy, particularly by the lowering of trade barriers pursuant to section 350 of the Tariff Act of 1930, as amended (19 U. S. C. 1351). If the President considers existing executive authority to be inadequate for this purpose, he is requested to submit to the Congress proposals for supplementary legislation.

Mr. HUMPHREY. Mr. President, here is an amendment we need have no hesitation in adopting this year. It sets up no new board. It amends no small-business legislation. It does not affect old-age insurance or unemployment compensation. It does not amend the Internal Revenue Code. Yet I believe it would be a most significant step in enacting a sound trade policy.

This amendment directs the Tariff Commission, in its investigations of conditions in an industry pursuant to an escape-clause action, to explore the possibilities for alternative employment of the production facilities and workers involved. Then the Tariff Commission reports this information to the President. If the President should decide against escape-clause action, he is directed to use all available resources of the Government to assist the affected firms, workers, and communities to adjust to the new conditions that are facing them.

We have right now many agencies of Government that could be made available for trade-afflicted areas if a concerted effort were made by the administration to do so. Our present Employment Service, Small Business Administration, technical advisory services of the Departments of Commerce and Interior, and the contract placement authority of the Office of Defense Mobilization and the Department of Defense could be brought to bear on the problem of industries and individuals forced to change their operations because of trade competition.

I think that adoption of such a measure as this more general amendment is a wise and necessary step. It would be a firm declaration of intent by the Congress that it is the policy of the United States—where its foreign policy and other national interest requirements impose a hardship on any particular group within this country—that the Government has an obligation and a desire to ameliorate the effects.

The readjustment assistance idea recognizes the great source of magic in American enterprise—our ability to meet changing conditions and adapt our productive and individual capacities, to regain strength and grow with new vigor. We see this adaptability in action every

day, in the constant changes our industries make in meeting competition or accepting the changes of new products or technological improvements.

One of the great faults of high tariffs is that they encourage a noncompetitive product to remain noncompetitive. They encourage a sluggish industry to remain sluggish by putting a premium on a tariff-protected product that is not competitive. Trade adjustment would help such an industry improve its methods or to change over to a more competitive line of production. If we really believe in free enterprise, we should welcome the beneficial effects of competition.

Here is a way out of an ancient dilemma, especially for Members of Congress. Those who want to lower tariffs should support trade adjustment, for they do not want any domestic industry injured. At the same time, those who are legitimately concerned about some particular industry or community, should find in the trade-adjustment program a way to assist individual enterprises and workers while promoting the overall national interest by increasingly freer world trade.

As the Reciprocal Trade Agreements Act comes up for this most crucial test in the Senate in the coming days, we must defeat the efforts being made to weaken, and even destroy it. Everyone should be aware of our true national interest. The easy argument against foreign imports has prevailed too long. If it results in further weakening of our trade policy, we may all suffer gravely in the future. The Communists will make further inroads into the Free World as their trade offensive succeeds beyond their greatest hopes. Our alliances will break up on the shoals of trade antagonisms. Our own economy will decline, and American workers will be out of work as other nations can no longer buy our products.

None of these things need to happen, for the alternative is not injury to American industry and labor. Trade adjustment provides the means whereby the Reciprocal Trade Agreements Act can be strengthened not weakened. Only a strong trade policy will keep together a strong Free World and promote a continually rising standard of living for us all.

Mr. President, I note for the RECORD that the distinguished Senator from Massachusetts [Mr. KENNEDY] also has an amendment with a trade adjustment feature which is similar to one I have advanced. I am hopeful that amendment will also be pressed. It is my intention to support it. It represents very constructive economic policy and is deserving of the majority support of the Senate.

EXHIBIT A

SUMMARY FOR THE STATE OF MINNESOTA

I. Industries favorably affected by exports: Approximately 60 percent of the total number of persons in Minnesota engaged in manufacturing work for firms which fall into five major manufacturing classifications:

FOOD AND KINDRED PRODUCTS

One thousand, one hundred and eighty-three establishments employing approximately 49,470 persons.

Proportionate share of Nation's total exports: $38.5 million.

Proportionate man-years of employment resulting from exports: 1,010.

Products exported nationally affording benefits to the State: Linseed oil, durum semolina, butter, beer, nonalcoholic beverages, rye and wheat flours, animal feeds, macaroni, cereal, meat products, etc.

Essential ingredients imported: Coconut oil, cocoa, coffee, nuts, chocolate, bananas, spices, herbs, etc.

PULP, PAPER, AND PRODUCTS

Eighty-one establishments employing approximately 15,428 persons.

Proportionate share of Nation's total exports: $12.6 million.

Proportionate man-years of employment resulting from exports: 710.

Products exported nationally affording benefits to the State: Pulp, paper, bags, cartons, and other paper containers.

PRINTING AND PUBLISHING

Eight hundred and four establishments employing approximately 19,450 persons.

Proportionate share of Nation's total exports: $2.4 million.

Proportionate man-years of employment resulting from exports: 1,915.

Products exported nationally affording benefits to the State: Newspapers, trade papers, periodicals, calendars, books, advertising novelties, etc.

Essential ingredients imported: Newsprint, dyes, alloys for type facings, etc.

FABRICATED METAL PRODUCTS

Three hundred and seven establishments employing approximately 9,707 persons.

Proportionate share of Nation's total exports: $4.6 million.

Proportionate man-years of employment resulting from exports: 295.

Products exported nationally affording benefits to the State: Barrels and drums, aluminum products, wire specialties, heating and ventilating equipment, structural products, etc.

Essential ingredients imported and percent of total United States supply: Manganese (82.7), tungsten (56.9), beryllium (92.4), titanium, zirconium (50.9), bauxite (75.8), nickel (97.4), industrial diamonds (100), etc.

NONELECTRICAL MACHINERY

Four hundred and fifty-four establishments employing 23,492 persons.

Proportionate share of Nation's total exports: $56.5 million.

Proportionate man-years of employment resulting from exports: 3,560.

Products exported nationally affording benefits to the State: Well-drilling equipment, shop presses, road machinery, farm tractors and implements, packaging machines, food machinery, conveyors, mining machinery, etc.

Essential ingredients imported: Ores, balsa, natural rubber, asbestos, natural graphite, etc.

II. Industries possibly affected by import competition. Each has been covered in the main body of this text: Hardboard, 1 firm; coated and uncoated printing papers (except newsprint), 5 firms; wire fencing, barbed wire, wire nails, 1 firm; cotton textile mill products, 2 firms; knit goods (excluding hosiery, knit gloves, and mittens), 11 firms; wool textile mill products, 8 firms; woolen and worsted floor coverings (including yarn spinners), 1 firm; grained, embossed, and fancy leather, 1 firm; men's dress shoes, 1 firm; cigarette lighters, 1 firm; matches, 1 firm.

III. Major agricultural commodities produced in the State favorably affected by exports:

Soybeans: State's proportionate share of exports; $45 million.

Livestock and products (excluding dairy and poultry): State's proportionate share of exports, $20 million.

Corn: State's proportionate share of exports, $19.2 million.

Dairy products: State's proportionate share of exports, $13.8 million.

Wheat: State's proportionate share of exports, $9.7 million.

IV. Major agricultural commodities produced in the State which may be faced with import competition.

Livestock and products (excluding dairy and poultry): State's proportionate share of imports, $18.3 million.

V. Major mineral commodities which may be affected adversely by import competition:

Iron ore: 15,475 persons.

Manganese: 30 persons.

EXHIBIT B

COMMITTEE ON FOREIGN TRADE EDUCATION, INC.,
New York, N. Y., June 3, 1958.

DEAR SENATOR HUMPHREY: One main fact has been pretty well buried by the unending barrage of the high tariff lobbies: less than 29,000 workers lost their jobs between 1947 and 1956 in companies that the Tariff Commission itself held to be injured by imports.

The political balance for trade shows just as heavily as the economic. Information on trade matters has too often been confined to the back pages of our newspapers, while always headline news abroad—because trade is a life-and-death issue in lands where we now so desperately need friends and allies. We're awake now, for in Lima and Caracas it was literally thrown in our national face that we are losing ground in the battle against communism because our domestic protectionists are winning their fight for high tariffs.

The national interest calls for prompt passage of H. R. 12591.

The membership of this nationwide bipartisan volunteer organization does not, of course, applaud the compromises incorporated into H. R. 12591. We know that a stronger, not a weaker, bill is the real need. Indeed, since 1954 we have urged that difficulties of those few industries, communities, and workers facing difficult import competition be met with rehabilitative programs instead of protectionist palliatives. Trade adjustment, not higher and higher tariffs, is the constructive solution.

The continuing liberalization of our trade policies constitutes a real change of national policy. Individual employers, communities, and workers, we submit, should not have to pay the price for that national progress.

This position is more and more widely held. Many busines leaders and their associations have gotten behind trade adjustment during the last few months. In fact, President Eisenhower quite some while ago instituted one facet of the trade adjustment idea by setting a revolving loan fund to revitalize New England's fish fillet business.

And the Readers' Digest for May has pointed out that trade adjustment is not an unproved theory; its basic concept has been a working practicality for the last 5 years in Europe. We are grateful, therefore, to the Information Service of the European Community for Coal and Steel for permission to distribute copies of their recent background data memorandum on the European readaptation program. While not identical to trade adjustment, the European program will put our own national needs into focus and reduce the time it will take to "tool up" and put trade adjustment into actual operation.

There are several trade adjustment bills now awaiting action by the Congress (including H. R. 457 by Mr. SMITH, H. R. 1105 by Mr. DONOHUE, H. R. 9505 by Mr. EBERHARTER, S. 2907 by Mr. KENNEDY, and S. 3664

by the Messrs. JAVITS, SALTONSTALL, IVES, and POTTER). One of these bills should be incorporated into H. R. 12591 before it reaches the President's desk.

Sincerely yours,

GERARD PALMER,
Acting Chairman.

[From Background Data of June 1958]

NOTES ON THE READAPTATION PROGRAM OF THE EUROPEAN COMMUNITY FOR COAL AND STEEL

"Readaptation" describes a new European social and economic concept that came into existence in 1952. At the time, Europe was embarking upon its first step toward economic unification through the Schuman plan—the six-nation common market for coal and steel.

The Schuman plan, or the European Coal and Steel Community as it was officially known, had as its basic aim the creation of a competitive expanding economy in Europe through the elimination of all barriers to the free flow of trade in coal and steel—products which accounted for 45 percent of Europe's volume of trade.

But it was clear to Europe's leaders that its success could also spell serious trouble for workers in Europe's steel mills and coal mines. The changeover from the traditional economy of protected national markets to a competitive single market of 165 million consumers could bring with it shifts in production centers, greater productivity through technical development, and the killing off of marginal enterprises. These changes could, in turn, lead to severe pockets of unemployment.

Thus the concept of readaptation was developed to meet this threat. Its aim was, in the words of community planners, "to reconcile two imperatives—economic progress and full employment * * * to insure that the labor force shall not bear the brunt of the readjustments which have, of necessity, to be made * * * to obtain a better utilization of the production factors and, consequently, a higher standard of living."

For generations past, Europe had tried to alleviate labor dislocations by subsidies, monopolies, restraint of trade, and protection. Now readaptation, as practiced in the Coal and Steel Community, would permit the development of a competitive and expanding market without allowing labor to become the unwilling victim of economic change.

How has it worked during the first 5 years of the common market for coal and steel? These notes were prepared to answer the question and others raised in the United States by persons interested in the concept and its possible domestic applicability.

FACTS

A. Why readaptation?

The underlying purpose of readaptation is contained in a statement by Jean Monnet, first president of the Coal and Steel Community's executive branch, the high authority. He said:

"Progress in Europe has often, in the past, been hampered by a desire to retain obsolete methods of production for fear of unemployment. Yet to maintain such methods prevents the lowering of production costs and a rise in wages. The future European economy depends essentially upon the removal of this discrepancy between the desire for stability and the need for progress."

B. How does readaptation work?

Readaptation removes the discrepancy between the need for labor stability and for industrial progress in four ways:

(a) by providing a waiting allowance to workers who have lost their jobs due to the reorganization and/or modernization of a plant (the allowance is paid over a period of months, generally at a tapering rate);

(b) by retraining workers for new employment and new skills without cost to the workers;

(c) by assisting in the relocation of workers—paying travel, moving, reinstallation costs, and

(d) by encouraging the development of new industry to replace shut-down plants through direct investments or low-interest loans in order to reemploy workers left jobless because of industrial modernization programs.

C. What is the legal basis of readaptation?

Authority for readaptation is provided in the treaty of the Coal and Steel Community, the Community's constitution. Section 23 of the convention containing the transitional provisions states:

"If the consequences of the introduction of the common market (in coal and steel) oblige certain enterprises or parts of enterprises to cease or to change their activities during the transition period * * * the high authority (executive branch) at the request of the governments concerned * * * must help to protect the workers from the burden of readaptation and assure them productive employment, and may grant nonpayable assistance to certain enterprises."

With the end of the 5-year transition period for the coal-steel common market (February 1958) authority for readaptation extends only for another 2 years. Following that, readaptation will derive from article 56 of the treaty. The provision is less flexible than the transitional power it supplants. Unless amended, article 56 will have the effect of reducing the readaptation effort (see below).

D. Readaptation: pros and cons.

Readaptation has enjoyed broad support within the 6 nations. Enthusiasm for the program from the start was strong in France and Italy and the governments took an early interest in the application of readaptation measures with the high authority. In Germany, on the other hand, popular support grew more slowly. A program launched recently at Barsinghausen (lower Saxony) to assist 1,800 coal miners is reported to have awakened German public opinion to the existence of the adjustment program and to have stirred a growing amount of support.

Most significantly, there has not been evidence of friction in labor's ranks where coal and steel workers have been the only recipients of benefits among other noncovered groups of the jobless. In the case of the readaptation program conducted in behalf of several hundred workers once employed at the Darfo steel works at Lake Garda, Italy, not even the Communists have seen profit in attacking the ECSC assistance policy. Instead, it is widely understood that the new capital to be invested in the region by a readaptation agreement with the Italian Government eventually will not only reemploy the Darfo workers, but create jobs for many others, too.

But readaptation has not worked smoothly in every case. M. Bertrand, of the community assembly's labor affairs committee, has pointed to a procedural shortcoming in the readaptation system. He has indicated that the initiative and ultimate responsibility for undertaking readaptation measures lies with national governments who must request the high authority's assistance in setting up a program. This, plus the fact that national governments retain the function of making the actual disbursements to workers, have inevitably caused bottlenecks. In M. Bertrand's view these divisions of authority only serve to slow the entire readaptation effort.

A call for a treaty amendment to modify these procedures was made early in 1958 by another assembly member, Gerhard Kreyssig of Germany. He asked that full readaptation initiative be given to the high authority, that it be empowered to invoke section 23 of the transitional provisions or article 56 of the treaty without having to await the request of the governments.

Another stumbling block encountered in readaptation programs aimed to assist workers in moving to more productive areas has been the lack of mobility of the European workers. A strong European identity with native surroundings has worked against relocation. For example, advanced planning indicated that fully 5,000 French coal miners would leave the marginal fields of the Centre-Midi and, with high authority assistance, move to the productive, labor-short mines of the Lorraine. However, less than 100 miners availed themselves of the plan. Seniority differences, temporary housing facilities, and even difficulty with the Lorraine dialect conspired to discourage the relocation effort. But the most poignant deterrent remained the unwillingness of Centre-Midi workers to abandon the ancestral home.

Such obstacles, though of real importance, have not imperiled the readaptation program. Legitimate criticism arising from the early operation of the program served to improve the system so that it now goes to work when it should to do a real job for the worker and the workers' community in lending assistance over the rough places in the changeover to a "European" economy.

E. How many workers have been involved in the program so far?

As of February 1958, the end of the ECSC transition period, 18,560 workers had been helped by the assistance program. Of these, 13,200 were Italians, 3,500 French, 1,800 German, and 60 Belgian.

F. How much has it cost?

Appropriations earmarked for readaptation totaled $12,570,000 at the end of the transition period, February 1958. Of that, $4,507,000 had been expended as of the 31st of December 1957. On the same date the high authority's total readaptation fund (including matching outlays by national governments) stood at $26,668,000.

The comparatively low rate of fund expenditure partly reflects the boom times Europe has enjoyed since the ECSC went operational in February 1953. Community leaders freely acknowledge that prosperity and the heavy demands on all production resources have eased any extreme strain on the readaptation system.

Low payments are also accounted for by the division of responsibility between member governments and the high authority; split initiative has often slowed disbursements.

G. Who pays?

Readaptation payments are, most often, equally shared by the high authority and the government in whose territory the particular program is to operate. In practice, however, there is considerable flexibility in the administration of this rule. Italy, for example, has negotiated a waiver of its allowance payments and, instead, with the approval of the high authority, makes an equal amount of low-interest capital available for investment in new industry in depressed coal and steel areas. In Italy, therefore, the high authority has accepted sole responsibility for payment of waiting allowances, retraining, etc.

Readaptation payments, it should also be noted, supersede payment of national unemployment compensation. Participation in a readaptation program, indeed, is not styled as unemployment at all. For that reason, unemployment compensation funds and other funds to which workers customarily make contributions are not involved.

H. What system is used for paying "waiting allowances"?

While the worker "waits" for new employment, he receives payments to compensate for the loss of his income. These payments can have a duration of 15 months, if employment does not become available sooner. Paid on a tapering scale, the compensation is begun at 100 percent of the former wage and declines by the end of the 15-month

period to 60 percent of the lost earnings. Furthermore, if the worker's next job provides a lower wage than that previously received, the loss is completely made up for a period of 1 year (except in Italy where the difference is offset by 85 percent for a period of 15 months). While receiving "waiting allowances," workers are qualified for retraining.

I. What is the system for transfer allowances?

As indicated above, several forms of assistance are offered within this category. They include travel payments (for the worker and his family) and financial assistance toward furniture moving and related "reinstallation" costs. These payments, made in lump sums, are naturally tied to conventional values in the different regions of the community. Thus, in 1956, a transfer allowance for a married, Italian steelworker, totaled only $320, while the miners of the Centre-Midi of comparable status were offered $560.

J. What changes will be made in the readaptation program?

A slackening in Europe's industrial boom has focused new attention on readaptation. This interest is intensified by the realization that the current and rather liberal readaptation authority (sec. 23 of the transitional provisions) will lapse in 1960. Article 56 of the ECSC Treaty, governing in its place, will permit much less leeway for readaptation planning. The article authorizes readaptation only "if the introduction of technical processes or new equipment * * * should lead to an exceptionally large reduction in labor requirements in the coal and steel industry, making it especially difficult in one or more areas to reemploy the workers discharged."

Ignoring cyclical unemployment and setting stiff criteria for unemployment caused by technological and marked changes, article 56 has inspired more and more criticism from those favoring readaptation. Many members of the community's parliamentary body, Liberals, Christian Democrats, and Social Democrats alike, have been vocal in their demands for recasting the readaptation section of the permanent treaty.

K. Is there a readaptation provision in the treaty of the European Economic Community (the general Common Market)?

Article 125 of the EEC Treaty contains authority for a Common Market readaptation program. It goes considerably beyond article 56 of the ECSC Treaty, although does not necessarily give the same impetus to readaptation as that provided in section 23 of the Coal and Steel Community's transitional provisions.

The EEC readaptation provision, in part, reads: "Readaptation is to insure 'productive reemployment of workers by means of occupational retraining resettlement allowances.' Aid will also be granted 'for the benefit of workers whose employment is temporarily reduced or wholly or partly suspended as a result of the conversion of their enterprise to other production, in order that they may maintain the same wage-level pending their full reemployment'."

Article 127 of the treaty establishing the Common Market indicates that "European legislation" will be necessary for the full implementation of the treaty's readaptation authority.

Mr. HUMPHREY. Mr. President I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. McNAMARA in the chair). Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, in this debate the protectionists have based their argument largely on the necessity of protecting the jobs of American workingmen. If I thought that the protectionists' trade bill, as reported by the Senate Finance Committee, would add a single job to America's or Wisconsin's labor force, I would vote for it. But, Mr. President, it will, if passed, not only fail to protect or provide jobs; it will destroy them. This bill in its present form puts 4,500,000 Americans whose jobs depend on foreign trade in serious danger of unemployment. In my State of Wisconsin it will mean the jobs of 120,000 of our citizens will be in question. In Milwaukee, Racine, Eau Claire, La Crosse, and the small cities and towns, as well as the large cities, jobs will be endangered. An expanding trade program based on a strong reciprocal trade bill can bring hundreds of thousands of new jobs to Wisconsin and America. The 120,000 in Wisconsin who now work in foreign trade could swell by tens of thousands. The thousands of working people walking the streets this very day in Racine, Eau Claire, La Crosse, and Oshkosh will have a far better chance to find work if this bill is amended so as to encourage the growth of American trade and Wisconsin trade.

The League of Women Voters of the State of Wisconsin states, in a study done on the subject, that an estimated one-tenth of the products of Wisconsin's farms and factories are sold abroad. Wisconsin's products are sold all over the world, and with the completion of the St. Lawrence seaway there will be an even greater impetus for export-import trade in the Midwest.

The United States exports were worth about $20 billion in 1957. Wisconsin's proportionate share of this figure was $628 million. That is, last year we in Wisconsin exported about $628 million worth of goods and services to countries throughout the world.

If the population of Wisconsin is divided into the value of Wisconsin's exports, one finds that Wisconsin's export trade is worth more than $162 per capita. This means money in the pockets of the people of Wisconsin; and it means jobs and prosperity for every Wisconsin citizen.

Mr. President, what effect will passage of the bill have on the manufacturing industries of Wisconsin? Seventy-one percent of all persons engaged in manufacturing in Wisconsin are in firms falling into 7 major manufacturing classifications: Nonelectrical machinery; food and kindred products; transportation equipment; pulp, paper and products; electrical machinery; fabricated metal products; and the primary metals industries. Wisconsin's proportionate share in United States exports of these 7 groups amounted to over $403 million in 1956. This means hundreds of millions of dollars on payrolls and thousands of jobs.

The nonelectrical machinery industries, which employ over 84,000 persons in Wisconsin, are heavily dependent on foreign trade. It is estimated by the Commerce Department that well over 13,000 people in this one field are dependent for their employment on exports. Thousands of other Wisconsin workers depend on foreign trade in the transportation equipment industries, electrical machinery industries, pulp and paper products industries, and so on.

Mr. President, later on I am going to mention the cities and towns in the State of Wisconsin which will be very seriously affected if the bill is passed in its present form. I am going to specify the firms involved. I shall do this because I want to put the working people of Wisconsin on notice as to how the bill, if it is passed, is likely to endanger their jobs in their hometowns.

The people of Wisconsin work for companies whose exports are sold all over the world. Allis-Chalmers Manufacturing Co., with plants in West Allis and La Crosse, sells electrical machinery, tractors, farm implements, and so forth, to the four corners of the earth. The Caterpillar Tractor Co., which exports 42 percent of its products, has a big plant in Milwaukee. The world famous General Electric Co., with two plants in Milwaukee, exports X-ray equipment and dishwashers. The McGraw Edison Co., with plants in Omra, Wautoma, New London, Racine, Milwaukee, Barton, and Ripon, exports sizable percentages of its product; so does DuPont in Barksdale, and so does the Salvo Chemical division of Sterling Drug, located in Rothschild.

Beverage companies known for their international sales, such as the Schlitz Co., Miller High Life, Pabst Blue Ribbon, and the Blatz Co., are located in Wisconsin.

One of the leading firms in the State is located in Milwaukee and employs about 2,200 people. Of an annual product exceeding $60 million, 7 percent is sold abroad. One out of every 14 men, or a total of 315 employees in this one plant alone, owe their employment to foreign trade. An outstanding company with 2 big factories in Wisconsin, which had an employment for 1957 of about 17,000, states that it exports over 12 percent of its produce. This would indicate that more than 1,400 workers in this one company are dependent on foreign trade for their living. Similar examples are repeated throughout the State. The workers and businessmen of Wisconsin need foreign trade.

What about the farmers and dairymen? Do they benefit from foreign trade? They certainly do.

Were it not for exports, American agriculture would smother in its own production. Sixty million acres of farmland—1 of every 5—produces for export. High exports relieve the burden of big agricultural surpluses at home.

American farmers are among the most efficient in the world. Annually we produce far more agricultural products than we can use at home. According to the Department of Agriculture, the wheat crop in prospect is more than twice our domestic requirements.

The high efficiency of our American agriculture has made foreign markets an essential outlet. In the most recent

marketing year, the Agriculture Department states that foreign markets absorbed the equivalent of over half of our wheat, cotton and rice crops; over one-third of the soybean production. United States agricultural exports during the 1957 fiscal year reached an all-time high value of $4.7 billion, an increase over 1953 of 68 percent in value and about 94 percent in volume. New export records were set in a number of crops.

Wisconsin's proportionate share of 1956–57 exports was $11.6 million for livestock and products—excluding dairy and poultry—$4.8 million for corn, $2.8 million for vegetables, $1.7 million for fruit. The proportionate import share for livestock and products—excluding dairy and poultry—was $10.6 million. These figures mean dollars in the pockets of the people of Wisconsin.

Like all parts of America, Wisconsin is an importer of agricultural products—but these are largely tropical or semi-tropical products now grown here like coffee, spices, and so forth. In addition there are some imports of competing specialty livestock products. In balance, however, exports of such products exceed imports.

How about dairy farmers, do they too benefit from foreign trade? These Department of Agriculture and Department of Commerce figures show that they do. Wisconsin produces about 17 percent of the milk produced in this country.

The dairy farmers of the United States, a great many of them from Wisconsin, produce nearly one-third of the world's milk. Exports are essential. Dairy products accounted for $150 million worth of exports in 1956. The Department of Commerce states that Wisconsin accounted for well over half of this total with $93 million worth of exports. Total dairy products imports in that same year were only $42 million. While concern has been expressed about imports, the United States maintains quotas to prevent imports from interfering with domestic price support programs. By quantity, the United States exports 12 times as much as she imports. The export-import balance by value is less impressive. One hundred fifty-million dollars exports to forty-five million dollars imports in 1956. About 3 to 1.

The prosperity of the dairy industry is dependent in no small part on domestic overall prosperity. Domestic prosperity is to a certain extent dependent on our ability to export; and of course our ability to export is closely tied to the success and adequacy of our trade program. There is a very close relation of dairy products sales to consumer buying power—both rising and falling together. The big factor determining dairy sales is not imports. These account for a comparatively slight percentage of domestic production.

The big factor is the overall level of domestic prosperity, plus, of course, a national farm program in behalf of dairy farmers that makes sense. I think it is clear that in the past few years, when we have had prosperity to some extent throughout America, we certainly have not had it on our dairy farms, not because the farmers do not stand to benefit from prosperous conditions in our cities, towns, and villages—because they do—but because we have a ridiculous farm program which has placed the dairy farmer in a position in which he does not benefit from general prosperity, or has not benefited in the past.

If we keep our trade channels open, the market abroad for our agriculture products will continue to expand. Most of the rest of the world is overcrowded and unable to produce enough food to meet domestic requirements. As the standard of living in the underdeveloped countries rises, the people will be able to afford a better diet, and will be anxious to import wheat, dairy goods, and other agricultural products. They will have the money to import even more of our manufactured goods than they do at present.

In making these remarks, Mr. President, I am fully aware that a large number of workers in my State are in industries which are feeling the pressure of foreign imports. I have studied their problems carefully. I sympathize fully with efforts to bring relief to these areas.

I not only fully sympathize with the plight of our workers, but I want to do something about it.

The distinguished Senator from Minnesota [Mr. HUMPHREY] discussed one means which I think offers excellent prospects, and I intend to support the proposal.

There is one industry in Wisconsin which has suffered particularly from imports. A number of plants have closed down. I am referring to the plywood industry. Some of the leaders in the plywood industry favor the bill in its present form, and strenuously support the amendments adopted by the Finance Committee.

I submit—and I intend to carry this message to the workers in the plywood industry in Wisconsin—that the bill in its present form would not save a single job. It would not permit the plywood industry to regain a single job. The bill in its present form would do nothing about changing the Tariff Commission. The plywood industry has come before the Tariff Commission and asked for relief. It asked to be protected, and the present Tariff Commission turned it down by unanimous vote, as recently as June 2, 1955. Nothing in the bill would change the makeup of the Tariff Commission, or change the criteria in such a way as to permit the plywood industry to have relief or recourse. My distinguished colleague [Mr. WILEY], for whom I have the greatest affection, spoke this afternoon about the difficulties of the plywood industry. I have great sympathy with the plywood industry. I think perhaps a quota program might make sense, but the proposed program makes no sense whatever as applied to the plywood industry.

Consider the situation in Algoma, Wis. As I understand, a number of Wisconsin workers have been thrown out of work, or their jobs have been endangered.

It would be fine if we could pass legislation which would restore their jobs; and there would be every reason to fight for such legislation. There is not the slightest evidence that the pending bill would help to restore the plywood industry in Algoma or anywhere else.

As is true in most cities in which plywood plants are located, Algoma has manufacturing concerns which export. They are engaged in foreign trade. The bill before us would throw more people out of work in Algoma and the other cities and towns which have plywood plants. It would hurt the dairy farmers. It would hurt the villages which depend on dairy farming. Far from being a bill which would benefit the plywood industry, the pending bill would cause a considerable amount of harm.

I should now like to discuss the bill very briefly from a more general standpoint. Mr. President, to mutilate our reciprocal trade program, as is being proposed here, would be seriously to weaken one of the pillars on which our national security and the defense of the Free World rests. I believe the overwhelming majority of the American people support a strong and liberal trade policy, and I share their view. I think this viewpoint has spread and increased in recent years. I think it is recognized that the way to strengthen the Free World economically is through foreign aid, through grant programs; also through loan programs; and finally, through foreign trade.

The fact is that there is a great deal of opposition to a foreign grant program, or a foreign aid program which consists primarily of grants It has been called a giveaway program.

Many of us feel that it has been wasteful to some extent. Some of us feel it should not be perpetuated, but should be eliminated as soon as possible. At the same time I believe that perhaps we must continue it, with the hope of diminishing the extent to which it applies. We would like, as soon as we can, to the greatest degree possible, to shift away from a grant program to a loan program. We feel that there are many reasons for it. The principal reason, of course, is that a loan program means that the money loaned is likely to be much more carefully and thoughtfully invested and not wasted, and paid back. Some Americans feel that a loan program involves an element of risk and involves low interest rates, and a subsidy of a kind. However, if Members will examine the trade program, they will recognize that that is the best way to strengthen the Free World. There is no real element of subsidy involved at all. Here is a program which is in the best traditions of American free enterprise and competition.

Events of recent days should have convinced even the most stubborn of those who cling to an outmoded economic isolationism that this is no time for us to subvert our crucial foreign economic policy. Behind the tragic events in the Middle East, which carry so grave a threat, there is an underlying and obvious fact. More dangerous even than overt Russian military action is the current and mounting Russian economic offensive.

If we are to do more than undertake crash programs to meet immediate crises, if we are to attack the underlying economic facts which generate the

problems of a great part of the world, a strong reciprocal trade program is an indispensable weapon. It is more than that. It is the best weapon that can be employed.

At the heart of our international problems are the economic problems with which many of our friends and allies and the uncommitted nations of the world are struggling.

To repudiate our traditional reciprocal trade program—and that is what is being proposed here—is to serve notice on the people of the world that they cannot expect responsible leadership, sympathetic understanding, or cooperation from us in meeting their problems.

I cannot state too strongly my conviction that these issues of foreign policy are ultimately at stake in this debate. However, the justification for reciprocal trade rests just as firmly on its advantages to our own economy.

It is sometimes said that this is a struggle between liberal trade advocates and protectionists. I believe that is a highly misleading comparison. The fact is reciprocal trade is by far greater protection for the American economy than our high tariffs. I have pointed that out specifically so far as Wisconsin is concerned.

Far more jobs and far more businesses depend on foreign trade than are to be gained by so-called protectionism. What kind of protection is it which would sacrifice billions of dollars and millions of jobs in our economy in order to protect the far smaller economic interests of those who are demanding an abandonment of reciprocal trade?

Furthermore, what kind of protection is it which would sacrifice millions of jobs and billions of dollars of investment when there are other means available with which to protect these industries and to shift them into more lucrative and needed lines, in which they can operate more efficiently?

I cannot endorse such a version of "protection." I would not be serving the interests of my own State of Wisconsin or of the United States if I were to do so. The industries, the workers, and the farmers of Wisconsin have too great a stake in our exports of manufactured goods and of farm products to give them such ruinous "protection."

Nor is such a pennywise policy necessary to meet the just claims of those who have, in fact, been injured by foreign competition. The escape clause, national security, and peril-point provisions of the present law provide a wide range of protection for industries which can establish the reality of injury; and, when the national interest permits, relief is available.

In light of the economic benefits which we clearly derive from reciprocal trade and the imperative national security interest in the program, the consequences of weakening our policy now would be unthinkable.

The bill which won overwhelming bipartisan endorsement in the other House represented substantial concessions to protectionist sentiment—probably too many concessions. It increased Congressional surveillance and control over trade policy by providing that a two-thirds majority of both Houses could override Presidential judgment on escape clause cases. It would permit raising tariffs 50 percent above the levels of 1934—that is, 50 percent above the levels of the Smoot-Hawley Act, which was the highwater mark of economic isolationism. It strengthened the national security clause to insure that no impact of international trade would imperil our security.

In my opinion, these House-approved provisions go well beyond the requirements for fair and equitable treatment of domestic industries which believe they are being impaired by import competition. Surely, there is no need for going still further in the direction of economic isolationism. Surely, there is no necessity for the kind of mutilating amendments which were adopted by a majority of the Senate Finance Committee and which, in blunt fact, would virtually destroy the reciprocal trade program.

These amendments would challenge the very heart of our traditional policy by taking away from the President all real authority in escape clause cases. Clearly, competence to judge the requirements of the national interest, in foreign as well as domestic policy, rests with the President—not the Tariff Commission. The Commission, by law, does not work within such a frame of reference, nor is it supposed to do so. Yet, under the proposed committee amendment, the President would be required to obtain a concurrent resolution of both Houses of Congress in each instance, in order to overrule the Commission on considerations as to which his judgment must clearly be accepted as superior. The logic of this provision simply does not make sense; it should be overwhelmingly defeated.

The same conclusion must be reached with regard to the proposed amendment to the national security clause, requiring full consideration of the economic effect of imports on domestic industries. When Congress enacted the national security clause in 1955, it was giving explicit recognition to the significant difference between ordinary Tariff Commission cases which are judged on economic grounds and the few cases in which direct and substantial interests of national security are involved. The amendment to this provision now being proposed is a direct contradiction of that action of Congress and reduces it to meaninglessness. It says in effect, that any economic effect of imports should be taken into account as affecting our national security. If we adopt this amendment we are in reality writing a second escape clause, in the guise of national security. It loses all meaning as a special safeguard of the national interest, and becomes simply an encouragement to every business in the country to ask for special treatment—for there is not a business man who wants to escape competition who can not convince himself that he is essential to national security. One escape clause is enough in one law. This amendment should be rejected.

Finally, it is proposed that extension of the trade program should be limited to 3 years and the President's authority to reduce duties, for practical purposes, should be drastically curtailed. There are many reasons why this is an unsound amendment, a major one being the timetable for the creation of the European Common Market. But one of the most significant, in my view, is its psychological effect. Having in the amendments I discussed earlier reduced the trade program to a hollow shell—in fact, to an instrument for raising duties on virtually any commodity—this amendment now announces that we are not even willing to give solid approval to the tattered remnant by which certain import restrictions could be lowered in the national interest. This proposal can hardly fail to raise in the minds of our friends and allies real doubts as to the consistency and durability of our policies and purposes. Certainly, it gives the Soviets wonderful ammunition with which to encourage such doubts and worries among our friends.

There can be no doubt that we should encourage closer ties with our friends in the Free World. If that is generally true, heaven knows it is true tonight, a few hours after marines have landed in Lebanon. I believe very often what determines whether legislation passes or fails in Congress is the fortuitous circumstance of timing—on what is going on in the world. It seems to me that Senators must be influenced deeply by the tremendous importance which has been demonstrated in recent days of tying the Free World together as strongly as we can and basing the strength of the Free World on America's economic strength, and on doing everything we can to encourage self-sufficiency throughout the Free World and encouraging other nations to develop their economic strength. Certainly at a time when we are so close to war is no time for Congress to turn back to isolationism, or a philosophy which cuts us off from our friends in the Free World.

Any amendment which the Senate adopts to the House Bill should be in the direction of encouraging closer ties with our friends abroad, not in the direction of estranging their commercial ties with us. At a very minimum, we should pass intact the bill which has already been so strongly endorsed by the other House. To do so is not to turn our back on those who have a legitimate claim for relief from the impact of foreign trade. Far from it. I am confident that as the Senator from Minnesota has said, more-than-equitable relief is possible within the provisions of that bill.

In cases where, in fact, tariff relief for a limited interest cannot be reconciled with the overriding national interest, there should be added provisions of the law to give alternative means of assistance. A trade adjustment program would provide this needed alternative, and I support legislation to create such a program and to help injured industries adapt and adjust to new economic opportunities when they cannot compete with imports.

I think that such an amendment to the bill—a substitute amendment, I might say—would be extremely constructive, as

it would provide an alternative to permit injured industries to adopt and adjust to new economic opportunities when they cannot compete with imports.

I am genuinely concerned that the imperative national stake in reciprocal trade should be reconciled with equitable relief of workers and businesses which, however limited their interest, present real human problems. But the weakened and mutilated bill offered today makes no such reconciliation.

Shall I go back to Wisconsin and announce that I have jeopardized thousands of jobs in our heavy machinery and farm equipment industries, and the welfare of our farmers, in order to provide no apparent relief for jobs in other Wisconsin industries?

I know there is a claim made that the bill as reported will protect the plywood industry in Wisconsin. But that is a hollow claim, an empty claim, because, as we know, anyone who will recognize some of the facts can see that the bill does nothing for the plywood industry.

So the choice which the bill offers me makes it easy for me to reject it in its present form. The harm it will do will far outweigh any gain.

The only responsible choice open to us is a 5-year extension of the reciprocal trade program, without crippling amendments. The interests of my State, as well as the national interest, require it. I will support such a bill.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD statements I have received from some of the outstanding citizens and responsible officials of companies and organizations of Wisconsin. In most cases they have the responsibility for providing thousands of jobs.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

WISCONSIN SUPPORTS RECIPROCAL TRADE

J. I. Case International, S. C., H. H. Bloom, president, Racine, Wis.:

"There is even greater need now for our world trade agreement program than in the past. With our productive capacity exports play a very important part in our economy and provisions for reciprocal arrangements are necesary.

"With the formation in the making of common market and free market trading areas by groups of nations in the world, it is in our own interests to support the proposed bill relating to trade agreements."

Dummann World Trade Co., Tassos C. Stamatelakys, Milwaukee, Wis.: "Mutual understanding among world's peoples rather than trying to buy friends abroad through our tremendous spending program is what we need in order to prevent disastrous wars. This can best be achieved by freer world trade. Protectionism is un-American, reaping only enmity toward us. Domestic gains obtained through protectionism would be illusory and insufficient."

The Parker Pen Co., Janesville, Wis.: "The extension of the reciprocal trade as proposed by the President is, in my opinion, absolutely essential. Foreign countries will buy from us only to the extent they can earn dollars by selling to us. I am in complete sympathy with those industries in the United States that have been economically undercut by lower-cost foreign imports, but we shouldn't forget that there are even more millions of people in this country who depend for their livelihood by engaging in international trade."

R. D. Hughes, district manager, Milwaukee, Wis.:

"Please be advised that I am wholeheartedly in favor of this extension because it will mean the continued protection of approximately 4,500,000 jobs of United States citizens engaged in the manufacture, selling, and servicing of United States exports and imports.

"I further believe in substituting trade for direct aid. It will further assist in holding down consumer prices by encouraging healthy competition."

Mercury Motors International, Valy Z. Smith, president, Milwaukee, Wis.:

"Replying to your letter of March 7, it is indeed unfortunate that there still are many people who see but a part of the two-way trade picture. Let's hope that their rank will thin like those who still believe that the earth is flat.

"If we facilitate foreign nations to earn dollars by selling their goods here, those dollars ultimately cannot be spent but again in this country for our goods and services, thus benefiting both countries. There is no other logic."

S. C. Johnson & Son, Inc., Richard O. Lang, regional director, international division, Racine, Wis.:

"The resources and markets of the rest of the world are needed to maintain and increase our American economy and our own living standards. The export of American industrial and agricultural products greatly influence the health and vitality of business activity in the whole country. We cannot export without providing for imports from foreign countries, unless we continue foreign aid at the expense of the American taxpayer. As we and other industrialized nations practice freer trade, so can we demonstrate to lesser developed countries the worth and workability of free enterprise as constrasted with government controlled enterprise."

Wisconsin Farm Bureau Federation, William Kasa Kaitas, executive secretary:

"Last year we exported the farm production of an area 6 times the cropland area of Wisconsin. Without exports that production would have overflowed our domestic market, already well supplied. Producers of manufactures for export are among farmers' best customers. To export we must import, and the importation of goods which are produced more efficiently and cheaply abroad is also profitable to us."

Marshall F. Browne, commercial printer, Madison, Wis.: "Countries, like men, prefer the dignity of reciprocal trade to any form of charity."

H. C. Brockel, municipal port director, Milwaukee, Wis.: "Milwaukee, with a growing stake in foreign trade, has a keen interest in extension of the Reciprocal Trade Agreements Act. Renewal of the act will aid in solving many of our supply and marketing problems; will help to build international friendship through trade; and serves the enlightened self-interest of our country."

Robert W. Baird & Co., Alan C. Hackworthy, resident partner, Madison, Wis.: "While the President's program on reciprocal trade agreements may result in hardships for some industries, I feel that the overall benefits will be far-reaching for the majority of industries, labor and the farmer. It should mean greater economic strength abroad, which, in turn, should mean greater strength at home through the trade which will result from the program."

Oscar Mayer & Co., Arval L. Erikson, economic adviser: "In respect to the extension of the reciprocal trade agreement, we believe that the major consideration should be the national interest rather than the complete avoidance of injury to a few industries and groups which suffer from increased import competition. Expanding world trade would be beneficial to our country and would help to strengthen its position in world affairs. At the same time, however, we feel that attention should be given to assisting in the transition, those industries most seriously injured by increased foreign competition, in order that a few will not have to bear the full cost of a program designed to benefit the Nation generally."

National Institute of Labor Education, Joseph Mire, executive director, Madison, Wis.:

"Some 5 million workers are employed in export industry as against 300,000 in industry affected by imports. Thus it is obvious that as a group low tariffs are better for workers than high tariffs.

"Those adversely affected by imports should, however, be assisted through retraining and other measures."

Friends Committee on Legislation, Illinois-Wisconsin, Mrs. Carol Urner, executive secretary: "We do believe that the development of freer trade and the mutual exchange of goods and services are important factors in achieving economic and political stability, and in turn, world peace. We support reduction of tariffs and trade barriers, extension of the reciprocal trade program for long periods, removal of escape clauses from the Trade Agreements Act, and participation of United States in the Organization for Trade Cooperation. We also recognize the responsibility of our Government to give temporary financial aid to workers, industries, or communities hurt by tariff cuts, during their periods of readjustment."

Wisconsin State Industrial Union Council, Charles M. Schultz, president:

"Organized labor in America has traditionally supported the lowering of trade barriers because so many wage earners are dependent on foreign trade for their livelihood. Here in Wisconsin foreign trade makes up an enormous share of the total amount of manufacturing.

"Workers in some industries, however, have been adversely affected by foreign imports, and we in the Wisconsin CIO believe that measures should be taken to help the casualties of foreign trade.

"In the long run, there is no doubt in the mind of labor leaders in Wisconsin that increased foreign trade will help open up new markets for the products of American industries and that is why we wholeheartedly support the reciprocal trade program now before the Congress."

Milwaukee Association of Commerce, Lester S. Olsen, president: "Termination of the reciprocal-trade agreements in July could lead to serious economic problems in the international field that would adversely affect our domestic economy. Except for a few isolated cases of hardship, Milwaukee and Wisconsin commerce, industry, and agriculture have benefited over the past 24 years under the Reciprocal Trade Act. There is every reason to believe that these benefits will continue in the future."

The Wisconsin Federation of Business and Professional Women's Clubs, Inc., Mrs. Erma Romanik, State legislation chairman: "Because of the urgent need for world economic cooperation it is very important that trade among nations be expanded and stable."

Waukesha Motor Co., Max Hofmann, export manager: "I urge Congress to extend the Reciprocal Trade Agreements Act for 5 years because I sincerely believe that the United States has much more to gain than to lose from free and expanding world trade."

Brewery Workers Local Union No. 9, John W. Schmitt, recording secretary, Milwaukee, Wis.:

"Please be advised that Brewery Workers Local Union No. 9 of Milwaukee, Wis., supports the position taken by the League of Women Voters with respect to requesting Congress that the Reciprocal Trade Agreements Act, which expires June 30, 1958, be extended for 5 years."

"We in the Brewery Workers Union support the reciprocal trade agreements program because it is the only practical way to keep open the channels of trade for all nations. Milwaukee's industry and wage earners, like any other industries and wage earners throughout the country, depend on the sale of American products in overseas markets. Purchase of our goods by foreign countries is, of course, dependent on those countries having capital. In most instances, this capital is obtained by foreign nations selling their products in the American market.

"Organized labor, however, believes that the reciprocal trade agreements program must be coupled with a program to protect our workers who suffer from foreign contract preference in starting new enterprises, and by other programs. In the long run, as wage earners we recognize that foreign trade helps everybody. Trade barriers only raise prices artificially, which we as consumers must pay."

Caterpillar Tractor Co., William Blackie, executive vice president, Milwaukee, Wis.: "The need for extending the Trade Agreements Act is imperative; and the existence of a temporary downturn in our economy must not be allowed to obscure that vital fact. Anything less than a wholly effective extension of the reciprocal-trade program would be to play into the hands of our enemies—to the detriment of ourselves and our friends. This is much more than a dispute between freetraders and protectionists. It is not a case of one vested interest against another; or of Democrat versus Republican. Nor is it a matter of watches, bicycles, cheese, or clothespins, oil, lead, or zinc, or tractors. It transcends all these and ranks with military preparedness in this day of the intercontinental ballistic missile. We must complement the weapons of war with the weapons of peace—and the greatest of these is international trade honorably conducted among free peoples."

General Steamship Agencies, Inc., H. G. Bethune, Jr., president, Milwaukee, Wis.: "As I have expressed before it is my firm conviction that extension of the Reciprocal Trade Agreements Act is absolutely essential if United States manufacturers are to maintain or expand their overseas markets, and this is more true now than ever before in view of the formation of the European Common Market.

"It is necessary that we buy their products in order to supply them with the dollars they need to buy our exports. High protection tariffs or trade barriers cause the loss of many more man-hours of labor than they can save or protect."

From statement by Mortimer E. Graham, submitted to the House Committee on Ways and Means via the Thilmany Pulp & Paper Co., Kaukauna, Wis.: "The paper industry is a low tariff industry. Under reciprocal trade agreements its tariff schedule has been lowered. Under these circumstances it might justifiably argue, from a viewpoint of self-interest, that reductions have gone far enough, and that legislative authorization for further reduction through extension of the Trade Agreements Act is not warranted. However, this industry neither reasons from that viewpoint nor reaches that conclusion. Our industry is confident that negotiations promoting international trade through the elimination or reduction of tariff and other import barriers in foreign countries against paper and paper products should be encouraged."

WKBH-WKBT, La Crosse, Wis., Howard Dahl, manager: "Feeling that promotion of the export business of the United States, this year totaling $30 billion (military excluded) and employing 4½ million of our labor force, is essential to this country's economy, I am strongly in favor of (1) the 5-year extension of the reciprocal trade agreements as requested by the President; (2) the renewal of the reciprocal trade agreements without the crippling amendments now being proposed; (3) membership of the United States in the Organization for Trade Cooperation (OTC), the proposed secretariat which would serve as clerical staff and clearing house for the trade negotiations."

Mr. PROXMIRE. Mr. President, these persons have made excellent statements in warm support of a reciprocal-trade program which is not crippled by the kind of amendments which the Committee on Finance has seen fit to adopt.

With respect to the statement from Mr. John W. Schmitt, recording secretary of Brewery Workers' Local Union No. 9, Milwaukee, Wis., I think it is no secret in the United States that the Brewery Workers' Union has more members in my State of Wisconsin than in any other State in the Union.

Also, with respect to the statement by Mr. William Kasa Kaitas, executive secretary of the Wisconsin Farm Bureau Federation, the Wisconsin Farm Bureau Federation is the largest farm organization in the State. I find myself frequently in disagreement with the Farm Bureau Federation, but sometimes we agree, and in this case we enthusiastically agree.

Mr. President, thousands upon thousands of Wisconsin jobs are at stake in the bill now being considered by the Senate. I wish to put the citizens of Wisconsin cities and towns on notice that if the bill shall be passed in its present form it will mean more unemployment. If the bill shall be amended and improved, it will mean less unemployment in those cities and towns.

In Milwaukee alone more than 100 firms would be hurt if the bill were passed. In each of those firms there will very probably be a serious drop in sales and a substantial curtailment of jobs. Men and women will be thrown out of work.

The same is true in every other city and town of the State.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a list of only a few of the many Wisconsin companies in which jobs depend in part on foreign trade.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

A FEW OF THE MANY WISCONSIN COMPANIES WHOSE JOBS DEPEND IN PART ON FOREIGN TRADE

ALGOMA

Algoma Foundry & Machine Co. Export: Agricultural equipment, excluding tractors.

Algoma Net Co. Export: Hammocks, baby swings, etc.

APPLETON

Advance Car Motor Co., Inc. Export: Railroad transportation equipment and parts.

Fox River Tractor Co. Export: Forage harvesters.

Miller Electric Mfg. Co. Export: Electric arc and spot welding equipment.

Scolding Locks Corp. Export: Hairpins.

ASHLAND

J. A. Baldwin Manufacturing Co. Export: Oil filter elements.

BARABOO

Gunnison Manufacturing Co. Export: Asphalt distributor, street flusher.

Northern Engineering Co. Export: Transformers.

BELOIT

Fish Equipment Co. Export: Revolving tray bake ovens.

Lipman refrigeration division. Export: Refrigeration equipment, household gas stoves, heaters.

Yates American Machine Co. Export: Woodworking machinery.

BRILLION

Brillion Iron Works. Export: Agricultural equipment.

BURLINGTON

Wagner Specialty Co. Export: Dairy supplies, barrel faucets, specialties.

CLINTONVILLE

The Four Wheel Drive Auto Co. (M. H. Anunson, export manager). Export: Four and six-wheel drive motor trucks, 2- to 25-ton capacity, highway and public utility line construction tools, machinery, fire engines, etc.

CUDAHY

George J. Meyer Manufacturing Co. Export: Bottle washing, bottle filling and pasteurizing equipment.

Presto Color Co. Export: Industrial chemicals other than alcohol.

EAU CLAIRE

Lange Canning Co. Export: Canned goods.

Hutchens Industries, Inc. Export: Motor vehicle parts.

White Machine Works. Export: Cylinder sleeves and assemblies, pistons, rings, valves.

EVANSVILLE

Baker Manufacturing Co. Export: Windmills and pumps.

FOND-DU-LAC

American Motor Products Co. Export: Ignition parts.

Canvas Products Corp. Export: Miscellaneous industrial materials and manufactured commodities.

Fred, Rueping Leather Co. Export: Upper side shoe leather, raw hides.

Northern Casket Co. Export: Caskets.

FORT ATKINSON

James Manufacturing Co. Export: Incubators, dairy-farm equipment, metal silos and windows, grain keepers, ventilation equipment.

GREEN BAY

American Rennet Co. Export: Rennet powder and liquid.

Diana Manufacturing Co. Export: Sanitary napkins.

Hudson Sharp Machine Co. Export: Aniline printing presses, Campbell wrapping machines.

The Larsen Co. Export: Canned vegetables.

Norcor Manufacturing Co., Inc. Export: Steel folding chairs and tables and school desks.

Northern Paper Mills. Export: Box and cellophane folded, toilet paper, paper.

Random Veterinary Products, Inc. Exports: Veterinary items for cattle.

HUDSON

United Refrigerator Co. Export: Reach-in refrigerated cabinets, ice cube and upright freezers, beer coolers and dispensers.

HUSTISFORD

Rein Leitzke Manufacturing Co. Export: Agricultural hardware.

IRONIA

Farmwell Welded Products Co. Export: Agricultural spraying equipment.

JANESVILLE

Hough Shade Corp. Export: Venetian blinds porch screens, window shades, porch shades, flexible doors.

The Parker Pen Co. Export: Fountain pens and mechanical pencils.

KENOSHA

Ashmus Equipment Sales Corp., 7824 41st Avenue. Export: Machinery.

Coopers, Inc. Export: Hosiery, sportswear, sweaters, men's underwear.

Macwhyte Co. Export: Wire ropes, internally lubricated wire rope, preformed wire rope, special traction elevator rope, braided wire rope slings, tie rods, hifatigue cable and safelock cable assemblies for aircraft, fishing leading wire, trolling strand and rope wire.

Peter Pirsch & Sons Co. Export: Fire engines and equipment.

Snap-On Tools Corp. Export: Mechanics' hand tools.

KIEL

Stoelting Bros Co. Export: Milk pasteurizers, milk receiving and weighing equipment.

KENOSHA

Thompson, L. C. & Sons, Inc. Export: Sanitary fittings, pumps.

Tri Clover Machine Co. Export: Stainless steel pumps and fittings.

The Vincent-McCall Co. Export: Upholstered headboard beds, mattresses, boxsprings, bedsprings, sofas and studios, rollaway cots, porch and lawn wheel chairs.

KOHLER

Kohler Co. Export: Plumbing supplies and fixtures.

LA CROSSE

La Crosse Cooler Co. Export: Dry storage bottle coolers, ice cube makers, beer coolers, reach in refrigerators, walk in coolers, sink combinations.

Pyroil Co. Export: Gasoline and motor oil additives.

The Trane Co., Second and Cameron Avenue. Export: Trane Centra Vac, centrifugal water-chilling unit for air-conditioning and refrigeration systems, steam specialties, air conditioning, unit heaters, etc.

MADISON

American Scientific Laboratories, Inc. Export: Veterinary health products.

Ben H. Anderson Manufacturing Co., 51 North Dickenson Street. Export: Milkers.

Blaney Seed Co. Export: Seeds, hybrid corn, and cereals.

Celon Co. Export: Bottle caps, cellulose seals.

Gisholt Machine Co., Eugene A. Coombs, 1245 East Washington Avenue. Export: Turret lathes, automatic lathes, superfinishers, balancing machines, special machines.

Heidbrink Co. Export: Anesthesia apparatus and appliances.

Kreiselman. Export: Resuscitators.

Madison Plow Co., 131 Fair Oaks Avenue. Export: Plows.

Sanna Dairies, Inc., 122 West Mifflin Street, Madison. Export: Dried milk and other dairy products.

Specialty Battery Co., 212 East Washington Avenue. Export: Batteries.

Sub-Zero Co. Export: Commercial and domestic freezers and milk coolers.

MANITOWOC

Newton Mowers. Export: Mowing machines, tractor drawn.

Wisconsin Aluminum Foundry Co., Inc. Export: Canning machinery and parts, pressure cookers, retorts, sealers.

Aluminum Specialty Co. Export: Aluminum kitchen ware.

Invincible Metal Furniture Co. Export: Steel office furniture.

Smalley Manufacturing Co. Export: Agricultural implements, hammer mills.

MARINETTE

Ansul Chemical Co. Export: Industrial chemicals, methyl chloride and sulfur dioxide, refrigerants, dry-chemical fire extinguishers.

Marinette Knitting Mills, Pierce Avenue. Export: Knitted outerwear.

MARSHFIELD

The Johnson Co. Export: Sports jackets and rainwear.

MENOMONEE FALLS

Sturdy Bilt Equipment Corp. Export: Motor vehicle parts.

MENASHA

Wisconsin Container Corp., Sixth and Milwaukee Streets. Export: Corrugated and solid fiber shipping containers.

MILTON

The Burdick Corp. Export: Infrared and ultraviolet lamps, diathermy and electro surgical units, low voltage generators (medical rhythmic constrictors, radiant heat bakers, electrocardiographs. Import: Technical medical equipment.

OSHKOSH

Oshkosh Motor Truck, Inc. Export: Four-wheel-drive trucks.

Montra's, Inc., 327 Seventh Street. Export: Automotive speedometer sealing devices.

Leach Co. Export: Enclosed compressor type refuse collection vehicle, silo unloader, barn cleaner.

Universal Motor Co. Export: Motor vehicles, engines and parts, marine engines and electric generating sets.

PORT WASHINGTON

Simplicity Manufacturing Co. Export: Garden tractors and implements.

RACINE

Howard Industries. Export: Motors and dynamotors.

S. C. Johnson & Sons, Inc. Export: Polishes and waxes.

Webster Electric Co., Clark and DeKoven Avenues. Export: Pickups and cartridges, intercommunication equipment, public address equipment. Fuel units, ignition transformers, thermodrive (variable speed pulley), magnetic recording heads, wire recorders.

MILWAUKEE

Allen Bradley Co. Export: Motor starting switches, limit switches, float switches, push button controls, relays, rheostats, speed regulators, carbon resistors, and potentiometers.

Allis Chalmers Manufacturing Co., 864 South 70th Street. Export: Electric motors, starters, generators, switchgear, transformers, rectifiers, belt drives, etc.

The Louis Allis Co. Export: Frequency converters.

American Lace Paper Co., 4425 North Port Washington Avenue. Export: Dental goods.

AmpCo Metal Inc., 1845 South 38th Street. Export: Cast, rolled and wrought bronzes, centrifugal pumps, plug valves, arc welding electrodes, safety tools.

A-P Controls Corp., 2450 North 32d Street. Export: Refrigeration expansion valves, electric solenoid refrigerant and water valves, regulating valves, check valves, filters, filter driers, controls and regulators for vaporizing oil burners and water heaters, gas controls.

Arkay Laboratories. Export: Dryers, easels and print washers.

Associated Bag Co., 605 South First Street. Export: Bags, burlap and cotton.

Automatic Products Co., 2450 North 32d Street. Export: Oil heating and solid fuel control equipment.

Barco, Inc., Box 1222. Import: Electronic and radio components.

Blackhawk Manufacturing Co., 5325 West Rogers Street. Export: Hydraulic jacks, power equipment, socket wrenches.

Blatz Brewing Co., 1120 North Broadway. Export: Beer.

C. P. Bossert Co., 1751 North 49th Street. Export: Miscellaneous iron and steel manufactures.

Brierley Neckwear Co., 617 North Second Street. Export: Neckwear.

Briggs & Stratton Corp. Export: Auto equipment and gasoline engines.

Bucyrus-Erie Co., Robert T. Craig, P. O. Box 56. Export: Cranes, draglines, excavators, hydrocranes, power shovels, clamshell buckets, etc.

Bucyrus-Erie Co., 1100 Milwaukee Avenue. Export: Power shovels, excavators, cranes, well drills, drilling tools.

Carbolineum Wood Preserving Co., 528 West Highland Avenue. Export: Termite repellent and insecticide.

C. H. & E. Manufacturing Co., 3849 North Palmer Street. Export: Contractors' equipment including saw rigs, centrifugal pumps, diaphragm pumps, jetting pumps, road rollers, hoists, bar cutters, bar benders.

Centralab, 900 East Keefe Avenue. Export: Electrical equipment.

Charter Wire Co. Export: Stitching wire.

Federal Manufacturing Co. Export: Fillers and cappers for dairy industry.

Foster Forbes Glass Co., 2526 North 32d Street. Export: Glass.

A. F. Callum & Sons Corp., 1818 North Water Street. Export: Leather and leather products.

Globe-Union, Inc., 900 East Keefe. Export: Storage batteries, spark plugs, radio components.

Globe Steel Tubes Co., 3839 West Burnham Street. Export: Boiler tubes.

Hansen Glove Corp., 715 North Van Buren Street. Export: Leather, fabric, and wool gloves.

Harley-Davidson Motor Co., 3700 West Juneau Avenue. Export: Motorcycles, sidecars, and spare parts.

Harnischfeger Export Corp., 4329 West National Avenue. Export: Diesel engines, power cranes, and shovels.

The Heil Co., 3000 West Montana Street. Export: Road machinery, petroleum, milk transport tanks, truck dump bodies and hoists, oil burners, boilers and furnaces, pumps.

S. Heller Elevator Co., 240 North Milwaukee Street. Export: Elevators.

The Hilton Co., 12300 West Lisbon Avenue. Export: Aluminum ladders.

Holeproof Hosiery, 404 West Fowler Street. Export: Hosiery.

Jambor Tool & Stamping Co., 3059 North 30th Street. Export: Automobile parts and supplies.

Johnson Service Co., 507 East Michigan Street. Export: Automatic controls for heating, ventilating industrial processes.

Kay Bee Machine Products Co., 3637 South Ellen Street. Export: Electric supplies.

Kearney & Trecker Corp., 6784 West National Avenue. Export: Milling machines, machine tools, precision boring equipment, etc.

Kempsmith Machine Co., 1819 South 71st Street. Export: Milling machines.

Kepec Chemical Corp., North Fourth Street. Export: Industrial chemicals other than alcohol.

Koehring Co. Export: Construction, mining, and conveying equipment.

Cleaver-Brooks Co., 326 East Keefe Avenue. Export: Oil fired and hot water boilers, oil burners.

Chain Belt Co. Export: Mining, construction, and industrial equipment, road pavers, concrete mixers, power transmission equipment, sprockets for drives, etc.

Crystal Fluid Filter Co., 2231 North 17th Street. Export: Industrial and residential water filters.

Cudahy Bros. Pan-American Co. Export: Meatpackers.

Cutler-Hammer, Inc. Export: Industrial motor control, low voltage distribution apparatus, gas measuring and mixing control, temperature controls, electrical products, generators, switches, switchboards, etc.

Deep-Vue Corp. Export: Three dimensional viewers, mounts, and carrying cases.

Diamond Ink & Adhesive Co., 216 South Second St. Export: Ink.

The Electronic Secretary Industries, 805 South Fifth Street. Export: Electronic Secretaries, electronic products.

Empire Corp. Export: Generators and motors, lighting plants.

The Falk Corp., 3001 West Canal Street. Export: Gears, speed reducers, marine drives.

Charles A. Krause Milling Co. Export: Cornmeal, corn flour, and corn grits.

Kremers-Urban International Corp., 141 West Vine Street. Export: Various ethical pharmaceutical specialties.

Kriby-Cogeshall Steiman Co., 605 East Claybourn Street. Export: Labels.

Lakeside Laboratories, Inc., 1707 East North Street. Export: Pharmaceuticals.

Laukhoff Manufacturing Co. Export: Card and paper shear cutters.

J. Laskin & Sons Corp., 3726 North Fratney Street. Export: Sheepskins.

Line Material Co., 700 West Michigan Street. Export: Electrical utility equipment.

Master Lock Co., 2600 North 32d Street. Export: Padlocks, hasps.

NEW HOLSTEIN

Meili-Blumberg Corp. Export: Motor graders, line marking machines.

MILWAUKEE

Midwest Overseas Trading Corp., 647 West Virginia Street. Export: Agricultural implements. Import: Wool greases, lanolin, tanning chemicals.

Miller Brewing Co., 4000 West State Street. Export: Beer.

Milwaukee Brush Manufacturing Co., 2236 North 30th Street. Export: Brush manufacturers.

Milwaukee Forge & Machine Co., 1532 East Oklahoma Avenue. Export: Forgings and castings.

Milwaukee Hydraulic Products Corp. Export: Jacks, hydraulic, garage.

Milwaukee Label & Seal Co., 261 East Erie. Export: Labels.

Milwaukee Lace Paper Co., 1306 East Meinecke Street. Export: Paper and paper products.

Milwaukee Stamping Co., 800 South 72d Street. Export: Toilet partitions metal.

Monarch Manufacturing Co., 333 East Chicago Street. Export: Leather, woolen, cotton garments.

Mueller Climatrol, 2005 West Oklahoma Avenue. Export: Coal, oil- or gas-fired warm air furnaces, boilers.

National Enameling & Stamping Co., 270 North 12th Street. Export: Enamel manufacturers, galvanized utensils, kerosene stoves, etc.

J. M. Nash Co., 2360 North 30th Street. Export: Woodworking machinery.

Nesco, Inc., 947 West St. Paul Avenue. Export: Stoves, enameled household utensils, galvanized housewares, electric roasters.

Nordberg Manufacturing Co., 3073 South Chase Avenue. Export: Diesel, gasoline, and steam engines, mine hoists, compressors, crushers, grinding mills, kilns, power tools.

Northern Light Co., 1657 North Water Street. Export: Fluorescent lighting fixtures.

Northwestern Weiss Manufacturing Corp., 1433 North Water Street. Export: Store fixtures, cabinets, architectural woodwork.

Nitragin Co., Inc., 3747 North Booth Street. Export: Nitrogenous fertilizers.

Nunn-Bush Shoe Co., 2822 North Fifth Street. Export: Men's shoes.

Joseph Obenberger & Son, 155 South Barclay Street. Export: Industrial cars.

Pabst Brewing Co., 917 West Juneau Avenue. Export: Beer.

Panel Manufacturing Co., Inc., 102 East Walnut Street. Export: Graphitoid lubricant and marine retrieving devices.

Paul-Lewis Laboratories, Inc., 4253 North Port Washington Avenue. Export: Chemicals, enzymes. Import: Botanicals.

Perfex Corp., 500 West Oklahoma Avenue. Export: Automatic temperature controls, industrial engine radiation, engine equipment.

Phoenix Hosiery Co., 320 East Buffalo Street. Export: Men's, women's, and children's hosiery.

Pioneering Manufacturing Co., 1910 South 81st Street. Export: Tractors, milking machines.

R. C. Can Co., 9430 Page Avenue. Export: Fiber cans, tubes, cores, spools.

Red Star Yeast & Products Co., 221 East Buffalo Street. Export: Yeast and yeast foods, baking powder, malt syrup.

Rexford Paper Co., 1715 West Canal Street. Export: Gummed paper.

Jos. Schlitz Brewing Co., 235 West Galena Street. Export: Malt liquors.

Sengrusch Self Closing Inkstand Co. Export: Dip pen desk sets, inkstands, moisteners, Kiera-desks.

Chas. H. Stehling Co., 1303 North Fourth Street. Export: Industrial machinery, NEC.

Sterling, Inc., 3738 North Holton Street. Export: Heating specialties, temperature controls, vacuum heating pumps, etc.

Strobo Research Laboratories. Export: Studio and portable flash equipment.

A. O. Smith Corp., Post Office Box 2023. Export: Steel products, building products, brick, blocks, cement, plaster, marble, limestone, tile, equipment for chemical and petroleum industries, pumps and industrial equipment, heating equipment water heaters, pumps, welding electrodes and machines, gasoline dispensing pumps, electric motors, air conditioners.

Smith Engineering Works, 532 East Capitol Drive. Export: Crushers, screens, equipment for mines and quarries.

T. L. Smith Co., 2835 North 32d Street. Export: Construction equipment.

J. W. Speaker Corp., 3059 North Weil Street. Export: Motor vehicle parts.

Square D. Co., 4041 North Richards Street. Export: Electric motor controls.

Lawrence M. Stein Co., 7017 Cedar Street. Export: Machinery.

Taylor Dynamometer & Machine Co., 528 West Highland Avenue. Export: Dynamometers, precision drills, balancing machines.

Trico Fuse Manufacturing Co., 2948 North Fifth Avenue. Export: Plug and cartridge type fuses, fuse pullers and clamps, oiling devices.

Albert Trostel & Sons Co., 1776 North Commerce Streets. Export: Leather, tanning machinery, leather finishes, tanning oils, and chemicals.

Unit Crane & Shovel Corp. Export: One-half and three-quarter cubic yard crawler shovels, mobile and truck cranes, 5 to 20 ton capacity.

Western Hardware & Specialty Manufacturing Co., 3830 North Fratney Street. Export: Tools.

Western Leather Co., 904 East Pearson Street. Export: Leather welting, innersoles, leather and fiber shoe counters, leather, and leatherboard heels.

Western Rawhide & Belting Co., 1500 West North Avenue.—Export: Belting, mechanical.

David White Sales Co., 315 West Court Street. Export: Camera, three dimensional, architects' and engineers' instruments.

Wisconsin Motor Corp., 1910 South 53d Street. Export: Gasoline engines, air-cooled gasoline engines.

Wrought Washer Manufacturing Co. Export: Steel-wrought washers.

Vapor Blast Manufacturing Co., 3025 West Atkinson Avenue. Export: Sand-abrasive cleaning.

Videon Camera Sales. Export: Stereo camera.

The Vilter Manufacturing Co., 2217 South First Street. Export: Refrigeration and air conditioning equipment.

Velvac, Inc., 3530 West Pierce Street. Export: Vacuum and hydraulic power braking.

RACINE

Twin Disc Clutch Co., 1328 Racine Street. Export: Industrial friction clutches, marine gear, hydraulic couplings.

Famco Machine Co., 18th and Holburn Streets. Exports: Power presses, arbor presses, drill presses, air presses, foot presses, power squaring shears, foot squaring shears, metal cutting bandsaw machines.

Webster Electric Co. Export: Ignition transformers and fuel pumps for oil burners.

Ajax Auto Parts Co. Export: Bolts, nuts, screws.

Young Radiator Co., 709 South Marquette Street. Export: Heat transfer products.

George Gorton Machine Co. Export: Pantograph machines.

The Dumore Co. Export: Precision tool post lathe grinders, hand grinders, precision drills, flexible shaft tools, electric floor polishers, fractional horsepower motors.

American Machine Works. Export: Wire stitching machines.

Tree Tool & Die Works, 1600 Junction Avenue. Export: Milling machines and attachments.

George Gorton Machine Co. Export: Milling machines.

S. C. Johnson & Son, Inc. Export: Manufacturers of metal working lubricants and coolants, compounds and oils.

Howard Industries. Export: Farm lighting plants.

J. I. Case Co., 700 State Street. Export: Agricultural tractors, machinery, and implements.

The Electrical Manufacturing Co. Export: Electrical conversion kits for sewing machines.

Jacobson Manufacturing Co. Export: Pumps.

Tri-Line Co. Export: Concrete cutters.

Cyclone Motor Corp., 1760 State Street. Export: Fractional horsepower motors and electric generator sets.

Agicide, Inc., 1600 Junction Avenue. Export: Insecticides, fungicides, etc.

RHINELANDER

Rhinelander Paper Co. Export: Glassine, greaseproof, and modern packaging, coated grades.

RIPON

Manifold Hot Spot Corp., 442 Scott Street. Export: Automotive gasoline manifold vaporizers.

SHEBOYGAN

Engineering Mfg. Co. Export: Drafting room and engineer's equipment.

The Vollrath Co. Export: Enameled ware and stainless steelware, household and institutional.

Sheboygan Machine Co. Export: Endless bed sanders.

Bemis Manufacturing Co. Export: Toilet seats.

STURGEON BAY

The Handilite Co. Export: Electrical apparatus.

SUPERIOR

Superior-Lidgerwood-Mundy Corp. Export: Gasoline, electric diesel, steam-driven hoists, derricks, special cranes, marine auxiliaries.

TWO RIVERS

Paragon Electric Co., 1600 12th Street. Export: Time switches and time controls.

Schwartz Manufacturing Co. Export: Filters and discs, cotton.

WATERTOWN

Dairy Lane, Inc. Export: Evaporated and condensed milk powders, cheese.

Kusel Dairy Equipment Co. Export: Cheese-making machinery, pasteurizers, coolers.

Brandt Automatic Cashier. Export: Automatic money changers.

WAUKESHA

Hein Werner Corp. Export: Motor vehicle parts.

Waukesha Motor Co. West St. Paul Avenue. Export: Heavy duty industrial and automotive type internal-combustion engines for operation on gasoline type power units, or diesel fuels in 10 to 575 horsepower range, normal aspiration or turbo supercharged, driven railway passenger car electro generating and air conditioning units.

Century Engineering. Export: Hydraulic spreader for dump trucks.

WEST BEND

West Bend Aluminum Co. Export: Appliances, cookware, giftwear, gasoline engines.

Wesbar Stamping Corp. Export: Hub caps.

Gohl Bros. Manufacturing Co. Export: Farm machinery.

WISCONSIN RAPIDS

Consolidated Water Power & Paper Co., plastic products division. Export: Decorative laminated plastic panels.

Prentiss Wabers Products Co. Export: Kerosene and gasoline stoves, fuel oil circulating heaters.

WAUSAU

Wausau Iron Works. Export: Sand and gravel spreader.

Mr. PROXMIRE. Mr. President, if the Senate passes the bill as reported by the committee, it will gut our entire trade program. The effects on the economy of the United States and on the economy of Wisconsin will be disastrous. People will be thrown out of work in every part of the State. Hundreds could lose their jobs in Green Bay, hundreds in Janesville. Unemployment in cities like Racine, Sheboygan, and Madison, our capital city, could grow as our foreign trade shrinks. In the Milwaukee area, thousands upon thousands of workers will be walking the streets searching for jobs to replace the positions which they used to hold in companies producing machinery, farm equipment, chemicals and an endless number of other products for export. If a protectionist trade bill is passed, thousands upon thousands of workers will add their names to the already tragically swollen lists of the unemployed. No one can calculate how great will be the losses to the businessmen of Wisconsin.

We as a nation need a good foreign trade program; the people of Wisconsin need foreign trade. I will do all I can to make certain that the Senate passes an adequate program for foreign trade.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Without objection, it is so ordered.

Mr. GORE. Mr. President, it should now be clear to everyone that the nations of the Free World face a serious challenge from Soviet communism. Events of the past few months have brought into sharp focus Russian progress in the field of scientific and military technology.

Mr. President, the overthrow, this week, of another friendly government in the Middle East tragically demonstrates that the Russians mean business in the cold war. We simply cannot and must not withdraw into isolation. To do so would be to invite defeat in the cold war; to do so would be to leave the Russian Communists uncontested in their attempts at world domination; to do so would soon lead to the economic and political isolation of the United States, and might soon leave us friendless. In such a state, our own freedom would be in dire jeopardy.

The challenge we face, however, is not limited to the threat of military aggression. Mr. Khrushchev has openly boasted that the communistic economic system is superior to our own, and that, in time, the uncommitted nations of the world will see that this is so. While the economic challenge has not been dramatized, as by the launching of a sputnik or by a revolutionary seizure of the government of a friendly country, it is, nevertheless, real. Mr. Khrushchev issued the challenge publicly last fall, when he said:

> We declare war upon you * * * in the peaceful field of trade.

Not only did Mr. Khrushchev declare economic war upon us; he openly boasted that Soviet Russia would win.

Inquiries have been made to determine just how we stand in the race for development of ballistic missiles, and what should be done about it. These inquiries have served a useful purpose; and I am sure the American people, given adequate leadership, are willing to do what needs to be done to insure military strength adequate for national security. But we must not neglect other matters that are equally important in the struggle for the survival of free civilizations.

National security and public welfare require that we do the things which will promote our economic strength here at home and will contribute to improved economic conditions in nations who are allied with us in the struggle for freedom.

One of the things we must do is to take steps to preserve and promote mutually beneficial trade between free nations. Our principal means of doing this is through the reciprocal-trade program. This program, one of the outstanding achievements of my fellow Tennessean, Cordell Hull, stands in danger. It has expired, and the Congress must take positive action to extend it. It has passed the test of time, serving the country well during the administration of two Democratic Presidents and one Republican President. It is just as important today as it was when it was started in the mid-1930's. Perhaps today it is even more important.

The Trade Agreements Act of 1934, as originally enacted and in the form in which it has been extended upon several occasions, authorizes the President to enter into agreements with other nations under which we agree to eliminate certain specific trade barriers in return for a commitment by the other nations participating in the agreement to eliminate or reduce their own trade restrictions. The program is designed to be truly reciprocal—truly two-way trade.

The law has always contained strict limits on the extent to which the President may go in reducing tariffs by such agreements, and it also directs that any agreement contain an escape clause under which we may abrogate the agreement if any American industry is unduly injured thereby. A great deal of misinformation has been disseminated about this program. Some would have us believe that it is a sort of giveaway deal under which we eliminate all of our tariffs unilaterally, for the benefit of other countries—a sort of sly method of transferring the jobs of American men and women to foreign countries. Nothing could be further from the truth. The real purpose of the program is to increase mutually advantageous trade among the nations of the world by reducing artificial trade barriers. Insofar as we ourselves are concerned, it has meant the promotion of increased trade, exports as well as imports.

Mr. President, since passage of this act, our Government has taken the lead in trying to bring about conditions leading to more international trade. The issue is whether or not we should continue these efforts. Is increased trade good or is it bad? To me, the evidence is overwhelming that we profit in many ways from increased trade with other countries.

Some of the countries friendly to us must trade in order to live. If they cannot trade with us, they will trade elsewhere. Moscow is always eager to send trade missions to any country which will receive them. The Masters of the Kremlin think nothing of denying their own people various types of consumer goods in order that these items may be available for shipment in foreign trade. They know that political ties follow the trade routes. The pattern of their operations is all too familiar. Trade missions are followed by economic technicians, who are, in turn, followed by military advisers and military aid. Sooner or later, there is another Communist satellite country. I do not wish to minimize in any way whatsoever this important aspect of an enlightened foreign trade program.

But even if security and such foreign policy considerations were not present, if we consider only the impact upon our own economy, we find that we have a tremendous stake from a dollar and cents standpoint in a further expansion of foreign trade.

A look at the record will demonstrate what has happened since our reciprocal trade program started. In 1935, when it was just getting under way, our imports of merchandise were valued at $2 billion. By 1957 they had increased to about $13 billion. But while we were experiencing an increase in imports of about 500 percent, our exports of merchandise had climbed from $2.3 billion to about $19½ billion, an increase of about 700 percent.

Critics of foreign trade are always talking about jobs in industry which are allegedly lost because of imports. They neglect to mention all the jobs which are made possible by our exports. There is one simple rule in any consideration of foreign trade that cannot be avoided: If we sell, we must buy. We were able, in 1957, to sell about $19½ billion worth of merchandise abroad, while receiving about $13 billion in imports. We must face the fact that we cannot expect to continue to export in this volume, much less, expect to expand our exports, unless we are willing to permit imports.

How important is foreign trade to our economy? Last year our gross national product was about $434 billion. We disposed of 4.5 percent of that total in the markets of the world. Four and five-tenths percent does not sound like a very large figure, but when compared with other items which make up the gross national product, some appreciation of the magnitude of our export trade may be established. For example, in 1956, the value of all nonfarm residential construction in the United States was $16.5 billion, approximately $3 billion less than the value of our exports. In 1957, our total income from corporate dividends was $12 billion, less than two-thirds the value of our exports. Exports make up 9 percent by value of our production of movable goods, 8 percent of manufactured goods, 26 percent of construction and mining equipment, 19 percent of trucks, 11 percent of machine tools, 14 percent of our coal production, and 20–40 percent of our cotton, rice, and tobacco.

We must place in proper perspective the enormous stake we have in export trade. This past year we experienced a slight decline in residential construction which had a serious impact upon the lumber industry and many others which are dependent in part upon the construction of homes. And make no mistake about it—those affected have let their situations be known, as they should. We all notice that when the announced dividends of large corporations are somewhat less than anticipated, the repercussions in the stock market are sharp and immediate. But, for some reason, few seem to realize that there is any threat to our economy in a decline of our export markets. The fact is that our exports can mean the difference between prosperity and recession. They can mean the difference between a high level of employment for American workers and unemployment. Our farmers are in enough difficulty as it is. It would be much worse if we suddenly lost our foreign markets. Everyone agrees that we must find some way to increase the markets for our agricultural commodities. We simply cannot do it unless we are willing to trade with our neighbors.

It is estimated that the jobs of about 4½ million Americans depend upon our export-import trade. Our export business creates jobs in addition to those directly concerned with the products being exported. Banks, railroads, truck-lines, barging and shipping companies, warehouses, insurance companies, brokers, and dozens of other enterprises benefit from the export trade.

For example, the American merchant marine, although it is relatively small, contributes an estimated $5.3 billion a year to the economy and creates jobs for 225,000 workers.

Very few people would fail to recognize the value to the economy of our export trade. Those who are inclined to question the value of foreign trade usually complain of the competition which imports offer our own products.

Some products which are imported are necessary to our economy. Imports such as coffee, tea and bananas enrich our diet, and, although we could do without them, we would find them difficult to replace. These imports create many jobs in their processing, transportation, and distribution. If we tried to produce these items under conditions existing here at home, the cost to the consumer would be prohibitive.

We have come to depend on imports for such vital materials as asbestos, chromite, industrial diamonds, manganese, nickel, and tungsten. All together, we import about one-tenth of our raw material requirements. Such vast imports certainly create many jobs. Indeed, without some of them, our whole industrial structure would have to be changed. Imports certainly figure prominently and constructively in the overall balance of the economy. Imports, like exports, create many jobs.

Some imports are, of course, in competition with domestic production. Of the $13 billion of imports, however, only about $3 billion worth could reasonably be said to be competitive with domestic production. The remainder consist of raw materials vital to our industries and other items not grown or produced competitively in the United States.

Thus, to the extent that imports create a problem, the problem is confined to imports of about $3 billion in value. It does not make sense to jeopardize $19.5 billion of export trade in order to reduce or prevent $3 billion in imports. That is exactly what would happen if we fail to continue our reciprocal trade program. A reversion to the catastrophic protectionist philosophy of the Smoot-Hawley Act would inevitably encourage other countries to erect trade barriers against American products, with consequent decrease in our export trade, bringing about serious repercussions in our own economy as well as in the economy of other nations.

My own State of Tennessee is keenly aware of the benefits from the Cordell Hull trade program. Last year Tennessee alone sent more than $230 million of exports to foreign markets. They included exports of farm commodities and industrial commodities.

I urge that this program be extended without crippling amendments.

I shall support a 5-year extension, and I shall oppose the amendment of the distinguished senior Senator from Oklahoma [Mr. KERR].

This program is important to Tennessee, important to the South, important to America, and important to the Free World. An extension of the act is truly in the national interest.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT TO 10 A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today it stand in adjournment until 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I should like to make an announcement. I hope Senators who desire to address themselves to the pending bill will be prepared tomorrow, because we expect the session to run late into the evening tomorrow in the hope of completing the reciprocal trade agreements extension bill at the earliest possible date. We expect to follow the bill with the defense reorganization bill. We anticipate that will take a very short time. In the event the policy committee gives its clearance, we expect to follow the defense reorganization bill with the farm bill.

After the policy committee meeting, I shall inform Senators in more detail of proposed legislation which is to be considered following the farm bill.

EXTENSION OF TRADE AGREEMENTS ACT—AMENDMENTS

Mr. MAGNUSON (for himself, Mr. BARRETT, Mr. BRICKER, Mr. BIBLE, Mr. CURTIS, Mr. JACKSON, Mr. MUNDT, Mr. MURRAY, Mr. PROXMIRE, and Mr. YOUNG) submitted amendments, intended to be proposed by them, jointly, to the bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, which were ordered to lie on the table, and to be printed.

ADJOURNMENT TO 10 A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, if there are no Senators who desire to address the Senate at this time, pursuant to the order previously entered, I move that the Senate adjourn until 10 o'clock a. m. tomorrow.

The motion was agreed to; and (at 8 o'clock and 20 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Thursday, July 17, 1958, at 10 o'clock a. m.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 16, 1958:

DIPLOMATIC AND FOREIGN SERVICE

Charles W. Yost, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Morocco.

POSTMASTERS

ALABAMA

Newbern L. Fowler, Bankston.
William E. Kerby, Leighton.
John Y. Metzger, Point Clear.

ARIZONA

Pearl J. Guthrie, Ash Fork.
LaWana Sue Donaldson, Cameron.
David H. Hill, Hereford.
Lucile L. Robertson, Keams Canyon.

CALIFORNIA

Inez Alma Rice, Bryn Mawr.
Clarence W. Hatheway, Desert Hot Springs.
Wayne J. Cummins, Hornbrook.
Edward G. Garza, Janesville.
Emma G. Henderson, Liberty Farms.
Cleatis A. Bookout, Mendota.
Leroy Ducoty, Morgan Hill.
Warren H. Meharg, Oakhurst.
William H. Henson, Riverdale.
John I. Malarin, Ross.
Fred Dante Cuneo, San Andreas.
Medford C. Eggleston, Westwood.

COLORADO

Walter W. Winegar, Cortez.
Darrell G. Arnold, La Veta.

CONNECTICUT

Mildred W. Gould, East Berlin.
Bryce S. Reymers, Falls Village.
Edward D. Loomis, Guilford.
Grace A. Getchell, Pine Meadow.
Arthur W. Valentine, Pomfret Center.
Dorothy L. McIntire, Tariffville.

FLORIDA

Carl P. Duke, Ellenton.
Reuben J. Holcombe, Minneola.
Earl Charles Jacot, Palm Bay.
Ethna J. Temple, Palm City.
Katherine E. Ragsdale, Pierce.
Harriett R. Miller, San Mateo.

GEORGIA

Germaine J. McGovern, Avondale Estates.
Myrtle Y. Thrasher, Barwick.
Frederick Earl Waller, Bloomingdale.
Claude W. Beardsley, Donalsonville.
Frances K. Cowan, Ellenwood.
Julian B. Abel, Enigma.
Gussie M. S. Owen, Gordon.
Horace G. Cown, Loganville.
James Lawrence Hunt, Perry.
Dorothy A. Sanders, Shady Dale.
Falera D. Lewis, Stonewall.
Luke R. Warren, Tennille.
Frederick R. Peterson, Vidalia.

ILLINOIS

William S. Totten, Alexis.
Marion E. Lang, Creston.
Anna E. Cinnamon, Dana.
Gilbert L. Dodds, Eola.
Kenneth C. Hall, Lombard.
Stanley W. Alm, Richmond.
Leroy T. Hopkins, Roodhouse.
William P. James, Spring Valley.
Charles E. Higgins, Vandalia.
Carol A. Shimko, Winthrop Harbor.

INDIANA

Donald J. Kellerman, Oldenburg.
Clara G. Langley, Stroh.
Verlo Christner, Topeka.

IOWA

George G. Hendricks, Fort Dodge.
Dallas V. Smith, Hedrick.
Dallas V. Madland, Inwood.
Forest Raney, Reinbeck.

KANSAS

Bernice N. Brown, Downs.
Benjamin H. Schulz, Jr., Hunter.
Victor A. Breneman, Kingman.
Jack M. Crain, Oxford.

LOUISIANA

Harry B. Manning, De Ridder.
John H. Sharp, Eros.
Mabel B. Ross, Montegut.
Paul E. Carreras, Rosedale.

MAINE

Russell H. Ladd, Brownville.
William R. Jordan, Fryeburg.
Almon H. Barker, Naples.
Daniel H. McGraw, Surry.
Milton L. Daney, Waterboro.

MARYLAND

William F. Laukaitis, Baltimore.
William L. Boteler, Buckeystown.
Ella May Renner, Mount Wilson.

MASSACHUSETTS

Annberta L. Terry, Brookfield.
Frank Eben Brown, Fairhaven.
Henry A. Kane, Hanson.
James J. Gallagher, Lowell.
Charles L. Sullivan, Norfolk.
Robert W. Loud, North Reading.
Dana O. Merrill, Pepperell.
Linwood G. Capen, Rockland.
Thomas B. Ervin, Wilbraham.

MINNESOTA

Ralph H. Trieglaff, Frazee.
Christian P. Femrite, Glenwood.
Maurice D. Quaife, Grand Marais.
Donald O. Moffitt, Holland.
John Butkiewicz, Kettle River.
Cathryne J. Passard, Marble.
Harley F. Hass, North Redwood.
Lowell O. Sovde, Oklee.
Hans Millard Mageissen, Park Rapids.
Virgil J. Hjelle, Viking.

MISSISSIPPI

Dura I. Lowrey, Robinsonville.
Austin H. Russell, University.

MISSOURI

Carl T. Indermuehle, Buffalo.
Herald E. Keltner, Carrollton.
Wilburn W. Manford, Clarence.
Gertrude K. Wilkins, Oronogo.
Rex B. Sloop, Queen City.
Virgil E. Walter, Rockport.
Gene W. Slinkard, Senath.

MONTANA

Norman J. LaFriniere, Thompson Falls.

NEBRASKA

Leona A. O'Brien, Alda.
Clarence R. Jeffrey, Allen.
Clyde Washington, Hardy.
Robert D. Pierce, Sumner.
Edward J. Lawyer, Sutherland.

NEVADA

Zeron E. Bell, North Las Vegas.
Stella E. Mendieta, Tungsten.

NEW HAMPSHIRE

William C. Hubbard, Canterbury.
Arthur P. Stewart, Durham.

NEW JERSEY

Charles E. Osborn, Breton Woods.
LeRoy J. Gilsinan, Englewood.
Alvah R. Blisard, Kearny.
Angelo Daurio, Rosenhayn.
William N. Clegg, Wayne.

NEW YORK

Ishmael B. Burns, Alexandria Bay.
Irving S. Van Valkenburg, Attica.
John J. Murphy, Au Sable Forks.
Clark B. Lord, Bemus Point.
Theodore James Kilmeyer, Brentwood.
Raymond J. Daggett, Briarcliff Manor.
Beulah I. Giess, Celoron.
Tracy C. White, Conesus.
Ernest V. H. Parslow, Coxsackie.
John Hajduk, Depew.
Winfield L. Hills, DeRuyter.
Walter Richard Willoughby, Duanesburg.
Louis E. Ruck, Fultonville.
Hilda D. Maynard, Hartford.
Lyle E. Kreiger, Honeoye Falls.
LaVerne D. Larson, Lakewood.
Lewis A. Ward, Lawyersville.
Edwin Earl Jones, Lisbon.
Homer E. Houghtaling, Masonville.
Herbert F. Bantle, North Collins.
Elton F. Van Deventer, Palmyra.
Pearl V. Hayton, Stormville.
Gladys E. Van Haneghem, Walworth.
Andrew M. Hoblock, Watervliet.
Howard J. Bloodgood, Jr., West Nyack.
Gerald R. Davis, Woodhull.
Genevieve W. Kavanaugh, Woodville.

NORTH CAROLINA

James E. Stack, Harmony.
James F. Inman, Laurinburg.
Ada S. Solomon, Montreat.

OHIO

Jason E. Young, Ansonia.
William M. Corbin, Barnesville.
William A. Steinmetz, Greenville.
Howard E. Hochmann, Lisbon.
Robert L. Bradfield, West Jefferson.

PENNSYLVANIA

George T. Van Buskirk, Jr., Abington.
Carl E. Sheldon, Bradford.
Don A. Ducoeur, Charleroi.
Margaret J. Burke, Damascus.
Helen Z. Swanson, Irvine.
Pauline R. Witmer, Lampeter.
Raymond R. Orben, Milford.
Kenneth R. Myers, Millerstown.
Harold R. Sampsell, Millmont.
Olin W. Rogers, Montrose.
Peter W. Longstreth, Jr., Oakdale.
John H. Taylor, Port Royal.
Robert W. Heppe, Sheppton.
Elizabeth M. Gaitens, Sturgeon.
John K. Beehler, Tobyhanna.

SOUTH CAROLINA

Joseph S. Thomas, Jefferson.
Robert Morris Clayton, Laurens.

SOUTH DAKOTA

Delbert M. Thue, Bryant.
Glenn E. Soladay, Fulton.
Gerda M. Likness, Langford.
Agnes K. Pivny, New Underwood.
Sander K. Sletto, Presho.
Raymond H. Casanova, Ramona.
James D. Nielsen, Wilmot.

TENNESSEE

Opal B. Wilkinson, Fayetteville.

TEXAS

William M. Turnbough, Meadow.
Joseph L. Strother, Jr., Santa Anna.
John W. Word, Whiteface.

UTAH

Frank B. Gear, Eureka.
Frances R. White, La Sal.
Clarke P. Maughan, Wellsville.

VERMONT

Robert K. Jones, Warren.

VIRGINIA

Robert D. Swecker, Blue Grass.
Robert M. Taylor, Meredithville.
Herbert S. Jones, Middletown.
Thomas E. Lonergan, Orange.
Mary F. Drummond, Pungoteague.
Needham James Boddie, Jr., South Hill.

WEST VIRGINIA

Ralph R. Thompson, Fort Ashby.
Laura G. Arens, Power.
Serreda M. Banks, Seth.
Philip B. Cooper, Webster Springs.

WISCONSIN

Robert J. Besse, Butternut.
Russell R. Moore, Columbus.
Clarence A. Hopmann, Downing.
Raymond M. Weber, Elmwood.
Herbert J. Frigge, Hubertus.

Clarence P. Henschel, Kiel.
Romuald A. Brzezinski, Krakow.
Genevieve M. Wendt, Lowell.
Joseph N. Gowin, Ridgeland.
Charles J. Neuenfeldt, Spencer.
William R. Schaid, Walworth.
Leonard E. Sprain, West Salem.
Everett C. Jones, Wild Rose.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JULY 16, 1958

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Amos 5: 24: *Let judgment run down as waters, and righteousness as a mighty stream.*

Eternal God, our Father, we are again assembling in this Chamber, as colleagues and coworkers, engaged in a high and holy mission.

We are conscious of daily facing tremendous tasks and responsibilities which are far beyond our finite wisdom and strength.

One in our need and longing, we are humbly beseeching Thee that we may have the sustaining presence and the guiding light of Thy divine spirit.

Grant that we may be calm and courageous as we find ourselves challenged by a difficult international situation.

May we go forth unafraid, assured that as our days, so also will be our strength.

Hear us in the name of the Prince of Peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries, who also informed the House that on July 15, 1958, the President approved and signed bills and joint resolutions of the House of the following titles:

H. R. 1804. An act for the relief of Robert B. Cooper;

H. R. 11451. An act to authorize the construction and sale by the Federal Maritime Board of a superliner passenger vessel equivalent to the steamship *United States*, and a superliner passenger vessel for operation in the Pacific Ocean, and for other purposes;

H. R. 12457. An act to further amend Public Law 85–162 and Public Law 84–141, to increase the authorization for appropriation to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes;

H. R. 12739. An act to amend section 1105 (b) of title XI (Federal Ship Mortgage Insurance) of the Merchant Marine Act, 1936, as amended, to implement the pledge of faith clause;

H. J. Res. 580. Joint resolution for the relief of certain aliens; and

H. J. Res. 633. Joint resolution to designate the lake formed by the Ferrells Bridge Dam across Cypress Creek in Texas as Lake O' the Pines.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills, a joint resolution, and a concurrent resolution of the House of the following titles:

H. R. 2261. An act for the relief of the Committee of Reference and Counsel of the Foreign Missions Conference of North America;

H. R. 3261. An act for the relief of the Oceanside-Libby Union School District, San Diego County, Calif.;

H. R. 3720. An act for the relief of Carl J. Warneke;

H. R. 4044. An act for the relief of Mirko J. Pitner;

H. R. 4330. An act for the relief of Lucia (Castaneda) Sayaan and Gloria (Castaneda) Sayaan;

H. R. 5084. An act for the relief of Maria Alma Dizon;

H. R. 7987. An act for the relief of Maria Giannalia;

H. R. 8850. An act to amend the Universal Military Training and Service Act to authorize additional deferments in certain cases;

H. R. 11033. An act to authorize the creation of record of admission for permanent residence in the case of certain Hungarian refugees;

H. R. 11077. An act to incorporate the Veterans of World War I of the United States of America;

H. R. 11102. An act amending the jurisdiction of district courts in civil actions with regard to the amount in controversy and diversity of citizenship;

H. J. Res. 582. Joint resolution to authorize the Commissioners of the District of Columbia to promulgate special regulations for the period of the Middle Atlantic Shrine Association Meeting of A. A. O. N. M. S. in September 1958, to authorize the granting of certain permits to Almas Temple Shrine Activities, Inc., on the occasions of such meetings, and for other purposes; and

H. Con. Res. 346. Concurrent resolution commemorating the centennial anniversary of the Lincoln-Douglas debate which was held in Freeport, Ill., on August 27, 1858.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 4229. An act for the relief of Continental Hosiery Mills, Inc., of Henderson, N. C., successor to Continental Hosiery Co., of Henderson, N. C.;

H. R. 7729. An act for the relief of August Widmer;

H. R. 12162. An act to amend the District of Columbia Stadium Act of 1957 to require the stadium to be constructed substantially in accordance with certain plans, to provide for a contract with the United States with respect to the site of such stadium, and for other purposes; and

H. J. Res. 589. Joint resolution for the relief of certain aliens.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 13066. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1959, and for other purposes.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. STENNIS, Mr. CHAVEZ, Mr. HAYDEN, Mr. JOHNSON of Texas, Mr. BRIDGES, Mr. SALTONSTALL, and Mr. DIRKSEN to be the conferees on the part of the Senate.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 13121. An act to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

The message also announced that the Senate insists on its amendment to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ANDERSON, Mr. PASTORE, Mr. JACKSON, Mr. HICKENLOOPER, and Mr. BRICKER to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 92. An act for the relief of Robert Karia;

S. 721. An act to amend section 11 of the Clayton Act to provide for the more expeditious enforcement of cease and desist orders issued thereunder, and for other purposes;

S. 1280. An act for the relief of Antonio da Costa;

S. 2188. An act for the relief of George Pierre Saviolidis, Ethel Saviolidis, his wife, and William Saviolidis, his son;

S. 2444. An act to authorize cooperative associations of milk producers to bargain with purchasers singly or in groups and for other purposes;

S. 2935. An act for the relief of Mary Louise Shields Wilkinson;

S. 3031. An act for the relief of Joseph Daniel Maeda Betterley (Toshikazu Maeda);

S. 3270. An act for the relief of Nick Tsaliki;

S. 3275. An act to provide for the representation of indigent defendants in criminal cases in district courts of the United States;

S. 3303. An act for the relief of Victoriano Daviz Verastique (Victor Davis);

S. 3357. An act for the relief of Arturo Ernesto Audrain y Campos.

S. 3401. An act for the relief of Cho Hack Youn;

S. 3402. An act for the relief of Nessime Kadoch;

S. 3404. An act for the relief of Doulatram Chattulane Chavez;

S. 3587. An act to provide that the Secretary of the Interior shall investigate and report to the Congress as to the advisability of establishing a national park in the Wheeler Peak-Lehman Caves area of the Snake Range in eastern Nevada;

S. 3598. An act for the relief of Feiga Chirinsky Roseman;

S. 3641. An act for the relief of Gertrude Yank Koo;

S. 3676. An act for the relief of Maria Michela Leo di Gioia;

S. 3723. An act to amend Public Law 522, 84th Congress (relating to the conveyance of certain lands to the city of Henderson, Nev.);

S. 3827. An act to amend the District of Columbia Motor Vehicle Parking Facility Act of 1942, as amended;

S. 3941. An act to amend the Motor Vehicle Safety Responsibility Act of the District of Columbia, approved May 25, 1954, and for other purposes; and

S. 3987. An act granting the consent and approval of Congress to the Tennessee-Tombigbee Waterway Development Compact.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 3057. An act to amend the District of Columbia Teachers' Salary Act of 1955.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1850) entitled "An act to adjust conditions of employment in departments or agencies in the Canal Zone."

SUBCOMMITTEE ON ELECTIONS OF COMMITTEE ON HOUSE ADMINISTRATION

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Subcommittee on Elections of the Committee on House Administration may be permitted to sit today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT

Mr. ABERNETHY. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1045) to amend the Soil Conservation and Domestic Allotment Act, as amended, with an amendment of the Senate thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert "That section 8 of the Soil Conservation and Domestic Allotment Act, as amended (16 U. S. C. 590h), is amended by striking out of subsection (a) 'January 1, 1959' and 'December 31, 1958', wherever they appear therein, and inserting in lieu thereof 'January 1, 1963' and 'December 31, 1962', respectively."

Mr. ABERNETHY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. ABERNETHY. Mr. Speaker, since its inception in 1937, the agricultural conservation program has been one of the Government's most successful aids to the farmers of the United States.

Under this program farmers in every part of the country have learned the benefits of conservation farming and have been assisted in putting into effect sound conservation practices which not only increase the present returns from their land, but preserve the land and its fertility for future generations.

From the start, the program has been extended 2 years at a time by Congress. It seems to me that the trial period is over—that the ACP program has proved itself and should be made a permanent part of our agricultural legislation.

The bill I introduced at the beginning of this Congress would have done this. It would have provided for a continuing program without the necessity of extension of the authority by Congress from time to time. It would have substantially simplified the planning, budgeting, and appropriating functions in connection with the program.

This bill passed the House overwhelmingly, I believe unanimously, but the Senate, in its wisdom, has limited the extension authority to 4 years. While this is not what I would like to see done, it does assure continuation of the program without interruption for another 4 years and I am asking the House to approve this action so that the present continuation of the program will be guaranteed.

If the program is operating as successfully 4 years from now as it is at the present time, and I am confident it will be, I sincerely hope it will be made a permanent part of the Government's services to agriculture.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

THE SITUATION IN THE MIDEAST

Mr. CELLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Not if it is controversial. The Chair is not going to recognize Members to talk about foreign affairs in this critical situation.

Mr. CELLER. My statement is going to be in favor of what the President is doing.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, I join many who congratulate our President on sending marines to Lebanon. He has manifested wisdom and courage.

He seized time by the forelock. The situation in the Middle East brooked of no further delay. The President knew as a soldier that "on the plains of hesitation lie the countless bones of millions."

He seeks to preserve the integrity of Lebanon's borders and to protect American lives. The President's action is an answer to a desperate situation.

Inaction and drift would have been fatal. Gradually, like ripe plums, Mideast countries, one by one, would have fallen into the maw of Khrushchev and his stooge Nasser.

We must lend the President every support.

NATIONAL AERONAUTICS AND OUTER SPACE ACT OF 1958

Mr. McCORMACK. Mr. Speaker, I call up the conference report on the bill (H. R. 12575) to provide for research into problems of flight within and outside the earth's atmosphere, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House may be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the statement of the managers.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 2166)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 12575) to provide for research into problems of flight within and outside the earth's atmosphere, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"TITLE I—SHORT TITLE, DECLARATION OF POLICY, AND DEFINITIONS

"Short title

"SEC. 101. This Act may be cited as the 'National Aeronautics and Space Act of 1958.'

"Declaration of policy and purpose

"SEC. 102. (a) The Congress hereby declares that it is the policy of the United States that activities in space should be devoted to peaceful purposes for the benefit of all mankind.

"(b) The Congress declares that the general welfare and security of the United States require that adequate provision be made for aeronautical and space activities. The Congress further declares that such activities shall be the responsibility of, and shall be directed by, a civilian agency exercising control over aeronautical and space activities sponsored by the United States, except that activities peculiar to or primarily associated with the development of weapons systems, military operations, or the defense of the United States (including the research and development necessary to make effective provision for the defense of the United States) shall be the responsibility of, and shall be directed by, the Department of Defense; and that determination as to which such agency has responsibility for and direction of any such activity shall be made by the President in conformity with section 201 (e).

"(c) The aeronautical and space activities of the United States shall be conducted so as to contribute materially to one or more of the following objectives:

"(1) The expansion of human knowledge of phenomena in the atmosphere and space;

"(2) The improvement of the usefulness, performance, speed, safety, and efficiency of aeronautical and space vehicles;

"(3) The development and operation of vehicles capable of carrying instruments, equipment, supplies, and living organisms through space;

"(4) The establishment of long-range studies of the potential benefits to be gained from, the opportunities for, and the problems involved in the utilization of aeronautical and space activities for peaceful and scientific purposes;

"(5) The preservation of the role of the United States as a leader in aeronautical and space science and technology and in the application thereof to the conduct of peaceful activities within and outside the atmosphere;

"(6) The making available to agencies directly concerned with national defense of discoveries that have military value or significance, and the furnishing by such agencies, to the civilian agency established to direct and control nonmilitary aeronautical and space activities, of information as to discoveries which have value or significance to that agency;

"(7) Cooperation by the United States with other nations and groups of nations in work done pursuant to this Act and in the peaceful application of the results thereof; and

"(8) The most effective utilization of the scientific and engineering resources of the United States, with close cooperation among all interested agencies of the United States in order to avoid unnecessary duplication of effort, facilities, and equipment.

"(d) It is the purpose of this Act to carry out and effectuate the policies declared in subsections (a), (b), and (c).

"Definitions

"SEC. 103. As used in this Act—

"(1) the term 'aeronautical and space activities' means (A) research into, and the solution of, problems of flight within and outside the earth's atmosphere, (B) the development, construction, testing, and operation for research purposes of aeronautical and space vehicles, and (C) such other activities as may be required for the exploration of space; and

"(2) the term 'aeronautical and space vehicles' means aircraft, missiles, satellites, and other space vehicles, manned and unmanned, together with related equipment, devices, components, and parts.

"TITLE II—COORDINATION OF AERONAUTICAL AND SPACE ACTIVITIES

"National Aeronautics and Space Council

"SEC. 201. (a) There is hereby established the National Aeronautics and Space Council (hereinafter called the "Council") which shall be composed of—

"(1) the President (who shall preside over meetings of the Council);

"(2) the Secretary of State;

"(3) the Secretary of Defense;

"(4) the Administrator of the National Aeronautics and Space Administration;

"(5) the Chairman of the Atomic Energy Commission;

"(6) not more than one additional member appointed by the President from the departments and agencies of the Federal Government; and

"(7) not more than three other members appointed by the President, solely on the basis of established records of distinguished achievement, from among individuals in private life who are eminent in science, engineering, technology, education, administration, or public affairs.

"(b) Each member of the Council from a department or agency of the Federal Government may designate another officer of his department or agency to serve on the Council as his alternate in his unavoidable absence.

"(c) Each member of the Council appointed or designated under paragraphs (6) and (7) of subsection (a), and each alternate member designated under subsection (b), shall be appointed or designated to serve as such by and with the advice and consent of the Senate, unless at the time of such appointment or designation he holds an office in the Federal Government to which he was appointed by and with the advice and consent of the Senate.

"(d) It shall be the function of the Council to advise the President with respect to the performance of the duties prescribed in subsection (e) of this section.

"(e) In conformity with the provisions of section 102 of this Act, it shall be the duty of the President to—

"(1) survey all significant aeronautical and space activities, including the policies, plans, programs, and accomplishments of all agencies of the United States engaged in such activities;

"(2) develop a comprehensive program of aeronautical and space activities to be conducted by agencies of the United States;

"(3) designate and fix responsibility for the direction of major aeronautical and space activities;

"(4) provide for effective cooperation between the National Aeronautics and Space Administration and the Department of Defense in all such activities, and specify which of such activities may be carried on concurrently by both such agencies notwithstanding the assignment of primary responsibility therefor to one or the other of such agencies; and

"(5) resolve differences arising among departments and agencies of the United States with respect to aeronautical and space activities under this Act, including differences as to whether a particular project is an aeronautical and space activity.

"(f) The Council may employ a staff to be headed by a civilian executive secretary who shall be appointed by the President by and with the advice and consent of the Senate and shall receive compensation at the rate of $20,000 a year. The executive secretary, subject to the direction of the Council, is authorized to appoint and fix the compensation of such personnel, including not more than three persons who may be appointed without regard to the civil service laws or the Classification Act of 1949 and compensated at the rate of not more than $19,000 a year, as may be necessary to perform such duties as may be prescribed by the Council in connection with the performance of its functions. Each appointment under this subsection shall be subject to the same security requirements as those established for personnel of the National Aeronautics and Space Administration appointed under section 203 (b) (2) of this Act.

"(g) Members of the Council appointed from private life under subsection (a) (7) may be compensated at a rate not to exceed $100 per diem, and may be paid travel expenses and per diem in lieu of subsistence in accordance with the provisions of section 5 of the Administrative Expenses Act of 1946 (5 U. S. C. 73b–2) relating to persons serving without compensation.

"National Aeronautics and Space Administration

"SEC. 202. (a) There is hereby established the National Aeronautics and Space Administration (hereinafter called the "Administration"). The Administration shall be headed by an Administrator, who shall be appointed from civilian life by the President by and with the advice and consent of the Senate, and shall receive compensation at the rate of $22,500 per annum. Under the supervision and direction of the President, the Administrator shall be responsible for the exercise of all powers and the discharge of all duties of the Administration, and shall have authority and control over all personnel and activities thereof.

"(b) There shall be in the Administration, a Deputy Administrator, who shall be appointed from civilian life by the President by and with the advice and consent of the Senate, shall receive compensation at the rate of $21,500 per annum, and shall perform such duties and exercise such powers as the Administrator may prescribe. The Deputy Administrator shall act for, and exercise the powers of, the Administrator during his absence or disability.

"(c) The Administrator and the Deputy Administrator shall not engage in any other business, vocation, or employment while serving as such.

"Functions of the Administration

"SEC. 203. (a) The Administration, in order to carry out the purpose of this Act, shall—

"(1) plan, direct, and conduct aeronautical and space activities;

"(2) arrange for participation by the scientific community in planning scientific measurements and observations to be made through use of aeronautical and space vehicles, and conduct or arrange for the conduct of such measurements and observations; and

"(3) provide for the widest practicable and appropriate dissemination of information concerning its activities and the results thereof.

"(b) In the performance of its functions the Administration is authorized—

"(1) to make, promulgate, issue, rescind, and amend rules and regulations governing the manner of its operations and the exercise of the powers vested in it by law;

"(2) to appoint and fix the compensation of such officers and employees as may be necessary to carry out such functions. Such officers and employees shall be appointed in accordance with the civil-service laws and their compensation fixed in accordance with the Classification Act of 1949, except that (A) to the extent the Administrator deems such action necessary to the discharge of his responsibilities, he may appoint and fix the compensation (up to a limit of $19,000 a year, or up to a limit of $21,000 a year for a maximum of ten positions) of not more than two hundred and sixty of the scientific, engineering, and administrative personnel of the Administration without regard to such laws, and (B) to the extent the Administrator deems such action necessary to recruit specially qualified scientific and engineering talent, he may establish the entrance grade for scientific and engineering personnel without previous service in the Federal Government at a level up to two grades higher than the grade provided for such personnel under the General Schedule established by the Classification Act of 1949, and fix their compensation accordingly;

"(3) to acquire (by purchase, lease, condemnation, or otherwise), construct, improve, repair, operate, and maintain laboratories, research and testing sites and facilities, aeronautical and space vehicles, quarters and related accommodations for employees and dependents of employees of the Administration, and such other real and personal property (including patents), or any interest therein, as the Administration deems necessary within and outside the continental United States; to lease to others such real and personal property; to sell and otherwise dispose of real and personal property (including patents and rights thereunder) in accordance with the provisions of the Federal Property and Administrative Services Act of 1949, as amended (40 U. S. C. 471 et seq.); and to provide by contract or otherwise for cafeterias and other necessary facilities for the welfare of employees of the Administration at its installations and purchase and maintain equipment therefor;

"(4) to accept unconditional gifts or donations of services, money, or property, real, personal, or mixed, tangible or intangible;

"(5) without regard to section 3648 of the Revised Statutes, as amended (31 U. S. C. 529), to enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in the conduct of its work and on such terms as it may deem appropriate, with any agency or instrumentality of the United States, or with any State, Territory, or possession, or with any political subdivision thereof, or with any person, firm, association, corporation, or educational institution. To the maximum extent practicable and consistent with the accomplishment of the purpose of this Act, such contracts, leases, agreements, and other transactions shall be allocated by the Administrator in a manner which will enable small-business concerns to participate equitably and proportionately in the conduct of the work of the Administration;

"(6) to use, with their consent, the services, equipment, personnel, and facilities of Federal and other agencies with or without reimbursement, and on a similar basis to cooperate with other public and private agencies and instrumentalities in the use of

services, equipment, and facilities. Each department and agency of the Federal Government shall cooperate fully with the Administration in making its services, equipment, personnel, and facilities available to the Administration, and any such department or agency is authorized, notwithstanding any other provision of law, to transfer to or to receive from the Administration, without reimbursement, aeronautical and space vehicles, and supplies and equipment other than administrative supplies or equipment;

"(7) to appoint such advisory committees as may be appropriate for purposes of consultation and advice to the Administration in the performance of its functions;

"(8) to establish within the Administration such offices and procedures as may be appropriate to provide for the greatest possible coordination of its activities under this Act with related scientific and other activities being carried on by other public and private agencies and organizations;

"(9) to obtain services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at rates not to exceed $100 per diem for individuals;

"(10) when determined by the Administrator to be necessary, and subject to such security investigations as he may determine to be appropriate, to employ aliens without regard to statutory provisions prohibiting payment of compensation to aliens;

"(11) to employ retired commissioned officers of the armed forces of the United States and compensate them at the rate established for the positions occupied by them within the Administration, subject only to the limitations in pay set forth in section 212 of the Act of June 30, 1932, as amended (5 U. S. C. 59a);

"(12) with the approval of the President, to enter into cooperative agreements under which members of the Army, Navy, Air Force, and Marine Corps may be detailed by the appropriate Secretary for services in the performance of functions under this Act to the same extent as that to which they might be lawfully assigned in the Department of Defense; and

"(13) (A) to consider, ascertain, adjust, determine, settle, and pay, on behalf of the United States, in full satisfaction thereof, any claim for $5,000 or less against the United States for bodily injury, death, or damage to or loss of real or personal property resulting from the conduct of the Administration's functions as specified in subsection (a) of this section, where such claim is presented to the Administration in writing within two years after the accident or incident out of which the claim arises; and

"(B) if the Administration considers that a claim in excess of $5,000 is meritorious and would otherwise be covered by this paragraph, to report the facts and circumstances thereof to the Congress for its consideration.

"Civilian-Military Liaison Committee

"SEC. 204. (a) There shall be a Civilian-Military Liaison Committee consisting of—

"(1) a Chairman, who shall be the head thereof and who shall be appointed by the President, shall serve at the pleasure of the President, and shall receive compensation (in the manner provided in subsection (d)) at the rate of $20,000 per annum;

"(2) one or more representatives from the Department of Defense, and one or more representatives from each of the Departments of the Army, Navy, and Air Force, to be assigned by the Secretary of Defense to serve on the Committee without additional compensation; and

"(3) representatives from the Administration, to be assigned by the Administrator to serve on the Committee without additional compensation, equal in number to the number of representatives assigned to serve on the Committee under paragraph (2).

"(b) The Administration and the Department of Defense, through the Liaison Committee, shall advise and consult with each other on all matters within their respective jurisdictions relating to aeronautical and space activities and shall keep each other fully and currently informed with respect to such activities.

"(c) If the Secretary of Defense concludes that any request, action, proposed action, or failure to act on the part of the Administrator is adverse to the responsibilities of the Department of Defense, or the Administrator concludes that any request, action, proposed action, or failure to act on the part of the Department of Defense is adverse to the responsibilities of the Administration, and the Administrator and the Secretary of Defense are unable to reach an agreement with respect thereto, either the Administrator or the Secretary of Defense may refer the matter to the President for his decision (which shall be final) as provided in section 201 (e).

"(d) Notwithstanding the provisions of any other law, any active or retired officer of the Army, Navy, or Air Force may serve as Chairman of the Liaison Committee without prejudice to his active or retired status as such officer. The compensation received by any such officer for his service as Chairman of the Liaison Committee shall be equal to the amount (if any) by which the compensation fixed by subsection (a) (1) for such Chairman exceeds his pay and allowances (including special and incentive pays) as an active officer, or his retired pay.

"International cooperation

"SEC. 205. The Administration, under the foreign policy guidance of the President, may engage in a program of international cooperation in work done pursuant to this Act, and in the peaceful application of the results thereof, pursuant to agreements made by the President with the advice and consent of the Senate.

"Reports to the Congress

"SEC. 206. (a) The Administration shall submit to the President for transmittal to the Congress, semiannually and at such other times as it deems desirable, a report of its activities and accomplishments.

"(b) The President shall transmit to the Congress in January of each year a report, which shall include (1) a comprehensive description of the programed activities and the accomplishments of all agencies of the United States in the field of aeronautics and space activities during the preceding calendar year, and (2) an evaluation of such activities and accomplishments in terms of the attainment of, or the failure to attain, the objectives described in section 102 (c) of this Act.

"(c) Any report made under this section shall contain such recommendations for additional legislation as the Administrator or the President may consider necessary or desirable for the attainment of the objectives described in section 102 (c) of this Act.

"(d) No information which has been classified for reasons of national security shall be included in any report made under this section, unless such information has been declassified by, or pursuant to authorization given by, the President.

"TITLE III—MISCELLANEOUS

"National Advisory Committee for Aeronautics

"SEC. 301. (a) The National Advisory Committee for Aeronautics, on the effective date of this section, shall cease to exist. On such date all functions, powers, duties, and obligations, and all real and personal property, personnel (other than members of the Committee), funds, and records of that organization, shall be transferred to the Administration.

"(b) Section 2302 of title 10 of the United States Code is amended by striking out 'or the Executive Secretary of the National Advisory Committee for Aeronautics,' and inserting in lieu thereof 'or the Administrator of the National Aeronautics and Space Administration.'; and section 2303 of such title 10 is amended by striking out 'The National Advisory Committee for Aeronautics.' and inserting in lieu thereof 'The National Aeronautics and Space Administration.'

"(c) The first section of the Act of August 26, 1950 (5 U. S. C. 22–1), is amended by striking out 'the Director, National Advisory Committee for Aeronautics' and inserting in lieu thereof 'the Administrator of the National Aeronautics and Space Administration,' and by striking out 'or National Advisory Committee for Aeronautics' and inserting in lieu thereof 'or National Aeronautics and Space Administration'.

"(d) The Unitary Wind Tunnel Plan Act of 1949 (50 U. S. C. 511–515) is amended (1) by striking out 'The National Advisory Committee for Aeronautics (hereinafter referred to as the "Committee")' and inserting in lieu thereof 'The Administrator of the National Aeronautics and Space Administration (hereinafter referred to as the "Administration")'; (2) by striking out 'Committee' or 'Committee's' wherever they appear and inserting in lieu thereof 'Administrator' and 'Administrator's' respectively; and (3) by striking out 'its' wherever it appears and inserting in lieu thereof 'his'.

"(e) This section shall take effect ninety days after the date of the enactment of this Act, or on any earlier date on which the Administrator shall determine, and announce by proclamation published in the Federal Register, that the Administration has been organized and is prepared to discharge the duties and exercise the powers conferred upon it by this Act.

"Transfer of related functions

"SEC. 302. (a) Subject to the provisions of this section, the President, for a period of four years after the date of enactment of this Act, may transfer to the Administration any functions (including powers, duties, activities, facilities, and parts of functions) of any other department or agency of the United States, or of any officer or organizational entity thereof, which relate primarily to the functions, powers, and duties of the Administration as prescribed by section 203 of this Act. In connection with any such transfer, the President may, under this section or other applicable authority, provide for appropriate transfers of records, property, civilian personnel, and funds.

"(b) Whenever any such transfer is made before January 1, 1959, the President shall transmit to the Speaker of the House of Representatives and the President pro tempore of the Senate a full and complete report concerning the nature and effect of such transfer.

"(c) After December 31, 1958, no transfer shall be made under this section until (1) a full and complete report concerning the nature and effect of such proposed transfer has been transmitted by the President to the Congress, and (2) the first period of sixty calendar days of regular session of the Congress following the date of receipt of such report by the Congress has expired without the adoption by the Congress of a concurrent resolution stating that the Congress does not favor such transfer.

"Access to information

"SEC. 303. Information obtained or developed by the Administrator in the performance of his functions under this Act shall be made available for public inspection, except (A) information authorized or required by Federal statute to be withheld, and (B) information classified to protect the national security: *Provided*, That nothing in this Act

shall authorize the withholding of information by the Administrator from the duly authorized committees of the Congress.

"Security

"SEC. 304. (a) The Administrator shall establish such security requirements, restrictions, and safeguards as he deems necessary in the interest of the national security. The Administrator may arrange with the Civil Service Commission for the conduct of such security or other personnel investigations of the Administration's officers, employees, and consultants, and its contractors and subcontractors and their officers and employees, actual or prospective, as he deems appropriate; and if any such investigation develops any data reflecting that the individual who is the subject thereof is of questionable loyalty the matter shall be referred to the Federal Bureau of Investigation for the conduct of a full field investigation, the results of which shall be furnished to the Administrator.

"(b) The Atomic Energy Commission may authorize any of its employees, or employees of any contractor, prospective contractor, licensee, or prospective licensee of the Atomic Energy Commission or any other person authorized to have access to Restricted Data by the Atomic Energy Commission under subsection 145 b. of the Atomic Energy Act of 1954 (42 U. S. C. 2165 (b)), to permit any member, officer, or employee of the Council, or the Administrator, or any officer, employee, member of an advisory committee, contractor, subcontractor, or officer or employee of a contractor or subcontractor of the Administration, to have access to Restricted Data relating to aeronautical and space activities which is required in the performance of his duties and so certified by the Council or the Administrator, as the case may be, but only if (1) the Council or Administrator or designee thereof has determined, in accordance with the established personnel security procedures and standards of the Council or Administration, that permitting such individual to have access to such Restricted Data will not endanger the common defense and security, and (2) the Council or Administrator or designee thereof finds that the established personnel and other security procedures and standards of the Council or Administration are adequate and in reasonable conformity to the standards established by the Atomic Energy Commission under section 145 of the Atomic Energy Act of 1954 (42 U. S. C. 2165). Any individual granted access to such Restricted Data pursuant to this subsection may exchange such Data with any individual who (A) is an officer or employee of the Department of Defense, or any department or agency thereof, or a member of the armed forces, or a contractor or subcontractor of any such department, agency, or armed force, or an officer or employee of any such contractor or subcontractor, and (B) has been authorized to have access to Restricted Data under the provisions of section 143 of the Atomic Energy Act of 1954 (42 U. S. C. 2163).

"(c) Chapter 37 of title 18 of the United States Code (entitled Espionage and Censorship) is amended by—

"(1) adding at the end thereof the following new section:

"'§ 799. Violation of regulations of National Aeronautics and Space Administration

"'Whoever willfully shall violate, attempt to violate, or conspire to violate any regulation or order promulgated by the Administrator of the National Aeronautics and Space Administration for the protection or security of any laboratory, station, base or other facility, or part thereof, or any aircraft, missile, spacecraft, or similar vehicle, or part thereof, or other property or equipment in the custody of the Administration, or any real or personal property or equipment in the custody of any contractor under any contract with the Administration or any subcontractor of any such contractor, shall be fined not more than $5,000, or imprisoned not more than one year, or both.'

"(2) adding at the end of the sectional analysis thereof the following new item:

"'§ 799. Violation of regulations of National Aeronautics and Space Administration.'

"(d) Section 1114 of title 18 of the United States Code is amended by inserting immediately before "while engaged in the performance of his official duties" the following: 'or any officer or employee of the National Aeronautics and Space Administration directed to guard and protect property of the United States under the administration and control of the National Aeronautics and Space Administration'.

"(e) The Administrator may direct such of the officers and employees of the Administration as he deems necessary in the public interest to carry firearms while in the conduct of their official duties. The Administrator may also authorize such of those employees of the contractors and subcontractors of the Administration engaged in the protection of property owned by the United States and located at facilities owned by or contracted to the United States as he deems necessary in the public interest, to carry firearms while in the conduct of their official duties.

"Property rights in inventions

"SEC. 305. (a) Whenever any invention is made in the performance of any work under any contract of the Administration, and the Administrator determines that—

"(1) the person who made the invention was employed or assigned to perform research, development, or exploration work, and the invention is related to the work he was employed or assigned to perform, or that it was within the scope of his employment duties, whether or not it was made during working hours, or with a contribution by the Government of the use of Government facilities, equipment, materials, allocated funds, information proprietary to the Government, or services of Government employees during working hours; or

"(2) the person who made the invention was not employed or assigned to perform research, development, or exploration work, but the invention is nevertheless related to the contract, or to the work or duties he was employed or assigned to perform, and was made during working hours, or with a contribution from the Government of the sort referred to in clause (1),

such invention shall be the exclusive property of the United States, and if such invention is patentable a patent therefor shall be issued to the United States upon application made by the Administrator, unless the Administrator waives all or any part of the rights of the United States to such invention in conformity with the provisions of subsection (f) of this section.

"(b) Each contract entered into by the Administrator with any party for the performance of any work shall contain effective provisions under which such party shall furnish promptly to the Administrator a written report containing full and complete technical information concerning any invention, discovery, improvement, or innovation which may be made in the performance of any such work.

"(c) No patent may be issued to any applicant other than the Administrator for any invention which appears to the Commissioner of Patents to have significant utility in the conduct of aeronautical and space activities unless the applicant files with the Commissioner, with the application or within 30 days after request therefor by the Commissioner, a written statement executed under oath setting forth the full facts concerning the circumstances under which such invention was made and stating the relationship (if any) of such invention to the performance of any work under any contract of the Administration. Copies of each such statement and the application to which it relates shall be transmitted forthwith by the Commissioner to the Administrator.

"(d) Upon any application as to which any such statement has been transmitted to the Administrator, the Commissioner may, if the invention is patentable, issue a patent to the applicant unless the Administrator, within 90 days after receipt of such application and statement, requests that such patent be issued to him on behalf of the United States. If, within such time, the Administrator files such a request with the Commissioner, the Commissioner shall transmit notice thereof to the applicant, and shall issue such patent to the Administrator unless the applicant within 30 days after receipt of such notice requests a hearing before a Board of Patent Interferences on the question whether the Administrator is entitled under this section to receive such patent. The Board may hear and determine, in accordance with rules and procedures established for interference cases, the question so presented, and its determination shall be subject to appeal by the applicant or by the Administrator to the Court of Customs and Patent Appeals in accordance with procedures governing appeals from decisions of the Board of Patent Interferences in other proceedings.

"(e) Whenever any patent has been issued to any applicant in conformity with subsection (d), and the Administrator thereafter has reason to believe that the statement filed by the applicant in connection therewith contained any false representation of any material fact, the Administrator within five years after the date of issuance of such patent may file with the Commissioner a request for the transfer to the Administrator of title to such patent on the records of the Commissioner. Notice of any such request shall be transmitted by the Commissioner to the owner of record of such patent, and title to such patent shall be so transferred to the Administrator unless within 30 days after receipt of such notice such owner of record requests a hearing before a Board of Patent Interferences on the question whether any such false representation was contained in such statement. Such question shall be heard and determined, and determination thereof shall be subject to review, in the manner prescribed by subsection (d) for questions arising thereunder. No request made by the Administrator under this subsection for the transfer of title to any patent, and no prosecution for the violation of any criminal statute, shall be barred by any failure of the Administrator to make a request under subsection (d) for the issuance of such patent to him, or by any notice previously given by the Administrator stating that he had no objection to the issuance of such patent to the applicant therefor.

"(f) Under such regulations in conformity with this subsection as the Administrator shall prescribe, he may waive all or any part of the rights of the United States under this section with respect to any invention or class of inventions made or which may be made by any person or class of persons in the performance of any work required by any contract of the Administration if the Administrator determines that the interests of the United States will be served thereby. Any such waiver may be made upon such terms and under such conditions as the Administrator shall determine to be required for the protection of the interests of the United States. Each such waiver made with respect to any invention shall be subject to

the reservation by the Administrator of an irrevocable, nonexclusive, nontransferable, royalty-free license for the practice of such invention throughout the world by or on behalf of the United States or any foreign government pursuant to any treaty or agreement with the United States. Each proposal for any waiver under this subsection shall be referred to an Inventions and Contributions Board which shall be established by the Administrator within the Administration. Such Board shall accord to each interested party an opportunity for hearing, and shall transmit to the Administrator its findings of fact with respect to such proposal and its recommendations for action to be taken with respect thereto.

"(g) The Administrator shall determine, and promulgate regulations specifying, the terms and conditions upon which licenses will be granted by the Administration for the practice by any person (other than an agency of the United States) of any invention for which the Administrator holds a patent on behalf of the United States.

"(h) The Administrator is authorized to take all suitable and necessary steps to protect any invention or discovery to which he has title, and to require that contractors or persons who retain title to inventions or discoveries under this section protect the inventions or discoveries to which the Administration has or may acquire a license of use.

"(i) The Administration shall be considered a defense agency of the United States for the purpose of chapter 17 of title 35 of the United States Code.

"(j) As used in this section—

"(1) the term 'person' means any individual, partnership, corporation, association, institution, or other entity;

"(2) the term 'contract' means any actual or proposed contract, agreement, understanding, or other arrangement, and includes any assignment, substitution of parties, or subcontract executed or entered into thereunder; and

"(3) the term 'made', when used in relation to any invention, means the conception or first actual reduction to practice of such invention.

"Contributions awards

"SEC. 306. (a) Subject to the provisions of this section, the Administrator is authorized, upon his own initiative or upon application of any person, to make a monetary award, in such amount and upon such terms as he shall determine to be warranted, to any person (as defined by section 305) for any scientific or technical contribution to the Administration which is determined by the Administrator to have significant value in the conduct of aeronautical and space activities. Each application made for any such award shall be referred to the Inventions and Contributions Board established under section 305 of this Act. Such Board shall accord to each such applicant an opportunity for hearing upon such application, and shall transmit to the Administrator its recommendation as to the terms of the award, if any, to be made to such applicant for such contribution. In determining the terms and conditions of any award the Administrator shall take into account—

"(1) the value of the contribution to the United States;

"(2) the aggregate amount of any sums which have been expended by the applicant for the development of such contribution;

"(3) the amount of any compensation (other than salary received for services rendered as an officer or employee of the Government) previously received by the applicant for or on account of the use of such contribution by the United States; and

"(4) such other factors as the Administrator shall determine to be material.

"(b) If more than one applicant under subsection (a) claims an interest in the same contribution, the Administrator shall ascertain and determine the respective interests of such applicants, and shall apportion any award to be made with respect to such contribution among such applicants in such proportions as he shall determine to be equitable. No award may be made under subsection (a) with respect to any contribution—

"(1) unless the applicant surrenders, by such means as the Administrator shall determine to be effective, all claims which such applicant may have to receive any compensation (other than the award made under this section) for the use of such contribution or any element thereof at any time by or on behalf of the United States, or by or on behalf of any foreign government pursuant to any treaty or agreement with the United States, within the United States or at any other place;

"(2) in any amount exceeding $100,000, unless the Administrator has transmitted to the appropriate committees of the Congress a full and complete report concerning the amount and terms of, and the basis for, such proposed award, and thirty calendar days of regular session of the Congress have expired after receipt of such report by such committees.

"Appropriations

"SEC. 307. (a) There are hereby authorized to be appropriated such sums as may be necessary to carry out this Act, except that nothing in this Act shall authorize the appropriation of any amount for (1) the acquisition or condemnation of any real property, or (2) any other item of a capital nature (such as plant or facility acquisition, construction, or expansion) which exceeds $250,000. Sums appropriated pursuant to this subsection for the construction of facilities, or for research and development activities, shall remain available until expended.

"(b) Any funds appropriated for the construction of facilities may be used for emergency repairs of existing facilities when such existing facilities are made inoperative by major breakdown, accident, or other circumstances, and such repairs are deemed by the Administrator to be of greater urgency than the construction of new facilities."

And the Senate agree to the same.

JOHN W. MCCORMACK,
OVERTON BROOKS,
BROOKS HAYS,
LEO W. O'BRIEN,
LEE METCALF,
GORDON L. MCDONOUGH,
JAMES G. FULTON,
KENNETH B. KEATING,
GERALD R. FORD, JR.,
Managers on the part of the House.

LYNDON B. JOHNSON,
RICHARD B. RUSSELL,
THEODORE FRANCIS GREEN,
JOHN L. MCCLELLAN,
WARREN G. MAGNUSON,
STYLES BRIDGES,
ALEXANDER WILEY,
BOURKE B. HICKENLOOPER,
LEVERETT SALTONSTALL,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 12575) to provide for research into problems of flight within and outside the earth's atmosphere, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate struck out all of the House bill after the enacting clause and inserted a substitute amendment. The committee of conference has agreed to a substitute for both the House bill and the Senate amendment. Except for technical, clarifying, clerical, and necessary conforming changes, the differences between the House bill and the substitute agreed to in conference are as noted below (references to titles and sections are to the provisions of the conference substitute).

TITLE I—SHORT TITLE, DECLARATION OF POLICY, AND DEFINITIONS

Section 101. Short title

The House bill cited the act as the "National Aeronautics and Astronautics Act of 1958." The Senate amendment cited the act as the "National Aeronautics and Space Act of 1958." The conferees adopted the Senate language as a part of a package arrangement to use the expression "aeronautics and space" consistently throughout the legislation with a specific meaning (see sec. 103 below).

Section 102. Declaration of policy and purpose

Subsection (a) declares it to be the policy of the United States that activities in space should be devoted to peaceful purposes. There was no essential difference in meaning between the corresponding House and Senate language, but the language of the Senate amendment was more succinct; and the conferees adopted the Senate language.

Subsection (b) delineates in the field of aeronautical and space activities the responsibility which will be exercised by the new civilian space agency and that which will be exercised by the Department of Defense. The House and Senate language dealing with this subject differed considerably in approach but not in intent; and both the House and Senate provisions suffered from certain risks of misinterpretation. Therefore, this provision was rewritten in the conference substitute to make clear the intent earlier expressed in the reports on the original House bill as passed and the Senate amendment thereto, and also by the debate accompanying the passage of the respective bills.

In explanation of legislative intent on the important matter of dividing responsibility between the National Aeronautics and Space Administration and the Department of Defense, the following summary is offered:

The Congress recognizes that the development of aeronautics and space capabilities is important both to peaceful purposes and to the defense of the United States and for the preservation of peace everywhere. It is the intent of the Congress that the necessary freedom to carry on research, development, and exploration be afforded both a civilian agency and the Defense Establishment to insure the full development of these peaceful and defense uses without unnecessary delay, to exclude the possibility that one agency would be able to preempt a field of activity so as to preclude the other agency from moving along related lines of development necessary to the full accomplishment of its duties assigned under this act. At the same time, such freedom to pursue activities should be so conducted as to avoid unnecessary duplication of effort and expenditure. This can be accomplished by providing for full cooperation between the civilian agency and the Defense Establishment. It is clearly recognized that activities which are peculiar to or primarily associated with weapons systems or military operations or to the defense of the United States (including the research and development necessary to make effective provision for the defense of the United States) shall be under the jurisdiction of the Department of Defense. However, because there is a gray area between civilian and military interests, and unavoidable overlapping, it is necessary that machinery be provided at the highest level of Government to make determinations of responsibility and jurisdiction.

This act makes such provision by providing that the President, assisted by an advisory council (see below), shall make the actual determinations in the assignment of new programs or projects. The act also provides that the Administrator of the National Aeronautics and Space Administration and the Secretary of Defense can seek solutions to questions of jurisdiction either directly or through a Civilian-Military Liaison Committee (see below) to hold to a minimum the questions referred to the President and the Council.

These determinations may establish some projects as exclusively military, and some as exclusively civilian, but still provide for full exchange of such information as the other agency may require to carry out its responsibilities. Some projects may be determined to be of sufficient joint interest to be conducted cooperatively. Other determinations may be required to establish whether certain projects are aeronautics and space activities as defined under the act, in order to know whether they must be assigned either to the Administration or the Department of Defense, or belong to other Government agencies.

The intention is that mixed projects which have only a partial aeronautics and space aspect shall also be conducted cooperatively among the agencies concerned, with the aeronautics and space activity aspect assigned to the jurisdiction of the Administration or the Department of Defense. In effect, the principle to guide the assignment of projects is provided by the statement of policy contained in this section, but machinery for establishing facts and for weighing the national interest is provided by the substantive provisions of the act. This means that neither the Administrator nor the Secretary of Defense can choose his own area of aeronautical and space activity to the exclusion of the other agency without there being a higher consideration as to the correctness of his decision. Indeed the program-assigning function of the President should minimize the chance that differences will arise in the original instance.

Subsection (c) lists in greater detail objectives of aeronautical and space activities. The House and Senate language is very similar, and no significant change was involved in making minor technical amendments of language in both the original House and Senate versions.

Subsection (d), declaring the purpose of the act to carry out and effectuate the policies described above, is taken from the House bill. It did not appear in the Senate amendment, but was restored by the conferences.

Section 103. Definitions

This section, which defines "aeronautical and space activities" and "aeronautical and space vehicles," embodies the substance of both the House and Senate versions but does so in a way which will ensure that these expressions can be used throughout the act without further question as to their meaning, inclusions, or exclusions.

The purpose is to make clear that the act is concerned primarily with research, development, and exploration. The use of the word "activities" is intended to be broad in the area of outer space because no one can predict with certainty what future requirements may be.

It is not the intention of Congress, however, to construe activities so broadly as to include such things as the operation of commercial airlines, the control of air traffic, the fixing of airworthiness standards, the setting of air fares, or the assigning of certificates of public convenience and necessity. Whether, in time, the new Administration will run a regular transport route to another planet or to the moon is not a matter of current concern. But the term "activities" should be construed broadly enough to enable the Administration and the Department of Defense, in their respective fields, to carry on a wide spectrum of activities which relate to the successful use of outer space. These activities would include scientific discovery and research not directly related to travel in outer space but utilizing outer space, and the development of resources which may be discovered in outer space.

Aeronautical and space activities combine two different categories of concepts but are understood by most persons more easily than some alternate labels. The counterpart to aeronautics is astronautics. Both relate to the design, construction, and operation of vehicles, the former within the atmosphere, and the latter primarily outside the atmosphere, although often passing through the atmosphere on the way to outer space. There is no sharp dividing line between aeronautical and astronautical vehicles.

Space is a place, and can include the bottom of the sea or the center of the earth as well as the atmosphere and so-called empty outer space. In common usage, many think of space as lying beyond the atmosphere. In this act, the term means both within and beyond the atmosphere of the earth. There is no sharp dividing line between the atmosphere and outer space, and this act does not attempt to define one.

At a later time, it may be possible to find universal acceptance of many technical definitions relating to the subject matter of this act. Meanwhile the act has been couched in language which will obviate the most serious shortcomings of such lack of universal definitions today. It will give sufficient leeway to the new agencies being created without infringing upon certain aeronautical activities already being carried on which it is not the intention of the Congress under this act to disturb.

TITLE II—COORDINATION OF AERONAUTICAL AND SPACE ACTIVITIES

Section 201. National Aeronautics and Space Council

The House bill provided for an Advisory Committee composed of private and governmental members. The Senate amendment provided for a Policy Board, composed of governmental members only, which would allocate responsibility for major aeronautical and space projects within the United States Government. The conference committee, in lieu of both the House and Senate provisions, established a National Aeronautics and Space Council.

Subsection (a) provides that the members of the Council are the President, the Secretaries of State and Defense, the National Aeronautics and Space Administrator, the Chairman of the Atomic Energy Commission, not more than one other governmental member, and not more than three members appointed from private life.

Under subsection (b), Government members are permitted to designate alternates in the event of their unavoidable absence.

Subsection (c) provides that, except for governmental members holding offices in the Federal Government to which they were appointed by and with the advice and consent of the Senate, members of the Council shall be appointed and confirmed by the Senate.

Subsections (d) and (e) provide that the function of the Council is to advise the President in the performance of the following duties: to survey all significant aeronautical and space activities, including those of the United States Government; to develop a comprehensive program of such activities to be carried out by the United States Government; and to allocate responsibility for major aeronautical and space activities, and provide for effective cooperation and resolve differences among departments and agencies of the United States. These duties represent the most important single means for carrying out the purposes of the act as set forth in section 102 (b) which describes the division of responsibility among agencies of Government.

In subsection (f), in view of the broad and exacting duties thus imposed on the President and the Council, the conference committee authorized the Council to employ a professional staff for advice and assistance. Although creation of the staff of the Council is permissive, it is the expectation that a small staff could add markedly to the effectiveness of the Council. However, it should not be allowed to grow into a large organization, superimposed between the President and the administration and the Department of Defense. Selection of competent personnel could make it more than a clerical operation engaged mainly in preparing the agenda. It could supply some of the continuing oversight which busy agency heads are not in a position to do. This staff could draft policy papers, and do other preparatory work for the consideration of the Council, as well as to prepare for the Council and President the reports required annually by the Congress.

The role of the executive secretary will be of such importance in preparing matters for the consideration of the Council that he is given the rank equivalent of an assistant secretary of a major department of the Government and requires appointment by the President by and with the advice and consent of the Senate. The authority to appoint assistants under the direction of the Council (at salaries up to $19,000 per annum for three positions) will permit staffing by scientific advisers or other top talent in competition with other agencies of the Government. The same security clearances are required of this staff as of employees of the Administration because of the need to refer to classified data and to talk with cleared personnel of the Administration and other agencies of Government.

Under subsection (g), the conferees provided the option of paying members of the Council from private life up to $100 a day, in addition to travel and per diem in lieu of subsistence, to insure that the Council would not be denied the services of outstanding individuals from private life for monetary reasons.

Section 202. National Aeronautics and Space Administration

The House bill established a National Aeronautics and Space Administration, headed by an Administrator. The Senate amendment provided for a National Aeronautics and Space Agency, headed by a Director. The conferees adopted the House language.

The House bill provided for a Deputy Administrator at $21,500 a year, the Senate amendment for a Deputy Director at $20,500 a year. The conferees adopted the House provision.

The House bill specified that the Administrator and Deputy Administrator be citizens of the United States. It provided also that these officials could not hold two government posts. The Senate amendment made no such provision on the ground it was unnecessary. The conferees adopted the Senate position.

Section 203. Functions of the Administration

Subsection (a) provides that it shall be the function of the Administration to plan, direct, and conduct aeronautical and space activities, to arrange for participation by the scientific community in certain of such activities, and to provide for wide dissemination of information concerning such activities. This provision is similar to both the House and Senate versions, except that, in view of the action of the conferees in directing the President "to develop a comprehensive program of aeronautical and space activities" under section 201 (e), the language of the original House bill which directed the Administrator to develop such a program has been omitted.

The phrase "scientific community" as used in section 203 (a) (2) refers to scientists

both at home and abroad. This usage is in conformity with the President's message to Congress of April 2, 1958.

Subsection (b) enumerates the powers conferred upon the Administration.

The conference agreement retains the employment and pay provisions of the House bill.

The House provision authorizing the acquisition, use, and disposal of property is retained, with the addition of language specifically including patents and patent rights.

The conferees adopted the Senate provision authorizing the Administration to accept unconditional gifts only.

The conferees adopted the Senate version of the provision authorizing the Administration to enter into contracts, leases, and other agreements and transactions, on the ground that the omitted House provisions are covered by existing law.

The House provision concerning the use of facilities and other resources of Federal and other agencies is retained with amendments as follows: As in the Senate bill, it is made permissive and not mandatory; Federal agencies are authorized not only to transfer to, but to receive from, the Administration aeronautical and space vehicles and nonadministrative supplies and equipment; and the provision for resolving disagreements was eliminated, as being adequately provided for in other sections of the bill.

The conference committee adopted the House provision authorizing the Administration to establish offices and procedures for cooperation with public and private agencies and organizations.

The conferees adopted the Senate provision increasing the maximum compensation of Administration consultants from $50 to $100 a day.

In the House provision for the employment of retired commissioned officers, the limitation to cases where sufficient numbers of qualified civilians are not available was eliminated, in conformity with the Senate amendment.

The provision in both the House bill and the Senate amendment for the training of Administration employees and for their attendance at professional meetings were eliminated in view of the enactment of Public Law 507 of the 85th Congress, 2d session, authorizing such training and attendance for employees of all executive agencies.

Both the House bill and the Senate amendment contained an authorization for the settlement and payment of claims up to $5,000. The House accepted the Senate amendment requiring that meritorious claims in excess of $5,000 be reported, without any partial payment, to Congress for its consideration.

Section 204. Civilian-Military Liaison Committee

The House bill established a Military Liaison Committee headed by a Chairman appointed by the President, and composed of military representatives assigned by the Secretary of Defense from the Departments of Defense, Army, Navy, and Air Force. Its members, through daily contact with Administration personnel, would have coordinated aeronautical and space activities of the military departments and the new agency and resolved differences arising from a determination of jurisdiction.

The Senate amendment did not provide for a military liaison committee. The conference substitute provides for a liaison committee composed of representatives, in equal number, of both the military departments and the Administration.

The Administration and the Department of Defense, acting through the liaison committee, will advise and consult with each other on all matters within their jurisdictions having to do with aeronautical and space activities, keep each other fully and currently informed on these activities, and strive to reach agreement on differences which might arise in this area between the two agencies.

In the event of failure by the liaison committee and their superiors, the Secretary of Defense and the Administrator, to reach an agreement over a difference arising between the two agencies in the field of aeronautics and space activities, then either official can refer the matter to the President for his decision, which would be final. The President, in reaching a decision, would act under the authority vested in him as Chairman of the National Aeronautics and Space Council.

Atomic Energy Liaison Committee

The House bill provided for an Atomic Energy Liaison Committee to insure the same close relationship without duplication of effort between the Administration and the Atomic Energy Commission. The Senate amendment did not contain a similar provision and neither does the conference substitute. The conferees felt that the Administrator would, in carrying out his functions, cooperate with the Atomic Energy Commission under general authority contained in the act empowering him to do so (e. g., sec. 203 (b) (8)).

Section 205. International Cooperation

Both the House bill and the Senate amendment contained similar provisions authorizing the new agency to engage in a program of international cooperation.

Under the House bill, such program would have been carried on under the foreign policy guidance of the Department of State and pursuant to agreements negotiated or approved by the State Department.

The Senate amendment provided for "agreements made by the President with the advice and consent of the Senate."

The House conferees adopted a revised version of the Senate provision, specifying that the Administration would act under the foreign policy guidance of the President rather than the State Department.

Section 206. Reports to the Congress

The House bill required a semiannual report by the Administrator to the President for transmittal to the Congress on the activities of the new agency. The Senate amendment provided for an annual report to Congress by the President, as well as a semiannual report by the Administrator to the President for transmittal to Congress.

The provision agreed upon by the conferees directs the Administration to submit to the President for transmittal to the Congress, semiannually and at such other times as it deems desirable, a report on its activities and accomplishments.

The conferees embodied in the conference substitute Senate language directing the President to include in the report a description of the activities and accomplishments of all agencies engaged in aeronautical and space activities, an evaluation of such activities and accomplishments, and recommendations for such remedial legislation as the President may consider necessary.

TITLE III—MISCELLANEOUS

Section 301. National Advisory Committee for Aeronautics

The House bill contained a provision for the expiration of the National Advisory Committee for Aeronautics 90 days after enactment of the act or such earlier time as the President might announce by Executive order. The Senate provision terminated the NACA upon announcement by the head of the Aeronautics and Space Administration in the Federal Register that the new agency had been organized and was prepared to discharge its duties. The conference substitute combined elements of both provisions. The NACA would expire and the new agency become effective when the Aeronautics and Space Administrator so announced in the Federal Register, but not later than 90 days after enactment of this act.

Under the conference substitute, as in the Senate amendment, the Administration (like NACA) would be subject to the more liberal contracting and procurement procedures provided by title 10 of the United States Code (the Armed Forces Procurement Act).

Section 302. Transfer of Related Functions

The House bill authorized the Administrator to transfer to the Administration, with the concurrence of the head of the department or agency involved and the approval of the President, any functions of any Government unit during a five-year period following enactment.

The Senate amendment contained no specific provision on this matter, leaving it up to the President to submit to Congress under existing law any transfer of functions he desired to make. The conference substitute gives the President authority to transfer functions for a period of four years after enactment, with the added proviso that after December 31, 1958, any proposed transfer shall be submitted to Congress. After 60 calendar days, a proposal would become effective unless rejected by Congress through a concurrent resolution. The President must submit a complete report to Congress on transfers made prior to January 1, 1959.

Section 303. Access to Information

Both the House bill and the Senate amendment contained similar provisions directing the Administrator to make public disclosure of information on what the Administration is doing. The Senate amendment was adopted.

Section 304. Security

The House bill contained a provision requiring the Administrator to "establish such security requirements, restrictions, and safeguards as he deems necessary in the interest of the national security." The Senate amendment did not contain this provision, but left the matter to be covered by existing law. The conferees adopted the House provision.

The Senate amendment, but not the House bill, provided penalties for violation of regulations established by the Administration. The conferees adopted a similar provision without the more severe penalties contained in the Senate amendment. Both bills make provision for security investigations of Administration officers and employees and those of contractors and subcontractors.

Both measures contain provisions authorizing the Atomic Energy Commission to give Administration personnel access to restricted data. The conference adopted a substitute broadening this provision to give individuals granted access to such data the authority to exchange such data with similarly cleared military personnel.

PATENTS AND INVENTION RIGHTS

The House bill contained a section on "Patent Rights" which in essence provided that:

1. The United States should receive title to any invention or discovery made or conceived under any contract or other arrangement with the Administration.

2. The Administrator could waive title to such discoveries at his discretion, but in such instances was required to retain the "full right" to use the invention for Goverment purposes. He could further license other persons to use the invention on terms and conditions to be promulgated by him.

3. The Administrator was authorized, in cases where title was retained in the Government, to make cash compensation awards in accordance with regulations to be determined by him.

The Senate eliminated a similar section entirely in order to permit further consideration of the problem in conference.

Operating on the theory that the Government's interests must be protected, but with the concomitant purpose of protecting private interests and of keeping private incentive and initiative at a high level, the committee of conference adopted entirely new patent provisions.

Section 305. Property Rights in Inventions

The section has been renamed "Property Rights in Inventions." Since there are no questions of technical patentability or patent issue involved here, the new title is more accurate.

Subsection (a) provides that title to inventions and discoveries made pursuant to or as the result of contracts with the Administration shall become the property of the United States according to a specified standard. The two conditions under either of which the Administrator is entitled to ownership in inventions are (1) when the inventor is employed or assigned to do research and development on Administration business and the invention is made as part of his job; (2) when the inventor is not hired to do research and development on Administration business, but the invention is made in relation to a contract with the Administration either during working hours or with Government contribution. The Administrator, however, is authorized to waive all or any part of the Government's rights of ownership.

Subsection (b) authorizes the Administrator to require that those contracting with him disclose promptly all pertinent technical information respecting inventions and innovations made pursuant to such contracts.

Subsections (c) and (d) provide a means for the determination, by independent authority subject to judicial review, of any controversy with respect to the validity of the Administrator's claim of title to any invention. Any person could file with the Commissioner of Patents an application for a patent supported by a statement of the facts concerning the relationship of the invention described therein to work performed under Administration contracts. If such invention were determined by the Commissioner to be patentable, a patent would be issued to the applicant in due course unless the Administrator, within 90 days after receipt of the supporting statement, made request for the issuance of such patent to him. If such request were to be made by the Administrator, the applicant would be entitled to receive a hearing before a Board of Patent Interferences in the Patent Office on the question of the entitlement of the Administrator to take title to such patent, and the determination made by such Board would be subject to review by the Court of Customs and Patent Appeals in accordance with usual procedures for review of determinations made by such Board in other proceedings.

Subsection (e) provides means whereby the Administrator may claim title to any patent issued to a private party on the ground that such patent had been procured through a false representation made by such party as to material facts concerning the relationship of the invention described therein to work performed by such party under an Administration contract. The issue so presented would be determined initially by a Board of Patent Interferences in the Patent Office after hearing, and its determination would be subject to review by the Court of Customs and Patent Appeals.

Subsection (f) sets out the conditions under which the Administrator may waive title to inventions. These are that the waiver must be in the interests of the United States and that, upon waiver, the Administration shall acquire a license to use the invention for Government purposes throughout the United States or abroad; and foreign governments, pursuant to proper treaties and agreements made by the United States, may be given a similar right of use. Where waiver is being considered, proposals for waiver are submitted to an Inventions and Contributions Board, set up within the Administration. The Board hears all interested parties, makes a record of facts involved, and recommends final action to the Administrator.

Subsection (g) requires the Administrator to promulgate regulations specifying the terms and conditions upon which licenses would be granted by the Administration for the practice of inventions for which the Administration holds patents.

Subsection (h) permits the Administrator, when necessary, to make sure that those who contract with him take steps to protect their inventions, by patent or otherwise, and minimizes the risks resulting from patent interference.

Subsection (i) brings the Administration under the patent secrecy provisions of the United States Code. Thus the Administrator may request the Commissioner of Patents to hold up patents on inventions where a need for secrecy may exist.

Subsection (j) contains definitions of terms used in the section.

Section 306. Contributions Awards

This section provides for making awards for scientific and technical contributions.

The Administrator is authorized to make such an award to any person for any contribution determined by him to have significant value in the conduct of aeronautical and space activities, without regard to the patentability of the contribution or its contribution or its conception in the performance of work under any Administration contract. Each applicant for such an award would be entitled to a hearing before the Inventions and Contributions Board established under section 305, and the Administrator would make his determination on the basis of the record so made in the light of prescribed standards. The Administrator is authorized to apportion the award made for any contribution among two or more contributors in proportions determined by him to be equitable. Award so made for any contribution must be conditioned upon the waiver by the recipient of any claim which he might have to receive additional compensation for the use of such contribution by or on behalf of the United States or any foreign government pursuant to any treaty or agreement with the United States. No award could be made in any amount exceeding $100,000 until thirty calendar days or a regular session of the Congress had expired after the transmission by the Administrator, to the Congressional committees having legislative jurisdiction with respect to the Administration, of a full and complete report concerning the amount and terms of, and the basis for, such proposed award.

Section 307. Appropriations

The Senate amendment was similar to the House measure except that nothing of a capital nature could be constructed (under the Senate bill) until funds had been specifically authorized, as well as appropriated, by the Congress. The House measure enabled the Administration to engage in construction, acquisition, or expansion of nonland capital items, if the cost of such work did not exceed $250,000 without prior authorization other than that flowing from the act itself. The Senate adopted the House provision.

Indemnification and Limitation of Liability

The House bill set up detailed procedures for indemnification of contractors for damage resulting from major accidents arising out of contracts for the Administration. The Senate amendment contained no such provision and neither does the substitute bill. The conferees felt that the subject merits further study.

Comptroller General Audit of Contracts Negotiated Without Advertising

The House bill included a provision which gave the General Accounting Office access to the records of contractors and subcontractors holding negotiated contracts with the Administration. The Senate amendment omitted this provision as unnecessary in view of the inclusion of the Administration within the procurement provisions of title 10 of the United States Code.

The conferees adopted the Senate approach, interpreting such provisions as entitling the General Accounting Office to audit the records of the contractors and subcontractors during the performance of negotiated contracts as well as three years after final payment under such contract.

Other Officers and Divisions of the Administration

The House bill contained provisions for the appointment of a General Counsel in the Administration and the creation of program divisions, including divisions on military application and nuclear application. The Senate amendment included no such provisions and they were omitted in the conference substitute. The conferees noted that the Administrator has authority under the act to appoint a General Counsel and to establish such program divisions as he deems necessary.

JOHN W. MCCORMACK,
OVERTON BROOKS,
BROOKS HAYS,
LEO W. O'BRIEN,
LEE METCALF,
GORDON L. MCDONOUGH,
JAMES G. FULTON,
KENNETH B. KEATING,
GERALD R. FORD, Jr.,
Managers on the part of the House.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that I may have permission to extend my remarks at this point in the RECORD, and that all Members who desire to do so may have the same permission.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, this body is meeting in a time of crisis. The safety of the Free World hangs on the wisdom of the leaders of this country and of the other countries who have the same basic goals of freedom and human dignity which motivate the United States. Our hopes and our hearts rest also with the brave men who are landing on the beaches of Lebanon, dedicating their very lives to seeing that a major conflict does not grow out of the events in that distant land.

When a crisis is actually at hand, some may say that the Congress can do little about it. This would be inaccurate. The Congress is an important means for marshaling the support of the people behind the Commander in Chief. The Congress also provides the wherewithall to support national policy through appropriations laws and other needed regulation. A crisis on hand often has its own momentum, however, and the best that can be done at the time is to play out the

steps required with the greatest regard for the national interest as is possible.

Other crises may lie in the future, and they cast their shadow before them. But a crisis in the future has the advantage that there is more freedom of action in deciding how to meet it, and indeed, how to see that it does not arise at all.

I know that it is hard for all of us in the middle of a current crisis demanding immediate solutions to turn our attention to the approaching shadow of a future crisis. But I am sure that the majority of the Members recognize that unless the United States acts swiftly today to meet the future crisis of Soviet outer space supremacy, this country in a very few years, sooner than most people realize, will face a crisis of such magnitude as to make the problems of today seem picayune.

The Congress has received the reports of the House Select Committee on Astronautics and Space Exploration, and of the corresponding committee of the Senate. The eloquent, compelling, and frightening testimony of highly qualified witnesses is in print and available for the Members to read.

Mr. Speaker, what we do today in providing the machinery for the most rapid development of space capabilities will determine the outcome of the emergencies of tomorrow. The long lead times involved in scientific research and development, and the great complexity of technology required to create operational, practical astronautics vehicles will allow us no opportunity for second guessing and catching up at a later date. What we decide this year will set what our people can and will be doing 3, 5, and 10 years from now.

Just as surely as we fail to make a real effort to develop these new scientific means across a broad front of research, development, and exploration, a terrible disaster will await us. We want to dedicate the use of outer space to peace and to cooperate with the world in this regard. If we are passive, however, do not imagine that all we will do is to delay the arrival of the space age. For no matter how we dress it up or how we soothe ourselves with other comparisons, the unfortunate and ugly fact is that the Soviet Union has a long lead in its space capabilities. Like most other powers of mankind, space technology of itself is neutral. It does not favor democracy or dictatorship. It does not favor peace or war. It is mankind's use of it which makes it work for good or evil.

If the Soviet Union alone develops its space capabilities, the terrible possibility is that the United States and the Free World will eventually come face to face with an ultimatum for surrender, with destruction of our people and cities the only alternative. Freedom, fought for over the centuries, will have been lost to the first worldwide tyranny. This we must not let happen through our failure to heed the clear warning of today. Five or ten years from now it will be too late.

Although national safety must be paramount in the matter of space use, I remind the Members that the reports of the select committee have made it clear that the development of space vehicles in their many forms is not just another burden for the defense budget. Strong United States capabilities in the field of astronautics would be a symbol of hope for peace and a great advance in the welfare of our people and that of all the people of the world. The members of this select committee have pointed out what a growing space-development program can mean to employment, to the profitability of all business and agriculture through improved weather prediction, and to the ease of communications throughout the world. The reports we have issued also have relayed to you the astounding advances—unforeseeable in detail—which scientific discoveries in space can mean to every aspect of earth-bound life. Human-health improvements may hinge upon such work. New sources of energy may be found in the electrical and ionized belts found at several levels of the upper atmosphere. Rare and valuable materials may be found in asteroids which can be returned to earth. What mysteries of the origin of the universe and of life, and of God's great purposes will be unfolded are beyond imagining. This is a new frontier which may provide such an outlet for the energies, interests, and attention of all mankind that the day will be hastened when earthly quarrels will be pushed into the background, and war among our human brothers will be no longer a threat.

This House and the Senate have shown they understand both the great blessings which can flow from space development and the grim realities of defense. They showed this by unanimously passing their respective bills relating to space. Yesterday the conference committee of the two Houses met and reconciled the differences of language between the two bills. There was never any real difference as to fundamental purpose. We have wished to create a strong civilian agency which could pursue on a broad front the great range of scientific and engineering problems presented by space development and exploration. We have wanted to protect the legitimate rights of the military to carry on such work as their responsibilities for the national defense entail. We desired to do this at a minimum cost to the people and with a minimum increase in the size of Government. For that reason, the National Advisory Committee for Aeronautics is being abolished, and its personnel and facilities become the principal building block for the new civilian space administration.

The unanimous report of the conference committee and the explanation of the House managers is before you. When the Congress enacts this bill, it will provide the Chief Executive with the tools he requires to carry out a well-integrated space program. Although he will continue to need our encouragement and support and interest, it will be up to him to exercise the necessary leadership to make the program effective.

Without reservation, I can report to you that this is a good bill, carefully conceived and drafted on the basis of extensive hearings with the greatest scientific and administrative minds in America. The bill which comes back to you for final passage is a stronger and better bill than the one you have already passed.

In the original bill, your committee tried to follow as closely as possible the form of the administration bill which I and others introduced. Because it was generally well conceived, we did not want to force on the President an organizational structure which did not carry out what his message called for in much the way he wanted it. But the hearings of both commitees and the reports prepared by this select committee stress the tremendous need for some overall direction of the national space effort which would coordinate to the utmost what is done by both the civilian space agency and the Department of Defense. This proved difficult to create in a way that did not have as many faults as it did virtues. During the course of the last month as a result of further consideration, the two committees arrived at a good solution, and it is a solution which has the support of the President.

What the amended bill does is to create a National Aeronautics and Space Council which is advisory to the President. Like the National Security Council, this new key group will bring together a small number of the top leaders of Government, and additionally allows the President to recruit leaders in science and administration from private life to advise him on the overall needs for a thorough-going national program and how it should be divided and coordinated between the Department of Defense and the National Aeronautics and Space Administration.

The conference committee is delighted with this solution, and it supplies the missing ingredient of the original House bill, which had been left out previously because this solution had not been discovered. This high-level advisory council takes the place of the former 17-man advisory committee which the House bill called for, and also of the Senate-proposed Policy Board, which would have been superimposed on the space agency between its head and the President, and which would have had the power to make determinations of jurisdiction over space projects. The result is to place the space program at the high level of Government that its great importance deserves.

The President under the bill is given considerable latitude as to how he will utilize this advisory council. But we cannot stress too strongly how important we feel its mission will be. We would expect that it will meet frequently, not because it will be settling a host of minor disputes, but simply because the great new problems of the space age are crowding in on us so fast that only a very high-level group, by meeting frequently, will be able to make adequate provision for national needs.

This council is provided with authority to employ a small professional staff which can give the full time and continuing attention required to identify problems and to map out tentative pro-

grams for the consideration of the council. We have provided also for an annual report to Congress on the plans and programs of all agencies concerned with space, and the extent to which these programs have been realized. The presidential report to the Congress can be an important means for coordinating the work of the Executive and the Congress in the field of such vital national concern.

The patent provision of the House bill is the only part of the bill extensively revised by the conferees. The Senate version carried a patent provision closely similar to the provision in the House bill. This was dropped by floor amendment just before passage in the Senate in order to allow this section to go to conference.

The review and the redrafting were wise. The select committee created a special subcommittee to study the matter, and after talking with many experts in and out of government arrived at a new version, drawing upon both Senate and House suggestions. The original patent provision was too closely patterned after the stringent requirements in the Atomic Energy Act which are not fully applicable to the space field. The substitute provision agreed to by the conferees protects both the interests of the Government and affords enough flexibility to the Space Administrator to let him meet needs for preserving the incentives of the individuals and companies whose efforts it is public policy to encourage.

We have provided the President with the bill he needs. But our efforts may still fail unless he finds high quality, competent personnel to staff the Space Agency. It is particularly important for the President to select the right Administrator to carry out the will of the Congress and the American people in creating an effective program in aeronautics and space. The talents required will not be easy to find, but they are available in this great country of ours. He must be a man who combines real vision and a concept of the sweep of space requirements with the practical ability to administer an important agency and to cooperate effectively with other agencies of Government. He must be a man who has some feel for the nature of scientific research and endeavor. The Senate will have the opportunity to review the nomination, and will undoubtedly give careful attention to this appointment. No matter how good an organization is provided, it will mean nothing unless a good, strong man with vision and ability heads it.

It is not enough that the United States merely matches what the Soviet Union is doing. If we continue to follow in their scientific footsteps, their own program which has considerable momentum will lead ours for the indefinite future. We must leapfrog their accomplishments. The problems of long lead times and the great stakes involved offer us no other logical choice. Passage of this bill today will be the most important immediate step which the Congress can take in this national effort.

Mr. FULTON. Will the gentleman yield?

Mr. McCORMACK. I am very glad to yield to my distinguished colleague from Pennsylvania.

Mr. FULTON. Would you please give me the authority and legislative intent in the bill for the Administrator to pay a limited number of employees $19,000 or $21,000 a year? I believe the provision is section 203 (b) (2) (A), which says that he "may appoint and fix the compensation—up to a limit of $19,000 a year, or up to a limit of $21,000 a year for a maximum of 10 positions—of not more than 260 of the scientific, engineering, and administrative personnel of the Administration."

Mr. McCORMACK. That provision is intended to authorize the employment of 250 of such people to be paid up to $19,000 a year and 10 others to be paid up to $21,000 a year, without regard to the civil-service laws or the Classification Act.

Mr. BROOKS of Louisiana. Mr. Speaker, we are all agreed in this conference report that the future of astronautics and space development should be under civilian control. This agreement in no way reflects upon the outstanding work which the military has rendered in the past years in developing this program. The burden has fallen upon the military, and the impetus for funds has been obtained from the military. The time has come when we must take heed to the approaching dangers of a space age. However, we should now look forward to developing an astronautical program and to placing it in the hands of civilian development, always of course with the cooperation and support of the military.

In my mind the most important part of the bill is a new provision which the conferees have worked out to substitute both the Senate and the House stipulations covering the establishment of the National Astronautics and Space Council. This council is placed on a high level with the President as presiding officer and with membership to include the Secretary of State, Secretary of Defense, Administrator of National Astronautics, and Space Chairman of the Atomic Energy Commission, as well as 4 additional members only 1 of which shall come from the Government. This provision alone indicates the importance which Congress attaches to the future of the astronautical program.

The President is specifically charged with the duty of surveying all astronautical and space activities, of developing a comprehensive program, fixing responsibility for the forward movement of the program, and providing for effective cooperation. The bill provides for the employment of a staff of experts headed by civilian executive secretaries. It provides other authority to make this council a high-level organization with full powers and authority to insure the adequacy of the astronautical program and of our scientific and experimental programs in the future.

I have made a special effort to emphasize this section in the House and Senate bills which have been approved by the conferees. Instead of a 17-man board as the House committee originally approved, it becomes a 9-member commission. The place for the 3 civilian members is largely reserved by implication to outstanding scientist who can be of tremendous help to the President, Secretary of Defense, Secretary of State, and to the entire board in support of the program. The one additional appointment for the Government will probably go to the Defense Department to further strengthen its position.

Of course the liaison committee is still a part of the conference report. It is true it is consolidated, but it remains as a committee through which contacts from and to the various departments can be obtained. It is therefore an important group and will be of value in the work in the future.

At the same time neither the liaison committee nor any other group or individual will have the power and authority and guidance over the program which the Council will have under the terms of this conference report.

I want to express the pleasure which was mine in working under our chairman and with this select committee of the Congress. The work of the committee has been most carefully, diligently, and thoroughly handled. It has been handled with complete harmony and cooperation. Counsels for the committee have worked long and diligently on the bill and on this conference report.

We sat down yesterday with some misgivings as to what would develop. These misgivings were soon dispelled. In the light of the study that had been made, the work that had been performed, and the background which we had set up, our misgivings proved to be ill founded, and we were soon able to get together as conferees on this report. I hope that the House will adopt this conference report unanimously, and I congratulate our own chairman on the splendid job which he has performed.

Mr. KEATING. Mr. Speaker, much discussion is going on over the patent section to this bill—and rightly so, for the American patent setup is certainly one of the keystones to our national economic system.

I want to emphasize that the patent section in this bill has been subjected to careful scrutiny and study. It represents, as the statement of managers suggests, a balancing effort. We felt we would be derelict in our duty if we failed to protect the legitimate interests of government. At the same time we endeavored not to remove any incentive from private enterprise.

We think this section will accomplish both ends.

After H. R. 12575 passed the House, the chairman of our committee appointed a patent subcommitte to review the entire matter. It was a member of this subcommittee—which considered extensively the views of private industry, the patent law associations and other bar groups, counsel for the Senate and House Judiciary Committees, the patents section of the Department of Justice and members of the Government Patents Board. The Senate committee

and its staff made a similar investigation.

It soon became clear that the Congress was faced with three major alternatives in dealing with the patents question.

First. It could drop entirely any reference to patents or property rights in inventions. This would leave the matter mainly up to the Administrator to handle as he sees fit.

Second. It could follow the policy employed by various departments of government and require that contractors dealing with the administration and doing its research and development should give the Government an irrevocable, nonexclusive, royalty-free license to use the inventions so developed. My personal inclination, I might say parenthetically, leaned in favor of this approach.

Third. It could give the Government title to the inventions developed—either automatically in all cases, or in certain selected cases with the proviso that the Government be accorded a license of use in instances when it did not have—or want—title.

The objections raised to the original patent sections of the House and Senate may be summarized as follows:

First. The sections were arbitrary and restrictive and would tend to stifle interest and private endeavor in space research and development.

Second. There is no need for the Government to retain ownership rights; its interests will be adequately protected if the administration acquires simply a royalty-free, irrevocable license to use the inventions which result from the research and development contracts it sponsors.

Third. There is no need for any patent provision, since a license to use may be acquired by contract or agreement.

After due consideration of the problem, the committees of both Houses found themselves in partial agreement with the objections raised in the first summary. They are not in agreement with those raised in the third summary. I am personally sympathetic to the contentions advanced regarding the second summary, but I feel a reasonably satisfactory result has been achieved.

The conferees recognized that research and development in the aeronautical and space sciences will not be comparable, in most respects, to that in the field of atomic energy—and hence that there is no necessity for a Government monopoly of rights or interests in all inventions and/or discoveries relating to space exploration. For this reason, it was felt that the patent section needed amendment. And the patent provision in this conference report does not automatically—as I understand the Atomic Energy Act does—give all property rights in inventions to the Government.

At the same time there appear to be a number of vital reasons for placing title to space inventions in the Government under certain conditions. Some of the reasons are these:

(A) While the nature of developments to come out of space research in the future are unknown, we do know that some discoveries are likely to be unprecedentedly powerful and significant. In certain instances it may be imperative that the Government have ownership rights from the beginning. This need may be as great as in the case of atomic energy, or even more so.

(B) It may be highly inequitable and contrary to our traditional competitive system to permit a single private party to patent an invention developed with taxpayers' money in cases where the invention proves to have unusual commercial value or answers some universal human need.

(C) The right to title would carry with it, in essential cases, the ability to exclude others from the field for reasons of security or of public health and safety.

(D) Title to the invention would bestow on the Government an ability to use such rights for protective or bargaining purposes.

(E) Government ownership of patent rights permits offset or counterclaims in infringement suits against the Government.

Mr. Speaker, I submit these are substantial reasons for giving title to the United States under appropriate circumstances.

But I want to emphasize those words "appropriate circumstances." It is because the new provision actually does set up a reasonable standard for regulating public ownership that I feel it serves its intended purpose. Under this bill the United States is entitled to ownership only in two instances:

First. When the inventor is employed or assigned to do research and development in relation to a contract with the new Space Agency and the invention is made as part of his job.

Second. When the inventor is not specifically hired to do research and development, but the invention is made in relation to a contract with the Administration and is made during working hours or with a Government contribution of money, facilities, equipment, and so forth.

In all other circumstances, title to the invention remains in the inventor or his employer, depending on their contractual relationship.

This seems to me to be a fair requirement on the part of the Government, as well as an essential one for the benefit of private industry.

Let me point out, too, that in this new version we have provided for appeal and judicial review in cases where inventors feel their invention is improperly classified as subject to Government ownership. In such cases they may take their case to the Board of Patent Interferences in the Patent Office of the United States, and the decision of the Board may be reviewed by the courts.

We have added a new section which provides that incentive cash awards may be given to inventors or firms which make significant technical contributions to the national space program.

Note that such awards may go to any person or any organization, whether or not the contribution is patentable and whether or not it is made under Government contract. Note also that standards and safeguards have been provided to guide the Administrator in making such awards and to assure they are kept within reason.

In conclusion, it is my feeling that the conference report in general represents an excellent solution to what has been a difficult approach to a very nebulous area.

We may have to make some changes in the space program as we have set it up. I suspect we will, since it is impossible to see exactly where we are going.

But this act is a good start and I am confident it will put our space program on the road.

Mr. ARENDS. Mr. Speaker, I wish to commend the conferees charged with reaching an agreement on our national space program, as well as all committee members of both Houses and their staffs for producing the Nation's first space law.

They have been working with difficult matters and trail blazing in a new world where signs of guidance are virtually nonexistent.

As a member of the Select Committee on Astronautics and Space Exploration, I am well aware of the scope and intensity of the work which has gone into this law.

It has by no means been limited to the mere mechanics of legislation or the structure of a new Federal agency. Each committee member was necessarily forced to familiarize himself thoroughly with many contiguous areas of science, technology, psychology, philosophy and law in order to work with a national space program at all.

By and large, I feel that the final version of the bill as approved in the conference report is a competent workable arrangement which will effectively channel and speed up our national space effort.

I need hardly add that nothing is more crucial in today's troubled world. Our national strength and security of the future may well rest, in large part, on how rapidly we go forward in this area.

This law may have imperfections which we cannot now foresee, but such as may become evident from experience we can correct. The important thing is that we are started on a coordinated space program.

Mr. GUBSER. Mr. Speaker, I cannot allow this conference report to be adopted without expressing my serious reservations and doubts regarding one principle embodied in H. R. 12575.

I strongly object to the establishment of a policymaking board which is appointed by the President and subject to confirmation by the Senate. I would much rather we would maintain the tried and proven organizational framework of the National Advisory Committee for Aeronautics and keep the important work of formulating a space policy out of the realm of politics.

For more than 45 years NACA has done more than any other single agency, public or private, to promote the science of aeronautics. It was NACA which solved the problem which has made the reentry of missiles into the earth's atmosphere possible. Just last Monday at

NACA's triennial inspection at Ames Laboratory in California, the Langley laboratory unveiled America's first five stage rocket which can be fired at the bargain basement price of $30,000. In addition I believe it is safe to say that without the basic research data compiled by NACA on airframe construction, wing foil construction, propulsion systems, and so forth, the modern jet would not be in the air today and our military potential would be considerably lessened.

All of these scientific advances have been made under a system whereby dedicated, knowledgeable men have been given the opportunity to select their own director, and could remain aloof from politics. This bill repudiates the system which has been such a success. I believe we should vote down this conference report and instruct our conferees to insist upon maintaining the proven organizational framework of the NACA. Space is too important to entrust to another Presidential committee which might do something. We should leave the field to an organization which has proven that it will do something.

PERSONAL PRIVILEGE

Mr. BASS of New Hampshire. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The gentleman will state the grounds.

Mr. BASS of New Hampshire. Mr. Speaker, in this morning's Washington Post appears the following front-page story, and I read in part:

[From the Washington Post]

NEW INFLUENCE CASE EXAMINED BY HARRIS

(By Richard L. Lyons)

The House investigation of the Bernard Goldfine-Sherman Adams friendship took a new twist yesterday with a report that a new case of alleged political influence in the Eisenhower administration had been uncovered.

Chairman OREN HARRIS, Democrat, Arkansas, said the new case, which his Subcommittee on Legislative Oversight heard about last week, involved a New Hampshire textile company and an Army contract.

* * * * *

The new case involves the firm Raylaine Worsted, Inc., said HARRIS. He said its list of officers in 1938, when it was formed, included a Perkins Bass as clerk and secretary. A Republican Congressman from New Hampshire bears the same name. HARRIS said the subcommittee had not checked with the Congressman.

* * * * *

The Raylaine case was discussed by the subcommittee at a 3½-hour closed session yesterday afternoon. Afterward, HARRIS told reporters that since no Federal regulatory agencies appeared involved it was beyond his subcommittee's jurisdiction. But because it seemed of sufficient importance to develop fully, the information will be turned over to the House Armed Services Committee for study, he said. HARRIS said he had discussed it with Armed Services Chairman CARL VINSON, Democrat, Georgia, and had no doubt VINSON would go into it.

HARRIS gave few details of the case. He said they were not fully tied down. He said it involved an Army contract for cloth and a "series of events over the years culminating in a decision in 1957."

The alleged influence did not involve the award of the contract but "something that happened later," he said.

Not only were the mill and the Army involved, said HARRIS, but also "other agencies and officials of Government." He said it would be fair to assume that "political influence has been alleged" in the 1957 settlement of the case.

[From a New Hampshire newspaper]

LINK BASS NAME IN ARMY CONTRACT INFLUENCE CHARGE

Chairman OREN HARRIS, Democrat, of Arkansas, said yesterday his House subcommittee has uncovered a new instance of "gross political interference and influence" in the Eisenhower administration.

HARRIS said the matter involving an Army textile contract did not implicate textile tycoon Bernard Goldfine, current subject of the subcommittee hearing. But he pointedly refused to say whether Goldfine's friend, White House aide, Sherman Adams, was involved.

NAMES BASS

HARRIS involved the name of Perkins Bass as clerk of Raylaine Worsted Co., a New Hampshire textile mill. He said, "We have ample information to show there was gross political interference and influence" not in the contract award itself, but in "what happened afterward."

Mr. Speaker, it is my contention, and I rise on the point of personal privilege on the ground, that very definitely from these newspaper accounts I am linked with and the implication is made that I have become involved improperly in an influence peddling case as late as 1957 at a time when I was serving in this House of Representatives.

The SPEAKER. The Chair would hold that the statement the gentleman made in the beginning of his remarks would not involve a question of personal privilege. But, according to the newspaper from New Hampshire, the Chair believes there is a question of personal privilege involved. The gentleman may proceed.

CALL OF THE HOUSE

Mr. HOSMER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 130]

Allen, Calif.	Gordon	Moss
Andersen, H. Carl	Gregory	Powell
	Halleck	Radwan
Anderson, Mont.	Hays, Ark.	Reece, Tenn.
	Hays, Ohio	Robeson, Va.
Baring	Jenkins	Santangelo
Buckley	Kearney	Shuford
Burdick	Kearns	Sieminski
Christopher	Kilburn	Smith, Kans.
Clark	Krueger	Talle
Dies	Machrowicz	Teague, Tex.
Eberharter	Michel	Trimble
Edmondson	Miller, N. Y.	Williams, N. Y.
George	Morris	

The SPEAKER. On this rollcall 388 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERSONAL PRIVILEGE

The SPEAKER. The gentleman from New Hampshire [Mr. BASS] is recognized.

Mr. BASS of New Hampshire. Mr. Speaker, I am rising to a point of personal privilege because, as I have already stated, there are several newspaper accounts that appear in today's papers which carry the inference and the allegation that I have been involved improperly in an influence case with the Government. The only statewide paper in New Hampshire, the Manchester Union Leader, this morning carries this banner headline:

LINK BASS' NAME IN ARMY CONTRACT INFLUENCE CASE

Chairman OREN HARRIS said yesterday his House subcommittee has uncovered a new instance of "gross political interference and influence in the Eisenhower administration." Harris said that the matter involving an Army textile contract did not implicate textile tycoon Bernard Goldfine, now the subject of subcommittee hearings. Harris involved the name of Perkins Bass as clerk of Raylaine Worsted Co., a New Hampshire textile mill.

He said: "We have ample information to show there was gross political interference and influence, not in the contract award itself, but in what happened afterward."

Mr. Speaker, the inference, of course, is plain. The chairman left the implication, if not the allegation, that I have been directly and improperly involved in an influence case with the United States Government while I have served as a Member in the House of Representatives.

This inference is wholly unwarranted and totally false. The facts are these: I have no recollection whatsoever of the name "Raylaine Worsted, Inc." It is possible, however, that the law firm in Manchester, N. H., of McLane, Carleton, Graf, Green & Brown, in which I was first employed as a young law clerk in 1938, 20 years ago, Mr. Speaker—it is possible this law firm did incorporate this firm then. If so, as a young law clerk, I might have been asked to sign the incorporation papers as clerk-secretary purely as a routine and perfunctory matter. Any of you who are lawyers—and I know there are many—know that in any law firm—and certainly it is true in my home State of New Hampshire—it is common and routine practice when you set up a corporation to have some office girl and maybe 1 or 2 junior associates sign as an incorporator or as secretary.

I have no recollection of signing as clerk-secretary of this concern of Raylaine Worsted. It is possible I did. I do not know; but, other than this possibility of signing these incorporation papers 20 years ago, I had no further connection with this concern, nor have I ever had any interest therein whatsoever at any time, financial or otherwise. I have never been contacted by anyone in this concern on any of its problems since I have been in Congress, or at any other time, for that matter.

Mr. Speaker, without apparently checking into the full facts, without even notifying me in advance, the chairman of this Oversight Committee has deliberately left the false impression that I

have been improperly involved in an influence case with the Government. I am sorry that this committee, Mr. Speaker, has gone so far afield. I regret that it has so little respect for all the facts and is so ready to smear by character assassination.

I rise, Mr. Speaker, not only on behalf of myself, but I point out that if this type of irresponsible smearing and character assassination is allowed to continue, it could happen to any one of us, not only me. How many of you who are lawyers have not performed this routine function time and time again in the practice of law?

I would like to ask the chairman of that committee these questions: Why did you release this information without even checking with me beforehand? What was the purpose of the chairman's releasing my name as clerk-secretary of Raylaine Worsted 20 years ago, in 1938, when there is nothing wrong in this by itself? Why did the chairman do this if, as stated in the newspaper account, he admitted the committee does not even have jurisdiction over that matter?

Maybe there are reasons. If so, I would like to know them.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. BASS of New Hampshire. I yield to the gentleman from Massachusetts.

Mr. MARTIN. Mr. Speaker, I want to say that the gentleman from New Hampshire is a man of very fine character and reputation. We in Congress are very fortunate, indeed, that a man like PERKINS BASS was persuaded to come to Congress. I am sure all of his colleagues on this side, and I think perhaps on the other side, for whom, of course, I cannot speak, know that he is thoroughly innocent and we deplore as he does the unfortunate predicament that he has been placed in.

Mr. BASS of New Hampshire. I thank the gentleman.

Mr. DEROUNIAN. Mr. Speaker, will the gentleman yield?

Mr. BASS of New Hampshire. I yield to the gentleman from New York.

Mr. DEROUNIAN. Mr. Speaker, may I say that the gentleman from New Hampshire, PERKINS BASS, has my highest regard in reputation as a legislator and as a man. The revelation of this newspaper article comes as a shock to me, and I am amazed that such information would be printed. Our good friend the gentleman from Arkansas [Mr. HARRIS] in the past has been very fair, and I would hope that there is a reasonable explanation for this turn of events, because if the time comes when the chairman of a committee cannot control the information of his committee where it pertains to the defamation of the character of a Member, it is a sad state of affairs for the Congress of the United States.

Mr. ALGER. Mr. Speaker, will the gentleman yield?

Mr. BASS of New Hampshire. I yield to the gentleman from Texas.

Mr. ALGER. Mr. Speaker, I would like to join in the remarks just made by the gentleman from New York. I, too, am a member of the committee. No one in this body belittles any other Member nor destroys the high regard we have for that man's name and his integrity. And I think we should accord that consideration to all the people of the United States, not only holding each other in high regard in this body but that other people be accorded that same privilege. And I protest as a member of the Committee on Interstate and Foreign Commerce. I have been long troubled by the Legislative Oversight Committee's investigations, as others here have been, I am sure. I have been allayed partly because of respect for the chairman under whom I have served for 2 years. But, I have studied this committee's hearings, I have listened here on the floor to various statements made about the Legislative Oversight Committee. I have listened to the gentleman from Missouri charge that this committee has overstepped its bounds in assuming jurisdiction; that it has violated the rules of the House, of statements tending to defame character contrary to House rules, without going into executive session. And, this certainly brings it more fully to light when one of our colleagues is attacked. I know that other matters, very urgent in nature, are being put aside by this committee, that other legislation is waiting in which many of you are deeply concerned. I deplore this guilt by implication, and I join with the other colleagues to commend the gentleman from New Hampshire for whom we have the highest respect and regard.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. BASS of New Hampshire. I yield to the gentleman from Michigan.

Mr. HOFFMAN. When the gentleman was reading his statement, the chairman of the committee, the gentleman from Arkansas [Mr. HARRIS], was seeking recognition. I wonder if the gentleman will yield to the chairman of the committee now, so that we would know what the other side of this issue is.

Mr. BASS of New Hampshire. I intend, of course, to yield to the gentleman from Arkansas.

Mr. HOFFMAN. I would like to hear his statement before very much is said. The chairman will probably say he merely stated facts from the record, but I want to know whether the chairman of the committee, the gentleman from Arkansas [Mr. HARRIS], made, in substance, this statement either to reporters or elsewhere, referring to the Bass incident and the committee's investigation of it, and I quote: "We have ample information to show there was gross political interference and influence, not in the contract award itself," but in "what happened afterward" and if the chairman did say that, where in the record do the facts show its truth or falsity?

Mr. BASS of New Hampshire. I shall yield in due course.

Mr. WAINWRIGHT. Mr. Speaker, will the gentleman yield?

Mr. BASS of New Hampshire. I yield to the gentleman from New York.

Mr. WAINWRIGHT. Mr. Speaker, I would like to stress the point that the gentleman from New Hampshire makes. To those of you who are lawyers here, who were clerks in law firms, to sign your name as a founder of the corporation when it is being incorporated is a very common practice. And, when this occurred 20 years ago, and bringing it up at this time so that the lead column of the New York Times states "Harris Hints Link of High Officials to Army Contract" and then the only name that is mentioned in the article in the New York Times is that of Perkins Bass, I think is a very shocking thing.

Mr. MATTHEWS. Mr. Speaker, will the gentleman yield?

Mr. BASS of New Hampshire. I yield to the gentleman from Florida.

Mr. MATTHEWS. Mr. Speaker, I, too, have the utmost confidence in the distinguished chairman of our committee, the Interstate and Foreign Commerce Committee. I only take this moment to pay tribute to the gentleman from New Hampshire, the Honorable PERKINS BASS. Back in 1941, when I left my home in Gainesville, Fla., to win the war in the infantry, this distinguished gentleman came from up North down to my section of the country to win the war, and he stayed in my home. I have known him as his landlord, and he was one of the best tenants I ever had in all my life. Since that time I have had the pleasure of visiting in the distinguished gentleman's home, and he has visited in my home. Now, I do not know about the details of this matter we are discussing, but, sir, I want to pay tribute to the character of the gentleman from New Hampshire, Mr. BASS, and if there is anyone that I would want to give a power of attorney to in this great assembly, it would be that distinguished gentleman. I have the utmost confidence in him, and I appreciate this opportunity of saying this word.

Mr. BASS of New Hampshire. I thank the gentleman, my good friend from Florida, for his kind remarks. I want to say that I am particularly pleased to note that I was a good tenant and paid my rent on time. I should add that he was a mighty good landlord.

Mr. SHEEHAN. Mr. Speaker, will the gentleman yield?

Mr. BASS of New Hampshire. I yield to the gentleman from Illinois.

Mr. SHEEHAN. Mr. Speaker, I certainly am very sympathetic with the gentleman from New Hampshire [Mr. BASS] and hope that none of the very unfavorable and uncalled-for publicity which was released in the papers will hurt him in any respect, because by no stretch of the imagination does he deserve such treatment as has been accorded him. In fact, I say no Congressman deserves such treatment. We, in Congress, should always stop, think, and hesitate before we impugn, or allege, or even intimate that one of our own Members or, for that matter, any citizen of the United States may have his reputation ruined because of the conduct of a Congressional committee or staff member.

I cannot help but think, as I stand here, of what would happen if we put ourselves back 4 or 5 years, when Senator McCarthy was investigating communism. Suppose at that time it came out in the papers that the Senator's committee had a staff man who was bugging a room. Suppose at that time it came out that certain papers of Communists were

stolen and used, perhaps, by Members of Congress or their staffs. What do you think would have happened? Every liberal organization would have gone up and down the country screaming to the high heavens that a man's rights were violated. Where are these liberal organizations and all the liberals protecting civil rights today? Unfortunately, too many of these liberal organizations are controlled or very closely alined with some of the Democrats we know. The Americans for Democratic Action have close ties with certain Democrats. I do not impugn the motives of all Democrats. I have a great many friends in the Democratic Party, and I respect the great majority of them whom I know. But I cannot help but think about some of these organizations that so many of the Members are close to, organizations such as Walter Reuther's organizations, the Americans for Democratic Action, the Committee for an Effective Congress, and so on. These organizations and their Democrat members would be up in arms at such conduct as we have seen here in the last several months by the Legislative Oversight Committee.

But when this happens to Republicans, when it happens to fine men such as PERKINS BASS, where are the people on the Democrat side of the aisle who rise to defend him? I know that BILLY MATTHEWS has done a good job. I know of the feeling on that side that is kindly and sympathetic toward PERKINS BASS. But where are the liberal organiaztions to fight to protect the character and reputation of Congressmen and other citizens throughout the country from innuendo and guilt by association.

We hear a great silence and we wonder what it is all about. We hear certain members of the Democratic Party, such as the Democratic chairman, Mr. Butler, going up and down the country and saying that the administration is graft ridden, with all the implications that go with that; that influence is being used on our side.

But if that is the way they are going to act, if they are going to malign good men like PERKINS BASS, there is only one thing we can do and that is to read the record of what has happened in the past on the great number of Democrat cases of graft and corruption and then we will have a real Donnybrook.

I regret very much that we have to rise to defend the gentleman from New Hampshire [Mr. BASS]. I regret very much that we may not refer to many of the things that the Committee on Legislative Oversight has done, because of the ruling of the Speaker that we may not talk about their actions or what has happened, here on the floor.

However, we do know that there are certain things, such as Mr. Adams' release to the newspapers, which was not part of committee property. And certainly, as Mr. Adams points out, there have been insinuations, there have been allegations, but up to this point who has proved Mr. Adams guilty of any illegal or immoral act? It they have, let them convict him; if they have, let them refer it to the Attorney General. But too often we see in the papers blanket indictments of good men, like PERKINS BASS, and Sherman Adams without the proof and facts to back it up.

I think it is about time that the Democrats put their house in order and were respectful of the rights of the people. We should all join in paying respect to PERKINS BASS and wish him Godspeed.

Mr. BASS of New Hampshire. Mr. Speaker, I yield to the gentleman from Arizona [Mr. UDALL].

Mr. UDALL. Mr. Speaker, first I should like to say that I know, when one is working under the pressure such as the chairman of the committee is working under, things happen inadvertently. I shall listen with interest to the comments of the gentleman in a moment. I do want to say as one Member here—and I think the gentleman from New Hampshire [Mr. BASS] knows that I speak for many of my colleagues—that there is no one on this side of the aisle for whom we have higher esteem or more respect for his personal integrity. I want the RECORD to show that many of my colleagues join me in making that statement.

Mr. BASS of New Hampshire. I thank the gentleman. I yield at this point to the gentleman from Arkansas [Mr. HARRIS].

Mr. HARRIS. Mr. Speaker, first let me say that I have the highest regard and esteem for my colleague, the gentleman from New Hampshire [Mr. BASS].

I respect every Member of this Congress as men and women of character and integrity. I would not question or impugn the motives of any colleague.

I hope you will review the record of our subcommittee with the view of ascertaining how I have tried to protect Members of Congress from what I conceive as unwarranted attacks. I have nothing to hide or cover up but I am conscious of the fact that every one of us lives in a glass house and is subject to public scrutiny.

I want to say further, Mr. Speaker, that any reflection that may have been made about the gentleman from New Hampshire was not because of anything I did or said.

There have been many things said about this committee, and I want to say at the outset we have a committee composed of 11 members, 6 Democrats and 5 Republicans, who in my opinion are as able and honest men, of the highest integrity, as we can find anywhere in this Congress or anywhere else. I, of course, would exclude myself in this expression of my conviction of this dedicated group.

I wish to say further, Mr. Speaker, I am willing and ready and in the position to defend in this House and throughout the country every action this committee has taken during the course of the hearings, and the record will speak for itself.

Apparently, from what has resulted here today, I am given credit on behalf of the committee for the name of the gentleman from New Hampshire [Mr. BASS], being brought into publicity with the developments this morning. Let me tell the gentleman what the facts are.

The latter part of the week, it was brought to the attention of the committee that certain information was available regarding a certain matter that has been before the military. It was, it appeared to me, of sufficient importance to find out what it was. In the usual and regular way the information was obtained. But before any move was made I directed the staff to find out who the company was or is. In obtaining the information the secretary of state's office in the State of New York was called. The secretary of state's office in the State of New Hampshire was called. The information, which is of public record, was obtained.

From there we proceeded to obtain the information, and when this information was obtained, we looked it over; I concluded from what we had it did not come within the scope or the jurisdiction of our committee, and called the committee together in executive session, where we took testimony from certain witnesses and asked the staff members who had handled the matter. The committee, as I did previously, unanimously came to the conclusion, Republicans and Democrats alike, that it was a matter that should be left to the Committee on Armed Services.

When the committee adjourned its session there were many newspapermen, reporters, on the outside of our committee room. They came into the committee room, 40 or 50 or more of them, I expect. As they always do, they tried to find out what the committee had done. We in our way gave them information, what we could about the meeting of the committee, and only advised them that we had been considering in executive session matters about which we could not give facts, as it had to go to another committee.

The name of Raylaine Worsted, Inc., came into the picture, and they asked "What is the origin of this company?" And they asked who the officers and the directors were. That is information of public record today in the gentleman's State and in the State of New York. That is the information that was read by me. I read the names of the incorporation of the Raylaine Worsted, Inc., in the State of New Hampshire in 1938. The charter for the corporation showed the officers and directors to be John Humphries, president; Arthur O. Roberts, treasurer; Perkins Bass, clerk-secretary; John Humphries, director; R. H. Daniels, director; Marston Beard, director; S. H. Burrell, director; M. J. Greenough, director; Harry M. Bickford, director; and George E. McClintock, director.

I called off all of those names in response to a question. This was a matter of public record. Then I was asked by some reporter who was Perkins Bass. I told him I had not checked to see if it was the same Perkins Bass, but I was merely giving the record here with all the rest of them. But the report showed in 1948 the officers and directors and I called their names and emphasized that Mr. Bass was not at that time shown on the record as connected with this company.

Mr. BASS of New Hampshire. May I ask the gentleman from Arkansas whether it occurred to him at that time, before he released my name, to check

with me and find out what the true circumstances were?

Mr. HARRIS. The gentleman from Arkansas was merely giving the record of the officers and the directors of this company, which is a matter of public record in the gentleman's State and in the State of New York.

Mr. BASS of New Hampshire. The gentleman from Arkansas has been in Congress for many more years than I have. He is a far more experienced legislator than I am. He knows his way around. He knows about newspaper reporters. I would like to ask the gentleman—would it not be a fair assumption if you released my name as clerk-secretary in 1938 that it would be the immediate reaction of the press to link me with this whole thing?

Mr. HARRIS. The gentleman is well aware that the press has been after every member of this committee ever since it started in almost every way possible. This committee has made every effort it possibly could to withhold information that ought not to be made public from its inception, and this same thing is true in the case of the Miami Channel 10 case in Florida, the misconduct of the Commissioners, the ex parte proceedings before the regulatory commissions and in the matter that is presently under hearings now. I will say to the gentleman there was no intention on my part or any other member of the committee, and the Republican members were present, to inject the gentleman's name with any implication whatsoever that there was any wrongdoing at all, or that the gentleman was implicated in this matter whatsoever.

Mr. BASS of New Hampshire. I appreciate what the gentleman has said. But, I would like again to call his attention to what he said earlier, and I think I am right, when he said, "Any reflection on me was not because of anything I—" meaning you—"said or did." I just would like to call his attention again to what my State paper in New Hampshire has headlined.

Mr. HARRIS. The gentleman knows I am not responsible for what a newspaper reported.

Mr. BASS of New Hampshire. It was the result of what you said.

Mr. HARRIS. Maybe so.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. BASS of New Hampshire. I am glad to yield to the gentleman.

Mr. MARTIN. I understand the gentleman from Arkansas says that there is nothing in the record to implicate the gentleman from New Hampshire, PERKINS BASS, in any way.

Mr. HARRIS. That is precisely true and I so stated that yesterday.

Mr. BASS of New Hampshire. I appreciate what the gentleman from Arkansas has stated, particularly in relation to my name being used in this connection. I want to say also that members of the committee are men of the highest integrity. But that is beside the point. My point is, and I would like to get an answer to this question, why did you release my name as clerk-secretary in 1938 without any other information at all, and then say in the next sentence that this was a gross case of political influence.

Mr. HARRIS. I will say to the gentleman, I was merely quoting the public record, which is a matter of public knowledge to everyone in the United States and in the gentleman's own home State. The statement about political influence was made some time after the reference to the name of the gentleman along with the names of the other officers and directors. I cannot be responsible for the report connecting the two together.

Mr. BASS of New Hampshire. I would say to the gentleman that that is one of the most effective ways of creating smear and character assassination—name someone as connected with a corporation and then say that the corporation is involved in a case of improper political influence. Naturally the press is going to link the two together.

Mr. HOFFMAN. There was not anything mentioned about Congressional influence or improper influence.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. BASS of New Hampshire. I yield.

Mr. CURTIS of Missouri. I want to make first of all an expression of confidence in the gentleman from New Hampshire, whom I have known for many many years, and to express my deep regret that this matter has come to this point.

I called the attention of the House to it many weeks ago. I took the floor in hopes to avoid this kind of thing, because already there had been actions on the part of this subcommittee that looked like we were going to head into this kind of situation.

The chairman of the subcommittee has made the statement that he is willing, and able, and ready to defend the actions of this subcommittee at any time. I think now is the opportunity. There is a resolution pending before the Rules Committee to create a committee of three members to be picked by the Speaker to go into these matters, not prejudging the case, but simply to bring it out into the open and find out whether the rules of the House have been disobeyed, whether the actions of the subcommittee are in order, and how the subcommittee should proceed in the future. I think that is the way to go ahead.

I do not believe that this is either the proper time or the occasion to go into matters of conflicting testimony.

One thing I would like to say, though, in answer to the explanation of the gentleman from Arkansas, and that is with reference to releasing the names of the incorporators of the company when this was a matter that was not before his committee and he had decided to refer it to another committee as not being within his jurisdiction, a matter which was not investigated, and yet state to the press certain conclusions that there was influence, certain actions based upon an uninvestigated case. It seems to me to mention the name of the company was in error, because it could only lead to some kind of smear printed in the newspapers, and I cannot see any basis whatsoever for drawing conclusions or even mentioning it at all other than to say that a matter had come to the attention of the committee which looked like it should be investigated and they had referred it to the Armed Services Committee.

I conclude by again complimenting the gentleman from New Hampshire for taking the floor at this time to clarify these matters, and I again express my confidence in him.

Mr. BASS of New Hampshire. I thank the gentleman from Missouri.

Mr. McDONOUGH. Mr. Speaker, will the gentleman yield?

Mr. BASS of New Hampshire. I yield to the gentleman from California.

Mr. McDONOUGH. First of all I want to say that the gentleman from New Hampshire [Mr. BASS] is a member of my committee. I have been personally acquainted with him since he has been a Member of Congress. I have the highest regard for his integrity, his ability, and his capability as a Representative from the State of New Hampshire.

It seems to me that in view of the statement made by the chairman of the committee, the gentleman from Arkansas [Mr. HARRIS] and the statement made by the gentleman from New Hampshire [Mr. BASS] concerning his character having been maligned by a statement made by the gentleman from Arkansas [Mr. HARRIS] that it was proper and fitting at this time to ask the gentleman from Arkansas [Mr. HARRIS] to make a statement to the press that the statement he made is without foundation and that it has no relation to any influence the gentleman from New Hampshire [Mr. BASS] has attempted to use since he has been a Member of Congress. It seems to me, I may say to the gentleman from New Hampshire [Mr. BASS], it would be in order to ask the gentleman from Arkansas [Mr. HARRIS] for a statement at this time.

Mr. BASS of New Hampshire. I thank the gentleman.

Mr. FRELINGHUYSEN. Mr. Speaker, will the gentleman yield?

Mr. BASS of New Hampshire. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I, too, Mr. Speaker, would like to join with my colleagues in expressing my confidence in the integrity of the gentleman from New Hampshire, and also to express my belief that no Congressman deserves such treatment as he received from the chairman of the Committee on Legislative Oversight. I may say this, no Congressman deserves such treatment. No individual deserves such treatment. Congressional investigations have been criticized for their freewheeling nature.

I think many of us recognize there must be discretion used by individual members of a committee or the entire committee in these matters. The gentleman from Arkansas has not apologized for his mentioning of the name of the gentleman from New Hampshire [Mr. BASS]. He suggested that he could not give the facts about the case which he had before him, but he did give certain information. That information has un-

questionably led to the defamation and derogation of the gentleman from New Hampshire [Mr. BASS], in my opinion.

Mr. REUSS. Mr. Speaker, will the gentleman yield?

Mr. BASS of New Hampshire. I yield to the gentleman from Wisconsin.

Mr. REUSS. Mr. Speaker, I know of no Member of this body more honorable or upright than the gentleman from New Hampshire [Mr. BASS]. I hope the newspapers in his home State and elsewhere that may have created any question about his record will make due amends and carry the statements of the gentleman.

Mr. ROGERS of Florida. Mr. Speaker, will the gentleman yield?

Mr. BASS of New Hampshire. I yield to the gentleman from Florida.

Mr. ROGERS of Florida. Mr. Speaker, I also want to express my confidence in the gentleman from New Hampshire. I have known him since he has been a Member here and I consider him upright and understanding. Also, I was delighted to hear the chairman of the committee state that he made no implication. As far as I can see, the record is now clear that no implication has been meant and I am happy over that fact.

Mr. BASS of New Hampshire. I thank the gentleman.

In conclusion, Mr. Speaker, I want to say that I have tried not to be bitter in my remarks. My feelings are more of sorrow and regret that apparently one of our committees has gone so far afield as it has in this instance in attempting to involve a Member in smear tactics and character assassination.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. BASS of New Hampshire. I yield to the gentleman from Arkansas.

Mr. HARRIS. For the purpose of replying to the statement made by the gentleman from California, I say again that the gentleman is in error. I have made no statement, have cast no reflection on the gentleman, and I have said nothing that would malign the gentleman's character. I have the highest regard for the gentleman's integrity.

Mr. BASS of New Hampshire. I thank the gentleman for his last remark, but I regretfully differ with him to say that he has said something that did reflect on my character.

THIRD ANNUAL REPORT ON THE ADMINISTRATION OF CHAPTER 73—ANNUITIES BASED ON RETIRED OR RETAINER PAY, TITLE 10, UNITED STATES CODE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read and referred to the Committee on Armed Services:

To the Congress of the United States:

Pursuant to the provisions of section 1444, title 10, United States Code, I transmit herewith for the information of the Congress the Third Annual Report on the Administration of Chapter 73—Annuities Based on Retired or Retainer Pay, Title 10, United States Code.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *July 16, 1958.*

ESTABLISHING RULES OF INTERPRETATION FOR FEDERAL COURTS INVOLVING THE DOCTRINE OF FEDERAL PREEMPTION

Mr. WILLIS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 3) to establish rules of interpretation governing questions of the effect of acts of Congress on State laws.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 3, with Mr. THOMPSON of Texas in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the gentleman from New York, Mr. CELLER, had 51 minutes remaining, the gentleman from New York, Mr. KEATING, had 2 hours and 15 minutes remaining, and the gentleman from Louisiana, Mr. WILLIS, had 1 hour and 3 minutes remaining.

Mr. WILLIS. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. TUCK].

Mr. TUCK. Mr. Chairman, I appreciate the time allotted to me in this debate by the gentleman from Louisiana [Mr. WILLIS], and I am glad to have this opportunity of urging the passage of H. R. 3, introduced by the dean of the Virginia delegation, our distinguished and able colleague, the Honorable HOWARD W. SMITH. This bill was reported favorably by the Committee on the Judiciary of the House of Representatives on June 13, 1958. I am proud to be a member of this committee, and I am glad to be able to say that many of the ablest lawyers of the House of Representatives, as well as of the country, are members of this committee, and I make this statement in respect to my colleagues without regard for the particular political party to which they give allegiance.

I have been a Member of the House of Representatives now for a little more than 5 years, and I think I can truthfully say that during that time no piece of legislation has been reported to the floor of this House by any of its committees which has brought me more mental satisfaction or been more heartwarming than the report of this bill. It is a short and simple bill and reads as follows:

That (a) chapter 1 of title 1 of the United States Code is amended by adding at the end thereof the following new section:

"§ 7. Preemption—Federal and State statutes.

"No act of Congress shall be construed as indicating an intent on the part of Congress to occupy the field in which such act operates, to the exclusion of all State laws on the same subject matter, unless such act contains an express provision to that effect, or unless there is a direct and positive conflict between such act and a State law so that the two cannot be reconciled or consistently stand together."

(b) The analysis of chapter 1 of title 1 of the United States Code is amended by inserting at the end thereof the following new section:

"7. Preemption—Federal and State statutes."

This bill is easy to understand. Despite claims to the contrary, there is nothing about this bill that is confusing to those who want to understand and who are imbued with the desire to reassert the powers of Congress, to restore to the States the rights which historically and properly belong to them under our Constitution, and to curb the present Supreme Court of the United States under the leadership of the present Chief Justice, who is bent upon the establishment of a judicial oligarchy to supplant not only the States but also to usurp the powers of the Congress of the United States.

This bill does not undertake to, nor does it, change the substantive law. It simply undertakes to do and does let the Supreme Court know in no uncertain terms the rules and conditions under which the Congress would have its own intentions determined. Certainly no forum is better qualified to determine the intentions of Congress than the Congress itself.

This bill does not render invalid any existing Federal statute nor does it limit the jurisdiction and judicial function of any Federal court. It has no application whatsoever in a field wherein, under the Constitution, Congress has been delegated exclusive power to legislate. It preserved to the States the right to legislate in all fields not prohibited to them by the Constitution itself, unless the Congress by an express provision in a particular field of legislation, has declared an intent to occupy exclusively that field, to the exclusion of all State laws on the same subject matter.

This bill is designed to prevent the Supreme Court of the United States from nullifying State laws simply because the Federal law covers a similar area and where Congress has expressed no intention of preempting the State law.

The preemption doctrine was established in the early days of the Republic by the Supreme Court. It is briefly as follows:

The Federal courts held and some of the State courts held that as long as Congress does not speak on any subject the State courts are free to enforce State laws on the same subject but that when Congress enacts a law relating to any subject of litigation that may arise by virtue of that act, whether the Congress says so or not, it is construed to be the intent of Congress that all State laws on the same subject are thereby suspended.

This bill is endorsed by many national organizations, including the American Bar Association, the Attorney Generals' Association, and the Governors' Conference. There is great demand for the legislation. Its purpose is simply to prevent the courts from presuming a legislative intent which is not expressly stated.

The President's Commission on Intergovernmental Relations made the following recommendations on this particular subject:

First. The fact that the Congress has not legislated on a given matter in a field of concurrent power should not bar State action.

Second. National laws should be so framed that they will not be construed to preempt any field against State action unless this intent is stated.

Third. Exercise of national power on any subject should not bar State action on the same subject unless there is positive inconsistency.

Fourth. When a national minimum standard is imposed in a field where uniformity is not imperative, the right of States to set more rigorous standards should be carefully preserved.

Fifth. Statutes should provide flexible scope for administrative cessions of jurisdiction where the objectives of the laws at the two levels are substantially in accord. State legislation need not be identical with the national legislation.

The following is quoted from the decision of the Supreme Court in *Ex parte McNeil* (80 U. S. 236), and pertains to the field with which we are concerned:

In the complex system of polity which prevails in this country, the powers of the Government may be divided into four classes:

1. Those which belong exclusively to the States.

2. Those which belong exclusively to the National Government.

3. Those which may be exercised concurrently and independently by both.

4. Those which may be exercised by the States, but only until Congress shall see fit to act upon the subject.

Mr. Thomas B. Gay, of the law firm of Hunton, Williams, Gay, Moore & Powell, of Richmond, Va., appeared before the Judiciary Committee in support of H. R. 3. He is one of the most eminent and able members of the bar in this country. His explanation of this subject was masterful and illuminating and has been surpassed only by that of the author of this bill, the Honorable HOWARD W. SMITH. I shall now quote from a portion of Mr. Gay's statement:

It is the fourth category hereinbefore mentioned to which H. R. 3 is directed, namely—those powers which may be exercised by the States, but only until Congress shall see fit to act upon the subject. Here both governmental systems are found acting, but the extent to which the States may act depends upon the will of Congress. In this area lie matters which are ordinarily of both national and local concern. Included, for example, are all the activities which affect interstate commerce. National supremacy is recognized, but until Congress has acted in a particular field in a fashion which indicates a purpose to appropriate that field for exclusive Federal control the States may also act.

When the purpose of Congress to exclude all State control in a particular field is expressly announced, there is no problem and the course of the courts is clear—they should give no effect to State laws which seek to regulate in fields where Congress has asserted its exclusive right to control. But where Congress, when acting in some field of both national and local interest, does not indicate expressly whether the States may continue to regulate in that field and, if so, to what extent, this limitation must be implied.

In numerous decisions the courts have sought to determine this limitation. The nature of the Federal legislation, the extent to which Congress has sought to regulate, the compatibility of existing State laws, and numerous other factors have all furnished the sought-for implication of what Congress intended. Because these judicial pronouncements measure—and this is the real gravamen of this matter—because these judicial pronouncements measure the extent of State sovereignty, it certainly seems desirable to do away with the doctrine of implied preemption and to provide that Congress state expressly its purpose and intent as to the effect of Federal legislation on State laws and authority in the same field. H. R. 3 seeks to accomplish this by providing that no intent to preempt shall be implied where that purpose is not expressly stated.

The need for some such standard can best be shown by a review of significant cases dealing with implied preemptions.

In the field of labor relations, the Supreme Court has on several occasions passed on the question whether or not the Wagner Act and the Taft-Hartley Act ousted State legislation in this particular field. In the case of *Hill* v. *Florida* (325 U. S. 538) Federal law was held to have displaced a Florida statute requiring the registration of labor organizers. In *Bethlehem Steel Company* v. *New York Board* (330 U. S. 767), a New York statute was invalidated which recognized a foreman's union contrary to the policy of the National Labor Relations Board.

In *La Crosse Telephone Corporation* v. *Wisconsin Board* (336 U. S. 18), the court invalidated a Wisconsin statute prescribing the method for determining the representative bargaining unit. In *Plankington Packing Company* v. *Wisconsin Board* (338 U. S. 953), the court set aside a Wisconsin statute defining unfair labor practices. In *Garner* v. *Teamsters Union* (346 U. S. 485), the Supreme Court ruled that the Pennsylvania courts had been relieved of their injunctive powers in labor disputes which come within the provisions of the Federal act. There are other cases along the same line.

Mr. ABBITT. Mr. Chairman, will the gentleman yield?

Mr. TUCK. I shall be glad to yield to my friend, the gentleman from Virginia.

Mr. ABBITT. My friend from Virginia is making an excellent presentation of this important legislation. I commend him for the fine work he has done and desire to associate myself with him in his statement.

Mr. TUCK. I thank the gentleman for that statement in support of my position. I was somewhat in doubt myself about the manner in which I am presenting the matter, and the gentleman encourages me.

A good illustration of this doctrine of preemption as applied by the present Supreme Court of the United States is in the Cloverleaf Butter case, which arose in Alabama, where that great State passed legislation in an effort to protect the health and the safety and the lives of its citizens. The Supreme Court held that because Congress had enacted the Pure Food and Drug Act it had assumed entire jurisdiction in this field and over this subject. The great State of Alabama and the other States of the Union are thus rendered powerless to pass legislation in protection of their citizens.

The prize example of this doctrine of preemption is the Supreme Court ruling that because Congress has passed a law dealing with Communist activities the States are powerless to act against communism and those who would not only destroy the States and the Federal Government, but who would if they could murder and slaughter our citizens.

The time has come now for those who decry the erosion of the Constitution and the Federal usurpation of State governmental functions by a Supreme Court whose decisions have been more legislative than interpretive to speak out or forever hold their peace. In this matter of such vital importance we should all act now in the matter.

It is incumbent upon those who want to bring Government back home and restore to the States and to the people their constitutional rights to support the bipartisan efforts of the membership of the Judiciary Committee and of this House who have the courage and determination to fight for this return to reason and sanity and representative government. The great men who penned our Constitution designed a system of checks and balances of the three coordinate branches of the Government. But they were not so inept as to provide a stalemate or deadlocks. They realized that ultimate power should rest somewhere and they chose for it to reside in the place where it belongs, that branch of the Government chosen by the people in the Congressional districts and by the States of the Union—the Congress of the United States.

This proposition is so simple that it needs no proof that the Congress is supreme and should be supreme in matters of this sort. If our form of government is to be preserved, the Supreme Court must be curbed and this preemption doctrine must be limited. We need to hit out in every direction in order to protect the rights and liberties of our people.

As far as I am concerned, Mr. Chairman, I will not become a fawning sycophant at the feet of any overlord, political, judicial, or otherwise. I will not become a judicial flugelman palming off spurious doctrines on the people of the United States as the supreme law of the land.

In concluding, I hope that this legislation may be enacted into law, for if it is not, the present Supreme Court of the United States will deprive and rob the States and the localities of all of their governmental functions and these local governments heretofore so responsive to the will and to the needs and demands of the people will topple over into the abyss of a lost liberty and become nothing more than the hollow shells of a freedom that is dead.

Mr. ABBITT. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. ABBITT. Mr. Chairman, I rise in support of H. R. 3, because, in my opin-

ion, it is one of the most constructive and important bills to come before the House this year. The bill is designed to recapture some of the sovereignty and dignity of our States which has been lost in recent years as a result of continuous usurpation of their rights by the Federal Government.

This bill has received wide endorsement by groups which are vitally interested in the preservation of the rights of the States and by those who have become concerned over the trend toward federalism in America. More and more, Americans from all parts of the country are coming to see the dangers confronting us as a result of the encroachment of Federal power. This is not a regional matter—as witnessed by the broad support achieved for this bill. People in all of the States have realized that unless this trend is slowed down and stopped, our system of democracy is in great peril.

This octopus-like, grasping for power has proceeded along two main lines. One is the increasing authority of the Federal Government in many areas of social and economic life as a result of the ever-expanding bureaucracy; the other is the usurpation of powers formerly held by the States. In recent years we have seen the judicial arm of the Federal Government arrogate unto itself powers never intended by the Founding Fathers. The spirit and letter of the 10th amendment—wherein vast powers were reserved for the States and the people—has been grossly violated.

Those who support H. R. 3 have long been concerned over this situation and see plainly that unless something is done now to further insure the rights of the States, all State power will ultimately succumb to federalism. Something must be done to correct the existing situation in which laws passed by this Congress can be interpreted in such a way that even their authors cannot recognize them. This specifically happened in the Steve Nelson case in which a Pennsylvania sedition law was overruled by the Supreme Court because there was a Federal law dealing with subversives and therefore Pennsylvania could not have a law to protect its citizens from those who would destroy them. Needless to say, the Congress, in passing the Federal law, did not intend that it should invalidate all State laws on the subject.

I am firmly convinced that unless this bill is passed, and some corrective action taken, we will continue to go down the road of Federal usurpation until we reach that place where States will become little more than Territories; where all law will be Federal law; and where the country will be governed according to one single standard.

I am convinced that the vast majority of the American people do not want this to come about, but the discouraging thing is that the time is growing late when we will be able to prevent it. We cannot sit idly by and see the rights of our States slowly gnawed away—until that point when they will be all but gone. Then it may be too late. We will only then be able to raise our voices in regret—just as many other free peoples have done throughout history.

It is an easy escape to say that this could not happen in America, but is it a safe assumption? Within my lifetime I have seen many things come to pass which I never dreamed would happen. Only in recent years have I come to realize fully the fact that nothing can be taken for granted. We have seen our courts render decisions which a few years ago seemed impossible—yet they came. And they have not reached the end of the line by any means. What States rights and personal freedoms we have left in America can no more be taken for granted than those we have heretofore lost.

I urge that the bill be approved by this House as a reaffirmation of our faith in America, that we leave our division of State and Federal powers as the Founding Fathers created them. This plan of government has served us well and in these perilous times we can ill afford to depart further from our constitutional heritage.

If we are to preserve our form of government, the sovereignty of our States, the rights and privileges of our people, then it is necessary that the Congress, acting to protect our people, pass the necessary legislation to stop the Federal judiciary in its all-out effort to impose upon us their own political and sociological views and theories by legislating through usurpation of authority never granted the judiciary by the Constitution or the Congress.

It is alarming to those of us who believe in constitutional government when we realize just what the Court has done to the rights of the States and the freedoms of our people in the past 5 to 10 years.

If the present trend is not stopped the States will soon be turned into judicial districts or territories and our people merely puppets in the hands of the Federal judiciary.

This legislation is a real step in the right direction. It is very simple. It upholds and protects the laws validly passed by the several States when they are not in conflict with the Federal Constitution or a valid act of the Congress. It will partially stop the Supreme Court from enacting legislation by Court decree. It will slow up usurpation of authority by the Federal judiciary. Apparently certain of the Federal judges are determined to remake, remodel, and reconstitute our form of government into a socialistic welfare state dominated and ruled by a despotic, all-powerful Federal judiciary.

Mr. POFF. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, contrary to what has been repeatedly said, the issue here involved is not complex but simple. The only thing complex is the argument of the opponents of H. R. 3, and I am constrained to believe that the complexity is purposely contrived and deliberately calculated to complicate and confuse the issue itself. In its simplest terms, that issue is defined in the question, In the interpretation, construction, and application of a Federal statute, should the courts be allowed to invalidate State statutes not in hopeless conflict therewith by inferring an intent on the part of Congress which Congress never expressed? If your answer to that question is negative, then your vote on H. R. 3 should be affirmative.

We are dealing here with what the courts call the "doctrine of preemption." That phrase is not nearly so formidable and obscure as it sounds. In order to understand it, we must first understand the so-called supremacy clause of the Constitution on which the doctrine is based. Article VI, clause 2 of the Constitution says in substance that the Constitution and all treaties and laws made in pursuance thereof shall be the supreme law of the land. Under the Constitution, the Congress is vested with two types of jurisdiction, viz, first, exclusive jurisdiction in which the State legislatures have no part; and second, concurrent jurisdiction in which the State legislatures have a share.

With respect to legislation in the field of exclusive jurisdiction, any act passed by Congress—which does not violate some other constitutional restriction—is the supreme law of the land, whether or not Congress expresses its intent that it should be. Accordingly, laws passed by Congress in the fields of foreign relations, war, naturalization, or coinage of money are absolutely supreme and may not be modified or infringed by any State statute.

With respect to a legislative field where there is concurrent jurisdiction between the Federal Government and the State governments, any law passed by the Congress is the supreme law of the land provided, one, it contains a specific provision indicating Congressional intent to make it so; or two, there is a direct and positive conflict between the Federal statute and the State statute so that the two cannot be reconciled or consistently stand together.

What gives rise to H. R. 3 is the fact that, in cases involving concurrent jurisdiction, the courts have, with self-awarded license, expanded the coverage of the supremacy clause by ignoring the absence of an expressed intent and inferring an unexpressed intent on the part of Congress to make the Federal statute supreme, to occupy or "preempt" the legislative field and thus to invalidate all State laws in the field, even though they are not in irreconcilable conflict with the Federal statute. The classic and most graphic illustration was the decision in the Nelson case. Involved in that case was the legislative field of anti-sedition. In that field, the Congress and the several State legislatures had concurrent jurisdiction. Both the Pennsylvania legislature and the Congress had legislated in this field. The Smith Act passed by Congress contained no express intent to preempt the field to the exclusion of State laws. Yet, the Pennsylvania court, with the affirmation of the Supreme Court of the United States, inferred the intent, reversed the decision and struck down the Pennsylvania anti-sedition statute under which Nelson had been convicted. Even the opponents of H. R. 3, able and resourceful constitutional lawyers, agree that there is no justification for such an extraordinary extension of the doctrine of preemption or for such

a gross distortion of the concept and coverage of the supremacy clause.

The opponents of H. R. 3 criticize the bill as a "shot-gun" approach and argue that Congress should deal individually with each case of abuse of the doctrine of preemption if and when it arises. There are at least two answers to that argument:

1. With respect to Federal statutes already on the books, if future experience should prove that H. R. 3 works an unanticipated and undesirable result, Congress can, with equal facility, correct that result if and when each case arises.

2. With respect to future Federal statutes, it must be remembered that Congress has not only the right to include an express intent to preempt the legislative field but the right to include an express intent not to do so.

Thus, the passage of H. R. 3 would have the effect of requiring Congress, during debate and before passage, to evaluate every bill it considers to determine whether the bill should or should not become the supreme law of the land, preempt the legislative field and invalidate State statutes in that field. To my mind, such an effect would be entirely salutary.

The opponents of H. R. 3 also contend, perhaps with tongue in cheek, that the passage of this bill would jeopardize the transportation industry in America, and they quote in support of their contentions from the statements presented by the Association of American Railroads and the Railway Labor Executives Association. It is significant to note that these statements quoted in the minority report were made prior to the time that the full Committee on the Judiciary adopted the amendment offered by the gentleman from Maryland [Mr. HYDE]. Since the adoption of that amendment, the bill will not have the ruinous consequences predicted in those statements. Categorically, I state that in my judgment:

First. The bill will not allow the several States to pass separate laws fixing the size of interstate trains, the number of cars in an interstate train, the number of passengers in an interstate train or the number of interstate stops made by an interstate train.

Second. The bill will not result in multitudinous rates on interstate freight and passengers.

Third. The bill will not affect the criteria with respect to or the regulation of safety devices and practices on interstate carriers.

Fourth. The bill will not impair any benefits enjoyed by workers on interstate carriers.

Fifth. The bill will not injure farmers or those who market farm products—as witness the support of the American Farm Bureau.

Sixth. The bill will not adversely affect warehousemen engaged in interstate commerce.

I have been so categorical and so positive in these statements for two very cogent reasons:

First. Any State law which hopelessly conflicts with the Federal law on these subjects will be invalid under the supremacy clause, whether or not Congress expressed an intent to preempt the field when it passed the law. This is specifically provided in the last clause of H. R. 3.

Second. Even if the State law is not considered in hopeless conflict with the Federal law, and even if Congress did not express an intent to preempt the field, still the State law would be declared unconstitutional by the courts as an undue burden on interstate commerce, which is a legislative field committed by the Constitution to the jurisdiction of the Congress.

Mr. Chairman, what we advocate in H. R. 3 is not reactionary conservatism but rather enlightened liberalism. For what is at stake here is the restoration and preservation of our constitutional system of checks and balances. That system operates both vertically and horizontally—vertically between the States on the one hand and the Federal Government on the other; horizontally among the three branches of our tripartite Federal Government. When the courts, without justification in law, preempt the legislative field for the Congress at the expense of the State legislatures, they do violence to the system of checks and balances vertically. When the courts infer an intent on the part of Congress which Congress did not express, they invade the jurisdiction of the Congress and do violence to the system of checks and balances horizontally.

In summary, what H. R. 3 does is to prevent the courts from presuming a legislative intent which is not expressly stated unless there is such a direct and positive conflict between a Federal statute and a State law that the two cannot be reconciled or consistently stand together. If Congress intends a statute in a legislative field of concurrent jurisdiction to be the supreme law of the land, if it intends to preempt that field, if it intends to repeal all State laws in the field, then let it say so; and unless it does say so, let not the courts be suffered to guess that its failure was a mere inadvertence and that it really intended to say so. That is H. R. 3.

Mr. ALGER. Mr. Chairman, will the gentleman yield?

Mr. POFF. I yield to the gentleman from Texas.

Mr. ALGER. Mr. Chairman, I want to compliment the gentleman from Virginia [Mr. POFF]. I am sure all attorneys here, as well as nonattorneys, including myself, have gained a great deal of understanding of the bill from the simple language, the clear expression and the manifest comprehension of constitutional government that has just been displayed by the gentleman in his remarks. I want to join with my colleague, since I cannot say it as well as he, in the remarks he has made, and to compliment and thank him for taking the time in debate to enlighten some of us on this matter. I regret that some of the opponents are not here to listen to the gentleman's logic and to challenge him to debate. I know the gentleman could clearly provide answers to all their arguments.

Mr. POFF. I thank the gentleman from Texas.

Mr. BUDGE. Mr. Chairman, will the gentleman yield?

Mr. POFF. I yield to the gentleman from Idaho.

Mr. BUDGE. First, I should like to commend the gentleman from Virginia for his excellent analysis and presentation of this legislation. The gentleman from Virginia has touched upon a subject which is of paramount importance to those of us in the arid States of the West. Over the course of almost 100 years, in 18 separate pronouncements, the Congress of these United States has said that the right to appropriate and use the waters of the Western States shall be under the laws of the several Territories and the several States. Never at any time has the Congress of these United States ever said that the Federal Government was to preempt that field. However, now we have in judicial pronouncements, we have in a number of Executive orders, the theory coming in that just because the Congress has not said anything about the Federal field in that regard, that now the Federal Government should take over all the water rights and administer them in the western States. Those waters are the lifeblood of the arid States of the West. The rights to the use of those waters has been settled for many, many years under territorial and under State decisions and legislative pronouncements. Now to have the Federal Government preempt the States from what has already happened in that field over 100 years' time would create chaos in the Western States. I certainly hope that the Members of the Western States will support this legislation wholeheartedly, not only because of its overall good but for the protection of the water rights of our Western States.

Mr. POFF. I thank the gentleman from Idaho for his poignant contribution. He is always alert to every threat to the welfare of the people of his great State.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. POFF. I yield to my distinguished colleague from Virginia, the dean of our delegation and the author of this legislation.

Mr. SMITH of Virginia. Mr. Chairman, I wish to compliment my colleague from Virginia on the very fine and learned and able legal exposition of the situation which he has put forth here. I think that every Member of the Congress should have stayed here and listened to the logical, clear exposition of the questions that are really at issue here. It would have relieved the doubts of a great many of them. I sincerely compliment him on his very fine speech.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. POFF. I yield to the gentleman from Kentucky.

Mr. CHELF. The gentleman has made a splendid speech and I congratulate him on it. I might say that I am very much interested in this legislation for many reasons, the first reason being that we, in Kentucky not long ago had a sedition case; a man by the name of Carl Braden was indicted, tried, and con-

victed by a jury of his peers, and he was sentenced to 15 years in the State penitentiary, including a fine of $5,000. And, during the time his appeal was pending before the Kentucky Court of Appeals, the Nelson case was handed down by the Supreme Court and it automatically threw the Braden case right out in the middle of the street. As a result thereof this man who was convicted of sedition—a man according to the law brief of the Honorable A. Scott Hamilton, the Commonwealth's attorney who prosecuted Braden, was "proved beyond any doubt whatsoever that the defendant was an active member of the Communist Party," is a free agent to carry on today just where he left off before his conviction. I am against giving Communists freedom after conviction—for this and other reasons I shall vote for H. R. 3.

Mr. CELLER. Mr. Chairman, I yield such time as he may desire to the gentleman from Florida [Mr. SIKES].

Mr. SIKES. Mr. Chairman, I wholeheartedly support this legislation. Its enactment is long overdue.

Mr. Chairman, I do not doubt for one moment that my distinguished colleagues here today will agree with me that the age-old teachings of our forefathers have proven again and again to be the best yardsticks by which to guide ourselves. These teachings are based upon fair play, sound judgment, and a code of ethics, whether they be moral ethics or legal ethics.

Throughout our everyday life, each of us conducts his or her life in most part by a set of rules; rules that are spelled out in writing, or that have been established through experience.

Because I firmly believe in a code of ethics, or rules as may be the case, it is a pleasure for me to speak in behalf of H. R. 3, a bill designed to establish rules of interpretation governing questions of the effect of acts of Congress on State laws. Legislation similar to H. R. 3 has been introduced by other Members of the House, including myself.

Mr. Chairman, I am sure that most of my colleagues are famliar with the historic case of *Texas v. White* (7 Wallace 700 (1869)). H. R. 3 merely provides for the explicit statement by law of the decision expressed by the Supreme Court in this case. The Supreme Court in this case stated, "The United States is an indestructible Union composed of indestructible States."

Because of the fear of a totalitarian democracy the statesmen who attended the Constitutional Convention in 1787 were determined to set forth in the Constitution those powers which were granted to the Federal Government. So strong was the assumption of the framers of the Constitution that the National Government had only those powers specifically delegated to it that many argued there was no necessity for the addition of a Bill of Rights. The many States were considered to have reserved or residual powers.

However, to reemphasize the determination that the Federal Government had only delegated or enumerated powers, the 10th amendment, the last section of the Bill of Rights, says that the "powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

In the past, and particularly in recent years, we have seen the authority of our States dwindle to the point where the States are only a few steps above being an enforcement agency for the National Government, even in those fields which, according to the Constitution, are specifically left to the jurisdiction of the States themselves. When will this preemption of authority by the Federal body end? I am firmly convinced that the time is past due, but left to itself this trend will never end. Now is the time to establish a set of rules, or regulations by which the Federal Government may measure its actions in relation to the Constitution, which is the symbol of our American democracy.

Mr. Chairman, in House Report 1878, the views of the majority of the members of the House Committee on the Judiciary explain the provisions of H. R. 3 in detail. The report states that it is the opinion of the committee that the proposed legislation recognizes the fundamental principle that the United States of America is a Nation of dual sovereignty, and that the States should not be deprived of sovereign power in the absence of some clear and compelling reason, as determined by that branch of the Federal Government, namely, the Congress, which has the constitutional authority and responsibility for such a determination. And, it is also the opinion of the committee that in exercising their judicial function the Federal courts, in their interpretation of the laws, should recognize the principle that Congress is at all times the judge of legislative policy.

Finally, Mr. Chairman, I urge each of my colleagues to give serious thought and consideration to the fears which plagued the framers of our great Constitution. Surely, in these short years which have seen America become the greatest Nation in the world, we cannot sit idly by and watch the powers of our States destroyed by decisions of the Federal Government which are contrary to the provisions of the Constitution—America's document for success.

The provisions of H. R. 3 are not intended to usurp or encroach upon the judicial function of the Court to interpret the law. It has long been recognized that Congress, in enacting a statute, may define its terms and interpret the meaning and construction thereof. I am confident that my colleagues, after thorough consideration will vote for the enactment of H. R. 3 and help to maintain the historic balances of power which insure a democratic form of government under the Constitution.

Mr. CELLER. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, what the distinguished gentleman from Virginia, the author of this legislation, proposes to do through the enactment of H. R. 3, is to rewrite the commerce clause and the welfare clause of our Federal Constitution.

Now, I am well aware of the great ability of the distinguished gentleman, particularly in the legal field. I also am aware and recognize the ability of a score or more of other legal minds that go to make up the membership of the House of Representatives. But, I seriously question whether the 85th Congress could improve on what the Founding Fathers did 170 years ago when they wrote the commerce clause and the welfare clause into our Federal Constitution.

I have listened to more than 3 hours of general debate, and I have failed to hear a single sentence of where one of the governmental departments that go to make up the President's Cabinet, including the Department of Justice, has endorsed this legislation. My colleagues who are not members of the bar like to refer to H. R. 3 as a lawyers' bill. They say it will open up a Pandora's box of fat legal fees. I am not a member of the bar and I am not in a position to comment on that. But I do think I can give you the layman's view on this legislation by telling you a little story about three prominent men who met some time ago. One of them happened to be a doctor, the other happened to be an engineer, and the third was an attorney. After a few friendly drinks they got to talking about which one of them represented the most ancient and the most revered of the professions.

The doctor said, "Let us go back to the creation when the Lord created Adam who, after a little while, grew lonesome and found he needed some companionship. So the Lord took a rib out of his body and created Eve. That is when the medical profession started."

The engineer looked up at him a little quizically and said, "You ought to have read the chapter of the Bible just preceding that, where the Lord out of chaos and confusion created the universe, including the heavens and the earth and all that was therein."

The attorney looked up and with a little twinkle in his eye said, "And who do you think created the chaos and confusion?"

Mr. Chairman, unless we can write into this legislation some provision similar to that which I understand the gentleman from New York will offer to take out the retroactive provisions, it will be dangerous and we will end up with 20 years of litigation and still be in a state of confusion.

Mr. KEATING. Mr. Chairman, I yield 15 minutes to the gentleman from Florida [Mr. CRAMER].

Mr. CRAMER. Mr. Chairman, I rise in support of H. R. 3 as reported out by the Judiciary Committee in the form of an additional section, section 7, entitled "Preemption—Federal and State Statutes," to be added as rule No. 7 under the chapter 1, title 1, of the United States Code, entitled "Rules of Construction—General Provisions." As reported by the committee the bill actually is encompassed in one sentence which provides:

No act of Congress shall be construed as indicating an intent on the part of Congress to occupy the field in which such act operates, to the exclusion of all State laws on the same subject matter, unless such act

contains an express provision to that effect, or unless there is a direct and positive conflict between such act and a State law so that the two cannot be reconciled or consistently stand together.

Thus it is seen that this is merely the addition of a section 7 to the rules of construction, Federal statutes, and there is no question but what Congress has power to enact rules of construction for the guidance of the general public as well as the courts in determining the intent of Congress.

I have introduced H. R. 9100, which had the same purpose as does the reported bill and having been particularly concerned with the Pennsylvania against Nelson case, which so broadened the previously established doctrine of preemption, that it caused many enlightened jurists throughout the country to express very grave concern. The Court in that case despite the complete lack of evidence supporting the contention that Congress intended to preempt the field, such evidence being completely lacking in the legislative history of the Sedition Acts, held there was an implied intent on the part of Congress to preempt the field, the implication arising solely from the fact that Federal laws were enacted in the fields of sedition and subversion. The Court stated in that case:

Taken as a whole, they evince a Congressional plan which makes it reasonable to determine that no room has been left for the States to supplement it.

Thus in the Steve Nelson case which followed the Cloverleaf case the doctrine of preemption was so broadened and extended and in my opinion so stretched out of shape that if these decisions were left unchallenged the Supreme Court could imply an intention on the part of Congress, which Congress did not have, and could conceivably strike down many additional State statutes in the future applying this new preemption concept as the Court might see fit and could substitute the Court's own judgment as to when a Federal statute should be paramount or exclusive in a given field rather than looking to Congress for an expression of intent as contained in the legislative history of the legislation involved. The effect of the continued acceptance of such a doctrine would be the usurpation by the Supreme Court of the legitimate legislative function.

There seems to be unanimity of opinion as to the need for legislation, if not in the general field of preemption, then in the specific field of the applicability of this doctrine to the field of sedition, it being agreed that as it was applied in the Nelson case it did not reflect the intention of Congress and Congress did not intend to supersede all State laws on the same subject matter. Actually, it is my belief that this should have been evident from a study of the legislative history of the Federal Sedition and Subversion Acts because there appears nowhere in that legislative history any indication whatsoever that Congress intended to preempt in this field.

Of course, it goes without saying that there was in the Nelson case no direct and positive conflict between the Federal and State laws on sedition and subversion that would prevent the two from being reconciled or consistently standing together and, therefore, the decision was actually based or bottomed upon the question of the intent of Congress to preempt in this field. As a matter of fact, the Attorney General supported the amended H. R. 3 bill reported out of the Judiciary Committee on July 3 of 1956 which was restricted to the field of sedition and in the support of that bill the then Deputy Attorney General and now the Attorney General stated as follows:

Under well-recognized constitutional principles the supremacy clause of the Constitution has been interpreted to mean that any provision of State law must yield to Federal law if it is in direct and positive conflict and irreconcilable with the Federal law. This, of course, holds true only in the areas in which the Federal Governmen has constitutional authority to act. However, it is within the constitutional prerogative of the Congress to determine the extent, if any, to which it intends that the State law must yield to national law. Thus, unless there is left an irreconcilable conflict between a part of a State law and the Federal statute, both would be effective in their respective areas.

Thus it appears that everyone agrees that the preemption doctrine should be clarified at least as it relates to sedition and, as a matter of fact, it is interesting to note that in the Attorney General's statement, he restated the rule which is contained in the H. R. 3 bill presently before us, which is:

Unless there is a direct and positive conflict between such act and a State law so that the two cannot be reconciled or consistently stand together.

Thus, it appears that even the Attorney General accepts this as the proper test in the field of preemption, but of course, in testifying on the bill before the committee, there was objection to the enactment of this as a general rule of interpretation in favor of limiting it only to sedition cases.

My position and the position of the majority of the committee, and I trust it will be the position of the majority of the House is, that if this rule is the proper one in sedition cases, it equally is the proper one in all preemption cases and in the interest of preventing future unwarranted striking down of State statutes through the use of the Nelson case doctrine of preemption, Congress has the duty of establishing rules of construction for the guidance of the Court in the future to make certain that the Court does not continue to stretch the preemption doctrine far beyond what it is the belief of many of us was intended by the framers of our Constitution when the article 6, clause 2, the supremacy clause, and the 10th amendment to the Constitution, the reserve powers of the States amendment were under consideration.

This brings into focus the real issue involved in this debate, and that is whether a statute generally applying this rule of construction should be adopted making it applicable in all fields of legislation so far as it relates to this specific subject of preemption or whether a statute limited to preemption solely in the field of sedition is the proper approach. After thorough and lengthy consideration of the matter I am wholly convinced that a general statute as proposed in H. R. 3 is not only the most logical and judicious approach, but that it is also essential if chaos is not to result from the possible continued application of the Nelson doctrine which leaves in jeopardy many of the State statutes which have, for so many years, stood unchallenged on the statute books.

I further do not subscribe to the position of the opponents that this is an attempt to legislate a broad general field, the results of which cannot be predicted, and the effects of which are unknown, because this legislation deals solely with one subject matter, that is, the subject of preemption which is a well-circumscribed doctrine of our jurisprudence in that it has definite limited applicability. It comes into operation only in cases where there is in existence both a Federal and a State statute only where there is concurrent State and Federal jurisdiction. It is operative even in those rather restricted fields of State, Federal legislative action of concurrent powers, and it applies, and the Federal law is supreme when (a) a provision in a Federal act expressly supersedes a State statute or declares the field subject to exclusive Federal jurisdiction; or (b) where there is a direct and positive conflict between the Federal and State acts so that they cannot be reconciled or consistently stand together; and (c) which is the recently added third field, as evidenced by the Nelson and Cloverleaf cases, where there is an implied preemption on the theory of national interest and concern or where the conflict between the Federal and State acts is by implication only. I bring this out to show that this legislation deals with a very narrow field and a single subject matter, and that is the doctrine of preemption. I further bring it out to show that the bill as proposed accepts and fully implements the decisions of the Supreme Court prior to the Nelson and Cloverleaf doctrines of implied preemption and therefore, in effect in my opinion, reestablishes the rule applied in this narrow field of cases prior to the Nelson and Cloverleaf cases and which is a rule that I believe to be far more consistent with the reasonable and logical interpretation of the Constitution and the powers of Congress and the Federal Government in these fields of concurrent jurisdiction, more clearly reflects an understanding of the everyday workings of the legislative branch of the Government so far as reflecting the intention of Congress in this field, and will provide some degree of certainty so far as the validity of the State statutes is concerned.

I think the latter point is one that deserves being exhausted more fully in that it has been pretty much overlooked in debate to date, and that is that under the more recent Supreme Court decision in this field, it is understandable why so many of the State officials are concerned about the effect of these decisions on State statutes and the very real possibility that many of these statutes would be stricken down under this more

recent doctrine even though there is no expressed intention on the part of Congress to preempt in the field or there is no direct and positive conflict between the Federal and State laws involved. The rule as set out in H. R. 3 would give some certainty in this field and would give unquestioned validity to the State statutes whereas today those State statutes remain in constant jeopardy.

Perhaps this is one of the motivating reasons why the State attorney generals very strongly recommended favorable action upon legislation of this nature and more recently testified before the Special Subcommittee To Study the Decisions of the Supreme Court, on which I have the privilege of serving, by stating through the chairman of the committee on internal security of the National Association of Attorneys General that "concern has been expressed over the alleged damaging effects of recent decisions in several fields, including the following—the adequacy of existing Federal legislation and even the powers of Congress itself to adopt such legislation, for the punishment and preemption of subversive activities" and suggesting corrective legislation. Thus, it is my opinion that this legislation would have the opposite effect to that contended by the opponents in that it would bring order out of chaos in this field rather than the reverse which is being contended by those opponents.

Much has been said by the opponents about the fears they have concerning this legislation and what effect it might have.

I would like to answer some of these charges by stating what I believe it does not do, which, I think, would likely answer many of the question raised:

First. H. R. 3 does not impair or in any way cripple the provisions of the supremacy clause of the Constitution, but, rather, it is intended to implement it under the rules of construction that had been established by the Court for many, many years prior to the recent Nelson and Cloverleaf decisions.

Second. H. R. 3 makes no change in the substantive law of the United States, but proposes merely an additional rule of construction for guidance of the Federal courts in carrying out their proper judicial function in this specific subject matter field of preemption.

Third. H. R. 3 is not an encroachment by the legislative branch upon the coequal judicial branch or the judicial function of the Court to properly interpret the law in that Congress, of course, as everyone agrees, has the power to define the terms and interpret the meaning and construction of any statute it has heretofore or in the future may enact.

Fourth. H. R. 3 does not in any way alter the legislative powers inherent in either the Federal Legislature or the State legislature, nor does it in any way act as an invitation to the States to legislate in fields wherein the Federal Government has, in effect, exercised jurisdiction as a result of the State legislatures' inaction, because it merely reiterates the preemption rule of construction which was in existence prior to 1956. Of course, under those pre-1956 circumstances, legislative history shows that the existence of that rule does not unduly encourage State legislative action in these fields.

Fifth. The establishment of this as a rule of construction as contained in H. R. 3, would not, in my opinion, overrule or supersede decisions prior to the Nelson and Cloverleaf cases in that it attempts to reiterate the rule of law in existence prior to that time, and I think debate on the measure clearly establishes this to be the case in that the bill intends to prevent further implied preemption while, at the same time, leaving intact the doctrine of preemption that was in existence prior to those cases.

Sixth. Of course, H. R. 3 does not and could not affect any fundamental constitutional concept of the supremacy clause or the fifth amendment to the Constitution and Congress could not legislate contrary to those provisions of the Constitution. The bill does not do so, because it merely provides for a rule of construction with regards to Congressional intent to preempt in those areas where Congress has authority to do so under the Constitution.

Seventh. H. R. 3, contrary to many of the liberal opponents, has nothing to do with the Brown against Board of Education segregation decision, or in the field of civil rights, for the obvious reason that this decision and those rights are allegedly based upon constitutional grounds and not upon the interpretation of any legislative enactment and did not in any way involve the doctrine of preemption, and I would suggest that those who are using that as an argument in opposition to this bill are doing so more or less with tongue in cheek.

Eighth. H. R. 3 does not invite litigation, in my opinion, which has been a constant assertion by the opponents on this bill, but I believe, rather, would forestall or prevent considerable litigation, because it would clarify this field and would result in fewer challenges of State statutes on the subliminal Nelson case grounds that Federal statutes might preempt State laws, even though there is no evidence of intention on the part of Congress to do so and no irreconcilability between Federal and State laws.

It certainly would not be an invitation to litigation anymore than would the decisions of the Supreme Court themselves stating the doctrine of preemption that existed prior to the Nelson and Cloverleaf cases and of course if the Nelson and Cloverleaf case doctrine of preemption is permitted to remain unchallenged then I submit that that is the greatest invitation to further litigation and for the opening up of previously decided cases whereas the passage of H. R. 3 would close the door to such a procedure. I think the argument of encouragement of litigation is far more forceful as applied to the retention of the status quo leaving the Nelson case as is rather than as applied to H. R. 3, which I believe would have the effect of reducing rather than encouraging litigation.

Thus I strongly support H. R. 3 in its present form, believing it to be a sound approach and a reasonable compromise in that it is a bill substantially altered from the original H. R. 3 introduced by the gentleman from Virginia [Mr. SMITH] but it is my understanding that it is acceptable to him and will accomplish the major objectives which he had in mind and to which I subscribe. Further the bill in its present form would not unduly hamper Congress, would not infringe upon the prerogatives of the judicial branch of the Government and still would protect the rights of the States to act concurrently without fear that their statutes would be stricken down under the doctrine of implied preemption.

I think it is essential that speedy and effective action be taken by Congress in this field so that this rule of construction can be established and so that the Federal Government as well as the States and the citizens can rely upon this being the interpretation of what Congress intends in the future and what Congress intended as it relates to prior acts. Certainly the Nelson case brought to light the most burdensome results of the application of judicially inferred preemption not only as it applies in that case of States' sedition and subversion laws but also it served to send up a weather vane indicating how the wind will be blowing in the future in similar cases and pointing up the clear risk involved that many State statutes may be similarly stricken down where Congress never intended that the enactment of the Federal statutes of itself should have that result and Congress being on notice that this is apparently the precedent which the Supreme Court intends to follow in the future contrary to legislative intention. I think it is the duty of Congress to pass H. R. 3 and establish a clear, meaningful and reliable rule of construction in this field.

Mr. MILLER of Maryland. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield.

Mr. MILLER of Maryland. Would not my colleague agree that anything which tends to remove uncertainties about the law or the possibility of conflicting interpretations of any law is in the public interest and that it is desirable so far as any law is concerned to have members of the bar who must advise the public have some definite idea as to the meaning and requirement of the laws rather than to leave it to some possible vague interpretation?

Mr. CRAMER. I think the gentleman is eminently correct in that statement, and it goes further into my position that this bill will not invite litigation, but it will have the reverse effect of preventing litigation in these new fields that have been opened up in the decisions on preemption in the Nelson and Cloverleaf cases. The bill says clearly there must be positive conflict and that it must be irreconcilable before a person has a cause he can take to court.

Mr. MILLER of Maryland. I fully agree with the gentleman in his statement that the bill will reduce litigation. And if he will yield further for a personal observation, it has been something over 40 years since I attended a class in constitutional law. Perhaps people of my generation and that of the distinguished author of this bill may be thought to be old fashioned, but I want

to say I am heartily proud of the presentation that has been made by the gentleman from Florida [Mr. CRAMER] and his colleagues the gentleman from Virginia [Mr. POFF] and the gentleman from Maryland [Mr. HYDE] and others who have been to law school much more recently than I. I have been in the practice some 40 years. I congratulate them on the very fine presentation they have made on the effect of this bill and on basic constitutional law.

Mr. WILLIS. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. FORRESTER].

Mr. FORRESTER. Mr. Chairman, it is with some hesitancy that I address this body upon this particular piece of legislation. The reason for that is that some have said to me that if a southerner speaks upon the floor on a subject, that immediately that subject becomes suspect.

Mr. Chairman, if there is anyone here who shares that feeling—and candidly I cannot get into my heart that there is one—but if there be one here today with that view, will you let me nail it down right now? There is not and there cannot be one scintilla of civil-rights legislation in this bill. As a southerner will you let me nail that down for you so we will not hear that any more in dealing with legislation which is the most important legislation that you are going to have the opportunity of considering this year?

No, Mr. Chairman, I do not subscribe to the view that a southerner is suspect. I am bold enough to get up here and talk to you, because I want to say to you—and every one of you knows it—do you not know I respect you? You, over there on the Republican side, do you not know that? Do you not know that? Do you not further know that I respect you on the Democratic side? Of course I do. And unless I am badly fooled, and it would be the regret of my life if I am mistaken, I have the idea that Members of this body on both sides of the aisle have a little respect for TIC FORRESTER and a little mutual affection.

So I am asking you now, will you not give me the happy privilege, will you not permit me to join in with you in the joy and happiness that goes with the realization that you have tried to do something good for the country that has been so good to every one of us, and, God knows, has been unduly kind to me. I want you to do that. I want you to let me have that privilege and that pleasure.

Now, let me tell you this, too. I want to come before you seriously today and discuss this legislation, because I am talking seriously. You know, our country, the greatest country in the world, is sick. Down in Georgia on one occasion there was a little emaciated baby. They carried that baby to the doctor. The doctor wrote out this prescription: "This little baby is sick. This little baby needs loving every minute."

Mr. Chairman, this great country of ours is sick and it needs loving, and it deserves the loving care of every patriotic citizen in this country every minute and every step of the way.

You know, I am not forgetful of Lebanon over there. This is a time that we want to get down to hardpan. Let us get politics out of the way, if there are any politics, and let us resolve this issue to the benefit of America. Yes, I want to ask you, will you not let me make my humble contribution toward the preservation of the Constitution of the United States and the things that have made us great?

Mr. Chairman, all on earth that this legislation does is to preserve the Constitution of the United States. Now, can anyone argue with that? These principles are written down in these few lines and written not in a political manner but in the way that I like to see Congress operate. The gentleman from Virginia [Mr. SMITH] introduced this bill, but do you know whose bill was voted out of committee? The bill of the gentleman from Maryland [Mr HYDE]. Actually this is his language. I endorsed it under the proposal of Mr. SMITH and I endorsed it when it was offered by the gentleman from Maryland [Mr. HYDE]. Why? Because it just simply represents the heart throbs and the heart beats of our Constitution.

Some will say, "Let us correct this legislation piecemeal." Well, I am a fairly peaceful sort of individual. I have had to learn to be peaceful all my life. A man 5 feet 3 has to learn and understand peace. I would do it that way in a minute. The only trouble is you just cannot do it that way. I would dearly love to have the opportunity of standing up and debating this with any man in the House who would want to debate it. I will tell you, no, you cannot do it that way.

Besides, let me tell you something else. We have had some experience this year in correcting legislation piecemeal.

And, the job we have done has been very sorry indeed. Do you know what we have done in correcting decisions? We passed one bill correcting the Jencks case, but we compromised. We compromised. To pass corrective legislation we gave up landmarks we could not afford to surrender. We passed one out correcting the Mallory decision, but we compromised. We again destroyed fundamental legal principles to pass that legislation. In both instances we gave up well settled law that there was not any argument about. And I direct your attention to the fact that the Mallory bill is now languishing over in the other body. When you go home, unless you pass this legislation, about all you can say is, "We have one little bill to our credit" toward correcting spurious Supreme Court decisions. Do you get that?

Yes, the great trouble in this piecemeal legislation approach is that we are losing great constitutional and legal principles in the process. But, you just cannot correct the Steve Nelson case by the piecemeal approach. Now, let me tell you why. When the United States Supreme Court invalidated the sedition law of the sovereign State of Pennsylvania, automatically and at the same time they wiped out the sedition laws set out in the constitutions and statutes of 36 other States. Every last one of them went down the drain.

Now, let me tell you another strange thing. Did you know, the great State of Pennsylvania had the sedition law in 1861. I am going to shock you now. In volume 252, United States Supreme Court Reports, in Commonwealth against Lazor, you will find that the United States Supreme Court said that the sedition law of Pennsylvania was constitutional. Do you catch what I am saying to you? You are going to let me talk plain to you, are you not? You know that in the past few years more of our principles have been upset by the Supreme Court than in all the balance of our history from the time that we have been a Republic. Now, Pennsylvania's sedition law was good enough for the Supreme Court a few years ago, but here in the last year or two they annulled the law of the State of Pennsylvania.

I am interested in the laws of Pennsylvania being respected and preserved. Believe me I am. And let me tell you why. I have the idea that Pennsylvania knew that a man like Steve Nelson, who was and is a Communist, and who was and is one of the most dangerous individuals that ever lived in this world, was dangerous to the community, not just a harmless political theorist, as I am afraid the Supreme Court has said a Communist is, and I am satisfied that Pennsylvania knew that maybe Steve Nelson had thought about blowing up Pittsburgh.

I have never been to Pittsburgh, but I have got to help save Pittsburgh. And so have you. And, do you know why? Pittsburgh is a city of steel, my friends. We must help save Pittsburgh so Pittsburgh can help save us.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. WILLIS. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. KEATING. Mr. Chairman, I promised to yield 5 additional minutes to the gentleman, and I do so at this time, if he needs it.

Mr. FORRESTER. I appreciate that.

Mr. Chairman, I am also interested in Detroit. Detroit is the city of locomotion. Armies must travel. I must help save Detroit so Detroit can help save you and me. In happier days the Supreme Court said that Pennsylvania had a right to enact laws for its own protection, for Pennsylvania to be interested in Pennsylvania, and in preserving our 48 States, and I want to restore to them that right.

I want to tell you something else. Listen to me now. I challenge any man to dispute what I am saying to you. I am saying to you that the Steve Nelson case wiped out the laws on treason in 47 States of the United States. That is why you cannot do it with a piecemeal approach. You can pass piecemeal legislation saying the States can legislate regarding sedition, but that will not revive the numerous laws the Nelson case destroyed.

Down in Georgia we had a law that if a man encouraged a person not to register under the Selective Service Act, that man could be prosecuted and convicted for a misdemeanor. But the ruling in the Nelson case wiped out such State

laws. Georgia wants to cooperate with our defense, but the Supreme Court has said, "You cannot do it. We tie your hands." New York State passed a law that said that Communists could not teach in their schools. Twenty-six other States passed such laws. But under the Steve Nelson case and other cases the Supreme Court said to these States, oh, yes, they can teach; put the Communists back in your schoolrooms. Do you catch that? Piecemeal legislation does not meet the need to restore to the States the right to fire Communists.

Mr. Chairman, let me tell you something else. Minnesota passed a law making it a crime to advise one not to register for Selective Service. And at one time the Supreme Court said it was valid. But the Supreme Court does not think so now.

Let me tell you of some other laws that the Nelson ruling wiped out. This is not "TIC" FORRESTER talking to you; I am reading what a judge of the Supreme Court of Pennsylvania said. And here is what he said that case did. He said:

> Congress has enacted statutes punishing the same or similar criminal acts as the State of Pennsylvania involving firearms, narcotic drugs, explosives, blackmail, conspiracy against the rights of citizens, counterfeiting, embezzlement, kidnaping, homicide, prostitution, burglary, train robbery, bank robbery, sabotage, treason, lotteries, obscene books and pictures, false and fraudulent bank entries, bribery, violation of election laws, and other crimes too numerous to mention.

I join with the justice of the Supreme Court of Pennsylvania. That is exactly what the Steve Nelson case did. It not only did it for Pennsylvania, it did it for my State and for your State. That judge in a few words showed it would be futile to try to correct the Nelson case by piecemeal.

Mr. Chairman, do you realize what I am saying to you? The only way to cure this is through H. R. 3. And I will tell you how you can be doubly certain. The gentleman from Pennsylvania [Mr. WALTER] has a bill to cure that particular case, and I would like to see him offer it as an amendment to be written into H. R. 3. Let us stick it onto H. R. 3 to be dead certain that we have done the job. Let's keep H. R. 3 as written and add additionally a specific amendment allowing the States to retain its sedition statutes.

So far as labor is concerned, you are not hurting labor with this proposed legislation. No, you are not. Labor got confused about it a little, because there was some confusion spread; but, Mr. Chairman, most of labor has gone home. Most of labor has already discovered that you have not hurt labor. They have discovered that this legislation does not harm them at all.

There is some talk about hurting the farmers. The American Farm Bureau Federation says, "For God's sake, give us this legislation." The attorneys general say, "Give it to us." The governors of the 48 States say, "Give it to us."

I appeal to you as good Americans, let us do something for America. When I go back home I am going to hear them say that the 85th Congress was a spend-thrift Congress. Maybe there is some justification for that. But do you know what I shall tell them? "Wait a minute, my friends. No matter what the shortcomings are, let me tell you something. The 85th Congress restored constitutional government in this country."

I would like to tell my kinfolk, I would like to tell posterity, that I had just a little, humble part in making a little contribution to preserving the Constitution that your people and my people died for.

No, my friends, this legislation is simplicity itself. Do not let anybody kid you about this being complex. As a matter of fact, it is so exceedingly simple. Let me tell you this—and I challenge anybody to deny it—any law passed by Congress that was legal to start with is legal now. And if they do not want to challenge that, is there anything else that anybody could ask for?

Is that not just exactly what we want? Let us stop this chaos, let us stop this confusion. Let us say to the States, "We are going to give you the right when your laws are harmonious with and supplementary with and complementary to those of the Federal Government, as patriotic people to march side by side with the Federal Government in the greatest struggle the human race has ever been confronted with."

That is what I want. That is why I am taking up your time. That is why I asked you to let me speak to you, let me pour out my heart to you, to let me in my humble way, make my little contribution as just a country citizen from down in deep south Georgia. Let me advise you to take advantage of this opportunity to go back and tell your people that in the 85th Congress we withstood the assaults against the Constitution, with success, and received much satisfaction over our privilege to do so.

Mr. KEATING. Mr. Chairman, I yield such time as he may desire to the gentleman from Washington [Mr. PELLY].

Mr. PELLY. Mr. Chairman, after carefully listening to the arguments advanced in support of H. R. 3 and weighing them against the discussion of those in opposition I have decided to vote for this bill. In part my decision arises from a basic philosophy that the closer to the people the better the Government and therefore I have always tended to support maintenance and preservation of State's right in matters that do not conflict with Federal law.

I have listened to the contention that the passage of H. R. 3 could set aside Federal law, yet I have heard no convincing statement to substantiate any such argument. No cases or examples indicate that this bill could, or would, invalidate or emasculate any existing Federal law, such as civil rights.

Frankly, I have had great concern over recent Supreme Court decisions. And as I understand it, H. R. 3 comes here today because of one such decision—the Steve Nelson case—in which a man was convicted of subversive activities under a State law whereupon the Supreme Court of the United States ruled inasmuch as there was a Federal law along the same line, therefore, the State law was held invalid.

Perhaps my thinking is colored by the situation being one of a Communist complexion. We seem to have forgotten that communism is an international conspiracy and I have not taken kindly, may I say, to certain recent Supreme Court decisions; for example, the decision that it is legal to advocate forcible overthrow of the Government as an abstract doctrine; or the decision of the Court that a Federal employee cannot be fired for association with Communists.

However, while I am supporting various bills to offset the effect of such decisions, in this case I view the issue quite objectively. H. R. 3 says no act of Congress shall be construed as indicating an intent on the part of Congress to occupy the field in which such act operates to the exclusion of all State laws on the same subject matter unless such act contains an express provision to that effect, or unless there is a direct and positive conflict between the two laws. I wonder that Congress would have to restate in this way the 10th amendment to the Constitution of the United States, but it seems absolutely necessary. Why should not a State have a law to protect its citizens against subversion? So, as I say, I intend to vote for H. R. 3. This bill restates the proposition that powers not delegated to the Federal Government shall be reserved to the States or to the people. As a Member of Congress, I am sworn to uphold that fundamental principal of the Constitution. This legislation upholds the Constitution. How can I vote any other way than in support of this bill?

Mr. KEATING. Mr. Chairman, I yield such time as he may desire to the gentleman from West Virginia [Mr. NEAL].

Mr. NEAL. Mr. Chairman, when learned legal minds on both sides of the House differ so widely in their interpretations of this bill's effects on future conflicting court actions, it is difficult for lay members to base their position on purely constitutional grounds.

But from a layman's viewpoint, this Congress should exercise its duty to protect the public from criminal assault and from saboteurs of our American way of life as well as guarantee the States against Federal preemption of local State authority.

Individual freedom is one thing so long as it is not allowed to infringe upon the accepted rights of the majority.

When the Supreme Court goes to the extreme of freeing criminals convicted of serious crimes simply because the trial courts failed to hew strictly to technical rules of procedure, the public's confidence in the justice of law enforcement is shaken.

Our Constitution recognizes the State as an entity, entitled to all the privileges not specifically denied by the Federal Government.

State laws, unless they are specifically denied to the States by the Congress of the United States, should be entitled to the respect of the Supreme Court and should not be preempted by the Court's arbitrary decisions.

Furthermore, the Supreme Court has no constitutional power to legislate. It can only interpret. The interpretation should not assume Congressional intent not clearly expressed in legislation. Therefore, H. R. 3, a bill that spells out in plain language the jurisdictional power of the Supreme Court should be overwhelmingly adopted by this Congress.

I intend to support this legislation.

Mr. KEATING. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON. Mr. Chairman, the subject now before the House (H. R. 3) is a bill to establish Rules of Interpretation for Federal Courts Involving the Doctrine of Federal Preemption.

This mere statement, although in abbreviated language, is strikingly impressive. It leaves no doubt that it is dealing with a principle that is fundamental in our scheme of government. The separation of Federal and State legislative jurisdiction enters vitally into the proper functioning of the Constitution that seeks to fix and determine the proper activities of each in their respective jurisdictions.

The seriousness of the situation, as we consider the proposed legislation, arises from the fact that it seeks to change a principle that has been applied by the Supreme Court for more than 150 years.

Under these circumstances, it will be generally agreed there should be, first, a clear and undisputable need for the change, and second, that the language of the bill will accomplish what it seeks to do without creating uncertainties that in the end could do irreparable harm to our welfare as a Nation. In other words, that the legislation will not do more than is claimed for it, and, will prove beneficial to our welfare in its application to the numerous and differing conditions that may arise and require adjudication under its provisions.

It will be generally agreed this legislation is presented at this time because of dissatisfaction upon the part of some with several recent decisions of the Supreme Court. It may be true that some decisions recently made have not met with general approval. But, there is no such instance where it would not be possible to correct the situation complained of by appropriate legislation enacted by Congress if the circumstances of the particular case justified such action. In fact, this has been done even as recently as this present session of Congress.

However, it is my opinion that there is a far greater reason why this proposed legislation should not be adopted in its present form, namely, the uncertainty that exists even among the proponents of the legislation as to just what could or would be done if the bill became law.

While there may be some statements in the majority report of the committee for which there may be some basis, yet, when the whole matter is considered in the light of the testimony presented at the hearings on the bill held by the committee and the conclusions reached by a substantial minority, as set forth in two separate reports accompanying the bill, it seems to me to be unwise to take as it were a leap in the dark by enacting this bill in its present form.

As typifying my thought in this matter, I submit the following extract from the report of the minority, presented on behalf of nine Members of the Committee on Judiciary, including the chairman, Mr. CELLER:

> The very least that we can expect is a flood of lawsuits which would put an even heavier burden upon our already overloaded court calendars.
>
> The impact of the consequent chaos would be felt not only in the railroad industry but also in all possible areas of concurrent powers including shipping, aviation, and all other forms of transportation, labor-management relations, criminal law, aliens, power and natural-gas regulations, matters affecting the national defense, and so forth. Nor would the ensuing confusion be limited to acts of Congress subsequent to H. R. 3. As a rule of construction, H. R. 3 would be retrospective as well as prospective. It would be applicable to statutes already in existence—statutes enacted by men who relied upon judicial construction to decide whether a statute preempted the field and who could not have known that their failure to expressly preempt might result in distortion of a legislative scheme of regulation.
>
> Demonstrative of the consternation already generated by H. R. 3 is the strenuous opposition to this bill expressed by the Department of Justice, the Interstate Commerce Commission, and such disparate groups as the AFL–CIO and the Association of American Railroads.

And, then from a minority report filed by KENNETH B. KEATING, the ranking Republican Member of the Judiciary Committee, as follows:

> The one certain effect of this legislation is that it will unsettle a large body of existing law in many vital areas, such as interstate commerce, immigration and naturalization, agriculture, and labor relations.
>
> In view of this uncertain situation, it is easy to understand why the Interstate Commerce Commission, the Association of American Railroads, and the Railway Labor Executives' Association are all strongly opposed to this bill. The statement of the Association of American Railroads concludes that enactment of H. R. 3 without language exempting railroads "would create chaos in the field of Federal regulation of the railroads."
>
> The statement of the Railway Labor Executives' Association is similar and adds that H. R. 3 could also lead to very substantial injury to the employees (of railroads) with respect to many benefits which they now enjoy under Federal law.

And, as representative of the attitude of labor in general toward this proposed legislation, I submit the following letter received by Members of Congress from Andrew J. Biemiller, director of legislation of the American Federation of Labor and Congress of Industrial Organizations:

> JULY 14, 1958.
>
> DEAR CONGRESSMAN: The American Federation of Labor and Congress of Industrial Organizations strongly opposes the enactment of H. R. 3, a bill which would throw the whole fabric of Federal regulatory statutes into chaos.
>
> It is apparent that the principal motivation behind H. R. 3 is an attempt to rebuke the Supreme Court for its decisions on segregation and civil liberties. The bill would, however, have no effect on decisions, which were based on the Constitution rather than on the statutes.
>
> It is impossible to predict with accuracy precisely what future effect H. R. 3 would have in fields where it would apply. These include Federal regulatory programs, such as those administered by the Interstate Commerce Commission, the Federal Power Commission, the Civil Aeronautics Board, the National Labor Relations Board, and others, but it is certain that the bill would invite relitigation of innumerable issues which have been long settled.
>
> We urge you to do everything in your power to insure defeat of this bill.
>
> Sincerely yours,
>
> ANDREW J. BIEMILLER,
> *Director, Department of Legislation.*

In conclusion, I submit that there is not any need, nor, can any good purpose be accomplished by the enactment of this bill. I can only bring about confusion, litigation, and great uncertainty. Our economy that is already undergoing great strain should not be subjected to the further strain that would be engendered by this legislation.

Mr. KEATING. Mr. Chairman, I yield 15 minutes to the gentleman from California [Mr. JACKSON].

Mr. JACKSON. Mr. Chairman, I repeat again today what I said on yesterday, that it is perhaps presumptuous for a layman to enter into a legal controversy such as the one we are hearing on bill H. R. 3. However, I suspect there are a lot of laymen in this country who have an intense interest in the measure and who are very much concerned over many things of a judicial nature which have transpired in the recent past.

There has been and is an increasing and massive concern throughout this country relative to some of the recent decisions of the Supreme Court. I agree that the Supreme Court, as an institution, is deserving of the respect and the reverence of the American people. However, I do not agree that everything done by the Supreme Court is per se perfect. One need not stand in wondrous awe at every decision that is handed down by that esteemed body to reflect respect for the institution. Recent decisions of the Court have, in the opinion of many, struck at the very fundamentals of State government.

I propose to discuss briefly two instances, without respect to whatever constitutional issues may have been involved because, in my opinion, this entire matter must be taken in context of the whole rather than in its separate parts.

I certainly agree with the gentleman from Georgia [Mr. FORRESTER] that we cannot take a piecemeal approach to a problem which is not piecemeal in its essential nature. I, too, am interested in Pennsylvania. I am interested in New York, New Hampshire, and in the several other States which have been made the subject of some of the recent decisions of the Supreme Court. But I am, however, primarily and fundamentally interested in California. I want to discuss two cases very briefly and you will forgive me if I do not do so in the proper legal terms. I shall not quote precedents. I shall not quote many of the things a lawyer would quote. But, I think in discussing these cases, I will

quote only the concern which has been evidenced to me by many hundreds of the people I represent.

Mr. COLMER. Will the gentleman yield at this point?

Mr. JACKSON. I am very happy to yield to the gentleman from Mississippi.

Mr. COLMER. I was interested in the gentleman's observation to the effect that he was interested in all these States, but that he was particularly interested in the State of California. I do not think it is a secret that an attempt will be made under the 5-minute rule to limit this bill to take care of just 1 case in 1 State. I am sure, in view of the gentleman's statement, that he agrees with me that the bill should be left intact so that it would cover all of these situations; and that will dispose of the broad question in one bill rather than having to take a half dozen bites at this problem.

Mr. JACKSON. I am in complete agreement with the statement made by the gentleman from Mississippi. I will most reluctantly oppose the amendment, which I understand is to be offered in due course. I say again—this is not a piecemeal problem, and we must seek an answer which will deal with the problems of tomorrow. The answer must meet situations which have not yet developed and decisions which have not yet been handed down. I am in complete accord with the premise contained in the amendment which I understand is to be offered by the gentleman from Pennsylvania [Mr. WALTER]. I think the Congress should do something with respect to the Steve Nelson case. However, I do not believe that the proper place for that action is in the legislation presently under consideration.

A few months ago in the State of California, an applicant appeared before a committee of the bar examiners of the State of California; a group delegated by statute the authority to inquire into the moral character of applicants for the California bar. The man's name was Raphael Konigsberg. Mr. Konigsberg first came to the attention of the House Committee on Un-American Activities when he was identified under oath by two witnesses—one in open hearings and one in executive session—as a past member of the Communist Party. He refused to answer any questions as to his alleged membership and availed himself of the provisions of the fifth amendment. Mr. Konigsberg subsequently made application for admission to the California bar and after the most careful and searching inquiry by the committee of bar examiners, it was held that he had not established the proper moral character for admission to the bar in light of his declination to answer any questions put to him by the bar examiners relative to his alleged membership in the Communist Party.

In a very excellent dissent to the majority of opinion of the Supreme Court the point was made by Mr. Justice Harlan, who was joined by Mr. Justice Clark, that the action of the majority, struck down the right of a State to establish certain criteria for admission to the bar.

Perhaps this is only on the fringe of preemption, but certainly there is an element of preemption when the Federal Government or when a Federal court restricts in that manner the capacity of a State agency operating under the laws of the State to establish the criteria for membership in the bar association.

Obviously, this doctrine if carried further, and it could logically be carried further, would make it impossible for a private employer to refuse to employ a man who declined to tell him whether or not he was a member of the Communist Party. Here, I think, is inherent the proposition that the State as a community must have the right to protect itself, to protect its institutions, and to protect those things which have traditionally fallen within the area of State jurisdiction.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield.

Mr. ROOSEVELT. I am not a lawyer, but I would like to know whether in the gentleman's opinion that decision would be affected by H. R. 3, which we are now considering?

Mr. JACKSON. I would say to the gentleman that perhaps it does not go directly to it, but I think it is on the fringe. Certainly there is a preemptive process when longstanding custom and usage have been struck down.

Mr. ROOSEVELT. The reason I raise that point is that it seems to me the case the gentleman cited bears upon a constitutional right which is not inherent in H. R. 3. I would appreciate it if one of the lawyers here would enlighten me.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield.

Mr. KEATING. On that I would like to say to the gentlemen from California, whose districts adjoin, and who may from time to time differ in their ideologies, but who, I understand, hold each other in high regard, as I do both of those gentlemen, that this bill would in no way affect the decision which the gentleman from California is now talking about.

Mr. JACKSON. I suggested the possibility that it was on the fringe.

Mr. KEATING. The gentleman said it was only on the fringe. I would suggest the outer fringe of this legislation.

Mr. JACKSON. Outer or inner fringe, the fringes are also of concern to the people.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield to the gentleman from Virginia.

Mr. SMITH of Virginia. I would like to say to the gentleman from California that I have had communications from citizens of California who are very much disturbed, who are interested in the passage of this bill as is, to care of their water rights, because they are disturbed about what is going to happen unless such legislation is passed with respect to their water rights in the State of California.

Mr. JACKSON. I think that aspect of the entire matter is a very important one indeed, not only to the people of California but also to the people of all the western States who are confronted, and have been confronted, with these tremendous problems with regard to water.

The second case, and I will preface this for the benefit of my colleagues, may also not be precisely to the point of the legislation under consideration; but again it demonstrates what I, for one, consider to be a dangerous doctrine, the doctrine that the civil rights of an individual who is or has been close to the Communist conspiracy, that his civil liberties and his civil rights are more important than the collective security of the American people. I submit that is a dangerous concept.

The second case recently decided in the Supreme Court—reversed—grew from an act of the California legislature requiring a loyalty oath, requiring organizations and individuals who were to obtain certain tax exemptions to submit an affirmative statement that the organizations were not dominated or controlled by the Communist Party; and wrote the same obligations substantially on an individual. Several organizations including, I regret to say, the First Unitarian Church of the city of Los Angeles, refused to sign the loyalty oath and the matter entered into litigation.

Before I go further with this case, I should like also to point out that the minister of the First Unitarian Church of Los Angeles appeared before the House Committee on Un-American Activities on September 12, 1951, and refused to answer any questions having to do with his alleged participation in the Communist conspiracy.

In answer to a question by Mr. Wheeler, staff investigator:

> Are you a member of the Communist Party, Reverend Fritchman?

Reverend Fritchman answered:

> I decline to answer on the ground that it may tend to incriminate or degrade me and violate my privilege under the Constitution, and especially under the fifth amendment. I have answered this question previously.

Mr. Chairman, this church was one of those refusing to sign the oath. It went through several courts and in due course reached the Supreme Court. The Supreme Court, in reversing the lower court, stated that it was not proper for the State of California to grant these tax privileges to certain groups and to refuse to grant them to others only because certain questions of this kind were not answered. I contend this very definitely is an infringement on the right of the State and the State legislature to set up certain standards in granting a privilege, the privilege of a tax exemption.

These 2 cases are only 2 of a great many which have recently served to cause consternation, concern, and alarm from one end of the country to the other.

H. R. 3 was started on its way through the legislative processes. I said on yesterday that the progress has been a reluctant one as the bill has inched its way forward from the time of its introduction to the present time. It is not a popular bill, it is not a bill which can be hailed with great enthusiasm; it is a bill which many of us regret, that finds itself before us today. But the stern

realities of a world in turmoil and dissension, the continued aggression of the Communist conspiracy on all fronts, have dictated again to us the responsibility to meet realities with appropriate action as necessity dictates. This slow progress of H. R. 3 has been given the needed emphasis and impetus by criticisms from the American Bar Association and other legal advisers.

Mr. CELLER. Mr. Chairman, I yield such time as he may desire to the gentleman from South Carolina [Mr. HEMPHILL].

Mr. HEMPHILL. Mr. Chairman, I rise in support of H. R. 3, which I consider one of the most important pieces of legislation to face this Congress this year. H. R. 3, if enacted, would be good for the States, it is true, but it would also be of immeasurable benefit to the Nation. From a legal standpoint, this country desperately needs such legislation.

Aside from the shocking impact of the decision in Pennsylvania against Nelson, the confusion that exists today on the State and Federal legislative levels, respectively is reflected in the constant references by legislators on all levels to the possibility of presumption in a manner which will void, or avoid, the intent which originally motivated the legislation in the first place. Who can be sure that the will on Congress will not be thwarted by Court interpretation. For justifiable reasons, the American people, in large measure, have lost confidence in the Supreme Court, particularly as a result of the Nelson decision.

The Supreme Court has gone far afield in many decisions. It has invaded the legislative field. It has become a forum for social reform. Such was never intended by the Constitution.

All H. R. 3 does is to make sure that, unless the expressed intent of Congress to do so is clearly stated, no act of Congress shall be used to preempt the Federal Government in fields previously reserved to the States. Why not? Is there wrong in preventing judicial misinterpretation? Of course not.

Can the States live better with this legislation? Of course.

Could the Nation? Of course it can—it will—it must.

The Nelson decision was predicated as follows:

> Where, as in the resistant case, Congress has not stated specifically whether a Federal statute has occupied in a field in which the States are otherwise free to legislate.

If H. R. 3 had been a law before the Nelson decision, a known Communist would not have been freed. The Pennsylvania law under which Nelson was convicted would have been sufficient to punish him. Why? Because the Smith Act, authority for the ultimate decision, did not have any provision indicating an intent on the part of Congress to preempt or exclude State laws.

This legislation will go a long way toward restoring the confidence of the people in this country in the ability of Congress to perform its constitutional functions. Many Americans are dismayed at the way which the courts have overstepped their constitutional limitations. People are anxious to know what Congress can do about it. Congress has the opportunity in H. R. 3 to answer that question.

If enacted, H. R. 3 will go a long way toward restoring the balance in our Government. Most of the domestic difficulties we have and most of the international difficulties we are suffering can be traced to the imbalance of governmental powers. Because of too much power in the executive, an innocuous and insufficient State Department stumped its toe at Suez and has brought us at the brink of a war in the Mid-East. Last year there was in existence a Mid-East bill, authorizing the President of the United States to go beyond his constitutional powers and to go beyond the powers of the Congress to declare or not declare war. Now we are faced with a situation in which the people of the Mid-East think the President has the authority, and we are almost involved in a war. The President does not have the authority to send troops to Lebanon, but because of the imbalance of powers, Congress has no control over the situation.

I give you this for an example, as the current situation is of such concern that I hope this application will focus your attention on the underlying reasoning for the necessity of this legislation. The enactment of H. R. 3 will be a strong blow against communism. The Communists have been gloating for some years over their successes in the courts. We give them all the protections of our judicial system, which they seek to destroy, and the courts have leaned over backward to see that they had more than justice.

The enactment of H. R. 3 will strengthen the ability of States to deal with their own problems.

I was struck with the number of attorneys general who endorsed this legislation. They are the lawyers for the States, and they reflect the thinking not only of the legal professions, but of the legislators.

There are no retroactive provisions in this legislation. Therefore, the argument that if H. R. 3 is enacted that a State could gain concurrent power by merely passing legislation that falls out the window.

Those against this legislation speak of confusion in the labor field alone, yet they know the power of labor in the State legislative bodies, and their power to prevent adverse legislation.

I hope Congress will pass this legislation, and I hope the President will have the wisdom to sign it.

Mr. CELLER. Mr. Chairman, I yield such time as he may desire to the gentleman from Alabama [Mr. SELDEN].

Mr. SELDEN. Mr. Chairman, I rise in support of H. R. 3.

Mr. Chairman, it was my privilege on the first day of the 85th Congress to join with the distinguished gentleman from Virginia, Hon. HOWARD SMITH, in introducing legislation similar to the measure, H. R. 3, that is before the House of Representatives at this time.

Despite what some of its opponents may say, H. R. 3 is no innovation. Its purpose is to bring about a return to a time-honored criterion of legislative interpretation, wherein a State law is deemed to be valid as long as it is not in direct conflict with a Federal law on the same subject.

The earliest statement of this interpretation was made by the Supreme Court over 120 years ago in the case of *Cohens* v. *Virginia* (6 Wheat. 264, 443), and it was consolidated as a rule in the 1842 case of *Gibbons* v. *Ogden* (9 Wheat. 1). It was in Cohens against Virginia that Justice Marshall expounded his theory of the conditions under which Congressional enactments should be considered to supersede State laws bearing on the same subject matter—a rule of interpretation wisely hedged with reasonable limitations and a due regard for the real, if subordinate, sovereignty of the States.

> To interfere with the penal laws of a State—

Justice Marshall wrote—

> where they are not leveled against the legitimate powers of the Union, but have for their sole object the internal government of the country, is a very serious measure, which Congress cannot be supposed to adopt lightly or inconsiderately. The motive for it must be serious and weighty. It would be undertaken deliberately and the intention would be clearly and unequivocally expressed. An act ought not to be construed as to imploy this intention, unless its provisions were such as to render the construction inevitable.

In the landmark case of Gibbons against Ogden, Justice Marshall stated that "the nullity of any act inconsistent with the Constitution is produced by the declaration that the Constitution is the supreme law." Marshall specifically pointed out that such State laws must "interfere with, or be contrary to, the laws of Congress."

This judicious formula was more succinctly and aptly phrased by Chief Justice Hughes in the 1937 case of *Kelly* v. *Washington* (302 U. S. 1, 10), when he wrote that an exercise of State police power is superseded by Federal law only where the repugnance is so "direct and positive" that the two acts cannot be reconciled or consistently stand together.

Thus, the canon of judicial interpretation set down in Cohens against Virginia remained a rule for 120 years until it was overturned by the Supreme Court in 1941 in the case of *Hines* v. *Davidowitz* (312 U. S. 52, 67).

Since that time, the Court has seen fit to ignore the rule or to follow it only when its fancy dictates. A rule of interpretation which has so erratic a usage is no longer a rule but a mere whimsy. In the legislation now under consideration, we seek to restore it to the status of a rule. And, let me emphasize that this rule was devised originally by the Court itself and not by Congress. Congress seeks only to remind the Court of the stability it once possessed and the confidence this stability once insured.

Under the new formula enunciated by Justice Black in 1941, the Supreme Court of the United States has become a weather vane. In the Hines against Davidowitz decision, Justice Black said:

> There is not—and from the very nature of the problem there cannot be—any rigid

formula or rule which can be used as a universal pattern to determine the meaning and purpose of every act of Congress.

However, in the dissenting views, Justice Stone held to the old rule:

But no words of the statute or of any committee report, or any Congressional debate indicate that Congress intended to withdraw from the States any part of their constitutional power over aliens within their own borders. The repeal of this legislation is not to be inferred from the silence of Congress in enacting a law which at no point conflicts with the State legislation and is harmonious with it.

Since that case, there has been an ever-increasing number of decisions which arrogate power to the Federal Government and derogate the rights of the States. For instance, in the very next year, 1942, the Court held that an Alabama law regulating sanitary standards for renovated butter in intrastate commerce was invalid because a Federal law existed which gave the Secretary of Agriculture the authority to inspect renovated butter in interstate commerce. In this case of *Cloverleaf Butter* v. *Patterson* (315 U. S. 148), the then Chief Justice Stone again dissented. He pointed out that the decision represented "a radical departure from the salutary principle that Congress, in enacting legislation within its constitutional authority, will not be deemed to have intended to strike down a State statute designed to protect the health and safety of the public unless the State act, in terms or in its practical administration, conflicts with the acts of Congress or plainly and palpably infringes its policy."

In this case, the Supreme Court did not find that there was a direct and positive conflict between the Federal and State laws, and it did not hold that the two could not be reconciled or consistently stand together. Instead, the Court merely ruled that the Federal law must be deemed to have destroyed the State law by implication. In other words, it took away the right of the State of Alabama to protect the health of its citizens on the basis that Congress had passed a Federal law on the same subject.

The case which has most urgently pointed up the need for a return to the rule of construction which formerly guided the Supreme Court in its interpretation of Congressional acts is *Pennsylvania* v. *Nelson* ((1956) 350 U. S. 497). In this decision, the Supreme Court of the United States held that the Federal Smith Act superseded the Pennsylvania Sedition Act. The Pennsylvania Supreme Court had previously made the same ruling. However, when the State court made its decision, one of its members—Justice Bell—entered a detailed and stirring dissent in which he noted that our distinguished colleague, Congressman HOWARD SMITH, the author of the Smith Act, repudiated the idea that the law named after him was intended to supersede State laws. In fact, Justice Bell quoted Congressman SMITH to the effect that its legislative history showed that the Federal law was intended to complement the State laws already on the books.

Under the Nelson decision, the United States Supreme Court made the erroneous assumption that Congress, when it passed the Smith Act, was unaware that 42 States have sedition acts. As a result, these States can no longer prosecute Communists or espionage agents under their own State sedition laws. In the Nelson case, as in the Cloverleaf Butter case, the Court did not attempt to show any conflict between State and Federal laws.

Other cases may be cited in this same tenor. When the Court handed down the desegregation decision in *Brown* v. *Board of Education, Topeka* ((1954) 347 U. S. 483), it initiated a crisis unprecedented in the history of race relations, and it went so far as to place enforcement of its decision in the lower Federal courts.

Not only did the Supreme Court in this instance make the law, but it also drew the whole Federal judiciary into the orbit of its execution. This flies in the very face of the Constitution of the United States which places the making of laws in the legislative branch of our Government and the execution thereof in the executive.

Not only educational concerns, which were formerly the business of State and local governments, but also the licensing of professional persons—previously considered strictly within the State police power—have either been taken away from the States or greatly restricted. In one case, the Court prohibited the city of New York from dismissing a teacher who had invoked the fifth amendment. In another decision, it was held that the New Mexico bar examiners could not refuse to license an attorney because of his former membership in the Communist Party.

The cases I have cited clearly point up the need for the enactment of the bill now before us. This legislation establishes a statutory rule of interpretation which would require the Court, in any area of concurrent power, to ascertain, first, whether there is a plain statement in the act that Congress meant to preempt the field, and, second, if there is no such statement, to make no presumption of preemption, unless the Court finds that the two statutes are in absolute conflict with each other.

The objective of H. R. 3 is simple. It proposes a return to the firm canon of construction which first guided our Supreme Court. Its objective is also sound. It proposes to restore the balance of Union and State under the Constitution, which is the true American form of government.

Mr. Chairman, it is urgent that we restore to our Government the equal balance of power framed by the founders of this great Nation in a Constitution that has never been either surpassed or equaled. I therefore urge the passage of H. R. 3.

Mr. CELLER. Mr. Chairman, I yield such time as he may desire to the gentleman from Florida [Mr. MATTHEWS].

Mr. MATTHEWS. Mr. Chairman, I rise in support of H. R. 3, a bill to establish rules of interpretation for Federal Courts involving the doctrine of Federal preemption. I think this bill might better be termed the "save the Constitution" bill. I am not a constitutional lawyer, but I have studied the great Constitution of the United States and I am convinced that our Founding Fathers were determined to divide the responsibilities of Government on the Federal level among the executive, legislative, and judicial branches of the Government with definite guide lines for each branch. My colleagues in the House have heard me many times before express my concern about the encroachment of one branch of Government upon the other. I have been particularly concerned with the Supreme Court in recent years grasping legislative power through its judicial interpretations which I believe was never intended by the great Americans who wrote our Constitution.

There is another conception of our type of Government advocated by our Founding Fathers that enters into this debate. That is the idea that this great Republic of ours in the minds of our forefathers was a sovereign nation composed of sovereign states. Let me repeat again—a sovereign nation composed of sovereign states. As we read the story of the Constitutional Convention, we are impressed again and again with the almost sacred—and in a sense a fanatical desire—of the Representatives of the States to reserve for the States those rights and powers not delegated specifically to the United States. The 10th amendment to the Constitution which states that the powers not delegated to the United States by the Constitution nor prohibited by it to the States, are reserved to the States respectively or to the people, is, we must ever keep in mind, as sacred a part of the Constitution as any other part of that profound document. Although I fear many of my fellow Democrats have departed from the Jeffersonian doctrine of government, let it never be forgotten that the founder of our great party, Thomas Jefferson, was a great advocate of States rights. Jefferson feared the tyranny of the Federal Government. This tyranny, if carried to an extreme, can be just as oppressive, ladies, and gentlemen, as the tyranny of a dictator.

In the minority report on H. R. 3, on page 10, I should like to quote these words:

There is no complaint by the proponents of H. R. 3, that in any of these cases in which the interest of the States was upheld, the Court had engaged in judicial legislation or had distorted the will of Congress. It would appear that, stated more accurately, the complaint is not of a general failure by the Court to properly infer legislative purpose in applying the preemption doctrine. It is rather that in a small number of close cases the Court in the arduous process of weighing the competing interests of national and local government, found in favor of the national interest.

I shall not address myself to this entire statement, but I should like to comment on the assumption that in the so-called small number of close cases, the Court has found in favor of the national interest. That specifically is where I disagree with those who oppose this bill. I simply do not think that these so-called

close cases are in favor of the national interest. I think these so-called close cases are evidence of the fact that the Court has leaned over backward to decide against the States and in favor of a more tryannical national authority.

This bill is designed to strengthen the rights of the 48 States and other States that may be admitted into the Union as guaranteed to them by the 10th amendment of the Constitution. I do not foresee the evil results of this legislation as predicted by the opposition. I want to emphasize what has been said before that this bill is not a regional or sectional bill. It is not aimed at any particular law that has been passed or that might be passed. The bill simply states "No act of Congress shall be construed as indicating an intent on the part of Congress to occupy the field in which such act operates, to the exclusion of all States laws on the same subject matter, unless such act contains an express provision to that effect, or unless there is a direct and positive conflict between such act and a State law so that the two cannot be reconciled or consistently stand together."

This bill simply states that when Congress passes a law, that the Supreme Court cannot infer—and I emphasize infer—that such a law shall operate to the exclusion of all State laws on the same subject. This bill reaffirms the fact that the States have concurrent responsibilities with the Federal Government in many fields, and that when Congress wishes the Federal Government to supersede State laws, it shall so positively state. What is wrong about such a clarity of intent? What is evil about putting in simple language a principle that the Supreme Court of the United States can understand?

All of us have a stake in this bill. This is an all-American bill—a sound constitutional bill, and it should be passed by an overwhelming majority.

Mr. CELLER. Mr. Chairman, I yield such time as he may desire to the gentleman from Florida [Mr. HALEY].

Mr. HALEY. Mr. Chairman, the bill under consideration, H. R. 3, is of fundamental importance to our American system of government. It must be noticed that our scheme of government contemplates the delegation of certain and defined powers to national control and the reservation of equally certain powers to State or local control. Even though there is no conflict between State and Federal sovereignties, there are conflicts in the exercise of powers prescribed to each. This fact is inevitable in our complicated system where there exists two governments over the same people, in which the laws first of one and then the other are supreme, depending upon the authority under which they are enacted with reference to the subjects to which they are addressed.

Where there is direct conflict, the courts have no problem, in view of the fact that in those areas, the State power must yield to the National Government. This is also true where the Federal Government has exclusive jurisdiction. However, in those areas where from the nature and subject of the power, it may be exercised by either the State or the Federal Government, we find there is a definite problem. In those areas in which the Federal and State governments have concurrent jurisdiction, the determination of whether the State law must yield to the Federal law in the same field, is often a question of Congressional intent. We have seen many cases within the past few years where the courts found Congressional intent to be just the opposite of what the Congress actually intended. For example, I refer to the case of Commonwealth of Pennsylvania against Steve Nelson, in which the court seemed to believe that since the Congress enacted the Smith Act, the Congress intended to preempt the field. Hence the States are powerless to prosecute any person who violates its own law pertaining to subversive acts against it.

It would appear that under the general police powers a State would certainly have the power to protect itself against subversive acts of persons within her borders.

It should be noted that the doctrine of preemption has also been applied in many other areas, in which it would appear that the State and Federal Governments have concurrent jurisdiction, to the adverse effect of State law. This is true even though it is implied in the Federal Constitution, although not expressed therein, that the National Government may not in the exercise of its powers prevent a State from discharging its ordinary functions of government. I take it that general police powers are within the ordinary functions of the States.

In view of the fact that the courts have recently extended the doctrine of preemption to areas in which the Federal and State Governments have concurrent jurisdiction, even though Congress may have intended otherwise, it is imperative that H. R. 3 be enacted, thereby clearly establishing a guide to the courts in construing any Federal law in this area, as well as setting forth the policy of the Congress. This bill will provide an important safeguard against further diminution of State power and enlargement of Federal power. As I view the bill, it simply recognizes the fact that in those areas where the Federal and State Governments have concurrent jurisdiction, and where there is no direct conflict between the State and Federal law, the State law supplements the Federal act. Thus, the bill recognizes the established principle of our American system that there must be a close cooperation between the State and Federal Governments and that neither should interfere with the proper functions of the other.

Mr. CELLER. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. HOLTZMAN].

Mr. HOLTZMAN. Mr. Chairman, at the outset of my remarks I would like to commend the Honorable EMANUEL CELLER, chairman of the House Committee on the Judiciary, on the excellent statement he made against H. R. 3, the bill now before us.

I, too, am opposed to this legislation. I opposed it in the full committee, and testified against it before the Committee on Rules. Not only is it unnecessary, but it is dangerous.

All one has to do is merely search intelligently for the need for this legislation and he will have the answer. There is no need. This bill is motivated and spawned out of dissatisfaction with certain recent decisions of our Supreme Court. It should be rejected if for no other reason than that it is a veiled attack on the Federal judiciary. Since the founding of this Nation it has been the function and the role of our Federal courts to be the arbiter in legal disputes. By this legislation we are attempting to circumscribe the judicial power of the Court under a so-called rule of construction bill.

We read and hear complaints daily of the congestion of the calendars of our Federal courts throughout the land, but I predict that if this bill is enacted we will need to double the number of Federal judges now sitting in order to cope with the litigation which will arise. If we were considering a bill to correct a bad situation as in the decision of Pennsylvania against Nelson, it might well merit the favorable consideration of the House. Instead it is a broadside attack on the Supreme Court which would open a veritable Pandora's box of confusion and chaos. Every statute on the books of our Federal code will become a potential source of litigation and even then, after decision has been rendered in a particular case, a State legislature could proceed to amend its law, thus giving rise again to new litigation. This could become an unending cycle.

In a way one might say that this bill contains a certain amount of ridiculousness. If you read this rather simple sentence which makes up this legislation, we are in effect saying to the courts, "We, the 85th Congress, are telling you what the legislative intent was of every past Congress which enacted a statute on the books." At the same time, this Congress cannot bind a future Congress nor limit its power to alter the law; yet this is what this legislation attempts to do.

I wish to point out another dangerous and latent factor contained in this bill. It is my opinion that the broad, sweeping language is an open invitation to the States to enter fields of legislation heretofore considered to be solely Federal jurisdiction. It takes little imagination to see the problems which would arise if such a course is followed.

I predict that if this bill should ever become law the public will demand its repeal in a very short time. Experience will prove that those who today are unmindful of the true purpose and ramifications of this bill, but nevertheless support it, will have bought a pig in a poke. The proponents of this legislation have welded together dissident groups who, for various reasons, are dissatisfied with the Supreme Court, and who favor States rights even above the constitutional requirement for the checks and balances of the executive, legislative, and judicial branches of our Government. The proponents would be the first to come before Congress in the near future and ask for relief from the

burden of H. R. 3 in the event of its passage.

Mr. KEATING. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. HARVEY].

Mr. HARVEY. Mr. Chairman, it is my intention, Mr. Chairman, to support H. R. 3. I do so in the firm conviction that its intent is vigorously endorsed by a vast majority of the citizens of my District and State.

It seems to me that many of us in the House, though untutored in law, should properly lend our support to the spirit of the Smith bill. During my years in this Chamber, no measure has appeared to promise so much in restoring a constitutional balance of power between our Central and State Governments. And I believe that millions of Americans are today convinced that this Nation cannot endure without a rededication of its people to the principles of self-government that flourished in the earlier days of this Republic. Among these none was greater than the separate sovereignties of Washington and the several States.

The growth and expansion of Federal authority has not always been either avoidable or undesirable. Without doubt it is the will of the American people, even in peacetime, that certain clearly defined duties, functions and powers be assigned the Central Government. And in time of war or other major emergency, our people would scarcely tolerate anything except a strong single authority to cope with the common danger or foe. But down through the years, and especially since World War I, there has been a relentless reduction in the area of self-rule that we all recognize as States rights. This drain on home rule has taken more and more authority from the local levels of government and concentrated it in a sprawling bureaucracy that is both formidable and remote to the average citizen.

Those learned in the law may argue the precise legal niceties of the pending bill. I believe it will satisfy the people I represent to learn that at long last Congress is showing the courage to resurrect the kind of plainly stated constitutional government that first set this Nation on the path to greatness and glory.

Mr. CELLER. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Chairman, the gentleman from California who preceded me expressed the highest esteem for the Supreme Court as an institution. I join with him in such an expression of esteem, but I believe that inasmuch as he is not a lawyer by his own statement, and inasmuch as I have had the opportunity of studying and practicing law, of working through the many types of situations which are the foundations of the rules of law and which became the pattern of conduct for our civilized communities, perhaps I have thereby become imbued with greater reverence for the symbol of justice which is the Supreme Court of the United States.

The Supreme Court of the United States, embodying the dignity and majesty of American justice is the most revered institution in the American political system. It is unfortunate that it has become the target recently of violent and destructive attacks. Unbridled and emotional assaults can only impair the devotion of the American people for this symbol of Government. Of course, it is entirely proper to examine, to analyze and to criticize decisions of the Court. This is the lawyer's right and the citizens' prerogative. It is not proper to undermine the judicial branch of our Government, or the Court as the head of that judicial branch.

This is not the first time in our Nation's history that the Supreme Court has been a storm center of controversy. Examples which come readily to mind are the decision which in 1832 provoked President Andrew Jackson to explode against the then Chief Justice by declaring: "John Marshall has made his decision. Now let him enforce it." And in 1857, when the Dred Scott decision was announced, the opinion so shocked and stirred the North as to become one of the causes of the Civil War.

In 1937 an angry President, dissatisfied with Court decisions invalidating several of his important legislative recommendations, pressed Congress for legislation which would permit additional members to be added to the Supreme Court, seeking thereby to obtain a more friendly Court, but Congress refused to do so. Nineteen hundred and thirty-seven was a time when most Members of Congress, embodying the resentment of most of the people in the country, fought the so-called Court packing plan and defended the Court most eloquently.

I studied a number of speeches which were then made. I found one by a most distinguished Member of this House which so impressed me and so completely shattered many of the arguments of the proponents of this legislation that I think it is well that it be heard again on the floor of the House at this time. It would be appropriate at any time. It is particularly significant in this debate. At the conclusion I will tell you who made that speech. It is found in the CONGRESSIONAL RECORD for March 30, 1937, at page 2918 of the 75th Congress.

Parenthetically, I should state that in repeating the speech. I do not thereby propose to minimize the essential role which Congress plays in our Government, but I suggest that with power should come humility, and that we should accord to the other two branches of our Government the major parts which our Founding Fathers accorded to them in our political system.

Now I turn to the speech and I ask you to listen to what our distinguished colleague told the House on March 30, 1937:

I ask every American this question: Do you want to put your personal liberties in the hands of Congress and in your State legislature?

To those who think this is a wise thing to do, I call attention to the fact that 10 times since the year 1867 Congress, or one of its branches, has violated the provisions of the Bill of Rights. It has tried to authorize illegal searches and seizures of private papers. It has tried to authorize criminal prosecution of a man after compelling him to testify before a grand jury. It has attempted to take property for public use without due and full compensation. It has attempted to authorize imprisonment of persons at hard labor without an indictment by a grand jury. It has tried to deprive the defendant in a criminal prosecution of his right to be confronted with the witnesses against him. It has attempted to allow an appeal by the Government in a criminal trial after the accused had been found not guilty by a jury. It has attempted to make a crime out of an act which was not a crime when committed. It has attempted to imprison a man without a jury trial for publishing a letter containing matter alleged to be defamatory of the House of Representatives. Three times it has enacted statutes violating the constitutional provision against bills of attainder. The only power that stood between the citizens and these tyrannical acts of Congress was the Supreme Court of the United States.

I cannot believe that in this period of worldwide dizziness the citizens of this Nation wish to destroy the only department of Government which can protect them from mob violence and encroachment.

I do not believe that the average citizen desires to trust his most cherished liberties to either an Executive, who demands arbitrary power to rule, or to a Congress under the absolute domination and control of such an Executive.

The speech continues:

I turn now to a consideration of what the framers of the Federal Constitution had in mind when they placed restraints upon those whom they felt obliged to trust with power. It is impossible to read the Constitution without coming to the conclusion that their main desire was to formulate a plan of government so organized as to make liberty secure, and to make difficult, if not impossible, the despotism of faction or emotion.

Why was this one of their main objectives? They had seen class warfare fanned and fostered in other nations until the consuming flames of passion had destroyed every vestige of justice, charity, mercy, philanthropy, and religious toleration. They knew that disorders of this character had brought to other nations the black night of lawlessness, violence, and ruin.

To be more specific, they knew of governments where one-man power had tolerated and, worse still, encouraged hanging, drowning, and burning of men and women for entertaining religious beliefs and political doctrines that did not conform to the opinion of the man who ruled.

They had before them object lessons in America to warn them of the danger of vesting too much power in those who govern. Had they not seen, during a period of 7 years prior to the signing of the Federal Constitution, the legislatures of four States deprive their citizens of the right to jury trials? They had seen one State impair the freedom of the press by confiscatory taxation. They had witnessed all this and more.

They had seen the State legislatures of several States pass bills of attainder, sentencing men to death and banishment without a criminal trial by jury.

With these examples of tyranny and oppression and numerous others before them, they consecrated their talents to the task of preventing by constitutional restraints those who were to be entrusted with power from encroaching upon the liberties of the people. This they did with such consummate skill that for almost a century and a half the rights of the people have been preserved, protected, and defended from executive and legislative tyranny.

During all this time, whenever an attempt has been made to encroach upon the liberties of the citizen, the Supreme Court of the United States, recognized by every civilized

nation as the greatest judicial tribunal in the world, has come to his defense and sustained his rights.

In concluding, I want to leave one thought with you. I have mentioned but a few, a very few, of the cases in which the Supreme Court has upheld the rights of the individual against legislative encroachment. The Supreme Court reports are filled with similar cases—cases where Congress and State legislatures sought to take away rights secured to the individual by the Constitution. Why has the Supreme Court been called upon so many times to protect these rights? It is because legislative bodies, spurred sometimes by racial and religious hysteria, have attempted to take away these rights from the people. And the fact that so many attempts have been made in the past is sufficient proof that many similar attempts will be made in the future. [Applause.]

How prophetic that statement was, Mr. Chairman, that many similar attempts will be made in the future. Mr. Chairman, I consider H. R. 3 such an attempt.

Mr. Chairman, the gentleman whom we all in this House esteem, who made that great speech on March 30, 1937, is today the ranking member of the Committee on Ways and Means, the gentleman from New York [Mr. DAN REED].

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman.

Mr. HYDE. I am somewhat puzzled to know the relevancy of the argument the gentleman is making.

Mr. YATES. Has the gentleman not heard the debate for the last 2 days in which the Supreme Court has been the subject of attack? The gentleman himself has engaged in such criticism. My purpose in repeating the speech by the gentleman from New York is to remind the House of the great role played by the Court in protecting the individual liberties of our citizens, not only up to 1937 but up to the present time, too. Let us not pass legislation to bridle the Court.

Mr. HYDE. That is right. Let me ask this question. Does the gentleman contend that only the Supreme Court should construe the intention of the Congress, and that the Congress does not have the right to express its own intention of its own acts?

Mr. YATES. The gentleman does not contend that at all.

Mr. HYDE. That is all this bill does.

Mr. YATES. On the contrary. If that were all this bill did, the bill would not have my very strong opposition. But the bill goes much farther, and is not so simple. According to the hearings as I have read them there has been disagreement as to what the language meant, not only by the author of the bill, but by the author of the amendment to the bill, for, and by other members of the committee. The Judiciary Committee is composed of some of the finest lawyers in the House. They cannot agree upon what the language in this bill contains. How can the gentleman state, as he does, that this is a very simple bill, that all it contains is for the Congress to have the opportunity to do what it wants in particular legislation? The Congress has that opportunity in every bill it considers and should deal with that problem with each bill, not by a general, attempted all-inclusive, ambiguous declaration as H. R. 3.

Mr. HYDE. Of course, by the same token, the gentleman expresses his own position.

Mr. YATES. Of course, the gentleman does.

Mr. WILLIS. Mr. Chairman, I yield such time as he may desire to the gentleman from Mississippi [Mr. WINSTEAD].

Mr. WINSTEAD. Mr. Chairman, I arise in support of H. R. 3. This bill is in simple language, but highly important. I quote:

That (a) chapter 1 of title 1 of the United States Code is amended by adding at the end thereof the following new section:

"§ 7. Preemption—Federal and State statutes

"No act of Congress shall be construed as indicating an intent on the part of Congress to occupy the field in which such act operates, to the exclusion of all State laws on the same subject matter, unless such act contains an express provision to that effect, or unless there is a direct and positive conflict between such act and a State law so that the two cannot be reconciled or consistently stand together."

(b) The analysis of chapter 1 of title 1 of the United States Code is amended by inserting at the end thereof the following new section:

"7. Preemption—Federal and State statutes."

Mr. Chairman, it strikes me that no one who has any consideration for the rights of the American people or who wishes to see these United States of America preserved as was intended by the founders of our Constitution, could hesitate in supporting this bill. It is simple, it is clear, and the tragedy is that the Supreme Court of the United States has made this bill necessary by its action in saying that once the Congress had legislated in any given field the Federal Government had thereby preempted the rights of the States and all laws passed by State legislatures will no longer be of any force and effect. We must pass this bill, Mr. Chairman, though I realize, as all should, that this is merely a start.

Mr. Chairman, in recent years we have seen the principles of our Constitution destroyed in many, many ways. We have seen it destroyed by actions of the executive department. Yes, Mr. Chairman, and we have seen the Congress pass legislation—over my opposition, may I say—which centered too much power in the Federal Government. But under both of these procedures, Mr. Chairman, at least those who created the situation were elected by the people and had to return to the people for reelection. Today we face an even more serious situation, because now we have a group assuming the powers of dictatorship, the Supreme Court of the United States, its members appointed for life, most of whom have had little experience in judicial service prior to appointment to the Court, and who are beyond the power of the electorate to remove them from office.

In recent years, Mr. Chairman, we have seen this Supreme Court assume the right to change the Constitution, as we saw them do in the school integration cases. We have seen them strike down State laws and turn loose on the public rapists and murderers, not because of any question of the guilt but because of claimed actions by various officials. In recent months we have seen that Court, not elected by the people but appointed for life, in effect permit Communists to serve on the faculties of schools in the United States—notwithstanding the desire of the school board and State officials to remove them. In the last few days, Mr. Chairman, we have seen that Court hold that this Nation was helpless to prevent Communists from traveling abroad at their will and pleasure, even though their purpose may be to convey information to Russia and her satellites. It is hard to conceive that any group could do so many things that are destructive to the rights of the American people and to the very safety of our Nation.

I have been pleased in recent weeks to see the distinguished Member, the gentleman from Virginia, Judge SMITH, the Senators of my State, and many, many others point out so clearly the usurpation of the rights of the Congress and of the executive department of the Government by this Court. I have seen actions which a few years ago would have led to impeachment; yet so many American people do not seem to realize the inevitable results unless this Court is checked in grasp of power.

Mr. Chairman, we all were taught that laws were passed and were to be enforced for the protection of the people generally, and that every individual had to conform for the common good. Under this Supreme Court we find the situation reversed. As I have pointed out we have seen rapists and murderers turned loose on an unprotected public by nine men, for some claimed violation of the procedural rights in the trial court. If this condition continues, it will strike down everything basic and will lead to the destruction of all rights.

I realize this subject is being covered fully by the author of the bill and by various others; but I would like to speak for myself and say that it is time we all reviewed the basis on which this country was founded. We can see the change which has come about.

Until not too many years ago, we referred to "these" United States of America. Public speakers, the press, and all others, referred to our States collectively by those words. Today most writers and speakers do not say that any more, Mr. Chairman; it is now "the" United States of America. My plea today in support of this bill goes much deeper than this one piece of legislation. It goes much deeper than just taking pride in State government; and I do have that pride. It goes to the fact, Mr. Chairman, that if we destroy our States, we have destroyed the government which is closest to the people and on which the people have had to rely through the years, largely for their protection.

Mr. Chairman, for many years we have been involved in an all-out fight with communism, with Russia. Today we find the world divided into two camps. We have seen a great portion of our total income spent on military

preparedness because of the gravity of world conditions. Today, Mr. Chairman, we know we are involved in a most serious situation in the Far East. No one within the sound of my voice knows where this may lead. We can see that for many years we are bound to put a great deal of our substance into a fight against communism abroad and in an effort to preserve our American Nation. All this, Mr. Chairman, is because we recognize that communism is a godless doctrine; supported by the leadership of dictators whose desire is world conquest.

We have taxed ourselves unmercifully, I sometimes think, trying to prevent those dictators and that ideology from taking over our country. We have strained our economy, all because we recognize these dangers and yet, Mr. Chairman, the American people, including a majority of the Congress, I hate to say, have stood by while this Supreme Court of the United States is destroying our Government at home and bringing about the very conditions which we are fighting to prevent Russia from imposing upon us.

Mr. Chairman, I would remind you that these Russian Communists issue orders through their courts, go through the mockery of trial, turn loose whomever they wish to, and convict those it suits their convenience to convict; and they, too, claim it is in the interest of the rights of the individual.

I know, Mr. Chairman, that passage of H. R. 3 is not going to cure all the ills that face us; but if it is passed, it will at least be a start toward restoring rights to the States, rights which the State can use to protect the rights of the people and prevent the destruction of those rights by the Supreme Court which—misguidedly—or whatever the reason, seems determined to make our country over in line with the Communist doctrine, which, if continued unchecked, will leave it where we would have little country to save; and the job for Russia would be easy.

I trust and hope, Mr. Chairman, that this bill will have the overwhelming support of the Congress. For if we pass this bill and follow it up with others, perhaps we can save "these United States," under God, and our great Constitution.

Mr. KEATING. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. BECKER].

Mr. BECKER. Mr. Chairman, I am fully in accord with the intent of the provisions of H. R. 3, but I want it distinctly understood that at no time, because of this legislation, did I intend to create any harm for the railroad organizations who feel that provisions might jeopardize members of their organizations. They know that I have always had their interests at heart and because of the high caliber in which they conduct their affairs, I have supported them and will continue to do so. I feel that there is an overriding need for a clarification of the conflict between Federal and State laws.

It is my understanding that when the general debate is concluded and the bill is open for amendment, there will be 1 or 2 amendments offered that will make very clear that this legislation intends to deal directly with the Steve Nelson case and other cases of a like nature. Communists and fellow travelers in this country have had their convictions by State courts set aside and I believe that clarification is needed immediately so that these convictions in the future will be upheld by all courts.

People must realize that communism is a grave threat and danger to the welfare and security of the United States, and the Congress is charged by the people to leave no stone unturned to provide for the security, and I am sure that with the amendments this will be clearly defined. I sincerely hope that this legislation will become law before the end of this session.

Mr. KEATING. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. MEADER].

Mr. HIESTAND. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and one Members are present, a quorum.

Mr. MEADER. Mr. Chairman, the legislation pending before us raises one of the most far-reaching constitutional questions with which any of us will be faced during our service in this body. That question is the existence of our Federal system of dual sovereignty.

Justice Cardozo, in *Schechter Poultry Co.* v. *United States* (295 U. S. 495 (1935)), made a very penetrating observation upon the peculiar political system of dual sovereignty created by our Constitution by means of which we have managed to maintain the maximum of control of governmental policies in the people themselves. Justice Cardozo said, "If centripetal forces are to be isolated to the exclusion of the forces that oppose and counteract them, there will be an end to our Federal system."

It is my belief that the doctrine of preemption by the Federal Government of fields of concurrent legislative jurisdiction is the vehicle through which the Federal Government may assume legislative control of all fields of Government and obliterate the sovereignty of the States and reduce them to geographical subsidiaries of the Federal Government. This situation is possible because of 3 provisions of our Constitution and the doctrine of preemption announced by the Supreme Court in *Pennsylvania* v. *Nelson* (350 U. S. 497 (1956)).

Article II of the Constitution vests in the Congress certain express grants of legislative authority which are enumerated and a general grant of power to "make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States, or in any Department or officer thereof."

Article VI of the Constitution provides as follows:

> This Constitution, and the laws of the United States which shall be made in pursurance thereof; and all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land; and the judges in every State shall be bound thereby, anything in the Constitution or laws of any State to the contrary notwithstanding.

The 10th amendment, the last of the so-called Bill of Rights, provides as follows:

> The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

Thus, the framers of our Constitution created a unique situation, which so far as I know is not duplicated in any other government, of having two sovereign governmental organizations operating upon the same geographical territory and the same population. Each sovereign government, however, had authority exclusive to the other in its respective field. The express enumerated powers of the Federal Government were taken from the whole of governmental authority and vested in the United States of America but all of the governmental authority not denied the States and not expressly delegated to the Federal Government was expressly reserved to the States or to the people.

I believe that the framers of our Constitution did not expect there would be any overlapping or conflict of authority. The difficulty and the existence of the conflict and overlapping arises from the fact that words are imperfect instruments and cannot clearly measure the boundaries of governmental authority. It has been the task of the Supreme Court in applying these broad concepts through the years to attempt, in decisions on specific cases arising out of specific factual situations, to develop greater clarity and meaning than can be gained from the phraseology of the Constitution itself. The concept of regulating commerce between the States and with foreign nations or the concept of promoting the general welfare are so broad that they might be stretched to cover almost any activity.

The doctrine of preemption relates only to areas of overlapping jurisdiction. It holds that Congress, by taking action in a field in which both the States and the Federal Government may legislate, has preempted the entire field and the States may not validly legislate in such field. This doctrine, liberally applied, will result in an accretion of power to the Federal Government and a corresponding loss of power by the State governments.

The doctrine of preemption has even greater significance when we recognize, as we must, that a field of governmental authority is a concept so broad that it may vary according to the individual interpreting that expression.

The Nelson decision of the United States Supreme Court merely upheld a decision of the Supreme Court of Pennsylvania invalidating a statute of the State of Pennsylvania passed in 1919 prohibiting activity designed to overthrow the Government of the United States or of any State or subdivision thereof. The Supreme Court of the United States said the Pennsylvania court correctly held that in passing the Smith Act and other acts dealing with subversion the Congress had indicated an intent to take

over the entire field of subversion and thus had preempted that field to the exclusion of the States even though the State's statute was in harmony with the Federal law rather than in conflict with it. The dissent by Justice Reed did not disagree with the doctrine of preemption but was founded upon the inability to find any legislative intent in the Congress to preempt the field in the various Federal statutes relating to subversion.

It is worthy of note that Chief Justice Warren in finding a Congressional intent to preempt the field of subversion did not cite reports of the committees handling the legislation in Congress nor the debates upon the floor of the House usually resorted to to ascertain Congressional intent, where such intent does not clearly appear from the language of the statute itself. Instead, Chief Justice Warren quoted a statement by the President and a speech by J. Edgar Hoover, a somewhat novel method of ascertaining Congressional intent. The dissenting opinion by Justice Reed properly quoted from Chief Justice Marshall in *Cohens* v. *Virginia* (6 Wheat. 264 (1821)):

> To interfere with the penal laws of a State, where they * * * have for their sole object internal government of the country, is a very serious measure, which Congress cannot be supposed to adopt lightly, or inconsiderately * * * It would be taken deliberately, and the intention would be clearly and unequivocally expressed.

H. R. 3 rather simply declares that unless the Congress expressly indicates an intent to preempt an entire field of legislation, such an intent shall not be presumed or inferred by the Court. It is clearly within the power of the Congress to declare what its intent is. Certainly every statute passed by previous Congresses is subject to amendment or repeal by this Congress. Certainly, it is within the power of the Congress to pass bills so amending each act of Congress as to declare whether it was or was not the intent of Congress to preempt the entire field with which such legislation dealt. It is equally proper for the Congress, in a blanket declaration such as H. R. 3, to declare that unless Congress expressed an intent to preempt an entire field of legislation, it should be presumed that Congress did not intend to preempt the field but to permit State legislation not inconsistent with Federal law.

Of course, it can be argued that the power to legislate includes the power not to legislate, and the fact that the Congress had not seen fit to act in a particular field could be construed as a policy on the part of the Congress that no action should be taken in that field. Yet such an argument is a rather tenuous one.

It seems to me that the matter of policy involved here would require those who favor the maintenance of the vigor, vitality, integrity, and authority of State governments to vote in favor of H. R. 3. Those who believe that self-government at the State and local levels is obsolete and that all problems must be dealt with on a national basis will, of course, vote against H. R. 3.

My record has been clear. I happen to believe in the competence of the people to make their own governmental decisions. Those decisions are more nearly made by the people when the governmental bodies through which they are made are more directly and immediately subject to the people's control.

I have often called attention to the swift accretion of power in the past three decades to the Federal Government at the expense of the State and local governments and the gravitation of power in the Federal Government away from the legislative into the executive branch of the Government. I have pledged to resist this trend because I believe it is in the direction of totalitarian bureaucratic Government. I happen to be one who has faith that democracy can still function effectively in our modern, complex society and preserve the maximum of freedom of decision in the citizen and preserve the maximum of participation in governmental decisions by the individual.

Mr. McCULLOCH. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Ohio.

Mr. McCULLOCH. I wish to compliment the able gentleman from Michigan on his sober, unemotional, and outstandingly able discussion of one of the most important bills that will be before this session of Congress.

I would like to associate myself with that able discussion. I would also like to commend to every Member of the House a careful study, particularly of the first and last parts, of my distinguished colleague's statement in the calm of their office in the morning so that they can come to a conclusion on this most important bill solely on its merits.

Mr. MEADER. I thank the gentleman.

Mr. WILLIS. Mr. Chairman, I yield 7 minutes to the gentleman from North Carolina [Mr. WHITENER].

Mr. WHITENER. Mr. Chairman, the legislation now under consideration, H. R. 3, is without question one of the most important legislative proposals presented to the 85th Congress. The keen interest manifested by my colleagues, as evidenced by the extensive debate, is convincing proof that we all recognize the importance of the work that we are doing today.

As has been so well stated by the gentleman from Louisiana [Mr. WILLIS], there is no question of the constitutionality of H. R. 3. No one at any time has contended that the Congress will transgress any constitutional principles by enacting H. R. 3 into law. Those of us who support the bill feel that its enactment would, in reality, be a forward step in the preservation of constitutional Government.

Nevertheless, we should be advertent to the following provisions of our Constitution:

> A. Article VI, clause 2:
>
> This Constitution and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the Contrary notwithstanding.
>
> B. Article I, section 10:
>
> 1. No State shall enter into any Treaty, Alliance, or Confederation; grant Letters of Marque and Reprisal; coin Money; emit Bills of Credit; make any Thing but gold and silver Coin a Tender in Payment of Debts; pass any Bill of Attainder; ex post facto Law, or Law impairing the Obligation of Contracts, or grant any Title of Nobility.
>
> 2. No State shall, without the Consent of the Congress, lay any Imposts or Duties on Imports or Exports except what may be absolutely necessary for executing its inspection Laws; and the net Produce of all Duties and Imposts, laid by any State on Imports or Exports, shall be for the Use of the Treasury of the United States; and all such Laws shall be subject to the Revision and Control of the Congress.
>
> 3. No State shall, without the Consent of Congress, lay any duty of Tonnage, keep Troops, or Ships of War in time of Peace, enter into any Agreement or Compact with another State, or with a foreign Power, or engage in War, unless actually invaded, or in such imminent Danger as will not admit of delay.
>
> C. Amendment X:
>
> The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

These familiar constitutional guideposts cannot be dismissed from our thinking as we undertake to resolve this important issue.

It is in the area of concurrent jurisdiction enjoyed by the several States and the Federal Government that we have found the difficulty which necessitates the enactment of H. R. 3. This necessity arises out of the tendency in recent years of our Federal courts to usurp as its own the jurisdiction properly shared by the Federal Government and the government of the several States.

I can think of no more succinct and terse statement of the time-honored principle of statutory construction than is to be found in the language of H. R. 3 when it says:

> No act of Congress shall be construed as indicating an intent on the part of Congress to occupy the field in which such act operates, to the exclusion of all State laws on the same subject matter, unless such act contains an express provision to that effect, or unless there is a direct and positive conflict between such act and a State law so that the two cannot be reconciled or consistently stand together.

As early as 1859 in the case of *Sinnot* v. *Davenport* (22 How. (U. S.) 227), our United States Supreme Court held that in areas of concurrent jurisdiction a provision of State law must yield to a Federal act expressly superseding a State statute or declaring the field subject to exclusive Federal jurisdiction. Conversely, the Sinnot case held that unless the Federal act expressly superseded the State statute then the State statute would be enforcible in the courts of the particular State.

In a very well-reasoned opinion in the case of *Cloverleaf Co.* v. *Patterson* (315 U. S. 148 (1942)) the learned Chief Justice Stone, apprehending that some of his fellow justices were becoming indifferent to the proper rules of statutory construction, had this to say:

> The decision of the Court appears to me to depart radically from the salutary prin-

ciple that Congress, in enacting legislation within its constitutional authority, will not be deemed to have intended to strike down a State statute designed to protect the health and safety of the public unless the State act, in terms or in its practical administration, conflicts with the act of Congress or plainly and palpably infringes its policy.

* * * It is one thing for courts in interpreting an act of Congress regulating matters beyond State control to construe its language with a view to carrying into effect a general, though unexpressed, Congressional purpose. It is quite another to infer a purpose which Congress has not expressed to deprive the States of authority which otherwise constitutionally belongs to them, over a subject which Congress has not undertaken to control. Due regard for the maintenance of our dual system of government demands that the courts do not diminish State power by extravagent inferences regarding what Congress might have intended if it had considered the matter, or by reference to their own conceptions of a policy which Congress has not expressed and is not plainly to be inferred from the legislation which it has enacted. Considerations which lead us not to favor repeal of statutes by implication (citing cases) should be at least as persuasive when the question is one of the nullification of State power by Congressional legislation.

Thus it is seen that Chief Justice Stone was merely reiterating the doctrine of constitutional harmony to which I have heretofore referred.

But let us look at the case of *Pennsylvania* v. *Nelson* (350 U. S. 497) and observe the radical departure from that philosophy by our Supreme Court in 1956.

After conferring upon the district courts of the United States exclusive jurisdiction of all offenses against the United States, title 18, section 3231, United States Code specifically provides:

Nothing in this title shall be held to take away or impair the jurisdiction of the courts of the several States under the laws thereof.

The defendant Nelson had been indicted and convicted of violating the Pennsylvania Sedition Act. The Supreme Court of Pennsylvania reversed the conviction of Nelson on the ground that the evidence failed to reveal any seditious act or utterance directed by Nelson against the government of the State of Pennsylvania. On appeal to the Supreme Court of the United States the majority of that Court gratuitously struck down the Pennsylvania Sedition Act and carried in its wake the sedition acts of 41 other States and the Territories of Hawaii and Alaska. In doing so the majority asserted the position that the Smith Act had preempted the field of sedition notwithstanding the language of section 3231 of the Smith Act.

Mr. Justice Reed, in his dissenting opinion, pointed out that the language of section 3231, title 18, had appeared successively in Federal criminal laws since 1825. He said:

This court has interpreted the act to mean that States may provide concurrent legislation in the absence of explicit Congressional intent to the contrary. *Sexton* v. *California* (189 U. S. 319, 324–325). The majority's position in this case cannot be reconciled with that clear authorization of Congress.

To enact H. R. 3 into law will, in my judgment, further the cause of constitutional government. It will compel the courts to recognize that there are certain areas of concurrent jurisdiction wherein both the State governments and the Federal Government may operate for the common good of all of the people. It will tend to discourage further centralization of power in a strong central government to the exclusion of the several States and the people.

Mr. Chairman, I am not unmindful of the arguments which have been conscientiously propounded by the opponents of this legislation. They are quite sincere in their assertions that there are limited areas in which adherence to the established principles of statutory construction might affect certain areas of Federal legislation. While I do not concur in their apprehension, I do recognize their sincerity of purpose.

But let us not forget that the situation which confronts us today is the direct result of the intentional or inadvertent disregard of principles which made this Nation great. Let us not forget that in a democratic system we must follow the avenue which leads to a more orderly government and the common good.

Men have paid great prices in the past to erect and preserve on this continent the magnificent democratic system which we have enjoyed. If some sacrifice must today be made by limited numbers of our people in exchange for the preservation of these basic democratic principles, there should be no hesitancy on the part of individuals to make those sacrifices.

It is my considered opinion that H. R. 3 is a salutary legislative proposal. Its enactment will not involve sacrifice but will involve great benefit for all of our people.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. WHITENER. I yield to the gentleman from Texas.

Mr. WRIGHT. I want to associate myself with the remarks of the able and learned gentleman from North Carolina [Mr. WHITENER]. I am impressed by the clear cut and penetrative statement he is making, just as I have been impressed with the constructive nature of his services here.

Mr. WHITENER. I thank the gentleman from Texas, and I will say to him that I appreciate his joining in this matter of the preservation of constitutional government.

Mr. WRIGHT. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. WRIGHT. Mr. Chairman, I rise in support of H. R. 3. I think it is a good bill and a necessary bill. I think it says with force and clarity what Congress has intended all along to say.

This bill does not presume in any way, shape, or fashion to confer upon any State a right to enact legislation which would be violative of or inconsistent with the Federal law. That question was settled when we abandoned the Articles of Confederation and adopted the Constitution of the United States. There is no attempt here to maintain that a State posesses any right to countermand or nullify Federal law.

What is involved is simply a protection of the historic rights of the States to exercise concurrent jurisdiction with the Federal Government and to enact statutes of their own so long as those statutes do not violate the Federal law.

This is an original and historic right. At the beginning of our history as a nation, it never occurred to anyone to question this right.

Of recent years, however, the courts have held with increasing consistency that where Congress has enacted legislation on a subject, the States are deprived of all power to enact or enforce similar laws on the same subject, even though they present no direct conflict with the Federal act.

The judicial ruling in the case of Commonwealth against Nelson which has a bearing on anti-sedition statutes now on the books in some 47 States has been discussed at some length here. It comes instantly to mind because of the publicity accorded this decision and because, ironically, it was our colleague from Virginia [Mr. SMITH], the author of the present bill, who had authored the Federal act cited by the court to nullify enforcement of the State laws in Pennsylvania.

That case, however, is no more than a symptom of what has been happening to the rights of States in the initiation of legislation and the handling of local problems. Similar decisions, involving somewhat less spectacular issues, are legion.

A fairly typical example is the recent case of Cloverleaf Co. against Patterson. The State of Alabama, in an effort to protect the health of its citizens, had sought to inspect the product of the company, which was engaged in the renovation of butter. Some of the butter was shipped in interstate commerce, and thus subject to Federal pure food laws.

The Supreme Court ruled that Congress had therefore assumed entire jurisdiction over the subject, leaving the States powerless to enforce their own health laws. Dissenting, Justice Frankfurter argued that, if Congress had intended to preempt State enforcement entirely, it would have said so in its act.

This is the philosophy of H. R. 3 that in the absence of a Congressional declaration depriving States of initiative in a given field of law, and in the absence of any conflict between State and Federal provisions, the States will be presumed to retain the right to enact and enforce similar laws.

The States have traditionally been valuable proving grounds for legislative policy. Many of our most far-reaching national reforms were first tested and proven in the laboratory of State government. Women's suffrage in Wyoming, antitrust in Texas, conservation laws in Pennsylvania, and lobby reform in Wisconsin, to name but a few.

Although the cry of "States rights" has often been abused, often used as a cloak to cover States wrongs, it is most assuredly not a reactionary doctrine to

hold out for the rights of States to solve local problems when the solution presents no conflict with Federal policy.

Unless H. R. 3 or something substantially similar is enacted, it will be only a matter of time before the State governments will be deprived of practically all legislative initiative.

Congress is now required to legislate on an ever-widening variety of subjects. If, each time it does so, the States are to have another avenue of legislation completely closed to them, they will be inevitably deprived of the power to attack the problems of their people on any but a meager handful of subjects. These will be those not regarded as sufficiently important to warrant Congressional action.

H. R. 3 is needed unless we want consciously to abet the further erosion of the rights and prerogatives of the States. And I, for one, do not wish to do so.

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Eighty-one Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 131]

Allen, Calif.	Eberharter	Powell
Andersen, Minn.	Edmondson	Radwan
	Gordon	Robeson, Va.
Anderson, Mont.	Gregory	Shelley
	Hays, Ark.	Shuford
Baring	Hillings	Sieminski
Barrett	Jenkins	Smith, Kans.
Buckley	Kearney	Spence
Burdick	Kearns	Talle
Christopher	LeCompte	Trimble
Clark	McCarthy	Vorys
Denton	Machrowicz	Williams, N. Y.
Dies	Morris	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. THOMPSON of Texas, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 3, and finding itself without a quorum, he had directed the roll to be called when 388 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from Michigan [Mr. JOHANSEN] is recognized for 10 minutes.

Mr. JOHANSEN. Mr. Chairman, speaking as one who is not a member of the legal profession, it is my judgment that the best statement of the issue before the House with respect to H. R. 3 was given on yesterday in completely nonlegalistic language by a colleague who is a member of that profession.

I refer to the statement of the Gentleman from Maryland [Mr. HYDE] in his colloquy with the gentleman from California [Mr. ROOSEVELT]. The gentleman from Maryland said:

> It is a question of which risk you are willing to take. I think the opponents of this bill prefer the risk of too much Federal power; I prefer the risk of too little. For this purpose, at least, I am taking Jefferson and giving you Hamilton.

I should like, respectfully, to associate myself completely with both the definition of the issue and the choice of alternate risks made by the gentleman from Maryland [Mr. HYDE]. I, too, prefer the risk of too little Federal power—I, too, choose Jefferson.

It is perhaps gratuitous to remind this House that the fear and the risk of too much Federal power constituted a major concern of the Founding Fathers. The written Constitution was itself the product of that deep concern. In innumerable provisions, through innumerable devices of checks and balances, of separation of powers, and of reservations of powers—notably in the 10th amendment—the conscious and deliberate effort was made to guard against the hazards of too much Federal power.

Insofar as H. R. 3 effectively curbs the inclination or ability of the Supreme Court to enhance Federal power by construed Federal preemption and by construed diminution of the power and authority of the States, I regard it as a desperately needed safeguard against mushrooming Federal power and as a desperately needed safeguard against further weakening of our system of federalism.

Compared with the powerful forces still arrayed on the side of the ever increasing and expanding power of the Federal Government concentrated here in Washington—forces which would be very substantially unaffected and undeterred by the braking power of this particular legislation—H. R. 3 seems to me a comparatively modest defense indeed.

To those who grieve over the imminent peril of too little Federal power, I respectfully suggest that they dry their tears and calm their fears.

They still have the vast propaganda machinery of organizations holding to the philosophy expressed in the October 1957 issue of Labor's Economic Review, published by the AFL–CIO, when it declared:

> In our industrialized society, State and local boundaries have lost their earlier significance.

They still have the vast propaganda machinery of organizations holding to the philosophy expressed in the 1957 fall issue of the Industrial Union Digest of the AFL–CIO, as follows:

> Democracy cannot be maintained merely by rigid adherence to forms established to meet yesterday's conditions, especially in a society as fluid as ours. Democracy exists when the people are able to control the direction of government and make it responsive to their needs. Big though it may have become because of today's needs, the Federal Government is still the people's best guaranty of democracy and well-being.

I remind those who are trembling in fear over the threat of a too-weak Federal Government that the capacity of the Congress to legislate—all too often most unwisely, in my judgment—an expansion of Federal functions, activities, aid, and interventions shows no imminent signs of being dangerously curbed or restrained.

I remind these anxious ones that there is no new or startling prospect of the Supreme Court imposing crippling restraints on the Federal Government in its trend toward increased concentration and centralization of power.

I remind them, too, that with present and prospective national and international emergencies of the gravest sort, vast Federal powers necessarily associated with such emergencies are in no prospect of serious diminution.

I remind them, finally, that the efforts to curb Federal spending or taxation or the vast bureaucracy of the Federal Government—with all of the vast powers over our citizens implicit therein—have not met with any impressive success.

So to those alarmed at the threat of too-weak Federal Government because of this ogre of H. R. 3, I again bespeak calm and freedom from overpowering fear.

Meanwhile, I urge all of those who have not become totally anesthetized by familiarity with the very real threat of too big, too powerful, too costly Federal Government to rally behind this modest effort to safeguard the rights, the powers and the responsibilities which our Constitution and our Federal system have supposedly reserved to the States.

Mr. DAVIS of Georgia. Mr. Chairman, will the gentleman yield?

Mr. JOHANSEN. I am happy to yield to my colleague from Georgia.

Mr. DAVIS of Georgia. Mr. Chairman, I should like to commend the distinguished gentleman from Michigan for the splendid statement which he has made. I have found him always to be on the side of sound and constitutional government. I appreciate very much his remarks and the information he has brought us today, and I should like to associate myself with him in the remarks he has made on the pending bill.

Mr. JOHANSEN. I thank my distinguished friend.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. JOHANSEN. I am glad to yield to my colleague from Michigan.

Mr. MEADER. Mr. Chairman I see the distinguished gentleman from Virginia, Mr. SMITH, on the floor. I think the RECORD of these debates should show to what extent the legislative history of the so-called Smith Act was in accord with the decision of the majority in the Nelson case. I understand the gentleman from Virginia [Mr. SMITH] was the author of the Smith Act; am I correct?

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield to me?

Mr. JOHANSEN. I yield to the distinguished gentleman from Virginia.

Mr. SMITH of Virginia. I assume the gentleman is addressing himself to the question, what was the Congressional intent with respect to the Smith Act repealing the State sedition law?

Mr. MEADER. That is correct.

Mr. SMITH of Virginia. So far as I can recall the only thing that happened on that during the debate on the floor, when I had the floor and being the author of the bill, I was asked, "What about the State law?" I think I remember accurately almost my exact words. I said, "This has nothing to do

with State law." That is the only thing that appears in the RECORD.

Mr. MEADER. May I ask whether the gentleman, as the author of the bill, had the intention to preempt the field of subversion by offering the bill that he did offer?

Mr. SMITH of Virginia. Of course not, and neither did anybody who was in the House at that time. The bill was passed with less than 100 votes against it, which is reminiscent of what is going on here today.

Mr. FORRESTER. Mr. Chairman, will the gentleman yield?

Mr. JOHANSEN. I yield to the gentleman from Georgia.

Mr. FORRESTER. Mr. Chairman, I should like to pursue that question further. There are several Members in the House now who were here when the Smith Act was passed. I should like to ask those gentlemen if any of them had any intention in the world to preempt the field from the sovereign States.

Mr. MEADER. Mr. Chairman, will the gentleman yield further?

Mr. JOHANSEN. I yield.

Mr. MEADER. I was not a Member of the House then and have no idea of that, but I know the Supreme Court did not cite the legislative history of the Smith Act, but instead cited a statement by the President and a speech by J. Edgar Hoover, the Director of the Federal Bureau of Investigation, in determining that the Congress intended to preempt the field of legislation against subversives.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. JOHANSEN] has expired.

Mr. WILLIS. Mr. Chairman, on behalf of the gentleman from New York [Mr. CELLER] I yield 10 minutes to the gentleman from Montana [Mr. METCALF].

Mr. METCALF. Mr. Chairman, yesterday the chairman of the full committee, the gentleman from New York [Mr. CELLER], on the rule said that this bill would have an effect on every piece of legislation that we have adopted in this Congress, particularly where there is concurrent jurisdiction between the Federal and the State Governments, and then he proceeded to enumerate. He said it would specifically apply to "aliens, aviation, trucking, railroads, merchant marine, agriculture, labor, all criminal laws, water power, natural gas, radio, television, food and drugs, canals, roads, rivers, mines and mining."

I have listened carefully through this debate and I have read the hearings, including the brief filed by the author of the bill. I want to bring up a matter that has not been touched on in this debate, and a matter that gives me great concern. That is, what effect would this bill have on the Indians and Indian law? I believe that this bill, as I read it, and as I understand it, is inadvertently a backdoor termination bill, a left-handed proposal to terminate Federal control over the Indians.

In 1871 Congress decided that it would no longer treat with the Indians as a group of sovereign States on a treaty basis, but decided that hereafter we would deal with them on a legislative basis.

Strangely enough, this first decision was a part of a rider on an appropriation bill in 1871. Since then we have enacted special Federal legislation to take care of the Indians.

One of the leading cases is a New York case. In that case, ex parte Ray, 54 Federal Supplement 218, the New York court said:

> Under the Constitution, there is no literal phrasing giving Congress the power of sovereignty in derogation of State sovereignty over the Indians. However, this has always been an implied power.
>
> If Congress has legislated to prescribe exclusive Federal jurisdiction—the State law must bow thereto.

So there is Federal preemption by implication, where the Court has said there is no literal phrasing but there is an implied power for exclusive Federal jurisdiction under statutes that stem from a rider on an appropriation bill.

Here, it seems to me, this field of Indian law is exactly where H. R. 3 would operate and would apply. I have not heard anyone on this floor discuss what the effect of this bill is in respect to that. I should like to have some assurances from some of the proponents of the bill that this is not intended to derogate from the Federal law and not intended to take away Federal control over Indians.

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield to the gentleman from Louisiana.

Mr. WILLIS. I speak for myself and as far as I know for all of the proponents of this bill when I say that, of course, there is no intent to do away with the Federal laws governing Indian matters.

Mr. METCALF. I am sure that no member of the committee ever anticipated that or there would have been some discussion in committee and on the floor.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield.

Mr. RHODES of Arizona. May I ask my colleague if it is not possibly the situation in many instances that treaties have been made by the United States Government with these Indian tribes, such treaties having been made under the constitutional right reserved in the Federal Government to make treaties with Indian nations? Therefore, would it not be logical to believe that those treaties would still be in existence and would not be affected by this legislation?

Mr. METCALF. I think that anything that was adopted before 1871, when the policy changed, would be covered. Treaties would certainly be under the constitutional power of the Government, and this implied preemption of State law would not apply.

The other day when I was running down some cases on the Yellowtail case, that bill that was recently passed providing for the purchase of the Yellowtail Dam site, I ran on to a Montana case where the argument was that the State water right laws did not apply on Indian reservations. There has been a lot of discussion on the floor here today that the Federal Government has preempted the State law in the water right field. Certainly one of the fields preempted is that the State water right laws do not apply on Indian reservations. In this case the court, and I am quoting from the Circuit Court of Appeals for the Ninth Circuit, stated:

> The Montana statute regarding water rights is not applicable because Congress at no time has made such statutes controlling in the reservation (*U. S.* v. *McIntire* (101 Fed. 2d 650)).

This bill, H. R. 3, which states, "No act of Congress shall be construed as indicating an intent on the part of Congress to occupy the field in which such act operates, to the exclusion of all State laws on the same subject matter" will apply to the water right laws of the State of Montana in operation on Indian reservations.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield to the gentleman from Arizona.

Mr. UDALL. The gentleman knows I have more Indian reservation land and Indians than any other Congressman. I consider the remarks of the gentleman very sobering, considering the fact that he is one of the distinguished lawyers in this body and a former justice of the supreme court of his own State. I wonder if the gentleman would agree that this whole matter of the relationship between the Indians as wards of the Federal Government and the States is a very intricate problem and a very delicate one, particularly when we are going through a transition period now, having the Indians adjust to State laws. This legislation to me is very disturbing, in view of some of the very delicate problems we have in our State with regard to the legal relationships between the Federal Government and the State Government.

Mr. METCALF. I agree with the gentleman especially in view of the fact that the Federal supervision over the Indians apparently relies upon an implied preemption that is, as the New York courts said, based on no literal phrasing. So I fear that the development of Indian resources, the complicated Indian inheritance statutes and all these other complex Indian relationships might come under the State laws. Here we have an indirect determination of that.

Mr. HIESTAND. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield.

Mr. HIESTAND. May I suggest to the gentleman that in this very bill, in the very wording of the bill, when laws are in conflict, that is, when the Federal and State laws are in conflict and in direct conflict, the Federal law invariably supersedes and that should be final. May I suggest, however, to the gentleman that if he is disturbed at all, he might well be disturbed by the present doctrine of preemption which means that the Supreme Court by implied preemption could say a State law does not

hold in view of the fact that we have a Federal law.

Mr. METCALF. That is just exactly what has happened here. The doctrine of preemption by implication has said that the Federal law is exclusive in this field of Indian affairs and if we remove that doctrine by enacting H. R. 3, we will put State laws into operation in Indian affairs.

Mr. HIESTAND. Only, may I suggest, in case they are in conflict. I feel there is no argument on that and that might satisfy the gentleman.

Mr. METCALF. I feel that had H. R. 3 been in effect the case on water right law in Montana, which I have previously said went to the ninth circuit, would have been decided otherwise because the court said the Montana statute is not applicable to the case because the Congress has at no time made such statutes control on the reservation. If H. R. 3 is passed there seems to be agreement here by several Members that State water rights will take precedence over Federal law. There are no Federal statutes for the appropriation of water, so we will have State water right statutes controlling on the Indian reservations, thus upsetting many tribal rights and many tribal property holdings which have been by this doctrine of preemption in effect since 1871.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield.

Mr. RHODES of Arizona. I think the gentleman will agree that if the Congress did not like a State statute that was operative even in a field in which there was no Federal statute, then under H. R. 3 the Congress could enact a statute and then the State statute would be inoperative, being inconsistent with the Federal statute.

Mr. METCALF. The gentleman is giving a strong argument for not going into this with a shotgun approach and using a specific piecemeal approach.

But I am reluctant to rely on some future legislation curing the mischief we may be doing here.

The gentleman from Arizona will recall that when President Eisenhower signed the bill that became Public Law 280 of the 83d Congress, he pointed out that it failed to require even—and these are his words, "full consultation in order to ascertain the wishes and desires of the Indians." He recommended that—and I am quoting him again, "at the earliest possible time in the next session of Congress the act be amended to require such consultation with the tribes prior to the enactment of legislation subjecting them to State jurisdiction."

The 2d session of the 83d Congress has come and gone and so have both sessions of the 84th and the 2d session of the 85th is nearing its close and nothing has been done about the President's recommendations.

Mr. RHODES of Arizona. The gentleman from Arizona is referring to future applications. I agree with the gentleman from Montana that there are very many definite dangers in any shotgun approach to this whole problem, but I do feel it is a situation which can be corrected by specific legislation after H. R. 3 is adopted and the situation which the gentleman from Montana fears should happen to arise.

Mr. METCALF. I have not gone into all these fields that were enumerated by the gentleman from New York and that I read. But I have here a specific instance where the Federal authority comes from preemption implied from a Federal statute and the preemption is Federal exclusive control over States rights and it was originally based on the right in an appropriation bill in 1871. It seems to me H. R. 3 is directly applicable to this situation.

In 1953, Congress adopted House Concurrent Resolution 108, which said in part:

> Whereas, it is the policy of Congress, as rapidly as possible, to make the Indians within the territorial limits of the United States subject to the same laws and entitled to the same privileges and responsibilities as are applicable to the other citizens of the United States, to end their status as wards of the United States, and to grant them all of the rights and prerogatives pertaining to American citizenship.

The adoption of this resolution led the Bureau of Indian Affairs into the concept of termination. This concept is to remove the administration of Indian affairs from the Department of Interior and place the Indians under the State governments.

In every community where there are substantial Indian land holdings, there are many people who believe that Indian land should be on the tax rolls. This may be the conduit by which we put the land on the State tax rolls, without consideration or the impact on the economy of the reservations.

Pursuant to the declaration of policy in House Concurrent Resolution 108, several other termination bills were introduced and pressed in the 83d Congress. Among them was a bill for termination of Federal supervision over the Flathead tribe in my own District. Wisely, Congress refused to pass this legislation and every passing day justifies this action. But I fear that the passage of H. R. 3 will be tantamount to the passage of the termination legislation that failed in the 83d Congress.

I am apprehensive that the present legislation is blanket termination legislation that can transfer all Indian affairs to the States whether Congress wills it or not.

Mr. KEATING. Mr. Chairman, I yield 15 minutes to the gentleman from California [Mr. HIESTAND].

Mr. HIESTAND. Mr. Chairman, we must respect the Supreme Court of the United States as an institution. It is vital to our system of free enterprise and which made this country under our Constitution and Bill of Rights the world's greatest Nation. Upon this we all agree.

H. R. 3, the bill before us, in short reaffirms the fundamental doctrine of the 10th amendment to the Constitution.

It so happens that I had a bill similar to H. R. 3 introduced from our side 3 years ago, and I have had this interest since. It simply reaffirms the vital importance of the 10th amendment at the present time.

Mr. Chairman, Members of this House more learned in the law than I, have discussed the bill, its simplicity, and its scope. Primarily, it is a question of interpretation of the intent of Congress. H. R. 3 would go far in preventing future misinterpretation of Congressional intent on the part of the Court.

I stated yesterday that the Court had several times confessed that it was perplexed in its effort to interpret the Congressional intent. Who is better equipped in all ways to interpret Congressional intent than the Congress itself?

Much of this discussion has dwelt upon what would happen, and fears have been expressed over what woud happen. Mr. Chairman, who can prove the future? I may say that the direct opposite will happen under a given set of circumstances, and it would seem that in some cases I have just as good a guess as those who would say that very great chaos would occur. May I suggest that we have this answered in this bill and that H. R. 3 would clear it up. In most cases the answer to all these arguments is that when there is any conflict, Federal law supersedes. There is no argument on this matter. It is the answer to the railroad interests and to the interstate commerce arguments, every one of them.

I have before me a letter from the Railway Labor Executives Association. That is the executives of the labor unions who question that certain things would be seriously jeopardized by reason of the passage of this legislation, and that confusion would result. They cannot prove that. This bill would clarify a lot of the confusion which is jeopardizing State laws now.

There are some 8 or 9 major objections, each of which can be answered.

I believe we are virtually all agreed that in some instances the Supreme Court has inferred a legislative purpose to preemption when in fact Congress had no such intention. The minority report cites a number of such instances which Congress has found it necessary to correct in the past. I am confident we would all agree there are some decisions of this kind now in effect which should be corrected. It is clear there is a need for corrective legislation. The question is how such correction should be accomplished.

H. R. 3 would accomplish this by establishing rules of interpretation that would declare, in effect, that where Congress intends to preempt it will expressly so state in the statute. Conversely, where it does not so state, it does not intend to preempt, and State laws remain valid and effective except to the extent that they are in direct and positive conflict with a Federal law so that the two cannot be reconciled or consistently stand together.

A number of arguments have been advanced against this bill. I believe they should all be considered and examined to determine whether they have merit. Those that do not should be rejected. Any that do have merit should be weighed by Congress in acting on this bill. Accordingly, I have gathered together the arguments advanced against

the bill in the minority report and in the additional views of my very able and good friend the gentleman from New York, Mr. KEATING, submitted with the committee report, as well as in the press and elsewhere. A good many of the arguments are merely restatements of the same points in different form and different language. Accordingly, I have classified them under the several major points that have been made, and then examined and analyzed them.

One of the arguments most frequently stated is that the approach of H. R. 3 is too broad. Opponents of the bill rely upon the proposition that Congress should legislate only in response to a demonstrated need. It is important then to examine the problem and determine whether it is narrow or broad and therefore whether it requires a narrow approach or a broad approach.

The problem here is as broad as the field in which both the Federal Government and the State governments have authority to legislate under our Constitution. It is potentially involved in every statute that Congress enacts in this broad field.

Let us get at the cause of these decisions, the basic doctrine upon which they are based.

In another sense the issue is a narrow one. It relates solely to determining the intent of Congress. It is a question of expressing ourselves to communicate our intent clearly to the people who will be governed by the laws we enact, the Federal courts that will interpret those laws, and the State courts whose jurisdiction may be affected by such laws. Since it is a question of expressing the intent of Congress, it is peculiarly a matter within the province of Congress.

H. R. 3 is as broad as the problem and no broader. It is limited to the narrow issue of intent of Congress, but it deals with that issue in the broad area in which it can arise; namely, the area in which there is both Federal and State authority to legislate. Since the bill is as broad as the problem, it is the logical, natural, and appropriate way to deal with the problem unless there are compelling reasons to the contrary. Accordingly, the further arguments advanced against the bill should be examined to see whether they present any such compelling reason.

The second argument most frequently advanced is that this approach would upset existing precedents and unsettle the law. The argument is phrased in many ways. It is said that the bill would disturb 150 years of jurisprudence, that it would flood the courts with lawsuits seeking new interpretations of statutes whose meaning has long been settled, that it would place all past laws in jeopardy, that it would create confusion in settled areas of law and would even result in chaos.

This is a serious charge against the bill and deserves serious consideration. I have given it careful study and I find it refuted in the very minority report in which it is advanced. That report points out that the standard which this bill would enact is not a new one—that the very language of the bill "is to be found in opinions of the Supreme Court as far back as 1859 in *Sinnot* v. *Davenport* (22 How. 227), and as recently as 1953 in *United Construction Workers, Etc.* v. *Laburnum Construction Corp.* (347 U. S. 656)." And here is the most significant part. The minority report goes on to state that "As to those cases, H. R. 3 would have made no difference. In the first case the State law would still be nullified and in the second it would still be upheld."

The reason why H. R. 3 would have made no difference is that it was the established law throughout the period from 1859 to 1953. Accordingly, Congress enacted its statutes in light of that law, and with few exceptions, the Supreme Court interpreted legislation in accordance with that rule. Accordingly, the act of Congress and the interpretations of the Court, again with relatively few exceptions, have been in accordance with the rule of H. R. 3. Consequently, they would not be disturbed by H. R. 3 and we need have no fear that any wholesale upsetting of precedents, unsettling of the law, filing of lawsuits for reinterpretation, or any confusion or chaos will result. Therefore, we can disregard this argument.

It has also been argued that this Congress, by enacting H. R. 3, would be trying to tell the courts what all previous Congresses intended. Retroactive. For the same reasons as stated above, this argument has no validity. All of the previous Congresses acted in light of the then established rule of law which would be reaffirmed and enacted into legislation by H. R. 3.

Another favorite argument against the bill consists of citing what might be called horrible examples of what might result if the States are permitted to act in the same areas with Congress. By far the most popular example is the railroads. It is pointed out that the States might undertake to set conflicting rates for transportation of freight or passengers or that they might require the removal of safety devices prescribed under Federal law. Railway union employees oppose for a similar reason. The next most popular is the example of national defense, which is mentioned without elaboration of how conflicts might arise. It is a sufficient answer to these arguments that the bill does contain a provision for superseding State laws in the event of direct and positive conflict so that the two laws could not consistently stand together. Moreover, as a final resort, Congress can take up any specific situations which are not taken care of by the conflict rule and deal with them on a case-by-case basis. H. R. 3, however, would take care of most of these by dealing with the broad problem and thus would relieve Congress of having to give attention to most of them.

Another argument is that this bill would impugn the integrity of the Supreme Court and in effect charge it with intentionally finding intent to preempt when it knew that Congress had no such intent. This bill has no such effect. The Supreme Court itself has told us that even with the rules of interpretation it has developed, it is "often a perplexing question" whether the Congress intended to preempt in a particular statute—*Rice* v. *Sante Fe Elevator Corp.* (331 U. S. 218 (1947)). Moreover, the Court has frequently asked us to give it a better indication of our intent. H. R. 3 would do exactly this.

On the other hand, the minority report apparently does impugn the integrity and honesty of the Supreme Court for it charges, in effect, that the Court would avoid the effect of H. R. 3 by giving "a broad reading to the 'direct and positive conflict' standard" and by relying "increasingly on the theory of an unconstitutional burden on interstate commerce or on other constitutional theories unaffected by H. R. 3." I, for one, do not believe that the Supreme Court would disregard the purpose expressed by Congress in H. R. 3, and I do not believe that a majority of the Congress has that opinion of the Supreme Court.

There are 3 other arguments advanced against the bill which I want to discuss together because all 3 of them in effect impugn the character, integrity, and ability of the Congress. The first of these arguments is that H. R. 3, if enacted, would serve as an excuse for not correcting any specific cases which might need further action on the part of Congress. This point was advanced in the additional views submitted by my good friend, the distinguished gentleman from New York [Mr. KEATING], ranking minority member of the committee, with the committee report, on page 14. On the following page, however, the House Committee on the Judiciary was criticized for reporting "specific legislation overturning the Nelson decision immediately after it voted to report the present bill." I believe the Congress would continue to correct specific and urgent matters whenever necessary, and that this criticism is wholly invalid.

The second and third parts of this argument are that H. R. 3 would place an impossible burden on Congress of trying to ascertain to what extent State laws should be preempted and such intent should be expressly declared in a particular statute, and that this would result in a tendency on the part of Congress to include preemption provisions in all statutes. This again is, in my opinion, an unjustified attack upon the character, integrity, and ability of the Congress. As the minority report states, Congress should legislate only in response to a demonstrated need. Part of the task of Congress in determining what need is demonstrated is to find out to what extent a particular subject is being adequately regulated by State laws or should be so regulated by the States. Until we know that, we do not know the extent of the need. When we know that, we can expressly declare to what extent, if any, we wish to preempt State laws.

The final argument against H. R. 3 is really not an argument at all—it is a label which opponents would use to belittle the bill. It is stated that "H. R. 3 is a horse-and-buggy formula applied to an atomic age" and, similarly, that it

would resurrect matters from "the horse-and-buggy age to plague those who carry on business in the jet age." I submit that labels do not properly decide matters of this kind. It is also my considered opinion, based on the further comments in the immediate context in which the above labels have been used, that what the opponents really mean is that our Federal-State constitutional system of government is outdated and that we need complete preemption, complete federalism, and a single, centralized government. Although I do not agree, I recognize their right to hold this view if they wish. However, I do not recognize the right of anyone to make that change in our Government by implied preemption. If we are going to dispense with our Federal-State system, we should do it by amendment of our Constitution as provided for therein.

In my judgment we must legislate upon the cause of these problems, the very doctrine of preemption which the Court itself without Congressional enactment has declared to be the law of the land.

I affirm this is already the realm of the Congress, not the Court.

I support most emphatically H. R. 3 as now offered and urge that it be passed.

Mr. BOSCH. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BOSCH. Mr. Chairman, I consider the present H. R. 3 as one of the most important pieces of legislation to come before the membership of this distinguished body during this Congress. This bill has as its primary purpose the establishment of rules of interpretation governing questions of the effect of acts of Congress on State laws. It comes about, as evidenced by the lengthy hearings and discussions heretofore had, as a result of various decisions of the Supreme Court of the United States which have brought into focus widespread criticism that the Court has been indulging in judicial legislation by reading into Congressional statutes a legislative intent to occupy whole fields to the exclusion of State and local governments. This is commonly referred to as the doctrine of Federal preemption.

There can be no denying that in areas where concurrent State and Federal jurisdiction could exist a provision in a Federal act expressly superseding a State statute or declaring the field subject to exclusive Federal jurisdiction removes all State legislation in such field. However, the bone of contention is that in recent cases the Supreme Court has applied, on the theory of national interest and concern, the principle of Federal preemption even though the particular subject matter was not exclusively granted to the Congress by the Constitution. The fundamental effect of this proposed legislation is to prevent the Court from presuming a legislative intent which is not expressly stated in a statute so as to render invalid a State statute.

Finally, in view of the serious problem which certain decisions had created I, in my most recent questionnaire, included the following question: "In view of recent decisions of the United States Supreme Court, should Congress adopt legislation clarifying: (a) States' authority to deal with subversion?" The answer from my constituency was a resounding 90 percent "Yes" and 10 percent "No."

Mr. Chairman, I am firmly convinced that this legislation is necessary and essential to clearly spell out the basic principles governing a proper application of this issue of Federal preemption so that there be no diminishing of State or local powers. In view of all the foregoing, I wholeheartedly support this legislation.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania [Mr. NIX] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. NIX. Mr. Chairman, this proposed legislation, H. R. 3, without doubt came into being as a result of resentment against many decisions enunciated by the United States Supreme Court since 1954.

The proponents of this measure have advanced many reasons for its adoption; however, none of the arguments clearly sets forth the basic reason, which I conceive to be a determination to give to State courts the exclusive right to interpret a given set of laws, and to deny that right to the United States Supreme Court.

A reference to H. R. 3 discloses the following:

A. No act can be construed as preempting the field unless it expressly so states, or

B. Unless there is direct and positive conflict with State law so that the two cannot be reconciled or consistently stand together.

The passage of this proposed legislation would unquestionably mean that the basic structure of our laws, as well as the interpretation of those laws by the United States Supreme Court, for the past 150 years, could be changed and fashioned to the wishes of the legislatures and the courts of any State.

The passage of H. R. 3 could and would mean:

First. That laws already on the books as well as those enacted in the future not expressly preempting the field.

Second. With no direct and positive conflict with a State law.

Third. Where the two cannot be reconciled consistently or stand together, would leave the road open for any State legislature to enact a law identical to the Federal law.

The State courts then could and would interpret that law in a manner that would deny to minority groups the basic decencies, the hard-won rights so long fought for and so essential in a democratic society.

I must here remind the distinguished Members of this House that we dare not by any device or contrivance weaken or subject to unwarranted criticism and censure a part of the very structure upon which America stands—the United States Supreme Court.

On the contrary equality and justice must be our constant yardstick.

Mr. Chairman, I am unalterably opposed to this proposed legislation.

Mr. CELLER. Mr. Chairman, I yield 7 minutes to the gentleman from California [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Chairman, I have attended this debate as conscientiously as possible, and I cannot help but feel after these last hours that if you are a nonlawyer you have every right to be thoroughly confused. In the first place, we have the spectacle of the distinguished chairman of the Committee on the Judiciary, the able ranking Member and several others taking one position, and we find lawyers within the same body taking an entirely opposite position. We have gentlemen like the gentleman from Montana [Mr. METCALF] who spoke a few moments ago, pointing out that at least in a certain field of law there would unquestionably be a degree of confusion which, certainly to my satisfaction, no one answered to any degree.

Also in the colloquy with the gentleman from Maryland [Mr. HYDE], I became further confused when he was willing to give me Mr. Hamilton while he took Mr. Jefferson. I have no intention of giving up Mr. Jefferson and I feel Mr. Hamilton's stay is only a short loan. I cannot help but feel that in the process of these exchanges one must come up with the feeling that there are two sides to this problem, and no one is absolutely certain or can be certain as to what the effects of H. R. 3 would be.

Under those circumstances it seems to me that there is a reasonable ground for compromise which at least we should be willing to consider, and that is the compromise which I understand the gentleman from New York [Mr. KEATING] will propose in an amendment which would eliminate the retroactive features of this proposal. Certainly if that were done then it would become necessary for both Houses of Congress to make sure that in every measure which was passed by the Congress, if there were any intent that the preemptive feature be included, it be expressly so provided.

On the other hand, I cannot see how we can escape, or at least how the layman can escape from the feeling that if we do not eliminate the retroactive clause, we simply leave wide open the possibility of a wild field day for the legal profession because of the controversies which would be created.

In so doing, in the various fields, the labor field, and interstate commerce, including the railroads, we cannot help but open wide the door for a degree of uncertainty until each and every situation is litigated.

It seems to me that at this time of tremendously rapid progress we cannot afford such confusion in our domestic field.

No one would deny the right of Congress to examine some recent Supreme Court decisions. It is my understanding that the gentleman from Pennsylvania [Mr. WALTER] intends to take care of the difficulty about which we have had much discussion today as a reason for H. R. 3 by offering an amendment in the form of a substitute, or else a perfecting amendment, which would deal specifically with the so-called Nelson case. I for one if such an amendment is offered will support it, because I am not in agreement with the decision of the Supreme Court in that case.

It seems to me that at this time of situation, that in the past where the Supreme Court in our opinion made a mistake in interpreting the intent of the Congress we have been able to deal with it by specific legislation. I therefore certainly would support in this instance not only the right of the gentleman to bring it up but in my personal case I would vote for such an amendment to rectify what I consider to be a mistake on the part of the Supreme Court in interpreting the intent of the Congress at that time.

Therefore, it seems to me when we analyze these factors we cannot come up with any feeling that there is a dire need for H. R. 3 as such but that, on the other hand, all of the uncertainties which might arise might get us into a much more difficult situation than the one which has been presented to us by the proponents of the bill.

I sincerely hope that rather than jumping from the frying pan into the fire we may halt and take the course which is going to be made possible through the amendments which will be offered when we come to the reading of the bill.

I will support them in the hope that we may thereby overcome much of the criticism which has been made by the proponents of the bill without at the same time going overboard and creating in the minds of the people of our country the view that this Congress wants to attack the Supreme Court as a whole. I do not believe the majority of Congress wants or intends to do that. Many of the proponents of the bill have brought that out very clearly in their arguments. I say to them, therefore, that the one good way to make sure that such an impression will not come to pass is to adopt the amendments which will be offered when we come to that part of the reading of the bill.

Without such amendments a vote against H. R. 3 would seem necessary to preserve stability and justice on many vital fronts.

Mr. KEATING. Mr. Chairman, I yield myself 2 minutes.

In order that the Members may have the benefit of reading it in the RECORD, and pursuant to leave obtained in the House, I am inserting at this point in the RECORD a very interesting and enlightening editorial from the Richmond News Leader, one of the outstanding newspapers of this country, which speaks eloquently for the conservative element of the area it serves, entitled "Second Look at the Smith Bill." This was published in that great newspaper on June 20, 1958.

I think it is a very convincing and emphatic editorial which indicates that the newspaper at one time supported this legislation but, after more thorough and mature consideration of some of the representations made in opposition to it, has changed its viewpoint and feels that it is unwise legislation and that the objectives of the author should be reached through other methods, namely, specific legislation to deal with particular Supreme Court decisions where it is felt the Court has misconstrued the intent of Congress.

Mr. Chairman, this editorial is as follows:

SECOND LOOK AT THE SMITH BILL

Taken as a general proposition, the maxim that oratory changes no votes probably is quite true. If all speechmaking were eliminated in the Congress and in the general assembly, the fate of particular bills scarcely would be altered at all. The same thing is true of committee reports: They also change very few minds, and what applies to Congressmen ordinarily applies to outside observers. Man is an opinionated animal, characterized by a mulelike fixity in his views, and if he listens to opposing arguments he is not often moved by them.

That is a long-winded preamble to remarking that we have just read the dissenting views of Congressman KENNETH B. KEATING, of Rochester, N. Y., on the Smith bill, and find his points well taken. What had seemed to us a good and desirable bill, on second look, now seems of most doubtful value. This matter had better be prayed over some more.

The measure sponsored by Virginia's Congressman HOWARD W. SMITH is only one sentence long:

"No act of Congress shall be construed as indicating an intent on the part of Congress to occupy the field in which such act operates, to the exclusion of all State laws on the same subject matter, unless such act contains an express provision to that effect, or unless there is a direct and positive conflict between such act and a State law so that the two cannot be reconciled or consistently stand together."

This bill was offered by Mr. SMITH last year during the wave of resentment that hit many States righters in the wake of the Nelson and Hanson decisions. In the Nelson case, the Supreme Court ruled that Federal antisubversion laws had preempted the entire field to the exclusion of State enactments. In the Hanson case, the Supreme Court held that Federal legislation as to railways had nullified State right-to-work laws in this area.

These and a number of other opinions by the Supreme Court have served to read into acts of Congress language that the Congress never put there; they have served to strip the States of many of their reserved powers, and have tended to place greater authority in the Federal Government.

In resisting this evil, Mr. SMITH surely is to be commended for his purpose. He is on absolutely sound ground in attacking a subtle force that steadily is undermining the constitutional structure of American Government, and converting this federated Republic into a single massive state.

But Mr. KEATING's objections to the Smith bill are phrased in such cogent terms that we are compelled to the conclusion that while Judge SMITH has diagnosed the right disease, he has prescribed the wrong remedy. Mr. KEATING says in part:

"The bill will produce major legislative problems. Every past law in which Congress neglected to include an express provision stating an intent to occupy the field, will be in jeopardy no matter how plainly that intent can be inferred. And when Congress considers legislation in the future it will be compelled to review a multitude of State statutes to determine whether an express preemption provision should be included. It is of course desirable that Congress focus its attention on the problem of preemption in considering legislation, but it should not be forced to act at its peril. If the intent to preempt in particular situations can otherwise be determined, it should not be frustrated by the absence of particular language. Faced with that peril, a tendency could easily develop to include preemption provisions unnecessarily in future legislation with the result that State powers would be further curtailed, rather than preserved by this bill.

"The long-range consequences of this bill can only be to blur even more the vital distinction between lawmaking and law interpreting which must be maintained. Judicial lawmaking will hardly be curbed by a proposal which concededly has no meaning other than that breathed into it by future court cases. This bill does not divorce the Supreme Court from legislative functions; on the contrary, it virtually enjoins the Court to act as a quasi-Congressional body set up to reexamine the legislative intentions of enactments going back in some instances more than 100 years. The best safeguard of legislative prerogatives lies in a plain statement of legislative intention in each statute. It does not lie in enactment of an ambiguous bill which in essence is no more than a resolution of protest."

Those are thoughtful criticisms by a thoughtful man. And such is the ruddy political complexion of the Congress now (it will be pinker still after the redistricting of 1960), that we can well imagine Mr. KEATING is correct in warning that the bill could result in smaller, not greater, State powers. If Congress is invited to preempt, and that is what this bill would suggest, Congress may prove quite agreeable toward accepting the invitation.

Judge SMITH's best course, we are inclined to propose, would be to try again next year with specific bills to accomplish specific remedial purposes. The difficulty with the sweeping approach embodied in the bill now before the House is that it may sweep out some things we would like to hold onto.

Mr. PHILBIN. Mr. Chairman, this bill presents serious, far-reaching constitutional questions and I am gratified that the House is debating them so ably, carefully, and thoroughly. There are few instances indeed where, in my opinion, the House should apply a gag rule to the consideration of any important questions, and this is especially true when the measure in question relates to proposals to cope with current threats of communism and subversion.

The question to be decided here is simply one of the reaffirming by Congress, notwithstanding the decision of the Supreme Court in the Nelson case, of the right of the several States to enact laws to prosecute and punish those guilty of subversion and conspiracy to overthrow the Government. But this question has been greatly confused by other factors and possible consequences that have been read into the bill. It is claimed, for instance, that it would dislocate certain Federal laws in the fields of labor, industry, agriculture, transportation, and

civil rights; also, that it could have very harmful retroactive effects in vital fields.

This is very unfortunate insofar as the main purpose of the bill is concerned. I strongly favor legislative action to repeal the effects of the Nelson decision and thus assure the States of the power to legislate in the field of subversion. I hope that the bill may be amended to insure that result and to allay any fears that it will create legalistic uncertainty and confusion in other fields remote from that objective.

It seems to me that, apart from the Nelson decision and some other recent Supreme Court decisions, which have departed from constitutional principles long considered to be established and fundamental, the interpretation of the constitutional relationships between State and Federal sovereignties, for the most part, is well settled so far as the law is concerned.

If the doctrine of preemption is extended and applied to broader fields, as appears to be indicated by some of the recent decisions, it could well have destructive and dangerous effects upon States rights and the constitutional balance between the States and the Federal Government.

The Founding Fathers wisely provided in the Constitution for the system of checks and balances and the separation of powers between different branches of Government to guard against the evils and abuses of an all-powerful, centralized Government in Washington. Article 10 of the Constitution specifically reserves all powers not expressly granted to the Federal Government by that great document to the States.

If the day ever comes when the courts, or the Congress, or the Executive, or any, all or any combination of them, can ruthlessly sweep away these safeguards of individual liberty, State sovereignty and local self-government, the way will be cleared for the radical or reactionary corporate State concentrating governmental power in the Federal Government, obliterating the legal boundaries, rights and prerogatives of the States and vesting ultimate absolute power in the hands of a dictatorial, centralized system in the Capitol.

This is not the American way. To the contrary, it is just the opposite. It would do violence to all our concepts of individual freedom and State sovereignty. It would place the States and the citizens at the mercy of Federal bureaucrats and dictators. It would constitute a huge police state.

If there are features in this bill that would interfere with legitimate rights of labor, business, agriculture, transportation or consumer groups and others, entitled to constitutional protection for their legal or civil rights, let us amend the bill so that there will be no question concerning Congressional intent. We should not allow any language to remain in this bill that by any stretch of legalistic or judicial construction could endanger or abrogate any existing rights, or create fear, uncertainty and confusion in our system of jurisprudence, or economy, or in the minds of those who are looking to Congress to protect their rights and social and economic welfare.

I strongly favor a measure to give the States power to prosecute and punish subversion and conspiracy to overthrow the Government, sedition and similar offenses. But I would not look favorably upon any measure that could, by reasonable construction, visit individuals and the States with a welter of legalistic contention and penalties. Our States and our fellow citizens must be allowed to protect themselves against subversion but they must not be afflicted with oppressive federalization of their basic institutions. Unless this bill is appropriately amended I cannot support it. If it is amended to cover the subject matter of the Nelson decision alone, that is, State prosecution and punishment of subversion and conspiracy to overthrow the Government and the like, I propose to support it.

Mr. WILLIS. Mr. Chairman, I yield 10 minutes to the gentleman from Tennessee [Mr. LOSER].

Mr. LOSER. Mr. Chairman, I am dreadfully afraid there is a considerable misunderstanding about the full import of H. R. 3. To illustrate my point, I have a communication here which I received a day or two ago. There is a paragraph in this letter which reads as follows:

> It is apparent that the principal motivation behind H. R. 3 is an attempt to rebuke the Supreme Court for its decisions on segregation and civil liberties.

I want to disavow for myself any intention to rebuke the Supreme Court about any of its decisions. I have disagreed on a number of occasions with several of its opinions, but I shall not attempt to rebuke the Court in any regard. May I say, Mr. Chairman, that if I understand the record correctly, H. R. 3 was introduced in the Congress long before the segregation case was ruled on by the Supreme Court. Therefore, in my judgment, the author of this letter is in error. I hope that I will not bore the House in a discussion of the Nelson case because much has been said about it, and I have not heard anyone quote some of the pertinent language in it, it seems to me. Let it be understood, members of the committee, that this bill does not disturb substantive law. It is merely a procedural matter. It is for the purpose of announcing by the Congress to the courts that the act is an aid in the interpretation of the intention of Congress, in the absence of a positive declaration. It is said that it will result in confusion. First, let me say, in my judgment, H. R. 3 does not change any rule of substantive law as I understand it. It is simply a declaration that in the absence of a Congressional declaration as to its intent, or in the absence of a direct and positive conflict, the State statutes shall remain as the law of that community. I say to you, Mr. Chairman, that is the law now. This is a recitation, in my judgment, of the law of the United States at the moment and of the law as announced by the Supreme Court where the doctrine of preemption has been invoked, because the court will invariably say whenever the Congress has acted in a field committed to its jurisdiction, and that jurisdiction is exclusive, State statutes must fall. This bill, H. R. 3, so states.

The Supreme Court has determined that if a State statute is in conflict with a Federal statute the Federal statute is adopted in preference to that of the State, and the State law must fall. This, of course results from the supremacy clause of the Constitution.

Mr. Chairman, I wish to quote the Chief Justice, Mr. Warren—just a few words from his decision in the Nelson case—and I call this particularly to the attention of the gentleman from California [Mr. ROOSEVELT]. I may say that it is my considered opinion that the Chief Justice of the United States Supreme Court was chiding the Congress in the language employed in the Nelson case, because he was searching for the intention of the Congress in ruling on the validity of the Pennsylvania statute, and being unable to find or determine the intent of Congress in positive language, he resorted to an implication that he felt it was the intention of Congress to occupy the whole field in the law of sedition. Of course, when the Congress occupies the whole field of legislative enactment committed to its jurisdiction, then all State statutes must fall.

But if the Congress, even acting in a field committed to its jurisdiction, fails to occupy the whole field, that leaves to the State under the 10th amendment the positive right to legislate in that field not occupied by the Congressional act. So it is with this statute, for that express purpose, to guide and direct the Court with reference to Congressional intent, because the Court continuously seeks the intention of the Congress in the passing on the validity of legislation. Here is what Mr. Chief Justice Warren said, and I hope the members of the Committee will listen to this quotation, because it is extremely significant to me. As I said, I think it is a request on the part of the Court that the Congress express its intent in the legislation that it passes in order that the Court might not be compelled to resort to rules of interpretation in an effort to learn just what the Congress means. I quote the language of the Chief Justice:

> Where, as in the instant case, Congress has not stated specifically whether a Federal statute has occupied a field in which the States are otherwise free to legislate, different criteria have furnished touchstones for decision. (350 U. S. 501–502.)

That is what the Chief Justice said in the Nelson case. He said that where the Congress has not expressed its intention in a matter of concurrent jurisdiction—the Congress and the States—where the Congress has not expressed its intention, different criteria have furnished touchstones for decisions.

I say, it is my considered opinion that the Court was asking the Congress to furnish a touchstone with reference to legislation committed to the Congress and to the States concurrently. So I say, Mr. Chairman, this is an opportunity, this is in response to the Chief Justice.

Let us furnish a touchstone to the Court in order that it may determine just exactly what the Congress means in the enactment of Federal statutes.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. LOSER. I am glad to yield to the gentleman from California.

Mr. ROOSEVELT. I certainly admire the gentleman's presentation of this matter. I think he has brought out what to me is the important point which will come up in the amendment to be offered by the gentleman from New York [Mr. KEATING], because we have been challenged to do that in the future. But certainly I cannot see the logic of simply writing a blanket admonition for everything in the past. Certainly, it seems to me, we should take each case in the past, because those Congresses did not have the challenge, did not have the opportunity which now we have in being challenged, and which, if the gentleman's amendment is written into the bill, we, I presume, will accept. I cannot understand, and I wish the gentleman would explain how he would write all the laws of the past and say this was the intent of the Congress at that time. How do we know it was?

Mr. LOSER. I thank the gentleman so much. I shall attempt to respond to this question of retroactive application of H. R. 3.

The gentleman from New York [Mr. KEATING] proposes an amendment that will make effective the statute in the future and not be retroactive.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. KEATING. Mr. Chairman, since the gentleman is going to discuss my amendment and perhaps will favor it, perhaps not, I will be happy to yield him 5 minutes.

Mr. LOSER. I thank the gentleman from New York.

May I say to the members of the committee that any State statute that is valid now will be valid after H. R. 3 becomes the law of the United States. I say that for the reason that H. R. 3 does not breathe the breath of life into a State statute on a matter that is committed exclusively to the Congress irrespective of H. R. 3. That is indisputable. I say further that H. R. 3 does not breathe the breath of life into a State statute in any matter committed to the Congress and to the States concurrently, so long as the State statute is in hopeless conflict with the Federal statute. The Federal statute, in this situation, prevails irrespective of H. R. 3. There is nothing retroactive about this statute. Any State statute now in hopeless conflict with a Federal statute will be invalid irrespective of H. R. 3. So I do not see any retroactive or retrospective application in H. R. 3.

It simply furnishes a touchstone for the information and guidance of the Supreme Court. It is a test or a criterion by which the scope and import of Congressional acts in the area of Federal-State relations might be determined. It means that the courts shall not indulge a presumption that Congress intended to preempt the legislative field to the exclusion of State laws on the same subject unless the act so states or unless there is a direct and positive conflict. That is all there is in the bill. It is procedural. It does not touch any provisions of the Constitution. It would simply be a touchstone, as the Chief Justice inquired about in the Nelson case. The Congress has furnished none, therefore the Court had to resort to rules of construction in order to determine what the Congress intended.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. LOSER. I yield to the gentleman from California.

Mr. ROOSEVELT. Could I ask the gentleman whether in the past, however, it has not been the understanding of the courts it was not necessary to have as it would now be necessary an express provision, that, rather, the legislative history as developed in the debates here was what the Congress felt would be guiding, therefore there is a retroactive feature because of the fact that you are now saying it must be express, whereas in the past it was assumed it would come about by legislative debate?

Mr. LOSER. I say to the gentleman from California that it has not been true in the past that the Congress had to indicate its intention in the phraseology of the act in order for the Court to rule this way or that way. But I will say to you, sir, that this bill is a restatement of the law from the founding of the Union, ruled 125 years ago. Let me see. What was the style of the case in 9 Wheaton?

Mr. WILLIS. Sinnot against Davenport?

Mr. LOSER. No. Earlier than that.

Mr. WILLIS. Gibbons?

Mr. LOSER. Yes; the Gibbons case, at which time one of the distinguished lawyers within the memory of the Nation, Daniel Webster, argued that whenever the Congress entered a field there was nothing left for the States, but Chief Justice Marshall did not accept it then, and it has never been stated by the Court that that was a rule of law. It has always been held that the Court would determine for itself whether or not the Congress intended to preempt the field or not. But it has become necessary as a result of the Nelson case for the Congress to make known its intentions, and that is the reason for H. R. 3—to give them the law, to furnish a touchstone in the interpreation of the law.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. CELLER. Mr. Chairman, I yield myself 2 minutes to correct a statement made by the gentleman from Tennessee. He referred to the case of Gibbons against Ogden found in volume 9, Wheaton, page 16, law edition 23.

In that case we find that the decision involved an act of the New York Legislature granting to Robert Fulton and Robert Livingston a monopoly on steamship navigation on all waters within the jurisdiction of New York State for a term of 30 years. Relying on that statute, the New York courts enjoined Gibbons from operating his steamship back and forth across the Hudson River between Elizabeth, N. J., and New York City. Gibbons had been licensed by the Federal court under an act of Congress to engage in the coasting trade. The Supreme Court set aside the injunction granted by the New York State courts. It declared at page 212 of the decision:

The whole act on the subject of the coasting trade implies unequivocally an authority to license vessels to carry on the coasting trade.

And, they concluded that the monopoly granted by New York State conflicted with this Federal act. Now, that anyone in this day and age questions the correctness of the Supreme Court decision in Gibbons against Ogden is rather surprising. The Supreme Court could not have decided otherwise than it did if the United States was to be a Nation rather than a loose confederation of southern States. Now, certainly we could not go on with the situation where the State of New York could say to the Federal Government "You must take a back seat as far as the waters of New York are concerned and the waters around New York State." Naturally, the State could not exercise dominion over the waterways that are really part of the Atlantic Ocean and prevent a man under operation of a license from the Federal Government plying his steamship or his steamboat from New York to Elizabeth, N. J., where that steamboat passed through waters leading into the ocean.

Now, it is exactly that sort of decision that would in a certain sense be regretted. It is that sort of a point of view that was possessed by the New York State legislature that would be created by H. R. 3. Certainly there was no preemption when the Federal Government specified the licensing act under which this man operated a steamship; there was no such idea of preempting the field. But the Supreme Court in its wisdom held that we could not grow up as a Nation, we would have no prospect of growing up as a Nation if a State could exercise dominion over waterways in that way. That case is the best illustration for the opposition to H. R. 3, and I am very glad the gentleman raised the question. Now I am very happy to yield to him.

Mr. LOSER. Mr. Chairman, I would ask the gentleman from New York whether in the Ogden case Chief Justice Marshall did not write the opinion and use these words:

Held, repugnant to the Constitution (commerce clause) so far as act prohibits vessels licensed under the laws of the United States for carrying on coastwise trade from navigating said waters by fire or steam.

Mr. CELLER. I do not recall the exact words, but I shall take the gentleman's word for it. What do they imply? What was the entire decision? Certainly the gentleman cannot lift a few words out of a decision and try to clothe those few words with some sort of intention. Take the whole decision; that is what you must do.

The CHAIRMAN. The time of the gentleman from New York [Mr. CELLER] has expired.

Mr. CELLER. Mr. Chairman, I yield 5 minutes to the gentleman from Maine [Mr. COFFIN].

Mr. COFFIN. Mr. Chairman, I rise to speak in opposition to H. R. 3 because my first and probably my last, although not my present, profession is the law. As Holmes so well stated it, "The law is a jealous mistress." Even though I am not keeping company with her now, as a practitioner, I still have a proprietary feeling about her. When we start keeping company again, I do not want to see her unnecessarily ravaged.

In looking at H. R. 3 let us ask ourselves these questions. They are good questions to ask about any legislation. Is it necessary? Is its meaning clear? What are the burdens imposed by it? Is there a better approach to solving the problem? H. R. 3 flunks all these tests.

First, as to necessity, the majority report of the Judiciary Committee makes the undocumented assertion that in recent years many State laws have been nullified and many new areas have been taken over by the doctrine of Federal preemption. But I have seen no documentation of the total number of cases involving the preemption doctrine in the past decade or two; how many went to the Supreme Court; how many were resolved in favor of Federal supremacy and how many in favor of State laws. I doubt that such an analysis could easily be made. I am convinced, however, that a balanced review of Supreme Court activity over the years would show that most decisions have met with the approval of a consensus of informed opinion.

As recently as May 20 of this year the Supreme Court found for State legislation in two ICC cases; a week later, on May 26, it upheld State jurisdiction in labor relations in two cases.

Mr. Chairman, the Nelson case is being asked to pull too big a load of legislation.

Second, we must ask whether the meaning of H. R. 3 is clear. What does it do—make a change in the construction of statutes, or leave the law where it is? The eminent author of the bill obviously is convinced that it would make a change in legislation affecting many areas of our economy and our society. However, I call the attention of the House to a most revealing colloquy in the hearings on pages 33 and 34. Deputy Attorney General Walsh, in discussing the amended version which we have before us today, makes the point no fewer than 4 times that he believes that the Court would construe this bill as a declaration of existing law, would go ahead as before, and would even come up again with its same decision in the Nelson case.

If we were sure that this would be the result, then the worst that could be said against this bill would be that it does nothing. But obviously we are not sure. The proponents of this bill are convinced that it will change the course of future decisions. Of one thing we can be certain: the uncertainty which will be spawned by H. R. 3.

This leads to our third question: What are the burdens of these uncertainties? The first burden will rest on Congress. Since H. R. 3 applies, at the very least, to existing legislation where the point of preemption has not been passed upon, Congress will have to decide whether to move in and declare its intent in thousands of laws. It could, of course, sit back and await the result of a flood of court cases, but this too is a burden of responsibility even though it is a burden met by inaction rather than action.

Congress, however, cannot duck its responsibility relating to future legislation. It could, of course, try to make its job easy by writing in a preemption clause to all major legislation. But if it does this, States rights will have suffered an invasion that will make all encroachments up to the present seem like the casual visits of an inoffensive hitchhiker. And we are not so naive as to assume that a boilerplate preemption clause would not stir us into mighty and prolonged debate on practically every issue that comes before us.

If Congress decides to be selective in attaching a preemption clause, how will it do this without studying the legislation on the subject of all the States? This would be a mammoth job. But this is not the end of the task. Congress would also have to try to foresee and forecast future situations that might arise. When Congress passed the Interstate Commerce Act in 1920, giving the ICC control over the securities of interstate railroads, it could not have foreseen the tremendous, later popularity of conditional-sales agreements as a means of financing equipment purchases. The ICC had to rule on this point and did rule that such an agreement was not a security and could therefore be regulated by the States. But, if H. R. 3 had been in the lawbooks, there would have been no such discretion, because a blanket preemption clause would undoubtedly have been part of the equipment of that legislation.

So much for the burden of Congress. I think it is an overwhelming and unrealistic one. The second burden falls on the courts. In the first place, the Court will have to face the field of cases which have already been adjudicated. Now I know that this is not the intent of the proponents. But ever since Gibbons against Ogden our courts have been plowing the field of preemption. They have not always used the same blade on their plow. The Judiciary Committee in its 1956 report, when it sponsored a form of H. R. 3 confined only to sedition cases, quoted *Hines* v. *Davidowitz* (312 U. S. 52, 67), which summarized some of the expressions which have been used over the years, as follows: "conflicting, contrary to; occupying the field; repugnance; difference; irreconcilability; inconsistence; violation; curtailment; and interference."

This, then, is the problem, even as to laws already passed upon: If the Court has struck down a State law because there was curtailment or difference, is not the way clear to come into court and argue that, although there was a difference between State and Federal laws, there was not a direct and positive conflict between such act and a State law so that the two cannot be reconciled or consistently stand together? This is why I think that the Judiciary Committee was right in 1956 when it said in its report, page 3:

> It appears questionable that a formula could be found that would serve to define in all instances just how the relationship between State and Federal laws should be interpreted.

And this is why I think the committee is wrong today.

Beyond this there is another difficulty, even if through some alchemy we could be sure that existing adjudications would not be either attacked or upset. A major absurdity looms when one applies it to existing Federal legislation whose relation to State statutes has not yet been adjudicated. If one assumes that there is in existence some Federal statute which might well have been held inconsistent with, and therefore predominant over, State legislation in the same field, is the Congress by the new legislation to say to the Federal courts, "Although when this Federal legislation was passed, you would, under your canons of interpretation at the time, have declared State legislation in the same area to be ineffective, we now direct that what would have been the intent of the Congress in 1928 be treated as different in 1958"? Does this mean that H. R. 3 is in effect enacting a new clause in all existing Federal legislation, no matter how old, which may come in conflict with State statutes of the same general sort?

Still another difficulty exists, because, in the last analysis, the Court will still have to determine when State and Federal legislation are in "a direct and positive conflict." And there will still be litigants, States, and Congressmen unhappy with decisions.

Finally, all this means an imponderably great onrush of litigation for the courts. In the hearings—page 14—testimony from the Department of Justice indicated that the increased litigation would offset the efforts of the past 4 or 5 years to reduce court congestion.

We have been talking about the burden of H. R. 3 on Congress and on the courts. What about the people? There are at least three kinds of problems. One is that a person or company which has been operating legally under existing interpretations of State and Federal laws would find himself or itself subject to criminal liability. A second pitfall is that civil suits, based on the changed legal situation, would spring up like weeds. This is compounded by the fact that they could rise out of transactions going back indefinite periods of time.

Apart from civil and criminal litigation, there is the day-to-day, bread-and-butter problem of determining how to operate under double standards, where for many years a workable arrangement has been clearly defined.

The classic case, most familiar to us, is that of the railroads. Will differing rate levels apply to the same commodity as it travels through different States? Will penalties differ? Will there be differing rules for safety appliances, inspections, hours of work? What will happen to the uniform bill of lading? Multiply these difficulties by applying

them to air, road, and sea transportation.

If you are a farmer shipping only in interstate commerce, what are your additional burdens under H. R. 3? If you depend on or work with a marketing association, or a warehousing system, what additional regulations will apply?

If you grow produce or make a product subject to food and drug regulations, what crazy quilt of regulations will affect you? If you are an interstate employer, but your employees have different kinds of rights in the different States in which you operate, how can you hope to develop comparable wage scales?

In the complicated field of bankruptcy, what State laws would suddenly emerge and claim priority? How would such a matter as priority among creditors be adjudged?

If ever there were a legislative key to Pandora's box, H. R. 3 is it.

The final question to be asked is whether there is a better way to approach the problem of conflict between State and Federal legislation. The answer, in my opinion, is simply to approach the problem, as we have for 169 years, on a case-by-case basis.

As far back as 1789 Congress passed a law allowing pilots to be regulated by State laws, until Congress made further legislative provision. Under this law, the Supreme Court in *Cooley* v. *Port Wardens* (12 How. 299), in 1852, upheld an 1803 Pennsylvania statute regulating pilotage. In this matter Congress had taken care of a situation ahead of time. But it can just as easily take care of a situation where it does not want to occupy a field after the Court has held against a State. This is what happened in the plant quarantine case cited on page 10 of the report.

I know that it sounds eminently fair to question why the Supreme Court should ever have the power of construing Congressional intent. The answer is that this power is the lubrication that is necessary if the cogs of government are to mesh. Since omniscience is not granted us, the Court must have the power, when a statute is to be applied to a set of facts which nobody could ever foresee, to look not only at the statute but all of the legislative history to see what commonsense dictates, under the facts as they exist.

In summary, I do not believe that a case has been made for such sweeping legislation as H. R. 3. At best it declares existing law. At worst, it places absurd burdens on Congress, the courts, and the American people. The tool of specific legislation is adequate to the need.

In closing I must admit that my attitude toward H. R. 3 has been influenced by my attitude toward our Federal court system. It has been so well expressed by a letter to me, in answer to my request for his views, from Prof. Arthur E. Sutherland of the Harvard Law School, that I want to quote part of it:

> I suppose that one's attitude toward this entire question is affected by one's evaluation of the part which the Federal judiciary plays in our constitutional system. My own view, for what it's worth, is a fundamentally conservative one. It seems to me that, in the last hundred and seventy years we have, through the cooperation of the legislative and judicial branches, achieved an extraordinarily fair and successful governmental system. You or I, or anybody else, is apt to become irritated with what we may think malfunctioning in specific instances. But one is apt to take too much for granted the remarkably successful operation of the system as a whole. And it is easy to forget that, while strictly speaking the Constitution can only be amended by the process described in article V, in practical effect the Congress can make rather drastic changes in our constitutional balance by its control over the jurisdiction of the Federal courts. And this is not a business to be entered into lightly or unadvisedly, but soberly, reverently, and discreetly.

Mr. CELLER. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. VANIK].

Mr. KEATING. Mr. Chairman, I yield the gentleman from Ohio 5 minutes.

Mr. VANIK. Mr. Chairman, I want to take this opportunity to speak in opposition to H. R. 3, an 81-word, 1-paragraph colossus which threatens to do a "snow job" on the whole body of Federal law. I oppose this bill because in an innocuous unsuspecting manner it is probably the most far-reaching piece of legislation to be considered by Congress in recent years, not only because of its legal effect but because of its effect on domestic economics.

I have no objection to legislation to correct the situation which arises from the Supreme Court decision in the Steve Nelson case in which the Court held that the United States Congress assumed the whole burden of protecting the Federal Government against subversion when it passed the Smith Act. The negation of 42 separate States' sedition laws by this decision was not a desirable legal development and certainly not one to improve Federal-State relationships. The decision of the Supreme Court, however, does not justify those who differ to use this decision as a means of writing off and destroying established Federal authority. The decision in the Steve Nelson case must be corrected, and I would be enthusiastically pleased to support legislation to that end. If the correction of the Steve Nelson case is truly the aim of this legislation, why not provide statutory language to specifically cover the point?

This bill could very well be called the Lawyers Full Employment Act of 1958—no other legislation previously enacted by Congress could create as great a bonanza for lawyers.

The language of the bill could not be made more broad. It would have an effect on all substantive Federal law written to date. It would affect the prospective—or future—enforcement of all existing statutes, including the great body of Federal law relating to the Interstate Commerce Commission, the Federal Power Commission, the Pure Food and Drug Act, railroad safety legislation, and heavens knows what else. Enactment of this legislation would jam the judicial system with an avalanche of revitalised litigation to determine rights under the new language. It would fester and erode established Federal authority in domestic affairs as the Bricker amendment attacks Federal sovereignty in international affairs.

I have not been happy with the widespread growth of Federal authority. But it has developed because of the backward reluctance of some of the several States to cope with major problems such as unemployment, social security, and equality of opportunity. There appears to be no alternative way to guarantee substantial fulfillment of necessary objectives in preserving and improving the common social good. The 48 separate State governments united with the Federal Government as they have been in the administration of social legislation have accomplished much. The 48 States, however, are individually in no better position to protect the American citizen from economic suppression than from external aggression. One force is as evil as the other.

What could an individual State do about monopoly practices in a sister State which extorts from its citizens at the market place? Shall we encourage monopoly practices which would permit Michigan to extort rigged automobile prices from the citizens of other States? Shall we permit Texas, Oklahoma, Louisiana, and Arkansas to command rigged prices for natural gas which is so urgently needed by the citizens of the other States? Should the Great Lakes States and those of the upper Missouri Basin conserve their fresh waters and dry up the ship channels of the Mississippi Delta? Should Ohio prohibit the importation of tobacco to protect the public health? Should Florida and California pass laws prohibiting the entry of travelers unless they possess a visitor's visa in the form of a round-trip ticket and enough funds to sustain them for the period of their stay? Should the homebuilding codes of steel-producing Pennsylvania outlaw the use of inflammable Oregon and Washington timber in the interests of public safety?

In this argument of States rights as against Federal preemption, is it entirely coincidental that the States which have most vigorously demanded States rights have also demanded the most Federal aid?

If H. R. 3 becomes law, the devastated Supreme Court decisions would include the doctrine established in the case of *Oklahoma* v. *The Kansas Natural Gas Co.* (221 U. S. 229 (1911)). This case held that gas, when reduced to possession, is a commodity, the individual property of the owner; and, secondly, that the business welfare of the State is subordinated by the commerce clause to that of the Nation as a whole. If the States exercise the power reverted to them in H. R. 3, Pennsylvania might keep or arbitrarily rig the price of its coal, Michigan its automobiles, the Northwest its timber, the Southwest its gas, and Florida its orange juice.

Is it entirely coincidental that the proponents of this legislation fail to include any widely known leaders of social progress? What individual rights do they propose to restore? Can we expect the several States like Virginia, Mississippi, Alabama and Georgia and Arkansas to do more to insure civil rights?

Like its companion bills—the right-to-work laws now being considered in

the several States—H. R. 3 is substantially a right-to-legislate-the-Federal-Government-out-of-business law. By substituting State law for the Supreme Court's determination of Congressional intent in all legislation heretofore enacted—an aggressive attack would be made on desirable and necessary Federal authority.

The equal and uniform application of essential law would be substituted for the competitive and advantage-providing law of the several States. Order would be traded in for a new kind of disorder designed to create profitable advantages for individuals who cherish that liberty.

I oppose this bill because I candidly fear it to be the gas bill of 1958. Among the Supreme Court decisions it seeks to correct is the *Phillips Petroleum Co.* v. *Wisconsin* (347 U. S. 672 (1954)) which defined the Phillips Company as a "natural gas company" within the meaning of the Natural Gas Act, because it sold gas to interstate companies which transported and sold it to distributing companies in 14 States. The attack extends to the *Interstate Natural Gas Co.* v. *Federal Power Commission* (331 U. S. 682) which held that a company was engaged in the gathering of natural gas and subject to the Natural Gas Act if its gas was comingled with that produced by other companies and placed in interstate shipment.

In the Interstate case, the Supreme Court held that the regulation of gas sold for consumption in other States was a matter of national contrasted to local concern. The Court held that—

> Unreasonable charges exacted at this (the gathering) stage of the interstate movement become perpetuated in large part in fixed items of costs which must be covered by rates charged subsequent purchasers of the gas, including the ultimate consumer. It was to avoid such situations that the Natural Gas Act was passed.

The Supreme Court did not have specific and absolute language to formulate its decision in either the Phillips or the Interstate decisions—in each of these cases the Court sought to determine legislative intent consistent with the language and legislative history of the Natural Gas Act which was designed to protect the gas consumer from unbridled suppression. In determining legislative intent, the Court looked to the only available source material, the committee reports.

H. R. 3 would narrow Federal judicial interpretation to specific statutory language. The several States would promptly enact or reactivate overruled laws which would fill the void between written Federal laws and their interpretation.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KEATING. Mr. Chairman, I yield the gentleman 2 minutes and ask him if he will not yield to me at this point.

Mr. VANIK. I yield.

Mr. KEATING. The gentleman is just as right as rain about his analysis of what is intended by this legislation. It will reach, and I wish all those who favor this legislation to hear this, it will reach bill after bill which they have voted against in prior Congresses, including the gas bill and any number of other statutes that are unknown at this time.

I think the gentleman is making a very illuminating statement on the subject.

Mr. VANIK. I thank the gentleman.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield.

Mr. McCORMACK. I would like to ask the gentleman from New York [Mr. KEATING] if this bill passes then the natural gas bill that we oppose so much is evidently taken care of.

Mr. KEATING. The natural gas bill is taken care of and many bills are taken care of in the field of labor. Many phases of civil rights legislation are taken care of if this bill becomes law, which I am sure it will not.

Mr. VANIK. I thank the gentleman.

Mr. Chairman, if this bill is passed the State of Texas through its Railroad Commission dictating natural gas policy for over 50 percent of the natural gas of America would promptly supply State statutory definition of a natural gas company which would exclude just about all gas operations in Texas from the regulation of the Federal Power Commission. The producing, gathering and price rigging of natural gas would become a State's individual concern. History does not indicate that the gas consumers of Ohio and 21 other States can rely upon the integrity and profit restraint of the Texas gas and oil industry.

Under H. R. 3 the Federal Power Commission authority would be limited to the actual movement of gas in interstate commerce—at which point it could only rubber stamp the price-rigging efforts of the intrastate gas gatherers and pass them on to the pitiful consumers, who would have to resort to their coal buckets if they chose not to genuflect to the newly liberated gas and oil overlords. Beware of the liberties we give them in H. R. 3—the liberty we give may very well be our own—yours and mine.

Mr. CELLER. Will the Chair announce the time remaining?

The CHAIRMAN. The gentleman from New York [Mr. CELLER] has 9 minutes remaining, the gentleman from Louisiana has 21 minutes remaining, and the gentleman from New York [Mr. KEATING] has 26 minutes remaining.

Mr. WILLIS. Mr. Chairman, I have only one more request for time. I understand the gentleman from New York has two, and he desires to close debate. So I suggest that he might want to use more of his time.

Mr. CELLER. Has the gentleman from New York [Mr. KEATING] any requests for time?

Mr. KEATING. I have no further requests at the moment.

Mr. CELLER. I am disinclined to call anybody at the moment. The gentleman from Louisiana has far more time than I.

Mr. WILLIS. I was just trying to inquire from the gentleman how many more speakers or requests for time he has.

Mr. CELLER. About 2 or 3 requests.

Mr. WILLIS. I suggest, then, that the gentleman yield to two of them.

Mr. CELLER. That would only leave me 3 minutes.

Mr. WILLIS. Nevertheless, without wanting to be technical, the custom is that the proponents of a measure are entitled to close the debate. If the gentleman personally wants to close the debate I would have no objection, but I do not think the proponents of the bill have to stand by and have three speakers who are in opposition follow them to close debate. I ask a ruling of the Chair on that.

Mr. CELLER. I will state that there is only one more speaker, the gentleman from Michigan [Mr. DINGELL] and myself. I suggest, therefore, that the gentleman from Louisiana call the gentleman from Virginia [Mr. SMITH], who I understand is the last speaker on his side and I shall ask to proceed for 5 minutes after the gentleman from Virginia concludes.

Mr. WILLIS. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. WILLIS. I think the Chair has heard the situation from the colloquy that has transpired. I represent the proponents of this measure. I think the custom has been that proponents are entitled to close debate. I do not want to insist on that position, but I do not see why the opponents should have two speakers to close debate.

Mr. KEATING. Mr. Chairman, I understand that under the rules I have the most time remaining and that if I have a speaker I would be entitled to recognition for the purpose of extending time to him.

The CHAIRMAN. The gentleman would be recognized.

Mr. KEATING. Mr. Chairman, I yield such time as he may desire to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Chairman, I am wondering if we cannot straighten this out. I appreciate very much the consideration of my good friend from New York and I am utterly amazed because I had no idea he was going to yield me any time. It is getting late in the afternoon, there are about a dozen Members present, and I do not like to detain them. I wonder if we cannot reach a little agreement for about a half hour of debate in the morning and rise now.

Mr. CELLER. Mr. Chairman, that would be perfectly agreeable to me, but how do you want to divide the time?

Mr. KEATING. Mr. Chairman, this graciousness on my part extends only until midnight tonight. I would not want to have the gentleman from Virginia feel that he could come in tomorrow and use all the time remaining. I might have a lot of other requests by morning.

Mr. SMITH of Virginia. I was afraid there was a little catch in that generosity.

Mr. KEATING. I always try to be generous with the gentleman, but I do not want to overdo it.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that the gentleman from New Jersey [Mr. THOMPSON] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Chairman, this bill is either meaningless, or is designed to repeal the Constitution, and the fact that it is impossible to determine which, demonstrates the fuzzy mindedness of its authors.

Let us be somewhat more candid about this problem than has often been the case. Why has the Supreme Court been so bedeviled by the problem of preemption? The answer is ready at hand; in the vast majority of cases it is because we have not made up our own minds. Where we have given the Court a clear line, as was done in the 18th amendment and the Volstead Act under it, the Court has respected our directions and has allowed both Federal and State legislation to operate concurrently. But this is the exception. Usually legislation emanating from these chambers is confused and ambiguous on this question, and since someone has to decide, if the citizen is to know to what law he is subject, the task falls to the Supreme Court.

For this confusion and ambiguity there are some good, and some bad, reasons. The good reasons are that in many cases we would be unable to give the Court clear lines of direction even if we were so minded. Prior to the passage of the Interstate Commerce Act, there was a host of State statutes dealing with railroads. The Congress could, of course, ascertain what those statutes were, but it could not, in the nature of things, know what interpretations they would be given by the State or Federal courts, nor how they might in the future be supplemented or amended. And so the Congress, somewhat ungraciously, took the only course open to it and dumped the problem squarely into the lap of the Supreme Court. In the intervening years, there have been numberless decisions determining whether State safety appliance acts, rate regulations, taxation, length-of-train laws, and other enactments might validly be enforced. These are tough and delicate problems. As the railroads have continually pointed out in their opposition to this measure, a host of conflicting State regulations can so handicap their operations as to bring this presently troubled national asset to a complete halt. On the other hand, it is evident that the railroads should not be completely exempt from all State requirements, notably in the field of taxation. If we are unwilling and unable to take a stand on these matters, it is grossly unfair to berate the umpire we have necessarily selected to decide them.

Another good reason is that in many cases it is unnecessary for us to decide whether a Federal statute shall preempt State law. Most legislation which we pass has in it the seeds of some conflict with some State statute, somewhere, sometime. It does not necessarily follow that such conflict will arise. The appropriate circumstances may never occur. There is wide room for accommodation between those charged with the enforcement of Federal and State laws, and it is daily routine for the representatives of these bodies to iron out administratively such disagreements as may occur. The Congress, when such a conflict is brought to its attention, may by appropriate legislation resolve the difficulty. In short, there is in most legislation no valid reason for us to anticipate troubles of this kind, to engage ourselves in academic arguments about the reach of Federal and State law, which the future may demonstrate to be utterly irrelevant.

But, it may be answered, it is then our duty to so clarify existing law that the Supreme Court will no longer be charged with this onerous task. To that I would agree, if there were any clear way of anticipating the myriad State statutes, and interpretations of such enactments, in so many diverse fields as concern us. We should, at the least, put forth our best efforts to clarify our intentions in dealing with specific legislation. But this proposed measure is no more than another evasion of the problem. Nether I, nor any Member of this body, can predict with any assurance how this measure, if adopted, will be treated by the courts. The language "unless there is a direct and positive conflict between such act and a State law so that the two cannot be reconciled or consistently stand together" has been frequently used by the Court itself. If it is held to be merely declaratory of existing law, the enactment is meaningless and the Court will still have to decide these issues as best it can on a case-by-case basis. I shudder to think of the consequences if the Court were to read this proposal to mean that every State enactment must stand unless its language, on its face, is directly contrary to some valid Federal enactment; the confusion which would be engendered in such diverse fields as transportation, immigration, labor relations, agriculture, fair labor standards provisions, taxation, utilities, and a myriad of others is awful to contemplate.

It is no mere rhetoric to insist that the supremacy clause has made us a Nation; it marked, indeed, the most vital departure from the Articles of Confederation, and transformed us from what German jurists designate a bundesstaat to a staatenbund, from a confederation of States to a Nation comprised of a Union of States. It is one clock that can never be turned back as our greatest national agony demonstrated for all time. Many among us may resent the growing influence of the National Government; many may nostalgically long for days past. But no one, in more rational moments, can deny that the growing pervasiveness of Federal law is an accurate reflection of the increasing complexity of our problems and the growth of our national stature. A national network of railroads led to the Interstate Commerce Commission, the airplane to the Civil Aeronautics Board, radio and television to the Federal Communications Commission, interstate sale of securities to the Securities and Exchange Commission, and so through the whole range of Federal activity. These are the facts of modern life. They cannot be waved away by a peevish effort, misguidedly and unfairly directed to, at most, a few decisions of the Supreme Court, in an effort to raise State law to the dignity and validity of Federal acts duly adopted within constitutional limitation. H. R. 3 deserves to be, and I hope will be, rejected by the Members.

Mr. CELLER. Mr. Chairman, I move that the Committee do now rise.

Accordingly the Committee rose; and the Speaker pro tempore Mr. KILDAY having resumed the chair, Mr. THOMPSON of Texas, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 3) to establish rules of interpretation governing questions of the effects of acts of Congress on State laws, had come to no resolution thereon.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. McGown, one of its clerks announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 12575) entitled "An act to provide for research into problems of flight within and outside the earth's atmosphere, and for other purposes."

INCREASED COMPENSATION FOR CERTAIN EMPLOYEES

Mr. McCORMACK. Mr. Speaker, I offer a resolution—House Resolution 633—and ask unanimous consent for its immediate consideration.

The Clerk read as follows:

Resolved, etc., That there shall be paid out of the contingent funds of the House of Representatives to employees, whose compensation is paid from appropriations contained in the paragraph designated "Folding Documents" under the heading "Contingent Expenses, House of Representatives," contained in the Legislative Branch Appropriation Act, 1958 (71 Stat. 249; Public Law 85-75), retroactive compensation in accordance with applicable provisions contained in the Federal Employees' Salary Increase Act of 1958 (Public Law 85-462).

The SPEAKER pro tempore (Mr. KILDAY). Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

Mr. KEATING. Mr. Speaker, reserving the right to object, may I ask the majority leader for an explanation?

Mr. McCORMACK. Mr. Speaker, I will be very happy to, and I think one is in order. This has been cleared with and screened by the chairman of the Committee on Post Office and Civil Service and the ranking member thereof, also by the minority leader. This resolution will make in order for the Clerk of the House to pay people over in the folding room of the House of Representatives who were inadvertently

omitted from the recent increase in salary of 10 percent, which employees are on the payroll. I am informed that the total number of people involved is about 99, of which 30 are employed regularly and the remainder, 69, are carried as the workload permits. I am informed that the total amount involved will be between $5,000 and $6,000. Everyone else has been included and this will in no way be anything that is not just and right. They work by the hour and they are paid by the hour. These rate workers were on the payroll when the recent pay raise bill was passed and signed by the President.

Mr. KEATING. I agree with the gentleman, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ATOMIC ENERGY COMMISSION APPROPRIATION BILL

Mr. PRICE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 13121) to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

Mr. TEAGUE of California. Mr. Speaker, reserving the right to object, may I have an explanation, please, of what this is about?

Mr. PRICE. This is the authorization bill for the Atomic Energy Commission, a bill which was approved by the House on Monday and in the other body on yesterday.

Mr. TEAGUE of California. Has it been cleared with the leadership on this side?

Mr. PRICE. It has been cleared with the Members of the Joint Committee on both sides of the aisle.

Mr. TEAGUE of California. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

The chair hears none and without objection appoints the following conferees: Messrs. DURHAM, HOLIFIELD, PRICE, VAN ZANDT, and HOSMER.

There was no objection.

IRENE MONTOYA

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 493) for the relief of Irene Montoya, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

The Chair hears none, and without objection appoints the following conferees: Messrs. LANE, DONOHUE, and POFF.

There was no objection.

DISTRICT OF COLUMBIA STADIUM ACT OF 1957

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 12162) to amend the District of Columbia Stadium Act of 1957 to require the stadium to be constructed substantially in accordance with certain plans, to provide for a contract with the United States with respect to the site of such stadium, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 2, strike out "union" and insert "section."

Page 5, line 22, after "Columbia" insert "from the Secretary."

Page 5, line 24, strike out "from the Secretary."

Page 6, line 21, strike out "Commissioner" and insert "Commissioners."

Page 9, line 7, strike out "1957";" and insert "1957"."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

Mr. TEAGUE of California. Mr. Speaker, reserving the right to object, has this matter been cleared with the leadership on this side?

Mr. McMILLAN. Yes. All these amendments that the Senate inserted have to do with errors made by the Government Printing Office, and this is done to correct typographical errors.

Mr. TEAGUE of California. And it has been corrected?

Mr. McMILLAN. Yes.

Mr. TEAGUE of California. I withdraw my reservation of objection, Mr. Speaker.

Mr. O'KONSKI. Mr. Speaker, further reserving the right to object, I think in view of what has transpired in California where the court has ruled that it is highly improper to use public land for the erection of a stadium for private gain by a private corporation—and that is what this is—that this is not the proper time to consider this matter. We should take a good look at what we are doing. What this amounts to is an $8.5 million memorial to Cal Griffith and his wetbacks that he passes off as baseball players. I think that this ought to be brought up at a more propitious time. It involves a matter of $8.5 million of taxpayers' money. I think we ought to have a rollcall on the final passage of the measure so that the taxpayers of this country will know just exactly who believes in spending the taxpayers' money to the tune of $8.5 million for the erection of a stadium that really means private profit for private gain.

Mr. McMILLAN. If the gentleman will withhold his objection, I would like to state that the title remains in the Federal Government. We are not going to give up the stadium or the land, either.

Mr. O'KONSKI. I am not going to object, Mr. Speaker, because this thing has been more or less resolved by a previous vote. I do not like to be unkind. I would like to have the RECORD show that I strongly object to this type of Government guaranty for the profit and gain of private groups. There is no other place in the country where we have done this. I am not going to object, Mr. Speaker, but I just want the RECORD to show that I am strongly opposed to the Federal Government guaranteeing bonds to the tune of $8,500,000 so that Cal Griffith can enrich himself by passing off wetbacks as baseball players and bamboozling the public. It is tragic there is no rollcall vote so that the people of the country might know how their own Congressman voted on this new kind of subsidy and giveaway.

Mr. McMILLAN. I thank the gentleman.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

SMALL BOAT SAFETY

Mr. BONNER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BONNER. Mr. Speaker, the Daily Reflector of Greenville, N. C., covers a large boating area of North Carolina. The following editorial from that paper is informative and factual:

SMALL BOAT SAFETY IS NOW NO SMALL MATTER

In spite of the rough sailing in store for Representative HERBERT BONNER's boating bill on the floor of the House, Members of Congress should see that sufficient support is thrown behind the measure to assure its passage.

This week the bill was cleared for open debate on the House floor where it is sure to be opposed by Representative GRAHAM BARDEN, of New Bern. BARDEN has been an outspoken opponent of the bill introduced by his neighboring Congressman. If logic and commonsense prevail when the House votes on this particular piece of legislation, it will be passed over Representative BARDEN's objections.

The bill is an outgrowth of exhaustive study of pleasure boating over a 2-year period by the House Merchant Marine and Fisheries Committee of which Representative BONNER is chairman.

Facts developed in these hearings at which there appeared representatives of boat and marine engine manufacturers, representatives of boating clubs and boating enthusiasts clearly showed the need for additional restrictions on the rapidly growing number of small pleasure boats.

The bill, in a nutshell, would provide for the registration of power boats which have an engine larger than 7½ horsepower, using navigable waters of the United States. It would authorize the Coast Guard to impose

civil fines for violations of the law as an aid to enforcement of the prohibition against reckless or negligent operation of boats.

It would require the reporting of boating accidents and provide means through which the State and Federal Governments can cooperate in supervising the registration of boats.

Such rules and regulations would work no hardship on any small boat owner. Certainly they would afford the boat enthusiast a great deal more protection than he now has when he takes his boat for a spin.

The rapid growth in the number of boats in the past few years has made some sort of regulations necessary. The outlook for continuing rapid increase in the number of small boats in use makes it mandatory that some regulations are provided.

Representative BONNER'S bill is a sound approach to making pleasure boating safer. It includes no harsh requirements and yet it provides sufficient teeth to make the boat owner conscious of his obligations to meet certain conditions of water safety and to properly operate his boat.

The bill should be written into law before current session of Congress ends.

CONGRESSMAN McGREGOR OPPOSES SOCIALIZED MEDICINE SCHEMES

Mr. McGREGOR. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. McGREGOR. Mr. Speaker, the hearings just completed by the Ways and Means Committee on all titles of the Social Security Act have once again focused attention on the many problems of our wage earners and retired citizens. Of all of our problems, however, none deserves more careful attention than that of adequate medical care for our people, and no one is more eager than I am to see that such medical care is available.

However, I am at the same time deeply alarmed by some of the proposals now being offered in the Congress, which, I am afraid, could easily lead to a complete socialization of medicine throughout the entire country, with a resulting deterioration in standards of medical care.

If some of this legislation is enacted, we all will become, in effect, wards of a gigantic bureaucracy which is already far too big for its own good. I am extremely fearful that under this legislation we will lose our freedom of choice in selecting doctors and dentists, and I will do everything within my power to prevent such an outcome.

Furthermore, I am just as afraid that should some of these programs be accepted, our doctors and dentists will find that their income depends on which political candidates they support, and not on their medical skill. For under these programs, not all doctors (and hospitals) would be allowed to participate, and even those who were allowed to take part in the program would have to depend on some bureaucratic government agency for their fees.

In my opinion, Mr. Speaker, we cannot expect to find political solutions to serious health problems. We only create more serious difficulties by trying to do so. I am convinced that we can solve our medical problems, but not by imposing compulsory Government programs. Such programs, if enacted, will deprive all people, and especially the aged, of their independence, will force our doctors to rely on the whims of some bureaucratic agency for their livelihood, and will eventually result in inferior health facilities for us all. Mr. Speaker, I have always fought such programs, and I will continue the fight against socialized medicine.

THE LATE ARCHBISHOP MICHAEL

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Georgia [Mr. PRESTON] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PRESTON. Mr. Speaker, the untimely passing of Archbishop Michael, head of the Greek Orthodox Church in North and South America, is a loss to the Free World we can ill afford in these days of international tension and stress.

It was my good fortune to know Archbishop Michael rather intimately, and on two occasions I discussed with him the role of the Greek Orthodox Church in the world picture and with special reference to its ability to influence millions of people in the direction of peace and international understanding. As one of the outstanding archbishops in the Eastern Orthodox Church, he was a tower of strength and wielded great influence. He was one of the foremost religious leaders of the world. Dedication accompanied by brilliance enabled him to leave a deep imprint upon the religious world. Not soon will this great man be forgotten. Future historians will write more than a footnote about the life and character of Archbishop Michael.

LEGISLATION TO AID DISTRESSED AREAS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from West Virginia [Mr. BYRD] is recognized for 10 minutes.

Mr. BYRD. Mr. Speaker, all rosy claims to the contrary, unemployment in the Nation is at the highest point in years.

Secretary of Commerce Sinclair Weeks has now come forward with a new prediction: Things are going to be better by fall. We certainly hope so for the benefit of the millions of Americans who are jobless. These administration forecasts are not very nourishing, however. Month after month we have been treated to the same unsubstantial diet, and the recession stubbornly refuses to go away. Unfortunately, merely trying to wish the problem away isn't going to make it vanish. Unemployment remains a depressing reality to millions of our countrymen.

It is a regrettable fact that legions of our American people have had to live with the problem of unemployment for years. For too long a time these people from chronically depressed areas have been denied the right of equal opportunity of employment. The right to a job at a living and a saving wage is something that should be within the reach of every American.

There are many reasons for the continuing problem of unemployment in certain sections of our Nation. They vary from exhausted natural resources to ruthless competition from cheap imports, in many instances the products of subminimum wages from abroad.

The costs of such chronic unemployment to our citizens are heavy. Each year the taxpayers of the United States are called upon to furnish millions of dollars to the Treasury which then go out in the form of unemployment benefits. When these schedules of benefits have run their course, additional millions are required for direct relief programs. Additionally, the costs are high to the national economy in the lower level of national gross product from the loss of production occasioned by unemployment. The national revenues to the Treasury are drastically curtailed by the income taxes forfeited when able workers are compelled to live in enforced idleness.

There is no question but that chronically distressed economic areas are a drag on the national economy. The continuance of this problem adversely affects our whole economic picture. It is a terrific waste to have certain areas of the nation with chronically high unemployment. It is not too much to suggest that the current recession was notably speeded in its downward spiral by the economic depressants of the distressed labor areas. If these regional economies were shored up, if these economically sick places were restored to economic health, the resistance of the nation's economy would be so much better able to withstand the attacks of the virus of recession.

The national welfare and the national security dictate that we get on with the task of solving this problem and that the genius and resources of America be utilized without further delay to solve this vexing and costly problem.

My home State of West Virginia is one of the most seriously afflicted sections of the country in the matter of chronic unemployment. It is a sad and an ironic fact that a very large percentage of our unemployment in West Virginia is directly attributable to unenlightened trade policies of the Administration. The high inflow of residual fuel oil from abroad has literally washed out hundreds upon hundreds of jobs of our West Virginia coal miners thus not only swelling unemployment but also seriously damaging a basic industry that the nation always turns to for fuel in times of emergencies.

The pottery and glassware industries of West Virginia have been similarly harmed by unsound, unwise, unfair trade policies which have allowed the importation of a flood of cheap products which have literally chased many American products out of the markets.

West Virginia is only one of the many States so affected. Pennsylvania, Ohio, Michigan, all of New England, the deep South, the West and the Southwest have all felt the whiplash of these cheap imports. Hard coal, automobiles, textiles, metals, and the independent United States petroleum industry have been seriously damaged, with resultant loss of hundreds of thousands of jobs.

In any event, and for whatever reason, section after section of this great country is blighted with chronic unemployment. It makes little sense for our Government to continuously ignore this ever-present, unhealthy problem and go chasing over the world seeking out projects to finance with American dollars. We should certainly do for our own people what we do for the rest of the world.

Every consideration of national interest, sound national economy, and patriotism warrants early and decisive action in this matter.

The other body has passed the Douglas-Payne Bill. It is a good bill, well thought out, and it incorporates the best features of similar legislation proposed in the past. It is the embodiment of economic thinking born of experience. It is a governmental tool designed to enable American communities to help themselves. It furnishes the ammunition for a national operation bootstrap. It will help community after community and section after section of our great country to win their way back to economic self-sufficiency. In so doing, these afflicted communities will then develop the economic opportunities through which their young people, upon finishing their education, will be able to develop careers at home instead of traveling to distances greatly removed from their home towns.

Mr. Speaker, can America afford to do less for our own needy communities than it does for those far away places over the world as we pursue the will-o'-the-wisp of billion-dollar diplomacy?

The Members of this body have voted billions of dollars for a variety of legislative programs—certainly they ought to have the chance to vote job opportunities for their job-disfranchised fellow Americans in the distressed labor areas.

I strenuously urge and earnestly beseech the expedition of this vital measure and to lend it vigorous support to insure passage at this session.

THE FEDERAL RESERVE HAS ABOUT ONE WEEK IN WHICH TO AVOID ANOTHER DEVALUATION OF THE DOLLAR

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, the present disorder in the market for United States Government bonds and growing lack of confidence in this market should be of concern to every family and every individual whether or not he invests, or ever intends to invest, in any Government security. The reason is that this matter is directly related to the questions of whether or not we will have continuing inflation, and if so, how fast the value of the dollar will decline.

A BIG BOND HOUSE CALLS FOR STABILIZATION

The Treasury will have to borrow huge sums in the months ahead—at least $10 billion by the end of this year. To the extent that individuals and savings institutions can be persuaded to purchase these securities, or other Federal securities already outstanding, the new debt will not be inflationary. But the alternatives will be inflationary. The alternatives are two: Either the Federal Reserve System will change its regulations so as to allow the commercial banks to create enough money to buy the new securities, or the Federal Reserve will itself buy the new securities.

I believe that the Members will be interested in a discussion of this problem by one of the Nation's big bond dealers as given in its weekly letter of July 8. The letter is from William E. Pollock & Co., Inc. While this company is not the biggest dealer in United States securities in the country, it ranks among the top. It is one of only 17 dealers in the country that does business in Federal securities on such a scale as to be eligible to trade directly with the Federal Reserve Open Market Committee. This letter will serve to illustrate, I think, that the concern which I have expressed several times recently about the growing disorder in the Government bond market has more than a theoretical or problematical basis. It is a real and practical problem of great magnitude which is with us here and now. The far-reaching consequences of this problem, if it is not solved promptly, is recognized by the big financial houses and, as the Pollock newsletter shows, at least one of these houses is gravely concerned about the consequences.

The William E. Pollock & Co.'s letter is titled "Deficits Plus Lack of Confidence Equals Trouble." That is the whole story in a nutshell.

The analysis which the Pollock letter presents ends with this conclusion: "The Government market must be stabilized within the next week," because of the August 1 maturity of some $11.5 billions of securities which the Treasury must refinance by that time.

THE FEDERAL OPEN MARKET COMMITTEE SHOULD MEET IMMEDIATELY

That week has now passed, and the market has not been stabilized. It is a week irretrievably lost, and the action which must be taken now must be bold and prompt. I can see no alternative except for the Federal Reserve's Open Market Committee to convene itself immediately and adopt a resolution to purchase Government bonds promptly, and in whatever amounts are necessary to assure that the prices of these bonds will not be allowed to fall below some definitely stated percentage of their value. I know of no other action which will prevent a further drastic decline in the value of the dollar, which is otherwise sure to come.

Certainly a continuation and multiplication of the mess created by the Federal Reserve and Treasury policies of the past 6 months—not to mention the tight-money mess—will lead nowhere but to disaster. What have these policies accomplished? Let me just enumerate the main events:

First. In the first 6 months of this year the commercial banks increased their holdings of United States Government securities by $6 billion—on money which the Federal Reserve allowed these banks to create.

Second. Total United States Government securities in the hands of the public—including the banks—was neither increased nor decreased in this period. Securities were merely shifted from individuals and savings institutions to commercial banks.

Third. Personal savings went up, but less personal savings in savings banks, in life-insurance companies and in the hands of individuals were invested in Government securities.

Fourth. The increased amounts of money which the banks have been allowed to create have resulted in only slight declines in bank-lending rates and in bond rates, and demand for business credit and investment funds has not been stimulated, economic recovery has not been stimulated, and the Federal Government is confronted with $10 billion of new deficit financing in the present fiscal year, in order to stimulate some measure of economic recovery.

Fifth. Finally, the lack of confidence in Federal securities is frightening individuals and savings institutions away from these securities, and the prospect of more bank-created money to buy these securities is frightening everybody about the prospects for maintaining the value of the dollar.

THE NEW SECURITIES SHOULD BE PURCHASED BY INDIVIDUALS AND THE FEDERAL RESERVE

On one point in the Pollock letter, more should be said:

This letter takes the position that the money to meet the new Federal deficit can be raised only from the commercial banks. This is surely wrong, on two counts: First, everything must be done that can be done to encourage individuals and savings institutions to purchase as much of the new securities as possible. Bringing about confidence in the Government bond market will greatly assist in this. Second, to the extent that the money has to be raised by an inflationary method, then it is infinitely better that the Federal Reserve purchase the securities rather than allow the commercial banks to create the money with which to purchase them. In this way, at least the interest charges will flow back into the Treasury, and thus cut down on the cost of carrying the Federal debt, rather than going to fatten the profits of the commercial banks.

The Pollock letter follows:

DEFICITS PLUS LACK OF CONFIDENCE EQUALS TROUBLE

When George Humphrey left the post as Secretary of the Treasury he is reputed to have said that he had inherited a mess and was passing along a mess to his successor. If that was a mess we don't know exactly how to characterize the present situation. Certainly problems still exist.

There is plenty of room for concern in connection with our overall economy. Too many people appear completely resigned to the fact that inflation is here to stay and there is nothing which anyone can do about it. Deficits during business booms are difficult to reconcile with a stated objective of reducing the debt. For the fiscal year just ended we have had a budgeted surplus of almost $2 billion turn into a deficit which may approach $3 billion. These are things, however, which can and, we hope, will be corrected in due time. Time, however, is the one thing which we do not have in connection with the very serious problems of the Treasury Department in financing Government operations. Secretary Anderson has undertaken a very tough job, probably the toughest of all the Cabinet posts, and his long-range objectives appear sound although there may have to be detours in the path.

TEN BILLION DOLLARS OR MORE BY CHRISTMAS

In relation to the way our economists and politicians toss figures around this is not a very impressive total. However, this is real money, we are not talking statistics. This is what the Treasury Department will probably have to borrow to enable the Government to continue living beyond its means—that is spending more than it can collect in taxes.

This borrowing will probably fall into two categories—a more or less permanent addition to the national debt of about $5 billions (assuming one-half of the year's minimum estimated deficit will be borrowed during the first half) and another $5 or $6 billion in short-term obligations maturing during the last half of the fiscal year. This latter borrowing may be required to equalize the low rate of tax collections during the first half of the fiscal year and heavy collections during the last half. Then we may expect another $5 billion or more in permanent deficit financing during the last half of the fiscal year. In any event the deficit for the current fiscal year is estimated at $10 to $12 billion.

WHERE MUST THE MONEY COME FROM?

Sooner or later the administration will realize that the market will not absorb the interest bearing cash of the country (which is what long-term Government securities really are) when a flight from the dollar into stocks, real estate, and so forth, is under way on a gigantic scale. The lack of confidence in the United States dollar may not be justified but the public wants more than speeches about controlling inflation before it will invest in what should be the most eagerly sought after security in the world. The public will not supply the money for long terms despite the huge growth of so-called savings.

The commercial banks of the country will be called upon to finance this huge deficit with a resultant rise in bank deposits and investments in governments comparable only to the huge increases which occurred during World War II. This is the only place the money can be raised.

WILL THE BANKS PUT UP THE MONEY?

It is more or less elementary that the banks will finance the deficit but careful planning must be employed by the Treasury Department if the huge financing operation is to be concluded smoothly.

Confidence is an absolute essential and it is lacking in the Government market at the time of this writing. It is one thing for the Federal Reserve Board to make the necessary reserves available but it is an entirely different thing to induce bankers to invest in the securities offered by the Treasury if reasonable assurance of market stability is lacking. The Secretary of the Treasury must conduct his operations in a manner which will promote confidence. Provided this is done in connection with the impending refunding operations then the banks can be counted on to finance the deficit.

HEAVY REFUNDINGS MUST PRECEDE NEW BORROWING

The immediate problem of the Treasury centers around an $11.5 billion maturity of 4's on August 1 (of which the Fed and Treasury Trust Accounts own $6.8 billion). In addition there has been called for payment on September 15 an additional $4.7 billion. During the next 30 days, therefore, the Treasury must refund about $9.5 billion in securities held by the public. It has been indicated that some deficit financing will be done during August. If that is so, and it appears reasonable, then it is imperative that the Treasury take steps to get both the August and September refunding operations out of the way thereby eliminating concern on the part of potential buyers of a new issue as to what might be offered for the September 15 maturities a few weeks later on. Ordinarily such measures would not be required, but with the Government bond market in a distorted condition, aggressive steps must be taken to reassure potential buyers.

PATTERN FOR RESTORING CONFIDENCE

Money is in plentiful supply but there is no great rush to get it at work. There is fear that the Treasury will continue its decision to issue long-term Federal obligations into a market which is having difficulty in absorbing long-term State and municipal obligations.

There is need, therefore, for a prompt decision by the Treasury to announce that the August 1 refunding will be restricted to a 1-year obligation and that the September maturities will also be rolled over into a 1-year, or at the outside, a choice between a 1-year and a 2-year issue.

Second, the Treasury Department should make it evident that the Federal Government will not hamper State and local governments in attempts by the latter to secure a sufficient volume of long-term funds to finance the needs of the public. After all government borrowing includes all types of public financing and forward-thinking Treasury officials are aware of that fact. This is no time for the Treasury Department to stress the importance of lengthening the average maturity of the Federal debt. This is the time for a realization that the supply of long-term bonds exceeds by a substantial margin the investor demands for such obligations.

Finally, the June 15 refunding was further complicated by omission of a tax bill or note which could have been turned in at par for the payment of taxes on June 15. This was responsible for the huge supply of rights which became available to the speculative element because it forced corporations to invest in refundable issues instead of a nonrefundable-tax issue. Accordingly a statement by the Secretary that he will follow the successful practices of his predecessors in this respect would be desirable.

THE TIME IS RIPE FOR VOLUNTARY REFUNDING

Irrespective of how it is done—whether by the Treasury adopting and announcing a thoroughly practical debt management policy, or by the Federal Reserve pulling the chestnuts out of the fire—the Government market must be stabilized within the next week because of the August 1 maturity of $11.5 billion.

To the extent that you may hold August 1, September 15, December 1, or December 15 maturities in excess of the amount you want to keep in the 1-year category replace them now with whatever happens to meet your requirements. We think the following hold considerable appeal:

Term	Issue	Offered at—	To yield—
			Percent
2½ years	Tr. 2½'s, Nov. 15, 1961	100.4	2.47
4½ years	Tr. 2½'s, Feb. 15, 1963	99.24	2.68

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. CEDERBERG and to include extraneous matter.

Mr. CURTIS of Missouri (at the request of Mr. TEAGUE of California) and to include extraneous matter.

Mr. BURNS of Hawaii (at the request of Mr. MCCORMACK) and to include extraneous matter.

Mr. DINGELL (at the request of Mr. MCCORMACK) and to include extraneous matter.

Mr. DAWSON of Illinois (at the request of Mr. MCCORMACK) and to include extraneous matter.

Mr. DIXON.

Mr. ELLIOTT (at the request of Mr. MCCORMACK) and to include extraneous matter.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 92. An act for the relief of Robert Karia; to the Committee on the Judiciary.

S. 721. An act to amend section 11 of the Clayton Act to provide for the more expeditious enforcement of cease-and-desist orders issued thereunder, and for other purposes; to the Committee on the Judiciary.

S. 1280. An act for the relief of Antonio da Costa; to the Committee on the Judiciary.

S. 2188. An act for the relief of George Pierre Saviolidis, Ethel Saviolidis, his wife, and William Saviolidis, his son; to the Committee on the Judiciary.

S. 2444. An act to authorize cooperative associations of milk producers to bargain with purchasers singly or in groups and for other purposes; to the Committee on the Judiciary.

S. 2935. An act for the relief of Mary Louise Shields Wilkinson; to the Committee on the Judiciary.

S. 3031. An act for the relief of Joseph Daniel Maeda Betterley (Toshikazu Maeda); to the Committee on the Judiciary.

S. 3270. An act for the relief of Nick Tsalikis; to the Committee on the Judiciary.

S. 3275. An act to provide for the representation of indigent defendants in criminal

cases in district courts of the United States; to the Committee on the Judiciary.

S. 3308. An act for the relief of Victoriano Daviz Verastique (Victor Davis); to the Committee on the Judiciary.

S. 3357. An act for the relief of Arturo Ernesto Audrain y Campos; to the Committee on the Judiciary.

S. 3401. An act for the relief of Cho Hack Youn; to the Committee on the Judiciary.

S. 3402. An act for the relief of Nessime Kadoch; to the Committee on the Judiciary.

S. 3404. An act for the relief of Doulatram Chattulane Chavez; to the Committee on the Judiciary.

S. 3587. An act to provide that the Secretary of the Interior shall investigate and report to the Congress as to the advisability of establishing a national park in the Wheeler Peak-Lehman Caves area of the Snake Range in eastern Nevada; to the Committee on Interior and Insular Affairs.

S. 3598. An act for the relief of Feiga Chirinsky Roseman; to the Committee on the Judiciary.

S. 3641. An act for the relief of Gertrude Yank Koo; to the Committee on the Judiciary.

S. 3676. An act for the relief of Maria Michela Leo di Gioia; to the Committee on the Judiciary.

S. 3723. An act to amend Public Law 522, 84th Congress (relating to the conveyance of certain lands to the city of Henderson, Nev.); to the Committee on Interior and Insular Affairs.

S. 3827. An act to amend the District of Columbia Motor Vehicle Parking Facility Act of 1942, as amended; to the Committee on the District of Columbia.

S. 3941. An act to amend the Motor Vehicle Safety Responsibility Act of the District of Columbia, approved May 25, 1954, and for other purposes; to the Committee on the District of Columbia.

S. 3987. An act granting the consent and approval of Congress to the Tennessee-Tombigbee waterway development compact; to the Committee on Public Works.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 2261. An act for the relief of the Committee of Reference and Counsel of the Foreign Missions Conference of North America;

H. R. 3261. An act for the relief of the Oceanside-Libby Union School District, San Diego County, Calif.;

H. R. 3720. An act for the relief of Carl J. Warneke;

H. R. 4044. An act for the relief of Mirko J. Pitner;

H. R. 4330. An act for the relief of Lucia (Castaneda) Sayaan and Gloria (Castaneda) Sayaan;

H. R. 5084. An act for the relief of Maria Alma Dizon;

H. R. 7987. An act for the relief of Maria Giannalia;

H. R. 8850. An act to amend the Universal Military Training and Service Act to authorize additional deferments in certain cases;

H. R. 11033. An act to authorize the creation of record of admission for permanent residence in the case of certain Hungarian refugees;

H. R. 11077. An act to incorporate the Veterans of World War I of the United States of America;

H. R. 11102. An act amending the jurisdiction of district courts in civil action with regard to the amount in controversy and diversity of citizenship; and

H. J. Res. 582. Joint resolution to authorize the Commissioners of the District of Columbia to promulgate special regulations for the period of the Middle Atlantic Shrine Association meeting of A. A. O. N. M. S. in September 1958, to authorize the granting of certain permits to Almas Temple Shrine Activities, Inc., on the occasions of such meetings, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on July 15, 1958, present to the President, for his approval, bills of the House of the following titles:

H. R. 7863. An act to amend the District of Columbia Alcoholic Beverage Control Act; and

H. R. 10069. An act to amend the act of August 5, 1953, creating the Corregidor Bataan Memorial Commission.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 24 minutes p. m.), the House adjourned until tomorrow, Thursday, July 17, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2133. A letter from the Chairman, District of Columbia Redevelopment Land Agency, transmitting a draft of proposed legislation entitled "A bill to amend the District of Columbia Redevelopment Act of 1945, as amended"; to the Committee on the District of Columbia.

2134. A letter from the Administrator, General Services Administration, transmitting a copy of report prior to restoration of balances, General Services Administration, pursuant to Public Law 798, 84th Congress; to the Committee on Government Operations.

2135. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, relative to the case of Emilio Antonio Morel, A-6778645, involving the provisions of section 6 of the Refugee Relief Act of 1953, as amended, and requesting that it be withdrawn from those before the Congress and returned to the jurisdiction of this Service; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BONNER: Committee on Merchant Marine and Fisheries. S. 2447. An act to authorize and direct the Secretary of the Interior to undertake continuing studies of the effects of insecticides, herbicides, fungicides and other pesticides, upon fish and wildlife for the purpose of preventing losses of those invaluable natural resources following application of these materials and to provide basic data on the various chemical controls so that forests, croplands, wetlands, rangelands, and other lands can be sprayed with minimum losses of fish and wildlife; with amendment (Rept. No. 2181). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. S. 2617. An act to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, as amended; with amendment (Rept. No. 2182). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H. R. 13138. A bill to amend the act of March 10, 1934, to provide for more effective integration of a fish and wildlife conservation program with Federal water-resource developments, and for other purposes; with amendment (Rept. No. 2183). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 11800. A bill to authorize the Secretary of Agriculture to convey a certain parcel of land and buildings thereon to the city of Clifton, N. J.; with amendment (Rept. No. 2184). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 12531. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to permit the State committee to allocate from the acreage of extra long staple cotton reserved under section 344 (e) of the act an amount not to exceed 1½ percent of the State acreage allotment to farms for the production of high quality extra long staple cotton seed, and for other purposes; without amendment (Rept. No. 2185). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS of Louisiana: Committee on Armed Services. H. R. 13226. A bill to amend title 10, United States Code, to provide more flexibility in making additional appointments to bring the number of cadets at the United States Military Academy and the United States Air Force Academy up to full strength; with amendment (Rept. No. 2186). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H. R. 13382. A bill to amend the Internal Revenue Code of 1954 to provide tax revision for small business; with amendment (Rept. No. 2198). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee on the Judiciary. House Resolution 621. Resolution providing for sending the bill H. R. 1357 and accompanying papers to the United States Court of Claims; without amendment (Rept. No. 2167). Referred to the Committee of the Whole House.

Mr. ASHMORE: Committee on the Judiciary. H. R. 6773. A bill for the relief of Bonifacio Santos; without amendment

(Rept. No. 2168). Referred to the Committee of the Whole House.

Mr. POFF: Committee on the Judiciary. H. R. 7688. A bill for the relief of Filbert L. Moore; without amendment (Rept. No. 2169). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 8905. A bill for the relief of Hubert D. Thatcher, Robert R. Redston, Andrew E. Johnson, William L. Barber, Alex Kamkoff, and William S. Denisewich; without amendment (Rept. No. 2170). Referred to the Committee of the Whole House.

Mr. ASHMORE: Committee on the Judiciary. H. R. 9765. A bill for the relief of Mr. Marion S. Symms; without amendment (Rept. No. 2171). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 9993. A bill for the relief of Miss Mary M. Browne; without amendment (Rept. No. 2172). Referred to the Committee of the Whole House.

Mr. ASHMORE: Committee on the Judiciary. H. R. 11236. A bill for the relief of Arthur G. Williams; without amendment (Rept. No. 2173). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 11921. A bill for the relief of Aaron Green, Jr.; without amendment (Rept. No. 2174). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 12060. A bill for the relief of Michael J. Conlin; with amendment (Rept. No. 2175). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 12256. A bill for the relief of Alphonse E. Jakubauskas; without amendment (Rept. No. 2176). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 12364. A bill for the relief of Mrs. Viola Barksdale; without amendment (Rept. No. 2177). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 12942. A bill for the relief of Walter H. Berry; with amendment (Rept. No. 2178). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 13151. A bill for the relief of Everett A. Ross; with amendment (Rept. No. 2179). Referred to the Committee of the Whole House.

Mr. POFF: Committee on the Judiciary. H. R. 13312. A bill for the relief of Forrest E. Decker; without amendment (Rept. No. 2180). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. Senate Concurrent Resolution 83. Concurrent resolution for the relief of certain aliens; without amendment (Rept. No. 2187). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. Senate Concurrent Resolution 92. Concurrent resolution withdrawing suspension of deportation in the case of Jesus Angel-Moreno; without amendment (Rept. No. 2188). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 616. An act for the relief of Bianca G. Hidalgo; without amendment (Rept. No. 2189). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1967. An act for the relief of Richard K. Lim and Margaret K. Lim; without amendment (Rept. No. 2190). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 3136. An act for the relief of Fouad (Fred) Kassis; without amendment (Rept. No. 2191). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H. R. 9160. A bill for the relief of Genoveva Rioseco Caswell; without amendment (Rept. No. 2192). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 3579. A bill for the relief of Stirley Louis Berutich; with amendment (Rept. No. 2193). Referred to the Committee of the Whole House.

Mr. HILLINGS: Committee on the Judiciary. H. R. 9783. A bill for the relief of Mrs. Henry Oscar (Olga McCurdy) Ramsey; without amendment (Rept. No. 2194). Referred to the Committee of the Whole House.

Mr. HYDE: Committee on the Judiciary. H. R. 9851. A bill for the relief of Tsuyako Ikeda; without amendment (Rept. No. 2195). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H. R. 12944. A bill for the relief of Mrs. Kunigunde Beldie; without amendment (Rept. No. 2196). Referred to the Committee of the Whole House.

Mr. HILLINGS: Committee on the Judiciary. H. R. 11357. A bill for the relief of Miss Terez Csencsits; without amendment (Rept. No. 2197). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLATNIK:

H. R. 13420. A bill to amend the Federal Water Pollution Control Act to increase one of the limitations on grants for construction from $250,000 to $500,000, and for other purposes; to the Committee on Public Works.

By Mr. BURDICK:

H. R. 13421. A bill to amend the Federal Property and Administrative Services Act of 1949 to permit the use outside the United States of certain donated surplus property; to the Committee on Government Operations.

By Mr. McFALL:

H. R. 13422. A bill to amend section 404 (c) (1) of the Postal Field Service Compensation Act of 1955 to grant longevity credit for service performed in the Panama Canal Zone postal service; to the Committee on Post Office and Civil Service.

H. R. 13423. A bill to amend title IV of the Housing Act of 1950 (college housing) with respect to the definition of "educational institution"; to the Committee on Banking and Currency.

By Mr. TOLLEFSON:

H. R. 13424. A bill to amend section 41 of the Longshoremen's and Harbor Workers' Compensation Act so as to provide a system of safety rules, regulations, and safety inspection and training, and for other purposes; to the Committee on Education and Labor.

By Mr. UTT:

H. R. 13425. A bill to stabilize the tuna fishing industry; to the Committee on Merchant Marine and Fisheries.

H. R. 13426. A bill to regulate the importation of tuna; to the Committee on Ways and Means.

H. R. 13427. A bill to provide for the assessment of costs against the United States in the case entitled *"United States v. Fallbrook Public Utility District"*; to the Committee on the Judiciary.

By Mr. BOSCH:

H. R. 13428. A bill to amend section 552 of title 28 of the United States Code, as amended, relating to the salaries of United States marshals; to the Committee on the Judiciary.

By Mr. McCORMACK:

H. R. 13429. A bill to authorize modification of local participation in flood control projects; to the Committee on Public Works.

By Mr. DORN of New York:

H. J. Res. 655. Joint resolution to provide that during the period commencing November 16 and ending November 29, 1958, the people of the United States be urged to give especial consideration to the needs and rights of the retarded children of the Nation; to the Committee on the Judiciary.

By Mrs. KNUTSON:

H. J. Res. 656. Joint resolution requesting the President of the United States to enter into negotiations with the Government of Canada with respect to the establishment of an international park, and permitting the State of Minnesota to enter into a compact with the Province of Manitoba, Canada; to the Committee on Foreign Affairs.

By Mr. BROWNSON:

H. Con. Res. 363. Concurrent resolution to establish a Joint Committee on Central Intelligence; to the Committee on Rules.

By Mr. ENGLE:

H. Res. 634. Resolution calling for the preparation of a report on the proposed Port Reyes National Seashore Recreational Area, Marin County, Calif.; to the Committee on Interior and Insular Affairs.

By Mr. McCORMACK:

H. Res. 635. Resolution providing further expenses for studies and investigations authorized by House Resolution 496; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolution were introduced and severally referred as follows:

By Mr. BURNS of Hawaii:

H. R. 13430. A bill for the relief of Louis Wong Wing Cheung, his wife, Kam Lai Ying, and their minor children; to the Committee on the Judiciary.

H. R. 13431. A bill for the relief of Mrs. Margaret L. Fries; to the Committee on the Judiciary.

H. R. 13432. A bill for the relief of the estate of Russell Iokepa; to the Committee on the Judiciary.

By Mr. DELLAY:

H. R. 13433. A bill for the relief of Anna Almo; to the Committee on the Judiciary.

By Mrs. GRIFFITHS:

H. R. 13434. A bill for the relief of Marija Veresan; to the Committee on the Judiciary.

H. R. 13435. A bill for the relief of Raphael Cohen; to the Committee on the Judiciary.

By Mr. KEATING:

H. R. 13436. A bill for the relief of Stanislaw (Stanislaus) Napora; to the Committee on the Judiciary.

By Mr. LANE:

H. R. 13437. A bill for the relief of Bernard H. English and John E. Hayden; to the Committee on the Judiciary.

By Mr. TELLER:

H. R. 13438. A bill for the relief of Lidia Goraka and Silvia Malkiesman; to the Committee on the Judiciary.

By Mr. LANE:

H. Res. 636. Resolution to refer to the Court of Claims the bill (H. R. 6234) for the relief of the H. W. Nelson Co., Inc.; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

National Defense Scholarships in the Proposed National Defense Education Act

EXTENSION OF REMARKS
OF
HON. CARL ELLIOTT
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 16, 1958

Mr. ELLIOTT. Mr. Speaker, on July 2, the House Committee on Education and Labor reported H. R. 13247, the National Defense Education Act of 1958. In the light of the current serious crisis in the Middle East the fundamental purpose of this bill is dramatically underscored. Its purposes are to strengthen the national defense and to encourage and assist in the expansion and improvement of educational programs to meet critical national needs. In my opinion this proposal is one of the most significant measures to come before this Congress because its enactment will provide the urgently and critically needed stimulus and uplift to the Nation's educational program.

The major provisions of the bill would provide Federal assistance to programs for:

First. National defense scholarships.

Second. Loans to students in institutions of higher education.

Third. Grants to the States for strengthening science, mathematics, and modern foreign language instruction in public schools.

Fourth. Modern foreign language development.

Fifth. Expansion of graduate education.

Sixth. Guidance, counseling, testing; identification and encouragement of able students.

Seventh. Research and experimentation in more effective utilization of television, radio, motion pictures, and related mediums for educational purposes.

NATIONAL DEFENSE SCHOLARSHIPS

The need for a national defense scholarship program was effectively pointed up many times during the hearings. The fact that thousands of our capable students each year do not continue their education beyond high school represents an entirely unnecessary waste of our intellectual resources and potentially valuable manpower so urgently needed for the Nation's security. In fact, the loss of this talent might just be the difference between survival and destruction in these crucial times.

This waste of manpower was emphasized by Dr. L. A. DuBridge, president of California Institute of Technology during our hearings, when he stated:

> There are many young people of potentially great ability who simply * * * never have an opportunity financially to make the grade.
>
> The financial barrier between youngsters obtaining a higher education is widespread. It has been estimated that even of the upper 10 to 20 percent of our young people, upper 10 percent intellectual ability, that 30 to 50 percent of them, even, do not go on into higher education.

Time permits me only to illustrate two of the many research studies which have been conducted in this area: (1) A study made in 1955 under a grant from the National Science Foundation to the Educational Testing Service (Princeton, N. J.) concluded that the number of high-ability seniors who do not enter college and who presumably are in need of financial aid if they are to be salvaged for higher education is approximately 60,000 to 100,000 per year. The study further emphasized that despite the increased interest in the bachelor of arts degree, higher education is losing up to one-half of the top 30 percent or so of the Nation's high-school seniors. (2) Another study made by the Educational Testing Service under a National Science Foundation grant also emphasized this need for financial assistance. The report of this study presented the following conclusion:

> The fact that a very large number of able students without college plans would be willing to go to college if given a scholarship surely indicates that many students do not have college plans simply because they have never been able to view college as being a reasonable prospect. * * * Given a way to pay their expenses, their plans apparently would readily change; given the assurance early in their school career that college is financially attainable, they might include in their courses the science, mathematics, and English needed to make it a reality.

One of the main purposes of the national defense scholarship program is to assist the capable student who needs financial aid in order to continue his education.

Scholarship programs which exist today in our institutions of higher education are not adequate to take care of enough of the Nation's talented financially needy youth. This is demonstrated by studies of the United States Office of Education. Summaries of these studies were presented to the subcommittee, and I call your attention to one statement which I consider especially pertinent:

> Although the total amount of institutional scholarship assistance reported by the colleges and universities is large in gross figures, the size of the scholarship grant to the median student was $147, whereas in the case of his colleague in the privately controlled colleges and universities the median scholarship student received $275. Closer examination of the figures indicate that although approximately 21,000 students received scholarships in excess of $625 each, they constituted only 9.2 percent of the total group of scholarship students. At the other extreme, almost one-third of all scholarship winners received grants of less than $125.

This is substantiated by the second report of the President's Committee on Education Beyond High School which reported:

> A recent survey, however, covering 147 representative public and private colleges and universities during the period 1950–54, showed that nearly two-thirds of all scholarships paid less than 20 percent of the total college expenses of the holders. Graduates reported a median total 4-year expenditure of $5,020, of which only 6.4 percent, or $320, came from scholarship funds.

The Committee concluded that:

> Present student financial assistance is available very unevenly. For instance, one-half of all the scholarship funds in the United States are concentrated in 50 institutions. Very few States have general scholarship programs, although more than half have one of more kinds of categorical programs for limited numbers in limited fields.

Speaking in support of the bill's national defense scholarship provision, Mr. Philip Coombs, director of the Fund for the Advancement of Education, Ford Foundation, pointed out that:

> All things considered, I believe that the Federal Government can very usefully expand its role in relation to education in the years immediately ahead, in the interest, first, of broadening educational opportunities for all young people and, second, of popularizing education and raising the values we attach to it as a Nation. * * * By honoring excellence of performance in education and by honoring quality in education the Federal Government can do much to help expand the Nation's total supply of talent. In my own judgment, recognition by the Federal Government that high performance by young people is something to be commended by their country would have the effect of altering the attitudes of many young people in the high school toward studies. It seems to me that anything the Federal Government can do to attach national value and social prestige to intellectual achievement will improve the atmosphere of the high schools and the motivation of students.

The importance of the incentive which a Federal scholarship program would provide to thousands of capable students was also brought out by Dr. DuBridge when the testified that:

> It will dig out the students of high intellectual capacity who now may not think about going to college or who may be prevented by financial barriers. So, it will serve as a motivation to many students and it will serve to reduce the economic barrier to many students.
>
> If the Federal Government had a scholarship program * * * and I do not know how large it should be, but if many thousands were awarded on the basis of achievement, on the basis of merit, this would stimulate a rising intellectual standard in the public schools throughout the country, in a way which would not put the Federal Government in control of the schools, would not put the Federal Government in position to dictate the curriculums of these schools, but would offer an incentive so the schools themselves would, as my friend, Dr. Rabbi said, "Get about the business of pulling up their socks," of improving their intellectual standards, and of helping their students choose to take tough and demanding courses. So I think a scholarship has the opportunity of offering incentives to enable our public schools to lift their intellectual level.

This was also emphasized by Mr. Henry Chauncey, president of the Educational Testing Service when he noted that:

> The highly industrialized and advanced society in which we live requires that all our youth be brought up to as high a level

of education as possible. It is particularly dependent, however, on the academically talented who will be the doctors and lawyers, the scientists and engineers, the leaders in Government and industry, the journalists, the artists, and the educators. We can ill afford to waste any of our academically talented students. The demand for highly trained men and women is very great and is increasing yearly.

In order to insure that the academically talented continue their education along appropriate lines, scholarships as well as early identification and guidance are necessary. Scholarships equalize opportunities and make it possible for the talented boys and girls to go to college regardless of their family's means. A Federal scholarship program of substantial size would provide a new incentive to students who had not considered college as within the realm of possibility.

Under the provision for national defense scholarships in the bill $17.5 million would be authorized for each of 4 years beginning in fiscal 1959. The funds for this program would be alloted to the States on the basis of their relative population between the ages of 18 and 21, both inclusive. The scholarship winners would be selected by State scholarship commissions, from among those competing in a State, in accordance with objective tests and other measures of aptitude and ability to pursue successfully a course of study leading to a bachelor's degree, giving special consideration to students with superior capacity or preparation in science, mathematics, or a modern foreign language. A scholarship winner would be awarded $500 and an additional amount up to $500 would be allowable based on an individual's need for financial assistance.

Senators Whose Portraits Are To Be Hung in the Senate Reception Room

EXTENSION OF REMARKS
OF
HON. STROM THURMOND
OF SOUTH CAROLINA
IN THE SENATE OF THE UNITED STATES
Wednesday, July 16, 1958

Mr. THURMOND. Mr. President, more than a year ago the Senate adopted a resolution directing that portraits of five famous Senators be hung in the Senate reception room.

In this way, the Senate intended to give special honor to Senators Henry Clay, Daniel Webster, John C. Calhoun, Robert La Follette, and Robert A. Taft.

The selection of these five great Senators inspired the distinguished columnist, Holmes Alexander, to write a book, entitled "The Famous Five," which has now been published. The book is a worthy tribute to these five great Senators.

Unfortunately, the portraits have not yet been hung. In view of the public attention which will be attracted to the selection by the publication of Mr. Alexander's book, I believe that the hanging of the portraits should be expedited.

I ask unanimous consent that there be printed in the CONGRESSIONAL RECORD a letter which I wrote to the Architect of the Capitol on this subject on July 15.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Hon. J. GEORGE STEWART,
Capitol Architect, United States Capitol, Washington, D. C.

DEAR MR. STEWART: It has come to my attention that a book entitled "The Famous Five," authored by the distinguished columnist, Homes Alexander, has been published. This book is a biography of Senators Clay, Webster, Calhoun, La Follette, and Taft, and was inspired by the Senate action selecting their portraits to be hung in the Senate reception room under the terms of Senate Resolution 145, 84th Congress.

I am disturbed by the fact that although the selection was made over a year ago, the portraits have still not been hung. Senator KENNEDY, the chairman of the selection committee, stated in the foreword to The Famous Five that the portraits would be unveiled this year.

It is my belief that due to the public attention which will be attracted to the selection by this recently published book, that the hanging of the portraits should be expedited to the maximum extent possible, so that appropriate ceremonies may accompany the unveiling while Congress is still in session.

I would appreciate it if you would advise me as to the status of this matter.

With best wishes,
Sincerely,

STROM THURMOND.

Pass National Wool Act Now

EXTENSION OF REMARKS
OF
HON. HENRY ALDOUS DIXON
OF UTAH
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 16, 1958

Mr. DIXON. Mr. Speaker, it is very important to the sheep industry of the United States that this Congress take action on the pending bills to extend the National Wool Act which expires at the end of this marketing year.

The act itself has a goal for the welfare of our Nation's defense and economy of increasing production to 300 million pounds of shorn wool per year. This in itself is a sufficient limit on the act, but when Congress originally passed it in 1954 a 4-year limit was put on it so that Congress could take a look at it and see how it was working. It has been most successful.

In order to maintain the gains toward increased wool production already under way, an incentive price for the 1959 marketing year which begins next April must be announced this summer. Otherwise, our domestic woolgrowers will figure that they cannot count upon more than the free market price for their wool after March 31, 1959, when the authority for incentive payments under the present act expires. Without assurance of continuance of an incentive level, they will not have the confidence to retain ewe lambs for breeding stock.

Increases in sheep and wool production due to the very nature of the enterprise can be only gradual even under the most favorable conditions. Considering the time it takes to hold back more ewe lambs for breeding and getting those lambs into production, a 3- or 4-percent increase annually is about all that can be expected in practical operations. Raising more sheep is not like raising more wheat, where the seeding of 1 more bushel of wheat can result in 30 or 40 more bushels within a few months.

Due to the longtime nature of the sheep and wool enterprise, a continuing program is essential to give growers the confidence needed for them to make plans for increasing wool production. The incentive price must be announced at the time they are deciding whether or not to hold back their ewe lambs for future breeding purposes and thus long before the increased production from those lambs will reach the market.

In order to continue or increase production, many growers must finance their operations and unless there is some assurance of a continuity of this program they will find that very difficult. I sincerely urge the Agriculture Committee to take prompt action on this so that the incentive level for 1959 can be announced this summer before time for our growers to finance and in time for them to save ewe lambs for the future.

Use of Chemical Preservatives on Food

EXTENSION OF REMARKS
OF
HON. JOHN D. DINGELL
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 16, 1958

Mr. DINGELL. Mr. Speaker, I oppose H. R. 9521, the bill that would relieve fresh fruits and vegetables from the necessity of bearing a label declaration of added chemical preservative.

I object to this bill on two grounds:

First. It would deny the consumer the right to decide he will use food that is chemically preserved; and

Second. It would discard a public health protection feature of the present law.

May I direct my remarks primarily to the second objection.

When a chemical preservative is used on food, it is important for the State and Federal public health officials to know that it is present in a quantity that is safe. This is true because most of the chemicals that are used as preservatives are actually poisonous. They are not poisonous in the quantity allowed on fruits and vegetables but they are extremely poisonous when exceeding tolerances on the order of a few parts per million. So it is essential that the Federal, State, and local pure food and health officials test stocks of preserved foods to be sure that the added chemical preservative is present in a safe amount.

We all know that we do not have enough staff either in the Federal or State public health offices to check all of the lots of fruits and vegetables that are offered to the consumer, so our officials

have to do the best they can with limited facilities. They have to spotcheck shipments to determine that they are pure and safe.

If the law requires chemically preserved produce to bear a statement showing the presence of the preservative, then the job of the public health official is greatly simplified. He can give his attention to those shipments that are labeled as containing chemical preservative. He will be spared the obligation of checking for chemical preservative the vast quantity of produce that moves in commerce without any added preservative.

But if H. R. 9521 becomes law, the food official both State and Federal will have no opportunity of determining when he looks at a shipment or samples it, whether the manufacturer added any of these poisonous chemical preservatives. He will have to test many stocks for preservative only to find that nothing is present, an operation that could have been avoided and is avoided at present by the simple declaration of preservative required in the present law.

The resultant squandering of the resources of our public officials is inexcusable and I therefore oppose this bill and urge that it be stopped in its tracks.

More Reasons for Making Hawaii a State

EXTENSION OF REMARKS
OF
HON. JOHN A. BURNS
DELEGATE FROM HAWAII
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 16, 1958

Mr. BURNS of Hawaii. Mr. Speaker, at frequent intervals during the 85th Congress, I have been privileged to call to the attention of the Members of Congress the exceptional qualifications of the Americans of Hawaii whom I have the great honor of representing in the Congress. I have continued to point out that while the American citizens of Hawaii are of many racial ancestries, they are nonetheless red-blooded Americans, fully participating in all phases of American life.

I am indeed honored to be able to call the attention of the Members of Congress to the fact that the 121st Signal Detachment, Hawaii National Guard, has been honored by being announced the winners of the National Guard Association Trophy, the Pershing Trophy, and the National Guard (State) Trophy in competition with all other National Guard units. The Hawaii National Guard achieved this outstanding recognition by surpassing equally outstanding units from every State in the Union.

All three trophies are for the highest figure of merit attained by a team in its record practice conducted during the calendar year with .30-caliber service rifles or carbines. Any squadron, group, headquarters, company, battery troop, group headquarters detachment, or similarly sized unit that is federally recognized and which is authorized to fire a .30-caliber qualification course is considered.

Teams consist of all individuals who are carried on the rolls as members of the unit during the period in which firing is conducted.

The National Guard Association Trophy is an honorary award only. It remains permanently in the headquarters of the National Guard Association of the United States, Washington, D. C. It is inscribed with the name of the unit attaining the highest figure of merit of all competing units. The National Guard Association also presents a Certificate of Victory to the outstanding unit.

The Pershing troop award is made to the winning unit in each Army area. They receive a Pershing Trophy for permanent possession. It is also awarded by the National Guard Association.

The National Guard State Trophy is a revolving trophy awarded by the National Board for Promotion of Rifle Practice and is awarded to a unit in a State or Territory to hold for 1 year until called for by the State adjutant general. The National Board for the Promotion of Rifle Practice also awards a Certificate of Victory to each of the winning units.

The 121st Signal Detachment, under the command of W. O. Herbert Hiroshi Nakaya, has demonstrated a high standard of efficiency in training and maintenance, in addition to outstanding technical proficiency with individual weapons. This unit had a figure of merit of 97.50 percent, which not only placed them first in the Territory of Hawaii, but first in the Army area and finally first in the entire country.

Nation's Ace Archers To Outdo William Tell at Grayling, Mich.

EXTENSION OF REMARKS
OF
HON. ELFORD A. CEDERBERG
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 16, 1958

Mr. CEDERBERG. Mr. Speaker, Crawford County, Mich., the bow and arrow capital of the world, which is a part of my State's 10th Congressional District, will take on the appearance of Sherwood Forest the latter part of this month when more than 3,000 archers move into our area to participate in the 1958 National Field Archery Tournament. This will probably be the largest gathering of archers since medieval days and the marksmanship of William Tell will be outdone.

We in Michigan, proud of our water wonderland, welcome these archers to our State, and I am pleased that the center of activity is the 10th Congressional District. This District is the ideal area for those seeking relaxation and those in quest of recreational activities including hunting, fishing, swimming, camping, and so forth. This District is the ideal district for this great archery tournament because it is our archery capital, and every year thousands of archers take to the field with their bows and arrows in quest of the game which abounds in our State.

The leading figure behind this great archery tournament is Mr. Fred Bear of Grayling, Mich., who is an internationally famous big-game bow hunter. Few improvements in sporting and hunting bows had been made since the days of the Indian, but Mr. Bear, an ardent archer, applied modern techniques and processes to bow manufacturing and then set about to popularize archery and game hunting with his bow and arrow.

Mr. Bear was originally a patternmaker employed in a small plant in Detroit, Mich. Fire forced the closing down of that plant in 1933 and Mr. Bear and an associate, Mr. Charles Piper, decided to pool their tools and assets and eliminate their jobless plight by creating a new business. Mr. Bear was an archery fan and had some knowledge of the requirements of archers. He set out to eliminate the complaints that some of them had about the types and quality of bows then available to them.

Mr. Bear commented on this, saying, "Bow manufacturing, and the bow itself, was the principal deterrent to the sport. What the archer had to have was a bow that would retain uniform pull regardless of extremes in temperature, and still be rugged, light, and have power."

Utilizing fiber glass and the latest products in the way of bonding plastics, Mr. Bear and his associate developed new techniques and went into mass production in their plant at Grayling, Mich. His manufacturing technique included the use of thin strips of maple bonded together with special resins and covered with fiber glass. During the first year of their operation at Grayling the Bear Archery Co. turned out 7,500 bows. Not satisfied with this, bowyer Bear spent more time in research and more time in experiments working out improved features to make the bow stronger. Ten years later the firm's output had increased to 75,000 bows and 1 million arrows.

POPULARIZED THE SPORT

When Mr. Bear's idea to popularize the sport of archery was first conceived, a grown man walking down Main Street carrying a bow and arrow and wearing a green archer's hat would probably have been hurried off to the padded cell. Thanks to the untiring efforts of Mr. Bear and others associated with him in this sport, it has grown in popularity and today it is estimated that there are from 2 to 4 million archers in the United States. Our State of Michigan ranks first in this sport.

Mr. Bear is not satisfied to merely engage in the commercial activity of producing bows and arrows, but he is active in the sport. As he was developing his industry he took time off every year to go on a big game hunt and he has bagged 52 head of big game. His adventures and experiences in this field have stimulated archery. He was the second archer of modern times to undertake and successfully shoot the fearful grizzly bear, and he accomplished this

without having anyone in the background ready to use a rifle just in case.

TOP ARCHERS TO ASSEMBLE

The Nation's top archers will assemble at Grayling, July 28 to 31, to compete in their annual tournament. Mr. Bear is making the event doubly attractive by staging a $5,000 Bear National Invitational Tournament immediately following that of the National Field Archery Association. Competing in this tournament will be the 16 top contestants from the earlier tournament. This is the first major money event in the history of the sport.

Already over 20 full field courses have been completed, in addition to 2 practice courses, providing a total of some 736 target locations. Each archer will shoot two standard rounds per day. One round consists of 28 targets. At the end of each round the archers will be regrouped so that the top shooters are always grouped together.

Mr. Bear's tournament will be staged over a course laid out in the open much along the same lines as a large golf tournament. The prize money will be distributed among the top 4 men and 4 women finishing in the shoot. This is the first archery contest of its kind in the history of field archery.

These two tournaments are going to be outstanding events and will attract national attention, and I certainly invite any of my colleagues who expect to be vacationing in Michigan on the dates I have mentioned to arrange to come to Grayling of the 10th Congressional District and witness this thrilling event.

Why Doesn't the Oversight Subcommittee Find Out How the FTC Really Functions?

EXTENSION OF REMARKS

OF

HON. THOMAS B. CURTIS

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1958

Mr. CURTIS of Missouri. Mr. Speaker, I am inserting into the CONGRESSIONAL RECORD an article from Printer's Ink of June 27, 1958, entitled "Why Don't They Learn More About FTC and How the Agency Really Functions?" This article comments that the inquiry of the Oversight Subcommittee though supposedly about the functioning of the FTC, among other agencies, has pointed up the general lack of understanding of the functions and scope of the FTC; that this lack of understanding extends to businessmen, Congressmen, and the staff of the Oversight Subcommittee.

I quote two pertinent paragraphs from the article though I am setting out the entire article:

Since the Wool Products Labeling Act became law in 1941, there have only been five records of investigation being certified by the FTC for action by the Attorney General. Of these 5, only 3 were filed and tried.

It is not too surprising, however, that Lishman regarded the turndown of a criminal proceedings recommendation as the big issue. He is a newcomer. But that the committee members should accept the issue as important is almost incredible. They, at least, should have known that it is the whole heart and purpose of the Commission to try to obtain cooperative compliance. The act authorizing the Agency was passed during the administration of President Woodrow Wilson. Frequently, even now, it is pointed out that Wilson saw the FTC as an Agency to instruct industry and obtain voluntary observation of new restrictions on competitive practices in distribution and selling.

On June 24, 1958, I took the floor of the House to call attention to what I regarded as serious deviations on the part of the Oversight Subcommittee both in respect to the rules of the House and to the mandate the Congress had given to the parent committee setting up this subcommittee. I said, among other things:

Now as a Member of Congress, I would like to know at this stage, after all of this publicity on a collateral point, what evidence the subcommittee has adduced or plans to adduce to show that favoritism was granted by the SEC, FTC, or any other Federal agency to Mr. Goldfine or anyone else. To date there has been no evidence of favoritism shown Mr. Goldfine. Indeed the subcommittee has not even bothered to go into the question of how the SEC routinely handles cases like the East Boston Co. case or how the FTC routinely handles cases involving mislabeling under the Wool Labeling Act. To establish favoritism it is necessary to point out a deviation from the normal procedures for handling a case which is not justified by the peculiarities of the case itself. What is the norm and what are the deviations from the norm is the information the Congress asked the subcommittee to find out. It may be that the normal procedure is faulty and if it is faulty the error could be in the basic legislation itself or in the administration of it. To move ahead with this investigation the Congress needs to know what the normal administrative procedures have been.

House Resolution 99 which granted to the Interstate and Foreign Commerce Committee the powers under which it established the Oversight Subcommittee was passed by the House in order that the manner in which the FTC, FCC, SEC, and certain other administrative agencies operated could be examined. This requires first a knowledge of routine operation and then certainly an examination into any deviations from the norm. However, as the article in Printer's Ink clearly establishes, the cart is way before the horse. While time is being wasted on extraneous matters the matters that Congress asked this committee to investigate are being neglected.

The article follows:

WHY DON'T THEY LEARN MORE ABOUT FTC AND HOW THE AGENCY REALLY FUNCTIONS?

(By Wally Fingal)

The Congressional inquiry into Presidential aide Sherman Adams' conversations with the Federal Trade Commission has put the Government agency regularly on the front pages. It has also pointed up sharply the general lack of understanding of the functions and scope of the FTC.

Ignorance of the FTC is chronic among businessmen who are subject to FTC administered laws, including most of those involved in interstate commerce. Some might contend this is understandable, considering the mass of Federal regulations affecting business.

CONFUSION AMONG CONGRESSMAN

This same lack of adequate understanding of FTC operations is found among many Congressmen, who should know the agency. Some Congressmen are fond of emphasizing that regulatory agencies such as the FTC are "arms of Congress." But they still don't understand the workings of the FTC, and frequently misinterpret its functions.

During the Adams hearings, there were startling misinterpretations of the functions of Government agencies by the very people who should know them best. One centered on the attmept by the subcommittee special counsel, Robert Lishman, to make a crucial point of the fact that the FTC had turned down the recommendation by one of its staff that a certain case be turned over to the Justice Department for criminal proceedings. Lishman made much of this. So did other members of the subcommittee. Actually, all should have known better. With any understanding of the traditions of FTC, they would have realized that such an action was anything but unusual. Historically, the FTC has followed the policy of attempting to obtain compliance without resorting to more stringent action. In other words, the FTC's action in the case was to be expected.

Since the Wool Products Labeling Act became law in 1941, there have only been five records of investigation being certified by the FTC for action by the Attorney General. Of these 5, only 3 were filed and tried.

The case that was stressed in the hearings, of course, was one involving three New England wool-product mills, principally owned by Bernard Goldfine, on whose behalf Adams had queried the FTC. The case carried the name of Northfield, one of the mills. Northfield troubles with FTC started in 1953. The charge then was that the mill engaged in an illegal practice by failing to note on the label of one of its products that it contained nylon, about 5 to 10 percent. Several other mills had come under similar charges, since—as FTC officials pointed out at the hearings—the relevant statute was almost beyond understanding.

However, Goldfine, and the others affected might have made it their business to gain a thorough knowledge of the statute. Too, the FTC is always open for consultation and welcomes the opportunity to explain further the statutes it administers to those concerned with them. The Northfield case once again underscores what seems to be a puzzling indifference by some businessmen concerning the FTC's willingness to aid them.

In this instance, Northfield said it would mend its ways and the case was closed, pending a look by the FTC at other Northfield practices. This look disclosed that Northfield's labeling of guanaco fabrics was questionable. About that time the Commission held an industry meeting on guanaco labeling and, as a result, amended its rule for promotion of the product. After the rule change, Northfield continued to market a questioned stock, and the FTC adopted staff recommendations to issue a complaint.

Among the FTC staff concerned—up to the Chief of the Wool Division, on to the Bureau of Investigation, and up to the full Commission—the decision of a complaint was almost unanimous. There was a sole exception. The project attorney in the case recommended that instead of a complaint, the matter should be submitted to the Justice Department for criminal proceedings. The House committee hearings made this sole dissent the principal issue, suggesting that but for Sherman Adams' inquiries to the FTC on the case, it would have been referred to the Justice Department.

It is not too surprising, however, that Lishman regarded the turndown of a criminal proceedings recommendation as the big issue. He is a newcomer. But that the committee members should accept the issue as important is almost incredible. They, at least, should have known that it is the whole heart and purpose of the Commission to try to obtain cooperative compliance. The act authorizing the Agency was passed during the administration of President Woodrow Wilson. Frequently, even now, it is pointed out that Wilson saw the FTC as an Agency to instruct industry and obtain voluntary observation of new restrictions on competitive practices in distribution and selling.

THE GOVERNMENT'S RESPONSIBILITY

The daddy law in antitrust is the Sherman Act. This is the Justice Department's responsibility. Not satisfied with the broad terms of this act, the Congress further spelled out item by item illegal competitive practices through enactment of the FTC Act, the Clayton Act, and such amendments as the Wheeler-Lea Act and the Robinson-Patman amendment. The latter two especially spell out illegal advertising and other illegal marketing practices.

But the FTC is not an extension of the Justice Department in these areas. It has no punitive powers. Its one big weapon is the order to cease and desist. Contrary to the implications in the Adams hearings, this is not a small weapon. It is clearly shown in hundreds of cases over many years that businesses have a strong fear of the cease-and-desist order. Many have fought it up to the Supreme Court. It is not so much that companies are reluctant to cease and desist, but they wince at the black mark of being ordered to.

For all FTC's wish to obtain voluntary compliance with its directives, the areas of the Commission's jurisdiction—distribution, marketing, advertising—will in the future feel more FTC pressure. In the past, some say, it has been a sort of fuddy-duddy Agency, involved with the complexities of profound legal technicalities that never drew general attention. It is anything but that now. In the future the public will become more and more aware of the Commission.

The Civil Rights Bill of 1958

EXTENSION OF REMARKS

OF

HON. WILLIAM L. DAWSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1958

Mr. DAWSON of Illinois. Mr. Speaker, our country is facing a mounting crisis of civil disorder and disregard of law that stems from the desperate efforts now being made to resist and evade the Supreme Court's antisegregation mandate. We cannot afford to sit still and let these hostile fulminations against the constitutional rights of American citizens explode into additional Little Rocks. The Government has an obligation to take affirmative action not only to assure that people can enjoy their constitutional rights, but also to help reduce the misunderstandings and tensions that underlie the efforts to deny them their rights. Responsible leadership at this time can help to prevent future disturbances and disorders.

We cannot afford to continue just drifting along. It is for those reasons that I introduced H. R. 10928, 85th Congress, to provide the necessary legislation to deal with the momentous challenge now facing our Nation. I detailed my views on this bill, and other civil rights bills, in my recent testimony before the Committee on the Judiciary of the House of Representatives. Because of the importance of this vital problem and in the hope that more and more people will gain a greater understanding of the issues, I request permission to extend my remarks by inserting in the RECORD the transcript of my testimony on these bills before the House Judiciary Committee.

TESTIMONY BY CONGRESSMAN WILLIAM L. DAWSON OF ILLINOIS ON JUNE 27, 1958, BEFORE THE COMMITTEE ON THE JUDICIARY OF THE HOUSE OF REPRESENTATIVES ON H. R. 10928, 85TH CONGRESS, AND OTHER CIVIL-RIGHTS BILLS

Mr. Chairman and members of the Committee on the Judiciary, I wish to thank you for your kind and courteous invitation asking that I present to you my views on the various civil-rights bills introduced in the House of Representatives and now pending before your committee.

I have worked for many years to protect the civil rights of all persons in our Nation. I am convinced that the greatest single difference between democracy and totalitarianism is the way each system treats the individual. In these times of competition between liberty and dictatorship, there are few problems more vital than that of insuring equal justice under law to all persons as individual human beings, without regard to their skin color or their religion or their ancestry or their language or their place of birth.

This principle of equal justice under law is embedded in the constitutional fabric of our national tradition. It was solemnly expressed in the promise of the 14th amendment of the Constitution that every person is entitled to the equal protection of the laws. The principle of equal justice is also expressed in our constitutional heritage of due process and our Bill of Rights. The first President of our country, George Washington, recognized it as our pervading ideal when he eloquently described our Government as one which "gives to bigotry no sanction, to persecution no assistance."

Yet, it is only in recent years that the Federal courts have given real meaning to that promise of equal protection, and equal justice for all, under equal laws.

All of us are proud that during the past 4 years the Federal courts have swept away the false doctrine of legalized segregation which supported so many cruel and indecent discriminations against millions of Americans. Mr. Justice Harlan's famous plea that "our Constitution is color blind" has become the law of the land, and it should now be clear that governmental power may no longer be legally used to compel or cause racial segregation.

We can take even greater pride that this progress is being supported by the majority of Americans, speaking both as individuals and through their organizations, including the churches of all faiths, the professions, business, labor, veterans, indeed, by all who understand the noble heritage of equal justice that constitutes the American ideal.

However, in many areas, there are groups, some small and fanatical, others large, well financed and well organized, that refuse to comply with the requirements of the Constitution and the law of the land. They strive to reverse the rulings of the courts by obstructive tactics, by economic coercion, by physical violence, by terror, by harassments, and by as wide a variety of devices as their ingenuity can conceive.

The recent revelation of the terrorism and fear which local police use in Dawson, Ga., to oppress the colored residents of that community has been shocking and sickening. Such official tyranny is reminiscent of the police brutality fostered by the Hitler and Stalin regimes, and the current Russian terror behind the Iron Curtain. It shames America in the eyes of the world.

But Dawson, Ga., is not the only place in our country where brutal disregard of human rights has occurred. Milford, Del., Belzoni, Miss., Birmingham, Ala., Little Rock, Ark., and many other places have witnessed a mounting crisis of widespread resistance to law and order. Law-abiding citizens are being denied their right to vote, they are bombed, they are excluded from public schools to which they are entitled to go, they are oppressed in their livelihood, they are subjected to indignities and indecencies—in short, they are being denied the liberty, the pursuit of happiness, and the basic rights which the Constitution has guaranteed to them.

This crisis which America faces has been fomented by persons who fail to understand the heritage of America. They seek to preserve an outmoded system of caste and second-class citizenship. They strive to repeal court rulings by intimidation, violence, and coercion. The recent order by Judge Lemley forbidding integration in the public schools of Little Rock for the 2½ years remaining in Governor Faubus' term is a direct outgrowth of that intimidation and coercion. It will surely encourage the mobs to use organized violence to subvert the supreme law of the land.

I am confident that in the long run they will fail in their objectives. But in the meantime they are creating tensions, disturbances, and hates which injure America, both internally, and before the whole, watching world. Those who want to preserve segregation at any cost are destroying the basic rights of all Americans, white as well as colored, they are destroying the exercise of free speech, free assembly, and free thought in a large part of our country, and in their madness they would pull down the whole edifice of public education which is the key to the future. White and colored children alike, and our whole country, will be the losers.

It is the duty of Government to deal with this problem, and to do so now. It is the duty of Congress to provide the leadership. We cannot afford to let the mobs and the hoodlums set our moral tone; nor can we sit idly by until they force us to resort to frantic improvisations after they have created dangerous civic disorder, violence, and riot. We cannot leave to the young child the burden of facing the mob; nor should the Government leave the Constitution to be carried on the shoulders of poor and harassed individuals who seek only that which the Constitution guarantees to them. The pressures and coercions are becoming so great in some areas that only the Federal Government can protect their constitutional rights.

The bills now before you, including H. R. 10928, which I have introduced, cover a variety of subjects relating to the protection of the civil rights of our fellow Americans. Some of these bills provide civil remedies. Others would strengthen the criminal laws for the purpose of providing penal sanctions to protect civil rights. Several of these bills are similar to bills which I have introduced in previous Congresses. All of them would constitute appropriate legislation to help protect the guaranties of equal protection of the laws and the due process of law to which all Americans are entitled. They would encourage and give heart to the many people, in the South as well as the North, who deplore the present drift to chaos. The South is not monolithic, and many of its white people are opposed to the new tide of racism and totalitarianism.

If and when any or all of these bills come to the floor of the House, I shall support them with all my strength. I know that many of you will do so, too.

I have introduced H. R. 10928 for the purpose of dealing with the mounting crisis of widespread resistance to law and order that is growing in many areas.

My bill is intended to prescribe additional practical means for protecting the existing rights of all persons to receive the equal protection of the laws. It would provide legislative direction to the executive branch of Government to furnish technical assistance and to make financial grants to local communities, as well as establish specific administrative procedures, for moving ahead in complying with the decisions of the Supreme Court of the United States. Under Title I of my bill, the Secretary of Health, Education, and Welfare would utilize educational means to help communities prevent or eliminate denials of constitutional rights, not only in the public schools, but in other activities as well. H. R. 10928 would authorize appropriations of up to $3 million each year for gathering and publishing information concerning the problem, assisting in calling conferences on the subject, and providing trained specialists to aid the States and localities in eliminating governmentally imposed segregation in public education. These things should have been done years ago.

Title II would authorize appropriations of up to $50 million each year to assist States and localities in meeting the costs necessary to comply with the Supreme Court's decision against compulsory segregation in the public schools, including costs of additional teachers, inservice training for teachers, providing group relations specialists, replacement of State funds withdrawn from local districts which are eliminating segregation, and construction of additional facilities where necessary. Detailed provisions are present in my bill to insure that the grants are made in the most economical and effective manner possible.

Under title III of my bill, the Secretary of Health, Education, and Welfare would cooperate with the particular communities to work out plans for desegregation of public schools. Every effort would be made to develop such plans by agreement and persuasion. Only as a last resort would the Attorney General institute civil action to enforce compliance with the approved plan of school desegregation.

Mr. Chairman, and members of this committee, I want to emphasize my deep feeling that the expenditure of these sums by the Federal Government would be the best possible investment in democracy and good government. We face a great national peril, and the amounts here authorized are indeed small for the task. The cost of these programs would be more than repaid by the protection of both property and persons from the threats of violence and civil disorder, and even more by the enhancement of our democratic ideals and traditions that will result from such efforts by the Government. We cannot afford to be without such programs.

Title IV of my bill would supplement the Civil-Rights Act of 1957 which authorized the Attorney General to institute civil actions to protect voting rights. Title IV of my bill would authorize the Attorney General to institute civil actions in those cases where any person or group of persons is being deprived of any of his or their constitutional rights by reason of race, color, religion, ancestry, or national origin. Before doing so, the Attorney General would have to receive a signed complaint and certify that the person or group whose rights are injured is unable to obtain effective legal protection of his constitutional rights.

Section 401 of my bill which requires the signed complaint does not specify who shall sign it. It is my intention in requiring the signed complaint that the Attorney General should not act simply on an anonymous allegation. But it is not my intention that the signature must be by the very person or group who are being deprived of their constitutional rights. People who are being oppressed are often too fearful to place their own name to an official complaint. Therefore, a complaint signed by any person or any representative of an organization, interested in the matter, would be sufficient basis upon which the Attorney General could give consideration to the allegation.

The Attorney General would also be specifically authorized to institute civil actions against persons who seek to prevent Federal, State, and local officials from according to others their constitutional rights, and against persons who seek to prevent or hinder the performance of court orders which protect the right to the equal protection of the laws without regard to race, color, religion, ancestry, or national origin. It would also authorize such civil actions by the Attorney General against those who strive to injure the constitutional rights of any person simply because he has expressed opposition to the denial of such constitutional rights for other persons. Thus, white people who oppose such discrimination against colored people could be protected against denials of their constitutional rights.

These provisions, in my judgment, are essential to combat the miasma of fear that is enveloping many areas of our Nation. It is time for Congress to exercise its long dormant duty to protect the civil rights of all Americans.

Some of the bills now pending before your committee, which are somewhat similar to my bill H. R. 10928, invoke the power of Congress under the 14th amendment alone. However, my bill does not purport to rest solely on the 14th amendment, but draws on the entire Constitution for its strength. I think this is important in view of the history of the Civil Rights Act of 1875. As you will remember, the Supreme Court invalidated the 1875 act in the *Civil Rights Cases* (109 U. S. 3 (1883)) on the ground that the 14th amendment did not authorize legislation against private violation of civil rights. Later, when it was sought to apply the 1875 act to a common carrier in interstate commerce, which is a field clearly subject to the Congressional power under the commerce clause of the Constitution, the Supreme Court invalidated such application on the ground that Congress had intended to utilize only its power under the 14th amendment and that the 1875 act was not separable. That decision was rendered in 1913, in the case of *Butts* v. *Merchants Transportation Co.* (230 U. S. 126). Subsequently, the Supreme Court invalidated racial discrimination under the commerce clause in *Morgan* v. *Virginia* (328 U. S. 373 (1946)) and under the Interstate Commerce Act, in *Henderson* v. *United States* (339 U. S. 816 (1950)), and *Mitchell* v. *United States* (313 U. S. 80 (1941)). The lesson we learn from these cases is that we should draw upon the entire Constitution whenever we can, rather than simply one clause thereof, when we draft legislation to protect human rights.

I believe that the enactment of H. R. 10928 can be of inestimable value to every section of our country. I hope that it will be favorably reported by your committee, and approved by the House of Representatives. I recognize that legislative obstacles in the Senate may weaken the chances of enactment. But the representatives of the people must never become despondent or discouraged. We must do all in our power to further the cause of justice. I believe that the enactment of the bill by the House, plus the growing national realization of the tragic possibilities inherent in the decision at Little Rock, would do much to change the climate of attitudes in the Senate. We must not falter, we must not be timid.

I appreciate the opportunity to testify on these bills, and thank you for your patience and courtesy.

SENATE

THURSDAY, JULY 17, 1958

The Senate met at 10 o'clock a. m.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father, God, as in reverence we hallow Thy name, so may we hallow our own as we keep our honor bright, our hearts pure, our ideals untarnished, and our devotion to the Nation's weal high and true.

In a day of tragedy and threat, as the might of our physical force becomes the symbol of the spiritual verities for which we contend against pagan designs, with all their callous cruelty and glaring injustice, save us, we pray, from any disguises and pretenses of our own hearts which would make us unworthy to wear the vesture of the gallant knighthood of Thy eternal purpose for universal human brotherhood in a kingdom of mutual cooperation which has no frontiers. In the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, July 16, 1958, was dispensed with.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. NEUBERGER, and by unanimous consent, the following committee and subcommittee were authorized to meet during today's session of the Senate:

The Committee on Labor and Public Welfare, in executive session.

The Subcommittee on Federal Matters, of the Committee on Post Office and Civil Service.

Mr. O'MAHONEY. Mr. President, on Monday, on behalf of the Subcommittee on Improvements in the Federal Criminal Code of the Judiciary Committee, I gave notice that a hearing would begin this morning at 10 o'clock to hear evidence on the pending bill dealing with the Mallory case, which was passed by the House recently, and is now pending in the Senate Committee on the Judiciary, together with three other bills introduced by Members of this body. Witnesses have already assembled in the committee room. When the date for the hearing was set, it was not understood

that the Senate would be meeting at 10 o'clock this morning. I therefore ask unanimous consent that the subcomittee may sit during the session of the Senate.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. O'MAHONEY. Mr. President, word has just come to me from the Senator from Tennessee [Mr. KEFAUVER] that the Subcommittee on Antitrust and Monopoly Legislation of the Judiciary Committee has a special hearing scheduled for this morning on the sports exemption bill. I therefore ask unanimous consent that the Subcommittee on Antitrust and Monopoly Legislation of the Committee on the Judiciary be permitted to sit during the session of the Senate.

The VICE PRESIDENT. Without objection, it is so ordered.

On request of Mr. HOBLITZELL, and by unanimous consent, the Permanent Investigating Subcommittee of the Committee on Government Operations was authorized to meet during today's session of the Senate; and such authority was also extended to its meeting on yesterday.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEE ON ARMED SERVICES

Mr. SYMINGTON. Mr. President, from the Committee on Armed Services I report favorably the nomination of Vice Adm. Thomas S. Combs for appointment as United States naval representative, Military Staff Committee, United Nations, as senior Navy member, and the nominations of 10 major generals for temporary appointment in the Army. I ask that these nominations be placed on the Executive Calendar.

The VICE PRESIDENT. The nominations will be placed on the Executive Calendar, as requested by the Senator from Missouri.

The nominations ordered to be placed on the Executive Calendar are as follows:

Brig. Gen. John Simpson Guthrie, and sundry other officers, for temporary appointment in the Army of the United States; and

Vice Adm. Thomas S. Combs, United States Navy, for appointment as United States naval representative, Military Staff Committee, United Nations, as senior Navy member.

Mr. SYMINGTON. Mr. President, in addition, from the Committee on Armed Services, I report the nominations of 341 temporary and permanent appointments and promotions in the Navy and Marine Corps in the rank of captain and below. These names have already appeared in the CONGRESSIONAL RECORD, so to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Vice President's desk for the information of any Senator.

The VICE PRESIDENT. Without objection, it is so ordered.

The nominations ordered to lie on the desk are as follows:

William M. Akers, and sundry other persons, for appointment and promotion in the Navy and Marine Corps.

The VICE PRESIDENT. If there be no further reports of committees, the nominations on the calendar will be stated.

NATIONAL SCIENCE FOUNDATION

The legislative clerk read the nomination of Morrough P. O'Brien, of California, to be a member of the National Science Board, National Science Foundation.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

PUBLIC HEALTH SERVICE, BOARD OF REGENTS, NATIONAL LIBRARY OF MEDICINE

The legislative clerk read the nomination of Dr. William Bennet Bean, of Iowa, to be a member of the Board of Regents of the National Library of Medicine, Public Health Service.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Dr. William Walter Stadel, of California, to be a member of the Board of Regents of the National Library of Medicine, Public Health Service.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

CIRCUIT COURTS, TERRITORY OF HAWAII

The legislative clerk read the nomination of Harold W. Nickelsen, of Hawaii, to be second judge of the third circuit, Territory of Hawaii.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Edgar D. Crumpacker, of Hawaii, to be first judge of the first circuit, Territory of Hawaii.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of William Z. Fairbanks, of Hawaii, to be second judge of the first circuit, Territory of Hawaii.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of all these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

PROPOSED CONCESSION CONTRACT, BLUE RIDGE PARKWAY, VIRGINIA

The VICE PRESIDENT laid before the Senate a letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed concession contract on the Blue Ridge Parkway, Virginia, which, with the accompanying papers was referred to the Committee on Interior and Insular Affairs.

PETITION

The VICE PRESIDENT laid before the Senate a letter from the Assistant Secretary of State, transmitting, at the request of the Ambassador of the Philippines, a resolution adopted by the Provincial Board of Tarlac, P. I., favoring the enactment of the joint resolution (H. J. Res. 581) to authorize an appropriation for the pay of guerrilla and parolee personnel of the armed forces of the former Commonwealth of the Philippines for services in World War II, which was referred to the Committee on Armed Services.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. RUSSELL, from the Committee on Armed Services, with an amendment:

H. R. 12541. An act to promote the national defense by providing for reorganization of the Department of Defense, and for other purposes (Rept. No. 1845).

CONTINUANCE OF STUDY OF DISARMAMENT

Mr. GREEN, from the Committee on Foreign Relations, reported an original resolution (S. Res. 335) to continue study on the problems of world disarmament, and submitted a report (No. 1843) thereon, which resolution was referred to the Committee on Rules and Administration, as follows:

Whereas the Senate Subcommittee on Disarmament will terminate on July 31, 1958; and

Whereas all duties, functions, and records of the Senate Subcommittee on Disarmament are to be turned over to the Committee on Foreign Relations; and

Whereas the Senate Foreign Relations Committee has established its own subcommittee to carry on the work of the Senate Subcommittee on Disarmament; and

Whereas the problem of disarmament remains one of the great questions facing the Nation and the world: Therefore, be it

Resolved, That the Committee on Foreign Relations, or any duly authorized subcommittee thereof, is authorized under sections 134 and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance

with its jurisdictions specified by rule XXV of the Standing Rules of the Senate to make a full and continuing study of the problems of world disarmament.

SEC. 2. For the purposes of this resolution the committee, from August 1, 1958, through January 31, 1959, is authorized (1) to make such expenditures; (2) to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate; (3) to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents; (4) to take such testimony; (5) to employ, upon a temporary basis, technical, clerical, and other assistants and consultants; and (6) with the prior consent of the heads of departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government as it deems advisable.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1959.

SEC. 4. The expenses of the committee, under this resolution, which shall not exceed $35,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

STUDY OF UNITED STATES FOREIGN POLICY

Mr. GREEN, from the Committee on Foreign Relations, reported an original resolution (S. Res. 336) to authorize a study of United States foreign policy, and submitted a report (No. 1844) thereon; which resolution was referred to the Committee on Rules and Administration, as follows:

Whereas the foreign policy of the United States is a principal instrument for advancing the security and well-being of the people of the United States; and

Whereas extensive efforts have been made during the years since World War II to promote peaceful and beneficial relations between the United States and the rest of the world; and

Whereas the Senate of the United States, under the Constitution and the laws made pursuant thereto, has deep and continuing responsibilities in matters bearing upon the foreign relations of the United States; and

Whereas, to disclose these responsibilities with full effectiveness, the Senate requires a comprehensive evaluation of the foreign policies of the United States, the state of the relations of the United States with the rest of the world, and the manner in which these relations are conducted: Now, therefore, be it

Resolved, That the Committee on Foreign Relations, or any duly authorized subcommittee thereof, is authorized under sections 134 and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate to make a full and complete study of United States foreign policy.

SEC. 2. The committee shall, without limiting the scope of the study hereby authorized, direct its attention to the following subjects:

(a) The concepts which govern the relations of the United States with the principal nations and geographic areas of the world; and the policies by which these concepts are pursued;

(b) The present state of the relations of the United States with the principal nations and geographic areas of the world;

(c) The administration and coordination of policies and programs by the Department of State and such other departments and agencies of the executive branch which engage in substantial activities abroad; and

(d) The relationship of other policies and activities of the Government and private activity which exert a significant influence on the relations of the United States with the rest of the world.

SEC. 3. For the purposes of this resolution the committee is authorized (1) to make such expenditures; (2) to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate; (3) to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents; (4) to take such testimony; (5) to employ, upon a temporary basis, technical, clerical, and other assistants and consultants; and (6) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government as it deems advisable.

SEC. 4. In the conduct of this study the committee may use the experience, knowledge, and advice of private organizations, schools, institutions, and individuals in its discretion, and is authorized to divide the work of the study among such individuals, groups, and institutions as it may deem appropriate and may enter into contracts for this purpose.

SEC. 5. The expenses of the committee under this resolution, which shall not exceed $300,000, for the period ending January 31, 1959, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

SEC. 6. The committee shall complete its study by June 1960, but it shall submit to the Senate not later than January 31, 1959, such results of the study herein authorized together with such recommendations as may be found to be appropriate.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JOHNSTON of South Carolina:

S. 4142. A bill to amend chapter 41 of title 28 of the United States Code to provide for a Deputy Director of the Administrative Office of the United States Courts, and for other purposes; to the Committee on the Judiciary.

By Mr. PROXMIRE:

S. 4143. A bill to amend the Internal Revenue Code of 1954 in order to eliminate preferential treatment with respect to certain categories of taxpayers, and for other purposes; to the Committee on Finance.

(See the remarks of Mr. PROXMIRE when he introduced the above bill, which appear under a separate heading.)

By Mr. EASTLAND:

S. 4144. A bill for the relief of Guisseppe Glorioso; to the Committee on the Judiciary.

By Mr. McNAMARA:

S. 4145. A bill to assist the States and Territories in extending and improving their program of fitness through health and safety education, physical education and recreation instruction for children of school age in order to provide a larger reservoir of persons fit to meet such national manpower requirements as defense, and for other purposes; to the Committee on Labor and Public Welfare.

By Mr. MURRAY:

S. 4146. A bill providing for payments as incentives for the production of certain strategic and critical minerals, and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. MURRAY when he introduced the above bill, which appear under a separate heading.)

By Mr. BEALL:

S. 4147. A bill to provide for the establishment and maintenance of a lifeboat station; to the Committee on Interstate and Foreign Commerce.

JOINT COMMITTEE ON CANADIAN-UNITED STATES RELATIONS

Mr. NEUBERGER. Mr. President, I ask unanimous consent that at this time I may speak for not to exceed 5 minutes, in connection with the submission of a concurrent resolution.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. NEUBERGER. Mr. President, after years of being taken for granted, our relations with our great neighbor nation to the north, Canada, have recently received the attention by our Government and press that their importance to both countries justifies. President Eisenhower has just returned from a goodwill visit to Ottawa. Two able members of the Committee on Foreign Affairs of the House of Representatives, Representatives BROOKS HAYS and FRANK M. COFFIN, have issued a report on Canadian-United States relations that has enjoyed wide coverage in the press.

On June 8, Prime Minister John G. Diefenbaker, of Canada, spoke in Middletown, Conn., to the faculty and students of Wesleyan University. He delivered a thoughtful address in which he reviewed many aspects of the modern world situation, as it affects Canada and the United States. The Canadian Prime Minister made a momentous and constructive proposal for permanent improvement of the means by which our two countries can maintain our traditionally close and friendly understanding. Seizing upon one of the suggestions in the Congressional report I have mentioned, Mr. Diefenbaker developed it into a most interesting proposal of his own—a plan for a joint committee of Canadian and United States legislators, who could meet together from time to time to review and report on problems of particular common concern to both nations.

The Prime Minister said:

> To meet the problem of the relations of our nations, the Hays-Coffin report suggested a Congressional committee on Canadian relations. I am sure that the Parliament of Canada would give the fullest consideration to the setting up of a similar committee of Canadian parliamentarians who in periodic visits to our respective capitals would do much to achieve suggested solutions of recurring problems.
>
> The benefits that will flow from such a joint meeting were very apparent in 1942 when, at a parliamentary conference at which I had the honor to preside, Members of the Congress of the United States met in conference for the first time with Canadian and Commonwealth Members of Parliament.

Mr. President, I submit for appropriate reference, a concurrent resolution which calls for appropriate Congressional action in response to this forthright and forward-looking proposal of the Canadian Prime Minister; and I ask

unanimous consent that the concurrent resolution for a Joint Committee on Canadian-United States Relations be printed at this point in the RECORD.

The VICE PRESIDENT. The concurrent resolution will be received and appropriately referred.

The concurrent resolution (S. Con. Res. 105), submitted by Mr. NEUBERGER, was referred to the Committee on Foreign Relations, as follows:

Whereas Congress recognizes that unique factors of geography, common cultural heritage, political and military alliance, and mutual travel and trade have combined to form a singularly close and friendly relationship between the people of the United States and of Canada; and

Whereas the Prime Minister of Canada has recently suggested the creation of committees of the Congress and of the Canadian Parliament to meet periodically together in each of our two countries to consider problems of special mutual interest: Therefore be it

Resolved by the Senate (the House of Representatives concurring), That (a) there shall be established a joint Congressional committee to be known as the Joint Committee on Canadian-United States Relations (hereinafter referred to as the "Joint Committee") to be composed of Members of the Senate and the House of Representatives as hereinafter provided in this section.

(b) The chairman of the Committee on Foreign Relations of the Senate, and 2 additional members from that committee, 1 from the majority party and 1 from the minority party, to be appointed by the chairman of that committee, shall be permanent members of the Joint Committee.

(c) The chairman of the Committee on Foreign Affairs of the House of Representatives, and 2 additional members from that committee, 1 from the majority party and 1 from the minority party, to be appointed by the chairman of that committee, shall be permanent members of the Joint Committee.

(d) The President of the Senate may from time to time appoint members of the Senate to serve on the Joint Committee, taking into account the subject matter of special questions or problems between the two nations which may be under current consideration by the Joint Committee. The number of additional members thus appointed from time to time for periods of service on the Joint Committee shall not exceed six in number at any one time, and at no time shall the number of such temporary members of the Joint Committee appointed from the Senate from one political party exceed the number of temporary members of the Joint Committee appointed from the Senate from the other political party.

(e) The Speaker of the House of Representatives may from time to time appoint members of the House to serve on the Joint Committee, taking into account the subject matter of special questions or problems between the two nations which may be under current consideration by the Joint Committee. The number of additional members thus appointed from time to time for periods of service on the Joint Committee shall not exceed six in number at any one time, and at no time shall the number of such temporary members of the Joint Committee appointed from the House from one political party exceed the number of temporary members of the Joint Committee appointed from the House from the other political party.

SEC. 2. (a) Vacancies in the membership of the Joint Committee shall not affect the power of the remaining members to execute the functions of the Joint Committee, and shall be filled in the same manner as in the case of the original selection. A quorum of the Joint Committee shall consist of a majority of the members of the Joint Committee serving at the time, except that the Joint Committee may fix a lesser number as a quorum for the purpose of taking sworn testimony.

(b) The Joint Committee shall select a chairman and a vice chairman from among its members at the beginning of each Congress. In the absence of the chairman, the vice chairman shall act as chairman. The chairmanship shall alternate between the members of the Joint Committee from the Senate and the members of the committee from the House of Representatives with each Congress, and the chairman shall be elected by the members from the House entitled to the chairmanship. The vice chairman shall be elected from the members of the Joint Committee from the House which is not entitled to the chairmanship by the members of the Joint Committee from such House.

SEC. 3. (a) It shall be the duty and function of the Joint Committee to make a continuing study of this country's relations with Canada, and to consider special problems arising from time to time between the two countries and the most appropriate means of solving such problems. It shall be a primary function of the Joint Committee to meet from time to time, in Canada and in the United States, with any committee of the Canadian Parliament that may be established with similar functions and terms of reference, for the purpose of joint study and discussion of questions and problems specifically involving the mutual relations and interests of Canada and the United States, without, however, engaging in functions of international negotiation or of action on specific measures of legislation.

(b) The Joint Committee shall transmit to the Congress, from time to time, reports of its findings and conclusions resulting from its studies and conferences, together with such recommendations as it deems appropriate.

SEC. 4. The Joint Committee, or any duly authorized subcommittee thereof, is authorized to sit and act at such places and times, to hold such hearings, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures, as it deems advisable.

SEC. 5. (a) The Joint Committee shall have the power to employ and fix the compensation of such experts, consultants, and other employees as it deems necessary in the performance of its duties.

(b) Members of the Joint Committee shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties outside the District of Columbia.

SEC. 6. The expenses of the Joint Committee shall be paid from the contingent funds of the Senate upon vouchers signed by the chairman of the Joint Committee.

SEC. 7. This resolution shall become effective, and the Joint Committee established, upon receipt by the President of the Senate and the Speaker of the House of Representatives of notification that a committee with similar functions and terms of reference has been established by the Canadian Parliament.

Mr. NEUBERGER. Mr. President, my proposal is very simple and self-explanatory. Its key features are designed to take into account the following essential considerations which bear upon the manner in which Congress might act upon the Canadian suggestion.

First. Because of the division of the legislative function, in our system, between the two Houses of Congress, both Houses should be represented on any Congressional committee to meet with a corresponding committee which may be established by the Canadian Parliament.

Under my concurrent resolution, an equal number of Members of each House of Congress would be selected for service, for terms of identical length, on the proposed Joint Committee on Canadian-United States Relations. Of course, the concurrent resolution does not contain a provision in regard to the manner in which the Canadian counterpart of the Joint Committee would be established; that must be for the Canadian Parliament to determine. On our side, the terms of the concurrent resolution will become effective, and the Joint Committee established, as soon as the President of the Senate and the Speaker of the House of Representatives are notified of the establishment of such a corresponding committee, with parallel terms of reference, by the Canadian Parliament.

Second. The Senate Committee on Foreign Relations and the House Committee on Foreign Affairs should be represented on the Joint Committee, in view of their primary legislative responsibilities in the area of international affairs. Yet I believe the full benefits of the proposed contacts between the legislative branches of the two nations would not be realized if these were limited to members, or perhaps special subcommittees, of the Committee on Foreign Relations and the Committee on Foreign Affairs, for the distinguishing fact about our relations with Canada—the fact which gives Mr. Diefenbaker's suggestion its basic validity—is precisely that they go far beyond technical, diplomatic relations, such as we have with many other countries. Matters of common concern to Canada and the United States may arise throughout a wide range of military, political, and economic affairs. In their international character, they are not necessarily dealt with by international agreement, or otherwise. That aspect may be wholly submerged in the domestic context. Legislatively, such matters may fall within the jurisdiction of literally any of the various committees of the Congress.

For these reasons, my concurrent resolution provides that along with the permanent members from the Committee on Foreign Relations and the Committee on Foreign Affairs, other Senators and Representatives from time to time be appointed for periods of service on the Joint Committee on Canadian-United States Relations. Members could thus be assigned for terms in the light of their interest, and that of other committees on which they serve, in some current subject matter or special question of concern to the two nations which might be under consideration by the Joint Committee.

Third. My concurrent resolution would not encroach on the legislative powers and jurisdiction of existing Congressional committees, or on the primary authority of the Executive for our foreign relations and negotiations. The concurrent resolution would assign to the Joint Committee functions of meeting with its

Canadian counterpart for joint studies, hearings, discussions, and reports to the Congress, "without, however, engaging in functions of international negotiation or of action on specific measures of legislation."

Fourth. Because the Joint Committee will thus have no direct legislative responsibilities, there are no reasons for giving it a partisan composition, and there are good reasons for minimizing any element of partisanship. Under the terms of my concurrent resolution, therefore, the Joint Committee will at all times be composed of equal numbers from the majority and from the minority, with the sole exceptions of the two chairmen of the committees on Foreign Relations and Foreign Affairs, who of course change with any change in the majority-party control in either House.

CONTINUOUS ATTENTION TO UNITED STATES-CANADIAN AFFAIRS NEEDED

Mr. President, as I have stated, the main function of the proposed Joint Committee on Canadian-United States Relations will be to meet with a corresponding Canadian parliamentary committee, as proposed by Prime Minister Diefenbaker, so as to provide a continuing forum for study, hearings, and discussion of matters of common interest, and to report thereon.

In the nature of things, it is probable that the American Congressional committee and its Canadian counterpart may have to concern themselves more often with problems which arise under United States policies, rather than with those which arise under Canadian policies. It is particularly valuable and important that there should be in existence such a body, drawn from both national legislatures, whose concern will be with the impact of United States policies on Canada, as well as, of course, with that of Canadian policies on the United States, for, as Walter Lippmann has recently spelled out in an excellent column on this subject, the key problem in Canadian-United States relations is that—

the Canadian economy is highly vulnerable to what is done in the United States, while the American Government and American public opinion are inattentive and absent-minded about what happens in Canada.

Therefore, Mr. Lippmann quotes Mr. Jacob Viner, as follows:

Americans are capable of forgetting their common concerns with Canada, while Canadians cannot forget their involvement with their giant neighbor.

Mr. President, I ask unanimous consent that the informative and thoughtful article by Mr. Walter Lippmann, from the Washington Post and Times Herald of July 14, 1958, which spells out the causes and consequences of this condition, be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post and Times Herald of June 15, 1958]

OUR NEIGHBOR CANADA

(By Walter Lippmann)

Not long ago a highly qualified spokesman on Canadian and American affairs, Mr. Jacob Viner, wrote in the Quarterly Magazine published by Queens University that "Americans are capable of forgetting their common concerns with Canada while Canadians cannot forget their involvements with their giant neighbor." This is the essential point in the general sense of grievance which has been mounting in Canada. It led to the President's visit of appeasement and friendship.

The Canadians have a fair number of specific grievances about wheat, oil, lead, and zinc, about the control of Canadian subsidiaries of American companies. They are themselves negotiable and adjustable provided that we in this country pay enough attention to them. But the general grievance is more important than the sum of the specific grievances of which the President discussed several in his Ottawa address. The crux of the problem is that the Canadian economy is highly vulnerable to what is done in the United States while the American Government and American public opinion are inattentive and absent-minded about what happens in Canada.

As a measure of our inattention, we can take a fact which was reported recently to the House Committee on Foreign Affairs by Representatives BROOKS HAYS and FRANK M. COFFIN. There is only one American newspaper, the New York Times, which has a news bureau in Canada; the Chicago Tribune and, we might add, the New York Herald Tribune have reporters; for the rest there are the Associated Press and the United Press which take their Canadian news from the Canadian Press Association and the British United Press. There is, that is to say, little popular interest in Canadian affairs.

In part, no doubt, this lack of interest is due to the fact that Canadian-American relations have for so long a time been so very good. Nations tend to think about what troubles them rather than about what goes well. But there is more to it than that. Canadian concern and American inattention reflects the enormous disparity in the economic size of the two countries.

The Canadian population is less than 10 percent of the American. Their gross national product is about 6 percent of ours. Yet as Prime Minister Diefenbaker said recently, the Canadian "trading world has become increasingly confined to the United States, which takes 60 percent of our exports and provides 73 percent of our imports."

Moreover, in a variety of key industries, an impressive percentage of the capital employed is controlled in the United States. In oil it is 68 percent, in mining 54 percent, in pulp and papers 45 percent, in agricultural machinery 56 percent, in automobiles 95 percent, in rubber 84 percent. Thus while the Canadian economy is much smaller than the American, it is at the same time vitally related to the American.

American inattention crossed with Canadian vulnerability pose a problem which in any long view is of very great importance. It is that Canadian-American relations, which have been the pride of North America and an example to the world, can no longer be taken for granted—as predestined to be good because the two peoples have so much in common. Our relations will have to be cared for and nurtured, will have to be guided and promoted, by the conscious action of the two nations.

The President's speech to the Canadian Parliament, though it was ably written, failed, it seemed to me, to recognize that the times have changed and that the old relationship which has worked well for so long will not be good enough for the future. Indeed, much of the emphasis of the President's speech was on the ideological notion, which does not happen to be true in this case, that as lovers of a free economy there is nothing much for statesmen to do. What, for example, was the point of his saying that the United States and Canada are not state traders when one of the specific Canadian grievances is over the United States state trading operations for the disposal of our surplus wheat.

The real long-term problem, of disparity in size combined with American inattention, is not going to be solved by occasional meetings at or near the summit, and for the rest by conventional diplomatic intercourse. We have to open our minds, I am inclined to think, to the task of creating some kind of new organ, a joint political institution which has enough authority to make both Governments listen.

The chief reason for thinking that the existing diplomatic machinery is not adequate lies in the radical difference between the Canadian and the American form of representative government. At last weeks' meeting in Ottawa, for example, Mr. Eisenhower had nothing like the power to negotiate which Mr. Diefenbaker possesses. The Prime Minister could commit his government. The President, who outranks him, does not control Congress and could not commit the American Government.

For in most of the economic issues which affect Canadian-American relations, the real power in the American Government is not the President but the Congress.

Obviously, neither country is going to change its form of government. Obviously also, it is not possible for the Congress of the United States to negotiate with the Canadian Government. This leads me to think that it might prove to be relevant and useful to establish a permanent joint institution, in the nature of two delegations from the two Governments, and with a joint secretariat.

I do not think of the institution as having supranational powers, like the European Coal and Steel Community, but as having the right by treaty and by law to report on the complaints, to give advice, and to make proposals which, it would be agreed, were to be taken seriously by both Governments.

Mr. NEUBERGER. Mr. President, like Prime Minister Diefenbaker, Mr. Lippmann believes that there ought to be "a permanent joint institution, in the nature of two delegations from the two Governments," to report on problems between us, "to give advice and to make proposals which, it would be agreed, were to be taken seriously by both Governments." It is not too clear whether he has in mind delegations from the executives of the two Governments, from the legislatures, or a new, specially appointed commission. However, there are persuasive reasons why the delegations should represent the two national legislatures—the Parliament and the Congress—as Prime Minister Diefenbaker suggested, and as is proposed in my concurrent resolution.

It is the evolution of representative institutions, more than of executive or diplomatic ones, that has been the genius of the political tradition from which both our Government and that of Canada have sprung. To make imaginative use of our representative institutions to meet new needs, such as those which currently are being felt by both Canadians and Americans, would be proof that this genius is not dead, and that it can adapt itself to new challenges beyond narrow national boundaries. A binational legislative committee, such as the Canadian Prime Minister has proposed, would symbolize that while his country and ours are two independent

nations, we also constitute in many important ways a single community which deserves attention and expression through more than the customary formal, diplomatic channels.

The Canadian Senate last week adopted a resolution approving such a committee. The resolution was introduced by Hon. Wishart McLea Robertson, one of the outstanding Canadian leaders. It calls not only for closer relations with the United States, but also for the development of the greater Atlantic community in which both our countries have such a great stake. Senator Robertson's motion, adopted by the Canadian Senate, reads as follows:

> That the Senate of Canada welcomes the recent suggestion of the Prime Minister of Canada for the establishment of joint parliamentary committees between Canada and the United States of America, believes it can be of great benefit in improving relations between the two countries, and offers our wholehearted cooperation.

Mr. President, I believe that this further demonstration of initiative by our Canadian colleagues makes it even more timely that we should at least begin at this session on a plan for establishing a Joint Committee on Canadian-United States Relations.

TWO CURRENT WESTERN PROJECTS NEED JOINT ACTION

Mr. President, during my service in this body there have been before us many examples of problems which are of great concern to our northern neighbors, but which we have inevitably dealt with in the context of many other factors in connection with which this Canadian concern cannot easily gain attention. Let me mention, for instance, our agricultural policies, our mineral policies, and the oil import control program. We may recall also the friction which arose over the case of the Canadian diplomat, Mr. Herbert Norman.

My own most direct concern, however, Mr. President, has been with the difficult and long-range issues which arise in planning the development of the upper Columbia Basin in Canada. I think this is a particularly good example of the kind of subject matter which would benefit from study and review by a joint Canadian and United States parliamentary body. For one thing, it is one problem which involves Canadian policies, as well as United States policies. Second, it is a problem in connection with which neither side can win by means of prolonged controversy; both stand to gain if a mutually satisfactory plan is rapidly developed, and both stand to lose from prolonged disagreement and delay.

Finally, it is probable that any ultimate plan of development will require some action by both Governments; and, therefore, it would be most helpful if both national legislatures could draw upon the reports and studies of a representative group, such as is proposed.

The Senate Commitee on Interior and Insular Affairs has twice held hearings—in the spring of 1956, and again last May—and has taken testimony from officials of our own executive agencies and from other interested parties on the progress, or lack of progress, of negotiations toward a mutually satisfactory solution of this problem, which is of overriding importance both to British Columbia and to the Pacific Northwest in our own country. Similar hearings have also been held by the Committee on External Affairs of the Canadian House of Commons.

No doubt these hearings have served constructive purposes for both countries. But is it not possible that this vexing controversy might be speeded along to an earlier agreement on joint, constructive action, if a committee of members of Parliament and Members of the Congress were to undertake a joint study of it, perhaps hold hearings in the areas concerned, as well as in the two capitals, and then submit to the two legislatures their fact-finding report and any recommendations on which they might be able to agree? Certainly, in addition to such concrete accomplishments, the hearings and reports of such a joint committee would themselves go far in the realm of public opinion toward maintaining a healthy interest in both nations in their relations with each other, and thus overcome and avoid the kind of deterioration which recently has been permitted to occur.

Other current matters of mutual interest and importance to both countries arise from the recent action of Congress in passing the bill for the admission to the Union of the first noncontiguous State—Alaska. The future development of our 49th State will undoubtedly be accelerated by the construction of the new, overland transportation links between it and the rest of the country. The program for constructing these transportation links is now being studied by the Alaska International Rail and Highway Commission. Recently, I have joined a number of my colleagues in the introduction of Senate bill 4097, to authorize United States cooperation with Canada in paving the only present overland route to Alaska, the Alaska Highway. This and the other steps which may be recommended by the Commission are going to be of vast economic importance to Alaska and to the western part of the United States. Yet all of them will have to take place on Canadian territory.

Just before President Eisenhower left for his recent visit to Ottawa, I wrote to him, to ask that these two, specific items of current United States-Canadian affairs be included in the agenda of the conferences to be held on that occasion.

I was subsequently very much pleased to learn from the White House, upon the President's return from his Canadian trip, that President Eisenhower had, in fact, personally read my letter and touched on its two subjects, in his talks with Prime Minister Diefenbaker.

I ask unanimous consent, Mr. President, that the text of my letter to President Eisenhower be printed at this point in the RECORD, and be followed by a release covering the facts I have just mentioned.

There being no objection, the letter and release were ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON INTERIOR
AND INSULAR AFFAIRS,
July 7, 1958.

The PRESIDENT,
The White House, Washington, D. C.

DEAR MR. PRESIDENT: Because of my long-standing interest in our relations with Canada, and because of the particular importance to the Pacific Northwest and Alaska of matters affecting western Canada, I am taking the liberty to write you about two of these matters in the hope that they may be on the agenda of your conferences, when you visit our northern neighbor nation this week.

These two matters are, first, setting an early deadline for an agreement on the development of the water storage potential of the upper Columbia River Basin; and, second, the paving of the Alaska Highway, between Dawson Creek, British Columbia, and the Canadian-Alaskan border.

I recognize, of course, that the agenda of your historic visit to Canada must touch on many things arising out of the joint interests of our two nations in continental defense, in the Atlantic alliance, and also in a variety of economic affairs. The very range and closeness, for better or worse, of our mutual relations is itself the best reason why your visit to Canada this week is so propitious and timely. I sincerely believe, however, that the two questions I have mentioned offer opportunities for practical achievement that can serve as concrete demonstrations of the special capacity for constructive collaboration between our two North American democracies.

You will recall that more than 2 years ago, when you met with the then Prime Minister of Canada at White Sulphur Springs, the development of the upper Columbia Basin already became a subject of discussion. It had, in fact, been pending before the International Joint Commission since 1944. As a result of the White Sulphur Springs conference, the Canadian Government and our Department of State jointly announced that this increasingly crucial and difficult problem of streamflows across the international boundary would become the subject of direct examination and negotiation by the two Governments. Since that time, as a recent thorough review by the Senate Committee on Interior and Insular Affairs has shown, nothing has in fact been accomplished.

It cannot be expected that any specific agreement on a subject of such complexity can be reached during the few days of your visit in Canada. But it is my conviction, on the basis of many years of study of this deadlocked situation, that a solution could be found to permit an early start on construction of such vast, mutually beneficial storage reservoirs as Mica Creek at the Big Bend of the Columbia, if the heads of the two Governments were to agree only to assigning a high priority to working out such a mutually satisfactory solution by a specified deadline. Thus it is my hope that you will be able to reach such an agreement to agree in principle, in the course of your conferences with the Prime Minister in Canada this week.

Dealing, as it would, with the principle of headwater benefits in international rivers, such an agreement could eventually also extend to the development of the vast potential of water dropping from great heights in the Yukon across Alaskan territory to the Pacific Ocean—for instance, the suggested Taiya project. No single product of these conferences could be of greater significance to vast regions of both countries,

both in our own Pacific Northwest and Alaska, and in Canada's British Columbia and Yukon territory.

The second matter, that of paving the Alaska Highway between Dawson Creek and the Alaska border, has also taken on obvious timeliness and importance with the present advancement of Alaska to full statehood in the Union. On July 2 I introduced a bill, on behalf of a bipartisan group of Senators, which would authorize United States participation, to the extent of one-half the cost, in the paving of the Canadian portion of this sole overland link between Alaska and the other 48 States. On two occasions, Vice President RICHARD M. NIXON has expressed to me his own endorsement of the purpose of this proposal, and his hope that it might become an early project of the two countries jointly concerned. This, too, would be of fundamental economic importance to the further development of the vast western areas of our continent under both flags.

Because of this importance, therefore, I would like through this letter to express the hope that your busy schedule in Canada this week will allow time to touch upon these two aspects of basic economic development, that are of such central concern to the people in the western regions of our two countries.

With best wishes for a successful journey,

Respectfully,

RICHARD L. NEUBERGER,
United States Senator.

The questions of Columbia River power development and paving the Alaska Highway are now officially pending before the Governments of the United States and Canada.

Senator RICHARD L. NEUBERGER, of Oregon, who called the two topics to the attention of President Eisenhower just prior to the recent international conferences in Ottawa, said today he had received definite assurances that his suggestions were made known to the President personally, and that he had good reason to believe they had been taken under official discussion by the two Governments.

NEUBERGER is author of a bill to provide for the hard surfacing of the Alaska Highway through Canada, and he was chairman of Interior Committee hearings analyzing joint use of the hydroelectric resources of the Columbia River system by the two North American nations.

Prior to the President's departure for conferences with Prime Minister Diefenbaker, the Oregon Senator sent a letter to the White House urging addition of United States-Canadian development of the upper Columbia and Alaska Highway paving to the agenda. He told the President of discussions he had in the Senate with Vice President NIXON and of the bipartisan support for the Alaska Highway proposal for 50–50 sharing of construction costs by the United States and Canada.

NEUBERGER also sought top-level consideration of an agreement between the two countries for division of electric power output involved in boundary waters of the Columbia River Basin. He said the two questions offer opportunities for practical achievement that can serve as concrete demonstrations of the special capacity for constructive collaboration between our two North American democracies.

Mr. NEUBERGER. Mr. President, I hope very much, of course, that this expression of interest in these matters at the highest levels of Government will help in speeding along the progress of these two much-needed developments in the northwestern part of the continent we share.

In conclusion, Mr. President, I also ask to have printed in the RECORD an editorial, from the Vancouver (British Columbia) Province of June 10, 1958, which may serve as one example of the widespread interest in Canada in the suggestion of a joint United States-Canadian legislative committee as a means of maintaining friendly relations between these two great neighbor peoples.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Vancouver (British Columbia) Province of June 10, 1958]

HOW TO IMPROVE CANADA-UNITED STATES RELATIONS

Prime Minister Diefenbaker now proposes a reciprocal legislative committee to help improve Canadian-United States relations.

What does this mean? And what could it do?

Obviously it means a group of watchdogs which would examine legislation in either country that is harmful to the other. It does not sound spectacular, but it could get to the root of existing disagreements and irritations and head off many of them before they become too troublesome.

If such a committee had the necesary authority it could act on dozens of matters that so far are only talked about, generally in angry terms that do nothing for good relations.

Functioning as it should, a joint committee of this sort would winnow out specific legislation encouraging discriminatory trade practices. It could put up red lights in both Washington and Ottawa when legislation to empower bans, quotas, and unfair tariffs was in the stage of consideration and before it had a chance to begin creating friction.

Some people are inclined to dismiss ideas like this as visionary. What they do not see, or at any rate admit, is that most discriminatory legislation is not in the overall interest of the country enacting it. Generally it serves narrow, selfish interests, like the recent ban against Canadian oil.

What these practical people are really supporting is the right of special, minority interests to impose legislation that loses their own country good will abroad and is not in the best interest of consumers or the country at large.

What the Canadian Prime Minister is doing is making it clear he is ready to move out of the realm of talk about improving Canadian-United States relations into the sphere of action.

RESOLUTIONS

The following resolutions were submitted, or reported, and referred as indicated:

STUDY OF MATTERS PERTAINING TO TOBACCO MARKETING PRACTICES

Mr. JOHNSTON of South Carolina submitted the following resolution (S. Res. 334), which was referred to the Committee on Agriculture and Forestry:

Resolved, That the Committee on Agriculture and Forestry, or any duly authorized subcommittee thereof, is authorized and directed under sections 134 (a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to tobacco marketing practices related to loose and tied tobacco in order to determine why tobacco farmers receive a price differential for tying tobacco in some States and not in others.

SEC. 2. The committee shall report its findings, together with its recomendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1959.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $5,000 shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

Mr. GREEN, from the Committee on Foreign Relations, reported an original resolution (S. Res. 335) to continue study on the problems of world disarmament, which was referred to the Committee on Rules and Administration.

(See the above resolution printed in full which appears under the heading "Reports of Committees.")

Mr. GREEN, from the Committee on Foreign Relations, reported an original resolution (S. Res. 336) to authorize a study of United States foreign policy, which was referred to the Committee on Rules and Administration.

(See the above resolution printed in full which appears under the heading "Reports of Committees.")

AMENDMENT OF INTERNAL REVENUE CODE, RELATING TO ELIMINATION OF CERTAIN PREFERENTIAL TREATMENT

Mr. PROXMIRE. Mr. President, I introduce, for appropriate reference, a bill to amend the Internal Revenue Code of 1954 to eliminate some provisions which, in my opinion, are inequitable, and to recover substantial revenues which now are lost because of these provisions.

One provision of the bill would require that a person who exercises a stock option at 95 percent of fair market value, and sells it 6 months or more later at a gain, shall pay ordinary income tax on the gain between 95 percent and 100 percent of the true market value at the time of purchase.

Another provision would require that a loss suffered from the sale of depreciable property used in a trade or business shall be taxed as a capital loss, not as an ordinary loss. Profits now are treated as capital gains, but losses are taxed as ordinary losses.

The other provisions of the bill provide certain changes in the capital-gains section of the law, to eliminate special privileges which I believe to be unjustifiable.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 4143) to amend the Internal Revenue Code of 1954 in order to eliminate preferential treatment with respect to certain categories of taxpayers, and for other purposes, introduced by Mr. PROXMIRE, was received, read twice by its title, and referred to the Committee on Finance.

PRODUCTION INCENTIVE PAYMENTS IN RESPECT TO CERTAIN CRITICAL AND STRATEGIC MINERALS

Mr. MURRAY. Mr. President, I introduce, for appropriate reference, a bill providing for production-incentive payments in respect to eight critical and strategic minerals. This bill is intended to take the place of Senate bill 3816, introduced by me on May 15, to implement recommendations made to the Committee on Interior and Insular Affairs by the Secretary of the Interior for production-incentive payments covering only three of the involved minerals.

In view of lengthy testimony before the committee by industry witnesses, it appears advisable to introduce a new bill covering the entire list of eight minerals.

It is recognized that as a part of the mobilization base, it is vital for the Nation to have a certain level of production of these specified minerals, and the indications are clear that without some form of assistance the industries involved are on the verge of collapse.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 4146) providing for payments as incentives for the production of certain strategic and critical minerals, and for other purposes, introduced by Mr. MURRAY, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

EXTENSION OF TRADE AGREEMENTS ACT—AMENDMENT

Mr. SMITH of New Jersey submitted an amendment, intended to be proposed by him, to the bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, which was ordered to lie on the table, and to be printed.

RESOURCE DEVELOPMENT IN LOW-INCOME FARM AREAS

Mr. HOBLITZELL. Mr. President, the Conservation Foundation has recently issued a book on Resource Training for Business, Industry, Government. In it is a chapter written by Walter C. Gumbel, of the Monongahela Power Co., of West Virginia, on the subject of resource development in low-income farm areas.

This chapter contains important statements, showing how low incomes in agriculture can be improved and entire areas made more prosperous. It deserves the thoughtful reading of my colleagues in Congress.

There has been introduced proposed area-development legislation. In addition, I call attention to one of the facts Mr. Gumbel sets forth—a fact which the development programs of the Monongahela Power Co. have so clearly demonstrated—that the rural development program now moving forward in 30 States is effective in low-income farm areas.

I ask unanimous consent to have excerpts from this chapter printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

RESOURCE DEVELOPMENT IN LOW-INCOME FARM AREAS

(By Walter C. Gumbel, conservationist, area development department, Monongahela Power Co., West Virginia)

The impact of industrialization on low-income farm areas has created many problems for the Nation today. It involves more than a million rural people who, because of uneconomically small farms, depleted soils and rough terrain, inadequate credit, lack of education, poor health, or insufficient managerial ability, have been unable to make the adjustments required by modern technology. These problems differ in detail in various regions, but they are basically similar throughout the country. Since my time is devoted to the promotion and development of area resource problems in West Virginia, I shall confine myself here to describing the situation in that State, which may serve as an illustration of the problem as a whole.

The present land-use and conservation movement in West Virginia is less than 25 years old. Agriculture, however, dates back to early colonial days, when the State's 15 million acres of mountain land were covered with the finest hardwoods in the East. The plentiful waters were pure and crystal clear, and there was an abundance of game and fish. All these were deeply rooted and closely associated with virgin soils.

Today the State's soil resources are badly depleted. Large areas of forest land are in need of intensive management, including protection from fire and disease; water resources, because of excessive runoff and pollution, are inadequate to meet the increasing needs of agricultural, domestic, industrial, and recreational interests; wild game and fish are in short supply because of changes in land use and a growing array of hunters and fishermen.

This situation came about through overexploitation of the State's renewable resources during the early period of development. Timber was harvested, and farmers worked the cleared land to provide food, grain, and livestock for a growing population. At first, even though the terrain was steep and rugged, the land was productive. Gradually, however, much of the fertile topsoil was lost through erosion and misuse, and consequently a great deal of the land lost its real economic value. Farm income dropped, and the people were gradually forced to look elsewhere for employment.

These evolutionary land-use processes and developments took place over a period of many years. In the meantime, the Nation's unprecedented growth in population, the mechanization of agriculture, and our expanding industrial economy created an entirely new set of resource conditions. Let us take a look at the situation as it appears today.

The growth and industrialization in West Virginia has been phenomenally rapid in recent years. The location of new industries is at present limited to major river valleys, where level farmland, transportation, water, labor, and other needed facilities are to be found. However, as the better sites are taken up, small satellite industries may be expected to locate in or near county-seat towns; indeed, this development is already under way in several areas of the State.

While industrialization has not yet gone far enough to have a material effect on the low-income farm areas of the State, a beginning has already been made. A recent study shows that during the last 12 years more than 150 new industrial plants have started operation in the 33 counties served by my company. Generally speaking, it is clear that industrial activity in the State will continue to grow during the years just ahead, while agriculture will become less important. This situation is due primarily to the rugged topography, depleted soil, and small uneconomic farm units found on most of the land, and also to the fact that large areas of the State's limited amount of class I land, located along the principal waterways, have already been taken over by new industries, growing cities, new highways, and other facilities.

It is becoming evident that our farmers cannot compete with those on productive land in the more important agricultural regions, where mechanization and science are primary production factors.

Assistance to agriculture through Government programs is certainly not the answer to the problem: Price supports mean little to a farmer with nothing to sell.

Indeed, the present farm policy has helped to perpetuate a marginal segment of agriculture in which chronic poverty is the rule.

Nor can land-use and conservation programs offer much in the way of increasing the meager incomes yielded by the rugged and depleted land of West Virginia. Many farmers have already moved elsewhere in search of jobs, and others will follow; some, however, will remain, because of age or inability to qualify for industrial jobs.

Present farm operations contribute greatly to the increasing frequency of floods and low stream flow in the State—problems of great importance to downstream towns and industries. Farm conditions thus have a material effect on the economic and social welfare of entire communities.

Off-farm employment is therefore doubly essential. Not only will it add to the income of the farmers, but it will in time be helpful in the establishment of required basic land-use and conservation programs.

Soil surveys and related land-use studies by the Soil Conservation Service have shown that 11 million of the State's 15 million acres are best suited for the production of timber. Of this area, 1,312,000 acres now in cropland and pasture need to be reforested. When this is done, forests will emerge as the State's principal farm crop.

The production of water for agricultural, urban, industrial, and recreational needs will also rank high as a new resource enterprise.

Farming will be reduced to a limited grassland type of agriculture; in addition, small, specialized production projects, such as small fruits, poultry, and perhaps some dairying, may be developed in a few areas near population centers, where markets can readily be found.

The development of hunting, fishing, recreational, and scenic areas will also become important as industrial and population pressures increase.

Jobs created by these various land-use projects will help to utilize some of the State's surplus farm labor; what remains will eventually find its way into new or existing industries.

Those of us who are concerned with the economic well-being of the State now find ourselves faced with the problem of designing a program for the future which will correct the existing difficulties and allow the ideal situation just described to come to pass. It is apparent that the wise use of natural resources in low-income farm areas is closely linked with the economic development of the State as a whole.

Little can be expected in the way of improvement in farm conditions until resource and agricultural workers are willing to cooperate with industrial and business

interests in the joint planning and development of a total resource, agricultural, and industrial program.

We need now to go beyond the gains that have already been made, and reevaluate our approach to the low-income farm problem, seeing it not as an agricultural problem only, but in relation to the overall economic climate of the area.

We must take into consideration the requirements of agricultural, industrial, business, and recreational interests, and the possibility of developing agricultural enterprises that are in keeping with accepted land-use and resource capabilities. These factors must be correlated with the establishment of industrial enterprises necessary to provide supplementary off-farm income.

Mr. NEUBERGER. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REVERCOMB. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HOBLITZELL in the chair). Without objection, it is so ordered.

Is there further morning business?

EXTENSION OF TRADE AGREEMENTS ACT

Mr. O'MAHONEY. Mr. President, I ask that the pending business be laid before the Senate.

The PRESIDING OFFICER. The Chair lays before the Senate the pending business, H. R. 12591.

The Senate resumed the consideration of the bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

Mr. REVERCOMB. Mr. President, the Senate has before it the bill (H. R. 12591) to extend the Reciprocal Trade Act, as amended and reported by the Senate Finance Committee, and we are in the second day of discussion of this important measure. I desire to proceed at this time to discuss some of the features of the bill.

The purpose of it, of course, is to extend the powers of the President to make agreements for importations into this country. Control over importations into the United States is primarily vested in the Congress, as we know. Were it not so, there would be no necessity for legislation and for the extended discussion which has taken place and which will continue to take place upon the subject.

There has been well discussed in the Senate, and I am sure it will continue to be discussed, the subject of the constitutionality of giving to the President powers which are innately in the Congress. I shall not dwell on that subject, but, rather, turn to the practical effect of the reciprocal trade agreements upon the economy and strength of the country.

Of course, each of us in the Senate knows best about those things closest to him as this policy, which has existed for many years, affects the people about him; but in my discussion this morning I shall speak about the subject from the standpoint of the whole country, and not from the standpoint of any particular State in the Union.

Many advocates of the reciprocal trade program emphasize trade at the expense of being reciprocal. What is reciprocal about legislating American industries out of business by allowing cheap-made products of others to overrun domestic markets? It can, if carried too far, mean the destruction of production here. This is exactly the fate of the American pottery and glass industries. I refer to them in particular, because they are of utmost importance to my State of West Virginia and to many other States.

Let me say now, Mr. President, that the greatest point of debate before the Senate will be the question, Shall the Congress bring back into its own control the duties which under the Constitution are reposed in the Congress? That restored power has been written into the bill by the Senate Committee on Finance by amendment of the bill passed by the House of Representatives. The question is here confronting us now for decision.

The bill has already passed the House of Representatives, and hearings on it have been held before the Committee on Finance of the Senate. As a result of those hearings by the Committee on Finance there has come a provision which would change the bill passed by the House and would in effect require that when an industry appears to be in peril under a ruling of the Tariff Commission that ruling must be followed, and the President of the United States cannot change it or go contrary to it without the consent of a majority of the Congress. Therefore, the Senate bill would place back in the Congress the power it originally held. The President would still have authority to make trade agreements, but if in doing so the warning of the Tariff Commission's finding of fact was to be overridden, then the consent of a majority of the Congress would be required.

I recall that back in 1947 or 1948 the problem of injury to domestic industry arose under the reciprocal trade agreements, and there was written into the act, what is known as the peril-point provision; that is, if an industry became imperiled it could seek relief. We thought there was great good to be gained under that theory. There probably would have been, had it been regarded as binding, but we know that the provision has not afforded the protection which is needed.

Mr. President, we want foreign trade. Foreign trade means much to the life of this country and much in its relations with other countries, but foreign trade should not be developed at the price of destruction of the economy and the strength of our own country, including the employment of our people, and the maintenance of the high level of living which has come to be America's and has helped make the great advances of this country. So I say foreign trade is to be desired; but exactly as we cannot expect other nations to import American products which would destroy their own industries, neither should other countries expect us to take such quantities of their exports as to ruin American industries and deprive many of our citizens of their employment. And I am sure this is with reason understood by them.

Mr. President, this is precisely the situation which exists in the coal, glass, pottery, and other industries of my State.

I have here mentioned before how residual oil imports have resulted in a loss of coal markets. On the floor of the Senate I have pointed out that to be true during the present session of Congress.

I now wish to show the effect of our reciprocal trade laws on the glass and pottery industries. I desire to cite the facts, so that the Senate may have before it and so that there may be in the RECORD of the Senate evidence of the effect of these laws, as administered through the past years, upon the country heretofore and their effect upon the country today.

Our domestic pottery manufacturers have suffered severe losses in recent years as imported wares have been capturing our markets. During the first 6 months of 1957, for example, 20 companies, accounting for 85 percent of American earthenware, lost money to the extent of $186,000 before taxes.

To illustrate the injustices which have beset the American pottery industry, I desire to quote from a statement made on March 7, 1958, before the House Committee on Ways and Means by Mr. Edward L. Torbet, vice president of the Syracuse China Corp., of Syracuse, N. Y. He said:

> We take this opportunity to bring to your attention an almost incredible situation that has developed in the last 12 years, unchecked by any legislation in effect during that period.

I should like to underscore the following portion of his testimony:

> Due solely to their advantage of low wages, foreign producers of lightweight china have captured over 90 percent of that market in the United States.

The result is obvious. Domestic production has fallen off year after year. Sales of American manufacturers in 1957 dropped by more than one-third from 1950 levels.

Mr. Torbet went on to state that even the tariff on china as set by the act of 1930 was of little protection to home manufacturers. On 14 occasions, chiefly since 1948, agencies of our Government have slashed tariff protection. The industry resorted to the escape clause in February 1952, designed to give domestic industries relief under the Reciprocal Trade Act, but to no avail.

As I have said, the escape clause and so-called peril-point theory have not protected American industry. The time has come, I submit, Mr. President, to place the authority over this subject back where it belongs, in the hands of the Congress.

We should permit the President, the Chief Executive, to make trade agreements, but not without the consent of the majority of both Houses of Congress, when we are informed that such agreements may imperil industries in the United States.

Without effective protection it is no wonder that imports of foreign wares are able to get a stranglehold on the American market. In 1956, the quantity of Japanese china imported into our country was many times that of domestic production.

According to the estimates of the trade, imports of Japanese china alone have displaced employment in this country to the extent of 11,000 persons in manufacturing alone. That is the effect of the importation of Japanese wares.

I should like to cite another example of the conditions which prevail in the pottery industry. The Homer Laughlin China Co., of Newell, W. Va., the largest producer of pottery in the United States, was recently operating at only 30 percent of capacity, 50 percent below the rate at the start of the year. This firm now has fewer than 1,400 employees, averaging less than 24 hours a week. The normal employment for this company numbers 3,200 persons.

I now turn to the glass industry. The story of the economic plight of this industry is very similar to the recent history of the chinaware manufacture.

First, let me discuss specifically the flat-glass industry. Manufacture of flat glass includes window and plate glass. Flat glass production in 1957 dropped approximately 10 percent, as compared with 1956, and many manufacturers have sustained heavy losses. Net sales in 1957 of one of the leading producers of plate and window glass, Libbey-Owens-Ford, were off $22 million from the 1956 total. This concern's largest factory is located at Charleston, W. Va., where unemployment has now reached 12 percent of the total labor force. These are not pleasant things to call to the attention of the Senate, but they are facts, and we must regard the facts when we deal with the subject of control of importations which are proving destructive of our own economy.

A major cause of the economic woes of the flat glass manufacture is importation of cheap made foreign products which undercut domestic glass sales. As in the case of pottery and other industries, domestic manufacturers cannot compete with the great influx of products from countries which have much lower wage scales.

In the past few years there has been marked increases in the imports of window glass. In 1948 our imports of this type of glass totaled only 797,650 square feet. These imports increased in 1950 to 27,333,550 square feet and in 1956, to 281,620,500 square feet. The 1957 total dropped to 178,250,850 square feet.

This great increase in imports may be laid directly to reductions in the United States tariff. In 1946, the tariff per pound of window glass was $1.55. This levy has been cut to 72 cents per pound, less than half the 1946 level.

Imports of plain plate glass have also shown striking increases in the past few years. In 1955, 32½ million square feet were imported into the United States. This was slightly more than three times our purchases from abroad in 1950. In 1956, the figure climbed still higher, to 38 million square feet. Then the 1957 total dropped off to 34 million square feet.

Our chief foreign suppliers of plain glass plate are Belgium, France, West Germany, and Great Britain. These foreign products made by low-paid foreign labor could never have been brought into our country without drastic reductions in the tariff on plain plate glass since the 1930's, when the Reciprocal Trade Agreements Act went into effect.

I am especially concerned with distressed conditions in the handmade glassware industry, because my State of West Virginia leads the United States in this field with 16 handmade glassware plants.

To explain fully the ruinous situation in the handmade glassware industry, I quote from the testimony given before the House Ways and Means Committee on March 7, 1958, by Carl W. Gustkey, representing the American Glassware Association. He said:

> Tariff reductions on imported glassware under the present act have been mainly responsible for the severe economic plight of the industry.
>
> The prices at which the imported glassware is offered have driven the prices of domestic handmade glassware down to the point where profits have all but disappeared and companies are going out of business—6 of them in about the past 4 years with others at the point of following within the next few weeks.

In 1954 imports of handmade glassware were valued at $5½ million. By 1956 the value had increased to $7½ million. Foreign handmade glassware supplied slightly more than 20 percent of total consumption in the United States in 1954. This proportion reached 25 percent in 1956.

The average wage in American handmade glassware manufacturing was $2.23 an hour in 1956. I emphasize the fact that labor comprises two-thirds of total costs of such wares.

Let me cite the wage rates in the principal competing countries. According to the most recent data available, hour wages for this industry are 30 cents in Japan, from 54 to 71 cents in France, 56 cents in Belgium, 60 cents in West Germany and Italy. In the United Kingdom and Sweden, hourly rates are a little higher—83 and 92 cents, respectively—but still less than half United States rates.

If we are to maintain the present high level of our economy—which I hope will continue to increase and expand—and if we are to see to it that the American citizen continues to live on a good standard of living, his ability to provide such a standard of living for himself and his family must be protected. To explain graphically what is happening to the glass industry, I quote from the statement of the West Virginia Glass Workers' Protective League presented to the Senate Finance Committee during the recent hearings on the Reciprocal Trade Agreements Act:

> Over a very short period of years, 10 glass companies, including Dunbar, Ceredo, and Paden City, all in West Virginia, just to mention a few, have gone completely out of existence. The rest of the industry is not operating at more than 50 percent of capacity.
>
> While our members are walking the streets, running out of unemployment compensation, the glassware industry in other countries is thriving.
>
> The American glassworkers have been a proud industry with highly skilled craftsmen, but now their skills are being sacrificed. We are not against reciprocal trade as such, but, as people of the richest country in the world and as citizens, we feel that our employment should be of primary consideration to the Congress. The Nation is weakened when any segment of the economy is in jeopardy such as the glassware industry is today.

I agree heartily that it is a duty of Congress to see to it that there is fairness in trade. While we want to trade with other nations, and will gladly do so, we should not and must not sacrifice that which permits our people to live and keeps our country strong.

We cannot shrug off the difficulties that have befallen those American industries hard hit by excessive imports. I am sure that no fair-minded persons would deny that the American pottery and glassware industries stand in need of greater tariff protection.

We have seen the disastrous effect of unfair competition from cheap foreign imports. I speak not only for my own State of West Virginia, but for centers of production throughout the entire country, when I ask, How can we sit idly by while American industries are being destroyed merely for the lack of sufficient tariff protection?

Now, I wish to discuss another product of importation.

I should like to point out that the rising flood of oil from foreign sources constitutes a serious threat not only to the domestic oil industry but also to the coal industry—an industry that is extremely important from the standpoint of the Nation's defenses as well as our country's economic well-being.

I call attention of the Senate to an excerpt from a Senate committee hearing held in 1950 on causes of unemployment:

> Every time one of these huge new tankers ties up at an American dock it brings not only a quarter of a million barrels of fuel oil, but it also brings job discharges for 63 American coal miners for a full year. We import not only low quality oil, but unemployment.

Instead of protecting oil production and coal production, the two great fuels necessary to our progress, and without which we would soon become a weakened Nation, we find that these imports have steadily increased. We cannot ignore this fact. It is entitled to great weight in considering our action upon the measure before us.

These imports have been increasing at a tremendous rate. Last year, for example, residual oil imports had risen to 173 million barrels—more than double the 1949 rate. Based on data from the United States Bureau of Mines, 1958 estimates of residual oil imports are placed at 182 million barrels.

Needless to say, coal's loss of markets to residual fuel oil, which can be dumped onto the United States markets at whatever price is necessary to undersell coal, has continued to cost an increasing number of miners and railroad workers their jobs.

I am sure that all Members of the Senate are aware of the recommendation made by the Presidential Advisory Committee on Energy Supplies and Resources Policy 3 years ago. This recommendation, later enacted into the Trade Agreements Extension Act of 1955, as section 7, known as the defense industry amendment, was as follows:

> The committee believes that if the imports of crude and residual oil should exceed significantly the respective proportions that these imports of oils bore to the production of domestic crude oil in 1954, the domestic fuels situation could be so impaired as to endanger the orderly industrial growth which assures the military and civilian supplies and reserves that are necessary to the national defense.

The importance of coal to national security is reflected by the fact that the coal industry was this country's greatest energy source all during World War II. The facts speak for themselves.

For example, the first full year of World War II, 1942, saw the Nation's energy demands rise by 159 million tons bituminous coal equivalent, an increase of 19 percent.

Of this amount, coal supplied 130 million tons, or 82 percent.

By 1944, the peak year of the war effort, the country's energy demand was up by 279 million tons and coal supplied 170 million, or 61 percent, of that amount.

Certainly the President's Committee on Energy Supplies and Resources was aware of the importance of coal to national defense when it recommended, in February 1955, that in order to maintain the war readiness of the coal industry and to fulfill its obligations to the economy, coal production should be maintained at not less than a 500-million-ton annual level.

The committee, taking into account the defense needs as well as the minimum peacetime requirements of fuel which would permit the prosecution of a successful war, recognized and agreed that whenever coal production dropped below a sustained minimum of 500 million tons per year, the coal industry itself would be in trouble and the fuel requirements for the Nation would be in jeopardy.

It is plainly evident, Mr. President, that this situation now prevails while we are considering this proposed legislation on the floor of the Senate. On the basis of coal production records to date, it is estimated that the output for 1958 will not be much more than 400 million tons, instead of the required minimum of 500 million tons, essential for the security of the country.

This marked decline in production, resulting in large measure by the loss of coal's markets to residual oil, poses a grave security problem because it takes precious time to recondition closed mines and get them into production again.

It is obvious that the voluntary oil quota plan has not provided adequate safeguards. Although the volume of crude petroleum imports has been curtailed slightly under the voluntary program—and here I accentuate residual oil—no attempt has been made to bring the level of residual oil imports to the 1954 ratio, as was recommended by the President's Advisory Committee on Energy Supplies and Resources Policy.

I wish now to turn back for a moment to the views expressed on the floor of the Senate, which seemed to be the consensus of the Senate, as reflected by the CONGRESSIONAL RECORD of May 2, 3, and 4, 1955. It was then apparently understood by those dealing with the trade agreements bill that the imports of 1954 should be the basis and should be the limit of the importations of both crude and residual oil.

When the Trade Agreements Extension Act was discussed on the floor of the Senate in 1955, positive statements were made that administrative assurances had been given that imports of foreign petroleum and petroleum products would be restricted to the 1954 ratio as recommended by the Presidential Advisory Committee.

As I have just stated, however, the coal industry has been unable to gain any relief whatever under section 7 of the Trade Agreements Act of 1955. And unless that section of the new act is strengthened, coal's markets will be further undermined by residual oil imports.

It is for that reason that I am today making this statement for the consideration of all Senators, and am suggesting that section 7 of the Trade Agreements Act be strengthened, so that this great segment of our economy may be sustained.

As I stated earlier, residual oil can be dumped onto American markets at whatever price is necessary to undersell coal. By way of illustration, I quote from a statement made by Mr. J. C. Potter, president of the Rochester & Pittsburgh Coal Co., of Indiana, Pa., before the Senate Finance Committee on July 2, 1958. He stated:

> Today the same major oil importing companies, through their pricing policies, threaten to wreak the same havoc on the coal industry that they did in the years 1949, 1953, and 1954. They are again offering fuel oil at less than coal parity prices and we know from past experience that if they are not able to get the business at parity they will continue to reduce the price to the point where they will be able to maintain their desired volume of shipments at the expense of coal.

One must understand the importance of coal, not only to West Virginia, but also to all the other States. I do not know of any other commodity which is produced in this country which has contributed more to the advancement and great progress of the United States among the nations of the world today. The protection of coal is deserving of high consideration because of its importance to the economy of the Nation.

With respect to my State, in 1957 there were 71,000 miners working in 1,558 mines in 37 of West Virginia's 55 counties. The bituminous coal output of West Virginia was valued at about $820 million. This amounted to almost one-third of America's coal production in 1957.

Two-thirds of the total land area of my State is underlaid with coal. This represents 52 billion tons of recoverable reserves, sufficient to last 3½ centuries at present rates of consumption.

My appeal to the Senate is not based upon purely local considerations; it is based upon the maintenance of the strength of the economy of the country, particularly so today, when we do not know what may lie ahead for us.

As has been stated, coal is the basis of defense. Coal is the basis of the advancement of the economy of America in peacetime. It is vital to the Nation's security. If this important industry is to return to a sound basis of operation, it is imperative that definite action be taken to restrict oil imports, particularly the imports of what we know as residual oil.

The coal industry had reason to feel encouraged that some relief would be provided when the defense industry amendment was adopted to the Trade Agreements Act in 1955. However, this relief has not materialized. It is my hope that relief will come under the new Extension Act as reported by the Committee on Finance, and now before us. It is the most reasonbale and promising step we can take.

What I have said about protection for coal, I say likewise for the protection of the vast oil production of the United States. My State does not produec oil in the quantities which mark the production in many other States. But I join hands with those of other States to protect that fuel, as well as the great coal production of my State and of the Nation.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table entitled "United States Domestic Crude Oil Production and Residual Fuel Oil Produced From Foreign Crude Oil, 1954–58."

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE A.—*United States domestic crude-oil production and residual fuel oil produced from foreign crude oil, 1954–58*

[Oil in thousands of barrels—Coal in thousands of tons]

Line	Item	1954	1955	1956	1957	Estimated, 1958
1	Crude oil: Production	2,314,988	2,484,428	2,617,283	2,618,884	2,400,000
2	Imports (actual)	239,479	285,421	341,833	363,788	375,000
3	Imports at 1954 rate (1×0.103)	239,479	255,896	269,580	269,745	247,200

TABLE A.—*United States domestic crude-oil production and residual fuel oil produced from foreign crude oil, 1954–58*—Continued

[Oil in thousands of barrels—Coal in thousands of tons]

Line	Item	1954	1955	1956	1957	Estimated, 1958
	Crude oil—Continued					
4	Excess actual imports over imports at 1954 ratio (2–3)	----------	29,525	72,253	94,043	127,800
5	Ratio (percent) actual imports to production (2÷1)	10.3	11.5	13.1	13.9	15.6
	Residual fuel oil:					
6	Imports (actual)	129,124	152,035	162,869	173,201	182,000
7	Imports at 1954 rate (1×0.056)	129,124	139,128	146,568	146,658	134,400
8	Excess actual imports over imports at 1954 rate (6–7)	----------	12,907	16,301	26,543	47,600
9	Ratio (percent) actual imports to crude production (6÷1)	5.6	6.1	6.2	6.6	7.6
	Coal equivalent: [1]					
10	Actual imports, line 6	30,987	36,485	39,085	41,565	43,677
11	Excess actual imports over 1954 rate, line 8	----------	3,097	3,912	6,370	11,423
	Residual oil produced from foreign crude:					
12	Total production	47,760	56,677	68,290	71,732	75,000
13	Production from foreign crude at 1954 rate (1×0.021)	47,760	52,173	54,963	54,997	50,400
14	Excess actual production over production at 1954 rate (12–13)	----------	4,504	13,327	16,735	24,600
15	Ratio (percent) actual production to total crude production (12÷1)	2.1	2.3	2.6	2.7	3.1
	Coal equivalent: [1]					
16	Actual production, line 12	11,461	13,601	16,388	17,214	17,999
17	Excess actual production over 1954 rate, line 14	----------	1,081	3,198	4,016	5,904
	Total residual from foreign sources:					
18	Total imports and production from foreign crude (6+12)	176,884	208,712	231,159	244,933	257,000
19	Total imports and production from foreign crude at 1954 rate (7+13)	176,884	191,301	201,531	201,655	184,800
20	Total excess actual imports and production over 1954 rate (18–19)	----------	17,411	29,628	43,278	72,200
	Coal equivalent: [1]					
21	Actual imports and production from foreign crude (10+16)	42,448	50,086	55,473	58,779	61,676
22	Excess actual imports and production over 1954 rate (11+17)	----------	4,178	7,110	10,386	17,327
	Cumulative yearly totals:					
23	Actual imports and production, line 21	42,448	92,534	148,007	206,786	268,462
24	Excess actual over 1954 rate, line 22	----------	4,178	11,288	21,674	39,001

[1] 4.167 barrels of oil to 1 ton of coal.

Source: Basic data from U. S. Bureau of Mines.

Mr. REVERCOMB. Mr. President, I ask unanimous consent to also have printed at this point in the RECORD a table entitled "Prices of Residual Fuel Oil, New York Harbor, and Comparative Price of Coal Equivalent, 1946–58."

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE B.—*Prices of residual fuel oil, New York Harbor, and comparative price of coal equivalent, 1946–58*

Year	Average price, residual fuel oil, New York Harbor (barrel) (1)	Average price, coal equivalent (ton) (2)
1946	$1.76	$7.34
1947	2.29	9.52
1948	3.00	12.50
1949	1.90	7.91
1950	2.09	8.72
1951	2.32	9.68
1952	2.31	9.62
1953	2.16	8.98
1954	2.23	9.30
1955	2.48	10.33
1956	2.80	11.67
1957—Jan. 1	3.05	12.71
Jan. 21	3.30	13.75
Apr. 29	3.20	13.33
May 20	3.10	12.92
July 22	3.05	12.71
Aug. 19	2.95	12.29
1958—Jan. 27	2.75	11.46
Feb. 26	2.65	11.04
May 9	2.57	10.71

Source: Col. (1), Platt's Oil Price Handbook and National Petroleum News; col. (2), computed on basis 4.167 barrels of oil to 1 ton of coal.

Mr. REVERCOMB. I close my remarks today by expressing my strong belief that, while we want to deal with great fairness to all other countries, the time has come when we must review the facts and the history of the Reciprocal Trade Agreements Act which is designed for the benefit of our own people. We do not ask foreign countries to accept importations from us which would not be acceptable and which would destroy their own economy. Similarly, some sound step must be taken to reinvest in Congress the basic power which was originally reposed in Congress on this subject. We do not seek to take from the President the power to make agreements; we simply ask that when the agreements are made, they shall be approved or disapproved, as Congress, which is comprised of the representatives of the people, sees fit. Congress should set the course which it deems to be in the best interests of the country.

Mr. HOBLITZELL. Mr. President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. HOBLITZELL. I commend my distinguished colleague for his remarks with relation to this very serious problem. It is time that Congress gave consideration to the protection of American industry from the threat of foreign competition.

The Senator's story of what is happening in the coal industry is very lucid, and clarifies the problem as it confronts this very essential industry. The coal industry is highly important as it relates to the national defense.

The aluminum industry is a new industry in our State. It, too, is threatened by foreign competition. In recent months there has been a dumping of aluminum into this country by Russia. Russia accounts for 22 percent of the world's production of aluminum, and its dumping has drastically affected the world price of this particular metal. I hope that protection will be afforded against the dumping by foreign countries, not only of aluminum, but of all the other commodities which are also produced in our State, such as rayon.

I know of four glass industries which have shut down in the past 2 years because of foreign competition. We must protect the people of America from the competition of foreign labor which works for low wages, and under low standards of living and working conditions. American industries, which pay high wages cannot compete with the products of foreign countries, which enter our markets on the basis of low-cost labor.

I commend my senior colleague for his statement and wish to associate myself with everything he has said.

Mr. REVERCOMB. I thank my able colleague for his complimentary statement. I am very glad that he mentioned aluminum. For a while aluminum did not need protection. But now aluminum is confronted with the problem we consider here. So the time has come when this important product, which is being advanced for various new uses, should be protected for America, just as steel and other commodities which we need must be protected from unfair and destructive competition.

I include also, as I am sure my colleague would include, the textiles which are produced in the United States. We must turn our attention to what is happening to the domestic production of such commodities. But these matters will be taken care of if we will provide in the law that the majority of Congress may say when the Tariff Commission may be disregarded or overruled when it is found that American industrial production is imperiled. That is a basic consideration. When that has been done, we can turn to protection against the dumping of crude and residual oils, pottery, glass, aluminum, textiles, and

all the other articles which mean much to the life of the country.

I appreciate the opportunity of placing before the Senate, in the RECORD, this review of the facts.

I realize that any policy of the Government, particularly if it affects the economy, the standard of living of the people, and their ability to sustain themselves, must have safeguards placed upon it; otherwise, it may be carried too far. But I submit, upon these facts, that the time has come to reinvest in Congress its basic power. Therefore, I urge my colleagues in the Senate to support the bill as it has been reported by the Committee on Finance.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HOBLITZELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. JORDAN in the chair). Without objection, it is so ordered.

Mr. SMITH of New Jersey. Mr. President, in light of world conditions which are greatly disturbing to all of us, I wish to emphasize that the subject now before the Senate, namely, the bill to extend the Reciprocal Trade Act, is most important, and deserves the fullest possible debate.

I have felt, as have many others, that our domestic industries must be adequately protected; but, from the standpoint of my membership on the Foreign Relations Committee, I desire to state to the Senate and to others who are interested in the subject the position which I believe Members of the Senate must take in supporting the President in connection with the question of extension of the Reciprocal Trade Agreements Act.

Before the latest foreign developments, I had intended to limit my remarks on this subject. Personally, I am wholeheartedly in support of the position taken by the President and the Secretary of State. I think their view that trade agreements are, in a sense, an important part of our foreign policy is a correct one, especially inasmuch as we have been advocating that the countries of Europe act jointly to establish what might be called a composite trading area based on the same principles our country has followed, and which have made it great. Therefore, the situation in the world has a direct bearing on the subject now before us.

I yield to no one in my desire to have adequate protection provided for our domestic industries. The pending bill includes well-considered provisions in this respect. However, the entire question—not only that of the specific domestic industries which may be affected—must be considered. I believe we must bear that point in mind, because it is a significant and serious aspect of the question, and constitutes a real dilemma which must be weighed in its entirety.

Mr. President, I was one of those who supported as strongly as possible the bill, recently passed by the Senate, to protect certain domestic mineral industries, which might be affected by our foreign policies, and tariff policies; industries which are also in difficulties because of the so-called recession. So I am not unmindful of that phase of the issue.

At this time I wish to discuss what I consider to be the other phase or the other side of the issue; namely, the case for extension of the Reciprocal Trade Agreements Act; and I desire to emphasize the importance of the 5-year extension requested by the President. It is possible that this matter can be adjusted in conference with the House, in view of the fact that the Senate committee has proposed a 3-year extension.

The remarks I have prepared are based on my position in favor of a 5-year extension of the Reciprocal Trade Agreements Act; and I shall attempt to relate this matter to our foreign relations. In preparing my remarks I have been in close contact with members of the State Department, especially with the Under Secretary for Economic Affairs, Mr. Dillon.

There are four main reasons why I believe the President's request for a 5-year extension of the act should be supported.

I. PRACTICAL IMPLEMENTATION OF UNITED STATES TRADE POLICY

In connection with this question, I first wish to emphasize the importance of the implementation of United States trade policy. In that respect, the first point to be considered is that the trade-agreements program has been a keystone of United States foreign policy for 24 years, begun in the period between the two World Wars when we found that the countries of the world were closely interrelated, and we had to take a new look at our policies with other countries. If the Congress is to continue the forward movement of the program, commonsense tells us that whatever powers we give the President must be given in such form, and for such a period, as to enable the President actually to achieve the objectives of the program in negotiations with foreign governments. Indeed, that is the whole purpose of the Trade Agreements Act—to equip the President with sufficient authority, although well defined and limited to be sure, to enable him successfully to conclude trade agreements with foreign nations.

If, on the other hand, we are considering merely the enactment of an empty symbol, a symbol which would proclaim to the world America's endorsement of the principles of freer trade, but would, in the same breath, deny the President the power to implement those principles in actual practice, then it would not matter much whether the act were extended for 5 years, or 10 years, or 1 year. Our own exporters, and the rest of the world would, of course, quickly see through such a transparency. In the end we shall be judged by what we do, not by what we say. And the practical economic interests of our export trade would not be advanced one whit by mere lip service to a principle.

II. POWERS ADEQUATE TO MEET UNIQUE CONDITIONS IN INTERNATIONAL TRADE

The second fundamental consideration underlying the President's request for the 5-year extension flows directly from the first. This is that in the unique conditions in international trade which lie ahead, a 5-year extension is necessary in order to assure that the President will, in fact, be able to make practical use of the tariff-negotiating powers which we give him, whereas the usual 3-year extension would not provide that assurance.

At bottom, therefore, the issue of a 5-year period is a very simple one. It is whether we are to have a trade program that will operate, or one that will not operate.

There is a difference of opinion on this question. I am not dogmatic about it, but I am really arguing against a 1-year or a 2-year or a 3-year extension, for I do not believe, under present world conditions, we will enable this program to effectuate its objectives by providing a shorter period than 5 years.

When, therefore, President Eisenhower requests on this occasion an extension of the Trade Agreements Act for a period of 5 years, he is not seeking extraordinary powers. He is not asking us to establish new precedents, or to break old ones. He is simply asking for the necessary tool to do the job which needs to be done in the years immediately ahead, if this particular extension of the trade-agreements legislation, like previous extensions, is to be a workable instrument of our foreign economic policy—an instrument which can be used to the benefit of our domestic industries and our relations with the Free World.

III. ANSWERING THE COMMUNIST CHALLENGE

The third consideration is the nature and duration of the cold war. This war is not merely an unpleasant interlude to be wished away by wistfully hoping that eventually things will turn out all right. The Free World faces a coldly determined and implacable foe, to whom time is of secondary importance.

The challenge must be met with American courage and determination and be answered on all fronts—political, economic, and cultural, as well as military.

We have had this challenge brought to our attention in the last few days by the Lebanon crisis and the Jordan crisis, and it is very possible that there will be crises in other countries in that area of the world. We are in a cold war which is almost a hot war.

If our expectations for the future are to be given the best chance to materialize, we should begin to plan intelligently now for the long haul. We must develop an overall coordinated policy which will make use of all available instruments.

In the last of his four recent and very fine addresses on American foreign policy, the distinguished junior Senator from Montana [Mr. MANSFIELD] observed:

Our policies, for the most part, do not shape events; they are shaped by events.

We are forever in pursuit of the last step on the last car of a train that is always pulling away from us.

I agree entirely with that statement.

I submit, Mr. President, that one of the fundamental reasons why this situation exists is that the tools are seldom created to enable this Nation to work out a long-range policy, or to program with some degree of confidence and continuity.

Commonsense tells us that the best hope for the Free World lies in greater unity. Interdependence is not simply a term of visionaries and dreamers, but a basic and essential factor in the struggle for freedom and survival. One of the primary building blocks of Free World unity is closer economic cooperation. Trade and economics form an extremely important part of our arsenal of weapons. The longer the term of the authority granted to the President under the trade agreements act, the more effectively will we be able to negotiate for tariff concessions for our mutual benefit and assure continuity in our planning and programing.

This question is not a one-way street. Many Americans are engaged in the export business. They are seeking foreign markets, just as foreign countries are seeking markets in this country. I think trade is one of the important vehicles which will determine the course of future events.

The end result will be a greater psychological stimulus to the peoples of the Free World and a strengthening of Free World economies.

Mr. President, these general considerations are backed up by a fourth very significant and specific one. This involves the initiation of the European Economic Community.

As I shall explain in a moment, the European Economic Community brings together six nations in Europe on the basis of elimination of tariffs, so that there will be one solid bloc to deal economically with our country and with other countries, for their benefit.

I think the remarks I am about to make are on an important subject. No other Senator, I believe, to date has touched on the matter in speeches made on the bill. It is probably our duty as members of the Foreign Relations Committee to call attention to this recent development.

IV. A 5-YEAR EXTENSION AND THE EUROPEAN ECONOMIC COMMUNITY

Why is it true now, in 1958, that a 5-year extension is necessary to carry out effective trade-agreement negotiations, although in 1955, on the occasion of the last extension of the trade-agreements legislation, only 3 years was authorized?

The reasons are to be found in the establishment of the European Economic Community under the Treaty of Rome, which came into effect on the first of this year and, in the necessity for conducting reciprocal tariff negotiations with the members of that community.

The European Economic Community will be of tremendous significance for world trade and for our own exporters. It will merge into one great economic unit—just as the 48 States are merged economically into the Federal Union—the now separate economic systems of West Germany, France, Italy, Belgium, the Netherlands, and Luxembourg.

The European Economic Community will comprise a total population of 160 million people, and will weld together in a single market nations whose gross national product amounted to $140 billion in 1956.

There will be complete free trade within the community, with all tariffs and trade barriers removed, and there will be a single uniform tariff surrounding the community which will apply to imports into the community from other countries.

In short, the six countries will constitute a single customs territory so that all industries within the six countries will be fully competitive with each other and will be sheltered by a common customs tariff to be applied uniformly at Le Havre, Antwerp, Hamburg, Naples, and other European ports, just as the industries of the 48 States are sheltered by the single tariff of the United States which is applied uniformly at New York, New Orleans, and San Francisco.

Last year the 6 countries which are to make up the European Economic Community imported from the rest of the world, excluding trade among themselves, some $14 billion worth of goods, a figure which exceeded total United States imports in that year by more than $1 billion.

We are speaking, then, of a new economic unit on the world scene which promises to rival if not exceed the United States in the value and volume of its international trade. And we are also speaking of an economic unit which promises to stand in the very front rank as a market for American exports. Last year the United States shipped over $3 billion in goods to the 6 countries involved, a figure equal to nearly 17 percent of the total export trade of the United States to all foreign countries. To put it in another way, one dollar out of every six of our exports went to the countries which will form the European Economic Community.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I would be delighted to yield to the Senator after I have finished my address, which will not be long.

Mr. AIKEN. I was simply going to point out what is happening to the business of the European Economic Community and why it is happening. It is because of negligence on the part of the Congress.

Mr. SMITH of New Jersey. I am glad the Senator has brought that to our attention.

Mr. AIKEN. The holding up by the House of Representatives, of Public Law 480, which provides for the sale of American farm commodities to other countries, is doing inestimable harm not only to the economy of the United States, but also the world economy. I could not resist pointing that fact out at this time.

If the proposed legislation which the Senate passed months ago is enacted into law there will be a substantial recovery in these markets which has been lost, not only to us but to other countries as well.

Mr. SMITH of New Jersey. I thank the Senator from Vermont for his comment. I shall continue with my prepared remarks.

As the European Economic Community develops and grows under the healthy, competitive forces that will be released by economic union, we may expect that the market for American goods will expand; provided, however—and I wish to emphasize this point—provided always that the commercial policies of the new Community are liberal and that its tariff treatment of our exports is reasonable.

It is clear that American agriculture, to which the distinguished Senator from Vermont referred, American industry and American labor have a truly huge stake in the future of the European Economic Community. It is the responsibility of the Government, including the Congress, to see to it that the economic interests of our own people are adequately protected and advanced.

The relationship between the President's request for a 5-year extension of the Trade Agreements Act and the creation of a European Economic Community is this: The next 4 to 5 years will constitute the crucial formative years of the European Economic Community. It will be during this period that the Community will not only begin to eliminate the tariffs which now apply to trade among the six countries, but will also decide both the level and commodity pattern of the single common tariff which all members of the Community will apply to imports from countries outside the Community, including the United States. If the United States is to exert its influence to move the new community tariff in a downward direction, then the President must have authority to conduct reciprocal trade-agreement negotiations to that end.

I wish to observe at this point, Mr. President, that the central object of the legislation now before us is to enable reductions in the common tariff of the European Economic Community rather than merely to prevent increases. Both the provisions of the Rome Treaty and the provisions of existing trade-agreements obligations between the parties to the Rome Treaty and ourselves, as set forth in the General Agreement on Tariffs and Trade, make it clear that the new tariff of the European Economic Community will not be higher, on the whole, than the average of the separate tariffs of the six member countries making up the European Economic Community.

It will not be enough, however, to hold the line at the average of existing tariffs in the Community countries. For with the elimination of tariffs within the Community, West Germany will become a more effective competitor against Ameri-

can exports to France, France will become a more effective competitor against American exports to West Germany, Italy will become a more effective competitor against American exports to both France and West Germany, and so on around the circle.

To illustrate this point, let us suppose that before the establishment of the European Economic Community France had a tariff of 28 percent on imports of ball bearings from all foreign sources, including the United States and Germany, let us also suppose that under the new common tariff the rate on imports of ball bearings into France is only 18 percent—that is to say a rate equal to the average of the separate rates now applicable to imports of ball bearings into each of the member countries. Under such circumstances the tariff on imports of American ball bearings into France would be less than before—a reduction from 28 percent to 18 percent—but at the same time the German exporter to France would have gained a tariff advantage over the American exporter to France. Whereas before the German exporter to France would pay the same tariff as the American exporter, namely 28 percent, under the new tariff arrangements of the European Economic Community the German exporter of ball bearings to France will pay nothing at all, but the American exporter to France will have to pay a tariff of 18 percent.

The illustration I have given with respect to ball bearings is typical of all products which American producers may be able to export to the six countries of the European Economic Community and which are or can be produced within the European Economic Community. For all products which American producers can export, and which industries within the European Economic Community can produce, there will be a tariff disadvantage against the American producer and in favor of the European producer. This, of course, is an inevitable result of the creation of a customs union among the six countries which form the Community.

In spite of that danger to us, we favor what the Europeans have done. We believe the step they have taken is the right step from their standpoint and the standpoint of the interdependence of the world.

Surely, Mr. President, it will be to the great benefit of the export trade of the United States to see to it that the tariff rates of the European Economic Community, of interest to us, are not only not in excess of the average rate, but are brought down below the average as much as possible. American exporters of ball bearings to France, for example, could be expected to do much better if the tariff advantage in favor of Germany is only 10 percent or 12 percent than if it is 18 percent, as in the illustration I have just cited.

To accomplish this objective of reducing the average of the new Community tariff—and I repeat that we already have assurances through GATT that the average will not be exceeded—we must have the tariff negotiating authority provided for in the pending legislation. There is no other way.

The fact of the matter is that tariff negotiations between the United States and other interested countries, on the one hand, and the members of the European Economic Community, on the other hand, cannot be arranged and brought to conclusion within the 3-year period which is customary for extensions of the Trade Agreements Act. The reasons for this are threefold.

This is the important point in the remarks I am making about providing adequate time for our negotiators, especially the President of the United States.

First. Time will be required for the members of the European Economic Community to get together and frame a draft of the new proposed common-market tariff. It is my understanding that we cannot expect to receive this draft for examination until the last part of 1959, that is to say up to 1½ years from now.

Second. The United States and other governments negotiating with the European Economic Community will require more time than usual to prepare for negotiations with the Community, simply because the establishment of a wholly new tariff structure around the Community, accompanied by free trade within the Community will require new and thoroughgoing economic analyses. Our negotiators will not be able to rely, as in previous negotiations, on the older studies of European national tariffs already in the Government's files. It is my understanding that these preparations will require from 1 to 1½ years after we receive the draft Community tariff for examination—that is to say up to January or June 1961, or from 2½ to 3 years from now.

Third. Actual negotiations with the European Economic Community, after such negotiations have begun, will require more time to complete than ordinary tariff negotiations. It must be remembered that every reduction in its common tariff which the Community may be prepared to offer to the benefit of the American export trade will require prior agreement among the 6 members of the Community. And the 6 members will also have to reconcile their views on the requests for tariff concessions which they may want to make of us. This circumstance, which has no precedent in previous tariff negotiations, means that more time will be needed to arrive at negotiating decisions. I am informed that at least 1 full year will be required for carrying through tariff negotiations with the European Economic Community, as compared with 7 months for previous negotiations at Geneva in 1947 and at Torquay in 1951.

For the three reasons I have outlined, we cannot plan on negotiations being completed—at the very earliest and allowing no time for slippage—before January 1, 1962, or 3½ years from now. But, to be realistic, it is far more probable that negotiations of this complexity and importance cannot be completed before June or December of 1962, that is to say, from 4 to 4½ years from now.

This is why, Mr. President, a 5-year extension of the Trade Agreements Act is important.

Nevertheless, it may be argued in support of a 3-year extension that the executive branch can always come back to the Congress and ask us for a further extension of time if that is needed in order to complete negotiations in progress. I believe that such a procedure would be unwise. I have taken this question up with the Department of State, and especially with the new Under Secretary for Economic Affairs. It would weaken the bargaining strength of our negotiators, who would be uncertain as to the ability of the United States to deliver on the offers which they may be making. It would raise doubts in the minds of foreign negotiators as to whether a negotiation under such dubious circumstances should be entered into at all. And, finally, it would place the Congress in a very difficult situation because we would be faced with the choice of either extending the legislation or bringing about the collapse of the far-reaching international negotiations then in progress.

It has also been argued, Mr. President, that the Congress should enact a 3-year extension because American businessmen are not certain as to what conditions will be like in the future. Therefore, a 3-year extension is said to be preferable to a 5-year extension. I submit that this is not a sound argument, for the simple reason that a 5-year extension will give American producers far greater assurance that they will be able to compete, and in what manner, in the markets of the European Economic Community, than will a 3-year extension.

Mr. CARLSON. Mr. President, will the Senator yield at that point?

Mr. SMITH of New Jersey. I am glad to yield.

Mr. CARLSON. I wish to commend the Senator for his very fine statement as to the need for a 5-year extension of the Reciprocal Trade Agreements Act. As a member of the Senate Finance Committee, I supported in committee a 5-year extension. I did so for the very reasons which the distinguished Senator from New Jersey has set forth in his statement today.

I believe that everyone who has studied the entire program under the Reciprocal Trade Agreements Act, from its enactment in 1934, must realize, after some 20 years' experience, that unless we look to new fields, we shall have traded away most of the benefits we have gained under reciprocal trade agreements. It seems to me that the next important phase of the entire economic picture lies in the European Economic Community. I believe that the United States must realize that the European Economic Community is a going organization of 6 nations, and is also a part of the proposed program of 17 free-trade, associated nations, a fact which is most important. Their combined population is

greater than that of the United States. They have great industrial capacity, which is expanding. I wish to reiterate the importance of our Nation being closely tied with the European Economic Community when it comes to working out a trade program. If we do not realize the importance of it, and act to protect our interests, in my opinion we shall be left out. There is grave danger for this Nation if we fail to protect ourselves at this time and fail to make sure that we are in a position to negotiate with the European Economic Community as it begins to make its plans.

As the Senator from New Jersey has well stated, there is a timetable. On January 1, 1959, tariffs in this 6-country area will be reduced 10 percent. Then they will hold steady for a year and a half or 2 years, following which there will be other changes. This is a 12-year program. It is not a 5-year program or a 3-year program. I hope Congress will give every consideration to the timetable before the pending legislation is finally approved.

Mr. SMITH of New Jersey. I thank the Senator from Kansas for emphasizing what I have been trying to stress, namely, the great importance of the European Economic Community. That point is not discussed in the majority report of the committee. There is no reference to it. We must think in terms of the program of the European Economic Community, which means much to the future of our trade with Europe. The President has called it to our attention. I have discussed the subject with him personally. I have also talked with Mr. Dillon about it. The facts must be placed in the RECORD and brought to the attention of the Senate before final action is taken on the bill. That includes action by the House.

As the Senator knows, the House provided for a 5-year extension. The Senate committee reduced the extension from 5 years to 3. I shall submit an amendment on this subject, which will lie on the table. Whether we wish to go to conference with the House on a basis upon which the subject can be thoroughly studied by the Senate and House conferees is a question which I shall have to leave to those who will have the responsibility.

Mr. CARLSON. Mr. President, will the Senator from New Jersey further yield?

Mr. SMITH of New Jersey. I am glad to yield. The Senator is making a fine contribution to the discussion. He is a member of the Finance Committee, and he knows the subject from every angle.

Mr. CARLSON. I thank the Senator. I sincerely hope that adjustments can be made in conference. I have my own definite views as to whether the Senate will take action on the particular amendment to which the Senator refers. I favor a 5-year extension. Regardless of that, I hope that a satisfactory adjustment can be made. We are not merely extending the Reciprocal Trade Agreements Act, but we are seeking methods which will be helpful to us in arriving at a program of continuous trade in an area which will tighten into a six-nation European community.

I assure the Senator that I hope to find some time, before the debate is concluded, to discuss this question further.

Mr. SMITH of New Jersey. I thank the Senator. I hope we shall hear from him later on this subject.

Returning to my text—

V. AMERICAN OPINION AND A 5-YEAR EXTENSION

Finally, Mr. President, before concluding, I want to give a few facts and figures in connection with support by the American people for a 5-year extension of the Trade Agreements Act. I have not had an opportunity to examine thoroughly the hearings before the Senate Finance Committee in this regard, so the data which I will present is based upon the hearings before the House Ways and Means Committee.

Some 177 nongovernmental witnesses appeared before the House committee. About 115 of these witnesses, or those representing almost two-thirds of the oral testimony given before the committee, favored an extension of the act from a minimum of 5 years to permanency.

These witnesses represented a cross-section of America, from large national organizations to local and regional groups.

The AFL–CIO supported an extension of at least 5 years. So did the United States Chamber of Commerce, and many, many local chambers of commerce throughout the country. Support was received from the American Bankers Association, the American Farm Bureau Federation, the National Grange, the National Farmers Union, and tobacco, cotton, fruit, and poultry associations. Catholic, Protestant and Jewish national organizations favored the 5-year approach.

Other national public interest groups, including the General Federation of Women's Clubs, the Cooperative League of the United States of America, and the League of Women Voters, among others, urged adoption of a 5-year extension.

In addition to these national and local groups, the 5-year extension was heavily supported by the newspapers of this great Nation, from the Portland (Maine) Press Herald, to the Portland (Oreg.) Oregonian. From the Chicago Tribune, and the Boston Herald, to the New Orleans Times-Picayune, and the Atlanta Constitution.

Some of the Members of Congress conducted polls among their constituents in respect to a 5-year extension. Our own colleague, the distinguished junior Senator from Iowa [Mr. MARTIN], was one of these able representatives. From Ohio, Michigan, California, South Dakota, Pennsylvania, Nebraska, New Jersey and Iowa, the people polled supported a 5-year bill by the following percentages: 66, 63, 55.5, 59.4, 72, 52, 67, and 71.

Mr. President, this is the opinion of a great segment of the American people. This is not the special interest voice. This is the laborer, the farmer, the businessman, the teacher, the professional man, the housewife, the grandfather and the young married couple. They all support a 5-year extension of the act. When we come to consider this point in debate, I hope that we will not forget this strong demand throughout the Nation.

VI. CONCLUSION

In conclusion, and to summarize:

First. If the United States and the Free World nations are to be able to plan intelligently and with some hope of continuity of programing, in order to answer effectively the Communist challenge, it is much more sensible to extend the Trade Agreements Act for 5 years than for 3.

Second. If an extension of the trade-agreements legislation is to be meaningful, the law must be extended for a period necessary to enable the President to make practical use of the powers granted him by the law.

Third. In the period ahead the practical use of the President's powers under the law will require negotiations with the European Economic Community.

Fourth. Negotiations with the Community are essential to protect and advance the economic interests of the United States, as well as to strengthen economically the Free World in general.

Fifth. Negotiations with the Community cannot possibly be completed within the customary 3-year extension period and are likely to require from 4 to 4½ years.

This, Mr. President, is in my judgment the case for a 5-year extension of the Trade Agreements Act. I consider it a strong case on its merits. I therefore believe that on this unique occasion the Senate should uphold the action taken by an overwhelming vote in the other body to grant President Eisenhower's request for a 5-year extension of the trade-agreements authority.

Mr. President, I note that the Committee on Finance has revised the escape clause procedure under which the President's disapproval of a Tariff Commission recommendation would be overridden. That question will come up later, but I wish to aline myself with those who feel that the House provision to protect the President, when he finds it necessary to disagree with the Tariff Commission's finding, is preferable. It would require a two-thirds vote to reverse the President. It is similar to the vote required to override a Presidential veto. Certainly the President should be in as strong a position in this field as he is in the case of a veto.

Mr. President, I send to the desk, to have printed and lie on the desk, an amendment dealing with the 5-year extension.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the desk.

Mr. JAVITS. Mr. President, I, too, wish to address myself to this subject of reciprocal trade, which I consider to be one of the major and important ones before the Congress, especially in the

current foreign-policy crisis, which overshadows everything we do here. The people of the country look to us to keep the peace in terms of the very safety and survival of the United States. Every action we take, especially an action in a field so closely allied with foreign policy as is this bill, must be taken in the shadow of today's events and in the light of their implications.

The Nasser inspired overturn of government in Iraq and the landing of United States troops in Lebanon sharpen and accentuate the reasons which demand renewal of the Reciprocal Trade Agreements Act as passed by the House of Representatives. Should the Senate approve the bill as reported by the Finance Committee which seriously restricts the reciprocal trade agreements program, the results could be disastrous.

Obviously, if the United States at this critical moment in international affairs reverses the course of its reciprocal trade policy and starts driving economic wedges between the United States market and Free World countries, their confidence in our entire foreign policy can be irrevocably shaken and their own economic systems, even where based on sound principles of free enterprise, would be in serious jeopardy.

Let us talk frankly about the emergency. The emergency for free Europe relates to the availability of the oil supply from the Middle East and if this fails the need to acquire a substantial part of its oil from the Western Hemisphere, as it did during the Suez crisis. Such an emergency accentuates all the more for free Europe the necessity of two-way trade encouraged by the reciprocal trade agreements program.

Mr. President, oil can be a seamy thing, full of suspicion and unfair dealings; however, oil is also the lifeblood which pours through the jugular vein of Europe. The Russians know it, and we know it. The Russians know that if the sources of Middle East oil could be cut off, and tremendous drains imposed upon the oil reserves of the Western Hemisphere, they would be in contemplation of a time when all or most of Europe might have to yield to her.

I, like most other persons, favor the aspirations of that nationalism which seeks to improve the condition of peoples through effective development of their resources, whether it be the nationalism of the Arabs or other people. After all, we are ourselves the revolutionary product of nationalism, in terms of world history of not so many years ago. However, nationalism which denies to others the things which they need, and to those who have them the right to dispose of them fairly and equitably, or which is used for the purpose of destroying other States and societies, or is based upon threats, is nothing but a scourge—a typical Communist-inspired movement. Just as we have learned how to deal with direct Communist aggression, so we must now learn to deal with indirect Communist aggression no matter how disguised.

Therefore, to present the countries of free Europe at this point with a protectionist oriented reciprocal trade agreements renewal would be striking them yet a new shock added to the one—the upheaval in Iraq—already being absorbed in the Near East.

Mr. President, I was very glad to hear my colleague from New Jersey [Mr. SMITH] submit an amendment seeking to extend the Act for 5 years, instead of the 3-year limitation specified in the pending bill. The other committee amendments which, in my opinion, require reversal, in view of the tremendously historic events now occurring, and which we are confronting today, involve the need for Congressional approval of the President's decision to override Tariff Commission findings on the escape clause; the enlargement of the items to be protected on national security grounds; and the limitation from 25 percent to 15 percent on the allowable negotiating authorization on reciprocal trade revisions.

Both the industrial nations of Europe and the less developed countries so far uncommitted would interpret such Congressional reaction as a full fledged retreat in the face of the severe blow delivered our foreign policy objectives in the Mideast by the militant overthrow of the Iraq Government and the imminent danger to Jordan and Lebanon. Russia and the Communist bloc nations, on the other hand, would interpret these votes as an open invitation to push forward with their growing Communist trade-aid offensive which so frequently paves the way for Communist subversion in underdeveloped areas: Witness the conflagration in Iraq, the outbreak of violence in Lebanon, the crisis in Ceylon, rebellion in Indonesia, and the mob violence stirred up in several Latin American countries against Vice President NIXON.

The sharp reverse which our foreign policy has suffered in the Iraqi coup calls for new decisions in our foreign policy which have already been initiated on the highest level—but this does not mean jettisoning foreign policy. On the contrary, we need to remain true to its strong points and exploit them even further. But, we need also a new freshness, vigor, and enterprise where it has not been present before; it is now needed to reverse static policies based on old balance of power theories, on overreadiness to identify Free World objectives with support of the status quo in any country and upon overemphasis on anticommunism rather than positive freedom as the measure of the success of any Free World country.

We should also have some idea of our successes at the same time we consider our failures. In all fairness we should note that United States foreign aid agreements have been made with 18 of the 20 nations established after World War II and that the population of the nations so aided is more than 95 percent of the 700 million total in these 20 nations. Also, that we trade with all 20 of these nations and that in many cases our trade is indispensable to their very existence. In nations like India, Vietnam, Burma, Ceylon, and Ghana we have shown a willingness to deal with governments many of whose policies are highly socialized without our taking a doctrinaire position on their social orders; also that in these and other countries United States aid and trade have come directly within the consciousness of the rank and file of the people. Indeed, land and agricultural reform in India and Vietnam particularly demonstrate this, as does our recent aid to Ceylon to relieve famine.

I personally saw in operation at the end of 1956 the village development scheme in India. This project is the greatest recipient of our aid to India. It bears the idea of United States aid into the minds of millions of people in India, especially in the villages, many of whom have never had access even to a main road, let alone any ideas of freedom or of modern technology and civilization. These people all recognize that they are being tremendously assisted to a higher standard of living and a greater opportunity in the world, and that the United States is directly participating in such assistance.

The critical point is that the flexibility of our trade policy represents an indispensable element in such parts of our foreign policy as have been successful.

The Soviet bloc has shown the ability to shift its import and export direction in support of political considerations. We, as a free enterprise Nation, cannot do so. Therefore, the method of overcoming the Soviet advantages at particular times is to have a trade program which is sufficiently flexible to match the Soviet efforts wherever they may come. Of all the times to jettison this flexibility, which has been so important an element in our foreign policy, this time would be the most unpropitious, for the reasons I have already stated.

Vital though our foreign economic aid program is in helping to meet both the short- and long-range economic needs of the Free World nations, it still cannot begin to challenge the importance in terms of dollar impact of United States trade with the areas involved.

In other words, trade is still what these countries live by. Aid is their hope for improving their condition. A reversion to more protectionism in our trade policy can undo in a few months the beneficial results of our policies of foreign aid and technical assistance for 1 year. For example, in 1957 our trade with Brazil was more than $1 billion compared with United States economic aid to that country of about $40 million; United States exports and imports to Italy amounted to nearly $1 billion but our economic assistance was under $100 million; United States trade with India, in which United States exports exceeded imports by higher than a 2-to-1 ratio, was more than $600 million, while economic aid came to about $62 million, roughly 10 percent; and United States trade with Turkey, where we carry such heavy responsibilities for assistance, was

more than $221 million compared with $137 million in United States economic assistance.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD tables which show United States Government aid as compared with trade in the years 1953 to 1957, inclusive, with respect to Italy, Japan, India, Brazil, Turkey, and Peru. These are fair examples of the critical relationship which our trade bears to the economy of these countries as compared with what we can do to help them improve their standards of living through economic aid.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE 1.—*U. S. Government aid to and trade with Italy, 1953–57*

[Millions of dollars]

	1953	1954	1955	1956	1957
A. United States grants and credits, other than military, to Italy: [1] [2]					
Net grants and credits	106.3	82.3	39.2	51.7	57.7
Net grants	133.6	93.5	58.7	68.7	44.3
Gross grants	145.4	102.2	63.8	69.7	45.5
Mutual security aid	138.6	92.1	33.9	46.2	21.6
Agricultural commodities through private agencies	6.8	10.1	29.9	23.5	23.9
Reverse grants and returns on grants	11.8	8.7	5.1	1.0	1.2
Net credits	−27.3	−11.2	−19.5	−17.0	13.4
New credits	1.5	2.7	.....	5.7	42.6
Export-Import Bank	.8	2.7	.....	5.7	20.6
Mutual security under Agricultural Trade Development and Assistance Act	.....	.....	.....	.....	22.0
Mutual security deficiency and basic materials development	.6	.....	.....	.....	.....
Principal collections	28.8	13.9	19.5	22.7	29.2
A. United States grants, etc.—Con.					
Short-term foreign claims acquired through sale of agricultural commodities:					
Net change through transactions	.....	17.8	17.2	19.8	40.0
Currency claims acquired through sales	.....	17.8	17.5	31.3	94.3
Currency advanced by foreign government (net)	.....	.....	.....	2.2	−1.1
Intercountry transfers	.....	.....	.....	.....	−.2
Use of foreign assets	.....	.....	.3	13.7	53.0
B. Merchandise trade:					
United States exports to Italy [4]	292.3	300.6	358.8	526.3	661.4
United States imports from Italy	158.6	141.5	180.1	216.0	245.2

C. Description of imports from Italy:
The largest part of United States imports from Italy falls in the broad class of manufactures. Textile products, leather goods, sewing machines, motorcycles, musical instruments, and artworks are typical of these imports. Structural steel products, electrical and industrial machinery, and automobiles were most prominent, however, in the rise during the past 2 years in imports from Italy.
Specialty food products and wines make up roughly ⅓ of the total; raw materials, such as marble, fluorspar, and nonferrous metals represent a smaller proportion.

[1] For security reasons, data on military aid by country are excluded in all periods.
[2] Data obtained from Foreign Grants and Credits, issues of December 1954, 1955, 1956, and 1957, and are not fully revised.
[3] Data cover Italy and Trieste.
[4] Excluding special category.

TABLE 2.—*U. S. Government aid to and trade with Japan, 1953–57*

[Millions of dollars]

	1953	1954	1955	1956	1957
A. United States grants and credits, other than military, to Japan: [1] [2]					
Net grants and credits	−2.4	39.1	13.9	77.6	82.8
Net grants	.3	1.3	11.7	17.3	13.5
Gross grants	.3	1.3	11.7	17.3	13.5
Mutual security aid	.....	.8	10.2	13.9	11.0
Agricultural commodities through private agencies	.3	.5	1.5	3.4	2.5
Reverse grants and returns	.....	.....	.....	.....	.....
Net credits	−2.7	37.8	2.2	60.3	69.3
New credits	40.0	80.2	84.0	106.3	144.9
Export-Import Bank	40.0	80.2	43.5	73.7	114.8
Mutual security under Agricultural Trade Development and Assistance Act	.....	.....	41.1	32.6	30.0
Principal collections	42.7	42.4	82.4	46.0	75.6
A. United States grants, etc.—Con.					
Short-term foreign claims acquired through sale of agricultural commodities:					
Net change through transactions	.....	47.1	10.9	10.3	−35.9
Currency claims acquired through sales	.....	47.1	72.4	51.0	21.8
Use of foreign assets	.....	.....	61.6	40.7	57.7
B. Merchandise trade:					
United States exports to Japan [3]	680.0	682.2	648.5	901.9	1,230.5
United States imports from Japan	261.5	279.0	431.9	557.9	600.5

C. Description of imports from Japan:
Imports from Japan include a wide variety of manufactured products—textile manufactures, wool products, china and earthenware, metal manufactures, sewing machines, textile machinery, toys and sporting goods, et al. Foodstuffs, chiefly fish, account for ⅛ of the total; raw silk, plywood, sawmill products, and ferroalloys—the principal industrial materials obtained from Japan—for about 17 percent.

[1] For security reasons, data on military aid by country are excluded in all periods.
[2] Data obtained from Foreign Grants and Credits, issues of December 1954, 1955, 1956, and 1957, and are not fully revised.
[3] Excluding special category.

TABLE 3.—*U. S. Government aid to and trade with India, 1953–57*

[Millions of dollars]

	1953	1954	1955	1956	1957
A. United States grants and credits, other than military, to India: [1] [2]					
Net grants and credits	37.4	28.8	105.6	82.0	−63.2
Net grants	37.4	28.8	102.0	61.9	46.6
Gross grants	37.4	28.8	102.0	61.9	46.6
Mutual security aid	36.1	27.0	74.8	46.7	34.5
Agricultural commodities through private agencies	1.3	1.8	27.2	15.2	12.1
Reverse grants and returns on grants	.....	.....	.....	.....	.....
Net credits	.....	.....	3.6	20.1	−109.8
New credits	.....	.....	5.9	20.6	15.6
Mutual security program	.....	.....	5.9	20.6	15.6
Principal collections	.....	.....	2.3	.5	[4] 125.4
A. United States grants, etc.—Con.					
Short-term foreign claims acquired through sale of agricultural commodities:					
Net change through transactions	.....	.....	10.7	36.9	249.0
Currency claims acquired through sales	.....	.....	10.7	48.3	234.8
Use of foreign assets	.....	.....	.....	11.4	5.7
B. Merchandise trade:					
United States exports to India [5]	156.6	164.4	191.4	274.2	437.6
United States imports from India	229.9	200.1	221.4	205.6	211.1

C. Description of imports from India:
Industrial raw materials such as burlaps, manganese ore, carpet wool, shellac, and mica account for between 70 and 80 percent of total United States imports from India. Foodstuffs, chiefly cashew nuts, tea, and black pepper, make up most of the balance.

[1] For security reasons, data on military aid by country are excluded in all periods.
[2] Data obtained from Foreign Grants and Credits, issues of December 1954, 1955, 1956, and 1957, are not fully revised.
[4] Return of lend-lease silver amounted to $122,700,000.
[5] Excluding special category.

TABLE 4.—*U. S. Government aid to and trade with Brazil, 1953–57*

[Millions of dollars]

	1953	1954	1955	1956	1957
A. United States grants and credits, other than military, to Brazil: [1] [2]					
Net grants and credits	326.3	29.9	24.0	−12.5	9.5
Net grants	2.9	2.7	5.6	6.4	6.9
Gross grants	2.9	2.8	5.6	6.4	6.9
Mutual security aid	2.9	2.8	2.9	3.8	4.8
Agricultural commodities through private agencies			2.6	2.6	2.1
Inter-American and related highways		(3)	(3)		
Reverse grants and returns		.1			
Net credits	323.4	27.2	18.4	−18.9	2.6
New credits	337.7	53.5	91.8	41.2	76.3
Export-Import Bank	336.0	48.1	87.1	30.6	46.1
Mutual security under Agricultural Trade Development and Assistance Act					30.2
Merchant ship sales				6.2	
Defense mobilization development	1.7	5.5	4.7	4.4	(3)
Principal collections	14.3	26.3	73.4	60.1	73.7
A. United States grants, etc.—Con. Short-term foreign claims acquired through the sale of agricultural commodities:					
Net change through transactions		3.3	3.4	37.7	−6.1
Currency claims acquired through sales		3.3	3.4	39.7	28.6
Use of foreign assets				2.0	34.6
B. Merchandise trade:					
United States exports to Brazil [4]	314.4	474.7	253.6	308.6	431.8
United States imports from Brazil	708.5	681.7	632.5	745.7	700.1
C. Description of imports from Brazil: Imports from Brazil are largely foodstuffs—principally coffee and cocoa. Other imports, 10 to 15 percent of the total, consist of industrial raw materials, principally iron ore and ferroalloys, carnauba wax, and hides and skins.					

[1] For security reasons, data on military aid by country are excluded in all periods.
[2] Data obtained from Foreign Grants and Credits, issues of December 1954, 1955, 1956, and 1957, and are not fully revised.
[3] Less than $50,000.
[4] Excluding special category.

TABLE 5.—*U. S. Government aid to and trade with Turkey, 1953–57*

[Millions of dollars]

	1953	1954	1955	1956	1957
A. United States grants and credits, other than military, to Turkey: [1] [2]					
Net grants and credits	40.0	47.1	67.2	106.5	83.0
Net grants	44.2	50.3	53.7	84.7	60.5
Gross grants	48.8	54.6	57.3	90.7	69.2
Mutual security aid	48.8	54.5	57.1	90.4	68.7
Agricultural commodities through private agencies		(3)	.2	.3	.5
Reverse grants and returns on grants	4.6	4.3	3.6	6.0	8.7
Net credits	−4.2	−3.2	13.5	21.8	22.5
New credits	.8	.1	16.2	24.1	24.1
Export-Import Bank	.8	.1	.4	4.3	.5
Mutual security program	(3)		15.8	19.8	23.6
Principal collections	5.0	3.3	2.7	2.3	1.6
A. United States grants, etc.—Con. Short-term foreign claims acquired through sale of agricultural commodities:					
Net change through transactions			25.0	16.3	53.9
Currency claims acquired through sales			32.6	23.2	69.6
Currency advanced by foreign government (net)			.5	−.5	.5
Use of foreign assets			8.1	6.4	16.2
B. Merchandise trade:					
United States exports to Turkey [4]	69.9	87.0	101.9	115.8	139.4
United States imports from Turkey	84.0	64.7	57.2	63.4	92.4
C. Description of imports from Turkey: Imports are almost altogether industrial raw materials, chiefly Turkish cigarette leaf and chrome ore or chromite. A small proportion, 4 to 8 percent, of imports consist of foodstuffs.					

[1] For security reasons, data on military aid by country are excluded in all periods.
[2] Data obtained from Foreign Grants and Credits, issues of December 1954, 1955, 1956, and 1957, and are not fully revised.
[3] Less than $50,000.
[4] Excluding special category.

TABLE 6.—*U. S. Government aid to and trade with Peru, 1953–57*

[Millions of dollars]

	1953	1954	1955	1956	1957
A. United States grants and credits, other than military, to Peru: [1] [2]					
Net grants and credits	11.2	1.0	8.1	25.9	52.2
Net grants	1.9	2.5	3.2	8.1	10.5
Gross grants	1.9	2.5	3.2	8.1	10.5
Mutual security aid	1.8	2.4	2.6	7.3	9.7
Agricultural commodities through private agencies	.2	(3)	.7	.8	.8
Reverse grants and returns	(3)				
Net credits	9.3	−1.5	4.9	17.8	41.7
New credits	9.7	.1	6.0	19.3	44.3
Export-Import Bank	9.7	.1	.1	10.7	36.3
Mutual security program			3.6	6.3	5.7
Mutual security under Agricultural Trade Development and Assistance Act			2.3	2.3	2.3
Principal collections	.4	1.6	1.1	1.5	2.6
A. United States grants, etc.—Con. Short-term foreign claims acquired through sale of agricultural commodities:					
Net change through transactions			3.2	−1.8	1.1
Currency claims acquired through sales			5.8	1.7	4.0
Use of foreign assets			2.5	3.4	3.0
B. Merchandise trade:					
United States exports to Peru [4]	122.4	99.9	123.2	162.6	197.6
United States imports from Peru	86.9	96.5	110.5	134.6	137.2
C. Description of imports from Peru: Imports from Peru are chiefly industrial raw materials, with imports of copper, lead, and zinc accounting for approximately half of all imports in the last 5 years. Other metals make up an additional 10 to 20 percent of the total. Foodstuffs—sugar, coffee, and fish—contribute a further 10 to 20 percent.					

[1] For security reasons, data on military aid by country are excluded in all periods.
[2] Data obtained from Foreign Grants and Credits, issues of December 1954, 1955, 1956, and 1957, and are not fully revised.
[3] Less than $50,000.
[4] Excluding special category.

Mr. JAVITS. Mr. President, the economic interdependence of the majority of nations in the free and noncommitted world with the United States based primarily on trade relations cannot be overstated, particularly from the point of view of many single commodity countries. For although the United States amassed a record breaking $32 billion in trade in 1957, exclusive of military material exports—$25 billion of that with the 43 countries with which we have trade agreements—it still added up for only about 6 percent of our gross national product.

The difference between exports and imports in respect of countries with which we had trade agreements was $4.6 billion as contrasted with an aggregate export surplus to us of $5.8 billion for all countries with which we engaged in foreign trade.

Notwithstanding these enormous figures, it still added up to only about 6 percent of our gross national product. That is not a matter of absolute economic life and death to us, although it is of critical importance in certain areas of activity.

In stark contrast is the position of the average underdeveloped area where the export-import trade represents more than one-third of its entire gross national

product. The Latin American countries look toward this Nation as the major market for their exports and the major source of their imports, nearly half the total in both instances. Individual countries like Brazil sell 40 percent of its total exports here, while we buy 60 percent of the Philippines' exports and nearly 30 percent from the export-or-die nation of Japan—so serious is this matter to Japan. It seems to me that a reactionary policy in respect of world trade would be tremendously damaging to the future to which all these countries have to look forward.

In less developed areas, the most important objectives of their governments must be economic growth in the face of such obstacles as spiraling birth rates, insufficient capital investment, and the chronic problems of health, housing, education, and the insufficiency of technically trained manpower. Twenty years from now, the major industrial nations, including ourselves, expect to double the standard of living for the average worker while the less developed nations will probably be able to increase their average citizen's per capita share of the national product about 30 percent. Should these economies of the underdeveloped areas be rocked now by serious problems in their United States import market, then the hopes of a billion people to materially improve their lot outside the Communist bloc will be dimmer at best. These are the most portentous implications for United States foreign policy and United States trade policy which one could imagine.

In such an examination of the implications of United States trade policy it would be a serious mistake to underestimate the degree of our own dependence on imports. A crucial 10 percent of all the raw materials used by United States industry are imported today from free nations, including 100 percent of our natural rubber, 100 percent of our tin, 99 percent of our chromite, 95 percent of our manganese, 72 percent of our tungsten, and 70 percent of our bauxite to make aluminum. The indispensability of these raw material imports to the operation of the most powerful industrial machine on earth is unquestioned.

On the other side of the coin, only two categories of our gross national product—consumer purchases of apparel and business purchases of capital equipment—are more important than merchandise exports to our total economic situation.

Let us see where we have a tremendous impact on our economy in the matter of exports.

One-fifth to one-third of our civilian aircraft, railroad cars, construction, and mining equipment, textile machinery, sewing machines, and steel and rolling mill machinery have been sold on foreign markets in recent years, while the United States farmer produces about 11 percent of his total output for export—a precious outlet for this country's farm surpluses and needed nourishment for many young nations converting from strictly agricultural to a more industrial economy.

Indeed, Mr. President, although we may not live or die, in terms of national survival, as a result of the continuance of our export or our import trade, I deeply believe that it can, and does, represent, in the case of many industries, the difference between depression conditions and reasonably prosperous operations.

One of the bright spots of the entire recession period in this country has been foreign trade. Although total exports and imports are below last year's all-time high, the Commerce Department reports that some of the industries heaviest hit by unemployment in recent months nevertheless have increased their exports; for example, electrical machinery exports rose 8 percent industrial machinery exports gained more than 11 percent; and transport equipment exports also showed a small gain.

Interestingly enough, in April 1958, as contrasted with April 1957, United States' exports fell only $380 million—from $1.78 billion to $1.4 billion; but United States imports fell $820 million—from $1.92 billion to $1.1 billion. It seems to me that these figures are very illuminating, because they demonstrate that a recession in this country, as applied to our foreign trade, hurts our friends abroad far more than it hurts us; and the figures also bear very importantly on the validity of the highly protectionist argumets about the disastrous effects of imports on our country, in view of the tremendous decrease in imports—more than twice the decrease in exports—which occurred in the period of an economic letdown.

However, I am convinced that it is the responsibility of those who most strongly support reciprocal trade legislation to recognize and deal with the predicament, to which I have referred, of the businesses or the employees adversely affected seriously by imports. But that does not mean we must go "protectionist," for that would result in serious damage to our own economic position and to our objectives for securing the community of economic interest of the Free World as the surest road to peace. But it does mean that we should provide concrete assistance which will enable the businesses affected to make smooth transitions into other lines in which they can compete economically and successfully on the open domestic market.

Mr. President, I hope an amendment to this effect—and I am joining in the sponsorship of such an amendment—will be offered to the pending bill.

I am, therefore, a cosponsor of the Trade Adjustments Act of 1958 which provides adjustment assistance to enable businesses adversely affected by imports to convert to more profitable lines, to receive small business loans, technical help, rapid tax amortization on capital equipment, extended unemployment compensation, and additional training and industrial reeducation for workers during the transition period.

Mr. President, this entire problem brings us directly to the restrictive amendment added by the Senate Finance Committee majority to the escape-clause procedure already a part of our trade program. At the most, it is estimated that for every 10 United States workers engaged in business directly benefited by United States trade, one is working for a business adversely affected by foreign imports.

The amendment would make the Tariff Commission's recommendation automatically effective unless the President disapproves and is backed up by a majority vote of Congress. This amendment should be rejected, first, because it is an attempt to return tariff rate-making and trade-policy formulation to Congress, while taking from the President an essential tool needed to carry on the country's foreign policy; and, second, because, in essence, it does not offer the President any discretionary power at all, for certainly if the President can get a majority in Congress to vote to permit him to reverse the Trade Commission, he could also present all sorts of tariff and trade measures to Congress—including a proposal to abolish the Commission itself—and could be fairly sure of their passage. I think the escape-clause provision as modified in the House offers adequate protection, in view of the fact that out of 3,000 items on which concessions have been made, only 26 commodities have been referred to the President under this provision.

Since the escape-clause procedure was instituted, 87 cases have been filed with the Tariff Commission by businesses seeking relief through the imposition of higher tariffs on competitive imports. Fifty-four cases were dismissed at the applicant's request, were rejected by the Commission, or were terminated without finding. Three are still pending. Of the 30 remaining cases, involving 26 commodities, that went to the President for action, he accepted the Tariff Commission's recommendation in favor of escape-clause action in 10 cases, and rejected its advice in 17; and the 3 other cases are still pending.

It is therefore clear that, in the face of the fact that the President has rejected a majority of the Tariff Commission's recommendations, we would be going right back, all over again to Congressional tariff-making, with all its invidious problems of logrolling which caused Congress to change from it.

In short, the Senate should reject the amendment which seeks to require a majority vote of both Houses of Congress to sustain the President when he takes action to reverse escape-clause action on the part of the Tariff Commission. Such amendment, if agreed to, would take us back to the conditions—happily passed—which resulted in so many injustices and inequities and which constituted such a drag on American foreign policy that a return to them simply cannot be considered in connection with the foreign problems we face today. Certainly what is happening in the Middle East should awaken us sharply to these realities.

The further limitation proposed to be imposed on the President's authority to reduce tariffs should also be rejected. The Trade Act, as it passed the House, provides that the rates existing on July 1, 1958, may not be reduced more than 25 percent, in stages of not more than 10 percent in any 12-month period up to June 30, 1961. To cut those reduction levels even more sharply to a maximum of 15 percent, at no more

than 5 percent, at any one time, would deprive the President of the flexibility which should be a principal strength of the reciprocal trade program, a keystone of our entire foreign policy.

It would be equally detrimental to our trade program if still another amendment proposed by the Senate Finance Committee majority were accepted; I refer to the amendment which would broaden the national-security provision and, in effect, would make it an alternative to the means already afforded by the escape clause to industries which seek relief from the competition of foreign imports. At present, the Office of Defense Mobilization and the President can grant relief to industries, under the national-security provision, principally upon the making of a determination that such action is necessary to avoid a threat, through imports, to the national security. However, the amendment directs that henceforth, in addition to strategic considerations, equal emphasis shall be given an industry's weakened economic position directly resulting from foreign competition in United States markets, in recognition of the close relationship of economic welfare to our national security. In addition, this extended criterion would apply not only to the imports concerned, but also to their derivatives. I think this attempt to extend coverage under the national-security provision is unnecessary, so long as the escape-clause action is functioning fairly and equitably, as it apparently has to date.

This amendment and the amendment which would extend the program for 3 years, instead of the 5 years urgently requested by the President, can have the most serious repercussions on our future trade with Western Europe, which is busy organizing a brand new economic unit, the common market.

This is completely untenable in light of the escape clause, and should also be defeated.

My colleague from New Jersey has already discussed in great detail the impact of the 3-year, as against the 5-year, extension of the Trade Agreements Act on our negotiations with the nations in the common market in Western Europe. I think those observations are entirely valid.

I hope very much the Senate will not accept the 3-year proposal.

In 1957 we sold more than $3 billion worth of American products to the 6 countries in this new union. The 6 nations which are joining together in order to form the common market are by now buying nearly 20 percent of our total exports. As their economies are joined into a well-integrated single economic system, rivaling our own in size in efficiency, this purchasing power will greatly increase.

The stake of our export industries in the common market creates one of the major needs for a 5-year extension of the reciprocal trade program.

Why 5 years instead of 3? The reason is this: The formation of the common market involves a negotiating process among the member nations which may take from 12 to 17 years. These negotiations will involve, in addition to other things, the formation of a common tariff against imports. The resulting tariff will most likely be a compromise between the highest and lowest tariffs now applied by the individual countries. We must be able to enter this long-range process of negotiations in order to keep this compromise tariff as low or as fair as possible. The other body of Congress has already accepted the 5-year extension, and the President has recommended 5 years.

Only when armed with long-range powers can we fit ourselves into plans which must be closely coordinated over more than a decade. If we say that we can only go into the water up to our knees—if we say that we can only go along with the plan for 3 years—we may not be invited to join in the negotiations at all.

Other nations also will be more apt to grant us concessions if they can look forward to a program which is able to progress over a substantial number of years instead of one which runs the danger of being stopped dead in its tracks after a short term.

That the reciprocal trade program is in the best self-interest of the United States economy is, to my mind, patently clear if only facts are used to prove that contention. From 1934, when our exports barely climbed above the $2 billion figure, they soared to nearly $20 billion last year; and of our favorable balance of trade, which amounts to nearly $6 billion, more than $4.5 billion of that surplus is with the countries with which we have trade agreements. Traditionally, trade with the United States has meant the difference between prosperity or depression to many countries, but recently that picture has begun to change.

This is the final point I should like to make, but, in my opinion, the supremely important one, especially in view of current events. High tariff walls in the United States may not spell depression for trading nations, but instead a growing dependence on new markets in the Communist bloc nations and Russia, which is far more devastating to the objectives—indeed, to the very survival—of the United States than would be merely loss of business on both sides. The door to these markets has been swung open wide, and Premier Khrushchev himself sounded the worldwide word of warning last November when he said to us in the United States:

> We declare war upon you in the peaceful field of trade. We declare a war we will win over the United States * * * and it will prove the superiority of our system.

These are very very bold words, which need to be engraved in the mind of every American as one of the major reasons why we are undertaking the dangers and the risks. Especially is this true today in respect to the foreign policy of the United States.

Western Europe has been a prime target for the Communists. Since 1951 the volume of Soviet trade alone with that area has increased from $400 million to more than $800 million.

I ask unanimous consent to have printed in the RECORD as a part of my remarks a detailed, country-by-country survey by the New York Times, published on July 7, 1958, together with a news analysis, gaging the gain in economic influence for the Communists. The report shows that they have penetrated more than 50 countries, and though their effectiveness varies sharply from country to country, it represents a portentous threat in the competition with us both as to quality and quantity.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times of July 7, 1958]

SURVEY SHOWS COMMUNISTS GAIN IN ECONOMIC INFLUENCE

(By Harry Schwartz)

A survey by correspondents of the New York Times indicates that the Communist bloc's influence on the economy of the rest of the world rose during the first half of 1958 and promises to increase in the future.

Reports on Communist economic penetration in more than 50 countries were prepared by Times correspondents. The trend of these reports, based on official statistics and on interviews with businessmen and Government officials, is to confirm warnings by the Department of State, the Director of Central Intelligence Agency, Allen W. Dulles, and the Committee on Economic Development on the growing Communist challenge to the West.

At the same time, the reports make clear that the impact of Communist trade and aid varies sharply from country to country. In most countries, Communist economic influence is still minor. In some countries the Communist economic drive was even set back in the last half year.

Communist trade with the rest of the world is big business. Last year this trade exceeded $6 billion and was more than twice the level of 1952, the last year of Stalin's regime.

But East-West trade is only about 3 percent of the total world. The political leverage this trade has given the Soviet bloc often depends more upon the nature and terms of this commerce than on the amount of goods traded. This has been particularly true of Communist purchases of raw materiels from producing countries having trouble in selling such products, for example, Uruguayan wool.

Communist aid, in the form of loans and a few small grants, to underdeveloped countries has totaled about $2 billion in the last few years, but much of this has yet to be spent.

The Soviet bloc has undertaken about 140 industrial projects in underdeveloped countries since 1955. Of these about 30 percent have been completed and are operating, 40 percent are under construction, and the others are still in the survey stage or their status is unknown. The projects include the building of bridges, cement plants, sugar refineries, glass, textile and steel plants, and prospecting for petroleum.

Fears expressed recently that the Communist bloc may have started economic warfare against the West by dumping goods on world markets at low prices receive only limited support in the Times' correspondents reports.

These reports indicate that most East-West trade is being conducted at world prices. Some commodities, such as aluminum, oil and rails, have been sold or offered at below-market prices. But some countries, including France and Sweden, have found some Soviet prices to be higher than those quoted by non-Soviet sellers.

Some evidence indicates that Communist resources available for export are limited. Austria has been having trouble getting enough Soviet goods to balance the value of

Austrian exports, the Times' correspondent in Vienna reports. Authoritative sources in Oslo report a decrease in Norway's trade with the Communist nations because the latter are either not willing or unable to provide the goods demanded by Norwegian consumers.

Other evidence is provided by a United States Government estimate that the Soviet Union last year had to sell $263 million in gold to get foreign exchange. Earlier Soviet gold sales were estimated by the same source at $150 million on 1956, $70 million in 1955, $93 million in 1954 and $150 million in 1953.

FOOTHOLD IN 19 COUNTRIES

As of mid-1958, the Communist trade and aid drive, primarily by the Soviet Union, Communist China, Czechoslovakia, and East Germany, has won important economic footholds in at least 19 countries.

They are, in Europe, Iceland, Finland, Austria, Turkey, Britain, and Yugoslavia; in the Middle East, the United Arab Republic, Yemen, and Iran; in the rest of Asia, Burma, Cambodia, Indonesia, Afghanistan, Ceylon, Japan, India, and Nepal, and in Latin America, Uruguay and Argentina.

According to the State Department, Premier Nikita S. Khrushchev told a group of Congressmen in 1955, "We value trade least for economic reasons and most for political purposes."

Presumably the same consideration applies to Communist aid. But it is clear from the foregoing list that even a substantial Communist foothold in a country does not guarantee Soviet dominance. Iceland and Turkey are members of the North Atlantic Alliance, and Iran belongs to the Baghdad Pact, for example. Similarly, Yugoslavia is now engaged in a bitter quarrel with the Soviet bloc.

Communist political gains from trade or aid have apparently been greatest in the United Arab Republic, Yemen, and other Asian countries. Yet these gains did not prevent Prime Minister Jawaharlal Nehru, of India, recently from criticizing the execution of Hungarian rebel leaders, nor did these gains prevent President Gamal Abdel Nasser from visiting Yugoslavia.

REASON FOR POLITICAL GAIN

The reasons for Soviet political gains in Asian countries are indicated by the field reports. The report from New Delhi, for example, in discussing the Soviet-financed Bhilai steel mill and other projects, says:

"Soviet engineers have made a deep impression on local workers and local people. Russians live an unostentatious life in a hostel, go to work in buses or jeeps, and mingle freely with local people. It is reported the Russians have even discarded liquor because Bhilai comes within a prohibition area.

"Indians have a special sort of attachment to and admiration for Russians. This attitude stems from the belief that the Soviet Union within 40 years of its revolution has come up on a par with the United States and has even bettered it in scientific advancement."

In a similar vein, the Times' correspondent in Rangoon, Burma, reports:

"Increased Soviet aid during the past year or so is making a favorable impression on the Burmese. Special gift projects, as the Russians call them, are drawing attention and overshadowing United States exhibits and International Cooperation Administration projects.

"Reasons: Soviet projects are almost all tangibles; Soviet engineers and technicians live on the people's level and were taught Burmese before they arrived here (American engineers and technicians live on a much higher scale than the masses and seldom speak the language); daily progress on projects clearly identified as 'Soviet gifts' has captured public attention."

REPORT FROM INDONESIA

From Jakarta, Indonesia, a Times correspondent reports:

"Recent completion of a multi-million-dollar East German sugarmill at Jogjakarta was accompanied by much favorable publicity and the fact that completion was 2 years behind schedule (delay was as much the Indonesians' fault as the Germans') was not mentioned in the press. Under present adverse economic conditions Indonesia welcomes credits from any source. Supplies of foreign exchange are so low foreign credits are essential, although there are misgivings among some government personnel about granting permission for a large number of Communist technicians to travel and live in Indonesia. Nevertheless, Communist influence is growing."

The popularity of Soviet credits in Asia arises from the low interest rates (usually 2 or 2½ percent), and easy payment terms. In addition, Soviet propaganda tries to give the impression that there are no political conditions to this aid.

The Times correspondent in New Delhi lists the following economic advantages Indians feel they have in trading with the Communist nations:

"Communists have just the type of machinery and equipment that India wants for her development projects. Communists are able to deliver them as fast as New Delhi wants. They are willing to accept payment in Indian rupees. They are willing constantly to explore possibilities of buying more varieties of Indian goods."

On the other hand, Thailand's Minister of Economic Affairs, Sukich Nimenhemminda, told the Times correspondent in Bangkok: "The Russians only pretend to ask for trade with Thailand for the sake of advertising. I don't think they really want to trade with us. We have nothing they want." But supplies of low-cost newsprint have been sent from Communist countries to Thailand as a means of winning friends in that nation's press, the correspondent reports.

EVIDENCE OF GROWTH

The chief developments during the first half of this year indicating a stepped-up Communist economic offensive are the following:

Soviet sales of aluminum, tin, platinum, and zinc have exerted a downward pressure on depressed world markets. The case of aluminum offers a striking example of how Soviet sales below world price can demoralize a commodity market.

Soviet sales of aluminum in Britain at 2 cents a pound less than the market price led the Aluminum Company of Canada to ask the British Government to impose an anti-dumping duty on Soviet aluminum. Later the aluminum company met the Soviet price cut, thus forcing a world-wide price reduction.

Industry sources and a Times report from Western Europe indicate that since this price cut Soviet aluminum sellers have been offering the metal at 1 or 2 cents below the reduced world price. British officials, a Times correspondent in London reports, believe that this is a means of getting the Soviet Union established as an aluminum supplier rather than a deliberate act of economic warfare.

Significant economic penetration has been achieved by the Soviet Union in Uruguay, and to a lesser extent in Argentina. Last March the Soviet Union became the largest purchaser of Uruguayan wool and Uruguay is now becoming dependent on Soviet oil shipments. In Argentina, the new regime of President Arturo Frondizi has arranged a deal involving the exchange of Soviet oil and Argentine wool, thus permitting Argentine sheep raisers to reduce their unsold wool backlog.

WEST GERMAN TIES

In West Germany, the Soviet Union last April signed a 3-year trade agreement providing for exchange of goods up to $750 million. Early last month the director general of the Krupp company visited Moscow and concluded an agreement to supply the Soviet Union with $12 million worth of machines for making synthetic fibers.

Japan's trade with the Soviet Union during the first 4 months of 1958 is sharply higher than trade during the corresponding 1957 period. An agreement signed last December provides for Japanese-Soviet trade this year to be 3 times the 1957 level.

The Soviet Union has sold 12 ships to Indonesia and and has offered unlimited credit to private Indonesian concerns. Communist China helped ease a difficult Indonesian economic situation this year by providing an emergency supply of 25,000 tons of rice and 72 million yards of textiles on a 10-year credit at 2.5 percent interest.

Last May the Soviet Union offered Finland a loan of 400 to 500 million rubles ($100 to $125 million at the official exchange rate) for a steel plan to be built in northern Finland.

A Soviet-Moroccan trade agreement signed last April 19 provides for substantial expansion of trade this year.

RED SETBACKS NOTED

The major setbacks to the Communist economic offensive during the last 6 months are the following:

During the first 5 months of 1958, Egypt's purchases from the Soviet bloc are reported to have declined. A West German credit of 400,000,000 Deutsche marks ($100,000,000) and the easing of payment terms by other Western European countries have brought this about. But early this year the Soviet Union granted Egypt credits equivalent to $178,000,000 for long-term purchases of industrial equipment and financing of Egypt's 5-year industrialization plan.

Several Communist economic moves having apparent political motivation have aroused concern beyond the countries affected. The Soviet postponement of the $285,000,000 credit promised Yugoslavia has indicated to many that political strings are attached to Soviet aid.

The decision of a Soviet court denying an Israeli application for damages resulting from Soviet cancellation of oil shipments after the 1956 Suez crisis has raised questions among other countries that have obligated themselves to accept Soviet court decisions on disputes arising in their trade with that country. Similar political motivation had been apparent in Communist China's cancellation of its 1958 trade agreement with Japanese concerns for the exchange of $210,000,000 worth of goods.

Indignation in many countries over the execution of the Hungarian rebel leaders may have a negative effect on Communist economic efforts. As a result of coolness between West Germany and the Soviet Union following a demonstration at the West German Embassy in Moscow, West German businessmen cut short their recent visit to the Soviet Union.

The Soviet oil market in Western Europe has been reduced in some countries, for example in Italy, by the reopening of the Suez Canal and the resumption of normal oil shipments from the Middle East.

With regard to the quality of Communist products and the availability of service and spare parts. The Times correspondent indicated that the situation varied from country to country. The quality of Czechoslovak products drew virtually unanimous praise. Soviet raw materials were considered satisfactory, but in some countries the quality of Soviet machinery and automobiles was regarded as inferior to Western products. In Greece, for example, Soviet automobiles have been catching fire because of defective electrical wiring.

Complaints on quality, availability of spare parts or service for Communist ma-

chinery were noted in reports from Brazil, Israel, Finland, Iceland, Burma, Great Britain, France, and Mexico. Some of these reports stated that deficiencies in quality were compensated by low cost.

The State Department puts the number of Communist technicians in underdeveloped countries at 1,600, about half of them from the Soviet Union. The largest single number, 470, are in the United Arab Republic, and there are about 455 in Afghanistan, 280 in India, 105 in Indonesia, and 60 in Burma.

[From the New York Times of July 7, 1958]

UNITED STATES-SOVIET TRADE UNCHANGED—RELATIONS WITH POLAND ALTERED—COMMERCE WITH MOSCOW INFINITESIMAL—$11 MILLION RUSSIAN ORDER FOR STEEL IS REJECTED BY WASHINGTON

(By Edwin L. Dale, Jr.)

WASHINGTON, July 6.—There has been no change in economic relations between the United States and the Soviet Union in the last 3 years.

Trade remains infinitesimal, though there is some prospect of an increase, depending largely on Soviet rather than United States decisions.

Economic relations with the European Communist bloc have also shown no change, with one exception—the United States aid program for Poland.

In the first quarter of this year only $471,229 worth of United States goods was licensed for export to the Soviet Union, plus $1,200,000 worth of sugar of foreign origin licensed for transshipment. For the Eastern European countries as a whole, including the Soviet Union, licenses totaled only $5,153,000, the lowest quarterly total since the second quarter of 1956.

STEEL ORDER REJECTED

In the same first quarter, licenses for goods worth $13,935,000 were rejected, most of which was accounted for by an $11 million order from the Soviet Union for cold-rolled steel sheet and welded pipe.

For all of last year total United States exports to the European Communist countries, including the Soviet Union, were only $86,300,000, or less than half of 1 percent of the total exports. And $73,200,000 of this was to Poland.

Total United States imports from the bloc were $65,600,000, of which half were from Poland. The total was only ½ of 1 percent of overall United States imports.

A letter earlier this year from Premier Nikita S. Khrushchev to President Eisenhower proposed a large increase in United States-Soviet trade. Mr. Khrushchev even suggested that the Soviet Union would be interested in goods worth several billion dollars a year, provided the United States would grant deferred-payment terms, that is, credit.

CREDIT PLAN UNWELCOME

State Department officials said today that the reply to this letter had still not been completed. They made these points:

1. The initial reaction here to the credit proposal has not been favorable. Secretary of State Dulles threw cold water on it at a recent press conference. This seems likely to be rejected, although presumably there will be no objection to private firms granting credit terms if they want to.

2. The Soviet Union could greatly step up imports from the United States right now if it wanted to, simply by placing orders for goods that are not banned under United States export control regulations. Many of the items on Mr. Khrushchev's list would be licensed under present regulations, if valid orders were placed and the American exporter filed the proper application.

It is possible the United States list will be liberalized somewhat as a result of current deliberations in Paris of the allied group that keeps watch on East-West trade in strategic items. The group is in process of reducing the embargoed list substantially, and the United States may well go along with the less severe controls.

[From The New York Times of July 7, 1958]

A COUNTRY-BY-COUNTRY SURVEY OF FREE WORLD-COMMUNIST BLOC TRADING—STATISTICS SHOW CURRENT CONTACT—STATUS OF THE FREE WORLD'S ECONOMIC RELATIONS WITH IRON-CURTAIN LANDS

(Following is a summary of the New York Times correspondents' reports on the current status of the Communist bloc's economic relations with the countries of the Free World. In some cases these reports have been supplemented by information from governmental and United Nations sources. Within each major area of the world, countries are listed alphabetically.)

NORTH AMERICA

Canada: The Communist bloc bought more than $6 million worth of goods from Canada during the first 4 months of 1958, 15 times the purchases during the like period in 1957. Canadian sales of wheat to the Soviet Union and Communist China are most important in this trade; wheat sales to Communist China this year will have a value of $5 million.

Costa Rica: There is negligible trade with the Communist bloc.

Cuba: The Soviet Union has continued large-scale purchases of Cuban sugar this year, buying 100,000 tons up to the end of May. Czechoslovakia is the chief Communist trading partner of Cuba, supplying significant quantities of textiles, glassware and china.

Haiti: Poland is becoming Haiti's chief supplier of cotton goods. Czechoslovakia tried but failed to sell structural steel here.

Mexico: Mexico does very little trade with the Communists, but Soviet Deputy Foreign Minister V. V. Kuznetsov visited Mexico in May, trying to arouse interest in Soviet machinery for construction, road building and the petroleum industry. There are some signs that Russia and Czechoslovakia are trying on a small scale to undersell the West in machinery.

CENTRAL AMERICA

Guatemala: All trade with Communist countries is forbidden and the ban is strictly enforced.

Honduras: Communist trade is small, consisting mainly of the import of Czechoslovak textiles, blankets, towels, etc.

Nicaragua: Trade is small, consisting primarily of the import of Czechoslovak newsprint and printing machinery.

El Salvador: No direct Communist trade, but there have been hints of interest in selling coffee to Communist lands through an intermediary nation.

SOUTH AMERICA

Argentina: The Soviet Union has sold 1 million tons of crude oil as well as a sizable quantity of rails this year at prices below United States rates. Most of the oil will be paid for by wool shipments. An Argentine purchasing mission visited Communist-bloc countries in January and purchased $27 million worth of goods, mostly machinery and steel. Czechoslovakia has sold Argentina a coal-washing plant for Rio Turbio deposits. A Soviet-Argentine Chamber of Commerce was formed last month and a recent big Soviet exhibit at an Argentine oil industry fair was impressive.

Bolivia: Bolivia has been hurt by Soviet competitive tin exports. A Soviet offer through a Bolivian Communist leader to build a tin smelter in the country and staff it with Soviet technicians was declined.

Brazil: The Soviet Union has aroused interest with an offer to exchange 200,000 tons of crude oil for cocoa, cotton, and other goods. Poland and Czechoslovakia have undersold the West to get contracts to build ships and sell rails, and they are accepting Brazilian commodities in payment. A Rumanian mission is negotiating a trade agreement and offering oil byproducts and oil-production equipment. The Communist press has hinted that Moscow wants to buy much coffee and cocoa. The Russians have expressed interest in buying Brazilian manganese and Communist China sharply increased sugar imports from Brazil early this year.

Chile's situation

Chile: The drop in copper prices has stimulated Chile's interest in selling metal to Communist countries and last March Chile sold 15,000 tons of copper wire of under 6 millimeter diameter to the Soviet Union. Communist China has expressed interest in buying over the next 5 years 500,000 tons of low-grade nitrate fertilizer, but the form of payment is an obstacle.

Colombia: Trade with the Communist bloc is very small, but Colombia recently bought $1 million worth of Syrian wheat from the Soviet Union.

Ecuador: President Camilo Ponce Enriquez said in May that Ecuador was besieged with Communist proposals for increasing trade and establishing industries for example, a match factory. He said Ecuador might have to consider these offers unless she got more United States aid.

Paraguay: No known trade with the Communist bloc.

Peru: Very little trade with the Communists, but leftwing elements have suggested that Peru try to sell lead, zinc and other products to the Iron Curtain lands.

Uruguay: Uruguay has become the South American country most dependent economically on the Soviet Union as a result of the appearance of Moscow since last October as the major buyer of Uruguayan wool and a contract reached early this year for the Soviet supply of 1,250,000 barrels of oil. A very active Soviet trade bureau and a large Soviet Legation in Montevideo make Uruguay the South American headquarters for Soviet penetration efforts.

Venezuela: Very little trade with the Communist bloc.

EUROPE

Austria: The Communist bloc accounted for about 10 percent of Austrian foreign trade during the first quarter of 1958. Austria is still delivering goods to Russia toward the $150 million worth of products and 10 million tons of oil required of Austria under the 1955 State Treaty. Chancellor Julius Raab has shown irritation over the fact that the United States' Battle Act restrictions prevented Austria from building a steel mill for Czechoslovakia, and there are reports that he may discuss a Soviet loan on a forthcoming visit to Moscow. The Austrians have been having difficulty getting Soviet imports to balance their shipments. Reports indicate that an East Trade Bank has been set up in Vienna to promote East-West trade.

Belgium-Luxembourg: Imports from and exports to Russia and Eastern Europe dropped during the first quarter 1958 as against 1957. The Russians tried unsuccessfully to sell crude and refined oil below world market, but did sell small quantities of diesel oil below world price. The Russians are offering aluminum at 1 cent below the new world price.

Britain: Significant British trade with the Communist bloc showed relatively little change during the first 5 months of 1958 as against the same period in 1957. Soviet sales of aluminum, tin, platinum, and ferroalloys are depressing markets, while sales of zinc and manganese are increasing. The Soviet Union has been offering oil at favorable prices but has sold little because oil companies, having their own supply sources,

are not interested. The Russians and Communist Chinese paint glowing pictures of a greatly expanded trade if the West's strategic embargo is ended. Moscow has been expressing interest in buying equipment for chemical and synthetic fiber industries. The British are selling a wide range of machinery, ships, and other transport equipment, chemicals, self-manufactured metals, textiles, and copper wire.

Denmark: Danish trade with the Communist bloc increased somewhat during the first 4 months of 1958 as against 1957, but this trade is relatively small, in part because the Communists are unable to meet Free World price competition. The Soviet Union bought 7,000 tons of Danish butter in May for almost $4 million. Czechoslovakia is trying to sell Skoda cars, but it is hindered by the fact that most Danes able to afford cars are anti-Communist.

Finland: Finnish trade with the bloc, particularly the Soviet Union, was down substantially during the first quarter of 1958 as against the 1957 period, but still accounted for about one-quarter of Finland's foreign trade. Finland has recently made a barter agreement under which 12,000 tons of Finnish butter will be exchanged for Soviet wheat during the next 12 months. Last May the Soviet Union offered Finland a loan of 450 million to 500 million rubles (about $100 million to $125 million) to buy goods and machinery, particularly for a planned new Otanmaski steel plant. The bulk of Finnish petroleum and a substantial part of Finnish metal needs are met by Soviet imports.

France: Imports from the Communist bloc this year are expected to aggregate $166,600,000, almost 5 percent of French imports. This will be substantially above the value of 1957 imports. Under a 3-year (1957–59) trade pact, the Russians are buying primarily machinery and supplying mainly oil, manganese, chrome, coal, asbestos, wood, wood pulp, and cellulose. The Russians were cooperative and eased terms when the French had an unfavorable trade balance late last year. The Russians generally quote prices above the world level and the French have had difficulty bringing Russian prices into line with competitive quotations.

Ratio of Bonn's trade

Germany: A recent West German-Soviet 2-year trade agreement provided for substantial increase in trade if the Russians can make adequate private deals with German firms. But even if the agreement is fully implemented this will make Soviet trade only 3 percent West Germany's trade. The Russians are offering oil products, ferrous and nonferrous metals, timber, grain, tobacco, wool, cotton, and other raw materials within the framework of the treaty, which provides a total of $750 million trade. West Germany is offering the Soviet Union synthetic fibers, rubber, chemicals, precision instruments, farm machinery, and consumer goods. The recent attack by a Moscow crowd on the West German embassy there worsened the atmosphere for trade relations.

Greece: Greek trade with the Communists increased during the first 4 months of this year. The Russians offer Moskvich automobiles substantially cheaper than German and British makes, but there have been many complaints about the quality of Soviet cars and farm machinery. The Russians have been insisting on barter agreements and have recently forced a group of Greek tobacco exporters to enter the retail automobile business to dispose of Soviet cars received in payment for tobacco. Soviet willingness to buy low-grade tobacco has won friends.

Iceland: Iceland is heavily dependent on Communist trade, which accounted for one-third of her foreign trade during the first quarter of 1958. Iceland's fish industry would suffer if Communist purchases were to end suddenly. The country depends on the Soviet bloc for all oil products except aviation fuel. Pro-Soviet politicians hint that long-term credits and easy rates can be had from Communist countries, but the only loan so far is a short-term East German credit for fishing vessels.

Italy: Soviet-Italian trade dropped sharply in the first quarter of 1958 as a result of the return to normal in the availability of Middle Eastern oil. The Suez crisis of 1956 had forced a greatly increased Italian dependence on Soviet oil.

Norway: Trade with the Communist bloc is only 2 to 3 percent of all Norwegian trade. Some tendency toward a contraction is reported because the Communist nations are unable or unwilling to supply goods Norwegian consumers want. The Norwegian textile industry is complaining of the dumping of eastern European textiles.

Spain: Currency agreements designed to facilitate trade have been signed with Poland, Hungary, Czechoslovakia, and Rumania in the last year, but actual trade is small. Spanish ports are closed to Soviet ships, but the Russians are selling some fertilizer and woodpulp.

Sweden: Communist-bloc trade is only 3 to 5 percent of Swedish trade and the trend is downward. The Soviet Union is having trouble selling oil because the price is above world prices. The Swedes are irritated by the red-tape involved in Soviet trade.

Switzerland: Trade with the Communist bloc declined during the first 4 months of 1958 compared with the 1957 period. Most Soviet prices are higher than competitive western prices. The Swiss are concerned about the growth of Soviet watch manufacturing. They view Communist China as a possible important future market.

Turkey: Trade with the Communist bloc increased during the first quarter of 1958, making up about 30 percent of Turkey's trade. An agreement for the Soviet Union to build a glass factory has been signed, but still needs final approval of the Turkish authorities. Russia is showing some interest in helping Turkey to build several textile plants.

Yugoslavia: The entire course of hitherto reviving Yugoslav economic relations with the Soviet bloc appears threatened by the worsening of Belgrade-Moscow political relations and the unilateral Soviet postponement of promised credit. A new Yugoslav-East German trade agreement was signed several days ago.

MIDDLE EAST

Israel: Trade with Rumania, Hungary, and Poland increased sharply during the first 4 months of 1958. There is no trade with the Soviet Union or Czechoslovakia, and relations with the former have been strained even more recently by a Soviet arbitration tribunal's dismissal of an Israeli suit for damages arising from the unilateral Soviet disruption of the oil-for-oranges trade in late 1956 as sanction for Israel's offensive against Egypt.

Iran: Economic relations with the Communist bloc, particularly the Soviet Union, have been increasing during the last 2 years. A 3-year Soviet-Iranian trade agreement concluded in April 1957 provides for increased trade annually through 1959–60.

Lebanon: The Communist bloc takes 10 percent of Lebanese exports and supplies about 4 percent of imports. The Soviet Union buys about one-third of the citrus crop and gets a good deal of propaganda value from its trade.

United Arab Republic: Well-informed sources report Egypt's commodity purchases from the Communist bloc declined sharply during the first 5 months of 1958. During the first 3 months of 1958, the Communist bloc accounted for one-third of Egypt's foreign trade, as against more than 40 percent in the same period of 1957. Since late 1957, Egypt has contracted for $57 million in Czechoslovak and $178 million in Soviet credits for industrialization; but less than 5 percent of the Soviet credit plan projects have been contracted for and no deliveries have begun. Hungarians have built a new bridge across the Nile above Cairo and Czechoslovakia has provided a ceramics factory. Egypt is reported eager to avoid total economic entanglement with the Communists. Syria agreed last October to Soviet credits that may total $168 million if fully implemented. Syrian trade with the Communist bloc increased sharply in 1957.

Yemen: Last January, Communist China reportedly gave Yemen an interest-free $16 million credit for road building and developing light industry, with the Communist Chinese promising also to send technicians and to train Yemeni technicians. Evidence points to increasing trade with the Communist bloc and the presence of many non-Chinese Communist technicians in the country.

AFRICA

Algeria: Trade in the first quarter of 1958 was small, at about the same level as in 1957.

Ghana: A trade mission will probably visit Communist countries later this year. The Soviet Union sharply increased cocoa purchases last year, but sold almost nothing.

Morocco: A Soviet-Moroccan trade agreement signed last April provides for the exchange of Soviet oil, machinery, textiles, chemicals and lumber for Moroccan cork, sardines, citrus fruit, wool, and miscellaneous products. Morocco imports large quantities of green tea from China and the imports rose heavily during the first quarter of 1958.

Nigeria: Trade with East Germany and Czechoslovakia is likely to amount to several million dollars this year. An offer of Soviet economic assistance is expected after independence is achieved.

South Africa: Trade with the Communist bloc is small, with Czechoslovakia the most important. South Africans hope to repeat this year the unusual 1957 sales of wool and citrus fruit to the Soviet Union.

ASIA

Afghanistan: About 40 percent of Afghanistan's foreign trade is estimated to be with the Communist bloc, and the country has also received Communist aid, primarily from the Soviet Union and Czechoslovakia, for various domestic development projects. Last January, Afghanistan agreed to accept Soviet help in exploring for oil.

Burma: Burma has Soviet credit but has been unable to get satisfactory Soviet goods and has tried in vain to have the credits transferred to other Communist countries. The Burmese are reported favorably impressed by Soviet "gift" projects including a technical institute, a hospital, hotel, exhibition hall and stadium, though the Burmese were forced to agree to a reciprocal gift of 20-year shipments of rice and other goods.

Cambodia: Communist China has promised aid, in the form of goods and foreign exchange, equivalent to $22,400,000. By the end of 1957, more than $5 million of aid goods had arrived but the construction of various plants promised is apparently still distant. Czechoslovakia, Poland, the Soviet Union and North Vietnam have been seeking Cambodian trade.

Ceylon: Trade with Communist China this year is likely to be the same as or less than last year, when the Chinese took 11 percent of Ceylon's exports (mostly rubber) and sent 5 percent of imports (mainly rice). Peiping is providing $3,250,000 worth of goods in aid this year instead of paying a premium rubber price as before. A Soviet aid pact was concluded early this year, with the Russians offering a loan of $28½ million for 5 years at 2.5 percent. A Soviet team is in Colombo discussing projects including a tire factory, steel rolling mill, two river

valley irrigation projects and help in exploiting Ceylon's vast peat deposits. Chinese rubber purchases have permitted Ceylon's Government to subsidize such replacement of worn-out rubber trees by high-yielding ones.

India: Communist bloc trade this year is likely to be about the same as or slightly more than last year's $128 million, or 4.6 percent of India's foreign trade. India is favorably impressed by the quality of Communist goods and the level of prices. Work is continuing on the Soviet-financed Bhilai steel mill, while Moscow has given an additional $126 million credit for building a machinery plant, a coal-mining equipment plant, optical glass factory and a 250,000-kilowatt thermal power station, but no work has begun on these yet. The Russians have gathered more publicity and praise than has the United States for aid, although Soviet credits are only one-sixth of American grants and loans. The Soviet Union is helping India prospect for oil.

Activity in Indonesia

Indonesia: The volume of trade with the Communist bloc and of technical and cultural exchanges shows an appreciable increase this year over 1957. Trade with the Soviet Union is increasing because of a $100 million Soviet credit under which Indonesia is considering obtaining equipment for an electrification program and for highways. Communist China made an emergency delivery this year of 25,000 tons of rice and 72 million yards of textiles on a 10-year credit at 2.5 percent. Peiping has offered textile plant on easy credit terms. The Soviet Union has offered unlimited credit to private industry, but no definite deals are known to have been concluded. Communist China and Russia have stepped up rubber purchases.

Japan: Communist China canceled a $210 million trade agreement with private firms earlier this year in a pique over Japanese Government policy. A Japanese-Soviet trade agreement authorizes $60 million in trade this year, triple last year's. There is a similar $6 million trade pact with Poland. The pre-war sea routes between Japan and the Soviet Union were recently restored.

Malaya: There has been a sharp decline in Soviet-Malayan trade this year. Coconut oil has supplanted rubber as the chief Russian commodity purchase. China is the principal Communist trader with Malaya. Moscow offered recently to provide technical assistance, but the Malayan Government has not responded.

Nepal: Communist China has promised to give Nepal $12,600,000, of which about $4 million has been received. About 10 percent of Nepal's trade is with Tibet.

Philippines: There is very little trade with the Communist bloc. Two Philippine businessmen were reported recently to have visited Moscow seeking loans to promote business enterprises.

Thailand: Very little Communist bloc trade. An effort to conclude a Soviet-Thai trade agreement failed recently when Bangkok declined concessions. Soviet offers for Thai rubber are at prices below those of other buyers.

AUSTRALIA AND NEW ZEALAND

Australia: Communist bloc countries, notably Poland, Czechoslovakia, and Hungary, have increased their wool purchases nearly 20 percent in recent months, compared with last year. Exports to Communist China reached $5,200,000 in the first quarter of 1958, more than double the volume for the same period last year.

New Zealand: Late last month the commercial counselor of the Soviet legation made a public speech complaining that while his country buys more than $6 million worth of goods annually, chiefly wool, New Zealand buys practically nothing from Russia in exchange. Some expansion of the limited trade with Communist China has occurred recently and a delegation from Peiping is to arrive in New Zealand soon to seek greater trade.

Mr. JAVITS. Mr. President, it is one thing to proceed with amendments and other proposals which we think will suit us and our policies in a world in which we do not have competition; but it is a very different thing to proceed the same way in a world in which the competition is not only severe, but in which the competitor has declared war on us in the peaceful field of trade, a world in which the Communists have made such tremendous gains, a world in which we have today to dispatch troops to the eastern shore of the Mediterranean because the Communists have scored such resounding success as to threaten, by indirect aggression, our Nation's friends in that area of the world.

Last year, Communist trade exceeded $6 billion, twice the 1952 level, and by mid-1958, their trade and aid drive was carried on primarily by Russia, Red China, Czechoslovakia, and East Germany, who, the Times said, have won important economic footholds in at least 19 countries. They are in Europe, Iceland, Finland, Austria, Turkey, Britain, and Yugoslavia; in the Middle East, the United Arab Republic, Yemen, and Iran; in the rest of Asia, Burma, Cambodia, Indonesia, Afghanistan, Ceylon, Japan, India, and Nepal; and in Latin America, Uruguay, and Argentina.

The Soviet Union has in the past 3 years put out $2 billion in aid, or has contracted to contribute it. That is a tremendous increase in its trade efforts, and should give us adequate notice that at this time we should not deprive the President of the United States of one of the most critically important foreign policy tools he has—the massive multibillion dollar trade of the United States, and the flexibility in the use of that tool which is contained in the Reciprocal Trade Agreements Act as passed by the other body of Congress.

Dictators have a way of telling us what they mean. Hitler did it. Mussolini did it. Stalin did it. Nasser is doing it now. They tell us, if we will only listen. If we do not listen, it is not only our own hard luck, but it may very well mean our own necks. So we had better listen, because they generally mean what they say, or try to carry it out.

This is what Mr. Khrushchev said to a group of members of the American Congress in 1955:

> We value trade least for economic reasons and most for political purposes.

Let me repeat:

> We value trade least for economic reasons and most for political reasons.

Mr. President, this is the measure of the competition which the United States has to meet. I do not believe Members of the United States Senate want at this time, in the present state of world affairs, with our troops on foreign shores to protect the security of the Free World and of ourselves, to tie at least one hand of the President behind his back, by passing a bill the whole world will consider to be a protectionist and restrictive reciprocal trade bill.

The Communists, according to our own State Department, have concluded to date 252 trade agreements with Free World countries—not with Communist bloc countries, Mr. President, but with Free World countries. This should certainly serve notice on us that the Communists are adopting trade and aid as major efforts in their drive to subvert the Free World. At this very moment we should be seeking to equip our foreign-policy makers with dependability and flexibility in trade policy, rather than seeking to tie them up in knots with a short term, crippled reciprocal trade-agreements program.

Mr. President, many Members are fond of standing on the floor to tell us how the Communists are getting an advantage over us and how the Communists are winning victories over the Free World. Certainly the least we ought to do is see that the weapons we have which have proved to be effective are kept effective. The idea should be not to change the reciprocal trade-agreements program now, but at the very least to continue it as it is for a reasonable period of time, which is exactly what the bill passed by the House of Representatives seeks to do.

Mr. President, let us remember that the United States invented the idea of reciprocal trade and foreign aid, and that the United States is the greatest trading nation on earth.

The Russians, who denounced the trade and aid idea and said it was dollar imperialism for all the years following World War II, have apparently now decided it is a very good idea and have adopted it. The Russians are going into the same line of business.

Mr. President, as people in public life we all know that the greatest way to succeed is to ride strength. Hence, the United States in respect to the reciprocal trade agreements program should now ride strength; in short, we should renew a strong program rather than emasculate and cripple the program as will be done if the amendments proposed by the majority of the Committee on Finance are adopted.

Mr. President, I hope all those amendments will be rejected and that the bill as sent to the Senate by the House of Representatives will be passed as it was sent to us.

Mr. President, I yield the floor.

BOARD OF APPEALS OF THE PATENT OFFICE AND CERTAIN SALARIES

The PRESIDING OFFICER (Mr. JORDAN in the chair). If there is no further morning business, morning business is concluded.

The Chair lays before the Senate the unfinished business, which will be stated.

The LEGISLATIVE CLERK. A bill (S. 1864) to authorize an increase in the membership of the Board of Appeals of the Patent Office; to provide increased salaries for certain officers and employees of the Patent Office; and for other purposes.

EXTENSION OF TRADE AGREEMENTS ACT

The PRESIDING OFFICER. Without objection, the unfinished business will be temporarily laid aside, and the Senate will resume the consideration of House bill 12591, to extend the Reciprocal Trade Agreements Act.

The Senate resumed the consideration of the bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

THE LAG IN OUR NATIONAL DEFENSE POLICIES AND PROGRAMS

Mr. SYMINGTON. Mr. President, 7 weeks ago, May 20, I made to the Senate a statement showing the lag in our national defense policies and programs. At that time I said in part:

At the time of the launching of the first sputnik, nearly 8 months ago, our defense strength was greater vis-a-vis the Communists than it is today.

The new Russian sputnik was launched May 15, another grim warning for all but the blind to see—a ton and a half of Soviet technology circling our country at will.

Nevertheless, our Government continues to place soft living and budgetary considerations ahead of national security.

If the rapid advance of communism during recent years has taught us anything, it is that successful negotiations with these people are only possible if conducted from a position of relative strength.

Therefore, there can be no justification whatever for our present policies.

Having permitted the United States to lose its relative defense strength, we are now adding new names to the old trouble spots.

To Korea and Formosa and Indochina and Egypt, we now add Syria and Yemen and Indonesia and Lebanon and Algiers.

As things are now going, more names will appear shortly, to be added to the long list of recent Free World failures.

Mr. President, those remarks were made 7 weeks ago. New names now have appeared—Iraq and Jordan.

British and American troops have now been landed in numbers in the Middle East.

An interesting gage of the situation can be summarized by some testimony given last week before the Senate Armed Services Committee by Adm. Arthur Radford, recently retired Chairman of the Joint Chiefs of Staff. Admiral Radford's testimony included the following statements:

Admiral RADFORD. In the contest in which we find ourselves, there is no second prize.

I, therefore, strongly urge your approval of H. R. 12541 with the amendments recommended by the President and the Secretary of Defense.

* * * * *

Senator SYMINGTON. What you are saying is that hostilities are imminent.

Admiral RADFORD. They are here.

Senator SYMINGTON. They are here now.

Admiral RADFORD. They are in a different form, but I would say this Nation is really in more danger today than it ever has been in in its history.

* * * * *

Admiral RADFORD. We are in a deadly conflict, overall conflict, between communism and our form of free democracy.

Later in my remarks on May 29 I went over, point by point, the 17 recommendations made to the administration last January by the Senate Preparedness Subcommittee of the Armed Services Committee, presided over by the majority leader of the Senate. It was obvious very little had been done to implement these recommendations. In fact, defense expenditures had actually been decreased.

On June 6, 8 days after my statement on the floor, before the Senate Subcommittee on Military Appropriations I again brought these 17 recommendations to the attention of the Secretary of Defense, and asked him to furnish details of just what had been done.

The Secretary said he would furnish information on the subject.

I have repeated my request today, and am told the information will be available promptly.

Mr. President, this long delay hardly surprises me, because it would be difficult for anyone to show that any significant progress had been accomplished.

What has worried many of us for a long time is the lack of attention given to our capacity to wage limited war, especially in view of our commitments all over the world.

It is a fact, and the American people should know it, that despite all the protestations of planned effort, the total increase in the money requested for our military services since the launching of Sputnik I last October 4 is only about 1 percent of the gross national product of the United States last year.

This is substantially less than the decrease in the value of the dollar. In other words, our effective effort has actually decreased.

Today hundreds of thousands of American troops are stationed throughout the world, in such places as Korea, Japan, Hawaii, Panama, Germany, Italy, Turkey—and now Lebanon and Jordan.

Mr. President, I have said before, and I repeat, that when this Government has the right to draft our youths from the farms and from the cities to protect their country, it also has the duty to give them the best equipment, the best maintenance of the equipment, and the best training possible, in order to afford them the best chance to return home.

The recent hearings before the Committee on Appropriations prove conclusively that this has not been done. This unfortunate situation is one about which the American people should have full knowledge.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. SYMINGTON. I am glad to yield to my able colleague from Pennsylvania.

Mr. CLARK. As my friend from Missouri knows, I have also been concerned about the ability of the United States to meet the threat of brush warfare. Such potential threats have now become a reality in both Lebanon and Iraq, and possibly in Jordan.

Am I correct in my assumption that the Marine Corps is not basically trained to engage in airborne operations?

Mr. SYMINGTON. That is correct. The Marine Corps, except for helicopters, has no lift whatever, except a very few obsolete C–54 airplanes.

Mr. CLARK. So, as a practical matter, in order to get the Marines to a danger point, we must transport them there by means of the Navy. Is that correct?

Mr. SYMINGTON. By the Navy or by the Air Force. The latter is assignable, of course, by the Secretary of Defense, to either the Army or the Marine Corps.

We have had sworn testimony from witnesses this year that there was not enough air lift to lift and properly support a single Army division overseas. If that be true of the Army it is even more true of the Marine Corps; and to be modern our troops must be mobile.

Mr. CLARK. As I understand from the newspapers this morning, the Army and the Air Force are cooperating in lifting approximately 11,000 troops from Europe—England, France, Germany, and other places—to Turkey, so that they may be available for a quick march or lift into the Middle East. Did the Senator see those newspaper stories?

Mr. SYMINGTON. I will say to my friend from Pennsylvania that I am not fully informed as to what is being done at this time. Once we get into the European theater, in connection with movement to the Middle East, we become involved in tactical lift. I do not know the full details.

Mr. CLARK. The purpose of my commenting on the newspaper stories was to inquire from my friend from Missouri whether, if it be true that 11,000 troops are about to be air lifted from places in Europe into the Middle East, we are coming at least within sight of exhausting our air lift potential, or if there will be immediately available an additional air lift in the event a division, or parts of a division, or another combat team, need to be air lifted elsewhere in the Middle East.

Mr. SYMINGTON. Let me say to my distinguished colleague that the average size of an Army division is 13,500 men. The average size of a Marine Corps division is 19,910 men. If it be true that we cannot lift and properly support overseas a single Army division, it is obvious we would have difficulty in lifting and properly supporting a Marine Corps division, which is considerably larger in size, especially in that the Marines have practically no lift whatever.

I do not know what the situation is from the standpoint of mileage in relation to troop location, but I am in agreement with my able friend from Pennsylvania. If conditions develop in the future the way they have been developing in recent days, our airlift will be found inadequate.

Mr. CLARK. I thank my friend.

ORGANIZED BASEBALL—A SPORT OR A BUSINESS?

Mr. MUNDT. Mr. President, on July 7, at the time Washington was shocked by the sudden announcement that the Washington — the Senator's — Baseball Club was to be put on the auction block, I expressed my concern over that development and indicated that at a later

time I might discuss the subject from the standpoint of a legislative remedy. I now have an amendment prepared, which I am submitting today, and which I intend to offer to House bill 10378 or any Senate legislation on the same subject. I believe this is an appropriate method by which to meet this situation which confronts the National Capital and confronts baseball fans throughout America.

Subsequent developments following July 7 appear to have done more to confuse than to clarify the situation insofar as it involves the future of baseball in our National Capital. After the Baltimore meeting of the American League officials and owners we read that the owners of the Senators had been dissuaded from moving the team out of Washington at this time.

Next we heard that the Kefauver subcommittee had begun hearings. Many of us attended the early hearings, which were held in the caucus room of the Senate Office Building. The hearings were on proposed legislation designed to give preferential treatment to baseball and certain other sports. I am happy to be listed as a cosponsor and coauthor of that proposed legislation.

The next step was by Mr. Calvin Griffith, who in his appearance as a witness before the Kefauver subcommittee strongly implied that while he personally wanted the "Senators" to remain in Washington, where his distinguished father brought fame to the name of Griffith and maintained big league baseball in our National Capital for many years, he has some doubt about some of his directors. He held out the implication in his testimony that some of the directors might still be desirous of selling the Washington franchise to some affluent and ambitious buyer who would submit the highest bid.

I congratulate Calvin Griffith on the public spirit he demonstrated in his testimony but I deplore the selfish attitude reflected in the attitudes of the unnamed directors to whom he referred.

Thus confusion is confounded. At the time Congress is being asked to define baseball as a national sport, and to provide it, as such, with the protective mantle of legislation exempting it from antitrust and monopoly laws, we are also confronted with such a situation that baseball may disappear entirely from the National Capital.

Thus we are given a demonstration, in the laboratory of life, that some of those who, as owners, profit from baseball are much more interested in profits than they are in providing public entertainment, or in the overall aspects of baseball as a sport. That is the concern which brings this proposed legislation before the Senate.

On July 7 I stated that, as one of the sponsors of the proposed legislation, I felt that the Senate might well wish to take another look at the picture in view of the reported plans to move big league out of the National Capital. I think the Senate should make it clear that the baseball magnates of America cannot have it both ways. Either baseball is a sport, and entitled to preferential treatment, which I believe it should have as such, or it is an enviable economic monopoly which can be selfishly perpetuated so as to enable its privileged tycoons to sell their monopolistic franchises from place to place as often as they desire, in order to expand their personal fortunes, with complete disdain and disrespect for the public interest and the national policy. I hope baseball may continue to thrive with emphasis on it as a sport and not become a thinly disguised front operating primarily for private profit.

If the Senate permits or promotes such a state of affairs, we may very well be creating a Frankenstein monster which we can neither control nor circumvent.

Mr. President, baseball is our national sport, and, as such, I wish it to have special legislative treatment, provided it is willing to accept and exercise responsibility and respect for the public interest. Speaking as one of the cosponsors of the proposed legislation, I am not interested in creating economic cyclone cellars for 16 wealthy families, merely to provide that the rich may become richer, while the poor may not even have a big league baseball game available to see through a knothole in the fence.

Consequently, after consultation with some of my colleagues and with others, I have drawn up an amendment which I am submitting at this time.

My reasons for submitting the amendment are as follows:

First. It is standing national policy in this great Republic that when privileges are extended legislatively, it is expected that public interests will be respected. We do that in such activities as telephone service and in the case of power companies, in connection with which private entrepreneurs are given special privileges, as quasi-public monopolies, but only in response to considerations of public interest. We also do that in transportation services, and in many other services. That brings me to my second point.

Second. Since organized baseball is now requesting special legislative protection and concessions, there is created for us an opportunity and a responsibility, as legislators, to make certain that we protect the public interests we are elected to represent.

Third. I believe most Americans will agree that recognizing baseball legislatively as our national sport on the one hand, while making it more probable and more likely that it will cease to be represented in our National Capital on the other hand, would be incongruous and inconsistent, to put it most mildly.

Fourth. Baseball has demonstrated itself to be an excellent and effective tool in the conduct of the cold war, in which the whole world is unhappily engaged, and in which America has a very vital interest. We have witnessed great organized international baseball tours. The New York Yankees have played in Japan. We heard the Vice President the other day in his report on his trip to South America say how wonderful it would be to have a representative big league team tour the South American countries, carrying with them the competitive spirit of baseball to our Latin American neighbors.

We are now broadcasting sports programs, including baseball, by private enterprise, to South American countries. We are broadcasting live broadcasts of baseball games to foreign areas.

Baseball is recognized, abroad and at home, as being typically American. Foreign visitors who come to America understandably expect to see baseball played in our National Capital. They do not expect to have to go to New York or Chicago or San Francisco or even Baltimore to see the national sport played when they come to visit the National Capital of these United States.

As one of the sponsors of the Smith-Mundt Act, many of those who visit our country under our leadership exchange programs flow customarily through my office every week. I enjoy visiting with them. I frequently ask them: "What impressed you most about America? What did you like about Washington? What did you dislike? What are you going to tell your friends back home?"

Many of the foreign visitors have said to me, "Senator MUNDT, one of the things I will never forget is the baseball game we saw at Griffith Stadium. It was the first time we had ever seen baseball played, while we were visiting Washington on our tour."

What impressed them? They were impressed by the spirit of fair play, which is so typically American and so typically baseball. They were impressed by the democratic attitudes. Many of the foreign visitors have said to me, "Senator MUNDT, we are impressed by the fact that we saw the Vice President at the baseball game, eating hamburgers and peanuts, sitting with the rest of the people, not in a bulletproof cage, and with no big wall marking him off. We saw him there with his two daughters and with his wife. We saw him take the seventh-inning stretch, cheer like everyone else at the game, and act like a typical American."

Mr. President, who knows how much that means in terms of internation comity, or how much it means in connection with the great intangibles in what we call the conduct of the cold war? Who knows how much it means to have foreign visitors, who come here day after day and week after week, in the baseball season, and who included a visit to the stadium in the National Capital of the country, to see Americans play our national game, and to be impressed by the democratic processes and by the attitude of sportsmanship?

They have said to me, "Ah, we know now why Americans believe so much in private enterprise. We see the competitive spirit in the baseball game. We do not understand why the man throws the ball to the other fellow, and why a player tries to hit it. But it is good competition. It is respect for law when we see the man in the blue suit make a motion with his thumb and see someone walk off the field."

Mr. President, this is teaching Americanism to those who want to know more about it. It is teaching it in the National Capital, in the public interest, and

through the medium of our national sport.

I do not believe that the Senate by its action should create an economic bonanza, and make it more profitable, and more probable for those who own the club in Washington to sell it to an economic tycoon in a distant city, so that no longer can we have the intangible assets of international good will flow from the fact that baseball is played where baseball should be played, in the National Capital of the United States of America, as a national sport.

Some foreign visitors have said to me, "Ah, we see on the baseball field the rewards of the merit system which means so much to you Americans. The players are not all paid on equal terms. Some of the players are paid much more than other players. This is America, not a Communist country, in which everyone seeks the same level at a very low altitude. This is where a Mickey Mantle or a Roy Sievers or a Ted Williams can lead the pack and be paid accordingly. Still all play together with good teamwork even though some players are paid several times what other players earn. It is your opportunity system in action."

That is a good thing for our foreign visitors to see and to be able to say when they come to the Nation's Capital to witness the national sport. It is good doctrine for them to carry back home to their respective countries.

It is pretty bad business to expect a man from Iran or a man from Turkey or a man from Poland who is visiting in the National Capital to buy an airplane ticket and fly to Chicago to see a baseball game played, or to expect him even to make the short but hot and crowded, inconvenient trip to Balitimore to witness our national sport in action.

Mr. President, it is good to have baseball played in the National Capital. It is good for America and it is good for our international relations.

Another reason, Mr. President, is that many of our own constituents come from communities where big league baseball is not played. Each of us has a great many constituents in towns and small communities who do not have big league baseball games played in their home town or in their home State. Many of them see their first big league baseball game when they come to Washington. Eventually almost everyone in the United States comes to Washington, or should come to Washington. When they come to Washington to visit the National Capital, it should be possible for them to see our national sport played in the National Capital. It is a great inspiration to people, on their visit to the Nation's Capital to go to Mount Vernon, to see the great statues and the other historic monuments in the Capital City. It is also good to know that while they are here they can see a big league baseball game, as many of them do, and as many of them will, if we do not make it highly probable, by a careless disregard of our responsibilities as Senators, to create by legislation, which we enact, a situation so attractive to new owners, that they will bid up and up baseball franchises so that they go to the ones with the most money, making a monopolistic business enterprise out of baseball, while in the process of defining it legislatively as a sport.

Fifth. Mr. President, since baseball originated in the United States, it is identified as something which is strictly American. It exemplifies in its procedures almost the entire concept which makes America, American. It typifies the competitive spirt, the zeal, the enthusiasm, the teamwork, the sportsmanship which are characteristic of America. It exemplifies the rewards of the American system of life. It represents respect for law. It provides opportunity for free speech. In the bleachers and in the grandstands, where everyone sits as a king, a person can hoot and "holler," criticize or applaud, as circumstances seem to justify.

Baseball smacks of Americana, just as much as do chewing gum or pumpkin pie. Youth leaders in this country have known that for a long time. Youth leaders have utilized baseball as a means on thousands of sandlot diamonds all over the country, for training young Americans in the elements of good sportsmanship and good citizenship.

In my home State of South Dakota, many years ago, the American Legion of my State originated junior league baseball. That has now spread and has become a national activity, a national program.

Young Americans have a right to expect that big league baseball will be identified with the National Capital. They have a right to expect that this game, which has become so intensely American, will be practiced, will be played, will be performed in the National Capital. So my amendment does not change the intention of Congress one iota concerning baseball, except as follows. I list in an explanatory note the reasons why I think the proposed legislation is justified, and then provide the following change:

The provisions of subsection (b) of this section are therefore enacted by the Congress for the purpose of fostering the national interest.

That, after all, is the only reason for legislating in this field—to foster a national interest. It is not to foster the fortunes of 16 wealthy families. It is not to foster the economic opportunities for those who happen to own the big league clubs. It is not to create a sort of semimonopolistic pattern, in which a specified number of players and owners can operate to the exclusion of everyone else. We should legislate here only in the national interest. So I provide:

Except as may be otherwise hereafter provided by law, the first section of this act shall continue in effect with respect to the organized professional team sport of major league baseball only so long as the city of Washington, District of Columbia, continues to be represented by a major league baseball club affiliated with the American League of Professional Baseball Clubs, or the National League of Professional Baseball Clubs.

Mr. President, I ask unanimous consent that the entire text of my proposed amendment may be printed at this point in the RECORD.

The PRESIDING OFFICER. The amendment will be received, printed, and appropriately referred; and, without objection, the amendment will be printed in the RECORD.

The amendment was referred to the Committee on the Judiciary as follows:

At the end of the bill, add the following new section:

"SEC. 6. (a) The Congress hereby finds that the maintenance of a major league baseball team in the Nation's Capital is in the national interest because (1) the game of baseball having originated in the United States and being played in baseball parks and on sandlots throughout the Nation is generally regarded as the national sport, (2) visitors to the Nation's Capital from all sections of the Nation, and particularly those from areas having no major league baseball team, look forward to the opportunity of seeing major league baseball played in the Nation's Capital, and (3) international good will is fostered by the existence of a major league baseball team in the Nation's Capital because prominent visitors from abroad come here expecting and hoping to see the game which they regard as our national game played in our Nation's Capital and cannot fail to be favorably impressed by the sense of fair play and democratic attitude which prevail in the baseball park. The provisions of subsection (b) of this section are therefore enacted by the Congress for the purpose of fostering the national interest.

"(b) Except as may be otherwise hereafter provided by law, the first section of this act shall continue in effect with respect to the organized professional team sport of major league baseball only so long as the city of Washington, D. C., continues to be represented by a major league baseball club affiliated with the American League of Professional Baseball Clubs or the National League of Professional Baseball Clubs."

Mr. MUNDT. Mr. President, I think this is an equitable proposal. It does what Congress wishes to do and what the House attempted to do. It provides, for an organized sport, special considerations and concessions to which it feels it is entitled, to which I feel it is entitled, and which I believe are essential if baseball is to continue to be the great national game which it has been for so long.

My amendment provides merely that at any such time as those who make the decision as to whether a baseball club shall leave Washington, to wit, the other owners decide to take big league baseball out of the National Capital at any time they become so dedicated to the worship of the great god, gold, that they think it is to their selfish, economic advantage to take a baseball team out of Washington and put it somewhere where they can make another hundred thousand dollars a year, or where they may perhaps make a little better dividend for their stockholders, or where perhaps they can accept an invitation from an oil tycoon to give the owners a cool million dollars to move out; any time organized baseball gets so materialistic as that, the law repeals itself.

Could anything be fairer than that? So long as baseball desires to remain a sport, we make its owners a sporting proposition. The law provides the desiderata which the owners consider essential and which I consider necessary.

But once by their own action, by their own votes, they say it is not so much of a sport as it is an opportunity to profit grandly, the law is repealed by their own actions.

All 16 baseball clubs are interested in this matter. Certainly I would not compel the present owners of the Washington Senators Baseball Club to remain in town and to remain the owners of the club. If they cannot make it a profitable operation, they can sell it to those who can make it a profitable organization in Washington. If they can do neither, they can get the consent of their big league associates to move and at that time, by such action, they bring about the automatic repeal of this proposed new protective legislation.

So if the present Washington baseball owners cannot or will not build a team which will make profitable baseball in the National Capital or sell the franchise to those who can or will; if they want to sell the franchise to some other town, they have the right, under my amendment, to do so, provided the owners of the other clubs give their approval. Then out of Washington they would go; but the bill goes out with them also. That is up to them. They can repeal it themselves or they can let the club operate in Washington, as it should operate, so long as baseball is a sport. My amendment provides the new protective legislation and ceases to operate the moment baseball becomes purely an economic monopoly, pursued solely for profit by the wealthy men who own it as demonstrated by their collective decision to barter baseball out of our National Capital so as to make more money for themselves.

To me, the proposed legislation is in the public interest. I shall appear next week before the legislative subcommittee dealing with the matter, and there continue my arguments and presentations in its support.

EXTENSION OF TRADE AGREEMENTS ACT

The Senate resumed the consideration of the bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. ERVIN. Mr. President, I doubt whether there has been a greater effort in American history to propagandize not only the Members of Congress but also the American people in respect to any legislative proposal than that which has characterized the drive for the enactment of the bill to extend the reciprocal trade agreements program.

Apparently every public relations officer in virtually every agency and department of the United States Government has been assigned for a long period of time to persuading Congress and the American people that a Reciprocal Trade Agreements Act extension bill should be passed in substantially the form of the House bill.

I favor an extension of the reciprocal trade agreements program according to the concept of its originator, Cordell Hull. For this reason, I expect to support the bill in the form in which it came from the Senate Finance Committee.

Mr. President, one is tempted to assert that in its effort to persuade Congress to abdicate its constitutional functions in this field and to give carte blanche authority to the executive branch, the administration has resorted to what might aptly be called brainwashing. In the first place, we are told that unless we give the executive branch absolute authority to discharge the constitutional functions of Congress in this field, foreign nations will turn to communism. We are told that the only way by which we can deter foreign nations from turning to communism is for us to make sacrifices of basic American industries, selected by the State Department. We also are told that any person who believes that the primary obligation of the United States Government is to the industries and citizens of America is a "disreputable protectionist." Thirdly, we are told that a man who is engaged in the business of importing into the United States products manufactured under sweatshop conditions in foreign countries is a devout patriot, even though he may be actuated by the same motive as any other person who desires to make a profit, and even though his act may assist in the sacrifice of a basic American industry and the robbing of American citizens of the right to earn their own bread in the sweat of their own brows in the only occupations of which they have knowledge and in which they have experience.

Mr. President, it seems to me that any bill on this subject involves two fundamental propositions. The first is that the bill should be so drafted and so enacted as to satisfy the requirements of the Constitution of the United States. The second is that the bill should be so enacted and so administered as to accomplish its purpose as envisioned by Cordell Hull, namely, the promotion of mutually profitable trade.

Mr. President, in view of the fact that I read in the press, this morning, that a Cabinet member had stated, in substance, that if the Congress passes a bill which conforms to the provisions of the Constitution of the United States, the reciprocal trade agreements program will be emasculated, I believe it advisable for us to consider briefly the constitutional provisions which apply to the pending bill.

Article I, section 1, of the Constitution provides that—

> All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

Article I, section 8, of the Constitution contains two provisions relevant to this discussion. The first specifies that—

> The Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States.

The second provision of this section is to the effect that the Congress shall have power to regulate commerce with foreign nations.

Another provision of the Constitution seems to me to be pertinent in this connection. I refer to the provision in article I, section 5, that a majority of each branch of Congress shall constitute a quorum to do business.

I refer to article I, section 5, for the purpose of calling the attention of the Senate to the interpretation which is placed on constitutional provisions declaring that a majority of the members of a legislative body shall constitute a quorum for the transaction of business. It is well settled that in all cases the majority of a legislative body is a quorum entitled to act for the whole body unless the power that created it, namely, the Constitution, has otherwise directed.

All legislative power of the United States, including the power to lay tariffs and the power to regulate commerce with foreign nations, is clearly vested by the Constitution in the Congress of the United States and, under that Constitution, is to be exercised by a majority of the Members of the Congress.

Yet this morning's press informs us that a member of the Cabinet says that the value of this bill will be destroyed if we retain in it a provision allowing a majority of the Congress of the United States to exercise the power vested in the Congress by the Constitution of the United States.

We have come to a tragic day, Mr. President, when we hear members of the Cabinet urging Congress to ignore the principles of the Constitution of the United States and urging Congress to restore to the pending bill a provision which is clearly unconstitutional because it sets forth that it shall take a two-thirds majority of the Congress to exercise a power which the Constitution of the United States provides a majority shall exercise.

I shall discuss very briefly the constitutional doctrine that a legislative body cannot delegate its legislative power to others.

One of the great cases on this subject is the case of Hampton & Co. against United States, which is reported in volume 276 of the United States Reports, at page 394. In that case the Court made this declaration, which is undoubtedly the proper interpretation of the Constitution of the United States:

> The Federal Constitution and State constitutions of this country divide the governmental power into three branches. The first is the legislative, the second is the executive, and the third is the judicial, and the rule is that in the actual administration of the Government Congress or the legislature should exercise the legislative power, the President or the State executive, the governor, the executive power, and the courts or the judiciary the judicial power, and in carrying out that constitutional division in three branches it is a breach of the national fundamental law if Congress gives up its legislative power and transfers it to the President, or to the judicial branch, or if by law it attempts to invest itself or its members with either executive power or judicial power.

In this decision the Supreme Court declares, in effect, that Congress may delegate the performance of governmental functions to an executive officer

or to an agency or commission created by law if the statute making the delegation lays down fixed principles to guide and control such officer, agency, or commission in the performance of such functions. The rule is set forth on page 409 of this decision in these words:

> If Congress shall lay down by legislative act an intelligible principle to which the person or body authorized to fix such rates—

And the Court was here talking about tariffs—

> is directed to conform, such legislative action is not a forbidden delegation of legislative power.

The important part of that decision is that when the Congress authorizes any executive officer or any agency or commission to perform governmental functions, it is essential to the constitutionality of the authorizing statute that Congress shall lay down in it standards which are binding upon the officer or agency or commission to which the performance of such functions is committed.

I want to call the attention of the Senate to one other decision of the Supreme Court of the United States on this point, the celebrated case of Schechter Corp., against United States, which is reported in volume 295 of the United States Supreme Court Reports, at page 495.

In that case Chief Justice Hughes, one of the greatest constitutional lawyers this country has produced, wrote an opinion striking down the NRA Act on this ground:

> It does not undertake to prescribe rules of conduct to be applied to particular states of fact determined by appropriate administrative procedure.

As I analyze the bill as it came from the House, there is serious doubt about its constitutionality. This is true for this reason: While the bill undertakes to lay down some standards in the provisions relating to perilpoints, and some standards in the escape clauses, there is nothing whatever in it which requires the President of the United States, to whom administration of the proposed legislation is committed, to pay any attention to any standards whatever.

Mr. President, I am in favor of the bill as reported by the Senate Committee on Finance. In my judgment the bill as so reported satisfies the constitutional provision vesting the power to regulate commerce with foreign nations in the Congress, because it prescribes standards binding on the President in the administration of the act.

I do not accept as valid the assertion of the Cabinet member that an act extending the reciprocal trade agreements program in conformity to constitutional provisions will invalidate the program. I think a bill which observes the constitutional provisions vesting the power to regulate foreign commerce in the Congress can be enacted into law by Congress and that such a bill will provide for a wholesome reciprocal trade agreements program far better than the original House bill or the act under which we have been operating during the past few years.

To make myself plain, I strongly advocate the enactment of a bill establishing a reciprocal trade program conforming to the ideas of Cordell Hull. But I am not in favor of enacting a statute giving sanction to the maladministration from which this program has suffered during the past few years.

Mr. President, I have something to say about the manner in which the American people and the American Congress have been propagandized by the public relations men of the executive agencies and branches of the Government in connection with the bill. In my county we have an area called the South Mountains. One of the South Mountaineers had been buying groceries on credit. He went to the grocery store to pay his bill. When the grocer advised him as to the amount of the bill, the South Mountaineer started to complain because he thought the amount named exceeded what was actually due. The grocer took his account books and laid them on the counter in front of the South Mountaineer, and said, "Here are the figures. You know figures don't lie."

The South Mountaineer said, "I know that figures don't lie, but liars sure do figure."

Liars are not the only people who figure. Even honest men sometimes engage in this activity. When honest men are determined to persuade people by propaganda that they have the only righteous views in connection with a problem, they are inclined to ignore, or forget figures which militate against their position.

We are told, for example, that the value of United States exports is about $19 billion a year, that the value of United States imports is about $13 billion a year, that in consequence the nations trading with us suffer a dollar shortage of about $6 billion a year, and that we cannot continue to have trade with these nations because of the dollar shortage, which is the difference between the value of our exports and the value of our imports. It is contended this shortage disables the ability of other countries to trade with us.

This is so much hokum. There is no dollar shortage. The truth of the matter is that there are more American dollars going out of this country directly or indirectly to foreign nations than the value of all American exports. When the figures are added up to portray the value of our exports and the value of our imports, the only count taken is of the tangible chattels which are exported.

There are a great many other ways in which dollars are exported by us to other nations. One of those ways, Mr. President, is through United States overseas defense expenditures. I asked the Library of Congress for information as to the amount of the United States overseas defense expenditures for the year 1957, and I was informed by the Library that those expenditures totaled $3,184,300,000. These expenditures, standing alone, cover approximately half of the difference between the value of our exports and the value of our imports. In that way we exported abroad more than $3 billion in 1957.

There is another way in which we export money, and that is by expenditures for travel overseas by United States residents. Every year thousands upon thousands of American citizens visit foreign countries as tourists, or in other capacities, and leave American dollars there. I asked the Library of Congress to advise me as to the amount of expenditures overseas by United States residents during the year 1957. The Library informed me that Americans visiting other nations left 1,360,000,000 American dollars in foreign nations during the year 1957, and that, in addition, foreign flag carriers left 250 million additional American dollars in those nations. So from expenditures incident to travel overseas by United States residents during 1957, foreign nations accumulated $1,610,000,000, according to the information furnished me by the Library of Congress.

I also requested the Library of Congress to inform me as to the earnings on foreign investments in the United States which were removed from this country to other nations. I was informed that the Library did not have the figures available for 1957, but that such earnings totaled $732 million during 1956. We can safely assume that earnings of this nature during 1957 were at least equal to those of 1956.

The items I have thus far recounted show that there was an exportation of American dollars represented by such items alone as distinguished from chattel goods, totaling approximately $5,500,000,000 for the year 1957. I have not yet reached the question of the exportation of agricultural surpluses under Public Law 480.

During 1954, 1955, and 1956, the Congress authorized expenditures totaling $3 billion for the exportation of agricultural surpluses under Public Law 480. By 1957 all of that $3 billion authorization had been exhausted by contracts.

In 1957 we authorized the exportation of surplus agricultural commodities for sale for foreign currencies, to a total of $1 billion. While the authorization bill has not passed the House at this session, the Senate has passed a bill which provides that for each of the next 2 years we shall export surplus agricultural commodities to foreign countries in exchange for foreign currencies to the extent of $1,500,000,000 each year.

So all the talk about a dollar shortage has no substance. It is something we use to delude ourselves and the American people into thinking that we must find some way to close a supposed gap between exports and imports. The gap is more than closed.

While the exportations of agricultural surpluses for foreign currencies under Public Law 480 are counted among our exports, we get nothing back for them in the way of imports. This is true because we spend all those foreign currencies in the other countries—about 24 percent, I believe, for the payment of American obligations in such other countries, and the remainder for grants and loans to such countries for their economic and military purposes. So, as a matter of fact, foreign nations are getting far more American dollars from the

United States than the amount of the difference between our tangible exports and imports. Therefore, there is no substance to one of the principal arguments being used to persuade us to pass the original House bill under which we would totally abdicate our authority over foreign trade under the Constitution, and confer absolute power in respect to it upon the President, who, in turn, would delegate such power to some other persons in the State Department, whose identities are unknown to the Congress and the American people.

I have heard assertions made by the advocates of the original House bill as to the ideas of Cordell Hull with respect to reciprocal trade which are enough to make the shade of Cordell Hull in the other world weep.

Cordell Hull had a very sound concept of reciprocal trade.

Let me read to the Senate statements of Cordell Hull on this subject. On November 1, 1934, Cordell Hull delivered a speech expounding his ideas of a proper reciprocal trade agreements program, before the National Foreign Trade Council. In that speech he decried what had happened in connection with the Smoot-Hawley tariff. He said that instead of enacting the Smoot-Hawley Tariff Act, Congress should have adopted a sensible reciprocal trade program. This is what he said in that connection:

> This would have meant an equally profitable exchange of surpluses, and so did not mean that the United States would be expected to take commodities it did not need or did not want, or which would seriously affect our own domestic production of the same commodities on a satisfactory basis.

In that statement, Cordell Hull made it plain that any proper Reciprocal Trade Agreement Act should contemplate that the United States should export to other countries goods which it produces in surplus quantities, and should import from such countries goods which the United States either does not produce or cannot produce in sufficient quantities. He made it plain that it should never be contemplated that in any such program action should be taken which would seriously affect our own domestic production of the same commodities on a satisfactory basis.

On November 10, 1934, Cordell Hull delivered a speech before the American Farm Bureau Federation at Nashville, Tenn. He said something which ought to have some weight with the American Congress in passing on the pending proposed legislation. He said that under a proper reciprocal trade agreements program—

> Increased imports * * * will be stimulated on the basis of causing the least possible disturbance to domestic production.

He added this further statement:

> It is an axiom of economics that a people, whether its output per capita be great or small, can make available for its own consumption a greater variety and a greater quantity of goods by exchange of commodities it produces very effectively for commodities which it cannot produce or can produce only with relative ineffectiveness.

There again Cordell Hull made this very plain: That any sound reciprocal trade agreements program would provide that the United States should export the goods it produces in surplus quantities, and in return import from other nations goods which the United States either does not produce or cannot produce effectively. In other words, he emphasized time and again that the only basis for a mutually satisfactory trade is what in effect constitutes an exchange of surplus commodities between two countries.

On December 10, 1934, Cordell Hull made a speech before the American Farm Bureau Association, in which he said that the reciprocal trade agreement concept contemplated "being prepared to accept goods we desired and needed in return for our surpluses."

Then he added, substantially, that the fundamental concept of reciprocal trade could be expressed in these words:

> Mutually profitable and wholesome exchange of surplus commodities.

On May 2, 1935, Cordell Hull made a speech before the United States Chamber of Commerce, in which he described how the original Reciprocal Trade Agreements Act was being administered under his direction:

> Of the finished manufactures, the greater part consists of specialty products which are not directly or seriously competitive with products of our own industries. Essentially, they complement our own products.

In that speech Cordell Hull pointed out that under the original Reciprocal Trade Agreements Act we were receiving from other nations goods which essentially complemented our industries, instead of destroying or competing with them.

On March 23, 1935, Cordell Hull delivered a radio address to the American people, in which he said this about the reciprocal trade agreement concept as envisoned by him:

> I may first remark that all agree to the maintenance of reasonable or moderate tariffs that will not allow excessive or unreasonable importations of competitive products.

There again, Mr. President, Cordell Hull was emphasizing the only basis for mutually satisfactory trade between nations, namely, trade in which each nation exports its surplus products and imports products which it either does not produce or cannot effectively produce.

On May 2, 1935, Cordell Hull made another speech before the United States Chamber of Commerce, in which he said:

> I repeat, international trade has always been essentially of a complementary character, rather than sharply competitive, and this will continue to be the case.

On April 30, 1936, Cordell Hull delivered another speech before the United States Chamber of Commerce, in which he made these significant statements:

> Each nation has come to regard foreign markets as the natural outlets for its surplus output, and the surplus production of other nations as the sources from which to supply its own deficiencies.

In the course of the same speech, he made this significant statement:

> The nations, in the matter of tariffs, must embark upon a sound middle course between extreme economic internationalism and extreme economic nationalism.

Mr. President, I submit that the reason the Reciprocal Trade Agreements Act has been maladministered during recent years is that it has been administered by unidentified persons in the State Department who went to the extreme of economic internationalism and ignored Cordell Hull's repeated assertion that the only mutually satisfactory trade between nations is a trade which, in substance, involves the exchange of surpluses.

On May 22, 1936, Cordell Hull made a speech at a foreign trade luncheon, in which he said this:

> Only by exchanging surpluses created by their respective national effort can nations achieve a full and stable measure of prosperity; full employment of their labor, equipment, and resources; and friendly and peaceful relations with others.
>
> This broader and more liberal program is based upon a practical middle course which avoids the extremes of both isolationist and internationalistic economic policies. Its cornerstone is mutually profitable trade, based upon equality of trade rights and fair and friendly trade methods and practices.

Cordell Hull was stating an inevitable and inescapable truth when he said:

> Only by exchanging surpluses created by their respective national effort can nations achieve a full and stable measure of prosperity; full employment of their labor, equipment, and resources; and friendly and peaceful relations with others.

Today, in my State, a number of plywood plants have been closed as a result of the maladministration of the Reciprocal Trade Agreements Act, which encourages the importation into the United States of goods which are already being produced in the United States in surplus quantities.

When goods are imported into the United States similar to those being produced here in surplus quantities, it is inevitable that the imported goods will disrupt the domestic market, injure the domestic industry, and deprive the workers in that industry of their jobs. That is inescapable.

Today there is great unemployment in the United States. It has been contributed to in part by the importation from other nations of goods which are already being produced in the United States in surplus quantities. If Senators do not believe that statement, let them go to Michigan and look at the automobile factories; then let them drive out in traffic and see the number of foreign-made cars which are traversing our highways.

Cordell Hull made another statement. On February 19, 1938, before the Second Annual National Farm Institute. He said:

> To get concessions from other countries and thus to aid our exports of farm and other products we have naturally had to grant concessions in return, which have included a few duty reductions on farm products. When necessary these concessions have been accompanied by special safeguards in the form of seasonal or quota limitations on imports permitted to enter at the reduced rates of duty.

In making duty reductions we are guided by two basic principles. First, we are opposed to prohibitive or embargo rates, which are ruinous to agriculture and to the Nation as a whole. Second, we take every precaution to safeguard American producers from abnormal or materially hurtful imports.

Mr. President, I have read these extracts from speeches of Cordell Hull for the purpose of making it plain that the reciprocal trade agreements concept as developed by Cordell Hull contemplated that the United States would make agreements with other nations whereby the United States would export to the other nations goods produced in this country in surplus quantities, and whereby the United States would import from the other nations goods which the United States either could not produce at all or could not produce in sufficient quantities.

Cordell Hull never contemplated that the Reciprocal Trade Agreements Act should be administered in such a way as to encourage the importation into the United States of goods which we did not need and did not want because they were already being produced in this country in surplus quantities. Yet that has been a main characteristic of the administration of the Reciprocal Trade Agreements Act in recent years.

The second great principle of the reciprocal trade concept which Cordell Hull emphasized was that when it made an agreement with a foreign nation in respect to trade, the United States would demand some concession of value to the United States in return for the concession which the United States extended to the other nation. That idea has been abandoned by the State Department, as I shall demonstrate in a moment.

The first, and perhaps the foremost, act of maladministration of the Reciprocal Trade Agreements Act during recent years is that of encouraging the importation into the United States of goods which we do not want and do not need simply because we are already producing them in surplus quantities.

I do not rely upon the unsupported assertion of the senior Senator from North Carolina in making that statement. I rely upon statements of Douglas MacArthur 2d, the United States Ambassador to Japan, which appeared in the Washington Post and Times Herald for Monday, July 14, 1958. Our trade with Japan exemplifies that the Reciprocal Trade Agreements Act has been and is being maladministered by the importation of articles which we already are producing in surplus quantities.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the article entitled "Envoy Denies Move To Cut Japanese Trade," written by Gene Kramer, and published in the Washington Post and Times Herald of July 14, 1958.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post and Times Herald of July 14, 1958]

ENVOY DENIES MOVES TO CUT JAPANESE TRADE

(By Gene Kramer)

YOKOSUKA, JAPAN, July 14.—United States Ambassador Douglas MacArthur 2d told the Japanese today they have a false impression that the United States is moving to boycott their goods.

The Ambassador spoke at ceremonies marking the 105th anniversary of the landing at nearby Kurihama Beach by Commodore Matthew C. Perry. The landing opened up trade between an isolated Japan and a growing United States.

"I am more than a little distressed by an impression prevalent in Japan that the United States has taken steps to * * * restrict the imports of Japanese goods into the United States," he said. "Such reports are erroneous in the extreme."

Many top ranking Japanese have expressed the fear the United States is on the verge of cracking down on goods from Japan that compete with American products. Foreign Minister Aiichiro Fujiyama has said he would attempt to resist any such moves when he visits Washington in September.

NOT ONE-SIDED

MacArthur also said it was a false impression here that United States-Japanese trade is one-sided in favor of the United States.

When the balance is added up, he said, the Japanese must consider not only direct trade but also United States military spending and aid purchases for other countries in Japan.

"These are exports, just as much as any other of Japan's exports," he said. "When they are taken into account, Japan's so-called heavy deficit with the United States disappears."

He noted that the United States imported about $600 million worth of goods from Japan last year. This is almost half the value of Japanese goods purchased from the United States, he said. But, he added, Japan earned another $547 million from United States aid and military spending.

Despite the United States business slump, he said, Japanese exports to the United States in 1957 continued to rise and reached an alltime high for any single year. And in the first 5 months of 1958, these exports ran $25 million over the same period in 1957.

MAY BUY ELSEWHERE

MacArthur's speech comes at a time when Japanese leaders are considering boosting exports to the United States and shifting from the United States to other countries the Japanese purchases of such raw materials as cotton, iron ore, oil, and wheat.

"Contrary to exaggerated reports," the Ambassador said, "there has been only one case in recent years in which the United States has increased its tariff on a product of which Japan is a major supplier—clinical thermometers."

He acknowledged there are genuine problems in United States-Japanese trade. He said one of them is the fact that American products exported to Japan are noncompetitive with Japanese products, while everything sent from Japan competes with products made in the United States.

He called for a frank interchange of views through mutual give and take and by enlightened cooperation based on tolerance and understanding.

"History has thoroughly vindicated the vision of President (Millard) Fillmore, Commodore Perry, and the Japanese statesmen of that day as to the importance of trade to the well-being of our two countries," he said.

Mr. ERVIN. Mr. President, I call attention to two of the statements contained in the article. As Ambassador MacArthur points out, the value of our tangible exports to Japan is approximately double that of our tangible imports from Japan.

But, as in the case of the dollar shortage, which I discussed a moment ago, that statement does not tell the complete story. According to the article, United States Ambassador MacArthur said:

The Japanese must consider not only direct trade but also United States military spending and aid purchases for other countries in Japan.

These are exports, just as much as any other of Japan's exports. When they are taken into account, Japan's so-called heavy deficit with the United States disappears.

He pointed out that Japan was getting from the United States, in American dollars, $547 million in United States military spending and aid purchases for other countries in Japan. The truth of the matter is, according to the figures set forth in the statements of Ambassador MacArthur, that Japan is getting virtually as many dollars from the United States in the form of imports by the United States, plus the military spending and air purchases, as the United States is receiving from its exports to Japan.

I offer the statement of Ambassador Douglas MacArthur II to prove my statement that the act is now being maladministered through the encouragement of importations into the United States of goods which we do not need because we are already producing such goods in surplus quantities. On that point, the article states:

He acknowledged there are genuine problems in United States-Japanese trade. He said one of them is the fact that American products exported to Japan are noncompetitive with Japanese products, while everything sent from Japan competes with products made in the United States.

Douglas MacArthur II is a career diplomat who tells us the truth about this matter. He corroborates my charge that the act is being maladministered in that we are encouraging the importation of goods we do not need because we are already producing such goods in surplus quantities.

Mr. President, not only has the Reciprocal Trade Agreements Act been maladministered in that respect, but it has also been maladministered, in that those who administer it—whoever they may be—and no Member of the Senate or the House of Representatives knows who they are—they are unidentified and unknown—have absolutely cast out the window any idea of reciprocity. I say that—and, Mr. President, I shall not belabor this point—for the reason that there is now virtually no reciprocity in our foreign trade. This charge is established by the following facts: 62 countries require import licenses, in order to get goods into those countries; 46 countries require export licenses, sometimes tied up with stringent currency controls; 36 countires have restrictions on outgoing capital movements; 28 countries have restictions on incoming capital movements; 33 countries have exchange licenses; 23 countries have multiple-exchange rates; and 9 countries have import quotas; but the import licenses operating in the 62 countries I have previously mentioned are, in effect, just the same as quotas. And we receive such treatment at the hands of other countries although we have removed most

of our trade restrictions and made our tariff about the lowest of any great commercial nation.

Mr. President, I have been very much concerned about this phase of the matter, because my State is very much interested in the exportation of leaf tobacco and manufactured tobacco. On occasions, I have called the attention of the State Department to the fact that other nations enjoying vast trade concessions from the United States are erecting trade barriers and raising tariff walls against American tobacco, and have asked the State Department to assist in the prevention of the erection of those trade barriers and tariff walls. But so far the State Department has not done anything effective about the matter.

What is happening to exports of American tobacco is set forth in a statement from the Department of Agriculture on import barriers against American tobacco. The statement shows that many of the countries which have received from us the most liberal trade concessions are doing everything in their power to exclude the importation and use of American tobacco within their boundaries. Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, the statement on import barriers against American tobacco.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

IMPORT BARRIERS AGAINST AMERICAN TOBACCO

Argentina

Import licensing: For the past several years, the Central Bank has granted practically no import permits for tobacco of any type. This development has eliminated United States tobacco from the Argentine market. During the period 1947–51, our leaf tobacco exports to Argentina averaged 2.1 million pounds annually, principally flue-cured and burley. There were no exports of any type in 1952, 1953, and through November 1954.

Australia

(a) Preferential tariff: Under terms of a trade agreement in operation since 1941, southern Rhodesian tobacco enjoys a 9 pence (8.4 cents) per pound tariff preference in the Australian market. This places United States leaf at a disadvantage in the Australian market, and encourages the importation of leaf from southern Rhodesia.

(b) Purchase agreement: A purchase agreement is in effect with southern Rhodesia, under the terms of which Australia guarantees to take a minimum quantity or percentage of the southern Rhodesian crop. The present guaranteed quantity is 9.7 million pounds, or 6½ percent of the crop, whichever is smaller. Increasing Australian consumption has lessened the impact of this on United States exports, although imports from southern Rhodesia rose from a prewar average of 0.1 million pounds to 9.1 in 1953. The United States share in the Australian tobacco import market declined from more than 95 percent in prewar to less than 70 percent during the period 1949–53.

(c) Mixing regulation: This regulation, which has been in effect (with modifications) since 1936, provides for substantial duty concessions on imported tobacco which is to be blended with certain minimum percentages of domestic leaf in the manufacturing process. The concession ranges from 15 pence (14.0 cents) and 18 pence (16.7 cents) per pound, depending upon the classification of the tobacco and end use. Through its influence upon the leaf usage of the larger manufacturers, this regulation has almost certainly maintained demand for Australian leaf at a higher level than might otherwise have been the case.

Austria

Bilateral agreements: For a number of years, Austria, which has a government tobacco monopoly, has maintained a number of bilateral agreements with tobacco-exporting countries, providing for the importation of tobacco of a specified quantity or value. Agreements have been in operation with Bulgaria, Greece, Yugoslavia, India, Brazil, and Indonesia. Most of the tobacco imported from countries listed are not directly competitive with American leaf; however, any quantities imported from them under such trading arrangements do tend to displace leaf from the United States.

Egypt

(a) Premium dollars: According to latest available information, Egypt has for some time permitted no dollars to be used for tobacco purchases at the official rate of exchange. Importers have been required to pay an approximate 10 percent premium to obtain dollars for United States leaf. Exports of United States tobacco to Egypt presumably would have been greater if this premium payment had not been necessary. It has tended to encourage imports of southern Rhodesian and Indian tobacco.

(b) A trade and payments agreement is in effect between Egypt and Greece. This was recently extended to cover the period September 1, 1954, to August 31, 1955, and tobacco is one of the commodities moving from Greece to Egypt under the terms of the agreement. This encourages the importation of Greek tobaccos, and tends to prejudice the position of the United States tobacco in the Egyptian market.

Finland

Premium dollars: Severely limited dollar allocations for tobacco have forced Finnish importers to resort to "switch" transactions through third countries, in order to obtain dollars for United States leaf tobacco. There have been premium payments involved in these transactions, usually amounting to from 10 to 20 percent. It is probable that if dollars had been freely available, United States tobacco exports to Finland would have been about one-third greater than actual shipments during the past several years.

France

(a) Limited dollar allocations: A system of exchange controls covering dollar purchases for United States leaf has been maintained for several years. This has severely limited imports of United States leaf, apparently without regard for consumer preferences, comparative prices, or the traditional pattern of French tobacco imports from this country. Imports from the United States declined from an average of 21.4 million pounds in 1946–47 to only 6.4 million in 1952–53. In prewar years, the United States supplied about one-third of French tobacco imports. During 1952–53, the United States share was only 9 percent.

(b) Compensation agreements: For a number of years, France has maintained trading arrangements with a number of countries, under the terms of which tobacco has been included as an item to be imported into France. Agreements have been concluded with the following countries: Greece, Turkey, Yugoslavia, Brazil, Argentina, and the Central African Federation. These agreements have been used to implement the French desire to direct trade in tobacco toward countries agreeing to purchase French commodities. They have acted to reduce the French market for United States leaf, particularly dark tobaccos, and to expand imports and usings of oriental tobaccos. In prewar years, an average of only about 3 million pounds of oriental leaf were imported into France; for 1949–53, the average was 22 million pounds.

Hong Kong

Preferential tariff: A tariff preference of 0.20 Hong Kong dollar (3.5 cents per pound) is in effect on leaf tobacco imports into Hong Kong from British Commonwealth sources. This probably has had no appreciable effect on imports of United States tobacco.

India

Import licensing: An import licensing system is in effect which severely limits imports of tobacco from dollar areas. This acts as a deterrent to exports of United States leaf to India, which fell to only 1.2 million pounds in 1953, compared with an average of 7.5 million during the period 1947–51.

Indonesia

(a) Mixing regulation: The Government requires that a minimum percentage of domestic flue-cured leaf be used in the manufacture of certain popular brands of cigarettes. At latest report, the percentage was 10 percent, but indications are that in view of the balance-of-payments situation, the minimum will be increased.

(b) Import licensing: In the fall of 1954, licenses for the purchase of United States leaf were sharply restricted. For 1954–55 (September–August), exchange sufficient for about one-half the 1953–54 purchases will be allowed, and for 1955–56, only about one-quarter. If this regulation is strictly adhered to, imports from the United States will be reduced drastically from the average of about 13 million pounds shipped to Indonesia during the period 1951–53.

Italy

Bilateral agreements: Italy has negotiated bilateral trade agreements with Greece and Turkey. Although tobacco is not specifically mentioned as an item to be imported by Italy, reliable information indicates that such imports are virtually imposed on Italy. These agreements tend to affect Italian imports of tobacco from the United States. Italy has a monopoly which controls all phases of the tobacco industry, and can direct import trade as it sees fit. The monopoly, a government agency, is in a position to implement politicoeconomic policy toward countries that will accept Italian export commodities in large volume.

New Zealand

Mixing regulation: A regulation has been in effect since January 1, 1941, requiring a tobacco manufacturer to use a specified minimum percentage of domestic leaf tobacco in his total manufacturing operations. The minimum was originally fixed at 20 percent. Under the GATT agreement, New Zealand undertook to guarantee that the minimum percentage requirement, which had been increased on several occasions since 1941, would remain at the then existing level of 30 percent. According to latest information, it has been raised to 32½ percent, as a voluntary move by manufacturers. Because of steadily increasing consumption of tobacco in New Zealand, imports and utilization of United States tobacco have been maintained. It is believed that the volume of imports of leaf from the United States has been below what takings would have been in the absence of the mixing regulation.

Pakistan

(a) Preferential tariff: The tariff regulations provide for customs duties on United States leaf at $2.25 per pound, plus an excise duty. Indian tobacco, because of an agreement made at the time of the partition, is subject to an excise duty only. In effect, Indian tobacco for customs tariff purposes

is treated as domestic leaf, and therefore the customs duty is not applicable. The preference is sufficient to encourage the importation of leaf from India in lieu of higher quality tobacco from the United States.

(b) Mixing regulation: There is a sliding-scale excise tariff favoring maximum use of domestic leaf. In other words, the rate of excise declines, as the percentage of domestic tobacco used in a particular product increases. This tends to discourage maximum use of United States tobaccos.

Philippine Republic

Import quotas: Under Republic Act 698, effective May 9, 1952, imports of leaf tobacco (except cigar wrapper) were limited to the following percentages of 1950 imports: 1952—75; 1953—50; 1954—40; and 1955 (and subsequent years)—25. The 1950 imports approximated 28 million pounds. As amended in mid-1954, the law continued the percentage quota restrictions for 1954 and 1955; but provided for such additional imports which, when added to domestic leaf production, would permit the manufacture of tobacco products at a level not less than that of the previous fiscal year. For 1956, and subsequent years, the amendments provided for import quotas at a level which, when added to the domestic crop, will permit manufacturers to produce a quantity of tobacco products equal to the preceding year's. These quota provisions have already restricted imports of United States flue-cured and burley tobacco, and have promoted uneconomic expansion of the domestic flue-cured crop.

Portugal

(a) Preferential tariff: Light tobacco from Portuguese colonial possessions is accorded a preferential duty of 15 percent below the rate applicable to imports from the United States. The object is to encourage tobacco production in those overseas areas.

(b) Bilateral agreement: A basic agreement with Greece, signed in 1949, provides for the exchange of Portuguese fishery products for Greek tobacco (oriental) in the amount of $700,000 annually. This has reduced the market for United States leaf in Portugal, although consumers prefer tobacco products containing high percentages of flue-cured and burley. Imports from Greece increased from 1 million pounds in 1949 to 1.4 million in 1953. Imports from the United States were only 7.9 million pounds in 1953, compared with 8.9 million in 1949.

Spain

(a) Exchange allocations for United States tobacco have been extremely limited, despite the historical pattern of trade with the United States. The monopoly and Ministry of Finance strictly control all tobacco purchases. These measures have severely restricted United States exports of dark tobaccos even though they have been offered to Spain at competitive prices.

(b) Clearing agreements are believed to be in effect with several of the important suppliers of tobacco to the Spanish market. Imports from Brazil and the Dominican Republic have been increased sharply in recent years compared with prewar. Imports from the United States are far below prewar levels.

United Kingdom

(a) Preferential tariff: For many years, the United Kingdom has maintained a preferential tariff on imports of tobacco from Commonwealth countries. At present, the differential in the tariff on United States leaf and Commonwealth leaf is 18½ pence per pound (21.5 United States cents), for the principal category of leaf imports. It is impossible to measure accurately the effect this preferential duty has had on imports and utilization of United States tobacco. Displacement of United States leaf has continued and developed for a long period of years. The tariff preference has been a most important factor in the increased tobacco production in Commonwealth areas and the reduced share of the United States in the British market. During the period 1919–23, only 6 percent of British tobacco imports was of Commonwealth origin; the average of 1951–53 was 45 percent. At present the tariff preference amounts to only about 3 percent, although in prewar years it was a high as 20 percent. The current duty on imports of United States unstemmed leaf containing 10 percent or more of moisture is the equivalent of a little more than $8 per pound—roughly 12 times the export value of the tobacco.

(b) Purchase agreement: A postwar development of great significance to United States flue-cured-tobacco growers is the purchase arrangement, originally negotiated in 1947, whereby British manufacturers agree to purchase a large percentage of the Southern Rhodesian tobacco crop. Under existing terms of the agreement, purchases are fixed at 85 million pounds (farm weight) for 1955, and 80 million for the years 1956–58. This agreement has acted as a strong stimulus to increased production in southern Rhodesia. Imports into Britain from southern Rhodesia increased from about 16 million pounds in prewar to nearly 60 million in 1952 and 1953.

(c) Dollar allocations: For a number of years, purchase of United States leaf have been limited by dollar allocations. At present, the system provides for tobacco purchases from "dollar areas" sufficient to cover current manufacturing requirements—or about 61 percent of the total usings of light tobaccos. It does not take into account the drastic decline in the United States share in total manufacturing operations over the past 6 or 7 years.

(d) Mixing regulation: At the suggestion of the Government, British manufacturers agreed a number of years ago to use 5-percent oriental tobacco in cigarettes produced for home consumption.

Under the impact of this combination of barriers, the importation of United States tobacco into the United Kingdom fell from 78 percent of the total in the prewar (1934–38) period to an average of only 51 percent in 1951–53. On an aboslute basis, imports from the United States declined from an average of 213 million pounds during 1934–38 to an average of 150 million pounds for 1951–53. Conversely, imports from outside the United States (mostly Commonwealth) increased from an average of 62 million pounds in 1934–38 to 147 million in 1951–53.

Uruguay

(a) Dollar premiums: Tobacco importers in Uruguay have had to pay a premium in order to obtain dollars for tobacco imports.

(b) Bilateral agreement: In effect with Greece, providing for $100,000 worth of tobacco purchases from Greece during the period May 1954–April 1955.

West Germany

Bilateral agreements: A number of trade agreements are in effect with other countries, providing for the importation of substantial quantities of various commodities including tobacco into Germany in exchange for industrial goods. The most significant of these, as far as tobacco is concerned, are those with Greece, Turkey, Brazil, and Colombia. Their effect has been to pressure German tobacco manufacturers to expand their purchases and usings of oriental leaf and non-United States cigar tobaccos. Under the impact of these agreements, the United States proportionate share in the German market declined considerably from 51 percent in 1950 to 43 percent in 1953.

COMPETITIVE EXPORT AIDS

Algeria

Export subsidy: This was made effective in 1954, in order to boost tobacco exports to areas outside of France and its overseas territories. It is too early to assess the full effects of this new subsidy system, but it may eventually cut into United States exports of light and dark air-cured tobaccos.

Colombia

Export subsidy: An export bonus, which in 1954 amounted to about 40 percent of the selling price, is paid to tobacco exporters. This has already encouraged the export of dark tobaccos to Germany and France, both of which are markets for United States dark types of tobacco.

Cuba

Commercial agreements: Cuba has commercial agreements, covering the exportation of Cuban tobacco to other countries. Agreements have been concluded with Argentina, Chile, Germany, Spain, France, and the United Kingdom. These probably have had some adverse effects on the level of exports of dark and cigar tobaccos from the United States.

Dominican Republic

(a) Export monopoly: The Government has been granted permission to establish a consortium which would have the sole right to purchase and export tobacco. This paves the way for easy negotiation of bilateral trading arrangements and subsidization of exports.

(b) Commercial agreement: This was recently negotiated with France and provides for the importation into France of $1 million worth of Dominican tobacco annually.

Greece

Bilateral agreements are in effect with a number of countries, including Portugal, West Germany, Italy, Uruguay, Austria, France, and Egypt. All of these countries are outlets for American tobacco. (For significance to United States tobacco, see under comments on these countries.)

India

Import licensing: From July 1954 India has had a system of ad hoc import licenses covering the goods of countries guaranteeing to purchase lower grades of Indian flue-cured tobacco.

Italy

(a) Tie-in sales: Italy, a monopoly country, in recent years has facilitated the export of certain types of tobacco by the tie-in sales method. By means of this, the sales contracts for scarcer and more desirable tobaccos with some Western European countries have included other types not so much in demand. We have no indication that this trading arrangement has been discontinued, and it appears to have had some effect on exports of United States dark tobaccos.

(b) Trading arrangement: The Italian Tobacco Monopoly, a government agency, has an agreement with the Swiss Cigarette Manufacturing Association covering imports of Italian tobacco into Switzerland in exchange for Swiss exports of cigarettes to Italy. This agreement adversely affects exports of United States fire-cured tobacco to the Swiss market.

Madagascar

Guaranteed market: The French tobacco monopoly virtually guarantees to take the total production of Maryland-type tobacco in Madagascar. Incentive prices are maintained, and United States Maryland has been practically eliminated from the French market.

Paraguay

Exchange subsidy: There is an exchange subsidy, tied in with the minimum selling

prices, which has encouraged the export of tobacco in larger volume to Spain and France, both formerly very important outlets for United States dark tobaccos. The exchange subsidy was recently raised to about 100 percent.

Southern Rhodesia

Purchase agreements: (see under United Kingdom, Australia, and France).

Turkey

Bilateral agreements: (see under Italy, West Germany, France).

Union of South Africa

Export subsidy: An export bounty or subsidy is in effect, permitting exports at less than world market prices. For the 1953–54 export season the bounty was up to 40 percent of the minimum selling prices. Exports totaled 4.4 million pounds in 1953, compared with only 0.3 million in prewar years.

MONOPOLY COUNTRIES

In many countries, most phases of the tobacco industry are controlled by a governmental or quasi-governmental agency. Policy with respect to import trade frequently is undertaken arbitrarily. The volume and kind of tobacco products manufactured, and the type of leaf used in their manufacture, are established by the government. The government in a monopoly country is in a position to direct consumers' tastes toward certain domestic and imported tobaccos, without regard to preferences or the traditional manufacturing and trade pattern. Monopoly policy is often based on political considerations. Countries in the Free World having monopoly control of tobacco include the following:

COUNTRY AND TYPE

Austria: Government.
Ecuador: Leased.
Formosa: Government.
France: Government.
French Morocco: Leased.
Haiti: Leased.
Iran: Leased.
Iraq: Leased.
Italy: Leased.
Japan: Leased.
Korea: Leased.
Peru: Leased.
Portugal: Leased (two companies).
Spain: Leased.
Sweden: Government.
Syria and Lebanon: Leased.
Thailand: Government.
Tunisia: Government.
Turkey: Government.

Mr. ERVIN. Mr. President, I wish to point out another strange thing in respect to the actions of the State Department. After the Congress passes a Reciprocal Trade Agreements Act and delegates to the President its power to regulate trade with foreign nations, the President delegates that power to the State Department.

Mr. President, if any individual were to act in the way the State Department acts, in respect to matters of trade, the psychiatrists would pronounce him a schizophrenic, and he would be locked up for being crazy.

I say that because we are constantly told by the State Department that we should tear down our tariff walls and trade barriers, and that the reason we should tear them down is that in that way we can get other nations to tear down their tariff walls and their trade barriers and permit the importation of our goods. As a consequence, I was much surprised to learn of the actions of Mr. Sidney L. Buffington, a textile manufacturing consultant under contract with the industrial development center through the United States International Cooperation Administration, a part of the State Department, who went to the Philippine Islands and made a study of how the Philippine Islands should go about developing a textile industry. As I understand it, Mr. Buffington was, in substance, an employee of an agency which constitutes a part of the State Department—the State Department which says trade barriers and tariff walls should be torn down. Mr. Buffington went to the Philippine Islands to study how the islands may develop a textile industry. On March 7 of this year he made certain recommendation as to how this can be done. His recommendations are referred to in a news dispatch published in the Manila Bulletin on Thursday, April 17, 1958. I ask unanimous consent to have the news dispatch printed at this point in the RECORD, as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Manila Bulletin of April 17, 1958]

WANT BAN ON YARN, TARIFF ON GRAY CLOTH

Sidney L. Buffington, textile manufacturing consultant under contract with the Industrial Development center through the United States International Cooperation Administration, has recommended a temporary ban on imports of cotton yarn and an admittedly protective tariff on cotton and synthetic gray cloth and all finished textiles to maintain the growth of the local textile industry.

Unless the necessary steps to encourage the installation of looms for weaving cotton cloth are taken at once, he warns, the Philippines will have a year from now a tremendous excess of yarn which it could not put to use.

In his fifth quarterly report, Buffington states that the country now has sufficient cotton spinning capacity to provide all the cotton yarn that can be successfully processed through existing facilities and that will be safe to stop the further import of cotton yarn until such time as the yarn-consuming sections of the industry grow sufficienty to require a renewal of yarn import.

If the further development of the industry proceeds in an orderly fashion, Buffington says, it may never be necessary to import more cotton yarn in any great volume.

However, Buffington points out, looms in operating condition have not increased substantially since the beginning of the year. As of last March, there were only some 3,270 looms in operating condition, an increase of only 80 looms from the estimate of 3,190 made as of December 1957.

"The demand for local woven products has been made very uncertain by the excessive import of gray and finished fabrics," he says. "Many of the looms in place do not operate full time because of lack of demand for locally produced gray goods. It is unrealistic to expect fast development of the weaving section of the industry unless satisfactory opportunities for profit are offered. Such opportunities cannot exist if excessive import of gray cloth is continued."

Buffington bewails the present helter-skelter studies and actions in allocating foreign exchange for textile equipment, raw material, semimanufactured and finished goods, which, he says, "have resulted in very unbalanced development of the industry, excess expenditures of scarce foreign exchange, inability to operate existing equipment to achieve the greatest savings in foreign exchange and a reluctance on the part of new investors to enter the textile manufacturing business."

The present investment in the textile industry, according to Buffington's survey, is close to 150 million pesos.

"The industry is so big," he says, "and its importance in the Philippine industrial picture is so great that awkward handling of import allocations for the industry's operating materials, supplies and repair items and new replacement equipment, places an unwarranted additional strain on the already strained Philippine economy."

A large proportion of the development of the textile industry, he observes, is financed with credit extended by commercial banks. "In many instances, the amount of credit extended by the commercial banks has been encouraged and substantially enlarged by the time-deposit program and the 80-percent guaranteed loan fund program of IDC."

He urges to agencies concerned with the development and the operation of the textile industry to coordinate their actions to promote better balanced development, save the maximum in foreign exchange, promote additional employment and protect the very substantial investment which has been made.

The fact that raw cotton is available to the Philippines at no cost in dollars through section 402 of the Mutual Security Act and also through United States Public Law 480 should make it attractive to the Philippines to push the local production of cotton yarn and cotton gray cloth to the highest possible levels and to hold down import of the same things to the lowest possible levels, the consultant declared.

In his report to the IDC and the ICA, Buffington makes some of the following recommendations:

1. Place an admittedly protective tariff on the import of cotton yarn high enough to insure that locally produced yarn will be more attractive pricewise than the imported variety.

2. Place an admittedly protective tariff on the import of all finished textiles high enough to insure that locally produced goods will be more attractive pricewise than the imported variety.

3. Make available to the local spinners all the raw cotton they can process with as little delay as possible.

4. Make available foreign exchange for supplies, accessories, spare parts and auxiliary equipment to insure that facilities for spinning and weaving that are now in place can operate as fully as possible.

5. Make available foreign exchange for balancing equipment and auxiliary equipment for spinning and weaving units already under construction so that they can go into operating with the least possible delay.

6. Stop making foreign exchange available for equipment to those sections of the textile industry which are already developed beyond the immediate needs of the Philippine market.

Mr. ERVIN. Mr. President, Mr. Buffington made 19 recommendations as to how a textile industry should be developed in the Philippine Republic. Among those 19 recommendations, 8 were to the effect that the Philippines should ban the importation of textile products, and erect tariffs to prevent the importation of textile products from anywhere else on the face of the earth. I do not care to read all these recommendations, but I wish to call attention to the fact that

the 4th, the 5th, the 6th, the 7th, the 8th, the 9th, the 10th, and the 18th are recommendations made by an employee of the State Department that the Republic of the Philippines take active steps forthwith to prevent the importation of any outside textile products into the Philippine Islands.

The recommendations are rather significant. I shall read some of them, merely as examples. I shall read Nos. 9 and 10. No. 9 reads:

Place an admittedly protective tariff on the import of all finished textiles high enough to insure that locally produced goods will be more attractive pricewise than the imported varieties.

The 10th recommendation reads:

Make the tariff applicable to all finished textile imports and collect it; allow no one, not even Government-owned agencies to import finished textiles duty free or with reduced duties.

In effect, Mr. President, we find that an employee of an agency of the State Department—the Department which says it wants to tear down tariff walls between nations—went to another nation, the Philippine Islands, and advised it to establish a tariff system under which it will be virtually impossible for any textile goods to enter the Philippine Islands from any source. In other words, after we encouraged and assisted the Japanese to build up a great textile empire, an employee of the State Department went to the Philippines and tried to make certain that Japan would not be able to export any of her textile products to the Philippine Islands.

After the International Cooperation Administration took the money of American taxpayers and used it to build textile plants in Indonesia, an employee of the State Department went to the Philippine Islands and recommended that they take steps which would make it certain that Indonesia also would not have a market in the Philippines for the products of the mills which were built in Indonesia with the money of American taxpayers.

Mr. President, I ask unanimous consent that the recommendations of Mr. Buffington, which were included in the Fifth Quarterly Report to Industrial Development Center and United States Operation Mission to the Philippines on Development of the Textile Industry in the Philippines, and which bears the date of March 7, 1958, be printed in full in the RECORD at this point as a part of my remarks.

There being no objection, the recommendations were ordered to be printed in the RECORD, as follows:

FIFTH QUARTERLY REPORT TO INDUSTRIAL DEVELOPMENT CENTER AND UNITED STATES OPERATION MISSION TO THE PHILIPPINES ON DEVELOPMENT OF THE TEXTILE INDUSTRY IN THE PHILIPPINES, MARCH 7, 1958

(By Sidney L. Buffington)

III. RECOMMENDATIONS

1. IDC should continue to collect data relative to textile operations, should improve its present collection and tabulating methods and should make the results of its work available to all legitimately interested parties.

2. As need arises and opportunity presents itself additional information regarding the textile industry should be added to the collection. However, common sense should be exercised and no overambitious systems set up without practical trials. It is better to have a minimum of fast and accurate information than a tremendous target that cannot be achieved.

3. IDC should continue to advocate the formation of a special group (this is a repetition of the third recommendation made in my second quarterly report, dated June 7, 1957) charged with the work and duties of dealing only with matters relating to the textile industry and to advise the national economic council regarding the textile industry and its growth. Formation and use of such a group is necessary to correlate information on the textile industry, keep the many Government agencies that are involved informed and advised, reduce the overlapping functions that now exist and attempt to get more value for the Philippines per import dollar spent for textiles and textile equipment than has been realized to date.

4. Put a stop to the duty and tax free import of textile materials by the so-called new and necessary industries.

5. Place an admittedly protective tariff on the import of cotton yarn high enough to insure that locally produced yarn will be more attractive pricewise than the imported variety.

6. Make the tariff applicable to all cotton yarn imports and collect it; allow no one, not even Government-owned agencies, to import yarn duty free or with reduced duties.

7. Place an admittedly protective tariff on the import of cotton and synthetic grey cloth high enough to insure that locally produced gray cloth will be more attractive pricewise than the imported variety.

8. Make the tariff applicable to all grey cloth imports and collect it; allow no one, not even Government-owned agencies to import gray cloth duty free or with reduced duties.

9. Place an admittedly protective tariff on the import of all finished textiles high enough to insure that locally produced goods will be more attractive pricewise than the imported varieties.

10. Make the tariff applicable to all finished textile imports and collect it; allow no one, not even Government-owned agencies to import finished textiles duty free or with reduced duties.

11. Make available to the local spinners all the raw cotton they can process into yarn with as little redtape; as little delay and at as reasonable terms as is possible in order to promote full operation of spinning facilities already installed to save as much foreign exchange as possible.

12. Make available reasonable amounts of foreign exchange for supplies, accessories, spare parts, and auxiliary equipment to insure that facilities for spinning and weaving that are already installed can operate as much as possible and by producing goods here, save the larger blocks of foreign exchange now being spent on the import of foreign-made manufactures and semimanufactures.

13. Make available foreign exchange for balancing equipment and auxiliary equipment for spinning and weaving units already installed and under construction so that they can produce as much as possible with the least delay and save foreign exchange.

14. Make foreign exchange available to complete the purchase of planned units of spinning and weaving for which partial commitments have already been made so as to complete them and get them into operation with the least possible delay.

15. Stop making foreign exchange available for further expansion to those sections of the textile industry which are already developed beyond the immediate needs of the Philippine market.

16. Make foreign exchange available, as it is possible, for new ventures in combined spinning and weaving which are reasonably balanced to make grey cloth without the need to import yarn.

17. Promote loom installations with spinning already installed as the next urgent move to correct the temporary overexpansion of spinning only that can be foreseen.

18. Place a temporary ban on all cotton yarn imports to save exchange, encourage more operation of facilities already installed and to increase employment. Watch the effects of this move closely so that marked injustices can be corrected by special temporary action.

19. Continue to work with and educate the managements of all factories that request help on matters pertaining to raw cotton and the buying of raw cotton to minimize troubles and losses caused by receipt of bad shipments.

Mr. ERVIN. Mr. President, I have been concerned about the maladministration of the Reciprocal Trade Agreements Act because of its impact on two industries of my State. One of those industries is the plywood industry. A number of North Carolina plywood plants have gone out of existence, and their operators have ascribed their economic demise to the importation of plywood produced by labor in other countries which have no minimum wage laws of any character.

Another one of the industries threatened by the maladministration of the Reciprocal Trade Agreements Act in my State is the textile industry, in which 230,000 of the people I have the honor, in part, to represent in the United States Senate are employed, and in which industry they earn their daily bread for themselves and their families.

The only reason why the American textile industry has not suffered more is the forbearance of the Japanese. Congress delegated to the President the power to regulate commerce with foreign nations. The President delegated the power to the Secretary of State. The Secretary of State delegated it to some persons in his Department whose identities are unknown to the Congress of the United States. Those persons delegated it, so far as the textile industry is concerned, to the Japanese. As a result, we have this peculiar situation: For the first time since the morning stars sang together for glory, one sovereign nation has delegated to another nation the power to decide whether one of its basic industries shall fade or flourish.

Today the American textile industry, so far as Japan is concerned, is being regulated not by Congress, not by the President, not by the State Department, but by the Japanese. At any moment the Japanese can decide it is no longer their obligation to protect American textiles against excessive or unreasonable exports of their own textile products.

As I said at the beginning, I am a strong advocate of a reciprocal trade agreements program based upon the two basic concepts of Cordell Hull. The first of these concepts is that the reciprocal trade agreements program must be operated in such a way that the United States will export to other nations goods which it produces in surplus quantities, and will import from such nations goods which the United States either does not produce or cannot produce in sufficient quantities for our own use.

The second is that in every case where the United States grants a trade concession to another nation there should be reciprocity, as Cordell Hull contemplated, in that we should receive from such nation a concession worthwhile in return for our concession. We should restore sense to the reciprocal trade program by reincarnating in the program and in its administration the concepts of Cordell Hull. Then we would have what he called a mutually satisfactory exchange of surplus commodities. That is the only basis on which we can have a satisfactory trade program, because the American Congress is not going to sit by and continue to see maladministration of the act to the detriment of American industries and to the detriment of the American working people who have to earn their living by the sweat of their brows in American industry.

By passing the bill which was reported by the Senate Committee on Finance, we will make it certain that this program is to be carried out according to the original concepts of Cordell Hull and that injury of a drastic nature to American industry and American labor will be averted. Moreover, by the adoption of the Kerr amendment, giving the majority of the Congress the power to exercise its constitutional authority in this field, we will conform our legislation on the subject to the Constitution of the United States.

Mr. LONG. Mr. President, will the Senator yield?

Mr. ERVIN. I yield.

Mr. LONG. The Senator knows, does he not, that in the history of this program there has never been an extension of the reciprocal trade program for more than 3 years?

Mr. ERVIN. I certainly do. To my mind it is ridiculous for the State Department to ask that we extend the program for 5 years. It is ridiculous for us to be asked to abdicate our authority for 5 years. Certainly if the State Department cannot make an agreement in 3 years, it can come back to Congress and ask for another extension. If the Department has behaved in a sensible manner in the meantime there will be an extension.

Mr. LONG. Could it not be regarded as somewhat presumptuous for John Foster Dulles to believe he is going to be Secretary of State 5 years from now, or even 3 years from now?

Mr. ERVIN. I think it would be rather presumptuous, because I believe in the next general election we shall have a change of administration and we shall have a new Secretary of State. I have every reason to believe, or, at least, to hope, that the new Secretary of State will have the same intelligence in trade matters as was manifested by Cordell Hull when he originated the reciprocal-trade-agreements concept and said the only mutually satisfactory trade between nations would be on the basis of the exchange of their surplus products.

Mr. LONG. Mr. President, will the Senator yield further?

Mr. ERVIN. I yield.

Mr. LONG. The Senator is familiar with the fact that President Eisenhower is not permitted under the Constitution to run for reelection and, therefore, can only serve as President for 2 more years?

Mr. ERVIN. Yes.

Mr. LONG. Recognizing that fact, no one can very well look into a crystal ball to read with certainty the future. How are we to know that any American who may be President 2 years from now will want to have this particular act extended 3 years, into his term? Has it occurred to the Senator that the next President might prefer to have a different type of trade act from the one we have under consideration?

Mr. ERVIN. I hope that the next President, whoever he may be, will have some of the same sound notions about reciprocal trade Cordell Hull had, and that he will want an entirely different kind of act from the bill passed by the House and advocated by the administration.

Mr. LONG. Mr. President, will the Senator yield further?

Mr. ERVIN. I yield further.

Mr. LONG. Can the Senator think of any Member of Congress whose term would extend to the end of the act, if we pass the 5-year provision, as it is asked we do?

Mr. ERVIN. We are asked to extend the law for 5 years. All the Members of the House of Representatives would have to be reelected at least twice, and at least two-thirds of the present membership of the Senate would have to be reelected before the act would expire, if it were extended for 5 years. I personally do not think Congress ought to abdicate its authority that long.

Mr. LONG. As a matter of fact, there is not a single Member of the Senate, which is the body with the longest tenure, whose term of office extends for more than 4½ years from today.

Mr. ERVIN. The Senator is correct.

Mr. LONG. Therefore, if we were to delegate the authority for 5 years, the elected term of not a single Member of Congress would extend for the period for which we delegated away the power of the Congress and the duty of the Congress to regulate foreign trade.

Mr. ERVIN. I think the Senator is correct.

Mr. LONG. I thank the Senator.

Mr. BIBLE. Mr. President, will the Senator yield?

Mr. ERVIN. I am delighted to yield to the distinguished junior Senator from Nevada.

Mr. BIBLE. Mr. President, I should like to commend the distinguished senior Senator from North Carolina for the very valuable contribution he is making to the discussion of the entire reciprocal trade picture. I know of the Senator's interest in this subject, and I certainly want to associate myself in general with the remarks he has made.

I noted the Senator's comments concerning the textile industry and the plywood industry of the State of North Carolina, and how the citizens of the State had been hurt by imports from Japan.

It was my privilege to hear one of the representatives of the State of North Carolina before the Mining Subcommittee a short time ago. He pointed out that in the State of North Carolina the tungsten industry would be closing its doors, I think in the last part of June, because of cheap imports of minerals from overseas. I think that was an operation which employed some 500 men.

Mr. ERVIN. It employed several hundred. I forget the exact number.

Mr. BIBLE. I think the witness testified between 475 and 500 men were employed in that operation.

The significant thing to me is that the American taxpayers have been sending money overseas to various countries for the purpose of building things such as mills—the most modern, efficient mills which could be designed—adapted to produce and ship materials back to this country and thus to put our mill men out of work, as our miners are being put out of work.

I wonder if the Senator from North Carolina, who has made a great study of this subject, is able to point out where the reciprocity is in that type of arrangement.

Mr. ERVIN. The truth of the matter is, as I said during the course of my remarks, during recent years the reciprocity concept has been thrown out the window. We are told that this should not be a commercial matter but should be something else. We are told that American industries and jobs of American working men are diplomatic matters, to be bartered away around diplomatic tables all over the earth by the State Department. We are told that unless we sacrifice segments of American industry selected by the Secretary of State, and unless we sacrifice jobs of Americans, every nation for whom we do not do those things is going to turn Communist; I do not believe this. I think other people love liberty just as we do.

Mr. BIBLE. I certainly associate myself with those remarks.

Is it not also true, not only in the mining field but also in the textile field, that a great many Americans wonder if it is not a part of our duty to help them a little?

Mr. ERVIN. Yes. There are still a few of us who labor under the antiquated notion that the primary obligation of the American Government is to promote the welfare of the American people.

Mr. BIBLE. I think that is a most worthy constitutional objective, and it is one we should attempt to follow a little more closely.

Did I correctly understand the distinguished Senator from North Carolina to say that a representative of the United States Government had made a study of the trade problem and had recommended to the Philippine Government that a tariff wall be imposed so as to prevent the importation of textiles into that country?

Mr. ERVIN. Exactly. He recommended that a temporary ban be placed upon the importation of all textiles until the Congress of the Philippine Republic could establish a tariff high enough to prevent the importation into the Philippines of textiles from all other nations. Also, he recommended, in order to make the tariff absolutely effective, that care be taken to see that all the

the 4th, the 5th, the 6th, the 7th, the 8th, the 9th, the 10th, and the 18th are recommendations made by an employee of the State Department that the Republic of the Philippines take active steps forthwith to prevent the importation of any outside textile products into the Philippine Islands.

The recommendations are rather significant. I shall read some of them, merely as examples. I shall read Nos. 9 and 10. No. 9 reads:

Place an admittedly protective tariff on the import of all finished textiles high enough to insure that locally produced goods will be more attractive pricewise than the imported varieties.

The 10th recommendation reads:

Make the tariff applicable to all finished textile imports and collect it; allow no one, not even Government-owned agencies to import finished textiles duty free or with reduced duties.

In effect, Mr. President, we find that an employee of an agency of the State Department—the Department which says it wants to tear down tariff walls between nations—went to another nation, the Philippine Islands, and advised it to establish a tariff system under which it will be virtually impossible for any textile goods to enter the Philippine Islands from any source. In other words, after we encouraged and assisted the Japanese to build up a great textile empire, an employee of the State Department went to the Philippines and tried to make certain that Japan would not be able to export any of her textile products to the Philippine Islands.

After the International Cooperation Administration took the money of American taxpayers and used it to build textile plants in Indonesia, an employee of the State Department went to the Philippine Islands and recommended that they take steps which would make it certain that Indonesia also would not have a market in the Philippines for the products of the mills which were built in Indonesia with the money of American taxpayers.

Mr. President, I ask unanimous consent that the recommendations of Mr. Buffington, which were included in the Fifth Quarterly Report to Industrial Development Center and United States Operation Mission to the Philippines on Development of the Textile Industry in the Philippines, and which bears the date of March 7, 1958, be printed in full in the RECORD at this point as a part of my remarks.

There being no objection, the recommendations were ordered to be printed in the RECORD, as follows:

FIFTH QUARTERLY REPORT TO INDUSTRIAL DEVELOPMENT CENTER AND UNITED STATES OPERATION MISSION TO THE PHILIPPINES ON DEVELOPMENT OF THE TEXTILE INDUSTRY IN THE PHILIPPINES, MARCH 7, 1958

(By Sidney L. Buffington)

III. RECOMMENDATIONS

1. IDC should continue to collect data relative to textile operations, should improve its present collection and tabulating methods and should make the results of its work available to all legitimately interested parties.

2. As need arises and opportunity presents itself additional information regarding the textile industry should be added to the collection. However, common sense should be exercised and no overambitious systems set up without practical trials. It is better to have a minimum of fast and accurate information than a tremendous target that cannot be achieved.

3. IDC should continue to advocate the formation of a special group (this is a repetition of the third recommendation made in my second quarterly report, dated June 7, 1957) charged with the work and duties of dealing only with matters relating to the textile industry and to advise the national economic council regarding the textile industry and its growth. Formation and use of such a group is necessary to correlate information on the textile industry, keep the many Government agencies that are involved informed and advised, reduce the overlapping functions that now exist and attempt to get more value for the Philippines per import dollar spent for textiles and textile equipment than has been realized to date.

4. Put a stop to the duty and tax free import of textile materials by the so-called new and necessary industries.

5. Place an admittedly protective tariff on the import of cotton yarn high enough to insure that locally produced yarn will be more attractive pricewise than the imported variety.

6. Make the tariff applicable to all cotton yarn imports and collect it; allow no one, not even Government-owned agencies, to import yarn duty free or with reduced duties.

7. Place an admittedly protective tariff on the import of cotton and synthetic grey cloth high enough to insure that locally produced gray cloth will be more attractive pricewise than the imported variety.

8. Make the tariff applicable to all grey cloth imports and collect it; allow no one, not even Government-owned agencies to import gray cloth duty free or with reduced duties.

9. Place an admittedly protective tariff on the import of all finished textiles high enough to insure that locally produced goods will be more attractive pricewise than the imported varieties.

10. Make the tariff applicable to all finished textile imports and collect it; allow no one, not even Government-owned agencies to import finished textiles duty free or with reduced duties.

11. Make available to the local spinners all the raw cotton they can process into yarn with as little redtape; as little delay and at as reasonable terms as is possible in order to promote full operation of spinning facilities already installed to save as much foreign exchange as possible.

12. Make available reasonable amounts of foreign exchange for supplies, accessories, spare parts, and auxiliary equipment to insure that facilities for spinning and weaving that are already installed can operate as much as possible and by producing goods here, save the larger blocks of foreign exchange now being spent on the import of foreign-made manufactures and semimanufactures.

13. Make available foreign exchange for balancing equipment and auxiliary equipment for spinning and weaving units already installed and under construction so that they can produce as much as possible with the least delay and save foreign exchange.

14. Make foreign exchange available to complete the purchase of planned units of spinning and weaving for which partial commitments have already been made so as to complete them and get them into operation with the least possible delay.

15. Stop making foreign exchange available for further expansion to those sections of the textile industry which are already developed beyond the immediate needs of the Philippine market.

16. Make foreign exchange available, as it is possible, for new ventures in combined spinning and weaving which are reasonably balanced to make grey cloth without the need to import yarn.

17. Promote loom installations with spinning already installed as the next urgent move to correct the temporary overexpansion of spinning only that can be foreseen.

18. Place a temporary ban on all cotton yarn imports to save exchange, encourage more operation of facilities already installed and to increase employment. Watch the effects of this move closely so that marked injustices can be corrected by special temporary action.

19. Continue to work with and educate the managements of all factories that request help on matters pertaining to raw cotton and the buying of raw cotton to minimize troubles and losses caused by receipt of bad shipments.

Mr. ERVIN. Mr. President, I have been concerned about the maladministration of the Reciprocal Trade Agreements Act because of its impact on two industries of my State. One of those industries is the plywood industry. A number of North Carolina plywood plants have gone out of existence, and their operators have ascribed their economic demise to the importation of plywood produced by labor in other countries which have no minimum wage laws of any character.

Another one of the industries threatened by the maladministration of the Reciprocal Trade Agreements Act in my State is the textile industry, in which 230,000 of the people I have the honor, in part, to represent in the United States Senate are employed, and in which industry they earn their daily bread for themselves and their families.

The only reason why the American textile industry has not suffered more is the forbearance of the Japanese. Congress delegated to the President the power to regulate commerce with foreign nations. The President delegated the power to the Secretary of State. The Secretary of State delegated it to some persons in his Department whose identities are unknown to the Congress of the United States. Those persons delegated it, so far as the textile industry is concerned, to the Japanese. As a result, we have this peculiar situation: For the first time since the morning stars sang together for glory, one sovereign nation has delegated to another nation the power to decide whether one of its basic industries shall fade or flourish.

Today the American textile industry, so far as Japan is concerned, is being regulated not by Congress, not by the President, not by the State Department, but by the Japanese. At any moment the Japanese can decide it is no longer their obligation to protect American textiles against excessive or unreasonable exports of their own textile products.

As I said at the beginning, I am a strong advocate of a reciprocal trade agreements program based upon the two basic concepts of Cordell Hull. The first of these concepts is that the reciprocal trade agreements program must be operated in such a way that the United States will export to other nations goods which it produces in surplus quantities, and will import from such nations goods which the United States either does not produce or cannot produce in sufficient quantities for our own use.

The second is that in every case where the United States grants a trade concession to another nation there should be reciprocity, as Cordell Hull contemplated, in that we should receive from such nation a concession worthwhile in return for our concession. We should restore sense to the reciprocal trade program by reincarnating in the program and in its administration the concepts of Cordell Hull. Then we would have what he called a mutually satisfactory exchange of surplus commodities. That is the only basis on which we can have a satisfactory trade program, because the American Congress is not going to sit by and continue to see maladministration of the act to the detriment of American industries and to the detriment of the American working people who have to earn their living by the sweat of their brows in American industry.

By passing the bill which was reported by the Senate Committee on Finance, we will make it certain that this program is to be carried out according to the original concepts of Cordell Hull and that injury of a drastic nature to American industry and American labor will be averted. Moreover, by the adoption of the Kerr amendment, giving the majority of the Congress the power to exercise its constitutional authority in this field, we will conform our legislation on the subject to the Constitution of the United States.

Mr. LONG. Mr. President, will the Senator yield?

Mr. ERVIN. I yield.

Mr. LONG. The Senator knows, does he not, that in the history of this program there has never been an extension of the reciprocal trade program for more than 3 years?

Mr. ERVIN. I certainly do. To my mind it is ridiculous for the State Department to ask that we extend the program for 5 years. It is ridiculous for us to be asked to abdicate our authority for 5 years. Certainly if the State Department cannot make an agreement in 3 years, it can come back to Congress and ask for another extension. If the Department has behaved in a sensible manner in the meantime there will be an extension.

Mr. LONG. Could it not be regarded as somewhat presumptuous for John Foster Dulles to believe he is going to be Secretary of State 5 years from now, or even 3 years from now?

Mr. ERVIN. I think it would be rather presumptuous, because I believe in the next general election we shall have a change of administration and we shall have a new Secretary of State. I have every reason to believe, or, at least, to hope, that the new Secretary of State will have the same intelligence in trade matters as was manifested by Cordell Hull when he originated the reciprocal-trade-agreements concept and said the only mutually satisfactory trade between nations would be on the basis of the exchange of their surplus products.

Mr. LONG. Mr. President, will the Senator yield further?

Mr. ERVIN. I yield.

Mr. LONG. The Senator is familiar with the fact that President Eisenhower is not permitted under the Constitution to run for reelection and, therefore, can only serve as President for 2 more years?

Mr. ERVIN. Yes.

Mr. LONG. Recognizing that fact, no one can very well look into a crystal ball to read with certainty the future. How are we to know that any American who may be President 2 years from now will want to have this particular act extended 3 years, into his term? Has it occurred to the Senator that the next President might prefer to have a different type of trade act from the one we have under consideration?

Mr. ERVIN. I hope that the next President, whoever he may be, will have some of the same sound notions about reciprocal trade Cordell Hull had, and that he will want an entirely different kind of act from the bill passed by the House and advocated by the administration.

Mr. LONG. Mr. President, will the Senator yield further?

Mr. ERVIN. I yield further.

Mr. LONG. Can the Senator think of any Member of Congress whose term would extend to the end of the act, if we pass the 5-year provision, as it is asked we do?

Mr. ERVIN. We are asked to extend the law for 5 years. All the Members of the House of Representatives would have to be reelected at least twice, and at least two-thirds of the present membership of the Senate would have to be reelected before the act would expire, if it were extended for 5 years. I personally do not think Congress ought to abdicate its authority that long.

Mr. LONG. As a matter of fact, there is not a single Member of the Senate, which is the body with the longest tenure, whose term of office extends for more than 4½ years from today.

Mr. ERVIN. The Senator is correct.

Mr. LONG. Therefore, if we were to delegate the authority for 5 years, the elected term of not a single Member of Congress would extend for the period for which we delegated away the power of the Congress and the duty of the Congress to regulate foreign trade.

Mr. ERVIN. I think the Senator is correct.

Mr. LONG. I thank the Senator.

Mr. BIBLE. Mr. President, will the Senator yield?

Mr. ERVIN. I am delighted to yield to the distinguished junior Senator from Nevada.

Mr. BIBLE. Mr. President, I should like to commend the distinguished senior Senator from North Carolina for the very valuable contribution he is making to the discussion of the entire reciprocal trade picture. I know of the Senator's interest in this subject, and I certainly want to associate myself in general with the remarks he has made.

I noted the Senator's comments concerning the textile industry and the plywood industry of the State of North Carolina, and how the citizens of the State had been hurt by imports from Japan.

It was my privilege to hear one of the representatives of the State of North Carolina before the Mining Subcommittee a short time ago. He pointed out that in the State of North Carolina the tungsten industry would be closing its doors, I think in the last part of June, because of cheap imports of minerals from overseas. I think that was an operation which employed some 500 men.

Mr. ERVIN. It employed several hundred. I forget the exact number.

Mr. BIBLE. I think the witness testified between 475 and 500 men were employed in that operation.

The significant thing to me is that the American taxpayers have been sending money overseas to various countries for the purpose of building things such as mills—the most modern, efficient mills which could be designed—adapted to produce and ship materials back to this country and thus to put our mill men out of work, as our miners are being put out of work.

I wonder if the Senator from North Carolina, who has made a great study of this subject, is able to point out where the reciprocity is in that type of arrangement.

Mr. ERVIN. The truth of the matter is, as I said during the course of my remarks, during recent years the reciprocity concept has been thrown out the window. We are told that this should not be a commercial matter but should be something else. We are told that American industries and jobs of American working men are diplomatic matters, to be bartered away around diplomatic tables all over the earth by the State Department. We are told that unless we sacrifice segments of American industry selected by the Secretary of State, and unless we sacrifice jobs of Americans, every nation for whom we do not do those things is going to turn Communist; I do not believe this. I think other people love liberty just as we do.

Mr. BIBLE. I certainly associate myself with those remarks.

Is it not also true, not only in the mining field but also in the textile field, that a great many Americans wonder if it is not a part of our duty to help them a little?

Mr. ERVIN. Yes. There are still a few of us who labor under the antiquated notion that the primary obligation of the American Government is to promote the welfare of the American people.

Mr. BIBLE. I think that is a most worthy constitutional objective, and it is one we should attempt to follow a little more closely.

Did I correctly understand the distinguished Senator from North Carolina to say that a representative of the United States Government had made a study of the trade problem and had recommended to the Philippine Government that a tariff wall be imposed so as to prevent the importation of textiles into that country?

Mr. ERVIN. Exactly. He recommended that a temporary ban be placed upon the importation of all textiles until the Congress of the Philippine Republic could establish a tariff high enough to prevent the importation into the Philippines of textiles from all other nations. Also, he recommended, in order to make the tariff absolutely effective, that care be taken to see that all the

tariff was collected, and even that no agency of the Philippine Government should be allowed to import anything at less than the full amount of the tariff.

Mr. BIBLE. I wonder if the same employee made a study of the textile problem in North Carolina, and if, by chance, he might have examined the adverse effect upon the industrial economy of the Senator's State by reason of the importation of textiles from Japan and other countries. If so, I wonder if he made a recommendation that the industry in North Carolina be protected from importations from Japan. Was he consistent?

Mr. ERVIN. I have no knowledge that he ever made an investigation in North Carolina. But if he should make a recommendation that the North Carolina textile industry should be protected, and that the jobs of the 230,000 men and women who make their living in that industry should be protected, he would undoubtedly be dismissed by the State Department before the sun went down. This is true because it would be abhorrent to the State Department to think that any American interests should be protected in preference to those of other parts of the world.

Mr. BIBLE. I agree that that is what would probably happen to any such employee of the State Department. But if he were consistent, and if his policy were applied overseas, he would have arrived at a similar conclusion, would he not?

Mr. ERVIN. He would, if he had not been consorting with a department which is essentially a schizophrenic department—a department with a split personality.

The State Department goes to Indonesia and uses the money of American taxpayers to build a textile industry there. It goes to Japan to rehabilitate the Japanese textile industry. Then it goes to the Philippines, which would be within the trading area of those countries, and advises the Philippines to erect a tariff wall, so that no Japanese or Indonesian or American textiles can enter. Those in the State Department who want complete authority over all trade matters, unhindered by any constitutional limitations or any limitations imposed by Congress, remind me of the man of whom it was said that he jumped on his horse and rode off wildly in all directions. The Department advocates the abolition of tariffs in the United States, and the erection of tariff walls in the Philippines.

Mr. BIBLE. Does it seem too inconsistent to the distinguished Senator from North Carolina to request that some of these powers be returned to the Congress, where they originally reposed, according to the design of the Constitution? Is that an unsavory, unusual, and unreasonable request?

Mr. ERVIN. It is to some persons. I read in the newspaper this morning that a Cabinet member was quoted as having said that if the majority of the Congress were allowed to exercise the constitutional power possessed by Congress, it would emasculate the reciprocal trade agreement program. His concept of reciprocal trade is that it is impossible to reconcile a Reciprocal Trade Agreements Act with the Constitution of the United States and that therefore the Constitution of the United States is to be thrown overboard.

Mr. BIBLE . I appreciate the sentiments and views of one so distinguished in constitutional law as the able senior Senator from North Carolina. I wish to associate myself with his remarks.

Mr. ERVIN. I thank the Senator for his generous comments.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. ERVIN. I am delighted to yield to the able and distinguished Senator from Georgia.

Mr. TALMADGE. First, I desire to thank the distinguished Senator from North Carolina for one of the most able addresses I have heard in the short period of time I have been a Member of the Senate.

Second, I wish to associate myself with his remarks. I should like to ask him a question or two.

Mr. ERVIN. First, I should like to thank the Senator from Georgia for his very generous statement.

Mr. TALMADGE. In Georgia also the largest employer is the textile industry; but the people there are losing their jobs in droves at the present time. A short while ago I received a call from an employer in my State. He stated that one of his friends apparently would have to liquidate a textile mill, which is employing 600 people at the present time. It has been in existence as long as I can remember, and probably for a great many years prior thereto.

Is it not true that the manufacturer in any foreign country can buy raw cotton for about $35 a bale cheaper than the textile industry in the United States can buy it?

Mr. ERVIN. That is correct. He can buy it at the cheaper rate from the Commodity Credit Corporation.

Mr. TALMADGE. Which is financed by the taxpayers of the United States.

Mr. ERVIN. Yes.

Mr. TALMADGE. Is it not also true that the wage standard in Japan, Pakistan, Indonesia, and many other countries is about 15 cents an hour?

Mr. ERVIN. That is about the highest wage paid.

Mr. TALMADGE. Whereas the wage scale in the textile mills of North Carolinia, Georgia, Massachusetts, Rhode Island, and many other States in the Union is from $1.35 to $1.50 an hour.

Mr. ERVIN. That is correct.

Mr. TALMADGE. So the foreign manufacturer has the advantage of a cost price for the raw cotton $35 a bale cheaper than the textile manufacturer in this country can buy it, and that differential is financed by the taxpayers of the United States?

Mr. ERVIN. That is correct.

Mr. TALMADGE. Also the wage scale differential is about 10 to 1 in favor of the textile mills which the State Department seeks to protect?

Mr. ERVIN. That is correct.

Mr. TALMADGE. Can the Senator think of any quicker way to put a textile mill and textile employees out of business than by a combination of those two circumstances?

Mr. ERVIN. I cannot.

Mr. TALMADGE. I believe the Senator from Nevada [Mr. BIBLE] held a colloquy with the Senator from North Carolina with respect to the employee of the ICA who was trying to persuade textile manufacturers to go to Indonesia and build textile mills there, at the cost of the taxpayers of the United States, to compete with textile mills in this country, which pay taxes.

Mr. ERVIN. That is correct.

Mr. TALMADGE. Can the distinguished Senator from North Carolina, who is not only an able lawyer, but an extremely able historian, think of any instance in all the annals of history, of anything better calculated to help to destroy our country fast?

Mr. ERVIN. I cannot.

Mr. TALMADGE. I thank the distinguished Senator.

Mr. ERVIN. We are told that American industries which are paying their employees $1.25 or $1.30 an hour can compete with foreign industries which are paying their employees 15 cents an hour. But it cannot be done. If we are to meet the demands of the market with our goods, the cost of production must fall and rise with the demands of the market. When we have a minimum wage law which prevents the wages of labor from falling with the demands of the market, and when we have a tax law under which 52 percent of all the profits is taken from industry, which must pay minimum wages, and when industry tries to compete with some industry in a foreign country which is subsidized by American dollars, which has the advantage of 15-cent labor and a preferential rate in the purchase of the raw materials, it is impossible to have fair competition.

Mr. TALMADGE. I thank the distinguished Senator. I heartily concur in that statement.

Mr. POTTER. Mr. President, differences of opinion over tariff policies are almost as old as our Nation itself. Perhaps that is the reason why the debate over the reciprocal trade agreements legislation which has been headlined so much in the press seems so familiar to us all. We have heard it all before—or so it seems.

But we have not heard it all before. The words may sound familiar, but the basic reason for them this year is different. During the weeks of study devoted to the bill by the Ways and Means Committee of the House, this basic difference was clearly outlined, so much so that the bill was passed by the greatest majority given to tariff legislation in the 20th century. And for the first time in modern history more witnesses testified in favor of the administration bill than against it.

It is not my intention to dwell on the magnitude of this victory for reciprocal trade in the House. Nor do I wish to challenge the motives or thinking of the sincere men who voted against the measure. Indeed I marvel at them for holding to their beliefs so firmly in the face of evidence showing that 64 percent of the American people favor the bill.

And certainly I do not wish to speak of this subject with emotion, though clearly it is an issue which stirs emotion among partisans and opponents.

It is my intent only to speak of cold facts and of dollars and cents, in representing my State to the utmost of my ability. I intend to vote for the passage of the Reciprocal Trade Agreements Act. I should have preferred to see the Senate bill include a 5-year extension, as approved by the House of Representatives, but nevertheless I will support the bill before us, particularly if it contains a substitute for the so-called Kerr amendment, or if the Kerr amendment is stricken from the bill.

It seems to me that proponents of reciprocal trade have done a fine job of acquainting the American people with the need for a modern realistic tariff policy. I need not speak again of the $19½ billion in American products sold across the seas in 1957 and the jobs thus created for Americans. We are, I believe, well acquainted with the economic war mounted against us by the Kremlin. We are well acquainted with the urgent need of maintaining defense bases in foreign lands. Beyond recalling these facts briefly, I shall concentrate on the prosperity of the American people and the dependence of their prosperity upon our foreign trade.

The Department of Commerce, under the able leadership of Secretary Weeks, at the request of many Senators and Representatives, has produced a series of studies of the impact of foreign trade upon various areas of the United States. I believe these studies are an outstanding reason for the victory of the trade legislation in the House.

The Department of Commerce frankly states that it is impossible to measure with statistical precision the impact of foreign trade in any particular area. It does maintain, however, that in most cases the data used in the studies are within generally accepted standards of statistical accuracy. While an error may be possible, it cannot be a large enough error to impair the usefulness of the survey. I have spent much time in examining these impact studies, particularly the one for my own State of Michigan. I am greatly impressed by what they reveal. As a matter of fact, I cannot at the moment think of Government funds which have spent to better effect in studies of this nature.

I would like to see such a study completed for every area of the United States and kept up to date each year. There is no better way to illustrate the vast economic change through which our country has been passing. These studies clearly reveal that the United States can no longer consume its own gross national product as it once did. To maintain our prosperity we must export. And if we expect our friends across the seas to buy our products, we, in turn, must buy their products from them. It is as simple as that.

In a moment I will comment briefly on the impact study of the State of Michigan, but before I do so I should like to quote from the Commerce Department introduction to each completed study. In this introduction the Department of Commerce outlines its purpose in very simple terms. This is the way it reads:

> Every American instinctively asks the following questions about any situation that may affect his livelihood: Does it help or harm my job, my business, my chance to better my future? For the opportunity for economic self-preservation and self-betterment is a fundamental right of a free people. Because the true answer is crucial to each individual he serves his own best interest if he gets the best information available before making up his mind. In no field is there more urgent need for the truth—and the whole truth—to the individual than in the subject of foreign trade—which is growing to such widespread public interest this year. For more and more people are beginning to realize trade's increasing impact on our economy, its close relationship to the economic power of the free nations and its potential might in providing America with some of the national security strength necessary for survival in a Communist-threatened world. The purpose of this report is to describe what world trade does in the lives of the men and women or a particular area. It includes both the favorable and the unfavorable evidence.

Let us look at some of the statistics for the State of Michigan. They reveal that the significant industry groups in this industrial area are transportation equipment, machinery (except electrical), fabricated metal products, primary metal industries, and food and kindred products. Approximately a million and a quarter people are employed in the State of Michigan in the activities covered by these five groups. This is about 77 percent of all persons in the manufacturing field in our State. Michigan's proportionate share of all United States exports in these 5 fields came to $861 million dollars in 1956.

It is difficult to imagine the economic setback which would come to the people of Michigan should the Senate fail to pass the reciprocal trade agreements bill in line with the overwhelming approval given by the House of Representatives. It would be tragic for them, indeed.

I do not make light of the plight of some small segments of American industry which find themselves in difficulty because of foreign competition. I am well aware of this, as I am sure are my colleagues. This is a matter of grave importance to the administration, which also seeks an answer. There always has been, is now, and always will be another side to every story. There are costs which American history proves must be borne, at the moment disproportionately, according to some—for the needs of all. I have worked on the problems facing those who must meet foreign competition, and I shall continue my efforts to help reach a solution.

But for a moment I should like to speak of five great business and industrial groups upon which the economy of the State of Michigan depends. I will take them in order of importance.

Transportation equipment: In this field, according to the Commerce Department survey, about 400,000 people are employed in 536 establishments. Over 50 percent of all manufacturing employment in our State is in transportation equipment. Michigan's proportionate share of United States exports in 1956 was approximately $628 million.

Machinery—nonelectrical: In this activity approximately 170,000 people were employed by nearly 3,000 manufacturers. In 1956 United States exports of machinery in this category were valued at almost $3 billion. Michigan's proportionate share amounted to approximately $153 million.

Fabricated metal products: In this grouping about 92,000 people were employed by 1,737 establishments. In 1956, United States exports of fabricated metal products amounted to $444 million. Michigan's proportionate share was $23 million. Moreover, this did not include the large percentage of fabricated metal products exported as integral parts of motor vehicles and other machinery items. And Detroit, it is well to remember, is the automotive center of the world.

Primary metal industries: Seventy-seven thousand seven hundred and forty-three Michigan workers were employed in 492 establishments in this field for which the automobile industry is the primary consumer. In 1956, United States exports of these products exceeded $1 billion and Michigan's proportionate share came to $34 million.

Food and kindred products: Nearly 60,000 people of Michigan found employment in 1,677 establishments in this important category. In the entire United States nearly a million and three-quarters persons were working in this field producing about a billion and three-quarters dollars worth of directly exported commodities. The share of this vast sum attributable to Michigan is almost $23 million.

In speaking of these five groups I have done no more than scratch the surface so far as the State of Michigan is concerned. I call attention to the fact that a significant share of exports of industries is not included in those I have mentioned. They are manufacturers of chemicals, rubber tires, furniture, plastics, electrical equipment, and other products, many of whom also have direct export interests.

Indeed, the benefit to Michigan from foreign trade is so great and spreads into so many fields of commerce, industry, and agriculture that to speak of them all would take the rest of the day.

According to the Department of Agriculture approximately 262,000 people in the State of Michigan work on farms, and their need for supporting services creates employment for thousands more. Along with other United States farmers, these people have a direct interest in our exports of some 4 billion dollars worth of American farm products each year, which not only provide additional farm income, but also erase the pressure of supplies on the domestic market and strengthen prices. Michigan's proportionate share of these exports in the 1956–57 marketing year was approximately $62 million.

Approximately 19,000 persons are employed in mining in the State of Michigan. Of these, some 4,250 are probably unconcerned with foreign trade, 5,500 may consider themselves affected adversely by the Nation's significant imports of copper and crude petroleum, and 9,300 persons may benefit from the Nation's large exports of iron ore.

About 950,000 persons in Michigan work in such industries as construction, public utilities, trade, banking, real estate, insurance, and public administration. It is quite safe to say that many of these people are not even aware that they have a stake in the foreign trade of Michigan. But they have, and it is an important stake. It derives mainly from the fact that among those to whom they sell their products or services are the great firms producing the movable goods which enter international trade. Then too, they derive an extra benefit to the extent that they handle international economic transactions which pass through the State such as telephone traffic, transportation, financing, and the like.

In any discussion of the benefits brought to Michigan by international trade we must mention imports from abroad. Without these many Michigan firms could not operate or would have to curtail drastically their operations. Imported flavorings, extracts, and other food products, imported minerals, and other raw materials, together with imported commodities of a raw and semifinished nature, enable Michigan manufacturers to produce better products at a lower cost and Michigan people to enjoy better living than might otherwise be the case.

In the final analysis, the net effect of imports on the economy of Michigan appears to be overwhelmingly favorable. I emphasize that without the things which we buy from abroad, we would all have a substantially lower standard of living. In 1956 we bought $13 billion worth of goods from foreign countries for use in our production processes or for consumption to meet the needs of the American people. Most of these imports met demands which could not be supplied from United States sources, or only to a limited extent at greatly increased prices.

The list of materials vital to the building of American automobiles which are unavailable in the United States would be a long one indeed. For these we are entirely dependent upon shipments from abroad. One of the most important facts of all in this respect, and one often overlooked, is that without our purchase of goods from abroad foreign buyers would not have sufficient dollars with which to purchase our exported products in return. Trade among the free nations of the world is indeed, as President Eisenhower has so often said, a two-way street.

I have necessarily confined these remarks to my own State of Michigan. But for Americans in every part of the United States a similar situation prevails. The benefit of foreign trade may be greater in one or less in another, but the overall result is the same. Our Nation must trade or perish. And we must take the most realistic approach possible in considering this vital matter. The pattern before us is clear.

One or two other factors of great significance should be mentioned in any discussion of reciprocal trade. The newspapers of the United States probably have never achieved a greater degree of unanimity on any one subject in our time. All over this great country the press has outspokenly praised the Reciprocal Trade Agreements Act. The Department of Commerce impact studies, from which I have quoted at length, have also been quoted by the leading newspapers of our country, regardless of their basic political leanings. I believe it is safe to say that a person could count on the fingers of one hand the important daily newspapers which have not completely supported this legislation from beginning.

The coming of the St. Lawrence Seaway has been hailed as bringing the world to the Great Lakes. Over this seaway will journey vast amounts of the wealth of America to lands across the seas. It would be the height of folly for the people of Michigan not to recognize the brilliant future of our great State. But the degree of its brilliance will be largely determined, as will the economic future of the entire United States, by the action taken on reciprocal trade by the United States Senate. There is only one road to take. I am confident that our country will keep its date with destiny and continue to lead the Free World to freedom, peace, and prosperity in the years which lie ahead.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DENVER POST CHALLENGES BACKERS OF RIGHT-TO-WORK LAWS

Mr. NEUBERGER. Mr. President, many States at this time are witnessing attacks on labor peace and security in the guise of so-called right-to-work laws. Such laws do not give jobs to workers and often upset existing labor peace.

Typical of the misleading and malicious campaigns for so-called right-to-work laws is the one described by a recent editorial entitled "Right To Work Is Unmasked," which was published in the Denver Post for June 26, 1958. The Denver Post is the largest daily paper in the Rocky Mountain area, and is published by the able Palmer Hoyt, formerly editor of The Oregonian, in Portland, Oreg. I ask unanimous consent that the editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

In its last minute frenzy to get signatures for its proposed amendment, the Colorado right-to-work committee has let its mask slip, thereby revealing that its attack on union shop contracts is merely a coverup for a blind fury it harbors for labor unions in general.

The recent advertisement placed in the Post by the committee, urging petition circulators to a final effort, is hardly a reasoned or temperate appeal. We wonder if members of the Denver Chamber of Commerce won't feel somewhat aghast to discover the real temper of the cause which they have officially joined—not through their own vote but through the vote of their directors.

No effort was made any place in the advertisement to discuss the supposed merits of the specific amendment, which would forbid employers and unions to enter into contracts containing requirements that employees must join a union within 30 days after being hired.

No place in the advertisement was it mentioned that under existing Colorado law union shop contracts are made only when employers and a heavy majority (75 percent) of the voting employees want them.

No place was it mentioned that union shop contracts are permitted under the Federal Taft-Hartley Act, which employers have defended so stoutly.

The great bulk of the Colorado right-to-work committee attack was not leveled at the union shop, except by devious indirection. Instead, the attack is aimed at Dave Beck, dishonest union officials, the Kohler strike, lack of democracy in unions, union political activity, lack of financial accounting, union-won wage increases.

The principal evils cited by the committee are not, of course, characteristic of all unions—only a few of them. These evils could exist with or without a union shop, yet the union shop is supposed to be the issue under consideration. Federal laws to correct many of these evils are now in the process of enactment, but the committee does not mention that.

The committee leaves the inevitable impression that it believes only employers—not unions—should engage in politics and that labor unions—but not, necessarily, chambers of commerce—should make decisions by votes of members.

If any evidence were needed that the right-to-work movement is unreasonably malicious, the Colorado committee itself has furnished it.

Mr. NEUBERGER. Mr. President, two distinguished Americans have recently formed the National Council for Industrial Peace to combat the type of campaign so well described by the Denver Post. Mrs. Eleanor Roosevelt and former United States Senator Herbert H. Lehman, of New York, have organized the National Council for Industrial Peace to combat the right-to-work laws and to promote good relations between labor and management. I ask unanimous consent that the joint statement issued by Mrs. Roosevelt and former Senator Lehman on the founding of the National Council for Industrial Peace be printed in the RECORD following my remarks.

Organized labor has contributed greatly to the strength of the United States, and it is indeed unfair to penalize the working men and women of our country for the wrongs committed by a very small minority of labor leaders and unions.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

MRS. ROOSEVELT, LEHMAN ISSUE TEXT OF STATEMENT

(TEXT of the point statement issued by Mrs. Eleanor Roosevelt and former Senator Herbert H. Lehman on the formation of the National Council for Industrial Peace)

For some time, we have been alarmed and concerned at the growing attack upon organized labor and industrial peace and stability under the guise of so-called right-to-work laws.

The recent report from California that an initiative petition for such a law has qualified and will appear on the November ballot demonstrates that the time has come for action.

It is time for all right-thinking citizens, from all walks of life, to join in protecting the Nation's economy and the workingman's union security from the predatory and misleading campaigns now being waged by the United States Chamber of Commerce and the National Association of Manufacturers.

The fact is that these laws do not guarantee any right to work. They are clearly and solely aimed at weakening the trade-union movement and thus weakening the basic economy of the United States, which is built upon mass consuming power.

These laws are openly disruptive of mature, sound collective bargaining. They prohibit management and labor from signing contracts with union security clauses which are in the best interest of both the company and the workers. They are clearly injurious to industrial peace.

We are opposed to the compulsory open shop. We believe most thinking Americans, when they are aware of the facts and the truth about right-to-work laws, will oppose them. We believe the false propaganda of the proponents of these laws must be exposed and countered.

Therefore, we have formed the National Council for Industrial Peace and we have asked John M. Redding to act as its director.

We are asking our friends and those citizens of good will, in both parties, to join with us in order, initially, to combat the spread of right-to-work laws and, as a long-range goal, to protect America's economy by fostering good relations and avoiding ill will and strife between management and labor.

We shall conduct this council as a nonpartisan, objective, independent organization, and we shall join hands with similar groups in various States to help achieve this goal.

We are convinced that the National Council for Industrial Peace can, and will, aid in achieving the kind of industrial society that is good for American industry, American workers and the entire American economy.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 376) to amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. COOLEY, Mr. POAGE, Mr. ANFUSO, Mr. HILL, and Mr. HOEVEN were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 655. An act for the relief of Brig. Gen. Chester W. Goble;

S. 1850. An act to adjust conditions of employment in departments or agencies in the Canal Zone;

S. 2621. An act for the relief of Olive V. Rabiniaux;

S. 2833. An act to provide for the conveyance of the interest of the United States in and to certain fissionable materials in a tract of land in the county of Alamance, State of North Carolina;

S. 3057. An act to increase the compensation of the Superintendent of Schools and the Commissioners of the District of Columbia;

H. R. 1045. An act to amend the Soil Conservation and Domestic Allotment Act, as amended;

H. R. 10320. An act to provide for additional charges to reflect certain costs in the acceptance of business reply cards, letters in business reply envelopes, and other matter under business reply labels for transmission in the mails without prepayment of postage, and for other purposes;

H. R. 12162. An act to amend the District of Columbia Stadium Act of 1957 to require the stadium to be constructed substantially in accordance with certain plans, to provide for a contract with the United States with respect to the site of such stadium, and for other purposes; and

H. R. 12575. An act to provide for research into problems of flight within and outside the earth's atmosphere, and for other purposes.

EXTENSION OF TRADE AGREEMENTS ACT

The Senate resumed the consideration of the bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

Mr. JOHNSTON of South Carolina. Mr. President, in voicing my opposition to the extension of the Reciprocal Trade Agreements Act, I do so in the name of economic realism.

History shows that the United States has had the world's highest standard of living, the highest wage scales, and the greatest productivity among the nations of the world. Our economic strength in the past has been our strong shield against powerful enemies. From our substance, we have provided the supplies of war for our allies, and after World War II we bolstered friendly nations threatened by communism. We again supplied the world in the Korean war.

In taking on the role of leader of the Free World, the American people assumed back-breaking tax schedules. Mutual assistance has become global giveaways enshrined as some untouchable policy. The consideration of American self-interest has been trampled in the dust by visionary theorists.

Not only did we send our dollars abroad to help put our friends back on their feet but after that we supported their budgetary requirements with our tax dollars, subsidized foreign industries, gave trade concessions that today mock our claim to national sanity.

Now much of this is coming back to consume us. Products of foreign industries, sustained by American tax dollars, produced abroad at virtually slave-wage levels, in many instances, are replacing American made goods in our domestic markets. Thus is created much unemployment, the fruit of our own mistaken generosity and ill-advised trade policy. Thousands upon thousands of Americans today are drawing unemployment benefits, running into millions of dollars, because their jobs have been abolished because of foreign competition which is being subsidized with American tax dollars.

The record will attest that from the outset of this giveaway carnival, I openly opposed these fanciful, costly programs and consistently have voted against them. Now the crop of wrath is being reaped. At this very moment unemployment stalks the land. Upward of 5 million workers are jobless in these United States. Day after day, week after week, the goal of recovery proves to be a mirage. The latest prediction we have from the White House economic experts is that they are looking for an economic upturn in the fall.

It has been a most fascinating, even if painful, experience to follow this game of the bouncing predictions: Back in January an upturn was suggested by the administration for February; when February came around, and things were no better, they polished up their crystal ball and took another look; and the pronouncement then made in all seriousness called for an improvement by March; then it was late spring; when the revival failed to materialize, they fell back to the safer ground of summer; and now of course the upturn is scheduled for autumn. The more cautious economists, however, are suggesting the first quarter, and in some cases the second quarter, of 1959 as the time when the country will turn the corner.

So the days, weeks, and months roll by, and the seasons come and go, and millions of Americans look in vain for employment, while Congress and the States strain to find a few million dollars to use to take care of our unemployed, while billions of dollars flow freely to foreign lands for foreign aid.

Meanwhile the job-destroying work of the so-called Reciprocal Trade Act goes on. In industry after industry the ravages of this ill-advised legislation are apparent: in textiles, ceramics, automobiles, bicycles, machine tools, coal, petroleum, plywood, to mention just a few. No section of the country—from southern and New England textiles to southern and west coast plywood, from Michigan's automobiles to Southwest's petroleum, from cotton in the South to pottery and coal in West Virginia, Pennsylvania, and Ohio—is spared the ill effects of the devastating, inequitable competition from so-called reciprocal trade. From one end of the country to the other, up and down and back and forth, the damage wreaked by inequitable foreign trade lays its heavy, destructive hand over our land.

Mr. President, I know very well that no nation can exist in what is classically termed "splendid isolation." I am well aware that if we expect to sell, we must buy; I fully realize that trade is a two-way street, and that if we are to have customers, we must also stand on the buyer's side of the table. But nowhere is there any requirement that we must continuously and perpetually give ourselves the worst of the bargain. We cannot continue forever to give hundreds of thousands or millions of dollars more than we receive. This is not trade, but is economic suicide.

The fact of the matter is that we are accorded respect as a people only as we command respect in the trading marts. The Old World has an ingrained respect for a good trader; it has only contempt for a "sucker."

When we go open-handed into the world's trade marts and invite exploitation, the prestige of the United States is

enormously damaged. People the world over have respect for nations that intelligently safeguard their rights and protect their economic interests. When one attempts to buy friendship, he loses not only his money, but also respect. Economic realism is one of the best weapons with which we can arm ourselves in these days of keen international competition.

The best way to fight communism is to put our own house in order. Unemployment at home is a third front we can ill afford. Unemployment cannot be measured in terms of jobs lost or dollars unearned. The story is by no means completely told by graphs and charts. What graph measures the sorrow and suffering of an unemployed American father? If unemployment is to be measured fully, we must consider what the lack of a job does to the morale of the head of a family—the effect it has on self-respect, and what the children think when they are confronted by want on all sides. To get the whole story of unemployment, one must understand the complete chain reaction on the family of an unemployed man. Then one understands the composite human factors, which are the most important of all.

Mr. President, if I do nothing else here today, I want to destroy the myth that one can make the weak strong by making the strong weak. We do not strengthen the Free World by weakening America; on the contrary, we only weaken the whole fabric of free enterprise, and threaten the foundation of the system that has enabled America to destroy powerful enemies.

We best benefit democracies and freedom-loving people everywhere by keeping America strong, and this means economically strong as well as morally and spiritually strong. A flourishing American economy, sparked by full employment, is the keystone of our system in opposing communism. Chip away from American strength and we take away from free men everywhere. Weaken the keystone to the danger point and the whole structure of the Free World will collapse.

I do not know exactly where or at what point the idea gained acceptance that we have to give ourselves the worst of it if we are to conduct trade with other nations. It is a foolish notion. Trade, in its very nature implies mutual advantage. The rules should be set up so that both parties to the contract make out well; otherwise it will not work.

It was never the intention of Secretary of State Cordell Hull, when he authored in 1934 the trade bill, that it should be an instrument destructive of American prosperity and economic stability. On the contrary, as he envisioned it, the trade bill was to be an instrument to bolster American output, create jobs, swell employment, increase national productivity, and bring the benefits of American production efficiency to the far reaches of the earth.

The results are a sorry miscarriage of Secretary Hull's aims and objectives. Somewhere along the line the goal became blurred, the spirit corrupted, the rules changed, and now the program has backfired.

Mr. President, I could go on for a long time citing specific instances of economic abuses to America from this so-called reciprocal trade bill; I could recite at length the harm the act has caused the textile industry in the South; I could tell of how it has crippled the cotton industry in South Carolina—the State which I happen, in part, to represent, a State which has approximately 28 percent of the active cotton spindles in America today—and elsewhere, by allowing to come into the United States a flood of cheap Japanese imports.

Mr. President, I could tell of thousands of idle spindles and closed plants and liquidations and men without work with unanswered questions in their eyes and that creeping fear which comes into a man's soul when he is faced with no income to carry out his family obligations.

The fact that there are 5 million unemployed does not give the full and true picture to the people. It will be found that in a great many industries, instead of operating 5 days a week, they are operating only 3 days a week. Instead of running 3 shifts each day, they are operating only 2 shifts each day. It has resulted in decreasing the income of individuals in America.

But I am not basing my opposition to the bill merely on what is happening in South Carolina, although that is enough to call a halt to this trade folly. Instead, I would like to base my case of opposition to this economic monstrosity in the name of every man, woman, and child of American management and labor who have felt its hurt. I base my opposition, too, on the economically disfranchised Americans who have had the bitter experience of seeing themselves reduced to want through the fruits of their own Government's foreign aid and so-called reciprocal trade giveaways.

Mr. President, the eyes of the country are on us as we consider this vital legislation. Our countrymen ask of us a square deal for America—they ask for economic realism that will rescue the American interest from the bottom of the ladder and place it on the top rung of policymaking where it rightfully belongs. I have every confidence that we will do just that.

The effort to extend the Reciprocal Trade Agreements Act reminds me that we would be placing in the hands of the President of the United States the legal right to out-give Goldfine.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD material relative to the foreign aid giveaway and the reciprocal trade program I have been discussing. The data was prepared by Mr. Paul Peters, editor of the News Bulletin.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FOREIGN AID HAS BEEN GOING TO COUNTRIES IN ALL PARTS OF THE WORLD THAT HAVE ADOPTED SOCIALISM, COMMUNISM, OR SOME FORM OF DICTATORSHIP

When President Eisenhower persuaded Mr. Eric Johnston, the president of the Motion Picture Export Association of America, a post paying $125,000 a year salary, to come to Washington and organize sentiment for the continuation of the reciprocal trades agreement program and foreign aid, both of which programs are under scrutiny by the Congress, he invited a new system of lobbying by mass appeal which caused the Chicago Tribune to editorialize on the "degradation of popular Government."

The outcome of a meeting held on Tuesday, February 25, at the Statler Hotel in Washington, D. C., was the forming of a National Citizens Committee for Foreign Aid and later a supplementary organization called the Nonpartisan Committee for International Economic Growth.

In general the appeals to unsuspecting American taxpayers came from parties who have been beneficiaries of the foreign-aid programs of the past 10 years, and, in general, the appeal has been to fight communism and keep it from spreading by helping other countries to maintain their positions in the so-called Free World.

The Members of Congress who accept this thesis of helping the Free World, need to be informed as to the kinds of governments we have been helping and also the Congress needs to be reminded that there is comparatively little freedom under either socialism, communism, or a dictatorship.

In the table which follows, we present the facts with respect to foreign aid (grants and credits) extended to certain nations to June 30, 1957, and a statement showing the kind of government in these nations:

Country	Kind of government	Population	Grants and credits to June 30, 1957
Austria	Socialist-Labor	6,934,000	$1,018,000,000
Belgium-Luxembourg	Social-Christian	9,025,000	718,000,000
Denmark	Socialist Kingdom	4,393,000	281,000,000
Finland	Social Democrat	4,121,000	70,000,000
France	Socialist-Communist	43,300,000	6,067,299,000
Western Germany	Conservative	48,478,000	3,890,000,000
Greece	Independent Kingdom	7,206,000	1,373,000,000
Italy	Socialist-Catholic	46,889,000	2,829,000,000
Netherlands	Socialist-Labor	10,808,576	1,017,000,000
Norway	do	3,343,000	291,000,000
Spain	Benevolent Dictator	28,306,000	213,000,000
Sweden	Socialist-Labor	7,136,000	106,000,000
Turkey	Democratic Republic	20,935,000	510,000,000
Yugoslavia	Communist-dictatorship	16,880,000	802,000,000
Czechoslovakia	do	12,340,000	191,000,000
Poland	do	24,977,000	418,000,000
East Germany	Communist	17,313,000	17,000,000
Hungary	do	9,808,000	11,540,000
U. S. S. R. (Russia)	do	199,279,000	426,000,000
England	Conservative-Socialist	50,367,741	6,842,000,000
Israel	Zionist Republic	1,675,000	432,000,000
Saudi Arabia	Dictatorship	6,500,000	19,789,000
Egypt	do	20,729,000	72,000,000
Iran	Royalist-Constitution	19,151,000	301,000,000
	SUMMARY		
24 countries	Different governments received		27,915,628,000

The grants and credits shown for the respective countries listed in this study are exclusive of military grants and credits for NATO and SEATO.

In a recent study of the economies and governments of several European countries, Mr. Glenn Green, representing Dr. George S. Benson, director of the National Education Program of Searcy, Arkansas, reported on comparative wages, work hours and monthly income in European countries as follows:

Country	Industrial wage per hour	Work-week	Monthly income yearly average
		Hours	
Austria	$0.29	48	$57
Belgium	.52	48	98
England	.54	48	103
France	.35	48	72
German Republic	.52	48	89
Italy	.32	48	61
Norway	.78	48	140
Netherlands	.45	48	80
Sweden	.89	48	152
Yugoslavia	.16	48	32
United States	2.10	40	350

This table should be a powerful argument against both foreign aid and the renewal of the Presidential authority to reduce tariffs under the so-called reciprocal trade agreements.

The downtown stores in Washington, D. C., feature many items imported from the countries listed, all of which are produced with labor drawing wages far below the amounts required to maintain the present American standard of living, and it must be recognized that for the most part the grants-in-aid of agricultural commodities to these countries act as subsidies to maintain their present living standards and prevent general dissatisfaction among the people of these nations with their economic conditions and their governments as well.

George Washington's Farewell Address enunciated the best policy for the United States.

Mr. JOHNSTON of South Carolina. Mr. President, not the least important objection to the pending measure is that which concerns its constitutionality. The Constitution of the United States expressly gives to the Congress exclusively the power to lay and collect taxes, duties, imports, and excises. That is a direct quotation from the Constitution, as set forth explicitly in article I, section 8, of the Constitution.

This specific grant of power to the Congress is short circuited by the so-called executive agreement, through which the State Department exercises the authority the Constitution gives to the Congress. Since the 1934 Trade Act, all of the trade pacts made in the name of this country have been treated as executive agreements.

Still another shortcut is employed in executing these agreements: They are not submitted to the Senate for ratification, which is another constitutional requirement. Despite this omission, as a result of court decisions, they are still binding on the Nation.

It is of vital significance that the running mate of this so-called reciprocal trade agreement, the National Recovery Act, which was also rushed on the national scene in 1934 as an emergency measure, was declared unconstitutional by the Supreme Court. There is just as compelling a reason to find the trade legislation unconstitutional as there was in the case of NRA, for if the Congress could not legally delegate its responsibility to the executive department in the one instance, it could not do so in the second.

In the years between 1934 and 1947, the trade pacts executed by the United States were bilateral, as we entered into separate agreements with respective foreign nations. This type agreement, those of a bilateral nature, were what was contemplated when the legislation was written. With the end of World War II, however, a big change was effected. Multilateral pacts became highly popular with the State Department which, in 1946, authored a plan for a proposed International Trade Organization embodying a basic general agreement on tariffs and trade. An alert Congress wanted no part of ITO, but in the scramble, GATT, as the framework of the idea was called, got by. Without submission to Congress, GATT was signed by the State Department's Director of International Trade on October 30, 1947, and the administration declared GATT was the agency and authority for United States trade agreements. As a result of this step, America's trade interests are subject to the jurisdiction of an international organization in which the United States has but 1 of 37 possible votes.

The framers of the Constitution never intended any such situation as presently exists. This whole program of so-called reciprocal trade is conducted in defiance and violation of constitutional mandates to the Congress. The American interest in these matters has been seriously subverted with the result that cheaply made foreign goods are flooding our markets, numerous American industries are confronted with inequitable competition, jobs of Americans are being displaced, plants are closing down, liquidations are on the increase, and the general welfare of the country is being seriously damaged by the economic damage caused by these trade agreements. We cannot find one that benefits the United States.

By defiance of the rule of constitutional authority, handed down from the Founding Fathers, by the surrender of the American interests to a foreign, international organization, in the bypassing of the United States Senate, and in the harm done the national welfare, I say this so-called reciprocal trade agreement is unconstitutional, and on this count alone should be emphatically rejected by the Senate.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. BUSH. Mr. President, in opposing the Senate Finance Committee's crippling amendments to H. R. 12591, the proposed Trade Agreements Extension Act, I am not unmindful of the need of strengthening the existing safeguards for domestic industry against import competition which threatens serious injury. I am convinced the proposed legislation does take this matter into account, Mr. President, as I shall explain shortly.

Connecticut is a great manufacturing State, and its industries are the foundation of its prosperity and provide the jobs essential to the maintenance of that propserity and our economic growth. I would be derelict in my duty as a United States Senator representing in part, the people of my State if I were not fully conscious of my responsibility to help safeguard those industries and the jobs they create for our growing population.

A number of Connecticut industries have been adversely affected by import competition, and I have been seriously disturbed by their failure to obtain adequate relief under existing procedures available under the present Trade Agreements Act. I have sought to obtain improvements both in the procedures and in their administration.

On January 30 of this year, I announced in the Senate that I would support a 5-year extension of the act because, in my judgment, stability in trade relationships among the free nations is an essential element in our counterattack to the Communist bloc's economic offensive.

At that time, I said that my endorsement of a long-term extension was made in the expectation that the administration would make recommendations for strengthening the peril-point and escape-clause procedures available for the relief of domestic industries facing injurious import competition.

The administration subsequently did make such recommendations and, with some additions, they have been incorporated in the bill as it was passed by the House of Representatives. In my judgment, these improvements in the safeguards available to domestic industries are as far as we should go at the present time, and the drastic amendments proposed by the Finance Committee of the Senate should be rejected.

In the controversy over the Finance Committee's amendments, the improvements in the procedures available to domestic industry in the bill as passed by the House have been generally overlooked. I believe it would be useful at this time to list them for the information of the Senate and of those who read this RECORD.

First. The time for Tariff Commission study of peril-point limitations—the rates of duty below which our negotiators should not go in making concessions to other nations—has been extended from 3 to 6 months—see page 8, lines 9 through 15, in the bill.

Second. The time for Tariff Commission consideration of escape-clause cases has been shortened from 9 to 6 months, thus making possible quicker relief for industries which have suffered injury because of imports—see page 9, lines 9 through 11, of the bill. This, I think, is a very important improvement, because there has been a great deal of discontent and unhappiness about the long delays occasioned in proceedings before the Tariff Commission. I think the proposed legislation, if enacted, should improve the time element involved for the benefit of industries having a good case.

Third. The President can establish duties up to 50 percent on items presently on the free list—see page 9, lines 5 through 22, of the bill.

Fourth. The President can increase duties up to 50 percent over the 1934 tariff rates instead of 50 percent over the much lower 1945 rates—see page 2, lines 1 through 6, of the bill.

Fifth. An automatic escape-clause procedure is established by which the Tariff Commission would immediately start a proceeding in cases where its peril-point studies show that existing rates are inadequate to avoid injury to American procedures.

This new procedure would save many months in providing relief. For this I cite pages 8 and 9 of the bill—lines 16 to 24 on page 8, and lines 1 and 2 on page 9.

Sixth. An automatic procedure is established providing a means for Congressional action in escape clause cases where the President has rejected a Tariff Commission recommendation for relief. A two-thirds vote by concurrent resolution with privileged status would put into effect the Congressional will. I refer to page 9, line 23, through page 15, line 16. This, of course, is the House provision.

Seventh. The Tariff Commission is given subpena powers to facilitate and reinforce the effectiveness of its mechanism for the protection of American industries. I refer to page 25, line 21. through page 26, line 20.

Eighth. The national security clause contains improved procedures and standards and leaves the President necessary flexibility to choose the remedy needed to protect the national security. I refer to page 22, line 19, through page 24, line 15, of the bill.

Ninth. The President is called upon to seek information and advice from industry, agriculture and labor during the course of trade agreement negotiations—page 8, lines 1 to 8—and is directed to report annually upon the progress made in removing restrictions that are maintained by other countries upon imports from the United States. I refer to page 7, lines 17 to 25, of the bill.

Tenth. Provision is made that organizations and groups of employees are eligible to file applications for escape-clause action.

I refer to lines 3 through 8 on page 9 of the bill.

Mr. President, in our zeal to protect those industries which may be vulnerable to foreign competition, we must not forget that other industries depend upon the export trade for their prosperity and their ability to provide jobs.

As a great manufacturing State, Connecticut has industries in both categories. The bill as passed by the House strikes a proper balance in providing increased safeguards for those industries which may face injury from imports, while at the same time making possible efforts to expand trade among the free nations. In my judgment, the amendments proposed by the Senate Finance Committee would throttle such efforts and, in the end, have an extremely adverse effect upon employment in my own State and throughout the Nation.

For these reasons, Mr. President, I shall support efforts to restore the bill as nearly as possible to the form in which it was passed by the House.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BUSH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FULBRIGHT. Mr. President, the legislation which is commonly referred to as the reciprocal trade program has been in effect nearly a quarter of a century. I suppose its basic characteristics and the reasons justifying its enactment are well known; and therefore, there is no justification for my occupying the time of the Senate recalling them.

However, under the ritualistic traditions of our democratic process, we are expected to repeat these formulas year after year, or be accused of indifference or neglect of our duty. Surely there is not a single Member of this body who is not familiar with all aspects of this issue. There are certainly few, if any, who have not long since carefully evaluated the impact of this legislation upon the fortunes of their constituents and tried to weigh that impact on the scales of our national interest. It is unlikely this debate will affect the decision which that delicate balancing act has already indicated; nevertheless, once again I am constrained to state that I shall support the basic provisions contained in the trade agreements extension bill of 1958 as passed by the House last month.

In my opinion, those provisions—and I shall list them—are the minimum necessary in the field of trade policy to meet the responsibilities the United States carries by virtue of its position in the Free World. If we default in this vital field, we shall have done irreparable damage to our whole position; we shall, in these critical times, have widened breaches which now exist between ourselves and many of our friends and allies; we shall have made more difficult the maintenance of our military alliances, of our political friendships and, indeed, the common goals of prosperity and economic expansion which we all seek. Our trade policy is an integral part of the fabric of our foreign policy. It can no more be separated from our foreign policy than can our mutual defense policy or our foreign-aid policy. These are all parts of the same package; these policies together represent the posture which we present to the world and which is the measure of our fulfillment of the obligations and responsibilities thrust upon us by our leadership role.

The bill presented to the Congress by the administration this year was a modest one, yet it met our requirements. It was in no respect bold and it opened no new ground but it continued a program which had been successfully carried on for some 24 years—a program which had proved its worth during that period, both by its contribution to the expansion of our own economy and the economies of other free countries, and by its contribution to closer and friendlier economic relations among us all.

But through those 24 years there have been momentous events and momentous changes in the world. The world has been cut in half by political and economic division. Our part of that world and our economic system face what is unquestionably the greatest challenge in our history. Policies which we as a Nation support and the actions which we as a Nation take will very heavily influence the policies and actions of our friends and allies, and must ultimately determine the fate of our free institutions in this struggle with the monolith of communism. Both sides in this struggle have made tremendous gains in recent years in economic expansion and production. The crucial test of the competing economic system will be which is more successful in continuing this expansion. The trade policy the United States adopts this year will play a vital part in that test.

The most immediate and most compelling development in the past year or two in this field of trade policy has been the formation of the European Economic Community. It is this development, together with the new and massive Soviet economic offensive, concentrated toward but not confined to the underdeveloped areas of the world, which established the imperatives for this trade bill this year. As I have indicated, in my opinion these provisions—modest as they were—which the administration sent to the Congress, met these imperatives.

They are:

First. A Trade Agreements Act extension for a period of 5 years;

Second. Tariff-reducing authority of 25 percent during that period;

Third. Full power in the hands of the President for final decisions in escape clause cases.

These provisions substantially meet our needs for reasons which I shall outline, but anything less than these provisions would cripple us. The bill, as it came to the Senate from the House, contained the essentials, but the Finance Committee has turned that bill into a measure which meets in no respect the hard, cold imperatives and, in fact, makes it quite impossible for the United States to conclude any meaningful trade agreements resulting in a reduction of tariffs and other barriers. As approved by the Finance Committee, this bill will probably have the net effect of increasing tariffs.

Let us summarize briefly the imperatives of which I have spoken:

THE EUROPEAN COMMON MARKET

As we all know, 6 Western European countries, having an aggregate population of over 150 million, forming a market for the United States exports in 1957 of over $3.2 billion, have agreed by treaty, ratified by all the parliaments, to eliminate substantially all tariff and trade barriers among themselves within a period of 12 to 15 years. In the first stage of 4 to 5 years internal tariffs in the community will be reduced by 30 percent. During this period the external tariff, that is the tariff which would apply to the exports of the United States and other nonmember countries, would become the arithmetic average of presently existing tariffs of the six countries. It may readily be seen that at the end of 5 years, should no negotiations on this external tariff take place, goods moving for example from Germany into France would pass over tariffs 30 percent lower than the same goods coming from the

United States into France. This would obviously be a heavy competitive handicap for the United States goods and would practically guarantee a material reduction in our exports to the countries of the community. To avoid this competitive disadvantage it is necessary that we be in the position to negotiate downward this common external tariff. To do that we need at least 25 percent tariff-reducing authority. Fifteen percent is simply not enough, and, when one considers the limitations which the Finance Committee has placed upon the utilization of that 15 percent, it becomes practically worthless. Most of the authority would be lost during the 1- to 2-year period necessary to prepare the United States position for negotiations. We would enter negotiations with perhaps 5-percent authority, and we may be sure that in that event there would be no negotiations at all.

What are the practical consequences for us and the Free World of an impasse such as that? In the first place we would have to resign ourselves to a steady decline in our exports to the countries of the European Community and to progressive estrangement in our economic relations with that area. It is very clear that the countries of the European Community would regard us as having adopted an unworkable policy and would necessarily look to their own interest in the light of that policy. Inevitably they would be driven to concentrate upon their own internal trade and internal development at the expense of closer trade relations with the United States.

And what of the other countries of the Free World—countries which are not members of any regional economic blocs or which have as yet not formed regional blocs? Their external trade is dependent to a large degree upon United States trade policy. We would expect that they would largely take their lead in their relations with the European Community from the United States policy with respect to the community. Many of these countries are prime targets of the Soviet economic offensive. Governments of these countries must in the near future make up their minds whether their national aspirations can be satisfied best by closer relations with the West or with the Soviet Union and its satellites. The decision they make is a critical one in the great contest between the East and the West in economic systems.

We have thus a key role not only in the determination of the kind of policy the European Community will adopt but in the kind of policy the other countries of the Free World will support. We are expected by our role of leadership in the West—if not, indeed, by our own self-interest and devotion to the advancement of the cause of free institutions and a nondiscriminatory world multilateral trading system—to demonstrate by concrete policy and action our faith in the superiority of the economic system for which we stand. If the United States does not do this, can anyone expect that countries not long out of colonialism, or that, conversely, countries embarking upon a brave new experiment of economic integration, will provide the initiative and drive to make the world what we want to make it? Can we, as the world's greatest economic power—as the acknowledged leader of the Western system of government and economic organization—expect to have our values prevail if we ourselves are not prepared to espouse them in a concrete way?

I have spoken of the Soviet economic offensive against the nations of the Free World. We no longer have any delusions about the determination and capability of the Soviets to exercise every economic weapon at their command in this offensive.

Some of us may continue to talk in terms of economic direction of resources; some of us may maintain that the Soviets will not honor their commitments in this economic field; that the unsatisfied demands within the Soviet Union and its satellites will compel the Soviet Government to renounce its ambitions in the international economic field and to concentrate its efforts in providing higher standards of living within its own area.

I think that after the evidence of the resources devoted to the sputniks, resources devoted at the expense of the Russian consumer, no sane man can doubt that the Russians will do and are doing precisely what Mr. Khrushchev asserted in his famous declaration of economic war upon us.

Dare we as a nation base our policy on a vain hope that the Russians cannot afford to carry through their economic offensive; that they are not prepared to pay the price in consumer privation that this program would demand?

I say that on the basis of the evidence we have, we dare not. We are all aware of the rapid economic growth that forced investment can produce. We know that a totalitarian state can devote 30 percent, 40 percent of its gross national product to investment purposes and we know that when a country does this, its economic capabilities grow at a pace which our own free system cannot match. It is this enticement which the Soviets dangle before the people of the world whose hopes and aspirations have been frustrated for centuries.

In the years since the Second World War there has been an awakening which has been termed "the revolution of rising expectations" among the people of the underdeveloped areas of the world. These people demand, with an urgency which cannot be forestalled, the concrete prospect of rapid economic growth and rapidly increasing standards of living.

The example of the Soviet Union is preeminent in their eyes. In 40 years the Soviet Union has developed from what was predominantly an agricultural economy into an industrial power challenging the capabilities of the United States itself. It is recognized that this achievement was the result of a system of state investment, consuming up to almost half of the national output each year. The price that the Russian citizen paid for this forced investment is smothered in propaganda disseminated from Moscow. The Southeast Asian laborer knows only that an underdeveloped country in 40 years challenged the foremost power in the world. The attraction of concrete achievement—to make a profound understatement—is difficult to counter merely by extolling the benefits free institutions, by their nature, are bound to bring.

I am not suggesting for a moment that the maintenance on our part of a liberal trade policy can be a total response to the Soviet economic drive. I am not suggesting that a progressive liberalization of the United States tariff will in itself cause other countries in the Free World to cast their lot with us and shun the Soviets. I am suggesting, however, that the kind of trade policy we adopt this year, as part of our total policy of military, economic, and political defense, will have a profound effect upon the direction in which these countries will go. It hardly needs to be said that a trade policy of a kind expressed by the provisions of the trade bill approved by the Finance Committee not only can make no contribution to the achievement of our national objectives but would go far to undercut our prospects for success. The Finance Committee bill contains, in my opinion, the seeds of disaster for all our policies.

This week, the Middle East has burst into flame. I shall not now go into the issues of United States policy, or lack of policy, which permitted conditions in the Middle East to disintegrate to the point of conflagration. Nevertheless, the President has committed our forces in Lebanon and we hourly await events. I know, however, that on the issue before us today in this Chamber the policy in the field of international trade represented by the Finance Committee bill will make no contribution to the solution of our difficulties in the Middle East. Instead, it would compound them. I hesitate to say that a trade bill containing the provisions which I have called essential would contribute massively and directly to the solution of these difficulties, but I am quite convinced that that kind of trade bill, in conjunction with other policies bearing more immediately upon that situation, will make the total package upon which our best hopes must lie.

I have talked about that historic development, the European Economic Community, and of the critical part our trade policy will play in our relations with that Community and with the individual countries which comprise it. I have spoken of the underdeveloped countries and of their needs and aspirations for economic growth. Without going into the major problems which these countries have with respect to fluctuating commodity prices shifting demands and markets, problems of rapid investment and industrialization, I shall merely say that the kind of trade policy which would allow stable and expanding markets in the United States for products of these countries is one of the direct ways we can contribute to the fulfillment of their needs. The Finance Committee bill cannot do this.

I have listed three provisions which I regard as essential in any adequate trade bill this year—a 5-year period of duration; 25 percent tariff-reducing

authority; and retention by the President of full discretion in escape clause cases. The committee bill contains none of these provisions. It is a step backward at a time when even to stand still means to go back.

Mr. President, I have been discussing the trade program from the standpoint of our national interest. I shall now mention briefly my own State's interest in the world market. Arkansas is primarily an agricultural State. Our strongest link with the trade program is through foreign sales of our agricultural products. Sales of Arkansas manufactured products abroad are also a significant part of our economic well-being. The Arkansas economy, as well as the Nation's economy, is inextricably woven into the foreign trade program. My people have a vested interest in keeping the reciprocal trade program functioning effectively.

It has been estimated that from agricultural exports alone the proportionate share is about $525 for each person in Arkansas who is engaged in agriculture. Arkansas' total proportionate share of the Nation's exports of agricultural products in the 1956–57 marketing year was more than $190 million. The continuation of a strong export market is vital to the economic life of Arkansas farmers. For example, we now export three-fifths of our total cotton production and more than four-fifths of our rice production. The Arkansas cotton industry's share of these exports is more than $120 million. Our Nation is struggling to retain this valuable export market for our cotton, but we cannot if the trade program is emasculated. Arkansas' proportion of the rice exports amounts to nearly $53 million. Much of this rice goes to countries such as Cuba, where we need their agricultural products in return. My State also has strong interests in the exports of other agricultural products such as soybeans, livestock, dairky products, and fruits. If these foreign markets are curtailed by trade restrictions, the economy of Arkansas will face a bleak future. Our farm economy is far from healthy, and further restrictions in the trade program could spell the death blow for many farmers.

Mr. President, my State of Arkansas is also a manufacturing State. The reciprocal trade agreements extension legislation is vital to our interests.

The largest manufacturing industry in my State is lumber and wood products. More than 25 percent of the State's manufacturing labor force is found within this vital industry. This industry alone contributed some $5,200,000 in exports in 1956.

The second largest manufacturing group in Arkansas in terms of employment is the food and kindred products industries. This industry employs around 13,000 people in my State, and the proportionate share of income derived from exports allocated to my State is approximately $25 million.

Others engaged in the manufacturing of apparel, chemicals, pulp, and paper within my State are greatly affected by foreign trade.

Mr. President, we in Arkansas have made great progress in many fields. We are proud of our industrial progress, and we realize the value of foreign trade to our manufacturing interests.

Without the benefit of foreign trade, manufacturing industries would suffer severely. Not only do we enjoy great returns from exports but many industries within my State depend on imports for their survival. As an example, the basic raw material for our great aluminum industry is largely imported; without it we would have to find substitutes for the many products of daily use and of importance to industry in which aluminum plays a part.

Thus, from the standpoint of both imports and exports, the economic welfare of the manufacturing industries of my State are at stake in this legislation.

I ask my colleagues to weigh carefully the issue before us and to see it in the light that I have suggested—as an integral part of the total policy by which we hope to maintain a unified and secure Free World.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BENNETT. Mr. President, I ask unanimous consent that the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

A NEW APPROACH TO TRADE POLICY

Mr. BENNETT. Mr. President, of all the amendments we in the Senate Finance Committee made to H. R. 12591, the one that will probably receive the least attention may prove in the end to be the most important. I refer to the amendment offered by the Senator from Vermont [Mr. FLANDERS], which creates a commission to study current foreign trade problems, and suggests a number of important and specific problems for the commission to consider. No matter what changes the Senate may make in the bill, I hope this amendment will survive intact and become part of the law.

As we of the Finance Committee heard witnesses and studied the bill, it became increasingly clear to me that we must find a new approach to international trade. Because this present program is 24 years old, we tend to think of it as permanent. Instead, it has been merely the latest of several programs that have been followed since our National Government was first formed. One by one, these other programs failed and had to be abandoned. I think this one is fast becoming exhausted and sterile, and must be replaced with one that more nearly fits our current world position.

Looking back, we can see the earlier changes very clearly. The Revolutionary War itself, which brought us political freedom, had its beginnings in resentment of a trade policy forced on the American Colonies by the mother country. It was the imposition of import excises that inspired the cry "no taxation without representation." It was the Boston Tea Party which led first to the battles of Lexington and Concord, and then on through fearful years to Yorktown and independence.

Still, when the new Government began to operate, it turned to these same import taxes as its main source of Federal revenue. Its internal economy was weak. Ninety percent of its people were farmers. Its leaders were preoccupied with the task of pushing its frontier ever to the west, and had neither the need nor the incentive to build domestic urban industry. They looked first to foreign sources for both capital and merchandise. The new nation rapidly provided an ever-growing market for European traders, and its modest tariffs were no barrier.

In those early days, our country lay along the eastern seaboard, and foreign trade was the basis of the economy of both the North and South. The New Englanders, with their great shipping fleet, became world traders and our first capitalists. The South produced our great exportable commodity, and cotton was king.

Then gradually, as the frontier moved farther and farther west, home industry began to develop behind the frontier to supply its insatiable demands. For generations, the great political issue was whether there should be tariff for revenue only or tariff for protection. In the last half of the 19th century, tariff for protection became the basis of our foreign trade policy.

The stage for the next big change was set by World War I. Not only did it force us back into international affairs, but it helped produce the depression of the 1930's. When our internal economy faltered, we turned again to foreign trading as one way to restore its vigor and its volume. Out of this need, the present reciprocal trade policy was created. Its chief objective was to increase our exports by making imports easier through lowered tariffs.

Then World War II came and ended and brought still another change. We emerged from that war as the only major nation whose land and industrial capacity escaped damage or destruction, possessing both the greatest store of capital in the Free World and the Free World's richest market. The war also brought into the open the real objective of Communism, which is to destroy all forms of the private capital economy including private trading, foreign and domestic, and to replace it with economic as well as political dictatorship. In these circumstances, which we call the cold war, the United States has been thrust into a position of leadership, almost trusteeship, for the preservation of freedom.

Obviously, if we are to succeed in this, we must strengthen by mutual trade the economic ties that bind the other free nations together and to us. It is equally obvious that the Russians will work on the same nations, through their need of trade, to try to lure them into the Communist orbit and slavery.

Facing this challenge, our course to date has been clear; and we have followed it with courage. On the one hand, we have been providing capital for other nations, through grants and loans, and have been making disproportionate contributions to mutual security. On the other hand, we have striven to foster international trade, by trying to make

it easier for our friends to have a share in our own rich and vast market.

What has not been so clear to us is that the war-born inflation that has been, and is still, forcing American wages and prices higher, has also greatly widened the gap between foreign costs and ours.

This is making it increasingly difficult for more and more American industries to hold their own, even in our domestic markets. At the same time, more and more American exports are being priced out of the markets of the other Free World countries. Thus, our domestic economy is fast becoming a butte of high prices, a high plateau, towering almost alone above the lower plain of world prices.

This situation would be serious at any time; but our position of world leadership gives it almost transcendent importance. How can we participate in international trade, outbid the Russians in their economic cold war, and still preserve our own economy at a high level and in full strength and vigor? Does the present reciprocal-trade program provide a sound basis for the future? Or must we seek a new program, based on today's world conditions, rather than on the international stagnation produced by the depression of the thirties?

It is obvious to me that the old structure is already cracking under the strain.

In the first place, more and more of our American products are being priced out of the export market. Our continuing inflation is partly responsible for this. Our very generosity in helping other nations build or rebuild their own industries has created many new competitors who have modern equipment and low-cost labor. For many American industries the flow of international commerce is rapidly being reversed. At war's end, they could sell abroad all that our foreign friends could buy. The reciprocal-trade program was supported as a program to increase imports, in order to sustain this golden stream of exports. Then, in the second step, these foreign markets were taken over by foreign producers. Now, in the inevitable third phase, the foreign producers are taking over an ever-increasing share of the American market. When this occurs, the loss of volume is not the only damage. Prices, like water, tend to seek the lowest level; and low prices for a small share of the total volume of the commodities produced by an industry can pull down the prices of the rest of the commodities produced by that industry.

A second result has been an increasing movement of American capital to foreign industry. Again, at first this was necessary and desirable in order to help start industrial production abroad. Now it is well into its second phase; and American capital is finding that it must go abroad if it wishes to produce for the world market. The third phase, in which American capital abroad is being used to produce goods at low cost for sale in the American market, is only beginning.

Thus, the flow of trade has been reversed. Goods once produced in America for export, are now being produced abroad, often with American capital, and become American imports. The famous "dollar gap" has been closed, and the motivating argument for "reciprocal trade" has largely disappeared. Instead of arguing that we need to strengthen our imports in order to protect the market for our exports, we now realize that we need to strengthen our exports in order that they can find a market.

Faced with this problem, we have begun to use a dangerous remedy—direct Government subsidies—and to use it on two fronts. In order to keep our high-cost agricultural products active in low-cost world markets, we are subsidizing their export. This only deepens the problem—as we are learning, to our sorrow, in the case of cotton. When foreign textile manufacturers can add the cost advantage of subsidized American cotton to their already low cost of labor, they can cut into our markets with a two-edged sword. And at home, when an unprotected domestic industry which is essential to national defense feels the weight of low-cost foreign imports, we have begun to shore it up with direct subsidy.

Direct subsidies such as these seem at first to be cheap solutions to international problems created by the wide differences in cost; but this is an illusion which can work only for a few industries, and only for a short time. The demand for subsidy can soon spread far enough to overwhelm us, and might eventually bankrupt the whole economy. Living as we do, on this plateau, high above the price levels of the rest of the world, we cannot permit foreign competition to wash the plateau out from under us, and then hope to keep ourselves suspended at the former high level by the bootstraps of subsidy or the winds of continuously accelerating inflation. That way lies madness and economic disaster.

There is still another weakness in the present program: If we stick to it too long, we shall be putting our faith in a program of shrinking value and power. We started, in 1934, from a level of fairly high tariffs; and then we had a strong trading position, with many "blue chips." After 24 years, most of these have been traded off. On many products most attractive to our friends, the maximum allowable cuts have already been made; and offers of further yearly cuts of 5 percent from existing levels represent little more than 1 percent of the original tariff. Obviously, these can have little or no trading value.

Another phase of the sterility of the present program is revealed by the general ineffectiveness of the present escape-clause procedures. Even when one industry succeeds in invoking them successfully for its own protection, this can be secured only by making concessions abroad which will involve an equal sacrifice for another of our exported products. A country which suffers from such escape-clause action will gradually impose compensating increase in the duty on another of our products. Regardless of any change which we may make in this bill, by which Congress can intervene in the final decision, such compensating sacrifice will still be required. The more we stiffen the bill, the more we deepen the sacrifice. It is no wonder that the President tries to avoid the use of the escape-clause, and tries to find other solutions for the problem presented by an injured industry.

For these reasons, among others, I am beginning to believe that in the future we shall not be able to build a sound foreign-trade program by extending indefinitely the present reciprocal-trade program. At the same time, I am already convinced that our situation would be worse if we tried to return to a policy of protection based on higher tariffs and quotas.

In our early days, while we were still a relatively underdeveloped country, and were building our own capital and industry, a system of tariff protection was normal and necessary. To return to such a system today would insulate our economy from low-cost imports, but would do so at the price of weakening our international leadership of the Free World, and greatly restricting our power to counter Russia's economic moves in the cold war.

Moreover, any tariff program would fall with unequal weight on each of our many friends. Schedules high enough to equalize our costs with those in the less developed economies would tend to build an insurmountable barrier against imports from high-cost countries. If we lowered the tariff wall for the latter trade partners, the cheapest goods would come into our country, to injure both them and us.

If the present program is sterile, and if a return to protective tariffs is unwise, then where are we to turn? I repeat that we need a new approach, one which will permit us to do the following five things:

First. To carry our responsibility as political and economic leader and trustee of freedom in a Free World.

Second. To preserve the dynamic vitality and orderly growth of our own economy.

Third. To be an active and fruitful participant in international trade as an exporter, as well as an importer.

Fourth. To continue to help our foreign friends develop their economic potential, without permanently continuing our direct foreign grants and loans.

Fifth. To be able to outbid and outmaneuver the Communists in their economic phase of the cold war.

In my opinion, we have no such program in sight today. We must create and implement one as fast as we can. To that end, the proposal for a commission, as contained in the pending bill, is vital, and in my opinion, should be enacted into law.

At the same time we cannot allow the present program to die and leave a policy vacuum. It must be extended to protect our opportunity to replace it with a better one if one can be found. For this reason, I will support the bill now, but in the hope that the next time we shall be considering a completely new program and not extending the old one again.

Up until now I have been developing the problem and the weaknesses of the present program. Obviously, I have no full fledged new system to propose to

take its place. But any review such as I have made is bound to suggest possible alternatives, and I should like to point out some for the consideration of Senators now and for the study by the commission later, if one is to be appointed.

My first observation is that it would be ideal if international trade could be conducted on an approximately equal price level. So long as the present difference exists, natural pressures will operate toward such equalization. The foreign countries are anxious to bring their standards of living and prices up toward ours. We, in turn, must again become realistically interested in resuming what was once the traditional American practice of passing improvements in production on to the consumer in the form of lower prices for better products. In our present national frame of mind, that will be hard to start, and any real gains will be slow to develop. To do it effectively we must turn back to the ideas of our pioneer fathers—work harder and save more for investment in new tools, and keep wage and salary increases from continuing to run ahead of increases in productivity. For too many of us this will be a difficult choice to make.

We know this will be difficult. Generally it will be easier for us to be helpful in the other phase of the equalizing process—to help our friends raise their level toward ours. We have already accepted that goal as a people and backed it with our money. Now we need to find a way to cut down on loans and gifts and help other nations to earn their own capital and build their own industries, as we did. We must find a way to make "trade, not aid" a rewarding reality for ourselves as well as for them.

How can we do this without sacrificing our own standard of living? Maybe the hope lies in many complete reversals of our present thinking, and maybe we can plan to deal with our imported purchases from the rest of the Free World at our higher price level instead of their lower one. By preserving our own plateau, we may be better able to help them build toward it.

If all imports came in on a basis that made them competitive with our own American products on a basis of practical equality—considering style characteristics and quality—the American producers would have no complaint. They have all said this over and over again. I am sure they would not object to an even greater importation of foreign goods than now exists. If the price competition were on an effectively equal basis. To say it another way, if the foreign producers would do business in our country at our price levels, we could safely have free trade.

But such a program must be as desirable and profitable to other nations as to ourselves. How can we make it so? Certainly not by raising traditional tariff barriers to eliminate the differences in cost or absorb them. But if the value represented by raising their prices to ours could accrue to them as a national benefit, instead of coming to us, would not that be attractive? This could be done by revising our traditional thinking on tariffs. Instead of applying tariffs to be added to their low prices, we could devise a system of import duties to be applied downward from our higher costs, calculating the amount necessary to make up the difference. At the same time, we should make it clear that our purpose is to leave this difference in value open to the selling nation, and we would encourage the country of origin to apply an export tax on sales to us, high enough to absorb this difference. Instead of being a tax we impose for the privilege of trading with us, it would produce additional revenue for the seller—to be used as a part of the income of his government, or left as local private capital to improve local wage scales or expand needed facilities. This would truly be an American version of "trade, not aid" and could replace some, if not all, of the funds we may now be supplying through direct tax-paid grants or loans.

Would not this program be difficult to operate? Not any more so than our present tariff program administered by our customs officers. Instead of tariff lists, they might have lists of prices upon which to calculate the duty, if any, as they do now. My own feeling is that there would be few duties actually imposed, and our customs procedure would become largely one of routine checking.

How would that list of prices be arrived at? We already have the machinery and the experience in the Tariff Commission. I care not by what name the new figures would be called, but the process by which they would be produced already exists to determine the peril point of any product under the present law. The only difference under the new law would be the level at which the point would be set. The process for determining it would be much the same. To start with, and in any event, free goods would continue to be free. The importer of other goods would be perfectly safe in matching the price for a standard related product of American consumption. But if he felt that his product would not sell fairly at that price, he should be given the privilege of an appeal to the Commission, asking them to set an import or peril point below the American price at which the competitive status of both foreign and domestic products would be comparatively and practically equal. The finding of the Commission with respect to this price point would be final, and thereafter it would be the basic point for tariff determination, if any. Of course, this point would not be set permanently. When market conditions made it too low for domestic producers or too high for the importers, either could petition for a new hearing.

When we talk of a peril point, we naturally think of stating it in dollars because that is the way the present peril point is stated. But in the proposed situation, it could well be stated in terms of percentage of the current market price. In the case of some products where there is no difference in quality and no value in a brand name, the import point could probably be 100 percent of the American market. In case of other products as to which we might expect some natural preferences for goods of American manufacture, it probably could be less than 100 percent.

Using a peril point stated in percentage has the advantage of flexibility. In the case of commodities like wool, of which we need both American and foreign production, adjustments in the percentage could be used to maintain the satisfactory balance between the total foreign and domestic products, and thus do the work of quotas.

If the use of the percentage basis seemed desirable, we could probably start the program off without too many Commission hearings. The American industry involved could submit a typical price schedule, and all foreign importers might be given a flat discount of say 5 percent. This discount could be allowed to stand for 6 months or 1 year, during which competitive experience could be obtained, on the basis of which either the importer or the domestic industry could appeal to the Commission for an adjustment.

I realize that some products are brought in by importers to be sold at wholesale and others may come in to be sold directly at retail. If the program were based on percentage of price, then this could either be applied to the retail price of goods imported for retail sale, or the necessary adjustment could be made by changes in the antidumping law. This whole program should have the tendency to emphasize quality rather than low price in the foreign merchandise that comes into the American market.

If this program were adopted, it might even be possible to simplify our customs procedure almost to the limit. We could issue revokable licenses to importers and allow them to accept shipments on their sworn certificates that the merchandise was being sold at or above the import peril point. This would expedite handling of merchandise through customs, and, then, if later by a postaudit it was discovered that the certificate was false, the license of the importer could be suspended or revoked and the importer made subject to the usual criminal penalties for false statements to Government officials under oath.

I have thought about the problems this would create for American tourists who now have the privilege of bringing a certain quantity of goods into this country by paying a certain duty. The present limits need not be changed, and duty over the limits could be assessed either at a fixed percentage, regardless of the country of origin, or at a varying percentage with a lesser rate of duty on purchases made in those countries with high standards of living and a greater rate added for other countries where prices might be expected to be substantially lower than in our own markets.

What would this program cost and who would pay for it? The only real and immediate cost we can measure would be the potential loss of present tariff revenues, about $760.3 million in 1957. But when the program began to take hold, the potential increase in prices to the consumer should be offset by a balancing reduction in the cost to the taxpayer for foreign aid, as well as by increased domestic revenue created by a revival of confidence in the stability of American business. Businessmen

could plan for the future again and the flight of American taxpaying manufacturers to foreign countries would be slowed down.

At this point it might be argued that this program would raise the American cost of living by raising the price level to the American consumer. To the extent that he now buys lower-cost foreign imports, this would be true. But this would be truly inconsequential. The present value of imports not on the free list is approximately $6.9 billion, which is only 1.6 percent of our gross national product. Assuming that the differential between foreign and domestic prices is 25 percent, to wipe that out would still only affect the total domestic price volume by approximately 0.4 percent. During the past 2 or 3 years we have seen the American price level rise that much month after month because of inflation.

When could such a program be set in motion? If the ideas involved in it have any value, they need to be studied by some such official body as the commission proposed in this bill, as well as by governments abroad. There are many problems to be worked out which only men experienced in foreign trade can anticipate, and for which only they can suggest solutions. Here at home the responsibility of the Tariff Commission might have to be redefined. Perhaps its name should be changed. The effects of such a program on the antidumping law and customs laws and procedures need careful scrutiny. In international circles it would require a reappraisal of the GATT and of the European Common Market plans now being developed, or at least our reaction to it.

In offering these ideas today, I do it entirely on my own personal responsibility. They have not been discussed with any administrative department. Only 1 or 2 of my colleagues in the Senate know I have been working on it. If these ideas are worthy of serious consideration, I shall be happy. If they suggest other and better ideas, they will have been worthwhile.

In summary, I close as I began. I am sure that at this time we must extend the present law, but I am equally convinced that current world conditions have made it inadequate for the needs of our own country and those of our friends in the Free World. We must find a new program and find it fast—if we are to achieve our fivefold objective:

First. World leadership.

Second. A dynamic expanding domestic economy.

Third. A fruitful partnership in world trade.

Fourth. Aid to other countries for their self-development.

Fifth. Victory for the cause of freedom in the economic phase of the cold war.

To do all this, we need a vigorous new approach to our foreign-trade policy. The best way to find it is through the Flanders commission. I hope the provision for the commission will be adopted without change and that the commission will go into action soon.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. BENNETT. I am happy to yield.

Mr. FLANDERS. Mr. President, while I have not heard the entire speech of the Senator from Utah, I have concluded from the portion which I have heard that the Senate has had a rare privilege. The Senate has had the privilege of listening to a new idea, which has in it a great deal of hope for the solution of many difficulties.

I congratulate the Senator. I congratulate the Senate. I congratulate the administration, which has such a difficult and practically impossible task before it. I trust it will be possible for the proposed commission to give a really hard, earnest, and constructive look at the proposals of the Senator from Utah.

Mr. BENNETT. Mr. President, I appreciate what my friend, the Senator from Vermont [Mr. FLANDERS] says. To this commission I have presumed to attach the Senator's name, because in the Committee on Finance he was the author of the amendment which provides for it. I am very happy that the Senator sees some merit in the suggestions I have made, at least prospectively.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. BENNETT. I am happy to yield to my friend from Kansas.

Mr. CARLSON. I should like to pay 2 tributes at this time to 2 distinguished members of the Senate Committee on Finance.

First, I wish to pay tribute to the Senator from Utah [Mr. BENNETT] who is not only a very able member of the Senate Committee on Finance, but a member with whom it is a great privilege to serve. The Senator has brought to the attention of the Senate and of the country what may be called a new approach to our international trade problems. Those of us who have lived with those problems for many years understand their complicated aspects. I had the privilege of serving in the House Committee on Ways and Means in the 1930's, when we wrestled with these questions. I was a member of that committee during the second extension of the act. The act has been extended 10 times.

I realize some of the problems confronting the Nation, and I am also aware of what we have been doing in recent years. The Senator from Utah suggested that we have traded away most of the advantages we can now expect to receive in trade agreements. In fact, the good, the advantageous trades have been made in the past. Now we shall have to look at this matter seriously from another angle.

I commend the Senator from Utah, and I again say we are fortunate to have the benefit of his knowledge, ability, and hard work, for it requires much hard work to produce a plan such as he has suggested.

Second, if the Senator will permit, I should like to pay tribute to the Senator from Vermont [Mr. FLANDERS]. It has been a pleasure to have the Senator as a member of the committee and to serve with him. I serve on the committee as a very junior member. When the record is written, as the Senator from Vermont is concluding his service in the Senate this year, I think one of the most important features of his work in the Congress and in the Senate of the United States will be shown to be the amendment proposed in committee by him, which is a part of the bill presently under consideration, which proposes to create a study commission. I sincerely hope that aspect of the bill will be finally approved. I think the Senator from Utah put it very well when he said if nothing else was left in the bill, he hoped there would be left in it the provision for the study commission. With that statement I am in thorough accord.

The proposed study commission is the brainchild of the Senator from Vermont. He not only presented it very ably to the committee, but he drafted it so well that it was unanimously approved.

I agree with the Senator from Utah. We need a study of this matter and we need it badly. I am greatly concerned about problems growing out of international trade policies which will affect this Nation in the future.

To both Senators I say we are indebted, the Members of the Senate, the members of the Committee on Finance, and the citizens of the United States are indebted.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. BENNETT. I am happy to yield to the Senator from Connecticut.

Mr. BUSH. Mr. President, I should like to associate myself with the remarks of my distinguished friend from Kansas [Mr. CARLSON] both as to what he had to say about the able Senator from Vermont [Mr. FLANDERS] and what he had to say about the distinguished Senator from Utah [Mr. BENNETT].

I wish particularly to congratulate the Senator from Utah upon having brought forth before the Senate today what I think is an entirely new idea—at least it is new to me—in dealing with the very complicated problem of international trade and what our policy in connection with it should be. I think it is one of the knottiest problems we have before us in our whole scheme of economic affairs. The Senator from Utah is certainly to be congratulated for giving the Senate some constructive and entirely new thoughts in this very important area.

The Senator is always very thoughtful and constructive in dealing with economic affairs. In the past week he has delivered two addresses before the Senate respecting our fiscal and economic affairs, with particular emphasis on the dangers of inflation and with particular respect to the hearings conducted by the Senate Finance Committee. He has made an exceedingly interesting one-man summary and report on those very important hearings.

In the reports which he has made—and I understand there is still another to come—I believe he has contributed some material to our economic thinking which will be of great interest to all students of our economic problems, and particularly those which have to do with the part the Government should play in connection with the control of inflation, in connection with the Federal Reserve System, and in connection with the

money market, as well as in connection with our Government financing problems and all the related subjects which he has discussed in the very able analyses which he is placing before the Senate.

I think we are very fortunate to have on the Finance Committee a man who will take the great time and trouble necessary to study these important subjects in detail, and in the constructive manner in which the able Senator from Utah has studied them.

Mr. BENNETT. Mr. President, I appreciate the very kind remarks of my colleague. They constitute high praise and high pay.

Mr. President, I yield the floor.

Mr. CLARK. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Pennsylvania will be stated.

The LEGISLATIVE CLERK. On page 1, it is proposed to strike out lines 5 to 9, inclusive, and insert in lieu thereof the following:

SEC. 2. Section 2 (c), as amended and extended, of the act entitled "An act to amend the Tariff Act of 1930," approved June 12, 1934, as amended (19 U. S. C., sec. 1352 (c)), is hereby repealed.

Mr. CLARK. Mr. President, this amendment proposes to strike that section of the permanent law which sets an expiration date 3 years in the future. It would also repeal that section of the act which sets the present expiration date.

The effect of this amendment, if adopted, would be to extend the Reciprocal Trade Agreements Act for an indefinite period.

I submit that the statement of any fixed termination date in the pending bill, or in the basic act, is both unwise and unnecessary. I shall elaborate briefly on that point in a moment, but first let me turn, equally briefly, to my reasons for supporting the bill in the general form in which it came from the House of Representatives, and for opposing the crippling amendments which have been imposed by the Senate Finance Committee.

A few minutes ago the distinguished Senator from Arkansas [Mr. FULBRIGHT] said something to the effect that the ritualistic formulas of our democratic process require the annual repetition of the obvious. I heartily concur in that statement. Members of the Senate have been defending the Reciprocal Trade Agreements Act ever since 1934, when it was first proposed by that great former Member of the Senate and Secretary of State, Cordell Hull.

The reasons why Secretary Hull's policy is still sound, and why conditions, which might have changed in the interim, have not required any significant change in that policy, have been so well stated by so many of my colleagues, notably the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Illinois [Mr. DOUGLAS], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Virginia [Mr. ROBERTSON], and the Senator from New York [Mr. JAVITS], that I will not repeat what they have said.

The national security, the overwhelming consumer interest, the desirability of preventing inflation, the desire to decrease the cost of living, the need to expand our export industries and further to develop our ports, including the important Pennsylvania port of Philadelphia and the soon-to-be-important Pennsylvania port of Erie, which will have access within the next year to deepwater seaway traffic, the needs of our Pennsylvania economy, in which so many industries are dependent upon exports for their prosperity, the necessities of international trade, and the desire to raise the standard of living all over the world are only a few of the major reasons why this sound program should be indefinitely continued.

Perhaps another striking reason is the utter inability of Congress, as demonstrated by history, to cope successfully with the interminable details of a tariff bill, the latest example being the Smoot-Hawley bill of infamy.

A tariff commission, plus subsidy programs, oil quotas, and the like, can certainly take care of all serious hardship cases. Therefore I have no hesitancy in saying that I shall support without reservation an effort to remold the bill more closely to the form in which it came to the Senate from the House of Representatives.

Let me now return to some reasons for wishing to make the act permanent.

First, this debate has already clearly demonstrated the fact that any expiration date that is set is almost completely arbitrary. The administration recommended 5 years and the House adopted that recommendation. The Senate Finance Committee has chosen 3 years; the distinguished Senator from South Carolina [Mr. THURMOND] has filed an amendment recommending 2. Others among us have stated that they preferred an extension for greater or lesser periods of time. While I would prefer the 5-year extension over the other proposals, I cannot, in all candor, say that I see any weighty arguments in favor of any time period.

I submit that it is time to eliminate any such time period from the bill. I feel confident that the committee members who voted for a 3-year extension will admit that there is nothing which compels one to the conclusion that that period is the wisest and best. Is this really anything more than a dignified version of the numbers game? I think not.

Second, look to the past and the same conclusion seems inescapable. Congress, in its wisdom, has extended the Reciprocal Trade Act nine times; in 1937, 1940, 1943, 1945, 1949, 1951, 1953, 1954 and 1955 for periods of time varying from 1 to 4 years in length. Can it honestly be stated by the advocate of any set period of extension that past experience with a like period of extension has proved its inherent superiority over shorter or longer periods of extension? I think not.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield to the distinguished Senator from Kansas.

Mr. CARLSON. I was checking the list as the Senator enumerated the various extensions. I am not sure whether his list included 1948, when the act was extended for 1 year. I have a list of the extensions before me. I am sure that if the Senator did not have that year on his list, he should include it.

Mr. CLARK. I am very grateful to my friend from Kansas for pointing out the inadvertent omission in my list. I am happy to accept the Senator's amendment of it.

Third, the time and expense consumed in these periodical extensions are well known. The tortuous course of the present bill is typical. The House hearings started on February 17 and concluded on March 25. About 200 witnesses were heard and statements and written material introduced into the record totaled almost 3,000 pages. Senate hearings covered 11 days, during which time 90 witnesses were heard and statements were submitted by about 150 other persons or groups.

Mr. President, I hold in my hand two bulky and heavy volumes representing only the Senate hearings. In all candor—and I hope I am not doing an injustice to my colleagues—I wonder how many of my colleagues have read all the hearings. I confess I have not. I am not particularly ashamed of myself for not doing so, because of obligations in other fields for which there is particular responsibility by reason of service on various committees. This heavy weight of paper has chained and bowed many a tameless Senator and many a swift and proud Representative without perceptibly contributing to his wisdom or to the final decision in either branch of Congress.

As can be seen from an examination of the hearings which are now printed and before us, the Senate hearings cover 2 volumes totaling 1,500 pages. The cost in terms of Congressional, Presidential, and administrative time spent in obtaining these repeated renewals of a policy which is now firmly embedded in our law represents a waste of manpower to our Government which cannot be stated in statistics.

Fourth. The doubt and uncertainty created in the international community by these periodic upheavals are unquestionably magnified by the existence of a set termination date. On June 20, 1958, the Secretary of State, John Foster Dulles, appeared before the Senate Committee on Finance and gave a prepared statement on H. R. 12591. In that statement, which I had printed in full in the RECORD for July 2, 1958, starting at page 12924, the Secretary stated as follows:

On each of the 10 times that the Trade Agreements Act has come before the United States Congress for renewal, there has been a period of uneasiness and concern among our friends throughout the Free World. Because the United States is the ranking supplier or consumer of so many commodities, its trade policy is a matter of vital interest to the overall economy of many countries. The question of whether the United States is going to continue to buy a given country's products so as to enable that country to accumulate dollar exchange with which to buy needed supplies for the well-being of its own people is often nearly a life and death proposition.

This anxiety on the part of friendly countries is clearly something that acts to our material detriment. Our representatives in international trade agreement negotiations are constantly faced with the argument by foreign representatives that the assurances which they give must be discounted because of the known possibility of expiration of the act at a fixed future date.

When I was in Italy last fall the Italian Government was already in a condition of great uncertainty and concern about what would happen to our reciprocal trade policy. It was feared that if we did not renew the Reciprocal Trade Agreements Act, and renew it in substantially its present form, before the Italian election—which took place only a month or two ago—the result would be extremely adverse to the friends of freedom, and would give the Communist Party in that country a great lift.

Fortunately, the event turned out otherwise. The Christian Democratic Party in Italy was able to muster sufficient votes in the Italian Legislature to form a government. However, the Communists and Socialists were also successful in increasing their representation. Who knows what effect the fear that America would turn its back on Italy so far as trade was concerned had in that particular election. I cannot assert that it was significant. However, important members of the Italian Government told me last fall that it was a matter which caused them a great deal of concern.

Mr. President, any provision in the act which sets a terminal date of 1 year, 3 years, or 5 years is completely obsolete in the modern world. It is high time that we in Congress realize that such a provision is obsolete, and make the act a part of our permanent foreign and domestic policy.

The argument has been made that the delegation to the President of a power reposed in Congress by the Constitution is unconstitutional. I have heard that argument made on the floor of the Senate earlier today. I do not believe that anyone will take seriously the argument that the act first passed in 1934 will now be held unconstitutional.

I hold in my hand the brilliant brief filed by the Department of Justice in the United States Customs Court in the case of Star-Kist Foods, Inc., against the United States, in which a detailed legal argument in support of the constitutionality of the delegation of powers to the President in the Reciprocal Trade Agreements Act is spelled out in such convincing form. I shall not do more than make passing reference to it at this time.

Furthermore, there are several earlier cases in the Supreme Court of the United States which clearly indicate that the act is constitutional, and those cases are set forth in the brief to which I have referred. In none of them is the temporary nature of the delegation of authority asserted to support constitutionality.

It will be suggested that even if the delegation of power by the Congress to the President in this regard is constitutional, it is nonetheless unwise. Mr. President, I submit that in instance after instance there has been a greater delegation of power by Congress to quasi-independent administrative agencies of the Government and, indeed, to the executive branch of the Government, without that argument having been successfully made.

In the modern world we in Congress must face more and more the fact that the detailed supervision of legislative enactments, which was feasible and possible in the good old horse and buggy days of the early 19th century, and indeed practical until shortly after the turn of this century, is no longer an effective tool of modern government in this fast-moving world. Congress is best served when it holds tight control of the purse strings and gives careful supervision over the administrative actions of the executive department, but does not attempt to legislate for itself in any detail in any particular field, but, rather, confines itself to laying down broad general policy.

In that connection I might mention, in passing, the Interstate Commerce Commission, the Federal Trade Commission, and the Federal Power Commission as a few of the administrative agencies which, like the Tariff Commission in the present act, have had delegated to them, frequently with the supervision of the President, the power to carry out the details of a general policy established by Congress.

Mr. President, the adoption of this amendment will not in any way mean that Congress has given up its traditional control over trade and tariff policies. Such control will remain fully intact and will continue, without change, as it has during the past 24 years.

It is my contention, however, that until such time as a majority of Congress can be summoned to reverse a well established and eminently sound policy, we should not be plagued every few years, as we have been this year, nor should our friends abroad be plagued every few years, with such an enormous waste of executive and legislative talent and such uncertainty as to the policy and position of the United States of America in international affairs.

I therefore urge upon the Senate, without much hope that the request will fall on friendly ears, the amendment I have offered.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield.

Mr. CARLSON. I wish to comment on the amendment which the Senator from Pennsylvania has offered. He has made a very good case for what might be called a permanent extension of the Reciprocal Trade Agreements Act. I think I can discuss the question very fairly with him, because in committee I supported the 5-year extension. The committee, however, saw fit to report a 3-year extension.

I suggest that the Senator from Pennsylvania and the junior Senator from Kansas also give some consideration to the provision which is in the House bill, for a study of the entire international trade program. I think that we who have been working with the problem in committee for several years sincerely believe that we had better take another look at the whole picture. It might well be that if a commission is created, an opportunity will be afforded to give Congress and the country a report on what course of action we should follow in respect to this subject matter for the next few years.

I have the personal feeling that we cannot at this time do anything but to extend the act. I should like to extend it for 5 years in view of the coming into being of the European Economic Community. I think that is the next important trade field and, in my opinion, this Nation cannot afford to be outside that picture.

But to extend the act permanently, as the Senator from Illinois has suggested, is a matter to which we should give serious thought. I suggest that serious consideration be given to creating a commission, a commission which I hope will make a comprehensive study for Congress and will really establish fundamental principles for the future development of foreign trade.

Mr. CLARK. I am most interested in the comments of the Senator from Kansas, particularly in his view, which was also expressed so ably by the distinguished Senator from Illinois [Mr. DOUGLAS] yesterday, and which has been evidenced by the illustrative chart which may be seen on the floor of the Senate, that there is need to have at least a 5-year extension in order that we may deal adequately with the European Trade Community, which is about to come into being.

So far as a commission is concerned, I have no strong views about that, one way or the other. But I shall ask the Senator from Kansas whether we have not had commission after commission studying this problem ever since he and I can remember; and whether an excellent report was not submitted by the so-called Randall Commission about a year or two ago.

Mr. CARLSON. Some very excellent studies have been made; but I feel very seriously that we need to take another look. When we begin to deal with tariffs, we immediately raise the question whether tariffs can be touched. In 1934 some changes were made. We now have had 24 years' experience. It might be well if the Commission, which would be composed of 3 members to tbe appointed by the President, 4 Members of the Senate, and 4 Members of the House of Representatives, were really to take a serious look at the international trade picture.

When I shall obtain the floor, I shall speak in favor of the 5-year extension, based on the same evidence as that offered by the Senator from Illinois.

I think the next serious problem to confront the country will be the European Economic Community. But, at the same time, I think we should take a serious look at the picture, to see where we are headed.

Mr. CLARK. I am not in any particular disagreement with the Senator from Kansas. It may well be that the Commission which he recommends is a good idea. But I think that both the House and Senate, in addition to the Randall Commission, seem to take a pretty serious look at the matter every time it

comes before them. But it may well be that we should have the benefit of another study by a commission. I am far from being opposed to the particular suggestion of the Senator from Kansas.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. DOUGLAS. First, I congratulate the Senator from Pennsylvania for the very able statement he has made. I am greatly pleased that he did not adopt an apologetic attitude toward reciprocal trade. All too often the administration, while ostensibly viewing the extension of reciprocal trade with favor, has not done so wholeheartedly, but has made concessions so as to materially impair the usefulness of the act.

If the trumpet give an uncertain sound, who shall prepare himself for the battle?

I am glad the Senator from Pennsylvania has sounded a clear note concerning the worthwhileness of the reciprocal trade program.

Mr. CLARK. I am happy to have that comment from the Senator from Illinois because, as a relatively new Member of the Senate, I have been perhaps a little brasher than I should have been in feeling that on several occasions, with respect to several matters, this distinguished body was well behind the thinking of the country and was perhaps not ready to exercise the type of sound, wise leadership which the Founding Fathers had in mind.

It has therefore been a source of some disappointment to me to see the initiative taken, in measure after measure, by colleagues of mine, distinguished as they are and personal friends of mine as they are, who, in my judgment, represent an age which has passed, instead of a world which is thronging before.

I feel, therefore, that we who think of ourselves as constitutional liberals, having some appreciation of the requirements of the second half of the 20th century, have a special obligation to state our case as often and as aggressively as we can in the Senate, in the effort to bring the thinking of this body up to date with what seems to us to be the thinking of the outside world.

Mr. DOUGLAS. I raise this further question with the Senator from Pennsylvania. The Senator from Kansas [Mr. CARLSON] has pointed with pride to the provision for a commission to investigate reciprocal trade. The terms of that investigation are set forth on page 30 and 31 of the bill in some 8 standards.

Would not the Senator from Pennsylvania agree that the eight standards which have been specifically chosen are standards which throw the burden of proof upon the proponents of reciprocal trade to prove that it has been a good thing, and that, on the whole, they stress those items which the opponents of reciprocal trade are most zealous in advancing?

Mr. CLARK. I am in complete accord with the statement of the Senator from Illinois, to whose brilliant speech on this matter on the floor of the Senate yesterday I had the opportunity to listen, at least in part.

I think the standards to which he refers, and which have been inserted in the bill by the Committee on Finance, go very far toward emasculating the bill, making it absolutely unworkable, and turning it into a protectionist instead of a reciprocal trade measure.

Mr. DOUGLAS. If a commission is to be created, should not the commission study the advantages to consumers and exporting industries, and the foreign relations program in general, instead of discussing the number of labor hours lost in industries whose products have been affected by imports?

Mr. CLARK. I have the feeling that the Senator from Kansas and the Senator from Illinois might be able to get together on a statement of what the commission should consider, so that the sky would be the limit, and that Marquis of Queensbury rules would be established to permit the commission to examine into anything which is relevant to the subject of foreign trade, international relations, and the domestic economy.

I did not mean to indicate that I think the eight provisions having to do with standards will emasculate the bill. They do not. They may very well make it difficult for the commission to have the broad scope which I think would be desirable if the commission is to be created.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. CARLSON. We who were in the committee when the amendment was proposed by the Senator from Vermont [Mr. FLANDERS] made several suggestions and additions. So far as I am concerned, the sky is the limit. In fact, I will be greatly disappointed if the commission does not cover the entire field in determining the best policy for trade between this Nation and other nations. I believe we must face the issue squarely.

Mr. CLARK. Mr. President, I suggest the absence of a quorum.

Mr. CARLSON. Mr. President, will the Senator from Pennsylvania withhold that suggestion?

Mr. CLARK. I am happy to do so, at the request of my friend, the Senator from Kansas.

Mr. CARLSON. If there is no objection, I should like to proceed at this time. I seek recognition, and I do not care to have a quorum call, unless some other Senator who is to speak at about this time wishes to have a quorum call.

Mr. CLARK. I had hoped we would soon be able to reach a vote on my amendment. Perhaps that is an illusory hope; but I thought perhaps we could have a quorum call at this time, and then could see about obtaining a vote on the amendment.

Mr. CARLSON. Before the amendment is voted on, I wish to address the Senate.

Mr. CLARK. Then, Mr. President, I shall be happy to withhold the suggestion of the absence of a quorum; and I yield the floor to my friend, the Senator from Kansas.

Mr. CARLSON. Mr. President, I desire to take advantage of this opportunity to discuss, for at least a few minutes, our international trade program and some of our policies, as I view them.

Many of the political and economic beliefs which were valid at one time must be reviewed on the basis of present-day conditions. That point was the cause of the brief colloquy I had a few minutes ago with the Senator from Pennsylvania [Mr. CLARK], in regard to an amendment which provides for a commission to study our international trade program. Mr. President, it seems to me to be particularly true that our international trade and tariff policies must also be reviewed, keeping in mind present-day conditions.

Today, we are the largest creditor nation in the world; and our tariff policy should reflect that fact. It is an interesting historic fact that the last 40 years, in which there have been the greatest economic growth and prosperity here at home, have closely paralleled the times when we were the most liberal in making foreign loans and giving foreign grants. Whenever during these 40 years we have raised our tariffs or reduced the amounts of our foreign loans and foreign grants, we have had a decline in production, a decline in employment, and a decline in prosperity in our own Nation.

The Senate Finance Committee held hearings for several days on the pending bill, and approved several amendments to the bill as it was passed by the House of Representatives. The bill as reported to the Senate by the Senate Finance Committee contains a number of amendments which I do not wish to support. I shall discuss briefly some of my reasons for being opposed to several of those amendments.

First, I wish to discuss the provision regarding the length of the proposed extension of the act.

For many months we have been devoting our attention to the administration's bill for extension of the Reciprocal Trade Agreements Act. We have carefully studied the arguments pro and con, in an earnest effort to decide upon a course of action best for our country in these times when it seems that each day brings problems which are new and strange.

During the prolonged debate, which from time to time has become emotional, it has occurred to me that one phase of the issue, although ignored, has not received the attention its importance merits.

The European Common Market came into legal existence on January 1 of this year. The very concept of an agreement by six European nations upon a plan of such magnitude, reaching many years into the future, and involving sacrifices of one kind or another on the part of each signatory, is almost incredible to most Americans who have seen the quarrels and disagreements among most of these nations serve as constant irritants and preventives to an amicable agreement of any kind. In the July issue of its monthly report on business and economic conditions, the First National City Bank of New York uses the word "incredible" in reporting on developments within the Common Market. It states that a generation ago it would have seemed incredible that continental European countries would give up protection for their own industries, and would embark on a far-reaching program of trade liberalization and economic unification.

Mr. President, those of us who have had an opportunity to visit Europe and to know personally some of the people in those countries can well appreciate the difficulties they have had in trying to reach agreement on the European Common Market or the European Common Economic Community. I should like to quote from two paragraphs of that compelling report.

In referring to this evidence of forward thinking among these European nations, the article states:

Since World War II there has been an awakening to the fact that nationalistic restrictions waste productive resources and, indeed, are earmarks of economic weakness. One of the secrets of American prosperity is the breadth of our market, which provides extensive opportunities for realizing the economies of large-scale production and distribution and for placing industries where natural advantages are greatest. The EEC is an attempt to create the same kind of market by the removal of customs barriers and the coordination of economic policies.

The six—

The reference is to Italy, France, the Federal Republic of Germany, Holland, Belgium, and Luxembourg—

have agreed to sacrifice some measure of independence to gain these benefits. This perhaps could never have been accomplished in the absence of the threat to Communist empire in the East. The unprovoked attack on Korea in 1950 accelerated European integration, as did the closing of the Suez Canal in 1956. The unexampled resurgence of Western Germany under free-market policies provided a working model for progress through individual initiative.

To me, a most significant fact becomes glaringly obvious, although I do not recall hearing it mentioned during these months of earnest and intense efforts to solve the problem of tariffs and the position of the United States regarding them. Difficult thought it may be to face, in view of our natural pride in our own country, to me this is a clear indication that these European nations have modernized their concepts and their thinking to a degree which We Americans might well emulate. Indeed, the progress of the European Common Market has resulted in capturing the imagination of the rest of the world, and no longer is a United States of Europe considered beyond the realm of possibility.

There is no more compelling reason for extending the Reciprocal Trade Agreements Act for 5 years than the progress of the European Economic Community. I have heard some of my colleagues lightly dismiss the 5-year extension proposal with a comment that whether the extension is for 5 years or 3 years makes no difference. Mr. President, I believe it is possible to demonstrate the fallacy of such a view. Certainly the Soviet military and economic threats to the peace of the world need no comment upon the floor of the United States Senate on this dark day in the Middle East. But the following undeniable facts lend substance to the economic threat of the Soviet Union:

The Soviet rate of economic growth is about 10 percent a year. The economic growth of the United States is 4 percent. Soviet-bloc economic assistance, in the form of long-term loans at low-interest rates, to the least developed countries went from zero, in 1954, to $1.6 billion, in 1957. This is no haphazard development. It is a carefully considered and carefully applied Soviet policy. So is the development of Soviet-bloc trade, which has risen from $1.8 billion in 1954 to $3.2 billion in 1957. Its purpose is political. Its object is Communist political domination. I do not believe that we, as a Nation, can afford to enact a bill dealing with this problem without keeping in mind those facts.

Mr. President, with those grim facts in mind, let us consider further the European Common Market and the vital need of a 5-year extension of the Reciprocal Trade Agreements Act if we are to challenge the Soviet economic threat.

Let us consider the procedure involved and the timetable. They will demonstrate beyond the shadow of a doubt that the necessary tariff negotiations between the United States and the European Common Market cannot be concluded within 3 years.

First, there must be a time-consuming examination of the entire problem by the Government of the United States. This examination of proposed external tariff will begin in the latter part of 1959. The external tariff will begin to have an effect on January 1, 1962. From July 1958 to June of 1959 would be consumed in reaching an agreement to hold negotiations. From July 1959 to June 1960 we would receive and analyze the proposed external tariff and begin preparations for negotiations. The period from July 1960 to June 1961 would see the inauguration of United States and European preparations and negotiations. Between July of 1961 and June of 1962 the negotiations would continue and, we hope, be completed. Thus it is easily seen that these tariff negotiations involving potent new economic factors could not possibly be completed before January 1962, which is 3½ years from the expiration of the present act. That, however, is a very optimistic prediction. A more realistic prophecy would set the completion date back to June of 1962. Thus it is quickly seen that it is impossible to negotiate tariff agreements with the European common market within a period of 3 years.

To refer again to the report of the First National City Bank of New York, even France, with all her current internal problems, is acting in good faith to honor her international obligations in connection with the ECC. Recognizing that constitutional reform is necessary to create a strong government and sustain monetary and fiscal discipline, General de Gaulle has been given the task.

The report quotes Paul Henri Spaak, former Prime Minister of Belgium and now Director-General of NATO, as wisely saying—

No one can imagine all the difficulties involved in creating a new Europe. But without it, in 30 years' time our continent would become one of the Free World's backward areas.

To me it is inconceivable that the United States should stand alone and aloof, thus relinquishing its acknowledged responsibility of leadership of the Free World.

There is every reason why the United States must assume a realistic attitude in this time of crisis. In my opinion, we should extend the Reciprocal Trade Agreements Act for at least 5 years, and the President of the United States should have the necessary 25-percent authority.

When the House of Representatives gave its overwhelming approval to this proposed legislation virtually every leading newspaper of the United States greeted the vote with enthusiasm. Civic organizations all over our country hailed the House action as an indication that the United States had at last reached its maturity.

All over the world intelligent people are watching us today. The United States must not step backward to a trade policy which brought economic chaos to the entire world a quarter of a century ago.

KERR AMENDMENT

Mr. President, another phase of the pending legislation which I wish to discuss briefly is the Kerr amendment, which was adopted by the Senate Finance Committee by a vote of 8 to 7.

As one of those who opposed this amendment in committee, I feel that I should discuss the effects of the amendment as I understand it.

After considering the House-passed provisions relating to the escape-clause procedure, our Finance Committee deleted the section of the bill which, if adopted by the Congress, would have provided that a Tariff Commission recommendation could be overridden by the adoption of a concurrent resolution by a two-thirds vote of both houses.

The Kerr amendment provides that the Tariff Commission's recommendation will become effective unless a disapproval by the President is confirmed by a majority vote of the Congress. It also provides that in the case of a tie vote by the Tariff Commission as to injury, the affirmative findings will be considered the findings of the Commission. In the event of conflicting recommendations by the Tariff Commission as to remedy, the recommendation which in the opinion of the President provided the greatest relief to the industry would prevail.

In my opinion, this amendment is not only the most damaging amendment to the reciprocal trade agreements program, but, frankly, I believe it is unworkable.

The Kerr amendment changes the entire basis of the trade agreements program by delegating to the Tariff Commission authority to set tariff rates in escape clause cases and in making that authority final except when the President is able—and I stress the word "able"—to obtain a majority vote in both Houses of Congress to uphold his position.

The Kerr amendment is so written that it does not require the majority of the Tariff Commission to provide an increase in the tariff. It states that when there is a tie vote, or a 3 to 3 decision, that action must be regarded as affirming an increase in the tariff.

Should the President, who is given great authority under the Reciprocal

Trade Agreements Act passed in 1934, disagree with the divided vote of the Tariff Commission, or the majority of the Tariff Commission, he would have to appeal to Congress and ask it, by a majority vote, to uphold his views.

Under these circumstances, it is possible for three members of the Tariff Commission to put into effect a ruling increasing tariffs against the will of the President and against the will of one House of Congress.

I cannot believe that the Congress of the United States, which, under the Constitution, was given the power to fix tariff rates, wants to make it possible for the House of Representatives or the Senate of the United States, singly, plus three tariff commissioners, to overrule the President in an important policy field.

Someone has said that this suggestion sounds fantastic, and frankly, I agree with that position.

In my opinion, the Kerr amendment, if adopted, would clearly invite a flood of applications to the Tariff Commission for tariff increases which, from a legislative standpoint, might become even more than burdensome.

It is true that there have been but few applications to the Tariff Commission for study and recommendation based on the existing peril point, and only in a few of these cases has action been taken to give relief to injured industries through the escape clause.

I do not believe it takes a clairvoyant to see that under the proposal in the Kerr amendment, not only the Tariff Commission, but the Congress, would be required to spend most of its time adjusting tariff rates and making final determination on strictly tariff problems.

It is only natural that the industries concerned would immediately apply directly to the Congress. We may be sure that in a very few years the Congress would be inundated with applications which had failed to qualify for a finding of injury by the Tariff Commission.

If we want to get back to the logrolling in tariff legislation which took place in the early thirties, all we have to do is to adopt the Kerr amendment.

I expect to discuss other phases of this bill as we proceed with the debate on other amendments. At the present time I yield the floor, and suggest the absence of a quorum.

Mr. CLARK. Mr. President, will the Senator withhold his request?

Mr. CARLSON. I am happy to withhold the request. Mr. President, I withdraw the suggestion of the absence of a quorum.

Mr. CLARK. Mr. President——

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. CLARK. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without losing my right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania?

Mr. JOHNSON of Texas. Mr. President, reserving the right to object, what was the Senator's request?

Mr. CLARK. I asked unanimous consent that I might suggest the absence of a quorum without losing my right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania? The Chair hears none, and it is so ordered.

Mr. CLARK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Flanders	Martin, Pa.
Allott	Frear	Monroney
Bennett	Hickenlooper	Morton
Bible	Hill	Pastore
Bush	Holland	Payne
Butler	Javits	Potter
Byrd	Jenner	Proxmire
Carlson	Johnson, Tex.	Russell
Church	Johnston, S. C.	Smith, N. J.
Clark	Jordan	Sparkman
Cooper	Kennedy	Talmadge
Douglas	Knowland	Thurmond
Dworshak	Long	
Ervin	Martin, Iowa	

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Tennessee [Mr. GORE], the Senator from Montana [Mr. MURRAY], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

Mr. DIRKSEN. I announce that the Senator from Wyoming [Mr. BARRETT], the Senator from New Hampshire [Mr. BRIDGES], and the Senator from North Dakota [Mr. YOUNG] are detained on official business.

The PRESIDING OFFICER. A quorum is not present.

Mr. JOHNSON of Texas. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. BEALL, Mr. BRICKER, Mr. CAPEHART, Mr. CARROLL, Mr. CASE of New Jersey, Mr. CASE of South Dakota, Mr. CHAVEZ, Mr. COTTON, Mr. CURTIS, Mr. DIRKSEN, Mr. EASTLAND, Mr. ELLENDER, Mr. FULBRIGHT, Mr. GOLDWATER, Mr. GREEN, Mr. HAYDEN, Mr. HENNINGS, Mr. HOBLITZELL, Mr. HRUSKA, Mr. HUMPHREY, Mr. IVES, Mr. JACKSON, Mr. KEFAUVER, Mr. KERR, Mr. KUCHEL, Mr. LANGER, Mr. LAUSCHE, Mr. MAGNUSON, Mr. MALONE, Mr. MANSFIELD, Mr. MCCLELLAN, Mr. MCNAMARA, Mr. MORSE, Mr. MUNDT, Mr. NEUBERGER, Mr. O'MAHONEY, Mr. PURTELL, Mr. REVERCOMB, Mr. ROBERTSON, Mr. SALTONSTALL, Mr. SCHOEPPEL, Mr. SMATHERS, Mrs. SMITH of Maine, Mr. STENNIS, Mr. SYMINGTON, Mr. THYE, Mr. WATKINS, Mr. WILEY, and Mr. WILLIAMS entered the Chamber and answered to their names.

The PRESIDING OFFICER. A quorum is present.

Mr. CLARK. Mr. President, on my amendment to make the Reciprocal Trade Act permanent, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. CLARK. Mr. President, I shall detain the Senate only a minute and a half, because I have already placed in the RECORD, in detail in the speech I made an hour ago, my reasons in support of the amendment.

Basically, there are two reasons why, in my judgment, the Reciprocal Trade Agreements Act should be made permanent. First, the periodic consideration of its renewal entails an enormous waste of time, brainpower, and effort with respect to what is now a national, well-established policy. Second, as a matter of implementing foreign policy, it is necessary for the President, restricted to some extent by the Tariff Commission, to have the authority to negotiate these agreements, without fear that every 2 or 3 years Congress will automatically review the program, and may well not continue it.

That is all I have to say on the amendment. I hope we may have a prompt vote.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Pennsylvania [Mr. CLARK]. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Tennessee [Mr. GORE], the Senator from Montana [Mr. MURRAY], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I further announce that if present and voting, the Senator from Montana [Mr. MURRAY] would vote "nay."

Mr. DIRKSEN. I announce that the Senator from Wyoming [Mr. BARRETT], the Senator from New Hampshire [Mr. BRIDGES], and the Senator from North Dakota [Mr. YOUNG] are detained on official business. If present and voting, each of them would vote "nay."

The result was announced—yeas 4, nays 85, as follows:

YEAS—4

Clark	Humphrey	Neuberger
Douglas		

NAYS—85

Aiken	Hayden	Monroney
Allott	Hennings	Morse
Beall	Hickenlooper	Morton
Bennett	Hill	Mundt
Bible	Hoblitzell	O'Mahoney
Bricker	Holland	Pastore
Bush	Hruska	Payne
Butler	Ives	Potter
Byrd	Jackson	Proxmire
Capehart	Javits	Purtell
Carlson	Jenner	Revercomb
Carroll	Johnson, Tex.	Robertson
Case, N. J.	Johnston, S. C.	Russell
Case, S. Dak.	Jordan	Saltonstall
Chavez	Kefauver	Schoeppel
Church	Kennedy	Smathers
Cooper	Kerr	Smith, Maine
Cotton	Knowland	Smith, N. J.
Curtis	Kuchel	Sparkman
Dirksen	Langer	Stennis
Dworshak	Lausche	Symington
Eastland	Long	Talmadge
Ellender	Magnuson	Thurmond
Ervin	Malone	Thye
Flanders	Mansfield	Watkins
Frear	Martin, Iowa	Wiley
Fulbright	Martin, Pa.	Williams
Goldwater	McClellan	
Green	McNamara	

NOT VOTING—7

Anderson	Gore	Young
Barrett	Murray	
Bridges	Yarborough	

So Mr. CLARK's amendment was rejected.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. KNOWLAND. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California to lay on the table the motion of the Senator from Texas.

The motion to lay on the table was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 4229) for the relief of Continental Hosiery Mills, Inc., of Henderson, N. C., successor to Continental Hosiery Co., of Henderson, N. C.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 9147) to provide for the disposal of certain Federal property in the Boulder City area, to provide assistance in the establishment of a municipality incorporated under the laws of Nevada, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. ENGLE, Mr. ASPINALL, Mr. BARING, Mr. RHODES of Arizona, and Mr. HOSMER were appointed managers on the part of the House at the conference.

SUPREME COURT JURISDICTION

Mr. JENNER. Mr. President——

The PRESIDING OFFICER. The Senator from Indiana.

Mr. JENNER. On Monday, July 7, the President of the United States sent a special message to Congress asking us to pass legislation immediately to undo the latest havoc wrought by the United States Supreme Court. Only 2 weeks earlier the Court had handed down decisions which limited the traditional authority of the Secretary of State to issue passports. As a result of these decisions, Communist conspirators are being dispatched abroad on treasonous errands. The President said:

> I wish to emphasize the urgency of the legislation I have recommended. Each day and week that passes without it exposes us to great danger.

A year, almost to the day, before Mr. Eisenhower submitted this message, his then Attorney General came before us personally to support a bill which, in his own words, was "intended to correct a grave emergency in law enforcement which has resulted from the decision of the Supreme Court in Jencks against United States."

The Jencks decision, as every Senator knows, was the decision in which the Court offered to the Communist labor leader, Clinton Jencks, virtually unlimited access to FBI files concerning his activities. The Jencks decision was only 10 days old when Attorney General Brownell made the statement quoted above, but the proof of the "grave emergency in law enforcement" which that opinion created already was pouring into the Department of Justice. Because of the Jencks decision, criminal action against dope peddlers had been abandoned by the Department. Because of the Jencks decision, attorneys for convicted kidnapers were bringing action that promised to set these kidnapers free. And, of course, Communist leaders everywhere were rejoicing at the new opportunities which the decision offered to them.

At about the same time that Attorney General Brownell was telling Congress about the evil effects of the Jencks decision, Assistant Attorney General Warren Olney was telling the Washington Evening Star about the effects of the Mallory decision, under which the Supreme Court had freed a self-confessed rapist. Mr. Olney said that as a result of this, a great many very serious crimes will go unpunished. He added that the Supreme Court of the United States will not listen to the truth.

Let me summarize these statements regarding the Supreme Court, which have come to us from the very top of the executive branch of our Government. The Assistant Attorney General tells us that a great many very serious crimes will go unpunished because of a Court which will not listen to the truth. The Attorney General tells us that the Court has created a grave emergency in law enforcement. The President, himself, urges emergency legislation to correct a situation caused by the Court because, each day and week that passes without it exposes us to great danger.

Clearly, the administration thinks it right and proper to seek legislative relief from Supreme Court decisions which impinge on the executive branch. But when an effort was made to get legislative relief from Court decisions impinging on the legislative branch and abridging the rights of the State, the administration jumped in to oppose it.

There was a law passed within a matter of days, to overcome the grave emergency created by the finding in the Jencks case. To take care of the problems raised by the Mallory decision, the House has passed a bill which is now before the Judiciary Committee of the Senate.

The PRESIDING OFFICER (Mr. MORSE in the chair). The Senator from Indiana will suspend.

Mr. JENNER. I can talk louder than those who are conversing.

The PRESIDING OFFICER. But the Chair is not going to let the Senator from Indiana do so.

Mr. JENNER. Very well.

The PRESIDING OFFICER. The Senator from Indiana will suspend. The Senate will come to order. Senators who wish to converse will retire to the cloakrooms.

The Senator from Indiana may proceed.

Mr. JENNER. Mr. President, I was saying that in order to take care of the problems raised by the Mallory decision, the House has passed a bill, which is now before the Judiciary Committee of the Senate. Hearings were had on it today. Action has already begun in response to the President's request for new passport legislation.

But, nothing whatever is being done about Senate bill 2646, as amended, since it was reported favorably to this body on May 15, 1958, by a 10-to-5 vote of the Judiciary Committee.

It is on the Senate Calendar. It is pending now. It has been for 2 months. We are concerned about the executive department. We are concerned about the Communists in the Middle East. But no one seems to give a damn about communism here, and how it affects the legislative branch of the Government.

Eugene Dennis, who went to jail for advocating the violent overthrow of this Government, publicly rejoiced because the decisions from which S. 2646 seeks to provide relief gave unprecedented new opportunities to the Communist Party, U. S. A.

The new opportunities noted by Dennis are easily recalled. In the Konigsberg case, the Court opened the way for underground Reds to become officers of State courts. In Cole against Young, it helped Communists to swarm back onto the Federal payroll. In Watkins, Sacher, Sweezy, and other contempt matters, it bestowed its blessing on those who seek to defy, disrupt, and destroy Congressional and State legislative investigations of the Red underground. In Slochower, it helped Communists to return to the faculties of tax-supported schools. In Yates, Schneiderman, and others, it sprung prison gates on behalf of Red conspirators, demolished pending prosecutions, and—in the words of one Federal judge—"made a shambles of the Smith Act." In Nelson, it rendered unenforceable the antisedition laws of 42 States, Alaska, and Hawaii.

During the Court's present term, it has continued to shower new opportunities on the Communist conspiracy. In the Nowak case, it said there was no proof that a Communist Party official knew that the party advocated violence, although he had been an educational director for the party and had attended secret meetings and talked of the need for "bullets instead of ballots." In Speiser and Prince, it forced a county and municipality of California to grant property tax exemptions to claimants who refused to swear that they did not advocate the overthrow of the United States Government. In the Kent and Briehl and Dayton cases, as I have already noted, it stripped the Secretary of State of the power to prevent underground Communists from going abroad to give aid and comfort to the Communist conspiracy against the United States. In the Dayton case the Court expressly said that to refuse a passport because granting it would be contrary to the national interest was to refuse it for an "impermissible reason." And in the second Yates case, the Court arrogated to itself the pardon power, and used it to free from jail a woman Communist who had been convicted for contempt of court, after her behavior had caused an American judge to declare she was "the most coldly defiant and wholly contemptuous witness I have ever seen in more than 30 years at the bar and on the bench."

I wish to emphasize the importance of this last opinion. It was a clearly unlawful seizure of power masquerading

under the law. The Court did not set aside the conviction of this woman. It did not say she was not guilty. It simply seized the pardoning power, which it does not possess under the Constitution, and ordered the woman's release because it decided she had served long enough.

Against this background of reckless misconduct on the part of the United States Supreme Court, S. 2646 is a very mild corrective indeed. In spite of all the propaganda and publicity about the bill, and the misstatements and misunderstandings, it would be very mild corrective legislation. And in view of the recurring pleas of the executive branch for prompt relief when the Court has invaded its sphere, the executive opposition to S. 2646 sounds most unconvincing.

But what has become of S. 2646? It was the subject of 10 days of hearings. The record of those hearings is filled not only with testimony of witnesses, but also with newspaper editorials and letters from citizens all over the United States, who were unable to come to Washington.

The original bill was amended after full discussion by the members of the Judiciary Committee. At the conclusion of their deliberations on May 15, the members of the committee voted 10 to 5 to report the bill to the Senate floor.

What has happened to S. 2646 since then? Why did we spend so many days in the hearing room? Why were the opinions of so many citizens solicited and put into the RECORD? Why did we spend so much time perfecting amendments to the bill? Who has thwarted the recommendations of the Judiciary Committee, concurred in by the 10 Senators of both parties who voted to bring this bill to the floor? What becomes of senatorial procedure, when the action of one of the Senate's most important committees can be set aside and ignored as if it were simply the indiscretion of a handful of small boys?

It is said the bill has been pigeonholed for political reasons. It is said the majority leadership fears the Democrats in this body might split over this issue. If that means the leadership thinks a number of Democratic Senators would vote for this bill, if given the chance, I think that is correct. I believe a great many of them would. And I am sorry to say I believe some Republicans might vote against it. But that would be an individual decision in each case. However, the stifling of this bill through the power of the majority policy committee is a party decision, for which the Democratic Party will be held responsible by the people of the country. The blame for this will have to be shared even by those Democratic Senators who would vote for the bill if their party did not keep them from having any chance to vote on it at all. This is curious conduct.

Now, let me consider once more the curious conduct of the Supreme Court itself. In my many declarations regarding the Court's conduct, I have dwelt at some length on what it said in the numerous opinions which demolished America's defenses and gave the Communist Party so many new opportunities in our own country. I am not talking about the Middle East; I am talking about America. But I have finally concluded that perhaps the most significant aspect of the Court's conduct, is not what it has said, but what it has not said. The Warren Court has not recognized the existence of a worldwide Communist conspiracy against the American people in a single one of its many decisions which have lavished on that conspiracy its new opportunities. Not since Mr. Chief Justice Vinson's decision in the Dennis case has the Court adverted to the conspiratorial nature of the Communist Party, U. S. A.

Is there anyone left who is innocent enough to believe that this is wholly accidental? Is there anyone left who is innocent enough to believe that the Court has not suppressed mention of this conspiracy, for some deeply obscure reason, which it has not yet chosen, and may never choose, to reveal?

I have lost my own innocence in this regard. A year ago, when I introduced the original version of S. 2646, I said:

> The principal error is that the majority of the Supreme Court of the United States does not understand the nature of the Communist conspiracy.

The Senator from Missouri had a good deal of fun with that statement when he appeared to testify against the bill. He said:

> The Justices on the Supreme Court understand equally well both the nature and the objectives of this conspiracy.

In response to that statement by the Senator from Missouri, I undertook to paint a picture of the conspiracy. I put into the record overwhelming battalions of facts describing it, which had been assembled from all over the world. These facts showed that the conspiracy had been in continuing existence since the Bolshevik Revolution of 1917. They showed that the governments of Great Britain, Canada, Australia, Mexico, Uruguay, China, and the Philippine Islands had all officially recognized and taken action against the conspiracy. They showed that the conspiracy was a seamless web, with its center in Moscow and its circumference in the Communist Parties of the Free World. They showed that all three branches of the Government of the United States had repeatedly recognized the existence of the conspiracy and repeatedly found that the Communist Party, U. S. A., was an integral part thereof.

I put into the RECORD excerpts from an opinion of the late Supreme Court Justice Robert H. Jackson, which "turned an all revealing light on the nature of the red animal." It is necessary to read Justice Jackson's words again:

> The Communist Party alone among American parties past or present is dominated and controlled by a foreign government. It is a satrap party which, to the threat of civil disorder, adds the threat of betrayal into alien hands.
>
> In each country where the Communists have seized control, they have so denationalized its foreign policy as to make it a satellite and vassal of the Soviet Union and enforced a domestic policy in complete conformity with the Soviet pattern, tolerating no deviation in deference to any people's separate history, tradition, or national interests. * * *
>
> The American Communists have imported the totalitarian organization's disciplines and techniques, nothwithstanding the fact that this country offers them and other discontented elements a way to peaceful revolution by ballot.
>
> Every member of the Communist Party is an agent to execute the Communist program.
>
> Individuals who assume such obligations are chargeable, on ordinary conspiracy principles, with responsibility for the participation in all that makes up the party's program.
>
> There is certainly sufficient evidence that all members owe allegiance to every detail of the Communist Party program and have assumed a duty actively to help execute it so that Congress could, on familiar conspiracy principles, charge each member with responsibility for the goals and means of the party.

The Senator from Missouri tells us that the Warren Court knows not only the nature, but also the objectives of the 40-year-old Communist world conspiracy against freedom. He tells us, then, that the Warren Court knows the conspiracy is, and always has been, dominated from Moscow. He tells us, then, that the Warren Court knows the Communist Party, U. S. A., is, and always has been, a part of the conspiracy. He tells us, then, that the Warren Court knows that "Every member of the Communist Party is an agent to execute the Communist program," and "individuals who assume such obligations are chargeable, on ordinary conspiracy principles, with responsibility for and participation in all that makes up the party's program."

Today, I wholly agree with the Senator from Missouri. I wholly agree that the United States Supreme Court knows all these things. The Court is not composed of totally illiterate persons, and we may not assume the Justices are totally unfamiliar with the Court's own prior opinions on the Court's own bookshelves.

Why, then, has the Warren Court suppressed mention of the conspiracy it knows so much about, in every opinion which has to do with it? Why has the Court used the language it used in the passport decision, that created the "great danger" the President described in his message to Congress?

The language I refer to may be found on page 13 of Justice Douglas' majority opinion, in the Rockwell Kent passport case.

As long ago as 1951, Louis Budenz swore that Rockwell Kent had been a Communist Party member. Kent called Budenz a liar, off the witness stand, but when he reached the stand himself in 1953, he forgot all about the "liar" charge and took the fifth amendment instead. For years, Kent has been a lackey of Moscow's specious peace apparatus. He sponsored the notorious Waldorf-Peace Conference of 1949, which was described as follows by the House Committee on Un-American Activities:

> A super mobilization of the inveterate wheelhorses and supporters of the Communist Party and its auxiliary organizations. It was in a sense a glorified pyramid club, pyramiding into one inflated front the names

which had time and again been used by the Communists as decoys for the entrapment of innocents.

Rockwell Kent was paraded by the Soviets at Kremlin-managed peace meetings at Paris in April 1949, at Stockholm in March 1950. At Stockholm, betrayer Kent said:

The present Government of America is not my government.

This year, this same man sought a passport to attend a meeting of the Soviet-sponsored World Council of Peace in Helsinki, Finland, which is not too far from the NKVD headquarters in Moscow.

The Secretary of State refused to give Kent a passport on the ground that he is a Communist who had a "consistent and prolonged adherence to the Communist Party line."

Kent was given full opportunity to deny the charge by affidavit, or in a hearing. Of course, he did not dare deny the charge, because he knows it is true. He went into district court instead and asked for a passport regardless. The district court turned him down. But when he appealed, the Supreme Court destroyed the power of the Secretary of State to exercise his discretion for the protection of this country, and gave betrayer Kent carte blanche to go abroad if he wished, and repeat if he wished the anti-American statements he made at Stockholm 8 years ago.

Here is the language of Justice Douglas in the Kent case, which is also the language of the majority of the United States Supreme Court:

We deal with beliefs, with associations, with ideological matters. We must remember that we are dealing here with citizens who have neither been accused of crimes nor found guilty. They are being denied their freedom of movement solely because of their refusal to be subjected to inquiry into their beliefs and associations.

Those words are naked falsehood. Rockwell Kent was denied a passport because he has been a long-time member of the Communist Party, U. S. A. He was denied a passport because he forswore his country at an international Communist gathering. He was denied a passport because he wished to go to another international Communist gathering to compound his offense. He was denied a passport because he is an agent to execute the Communist program, and is chargeable, on ordinary conspiracy principles, with responsibility for and participation in all that makes up the Party's program.

Yet I quoted above from the Supreme Court's decision. That is what the Court held. That is the way the Warren court is acting. We can draw our own conclusion that there is something rotten.

What about the bill which the Secretary of State asks us to pass immediately, to end the great danger caused by the Kent decision? What about the danger to the States? What about the danger to the local bar associations? What about the danger to the schools? What about the danger to Congress? Apparently the Court is not concerned about that. It gets worked up about passports being denied to Communists, but it is not paying any attention to its homework, and does not seem to care.

Senate bill 2646 is the most important piece of proposed legislation that can come before any legislative body which is interested in the peace and security of the Nation. Why that proposed legislation, after being reported by the committee by a vote of 10 to 5, should lie on the calendar for 2 months without our being able to get any action on it, I do not understand.

In the bill which the Secretary of State asks us to pass immediately to end the great danger caused by the Kent decision, he includes the following:

The Congress finds that the international Communist movement seeks everywhere to thwart United States policy—

That is why we must pass it quickly for the State Department. That is why the executive department tells us we must hurry and pass the bill—

to influence foreign governments and peoples against the United States, and by every means, including violence, to weaken the United States and ultimately to bring it under Communist domination; that the activities of the international Communist movement constitute a grave peril to the security of the United States; that the issuance of a passport to any applicant described in section 104 (b) facilitates the travel of such person to and in foreign countries and presumptively supports the activities and operations of the international Communist movement; and that, in view of the unbroken history of the fraudulent use of United States passports by supporters of the international Communist movement, the mere possession of a passport by a person described in section 104 (b) presumptively lends support to the activities and operations of the international Communist movement.

If we pass this bill, with this section in it, the Court's hand may be forced. It may be brought out into the open, where it can no longer suppress mention of the conspiracy on which—as the Senator tells us—it is so well informed. But in view of the record I suggest that we cannot afford to take chances. These words need pointing up. The instrument is immediately at hand, in the words of the late Justice Jackson. I offer them, as an amendment to section 104 (a) of the proposed passport bill presented by the Secretary of State:

The Communist Party alone among American parties past or present is dominated and controlled by a foreign government. It is a satrap party which, to the threat of civil disorder, adds the threat of betrayal into alien hands.

In each country where the Communists have seized control, they have so denationalized its foreign policy as to make it a satellite and vassal of the Soviet Union and enforced a domestic policy in complete conformity with the Soviet pattern, tolerating no deviation in deference to any people's separate history, tradition, or national interests. • • •

The American Communists have imported the totalitarian organization's disciplines and techniques, notwithstanding the fact that this country offers them and other discontented elements a way to peaceful revolution by ballot.

Every member of the Communist Party is an agent to execute the Communist program.

Individuals who assume such obligations are chargeable, on ordinary conspiracy principles, with responsibility for and participation in all that makes up the party's program.

There is certainly sufficient evidence that all members owe allegiance to every detail of the Communist Party program and have assumed a duty actively to help execute it so that Congress could, on familiar conspiracy principles, charge each member with responsibility for the goals and means of the party.

I also offer these words as an amendment, in the form of a preamble, to Senate bill 2646. And I ask again, when will S. 2646, approved 10 to 5 by the Judiciary Committee, and pending on the calendar since that time, be allowed to reach the floor of the Senate?

EXTENSION OF TRADE AGREEMENTS ACT

The Senate resumed the consideration of the bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

Mr. JORDAN. Mr. President, I shall speak in support of the bill.

First, I know I express the sentiments of the entire Senate when I say that the members of the Committee on Finance have done truly outstanding work on the proposed legislation. It is true that there were sharp differences of opinion, within the Committee, on many details involving the bill, but these were honest and sincere differences in method and not purpose.

One of the first things I did when I became a Member of the Senate was to study the proposed legislation before Congress which would extend the reciprocal trade program.

I did this because of my interest in international trade as an effective instrument for world peace and prosperity.

Being a businessman myself in private life, I have a deep conviction growing out of firsthand experience that an orderly flow of trade and commerce between nations is not only desirable but is essential if the needs and desires of humanity are filled, and the cause of peace and tranquility among men is served.

This kind of conviction gave birth to the concept that any effective reciprocal trade program must in fact be reciprocal. More important, any effective trade program must be translated into action with a minimum of disruption in domestic industries. This, I think, is the crux of the current turmoil and controversy over the kind of reciprocal trade program we shall have in the future.

The facts will show that little regard has been given domestic industries in the administration of our reciprocal trade program in the past few years.

The reason for many textile people, plywood people, and people in other industries becoming disillusioned about our trade program is not the program itself, but the manner in which it is being administered.

I shall emphasize this point. From the time the reciprocal trade program was put into operation, American industries supported it wholeheartedly until a few years ago, when it became the

policy of the present administration to ignore the needs and hardships of domestic industries.

It is essential for any trade program to have the support of agriculture, industry, and business alike if it is to be an effective program. Because of this, safeguards must be provided to prevent serious damage or destruction to our domestic industries.

I call attention to a few things which have occurred in the textile industry to illustrate what I am talking about.

To understand the textile industry's concern over the present degree of foreign competition, it is essential to review a few things which have taken place during the past 10 years.

Prior to World War II, Japan was a major textile-producing nation, and it had a vast natural market for its production in China, India, and other areas of the Orient.

Since the war we have prevented Japan from selling textiles and other products to China, and we have encouraged the development of rapidly expanding textile industries in India, Pakistan, and other nations in that part of the world.

As a result of these developments Japan has been forced to seek new markets, and we have encouraged them to turn to the United States and South America. By encouraging the Japanese to develop markets in South America, we have deprived ourselves of traditional markets for American textile goods.

Japan is taking full advantage of this. It is my understanding that not only has Japan had a hand in building quite a number of textile mills in South America, but she has built a textile machinery manufacturing plant in Brazil and is now in the process of helping to build another in Mexico with the help of combined Mexican and Japanese capital.

Since the war, the Japanese textile industry has enjoyed very rapid growth. Only 10 years ago, about 2½ million spindles were operating in Japan. Today, more than 12 million are operating.

I might add that Japan's textile operations are not confined, by any means, to cotton. Japan has nylon manufacturing plants and large rayon manufacturing plants. Japan has become one of the principal exporters of rayon textile fibers to the United States. This is causing much trouble in the rayon industry in this country.

During the same period, the American textile industry has been cutting back instead of expanding. As all Senators know, the period since the end of World War II has been the most profitable economic period we have had in a long time. Practically every industry in America has been expanding, with the exception of the textile industry, which has been on the decline. Employment in the textile industry has declined by 345,000 jobs. More than 700 textile plants of all descriptions have closed and have been liquidated in the past 10 years. The industry is operating 2,375,000 fewer spindles than were in operation at the close of the war. Still, as I have just said, the period since the end of the war has been the greatest productive period the United States has ever known, except during the war years.

It is true that, percentagewise, textile imports appear to be small. But in terms of yards and dollar value they are most significant. In the past 10 years, the imports of cotton textile yardage alone have increased about eightfold—from about 16 million yards to more than 122 million yards. That is a tremendous increase in yardage in a 10-year period.

The dollar value of cotton textiles brought into the United States in the past 10 years has increased from $24 million to more than $136 million. That, also, is a tremendous dollar increase.

There have been similar increases in woolen goods. In prior years, the Japanese were not large producers of woolen goods. They confined their production largely to silk and cotton, because they were the fields in which they were the most proficient. But as soon as the cotton market became pretty well saturated in other parts of the world, the Japanese moved into the woolen field.

Woolen imports into the United States jumped from 4.6 million yards in 1947 to 32.3 million yards in 1957. All one has to do is to go to the New England States to see what has happened to the large woolen mills. Most of them have been located in that section of the country.

The dollar value of woolen imports increased in the same period from $33 million to $143 million. That, also, is a tremendous increase in dollar values.

Textiles have not been alone. The plywood industry has been forced to buck comparable circumstances. Hardwood plywood imports increased from about 10 million square feet in 1951 to about 680 million square feet last year. That is a tremendous increase in plywood imports. During the same period, American production decreased from 805 million square feet to 794 million square feet.

These figures show that the plywood industry, much the same as the textile industry, has had to cut back or freeze its level of operations. This, naturally, has brought about hardships.

I observe that the senior Senator from Wisconsin has just come into the Chamber. I may say to him that I am speaking about plywood, which is a subject of interest to him.

Mr. WILEY. The Senator from North Carolina should speak to the Senator from Illinois [Mr. DOUGLAS].

Mr. JORDAN. He is listening. The figures I have cited show a tremendous increase in the imports of plywood. I am not speaking about the soft fir which comes from the Northwest, because that industry has not been so hard hit.

Everyone who knows anything about the building industry is aware that more plywood has been used in the United States in the past 10 years than in any comparable period.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. JORDAN. I yield.

Mr. WILEY. There is one figure which I should like to obtain, if the Senator has it. How many small farmers who husband the hardwood for the plywood are really dependent on this industry for a living? Has the Senator any information on that subject?

Mr. JORDAN. I cannot answer that question.

Mr. WILEY. Can the Senator from North Carolina give me an approximation?

Mr. JORDAN. I cannot, because I do not have those figures before me. But last week a delegation of plywood manufacturers who operate veneer plants came to see me. They said they have closed their plants, and have no plants open in the whole area. They further said that farmers who fell trees and cut them into logs, to be used for plywood veneer, were hauling logs from place to place, trying to sell them. But the manufacturers said they had had to close their mills entirely, because of the imports of Japanese plywood.

Mr. WILEY. Where is that?

Mr. JORDAN. In North Carolina.

Mr. WILEY. How many plants have been closed?

Mr. JORDAN. My best information is that approximately 50 plants have been closed within the past 2 years.

Mr. WILEY. Does the Senator from North Carolina have any idea of the amount of unemployment that has resulted?

Mr. JORDAN. Employment in those plants has varied from 50 to 400 persons, so I am told. But the matter goes much farther than that, for, as the Senator from Wisconsin has said, if a farmer cannot sell the trees he grows, he is hurt, and one of the natural resources on which he depends becomes of little or no value.

A few years ago the Government had a great program of reforestation. It was a wonderful program; but if the farmers who grow the trees cannot sell them, they will have spent much time and energy in growing a crop which will yield them no return.

Mr. WILEY. I should like to say that the mechanism outlined in the bill as passed by the House of Representatives, and also the mechanism outlined in the bill as reported by the Senate Finance Committee, would operate with good results. But before that happens, we must obtain the facts. I believe it important that those of us who represent States in which literally hundreds, and perhaps thousands, of persons are dependent on this industry for their employment, should obtain the facts, so that if and when either one of the bills is enacted and goes into operation, we shall be able to present the facts on this matter to the Commission and shall be able to obtain the relief which should be obtained, in my opinion, without doing harm or injury to our foreign-policy relations.

As I stated the other day to the Senator from Illinois [Mr. DOUGLAS], all that is needed is the application of commonsense; that would suffice.

Today, I asked the Senator from Illinois whether he had prayerfully considered the question I asked him the other day, when I requested his opinion in regard to a solution to this problem. I asked him for his opinion, because the good Lord has given him a fine intellect and a keen mind; and, although he has been a freetrader, I know he loves the common man, the poor laboring man, who is out of a job. So I was sure he could arrive at a solution of the problem.

His answer was, in effect, that if the Commission is not doing a proper job, it is because of the quality of the Commissioners.

Let me ask the Senator from Illinois whether I have correctly stated his answer.

Mr. DOUGLAS. That is correct. I wish to repeat that I think we now have a very poor Tariff Commission, which has been packed by the President with protectionists, and that, really, nearly all of them should be replaced with decent appointees.

Mr. WILEY. Mr. President, I understand that the answer of the Senator from Illinois to my question is "yes." What he has volunteered after that, I cannot agree with, because the latter part of the Senator's statement smacks too much of partisan politics, rather than an attempt to solve an economic problem.

Mr. DOUGLAS. No; if the members of the Commission were proper students of the subject, I would not care whether they were Republicans, Democrats, or Independents. But the present Commission is the worst Commission in the 40 years of its history.

Mr. WILEY. Perhaps the Senator from Illinois has made a contribution by calling attention to the solution which he believes must be put into effect, because undoubtedly one bill or the other will be enacted and will go into effect; and undoubtedly we can become so prejudiced in our own concepts that we will fail to appreciate that although a proper mechanism is necessary, any mechanism is worthless unless able persons operate it. So we need both a good mechanism and good mechanics.

On the other hand, if the operators or the mechanics are not of the proper kind, then it is our job—among the many jobs for which we have assumed responsibility—to see to it, first, that the best possible plan is placed in operation; and, second, that the proper quality of personnel to operate the plan to be obtained, in order to relieve the breadwinners the Senator from Illinois is always back of and always has sustained and always has sought to look after; and I am sure he does not want them to be out of employment.

Mr. President, I thank the distinguished Senator from North Carolina for yielding to me.

Mr. JORDAN. Mr. President, at this point I wish to emphasize that one of the very things I am trying to stress in the course of my brief remarks is that there is nothing particularly wrong with the existing law; the trouble is that it has not been administered in the way it should have been. The Tariff Commission has studied many, many problems of many, many industries and commodities, and has sent reports to the President, but the President has vetoed them, or taken no action.

If the bill reported by the Senate Finance Committee is enacted into law, it will be mandatory that the consent of a majority of both Houses of Congress be obtained before the President can overrule such a recommendation of the Tariff Commission. I do not seek to create the impression that I believe that increased imports are the only source of the trouble which these industries and other industries have; but increased imports do result in serious problems, and they should be considered as such, rather than ignored, in the administration of our trade program.

We should remember that when industries such as the textile industry or the hardwood plywood industry are damaged, the effects go beyond the industries directly affected. Not only are those who work in those industries affected, but agriculture and business in general are also affected. For example, for many years the textile mills of this Nation have been the American cotton farmers' best customers, and this factor will become increasingly important as world competition increases.

I should like to elaborate a little on that point. Earlier in my remarks, I said some new and large, modern textile mills have been built in Brazil; and Brazil is becoming an exporter of textile yarns and fabrics, instead of an importer. Furthermore, it should be remembered that Brazil grows a great deal of cotton, and constantly is increasing both its cotton acreage and the quality of its cotton, and soon Brazil will cease to be an importer of American cotton at any price. So, before long the United States will lose its market in Brazil for both raw cotton and cotton textiles.

Therefore, it is necessary that we protect the market we have left, as well as the farmers who grow the cotton.

Mr. President, I have mentioned these matters in some detail because I believe it is extremely important that we consider all the factors involved before we make a final decision on the pending bill.

In view of the ill-advised manner in which the reciprocal trade program has been administered in many cases in recent years, I think it would be unwise to make alterations in the Senate Committee's version of the bill.

I cannot see how the proposed changes in the present escape-clause provisions would prevent the President from carrying on a reasonable and sound program.

However, the bill would require the President to be more careful and less arbitrary in the case of future hardships inflicted on domestic industries. I believe this provision ought to be considered one of simple justice, rather than a matter of privilege.

For these reasons, Mr. President, I am hopeful that the Senate will pass the bill in the form in which it was reported by the Finance Committee.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. CAPEHART. Mr. President, I ask unanimous consent to have printed in the body of the RECORD statistics on the impact of foreign trade upon the State of Indiana. This is a statement on statistics showing how Indiana participates in world trade.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

FOREIGN TRADE IMPACT UPON THE STATE OF INDIANA

INTRODUCTION

Every American instinctively asks the following questions about any situation that may effect his livelihood:

Does it help or harm my job, my business, my chance to better my future?

For the opportunity for economic self-preservation and self-betterment is a fundamental right of a free people.

Because the true answer is crucial to each individual, he serves his own best interest if he gets the best information available before making up his mind.

In no field is there more urgent need for the truth—and the whole truth—to the individual than in the subject of foreign trade—the topic which is growing to such widespread public interest this year.

For more and more people are beginning to realize trade's increasing impact on our economy, its close relationship to the economic power of the free nations and its potential might in providing America with some of the national security strength necessary for survival in a Communist-threatened world.

I should like to describe in summary what world trade does in the lives of the men and women with particular reference to the State of Indiana. My description includes both the favorable and unfavorable evidence. It is derived from the latest and the most reliable overall knowledge of general conditions.

METHODS AND SOURCES

The description, however, is only partially statistical. It is not possible to count the things produced, bought or sold in an area which are ultimately exported or consist in whole or in part of imports.

Sufficient figures are not available from private sources for this purpose. Government counts of exports and imports are made only at the points where they leave or enter the country and such counts do not identify the place of origin of the exported article or the place of destination of the imported article.

Such statistics, even if available, would not accurately measure the impact of foreign trade in an area. They would not take into account the important indirect effects of exports and imports upon many who do not actually work upon an exported or imported article, but who supply ingredients or component parts, or who render services to persons engaged in the export or import business, or those who receive more remote but nonetheless real benefit from the activity engendered by foreign trade. The effects of foreign trade radiate throughout the economy.

An illustration of how exports by one manufacturer resulted in increased business for subcontractors and suppliers was found in one export contract, where the seller retained only 45 percent of the business in his own establishment. Subcontractors received 26 percent of it and suppliers—mostly small firms—received the remaining 29 percent. In other words, more than half of the export sales went to companies which considered the resulting business as a transaction entirely within the United States.

The paychecks of the men working on actual exports or imports are used in making purchases from sellers who may not themselves be engaged in the export or import business. Yet those sellers and their owners, employees and suppliers benefit in this way from foreign trade.

Much of the impact of foreign trade is not easily observable. Goods go through many hands on the way from the raw material producers to the final buyers. They are changed, and mixed, and adapted to varying needs.

It is, therefore, impossible to measure with statistical precision the impact of foreign trade in any particular area. But, this does not mean that no worthwhile measure is possible. Even an allocation of the Nation's total exports or imports to each area, in the ratio of the area's population to the Nation's population, would have some value. However, this method would not take into account the probability that foreign trade has a greater impact in those areas containing above average concentrations of businesses which, whether or not they themselves do any direct foreign trade, belong to industry classifications that do engage directly in foreign trade.

This study does take this probability into account by ascribing to the area a portion of the foreign trade in each such industry classification which bears the same ratio to the nationwide foreign trade in that classification as the number of workers in that industry in the area bears to the number of workers in the industry nationwide. Wherever in this report reference is made to the area's share or proportionate share the determination of the share has been made on this basis. The data used in the calculations are in most cases within generally accepted standards of statistical accuracy. Where they are not, it is considered that the possible error is not large enough to impair the usefulness of the result for the purposes outlined above.

The basic data used in the report have been obtained from the Bureau of the Census and the Bureau of the Foreign Commerce. The services of other of the executive departments are noted where used. Data concerning named establishments have been obtained from nongovernmental sources.

Nineteen hundred and fifty census data, the latest complete population data available until the 1960 Decennial Census is published, have been used to identify the population factors and key occupation classifications as a basis for the development of further information.

Nineteen hundred and fifty-four Census of Manufactures data, the latest source of information concerning the number of establishments and number of employees within each manufacturing classification by counties, have been used to identify the significant industries within the area.

The most recent annual trade statistics available at the time of writing are those for the calendar year 1956.

On this basis, the following survey presents a brief understandable picture of the ramified influence which foreign trade has on the economic well being of this area:

SUMMARY

Foreign trade contributes very greatly to the welfare of the people of Indiana; Indiana's economy is directly related to foreign trade. It prospers as trade expands and is hurt as trade contracts.

The people of Indiana participate in the benefits of United States exports to foreign countries. Some 423,978 Indiana employees—about 73 percent of all persons engaged in manufacturing in the State—are in firms which fall in seven major manufacturing classifications: food and kindred products, chemicals and products, primary metal industries, fabricated metal products, machinery (except electrical), electrical machinery, and transportation equipment. Indiana's proportionate share in United States exports of these seven groups in 1956 was over $403.7 million (nearly half a billion dollars).

Indiana establishments in each of these industry groups sell directly in foreign trade; many of their products are known and prized abroad so that the value to them of export markets is direct and great. And this is not the whole picture. Many of the goods manufactured in the State are exported after being incorporated as component parts of products made or assembled outside of the State. Thus, the value of foreign markets as outlets for Indiana's production is far greater than might be directly apparent.

Moreover, Indiana factories not included in the above-mentioned seven classifications also have a share in exports. They are manufacturers of glass, insulations, petroleum products, and a host of other items.

Agriculture is another major industry in the State. Some 244,000 persons work on Indiana farms, and they benefit substantially—directly or indirectly—from foreign markets for United States agricultural products. The State of Indiana's proportionate share of United States agricultural exports during the 1956–57 marketing year was $144 million. This proportionate share amounted to about $590 annually per person employed in agriculture in the State and to several times this figure per farm. Exports of farm products, of course, are not physically traceable to the individual producing farm, and even if they were it would be of no significance which farms physically supplied the particular lots exported since all United States producers of exported farm products are afforded added market advantage and opportunity through the availability of foreign outlets.

Approximately 10,390 persons, according to Bureau of Mines estimates, are engaged in mining in the State of Indiana. Of these, some 4,950 persons probably are not concerned directly with foreign trade since the minerals they produce are sold in domestic markets without significant import competition. Some 1,380 persons, however, are engaged in the extraction of crude petroleum and they may consider that they are affected adversely by imports of crude oil, although, on the other hand, they may benefit from the Nation's sizable exports of petroleum products. Approximately 4,000 Indiana persons benefit from the Nation's large exports of coal.

Over 544,000 persons in Indiana are in such industries as construction, trade, finance, insurance, real estate, public utilities, and public administration. Their participation in the benefits of exports derives mainly from the fact that the firms producing the movable goods entering international trade are among the patrons to whom they sell their products or services. In addition, they derive an extra benefit to the extent that they handle international economic transactions which pass through the State such as transportation, financing, telephone traffic and the like.

The people of Indiana also benefit substantially from United States imports. Imported flavorings, extracts and other food products, imported minerals and other raw materials, and imported commodities of a finished and semifinished nature, enable Indiana manufacturers to produce better products at a lower cost and Indiana residents to enjoy better living than might otherwise be obtained. While some producers in the State may be affected adversely by import competition, the net effect of imports on the State of Indiana is definitely favorable.

STATE OF INDIANA

The State of Indiana with 36,291 square miles and a total population in 1950 of 3,934,224 ranks 37th among the Nation's 48 States in terms of land area and 12th in terms of total population. The State's population per square mile of land area in 1950 was 108.7.

According to the Bureau of the Census, the State's population was classified as 59.9 percent urban, 23.2 percent rural nonfarm, and 16.9 percent rural farm. The median family income in 1950 was $3,197 and the median school years completed was 9.6.

Principal cities in the State with populations in 1950 exceeding 100,000 include Indianapolis (427,173), Gary (133,911), Fort Wayne (133,607), Evansville (128,636), and South Bend (115,911).

Bureau of the Census estimates published in December 1957 placed the State's total population at 4,533,000, which represented a 15.2 percent increase over the April 1, 1950, census count.

THE STATE OF INDIANA AND FOREIGN COMMERCE

Without our Nation's exports—our sales to foreigners—we would have to shut down many of our plants. In 1956, the amount was $19 billion—one dollar's worth sent abroad for every 10 dollar's worth of movable goods produced and sold in the United States market.

This report identifies the key segments of the area's economy and measures each segment's proportionate share of the total $19 billion.

Without our Nation's imports we would have a substantially lower standard of living. In 1956 we bought $13 billion worth of goods from foreign countries for use in our production processes or for consumption to meet the needs of the American people. Most of these imports met demands which could not be supplied from United States sources, or only to a limited extent at increased prices.

Too, without imports—our purchase of goods from abroad—foreign buyers would not have sufficient dollars to purchase our exported products in return.

This report describes the importance of imported commodities as a component of the products manufactured in the area. Some cases are noted where the imported component is a key item in production. Where imported goods compete with goods in the area, that fact is noted and the importance of the competition is discussed.

EMPLOYMENT CHARACTERISTICS

According to the 1950 census, 1,518,442 persons in the State of Indiana were employed. The distribution by occupation of these employed persons among the selected major industry groups (not comparable precisely to the number of persons employed by the selected major industry groups) is portrayed in table 1.

While the number of employed persons in the State may have changed since 1950, table 1 serves as a basis for determining the relative importance of the various employment groups.

According to these figures, manufacturing is by far the most significant group in terms of numbers employed, accounting for 34.8 percent of the State's total employment. The wholesale and retail trades and agriculture were the next in significance, accounting for 14.9 percent and 11.6 percent, respectively, of the number of employed persons. A much lesser number of persons, approximately 1 percent of total employment, were engaged in mining, although this group is nonetheless important to the State's economy as a producer of movable goods.

EMPLOYMENT GROUPS PRODUCING MOVABLE GOODS

International trade consists in the first instance of the exchange of movable goods between countries. In general, movable goods are the products of factories, farms, and mines.

TABLE 1.—*State of Indiana—Employed persons by selected major industry group*

Major industry group:	District total
Total employed	1,518,442
Agriculture	175,645
Mining	15,279
Construction	77,420
Manufacturing	527,836
Transportation, communication, and other public utilities	112,914
Wholesale and retail trade	266,487
Finance, insurance, real estate	39,277
Business and personal services	74,733
Professional and related services	115,029
Public administration	47,923
Private households	30,056
Total	1,482,599
Unaccounted for	35,843

Source: County and City Data Book, 1952.

MANUFACTURING

In 1954, according to the Census of Manufactures, 582,803 persons were employed by 6,355 manufacturing establishments in Indiana.

Table 2 presents the general manufacturing statistics for the State by major industry group where available from data published by the Bureau of the Census as a result of the 1954 census of Manufactures. It may be concluded from the available Bureau of the Census data that the significant industry groups in the State are food and kindred products, chemicals, and products, primary metal industries, fabricated metal products, machinery (except electrical), electrical machinery and transportation equipment.

TRANSPORTATION EQUIPMENT

According to the 1954 Census of Manufactures, there were 92,445 persons employed by 208 Indiana establishments engaged in the production of transportation equipment. Seventy-two of these firms employed at least 100 persons.

In 1956, on a national basis, total exports of transportation equipment exceeded $2.8 billion. The transportation equipment manufacturers in Indiana had a proportionate share of United States exports of products in this classification of $103.4 million.

Over half of the total exports of transportation equipment in 1956 consisted of motor vehicles and equipment, which accounted for foreign sales in excess of $1.4 billion. Corporations known throughout the world have plants in Indiana, including the General Motors Corp., the Chrysler Corp., the Studebaker-Packard Corp., and the Borg-Warner Corp. General Motors has its Fabricast Division at Bedford, which produces fabricated metal automobile parts; Guide Lamp Division, Delco Remy Division, Allison Division, and Delco Radio Division, at Anderson, Muncie, Indianapolis, and Kokomo; Chrysler has until quite recently made truck and bus bodies at Evansville; Studebaker-Packard has its principal operations in South Bend; and Borg-Warner manufactures automobile parts and equipment in such Indiana cities as Newcastle, Muncie, and Auburn. Another firm, the Anderson Co., makes motor vehicle parts at its plant in East Chicago. All of these firms sell directly to foreign countries.

Since many of the parts produced by Indiana manufacturers of automotive parts and equipment are used as components in finished products made in or outside of the State, which are exported, actual exports by these companies are considerably larger than their direct exports of parts.

TABLE 2.—*State of Indiana—Number of manufacturing establishments by major industry group*

	Establishments				Employees	Value added by manufacture (thousands)
	Total	1 to 19 employees	20 to 99 employees	100 or more employees		
Food and kindred products	1,207	780	331	96	48,543	$391,402
Tobacco manufactures	9	6	1	2	910	3,291
Textile mill products	22	8	5	9	2,701	13,608
Apparel and related products	197	90	62	45	15,358	60,167
Lumber and wood products	530	424	88	18	10,789	59,078
Furniture and fixtures	293	122	109	62	22,117	118,467
Pulp, paper, and products	98	36	30	32	9,483	67,408
Printing and publishing	799	644	124	31	18,010	125,331
Chemicals and products	242	157	51	34	26,298	343,491
Petroleum and coal products	36	18	5	13	15,326	169,786
Rubber products	50	24	9	17	14,957	106,245
Leather and leather goods	22	11	4	7	2,156	10,762
Stone, clay, and glass products	396	288	51	57	23,926	179,295
Primary metal industries	236	91	66	79	86,984	767,757
Fabricated metal products	643	387	173	83	40,941	299,290
Machinery (except electrical)	868	532	184	92	61,143	480,184
Electrical machinery	166	66	41	59	67,714	545,524
Transportation equipment	208	87	49	72	92,445	734,346
Instruments and related products	42	23	12	7	2,837	23,257
Miscellaneous manufactures	291	185	62	44	20,157	126,779
All establishments	6,355	4,009	1,487	859	582,803	4,625,477

Source: 1954 Census of Manufactures.

Products attributable to the railroad equipment industry accounted for over $105 million worth of exports in 1956. Indiana firms in this industry include two Lake County companies, the Pullman Standard Car Manufacturing Co., and the General American Transportation Corp. The workers in these firms' plants have a direct interest in the foreign sales of railroad equipment.

Over $1 billion worth of aircraft and parts were exported in 1956. Several internationally known firms in this industry have plants in Indiana cities producing aircraft equipment and parts. For example, Borg-Warner, which was previously mentioned, produces aircraft equipment in its various Indiana plants. South Bend is the location for a branch of the Bendix Aviation Corp., which also produces aircraft equipment, while Allis-Chalmers, in Terre Haute, produces assemblies for use in jets. All of these firms are international in scope, and all of them participate directly in foreign trade.

The beneficial effect of imported goods on the Indiana sector engaged in the production of transportation equipment is also pronounced. A list of imported parts and raw materials used in manufacturing an automobile or a railroad freight car would be a long one, ranging from aluminum and antimony to zinc and zirconium. To illustrate the essential nature of these imports, 100 percent of the jute used in fabric and floor coverings used in an automobile is imported; 95 percent of the sheet and block mica used in electrical insulators is imported; and 100 percent of the sisal used in seat padding is imported; and these are only a few of the many essential ingredients that firms in this industry must import, at least in part.

MACHINERY (EXCEPT ELECTRICAL)

According to the 1954 Census of Manufactures, 61,143 persons were employed by 868 Indiana firms engaged in the production of nonelectrical machinery. Ninety-two of these firms employed 100 or more persons.

Nationally, in 1956, total exports of nonelectrical machinery exceeded $2.9 billion. This amounted, nationally, to an average of over $1,825 for every United States employee in the industry. Indiana's proportionate share of this national export total was over $91.5 million.

Farm machinery and equipment annually accounts for a large part of the Nation's total nonelectrical machinery exports—about $549 million in 1956. Almost 1 out of every 3 tractors manufactured in the United States is sold to a foreign country. International Harvester, Inc., which has production facilities in Indiana, is international in scope, and is directly responsible for a large portion of United States exports of tractors. There are many other Indiana establishments engaged in the production of farm machinery, other than tractors, including the Allis-Chalmers Manufacturing Co. plant in La Porte, and 2 Lake County establishments, the Champion Corp. and the Letz Manufacturing Co., Inc. Allis-Chalmers is worldwide in scope, and it, as well as Champion and Letz, sells directly to foreign countries.

United States manufacturers of construction and mining machinery exported $704 million worth of their products in 1956, including oilfield machinery and tools. This is the largest component of total United States nonelectrical machinery exports. Out of this figure, $551 million worth consisted of construction and mining machinery. Better than 1 of every 3 machines in this category produced in the United States is sold abroad.

Among Indiana firms engaged in the manufacture of construction and mining machinery are the Joy Manufacturing Co., which has a branch in Michigan City, and the Byron Jackson Division of Borg-Warner Corp., in Lawrenceburg. Both Joy and Borg-Warner are known throughout the World, and their products are sold in foreign markets. Many other Indiana manufacturers also produce varieties of construction and mining machinery, partly for sale abroad.

Another division of Borg-Warner—the Atkins Saw Division—makes woodworking machinery such as power saws in Indianapolis. One-seventh of the woodworking machinery produced in the United States is exported, and in 1956 the value of these exports exceeded $27 million.

Another international firm in the nonelectrical machinery industry in Indiana is the Food Machinery & Chemical Corp., which has several plants in Indianapolis and Tipton and participates directly in export markets. At Indianapolis is its Peerless Pump Division, which produces pumps and compressors. National exports of pumps and compressors exceeded $131 million in 1956.

Office and store machines accounted for $133 million worth of exports in 1956. Greencastle is the site of an International Business Machines Corp. plant. IBM produces many types of computers, adding machines, typewriters, and the like, and sells directly to foreign countries.

Over $276 million worth of service and household machines were exported in 1956. The Whirlpool Corp., which has a plant in Evansville, makes products known and consumed throughout the world.

Some firms have expressed concern over import competition of machine tools, tools and dies, and diamond dies. Concerning machine tools, although some segments of the industry may be adversely affected by imports, the industry as a whole benefits a great deal from exports which are several times as great as imports while imports amount to less than 1 percent of domestic production. It is reported that 11 Indiana firms produce machine tools of the types reported to be sensitive to import competition. The number of Indiana firms in the tool and die industry has not been determined. Six firms are in the State's diamond die industry and, too, may be concerned with import competition, although neither of these industries has sought relief under the escape clause.

Nearly all of the manufacturing firms in this category utilize imported commodities in preparing their products. The most common are the imported metals found in the alloys they use, but the list of essential items, besides these metals, includes balsa, natural rubber, asbestos, and certain hardwoods.

PRIMARY METAL INDUSTRIES

According to the 1954 Census of Manufactures, there were 86,984 persons employed by 236 Indiana establishments engaged in the production of primary metal industries. Seventy-nine of these firms employed at least 100 persons.

On a national basis, the total exports of primary metal industries were over $1.1 billion in 1956. The proportionate share of these exports attributable to Indiana firms in this category exceeded $72.5 million.

Products from blast furnaces and steel mills accounted for over $700 million of the $1.1 billion worth of exports of primary metals in 1956. There are several international organizations in this subindustry which have branches in Indiana. For example, the Gary Steelworks of the United States Steel Corp. includes steel-producing facilities, blast furnaces, a sheet mill, and a tinplate mill. Fort Wayne is the location of the Joslyn Manufacturing & Supply Corp., which has steelworks and rolling mills in Fort Wayne. The Union Carbide Corp. is engaged in the production of electrometallurgical products in such cities as Kokomo and Alexandria. United States Steel, Joslyn, and Union Carbide are worldwide corporations, and all have extensive interests in foreign trade.

There are also producers of primary nonferrous metals in Indiana, such as the Aluminum Corporation of America, which turns out aluminum in Richmond and Lafayette, and the Federated Metals Division of the American Smelting & Refining Co., which makes nonferrous metal products such as aluminum and copper and copper-base alloy, anodes, slabs, solder, etc. Alcoa and American Smelting & Refining are international concerns and have definite interests in international commerce. Thus, the workers in their plants have a definite interest in the $251 million worth of primary nonferrous metal products exported annually.

The products of the nonferrous rolling and drawing industries accounted for $41.8 million worth of exports in 1956. Among those benefiting from foreign sales were the Indiana workers of the American Brass Co., which is engaged in copper rolling and drawing in Terre Haute, and has foreign trade interests.

Some producers of copper and brass products have expressed concern over import competition, especially of copper in rolls and sheets, copper rods, brass rods and bars, brass sheets, and brass tubes and tubing. No escape-clause application has been filed. There are reportedly 3 Indiana firms producing brass tubes and tubing, 2 firms producing copper and brass rods, and 1 each producing copper in rolls and sheets and brass sheets.

There are reportedly three firms in Indiana producing concrete reinforcing bars. The industry has expressed concern over imports, but exports still far exceed imports. No escape-clause action has been initiated.

Primary metal industries throughout the United States are dependent upon imported commodities. Over 80 percent of the manganese used in steel is imported; and over 90 percent of the chrome, beryllium, and tantalum ores is imported. And in the nonferrous ores and metals category, brass and aluminum companies may depend upon imported goods, since approximately 75 percent of the crude bauxite used domestically in aluminum production is imported, and some 22 percent of the copper and over 50 percent of the zinc used domestically in brass are imported.

ELECTRICAL MACHINERY

In 1954, 67,714 persons in the State of Indiana were employed by 166 firms engaged in the manufacture of electrical machinery. Fifty-nine of these establishments employed 100 or more persons.

In 1956, the national total for exports of electrical machinery was over $921 million. Indiana's proportionate share of these exports was approximately $45.2 million, although this probably understates Indiana's actual share of exports of electrical machinery, because (1) many Indiana firms in this industry export directly, and (2) many types of electrical machinery and wiring devices are incorporated as component parts in other types of machinery, such as agricultural equipment, or in automobiles and airplanes, which are exported.

The second largest sector in the electrical machinery industry, in terms of value of exports, is electrical industrial apparatus. In 1956, United States producers of electrical industrial apparatus exported over $291 million worth of their products. The Westinghouse Electric Corp., which has a plant in Union City, manufactures motors and generators, which accounted for over $100 million worth of exports in 1956. Another producer of electric motors in Indiana is the General Electric Co., which turns out motors in Fort Wayne and Decatur. The Durakool Corp., which is in Elkhart, produces electrical control apparatus, which accounted for over $61.9 million worth of national foreign sales in 1956. Westinghouse, General Electric and Durakool products are known and used in many foreign countries.

South Bend is the site of the Bendix Home Appliances, Inc., which produces many types of household appliances. This firm is international in scope and exports directly. Thus, its workers have a definite interest in the $35 million worth of electrical appliances sold abroad annually.

In terms of exports, the communication equipment subindustry is the largest sector in the electrical machinery industry. In 1956, exports of commodities in this classification totaled $359 million. General Electric has plants in such cities as Huntington, Tell City, and Shelbyville, engaged in the production of radios and related products, which accounted for $247 million worth of exports in 1956. Another Indiana firm in this subgroup is the Radio Corporation of America, which has plants of its RCA Victor Division in Bloomington and Indianapolis. Both of these firms are international in scope, and both actively and extensively engage in foreign commerce.

Indiana establishments engaged in the production of electrical machinery are also dependent upon imported commodities. Most common are the imported metals found in the alloys they use, but the list of essential materials which are imported, beyond these metals, includes bauxite, natural rubber, asbestos, natural graphite, and sheet and block mica.

CHEMICALS AND PRODUCTS

In 1954, according to the Census of Manufactures, 242 Indiana establishments employed 26,298 persons engaged in the production of chemicals and products. Thirty-four of these firms employed 100 or more persons.

Nationally, over $1.6 billion worth of chemicals and products were exported in 1956. The State of Indiana's proportionate share of these exports exceeded $44 million.

The largest factor in United States exports of chemicals and products is the export of organic chemicals, which exceeded $479 million in 1956. This subgroup includes such products as synthetic fibers, plastics materials, and explosives. Among the Indiana firms in this subindustry are several international corporations, including the E. I. du Pont de Nemours Corp., which makes organic chemicals in Fortville; the Union Carbide Corp., which makes plastics materials in such cities as Terre Haute and Alexandria; the Olin Mathieson Chemical Co. and the Hercules Powder Co., which make explosives in Peru and Jasonville respectively; and the Vick Chemical Co., which produces plastics materials in Marion. All of these firms participate actively and extensively in foreign trade.

Over $246 million worth of drugs and medicines were exported nationally in 1956. There are several Indiana firms engaged in this subindustry, many of which are internationally known. For example, Elkhart is the site of Miles Laboratories, which makes such world-famous products as Alka Seltzer, Nervine, and One-A-Day Brand Vitamins. Eli Lilly & Co., which makes pharmaceutical preparations, has several branches in Indiana, including plants in Indianapolis, Greenfield, and Lafayette.

Over $23 million worth of fertilizer was exported by United States producers in 1956. The Davison division of W. R. Grace & Co.—an international organization—has a plant at New Albany engaged in the processing of fertilizer. W. R. Grace sells directly to foreign countries.

Companies engaged in the production of chemicals and products in the State of Indiana are dependent upon imports. Depending on the commodities they manufacture, many of these firms use imported items such as urea, gum, karaya, tragacanth, ammonia, and nitrates, as well as phosphates, blood meal, peat moss, bone meal and oiticica oil.

FOOD AND KINDRED PRODUCTS

According to the 1954 Census of Manufactures, there were 48,543 persons employed by 1,207 Indiana establishments engaged in the production of food and kindred products. Ninety-six of these firms employed 100 or more persons.

On a national basis, the total exports of food and kindred products exceeded $1 billion in 1956. Indiana's proportionate share of these exports was over $29 million.

Meat products accounted for $239 million of the $1 billion worth of national exports of goods in this category. In Indiana there are a number of international meat packing plants including those of Swift & Co. in such cities as Indianapolis and Fort Wayne, and of Armour & Co. in such places as Gary and Indianapolis. Both of these firms sell directly to foreign countries. Thus, the workers in their plants have a direct interest in our annual export of meat products. In this case, there is an even greater interest than is indicated, because the exported products tend to be the byproducts of meatpacking which are less valued in the United States market than in foreign countries. For example, there is a growing export of certain kinds of variety meats. Exports by these firms also benefit the meat packing plants in Indiana that do not sell directly to foreign countries, due to the improvement these exports bring about in the domestic

market. Also benefiting are the raisers of livestock.

Over $150 million worth of dairy products were exported nationally in 1956, including $69 million worth of concentrated milk. Over one-tenth of all the concentrated milk produced in the United States is consumed in other countries. The Pet Milk Co., with plants in Angola and Garrett, participates directly in foreign trade, as does the Kraft Foods Co., which has creameries in such cities as Dale, Marshall, and Paoli.

United States producers of canned and frozen foods sold over $202 million worth of their products to foreign countries in 1956, including such products as canned fruits and vegetables, canned seafood, soups, etc. Saratoga is the site of a plant of the Campbell Soup Co., the leading producer of canned soups in the United States. Libby, McNeill, & Libby, Inc., has canneries in such cities as Nappanee, Brazil, Kokomo and Lafayette, while Stokely Foods, Inc., cans fruits and vegetables in Shelbyville, Tipton, and St. Paul. All of these firms are international in scope, and all participate actively and extensively in the export market.

United States grain mill products companies contributed most to exports of food and kindred products in 1956, selling over $275 million worth of their goods directly to foreign countries. Several firms with foreign interests have plants in Indiana, including the Quaker Oats Co., which makes flour, meal, and prepared animal feed in such Indiana cities as Lawrenceburg, and the Swansdown Division of the General Foods Corp., which produces various mixes in Evansville. Both Quaker Oats and General Foods sell directly to other countries. The grain growers in Indiana also benefit from these exports.

Many Indiana firms engaged in the production of food and kindred products must depend upon imported commodities in the manufacture of their products. For example, many flavorings and spices used in this country must be imported. Canada Dry uses imported ginger from Jamaica; Coca-Cola uses imported flavorings in its sirups; the Campbell Soup Co. imports beef concentrates from South America. Bakeries, such as Omar, Inc., use imported chocolate, nuts, etc., in their pastries, just as ice cream manufacturers must import these ingredients for their finished products.

FABRICATED METAL PRODUCTS

There were in 1954, 643 Indiana firms employing 40,941 persons in the fabricated metal products industry. Eighty-three of these establishments employed 100 or more persons.

In 1956, total United States exports of fabricated metal products were valued at over $444 million. Indiana's proportionate share of these exports was $17.8 million. This figure probably understates the interest of the metal fabricators in the State; large percentages of the products manufactured by many of the concerns in this category are supplied to automotive manufacturers, packers, etc., and are thus exported indirectly.

The most significant sector of the fabricated metals industry, in terms of value of exports, is the structural metal products segment, which accounted for over $123 million worth of exports in 1956. East Chicago is the location of Combustion Engineering, Inc., which makes boiler parts. Although this firm may not directly participate in exports, the workers in its plant have an interest in foreign sales of commodities in this classification, due to the improvement these exports bring to the domestic market by their withdrawal.

The Kaiser Aluminum & Chemical Corp., which has a plant in Wanatah, produces metal foil and containers. This firm is international in scope and actively engages in the export market.

Heating and plumbing equipment accounted for over $71 million worth of exports in 1956. Firms in this subindustry in Indiana include the Northern Indiana Brass Co., in Elkhart, and the Peter Healey Co., which is in Evansville. Some members of the plumbing brass-goods industry have expressed concern over import competition, although the industry has not sought relief through escape-clause action. Two Indiana firms are reportedly in this subindustry.

Exports of tin cans and other tinware were over $13 million in 1956. Contributing directly to this total is the American Can Co., which has a plant in Austria.

Some firms have expressed concern over competition from imports of barbed wire and wire nails. Two Indiana firms may be affected. No escape-clause application has been filed.

On the import side, like the firms in the primary metal industries metal fabricators daily use materials made with imported bauxite, chromite, cobalt, beryl, tin, and antimony, all of which are imported in quantities exceeding 70 percent of the supply used domestically each year, and these are only a few of the imported commodities essential to the well-being of this industry.

OTHER MANUFACTURING

Printing and publishing is an important sector of any State's economy, and the State of Indiana is no exception.

Nationally, the United States each year exports printed and published materials valued at nearly $100 million. It must be assumed, however, that few, if any, Indiana establishments are engaged directly in printing and publishing for foreign markets. Newspapers such as the Fort Wayne Journal-Gazette, the Gary Times, the Gary American, the Evansville Courier, and the Indianapolis Star, as well as such papers as the Indianapolis News, the South Bend Tribune, the Terre Haute Advocate, and the Columbus Evening Republican may have a few subscribers in foreign countries, but it is probable their major interest is with Indiana readers. Each, however, has a very great stake in foreign commerce above and beyond its interest in the welfare of newspaper readers in Indiana because approximately 80 percent of the newsprint consumed in the United States is imported. And these establishments probably are using inks manufactured with imported dyes and type facings made of imported alloys.

There are several internationally known companies in the stone, clay, and glass industry which have plants in Indiana.

The Owens-Illinois Glass Co., which has plants in such cities as Warsaw, Gas City, Muncie, and Aurora, and the Pittsburgh Plate Glass Co., with plants in Kokomo and Shelbyville, are two leading producers of glass and glass products. Both of these firms are international in scope, and both participate directly in exports. Some producers of flat glass have expressed concern over the competition afforded by imports of this commodity, although the industry has not sought relief through escape clause action. In 1956, United States exports of flat glass were valued at $15.3 million, while corresponding imports totaled $43.9 million.

The Johns-Manville Corp., another international firm, makes asbestos insulations in Richmond and Alexandria. This firm, too, sells directly abroad.

Several leading refiners of petroleum have branches in Indiana. World-known names such as the Cities Service Oil Co., which is in East Chicago, the Sinclair Refining Co., also in East Chicago, and the Standard Oil Company of Indiana, which is in Whiting, are among the refiners in Indiana. Other famous names include the Socony-Vacuum Oil Co., also in East Chicago, and the Sun Oil Co., which has a refinery in Evansville. In 1956, national exports of petroleum products were nearly $660 million. In addition to exports of gasoline, fuel oils, kerosene, etc., the petroleum industry benefits from exports of byproducts of oil refining. For example, in 1956 national exports of paraffin wax accounted for 13.9 percent (quantity) of total production, and exports of petroleum coke totaled 1,139,000 long tons or 20.5 percent of production. To further point out the significance of foreign trade to the petroleum industry, all of the firms listed are importers of crude petroleum.

The hardwood plywood industry is concerned with import competition, although the industry was denied escape-clause relief by the Tariff Commission in 1955. There are now several bills pending in Congress which would limit imports of hardwood plywood to 15 percent of the domestic consumption in the preceding calendar year. Three Indiana firms are reportedly engaged in the production of hardwood plywood.

In the textile-mill-products industry, exports substantially exceeded imports as recently as 1954, but imports have since increased to the point that in 1956 they were larger in value. Exports of textile manufactures still exceed imports of textiles which are competitive with United States output, although several segments of the textile industry have expressed concern over import competition, including producers of knit goods, wool-textile-mill products, and cotton-textile-mill products.

Six Indiana firms are reportedly engaged in producing wool-textile-mill products. There has been no escape-clause action, but wool fabrics have been denied protection under the Trade Agreements Act. Further, a reduction in the United States tariff on woolen goods was specified to be subject to the right of the United States to limit the reduction to an amount of imports equal to 5 percent in recent years, and tariff rates were increased on the excess in 1956. Among the State's manufacturers of knit goods are several producers of hosiery, knit fabrics, and knit underwear. Exports of each of these items nationally exceed corresponding imports. There are three producers of polo shirts and one producer of knit gloves, however, who may be concerned with imports of knit outerwear and gloves which exceed corresponding United States exports. Recognizing the adverse effect of imports on United States producers, the Government of Japan voluntarily set a quota limiting shipments of cotton textiles, including knit cotton goods, to the United States.

AGRICULTURE [1]

Were it not for exports, American agriculture would literally smother in its own production. Sixty million acres of cropland—1 out of every 5—produce for export. The large flow of agricultural products to customers overseas not only provides additional farm income but also eases the pressure of supplies on the domestic market and strengthens prices.

In the 1956–57 marketing year, we exported $967 million worth of wheat, $423 million worth of livestock and livestock products (excluding dairy and poultry), $367 million worth of soybeans, $235 million worth of corn, and $231 million worth of dairy products. Each of these is important to farmers of the State of Indiana.

In terms of the 1956–57 national export total, the proportionate share [2] of exports in the State of Indiana was over $50 million for soybeans, nearly $42 million for wheat, $24 million for corn, $21 million for livestock and livestock products (excluding dairy and poultry), and almost $7 million for dairy products. The proportionate import share amounted to $19 million for livestock and

[1] Prepared by the Department of Agriculture.

[2] Proportionate share for agriculture is computed on the basis of production rather than employment.

livestock products (excluding dairy and poultry).

About 244,000 persons in Indiana work on farms, and their need for supporting services creates employment for thousands more. The impact of exports of farm products is broadly reflected throughout the area.

Like all parts of America, the State of Indiana also is an importer of agricultural products—but these are largely tropical or semitropical products not grown here, like coffee, tea, spices, bananas, etc. In addition, there are some imports of competing specialty livestock products, often of fancy grade and higher in price. In balance, however, exports of such products exceed imports.

MINING

According to Bureau of Mines estimates, there are approximately 10,390 persons employed in mining in the State of Indiana.

The attitude of mining companies and labor toward foreign trade varies according to their estimates of the direct economic effects of foreign trade on their products.

For example, some 4,950 persons in Indiana are engaged in the extraction of sand, gravel, stone, natural gas, and other minerals which are not exported in significant amounts, but rather are sold in local markets without significant import competition. Mineral companies and labor in these operations generally are not concerned directly with foreign trade to any appreciable degree.

Some 1,380 persons in the State, however, are engaged in petroleum and they may consider that they are affected adversely by the Nation's imports of crude petroleum, although on the other hand they may benefit from the Nation's sizable exports of petroleum products.

On the basis of 1957 data, imports of crude oil into the United States for the full year will be about 386 million barrels, whereas domestic crude oil production was in excess of 2,619 million barrels. Accordingly, the ratio of imports to domestic production was about 15 percent, or 13 percent of total domestic supply. Voluntary actions of importers have kept imports at this level.

Since mid-1954 the administration has had under consideration the complex and difficult questions of the need to limit crude oil imports, the effect upon our foreign and domestic policies if restrictive action were adopted, the selection of a suitable plan to implement the restrictive program, and the administration of the program after it had been adopted.

The Cabinet committees which considered these problems agreed that crude oil imports should be reduced and recommended voluntary action by the importers as a means of accomplishing the reduction. For the districts I to IV (the States east of the Rocky Mountains) this action by the importers has been in effect since mid-1955. Beginning in January 1958, it was extended to district V (the Pacific coast States). Accordingly, at this time importers for the entire country are voluntarily controlling their crude oil imports.

This program has had the support of nearly all domestic producer groups and associations. Further, with few exceptions, the importing companies have reduced their imports of crude oil in accordance with the recommendations of the administration. In this connection it is important to note that actual imports of crude oil for the last quarter of 1957 into districts I through IV were below the levels suggested by the administration.

In order to make the voluntary import allocation program more effective the administration took two additional actions during March 1958.

First, for districts I–IV it reduced the import allocations from 782,900 barrels daily to 713,000 barrels daily. The new quota became effective on April 1, 1958, and has the effect of reducing imports to 12 percent of the average crude-oil production in districts I–IV during the last quarter of 1958.

Second, it has incorporated the provisions of the Buy-American Act in the procurement policies of all agencies of the Federal Government purchasing petroleum products in all areas of the United States. Vendors will be required to furnish a certificate that the materials they propose to furnish to the Government, if partly of foreign crude origin, have been or will be imported in full compliance with the voluntary program.

The Nation's exports of the products of petroleum refining in which the producers of crude petroleum may participate indirectly were valued, for example, at $659.9 million in 1956.

Coal is a major mineral exported. Not all producers export, but all producers and their employees such as the 4,060 persons in the State of Indiana benefit directly by the existence of the large export market which draws off significant amounts of domestic supply and raises prices received by all producers. Thus all producers have a real interest in the Nation's total exports of coal which in 1957 amounted to some 81 million short tons valued at approximately $829 million. This was a sizable increase over the 1956 totals of 74 million short tons valued at $732 million.

Certain bituminous coal producers have been prominent in efforts to reduce imports of residual fuel oil, but coal exports for nearly a decade have been more than twice as great as the equivalent coal not consumed domestically because of residual oil imports.

EMPLOYMENT GROUPS (OTHER THAN PRODUCERS OF MOVABLE GOODS)

Foreign commerce has a potentially double impact on the earning activities of people in such industry groups as construction, public utilities, trade, banking, real estate, insurance and public administration.

First, all of the workers and firms engaged in producing movable goods entering international trade are patrons of these services and construction activities. The livelihood of these construction and service activities depends, therefore, on the prosperity of the manufacturing, mining and farming groups to whom they sell their services.

Second, to the extent that international economic transactions pass through their area, persons in the various service and construction activities derive, directly, an extra benefit. This is obvious enough in great trading centers like New York, Chicago, San Francisco, Los Angeles, and New Orleans. It is not always realized, however, how substantial a portion of our foreign economic relations move through communities which ordinarily think of themselves as being concerned exclusively with domestic commerce.

WHOLESALE AND RETAIL TRADE

The direct impact is particularly evident to persons engaged in retail trade. Not only do they see on their shelves the many products of foreign origin, or made with imported materials, whose turnover contributes a valuable share to their operating maintenance; they also see the quick effects on their sales volume when local plant activities or farm sales are stimulated by increased exports. Their stake in foreign commerce is related directly to the stake of the movable goods producers in their area.

The direct benefits received by wholesalers from foreign commerce are just as evident. Wholesalers, of course, gain their livelihood from the retailers whom they supply. The wholesalers benefit from foreign trade, therefore, to the extent that profits received from foreign trade enable the community to purchase more goods from retail outlets.

The greater part of our imports and a high proportion of our exports are foodstuffs and raw or processed materials in bulk, and very large percentages of both imports and exports of such goods are handled by wholesale dealers of one type or another.

In addition, wholesalers handle, between stages of domestic production and processing, enormous quantities of materials either originating abroad or destined ultimately for incorporation in exported products. Moreover, both exports and imports of many manufactured goods are distributed to foreign or domestic markets by export or import houses, jobbers, combination export managers, industrial distributors, or other specialized types of wholesalers.

PROFESSIONAL, BUSINESS, AND RELATED SERVICES

Many professional services—legal, engineering, accounting, advertising, and others—even outside of major foreign trading centers—are rendered directly to persons engaged in international transactions of one sort or another. Persons engaged in professional service activities serve not only regular trade groups but all sorts of other international activities—travel, educational, and technical exchange, firms interested in establishing foreign business connections, foreign firms interested in exploring local connections, and the like. And, of course, professional people receive the benefits of a community made more prosperous through the direct sales of movable goods in foreign trade.

TRANSPORTATION AND COMMUNICATION

In the transportation and communication field the extra impact of international commerce is sizable.

International transactions account for a heavy part of the traffic along our roads, railroads, and telephone and telegraph lines—not to mention ocean freight where they account for nearly 100 percent of the traffic. The stake of the transportation industries, however, is by no means confined to freight revenues. United States carriers obtain sizable revenues from the fares paid for both domestic and international transportation by American and foreign tourists and businessmen traveling to or from foreign countries. Such statistical evidence as is available confirms that the transportation industries, as a group, obtain a larger proportion of their business from foreign trade and travel than do the Nation's manufacturing industries.

In the communications industries, the heavy traffic due to international exchanges stems not only from the business transactions associated with the international trade of their area and of areas whose communications traverse their lines. It is also traceable to a variety of other important international interests—tourists, financial institutions, governmental matters, personal and family contacts; and the whole variety of interests that lead to communication within an area. Telephone calls and cables for foreign destinations originate even in the most remote towns. Each of these must be handled at many places along the route between the United States and foreign points.

In 1956, 305,791,956 words were cabled to foreign countries and another 292,723,140 words were cabled from foreign countries to the United States. In the same year the telephone industry handled 1,507,995 overseas calls.

THE CONSUMER

Everyone, no matter how he earns his livelihood, is a consumer of imports. Without them, our United States standard of living would be very much lower.

Most people realize that imports are important for many common things. Without imports, we could not have coffee, tea, cocoa, chocolate, bananas, pepper, cinnamon, cloves, ginger, nutmegs, silk, or natural rubber. For other commonly used things, such as sugar and wool, we would have to raise prices substantially and reduce consumption if we depended entirely on domestic resources. There are many less well-known things which we cannot produce in adequate quantity—many drugs and spices

and various kinds of minerals and chemicals.

Beyond the actual value of imports, however, there are a great many items imported for use in industrial processes, sometimes in relatively minor absolute amounts, without which we could not take full advantage of our technical knowledge and engineering skill. Losing these items would cut down production of many manufactured products and reduce quality.

Thus, the basic raw material for our great aluminum industry is largely imported; without it we would have to find substitutes for the many products of daily use and of importance to industry in which aluminum plays a part. The great electronics industry would be seriously handicapped without imports of a number of minerals such as tantalum, and mica. We would be hard put to produce an adequate supply of electric motors without imports of a certain type of graphite from Ceylon. Stainless steel could not be produced without chrome, most of which we import. Our petroleum and chemical industries depend on imports of platinum for catalytic and equipment purposes.

We import almost all of our nickel, most of the fiber for quality rope and binder twine, a third of our paper, all of our shellac, all of our quebracho (which is needed for leather-tanning and oil-drilling purposes), and all of our natural industrial diamonds. There is a long list of such items. Many import items are of such strategic importance in the production process that the Government has established a national stockpile of them to be available in case imports were to be cut off.

It may be that domestic substitutes could be found for most of the imported commodities essential to our finished product for the consumer and for national defense, but it is most likely the cost of the finished product made with the domestic substitute would be much greater and probably it would be neither as useful nor as acceptable.

In 1956 we imported a total of $13 billion worth of goods from abroad. These imports were important to every American—not only directly but because they made possible the production of many more billions of dollars' worth of the products of American factories, mines, and farms.

SUMMARY FOR STATE OF INDIANA

I. Industries favorably affected by exports: Approximately 423,975 persons, about 73 percent of all persons engaged in manufacturing, are employed by firms falling in 7 major industrial groups.

Transportation equipment

Two hundred and eight establishments employing approximately 92,450 persons.

Proportionate share of Nation's total exports: $103.4 million.

Proportionate man-years of employment resulting from exports, 4,055.

Products exported nationally affording benefits to the State: Motor vehicles and parts, pullman cars, aircraft parts, etc.

Essential ingredients imported and percent of total United States supply: Ore imports listed under primary metal industries, plus jute (100), sheet and block mica (95.8), sisal (100), etc.

Machinery (except electrical)

Eight hundred and sixty-eight establishments employing approximately 61,150 persons.

Proportionate share of Nation's total exports: $91.5 million.

Proportionate man-years of employment resulting from exports, 5,800.

Products exported nationally affording benefits to the State: Tractors, farm implements, construction and mining machinery, power saws, pumps, business machines, household machines, etc.

Essential ingredients imported and percent of total United States supply: Ore imports listed under primary metal industries, plus balsa (100), natural rubber (100), asbestos (94.3), natural graphite (90), etc.

Primary metal industries

Two hundred and thirty-six establishments employing approximately 86,975 persons.

Proportionate share of Nation's total exports, $72.5 million.

Proportionate man-years of employment resulting from exports, 325.

Products exported nationally affording benefits to the State: Steel mill products, aluminum, copper, brass, etc.

Essential ingredients imported in excess of 50 percent of total.

United States supply: Manganese, chrome, tungsten, beryllium, tantalum, bauxite, nickel, tin, zinc, antimony, cobalt, platinum, etc.

Electrical machinery

One hundred and sixty-six establishments employing over 67,700 persons.

Proportionate share of Nation's total exports, $45.2 million.

Proportionate man-years of employment resulting from exports, 3,500.

Products exported nationally affording benefits to the State: Motors, electrical control apparatus, appliances, radios, etc.

Essential ingredients imported and percent of total United States supply: Graphite (90), natural rubber (100), sheet and block mica (95.8), asbestos (94.3), as well as ores listed under primary metal industries.

Chemicals and products

Two hundred and forty-two establishments employing approximately 26,300 persons.

Proportionate share of Nation's total exports, $44.1 million.

Proportionate man-years of employment resulting from exports, 1,580.

Products exported nationally affording benefits to the State: Plastics, synthetic fibers, explosives, drugs and medicines, fertilizer, etc.

Essential ingredients imported: Urea, gum, tragacanth, karaya, ammonia, nitrates, phosphates, oiticica oil, etc.

Food and kindred products

One thousand two hundred and seven establishments employing approximately 48,550 persons.

Proportionate share of Nation's total exports, $29.2 million.

Proportionate man-years of employment resulting from exports, 975.

Products exported nationally affording benefits to the State: Meat products, concentrated milk, cheese, animal feed, canned and frozen fruits and vegetables.

Essential ingredients imported: Ginger, flavorings, coffee, tea, nuts, chocolate, spices, etc.

Fabricated metal products

Six hundred and forty-three establishments employing approximately 40,950 persons.

Proportionate share of Nation's total exports, $17.8 million.

Proportionate man-years of employment resulting from exports, 1,150.

Products exported nationally affording benefits to the State: Boiler parts, metal foil, tin cans, etc.

Essential ingredients imported and percent of total United States supply: Similar to products essential to primary metal industries, plus industrial diamonds (100), etc.

II. Import competition: Following is a list of items, the producers of which in Indiana may be affected adversely by import competition. Each item was discussed in the text and is listed here in summary: Certain types of machine tools, 11 plants; tool and die, undetermined; diamond die, 6 plants; brass tubes, 3 plants; copper and brass rods, 3 plants; copper rolls and sheets, 1 plant; brass sheets, 1 plant; plumbing brass goods, 2 plants; barbed wire and nails, 2 plants; concrete reinforcing bars, 3 plants; hardwood plywood, 3 plants; wool textile mill products, 6 plants; knit goods, 4 plants.

III. Major agricultural commodities produced in the State favorably affected by exports:

Soybeans: State's proportionate share of exports, $50 million.

Wheat: State's proportionate share of exports, $42 million.

Corn: State's proportionate share of exports, $24 million.

Livestock and products (excluding dairy and poultry): State's proportionate share of exports, $21 million.

Dairy products: State's proportionate share of exports, $7 million.

IV. Major agricultural commodities produced in the State which may be affected adversely by import competition:

Livestock and products (excluding dairy and poultry): State's proportionate share of imports, $19 million.

V. Major mineral commodities produced in the State favorably affected by exports: Coal: 4,060 persons.

VI. Major mineral commodities produced in the State which may be affected adversely by import competition: Petroleum: 1,380 persons.

Mr. CAPEHART. Mr. President, I also ask unanimous consent to have printed in the body of the RECORD a statement I have prepared on statistics and articles in respect to the amendment which I intend to submit, and which is now at the desk. The amendment is to that portion of the bill which has to do with the study commission, and directs the commission to concentrate as much as possible upon studying the advisability of tariff rates being based on the labor cost of producing articles, respectively, in the United States and in other countries.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR CAPEHART

It is my opinion that marked differences in the cost of labor which exist between the United States and most other countries cause or contribute to a condition of unfair competition against labor and industry of this country. Accordingly, the high wages, which constitute strong purchasing power in the hands of this Nation's consumers who in turn stimulate a high level of domestic production and employment, are in jeopardy; and also that there is considerable evidence to justify a schedule of tariffs based at least in part on such differences in labor costs.

Such evidence would indicate further that if the labor cost involved in the manufacture of an article in this country is $5 whereas the labor cost of the same article in another country is only $4, the duty should accordingly be $1. That as the difference in the cost of labor between the two countries decreases, the duty thereon also decreases to the point at which there is no difference in the cost of labor and hence no duty.

I wish to offer an amendment to the reciprocal trade bill, H. R. 12591, and request that it be stated at this time:

Mr. President, section 11 (a) through (h) of H. R. 12591 establishes a bipartisan Commission, provides for its membership, appropriation, and compensation. Section 11 (1) (1) outlines generally the duties of the Commission directing it to investigate and report on the international trade agreement policy of the United States and to recommend improvements in policies, measures, and practices. Section 11 (1) (2) goes on to direct the Commission to consider and report on, without limiting the general

scope of the investigation, such matters as the following:

A. Labor hours lost by reason of imports as compared to labor hours gained through exports.

B. The history of the effect of tariff reductions on small business.

C. Anticipated trends of foreign competition and their possible effects.

D. The effect of the inflationary trend of labor and materials and other matters.

It is apparent that the bipartisan Commission, pursuant to the provisions of the bill, has rather broad investigative powers and might very possibly have authority under the provisions of the present bill to conduct such inquiry as is contemplated by my amendment. However, the language of the bill is no more than permissive when in fact the subject matter is of sufficient importance to warrant that it be made directive. The Senate bill purports to establish guidelines and proposed areas of inquiry for consideration of the bipartisan Commission and my amendment merely establishes additional directives for the assistance of the Commission in expressing specifically the feeling and interest of the Senate. The studies proposed by this amendment would necessarily correlate duties and other import restrictions such as quotas and import taxes to monetary wage rate differences, unit labor costs, unit total costs and general productivity of labor (or the labor input per unit of product). These considerations require an analysis of many other factors of production, particularly capital and natural resources proportions, as well as the technical methods employed in production. The output of an economy and, therefore, the income of its population, reflects the health, training, and skill of its labor force, entrepreneurial abilities, and its stock of capital including natural resources.

The most recent analysis of the effects of United States foreign trade upon domestic employment was made by the Department of Labor for the Commission on Foreign Economic Policy (the Randall Commission) and was published in the staff papers of that Commission in February of 1954. Substantial economic changes since that date, together with anticipated changes effected by reason of the European Common Market and the proposed South and Central American Common Market warrant further study and reevaluation.

The investigation proposed by my amendment will be somewhat complicated, not only by the consideration of differences in monetary wages among individual countries, and among industries within each country, but further because of differences in the nature and method of financing fringe benefits or payments not directly related to time on the job—for example, comparisons must be made to disclose the differences when costs of fringe benefits are largely borne from general taxation as opposed to those in which direct taxes are imposed upon the employer proportionate to payrolls, or if fringe benefits are derived by direct taxes on or contributions by the worker. It will further be necessary to consider the relationship of each country's wage level to its general economic situation.

In order to inform the Senate more specifically of the studies on this subject which have been made in the past, I suggest the insertion of the following materials in my statement at this point entitled "Wages and Productivity in the United States and Abroad," published by the American Tariff League, Inc., February 1958, and "Employment, Wages, and Foreign Trade," contained in chapter IX of the Compendium of Papers on United States Foreign Trade Policy, collected by the staff for the Subcommittee on Foreign Trade Policy of the Committee on Ways and Means.

"WAGES AND PRODUCTIVITY IN THE UNITED STATES AND ABROAD

"Tariffs relate to wages. In import-vulnerable industries, which tariffs are intended to safeguard, wages, even jobs, are at stake. The reason for the vulnerability is that the cost of the foreign goods is substantially lower than the cost of the competing domestic goods. The purpose of a tariff is to offset some of this difference in cost. Because the cost of goods reflects wages paid it is necessary, in setting rates of duty, to take account of the differentials between wages here and in other countries, and to try to evaluate other elements, such as productivity, that may alleviate or accentuate the effect of these differentials.

"SECTION 1. THE ELUSIVE BUT EVER-PRESENT WAGE DIFFERENTIAL

"American wages, highest in the world and the envy of labor in every other land, represent an asset in the domestic economy. High wages constitute strong purchasing power in the hands of the Nation's consumers, who in turn stimulate a high level of domestic production and employment.

"Wages, of course, are only one component among unit cost determinants. Other primary factors such as cost of raw materials, transportation, and overhead, enter in varying proportions depending upon the industry.

"Some industries, known as labor intensive, have a proportionately high input of labor in ratio to the amount of capital invested. Industries such as textiles, garments, lumber and wood products, electrical equipment, and fabricated metals require a relatively heavy labor supply compared to capital investment.

"The National Association of Manufacturers measures the degree of labor intensity in terms of the number of workers per million dollars of capital invested. The NAM notes that the clothing industry employs 300 persons per $1 million invested, while the automobile industry has 80 workers per $1 million invested. The latter is called a capital intensive industry.

"Other industries classified as 'labor intensive,' with relatively heavy employment figures, include the leather and leather products industry, with about 240 employees for each $1 million invested; furniture, about 190 employees for each $1 million invested; lumber, about 170 workers for each $1 million invested; textiles, about 140 workers for each $1 million invested; fabricated metals, about 130 workers for each $1 million invested.

"These, then, are industries in which labor costs account for a large proportion of total costs. Such industries not only feel a more severe impact from wage increases, but also are more vulnerable to the effects of low wage levels in competitive foreign industries.

"Textiles provide a classic example of this vulnerability. The industry has suffered extensively from excessive imports. Foreign textiles overran the American market because garment manufacturers and other consumers here were attracted by their modest prices, which reflected modest wages, by United States standards, and production costs in foreign factories.

"The 'labor intensive' yardstick is not the only determinant of foreign advantages in the cost-price structure. However, it seems significant that a large number of the United States industries which have reported actual or threatened injury from excessive imports fit into category of 'labor intensive.' For them, particularly, the wage gap remains a dominant factor in international trade.

"How much does foreign labor receive?

"A major difficulty encountered in computing United States and foreign wage differentials is the sarcity of authoritative data. Although the Department of Labor's Bureau of Labor Statistics compiles much of the basic source information on the subject, it does not guarantee its accuracy or validity.

"The same reservation applies to the American Tariff League's other main source for foreign wage data, the International Labor Office in Geneva.

"Lack of precise information on so-called fringe benefits paid by foreign employers as part of their labor costs, or by foreign governments, presents still another difficulty. Fringe benefits in Western Europe and Latin America, such as family allowances, special bonuses and payments, and social insurance, comprise a substantial part of the worker's take-home pay.

"In spite of these difficulties, all available evidence points to a preponderant gap between American wages and those paid in other countries. Throughout the American Tariff League's research, and no matter where the basic data were discovered, one finding was consistent: 'In only one case—Canada—do foreign wages exceed even 50 percent of the average level of wages paid to the American workingman.'

"Where reliable data made it possible, upward adjustments in foreign wage rates, as listed in tables 46 and 47, were made to reflect payment of fringe benefits. No such adjustment was made in the United States figure in table 46, although it does include overtime and paid vacations.

"TABLE 46.—*Average hourly earnings in industrial occupations*

[In United States dollars]

United States	2.08
Canada	1.59
Sweden	0.83
Norway	0.72
New Zealand	0.70
Switzerland	0.63
United Kingdom	0.61
Belgium	0.56
West Germany	0.55
France	0.54
Italy	0.43
Ireland	0.39
Japan	0.22

Source: Bureau of Labor Statistics, United States Department of Labor; Statistical Supplement, vol. LXXVI, No. 3, International Labor Review, September 1957; British Ministry of Labor Gazette, vol. LXV, No. 10, October 1957.

NOTE.—Hourly earnings are based on latest available information 1956–57. United States figure is for September 1957. Earnings shown for Norway and Belgium apply to skilled male workers only.

"TABLE 47.—*Average weekly wages and hours in manufacturing, 1956*

[In United States dollars]

	Wages	Hours
United States	$80.19	40.5
Canada	62.20	41.1
Argentina	18.69	[1] 44.0
Colombia	21.89	[2]
Mexico	11.10	[2]
India	[3] 4.74	[1] 46.0
Japan	[4] 11.66	50.2
Austria	15.12	45.4
Belgium	[5] 25.57	[1] 48.0
Finland	[5] 34.65	44.2
France	19.98	45.4
West Germany	[5] 24.88	48.0
Italy	14.54	[1] 46.0
Netherlands	[5] 19.39	[5] 49.0
Norway	[5] 31.54	44.0
Sweden	[5] 37.35	[1] 45.0
Switzerland	[6] 28.85	47.7
United Kingdom	[5] 34.64	46.0
Australia	[5] 23.87	[1] 40.0
New Zealand	[5] 39.90	[1] 40.0

[1] Estimated.
[2] Not available.
[3] 1955 figure.
[4] Includes family allowances.
[5] Males only.
[6] Skilled and semiskilled males only.

Source: Calculated from the International Labour Review, Statistical Supplement, vol. LXXVI, No. 3, International Labour Office, Geneva, September 1957.

"An important addition to the evidence of a substantial wage gap between United States and foreign labor is supplied by the United Nations, which lists the following per capita annual incomes in various countries (figures converted to United States dollars):

United States	1,960
Australia	1,082
Austria	444
Belgium	814
Canada	1,335
Denmark	770
Finland	787
France	821
Greece	230
Israel	557
Italy	353
Japan	212
Mexico	164
Netherlands	582
Portugal	188
Spain	279
Sweden	1,101
Switzerland	1,092
United Kingdom	832
West Germany	603

"The national industrial conference board's survey

"At the request of the American Tariff League and others, the national industrial conference board reviewed the economic factors bearing on United States foreign trade. Its preliminary study includes a section describing the response to a field survey of United States and foreign labor costs among 'American producers with manufacturing establishments producing the same or similar products both here and abroad.'

"Table 48 is adapted from the conference board's tabulation of this response.

"TABLE 48.—*Comparison of foreign direct labor costs to United States costs*

[By number of products reported]

United Kingdom:	
Less than United States	31
Same as United States	0
More than United States	1
Total	32
Canada:	
Less than United States	14
Same as United States	4
More than United States	7
Total	25
Mexico:	
Less than United States	13
Same as United States	1
More than United States	1
Total	15
Brazil:	
Less than United States	11
Same as United States	1
More than United States	0
Total	12
Australia:	
Less than United States	2
Same as United States	1
More than United States	4
Total	7
West Germany:	
Less than United States	6
Same as United States	0
More than United States	0
Total	6
France:	
Less than United States	5
Same as United States	1
More than United States	0
Total	6

"TABLE 48.—*Comparison of foreign direct labor costs to United States costs*—Con.

[By number of products reported]

Argentina:	
Less than United States	5
Same as United States	0
More than United States	1
Total	6
Other countries: [1]	
Less than United States	22
Same as United States	2
More than United States	10
Total	34
Total all countries:	
Less than United States	109
Same as United States	10
More than United States	24
Total	143

[1] Belgium, Chile, Colombia, Cuba, Holland, Italy, Japan, Peru, Philippines, South Africa, Spain, and Venezuela.

Source: Basic data from the National Industrial Conference Board, the International Economic Position of the United States, December 1957.

"According to table 48, overseas producers turning out 143 different products informed the National Industrial Conference Board that their direct labor costs were less than those paid by manufacturers of the same products in the United States in more than 75 percent of the cases reported. In only 17 percent of the cases did foreign labor costs exceed United States costs.

"Moreover, the conference board found that: 'In every instance where the labor bill is lower, it is lower by a wide margin. More often than not it is 55 percent or less of similar United States expenditures. This was the situation with just about equal emphasis in Western Europe and Latin America, even though somewhat higher wage scales are paid in the former area. However, the fact that Europe is more extensively industrialized probably brings realized unit labor costs in both regions closer together.

" 'The pertinent inference from this summary of our data is that, despite a generally higher degree of mechanization in the United States compared to the rest of the world, the unit cost of labor is higher than it is abroad. The economies made possible through industrialization are apparently not generally sufficiently large to offset relatively low foreign wage rates.'

"The conference board discovered, in addition, that for the cases reported the incidence of less than United States total production costs was highest in Western Europe, chief trade competitor of United States producers. The incidence of higher costs, counting labor, raw materials, and overhead, was greatest in Latin America, the bulk of whose shipments to the United States are primary products and largely noncompetitive. Cases covering Asiatic countries, including Japan, were negligible in number in this particular study.

"Other cost elements involved

"The conference board also tried to isolate cost elements other than labor that might differ here and abroad. In summary the board, in its preliminary report, observed:

" 'The influences of the three major cost components—materials, labor, and overhead—upon total unit cost varied sharply. Labor cost per unit was generally and significantly lower than in this country—in 109 out of 158 instances. Overhead was lower in the production of 78 products. On the other hand, direct materials costs were higher in 78 instances. The generally large proportion of the cost dollar accounted for by materials, in short, tended to offset lower labor and overhead costs.'

"It should be emphasized here, however, that the conference board was concerned with the cost of materials to American subsidiaries abroad. In many cases, the conference board learned, these materials are imported from the United States, and their cost is inflated by shipping charges and foreign tariffs.

"The same cost conditions would not necessarily be encountered by foreign-owned factories. In the case of assembly operations, for example, component parts are frequently sent from the parent company in this country to a subsidiary abroad. Foreign producers in most instances would not bear this cost burden.

"Basic wage-gap premise validated

"To repeat, all evidence, regardless of source, confirms the first premise in the wage-gap debate. American wages are at least twice as high as those paid in any other country except Canada, where wage levels are about three-fourths of ours. The only point of issue is whether wage differentials provide an unfair advantage for foreign industries competing in the American market. If the United States could offset the wage gap by proportionately greater productivity, no such advantage would exist. However, as section 2 explains, foreign productivity is gaining steadily.

"SECTION 2. PRODUCTIVITY, THE VANISHING AMERICAN ADVANTAGE

"While recognizing the existence of substantial differentials between wages here and abroad, some Americans contend that our productivity, technology, and mechanization surpass those abroad and so overcome and purported competitive advantage possessed by low-wage countries. This contention is often made as a statement of universal application, without recognition that individual industries differ in productive potentiality.

"In fact, the validity of these claims has declined in direct ratio to the progress of postwar rehabilitation in the other major trading nations of the world. Today, the productivity gap is a diminishing factor in many situations of international competition.

"It may seem ironical to some that the very nations whose goods are invading the American market in growing volume and which are furnishing stiffer competition for United States products in other markets are generally those whose economies have been enriched by many billions of dollars in United States foreign aid in the past 12 years.

"To express it another way, many United States manufacturers and workers whose heavy tax bills helped rebuild foreign factories and equip them with modern machinery are now watching these same factories and machines, manned by low-wage labor, turn out products at less than United States costs to compete in the American market.

"Since 1950 Western Europe's industrial output has been increasing at a much faster rate than United States production. The United Nations, in World Economic Survey 1956, notes that by 1955 Italy's manufacturing output per man-hour had gained 44 percent over 1950 and Germany's 35 percent over 1950, while the United States increase was only 12 percent.

"It seems logical to conclude that Western Europe's amazingly rapid economic recovery, and postwar resurgence to the front ranks of world commerce, has more than casual connection with the fact that as of December 31, 1956, more than 40 percent of the $57.6 billion in postwar grants and credits distributed by the United States had gone to Western Europe.

"Climbing productivity in Western Europe is emphasized in recent reports by the Organization for European Economic Cooperation. The OEEC's latest annual report reviews European progress since 1950 and looks

ahead to 1960, and a high note of optimism overlays all of its findings:

"'The net result of the estimates of labor supply and productivity in that an increase of 17 percent in the gross national product is projected for the 5-year period 1956–60. During the last 5 years, the increase in gross national products was 26.5 percent. Thus a considerable reduction is expected in the rate of growth due largely to the more modest increases in labor supply but also to a lesser extent to a lower rate of productivity growth. For member countries combined, gross national products per man-hour is expected to rise by 14.2 percent over the period 1956–60, compared with an increase of 16.6 percent over 1951–55. Thus, the annual compound growth of productivity for member countries as a whole is expected to be 2.7 percent per year as compared with 3.1 percent during the past 5 years. A rate of 2.7 percent is in itself a fast one, well above the rate of growth in the inter-war period in Europe and it is higher than that experienced in the United States during the last 5 years.'

"Elsewhere in its forecast of European economic conditions in 1960, OEEC declares:

"'From 1950 to 1955 industrial production rose 38 percent. Over the next 5 years it seems likely that if gross national products increases by 17 percent and the pattern of demand develops as suggested in this study, industrial production will rise by about 25 percent.'

"TABLE 49.—*Output per man-hour in manufacturing, 1955*

[1950 = 100]

Austria	134
Belgium	123
Canada	113
France	133
West Germany	135
Italy	144
Netherlands	124
Sweden	115
United Kingdom	112
United States	112

Source: United Nations

"OEEC also concerns itself with the impact of this expected gain in productivity on international trade. It estimates that exports to the dollar area—which, of course, means primarily the United States—may increase 40 percent over the 1955 level by 1960. In order to achieve such a substantial upturn, OEEC lays down a series of groundrules:

"'First, every possible means of improving Europe's competitiveness must be pursued by measures aimed at raising productivity accompanied by the restraint of inflationary tendencies. Secondly, energetic steps must be taken to maintain and increase the overall mobility of Europe's resources—particularly of manpower—in order to facilitate the rapid expansion of output of certain products such as machinery and equipment, for which the export prospects are most favorable. Thirdly, the importance of invisibles earnings is growing and must not be overlooked. If sufficient efforts are made to expand facilities for tourism and shipping, Europe can considerably increase her receipts from this source.'

"Furthermore, OEEC regards such steps as formation of the 6-nation European common market and the proposed free-trade zone encompassing all 17 OEEC members as springboards to still greater prosperity:

"'Much progress in liberalizing trade has already been made in the OEEC. Greater freedom of trade in Europe would not only enable fuller advantage to be taken of international specialization but would also stimulate competition and the mobility of economic resources within national frontiers. It would powerfully reinforce domestic policies intended to reduce restrictive business practices and to increase the mobility of labor. The projects for establishing a common market among the six countries, and the steps being taken in OEEC toward the introduction of a free-trade area should give a new impetus to this means of stimulating productivity.'

"By way of confirming OEEC's glowing self appraisal, the magazine Fortune conducted its own survey of Western Europe's economic rebound from the devastation of World War II and reached much the same conclusion as OEEC. In its issue of December 1957 Fortune observed:

"'The key to Europe's prosperity is its rising productivity, or output per man-hour. For as yet Europe's population is increasing only half as fast as that of the United States and its labor force is also increasing about half as fast. Thus Europe's progress since 1948 has been, and must continue to be, largely a result of rising productivity. There is plenty of room for productivity to rise. Western Europe employs nearly 31 million people in mining and manufacturing, working an average of about 46 hours a week; the United States, by contrast, employs 17,750,000 in mining and manufacturing, working an average of about 40 hours a week. But they turn out a third again as much as the 31 million Europeans. In other words, European productivity, expressed as industrial output per man-hour, is roughly 40 percent that of the United States—though in many industries the discrepancy is much less.

"'The point is, however, that European productivity is at last increasing rapidly—at an average rate of more than 4 percent a year between 1950 and 1955. This is much faster than any previous European growth rate, and faster even than the 3 percent average annual growth, long term, of United States industrial productivity. While such growth cannot be sustained indefinitely, Europe's huge investments will enable its industry to expand fast, if not quite at its 1950–55 rate.'

"Europe's wage rates, as noted in table 46, average about 30 percent of United States rates, so that even with an average 40 percent lower productivity, the net cost advantage is Europe's. And, as Fortune points out, the advantage is increasing.

"In short, Western Europe, already the hub of world commerce, is girding for greater achievements in years to come. Although the United States outranks any single European nation, or any other nation in the world, as a foreign trader, Western Europe's combined trade constitutes about 50 percent of the world total, or three times that of the United States.

"Obviously, there remains little reason for the United States to consider Western Europe any longer as an impoverished cousin, or as a cluster of picturesque nations beset by chronic political difficulties and dependent on the open-handed paternalism—and rich domestic market—of the United States to scratch out a meager existence.

"Quite the contrary, Western Europe's booming industrial plant already poses a serious challenge to United States supremacy in world trade. This challenge will mount in the years just ahead. To ignore the challenge, or to treat it as a temporary phenomenon that will ultimately yield to American know-how, is to overlook one of the truly amazing economic developments of the 20th century.

"Industrial expansion: A world success story

"This study concentrates on Western Europe's economic progress because this is the region of main concern to the United States, both as a market for our products and as a competitor in our domestic market and in other markets across the world. This is not to imply, however, that other nations, particularly Japan, are not expanding on a comparable scale.

"As table 50 indicates, many relatively underdeveloped countries are building up their industrial resources in this era of rapid technological advancement. The United States has assisted in this expansion by pumping many billions of dollars in economic aid into underdeveloped countries.

"Japan, of course, ranks among the major industrialized nations of the world. Its industry, highly efficient prior to World War II, has fully recovered from wartime damage, and more and more Japanese manufactures are finding their way into international commerce. Only recently Japan announced plans to push its own entry into the huge foreign-car market in the United States. Watches are another Japanese export product likely to be found competing in the American market, not only against United States watches, but against Swiss.

"TABLE 50.—*Index of industrial production*

[1953 = 100]

	1950	1951	1952	1954	1955
World	84	91	93	100	110
World excluding United States	84	93	95	108	118
United States	85	91	94	98	104
Algeria	82	96	98	109	126
Tunisia	83	93	112	105	130
Argentina	105	108	101	108	118
Chile	72	83	91	104	102
Mexico	89	95	96	106	118
India	85	95	98	107	115
Japan	55	74	82	108	117
Yugoslavia	94	97	94	114	133

Source: From data supplied by the United Nations.

"Japan's industrial acceleration, in some individual industries, is even more remarkable than that of Western Europe. Production in Japanese engineering industries, for example, advanced 59 percent in 1956 over 1955 and its output of passenger cars increased 77.5 percent in the same period.

"Some comments on comparative productivity

"It is obvious from the foregoing that productivity does not lend itself to easy statistical evaluation, although the scanty statistics do show trends and tend to confirm governmental and news accounts of industrial progress abroad.

"The replies to the National Industrial Conference Board's requests for information on comparative output per man-hour in certain United States and foreign industries are a blend of report and opinion by qualified industrialists with a substantial investment stake in foreign operations. Their responses throw important additional light on this subject. Here are four typical ones:

"'There is very little difference in man-hour output of production workers between the plants abroad and those in the United States. What little difference is present is undoubtedly due to the lack of experience on the part of the foreign employees. As for the future, we see no reason why our foreign employees cannot be as productive as those in the United States in our line of manufacture.

"'Since the same type of equipment is used in all plants, production output per man-hour is relatively the same. If new types of equipment are developed, these will possibly be extended to the foreign plants.

"'Productivity of the workers in the foreign plant is lower than in United States excepting where units are highly instrumentized and automation is employed. This is probably due to general precedent as much as anything. This difference in productivity is rapidly narrowing due to improved plant design and automation.

"'Man-hour output in the European countries compares favorably with the United States. Other countries such as South Africa, Mexico, Peru, have a lower man-hour output than United States because of the type of native labor available. This lower productivity in these countries does not materially affect the comparison of differ-

ences in unit costs because of the lower wage rates in those countries. We should see a decided improvement in the future due to mechanization and more competent labor.'

"The weight of evidence

"These comments by American businessmen abroad, based on expert, on-the-scene observations, support and augment the statistical findings of the United Nations, the Organization for European Economic Cooperation, and others. The evidence, while not voluminous, points in only one direction: The United States still leads the world in efficiency and rate of output in most industries, but our margin is diminishing as other major trading nations redouble their efforts to catch up.

"TABLE 51.—*Changes in industrial production and its major components*

[Percentage change from previous year]

	Industrial production	Basic metals	Engineering	Passenger cars	Textiles	Chemicals
United States:						
1954	−7.0	−13.0	−10.0	−9.1	−9.0	
1955	11.8	29.3	10.0	42.5	12.1	12.0
1956	2.9	−1.9	4.0	−26.6	−2.0	5.5
Japan:						
1954	7.6	4.8	−3.4	20.3	7.1	23.4
1955	8.3	13.7	−3.0	56.3	4.9	19.2
1956	21.3	21.6	59.0	77.5	16.4	15.5
Canada:						
1954	−2.0	−6.0	−8.0	−22.4	−14.0	1.0
1955	9.2	18.1	1.1	32.8	15.1	5.9
1956	7.5	9.7	5.1		.7	6.8
France:						
1954	9.0	14.0	4.0	18.6	6.0	16.0
1955	11.0	16.7	20.2	26.4	−3.8	13.8
1956	9.9	5.3	17.6	17.6	8.8	9.1
West Germany:						
1954	12.0	16.0	18.0	40.3	7.0	14.0
1955	15.2	21.6	22.9	36.1	8.4	13.2
1956	7.8	6.4	9.0	20.2	6.0	9.3
United Kingdom:						
1954	7.0	8.0	10.0	29.2	2.0	9.0
1955	5.6	5.3	10.0	16.7	−2.9	6.4
1956		2.4	−11.4	−21.2	−.6	3.8

Source: Basic data supplied by the United Nations.

"SECTION 3. PRODUCTION FIRST, THEN TRADE

"The earlier sections of this research report have demonstrated:

"1. Wage differentials between American and foreign workers continue to be substantial.

"2. Productivity here and abroad is approaching uniformity.

"Yet there are variables, country by country, industry by industry, product by product. The National Industrial Conference Board, in summarizing its findings on these points, states:

" 'In the main, the survey's evidence supports the conclusion that the most significant single determinant of unit cost and its trend is the nature of the specific product. Some products are more cheaply manufactured abroad, some have lower unit costs in this country. The outcome will depend upon a variety of factors, including the relative cost and amount of materials consumed, the degree of mechanization, average capital requirements, the amount of power consumed, and similar determinants.'

"It has always been the contention of The American Tariff League that a tariff system should be flexible so as to take account of such variables in the setting of individual rates of duty. The league has applauded the recognition of this philosophy by the Commission on Foreign Economic Policy (Randall Commission) which, in its 1954 report, included this statement:

" 'One of the essential strengths of our entire economy is the vitality and diversification of our industry. While no clear-cut lines of demarcation can be drawn without overlapping, the submissions made to the Commission indicate that our industry falls into three broad classes.

" 'The first class is that type of industry, generally referred to, with more or less inaccuracy, as the mass production industries in which for various reasons, methods or processes, size of markets, machinery, or other causes, unit labor costs are generally low here as compared with other countries and little or no problem exists with respect to imports.

" 'The second class is one in which machinery and production facilities, generally speaking, are identical or at least similar here and abroad. In some of these the same number of man-hours goes into a unit of goods here and abroad; in others the use of labor is less efficient abroad than here and there may be other offsetting cost factors. Whether or not imports may be seriously damaging is dependent on factors which vary industry by industry, but in at least some of these the labor factor is the controlling element.

" 'The third class is the so-called handicraft type where machinery is a minor element. Here quite obviously, with labor the major cost, imports can be not merely serious but destructive to the domestic industry without a tariff.

" 'Yet all three classes or types of industry are a necessary part of our total economy, and in all of their variations they must pay wages generally in harmony with the general level of wages throughout the country. We would not have it otherwise; and we do not wish it to happen that the wage level in the third class and in some of the second class should be determined or seriously affected by the wage levels abroad in competitive industries.'

"The findings in Research Report 6 of this study show that the above statement has pertinency under today's world conditions. In addition, evidence in the report indicates that the first class of industry described in the Randall Commission statement may be growing smaller and the second class larger as the world becomes more industrialized and mechanized. In other words, the wage differential between United States and foreign production costs is of increasing importance and is creating competitive difficulties for more and more American industries trying to sell their products at home and abroad.

"The question: which comes first?

"Equally perceptive in its evaluation of the domestic production system as it relates to foreign trade is the following statement by economist and author Claudius T. Murchison. These passages are taken from remarks made by Dr. Murchison before the Subcommittee on Foreign Trade Policy, House Ways and Means Committee, on December 2, 1957:

" 'From the universal turmoils and maladjustments following the war, there emerged the notion that trade was the predominant fact of all economic life. As the most pressing subject of common interest, it was the focal point of international conferences, agreements, and conflicts. It became the great obsession of the time and, as such, the logical and necessary relationships of trade to the other facts of life were either minimized or largely disregarded.

" 'The renewal of these relationships now calls for first attention. To accomplish it, we must view trade for what it actually is—a secondary and complementary part of the total economic process. The primary part, which is also the nuclear center and the dynamic element of the total economic process, is the production system. Upon the strength and scope of the production system depend the volume and character of all merchandise trade with other nations.

" 'Production is the energizing factor of economic life, both internally and externally. In an industrial nation, the forces of progress are weak or strong in proportion to the health and creative powers of its production system. Viewed in all its ramifications, it is, of course, the major source of national income, the wages of labor, as well as the earnings of capital. It is the major foundation and the chief substance of a nation's social savings. It supplies the buying power to sustain consumption of imported products. Thus all effective purchasing power, whether used at home or abroad, is initially derived from domestic production.

" 'In a worldwide view, production becomes all the more evident as the basic initiating force of economic activity. World consumption is limited and shaped by world production. Trade is only the facilitating implement, the balancing factor, in the distribution of what is produced. In the total economic process, either of a country, or of the world, its role is not that of master, but of servant. Consequently, the first concern and supreme duty of any country is to establish and maintain those conditions which nurture a system of production coordinated to its needs and resources.

" 'Without the use of this guiding principle, trade policy thas no enduring foundation to rest upon, but remains an uncertain, vacillating thing, but eternally rushing from one set of objectives and criteria to another, forever subject to whatever whims, fancies, and inspired visions that may prevail at the moment.

" 'If concern for the Nation's production system is to become a key principle in the formation of trade policy, it must recognize that the production system is an integrated whole, and is not composed of parts which stand separately. A highly developed industrial economy is an intricate network in its structural relationships and in the interactions of its operations. All of its parts fall into a pattern of mutual dependence. Each unit depends upon others for material, equipment, and supplies; at the same time it depends upon others as market outlets, or as secondary processors.'

"The unity of a national economy

"Dr. Murchison further amplified the interlocking relationship of all segments of our domestic economy, and the mutual dependence of each upon the others, as follows:

" 'Every enterprise is both a buyer and a seller. The act of buying extends backward in its succession of effects to the basic resource. The act of selling reaches forward through a succession of transactions and further processing, until the final market is arrived at. At each stage in the sequence, the pattern of interaction begins anew. Hence every unit of production, whether it

be in industry, agriculture, or mining, is a connecting link in many chains. These chains traverse the entire system and are without end. They bind the economy into a coordinated whole and their united strength at any given time is the measure of a country's economic health and prosperity.

" 'Technological changes, new commodities, shifting consumer desires, are always forcing readjustments within the system, but they are the manifestations of normal growth. They give more than they take and never break the chains of mutual dependence.'

"This awareness that a prosperous total economy requires prosperity among all of its components also is a matter of concern to other observers, including many Members of Congress. In an address in Providence, for example, Senator THEODORE F. GREEN, of Rhode Island, notes that 'it is all very well to talk about the general benefits of imports, but for some, they are not a benefit at all. Some of our citizens are being asked, in effect, to bear a disproportionate share of the burden of what is admittedly of value to the entire Nation. * * *

" 'Certainly our economy is not static. Businesses are constantly coming into or going out of existence; and they frequently alter their lines of production. Workmen shift jobs. Many factors go into this process of economic change, and foreign trade is one of them. I believe it is the duty of government, however, to see to it that change does not come so rapidly as to create major dislocations. It is also a duty of government to see to it that the burdens of change do not fall inequitably on any particular locality or segment of the population. That is particularly the case when change is the result of a government policy designed to benefit the whole Nation.'

"The true nature of trade

"In short, United States foreign trade policy, to be truly beneficial, must reflect a firm, frank understanding that the act of exchanging our own products for someone else's becomes significant only to the degree that it serves our national well-being. Trade is not an obligation; it is not a question of trade for trade's sake, but of obtaining those products we need and do not have in exchange for those we have and do not need. Practical application of this principle requires recognition that our highly integrated economy is only as strong as its most vulnerable part, and that in the long run injury to one part is injury to all."

"EMPLOYMENT, WAGES, AND FOREIGN TRADE—UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS, SEPTEMBER 1957

"This memorandum is designed to bring together available information relating to international trade and domestic employment, the quantitative effects of such trade in relation to other factors affecting wages and employment, and the relationship between wage rates, labor productivity, and the movement of international trade.

"INTERNATIONAL TRADE AND DOMESTIC EMPLOYMENT

"The most recent analysis of the effects of United States foreign trade upon domestic employment was made by the Department of Labor for the Commission on Foreign Economic Policy (the Randall Commission) and was published in the staff papers of that Commission. This study indicated that in 1952 approximately 4¼ million workers in the United States owed their jobs either to making goods for export, processing imported raw materials and semimanufactured goods, or transporting and distributing imported commodities.[1] On the basis of the growth in foreign trade which has occurred since 1952, the Department now estimates that in 1956, this number had increased to about 4½ million workers:

"United States employment attributable to foreign trade in 1956

1. Exports:	
Nonagricultural workers	2,561,000
Agricultural workers	602,000
2. Imports:	
Transportation and distribution	524,000
Processing imported materials	858,000
Total	4,500,000

"A comparison of the components of the 1956 estimate with that for 1952 indicates that there was an increase of over 360,000 workers in making manufactured goods for export and over 130,000 workers in handling and processing of imports. This total gain of almost half a million workers has been partially offset by a drop of 265,000 agricultural workers, leaving a net gain of approximately 225,000 jobs in the 4-year period. The decrease in agricultural employment reflects both the increase in productivity of farm labor and the shifts in the pattern of agricultural exports among individual commodities.

"The estimate of 4½ million jobs generated by our foreign trade is, of course, not a complete statement of the effect of foreign trade on domestic employment. It must be recognized, of course, that some jobs are "displaced" by competitive imports, always keeping in mind that exports must be paid for, in the long run, by imports.

"In its budget request for the current fiscal year, the Department of Labor included funds to carry out the necessary statistical work and analyses to obtain an accurate indication of this 'displacement.' The work, as planned, called for detailed studies of employment changes in individual industries affected by import competition and the determination of the employment losses which could be charged to imports. The House Appropriations Committee recommended that funds be made available for this project, but the final approved appropriations for the Department did not permit undertaking this work. As a result, we are not in a position to submit a concrete estimate of the number of American workers who may have been displaced at any time by competitive imports. In the absence of such concrete estimates it is, however, possible to make some crude estimates which will throw some light on this matter.

"If we assume that all of the United States dutiable imports in 1956 could have been made by American workers, then these imports would have required the full-time services of approximately 1 million workers.[2]

"This figure is obviously much too high for a variety of reasons, none of which can be numerically evaluated at this time. Some of these reasons are:

"(1) Some dutiable imports have a particular appeal because of special characteristics impossible to duplicate here, such as 'native style' handwork, and do not replace American workers.

"(2) Some dutiable imports are used in later stages of processing and are not producible in the United States due to a lack of the basic raw material.

"(3) In some instances where imports are considerably lower priced than United States products, they may find customers in a market which had not and could not be tapped by American production.

"Perhaps a somewhat more realistic method is to consider the employment history of the industries which have filed escape-clause petitions for tariff relief.

"Between April 1948 and March 1957, 74 applications for escape-clause action had been filed with and acted upon by the Tariff Commission. In 49 cases the Commission either (a) found so little evidence of injury caused by imports that the application was terminated or dismissed after only a preliminary investigation or (b) after making a full investigation decided that the affected product was not suffering from import competition and that no tariff relief was justified. Twenty-five reports (involving only 23 commodities since 2 commodities were the subject of more than 1 report in this period) were sent to the President with at least half the Commission recommending Presidential action modifying the tariff.

"During the postwar period, 1947–56, according to data included in the Tariff Commission reports, the peak employment in the plants producing these 23 commodities was 113,000 workers. At the low point for each individual industry, total employment in the plants producing these commodities was 85,000 workers, a drop of 28,000 workers. (See table 1.) This decline, of course, cannot be attributed wholly to imports. In some instances the lowest employment coincided with a year of domestic recession rather than with a peak in imports; in other instances there is strong reason for believing that at least some share of the decline was the result of competition from other domestic products or resulted from changes in consumer preferences. On the other hand, it is recognized that these cases do not encompass all types of complaints or all cases of displacement, but in a field where facts are hard to establish, this source of information should not be overlooked.

"TABLE 1.—*Estimate of total employment*[1] *involved in escape-clause cases in which the Tariff Commission recommended Presidential action*

Commodity	Highest employment[2]	Lowest employment[2]	Net decrease
I-A. Tariff action by President	26,000	26,000	10,000
I-B. Nontariff action[3]	45,000	35,000	10,000
Total	81,000	61,000	20,000
II. Rejected by President:			
A. Action recommended by Commission majority	13,000	9,000	4,000
B. Commission divided evenly	19,000	15,000	4,000
Total	32,000	24,000	8,000
Grand total	113,000	85,000	28,000

[1] Total employment in plants producing the commodity. The general period covered is 1946–56, but the entire period is not used for each commodity. Unless otherwise indicated, employment data are based on Tariff Commission reports, and the period is determined by the data shown in these reports (both original and supplementary). No commodity is counted more than once (i. e., watches and fish).

[2] Highest and lowest refer to that portion of the 1946–56 period for which data are available in the Tariff Commission reports.

[3] Velveteen and lead-zinc.

"Displacement, of course, does not necessarily mean unemployment for the individual worker. The worker may take another job within the same plant, shift to another plant, or, in some instances retire voluntarily. Other studies of worker displacement for all types of reasons, indicate that,

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[1] Staff papers of the Commission on Foreign Economic Policy, U. S. Government Printing Office, February 1954, pp. 373–374. As originally published, the estimate was 4.4 million workers, but the estimate of agricultural workers was never revised.

[2] This estimate is made by taking the declared value of all dutiable imports, raising this value by 25 percent to cover the costs of insurance and freight and duty, and then dividing the adjusted total by average output per United States worker.

in general, workers do shift jobs and find new jobs.

"Some workers, of course, do encounter significant difficulty in shifting jobs within an economy, but a great many shifts take place regularly without major adjustment difficulties. Over 3 million persons, on the average, enter the labor force each month and almost the same number of persons leave. In addition to this large volume of shifts into and out of the labor force, about 800,000 persons in the labor force go from jobs into unemployment status and vice versa. Manufacturers reported almost 600,000 hires a month in 1956 and about the same number of separations. Almost half of the separations were due to workers being laid off their jobs for a variety of reasons. (See table 2.[3])

"The unemployed, currently about 3 million, is an everchanging group of individuals. Each month one-third to one-half of them find jobs or leave the work force and they are replaced by about the same number of new job seekers. As a result, the long-term unemployed—those who have been looking for work for over 26 weeks—comprise only 5 to 10 percent of the unemployed at any one time.

"TABLE 2.—*Monthly accessions and separations in manufacturing industries, annual averages: 1947–56*

Year	Monthly average turnover rate (percent)	Average monthly turnover (thousands)
Total accessions:		
1947	5.1	780
1948	4.4	674
1949	3.5	496
1950	4.4	659
1951	4.4	709
1952	4.4	719
1953	3.9	672
1954	3.0	480
1955	3.7	613
1956	3.4	575
Total separations:		
1947	4.8	734
1948	4.6	705
1949	4.3	610
1950	3.5	524
1951	4.4	709
1952	4.1	670
1953	4.3	741
1954	3.5	560
1955	3.3	547
1956	3.5	592
Quits:		
1947	3.4	520
1948	2.8	429
1949	1.5	213
1950	1.9	284
1951	2.4	386
1952	2.3	376
1953	2.3	396
1954	1.1	176
1955	1.6	265
1956	1.6	270

Source: U. S. Bureau of Labor Statistics.

"In the past 10 years total employment in the United States has increased by nearly 7 million despite declines in employment in a number of important industries and increased productivity per worker throughout almost the entire economy.

"The reason that employment has expanded in the face of individual industry declines and large increases in productivity is the tremendous increase in the total output of all United States industries. With output per man-hour in the private nonfarm sector of the economy increasing by about 3 percent per year, an annual average of almost 1.5 million workers (including self-employed and unpaid family workers) would have been displaced, despite a slight decline in weekly hours of work if total output had not increased during the postwar years 1947–56. Actually, output did increase by 44 percent during the period, and employment increased by about 16 percent between 1947 and 1956.

"WAGE DIFFERENCES AND FOREIGN TRADE

"Marked differences in monetary wage levels such as exist between the United States and most other countries are frequently cited as 'unfair competition' and an obstacle to lowering tariffs.[4] It should be noted that this problem is not limited to the United States but has also risen in the case of the formation of the Benelux Customs Union and the European Common Market, among others.

"The objections arising from wage level differences usually are based on the assumption that monetary wage rate differences accurately reflect differences in either unit labor costs or unit total costs of production. The relationship of wage levels to unit labor costs depends upon the productivity of labor (or the labor input per unit of product). The relationship of wage levels to total costs depends not only on the ratio of wages to unit labor costs but also the ratio of unit labor costs to total costs. This involves all the other factors of production, particularly capital and natural resource proportions, as well as the technical methods employed in production.

"It cannot be concluded that the United States is at a disadvantage in foreign trade because United States wage levels are uniformly considerably higher than those of other countries. The fact that the United States is the ranking export nation of the world, competing successfully in most items in all markets from which its products are not restricted because of exchange problems, is ample evidence that high wage levels in and of themselves are not a deterrent to competition in international markets. Proper evaluation of the comparative level of wages and their effects on the flow of foreign trade requires not only a careful definition of the elements included in wages, but also the addition of information on productivity, and the role of all the other factors of production. The output of an economy and, therefore, the income of its population reflects the health, training, and skill of its labor force, entrepreneurial abilities, and its stock of capital including natural resources.

"Consideration of differences in monetary wages among individual countries, and among industries within each country, is further complicated because of differences in the nature and method of financing fringe benefits or payments not directly related to time on the job. If the customs of a country are such that the costs of fringe benefits are largely borne from general taxation, the absolute level of monetary wages will be different from the case where fringe benefits are financed by direct taxes upon the employer, with these taxes approximately proportionate to payrolls. For example, in Great Britain social-security programs are largely financed by general taxation whereas in France this program is mainly financed by taxes on the employer proportionate to his payroll. A still different level would be expected if the fringe benefits were derived by direct taxes on or contributions by the worker. The range of variability in the direct cost to the employer of these benefits under different types of financing can be approximated from some limited studies of European experience which have been made by the ILO and OEEC. Studies made by these organizations indicate that within Europe direct charges to the employer range up to more than 100 percent of basic wages with the average charge well above that of the United States. All studies indicate that, as one would expect, these costs tend to vary inversely by country with the level of basic wages.

"Finally, comparisons of differences in wage levels among countries must take into account the general economic situation in each country—for example, is one of the countries under inflationary pressures, or suffering from balance-of-payment problems? Comparisons of wage levels between countries can only be made statistically by converting their different monetary units into some common unit. Normally, this is done by using exchange rates as the conversion factor, but this procedure has many defects. Two of the more important of these defects are: (1) Exchange rates may not reflect the differences in the economic situations of the countries as a result of such factors as exchange controls, quotas, and prohibitive tariffs; (2) exchange rates are determined by a comparison of prices of internationally traded goods and the real purchasing power of the wages in each country may be largely determined by the prices of domestic goods. A more complete description of this problem will be found in the work of Gilbert and Kravis.[5]

"Thus, the major qualifications on using differences in wages as an explanation of the flow of international trade fall into three main categories: (1) Technical differences among countries in the definition of wages; (2) the fact that wages are not necessarily associated with unit labor costs; (3) the relationship of each country's wage level to its general economic situation.

"The problem of measuring international differences in productivity in a way which can be utilized to evaluate the significance of differences in wage levels among countries is extremely difficult, particularly with respect to the availability of reliable data. Appendix 1 to this report describes the major work which has been done in this field, the problems encountered, and the limitations of the results. However, utilizing available data from the United Nations,[6] it is possible to make some approximate adjustments for productivity differences by taking account of per capita national product in the countries being analyzed.

"The total national product of any country reflects (a) its total population; (b) participation of that population in the labor force and the distribution of the labor force among different types of endeavor; (c) the natural resources of that country; (d) the country's stock of capital, in the broadest sense; and (e) the general level of productivity in that country. If we take into account these differences in per capita national product in comparing wage differentials among the major trading nations of the Free World, we get the result shown in chart I. The procedure followed in preparing this chart has been to express all data in terms of United States dollars, converted at official exchange rates. The vertical axis of the chart represents average hourly wages in manufacturing in each country; the horizontal axis,

[3] Since these turnover data are based on establishment reports covering every day in the month, workers who shift from one plant to another in the same month are counted as a separation in one plant and a hire in the other plant.

[4] In any consideration of wage level differences between the United States and foreign countries, it must always be kept in mind that the available statistics particularly on foreign wages, do not adequately measure all types of payments for labor made by the producer. Many of the payments not directly related to time on the job are comparatively high in foreign countries where social security and related fringe benefit programs generally entail costs far greater, relative to basic wages, than in the United States.

[5] Milton Gilbert and Irving Kravis, An International Comparison of National Products and the Purchasing Power of Currencies. Organization for European Economic Cooperation, Paris, France, chs. I and VI.

[6] United Nations Publications, Series H.

per capita national product. Wherever data permitted, two points have been plotted for each country's wage level: (1) The basic wage, or average hourly earnings figure, in manufacturing; and (2) the basic wage adjusted for fringe benefits or social charges paid by producers. The fact that the points for each country tend to fall along a line which could be drawn between the comparative point for the United States and the zero point on the chart would appear to indicate that wage differences among these specific nations are generally related to their differences in national productivity.

"The general level of nonagricultural wages in these countries appears to be closely related to the country's overall economic position, stage of development, and the distribution of its labor force among industry, service, and agriculture.

"The problems which exist in the comparison of general wage levels are compounded when an attempt is made to compare differences in wage levels between specific industries in different countries. However, there do appear to be logical grounds for making internal comparisons between industries within a single country to see whether or not the wage levels in its export industries are below some national standard. The Commission on Foreign Economic Policy in its report to the President stated that—

"1. American industry should not be subject to unfair labor standards competition that was in fact unfair.

"2. Mere differences in wage rates did not constitute an indication of unfairness.

"3. The clearest case of unfair wages was one in which the competing industry had standards that were unfair when judged in the light of standards in the economy involved.

"This concept has been adopted by the President and has been applied in the trade-agreements process.

"This same general type of comparison made for national wage levels—that is, adjusting for differences in national income—can also be made for individual export industries. In this case, however, it is necessary not only to reimpose all the limitations involved in comparisons of general wage levels, but also to consider some additional factors which apply to individual industries. Basically these additional factors center around the stage of development of the individual industry and the extent to which any gains in productivity within the industry have been incorporated in wage increases or in price decreases. In this case the procedure followed has been that of comparing the wage levels in the individual exporting industries for each of nine countries with the average wage level in all manufactures in that country. These data, shown in tables 3 and 4, are extremely crude in that they were based upon the information available for each country and usually cover a wide range of products. Professor Kravis' work on the United States patterns has clearly indicated that our export industries on the average tend to be our higher wage industries.[7] This may well be the case in other countries, but thus far there has been inadequate analysis of this question.

"Many qualifications of the data shown in these tables are required (appendix 2). The data should be adjusted for differences in industry practices, fringe benefits and social charge payments, historical relationships among wage levels in different industries, and the role of collective bargaining in establishing the wage level of an industry, and so forth. In short, it would appear that analysis of interindustry differences both within and between nations requires both additional general data and individual case studies.

[7] Review of Economics and Statistics, vol. XXXVIII, No. 1, February 1956.

The Assistant Secretary of Labor for International Labor Affairs, in his position as the United States Government representative on the Governing Body of the International Labor Organization, has formally proposed that the ILO begin a program of pilot studies in this area. If this program is initiated and successfully carried out we may, at a future date, have material which will permit detailed analyses of industries and throw more light on the entire problem of the relationship of wage levels to international trade.

"TABLE 3a.—*Belgium and United States wage levels as percent of all-manufacturing average, selected industries*

Industry	Percent
Belgium:	
Textiles	87
Nonmetallic minerals; glass	90
Art and precision	97
Fabrication of articles from common metals (not elsewhere specified)	95
Melting, casting, rolling, forging, extracting metal	120
Fabrication of machines, including electrical and transportation (excluding ship repairing)	102
All manufacturing	100
United States:	
Textile mill products	73
Flat glass; glass and glassware, pressed or blown	112
Jewelry and findings	84
Fabricated metal products	104
Primary metal industries	119
Machinery (excluding electrical); and electrical machinery	107
All manufacturing	100

"TABLE 3b.—*Canada and United States wage levels as percent of all-manufacturing average, selected industries*

Industry	Percent
Canada:	
Meat products	104
Grain mill products	93
Metal mining, other	131
Mining—fuels; oil and natural gas	129
Distilled and malt liquors	113
Saw and planing mills	93
Pulp and paper mills	123
Agricultural implements	112
Aircraft and parts	114
Nonferrous metal smelting and refining	123
Chemical products	100
All manufacturing	100
United States:	
Meat products	102
Grain mill products	94
Iron mining	123
Petroleum and natural-gas production	125
Beverages	108
Sawmills and planing mills	89
Pulp, paper and paperboard mills	104
Agricultural machinery and tractors	110
Aircraft and parts	115
Primary smelting and refining—nonferrous metals	112
Chemicals and allied products	107
All manufacturing	100

"TABLE 3c.—*France and United States wage levels as percent of all-manufacturing average, selected industries*

Industry	Percent
France:	
Agricultural and food industries	87
Chemicals and rubber	90
Hides and leather	98
Textiles	97
Glass, clay, construction materials	89
Production of metals	81
Initial processing of metals	97
Apparel and other products from similar materials	94
All manufacturing and trade	100

"TABLE 3c.—*France and United States wage levels as percent of all-manufacturing average, selected industries*—Continued

Industry	Percent
United States:	
Food and kindred products	92
Chemicals and allied products; rubber products	108
Leather and leather products	75
Textile mill products	73
Stone, clay, and glass products	99
Primary metal industries	119
Blast furnaces, steel works, rolling mills	127
Apparel and finished textile products	73
All manufacturing	100

"TABLE 3d.—*Germany and United States wage levels as percent of all-manufacturing average, selected industries*

Industry	Percent
Germany:	
Food industry	79
Brewing	106
Chemical	102
Iron industry	134
Nonferrous metals	115
Ceramics	85
Glass	94
Metal fabrications:	
Iron, steel, tin and metal products	102
Machine construction	113
Ship construction	115
Road and air transport and equipment	121
Electrotechnical and equipment	98
Precision machinery and optical equipment	96
All manufacturing	100
United States:	
Food and kindred products	92
Malt liquors	131
Chemicals and allied products	107
Blast furnaces, steel works, rolling mills; iron and steel foundries	122
Nonferrous metals: Primary smelting and refining; secondary smelting and refining; rolling, drawing, alloying; nonferrous foundries	112
Pottery and related products	96
Glass and glassware; flat glass	112
Fabricated metal products	104
Machinery (excluding electrical)	112
Ship and boat building and repair	114
Automobiles; aircraft and parts	117
Electrical machinery	100
Instrument and related products	102
All manufacturing	100

"TABLE 3e.—*Great Britain and United States wage levels as percent of all-manufacturing average, selected industries*

Industry	Percent
Great Britain:	
Cocoa, chocolate, and sugar confectionery	82
Other drink industries	80
Rayon, nylon, etc., production	105
Chemicals and allied trades	103
Leather (tanning and dressing), fellmongery	98
Woolen and worsted	82
Glass (other than containers)	107
China and earthenware	83
Jewelry, plate and refining of precious metals	95
Iron and steel tubes	117
Nonferrous metals: smelting, rolling, etc.	118
Engineering, shipbuilding, and electrical goods	108
Manufacture of motor vehicles and cycles	135
Manufacture and repair of aircraft	123
Clothing	77
All manufacturing	100
United States:	
Confectionery and related products	73
Distilled, rectified, blended liquors	106
Synthetic fibers	98
Chemicals and allied products	107
Leather: tanned, curried, finished	94
Woolen and worsted	79
Flat glass	130
Pottery and related products	96
Jewelry, silverware, plated ware	90
Blast furnaces, steel works (excluding electrometallurgical)	128

"TABLE 3e.—*Great Britain and United States wage levels as percent of all-manufacturing average, selected industries*—Continued

Industry	Percent
Nonferrous metals: Primary smelting and refining; secondary smelting and refining; rolling, drawing, and alloying	112
Ship and boat building and repair; machinery (nonelectrical); electrical machinery; ordnance and accessories	108
Automobiles, other transportation equipment	118
Aircraft and parts	115
Apparel; footwear	73
All manufacturing	100

"TABLE 3f.—*Italy and United States wage levels as percent of all-manufacturing average, selected industries*

Industry	Percent
Italy:	
Canned meats, fish, vegetables	84
Silk: Spinning	66
Cotton; silk weaving; synthetics	81
Wool	88
Knitwear and hosiery	69
Hats	81
Sawmills; wood products	72
Metallurgy	134
Machinery and electrical apparatus	106
Construction of cycles	88
Construction of automobiles and aircraft	138
Pottery	88
Glass	106
Chemicals and pharmaceuticals	109
All manufacturing industries	100
United States:	
Canning and preserving	79
Yarn and thread mills	68
Broadwoven fabric—cotton, silk, synthetic fiber	69
Woolen and worsted	79
Knitting mills	72
Hats (excluding cloth and millinery)	82
Lumber and wood; furniture and fixtures	88
Primary metal industries	119
Machinery (except electrical), electrical machinery	107
Other transportation equipment	98
Automobiles; aircraft and parts	117
Pottery and related products	96
Glass and glassware; flat glass	112
Chemicals and allied products	107
All manufacturing	100

"TABLE 3g.—*Japan and United States wage levels as percent of all-manufacturing average, selected industries*

Industry	Percent
Japan:	
Food and kindred products	90
Lumber and wood products	74
Chemical and related industries	126
Textile mill products	58
Stone, clay, and glass products	105
Primary metal industries	153
Fabricated metal products	100
Machinery	110
Transportation equipment	137
Apparel and other finished products	53
Medical and scientific instruments, photo and optical, watches and clocks	105
All manufacturing	100
United States:	
Food and kindred products	92
Lumber and wood products	89
Chemical and allied products	107
Textile mill products	73
Stone, clay, and glass products	99
Primary metal industries	119
Fabricated metal products	104
Machinery (excluding electrical)	112
Ship and boat building and repairing	114
Apparel and other finished textile products	73
Instruments and related products	102
All manufacturing	100

"TABLE 3h.—*Netherlands and United States wage levels as percent of all-manufacturing average, selected industries*

Industry	Percent
Netherlands:	
Slaughtering, preparation and preservation of meat	97
Manufacture of cocoa, chocolate, sugar confectionery	95
Pharmaceuticals and dressings	95
Textiles	103
Metal industry, air, road transport equipment	100
Shipbuilding and repair	110
All manufacturing	100
United States:	
Meat	102
Confectionery and related products	78
Drugs and medicines	98
Textile mill products	73
Machinery (excluding electrical); and electrical machinery	107
Ship and boat building and repair	114
All manufacturing	100

"TABLE 3i.—*Switzerland and United States wage levels as percent of all-manufacturing average, selected industries*

Industry	Percent
Switzerland:	
Clothing and wearing apparel	100
Textiles	96
Metals and machinery	99
Watches and jewelry	116
All manufacturing, trade, private transport	100
United States:	
Apparel and other finished textile products, and footwear	73
Textile mill products	73
Machinery (except electrical); electrical machinery	107
Watches and clocks	91
All manufacturing	100

"TABLE 4a.—*Belgium and United States wage comparisons for selected industries*

Industry	Daily earnings,[1] 3d quarter 1956
	United States cents
Belgium, male production workers:	
Textiles	376
Nonmetallic minerals: Glass	418
Art and precision	422
Fabrication of articles from common metals (not elsewhere specified)	414
Melting, casting, rolling, forging, extracting metal	521
Fabrication of machines, including electrical and transportation (excluding ship repairing)	443
All manufacturing industries	434

Industry	Hourly earnings, 1956 average
	Cents
United States, all production workers:	
Textile mill products	145
Flat glass; glass and glassware	221
Jewelry and findings	166
Fabricated metal products	207
Primary metal industries	236
Machinery (excluding electrical); and electrical machinery	212
All manufacturing	198

[1] Converted at exchange rate; 1 Belgian franc equals 2 United States cents. No information available on hours worked.

""TABLE 4b.—*Canada and United States wage comparisons for selected industries*

Industry	Hourly earnings,[1] May 1957
	United States cents
Canada, all production workers:	
Meat products	173
Grain mill products	155
Metal mining, other	218
Mining; fuels; oil and natural gas	215
Distilled and malt liquors	189
Saw and planing mills	156
Pulp and paper mills	206
Agricultural implements	187
Aircraft and parts	190
Nonferrous metal smelting and refining	205
Chemical products	177
All manufacturing	167

Industry	Hourly earnings, 1956 average
	Cents
United States, all production workers:	
Meat products	202
Grain mill products	187
Iron mining	243
Petroleum and natural gas production	248
Beverages	213
Sawmills and planing mills	177
Pulp, paper and paperboard mills	206
Agricultural machinery and tractors	217
Aircraft and parts	228
Primary smelting and refining—nonferrous metals	222
Chemicals and allied products	211
All manufacturing	198

[1] Converted at exchange rate, 1 Canadian cent equals 1.0465 United States cents.

"TABLE 4c.—*France and United States wage comparisons for selected industries*

Industry	Hourly basic wage rates[2] (Apr. 1, 1957)
	United States cents
France,[1] skilled male production workers:	
Agricultural and food industries	55
Chemicals and rubber	57
Hides and leather	62
Textiles	61
Glass, clay, construction materials	56
Production of metals	51
Initial processing of metals	61
Apparel and other products from similar materials	59
All manufacturing and trade	63

Industry	Hourly earnings, 1956 average
	Cents
United States, all production workers:	
Food and kindred products	183
Chemical and allied products; rubber products	213
Leather and leather products	149
Textile mill products	145
Stone, clay, and glass products	196
Primary metal industries	236
Blast furnaces, steel works, rolling mills	252
Apparel and finished textile products	145
All manufacturing[3]	198

[1] Data represent Paris area except for production of metals which represents rates paid in the highest wage zone outside Paris.

[2] Converted at exchange rate, 1 French franc equals 0.2857 of 1 United States cent.

[3] Data not available to calculate average for all manufacturing and trade.

"TABLE 4d.—*Germany and United States wage comparisons for selected industries*

Industry	Gross hourly earnings, November 1956 [1]
	United States cents
Germany, all production workers:	
Food industry	37
Brewing	50
Chemicals	48
Iron industry	63
Nonferrous metals	54
Ceramics	40
Glass	44
Metal fabrications:	
Iron, steel, tin and metal products	48
Machine construction	53
Ship construction	54
Road and air transport and equipment	57
Electrotechnical and equipment	46
Precision machinery and optical equipment	45
All manufacturing	47

Industry	Hourly earnings, 1956 average
	Cents
United States, all production workers:	
Food and kindred products	183
Malt liquors	259
Chemicals and allied products	211
Blast furnaces, steelworks, rolling mills; iron and steel foundries	241
Nonferrous metals: Primary smelting and refining; secondary smelting and refining; rolling, drawing, alloying; nonferrous foundries	221
Pottery and related products	191
Flat glass; glass and glassware	221
Fabricated metal products	207
Machinery (excluding electrical)	221
Ship and boat building and repairing	225
Automobiles; aircraft and parts	232
Electrical machinery	198
Instruments and related products	201
All manufacturing	198

[1] Converted at exchange rate, 1 German mark equals 23.81 United States cents.

"TABLE 4e.—*Great Britain and United States wage comparisons for selected industries*

Industry	Hourly earnings,[1] October 1956
	United States cents
Great Britain, all production workers:	
Cocoa, chocolate, and sugar confectionery	49
Other drink industries	48
Rayon, nylon, etc., production	63
Chemicals and allied trades	62
Leather (tanning and dressing), fellmongery	59
Woolen and worsted	49
Glass (other than containers)	64
China and earthenware	50
Jewelry, plate and refining of precious metals	57
Iron and steel tubes	70
Nonferrous metals: Smelting, rolling, etc.	71
Engineering, shipbuilding and electrical goods	61
Manufacture of motor vehicles and cycles	81
Manufacture and repair of aircraft	74
Clothing	46
All manufacturing	60

Industry	Hourly earnings, 1956 average
	Cents
United States, all production workers:	
Confectionery and related products	155
Distilled, rectified, blended liquors	210
Synthetic fibers	195
Chemicals and allied products	211
Leather: Tanned, curried, finished	187
Woolen and worsted	157
Flat glass	275

"TABLE 4e.—*Great Britain and United States wage comparisons for selected industries*—Continued

Industry	Hourly earnings, 1956 average
	Cents
United States, all production workers—Con.	
Pottery and related products	191
Jewelry, silverware, plated ware	178
Blast furnaces, steel works (excluding electrometallurgical)	253
Nonferrous metals: Primary smelting and refining; secondary smelting and refining; rolling, drawing and alloying	222
Ship and boat building and repair; machinery (nonelectrical); electrical machinery; ordnance and accessories	213
Autos; other transportation equipment	234
Aircraft and parts	228
Apparel; footwear	145
All manufacturing	198

[1] Converted at exchange rate, 1 British penny equals 1.167 United States cents.

"TABLE 4f.—*Italy and United States wage comparisons for selected industries*

Industry	Hourly basic wages, [1] June 1956
	United States cents
Italy, all production workers:	
Canned meats, fish, vegetables	27
Silk: spinning	21
Cotton; silk weaving; synthetics	26
Wool	28
Knitwear and hosiery	22
Hats	26
Sawmills; wood products	23
Metallurgy	43
Machinery and electrical apparatus	34
Construction of cycles	28
Construction of automobiles and aircraft	44
Pottery	28
Glass	34
Chemical and pharmaceuticals	35
All manufacturing industries	32

Industry	Hourly earnings, 1956 average
	Cents
United States, all production workers:	
Canning and preserving	157
Yarn and thread mills	134
Broadwoven fabric—Cotton, silk, synthetic fiber	137
Woolen and worsted	157
Knitting mills	142
Hats (excluding cloth and millinery)	163
Lumber and wood; furniture and fixtures	174
Primary metal industries	236
Machinery (except electrical); electrical machinery	212
Other transportation equipment	193
Automobiles; aircraft and parts	232
Pottery and related products	191
Flat glass; glass and glassware	221
Chemicals and allied products	211
All manufacturing	198

[1] Converted at exchange rate, 1 Italian lira equals 0.16 of 1 United States cent.

"TABLE 4g.—*Japan and United States wage comparisons for selected industries*

Industry	Hourly earnings,[1] April 1957
	United States cents
Japan, all production workers:	
Food and kindred products	17
Lumber and wood products	14
Chemical and related industries	24
Textile mill products	11
Stone, clay, and glass products	20
Primary metal industries	29
Fabricated metal products	19
Machinery	21
Transportation equipment	26

"TABLE 4g.—*Japan and United States wage comparisons for selected industries*—Con.

Industry	Hourly earnings, April 1957
	United States cents
Japan, all production workers—Continued	
Apparel and other finished products	10
Medical and scientific instruments, photo and optical, watches and clocks	20
All manufacturing	19

Industry	Hourly earnings, 1956 average
	Cents
United States, all production workers:	
Food and kindred products	183
Lumber and wood products	176
Chemical and allied products	211
Textile mill products	145
Stone, clay, and glass products	196
Primary metal industries	236
Fabricated metal products	207
Machinery (excluding electrical)	221
Ship and boat building and repairing	225
Apparel and other finished textile products	145
Instruments and related products	201
All manufacturing	198

[1] Converted at exchange rate, 1 yen equals 0.2778 of 1 United States cent.

"TABLE 4h.—*Netherlands and United States wage comparisons for selected industries*

Industry	Hourly earnings,[1] October 1955
	United States cents
Netherlands, male production workers:	
Slaughtering, preparation, and preservation of meat	38
Manufacture of cocoa, chocolate, sugar confectionery	37
Pharmaceuticals and dressings	37
Textiles	40
Metal industry, air, road transport equipment	39
Shipbuilding and repair	43
All manufacturing	39

Industry	Hourly earnings, 1956 average
	Cents
United States, all production workers:	
Meat	202
Confectionery and related products	155
Drugs and medicines	193
Textile mill products	145
Machinery (excluding electrical); and electrical machinery	212
Ship and boat building and repair	225
All manufacturing	198

[1] Converted at exchange rate, 1 guilder equals 26.32 United States cents.

"TABLE 4i.—*Switzerland and United States wage comparisons for selected industries*

Industry	Hourly earnings,[1] October 1955
	United States cents
Switzerland, male production workers:	
Clothing and wearing apparel	76
Textiles	73
Metals and machinery	75
Watches and jewelry	88
All manufacturing, trade, private transport	76

[1] Converted at exchange rate, 1 Swiss franc equals 23.27 United States cents.

"TABLE 41.—*Switzerland and United States wage comparisons for selected industries*—Continued

Industry	Hourly earnings, 1956 average
United States, all production workers:	*Cents*
Apparel and other finished textile products; and footwear	145
Textile mill products	145
Machinery (except electrical); electrical machinery	212
Watches and clocks	181
All manufacturing [1]	198

[1] Data not available for calculation of average for all manufacturing, trade and transport.

"APPENDIX I

"INTERNATIONAL COMPARISONS OF PRODUCTIVITY

"Postwar interest has led to a number of attempts at measurement of the levels and rates of growth of productivity in different countries. Attention has been directed to all three types of measures: Individual plant comparisons, physical productivity in groups of industries, and overall gross national produce measures. All the studies stress the difficulties involved in making international comparisons and the tentative nature of the conclusions to be drawn.

"Among the problems are: Lack of output and man-hour data for many countries; comparability between output and man-hour data; nonhomogeneity of product between countries; differences in the structure and degree of integration of firms in different countries; valuation of services in each country; and conversion of values of output or expenditure into standard currencies.

"It is not surprising that such studies as have been made are studded with words of caution concerning the conclusions. These range from Rostas' 1948 warning that his figures can at best give only an approximate picture of the position to the footnote to the table in the eighth OEEC report published in 1957, that the very tentative nature of these calculations must be stressed. These strictures should be kept in mind in appraising the summary of material that follows:

"1. MANUFACTURING

"The United States and England, long the most industrially advanced of the nations and for both of which are available relatively large amounts of data, are the subjects of one of the earliest and one of the latest of the studies.

"(a) Dr. L. Rostas' study of the prewar (1935–39) relationship of the productivity of the manufacturing sector in the United States and the United Kingdom was based on an analysis of the physical output of 33 comparable industries accounting for two-fifths and one-half, respectively of the net output of manufacturing in the 2 countries. He concluded that the United States physical output per man-hour was 2.8 times that of the United Kingdom. He also indicates, on the basis of admittedly meager statistics, that a United States advantage of varying degrees was also present in the manufacturing sector.

"(b) Mr. Frankel in his study, based on 1947 census data for the United States and 1948 census data for the United Kingdom found only 30 reasonably homogeneous industries constituting only 13 and 16 percent of value added in manufacturing in the United States and the United Kingdom. In only one of these and in one subgroup of another, did the physical output per man-hour of the United Kingdom exceed that of the United States. No weighted average is shown but the United States/United Kingdom ratio ranges from 1 to 5.

"2. GROSS NATIONAL PRODUCT

"Physical measures have the same shortcoming for economic analysis in international comparison as within the domestic economy and, as a result, there has been a great deal of interest in making comparisons on a net product basis. Among the factors affecting the gross national product type measure are the relative importance of high and low value-added-per-man-hour industries, the proportion of the population employed and relative importance of income from foreign investments.

"Unfortunately no comparison of the levels, of gross national product per man-hour are published. Most of the work in this field has been directed to obtaining comparable estimates of GNP which involves difficult conceptual problems as well as the currency conversion difficulty. Gilbert and Kravis have, however, developed some estimates of per capita GNP in selecting European countries relative to the United States.

"3. RATE OF CHANGE

"The relative position of the United States and other countries as to the levels of productivity is influenced by the rates of growth in productivity in these countries. The rates of increase in productivity in the United States and other countries in the world in the 20th century was investigated by MacDougall. After a lengthy presentation of historical statistics covering almost all the developed countries he concluded that, contrary to the commonly held impression, the output of food, raw materials and manufactures per head of population 'have increased no faster in the United States than in the rest of the world as a whole in peacetime years * * *' and further than this conclusion 'seemed to be largely unaffected if output were reckened per man-hour since there is no clear evidence that leisure had increased faster in the United States than elsewhere.'

"A great deal of the pre-1939 data presented by MacDougall is based on the estimates by Colin Clark. These show that during the period 1924–39 the average annual rate of increase in real national products per man-hour worked for the United States was 1.8, a rate below 10 other nations in Europe, Africa, and Asia.

"Additional data on movements of output per man-hour are presented by OEEC to indicate the relative progress of member countries. In the sixth report, however, the United States is included in a comparison which indicates that United States productivity has increased faster since prewar than any member country but that a large part of the difference has been due to the influence of the war. There are indications in the eighth OEEC report, however, that the year-to-year changes in output per man-hour in manufacturing from 1952 to 1956 in some member countries have equaled or exceeded those in the United States.

"4. REASONS FOR DIFFERENCES

"Many factors influence the productivity levels of different countries but there is scant statistical evidence for confirming the relationship between individual factors and the level of productivity. Furthermore the relative importance of the factors will vary among countries depending upon the composition of the country's output.

"Among the factors frequently cited as contributing to the growth of United States productivity are availability of natural resources, size of market, size of plant, capital investment per worker, standardization of product, specialization of labor, managerial organization, and social attitudes toward competition and technical innovation. These factors are not easily separable since the existence of some follows from the others.

"In Mr. Frankel's study he attempted to relate the few of these factors that are measurable to the differences in the United States and United Kingdom productivity by industry, market size, plant size, and equipment differences. It was his conclusion that while all of these contribute to the United States advantages in productivity there is no clear-cut relationship between each of these factors and productivity for the individual industries included in the study. That is, the industries for which the United States/United Kingdom ratio of productivity were highest were not necessarily those with the greatest United States/United Kingdom difference in plant size, market size or equipment.

"The less tangible factors of organization and attitude have been emphasized by many writers including the members of the United Kingdom productivity teams that visited the United States after the war.

"APPENDIX II

"WAGE OR AVERAGE EARNINGS STATISTICS AND NONWAGE LABOR COSTS, SELECTED COUNTRIES

"BELGIUM

"The statistics present average gross earnings of production workers employed in manufacturing industries. They include payments in kind, paid holidays, profit shares, and bonuses. The averages are presented separately for male and for female workers.

"The averages are computed from data on total payments made to workers covered by the social-security system and on the total number of 'days remunerated' as supplied by employers at the end of each quarter to the National Social Security Office. Such reporting is required by law. Counted as a 'day remunerated' is any day or part day for which the worker is paid. The daily earnings reported do not represent workdays of a uniform length, therefore. [Due to the lack of statistics on hours actually worked, it is not possible to adjust for these differences.]

"Nonwage costs are estimated to add approximately 25 to 30 percent to average earnings. Over two-thirds of these additional costs represent employer contributions to the social insurances and family allowance payments. Payments for days not worked account for the remainder.

"CANADA

"The statistics report average gross earnings of full- and part-time production workers, including apprentices and working foremen paid on the same basis as production workers. Piece rates, incentive pay, and special payments like cost-of-living allowances which are made at regular and frequent intervals are included in the averages. Excluded are the value of payments in kind and any bonuses which may be paid at infrequent intervals.

"The averages are calculated from data on gross wages paid and on total hours paid for, including hours credited to workers on leave with pay, as this information is supplied by establishments employing 15 persons or more.

"Additional nonwage costs to the employer are low. Payments for days not worked are included in the averages as published, while family allowances, old-age pensions, and health programs are financed, not by taxes levied specifically for those programs, but through general taxation.

"FRANCE

"The statistics present average wage rates paid production workers 18 years of age and over. Any bonuses which are applicable alike to all workers in a given establishment are included. The averages are given separately for men and for women workers in each of 5 wage zones and 5 skill groups; no averages covering both sexes, or the entire country, or all skill groups are computed.

"The data are assembled at the close of each quarter by the Ministry of Labor and Social Security by means of questionnaires sent to all privately operated establishments employing more than 50 workers and to about one-half of those with from 10 to 50 workers. Excluded from coverage are enterprises in the nationalized sector of the economy, many of which are large and relatively high-wage establishments. Somewhat more than two-thirds of all production workers are represented in the statistics.

"At infrequent intervals, the Ministry of Labor and Social Security assembles information on the relationship between average earnings and the wage rates reported in its quarterly surveys. Principally because the standard workweek is 40 hours and most plants regularly operate on an overtime basis, the premium payments which are not included in the official wage statistics represent an important element in most workers' take-home pay. In October 1955 average earnings were reported to range from a low of 4 percent above average wage rates in the case of workers in the apparel industry to a high of 34 percent for chemical and rubber-industry workers.

"The employer's nonwage costs represent an additional expenditure amounting to from 40 to 45 percent of the amounts paid out in wages. One-third of these additional expenditures take the form of special bonuses and payments for time not worked. Most of the remainder represents payroll taxes and employer contributions to finance the social insurances and family allowances. A small amount, not exceeding 3 or 4 percent of wages, finances supplementary services and benefits relating principally to health and recreation.

"GERMANY (FEDERAL REPUBLIC)

"The statistics report gross earnings of production workers of all ages. Included in the averages are bonuses and family allowances. Not included are profit shares, reimbursement for tools, uniforms, travel, etc., and payments in kind.

"The averages are based on data relative to total wages paid and total hours paid for, including paid holidays and vacations. All establishments are required by law to submit this information, on request, to local statistical services which in turn forward it to the Federal Statistical Office. The sample from which such information is requested 4 times a year consists of establishments employing 10 or more persons, and covers well over 90 percent of all production workers employed in industry and construction.

"Since the earnings statistics include family allowance payments and since they are averaged from data on hours which include paid leave, some 10 percent of the employer's nonwage costs are included in figures reported. Additional nonwage costs, representing social-insurance assessments and fringe benefits afforded workers on a voluntary basis, amount to about 25 or 30 percent of earnings.

"UNITED KINGDOM

"The official statistics give average gross hourly earnings of manual workers in manufacturing industries. They include overtime, premiums, bonuses, etc., paid to minors as well as to adult workers. Home workers are not covered.

"The averages are calculated from information on total man-hours worked and total wages paid which is submitted semiannually to the Ministry of Labor by manufacturing establishments. For the most part, the firms from which this information is requested 4 times a year consists of establishments employing 10 or more persons, and covers well over 90 percent of all production workers employed in industry and construction.

"Nonwage costs incumbent on employers in manufacturing industries approximate 10 to 15 percent of the amounts paid out in wages. Half or more of these additional costs represent payments for time not worked on holidays and during vacations. Employer assessments to help finance the social-security system are relatively low compared to assessments in other European countries, principally because much of this program is financed through general taxation rather than through employer contributions earmarked for this purpose.

"ITALY

"The statistics represent average wage rates paid production workers of both sexes and all ages. Included are cost-of-living allowances and payments in kind.

"The averages are computed from information which the local offices of the Ministry of Labor and Social Security assemble by questionnaire. In the case of one-third of the industries covered the surveys include all operating establishments; for the remainder only those establishments employing at least 10 production workers are included. Altogether, approximately 55 percent of all production workers employed in Italian industry are covered. Questionnaire returns are checked each month by inspectors of the Ministry of Labor who investigate a random 3-percent sample.

"The relationship between average wage rates and total costs to the employer for each man-hour worked may vary greatly from one month to another because of the incidence of paid holidays and vacations and the practice of periodically paying very substantial bonuses. Prorated over the course of a year, employer costs which are not directly associated with time spent on the job have been calculated to equal between 65 and 70 percent of the amounts expended in the form of basic wages. Special bonuses and the cost of paid holidays and vacations make up somewhat more than one-fourth of these additional payments, and employer assessments for social security family allowances and related programs account for nearly three-fourths.

"JAPAN

"The statistics present average monthly gross earnings of manufacturing production workers employed either on a permanent basis or else for at least 18 days in each of the 2 preceding months. Included in the averages are overtime pay, incentive pay, premiums, bonuses, and, in most instances, family allowances. Any payments in kind that may be made are not taken into consideration. The earnings of foremen, supervisors, and similar classifications are not included.

"The data are compiled from replies to questionnaires sent each month by the Ministry of Labor to a sample of industrial firms. The sample is made up, for the most part, of firms employing 30 or more workers, but to the extent that it may be necessary to enlarge it in order to obtain data for 50 percent of all production workers in the country, it may include smaller establishments as well. [Data on hours worked which are assembled in the same way have been used to reduce to hourly averages the statistics on monthly earnings which are reported in the official series.]

"Fringe benefits which are not reflected in the averages for each month are substantial. The largest single item is a bonus paid at mid-year and again in December or January; averaged for all private firms and governmental institutions, the semiannual bonuses total somewhat more than 2 months' pay per worker per year. In addition workers receive pay for generous amounts of leave for sickness, vacations, holidays, and contingencies like marriage, maternity, deaths of relatives, voting. Those employed in large cities may receive special area allowances to offset higher living costs. Many large industrial firms normally furnish housing for a substantial number of their employees. An assessment amounting to 2.5 percent of payrolls is paid by employers to help finance social insurances. Altogether, these nonwage payments which the employer makes have been estimated to amount to from 35 to 50 percent of base wages.

"NETHERLANDS

"The statistics present average gross hourly earnings of adult production workers, including working foremen and related workers like maintenance and delivery personnel. Excluded are administrative and sales personnel, and employees whose functions are exclusively supervisory. The averages are presented separately for male and for female workers.

"The hourly averages are computed from data on total wage payments and on total hours worked during 1 week in October of each year, as reported to the Central Bureau of Statistics by questionnaire. In most industries, only large and medium-sized establishments are surveyed in this fashion; in a few where small enterprises occupy an important place, establishments employing 10 or fewer workers are included as well.

"Nonwage costs to the employer not reflected in these statistics amount to about 35 percent of the payroll. About half of these additional expenditures represent employer contributions to family allowance funds and to social insurances. The remainder represents payment for vacations and holidays not worked, plus a payroll tax of about 4 percent.

"SWITZERLAND

"The statistics give average gross hourly earnings of industrial production workers. They cover all types of payments made to workers, including family allowances and payments in kind. Averages are presented separately for four groups of workers: Skilled adult males, semiskilled, and unskilled adult males, adult female workers, and young workers under 18 years of age.

"The averages are computed annually for one pay period each October, on the basis of information on total payments made and total hours worked which is assembled by the Government by means of questionnaires. An attempt is made to obtain complete coverage of all manufacturing establishments.

"Family allowance payments comprise less than 1.5 percent of the earnings figures. Other nonwage costs incumbent on the employer but not reflected in the earnings statistics equal about 10 percent of the amounts paid out in wages. Of this, approximately 6 percent covers the cost of paid holidays and vacations, and the remainder represents social-insurance assessments."

It is apparent to me, in closing, that these materials point up the basic complexity and need for further and current strides on this subject.

Mr. CAPEHART. Mr. President, I ask unanimous consent to have printed in the body of the RECORD telegrams and letters I have received from persons in Indiana in favor of the reciprocal trade bill.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

BLOOMINGTON, IND., *July 16, 1958.*

Honorable Senator HOMER CAPEHART,
Senate Office Building,
Washington, D. C.

HONORABLE SENATOR CAPEHART: For many years I have followed the progress of the reciprocal-trade program, the principles of which provide a sound basis for expanding United States exports and for healthy international economic relationships.

I urge you to support the bill as it was passed by the House, and vote against the amendments of the Senate Finance Commit-

tee to cut the extension to 3 years and to limit the negotiating authority. Even the House bill is not as strong as it might well be, but any further weakening will cast serious reflections on the sincerity of American pretenses, and support an expanding international trade program.

Very faithfully yours,

MARION H. GOTTFRIED.

LEAGUE OF WOMEN VOTERS,
Shelbyville, Ind., July 17, 1958.

Senator HOMER CAPEHART,
Senate Office Building,
Washington, D. C.

DEAR HOMER: We favor, and hope you do, 5-year extension Trade Agreements Act as passed by House. Indiana will benefit via trade through St. Lawrence Waterway.

Sincerely,

ROSALIE ADAMS.

LEAGUE OF WOMEN
VOTERS OF MICHIGAN CITY,
Michigan City, Ind., July 17, 1958.

Hon. HOMER CAPEHART,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: We strongly approve a 5-year extension of the Trade Agreements Act and hope you will support the bill as passed by the House.

Sincerely,

MRS. SIDNEY ABEL,
President.

INDIANAPOLIS, IND., *July 16, 1958.*

Senator HOMER CAPEHART,
Senate Office Building,
Washington, D. C.:

Deeply disturbed over Trade Agreements Act as reported out of committee. Hope you will vote to amend and restore bill to House version so that our international trade will not become more restrictive.

MRS. LOUIS MARKS,
National Council of Jewish Women.

CLINTON, IND., *July 15, 1958.*

Hon. HOMER CAPEHART,
Senate Building,
Washington, D. C.

HON. SENATOR CAPEHART: I urge you to support bill H. R. 12591 for 5-year extension with no crippling amendments.

Sincerely,

G. ROY STULTZ.

CLINTON, IND., *July 15, 1958.*

Senator HOMER CAPEHART,
Senate Building,
Washington, D. C.

SENATOR CAPEHART: I urge you to support bill H. R. 12591 for 5-year extension with no crippling amendments.

LOREN C. SHEW.

CONNERSVILLE, IND., *July 15, 1958.*

Mr. HOMER CAPEHART.

DEAR SENATOR: According to A. F. B. F. policy and speaking for 840 members of Fayette County Farm Bureau, am asking you to support bill H. R. 12591, for a 5-year extension without any crippling amendments.

Respectfully,

MRS. PAUL KIDD.

JEFFERSON TOWNSHIP,
Logansport, Ind.

Senator HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.:

DEAR SENATOR: I hope you will vote for the reciprocal trade agreements extension for 5 years, if there are no crippling amendments.

Sincerely,

CASS COUNTY FARM BUREAU,
GUY R. BROOKIE.

SHANKS MOTOR CO.,
Terre Haute, Ind., June 21, 1958.

Senator HOMER CAPEHART,
Senate Office Building,
Washington, D. C.

DEAR SENATOR CAPEHART: It has come to our attention that the reciprocal trade agreements are currently slated for Congressional review. May we take this opportunity, as midwestern business men and retailers, to register our support for the reciprocal trade agreement program. We are, in other words, in favor of a renewal of the 1953 Trade Agreements Act which is now expiring.

We have sold and serviced American cars for over 35 years and feel that the influx of European cars will actually strengthen all our automobile industries in the long run.

We are also aware of the fact that the dollar volume of the United States auto exports in 1957 was four times as great as the value of automobile imports. If we are to support an automobile export market of this magnitude, we cannot, at the same time, restrict the importation of a reasonable volume of European automotive products.

We will appreciate your consideration of our views in this matter.

Yours very truly,

JAMES W. SHANKS,
Vice President.

JULY 15, 1958.

Hon. HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.

DEAR SENATOR CAPEHART: I am very much concerned over the amendments voted by the Senate Finance Committee to the Trade Agreements Act (H. R. 12591). As you are aware, their effect would be to cripple the bill and destroy much of its effectiveness as the keystone of our foreign trade policy. I hope that you will do everything in your power to secure passage by the Senate of the bill in the form it was passed by the House.

Sincerely yours,

MIRIAM S. FARLEY.

INDIANAPOLIS, IND., *July 15, 1958.*

Hon. HOMER CAPEHART,
Senate Office Building,
Washington, D. C.

DEAR SENATOR CAPEHART: I am sure I don't need to urge you to support the 5-year extension of the reciprocal trade agreements, but did want to let you know I appreciate your help and your vote in getting this bill passed in substantially the same form as passed by the House.

Many of us here hope the bill will come through without alteration.

Sincerely yours,

LOWELL I. THOMAS, M. D.

BLOOMINGTON, IND., *July 15, 1958.*

The Honorable Senator HOMER CAPEHART,
Senate Office Building,
Washington, D. C.

DEAR SENATOR CAPEHART: Will you please give your consideration to the Reciprocal Trade Agreements Act as it has been passed already by the House of Representatives.

It is vitally important to proper and workable trade relations between the United States and the rest of the world to have this Reciprocal Trade Act, and it most certainly should be extended for the full 5-year period. A 5-year span is a rather short period of time in the economic affairs of the world of nations.

Sincerely yours,

CHARLES S. MILLER.

BLOOMINGTON, IND., *July 15, 1958.*

Hon. HOMER E. CAPEHART,
United States Senate,
Washington, D. C.

SIR: Kindly vote to restore the Reciprocal Trade Act to the form in which it was passed by the House. I deeply appreciate your voting against the revised act which makes it far from adequate in the eyes of President Eisenhower.

I appreciated the talk you gave on Russia here on the Indiana campus last winter.

Sincerely,

FRANCES N. HALL
(Mrs. Ford P. Hall).

LEAGUE OF WOMEN VOTERS OF INDIANA,
Indianapolis, July 11, 1958.

The Honorable HOMER E. CAPEHART,
United States Senate,
Washington, D. C.

DEAR SENATOR CAPEHART: I have not written you in the past few months because I did not want to overburden you with needless correspondence. We knew that you knew of the league's deep concern over adequate funds for foreign economic aid and our hope that the Congress would pass a 5-year extension of the Reciprocal Trade Agreements Act without crippling amendments. We were certain also that we could count on your firm support of these measures.

However, the events of the past few weeks have precipitated the possibility of a real crisis in our whole foreign economic policy, and we do want to urge that you exercise the full strength of your leadership and prestige on two matters of great importance to us:

1. When, last week, the House passed the mutual security appropriation but sustained the $872 million cut recommended by the House Appropriations Committee, we were particularly concerned about the $325 million cut in the Development Loan Fund. We know that you have been a particular proponent of the kinds of loans authorized under the loan fund, and feel sure that we can count on your hearty support for restoration of this cut in the Senate. We agree completely with the President that there "will be important losses for the Free World and a serious decreasing of the security of the United States" if this cut is sustained.

2. I see by this morning's paper (and I have only the newspaper report) that the Senate Finance Committee has recommended extension of the Reciprocal Trade Agreements Act for only 3 years, instead of the requested 5, and that the President's power to overrule the Tariff Commission has been curbed. The League of Women Voters strongly opposes these efforts to weaken the act. We believe in the necessity of a 5-year extension so that our Government is authorized to negotiate and to plan negotiations within the timetable set up for tariff reductions by the Common Market. It is our understanding that it would be impossible for the United States to complete its negotiations with that community before 1962 at a minimum.

As to curbing the President's power to overrule the Tariff Commission, it is our feeling that the President's power must be maintained, so that he may act in the interests of all Americans and not be bound by Tariff Commission findings of damage to one group whose complaint has been investigated. What happens when we raise tariffs to protect one segment of our economy affects exporters, the workers they employ, the United States consumer (long overlooked), and our friends abroad whose economies largely depend on what they export to the United States. All these factors must be considered by the President, and we feel that we cannot afford to weaken the President's powers in this area.

Of course, you know about our longstanding support for such things as trade and

foreign economic aid. However, we do feel it important at this time for those of us who feel as we do to reaffirm our positions. Moreover, it is our confirmed opinion, from our experience over the years, that sentiment in Indiana is definitely changing, and that there is an increasing interest and awareness among large segments of the community in the need for a forward-looking and dynamic United States foreign economic policy. This was certainly evidenced, to mention only one instance, at the World Trade Conferences in Indianapolis last month. Perhaps this only proves that you and we have been on the right track all along, and that we can look toward an ever enlightened public opinion in Indiana to support this policy.

Good luck to you. We do hope that you can, with good conscience, work to strengthen the two measures we have mentioned above, and particularly in the areas we have outlined.

Sincerely,

Mrs. JOHN A. CAMPBELL,
State President.

SEVENTH DISTRICT
INDIANA FARM BUREAU,
Farmersburg, Ind., July 11, 1958.

Senator HOMER CAPEHART,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: I am very much interested in bill, H. R. 12591, the reciprocal trade agreements extension bill which you will have the opportunity of voting on next week.

I am urging your support of this bill for a 5-year extension, with no crippling amendments.

Very truly yours,

Mrs. PEARL FIDLER,
District Farm Bureau Women's Director.

VANDERBURGH COUNTY
FARM BUREAU, INC.,
Evansville, Ind., July 12, 1958.

Hon. HOMER E. CAPEHART,
The Senate, Washington, D. C.

DEAR SENATOR CAPEHART: In behalf of the 1,656 members of the Vanderburgh County Farm Bureau, I would like to urge you to vote in favor of the reciprocal trade agreements extension bill for a 5-year extension with no crippling amendments.

All of our people with no known exception feel that business would profit by the passage of this bill and that with improvement in conditions in backward countries there will come a larger market for all of our United States products.

Again I wish to express the appreciation of the farm people for your work in matters pertaining to the welfare of agriculture.

Sincerely yours,

LAWRENCE STAHL,
Chairman.

FOUNTAIN COUNTY FARM BUREAU,
Crawfordsville, Ind., July 11, 1958.

HOMER CAPEHART,
Senator from Indiana.

DEAR SENATOR: Please support reciprocal trade bill, H. R. 12591, when it comes before the Senate. Thanks.

CARLOS HOPKINS,
Vice President.

PINE VILLAGE, IND., *July 11, 1958.*

DEAR SENATOR: Concerning bill, H. R. 12591: While I admit you are in position to know more about it than I, from the position of a Hoosier farmer it looks that an extension would be good.

Yours truly,

HARRY LITTLE.

DANVILLE, IND., *July 12, 1958.*

Hon. Mr. HOMER E. CAPEHART.

DEAR SIR: Please support bill, H. R. 12591, for a 5-year extension, with no crippling amendments. Thanking you.

Very truly yours,

ORVILLE APPLEGATE.

MUNCIE, IND., *July 11, 1958.*

Hon. HOMER CAPEHART,
United States Senate,
Washington, D. C.

MY DEAR MR. CAPEHART: As an American citizen who has spent some time teaching in the Philippines and in Lebanon, I have some understanding of the economic conditions that exist in the Far East and the Middle East.

May I urge you to—

1. Vote for the reciprocal trade agreement that is now before Congress?

2. Support the move, if it becomes necessary, to restore the 5-year plan instead of the 3-year extension?

3. Oppose all efforts by the opponents of the bill to weaken it on the floor or in any other way?

Very truly yours,

MARY BELMANS.

MUNCIE, IND., *July 11, 1958.*

Senator HOMER CAPEHART,
Washington, D. C.

DEAR MR. CAPEHART: This is to request your very careful consideration to and support for the trade bill which the Senate is to consider for action in a few days. May I request your support for these items:

1. The extension of the trade bill.
2. Restoration of the 5-year period.
3. Opposition to all moves on the floor to weaken the bill.

We all realize any legislative action on this matter is extremely important, and I shall be appreciative of all consideration and support you can give.

Respectfully yours,

ELEANOR BLY.

THE INDIANAPOLIS
CHAMBER OF COMMERCE,
Indianapolis, Ind., July 14, 1958.

Hon. HOMER CAPEHART,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: We sincerely appreciate the effort you are making in getting Senate approval of H. R. 12591 without amendments.

The statement made by telephone to your office this morning by Preston G. Woolf, president of the American Beverage and Supply Corp., also a vice chairman of our world trade committee, confirms the fact that we urge favorable consideration and passage of the Reciprocal Trade Agreements Extension Act, as proposed by President Eisenhower and recently passed by the House of Representatives.

Business firms in Indianapolis are vitally concerned in having their foreign markets increased, not decreased, as only they can by renewal of this bill for a 5-year period. We consider it extremely important in the maintenance of trade and friendly relations between the United States and other countries of the world.

Yours sincerely,

WILLIAM H. BOOK,
Executive Vice President,

WEST LAFAYETTE, IND., *July 15, 1958.*

The Honorable HOMER CAPEHART,
United States Senate,
Washington, D. C.

MY DEAR SENATOR CAPEHART: In view of the international situation, I think it is very important that foreign nations be able to earn dollars in the United States by selling products to us. Countries that cannot sell to the United States will inevitably be drawn into the Communist order. I am, therefore, very interested in the successful passage of the trade agreements bill, H. R. 12591, without crippling amendments. I am writing to you because I think that our country's interest lies in the integration of the other free economies with our own, although this may have damaging effects on particular industries. This, it seems to me, is the price we have to pay for leadership in world economy.

Very cordially yours,

E. T. WEILER.

COLUMBIA CITY, IND., *July 14, 1958.*

Senator HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: I hope you can support H. R. 12591 that already has passed the House. We farmers know the need of this bill as four-fifths of all agricultural exports move to trade agreement countries. We also know that 4½ million families depend on foreign trade for their livelihood, so it is not only of vital interest to farmers but to everybody.

I want to thank you for helping defeat the omnibus farm bill, but retaining some of the needed bills and getting them passed.

Yours sincerely,

THOMAS W. WESTERN.

GREENCASTLE LEAGUE OF WOMAN VOTERS,
Greencastle, Ind., July 14, 1958.

Senator HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.

DEAR SENATOR CAPEHART: I would like to call your attention to two bills which will come before the Senate and in which the Greencastle League of Women Voters is vitally interested.

First, the members of the Greencastle League of Women Voters support wholeheartedly the 5-year extension of the Trade Agreements Act as passed by the House (H. R. 12591). Our objective study of United States trade policy has led us to the conclusion that the United States needs a stable trade policy, one that our industries and other countries can depend on for a sufficient period of time to do sound planning. We believe that the President should make decisions in escape clause cases. He is in a position to see the total effect—at home and abroad—of any change in trade policy. Therefore, we urge respectfully your support of a 5-year extension of the Trade Agreements Act with authority of the President to decide on escape clause cases.

Secondly, the Greencastle League is concerned about S. 1411, a bill passed by the Senate on August 8, 1957. It concerned the loyalty-security programs and permitted suspected employees to remain on the job while investigations and hearings were being conducted. As passed by the House, this bill was amended by substituting H. R. 981 which reextends the coverage of the Federal loyalty-security programs to both sensitive and nonsensitive positions. It is this substitute which we are opposing. In our study and discussion of the loyalty-security programs, our members expressed very definitely the opinion that these programs should be limited to sensitive positions. In the case of nonsensitive positions, the individual can be removed under regular civil-service procedure. We think that the programs will be more effective and more economically administered when applied to sensitive positions only. Since laws already exist to keep Communists out of government, this legislation is not needed for authority in this matter. Therefore, we respectfully urge you to oppose S. 1411 as passed by the House if it is referred back to the Senate.

Sincerely yours,

Mrs. JOHN RICKETTS, *President.*

EXPORT MANAGERS CLUB
OF CHICAGO, INC.,
Chicago, Ill., July 15, 1958.

Hon. HOMER E. CAPEHART,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: It is our opinion that the trade agreements extension bill passed by the House 317 to 98 on June 11 is a fair reflection, whereas the version reported out by

the Senate Finance Committee on July 10 is a deplorable distortion of the position of the American people on the issue of our basic trade law. It is our hope, therefore, that the Senate will see fit to rewrite the bill in accordance with the mandate of the people, who overwhelmingly favor a trade policy in the national interest.

As the largest group of executives in charge of exports and international operations in the country taking a stand on matters of trade policy, we appeared before the House Ways and Means Committee and the Senate Finance Committee. Our testimony is spread on the record, along with that of some 300 other witnesses who dealt with all aspects of the issue. We presented what we considered sound economic and business reasons in support of the administration-sponsored trade bill.

This final appeal is based on our conviction that America still has a mission to fulfill as the leader of the Free World. This mission is to promote peace through prosperity. It can be implemented only by creating a trading system permitting every nation to procure its requirements in exchange for what it can sell in the world market. If we fail in this mission, the world economy will disintegrate into regional blocs, with the United States winding up in third position. We just cannot believe that the role of leadership, which we assumed in 1934, will end in 1958.

The key to the kind of future most Americans want is a trade law that clearly indicates that we wish to do business with the rest of the world. The House-passed bill represents a minimum in this respect, and we earnestly request your support of a similar Senate bill.

Sincerely yours,

C. C. CRITTENDEN,
President.

CHICAGO ASSOCIATION
OF COMMERCE AND INDUSTRY,
Chicago, Ill., July 15, 1958.

Senator HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.

DEAR SENATOR CAPEHART: My wire to you today, as vice president for world trade of the Chicago Association of Commerce and Industry, was sent you because Lake County, Ind., is, as indicated in the third paragraph and on the map at the bottom of page 1 of the enclosed statement and below, a part of the Chicago metropolitan area.

The statement by Richard Revnes, director of service of this association, before the Senate Finance Committee in support of H. R. 12591, on June 26, 1958, sets forth the reasons why we believe the Reciprocal Trade Agreements Act should be extended in the form in which the bill passed the House.

It is hoped that your study of the matter will prompt you to support vigorously this legislation as desired by the administration, without the Kerr amendment and for 5 years, with authority to reduce tariffs in accordance with the provisions of the House bill.

Very sincerely yours,

JACK L. CAMP,
Vice President for World Trade.

STATEMENT OF RICHARD REVNES, DIRECTOR OF SERVICES, CHICAGO ASSOCIATION OF COMMERCE AND INDUSTRY, IN HEARING BEFORE THE FINANCE COMMITTEE OF THE UNITED STATES SENATE, WASHINGTON, D. C., IN SUPPORT OF H. R. 12591, JUNE 26, 1958

My name is Richard Revnes. I am director of services of the Chicago Association of Commerce and Industry. I appear on behalf of the association to present its views on H. R. 12591, the bill to renew the Reciprocal Trade Agreements Act.

The Chicago Association of Commerce and Industry is a voluntary organization of individuals, firms, and corporations, organized and existing under the laws of the State of Illinois. It has 6,106 member organizations. Through committees and a professional staff of more than 100 individuals, these member organizations work together to improve the Chicago metropolitan area's commercial, industrial, and civic operations. Although the name of our organization is the Chicago Association of Commerce and Industry, it functions as the chamber of commerce for the Chicago metropolitan area.

The Chicago metropolitan area has been designated as such by the Bureau of the Census, United States Department of Commerce, and comprises an area including 5 counties in Illinois and 1 county in Indiana. In this area are included, in addition to Chicago, approximately 180 suburban or satellite communities, among them such important industrial towns and cities as Gary, Hammond, Aurora, Elgin, Cicero, Skokie, and Waukegan.

Within this area are located 14,000 manufacturing establishments, in which a total of about three million people are employed. The population of the area is approximately 6,400,000. The Chicago metropolitan area is comprised of 3,617 square miles, an area larger than the combined States of Delaware, Rhode Island and the District of Columbia.

The Chicago Association of Commerce and Industry endeavors to promote the growth and stability of business in the Chicago metropolitan area and improved legislation that forms the framework within which the area's business operates.

The association was founded in 1904. Funds to carry on its operations come from voluntary membership dues paid by Chicago business firms and professional men and women. About 1,600 members serve on a wide variety of permanent or special committees. Each committee is composed of persons chosen for their standing in the community and for their wide knowledge in some particular field of business or civic endeavor. Specific examples of this committee activity are the work of the World Trade Committee, the Canadian-American Trade and Industry Committee, the Transportation Committee, the Harbors and Waterways Committee and the Aviation Committee.

As set forth in the 1957–58 Annual Report—Committee Directory submitted with my written statement, the committees, officers and directors of the association represent a broad cross-section of the area's commerce, industry, and civic organizations.

The association has supported the reciprocal trade agreements program since its inception, being among the first two chambers of commerce in the United States to record that support. Upon the occasion of each previous renewal of the Reciprocal Trade Agreements Act, the association committee concerned, and the association's board of directors, have considered the legislation proposed and have reaffirmed support of the program.

In arriving at our decision to support the Reciprocal Trade Agreements Act, due consideration is given to the widely varied and sometimes conflicting interests of our membership. The consistency of the actions of our committees and boards of directors, representing widely divergent interests, over the period of the last 25 years, demonstrates, I believe, that our support of this legislation is sound and reflects the thinking of the majority of the association's membership. The most recent reaffirmation of this association's approval of the reciprocal trade agreements program was by the unanimous vote of our board of directors.

The Chicago Association of Commerce and Industry makes the following recommendations with respect to H. R. 12591, which would extend the Reciprocal Trade Agreements Act:

1. That the act be renewed for the period of 5 years proposed in the bill before you. It is our considered opinion that 5 years is the minimum time necessary for the United States to develop a policy and carry out negotiations with the important new European Common Market.

2. That the President be granted authority to reduce tariffs on a gradual and selective basis, in return for concessions by other countries, as provided for in H. R. 12591.

Foreign trade is vital to the expanding economy of the Chicago area and all of Mid-America. Although it is not possible to determine the exact extent of the total exports of this area under methods used to compile foreign trade statistics, various studies give some indication of its volume. According to the 1954 Census of Manufacturers, the Chicago metropolitan area ranked first among metropolitan areas in the production of primary metals, fabricated metals, and nonelectrical machinery; second in foods, electrical machinery, chemicals, printing and publishing, furniture and fixtures, and paper.

The Department of Commerce, conducting an exhaustive research into the impact of foreign trade on various geographical areas of the United States, reports that in Cook County, 1 of the 6 counties in the Chicago metropolitan area, about 461,000 workers participate in the benefit of such trade. About 60 percent of all those employed in manufacturing in Cook County are in firms falling into 5 major manufacturing classifications: fabricated metal products, nonelectrical machinery, printing and publishing, food and kindred products, and electrical machinery. The county's proportionate share in United States exports of these 5 groups amounted to over $400 million in 1956. Cook County establishments in these industry groups engage directly in foreign trade, but this is only part of the picture. Many of the county's products are exported as component parts.

According to the 1954 Census of Manufacturers, there are over 1,000 establishments in Cook County engaged in producing food and kindred products, employing about 95,000 people. Food and kindred products accounted for more than $1 billion worth of exports nationally in 1956. Cook County's share of these exports is estimated at $60 million.

Approximately 112,000 persons were employed by 581 Cook County firms in the production of electrical machinery at the time of the Commerce Department survey. In 1956 total United States exports of electrical machinery exceeded $921 million. Computed on a per employee basis, Cook County's proportionate share of these exports is an impressive $102.8 million. The county was responsible for more than one-tenth of the exports of electrical machinery in 1956, on a proportionate share basis.

The Commerce Department survey also shows that 1,571 firms in Cook County producing nonelectrical machinery employ a total of more than 106,000 persons. In 1956 the national total for exports of nonelectrical machinery was nearly $3 billion. Cook County's share, computed on a proportionate basis, is better than $194 million.

In printing and publishing, better than 75,000 persons are employed in Cook County. Nationally, the United States exports printed and published materials valued at close to $100 million. In this field the most important consideration is not export, but import. These industries in Cook County have a large stake in foreign commerce because approximately 80 percent of the newsprint consumed in the United States is imported. These printing and publishing houses are also using inks manufactured with imported dyes and type facings made of imported alloys.

In fabricated metal products there were in 1956 1,751 firms in Cook County employing about 83,000 persons. The national total for exports of fabricated metal products that

year was $443 million. Computed on a per employee basis, this would give Cook County a proportionate share of exports in this classification of nearly $34 million. It is estimated that there are in the Chicago metropolitan area more than 2,000 firms engaged in exporting, including close to 200 export sales organizations, which handle the foreign sales of manufacturers not having their own export divisions.

The Middle West is the source of an estimated 40 percent or more of United States exports, agricultural and manufactured. In an exhaustive export survey which the association is now completing, we mailed approximately 6,000 questionnaires to firms in the States of Illinois, Indiana, Iowa, Nebraska, and Kansas, and parts of Minnesota, Wisconsin, Michigan, Kentucky, Tennessee, Arkansas, Colorado, South Dakota, and Wyoming, believed to be actively engaged or interested in export activity. The geographical area covered in this survey is shown on the questionnaire which is submitted as part of this statement.

Up to the present time, 557 firms have completed or partially filled in and returned the questionnaire. On the basis of such returns, it would appear that 4,500 to 5,000 companies in the area shown are actively engaged in exporting. Of the 557 firms that furnished information, 521 reported exports in 1956 of 2,967,223 tons, of which 1,766,116 tons were manufactured goods and 1,201,107 tons, agricultural products, coal, minerals, cotton, etc.

Dollar value totaling $873,255,000 was reported by 429 of the 557 firms. If all 557 companies had reported both tonnage and dollar value figures, it is conservatively estimated that the total tonnage and dollar value of the 1956 exports of these firms would be 3,172,226 tons and $1,133,800,000.

A recent survey completed by the United States-Japan Trade Council reports that the 5 States of Illinois, Indiana, Ohio, Michigan, and Wisconsin accounted for $309 million of sales to Japan in 1957. This surpassed all other regions of the United States.

The growth of import activity in the Chicago metropolitan area in recent years is reflected by the increase in the number of importers, import agents and brokers in the area. The records of our World Trade Division disclose that in 1950 there were 483 such firms and individuals; in 1954, 823; and currently more than 1,200. These include manufacturers that import raw materials and component parts used in the fabrication of their products, wholesalers which distribute throughout the area, and retailers such as our major department stores, which sell through their own outlets.

Forecasts by responsible governmental and private institutions as to the volume of waterborne commerce, foreign and domestic, expected to move by the St. Lawrence Seaway when the project and connecting channels are completed range from 37 million to 46 million tons. In metropolitan Chicago, two additional waterway projects—port development in the Lake Calumet area by the Chicago Regional Port District, and at the mouth of the Chicago River by the city, and the widening of the Sag Channel connecting Lake Calumet with the Chicago Sanitary and Ship Canal and the Illinois River—are under way. Within 1 year after completion of the various projects, scheduled for 1962, it is estimated that overseas cargo of all types moving through the port of Chicago should increase to at least 1,500,000 tons.

We have estimated that within 15 years after the completion of the 3 projects mentioned, new investment in industrial plant facilities will reach $10 billion. Within this same period it is anticipated these new industries will provide jobs directly and indirectly for several hundred thousand workers, including 40,000 jobs directly connected with water transportation. The estimate, therefore, of 1.5 million tons within 5 years after the seaway is completed is believed to be conservative.

All of the present facts and future projections make it clear that the already important international commerce of Chicago and the Middle West requires the continuance and extension of a foreign economic policy that will result in the maintenance and expansion of world trade. The United States consistently exports more than it imports. If we are to continue to have an export business that provides jobs for millions of United States workers without underwriting indefinitely, through foreign aid, the difference between our foreign sales and our imports; if we want to bring back to this country, in dollars, the earnings on investment abroad; we must make it possible for other nations to market in this country raw materials and finished products which we need and want.

Preceding witnesses have presented in detail testimony that renewal of the Reciprocal Trade Agreements Act in an effective manner is essential to our national economic and political interests, that the jobs provided by our exports, and imports of needed commodities, far outnumber those adversely affected by the importation of a comparatively small amount of competitive foreign goods.

The reciprocal trade agreements program is a basic cornerstone of our foreign economic policy. The Chicago Association of Commerce and Industry, therefore, strongly urges that the act be extended in an effective form. H. R. 12591, providing for a period of 5 years and negotiated, reciprocal duty reductions but with provisions for defense essentiality protection and relief from undue import competition, should be passed without amendment. This, we believe, is in the best interest of not only our members and area but of the entire United States.

ELWOOD, IND.

Senator HOMER E. CAPEHART,
Washington, D. C.

DEAR SENATOR: I want to thank you for the support you have given farmers in the past. And again we are asking you to vote for the reciprocal-trade bill and for a 5-year extension with no crippling amendments. Thank you again.

Sincerely,

Mrs. ARTHUR ETCHISON,
Farm Bureau Women's Leader of Madison County.

THE INDIANA COUNCIL OF UNITED CHURCH WOMEN,
Indianapolis, Ind., July 15, 1958.

Senator HOMER CAPEHART,
Senate Office Building,
Washington, D. C.

DEAR SENATOR CAPEHART: I am writing to express concern over the reciprocal trade agreements bill, H. R. 10368, as it has come from the Senate Finance Committee.

As you know, the Indiana Council of United Church Women has had a longtime interest in reciprocal trade agreements, both because we believe that trade is essential to our own national welfare, and because as Christians we believe we have an obligation to foster the kind of trade that will help other countries build sound economies.

We especially dislike the amendments that would require Congressional approval of a Presidential overruling of the Tariff Commission; that would bar the yearly cumulative increases in the percentages by which the President might reduce tariffs; and the cutting of the extension from 5 years to 3.

We trust you will use your influence to have the bill passed by the Senate as it came from the House.

Thank you.

Sincerely yours,

Mrs. MERTON GOOD, *Chairman.*

JEWISH WAR VETERANS OF THE UNITED STATES OF AMERICA,
Washington, D. C., July 14, 1958.

Hon. HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: Our organization feels that when you are debating and voting on H. R. 12591, the bill to extend the reciprocal trade agreements program, you are dealing with the national security of our country in its broadest terms. That includes not only our military strength and domestic well-being but also the domestic well-being and the military strength of our allies and of the other nations of the world which are on our side of the Iron Curtain. This thought is more fully developed in the testimony which I gave before the Finance Committee. A copy is attached. I shall appreciate your reading it and considering it carefully.

In view of that testimony given in behalf of the Jewish War Veterans of the United States of America, you can imagine how greatly we are alarmed by the amendments which the Finance Committee has made in H. R. 12591. May I respectfully urge you to eliminate from the Finance Committee's bill, the amendments relating to the escape clause procedure, the change from 25 percent to 15 percent in the authority to reduce tariffs, the cut from 5 years to 3 years in the extension and the so-called national security amendment. In all these instances, you will be protecting the national security of our country by eliminating the Finance Committee's amendments. Please reinstate the language in H. R. 12591 as it came to the Finance Committee.

With all good wishes;

Cordially,

BERNARD WEITZER,
National Legislative Director.

STATEMENT BEFORE THE SENATE FINANCE COMMITTEE, BY BERNARD WEITZER, NATIONAL LEGISLATIVE DIRECTOR, JEWISH WAR VETERANS OF THE UNITED STATES OF AMERICA—TRADE AGREEMENTS EXTENSION ACT OF 1958, H. R. 12591, JUNE 26, 1958

On behalf of the Jewish War Veterans of the United States of America, I am happy, once again, to express appreciation for the opportunity to present to your important committee, our views on the Trade Agreements Extension Act which you are now considering. This time, as on previous occasions, I appear before this committee by the authority of the strongly worded resolution passed by our national convention. The following resolution was passed at our 62d annual national convention:

"Whereas the Reciprocal Trade Agreements Act comes before the Congress for renewal in the 2d session of the 85th Congress; and

"Whereas in its functioning through the General Agreement on Tariffs and Trade, this act has proved notably successful in promoting American exports and our foreign trade as a whole and minimizing the frictions and restrictions which occasionally develop in the course of trade; and

"Whereas we have long recognized that the exchange of imports and exports with our friendly world neighbors is an important factor in our own economic and political well-being as well as theirs and moreover, contributes to our joint national security; and

"Whereas we have regularly supported the reenactment of the Trade Agreements Act as a practical means of facilitating imports which produce the dollar exchange to pay for American exports to these foreign countries; and

"Whereas the proposed Organization for Trade Cooperation will make even more productive, the objectives of the reciprocal trade agreements program and the General Agreement on Tariffs and Trade: Now, therefore, be it

"*Resolved*, That the Jewish War Veterans of the United States of America in 62d annual national convention assembled at Boston, Mass., August 12–18, 1957, do commend the administration for the manner in which it has conducted the operations of the Reciprocal Trade Agreements Act of 1955 and the negotiations conducted under the General Agreement on Tariffs and Trade; and be it further

"*Resolved*, That we urge the 85th Congress to authorize a renewal of the Trade Agreements Act for a period of not less than 3 years, to include in the legislation authorization for the Organization for Trade Cooperation and to refrain from tariff legislation which interferes with the functioning of the Reciprocal Trade Agreements Act."

The membership of our organization made up of men and women who have served in our Nation's Armed Forces, principally as citizen soldiers, sailors, and airmen, having largely returned to their civilian pursuits, continue their keen interest in our national security. They recognize the importance of maintaining our own military strength and that of our allies in deterring war against us by a strong, shrewd, potential enemy—Soviet Russian and its Communist satellites. Our membership is equally aware that the military deterrent must be matched in strength by a sound productive economy in our own land and in all those lands which have not been sucked into the Communist orbit. To maintain that strong productive economy and to complete our national security, the continuation of the reciprocal trade agreements program is more imperative, today, than ever.

The activities of the states in the Soviet bloc, under Kremlin leadership, in pushing for expansion of their foreign trade and their economic penetration in the Free World, evidence their determination to compete in that area. Failure to continue our foreign trade policies as exemplified in the reciprocal trade agreements program would serve admirably to advance the Communists' trade objectives and to undermine our own strength.

As one looks over the figures of our export and import trade during the years 1950 through 1957, the flow of products back and forth is powerful evidence of the profitable returns to ourselves and to the nations with whom we have traded. During 1957, our exports mounted to a rate of more than $21 billion and our imports were in the neighborhood of $13 billion. Roughly, for every $2 of imports, there were $3 of exports. From their natural resources and other materials plus productive powers of their working people, these foreign lands fashioned the products which they shipped to us and thereby obtained the dollar exchange which went far to permit them to pay for American products which required the work of approximately 4½ million American citizens.

We, in our country, secured goods which in many cases, are vital to our industry and to our national defense and which are lacking or extremely scarce in our own country. Other items in our imports enabled our people to enjoy some extra satisfaction in their daily living and to secure more economically, what they wanted. Our own exports provided in other lands, even more importantly, needed goods and materials which are essential to daily life and which stimulated their industries. Thus our own Nation and all the nations with whom we traded as a consequence of our reciprocal trade agreements program enjoyed the benefits of the type of partnership from which all benefited and which strengthened all. This has been particularly important to many of the newly independent nations striving for a sound economy in order that their social and political systems may be stable, and that the pressures of a low per capita income will not make their people easy targets for Communist propaganda. This factor is weighty, as well, even in the industrialized nations of Europe.

The continuing momentous forces promoting our full national security, and our world security, generated by the Reciprocal Trade Agreements Act must be maintained. It cannot be expected that in this effort for strength, we will not find in the wide expanse of our industries, occasional small pockets of weakness which are exposed in world trade competition just as the free competitive system in our own country has exposed them throughout history during our advances in technology, in development of new products and in the changing desires of the consuming public.

The Reciprocal Trade Agreements Act of 1955 broadened the escape clause procedure to take care of these weaknesses. Yet I want you to consider the record of what has happened for, as reported by the 9th edition of the United States Tariff Commission, Investigations Under the Escape Clause of Trade Agreements reports as of February 1958, 86 applications for escape clause action filed with the Commission ever since such investigations were provided as compared with the 59 applications which I discussed with you in January 1955. Thus the average number of applications per year during the last 3 years has scarcely changed from those filed in previous years. Some of these investigations have been applied for time and again and in the past 3 years, the Tariff Commission has recommended escape clause action somewhat more frequently than previously and the President has invoked the escape clause 4 times in the last 3 years as against 5 times in the 6 years prior to 1955. It is apparent from these figures that provable harm has been done to very few industries under the reciprocal trade agreements program.

H. R. 9505 has been introduced to provide for aid to workers, industrial enterprises and communities who are injured or threatened with serious injury as the result of imports into the United States. I am confident that your committee, if such a bill is within your province, can work out adequate legislation to take care of real injury. This would be far better, where necessary, than to sacrifice our national security to the clamor which has been evolved from these very few and relatively insignificant situations. You should not permit such situations to swerve you from continuing the demonstrated benefits which the reciprocal trade agreement program has produced. We should not surrender the world piece by piece to economic aggression or subversion to any greater degree than we would yield supinely to Soviet military aggression. In the first case, the stakes would be dollars alone, but in the second, it would be millions of precious lives as well as many, many times more dollars.

There is presently a further reason for the passage of H. R. 12591 as a minimum in the extension of the reciprocal trade agreements program as it has been functioning. Our foreign trade should not be hampered in any way at a time when there are recessionary forces at work in our economy. Not only would such a curtailment damage our own economy but it would signal to the world that we were obsessed by fear and fear is frightfully contagious. Extension of the reciprocal trade agreements program for 5 years would be a signal of courage and a proof of our convictions that as a world leader, our Nation is determined to march ahead.

Your approval of H. R. 12591 will strengthen our national security in the broadest terms, in our domestic well-being, in a productive economy in our own land and in the improved stability of all the countries on our side of the Communist Iron Curtain.

BLOOMINGTON, IND., *July 15, 1958.*

Senator HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.

DEAR SENATOR CAPEHART: We members of the League of Women Voters would like to see the reciprocal trade agreement passed by the Senate in the form passed by the House, without the crippling amendments added to this bill by the Senate Finance Committee.

We hope you will give careful consideration to the league's position on this bill.

Yours sincerely,

(Miss) MAUDE BRYAN.

P. S.—I enclose also a separate communication for you, Senator, on another matter, about which you requested a response. I hope your secretary will put the other letter aside in a separate stack.

KOUTS, IND., *July 14, 1958.*

Senator HOMER E. CAPEHART.

DEAR SENATOR: I am very much in favor of the reciprocal trade agreements extension bill and I urge your support of bill (H. R. 12591) for a 5-year extension with no crippling amendments.

Sincerely yours,

LEONARD B. KRUG.

CENTRAL LABOR UNION,
Bedford, Ind., June 18, 1958.

Hon. HOMER CAPEHART,
Senate Office Building,
Washington, D. C.

DEAR SIR: The Bedford Central Labor Union and its 2,000 affiliated members wish to ask your support of the reciprocal trade bill in the House passed form. We also you to support a trade agreement amendment for constructive aid to American industry and workers. We feel sure that your will do your best to pass a good trade bill and wish to extend our thanks to you in advance.

Respectfully yours,

BURL O. WILLIAMS,
Recording Secretary.

INDIANAPOLIS, IND., *June 12, 1958.*

The Honorable HOMER E. CAPEHART,
Senator from Indiana,
Washington, D. C.

DEAR SIR: Thank you for your very kind letter in answer to mine requesting your support of the pending railroad legislation.

Your last paragraph suggested I might write to you concerning other matters of interest to me. I try to keep up with things but it's not an easy thing for me to take time out to write my opinions to you. However, I feel strongly enough about the President's reciprocal trade bill that I want to give my opinion on this. Then regardless of how the voting goes, I can feel that I did my best.

I do not think the President's bill goes as far as it should but from a practical standpoint, I hope you will be counted in favor of the President's 5-year extension of this bill. Perhaps when this bill again comes up for review in 1963, there will have been enough more incidents like we had in South America to prod us into practicing what we preach about "free enterprise" and loving our neighbors. If I owned an oil well or lead mine, I might feel differently; but as a consumer, I want more free trade. Speaking for business as a whole, I think the article in the June issue of Fortune, United States Foreign Economic Policy, well summarizes the stake all of us have in free world trade.

Please count this voter and his family in favor of the President's extension of the Reciprocal Trade Agreements Act.

Yours very truly,

A. J. PROCTOR.

BLOOMINGTON, IND., *July 15, 1958.*
Hon. HOMER E. CAPEHART,
Washington, D. C.

DEAR MR. CAPEHART: As one of your constituents, I beg of you to vote for the reciprocal-trade bill in the form as passed by the House.

Yours very truly,
(Mrs.) FAITH S. GLIDDEN.

BLOOMINGTON, IND., *July 13, 1958.*
Senator HOMER CAPEHART,
Senate Building, Washington, D. C.

DEAR SENATOR CAPEHART: Renewal of the Reciprocal Trade Agreements Act as urged by President Eisenhower is most important in my mind as part of our foreign policy and for the good of the majority of American citizens. I trust the Senate will finally approve the act as passed by the House and hope you will support it in that form.

Sincerely yours,
ELIZABETH S. CLELAND
Mrs. Ralph Cleland.

MUNCIE, IND., *July 13, 1958.*
The Honorable Senator HOMER E. CAPEHART,
Washington, D. C.

MY DEAR SENATOR: As a citizen and as a teacher of economics, I urge you to support the bill for the 5-year extension of our trade act, without the Senate amendments which would weaken the President's powers.

In these critical times our country needs friends and one good way to keep friends is through trade.

I urge your support of the House version of the trade act.

Respectfully,
FRANCES L. O'HARRA.

MOORESVILLE, IND., *July 12, 1958.*

DEAR HOMER: Foreign trade is important to farmers—we need all the markets we can find. I urge your support of H. R. 12591—the reciprocal trade bill—without crippling amendments.

Thank you.

R. S. GREGORY.

CHICAGO, ILL., *July 15, 1958.*
Senator HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.

Chicago Association of Commerce and Industry strongly urges that you vigorously support administration efforts to obtain effective trade agreements act extension by voting to delete from H. R. 12591 Finance Committee amendments which restrict Presidential decision on Tariff Commission recommendations, limit term to 3 years and change authority to reduce tariffs on reciprocal basis. Bill in form passed by House minimum for economic well-being and security of your State and Nation.

JACK L. CAMP.
Vice President for World Trade.

SOUTH BEND, IND., *July 15, 1958.*
Hon. HOMER E. CAPEHART,
United States Senate,
Washington, D. C.

Will greatly appreciate your full support of trade agreements legislation as embodied in H. R. 12591. The bill reported by Senate Finance Committee includes crippling amendments. Urge you support administration and obtain Senate concurrence with House measure. Trade agreements legislation important to economy of Indiana and particularly South Bend. Thousands of employees here dependent upon foreign trade. In our own company substantial percentage of all production is sold abroad, therefore may we count on your support of administration program embodied in H. R. 12591?

RICHARD A. HUTCHINSON,
Vice President, Studebaker-Packard Corp.

CHANDLER, IND., *July 12, 1958.*
The Honorable Senator CAPEHART,
Senate Office Building,
Washington, D. C.

DEAR SIR: I am writing to urge you to support House bill H. R. 12591. We as farmers believe that the reciprocal trade agreements should be extended because the loss of foreign markets would hurt the United States as a whole.

Yours truly,
NORBERT STOHL.

BLOOMINGTON, IND., *July 16, 1958.*
HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.:

Bloomington League of Women Voters is opposed to amendment to Trade Agreement Act reported by Senate Finance Committee and urges Senate to pass the bill as passed by the House of Representatives.

R. W. THOMPSON.

INDIANAPOLIS, IND., *July 15, 1958.*
Senator HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.:

The League of Women Voters of Indianapolis strongly urges that you support 5-year extension of Reciprocal Trade Agreement Act as passed by House.

Mrs. EDWIN FERREE,
President, Indianapolis League of Women Voters.

MUNSTER, IND., *July 16, 1958.*
Senator HOMER CAPEHART,
United States Senate,
Washington, D. C.:

Urge you oppose crippling amendments to Trade Agreements Act and restore House provisions of 5-year period and strengthened presidential authority.

LEAGUE OF WOMEN VOTERS OF HAMMOND.

INDIANAPOLIS, IND., *July 16, 1958.*
Hon. HOMER CAPEHART,
Senate Office Building,
Washington, D. C.:

Urge support 5-year extension H. R. 12591 as passed by the House.

Mrs. J. E. KOOIKER.

GREENCASTLE, IND., *July 15, 1958.*
Senator HOMER CAPEHART,
Senate Office Building,
Washington, D. C.:

We protest action of Senate Finance Committee on Trade Agreements Act. Request your support for 5-year extension and restoration of President's power as provided in H. R. 12591.

JOHN B. AND EDNA M. BOYD.

NEW ALBANY, IND., *July 15, 1958.*
HOMER CAPEHART,
United States Senator,
Washington, D. C.:

Would appreciate your support of 5-year extension Trade Agreements Act as passed by House. We also ask you to oppose Thurmond-Kerr amendment to escape-clause procedure which provides that Tariff Commission recommendation would become effective unless Presidential disapproval is confirmed by majority vote of Congress.

J. L. GAYLE,
Manager, Davison Chemical Co., Division of W. R. Grace & Co.

SOUTH BEND, IND., *July 16, 1958.*
Hon. HOMER E. CAPEHART,
United States Senate,
Washington, D. C.:

I thoroughly agree with Hutchinson's wire of 15th in support of administrations trade agreements program as embodied in H. R. 12591. May we count on your full support.

H. E. CHURCHILL.

INDIANAPOLIS, IND., *July 15, 1958.*
Senator HOMER CAPEHART,
Senate Office Building,
Washington, D. C.

Urge vote against Senate trade bill, favor House version.

Mr. and Mrs. ALFRED DOBROF.

INDIANAPOLIS, IND., *July 15, 1958.*
Hon. HOMER CAPEHART,
Senate Office Building,
Washington, D. C.

Deeply disturbed over Trade Agreements Act as reported out of committee. Hope you will vote to amend and restore bill to House version so that our international trade will not become more restricted.

Mrs. WALTER B. LICHTENST,
Member of National Committee on Public Affairs, National Council of Jewish Women.

NEW ORLEANS, LA., *July 14, 1958.*
Senator HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.

International House strongly dedicated to world peace, trade, and understanding, urgently requests that you support reciprocal trade prorgam as passed by the House for full 5 years and without any, repeat any crippling amendments.

R. W. FREEMAN,
President, International House.

GARY, IND., *July 14, 1958.*
Senator HOMER CAPEHART,
United States Senate,
Washington, D. C.

League of Women Voters of Gary urges your support of 5-year extension of Reciprocal Trade Agreements Act as passed by the House.

Mrs. MOREY GROSS,
President, League of Women Voters of Gary.

MISHAWAKA, IND., *July 16, 1958.*
The Honorable HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.

DEAR MR. CAPEHART: As a member of the League of Women Voters I would like to urge you to vote on bill H. R. 12591 as it was passed in the House, without the Senate amendment.

Yours truly,
JEAN WENMAN.
Mrs. Wilfred Wenman.

AMERICAN ASSOCIATION OF UNIVERSITY WOMEN,
Washington, D. C., July 16, 1598.
Hon. HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.

DEAR SENATOR CAPEHART: The American Association of University Women has a membership of over 145,000 women college graduates and is organized into 1,498 branches located in 49 States, Hawaii, Guam, and the District of Columbia. This association has a long history of support of foreign economic policies which give promise of increasing international understanding in the economic field and of improving well-being in all parts of the world.

We have supported the Reciprocal Trade Agreements Act since it was proposed in 1934 in the belief that it would strengthen international relations and that it would contribute largely to the growth and prosperity of our economy. We are still of the opinion that this support has been justified by the record of the Trade Agreements Act and we believe that on its own merit this act should be extended.

We have vigorously supported a 5-year extension of the act for the surety of continuity in United States trade policy that is of such vital importance to the European

Common Market and the budding Latin American Common Market. This continuity is of paramount significance at the present time, since the trade policies of the 20 new nations of Asia and Africa are now being formulated, and the Soviet Union is making continued progress in the cold war of trade.

Developments of recent weeks on the international scene have served only to intensify our belief that legislation providing for a 5-year extension, and free of any crippling amendments, is of vital importance to the interests of the United States. Therefore, we respectfully urge that Senate floor action restore H. R. 12591 to the form in which it passed the House of Representatives and that it be sent to the President for his signature in that form at the earliest possible moment.

Sincerely yours,
ANNA L. ROSE HAWKES,
Dr. Anna L. Rose Hawkes,
President.

KATHERINE BAIN,
Mrs. Katherine Bain,
Chairman, Legislative Program Committee, AAUW.
MERIBETH CAMERON
Dr. Meribeth Cameron,
Chairman, International Relations Committee, AAUW.

INDIANAPOLIS, IND., *July 15, 1958.*

Senator HOMER CAPEHART.

MY DEAR SENATOR: A very large group of your supporters here is counting on your vote for bill H. R. 12591 in exactly the form which was passed by the House. When we choose between the good of our country as a whole and that of a few vested interests, the right way is clearly indicated, is it not? Ways of meeting any possible injustices have been established.

Very truly,
LULA B. HOSS,
Teacher.

BLOOMINGTON, IND., *July 15, 1958.*

Hon. HOMER E. CAPEHART,
Washington, D. C.

DEAR SENATOR CAPEHART: It seems to me very important that the reciprocal trade bill should pass the Senate in the same form as passed by the House of Representatives without crippling amendments.

I hope you will vote for it and use your influence to that end.

Sincerely yours,
MRS. JUNE S. FARLEY.

THE CATHOLIC ASSOCIATION FOR INTERNATIONAL PEACE,
Washington, D. C., July 16, 1958.

Hon. HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.

DEAR SENATOR CAPEHART: As president of the Catholic Association for International Peace, I have been distressed to learn that the Senate Finance Committee has reported out of the reciprocal trade agreements bill in a much weaker form than that passed by the House of Representatives. In spite of the strong endorsement given to the proposed trade legislation by numerous prominent citizens and organizations, the Finance Committee has seen fit to drastically alter the bill and radically weaken it.

The United States sorely needs wise trade legislation which will strengthen the Free World. We hope that the Senate will return the trade bill to essentially the same form in which it came from the House of Representatives. May I urge you to support the vital fight for a strong trade measure when the issue comes to the Senate floor.

With every good wish, I remain,
Sincerely yours,
HARRY W. FLANNERY,
President.

DETROIT, MICH., *July 15, 1958.*

Senator HOMER E. CAPEHART,
United States Senate,
Washington, D. C.:

Respectfully urge you to vote for the renewal of the Reciprocal Trade Agreements Act for 5 years without amendments to the bill as passed by the House of Representatives. I believe such a vote would be in the best interest of Indiana and the United States.

Mrs. ANNETTA FUCHS.

INDIANAPOLIS, IND., *July 15, 1958.*

Senator HOMER CAPEHART,
Senate Office Building,
Washington, D. C.:

We disapprove of the Senate version of the Trade Agreements Act, we urge that it be restored to the House version.

Mr. and Mrs. ROBERT H. MARKS.

INDIANAPOLIS, IND., *July 16, 1958.*

Hon. HOMER CAPEHART,
Senate Office Building,
Washington, D. C.:

Opposed to Senate Trade Agreements Act as harmful to increased trade. Urge your support of amendment to restore bill to House version.

Mr. and Mrs. JULIAN A. KISER.

INDIANAPOLIS, IND.,
July 15, 1958.

Senator HOMER CAPEHART,
Senate Building, Washington, D. C.:

Indianapolis section National Council of Jewish Women numbering over 850 persons deplores the Senate version of the Trade Agreements Act. We feel it will operate to restrict rather than expand trade. We urgently and respectfully request your vote and influence for amendment to restore bill to House of Representatives version of same.

Mrs. HAROLD STADLER,
President.

MERRILLVILLE, IND.,
July 15, 1958.

Senator HOMER CAPEHART,
United States Senate Office Building,
Washington, D. C.:

Urge you reject 3-year extension and other amendments to H. R. 12591, support House-passed version with 5-year extension of Reciprocal Trade Agreements Act.

Mrs. E. J. CARLSON, Jr.

CLOVERDALE, IND., *July 14, 1958.*

Senator HOMER CAPEHART.

DEAR SIR: I want to thank you for the firm support you have given to Farm Bureau supported bills in the past.

Please give your support to bill, H. R. 12591, which recently passed the House.

I hope I am not too late, as I understand it is to come before the Senate this week.

Thanking you in advance, I am,
Sincerely,
MRS. GUY GASTON.

GREENSBURG, IND., *July 14, 1958.*

Senator CAPEHART,
Washington, D. C.

DEAR SIR: We are asking you to support bill H. R. 12591, for a 5-year extension, with no crippling amendments.

We believe this will be good for the farmers, and for the country as a whole.

Thanking you for past favors, I am,
Sincerely,
BERNARD STEIR.

BALL STATE TEACHERS COLLEGE,
DEPARTMENT OF SOCIAL SCIENCE,
Muncie, Ind., July 15, 1958.

Senator HOMER CAPEHART,
Senate Office Building,
Washington, D. C.

DEAR SENATOR CAPEHART: Please give your full support to the reciprocal trade bill which is to be before the Senate. Please (1) vote to restore the 5-year term of the bill, (2) do not vote for any limitations on the President's power on the bill, and (3) fight to prevent any destructive amendments to the bill.

Sincerely yours,
EVERETT W. FERRILL,
Professor of Social Science.

INDIANA FARM BUREAU, INC.,
Indianapolis, Ind., July 9, 1958.

Senator HOMER CAPEHART,
Senate Office Building,
Washington, D. C.

DEAR HOMER: We understand that the reciprocal trade agreements bill which has passed the House (H. R. 12591), will be up for a Senate vote probably next week.

As you already know, we in Farm Bureau are very much in favor of this bill, as trade is a must with agriculture.

We urge your support of the 5-year extension of this bill, with no crippling amendments.

Very truly yours,
GEORGE R. HARVEY,
Director, Research Department.

BLOOMINGTON, IND., *July 15, 1958.*

DEAR SENATOR CAPEHART: I do hope that you will vote against the restrictions which will prevent a liberal lowering of tariffs for the next 5 years. I feel that exchange of goods is vitally necessary to our economy and to world peace.

I also hope that you will vote against the Jenner Supreme Court bill.

Very respectfully yours,
MARY ORVIS.

LAFAYETTE, IND., *July 11, 1958.*

Senator HOMER CAPEHART,
Senate Office Building,
Washington, D. C.:

Trust you will back Eisenhower 100 percent on reciprocal trade. Indiana and country needs this legislation.

HARRY H. HIRSCHL.

BLOOMINGTON, IND., *July 15, 1958.*

Senator HOMER CAPEHART,
United States Senate,
Washington, D. C.:

I feel strongly that this is no time for the United States Senate to retreat into old-fashioned economic isolationism. I urge you to oppose the Thurmond-Kerr amendment to the reciprocal trade bill and to work for restoration of the 5-year authority to reduce tariff.

GEORGIANNA F. MITCHELL.

VINCENNES, IND., *July 15, 1958.*

Senator HOMER CAPEHART,
Washington, D. C.

DEAR SENATOR CAPEHART: It is my opinion that the Vincennes branch of the American Association of University Women is in favor of the Reciprocal Trade Agreements Act and the restoration of the full allotment to the Development Loan Fund. I believe, also, that the members want you to support both of these causes.

Very truly yours,
EDNA S. RAY,
Chairman.

CROWN POINT, IND., *July 14, 1958.*

Senator HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.:

Please support H. R. 12591 for a 5-year extension.

WILLIAM A. BECKER.

SOUTH BEND, IND., *June 26, 1958.*

Senator HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.:

Urge you support administration bill, H. R. 12591, for full 5-year extension Reciprocal

Trade Act. This is basic to building a world economy oriented toward peace.

Mrs. H. Paul (Edith Belle) Kelsay,
Indiana State Member, National YWCA Public Affairs Committee.

Indianapolis, Ind., *July 15, 1958.*
Senator Homer E. Capehart,
Senate Office Building,
Washington, D. C.:

Urge 5-year extension of Reciprocal Trade Agreement Act and that you oppose Thurmond-Kerr amendments.

Walton G. Wilson.

Indianapolis, Ind., *July 16, 1958.*
Senator Homer Capehart,
Senate Office Building,
Washington, D. C.:

Favor the passage of H. R. 12591 for renewal of Trade Agreement Act for 5 years.

Mrs. Ralph Flack.

Bloomington, Ind., *July 16, 1958.*
Senator Homer Capehart,
United States Senate,
Washington, D. C.:

Respectfully urge you to vote for the renewal of the Reciprocal Trade Agreement Act for 5-year amendments to the bill, as such a vote would be in the best interest of Indiana and the United States.

Mrs. Annette Fuchs.

Lafayette, Ind., *July 10, 1958.*
Senator Homer E. Capehart,
United States Senate,
Washington, D. C.

Dear Senator Capehart: We hope that you will support President Eisenhower's reciprocal trade bill in its original form.

Mr. and Mrs. Robert A. Miller.
West Lafayette, Ind.

Washington, D. C., *July 16, 1958.*
Hon. Homer E. Capehart,
Senate Office Building,
Washington, D. C.:

Extension of Reciprocal Trade Agreements Act vital to American farmers. Urge you oppose Kerr amendment which would cripple the program by binding the President to Tariff Commission recommendations on escape-clause actions unless Congress votes to override. Our recommendations with respect to other matters involved in this important legislation are contained in our statement of June 23 to Finance Committee.

Charles B. Shuman,
President, American Farm Bureau Federation.

Washington, D. C., *July 16, 1958.*
Hon. Homer E. Capehart,
Senate Office Building,
Washington, D. C.:

Reciprocal agreement program would be seriously crippled by Kerr amendment curtailing President's authority to negotiate agreements to American advantage. AFL–CIO respectfully urges its elimination on behalf of over 4 million American workers whose jobs depend upon international trade. Provision for relatively few workers, communities, and industries adversely affected by imports can and should be met by trade adjustment program in addition to present escape-clause provisions.

Andrew J. Biemiller,
Director, Department of Legislation, AFL–CIO.

Lake Placid, N. Y., *July 15, 1958.*
Senator Homer E. Capehart,
Senate Office Building,
Washington, D. C.:

We count on your leadership to help restore 5-year extension to Trade Agreements Act and remove crippling amendments. We believe Indiana's business and farm communities are developing new understanding of their stake in world trade as revealed last month in Indianapolis trade conference and will support positive leadership by you in Congress. Best wishes to you.

Ruth and Walter Laves.
Bloomington, Ind.

Fort Wayne, Ind., *June 11, 1958.*
Senator Homer E. Capehart,
Senate Office Building,
Washington, D. C.

My Dear Senator: I wish to express my most sincere support for nonmilitary foreign aid and reciprocal trade. The hope of the world lies in the spirit of brotherhood.

Sincerely,
(Miss) Venette M. Sites,
Former Head of Mathematics Department, North Side High School, Fort Wayne, Ind.

Frankfort, Ind., *July 14, 1958.*
Senator Homer Capehart,
Washington, D. C.

Dear Sir: I urge your support of H. R. 12591, the reciprocal trade agreements bill.

Yours very truly,

Keith Holloway.

Syracuse, Ind., *June 13, 1958.*
Senator Homer Capehart,
Senate Office Building,
Washington, D. C.

Dear Mr. Capehart: If you have not already voted on the reciprocal trade treaty bill we would request you to vote for this bill—to extend it another 5 years.

We are aware of great opposition on the basis that protecting our industry will bring prosperity.

We believe that world prosperity will bring more business to United States than isolationism. I know whereof I speak because I've seen our dairy prices slump because processors claimed our dairy imports caused it—the drop. With our lowered income many others elsewhere could have a bit better standard of living.

Thank you.

Sincerely,

Geo. D. Weybright.

July 14, 1958.
Hon. Homer E. Capehart,
Washington, D. C.

Dear Senator: Indiana Farm Bureau members are for bill H. R. 12591 extending the Reciprocal Trade Agreement Act.

This agreement has increased our foreign markets by reducing our own trade barriers so that foreign countries can earn dollars to pay for the United States exports, including farm products. It strengthens our domestic markets by stimulating exports of American industry, thereby increasing the purchasing power of industrial workers. It is an important fact that about 4½ million American workers and their families depend on foreign trade for their livelihood.

Our foreign trade in 1957 amounted to $4.7 billion—the output of 60 million acres—13.5 percent of total cash farm income, 54 percent of our wheat production, 59 percent of our cotton, 83 percent of our rice, 45 percent of our tallow and grease, 25 percent of our tobacco, 264 million pounds of canned fruits, more than a billion pounds of fresh citrus fruits, 16 billion pounds of feeds.

We hope you can support this bill.

Sincerely yours,

Gail N. Neal,
Grant County Representative on Taxes and Legislation for the Indiana Farm Bureau.

Roann, Ind., *July 11, 1958.*
Senator Homer Capehart.

Sir: Perry Township Farm Bureau wishes you as our Senator to support bill H. R. 12591, concerning reciprocal-trade-agreements extension bill.

Sincerely,

H. L. Mahoney,
Chairman, Perry Township Farm Bureau of Miami County.

Goshen, Ind., *July 12, 1958.*
Senator Homer E. Capehart,
Washington, D. C.

Dear Senator: We are very much interested in seeing the United States Senate pass the reciprocal-trade-agreements extension bill and hope you can see fit to support it.

We are well aware that the passage of this bill may tramp on the toes of some special interests, but believe it is necessary for the common good.

Yours truly,

Ellis R. Zook,
Chairman, Elkhart County Farm Bureau Legislative Committee.

Lakeville, Ind., *July 11, 1958.*

Dear Mr. Capehart: Please vote for the reciprocal-trade bill as it is without any amendments added to it.

Thank you.

Mr. and Mrs. Everett Gillis.

Columbia City, Ind., *July 12, 1958.*

Dear Sir: I would like for you to support bill H. R. 12591 for a 5 year extension, with no crippling amendments. Thank you.

Sincerely yours,

_____, _____.

La Porte, Ind., *July 11, 1958.*
Hon. Homer E. Capehart,
Senate Office Building,
Washington, D. C.

Dear Senator Capehart: I understand that H. R. 12591, a bill to extend reciprocal trade agreements, is to come before the Senate in the immediate future.

Due to the importance of this measure to agriculture and the Nation as a whole I urge that you support a 5 year extension without crippling amendments.

Very truly yours,

Lawrence A. Watson.

Pendleton, Ind., *July 15, 1958.*
Senator Homer Capehart,
Washington D. C.

Dear Sir: Just a word in support of the extending the Reciprocal Trade Agreements Act for another 5 years, and without any crippling amendments to House bill H. R. 12591.

Statistics tell us that 4½ million Americans and their families depend on foreign trade for their livelihood.

Yours truly,

Ben Parshall.

Bloomington, Ind.

Dear Senator Capehart: We urge you to give your active support to the Reciprocal Trade Act to ensure its passage in the Senate without crippling amendments, that is, for the full 5-year period, and with the final authority for tariff changes vested in the President.

Sincerely yours,

Adela Bittner,
W. S. Bittner.

Attica, Ind., *July 11, 1958.*
Senator Homer E. Capehart,
Senate Building, Washington, D. C.

Dear Senator Capehart: We urge you to pass the Reciprocal Trade bill without any attached amendments.

Sincerely,

Lee Rhode,
Chairman, Legislative Committee, Warren Township Farm Bureau.

Mr. CAPEHART. Mr. President, I ask unanimous consent to have printed in

the RECORD a series of telegrams and letters I have received against the bill.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

INDIANAPOLIS, IND., *July 15.*

DEAR SENATOR CAPEHART: Please vote against the new trade agreements. If passed will cause more world tension.

Thank you.

ESTHER FRIEND.

VINCENNES, IND., *June 19, 1958.*

Honorable Senator CAPEHART,
Washington, D. C.

DEAR SIR: We are informed the Senate Finance Committee will commence hearings Monday, June 23, on the House-passed trade agreements bill, H. R. 12591, which provides for a 5-year extension. The Window Glass Cutters League of America, Local No. 11, of Vincennes, Ind., strongly request that you vote against this extension. The rollcall of our membership are as follows: John Bastine, Earl Bodart, Leroy Bond, Harry Burnsworth, Kenneth Burnsworth, Robert Burnsworth, Jules Bouilett, Romeo Casteoux, Earl Faulkne, George Faulkner, Robert Fees, Leslie Genung, Carl Governeur, Earnest Gouverneur, Richard Howe, Leon Jennart, Louis Jones, Fred Kurtz, Louis Larrow, George Legross, David Mains, Oliver Michaels, Edwin Prullage, Frank Prullage, Paul Prullage, Octave Quinett, Bearnard Osterdorf, August Shevrman, Ona Sheirman, Marian Shick, Richard Scohy, Virgil Sturbois, Raymond Tillmans, Alex Valley, Delbert Vincent, Donald Vincent, Louis Vincent, Everett Wilson, Robert Zellers, Frances Sheirman, Paul Halter, Harry Steininger, Leon Barvais, Loren Williams, Richard Faulkner, Michael Quinett, John Osterdorf, Vernon Halter, Jules Bouilett.

LEROY BOND.

MUNCIE, IND., *June 19, 1958.*

Hon. HOMER CAPEHART,
Senator, Washington, D. C.:

We strongly urge you to vote against bill H. R. 12591 to protect the jobs of the people in this country that help put you in office.

MEMBERS OF LOCAL UNION 106,
AMERICAN FLINT GLASS WORKERS UNION, WINCHESTER, IND.

RICHMOND, IND.,
June 19, 1958.

Senator HOMER CAPEHART,
Senate Office Building,
Washington, D. C.:

Please vote against H. R. 12591 5-year extension of the Reciprocal Trade Agreements Act.

E. A. GERKEN,
President, Richmond Building Trades Council.

WARSAW, IND.,
June 20, 1958.

The Honorable HOMER E. CAPEHART,
United States Senate,
Washington, D. C.

DEAR SIR: We urge you to protest House passed trade agreements bill H. R. 12591 as Senate opens hearings on this bill June 23, 1958. We are very much alarmed and opposed to the 5-year extension of Trade Agreements Act. We feel it is detrimental to our job opportunities. Hoping you will give this your immediate consideration, we remain,

Very truly yours,

TWILO S. YOUNG,
Local 614, American Flint Glass Workers Union of North America.

ALEXANDRIA, IND., *June 21, 1958.*

Senator HOMER E. CAPEHART,
Washington, D. C.:

Please be informed the membership of L U No. 3 AFGWU Alexandria, Ind., are very much alarmed and opposed to the extension of the Reciprocal Trade Agreements Act contained in the bill H. R. 12591. It is detrimental to our job opportunities.

CHARLES W. SCHROTH,
President.

LEVI FRONBACK,
Secretary.

MUNCIE, IND., *June 17, 1958.*

Senator HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.:

The members of our local are very much alarmed and opposed to bill H. R. 12591 for we feel that it is against the union trade and very detrimental to the jobs of the American labor. We would like it very much for you to be on our side in this matter.

GEORGE E. STEWART,
Corresponding Secretary, Local 517, AFGWU.

SHORTHILLS, N. J., *June 16, 1958.*

Senator CAPEHART,
Senate Office Building,
Washington, D. C.:

As I understand the extension of Reciprocal Trade Act is before the Senate I think considering the condition of unemployment and labor organization you should vote against this extension of the measure for their protection. You know it is the bounden duty of the legislative body not the executive office to decide this extension.

HELEN B. BASSETT.

ELKHART, IND.

WEST LAFAYETTE, IND., *July 14, 1958.*

The Honorable HOMER E. CAPEHART,
The United States Senate,
Washington, D. C.

DEAR SENATOR CAPEHART: I note with much interest the Senate committee has amended President Eisenhower's trade bill. Please bear in mind there are many of your constituents who do not approve of President Eisenhower's reduction of trade barriers because we believe it would be done at the expense of our own manufacturing establishments. For example, the Pope Gosser Co., where some of my friends work, located in Coshocton, Ohio, has just closed doors because of the competition with English and Japanese in ceramic ware.

I go to the Orient every year and am acquainted with much of the fine material produced there by very cheap labor, i. e., about 50 cents per day. While this is often not as efficient as ours, we cannot compete with that and continue to pay our workers the high wages that now prevail.

Therefore, please do everything you can to reduce the authority of the President's policy in time and percentage in his mistaken idea of lowering the tariff.

Very truly yours,

R. NORRIS SHREVE.

NEW HAVEN, IND., *June 25, 1958.*

Hon. HOMER CAPEHART,
Washington, D. C.

GENTLEMEN: You are on the Foreign Relations Committee: how do you look at the reciprocal trade? What is the honesty of this, an automobile shipped to United States has: 10 to 15 percent tax, if we send one to England there is 140 percent tax; to France, 65 percent of the value; to West Germany, 50 percent of value. Where is the honesty and protection for the American people?

Foreign aid will build factories in foreign countries to compete with the United States manufacturer and labor, and let their goods be shipped in and compete with our labor. This ratio is 22½ cents per hour compared to $1.85. What do you fellows expect to do with the people you represent?

When are you fellows of the Senate going to have the ambition to set and regulate our tariff without foreign countries setting it at Geneva? What does the Constitution state your powers are? We expect you and others to do what the Constitution states your duties are.

As for foreign aid, that is a rotten cesspool, and the worst of the smelly mess is Eisenhower and Dulles. Don't you think this rotten political mess should be cleaned up? You should have Fulton Lewis, Jr. come before your group in session and tell you what he tells us over the radio about this disgraceful mess.

Eisenhower and John Dulles are both unfit and a disgrace to the office which they hold. Get off your posterior and let's see some constructive legislation.

Yours sincerely,

ELVIN S. BRENDELIN.

P. S.—Why should not the President be made accountable for money he spends and do away with the secrecy of his spending? Haven't the taxpayers a right to know what is happening to their tax dollars? If not, why not?

Ike's presence would not be felt as much as he thinks if he would get among taxpayers he could get a few eggs.

CLERMONT, IND., *June 26, 1958.*

Senator HOMER CAPEHART,
Senate Office Building,
Washington, D. C.

DEAR SENATOR CAPEHART: I am employed in the veneer industry, which has been badly hurt by the tremendous increase of plywood imports in the last few years. The Reciprocal Trade Agreements Act as passed by the House recently is about the last straw.

Our only hope is that the Senate will approve the amendments to this bill so vitally needed by our industry. These provide that the Trade Agreements Act be extended by not more than 2 years, that the tariff reduction of 10 percent be used in 2 years, and that the President may modify or reject Tariff Commission recommendations only with the approval of Congress.

A big price-support program for the lead, zinc, tungsten, etc., industry is proposed. It would be only fair to consider and vote on the Trade Agreements Act before voting that subsidy.

It is only reasonable that the American industry be given a chance to operate with fair competition. Twenty-five-cent foreign labor is a little too much to take when our taxes keep increasing in order to pay for foreign giveaways.

Please see that these amendments are made a part of the bill.

Very truly yours,

VERNIE J. GEORGE.

GREENWOOD, IND., *June 26, 1958.*

Senator HOMER CAPEHART,
Senate Office Building,
Washington, D. C.

DEAR SENATOR CAPEHART: Before July 4, the administration bill for the 5-year extension of the Reciprocal Trade Agreements Act will be voted on by the Senate.

In order to protect American industry in even a small way, three proposed amendments should be insisted upon by every thinking Member of the Senate. They provide that the Trade Agreements Act be extended by not more than 2 years, that the tariff reduction of 10 per cent be used in 2 years, and that the President may modify or reject Tariff Commission recommendations only with the approval of Congress.

The $151 million price-support program for the lead, zinc, tungsten, etc., industry should be opposed until after the vote is taken on the Trade Agreements Act. They should not be appeased at the expense of others.

I have followed your record in the Senate for some time and feel you will give this important legislation careful thought and

work for the enactment of these protective amendments.

Very truly yours,

L. B. WHEATCRAFT.

INDIANAPOLIS, IND., *June 26, 1958.*

Senator HOMER CAPEHART,
Senate Office Building,
Washington, D. C.

DEAR SENATOR CAPEHART: I wish to call your attention to proposed amendments to the Reciprocal Trade Agreements Act which was passed by the House and is to come before the Senate by July 4.

1. The Trade Agreements Act be extended by not more than 2 years.

2. The tariff reductions of 10 percent be used in 2 years.

3. The President may modify or reject Tariff Commission recommendations only with the approval of Congress.

It is imperative that the Senate insist upon these amendments to protect the American people from the attempt of the State Department to satisfy the demands of foreign interests.

Another appeasing measure is the proposed support program for the mineral industries. At least, vote on this should be postponed until after the Trade Agreements Act has been passed.

I am sure serious consideration of these matters will convince you that these amendments are the best possible solution of the impossible Trade Agreements Act as it now stands.

Yours truly,

WILLIAM F. BECKWITH.

NATIONAL TILE & MANUFACTURING CO.,
Anderson, Ind., June 20, 1958.

Hon. HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.

DEAR SENATOR CAPEHART: The Eisenhower program now being pressured through Congress will just about end the Republican Party and the Republic with it.

The Reciprocal Trade Agreements Extension Act passed by the House of Representatives, if approved by the Senate, guarantees swift transfer of American industry and jobs to low-wage countries and a bankrupt and destitute United States. No foreign country will benefit because, even at low prices, our people will be unable to buy the things it makes.

The foreign-aid program is sustaining derelict communism with our rapidly depleting resources while it plunders to destruction the last remaining frontier of hope, freedom, and opportunity remaining on the face of the earth.

Even Senator KENNEDY should draw upon his imagination just a little bit to picture his country as it will be for him and his children under Reuther and Khrushchev.

Sincerely,

R. H. ALEXANDER,
Chairman.

AMERICAN FLINT GLASS WORKERS' UNION OF NORTH AMERICA,
June 23, 1958.

Hon. HOMER CAPEHART,
Senator of the United States,
Washington, D. C.

DEAR SIR: The members of Local Union No. 35, American Flint Glass Workers Union, Marion, Ind., wish to express our opposition to bill H. R. 12591 as recently passed by the House of Representatives.

A 5-year extension of the reciprocal trade agreement would be very detrimental to the job opportunities and welfare of glassworkers. The industry has been seriously damaged by the importation of foreign glassware since the end of World War II.

Any help you can give us in this matter will be greatly appreciated.

Very truly yours,

EDWIN BAILEY,
Secretary, Local Union No. 35.

Signed by the following members of the union: Ellis Smith, James L. Clonce, Harry Flanagan, James E. Scheibe, Ralph Crist, Richard Pingry, R. C. Barnhart, Richard Lykesit, Richard Long, Alfred C. Groth, Delbert James, David Helms, John P. Harris, George Paine, Frank Maliff, George C. Flanagan, F. Otho Bone, Norval Gaylor, D. R. Osborn, William F. Teddy, Edgar Conley, Floyd Kaufman, Clyde Hunt, Stanley Roskosz, Lewis England, Wilbur Gaines, Donald D. Smith, Robert Ludwick, William Milligan, Robert G. Jordan, Charles E. Cater, Gerald Fisher, Owen L. Gustin, Homer R. Rinehart, John O'Brien, Harold E. Martin, Emil A. Kies, David S. Watson, Eugene M. Sibert, Joseph L. Driscoll.

Charles Shandy, Glen Doggett, Chester Kress, Harney Hansen, Walter W. Skinner, Ray Sterling, William E. Billiter, Charles Morford, Harold Morford, Roger Conner, Mel Ashley, Ralph Adkins, Jr., F. C. Sayers, Robert E. Ertel, James W. Gartley, Henry Vaupel, Lyle Overmyer, Sr., Robert Howell, Kenneth Grone, Campbell B. Jones, R. A. Elliott, Frank A. Whitacre, Melvin Logan, Donald Denney, E. E. Hanke, Stanley Edwards, Delbert L. Simmons, Howard Edwards, Luther Haney, Donald Dixon, Harold Pierce, Robert Gash, Don Hom, Joe Norris, Warner Eastman, John D. Moore, Cecil Monroe, Bill Mayer, and Ephraim Horr.

Robt. E. King, Russell Simmons, John McCoy, Jack E. Skinner, Lester M. Brown, George E. Pickett, William E. Kalber, Roy Phillips, Arthur D. Overmeyer, Russell C. Cole, Dave Simmons, Wayne F. Rouch, William Long, Roger R. Miller, James H. Ralls, Donald Woford, Leon H. Overmyer, Johnny Blackburn, Fred Keithammer, Kenneth Clark, Donald E. Ullom, Vernon H. Reid, Robert Strahan, Ben Kelly, James Moyer, Wallace Mock, Paul Norris, Mills Ralph L., Teddy C. Clift, Murry Slater, Jack Bush, Geo. Hubbel, Bob Wolfe, Stanley Baker, Lyle C. Overmyer, Jr., Howard Thornbury, Perry E. Fields, Earl H. Price, Harry F. Mincel, Don Crist, Dick Smith, Everett C. Smith, Clyde M. Laisure, Jr., Charles Pegg, Floyd I. Sandfar, Bill Sanzo, Gilbert Grundl, Hans Neudecker, David L. Armstrong, Floyd E. Ruland.

Mr. CAPEHART. Mr. President, I ask unanimous consent to have printed in the RECORD telegrams and letters from persons in Indiana who favor the so-called Kerr-Thurmond amendment which was added to the bill by the Senate Finance Committee.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

WHITING, IND., *July 14, 1958.*

Hon. Senator HOMER CAPEHART,
Senate Office Building,
Washington, D. C.

DEAR SIR: Urge you to actively support and vote for Thurmond amendment on extension of Trade Agreements Act as reported by Finance Committee including provision for Congressional approval of any escape-clause action contrary to recommendation on Tariff Commission. Advise.

I am,

Yours truly,

JOSEPHINE ATKINSON.

INDIANAPOLIS IND., *June 15, 1958.*

HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.:

Conditions warrant intelligent thinking. Vote for Kerr escape-clause amendment.

INDIANA VENEERS, INC.,
C. M. DESTEFANO.

MICHIGAN CITY, IND., *July 15, 1958.*

Senators HOMER CAPEHART AND WILLIAM JENNER,
Senate Office Building,
Washington, D. C.:

Urge you to actively support and vote for Thurmond amendment on extension of Trade Agreement Act as reported by Finance Committee, including provisions for Congressional approval of any escape-clause action contrary to recommendation on Tariff Commission. Advise.

WAGNER CYCLE SHOP,
WILBUR F. WAGNER.

MICHIGAN CITY, IND., *July 16, 1958.*

Senator HOMER CAPEHART,
Senate Office Building,
Washington, D. C.:

Please support the Thurmond amendment to H. R. 12591. American industry employing American labor at American wages need this protection desperately.

EXCELSIOR MANUFACTURING CO., INC.,
B. C. FLINT, *General Manager.*

FORT WAYNE, IND., *July 12, 1958.*

Senator HOMER CAPEHART,
Senate Office Building,
Washington, D. C.:

Urge you actively support and vote for Thurmond amendment on extension of Trade Agreements Act as reported by Finance Committee including provisions for Congressional approval of any escape clause action contrary to recommendation on Tariff Commission. Advise.

KERNS TOYLAND, INC.
VICTOR C. KERNS.

HAMMOND, IND., *July 12, 1958.*

Senator HOMER CAPEHART,
Senate Office Building,
Washington, D. C.:

Urge you to actively support and vote for Thurmond amendment on extension of Trade Agreements Act as reported by Finance Committee including provision for Congressional approval of any escape clause action contrary to recommendation on Tariff Commission.

WALE CYCLE SHOP,
JOHN WALE.

NEW ALBANY, IND., *July 14, 1958.*

Senator HOMER E. CAPEHART,
Washington, D. C.:

Support American against foreign interest vote for Kerr escape-clause amendment.

B. L. CURRY AND SON.

TERRE HAUTE, IND., *July 14, 1958.*

Senator HOMER E. CAPEHART,
United States Senate,
Washington, D. C.:

Will appreciate your supporting the Thurmond amendment to the reenactment of the Trade Agreements Act. Understand it passed the Senate Finance Committee recently.

O. KEITH OWEN.

FORT WAYNE, IND., *July 14, 1958.*

Senator HOMER CAPEHART,
Senate Office Building,
Washington, D. C.:

Urge you to actively support and vote for Thurmond amendment on extension of Trade Agreements Act as reported by Finance Committee including provision for Congressional approval of any escape-clause action contrary to recommendation on Tariff Commission. Advise.

WINSTON F. KOEHLINGER.

NEW ALBANY, IND., *July 14, 1958.*

Senator HOMER CAPEHART,
Washington, D. C.:

Please do make certain to vote for the Kerr escape-clause amendment of the trade

agreement bill to give us at least a little protection.

CHESTER B. STEM.

TERRE HAUTE, IND., *July 12, 1958.*

HOMER CAPEHART,
Senate Office Building,
Washington, D. C.:

Urge you to actively support and vote for Thurmond amendment on extension of Trade Agreements Act as reported by Finance Committee, including provision for Congressional approval of any escape clause action contrary to recommendation on Tariff Commission. Advise.

TIRE REBUILDERS SERVICE,
L. M. NISBET.

LINTON, IND., *July 12, 1958.*

Senator HOMER CAPEHART,
Senate Office Building,
Washington, D. C.:

Vote in favor of Thurmond amendment to Trade Agreements Act.

BILL'S CYCLE & TOY.

GARY, IND., *July 12, 1958.*

Senator HOMER CAPEHART,
Senate Office Building,
Washington, D. C.:

Urge you to actively support and vote for Thurmond amendment on extension of Trade Agreements Act as reported by Finance Committee including provisions for congressional approval of any escape clause action contrary to recommendation on Tariff Commission. Advise.

EDWARD BRAYACK,
GARY RADIO & CYCLE CO.

BLOOMINGTON, IND., *July 12, 1958.*

Senator HOMER CAPEHART,
Senate Office Building,
Washington, D. C.:

Urge you actively support and vote for Thurmond amendment on extension of Trade Agreements Act as reported by Finance Committee including provision for Congressional approval of any escape clause action contrary to recommendation on Tariff Commission. Advise.

GRAHAM MOTOR SALES CO.,
P. E. TOBIN.

COLUMBIA CITY, IND., *July 12, 1958.*

Senator HOMER CAPEHART,
Senate Office Building,
Washington, D. C.:

Urge you actively support and vote for Thurmond amendment on extension of Trade Agreements Act as reported by Finance Committee including provision for Congressional approval of any escape clause action contrary to recommendation on Tariff Commission. Advise.

GAMBLE STORE,
BILL YAHEY.

LAFAYETTE, IND., *July 12, 1958.*

Senator HOMER CAPEHART,
Senate Office Building,
Washington, D. C.:

Urge you to actively support and vote for Thurmond amendment on extension of Trade Agreements Act as reported by Finance Committee including provision for Congressional approval of any escape clause action contrary to recommendation on Tariff Commission.

VINCENT W. MULHAUPT.

EVANSVILLE, IND., *July 12, 1958.*

Senator HOMER CAPEHART,
Senate Office Building,
Washington, D. C.:

Urge you to actively support and vote for Thurmond amendment on extension of Trade Agreements Act as reported by Finance Committee including provision for Congressional approval of any escape clause action contrary to recommendation on Tariff Commission.

GILLES BICYCLE SHOP,
SIMON V. GILLES.

EVANSVILLE, IND., *July 12, 1958.*

Senator HOMER CAPEHART,
Senate Office Building,
Washington, D. C.:

Urge you to actively support and vote for Thurmond amendment on extension of Trade Agreements Act as reported by Finance Committee including provision for Congressional approval of any escape clause action contrary to recommendation on Tariff Commission.

G. A. BEARD & SON,
F. G. BEARD.

NEW ALBANY, IND., *July 14, 1958.*

Senator HOMER CAPEHART,
Washington, D. C.:

Urge you to vote for Kerr escape clause amendment. Thanks and regards.

HOOSIER PANEL CO.,
J. A. BENFORD.

MICHIGAN CITY, IND., *June 27, 1958.*

Senator HOMER CAPEHART,
Washington, D. C.:

Re H. R. 12591, please help protect damaged Hoosier industry by supporting the amendment to limit extension of the Trade Agreements Act to not more than 2 years and support the simple majority rather than the two-thirds requirement to override Presidential action.

EXCELSIOR MANUFACTURING CO., INC.,
B. C. FLINT,
General Manager.

SHORTHILLS, N. J., *June 16, 1958.*

Senator CAPEHART,
Senate Office Building,
Washington, D. C.:

As I understand the extension of Reciprocal Trade Act is before the Senate. I think, considering the condition of unemployment and labor organization, you should vote against this extension of the measure for their protection. You know it is the bounden duty of the legislative body, not the executive office, to decide this extension.

MARY A. WHALEY.

GREENSBURG, IND., *June 17, 1958.*

Hon. HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.:

When the administration version of the trade agreements bill which the House passed last week comes before the Senate, please vote for any amendments, revisions, or changes of any kind that will give relief to the industries and their employees that are being adversely affected by imports, especially Japanese imports.

MITCHELL VENEER,
C. E. COCHRAN, *President.*

RAY'S BIKE SHOP,
South Bend, Ind., July 12, 1958.

Senator HOMER CAPEHART,
Washington, D. C.

DEAR SIR: As an exclusive bicycle parts accessory and service dealer I urge you to actively support and vote for Thurmond amendment on extension of trade agreements as reported by Finance Committee, including provision for Congressional approval of any escape clause action contrary to recommendation of Tariff Commission.

We thank you.

Very truly yours,

GEO. VAN DE VEBLE.

MISHAWAKA RUBBER CO., INC.,
Mishawaka, Ind., July 14, 1958.

Subject: Trade agreements extension bill, H. R. 12591.

Senator HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: Although I feel reasonably sure of your position regarding the need for restoring to Congress more control over tariff revisions than it has enjoyed during recent years, I am writing to respectfully urge you to resist efforts that are being made to reverse the action of the Senate Finance Committee in its amendments to the trade agreements extension bill, especially those amendments which provide for limitation of reductions to not more than 5 percent per year for a 3-year period and the amendment making a Presidential rejection of Tariff Commission recommendations favorable to an applicant industry under the escape clause subject to reversal by a majority vote of both Houses of Congress.

These are crucial times for American industry and if we do not keep our economic structure sound, all of the other efforts to employ our country's resources for the betterment of a peaceful world will be nullified.

With kind personal regards.

Very truly yours,

GLENN D. BABCOCK.

INDIANAPOLIS, IND., *July 15, 1958.*

Senator HOMER CAPEHART,
United States Senate,
Washington, D. C.:

Respectfully urge your support for extension of Reciprocal Trade Act as reported by Senate Finance Committee July 10.

ROBERT H. STULZ.

INDIANAPOLIS, IND., *June 26, 1958.*

Senator HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.:

We urge you to support three amendments on the trade bill to be voted on before July 4. They provide the act be extended by not more than 2 years, that tariff reduction of 10 percent be used in 2 years, and that the President may modify all, reject Commission recommendations only with Congress' approval. Also oppose price support program of mineral industry until after vote is taken on Trade Agreement Act. American industry must be protected from unfair competition of foreign countries and pressure groups.

THIESING VENEER CO.

Mr. DOUGLAS. Mr. President, I ask unanimous consent to have printed in the RECORD 2 editorials, 1 from the Chicago Sun-Times of July 15, 1958, and the other from the New York Times of July 15, 1958, severely criticizing the reciprocal trade bill as it came from the Senate Committee on Finance.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Chicago Sun Times of July 15, 1958]

CRIPPLING RECIPROCAL TRADE

The administration's Reciprocal Trade Act extension bill, overwhelmingly approved by the House, is in serious trouble in the Senate. A combination of Senators representing oil, mining, textile, and chemical interests revised the measure drastically in the Senate Finance Committee. It remains to be seen whether the damage can be repaired on the Senate floor.

Speaking for the administration, Secretary of Commerce Sinclair Weeks has branded one provision of the bill as "completely unacceptable." Senator PAUL H. DOUGLAS, Democrat, of Illinois, a leading exponent of freer

trade, has described the bill as a monstrosity.

As cleared by the Finance Committee, the bill would reduce to 3 years the 5-year extension of the reciprocal trade agreements program approved by the House. In addition, the Senate bill would not permit the President to overrule the Tariff Commission on the imposition of higher import duties unless the President was upheld by a two-thirds vote of both the House and the Senate.

Under the more enlightened House bill, the President would retain his present authority to overrule the Tariff Commission, unless the President's decision were overturned by a two-thirds vote of both Houses.

The administration had no great objection to the House provision on this score, but it was the Senate version which drew Weeks' blast, as it should. Apart from the danger which the Senate provision would pose to the entire foreign trade program, it would place the President in the untenable position of being almost totally subordinate to an executive agency that he himself appoints. The right of Congress to override a Presidential decision fits our constitutional pattern, but it would be an intolerable stultification of his office to render the President powerless to overrule an executive agency without Congressional sanction.

Fortunately, the administration will have the support of Senate Democratic leader LYNDON B. JOHNSON, of Texas, and Finance Committee Chairman HARRY F. BYRD, Democrat, of Virginia, in its floor fight to remove the restrictive amendments to which it rightfully objects.

Unfortunately, the tariff issue cuts across party lines, making it difficult for the President to crack down on recalcitrant Republicans and for the Democratic leadership to exert pressure on heel-dragging Democrats. In years past, Republicans were generally regarded as protectionists, or high-tariff advocates, and the Democrats were looked upon as freetraders.

But, as the vote in the Senate committee made it plain, that is no longer the case. Many Republicans have been won over to the cause of freer trade and numerous Democrats, particularly in the newly industrialized South, are now protectionists.

Nevertheless, the national interest demands the type of reciprocal trade program originally sought by President Eisenhower and approved by a 317 to 98 House vote. This is no time for narrow regional interests to dominate Senate action. If we are to realize the goal of "trade, not aid," the administration bill must be passed without death-dealing amendments.

[From the New York Times of July 15, 1958]

PROTECTIONISTS AT WORK

Since the carefully planned and organized campaign for a return to protectionism in American foreign trade policy made its presence visible a decade ago, every fresh renewal of the reciprocal trade treaty program has been fraught with extreme danger to this Nation in its relations with the rest of the Free World. One never knows what new strategy will be resorted to by the enemies of this legislation to weaken its usefulness; one never even knows from what point to expect the next attack.

We should not, therefore, have been totally surprised when, just a month after the House had passed an administration-favored trade bill by a vote of 317 to 98, the Senate Finance Committee should have voted out a measure at the end of last week which repudiated virtually every meritorious provision in the House measure. The Finance Committee bill carries four major amendments, all completely bad and completely irresponsible.

The most offensive of these is an amendment introduced by Senator KERR under which the President would, for all practical purposes, be shorn of his authority to have the final say in granting tariff increases or quotas under the provisions of the escape clause. The President's decisions in such cases would be valid only if supported by majority votes in both Houses. The term "national security," which is used in some cases as a basis for pleading tariff relief, would be widened to include virtually every industry in the country. The length of the extension would be reduced from the 5 years provided in the House bill to 3 years. In consequence of this, the President's authority to lower tariffs would be reduced from 25 percent, as approved by the House, to 15 percent.

There is no limit, apparently, to which the protectionists are not prepared to go to make a mockery of this Nation's pretensions to a liberal trade policy. We have an idea, however, that in this case they will find they have overreached themselves. We believe with the United States Council of the International Chamber of Commerce that the first order of business on the Finance Committee's bill should be an amendment to restore the bill to the form in which it emerged from the House. Should the Senate pass the bill in anything resembling its present form then the next order of business should be a Presidential veto.

Mr. CAPEHART. Mr. President, I offer my amendments identified as "7-16-58-H," and ask that they be stated.

The PRESIDING OFFICER. The amendments of the Senator from Indiana will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 7, line 18, after "(f)" to insert "(1)."

On page 7, line 22, to strike out the quotation marks, and after line 22 insert the following:

(2) It is further declared to be the sense of the Congress that, in negotiating trade agreements with countries of the Western Hemisphere, the President shall make provision for extending the benefits of subpart C of part III of subchapter N of chapter I of the Internal Revenue Code of 1954 (Western Hemisphere Trade Corporations), without discrimination, to all elements of the United States exporting business without regard to interpretations, not in accord with the original intent of Congress, requiring passing of title outside the United States, if the corporation concerned otherwise meets the requirements for Western Hemisphere trade corporations and is a wholly owned subsidiary of a manufacturer.

Mr. CAPEHART. Mr. President, I have discussed the amendments with the chairman of the committee. The committee is not willing to accept them, but I offer the amendments for the purpose of making a record, because I am thoroughly convinced that next year Congress must adopt some such amendment.

I should like to have the amendments adopted. I do not like to ask for a vote while the able chairman of the committee is engaged in conversation.

The PRESIDING OFFICER. The question is on agreeing to the amendments of the Senator from Indiana [Mr. CAPEHART].

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CAPEHART. Mr. President, I have discussed the pending amendments with the chairman of the Finance Committee, the Senator from Virginia [Mr. BYRD]. I believe he said, in effect, that he feels next year hearings might well be had on these amendments.

Mr. BYRD. I will say to the Senator from Indiana that the committee did not have hearings on the amendment. I am willing to give the Senator the assurance we will consider it next year.

Mr. CAPEHART. With that understanding, Mr. President, I withdraw the amendment and I send to the desk another amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 31, after line 21, it is proposed to insert the following:

(3) The Commission shall also investigate and report on the desirability of bringing about to the fullest extent possible a relationship between (A) duties and other import restrictions on foreign articles, and (B) wages paid workers in the production of such articles as compared with wages paid workers in the United States in the production of like or directly competitive articles.

Mr. CAPEHART. Mr. President, all the amendment would do would be to suggest to the Commission which is to be created by the bill that along with many other instructions which are outlined in the bill it should study the advisability of basing tariff rates upon the wage rates paid in the respective countries. I see nothing wrong with it, and I should like to see it made a part of the study.

Mr. BYRD. Mr. President, I am willing to accept that amendment and take it to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. CAPEHART].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, for myself, the Senator from California [Mr. KNOWLAND], the Senator from Virginia [Mr. BYRD], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Illinois [Mr. DOUGLAS], and the Senator from Delaware [Mr. WILLIAMS], I offer an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 15, beginning with line 17, it is proposed to strike out through line 18 on page 22.

Mr. JOHNSON of Texas. Mr. President, this amendment would delete the escape clause amendment added by the Finance Committee which provides that an escape clause provision can only be upset if the President rejects the finding and if both Houses of Congress support the President by a majority vote within 90 days. It would also delete the provision that a tie vote of the Commission is a finding of injury.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Texas [Mr. JOHNSON] for himself and other Senators.

Mr. ERVIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Green	McNamara
Allott	Hayden	Monroney
Beall	Hennings	Morse
Bennett	Hickenlooper	Morton
Bible	Hill	Mundt
Bricker	Hoblitzell	Neuberger
Bush	Holland	O'Mahoney
Butler	Hruska	Pastore
Byrd	Humphrey	Payne
Capehart	Ives	Potter
Carlson	Jackson	Proxmire
Carroll	Javits	Purtell
Case, N. J.	Jenner	Revercomb
Case, S. Dak.	Johnson, Tex.	Robertson
Chavez	Johnston, S. C.	Russell
Church	Jordan	Saltonstall
Clark	Kefauver	Schoeppel
Cooper	Kennedy	Smathers
Cotton	Kerr	Smith, Maine
Curtis	Knowland	Smith, N. J.
Dirksen	Kuchel	Sparkman
Douglas	Langer	Stennis
Dworshak	Lausche	Symington
Eastland	Long	Talmadge
Ellender	Magnuson	Thurmond
Ervin	Malone	Thye
Flanders	Mansfield	Watkins
Frear	Martin, Iowa	Wiley
Fulbright	Martin, Pa.	Williams
Goldwater	McClellan	Young

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Texas [Mr. JOHNSON] for himself and other Senators.

Mr. KNOWLAND. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment offered by the Senator from Texas [Mr. JOHNSON] for himself and other Senators.

Mr. BYRD. Mr. President, I shall make a brief explanation of the amendment. The amendment is offered by the Senator from Texas [Mr. JOHNSON], the Senator from California [Mr. KNOWLAND], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Delaware [Mr. WILLIAMS], the Senator from Illinois [Mr. DOUGLAS], and myself.

The purpose and effect of the amendment is to revert to the existing law with respect to the escape clause in the reciprocal trade agreements.

As the Senate knows, the House adopted a provision whereby a two-thirds vote of Congress could override the action of the President. That is not revived by the amendment offered and now pending. The effect of the amendment is merely to delete the so-called Kerr amendment. Then the whole question will be in conference between the two Houses with respect to any further action in regard to the escape clause.

This is a simple amendment, the effect of which will be to revert to existing law. I hope the amendment will be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Texas for himself and other Senators. On this question the yeas and nays have been ordered.

Mr. KERR. Mr. President, I oppose the amendment offered by the distinguished majority leader, the distinguished minority leader, the distinguished chairman of the committee, and other distinguished Senators on the ground that the amendment adopted by the Committee on Finance, and now in the bill, is calculated, first, to enable Congress to fulfill its constitutional responsibility and function; second, to restore an environment in which American industry will not be subjected to the degree of injury which, in the long operation of the reciprocal trade agreements, has so often befallen American industry by reason of tariff concessions in favor of foreign imports in competition with American industry.

The operation of the reciprocal trade agreements program today is just as different from its operation when it was inaugurated and originally put into effect as day is from night. Over the years, Congress has repeatedly granted the President additional authority to reduce tariffs. I wonder if Senators are aware of the fact that under the operation of the reciprocal trade agreements since the program was inaugurated in 1934, about 80 percent of the tariff protection in effect in 1934 has been surrendered, abandoned, lost, and given away.

It is said that the bill should be passed in order to prevent the reimposition of the high tariff wall provided by the Smoot-Hawley tariff law. That, Mr. President, is the figment of the imagination of the uninformed, because 80 percent, approximately, of the tariff protection in effect in 1934 has been abandoned, does not now exist, and is not now in operation under the trade agreements which are in effect, and which would not be invalidated even if the bill were not passed and this program was not extended.

Under the provisions of the bill as reported to the Senate by the Committee on Finance, the President will be given the authority further to reduce tariffs by 15 percent in a 3-year period.

In the operation of this law, some very peculiar situations have developed. To begin with, bilateral agreements were made between our Government and other nations. Agreements were made between this Government and another whereby certain concessions were granted by this Government and certain concessions received from the other trading nation by this Government.

Then the favored-nation clause began to be implemented. I hope Senators will analyze this situation carefully, to discern the effect of trade agreements and the favored-nation clause agreements. Under the operations of the two, the situation is now this: Any concession which this Nation gives to any other country is available to every other country with whom agreements are in effect or with whom the favored-nations clause agreement is in effect.

For instance, the United States made an agreement with Mexico in years past, whereby we got concessions for the shipment of certain products of this country into Mexico by giving Mexico concessions for the shipment of certain of her products into this country. We also had a favored-nation clause agreement with Mexico. In the course of a few years, Mexico terminated her reciprocal trade agreement with us, whereby we lost the concession which we had with reference to certain products we were shipping into Mexico. But because Mexico had a favored-nation agreement with us, she did not lose any of the concessions we had made to her in our reciprocal trade agreement.

If that situation must prevail with reference to any nation, I know of none with reference to whom I feel this Government should be more friendly, more mutually respectful, and more careful in preserving a friendly status than with Mexico.

But when our State Department over the years got this Nation into a position where any concession made to any nation with whom we have an agreement is available to every nation with whom we have either a reciprocal-trade agreement or a favored-nation-clause agreement or treaty, every bit of bargaining power we ever had was surrendered.

To begin with, we had the bargaining power whereby nations had to make concessions to us, in order to get concessions from us. But that power no longer exists; we have already given it away. Even though a nation repudiates and terminates her reciprocal-trade agreement with us, and even though we thereby no longer have a concession granted by her to us, with reference to certain of our products moving into her territory, she still has not only every concession we have made to her—if we have made it to any other of the 40-odd nations with whom we have agreements—but that nation also has the benefit of every concession we have made in every agreement with every other nation signatory to such an agreement with us.

So the officials say they want to bargain in the field of reciprocal trade. Mr. President, they have already given away every vestige of bargaining power we ever had; and those agreements are in effect, and would remain in effect

even though this legislation were not extended.

That was one of the contributing factors to the situation which have caused representatives of American industry to come to the Congress during the past 10 years, every time this legislation has been up for extension—and such industry representatives have come here from every State in the Union, as they have a right to do under the Constitution—and have petitioned their Government for relief, and have exposed the conditions whereby this industry or that industry was being damaged because imports were coming into the country to such an extent as to imperil it.

So Congress a few years ago enacted the peril-point provision as a safeguard against the abuse of the delegation of the power which Congress has to regulate trade and commerce, which power had been delegated to the Executive.

Under the operation of the law, with the peril-point provision included, injury was still being sustained. So the Congress developed the escape-clause provision, and added it to the law. Then the industry representatives returned home, thinking Congress had made provision for the relief of their industries if they were seriously injured; and Congress went home, thinking it had made provision to bring relief to American industries impaired or damaged, or threatened with impairment or damage, by excessive imports of competitive products.

But in the escape-clause provision there was a clause that if the President did not agree with a recommendation of the Tariff Commission to give relief to American industry, he did not have to do so; and under the operation of that clause, 86 applications have been filed with the Tariff Commission, for relief under the escape-clause provision. In the case of 73 of the 83 applications, investigations were completed by the Commission. In 30 of those 73 cases, the Tariff Commission reached an adverse finding. In 24 of the cases the Commission decided in favor of escape-clause action. In 5 of those cases the Tariff Commission divided equally, 3 to 3.

Of course, Mr. President, in order to assure a nonpartisan body, the Congress provided that the Tariff Commission should have 6 members—3 Democrats and 3 Republicans. In 5 of those cases, the Commission divided 3 to 3.

Action taken by the President has resulted in his invoking the escape clause in only 9 of the 24 cases in which the Commission found the existence of injury, and requested relief, plus the 5 cases in which the Commission divided evenly; and, of course, under the law, if a divided case comes to the President, he is authorized to act as though an affirmative decision had been reached in the case.

Let us bear in mind, Mr. President, that the applicant must assume the burden of establishing his case. That is a difficult task for an industry.

At this point let me read to you, Mr. President, from a list of industries which have had to take this recourse. I desire to show the size of the industries involved. We talk about relief for small business, Mr. President; but I wish to say to you that the operation of the Reciprocal Trade Agreements Act has destroyed more small businesses than will spring up in 20 years under the proposed small-business-relief bill now before the House of Representatives, and to come to the Senate.

I read from the list:

Women's fur hats and hat bodies, hatters' fur, garlic, watches—movements and parts, dried figs, tobacco pipes and bowls.

Mr. President, some may ask, "What do those amount to?" Mr. President, they are American businesses.

Mr. DOUGLAS. Mr. President, will the Senator from Oklahoma yield to me?

The PRESIDING OFFICER (Mr. CORTON in the chair). Does the Senator from Oklahoma yield to the Senator from Illinois?

Mr. KERR. I yield.

Mr. DOUGLAS. Has the Senator from Oklahoma read, from the list of industries which applied for relief, the name of the Pregnant Mares' Urine Association?

Mr. KERR. No, Mr. President; but I know that the Senator from Illinois, being an authority on it, would be glad to inform the Senate about it—not that I think the Senator from Illinois would be an exhibit; I want it clearly understood that I did not mean that. [Laughter.]

Mr. President, I read further from the list:

Screened, printed silk scarves; scissors and shears.

Ah, Mr. President. Let those who will laugh at the reading of the names of these American industries. But they make up the economic life of American communities, and the Constitution guarantees those who work in them the right of petition to their Congress, and the Congress has provided a procedure whereby they can go before the Tariff Commission and can request relief. The Congress put on them the burden of establishing their case, yes. But the Congress gave them that right. So they went before the Commission, and they endured the burden of having to establish the proof and carry the weight of that burden; and then they obtained a recommendation.

Mr. President, I read further from the list:

Lead and zinc.

Mr. President, the lead and zinc industries spent years in establishing their case. Then they had to stand, hat in hand, at the White House, like a mendicant on the street, seeking action by the President of the United States, after the Tariff Commission had voted unanimously that they had been seriously injured. And today lead and zinc mines are shut down in every State of the Union in which lead and zinc mines exist.

Mr. President, I can take you to ghost towns in every lead and zinc mining area in this country—reduced to that status by excessive low-cost imports and the failure of the President of the United States to act upon the recommendation of the Tariff Commission that relief be given the industry.

A few days ago the Senate passed for the lead and zinc industry a subsidy bill which will cost, if enacted into law, $350 million a year. I was for that bill; but I want to say to you, Mr. President, I felt ashamed that fine American people, destroyed by the operation of the reciprocal trade program, which encouraged and permitted excessive imports, on the one hand, and denied relief from injury on the other hand, had to come to the Congress of the United States and ask for a subsidy to save them from bankruptcy because of the operation of a program instituted by the Congress and carried out by the President of the United States.

Is that not an amazing situation, Mr. President? The Constitution placed the handling of foreign affairs in the hands of the Chief Executive. It placed the regulation of trade and commerce in the Congress. Have my colleagues stopped to think why the Founding Fathers did not place both of those functions in the hands of the President? They knew the operation of each of those functions was irreconcilably inharmonious with the other. They knew if they gave the President of the United States the power to regulate international trade and commerce, it would become an adjunct of the operation of foreign policies, with which duty he was charged by the Constitution. They had enough sense to know that the same identity could not long successfully operate both programs without having one become the handmaiden and the tool of the other. Yet by our action we repeatedly delegate to the Executive our powers and responsibilities in connection with regulating foreign trade and commerce.

Alsike clover seed.
Watches.
Motorcycles and parts.
Bicycles and parts.

Here is an industry on this list whose name I cannot even pronounce—"f-e-r-r-o-c-e-r-i-u-m." It was injured. It proved its case.

Toweling of flax, hemp, or ramie.
Groundfish fillets.
Velveteen fabrics.

We closed out a flourishing business in this country which produced velveteen. I challenge Senators to go anywhere in the United States under the canopy of shining stars and find a flourishing velveteen industry. It has been put out of business by imports. The industry was injured by the reciprocal trade program, and the President would not implement a recommendation of the Tariff Commission adequately to enable the industry to survive.

Oh, but representatives of the administration came before the committee, Mr. President. In one of the greatest arrays of official dignity, position, and power that I have ever seen, they came before the committee asking for an extension of this act. They said it means 4½ million jobs.

How ridiculous can men be? They said that the $20 billion, plus the handling of our exports, plus the jobs of those who handle our imports, provide jobs for 4½ million people, and they say

that those jobs are in jeopardy unless there is an extension of the act.

More than half the imports into this country are of duty-free articles. There is no tariff on them. They are on the free list, and have always been. More than half of all the imports into this country are duty free and do not need a reciprocal trade program for their importation. We do not produce coffee, bananas, and many other commodities. There is no duty on them.

Would men be so foolish as to say that the money we pay out for such products, which is in turn used to buy products in this country, which constitute our exports, are dependent on the reciprocal trade agreements program? Certainly not.

A considerable percentage of our exports is made possible by the use in foreign countries of American dollars spent in those countries by American tourists—billions of dollars. Does that traffic depend on the Reciprocal Trade Agreements Act? Certainly not. Whatever dollars American tourists spend in foreign countries are going eventually to be used to buy products which will be exported. Such spending does not depend on the reciprocal trade program. A large percentage of that kind of spending is brought about as a result of our foreign-aid program.

I do not know how many billions of dollars' worth of our exports are of products which we pay people to buy. Do Senators know how many agencies we have now engaged in the business of lending money to foreign corporations, foreign governments, or American corporations to spend in foreign countries? I counted up to 4 or 5, and then I lost track. Every dollar which is loaned for use in a foreign country becomes a dollar which is spent there and which is eventually used to buy something which is exported from this country. Such trade is not dependent on the reciprocal trade program.

I see present on the floor the chairman of the Committee on Agriculture and Forestry. How many billions of dollars' worth of agricultural products do we export each year by reason of a very low price or by reason of a subsidy making it possible for those products to be exported?

Mr. President, if you analyze the total exports which this country now ships from these shores, you will find that the reciprocal trade program is one of the smaller causes for those exports. The claim that this program is responsible for 4½ million jobs is a patent medicine calculated to fascinate the unwary, and having fascinated them, to become a sedative to their perception and their thought processes. There is no justification for such a claim.

Going down the list, I find items such as clinical thermometers, umbrella frames, stainless-steel table flatware, spring clothes pins, safety pins, straight pins, violins and violas. Those are some of the industries which have established injury and which have had recommendations for relief. There have been 24 positive recommendations, and 5 divided, for a total of 29, yet the President has invoked the escape clause less than one-third of the time—only 9 times.

Mr. President, I did not come to the Senate of the United States to liquidate the powers of the Congress or its responsibilities to the people of my State. Every time we pass a reciprocal trade law we delegate authority. We surrender the right which is ours, under the Constitution, to act to protect the industries in our States from the effects of adverse low-cost foreign imports.

Mr. President, if delegating such power to the President of the United States were all that was involved, it would be one thing, but men who think that such action results in the delegation of an authority to the President which is used by the President have deluded themselves.

I challenge any Senator on the floor of this Senate—the great chairman of the Committee on Finance, who sponsors the amendment, the great minority leader or the great majority leader; any one of them—to tell the Senate who exercises such delegated authority. Oh, it will be said, "The President of the United States," but that is a fiction. Is there any man present who believes Eisenhower has been making these decisions in the past 5½ years?

Mr. ERVIN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from North Carolina?

Mr. KERR. Is there any Senator present who believes Truman made those decisions while he was President?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from North Carolina?

Mr. KERR. I yield.

Mr. ERVIN. The greatest industry in my State is the textile industry, in which 230,000 of my constituents earn their daily bread, by the sweat of their brows. I should like to ask the Senator from Oklahoma if this statement is not true with respect to the textile industry; namely, that the Congress delegated the power to regulate foreign trade to the President?

Mr. KERR. The Senator is correct.

Mr. ERVIN. And then the President in turn delegated the power to the State Department?

Mr. KERR. I think that is correct.

Mr. ERVIN. And then the State Department in turn delegated the power to the Japanese Government and the Japanese textile industry, so that the largest industry in my State is now regulated by a foreign power; is that not correct?

Mr. KERR. Absolutely, and I will say to the Senator, in the common phrase of today, "You ain't seen nothin' yet."

Wait until Hong Kong develops a textile industry. Wait until Formosa develops a textile industry. Wait until Pakistan develops a textile industry. Then wait until India develops a textile industry.

On the basis of precedent and experience, we delegate the authority to the President, the President delegates the authority to the State Department, and the State Department delegates the authority to these other countries, on the basis of their imposing a quota on how much they will ship into this country. Why, Mr. President, this process will destroy every industry in this Nation which is operated by labor.

We talk about wages. We have developed the greatest way of life on this earth.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield to me?

Mr. KERR. I yield.

ORDER FOR ADJOURNMENT TO 11 A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today it stand in adjournment until 11 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. I thank the Senator.

EXTENSION OF TRADE AGREEMENTS ACT

The Senate resumed the consideration of the bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

Mr. KERR. Mr. President, we have developed a way of life based on high individual income, earning power and purchasing power. Those things depend upon wages.

The wages earned in the foreign countries go all the way from 11, 12, or 15 cents an hour in Japan to 45, 50, or 60 cents an hour in Western Europe and the United Kingdom.

We have already reduced the tariffs on textiles and other commodities an average of 80 percent. We are getting ready to authorize a further reduction of 15, 20, or 35 percent of that which now remains. How can American industry survive against that kind of competition, when there is no protection from the Tariff Commission or the President?

What the distinguished Senators seek to strike from the bill is simply an amendment adopted by the Finance Committee which provides that when the Tariff Commission make a recommendation for relief from proved injury the President shall implement that recommendation unless he comes to the Congress and asks the Congress to agree with him in ignoring or overruling the Tariff Commission's recommendation. Then, if Congress approves such action, the President can take it. Is that unreasonable? All in the world that would do, Mr. President, would be to say that the industries in our States would have their fates determined by the Congress instead of some anonymous official.

Are Senators satisfied with the operation of the program with reference to industries in their States? Let me say to my colleagues, if we vote for the motion to strike, in the form of the amendment offered by the minority leader, the majority leader and the great chairman of the Committee on Finance, and other

Senators, we are giving a vote of confidence to whoever has been making the decisions to overrule the recommendations of the Tariff Commission.

I have challenged these men to tell the Senate who makes those decisions. They cannot tell us, because they do not know. I sat through all the hearings of the Finance Committee I could attend. I sat through most of them. I have tried to find out who makes the decisions. I know Eisenhower does not make the decisions. I know Dulles does not make them.

I tell the Senate that I have not been able to get the information as to who makes the decisions. Does any Senator know?

Mr. ERVIN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Does the Senator from Oklahoma yield to the Senator from North Carolina?

Mr. KERR. I yield.

Mr. ERVIN. On a number of occasions I have communicated with the White House, asking for some measure of protection for the textile industry. At long last, in January of last year, I received a letter from one of the secretaries which stated, "We are happy to inform you that in a few days the Japanese are going to take some steps to grant some measure of protection for the textile industry."

So the people who are regulating the textile industry are the Japanese, and the people who are regulating all other foreign trade industries are persons whose identity is concealed from the Congress. As the Senator from Oklahoma so well says, not a single Member of the Senate knows who those persons are.

Mr. KERR. That is correct.

To whom are we to send representatives of industries in our States when they come here asking for relief? We shall have to say to them, "I do not know. Let me see. I will write a letter to someone—but to whom shall I write it?"

The purpose of the provision we are now asked to strike is to provide that the Congress shall determine whether or not industry shall get relief. It is not an effort to embarrass the President. It is not an effort to strip him of any power. It is the power, prerogative, and responsibility of the Congress to regulate foreign trade, and to take action to protect an injured industry in any of the States.

It is the purpose of the provision we are now asked to strike to make it possible for the Congress to have something to say about the decision. Otherwise, we give a vote of confidence to those who have been making the decisions. I do not know who they are. I know that some of my friends on the other side of the aisle will say, "I know Eisenhower would not let someone else exercise the power if it were not right."

If we extend this law for 3 or 4 or 5 years, we shall be extending it into a Democratic administration. Then let Senators go home and tell their constituents that they did not want to exercise the responsibility of protecting their rights, as provided by the Constitution. Let them tell their constituents that they have abdicated and delegated that power, by a solemn act, to people unknown.

We talk about knowing who is making the decisions now. Who is to be making the decisions 3 or 4 or 5 years from now? Who is to exercise this authority 2 years from now, 3 years from now, 4 years from now, or 5 years from now? Let Senators tell representatives of the industries in their respective States, "I have confidence in those people who make the decisions."

The constituents will ask, "Confidence in whom?" "Well, I don't know." The constituents will ask, "Who are they?" Then Senators will say, "I don't know. Don't bother me with those details. Someone will be down there."

I have not been able to find such persons in 5½ years; but give me 3 or 4 or 5 more years, and I will find them.

I do not wish to embarrass the President of the United States. I wish to uphold his hand. But I do not wish to abandon the people of my State into the hands of Officials Anonymous. When I give a vote of confidence to someone, I want to know who he is.

If Senators vote for the amendment to strike this provision, it will mean that they will be voting to have the future of the textile industry, the plywood industry, the lead and zinc industry, the glass industry, and other industries, by the score, determined, not by the Congress of the United States, not by the President of the United States, not by the Secretary of State, not by any of his numerous assistants, but by the whims and fancies and will of the industries of 45 or 50 other nations whose names we do not even know. I challenge any Member of this body, either on the basis of knowledge or by reference to any document in his posession, to read off the names of the nations with which we have reciprocal trade agreements, and which, under the extension of the act, if we strike this section from it, will determine the fate of industries in every State.

That is the question before us. All in the world I sought to do by the amendment which I offered in committee, and which it is now sought to strike from the bill, is to provide that when the Tariff Commission finds injury, such injury shall be relieved. The recommendation of the Tariff Commission will be implemented by the President unless he comes to the Congress and says, "There are conditions of foreign policy which cause me to feel that it would be better not to follow this recommendation. I want you to agree with me." If Congress, by majority vote of both Houses, should agree with the President, he would have authority to override the recommendation of the Tariff Commission.

We are not talking about arranging affairs so as to give someone an advantage. The question before us is whether we are to protect the existence of industries in our States; whether the Congress will decide that question, or whether we shall say, "We are too busy; we have other duties. We are going to provide that the President, or anyone to whom he may delegate the authority, shall make the decision."

That is the question before us in considering the motion to strike this section from the bill. This section was placed in the bill to make it work, not to destroy the program. This section was placed in the bill so that the American people could have a reciprocal trade program with which they could live, rather than a reciprocal trade program which would, by slow, deadly attrition, eventually destroy our economy.

Representatives of the plywood industry came before our committee. The plywood industry operates in many States represented by Members of this body. Those representatives say, "We are out of business. We can no longer survive—not only if another 20 or 25 percent reduction in tariffs is put into effect, but we cannot survive under the conditions which exist today."

They went before the Tariff Commission and did not get relief. We asked them why they did not go back. They said they were pleading their case with the Congress. They said, "Unless you provide that if the Tariff Commission makes a certain recommendation it shall be put into effect, it is no use for us to go there. We are not big enough to get the job done."

To whom shall they go? When the Master had addressed the multitude and fed them, and they had begun to go home, leaving Him with His disciples, He looked out at the great spaces where the multitude had been, and said to His disciples, "Will ye also go away?"

Peter said to Him, "Lord, to whom shall we go?"

I ask Senators, if their people cannot come to the Congress for relief, to whom shall they go?

They are the constituents of Senators. It is their industry which is at stake. The provision in the bill which is sought to be stricken does not injure the program. It improves the program. It makes it a program with which the American people can live. Under it Senators can decide whether or not recommended relief to an injured industry in their States shall be implemented by the President of the United States, or whether, under the pressure of some foreign policy consideration, he shall decide, as he has many times—or somebody for him—that foreign-policy considerations shall have precedence, even though another American industry thereby becomes a casualty.

If we retain the provision in the bill, we will be the ones who will determine whether we shall give consideration to some fact before us other than the economic welfare of our constituents, to the extent that we will permit them to be destroyed because of some other considerations.

Mr. THYE. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. THYE. I appreciate the Senator's yielding to me. I have been listening to his discussion in support of his amendment in the bill, and why we ought to support it and vote against the pending amendment. It leaves me some-

what disturbed, when I have before me a handful of telegrams from various business establishments in my State. I recognize some of the firms as outstanding business firms. I find that one telegram after the other—they are all from representative business firms—tells me, without mincing words, that I should vote against the Kerr amendment in the bill. For that reason, I am in a perplexed state of mind.

I fully realize that whenever I ask the distinguished Senator from Oklahoma a question about an amendment which he proposes, I subject myself to a colloquy in which I may have the short end of the argument as soon as I enter into it. I recognize that fact. At the same time, I cannot ignore telegrams such as this one:

It is imperative that the Thurmond-Kerr amendment to the Reciprocal Trade Agreements Act be defeated. To maintain the prosperity of the United States, the reciprocal trade agreement should be passed with the 5-year term.

The telegram is signed by the Smith Welding Equipment Corp. in Minneapolis. That is the first telegram. I could read others along the same line.

Before the vote is taken on the amendment now pending before the Senate, I shall obtain the floor to insert these telegrams in the RECORD. However, I say in all sincerity that I am absolutely perplexed, because I have all these telegrams from outstanding firms and business people in my State, urging that I vote against the Kerr amendment.

I have listened to the distinguished Senator from Oklahoma—he is a businessman, and one of the most able of all the businessmen who serve in the Senate, and he has probably amassed greater wealth than anyone else in the Senate, and he is more capable of protecting himself than anyone else in the Senate—plead for his amendment to protect the businessmen and the future of our Nation's economy.

I am honestly disturbed by all these telegrams requesting me to vote against the Kerr amendment. I am still listening to the argument of the Senator why I should vote in support of his amendment in the bill. However, I shall have to yield to the pleas of the businessmen of my State and shall have to support them, because I believe in their convictions and their expressed views, as stated in these telegrams.

Mr. KERR. I have not the slightest doubt how the Senator from Minnesota will vote. I had no doubt about how the Senator would vote even before he rose to address the Senate. I have not the slightest doubt about how he will vote regardless of anything I may say.

Mr. THYE. The Senator from Oklahoma is mistaken in that respect, because I have listened to the Senator preach on Sundays.

Mr. KERR. I may say to the Senator that I believe I have more influence with my good and dear and cherished friend spiritually than I do politically. I wonder how the Senator from Minnesota will vote on the amendment which will be offered to have the Secretary of Agriculture determine the fixing of the quotas for the importation of agricultural products.

Mr. THYE. I am in receipt of telegrams on that subject from farm organizations in my State. One of the telegrams reads:

Extension of the Reciprocal Trade Agreements Act vital to American farmers. Urge you oppose Kerr amendment which would cripple the program by binding the President to Tariff Commission recommendations on escape-clause actions unless Congress votes to override. Our recommendations with respect to other matters involved in this important legislation are contained in our statement of June 30 to the Finance Committee.

The telegram is signed by Charles B. Shuman, president of the American Farm Bureau Federation.

Mr. KERR. I did not know that Mr. Shuman is a resident of the Senator's State.

I shall tell the Senator how I am going to vote on the farm amendment. I shall vote for the amendment, which will increase the authority of the Secretary of Agriculture to determine the quotas with respect to what agricultural products shall be imported into the country, even though that Secretary is Ezra Taft Benson. I have more confidence in his protecting the American farmer than I have in the State Department or some anonymous identity to whom the authority will be delegated. My good friend from Minnesota may, if he wishes, put his trust in the State Department and this administration and its successor, whoever he may be, and whose identity the Senator does not know. However, all the amendment I have offered, which the committee accepted, and which is now sought to be stricken, provides is that if the Tariff Commission finds an industry has been injured, and recommends relief, the President shall give such relief unless Congress, by majority vote, approves his purposes in vetoing it.

If the Senator from Minnesota wishes to delegate that authority to someone whose identity he does not know, cannot now find out, and cannot even speculate on as to the future, he may do so. The Senator from Oklahoma will not thus endanger the rights of the people of his State. He will not thus shirk both the opportunity to be of service to the people of his State and the responsibility to be effective in that service, by providing that an unknown identity shall become the arbitrator of their economic destiny.

That is what is involved in the vote which the Senate is to take on the pending amendment. The Senator can read the language of the bill. If he believes it to be dangerous for Congress to keep some kind of check upon the operation of the power to regulate foreign commerce, in accordance with the Constitution of the United States, he should vote for the pending Byrd-Johnson-Knowland amendment.

If he believes that Congress should keep any kind of check on how that authority is used, then he should vote against the pending amendment. If he believes that the matter of regulating the trade and commerce of this country is one with reference to which Congress should have anything at all to say, he should vote against the pending amendment.

Does the Senator from Minnesota believe that the people of his State will be harmed if he keeps within his own hands the power to determine their destiny? Does the Senator from Minnesota believe their interest will be served if the Senator—whom the people have elected to serve and represent them in the Senate—surrenders that power to someone whose identity he does not even know?

I challenge Senators to tell the Senate who has been operating it; who has been making the decisions. I challenge Senators to tell their constituents who will be making the decisions 5 years from now, if the law shall be extended for 5 years.

Then say to them, "I do not feel able to represent you. Certainly, you sent me to the Senate, a body which, under the Constitution, is charged with the responsibility of regulating foreign commerce. But I am inadequate for the job. There are too many technical details involved. So I voted to give the authority to someone else."

They may ask, "To whom did you give it?"

The answer will have to be, "I do not know."

They will ask, "Can you find out?"

If the Senators answer their constituents correctly, they will have to say, "No."

If that is what the constituents of Senators want them to do, then they should do it. But I thank God that the people of Oklahoma, when they voted for me, gave an expression of their confidence in my ability to represent them in accordance with the Constitution of the United States.

I shall not shirk that responsibility. I shall not scorn that duty. I shall not spurn the opportunity to keep in the hands of Congress the right to determine whether recommended relief shall be arbitrarily denied to an injured industry.

Mr. President, I shall not participate in the liquidation of the power, position, authority, and responsibility of Congress by delegating unreservedly the power to determine whether injury shall be inflicted upon an industry whose very existence is threatened.

I shall not be a party to giving the power to make that determination to anybody, even though I knew who he was, even though his appointment had to be confirmed by the Senate.

I shall certainly not be a party to giving such power to people whose identity I do not know and whose records prove that they finally let other nations, as in the case of Japan, determine how much will be imported into this country at less than half the cost at which an American industry can produce the product.

Mr. THYE. Mr. President, I have received a great number of telegrams concerning the bill. I have alluded to two of them in my brief colloquy with the distinguished Senator from Oklahoma.

Also, I have had an analysis made of the business situation in Minnesota and of the benefits which Minnesota can

derive from the reciprocal trade agreements bill which we are discussing and debating.

Approximately 60 percent of the total number of persons in Minnesota are engaged in manufacturing work for firms which fall into 5 major manufacturing classifications: food and kindred products; pulp, paper, and paper products; printing and publishing; fabricated metal products; and nonelectrical machinery.

Minnesota's proportionate share in United States exports of these 5 major manufacturing classifications in 1956 was $114.7 million. On a proportionate basis, approximately 5,360 Minnesota jobs were created by the Nation's exports of 5 major industry groups.

A surface analysis of the impact of foreign trade on only these 5 Minnesota industry groups alone would be a tremendous undertaking. A few facts will illustrate the depth to which these groups participate in the Nation's foreign commerce and the range of benefits they receive.

Mr. President, I shall not take the time to read the additional facts and statistics, because I think most Senators are familiar with the fact that, nationally, we export twice as much as we import into this land. If all our exports were cut off, a large number of jobs would be in jeopardy.

It is for this reason that I support the Reciprocal Trade Act. It is for this reason that I oppose some of the amendments which the committee placed in the bill which was passed by the House. I feel that a strong Reciprocal Trade Act is a necessity.

We cannot consider other nations to be our friends if we shut our doors to commerce with them. We cannot ask nations such as France, Germany, Belgium, Italy, and Switzerland to open their borders and grant reciprocity to other nations, while we tighten up and restrict our international trade channels.

I shall support a Reciprocal Trade Act which will be administratively feasible. I have confidence in the President. I have confidence in the Department of State and the Department of Commerce to advise the President on questions arising under the reciprocal trade agreements.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the letter and telegrams I have received from business firms and individuals in Minnesota, and also the statement to which I have referred.

There being no objection, the letter, telegrams, and statement were ordered to be printed in the RECORD, as follows:

ST. PAUL, MINN., *July 14, 1958.*

Senator EDWARD THYE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR THYE: I have noted with regret that the Senate Finance Committee has made drastic amendments to the House Reciprocal Trade Agreements Act. In the cold war with Russia, it is essential for us to build up good trade relations with other nations and give them some guaranty of our integrity in our relations with them. The bill as amended by the Finance Committee would undermine any feelings of trust they might have in us.

I urge you to work for the passage of the original act as passed by the House—an act which would provide for a 5-year extension of trade agreements; one which gives the President real "veto" in "escape clause" cases; and one which recognizes that our "national security" is more dependent upon good relations with other countries than upon high protective tariffs.

Yours truly,

Mrs. RALPH F. BERDIE.

WINONA, MINN., *July 15, 1958.*

Hon. EDWARD J. THYE,
United States Senate,
Washington, D. C.:

As member of export advisory committee of flour milling industry urgently solicit your support toward restoring trade agreement bill now before Senate to provisions already passed by House. This action vital in disposal of agricultural surpluses and to expand our international commerce which is critically needed for our economic and military security.

BAY STATE MILLING CO.,
G. E. KELLEY,
Executive Vice President.

MINNEAPOLIS, MINN., *July 16, 1958.*

Senator EDWARD J. THYE,
Senate Office Building,
Washington, D. C.:

The restrictions on reciprocal trade extension as proposed by Senate Finance Committee don't look at all good to us. Surely hope you will help adoption of the House bill, thus wholeheartedly supporting the meaningful extension of reciprocal trade agreements legislation. Thanks.

F. PEAVEY HEFFELFINGER.

WASHINGTON, D. C., *July 16, 1958.*

Hon. EDWARD J. THYE,
Senate Office Building,
Washington, D. C.:

Reciprocal agreement program would be seriously crippled by Kerr amendment curtailing President's authority to negotiate agreements to American advantage. AFL–CIO respectfully urges its elimination on behalf of over 4 million American workers whose jobs depend upon international trade. Provision for relatively few workers, communities, and industries adversely affected by imports can and should be met by trade adjustment program in addition to present escape clause provisions.

ANDREW J. BIEMILLER,
Director, Department of Legislation, AFL–CIO.

MINNEAPOLIS, MINN., *July 16, 1958.*

EDWARD THYE,
Senator from Minnesota,
Washington, D. C.:

Your support of Reciprocal Trade Agreements Act for 5-year term without Senate Finance Committee's crippling action and without the Thurmond-Kerr amendment respectfully requested.

NORTHWESTERN NATIONAL BANK OF MINNEAPOLIS,
C. A. WISBY, *Foreign Banking.*

MINNEAPOLIS, MINN., *July 16, 1958.*

Senator EDWARD J. THYE,
United States Senate,
Washington, D. C.:

Your support for passage of Reciprocal Trade Agreements Act and defeat of Thurmond-Kerr amendment urgently requested.

M. L. SPIEGEL,
President, La Maur, Inc.

MINNEAPOLIS, MINN., *July 16, 1958.*

Hon. EDWARD J. THYE,
United States Senate,
Washington, D. C.:

Urgent for effective Reciprocal Trade Agreements Act. Please do all possible to defeat Thurmond-Kerr amendment and renew for 5 years the present Reciprocal Trade Agreements Act.

J. M. BROWN.

MINNEAPOLIS, MINN.

Hon. EDWARD THYE,
United States Senate,
Washington, D. C.:

Are confident that you will help to defeat Thurmond-Kerr amendment during Senate debate tomorrow.

DEKONING MAICO ELECTRONICS.

MINNEAPOLIS, MINN.

Senator EDWARD THYE,
United States Senate,
Washington, D. C.:

Imperative that the Thurmond-Kerr amendment be defeated in regard to Reciprocal Trade Agreements Act. The 5-year term must be restored to the bill. Request your full support.

DAVE FISCHBEIN CO.,
SAM SHARK.

MINNEAPOLIS, MINN.

Senator EDWARD THYE,
United States Senate,
Washington, D. C.:

Urge that you oppose the Thurmond-Kerr amendment. Support 5-year tariff plan.

LESLIE W. MYERS.

MINNEAPOLIS, MINN., *July 14, 1958.*

Senator EDWARD THYE,
Senate Office Building,
Washington, D. C.:

I am in favor of the 5-year extension of the Trade Agreements Act as the bill was passed in the House. Do what you can to pass this bill in the Senate.

I strongly protest as my myopic the bill as reported by the Senate Finance Committee.

Mrs. E. J. MEEHAN.

AUSTIN, MINN., *July 15, 1958.*

Hon. EDW. J. THYE,
Senate Office Building,
Washington, D. C.:

Austin League of Women Voters urges your vote for 5 year extension of Trade Agreements Act as passed by the House.

Mrs. JAMES HUNTTING, Jr.

NEW ORLEANS, LA., *July 14, 1958.*

Senator EDWARD J. THYE,
Senate Office Building,
Washington, D. C.:

International House strongly dedicated to world peace, trade, and understanding, urgently requests that you support reciprocal trade program as passed by the House for full 5 years and without any, repeat, any crippling amendments.

R. W. FREEMAN,
President, International House.

STATE OF MINNESOTA

Approximately 60 percent of the total number of persons in Minnesota engaged in manufacturing work for firms which fall into five major manufacturing classifications: Food and kindred products; pulp, paper, and products; printing and publishing; fabricated metal products; and nonelectrical machinery.

Minnesota's proportionate share in United States exports of these five major manufacturing classifications in 1956 was $114.7 million. On a proportionate basis approximately 5,360 Minnesota jobs were created by the Nation's exports of five major industry groups.

A surface analysis of the impact of foreign trade on just these five Minnesota industry groups alone would be a tremendous undertaking. A few facts will illustrate the depth to which these groups participate in the

Nation's foreign commerce and the range of benefits they receive:

FOOD AND KINDRED PRODUCTS

One thousand one hundred and eighty-three establishments employing 49,470 persons.

Proportionate share of 1956 United States exports, $38.5 million.

Proportionate number of man-years resulting from exports, 1,010.

Products exported directly from Minnesota: Linseed oil, durum semolina, butter, beer, nonalcoholic beverages, rye and wheat flours, baking mixes, soybean products, animal feeds, pharmaceutical foods, macaroni, wheat germ, cereal, cream, oat products, Swedish style crisp rye bread, and a large variety of meat products including kosher sausage.

PULP, PAPER, AND PRODUCTS

Eighty-one establishments employing 15,428 persons.

Proportionate share of 1956 United States exports, $12.6 million.

Proportionate number of man-years resulting from exports, 443.

Products exported directly from Minnesota: Pulp, paper, bags, cartons, and other paper containers.

PRINTING AND PUBLISHING

Eight hundred and four establishments employing 19,450 persons.

Proportionate share of 1956 United States exports, $2.4 million.

Proportionate number of man-years resulting from exports, 63.

Products exported directly from Minnesota: Newspapers, trade papers, periodicals, calendars, books, and advertising novelties.

FABRICATED METAL PRODUCTS

Three hundred and seven establishments employing 9,707 persons.

Proportionate share of 1956 United States exports, $4.6 million.

Proportionate number of man-years resulting from exports, 294.

Products exported directly from Minnesota: Barrels and drums, aluminum awnings and cooking ware, cans, wire specialties, heating, ventilating and air conditioning equipment, steel scaffolding, furnaces, architectural metalwork, fence posts, and structural steel for bridges.

NONELECTRICAL MACHINERY

Four hundred and fifty-four establishments employing 23,492 persons.

Proportionate share of 1956 United States exports, $56.5 million.

Proportionate number of man-years resulting from exports, 3,548.

Products exported directly from Minnesota: Well drilling equipment, shop presses, portable irrigation systems, road machinery, farm tractors and implements, packaging machines, food machinery, conveyors, and mining machinery.

Well over 500 Minnesota manufacturers sell their products directly in foreign markets. These Minnesota firms are interspersed throughout the State's industry groups. Many of them are in the five industry groups discussed above. Many more are in other industry groups and their products sold directly to foreign markets include railroad crossing signals, welding equipment, electric controls, household electric appliances, generating sets, petroleum products, oil products, outboard motors, safety glass, drugs, pharmaceuticals, embalming fluid, crabgrass killer, plastic moulding, paints, varnishes, enamels, home permanent wave kits, fertilizers, pesticides, addressing machines, duplicating machines, computers, small arms ammunition, brick, women's lingerie, athletic jackets, snowsuits, hunting boots, knitted headwear, automobile batteries, and grandfather clocks.

Hundreds more of Minnesota's manufacturers benefit from the Nation's exports, too. Their products become component parts of goods produced by other manufacturers which are sold in foreign markets.

Mr. THURMOND. Mr. President, I take this opportunity to congratulate the distinguished Senator from Oklahoma [Mr. KERR] for a masterful address. I have heard many addresses in this Chamber on various subjects. I do not think I have heard a more effective address on any subject than that which was made by the distinguished Senator from Oklahoma upon the subject of trade agreements.

If Senators will take the time to read the address, which will appear in the CONGRESSIONAL RECORD tomorrow morning, I think they will be convinced that the escape clause provision inserted in the trade agreements bill by the Committee on Finance should remain in the bill as reported by the committee.

Again, I commend and congratulate the distinguished Senator from Oklahoma for his splendid address.

Mr. BRICKER. Mr. President, I do not intend to discuss at length the merits or demerits of the proposal in the amendment which is pending. I was told by one of my distinguished friends that not many votes are changed by any discussions which take place.

However, I did not want any Senator to vote one way or another on the pending amendment on the basis of a legal opinion submitted to the President by the Attorney General, and which was then submitted by the President to Congress.

I shall discuss briefly this odd legal opinion which was recently submitted to the President over the signature of the Attorney General of the United States, and which the President then forwarded to Congress.

This strange opinion holds that section 6 (c) of the bill, which was proposed by the junior Senator from South Carolina [Mr. THURMOND] and the senior Senator from Oklahoma [Mr. KERR], and then approved by the Committee on Finance, is unconstitutional.

The Thurmond amendment merely provides that findings of the Tariff Commission, if disapproved by the President, shall nevertheless become effective if approved by a concurrent resolution of Congress.

Lawyers in this body may well wonder why I take the time to challenge a constitutional argument so obviously unsound. However, this piece of legal advice to the President is only one of the most recent in a long line of poor opinions.

Most of this bad advice has been presented to the President over the signature of the Attorney General. The President, not being a lawyer, can hardly be criticized for submitting without modification to the Congress the opinions of his chief legal officer on pending legislation.

Both the present Attorney General and his predecessor in office are able lawyers. I am sure they have not written, and in many cases have not even studied, the fallacious constitutional arguments of which they are the ostensible authors. They must be held responsible, nevertheless, for the unhealthy practice of failing to differentiate between legislative proposals which the President considers unwise and measures which are constitutionally objectionable. Mr. President, a foolish law is not necessarily an unconstitutional law.

I ask unanimous consent to have printed at this point in the RECORD the letter and opinion of the Attorney General on section 6 (c) of the pending bill.

There being no objection, the letter and opinion were ordered to be printed in the RECORD, as follows:

The PRESIDENT,
The White House.

MY DEAR MR. PRESIDENT: You have requested me to give you advice on the constitutionality of a proposed amendment to H. R. 12591 as passed by the House of Representatives on June 11, 1958, which is presently under consideration by the Senate Committee on Finance.

H. R. 12591 is an act to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930 as amended. As passed by the House of Representatives, section 6 of H. R. 12591 (attached hereto as appendix A) deals with modifications to carry out Tariff Commission escape-clause findings. In brief, section 6 provides that the findings of the Tariff Commission shall be effective when (1) approved by the President or (2) if disapproved by the President, then on adoption by Congress of a concurrent resolution approving them by a two-thirds vote of each House.

In its report on H. R. 12591, the House Committee on Ways and Means explained why it had agreed upon adoption of a concurrent resolution by two-thirds vote of each House as follows (H. Rept. 1761, pp. 12–13, 85th Cong., 2d sess.):

"(b) Adoption of a concurrent resolution by two-thirds vote of each House: Under section 6 of the bill, adoption of such a concurrent resolution, following Presidential disapproval in whole or in part of a Tariff Commission recommendation, requires a two-thirds vote of those present and voting in the House and the Senate. There are practical and legal reasons for this requirement. The practical reason is that it is reasonable to require a substantial majority of the Congress in order to override a Presidential determination where the relief to a domestic industry involves an escape from an international obligation duly assumed by the United States pursuant to a specific authorization to the President by the Congress. As noted above, it is the opinion of your committee that escape actions should not be lightly undertaken, involving as they do not only the interests of American businessmen and consumers, and of other American producers who may lose the benefit of the compensatory concessions which were reciprocally granted to the United States by foreign countries, but also the foreign relations of the United States to a serious degree. Your committee has been impressed with the great impact which escape-clause actions have had upon the foreign relations of the United States.

"Accordingly, it is reasonable and just to require a two-thirds majority of each House to reverse an action of the President in a field which is so intimately related to the conduct of the foreign relations of the United States and where action by the Congress without the immediate participation of the President during the course of such action is involved.

"The legal reasons for the two-thirds majority required in sections 6 and 7 relate to the issue of the validity of the concurrent resolution procedure, under which treatment

of imported articles may be changed after the adoption of the concurrent resolution. Although many laws have been enacted during the past 30 years, incorporating the principle of action by the Congress without the participation of the President in terminating legislative authority granted in statutes, or in disapproving action taken by the Executive pursuant to authority granted in statutes, serious questions have been raised respecting the constitutionality of such measures in view of the provisions of article I, section 7, of the Constitution. This article sets forth procedures for enacting bills and with respect to orders and resolutions of the Congress. While no Federal case adjudicating the constitutional issue has been decided, there is no doubt that a substantial constitutional question is involved.

"By requiring a two-thirds vote of each House in adopting a resolution overturning the President's disapproval of a Tariff Commission recommendation in a particular escape-clause proceeding, your committee is of the opinion that, if and when the constitutional question is adjudicated, the position in favor of constitutionality will be enhanced. This is because a procedure whereby the Congress by a two-thirds vote of each House overrides a Presidential determination in a particular escape-clause action—the reason for such action having been communicated to the Congress in much the same fashion as a veto message communicates the reasons for a veto—is analogous to Congress' repassing a bill after a Presidential veto. Your committee has been informed by the executive branch that it, acting upon the advice of the Attorney General of the United States, has no objection to sections 6 and 7 of the bill, considering both the practical and legal questions involved."

Under the amendment now proposed to H. R. 12591 (appendix B) the findings of the Tariff Commission would be effective if disapproved by the President, upon adoption by Congress of a concurrent resolution by a mere majority vote of each House. You request my advice respecting this proposed amendment.

In my opinion, this proposal is clearly objectionable since it appears to be an infringement upon the functions of the President under article I, section 7 of the Constitution.

Article I, section 7, clause 2 in the ordinary circumstances requires the signature of the President upon every bill indicating his approval of it before it shall become a law. It also specifies the procedure, requiring the passing of the bill by a two-thirds majority of each House by which a bill may become a law over the objections of the President.

The House bill attempts to satisfy the constitutional requirement of overriding Presidential action by a two-thirds vote of each House. Although this is not strictly in keeping with constitutional procedure, objection was not raised respecting this technique because Congress was acting in the same way as it could in passing a law over the President's veto.

This is not true of the amendment now proposed to H. R. 12591 under which the Congress by a simple majority in both Houses may override the President's disapproval of Tariff Commission findings.

A provision of this kind would appear directly to invade the prerogative of the President by depriving him of legitimate and essential freedom of action in dealing with legislation which he believes to be unwise or contrary to the public interest, as the Constitution intended. Involving as it does foreign affairs, this particularly is an area from which the President may not properly be excluded under the Constitution, nor should he be as a matter of sound policy.

As you know, this is a field in which the President frequently relies on confidential matters which are not readily available to Congress. It is here through his informed judgment that the President may be of indispensable aid to the adequate functioning of the legislative process. To deny the President a veto power in this field of foreign affairs would be fraught with peril to the proper administration of the Executive Office. Accordingly, to usurp such functions as Presidents have long and ably exercised in this field would be contrary to the doctrine of separation of powers inherent in the Constitution, and destroy the lines of responsibility which the Constitution was designed to assure.

Respectfully,

WILLIAM P. ROGERS,
Attorney General.

APPENDIX A

H. R. 12591, 85th Congress, 2d Session

SEC. 6. Subsection (c) of section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U. S. C., sec. 1364 (c)), is amended by inserting "(1)" after "(c)" at the beginning thereof, and by adding at the end thereof the following:

"(2) The action so found and reported by the Commission to be necessary shall take effect (as provided in the first sentence of paragraph (1) or in paragraph (3), as the case may be)—

"(A) if approved by the President, or

"(B) if disapproved by the President in whole or in part, upon the adoption by both Houses of the Congress (within the 60-day period following the date on which the report referred to in the second sentence of paragraph (1) is submitted to such committees), by the yeas and nays by a two-thirds vote of each House, of a concurrent resolution stating in effect that the Senate and House of Representatives approve the action so found and reported by the Commission to be necessary.

For the purposes of subparagraph (B), in the computation of the 60-day period there shall be excluded the days on which either House is not in session because of an adjournment of more than 3 days to a day certain or an adjournment of the Congress sine die.

"(3) In any case in which the contingency set forth in paragraph (2) (B) occurs, the President shall (within 15 days after the adoption of such resolution) take such action as may be necessary to make the adjustments, impose the quotas, or make such other modifications as were found and reported by the Commission to be necessary."

APPENDIX B

Excerpt from amendments intended to be proposed by Senator THURMOND to the bill (H. R. 12591) on July 3, 1958:

"SEC. 6. Subsection (c) of section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U. S. C., sec. 1364 (c)), is amended to read as follows:

"'(c) (1) Within 30 days after receipt of the Tariff Commission's recommendations, the President shall proclaim such adjustments in the rate or rates of duty, impose such quotas, or make such other modifications as are recommended by the Commission to be necessary to prevent or remedy serious injury to the respective domestic industry, unless, prior to the expiration of such 30 days, the President shall have submitted a report to the Congress recommending that no such adjustments or modifications be made, or no such quotas be imposed, or recommending a rate of duty as an alternate to that recommended by the Tariff Commission, or recommending a quota as an alternate to that recommended by the Tariff Commission, or recommending a rate of duty as an alternate to a quota recommended by the Tariff Commission, or recommending a quota as an alternate to a rate of duty recommended by the Tariff Commission, as a means of preventing or remedying serious injury to the respective domestic industry, be adopted. If either the Senate or the House of Representatives, or both, are not in session at the time of such submission, such report shall be filed with the Secretary of the Senate or the Clerk of the House of Representatives, or both, as the case may be.

"'(2) If the President submits his report to the Congress while the Congress is in session and more than 90 days before the date on which the Congress adjourns sine die, he shall, within 90 days after the submission of such report, proclaim such adjustments, quotas, or other modifications as have been recommended by the Commission, unless prior to the expiration of such 90 days, both Houses of Congress shall have adopted a concurrent resolution stating in effect that the Senate and House of Representatives approve the recommendations made by the President, in which event the President shall proclaim the recommendations so approved. If the President submits his report—

"'(A) when the Congress is not in session, or

"'(B) less than 90 days before the adjournment of the Congress sine die and the Congress before such adjournment has not acted on a concurrent resolution approving the recommendations made by the President,

the adjustment in the rate or rates, quotas, or other modifications specified in the recommendations of the Commission shall become finally effective 90 days after the date on which the next session of the Congress begins, unless during such 90-day period of the Congress, by concurrent resolution, shall have approved the President's recommendations.'"

Mr. BRICKER. Mr. President, as almost every schoolboy knows, article I, section 7, clause 2 of the Constitution requires Presidential approval of every bill before it shall become law, except that the President's veto may be overriden by a two-thirds majority of each House. The pending bill, H. R. 12591, will not become law except in strict accordance with the provisions of article I, section 7, clause 2.

The opinion of the Attorney General is bottomed on the ludicrous premise that the President's disapproval of Tariff Commission findings is in some way analogous to the President's veto of a bill passed by the Congress. Therefore, according to the Attorney General, "overriding Presidential action by a two-thirds vote of each House," although "not strictly in keeping with constitutional procedure," is not highly objectionable—a rather strange conclusion based on a strange set of facts.

To this nonsense there is an obvious answer: The Tariff Commission is not the Congress. When the President reverses Tariff Commission findings, he is empowered to do so by an act of Congress; but when he vetoes a bill, he is acting in opposition to the expressed will of the Congress, as he is authorized to do by the Constitution of the United States.

According to the opinion of the Attorney General, the Thurmond amendment would deprive the President—

of legitimate and essential freedom of action in dealing with legislation which he believes to be unwise or contrary to the public interest, as the Constitution intended.

This is indeed novel doctrine. The President has only one constitutional

power in respect to dealing with proposed legislation which he deems to be "unwise or contrary to the public interest." That is to veto it. If the proposed legislation takes effect against his will, or if it confers less freedom of action for him than he thinks essential, his duty under the Constitution is to faithfully execute the law as enacted by Congress.

The last two paragraphs of the letter of the Attorney General attempt to rewrite express constitutional provisions. Remember, Mr. President, we are dealing with powers expressly delegated to the Congress. Article I, section 8, clause 1, provides:

> The Congress shall have power to lay and collect taxes, duties, imposts, and excises.

Also, the Congress, by article I, section 8, clause 3, shall have power: "To regulate commerce with foreign nations."

As the opinion of the Attorney General points out, these powers, expressly conferred on the Congress, relate to foreign affairs; the aid of the executive branch may be indispensable if they are to be exercised wisely; and, as a matter of sound policy, it may be advisable to delegate a portion of this authority to the President, in certain cases, without suffocating restrictions. But when the Attorney General says that "this is an area from which the President may not properly be excluded under the Constitution," he is flatly contradicting what was plainly written in 1787.

The President has no inherent veto power in this field. If a bill respecting tariffs or foreign commerce becomes law, and if it confers on the President veto power over agency action, that veto power can be set aside upon the happening of whatever event the Congress may see fit to specify. Since the President's authority in this field stems solely from an act of Congress, Congress may provide that it shall be superseded by the adoption of a concurrent resolution the adoption of a simple resolution, the action of a Senate committee or House committee, or by the winning of the national championship in baseball by a particular team. Some or all of these conditions may be unwise, but that does not mean they are unconstitutional.

Mr. President, I merely rise to express my opinion on this matter, in the hope that no Senator will vote either for or against the pending amendment or motion or the Kerr-Thurmond amendment to the bill on the ground that it is unconstitutional. It has no relation to the power given by the Constitution to the President to veto a law passed by the Congress. The Senate and the House of Representatives may include in any bill which they pass a provision for the exercise of power by the President, subject to any condition which Congress may wish to impose. The Thurmond-Kerr amendment is exactly of that description, and is in accordance with the Constitution of the United States.

Mr. THURMOND. Mr. President, will the Senator from Ohio yield to me?

Mr. BRICKER. I yield.

Mr. THURMOND. Mr. President, I should like to congratulate the able Senator from Ohio for his penetrating analysis of the ridiculous opinion by the Attorney General.

I should like to ask the Senator from Ohio whether the opinion of the Attorney General is not just another step along the line of the propaganda which has been disseminated in an effort to have the Congress pass this bill as approved by the House.

Mr. BRICKER. I do not know what was back of it; but I do know that the opinion will not hold water, insofar as I can analyze it; and I have not had any lawyer, either in this body or outside it, intimate to me that the opinion is a sound one under the Constitution.

Mr. THURMOND. I should like to ask the Senator from Ohio whether he received a pamphlet entitled "Study of the Impact of World Trade on the State of Ohio"?

Mr. BRICKER. I received one of them; I think it came from the Department of Commerce.

I also wrote to a number of industries in the State—to 160 or 170 of them, I believe. And when their answers came back, I was just about as confused as I was when I read the report from the Department of Commerce.

Mr. THURMOND. Did the Senator from Ohio receive, accompanying the pamphlet, a letter to the effect—that, "I am pleased to give you a copy of the requested study of the impact of world trade on the State of Ohio."

Mr. BRICKER. Yes, I think there was such a letter in connection with the pamphlet. Of course, we become so accustomed to having the Departments of the administration lobby around the Capitol, that it is almost a rule for them to do so; and the opinion of the Attorney General is almost in the same class. I do not charge him with such a purpose; but I say he is wrong, as a constitutional lawyer, in submitting to the President an opinion of that kind.

Mr. THURMOND. Does the Senator from Ohio know whether the pamphlet was sent to all the Members of Congress, along with a similar covering letter?

I should like to read the one I received:

> THE ASSISTANT SECRETARY OF COMMERCE,
> *Washington, D. C.*
>
> Hon. STROM THURMOND,
> *United States Senate,*
> *Washington, D. C.*
>
> DEAR SENATOR THURMOND: I am pleased to give you a copy of the requested study of the impact of world trade on the State of South Carolina.
>
> It is our hope that this will prove beneficial to you. Your suggestions as to the subject matter will be appreciated.
>
> Please let me know when we can be of service.
>
> Sincerely yours,
>
> HENRY KEARNS,
> *International Affairs.*

That letter came from the Assistant Secretary of Commerce. It is a form letter which was sent to all the Members of Congress.

I had not requested any study of the impact of world trade on the State of South Carolina.

The senior Senator from my State [Mr. JOHNSTON of South Carolina] tells me that he had not requested any such study.

Representative RIVERS, of the First District of South Carolina, says he has not requested any such study.

Representative RILEY, of the Second District of South Carolina, says he has not requested any such study.

Representative DORN, of the Third District of South Carolina, says he has not requested any such study.

Representative ASHMORE, of the Fourth District of South Carolina, says he has not requested any such study.

Representative HEMPHILL, of the Fifth District of South Carolina, says he has not requested any such study.

Representative MCMILLAN, of the Sixth District of South Carolina, says he has not requested any such study.

In other words, this pamphlet, which we received, is a sham and a fraud on the Members of Congress—in this case, on the South Carolina Congressional delegation, for not one Member of Congress from South Carolina—either a Senator or any 1 of the 6 Members of the House of Representatives who come from South Carolina—requested the pamphlet. It is simply a propaganda means of getting that information into the hands of the Members of Congress in an effort to lobby for the House version.

A letter identical to the one written to me was written to the Honorable L. MENDEL RIVERS. As I stated, no Member of Congress from South Carolina requested this information.

Furthermore, to show how ridiculous it is, and how the turning out of this material in mass form took place, the Assistant Secretary of Commerce, Henry Kearns, did not even sign these letters. This letter is signed, "Henry Kearns, R. H." In other words, the Assistant Secretary of Commerce was not even courteous enough to sign a letter he wrote to a United States Senator or to a Member of the House of Representatives. It is simply a means and a method of propaganda to try to get the House version passed.

I do not know how many thousands of dollars were spent in preparing this pamphlet for South Carolina. I understand a similar pamphlet was prepared for every other State and many districts—in fact 120 different pamphlets were prepared in all—to try to furnish figures and data in an effort to get the House version passed.

I wonder if the Senator from Ohio knows that, and whether it has been called to his attention.

Mr. BRICKER. I did not know it. I am not in the situation the distinguished Senator from South Carolina is in. I did request a study on the part of the Commerce Department as to what effect the bill would have on employment in my State and on industries, particularly those which have a high incidence of labor cost. I received a study—I presume it is the same kind of analysis the Senator from South Carolina received—from the Department of Commerce. I also talked to Mr. Kearns about it after I received it.

I do not know that anybody can analyze the study. Certainly, it cannot be

done by a quotient figure, such as is contained in the analysis by the Commerce Department.

When I received replies from industries in my State, there was still utter confusion as to whether the program was beneficial or harmful to the people of my State, and to the employees and industry as well. I think it is a matter we must decide upon principle. There is no way one can get a quotient verdict telling whether it is good or bad so far as concerns displacing people from employment or so far as concerns whether an industry will be built up or destroyed.

Mr. THURMOND. In my State of South Carolina the textile industry is a very important one. Seventy-five percent of all the people in industry in South Carolina are employed in the textile industry. The industry provides 80 percent of all industrial payrolls.

Since World War II, this is what has happened to the textile industry in this country. I should like to read about 4 or 5 statements and call them to the Senator's attention. I think this is illustrative of other industries, too.

Employment in the textile industry has declined by 345,000 jobs.

Seven hundred and seventeen textile mills have closed. One in my State has closed within the last week or two—Victoria Cotton Mills in Rock Hill, S. C., which manufactured ginghams. The president of that company, Mr. William J. Roddey, told me he could not compete with the Japanese, who are now sending in such tremendous quantities of ginghams to this country.

The number of spindles in place in American cotton mills has declined by 2,375,000.

Imports of cotton textile yardage have increased from 15,962,000 in 1947 to 122,444,000 in 1957. The total value of all imported manufactured cotton increased from $24 million in 1947 to $136,163,818 in 1957.

Imports of woolen goods increased from 4,635,000 square yards in 1947 to 32,313,000 square yards in 1957. The total value of all imported manufactured wool increased from $33,100,000 in 1947 to $143,069,942 in 1957.

That is typical of what is happening to the textile industry. It will be destroyed. The textile industry has already lost 345,000 jobs. Three hundred and forty-five thousand American citizens have been displaced from their right to work and earn a living for their families, because since World War II ended, the low-wage imports which have come into this country have created such stiff competition that the domestic companies could not make the grade.

I am wondering if the Senator from Ohio feels, in view of such a situation, that any Senator from a textile manufacturing State could be expected to support a trade bill of this nature without some reasonable escape clause provision, such as that which was adopted by the Finance Committee of the Senate.

Mr. BRICKER. I am very appreciative of what the Senator from South Carolina has said. In my section of the country no industry has been so adversely affected as has the textile industry, although industries producing glass, bicycles, toys, rubber goods, pottery, and many others which have a high incidence of labor cost have been very adversely affected. The largest violin company in the United States, which was located in my home city, went out of business because of imported Japanese and German violins. The number of pottery plants has decreased sharply in my State. On the other hand, there is a group of exporting industries in Ohio, such as heavy machinery, road-building machinery, and the like, which do furnish many jobs, and which have been benefited. I was particularly interested in learning that some of those in the machine tool industry said they had been sustained by exports. Other companies in the same industry said they were being destroyed by imports.

It is a perplexing question. As I stated previously, it is a question which I think we shall have to decide on principle, and not so much on whether it affects us dollarwise or economywise, because it is difficult to come to a conclusion as to what the adverse of beneficial effects will be.

Mr. THURMOND. May I ask the Senator from Ohio whether there is any plywood and veneer industry in his State?

Mr. BRICKER. To some extent, but not much.

Mr. THURMOND. Fifty-two percent of all the plywood now used in the United States is imported from other countries, chiefly from Japan. In other words, the thousands of persons engaged in the plywood industry have had 52 percent of their business taken away from them. Naturally, there has been a proportionate decrease in employment in that important industry in this country.

Mr. BRICKER. I did learn something, which I think is utterly illogical: People are either for or against the program in a decisive way, and they think that either their industry is going to be built up or destroyed. It must be realized that we are going to have foreign trade, just as we have had it in the past. We had foreign trade even when we had high tariffs. Now those tariffs have been reduced. Nowhere in the world do countries have lower tariffs than we do. Quotas are being imposed against imports of our products. I was speaking to a manufacturer in front of the hotel this morning, and I asked him why he had built a plant in a foreign country. He informed me that he could not ship his products from this country, because foreign countries have a tariff wall against our products, and that the people in those countries cannot buy products made in the United States. Capital can be exported, but jobs cannot be exported to manufacture those products. There has been an undermining of certain industries. The value of imports does not equal that of exports, but when the cost of the travel of our people and the expenses they pay in foreign countries and the money we are paying all over the world are added to the value of imports, I think the values of imports and exports very nearly balance at the present time.

This will not throw us very much out of balance, except in those instances where the labor cost is extremely high.

Mr. THURMOND. I am sure the distinguished Senator from Ohio, as does the junior Senator from South Carolina, believes in trade with foreign countries.

Mr. BRICKER. We have to have trade with foreign countries.

Mr. THURMOND. I believe in trade. We have to have trade with foreign countries. The escape clause provision inserted in the bill by the Committee on Finance of the Senate would merely give some protection to the American working people by providing that it has been clearly shown that a particular industry is jeopardized, and the Tariff Commission so finds, the Congress by a simple majority vote must concur with the President's proposed veto of the Tariff Commission finding, if the recommended relief is to be denied.

Mr. BRICKER. The findings of the Tariff Commission, especially those reversed by the President, will not affect 1 percent of our trade, but they will affect the jobs of certain people. I care not in what industry a man is engaged—in the making of bicycles, in the making of toys, or what not—he is just as important, and his job is just as important as any other, even in a large industry. The job is just as important to the man, and the man is entitled to protection which will give him a fair break in the competitive field of labor.

Mr. THURMOND. Again I congratulate the able and distinguished Senator from Ohio for the fine analysis he has made.

Mr. BRICKER. I thank the Senator from South Carolina.

Mr. President, I yield the floor.

Mr. BUTLER. Mr. President, during recent weeks I have received many communications with reference to the extension of the trade-agreements program. This proposed legislation is one of the most important issues before us. It involves economic and constitutional questions of great import.

When this program was first adopted in 1934, it was our hope that the lowering of our tariff barriers would induce other countries to take similar steps so that in time the economies of the world could be adjusted so that each nation could maximize its productive efforts. Needless to say, we were thinking of a world at peace where the energies of everyone could be devoted to raising living standards with minimum considerations for defense.

My approach to this problem has been greatly influenced by the writings of Adam Smith in The Wealth of Nations. His monumental work, which provides the basic tenets for our private enterprise economy, was written in 1776, the same year as our Declaration of Independence.

Adam Smith believed that a free economy operated to serve the needs of consumers without government direction or control would produce the greatest well-being for all peoples everywhere. Accordingly, he supported free trade and opposed the mercantilist philosophy which dominated the thinking of most of the economists of his period. I, too, favor a world economy in which tariff barriers are reduced to the lowest possible point and in which individuals everywhere can trade with one another.

It is important, however, to realize that Adam Smith was thinking primarily of trade between private individuals without government controls or restrictions anywhere.

While the United States resorts to very few import restrictions other than tariff, unfortunately, many of our trading partners still use quantitative controls which are far more restrictive than any tariff. It is a source of great concern to me that in spite of 24 years under the trade-agreements program we have not succeeded in inducing our trading partners to remove these impediments to trade. They have been imposed for a wide variety of reasons—to foster economic development, to conserve dollar exchange and to protect domestic producers. A study by the House Ways and Means Committee shows that 62 countries require import licenses, 33 license foreign exchange, and 13 employ state trading. If we are really to have freer trade, it must be truly on a reciprocal basis. We must be more successful in securing the elimination of quantitative controls which interfere with American exports through GATT negotiations.

Our tariffs are now at a low level. The majority report of the House Ways and Means Committee shows our average tariff is now 5.9 percent. Of 42 countries listed in the report, only 8 had a lower tariff level, and they used quantitative controls to limit imports.

Mr. President, for many years it has been impossible to approach this problem solely in the light of desirable economic considerations for a world at peace. Unfortunately, we are still living in a world in which national security considerations must influence all of our decisions. Hence, I have exerted every effort to expand our merchant marine. I have sponsored legislation to provide Government support for shipbuilding and for American flag maritime operators. In a world permanently at peace this position might not be justified. According to the theory of free trade, if other maritime powers are able to transport our goods more economically we should abandon our merchant marine and permit others to earn the dollars to purchase American products where our comparative advantage is greater. Certainly such a course would be disastrous in the world of today. In 1939 when hostilities commenced in Europe, all of the belligerents diverted their merchant marine to their necessary military needs. We can never afford to be placed in a position of complete dependence on others to secure strategic materials for our industries and transportation for our troops. Accordingly, I have never been troubled by any conflict in supporting legislation to keep the American flag flying on the high seas while at the same time favoring the maximum freedom of trade.

Mr. President, Adam Smith specifically dealt with this very situation. In describing the advantages of free trade, he clearly expressed the views which I hold. He said:

> It is the maxim of every prudent master of a family, never to attempt to make at home what it will cost him more to make than to buy. The tailor does not attempt to make his own shoes, but buys them of the shoemaker. The shoemaker does not attempt to make his own clothes, but employs a tailor. The farmer attempts to make neither the one nor the other, but employs those different artificers. All of them find it for their interest to employ their whole industry in a way in which they have some advantage over their neighbours, and to purchase with a part of its produce, or what is the same thing, with the price of a part of it, whatever else they have occasion for.
>
> What is prudence in the conduct of every private family, can scarce be folly in that of a great kingdom. If a foreign country can supply us with a commodity cheaper than we ourselves can make it, better buy it of them with some part of the produce of our own industry, employed in a way in which we have some advantage.

However, Adam Smith was a realist, and in 1776 England was confronted with many of the strategic problems which now confront us. This is what Adam Smith had to say about the necessity of maintaining the British maritime industry through the act of navigation:

> When the act of navigation was made, though England and Holland were not actually at war, the most violent animosity subsisted between the two nations. It had begun during the government of the long parliament, which first framed this act, and it broke out soon after in the Dutch wars during that of the Protector and of Charles the Second. It is not impossible, therefore, that some of the regulations of this famous act may have proceeded from national animosity. They are as wise, however, as if they had all been dictated by the most deliberate wisdom. National animosity at that particular time aimed at the very same object which the most deliberate wisdom would have recommended, the diminution of the naval power of Holland, the only naval power which could endanger the security of England.
>
> The act of navigation is not favorable to foreign commerce, or to the growth of that opulence which can arise from it. The interest of a nation in its commercial relations to foreign nations is, like that of a merchant with regard to the different people with whom he deals, to buy as cheap and to sell as dear as possible. But it will be most likely to buy cheap, when by the most perfect freedom of trade it encourages all nations to bring to it the goods which it has occasion to purchase; and, for the same reason, it will be most likely to sell dear, when its markets are thus filled with the greatest number of buyers. The act of navigation, it is true, lays no burden upon foreign ships that come to export the produce of British industry. Even the ancient aliens duty, which used to be paid upon all goods exported as well as imported, has, by several subsequent acts, been taken off from the greater part of the articles of exportation. But if foreigners, either by prohibitions or high duties, are hindered from coming to sell, they cannot always afford to come to buy; because coming without a cargo, they must lose the freight from their own country to Great Britain. By diminishing the number of sellers, therefore, we necessarily diminish that of buyers, and are thus likely not only to buy foreign goods dearer, but to sell our own cheaper, than if there was a more perfect freedom of trade. As defense, however, is of much more importance than opulence, the act of navigation is, perhaps, the wisest of all the commercial regulations of England.

Mr. President, I agree with Adam Smith's statement that "defense, however, is of much more importance than opulence." Hence, I am concerned that while we should do everything in our power to promote the expansion of world trade, we must insure adequate safeguards for the continued growth and expansion of those industries which are necessary to provide our mobilization requirements.

We must provide the producers of oil, coal, nonferrous metals, chemicals, and other strategic materials with an opportunity to maintain trained personnel and modern productive facilities adequate to meet any emergency. Experience indicates that the expansion of basic industries during a period of crisis is extremely costly. In the future we may not have the time, regardless of the cost, to secure added production unless our domestic industries are maintained in a healthy condition. So much for the economics.

We are confronted with a further problem. The Constitution has provided that each of the coordinate branches of the Federal Government has certain clearly defined functions and responsibilities. H. R. 12591, as passed by the House, would extend the President's authority to negotiate trade agreements for a period of 5 years, thereby absolutely binding the 86th and 87th Congresses. If the powers approved by the House should be enacted, the act would expire during the life of the 88th Congress. However, the President would be authorized to make agreements providing for tariff reductions over a 5-year period at any time before the expiration of the act. Hence, an agreement made during the fifth year of the negotiating authority could provide for tariff reductions over the 5 succeeding years. In other words, Mr. President, this legislation would in effect establish a 10-year program of trade agreements. No action could be taken by the Congress in opposition to the Executive in connection with these agreements unless a two-thirds majority in both Houses passed the necessary legislation over a veto. In good conscience we cannot assume the responsibility of tying the hands of future Congresses and delegating such powers to a President yet to be nominated and elected.

The Constitution does provide that the conduct of foreign policy is an executive function; however, it also provides in article I, section 8, that "The Congress shall have power to lay and collect taxes, duties, imports and excises."

Mr. President, I support the action of the Senate Finance Committee, which has reported a 3-year extension. Furthermore, the tariff reductions must all be made effective within the 3-year period. This measure also takes appropriate action to assist, within a reasonable time, American industries which may require protection in order to preserve our national security.

Mr. PAYNE. Mr. President, I offer a substitute to the amendment offered by the distinguished majority leader, Mr. JOHNSON, of Texas, and other Senators to the bill under consideration.

The PRESIDING OFFICER. The amendment to the amendment will be stated for the information of the Senate.

Mr. PAYNE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with, that the amendment to the amendment, be printed in the RECORD, and that the substitute amendment be printed and be available to the Members of the Senate tomorrow.

The PRESIDING OFFICER. The amendment will be received, printed, and will lie on the table; and, without objection, the amendment will be printed in the RECORD.

The amendment proposed by Mr. PAYNE in the nature of a substitute for the amendment offered by Mr. JOHNSON, of Texas, for himself and other Senators, is as follows:

On page 15, beginning with line 20, strike out all through line 15 on page 17 and insert in lieu thereof the following:

"(c) (1) Within 30 days after receipt of the Tariff Commission's recommendations, the President shall proclaim such adjustments in the rate or rates of duty, impose such quotas, or make such other modifications as are recommended by the Commission to be necessary to prevent or remedy serious injury to the respective domestic industry, unless prior to the expiration of such 30 days, the President shall have submitted a report to the Congress recommending that no such adjustments or modifications be made, or no such quotas be imposed, or recommending that alternative means of preventing or remedying serious injury to the respective domestic industry be adopted. Such recommendations by the President will become effective, unless prior to the expiration of 60 days, or in the event the Congress is not in session at the time the recommendation is submitted, within 30 days after the Congress next convenes, both Houses of Congress shall have adopted a concurrent resolution stating in effect that the Senate and House of Representatives approve the recommendations made by the Tariff Commission, in which event the President shall take such action as may be necessary to carry out the recommendations so approved.

On page 17, line 16, strike out "(3)" and insert "(2)."

On page 18, beginning with line 19, strike out all through line 12, page 19, and insert in lieu thereof the following:

(b) As used in this section, the term "resolution" means only a concurrent resolution of the two Houses of Congress, the matter after the resolving clause of which is as follows (with appropriate changes to cover the situation referred to in section 7 (c) (2) of the Trade Agreements Extension Act of 1951, as amended by the Trade Agreements Extension Act of 1958): "That the Senate and House of Representatives approve the action—

"(1) found and reported by the United States Tariff Commission to be necessary to prevent or remedy serious injury to the respective domestic industry, in its report to the President dated , 19 , on its escape-clause investigation number under the provisions of section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U. S. C., sec. 1364), and

"(2) disapproved by the President in whole or in part in his report (dated , 19) pursuant to paragraph (1) of section 7 (c) of such act."

the blank spaces therein being appropriately filled; and does not include a concurrent resolution which specifies more than one such investigation.

Mr. PAYNE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PAYNE. Is my understanding correct that the substitute amendment which has been offered will take precedence over the amendment offered by the Senator from Texas [Mr. JOHNSON] and other Senators?

The PRESIDING OFFICER. The Senator is correct.

Mr. PAYNE. I thank the Chair.

Mr. MALONE obtained the floor.

Mr. MORSE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Oregon?

Mr. MALONE. I am happy to yield to the distinguished Senator from Oregon.

AMERICAN FOREIGN POLICY IN THE MIDDLE EAST

Mr. MORSE. Mr. President, if I were to name what I consider to be the greatest need of the United States tonight, of the many things we need, I would name first of all the need for a new Secretary of State.

It seems to me that I have no right to suggest we need a new Secretary of State unless I am also willing to make suggestion as to someone I think would be a good replacement. I think it would be very much in the interest of the American people, in view of the tragedy which is occurring so far as the position of the United States in world opinion in these hours is concerned, if we had someone in charge of the State Department with the vision and obvious statesmanship of a man such as Walter Lippmann. I say that, Mr. President, because in a series of articles Mr. Lippmann has been writing, he has certainly shown that vision and that understanding of world problems which we have needed for the last several years in the State Department.

The latest excellent article by Walter Lippmann appeared in this morning's Washington Post, under the heading "The Marines in the Lebanon." I ask unanimous consent that the entire article be printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post of July 17, 1958]

THE MARINES IN THE LEBANON

(By Walter Lippmann)

The marines have been landed at Beirut in the desperate hope of limiting the disaster which the Iraqi revolution has brought upon the Western position. It would be a miracle, which is not likely to happen, if the landing, which is now confined to Beirut and the airport, is anywhere nearly sufficient to stabilize the situation. The marines are quite able to protect the capital of the Lebanon just by their presence. But there is no assurance that they will bring the civil war to an end.

Moreover, Jordan which is an artificial and fragile kingdom beset by a revolution similar to that in Iraq, is almost certain to appeal to Britain and America for military assistance. The President will find it as hard to refuse the appeal of King Hussein as the appeal of President Chamoun, though in the case of Jordan it may be British paratroopers who will be sent in.

Possibly, Saudi Arabia will be able to get along without calling for help, largely to be sure by a policy of neutrality which is increasingly benevolent to Nasser.

Finally, it seems most probable that the British will feel that they have to land troops in the little sheikdoms of the Persian Gulf, where are their main oil holdings in the Middle East.

Thus, there is a grim prospect that the British and the Americans will find themselves holding on to beachheads on the fringes of the Arab countries of the Middle East. In no Arab country, except the Lebanon which is about half Christian, does the West have any strong friends. As the cards now lie, the best that President Eisenhower can hope for is that the bigger Arab nations can be contained by a holding operation at the shores of the eastern Mediterranean and of the Persian Gulf.

It will be a momentous question how deeply and for how long American forces are to be tied down in this holding operation. For Nasser will now control, except for Israel, all that we do not hold on to by military force.

The decision to send in Marines was, as we all realize, a tragic choice between two evils. After the Iraqi revolution, it was a virtual certainty that the Lebanon, Jordan, and the Persian Gulf states would fall, too, if they were not supported from the outside. That was the evil the President decided to resist. The other evil, which he had, therefore, to embrace, was that we are now in military opposition to the Arab revolution, and that in the Middle East the alignment is increasingly sharp and spectacular between the Moslem Arabs and the Western Powers with their client states.

The President's speech on Tuesday evening took the unfortunate line of identifying Nasser both with Hitler and with Stalin, and in declaring what amounts to an ideological war against him.

My own view is that the agonizing dilemma in which the President found himself on Monday morning is due to a fundamental error, which many have pointed out, in the conception and design of our Middle-Eastern policy. The error is in believing that the way to stabilize the Middle East is to aline as many Middle-Eastern countries as can be persuaded to join, in a military alliance against the Soviet Union.

This is an error for two main reasons. One is that it is absurd to suppose that a great power like Russia can be excluded from a region which is as close to her and as important to her as is Central America to the United States. The other reason is that the intent of the Arabs is not to be alined with us or with the Soviet Union, but to be neutral and to profit by dealing with both sides.

The policies, based on this misconception, have blown up and are in ruin. They were based on theories which are contrary to the facts of life, and they were certain to fail.

This is not mere post mortem. For it is most probable, it seems to me, that we shall not be able to reach any solution as long as the principle, or rather the ghost, of the old policy continues to dominate the thinking of the White House and of the State Department. That is to say, a policy of the military containment of Nasser, which is what we are now involved in, has no promise of any kind of settlement and is a great threat of far-reaching complications.

The alternative is to propose a settlement in the Middle East based on the principle of neutrality. This is what Egypt professes and probably wants. And for the little States, like Lebanon and Israel, the principle of neutralisation guaranteed by all the great powers and by the United Nations offers the greatest promise.

The essential point is that we should not merely begin on the beaches and then ac-

cept as the best that is possible an indefinitely prolonged indirect and ideological war with the Arab revolution. We should seek a settlement by negotiation, recognizing that both the Soviet Union and the United Arab Republic are powers and have interests with which we must reach an accommodation.

Mr. MORSE. Mr. President, I now wish to call attention to 2 or 3 salient paragraphs in this article. Mr. Lippmann says:

The Marines have been landed at Beirut in the desperate hope of limiting the disaster which the Iraqi revolution has brought upon the Western position. It would be a miracle which is not likely to happen, if the landing which is now confined to Beirut and the airport, is anywhere nearly sufficient to stabilize the situation.

Of course, we know that the course of action our country has taken in Lebanon has not strengthened our prestige from the standpoint of world opinion. It seems that tonight we find ourselves in the tragic position that if we went before the General Assembly of the United Nations, apparently we would not have the two-thirds vote necessary to sustain our position. What a great decline in American prestige that represents.

Mr. Lippmann, in his far-seeing article, says:

Moreover, Jordan, which is an artificial and fragile kingdom beset by a revolution similar to that in Iraq, is almost certain to appeal to Britain and America for military assistance. The President will find it as hard to refuse the appeal of King Hussein as the appeal of President Chamoun, though in the case of Jordan it may be British paratroopers who will be sent in.

That is an interesting prophecy. Mr. Lippmann wrote his article before the British action of landing troops in Jordan.

It had been rather clear to many of us on the Foreign Relations Committee that a joining of the United States and Great Britain to protect oil interests in the Middle East was about to take place; and it has taken place. But, Mr. President, that does not make it right. Mr. Lippmann continues:

It will be a momentous question how deeply and for how long American forces are to be tied down in this holding operation. For Nasser will now control, except for Israel, all that we do not hold on to by military force.

Mr. Lippmann further says:

My own view is that the agonizing dilemma in which the President found himself on Monday morning is due to a fundamental error, which many have pointed out, in the conception and design of our Middle Eastern policy. The error is in believing that the way to stabilize the Middle East is to aline as many Middle Eastern countries as can be persuaded to join, in a military alliance against the Soviet Union.

Farther along in the article Mr. Lippmann says:

This is not mere post mortem. For it is most probable, it seems to me, that we shall not be able to reach any solution as long as the principle, or rather the ghost, of the old policy continues to dominate the thinking of the White House and of the State Department. That is to say, a policy of the military containment of Nasser, which is what we are now involved in, has no promise of any kind of settlement and is a great threat of far-reaching complications.

The alternative is to propose a settlement in the Middle East based on the principle of neutrality. This is what Egypt professes and probably wants. And for the little states, like Lebanon and Israel, the principle of neutralization guaranteed by all the great powers and by the United Nations offers the greatest promise.

Mr. President, I wish to stress Mr. Lippmann's points. I sat in the Foreign Relations Committee yesterday afternoon and listened to the Assistant Secretary of State, Mr. Herter, try to rationalize the position of the administration in respect to the great mistake it has made in the Middle East. As I have previously stated on the floor of the Senate, and now repeat, so long as the American flag remains in Lebanon and the marines remain there I shall support our course of action so far as Congressional support is concerned. But I feel that those of us who share Mr. Lippmann's point of view also have a responsibility to dare to discuss foreign policy with the American people, to the end of getting the facts across to the American people, so that American foreign policy in the Middle East will be changed through the force of public demand.

I believe that there are three great dangers involved in our present course of action in the Middle East. First, there is the danger of a possible war with Russia. However, I believe that Russia, with her vicious, lying, subversive activities, will recognize that we have played right into her hands, and that we have given her grist for her propaganda mill that she can use in the countries of Asia and Africa which she is trying to win away from us. Our armed intervention in Lebanon's civil war is made to order for the Kremlin. It enables the Russians to create the impression that the course of action we are following, along with England's bad policy of colonialism, imperialism, and exploitations in the Middle East for generations back, are proof of Russia's false claim that we are more interested in oil than in right of people to determine for themselves their own form of government.

I am sorry to see that we are maneuvered into such a position by the President's tragic mistake in Lebanon. I think the Russians see the advantage propagandawise that this action has placed in their hands.

Although there is the danger of war, I do not think that is the course of action Russia will follow. She knows that she may win much more in Africa and Asia by capitalizing through propaganda against America than she would ever win by making war against us.

The second danger which confronts us, however, is that we are in Lebanon with no terminal date for getting out. How are we going to get out? When are we going to get out? The longer we stay there the more intense will become the hatred of the Moslem world toward us. Walter Lippmann is right when he says that military containment of Nasser is no answer to peace in the Middle East.

As I said on the radio today, if we ever begin to take sides in civil wars which develop in the underdeveloped and poverty-stricken areas of the world during the next half century, we shall have American soldiers by the thousands in many parts of the world during the next 50 years, trying to contain—as we are apparently trying to do in Lebanon—rebel forces which are seeking to overthrow discredited dictators or governments which have lost the confidence of the people.

The third danger is that if we begin an extension of the kind of action in which we are engaging in Labanon, we shall make a record which will do great discredit to the glorious record of the foreign policy of our country for decades past.

One of the cardinal principles of America's foreign policy is our dedication to the principle of self-determination of peoples. That is why I am so opposed to a course of action which, as was brought out at our meeting yesterday in the Foreign Relations Committee, is based upon supporting a government which asked us to come in, but a government which was confronted by a revolt from within the country on the part of many of its citizens who sought to overturn the government and establish one more to their liking. Under the self-determination principle they have a right to do that. Thomas Jefferson wrote it into our own Declaration of Independence. Our forefathers exercised it against Great Britain. As a result we are a free nation.

It is not for me to say, because I do not know, and I do not know who does know, whether the revolutionists in Lebanon are seeking to establish a government more free than the present Lebanese Government. By inclination I have been very friendly disposed toward the Chamoun government. However, it is not for the United States to impose the Chamoun government upon the Lebanese people. It is for the Lebanese people to decide for themselves what form of government they want.

So in our Foreign Relations Committee meeting yesterday, when Mr. Herter, Assistant Secretary of State, pointed out that the President had ordered the troops into Lebanon to protect American life and property, and had also sent them in on the basis of the invitation of the Chamoun government, in keeping with article 51 of the United Nations Charter, I put to him a question which I wish to put into the CONGRESSIONAL RECORD. I have noted that in many news dispatches today a very interesting turn of semantics is being used upon the American people, namely, the citation of article 51 of the United Nations Charter, as though article 51 of the United Nations Charter approved the course of action of the United States in Lebanon.

There is a great deal of difference between approval and authorization.

During the debate on the NATO treaty in the Senate, under the direction of the man who I believe was the greatest leader and has been the greatest leader in foreign policy in the Senate for the last 25 years, the great Arthur Vandenberg of Michigan, it was my privilege to make a contribution in the discussion of the NATO treaty with regard to article 51 of the United Nations Charter. When

the NATO treaty was before the Senate, there were those who were questioning whether the NATO treaty could be reconciled with the United Nations Charter.

Arthur Vandenberg discussed this contention at great length with a group of us in the Senate. He presented in debate in the Senate our views in respect to the NATO treaty and article 51. He made very clear that article 51 of the Charter in no way limited or took away from any nation in the world its historic right to enter into military alliances or agreements by way of mutual alliances. That is all that article 51 provides and assures.

Therefore, in the case of the United States in Lebanon, under article 51, it is perfectly proper for us to enter into a military alliance with Lebanon. However, in my judgment, if that was to be the purpose of the President of the United States in sending marines to Lebanon, he should have come before Congress and proposed that kind of alliance. He should have asked for the approval of Congress to go into Lebanon in accordance with article 51 of the United Nations Charter, rather than to take it upon himself to go in and cite as one of his reasons article 51 of the United Nations Charter. The President had the right to send troops into Lebanon under his inherent commander-in-chief power, to protect American lives and property.

However, that is a very limited authority, and it can be used only for the period of time necessary in which to evacuate American citizens and nationals from Lebanon.

Have Senators seen any evidence yet that the President of the United States is evacuating the Americans in Lebanon? Of course, if he wishes to exercise his Commander in Chief powers to protect American lives and property the orders ought to be given to take the Americans out of Lebanon. That is not the course of action the President of the United States is following. It is obvious that the controlling purpose of the President was to sustain the Chamoun government in the civil war which confronted it.

I believe Walter Lippmann is so far ahead of the Secretary of State and so far ahead of the President of the United States in regard to the course of action we ought to follow in Lebanon, in keeping with the glorious history of the United States in respecting the right of people to self-determination, that I would make him my choice for Secretary of State, if I were in a position to make that choice.

There are those among us who have been trying to alibi and rationalize the President's action on the basis of the argument by way of false analogy that it is the same thing as Korea. Certain Senators are trying to rationalize their support of President Eisenhower's action in Lebanon by saying it is similar to Korea. The answer is, It is not. In Korea there was Communist aggression across Korea's borders.

Of course, what Mr. Dulles and Mr. Eisenhower do not like about the Lebanon situation is that the Secretary General of the United Nations did not sustain the American contention that there was aggression in Lebanon from outside. To the contrary, Mr. Hammarskjold's report to the United Nations left no doubt about his finding that the revolt in Lebanon was basically a civil war. Our claims with regard to outside aggression did not stand up under impartial examination by the Secretary General of the United Nations.

This was not like Korea. The finding of Hammarskjold was that there was no massive aggression from the outside. "Oh, but," says our State Department, "We have some evidence that some arms were shipped in from the outside." Of course they were. And some American arms were shipped in, too. Let us never forget that.

The Chamoun forces have sought American arms and received American military aid. The rebel forces have sought arms from other countries and have received them. That is why the senior Senator from Oregon has consistently taken the position in the Senate for the past several years that there should be no shipment of arms to any part of the Middle East by any country in the world, because an armaments race in the Middle East was bound to lead to the kind of crisis we are getting now in Iraq, Lebanon, and Jordan, and which will develop in other parts of the Middle East because of the arms race we have helped to support in the Middle East.

I close with my final answer to those who are trying to rationalize the position of Lebanon on the basis of Korea. Let us not forget that the Communist hordes poured across the boundaries of Korea and attacked American forces and American interests, and that we acted in self-defense. Let us not forget that we had in Korea, at the time, American contingents which were being of assistance to the Government of Korea in trying to build up and train the military forces of Korea.

There is a vital difference between an attack, which put us in the position of self-defense in Korea, and no attack upon us whatever in Lebanon.

In Lebanon we were not attacked. Let us not be fooled by the fallacy of the false analogy that sending troops to Lebanon is the same or similar to sending troops to Korea. Such statements are based either on deception or on ignorance.

As far as the welfare of our country in this hour of crisis is concerned, it makes little difference whether it is deception or ignorance. Therefore, I say that in these critical days, with many of the United Nations countries at least cool to the American position, my country should not be trying to pick up the debris of a fallen British Empire in the Middle East. The British power in the Middle East fell apart because of its colonial imperialistic exploiting practices of the natural resources of backward areas of the world, whose peoples today are on the march for greater freedom.

So when people ask me, as I was asked today on the radio, "What do you propose, Senator?" I suggest—I propose—the kind of program, for example, which Walter Lippmann outlined this morning in the Washington Post and Times Herald. There is statesmanship connected with that program. There is hope for peace connected with that program.

But seeking to man with American marines the various countries of the world which are in revolt against governments which have lost the confidence of their people will not lead to peace, nor will it lead to the protection of that great and glorious principle of our foreign policy: The right of self-determination by the people of any country who are struggling for freedom to set up a government of their own choice, free from armed intervention by any outside nation.

Our policy now should be to withdraw our nationals and our marines from Lebanon and call upon the United Nations to police the borders of Lebanon so that aggression from the outside cannot take place. It is not too late for us to keep faith with our glorious past.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

ADDITIONAL REPORTS OF A COMMITTEE

The following additional reports of a committee were submitted:

By Mr. HILL, from the Committee on Labor and Public Welfare, without amendment:

H. R. 12694. An act to authorize loans for the construction of hospitals and other facilities under title VI of the Public Health Service Act, and for other purposes (Rept. No. 1846).

By Mr. HILL, from the Committee on Labor and Public Welfare, with amendments:

H. R. 12628. An act to amend title VI of the Public Health Service Act to extend for an additional 3-year period the Hospital Survey and Construction Act (Rept. No. 1847).

ADDITIONAL BILLS INTRODUCED

The following additional bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ALLOTT:

S. 4148. A bill for the relief of Constantinos Demos; to the Committee on the Judiciary.

By Mr. HENNINGS:

S. 4149. A bill for the relief of Edward D. Clay and certain endorsers; and

S. 4150. A bill for the relief of Kazuko Yamanaka Barker; to the Committee on the Judiciary.

By Mr. KUCHEL (for himself and Mr. KNOWLAND):

S. 4151. A bill to amend the Agricultural Adjustment Act of 1938, as amended, so as to establish uniform provisions for transfer of acreage allotments; to the Committee on Agriculture and Forestry.

TECHNICAL CHANGES IN FEDERAL EXCISE TAX LAWS — AMENDMENTS

Mr. DOUGLAS submitted amendments, intended to be proposed by him to the bill (H. R. 7125) to make technical changes in the Federal excise tax

laws, and for other purposes, which were referred to the Committee on Finance, and ordered to be printed.

EXTENSION OF TRADE AGREEMENTS ACT—AMENDMENTS

Mr. KENNEDY (for himself, Mr. HUMPHREY, and Mr. JAVITS) submitted amendments, intended to be proposed by them, jointly, to the bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, which were ordered to lie on the table, and to be printed.

Mr. PURTELL submitted amendments, intended to be proposed by him, to House bill 12591, supra, which were ordered to lie on the table, and to be printed.

Mr. JOHNSON of Texas (for himself, Mr. KNOWLAND, Mr. BYRD, Mr. MARTIN of Pennsylvania, Mr. DOUGLAS, and Mr. WILLIAMS) proposed an amendment, to House bill 12591, supra, which was ordered to lie on the table, and to be printed.

Mr. DOUGLAS submitted amendments, intended to be proposed by him, to House bill 12591, supra, which were ordered to lie on the table, and to be printed.

DESIGNATION OF THE GOLDEN CORN TASSEL AS THE NATIONAL FLORAL EMBLEM—ADDITIONAL COSPONSORS OF JOINT RESOLUTION

Mr. DOUGLAS. Mr. President, I ask unanimous consent that the names of the distinguished senior Senator from Montana [Mr. MURRAY], and the distinguished junior Senator from Vermont [Mr. FLANDERS] may be added as cosponsors of the joint resolution (S. J. Res. 105) designating the golden corn tassel as the national floral emblem of the United States, introduced by me on June 17, 1957.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOUGLAS. Mr. President, I should also like to thank the operators of the Senate restaurant for their fine cooperation in helping to make National Golden Corn Tassel Day, which we observed on July 2, the big success that it was. On that day we also honored Miss Margo Cairns, the Corn Tassel Lady, who has been devoting her full time to this worthy project. I want to take this opportunity to thank those who joined us in honoring her.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, July 17, 1958, he presented to the President of the United States the following enrolled bills:

S. 655. An act for the relief of Brig. Gen. Chester W. Goble;

S. 1850. An act to implement item I of a Memorandum of Understandings attached to the treaty of January 25, 1955, entered into by the Government of the United States of America and the Government of the Republic of Panama with respect to wage and employment practices of the Government of the United States of America in the Canal Zone;

S. 2621. An act for the relief of Olive V. Rabiniaux;

S. 2833. An act to provide for the conveyance of the interest of the United States in and to certain fissionable materials in a tract of land in the county of Alamance, State of North Carolina; and

S. 3057. An act to increase the compensation of the Superintendent of Schools and the Commissioners of the District of Columbia.

ADJOURNMENT TO 11 A. M. TOMORROW

Mr. MANSFIELD. Mr. President, under the order previously entered, I move that the Senate adjourn until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 9 o'clock and 51 minutes p. m.) the Senate adjourned, the adjournment being under the order previously entered, until tomorrow, Friday, July 18, 1958, at 11 o'clock a. m.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 17, 1958:

NATIONAL SCIENCE FOUNDATION

Morrough P. O'Brien, of California, to be a member of the National Science Board, National Science Foundation, for the remainder of the term expiring May 10, 1960.

BOARD OF REGENTS OF THE NATIONAL LIBRARY OF MEDICINE

The following-named persons to be members of the Board of Regents of the National Library of Medicine, Public Health Service, for terms expiring August 3, 1961:

Dr. William Bennet Bean, of Iowa.

Dr. William Walter Stadel, of California.

CIRCUIT COURTS FOR THE TERRITORY OF HAWAII

Edgar D. Crumpacker, of Hawaii, to be first judge of the first circuit, for the term of 6 years.

William Z. Fairbanks, of Hawaii, to be second judge of the first circuit, for a term of 6 years.

Harold W. Nickelsen, of Hawaii, to be second judge of the third circuit, for the term of 6 years.

HOUSE OF REPRESENTATIVES

THURSDAY, JULY 17, 1958

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Psalms 91: 2: *I will say of the Lord, He is my refuge and my fortress; my God; in Him will I trust.*

Almighty God, we are turning unto Thee in prayer for Thou art our refuge and strength, a very present help in time of trouble.

We beseech Thee to gird us, in these perilous days, with that wisdom which never errs, that love which never forsakes, and that strength which never fails.

Kindle within the hearts of the peace-loving nations the spirit of brotherhood that in times of suffering and tribulation we may all minister unto one another's needs.

Show us how we may bring to fulfillment and fruition those noble impulses of good will and friendship which Thou hast planted within the soul of man.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

TRADING IN ONION FUTURES

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 376) to amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges, with a Senate amendment thereto, disagree to the amendment of the Senate, and ask for a conference with the Senate on the disagreeing votes of the two Houses.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. COOLEY, POAGE, ANFUSO, HILL, and HOEVEN.

COMMITTEE ON HOUSE ADMINISTRATION

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Subcommittee on Elections of the Committee on House Administration may be permitted to sit during general debate while the House is in session during the balance of the week.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

RETARDED CHILDREN

Mr. DORN of New York. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DORN of New York. Mr. Speaker, as a member of the board of trustees of the League School for seriously disturbed children, I was heartened to learn that Senator BUSH, of Connecticut, had introduced in the Senate a joint resolution to provide that during the period commencing November 16 and ending November 28, 1958, the people of the United States be urged to give especial consideration to the needs and rights of the retarded children of the Nation. I am proud to introduce a companion resolution in the House, and did so yesterday.

The League School in my District in Brooklyn has won national recognition as the first nonresidential school for children heretofore given up as hopelessly uneducable. Psychiatrists, educators, and other professionals from different parts of the country and Canada have come to study and observe the work of the League School in order to start similar projects in their communities. The school has recently received a grant from the National Institute of Mental

Health to start a demonstration nursery school for retarded and disturbed children.

As another important means in making more people aware of the necessities involved in the treatment of mentally retarded and disturbed children and adults, I am very pleased to introduce this resolution.

COMMITTEE ON RULES

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

CALL OF THE HOUSE

Mr. WILLIAMS of Mississippi. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 132]

Allen, Calif.	Edmondson	Powell
Anderson, Mont.	Engle	Radwan
	Friedel	Reece, Tenn.
Baring	Glenn	Roberts
Buckley	Gordon	Robeson, Va.
Burdick	Gregory	Shelley
Carnahan	Gwinn	Shuford
Chamberlain	Hays, Ark.	Sieminski
Christopher	Jenkins	Smith, Kans.
Clark	Kearney	Talle
Denton	Kearns	Trimble
Dies	LeCompte	Vorys
Diggs	Machrowicz	Williams, N. Y.
Dixon	Miller, Md.	
Eberharter	Moulder	

The SPEAKER. On this rollcall 377 Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION BILL, 1959

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report on the bill H. R. 11645, making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1959, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

ESTABLISHING RULES OF INTERPRETATION FOR FEDERAL COURTS INVOLVING THE DOCTRINE OF FEDERAL PREEMPTION

Mr. WILLIS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 3) to establish rules of interpretation governing questions of the effect of acts of Congress on State laws.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 3, with Mr. THOMPSON of Texas in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the gentleman from New York [Mr. CELLER] had 9 minutes remaining; the gentleman from New York [Mr. KEATING] had 25 minutes remaining, and the gentleman from Louisiana [Mr. WILLIS] had 21 minutes remaining.

The Chair recognizes the gentleman from New York [Mr. KEATING].

Mr. KEATING. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, there are many very learned constitutional lawyers in this body, but there are some Members who are not lawyers. Some of those who are not attorneys had the idea that I might know something about this bill and so they asked me about some of its provisions—and I had to admit that while I had a license to practice law, that did not necessarily mean that I had any great knowledge of constitutional law or of the Constitution. This time was taken so that I might, not so much give light, but be advised myself about what was here involved.

Here in my hand is the decision in the Nelson case made on April 2, 1956, the opinion by Chief Justice Warren. Permit me to ask the ranking minority member of the committee which reported this bill out whether or not the State of Pennsylvania, at the time Nelson was convicted had a statute which called for a penalty when an individual was guilty of what was known as seditious conduct; is that correct?

Mr. KEATING. I will say to the gentleman that that is my understanding; yes.

Mr. HOFFMAN. That is it?

Mr. KEATING. Yes; that is the statute which was struck down by the Supreme Court.

Mr. HOFFMAN. And then later on the Congress enacted this statute which we find on page 14 of this opinion, title 18, United States Code, section 2385.

Mr. KEATING. I do not have the opinion in front of me. Congress did enact legislation thereafter; that is right.

Mr. HOFFMAN. Covering a similar field?

Mr. KEATING. That is right.

Mr. HOFFMAN. Then Steve Nelson was convicted in the State of Pennsylvania and given a sentence of 20 years and a fine; because he violated the State law; is that right?

Mr. KEATING. That is right.

Mr. HOFFMAN. Then the case was appealed to the United States Supreme Court?

Mr. KEATING. That is right.

Mr. HOFFMAN. And the sole issue before the Supreme Court was whether or not by the enactment by the Congress of this statute which provides and I quote—whether that United States enactment superseded and nullified the Pennsylvania statute; is that right?

Mr. KEATING. That is my understanding of the issue.

Mr. HOFFMAN. That is the way I understand it. There are not very many technicalities about it.

Mr. KEATING. When the gentleman has finished his questions, I should like to comment on the Supreme Court decision.

Mr. HOFFMAN. Very well.

Mr. CELLER. Mr. Chairman, will the gentleman yield at that point?

Mr. KEATING. Mr. Chairman, I understand that the gentleman from Michigan has yielded to me.

Mr. HOFFMAN. I must yield to a member of my own party first; that is the procedure.

Mr. KEATING. I thank the gentleman.

Mr. HOFFMAN. But please do not make it too long.

Mr. KEATING. If I do, I shall yield the gentleman additional time, if he needs it.

The gentleman has raised a very important point here. We have heard a great deal in this debate about the Nelson case. There are many of us, including the gentleman now speaking, who want to enact legislation to take care of the Nelson case. We will have that opportunity when a substitute will be offered here by the gentleman from Pennsylvania [Mr. WALTER]. H. R. 3, I will say to the members of the committee, will not take care of the Nelson case.

Mr. HOFFMAN. Wait a minute. Let me ask the gentleman one there.

Mr. KEATING. All right.

Mr. HOFFMAN. What is a poor ignorant fellow like me going to do when we have the gentleman from Pennsylvania [Mr. WALTER], the gentleman from New York [Mr. CELLER], and yourself here all with different ideas as to the meaning of proposed legislation? You are all learned gentlemen, all great constitutional lawyers.

Mr. KEATING. The gentleman now addressing us is a learned gentleman and an excellent representative of his District. I am pointing out to him the reasons why he should support the amendment to be offered by the gentleman from Pennsylvania [Mr. WALTER], because that will deal squarely with the Nelson case. It will prevent another Supreme Court decision like this one, which I protest.

Mr. HOFFMAN. The gentleman is going pretty far when he says it will prevent another decision like that.

Mr. KEATING. H. R. 3 will leave the subject wide open. The Supreme Court when presented with another Nelson case will decide it just the same way even after H. R. 3 has been enacted, in my judgment.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. KEATING. I yield the gentleman a couple of more minutes.

Mr. HOFFMAN. A couple? That will not do any good. How much time will the gentleman from New York give me?

Mr. CELLER. I have no time.

Mr. HOFFMAN. I cannot yield, then.

This may be a laughing matter, but I have an idea it is a very serious one. Perhaps we should take the Willis amendment to the Walter amendment—approve that, the Walter amendment, as amended, and pass the bill—that appears the thing to do. As I understand the Nelson decision, the Supreme Court said when we passed the Smith Act we intended, in effect at least, to wipe out all State legislation in that field that had gone before. Does the gentleman know any Member of the House who had any such thought as that in mind?

Mr. KEATING. I do not.

The act we passed reads:

Whoever knowingly or willfully advocates, abets, advises, or teaches the duty, necessity, desirability, or propriety of overthrowing or destroying the Government of the United States or the government of any State, Territory, District, or possession thereof, or the government of any political subdivision therein, by force or violence, or by the assassination of any officer of any such government; or

Whoever, with intent to cause the overthrow or destruction of any such government, prints, publishes, edits, issues, circulates, sells, distributes, or publicly displays any written or printed matter advocating, advising, or teaching the duty, necessity, desirability, or propriety of overthrowing or destroying any government in the United States by force or violence, or attempts to do so; or

Whoever organizes or helps or attempts to organize any society, group, or assembly of persons who teach, advocate, or encourage the overthrow or destruction of any such government by force or violence; or becomes or is a member of, or affiliates with, any such society, group, or assembly of persons, knowing the purposes thereof—

Shall be fined not more than $10,000 or imprisoned not more than 10 years, or both, and shall be ineligible for employment by the United States or any department or agency thereof, for the 5 years next following his conviction.

Now where in that act did the Court find the words which justify the conclusion that we—the Members of Congress—wished and intended to nullify all State legislation on attempts to overthrow the Government by force or to give the Federal Government exclusive jurisdiction on that subject?

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Indiana.

Mr. HALLECK. Of course we did not mean anything like that. It is not in connection only with the Nelson case but many others, and others that may arise hereafter. That is the reason H. R. 3 should be adopted.

Mr. HOFFMAN. I will include in my remarks the dissenting opinion in one of two cases which came up recently, on May 26, I think it was, one from Alabama and one from California, where Mr. Chief Justice Warren said that a man who was deprived of the right to work, deprived of his property—wages—should not have a remedy—and he always has had under the common law from the beginning of time when we had any law—he should not have a right to damages—because if he and others were given a verdict—it would "bust" the union. You know what I mean by "bust," break it, bankrupt it. You read these decisions and also the one he put in where he said in deciding cases the Supreme Court should stick to precedent. This was his statement. I quote:

The principles declared in *Garner* v. *Teamsters C. & H. Local Union, supra,* were not the product of imperfect consideration or untried hypothesis. They comprise the fundamental doctrines that have guided this Court's preemption decisions for over a century.

Then you remember your sedition cases where he forgot all about precedent?

You would be amazed at the apparent lack of common sense and logical reasoning that Judge Warren can crowd into a few pages.

Take a look at these quotes from the Runnel case:

[From the CONGRESSIONAL RECORD of July 8, 1958]

There are other vices in the punitive recovery. A principal purpose of the Wagner and Taft-Hartley Acts is to promote industrial peace. Consistent with that aim Congress created tribunals, procedures and remedies calculated to bring labor disputes to a speedy conclusion. Because the availability of a State damage action discourages resort to the curative features of the pertinent Federal labor law, it conflicts with the aims of that legislation. In a case such as the present one, for example, the plaintiff is unlikely to seek a cease-and-desist order, which would quickly terminate the section 8 (b) (1) (A) unfair labor practice, if he is assured compensatory damages and has the prospect of a lucrative punitive recovery as well.

* * * * *

Even without the punitive element, a damage action has an unfavorable effect on the climate of labor relations. Each new step in the proceedings rekindles the animosity. Until final judgment the action is a constant source of friction between the parties. In the present case, for example, it has been nearly 6 years since the complaint was filed. The numerous other actions awaiting outcome of this case portend more years of bitterness before the courts can conclude what a Board cease-and-desist order might have settled in a week. As the dissent warned in *United Constr. Workers* v. *Laburnum Constr. Corp.* (347 U. S. 656, 671), a State-court damage action for conduct that constitutes an unfair labor practice "drags on and on in the courts, keeping old wounds open, and robbing the administrative remedy of the healing effects it was intended to have."

* * * * *

A field representative of the United Construction Workers, an affiliate of the United Mine Workers, informed plaintiff's foreman that he was working in Mine Workers territory, and demanded that his union be recognized as the sole bargaining agent for the employees. Otherwise, he threatened, the United Construction Workers would close down all of the work. At the time of this ultimatum not a single worker in Laburnum's employ belonged to the stranger union. Plaintiff refused. A few days later the union representative appeared at the job site with a rough, boisterous crowd variously estimated from 40 to 150 men. Some were drunk. Some carried guns and knives. Plaintiff's employees were informed that they would have to join the United Construction Workers or "we will kick you out of here." A few workers yielded to the mob. Those who refused were subjected to a course of threats and intimidation until they were afraid to proceed with their work. As a consequence, the employer was compelled to discontinue his work on the contract and it was lost. The employer sued the United Construction Workers for the profits lost by this interference, recovering compensatory and punitive damages. This court affirmed.

There are at least three crucial differences between this case and Laburnum. First, in this case the plaintiff is seeking damages for an interference with his right to work during a strike. Since the right to refrain from concerted activities is protected by section 7 of the act, a section 8 (b) (1) (A) unfair labor practice is inherent in the wrong of which plaintiff complains, and the Federal act offers machinery to correct it.

* * * * *

Finally, the effect of punitive damages in cases such as the present one is entirely different from that which results from the recovery sanctioned in Laburnum. Since the wrong in Laburnum was committed against an employer, the damages exacted there were probably the extent of the defendant's liability for that particular conduct. Where it is employees who have been wronged, however, there may be dozens of actions for the same conduct, each with its own demand for punitive damages. In the instant case, for example, Russell is only 1 of 30 employees who have filed suits against the union for the same conduct, all of them claiming substantial punitive damages. Whatever the law in other States, Alabama seems to hold to the view that evidence of a previous punitive recovery is inadmissible as a defense in a subsequent action claiming punitive damages for the same conduct. Thus, the defendant union may be held for a whole series of punitive as well as compensatory recoveries. The damages claimed in the pending actions total $1,500,000, and to the prospect of liability for a fraction of that amount may be added the certainty of large legal expenses entailed in defending the suits. By reason of vicarious liability for its members' ill-advised conduct on the picket lines, the union is to be subjected to a series of judgments that may and probably will reduce it to bankruptcy, or at the very least deprive it of the means necessary to perform its role as bargaining agent of the employees it represents.

Since when has the financial result of a verdict in a civil damage tort action been decisive as a matter of law?

Mr. WILLIS. Mr. Chairman, I yield the balance of my time to the gentleman from Virginia, Judge SMITH.

Mr. SMITH of Virginia. Mr. Chairman, this is a serious, a far-reaching bill that is deserving of your most careful and deliberate consideration. I introduced this bill 4 years ago and I have been trying to get it through since. In that effort I have had the constant collaboration and aid of that able and distinguished lawyer from Mississippi, Representative WILLIAM COLMER, a coauthor of the bill. I think I know something about it because I have heard all the arguments pro and con. I hope you will do me the courtesy of listening to me because I want to pick up a few of the odds and ends that have gone on in this debate and answer some of the questions. This bill does exactly two things. It is very brief. It just does two things. It says to the Supreme Court—

First. Do not undertake to read the minds of the Congress; we, in the Congress, think ourselves more capable of knowing our minds than the Supreme

Court has proved itself capable of in the past; and we will do our own mind reading; and we are telling you that when we get ready to repeal a State law or preempt a field, we will say so and we will not leave it to the Supreme Court to guess whether we are or not. That is No. 1.

Second. The other thing this bill does is to say that the Supreme Court must not knock down State laws unless they are in irreconcilable conflict with a Federal law. What that means is that the Federal law shall always be supreme when it is in conflict with State law, but if it is not in conflict with the State law that the Supreme Court must not go out of its way to knock down State laws unless the Congress has told them to do so. That part of the law has been the law for 99 years by the word of the Supreme Court of the United States in the case of Sinnot against Davenport decided in 1859. In that case the Supreme Court in its opinion used the identical language that is used in this bill. The language of this bill was copied from the decision of the Supreme Court which said that there must be a conflict between the State and the Federal law, otherwise the States shall be permitted to carry on their local affairs. It is that simple. Here is the language which was used, and if you have the bill before you, you can follow it. It is in the next to last section of the bill, the last two lines. Here is the language that the Supreme Court used and this bill quotes that language: That the conflict between the State and the Federal law must be direct and positive so that the two acts cannot be reconciled or consistently stand together.

What all that means is what this Government started with, and that is the old Jeffersonian principle that the best government is the local government and that we should let our States write our laws as far as they reasonably can when it does not conflict with Federal law. This whole argument has been a mystery to me and it is still a mystery to me. Why the opponents of this bill are afraid to trust the people who sent them here to the Congress from back home. That is the mystery about this bill to me. What are you afraid of? Why are you not willing to let your people back home be governed by the laws of your home State? Are you afraid of the people who trusted you and who were not afraid of you when they sent you here to the Congress to represent them? Let us take some of the things that have been brought up in this bill. I want to tell you what position has been taken by outstanding people. We have had a lot of lawyers talking here—and a lot of good lawyers, but I think I can quote you some better lawyers. I will first, however, quote to you the words of a man who is not a lawyer. What did the President of the United States say on this general subject? He said this in his campaign pledge:

> I want to see maintained the constitutional relationships between the Federal and State Governments. * * * For, if the States lose their meaning, our entire system of government loses its meaning. And the next step is the rise of the centralized, national state in which the seeds of autocracy can take root and grow. * * * We will see that the legitimate rights of the States and local communities are respected. * * * We will not reach into the States and take from them their powers and responsibilities to serve their citizens.

That is what the President of the United States said and he has never retreated from that position. But what did he do to carry it out? As soon as he was elected President the first time, he appointed a commission. That was the Commission on Intergovernmental Relations to look into this very type of thing. They studied it for over a year and came out with a report, a copy of which I hold in my hand, and they dealt with this subject that H. R. 3 deals with. Here is what they said. Here is the recommendation of the President's own Commission. On this subject they say:

> Second. National laws should be so framed that they will not be construed to preempt any field against State action unless this intent is stated.

That is what H. R. 3 says. I did not know this was in there when I introduced H. R. 3. It was brought to my attention by a member of the Commission long after. Then it says:

> Third. Exercise of national power on any subject should not bar State action on the same subject unless there is positive inconsistency.

There are the two features I have just described to you contained in H. R. 3. They are in exactly the same words as H. R. 3. That is the President's Commission. That is what the President has said. That is what his Commission has said, appointed pursuant to his campaign promises.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. HALLECK. It occurred to me that it might be of some interest to recall that the Commission was created by a resolution introduced in the other body by the late Senator Taft and by me in the House, as majority leader at that time.

Mr. SMITH of Virginia. Yes. So it has the sanction not only of the President but the sanction of the Democrats and Republicans in both the Senate and the House.

With that background I repeat: What is the mystery of these opponents that motivates them to oppose the bill and not be willing to trust the President of the United States, the Commission to leave in the hands of their own people, their local government, but want to bring it here to Washington, far removed from their own State?

Let us see what the Attorney General said. The Attorney General is opposed to this bill. We will take him next. When the Supreme Court decided the Nelson case in favor of the Communists the Attorney General filed a brief amicus curiae in the Supreme Court and he made some speeches about it. And here is what the Attorney General, who is opposed to this bill, said—

> To warrant a holding that State legislation which is otherwise a valid exercise of the State's police power has been superseded or suspended by an act of Congress dealing with the same subject matter, the Congressional act must be in irreconcilable conflict with the State act, or the Congressional intent to occupy the field exclusively must otherwise appear.

There is the position of the Attorney General. What are they afraid of? Why do they not trust the people back home?

It was said here that the American Bar Association was against the bill. Let us see what the American Bar Association said after due deliberation. Now, Mr. Chairman, the American Bar Association has nothing to gain in this except to approve of good law. Here are the people who have to live with the law. Any good lawyer will tell you if you ask him that this law and other laws have become so confused by recent decisions of the Court that no lawyer can safely advise his client what the law is today or what it will be tomorrow. Here is what the American Bar Association in convention assembled said:

> *Resolved*, That the American Bar Association favors the enactment into law of H. R. 3, entitled "A bill to establish rules of interpretation governing questions of the effect of acts of Congress on State laws," and authorizes and directs the standing committee on Jurisdiction of Law Reform to advocate by all appropriate means its passage by the Congress of the United States.

Do you want anything clearer than that? There is a body of lawyers, the most respected you can find throughout the 48 States of the Union. They support this bill.

Another body that might have some bearing with the Members who are opposed to this bill is an organization known as the Organization of Chief Justices, made up of the chief justices of every State. In a recent meeting, and I have only a newspaper clipping here, that organization met and they deplored the preemption doctrine. They appointed a committee of eminent jurists from the various States of the Union to go into this subject to recommend ways in which this doctrine of preemption should be done away with or modified so as not to destroy the fundamental principle of this Government, which is the right of self-government locally and at home.

I ask you again: What are you fellows who oppose this bill afraid of with your home people who have trusted you? Why will you not trust them to govern themselves?

We have another body of eminent citizens; it is the conference of governors of the 48 States of the Union. In their last convention at Atlantic City, which was in 1956, they passed a resolution urging the Congress to support legislation to modify and do away with that preemption doctrine. I have a telegram here that was sent me on the day it was adopted, sent me by the distinguished Governor of the great Commonwealth of Virgina. Every one of you has been elected to this Congress because your home folks who elected those governors, trusted you. Why are you afraid to trust them? What is the mystery behind it?

There is another organization, the National Association of State Attorneys-General. They have seriously urged the adoption of legislation to modify this law.

I think if you will look at the hearings on this bill you will find telegrams to this committee from some 20 or 30 attorneys general of various States, your own local men who have been elected to protect their rights, their liberties, and their freedom by the people of your State. Why are you afraid to trust them?

There are many other organizations. I shall not even have time to read all the names, national organizations all over the United States, including the Small Business Organization, and the Farm Bureau Federations. There is also the National Grange.

Now, Mr. Chairman, I say there is a mystery about this. I do not know what it is. I asked one Member yesterday why he had voted against even considering this bill when he came from a farming district. He said, "Because I have got more labor unions in my District than I have farmers." That was an honest answer and I appreciated it. I wonder how many Members of this House are motivated by the same thing, because I have a letter, and I think you all received it, signed by a gentleman who designates himself as a director of legislation, of the American Federation of Labor and CIO. He says that the principle or motivation behind this is an attempt to rebuke the Supreme Court for its decision in the segregation and civil liberties cases. I think that has been clearly expounded to you.

Let me say one thing that answers all of this foolishness. In the first place, that question was raised in the committee hearings. I stated it had no bearing upon it. This bill was introduced before the segregation case was ever decided by the Supreme Court. This bill was introduced long before the civil rights question ever came before the House. When I was asked before the committee that question I said that it could have no possible bearing on it for the simple reason that nothing you can do in this Congress affects anybody's constitutional right and the rights proclaimed under the segregation decision and under the civil rights bill, are rights claimed under the 14th amendment of the United States. We cannot repeal it, we cannot modify it, we cannot do anything that will affect those rights. All of you who have ever passed a bar examination know that and anybody who says to the contrary is not doing justice by his own legal knowledge.

Let us see how much this hurts labor. I wish I had a little extra time. How much time is the gentleman from New York going to give me?

Mr. KEATING. How much time do I have remaining?

The CHAIRMAN. The gentleman from New York has 18 minutes remaining.

Mr. KEATING. I have requests for 27 minutes.

Mr. SMITH of Virginia. I just asked a simple question, is the gentleman going to give me some time?

Mr. KEATING. No. I offered to yesterday.

Mr. SMITH of Virginia. All right. Mr. Chairman, I would like you folks who are for and against this bill to read a recent case in the Supreme Court of the United States. I was going to read some extracts from it but I do not have time.

But here is what happened: A local union of steelworkers in Utah held an election and got themselves elected as the representatives of the laborers in that factory. They brought an unfair labor practice case in the National Labor Relations Board against the employer. The National Labor Relations Board threw it out and said: "This is a local situation, we have not time to bother with it, we will not give you relief."

The union then went to a similar State board in the State of Utah. That board found the employer guilty and gave the union the relief they asked. The case was taken to the Supreme Court of the United States. The Supreme Court of the United States held that the Congress has preeempted this field, we cannot do anything about it, and you cannot do anything about it. You cannot get any relief from local people, you cannot get any relief from the Government of the United States. So we turn you out to graze without any relief. But added that Congress could change it if it so desired.

That is the case of Gus against the Utah Labor Relations Board, the decision being rendered in March, 1957. This bill would cure that defect. What sort of representation are you opponents of the bill giving to organized labor?

I ask you people who are so anxious to protect the rights of labor, what are you going to do about that? What are you afraid of? Are you afraid to let your people back home that gave authority through the State legislatures to give relief in such cases have just a little self-government? Are you going to say: "No, you cannot have any relief. We want everything centered in Washington."

Mr. Chairman, some amendments are going to be offered to this bill. The purpose of those amendments is not to help the bill or to help the situation. The purpose of those amendments is to destroy this bill. We will argue them when they come up. One amendment will say that this shall apply only to the Steve Nelson case. If it is good for the Steve Nelson case it is good for some other cases. Let us take the case in Virginia on narcotics. Here is a photostatic copy of the plea in that case in which the seller challenges the law of the State of Virginia for prosecuting him in Fairfax County, on the ground that Congress by the recent narcotics act has preempted the field. Is that the kind of a Government you want to live under? Are you afraid to trust the people of Fairfax to take care of their citizens when the Federal Government cannot do it? What are you afraid of? All right.

I have here a telegram from the Medical Association of the State of Minnesota. They have representatives here from Minnesota in the Congress. They urge the passage of this bill because they are denied the right to police pharmaceutical associations that are selling drugs that are habit forming.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. KEATING. Mr. Chairman, I yield 8 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Chairman, I rise in support of this bill and against the amendments I have heard will be introduced.

Now, I realize, of course, that this is a legal problem fundamentally. However, that is not to say those who are not lawyers in the House cannot have an opinion about it, because certainly they can. And, even as in a court of law, when a jury is finally called upon to decide a case, they, too, have to consider what the law is as best they can determine it. However, I suppose as we have practiced law, those of us who are lawyers know that whenever we call an expert witness, who is to give an opinion about a matter, we undertake to qualify him as an expert, which simply involves disclosing that he has the experience and the background which will enable him to offer a valid opinion. I do not know if I qualify as an expert, except I did go to a pretty good law school; I led my class, and I practiced law for 10 years, both as a prosecuting attorney and as a trier of cases in civil courts.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. Briefly.

Mr. HOFFMAN. How long have you been studying this particular legislation?

Mr. HALLECK. This particular legislation has been before us in some form for 4 or 5 years, but I might say to the gentleman that the fundamental here involved has been a matter of primary concern to me for many more years than that.

Since the gentleman brought it up, I remember going out to the State of California to debate before the California Bar Association, alongside the late Senator Taft, of Ohio, against certain other people here in the Congress, two things: the Taft-Hartley Act and this business of centralization of control and authority in Washington as against the preservation of rights in the States and local communities. Subsequently I came back to Washington and in December of 1948 I was invited to speak to the Pennsylvania Society at a dinner in New York. There were some 1,400 people assembled there at the Waldorf. And there, because it was a State society meeting, I undertook to discuss the same problem we had debated in California. On my right sat a gentleman I did not know very well. He was Gen. Dwight D. Eisenhower, who was there to receive the gold medal of that society as the outstanding man of the year. And, I recall, he paid close attention to what I had to say as to the absolute necessity for preserving State and local rights, and when I sat down he congratulated me with obvious sincerity and said that he thought I touched upon one of the most fundamental things in our Republic today.

In my opinion, this doctrine of preemption has gone wholly too far, away beyond anything that the Congress of the United States ever intended. There are a great number of matters: narcotics, bank robberies, bank burglaries, kidnaping, sabotage, and others that the

States have legislated upon. Will preemption one day be asserted against them?

Now, some people say that this sort of action is overruling the Supreme Court. Nothing could be further from the truth. Here we deal with statutes. We can repeal them, amend them in any way we want; we can restate legislative intent. Yes—we can repeal them subject only to Presidential veto. The issue has nothing to do with overruling the Supreme Court.

It has been argued here quite glibly by some people who are in opposition to this legislation that it is going to take away rights. Let us examine that; whether it is civil rights legislation enacted by the Congress, or the guaranty of rights in the Labor-Management Relations Act of 1947, known as the Taft-Hartley Act, in which act, for instance, we guarantee, among other rights, the right of labor to organize and bargain collectively.

Under the very terms of this legislation, if it is adopted, any State that would undertake to take away any of those rights would immediately find itself in irreconcilable conflict with the Federal statute, and the State statute would fall. Who is there who can deny that? If there is anyone, let him rise in his place.

And so it can be said all the way through the whole fabric of Federal legislation. Some say that this approach is not sound. They admit readily, as I am sure the gentleman from Pennsylvania, [Mr. WALTER], would, that you can come in and amend the sedition statute to deal with the Steve Nelson case. They say you can do it individually with respect to any statute, and no one can deny that right in the Congress. But somehow or other, they insist it is improper if you have this general rule of construction. Let us examine that for a minute.

You have a Federal statute dealing with a certain area and you have a State statute, and the question of preemption is raised as against the State statute. The Court, when it makes its decision, when H. R. 3 becomes law—and may I say at this point that I believe it is going to become law, and I think I can speak with about as much authority on that as anyone here—what would the Court have to do in that case? The Court would look at the Federal statute and the State statute and the Court would look at this legislation which will be included in title I of the code along with many other similar provisions, to determine whether or not preemption was to apply. It is just that simple. It simply restates what was the clear intention of the Congress of the United States, something we have a perfect right to do.

It has been suggested that this ought to be amended to apply just to future enactments of the Congress of the United States. Let us look at that. In the first place, you do not need any general legislation to accomplish that. In recent months and years we have had a number of bills here, and if they did not have an antipreemption provision in them, an amendment went through with a whoop and a holler to provide against preemption. So it seems to me that we can take care of that for the future. What we have got to deal with are the existing statutes.

Now with reference to the integration decision of the Supreme Court, that was a decision involving an interpretation of the Constitution. That was not our business. But here we are dealing with an interpretation to be put upon the statutes of the United States which are the initial and prime responsibility of the Congress of the United States.

With reference to these amendments, it is claimed that H. R. 3 is a generalization; it is a generalized application of a rule of construction, of a determination of legislative intent to be applied to individual statutes. So that while you can do it individually with respect to every statute on the books, somehow or other it is wrong to do it collectively. If the amendment prevails to put into general language this provision for future legislation, where would you put it, may I ask you? You would have to put it in title I of the code, would you not? And then in the years ahead we would go on enacting various statutes until a great body of statutory law would grow up.

Then when the question of preemption arose, the Court in deciding the question would have to go to the general provision of construction that would here be written into the law if that view should prevail. How ridiculous can we get? Is it wrong to generalize about existing law but all right to generalize about forthcoming law? It seems to me the argument just falls flat.

Again, may I say this is a sincere attempt to deal with a great problem before the Republic. I know for myself that this headlong rush to Washington of taxation, control, and spending legislation is bad for the country. As I said in California and at the Pennsylvania Society dinner in New York, and I believe now, 10 years later, as I believed then, if we keep on destroying the powers and functions of the States and local governments the ability of the people of this country for self-government will atrophy, because if you destroy those local State functions and authorities and powers people will lose their interest in government. You get one too far away from the other.

One more thing: I spoke of the amendment to be offered by the gentleman from Pennsylvania. Certainly the Steve Nelson case is exhibit A in this whole proposal, but to my mind it is just one small part or parcel of what is an overall problem.

I never spoke with any greater sincerity in my life than I speak to you today. I sincerely trust that this legislation will be adopted, and that these amendments in the nature of substitutes which, in my opinion, would completely destroy the whole purpose we have sought here to accomplish, will be defeated.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania [Mr. HOLLAND] and the gentleman from New York [Mr. POWELL] be permitted to extend their remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HOLLAND. Mr. Chairman, the strength and progress of the United States is due to the fact that we have checks and balances, and the three branches of our Government—the judicial, the executive, and the legislative—have been free to act independently in the interests of the common good under our Constitution.

Naturally, at different times the legislative branch has not agreed with the decisions of the Supreme Court, but time has shown over the years that that difference has been good. In many cases hysterias have arisen on different issues, and the Congress of the United States has enacted laws that eventually led to the destruction of many other good acts just to get at one specific bad case. There always has been a difference of opinion as to the control of certain fields of legislation existing between the Federal Government and the State government. In H. R. 3, we find legislation directly in opposition to our Founding Fathers' thinking.

It is true that a number of decisions have been made by the Supreme Court which have not been accepted by all of the 48 States. Among these are desegregation, civil rights—including voting privileges—and labor.

I have had considerable experience in labor legislation and also in the forming of labor unions. I have taken part both in the Senate of Pennsylvania and in the Congress of the United States in trying to improve the economic life of the workers. However, we still have feudal thinking in some of our States which do not recognize that this is a capitalistic country where labor must make a profit as well as the corporation. The North and the South have never agreed on what a fair wage is.

I am sorry to say that H. R. 3 is not a bill to correct a number of decisions which have been made concerning communism. H. R. 3 was born in the States which have refused to recognize the worker on any higher plane than they did the slave. H. R. 3 received its greatest support from right-to-work States who were crying "crocodile tears" for individual members of the union, while at the same time they will use this bill to destroy by State legislation the advances labor made over the years. The rollcall of those who spoke in favor of H. R. 3 is the same as those who voted against any legislation in favor of labor.

They also are the ones who voted against aid for our American schools. They are the ones who represent right-to-work States.

I resent the remark made by the gentleman from Virginia when he stated that "Who are the people who do not trust you," when referring to the States. My answer to the gentleman from Virginia is that I have been their representative in the senate and house of Pennsylvania from 1934 to 1956. I represent a District which has 60,000 members of the United Steelworkers of America, and over 16,000 members of the Inter-

national Union of Electrical Workers. They know the voting records of the Representatives who support this bill. Their States have enacted much anti-labor legislation that has been declared unconstitutional by the Supreme Court.

The people of my District trust me—not only as a Member of the House of Representatives, but as a former union official. Our membership is well educated as they are sent to labor-management schools. They are the ones who do not trust the gentleman from Virginia. When he tries to pose as a friend of labor they are suspicious as his voting record shows just the opposite.

The bill, if enacted, would surely cause chaos and confusion in the 48 States. Not accepting an amendment which would prevent the bill from being retroactive proves the real purpose of the bill. All the gains in civil rights, labor legislation, social legislation, and the progress made in the past could be wiped out. The States whose per capita income is lower than the standard of our country would even be lower.

I might also add that this bill will not cover the Nelson decision that was of much concern to the Commonwealth of Pennsylvania. The sponsor and supporters of this bill are those who fought the right-to-vote, desegregation, civil rights, and all labor and humane legislation which has been passed. It would also destroy the minimum-wage bill just recently passed by the State of Pennsylvania, as well as all regulations affecting the railroads and the pure-food laws. In other words, it would make a heyday for those who want to live in the past and refuse to accept the fact that we now live in an age of automation and space.

Mr. POWELL. Mr. Chairman, the Honorable John Foster Dulles, Secretary of State, recently said, "The test of any measure is not how it reads but how it works." I am not going to present a legal analysis of H. R. 3. Those who have analyzed this measure from a legal standpoint object to it chiefly on the grounds of its vagueness. It is this vagueness that we fear many advocates of the bill will utilize to destroy the constitutional rights of colored citizens and to attempt to reverse recent Supreme Court decisions in the field of civil rights.

That such is the intention of some of them is shown by the discussion of this bill on the floor of the House of Representatives on April 16, 1956. This appears in the CONGRESSIONAL RECORD, volume 102, part 5, pages 6383–6386.

Congressman MASON in his discussion supporting H. R. 3 listed the decision of the Supreme Court in the school segregation cases as one of the cases that would be affected by passage of H. R. 3. Congressmen DAVIS, LANHAM, RIVERS, DORN, ANDREWS, FORRESTER, and COLMER joined in concurring in Representative MASON's presentation.

Their interpretation of H. R. 3 is summed up in the language of Representative COLMER:

> It (H. R. 3) attempts to raise the "halt" sign—the "stop, look, and listen" sign—for the Supreme Court to see.

These opinions of Congressmen urging passage of the bill would of necessity be given great weight by the courts in interpreting the general language the bill is couched in. They would show a Congressional intent to set aside decisions that have interpreted the constitutional projections of due process and equal protection of the laws.

In prior hearings conducted on April 28 and July 12, 1955, on this bill, proponents stressed chiefly two areas in which the bill would be effective in reversing existing Federal controls—in interstate commerce and labor relations. These are two fields in which the lessening of Federal control could vitally affect the civil rights of our citizens.

The passage of H. R. 3 would so affect, or at least cast into doubt, recent decisions by the Interstate Commerce Commission prohibiting racial discrimination and segregation in interstate transportation and facilities used in such transportation. It could, and I am sure it is the desire of many of the proponents of this legislation, revive discredited State laws requiring racial segregation in waiting rooms and facilities used by common carriers.

In the field of labor relations, it could challenge recently won rights of Negro employees secured by collective bargaining sanctioned by National Labor Legislation.

Recently in the oil industry, the international union representing oil workers has agreed not to approve collective bargaining agreements that discriminate against colored workers. This action of the union will open new opportunities for employment and advancement for these employees.

If such bargaining agreements were extended to other industries, they could run afoul of State laws sanctioning discrimination. To give a specific example, if such an agreement were negotiated for the textile industry, it would violate section 1272 of the labor laws of South Carolina, which prohibit laborers of different races working together in the same room in any textile group.

Under existing law, the labor contract negotiated under Federal law would probably be held to override the restriction of the State statute. But the advocates of H. R. 3 would obviously prefer that the discriminatory provisions of South Carolina law prevail.

Many States in matters of vital Federal concern, such as interstate commerce and labor relations, have acted in such a way as to restrict, rather than guarantee, constitutional rights and equal treatment of citizens. For this reason, it has been necessary for the Federal Government to vindicate these rights.

H. R. 3 has for its purpose the casting off of Federal guaranties so the States can return to their undemocratic and restrictive patterns. It should be defeated.

We are living in a period when nations are being driven into closer relationship so that what, in the past, was regarded as domestic is progressively and will inevitably be narrowed and what is considered international is being expanded. At this moment when transportation, communication, and the economic interdependence of man with the accompanying interchange of personnel shrink the globe, technical advancement and the possibility of massive retaliation rule out war as the ultimate solution to cultural, racial, and economic conflict. In addition the nightmare of our so-called advanced civilization—that is the internal combustion created by racial crosscurrents place us on universal exhibition through the medium of the public press, radio, and television. With developments in human relations lagging our boast of scientific achievement is robbing the country of its "place in the sun."

Mr. CELLER. Mr. Chairman, I yield myself the balance of the time. Will the gentleman from New York yield me some time?

Mr. KEATING. If the gentleman will proceed, I will yield him some time, but I cannot at the moment tell him how much.

Mr. CELLER. Mr. Chairman, I want to say to the gentleman from Indiana [Mr. HALLECK] and the gentleman from Virginia [Mr. SMITH] that we trust our people back home, but our people back home are very much interested in the preservation of their water rights, their natural gas rights, their power rights, their rights as to education, and food grading, they are interested in their civil rights, they are interested in their labor laws.

We cannot say to the people back home, "Leave those rights to the tender mercies of the State of Indiana. Leave those rights to the tender mercies of the State of Virginia." They would say "We prefer to pin our hopes in that regard on the Federal Government."

I would be less than candid answering some of the remarks of the gentleman from Virginia [Mr. SMITH] if I did not state that the bill would become a great reservoir to draw on to set up labor laws not in conflict, positive, irreconcilable conflict with the Federal law, but to harass and to hurt and impede the progress of certain groups of people in some of our States.

For example, in the State of South Carolina there is a labor law which provides that no owner of a textile factory can permit a colored man to work alongside a white man in that plant, under a penalty of $100 a day. I maintain that if we pass this bill, H. R. 3, H. R. 3 will be a signal for the passage of bills of that sort that I have told about in South Carolina, in a great many areas.

It is argued particularly by the gentleman from Virginia, for whom I have the highest regard and respect, that no constitutional or segregation questions are involved. Yet, until a law is tested in the Supreme Court as to constitutionality, years must elapse. Meanwhile, the havoc continues. As one statute is overthrown several others are cunningly devised to take the place of the statute that is overthrown, and so on ad infinitum. The process is like Tennyson's brook and goes on forever. A telegram was sent to me by Roy Wilkins, Secretary

of the National Association for the Advancement of Colored People, dated July 16. He says as follows:

Hon. EMANUEL CELLER,
House Office Building,
Washington, D. C.:

Passage of H. R. 3 would enable States to continue racial-segregation laws and enact new ones without restraint by United States Supreme Court. Regardless of language, it would deny to any citizen an appeal on his rights as these may be defined, restricted, or denied by State action. National Association for Advancement of Colored People believes strongly that passage of H. R. 3 will sell 17 million Negro citizens down the river in States which continue to flout Federal authority.

ROY WILKINS,
Executive Secretary.

Beyond that, I say to the gentlemen of this committee, and I say particularly to the proponents of H. R. 3, that it will have an effect quite contrary to their expectations. It will have an effect quite contrary to promise. It will not strengthen States' rights. It will weaken States' rights. To its authors I say that your purpose will be defeated. Why? Because in the future all Congresses and all committees of Congresses will readily expressly preempt the subject matter of the bills before them. If there is the slightest doubt it would be most advisable to take no chances and preempt and say by words expressly written in the statute, "We preempt." Congress would preempt in almost all bills without even the slightest provocation. All chairmen would be under a sort of moral obligation to insist that the members of their committees offer preemption amendments, if the bill does not contain words of preemption.

Secondly, this is like an ex post facto bill if it would be if enacted into law. This bill extends forward and it extends backwards. In the past, Congresses never anticipated H. R. 3. They have always said, "We will let the courts decide whether the subject matter shall be exclusively of national interest or shall for a matter of concurrent jurisdiction between the States and the Federal Government." Thousands upon thousands of bills have been passed in the 169 years of our existence with no express preemption. Scores of them would have to be reexamined if we pass this bill and they would be paralleled, indeed, by State laws. Indirectly, the States would be encouraged to pass statutes identical with the Federal statutes. They would ape the Federal statutes in order to obtain jurisdiction. For example, in 1952, we passed a comprehensive Immigration and Naturalization Act including registration of aliens. H. R. 3 would encourage States to pass State alien laws. For example, registration of aliens. Thus two sets of registration statutes would be set up—very likely a dozen sets of registrations statutes in a dozen States would be set up. In *Hines* v. *Davidowitz* (312 U. S. 52) the Supreme Court struck down the Pennsylvania statute requiring an alien to register under State law on the ground that the Federal Government already had a Federal Registration Act under the supremacy of Federal power. H. R. 3 would overrule that decision of the Supreme Court. It would preserve the power of that State to require registration of aliens.

Both Federal and State Governments then would require registration. There would be no conflict. Now, would H. R. 3 revive or renew the Pennsylvania alien registration law, struck down by the Court and held in suspension? That is a nice question. I am inclined to the view that it would. Thus the Pennsylvania statute is continued and was not successfully destroyed. Could aliens then be punished under the Pennsylvania statute if they did not register while the Court's edict was in effect and while the act was suspended? That is an unanswered question, and it presents us with a fine kettle of fish. That kind of dilemma can be multiplied a thousandfold throughout the Nation. Scores of questions would arise. The bill is as mysterious as the hieroglyphics on an obelisk.

Take the railroads. We have a Federal safety device bill for railroads. New York passes a bill exactly like the Federal statute. New Jersey passes a bill exactly like the Federal statute. There is no conflict between the Federal statute and either the New York or New Jersey statutes. New York adds a provision, not in the Federal statute, that the safety ladder on a freight car must be built permanently on the side of the car. There is no conflict between the State law and the Federal statute.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. KEATING. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. CELLER. New Jersey adds a provision that the ladder must be in the rear of the car. There is no conflict. Where does that leave the railroads? It complied all these years with the Federal statute. Now it is confronted with added provisions in New York and New Jersey. It cannot rebuild its cars to conform to all three jurisdictions. What shall the railroads do? Perhaps Judge Smith can answer that.

If H. R. 3 is enacted, any State can gain concurrent power, even over matters demanding national uniformity merely by passing an act which is the same as the Federal Act and then developing its own procedures and interpretive law. The resultant chaos would take us back to the Articles of Confederation. We would have all kinds of difficulties that would mean confusion worse confounded. I say advisedly this would take us back to the Articles of Confederation. I cannot conceive of how we could have risen to a nation with the highest standards in all civilization if we had continued the practice that obtained during the period of the Articles of Confederation. But this bill will turn the clock backward to the period of the Articles of Confederation. This is a monstrous bill. Let me advise. There is an old proverb: "Who ever brings a donkey up to a roof must bring him down again."

Take the subjects of farming and warehousing of farm products. Judge Walsh, of the Department of Justice, predicts all kinds of trouble for farmers as to State laws—that will be passed if H. R. 3 becomes law—concerning grading of produce and impure produce.

The Federal Government has enacted Uniform Warehousemens' Act, plus acts concerning shipment of impure food in interstate commerce.

States will pass identic statutes and then add provisions now in the Federal laws or just pass provisions now in conflict with the Federal laws. Then there is no conflict.

As to this Judge Walsh said, page 13, serial 16, of the hearings, May 13 and 20, 1958:

I think this bill will cause problems for farmers who only deal in interstate commerce. For example, farmers in New York who sell across the line into Massachusetts. I believe they have been exclusively subject to Federal regulation and they will now not be sure whether they are not required to comply with both State and Federal.

I say to those from farm areas who intend to vote for this bill: "Be careful. You are setting a boobytrap for your farmer constituents."

I herewith submit telegram from the Association of the Bar of the City of New York:

JULY 17, 1958.

Hon. EMANUEL CELLER,
House of Representatives,
Washington, D. C.:

The Committee on Federal Legislation of the Association of the Bar of the City of New York is unalterably opposed to H. R. 3 or any other similar legislation intended to abolish generally the doctrine of preemption of State laws by Federal legislation. Such legislation would upset many precedents and cause confusion in labor and railroad law and in many other fields. The committee has already voiced its opposition to H. R. 977 containing provisions similar to H. R. 3, but limited to the field of subversive activities and its report on this bill has been distributed to the members of the Judiciary Committee. This report was approved by overwhelming vote of the association at a study meeting after extensive consideration. Any amendment of H. R. 3 to limit operation to subversive activities is subject to the same objections discussed in that report.

RICHARD W. HOGUE,
Chairman.

The CHAIRMAN. The gentleman from New York [Mr. KEATING] has 7 minutes remaining.

Mr. KEATING. Mr. Chairman, I yield myself the remander of the time.

I would like to bring into a little perspective some of the arguments that have been made this morning by the distinguished gentleman from Virginia and the distinguished gentleman from Indiana who favor this legislation.

I realize there are many sincere proponents of this legislation. I stated in my previous remarks that I favor the objectives of the legislation. I favor the protection of States rights. The President and the Attorney General have said the same thing.

The gentleman from Virginia has brought as a witness to his cause the President of the United States, and he has endeavored to create the impression here that the President of the United States is for this bill.

I must read again the statement given to me by the White House which I was authorized to read to this body, and this represents my understanding of the President's position:

Both he and the Attorney General are for the objectives of the bill. However, he has serious questions about the generalities of the bill.

That is the thing that is so dangerous here.

On the advice of the Attorney General under its present provisions such as the retroactive feature, he feels it would cause serious difficulties.

Most of us are, in varying degrees, in favor of States rights. I concede that there are some who oppose this legislation who are not strong adherents of the States rights doctrine. I happen to be one who does strongly believe in the rights of the States, but I am opposed to this bill because of the criticisms brought out in the Presidential statement. The terms of the bill are so general that its effect on laws long since settled has not been and cannot be predicted with any degree of certainty.

The President of the United States has not said anything which warrants the claim that he supports this bill. Some words were read here that the Attorney General favored a bill to deal with the Nelson case. I want to say this, however, that while he favors legislation dealing specifically with that case, the Attorney General is squarely opposed to this language of H. R. 3. His opposition is to the very general features of the bill, particularly since they apply retroactively.

And I want to point out to those who have talked about the Nelson case, that the best opinion, and the opinion expressed by the Deputy Attorney General in our hearings, is that H. R. 3 will not deal with the Nelson case. Why? Because in his opinion the Supreme Court today faced with the same set of facts would say that the statute of Pennsylvania was in direct conflict with the Federal statute. Therefore, this bill would not take care of the Nelson case.

The Justice Department does not believe that H. R. 3 will correct the Steve Nelson case. Let me read you what the Deputy Attorney General predicted that H. R. 3 would do to the Nelson case. He was testifying before our full committee on May 20. This appears on pages 34 and 35 of the printed copy of the hearings:

Confronted again with the Steve Nelson case and the language of this bill as you would amend it, it seems to me that the Court would reach the same conclusion. * * * It would look at the same legislative history and read the same language and come to the conclusion that that law enacted, in the light of that legislative history, was irreconcilable with any State action in the same field. That is what I think would happen. I think we should be perfectly frank about it.

The distinguished gentleman from Virginia [Mr. POFF], of our committee, stated that he agreed with the Deputy Attorney General's prediction. He asked the author of the bill whether he would comment on this prediction.

Here is what the gentleman from Virginia [Mr. SMITH] had to say, and this is on page 35 of the hearings:

Of course, we can argue about technicalities of language, but it is rather futile because we never know what the Supreme Court is going to do about it. Of course, Judge Walsh thinks that no matter what we do, the Supreme Court will throw it out the window and that may be true. They have thrown other things out of the window that some of us have disagreed with.

Almost without exception these who have urged enactment of H. R. 3 have stated that one of its primary purposes was to overrule the Nelson case. It was without doubt an important impelling objective. I agree that the effect of that case must be overturned by legislation and we will be given an opportunity to deal with the Nelson case under the substitute to be offered by the gentleman from Pennsylvania [Mr. WALTER]. I would like to see a bill to that effect enacted before we adjourn. It is vital to our national security that one be enacted. The Walter substitute can become law in this session, whereas H. R. 3 will never become law in its present form: One, because it will never be taken up in the other body; and, two, because if it ever should pass the other body it will run into the difficulties that I have expressed to you today.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I cannot at this time. I gave the gentleman more time than I reserved for myself.

The amendment to be offered by the gentleman from Pennsylvania would make it clear beyond the shadow of a doubt that no act of Congress would ever prevent the enforcement of State sedition laws.

Any Member who is really in favor of legislation to override the Nelson case and to give our Government an effective weapon against the Communist conspiracy must certainly choose the most effective means of accomplishing that end. The Walter substitute affords that means.

If you read the language of H. R. 3 in its present form you will find nothing in it which guarantees that the Supreme Court in another case like Nelson would rule otherwise. There is no question in my mind but that under the provisions of H. R. 3 the Court would find such a direct and positive conflict between the Smith Act and State laws that the two could not stand together. All the time and energy which we have put into this bill will have been to no avail so far as the Communist conspiracy is concerned.

It has been said that the American Bar Association favors this bill. I have a letter from the President of the American Bar Association dated July 15, saying:

It is not correct to say that the association has approved the bill.

Many statements are made by those who favor States rights to the effect that they favor this bill. There is a big difference between being for States rights and favoring the language of this legislation.

Nor have the Governors of the 48 States ever favored H. R. 3 in its present language. They have only approved general legislation to deal with preemption.

If the Walter amendment is adopted I daresay it will pass this House with only a handful of votes against it, and when necessity requires we can deal with other areas of the law. That is the responsible and proper way to deal with Supreme Court decisions with which we disagree, not by shotgun legislation, which is no more than a mere statement of protest.

There is no question about our power to pass this legislation, but there is no precedent that I know of, nor has any been cited here, for making legislation such as this retroactive, to go back and cover 150 years of statutes in one fell swoop. That simply is not good legislating. If we are going to pass this let us pass it with an appropriate amendment which makes it apply in futuro and prospectively, but not retroactively.

We should not pass H. R. 3 in its present form. The chairman has mentioned its devastating effect upon certain labor and civil rights advocates. We cannot do this to the railroads or to their employees. I have here a long telegram, which has been mentioned before, from the vice president and general counsel of the Association of American Railroads. He points out how ruinous it would be if every State could pass legislation to deal with the various problems of rates, rebates, and all the other things that Federal legislation now covers.

We cannot do this to warehousemen who are governed by Federal statutes. We cannot do this to the druggist and the small-business men who for years have been subject to the Federal Food and Drug Act. If this legislation becomes law they could be subject to different laws in every State of the Union.

We cannot do it to the housewives of this country because the effect of this legislation will be to permit the States to bring about by State legislation the very results which those of us who opposed the Federal gas bill warned against here.

H. R. 3 raises too many uncertainties. We are uncertain as to what it means. We are uncertain as to its effects upon settled law. We are uncertain as to its effect upon the legislative process in the future. We are uncertain as to how the Supreme Court will interpret it. We are uncertain as to the extent to which H. R. 3 may augment rather than limit the power of the Federal Government. Of one thing we can be sure. H. R. 3, whatever we do, will never become law.

In contrast to this, if we pass the substitute proposed by the gentleman from Pennsylvania, we are certain that it will strike a blow against communism. And there is no question but what it will receive the overwhelming support of the other body and will be signed into law by the President.

The choice is clear. Vote for this amendment and you insure that the Nelson decision will be removed from our law. Vote against it and you register no more than a vote of protest. For H. R. 3, gentlemen, will never affect that decision at all.

I do not like the Nelson decision. You do not like it. For these and many other

reasons, this bill in its present form should be defeated, and I hope the amendments will be adopted.

The CHAIRMAN. All time having expired, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That no act of Congress shall be construed as indicating an intent on the part of Congress to occupy the field in which such act operates, to the exclusion of all State laws on the same subject matter, unless such act contains an express provision to that effect. No act of Congress shall be construed as invalidating a provision of State law which would be valid in the absence of such act unless there is a direct and positive conflict between an express provision of such act and such provision of the State law so that the two cannot be reconciled or consistently stand together.

With the following committee amendment:

Strike out all after the enacting clause, and insert the following: "That (a) chapter 1 of title 1 of the United States Code is amended by adding at the end thereof the following new section:

"'§ 7. Preemption—Federal and State statutes

"'No act of Congress shall be construed as indicating an intent on the part of Congress to occupy the field in which such act operates, to the exclusion of all State laws on the same subject matter, unless such act contains an express provision to that effect, or unless there is a direct and positive conflict between such acts and a State law so that the two cannot be reconciled or consistently stand together.'

"(b) The analysis of chapter 1 of title 1 of the United States Code is amended by inserting at the end thereof the following new section:

"'7. Preemption—Federal and State statutes.'"

Mr. WALTER. Mr. Chairman, I offer a substitute.

The Clerk read as follows:

Amendment offered by Mr. WALTER, as a substitute for the committee amendment: Strike out all after the enacting clause and insert the following: "That (a) chapter 115 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"'§ 2392. Enforcement of State statutes

"'Except to the extent specifically provided by any statute hereafter enacted by the Congress, the enactment of (a) any provision of law contained in this chapter or in chapter 37, 67, or 105 of this title, (b) the Subversive Activities Control Act of 1950, (c) the Communist Control Act of 1954, or (d) any other act of Congress heretofore or hereafter enacted which prescribes any criminal penalty for any act of subversion or sedition against the Government of the United States or any State of the United States, shall not prevent the enforcement in the courts of any State of any statute of such State prescribing any criminal penalty for any act, attempt, or conspiracy to commit sedition against such State or the United States, or to overthrow the Government of such State or the Government of the United States.

"'As used in this section, the term 'State' includes any State of the United States, the Territory of Alaska, the Territory of Hawaii, and the Commonwealth of Puerto Rico.'

"(b) The analysis of chapter 115 of title 18, United States Code, is amended by inserting at the end thereof the following new item:

"'2392. Enforcement of State statutes.'"

Mr. WALTER. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALTER. Mr. Chairman, the legislation under consideration is of far-reaching implication. In fact, I am certain that nobody knows how far-reaching H. R. 3 is.

Statements to the effect that it will deal with the Nelson case and with similar cases are just simply not the fact. I say to those of you who contend that piecemeal legislation is not desirable, that is true, but it is utterly impossible to deal properly and effectively with those decisions of the Supreme Court where that judicial body has invaded the legislative field, without doing it in a case-by-case fashion.

Now, recognizing this fact, the Committee on the Judiciary, which has spent many months in considering this problem, selected a special subcommittee headed by the distinguished gentleman from Louisiana [Mr. WILLIS]. This subcommittee worked on each of the decisions of the Supreme Court which, in the judgment of our committee—and, after all, we do have a responsibility in that field—represented an invasion of the legislative field. And, I want to tell you, frankly, charged with the responsibility, as I am, to conduct the affairs of the Committee on Un-American Activities, I have been terribly worried about these decisions.

Now, let me point out some of those decisions to you. The Supreme Court held that an alien cannot be deported solely because of past membership in the Communist Party. When we wrote the section of the Walter-McCarran Act providing for the deportation of aliens, we just felt that we ought not to permit a guest in our house to set the house on fire. And while providing discretionary relief in the case of genuinely reformed former Communists, we did not say anything about how far back in the past that subversive activity had occurred. We merely provided that where an alien joined the Communist Party, then that alien was subject to deportation. The Supreme Court said, "No; the Congress must have meant meaningful association," whatever that is.

Then they went on in the case of a citizen who had been denaturalized because he was a member of the Communist Party and held that he could not be denaturalized because there was no evidence that when he took the oath of allegiance it was not done in good faith. I do not know how you can, in good faith, swear allegiance to the United States when you are a member of an international conspiracy determined to destroy the United States.

These and many more cases was brought to the attention of the subcommittee, and one by one we considered them and recommended legislation. We are making good progress. The Mallory case is a case in point. Cole against Young, which was dealt with in a bill passed by a large majority of the House the other day, is another case in point. Just this morning the subcommittee studied another one, the Yates case.

We can very definitely deal with this Nelson case through the adoption of this substitute. And let me say this to you now, that unless this substitute is adopted there will be no legislation in this field.

Now let us see what the importance of the Nelson case is. The Supreme Court in the Nelson case struck down the statutes in 42 States of this Union in stating that the Smith Act preempted the field. Then, having done that, they started to disembowel the Smith Act. In the case of United States against Yates, the Supreme Court has made it utterly impossible to convict any person for organizing and participating in Communist activities. So, as the matter stands today under the Supreme Court's decision, communism is just nice, clean fun, and the Moscow-directed Communist Party just a debating society.

It certainly seems to me that the time has arrived when we must in this cold war do something about the internal security of the United States, and, in view of the fact that the States are not able to legislate, it is up to us, and it behooves us to do something constructive now.

But, as I said before, unless this substitute is adopted, there will be no legislation at all.

We reported a bill out of the Committee on the Judiciary in 1956. It was a substitute for H. R. 3 of the 84th Congress. It was the very same substitute that you are considering now. The Committee on the Judiciary reported that out, and it went on the Consent Calendar. An application was made for a rule. No rule was granted. H. R. 977, which is this substitute, was again reported out by the Committee on the Judiciary this year. It was first passed over on the Consent Calendar, and then, last week, there were three objections, and it was stricken from that calendar. We did not get a rule on H. R. 977, and we will not get a rule, because the pointing up to the Nelson case is necessary in order to sugar-coat H. R. 3.

I want to say to you in all honesty that H. R. 3 will never be considered in the Senate, and if, perchance, it is, the Attorney General of the United States has stated publicly, and he has told me privately on many occasions, that he will recommend a veto, and he is certain that the President of the United States will not disregard his advice and that there will be a veto.

What does that add up to? It adds up to just this, that the harm done by the Supreme Court in its desire to put on the Communist Party's activities the same kind of a stamp that goes on those of the Democratic and Republican Parties, that harm will be permitted to continue.

I certainly feel very strongly in this matter. If there were a chance, I say to my distinguished friend from Indiana [Mr. HALLECK], for general legislation to deal with these objections, I would certainly be in favor of that. But there is no chance. No general legislation like this, for example, would deal with the case where a person was held not to have

been deportable even though this alien was a member of the Communist Party. How would H. R. 3 deal with that? How would H. R. 3 deal with the case of a naturalized citizen not losing his citizenship because of membership in the Communist Party? How would H. R. 3 deal with the case of Cole against Young? How would H. R. 3 deal with membership in the Communist Party, I ask you?

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman.

Mr. HALLECK. Of course, H. R. 3 simply undertakes to deal with the matter of preemption.

Mr. WALTER. That is all.

Mr. HALLECK. Why did not the gentleman offer his proposal as an amendment to H. R. 3, if there is a deficiency in it, if H. R. 3 should be broadened?

Mr. WALTER. Let me answer the gentleman's question. I did not offer it as an amendment because I think it is our duty to see to it that legislation is enacted, and I know full well that with this substitute as an amendment, the same thing would happen as would happen if H. R. 3 went to the Senate and to the President unamended. I am quite positive that the mere adding of H. R. 977 would not cure the objections, the basic objections, to H. R. 3.

Mr. HALLECK. Mr. Chairman, would the gentleman yield further?

Mr. WALTER. I yield.

Mr. HALLECK. First of all, with reference to the other body, I have had recent conversations with certain people over there in a position to know something about it, and I do not think anyone can assume that this measure will not be acted on over there. In the second place, I cannot read in the statement that the gentleman from New York read to us any determination made at this time that this measure would be vetoed at the White House.

Mr. WALTER. Mr. Chairman, I only know what the Attorney General testified to. I only know what he has told me time and time again. I am quite positive that the President of the United States would not affix his name to a bill that would bring the kind of chaos that the labor organizations and the railroads and the farm groups say that H. R. 3 would bring.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. WALTER] has expired.

Mr. TOLLEFSON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. TOLLEFSON. Mr. Chairman, the gentleman from Pennsylvania [Mr. WALTER] has offered a substitute which I trust the Members will adopt. It seeks to correct the situation which was created by the Nelson decision of the Supreme Court. I subscribe to the arguments which the gentleman from Pennsylvania has advanced. It is highly doubtful that H. R. 3 as presented by the Judiciary Committee will become law during this Congress. The Attorney General is opposed to it and has said he will recommend that it be vetoed if approved by Congress. Furthermore, it is extremely doubtful that the Senate will act on the measure. If we want to do something about the Nelson decision we had better accept this substitute.

The committee bill, H. R. 3, is too broad. Its effects would be too far-reaching and would result in a lot of confusion in the years ahead. It would seek to say what the intent of Congress was with respect to laws enacted since our Republic was formed. How can this Congress say what the intent of earlier Congresses was? The bill is a shotgun approach to a problem that could be solved by the Walter substitute.

The Attorney General, as I have said, is opposed to the bill. So is the Department of Labor, the Interstate Commerce Commission, the American railroads, and others. The President has grave doubts over the unforeseen far-reaching effects of the measure. Let us vote for the substitute.

Mr. WILLIS. Mr. Chairman, I offer a perfecting amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. WILLIS to the committee amendment: On page 2, after the first section, add the following new section:

"SEC. 2. Chapter 115 of title 18, United States Code, is amended by adding at the end thereof the following new section:

" '§ 2392. Enforcement of State statutes

" 'Except to the extent specifically provided by any statute hereafter enacted by the Congress, the enactment of (a) any provision of law contained in this chapter or in chapter 37, 67, or 105 of this title, (b) the Subversive Activities Control Act of 1950, (c) the Communist Control Act of 1954, or (d) any other act of Congress heretofore or hereafter enacted which prescribes any criminal penalty for any act of subversion or sedition against the Government of the United States or any State of the United States, shall not prevent the enforcement in the courts of any State of any statute of such State prescribing any criminal penalty for any act, attempt, or conspiracy to commit sedition against such State or the United States, or to overthrow the Government of such State or the Government of the United States.

" 'As used in this section, the term "State" includes any State of the United States, the Territory of Alaska, the Territory of Hawaii, and the Commonwealth of Puerto Rico.'

"(b) The analysis of chapter 115 of title 18, United States Code, is amended by inserting at the end thereof the following new item:

" '2392. Enforcement of State statutes.' "

Mr. CELLER (interrupting the reading of the amendment). Mr. Chairman, may I suggest to the gentleman from Louisiana that he ask unanimous consent to dispense with the further reading of the amendment, inasmuch as it is exactly like the Walter substitute?

Mr. WILLIS. Yes; I accept that suggestion.

Mr. Chairman, I ask unanimous consent that the further reading of the amendment be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. WILLIS. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. WILLIS. Mr. Chairman, the gentleman from New York [Mr. CELLER] has correctly stated that my amendment is word for word like the substitute amendment offered by the gentleman from Pennsylvania. It is a question of approach.

The gentleman from Pennsylvania proposes to strike out all after the enacting clause and destroy the Judge Smith bill, H. R. 3, and substitute for it a bill dealing with the Nelson case.

My amendment is an additional section to Judge Smith's bill, which is word for word what the gentleman from Pennsylvania proposes, but in a different way.

H. R. 3 deals with the general subject of preemption. The substitute offered by the gentleman from Pennsylvania and my amendment deal with one phase of the subject of preemption. H. R. 3 covers all cases involving one field of law only. This is not a shotgun approach. We are reaching only cases involving the subject of preemption. The Judge Smith bill reaches all those cases in that one single field of law. The amendment offered by the gentleman from Pennsylvania reaches 1 facet, 1 of these cases on this general subject matter.

Naturally the gentleman from Pennsylvania and I would not offer these proposals in identical language unless they were germane, and, of course, we would not have done so without talking to the Parliamentarian. So both of our proposals are perfectly in order.

What we are confronted with right now we had to face in identical fashion before the full Committee on the Judiciary. The matter arose in this way. Of course I will not announce anybody's position; I just want to announce the net result, which was carried in the press the next day.

The gentleman from Pennsylvania offered in the full committee his same substitute for H. R. 3. It was voted down. I am perfectly willing to disclose the votes. They were not lopsided either way. But we operate by majority rule. If anybody wants to put the figures in the RECORD it is perfectly all right with me. It makes no difference under our form of government. In any event upon defeating the gentleman's substitute, H. R. 3 was thereupon reported out. Immediately thereafter, and we had talked about it, we reported out the bill of the gentleman from Pennsylvania dealing with the Nelson case. So that the full Committee on the Judiciary, the majority of the committee, felt that both bills would be in order. It has been said here on the one hand that H. R. 3 is too general and too spread out and that on the other hand it is meaningless. Well, the full Committee on the Judiciary felt that both H. R. 3 dealing with the general problem and the substitute in the shape of a separate bill could live side by side. The Parliamentarian has ruled

the same way. So that is the end of that proposition.

So far as I am concerned, let me make this plain. I have no personal interest in these two bills any more than any other Member of the Congress. They have been sponsored by two of the most noble Romans of them all, the gentleman from Pennsylvania and the gentleman from Virginia. I do not want to divide them. I want to unite them. That is all I propose to do. Let me say this: I have no pipeline to the other body or to the White House. I frankly do not know what the position of the other body will be nor what the action of the White House will be. I think we have an opportunity to put forward 2 proposals that have been advocated with such devotion by 2 such outstanding Members of this body.

I, for one, do not want to give the green light to the position of the one and to scuttle the position of the other.

I prefer for them to get together, and I think we have a splendid opportunity to do that. As I said a while ago, this talk about a shotgun approach simply does not hold water. It is perfectly true, as the gentleman from Pennsylvania has said, that this bill cannot reach the Yates case, the Watkins case, the Jencks case, and the Mallory case. So this is not a shotgun approach. We are dealing with this limited field of jurisprudence—the cases that might be involved dealing with preemption. Following the Jencks case, within a matter of 3 weeks or so we had 20 different interpretations of the ruling in that case and as many of the Mallory case. Was it a shotgun approach to handle all these cases dealing in the one instance with submitting FBI files to criminals and subversives as in the Jencks case? True, this is broad, but it involves only one principle of law and that is in the field of preemption. To prove that—a special subcommittee was set up to study these decisions. Realizing that H. R. 3 could not handle the situation, we reported out the so-called Jencks bill. We passed that separately. This was because H. R. 3 could not reach it. More recently we passed out the bill having to do with the Mallory case dealing with confessions. Why? Because H. R. 3 would not reach the Mallory case. There only was a Federal law involved. There was no State law involved. In the Mallory case, you could not have preemption. Preemption arises when you have a State law and a Federal law and there is hopeless conflict between the two. This has nothing to do with a proposition involving only an act of Congress.

So the Jencks situation presented a Federal proposition. The Mallory situation presented a Federal statute.

Now just this morning it did all of our hearts good to be in complete unanimity. We held a hearing this morning on the Yates case. My good friend from New York, the minority member, my good friend from Pennsylvania appeared likewise, and we all agreed that we needed legislation to cure the situation in the Yates case, which involves only Federal law, and I hope we will report it out.

Now let me suggest I would be willing to do this—I did not want to be the author of this amendment. I would cheerfully withdraw it if the gentleman from New York, instead of trying to destroy H. R. 3, would offer this amendment and tack it on to H. R. 3. I hoped he would do it. I do not think he wants to, but there is no ill feeling.

Mr. WALTER. I appreciate the gentleman's position, but I am interested in seeing legislation enacted and not the authorship of amendments.

Mr. WILLIS. I do not want to be caustic about it. I simply do not know what is likely to happen in the other body or at the White House. Under the parliamentary situation the vote in this instance will occur first on my amendment, and if defeated, on the gentleman's substitute.

I yield back the remainder of my time.

Mr. CELLER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CELLER. If the Willis amendment is voted favorably, then the question will still arise on the Walter substitute, and then that substitute—I would like to be told if I am correct—that substitute would then be a substitute for the committee amendment as amended by the Willis amendment?

The CHAIRMAN. The gentleman is correct.

Mr. CELLER. Then if the Willis amendment is voted down, all we have then is the committee amendment to which the gentleman from Pennsylvania [Mr. WALTER] offers a substitute, and that substitute will be merely a substitute for the committee amendment?

The CHAIRMAN. The gentleman is correct.

Mr. MILLER of New York. Mr. Chairman, I rise in support of the Willis amendment to the substitute.

Mr. Chairman, in supporting the position of the gentleman from Louisiana [Mr. WILLIS], I am entirely consistent with my actions in the full committee in regard to these subjects. On the same day I voted in favor of reporting H. R. 3, I also voted in favor of reporting the bill introduced by the gentleman from Pennsylvania [Mr. WALTER]. If the House adopts the amendment to the committee amendment, as offered by the gentleman from Louisiana [Mr. WILLIS], we will have passed legislation badly needed in two fields, and one should not be exclusive of the other. I do not argue with the fact that because of the Supreme Court decisions which have been coming down month after month, as they have been, that we should at every opportunity enact specific legislation to deal with the proven and obvious errors in the thinking of the Court. But I also say that we should pass today, and we should have passed a long time ago, H. R. 3, which relates only to one field, to the field of preemption. In recent years we have found the Court legislating instead of trying and determining, and preempting the prerogatives of Congress. The Court has said upon occasion that Congress intended to preempt this or that field when, as a matter of fact, no such thing has ever been true.

True, H. R. 3 will not reach the naturalization cases, deportation cases, and others. It is not proposed to do such; it is proposed to deal only with those cases where there is no exclusive constitutional jurisdiction in the Congress, where there is reconciliation between what we do and what the States have done, and where we never intended to supersede or preempt State statutes in those fields, but on their own and through some devious thinking the Court has read that into our actions.

This could happen with court decisions tomorrow, or next month, in regard to many statutes. People could be let out of jail and harm could result before we could reassemble and pass legislation to correct the court's decision.

H. R. 3 is a rule, a construction we will agree with for all time.

I say that we as Americans cannot legislate too much in this area. We need H. R. 3, and we need the committee amendment. I tell you that in my judgment the Communists and the Communist sympathizers and the hoodlums in this country have hardly lost a case in the Supreme Court in years; and I, for one, am going to vote on H. R. 3 and this amendment on the simple basis that it is high time that in some tribunal somewhere the American people ought to win a case.

Mr. ROGERS of Colorado. Mr. Chairman, I move to strike out the last word and rise in support of the Walter amendment.

Mr. Chairman, I support the Walter substitute. The Walter substitute eliminates H. R. 3 in every particular.

What are we dealing with when we consider H. R. 3? First, we are dealing with an act of Congress. Those are the first words of line 8: "No act of Congress." That is what you are dealing with. What do we say about "No act of Congress"?

> No act of Congress shall be construed to occupy a field to the exclusion of a State law provided there is not a direct and positive conflict with the State law.

The gentleman from Virginia in his argument pointed out that the Supreme Court 99 years ago, in 1859, announced the decision that where there was a positive and direct conflict, and I quote him, he said: "The language of H. R. 3 comes from that decision," announced the position then and there, where there is a conflict between the Federal and State laws, "direct and positive" as they said in that case and as they say in H. R. 3. That became the casebook law in 1859. To date no one in this debate has ever pointed out that the Supreme Court of the United States has changed that decision. If the Supreme Court of the United States has not changed that decision, and we attempt to say there must be direct and positive conflict, who decides whether it is direct and positive? Why, the Supreme Court of the United States. It has the final say-so.

What rule can you point out to them in order to guide them in saying what is direct and what is positive? There is only one way to do that. You must not approach it from the shotgun standpoint. You can only approach it

by hitting each case as it may appear. That is what the gentleman from Pennsylvania is attempting to do in one specific instance as it deals with sedition. All the rest of it, where you try to refer to an act of Congress when in conflict with State law, just results in wasting your breath because who is going to decide that? The Supreme Court of the United States.

If the gentleman from Virginia, who is so interested in H. R. 3, and all the rest who are interested in H. R. 3, will spell out some rule or reason, some guideline, for the Supreme Court to try to arrive at the differences that may exist in the conflict between a Federal and State law in positive terms, then you do accomplish the thing that you want to accomplish; but until that is done we are wasting our time in the consideration of this bill.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Colorado. I yield to the gentleman from Virginia.

Mr. SMITH of Virginia. The gentleman agrees with me that the language in this bill is language taken from a Supreme Court opinion?

Mr. ROGERS of Colorado. That is the gentleman's statement.

Mr. SMITH of Virginia. The gentleman agrees with me that has been the law of the Supreme Court for 99 years, until recently. The gentleman says it is the law now. If it is the law now, I want to ask the gentleman, What is his objection to it?

Mr. ROGERS of Colorado. What are you accomplishing except taking up a lot of time, as we have here for the last week? Why can you not take the substitute offered by the gentleman from Pennsylvania and incorporate in it something that is positive and direct that the Supreme Court can read? What you are attempting to do here is to get at least at one thing, and that is the Steve Nelson case, by this amendment. So there is one thing that may be accomplished.

Mr. BECKER. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I think many of us have watched closely the Communist conspiracy in the United States and throughout the world for a great many, many years. During my years in the New York State Legislature, as well as here, I find one question is always asked: Why is that when legislation is proposed to get at the Communist conspiracy we find ourselves always frustrated? We find ourselves up against every type of obstacle and argument imaginable.

In connection with this bill, we are told of many fears of Members of the House. We have heard of the fear that it is going to affect other laws, the fear that it is going to affect labor organizations. I received a telegram this morning from the NAACP that it is going to affect civil rights. Yet on the floor of the House in this debate during the last 2 days I have not heard one concrete or specific instance of where these organizations or civil rights will be adversely affected. Nor would I support legislation that would do so.

I say to you, Mr. Chairman, I am indeed saddened to find that we seem to be in a position in the Congress of the United States where we cannot pass legislation to send Communists to jail, including deportation when necessary. We appear impotent before the great mass of the people of the United States. We cannot go home to them and say that we are doing something about it because we are not, and we have not. We were told here today by the great and distinguished gentleman, whom I hold in the highest regard because of his activities in trying to upset the field of communism, the gentleman from Pennsylvania [Mr. WALTER], that the Attorney General will recommend a veto of this bill if we pass it. He is also quite certain, if he makes that recommendation, that the President will veto the bill. But, let me say this to you, is it not strange that the President himself just recently sent us a message requesting the enactment of legislation to correct the decision of the United States Supreme Court in the matter of passports? Now, if the President of the United States asks us to enact legislation to correct a decision of the United States Supreme Court, then why have we not the right here to enact legislation to correct decisions that we think are adverse to the well-being of the people of the United States? Have we not the same right? Is this not our duty? Do not the people of our districts send us here to enact the laws for the good of all Americans? Since when were we limited in our legislative actions to those instances where we are requested to act? I cannot understand it. This conspiracy to upset the Constitution and the democratic principles of the United States has been filtering through our country for the past 35 years. Certainly I have not, as an individual, been lagging in the field of trying to fight it by legislation. But, always we are thwarted. You cannot do it that way. Will the gentlemen who are fighting this bill bring legislation on the floor now and tell us how we can fight it? How can we defeat these adverse decisions?

Let me go just one step further, if you will. The United States Supreme Court—and God knows, I, like every American citizen, was raised to have the highest respect for it as well as for the office of the presidency of the United States—just a few weeks ago handed down a decision in a labor case. I believe it was in Ohio. I cannot think of the name at the moment. It was the case of a laboring man suing the union for some thousands of dollars for time he had lost because of being thrown out of work by the union. The case went to the United States Supreme Court. The majority decision, I believe, came down in his favor. But, what did the minority write? Did they oppose this man's case on the ground of constitutionality? Did they oppose the man on the basis of law? If you will read their decision, you will find that they wrote in their adverse decision—and they were severely criticized for it—that if this man was granted a judgment in his favor, more cases would be brought against the union and the union would find itself bankrupt.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BECKER. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BECKER. Is that a decision based upon law? Is that a decision based upon constitutionality? Does that uphold the rights of an individual American citizen? It would seem to be based solely on expediency.

I say to you now we have an opportunity today to act for the American people. I certainly intend to support H. R. 3. If the Willis amendment will help us with the solution of this distressing problem, I am for that too.

I say to you, regardless of what the Senate does or what the President does, let us show the American people now that this is truly a House of Representatives. And let us as Representatives give the American people at least a start in the direction of preserving their individual liberties and freedoms and of seeking out and bringing to the bar of justice those who would destroy our heritage of freedom.

Mr. ANFUSO. Mr. Chairman, I move to strike out the last word.

NOW IS THE TIME TO GIVE ARMS TO ISRAEL

Mr. Chairman, the United States Government has taken the only possible action in the Middle East left open to it. As usual with us, however, we wait until the danger point is reached before we act, while we overlook the many steps and opportunities which if taken previously at the right time would have avoided the danger and perhaps prevented the cause for being called an aggressor.

Other friendly countries of the Free World have as much, if not more, reason to avoid trouble in the Middle East and to keep this area pacified. I am thinking primarily of Great Britain and France, who are dependent on this area for their oil supplies, and of Israel whose security and independence are at stake. These nations recognized long ago that Nasser of Egypt was only a tool of Communist Russia and that he was being backed up by Moscow only for the turmoil and chaos he could create in the Middle East, in order that it may fall like a ripe plum into the lap of the Kremlin leaders together with its rich oil resources.

Without asking for any help from us, these nations took positive action in October 1956 in order to protect their lifelines and to prevent the Suez Canal, the major international artery of the Middle East, from falling into Nasser's hands and indirectly under Communist control. Had we not intervened—and by now it is quite clear to all that our intervention was a colossal blunder and detrimental to our position in the Middle East—these three nations would have, in a matter of a few days, freed

the Suez Canal for the benefit of all international traffic and cleared the atmosphere in the area. Nasser would have been no more. Jordan and Lebanon would never have been threatened. Iraq would not have fallen. And the United States would not be faced with the present crisis and compelled to send Marines to the Middle East.

As Americans, however, we must now stand by our Commander in Chief in the decision he has taken, in order to demonstrate the unity of the American people and to prevent the situation from worsening. It is impossible for us to sit idly by and see country after country fall under Communist domination according to a pattern or a timetable set by Moscow, which thus far has turned out to be a most accurate schedule for gradual world conquest. It would not take very long, under this timetable and at the rate the Communists are going in recent years, for us to be completely encircled and left without friends and allies at the mercy of a ruthless enemy.

It is not too late for us to take preventive measures to strengthen our allies and to avoid the precarious situation of having to fight alone against international communism. There are many such measures to be taken now, if only we would act with boldness and imagination, with courage and determination as befits a great power. If we do not take such action, it will only be interpreted by smaller naticns everywhere as an unmistakable sign of inner weakness, of resignation, of giving up the struggle by default.

Let me cite one instance where we can take precautionary measures without too much involvement and with a minimum of risk. I am thinking of the little State of Israel, which has turned out to be truly a great bulwark of democracy in the Middle East in the light of recent events in that area. Of all the Arab countries in that region, it is most unfortunate that not a single one has proved to be a strong and dependable ally, a true friend of the United States, a bulwark of the Free World. Israel is the only country in that part of the world which is a stanch friend of the United States and a reliable ally.

According to reports in this morning's press, Israel is asking us for military aid in the form of modern weapons, in return for which Israel is reported to be considering granting permission to Western aircraft to reach Jordan via Israeli territory, and possibly also offering the United States and Britain the use of airfields in Israel.

Mr. Speaker, we all know what the Israeli Army was able to do with antiquated arms in its struggle for independence in 1948, as well as in the Sinai campaign of 1956 against Egypt which was supplied with huge quantities of military equipment by Russia. For years Israel has been pleading with the United States to give it arms and equipment, but we have constantly refused these requests on the ground it will antagonize Nasser. Even the blind can see by now that Nasser has never been our friend—and never will be. He prefers to fraternize with the leaders in the Kremlin and to be entertained by Tito of Yugoslavia, while his henchmen carry out the dirty work in Lebanon, in Iraq, and elsewhere.

It is high time that we write Nasser off our books and give up hopes of gaining his friendship. His occasional smile in our direction is intended only to stall, to disarm us, to gain time for his intrigues in the Middle East, and for undermining our position there. It won't be long before the mask will be off and then we shall see him for what he really is—a vicious enemy of the United States and the American people.

So I say to you today: Forget about antagonizing Nasser; he is no friend of ours, and never will be. Let us give to Israel now some of our most modern weapons—and I mean atomic and nuclear weapons—and thus help to keep the Middle East stable. In this way we shall assure its security and existence. We shall also encourage the moderate elements in the Arab countries which are opposed to Nasserism and are anxious to maintain relations with the West.

Are we justified in taking such action? No doubt about that. A front-page story in today's New York Times states as follows in the first two paragraphs:

WASHINGTON, July 16.—The State Department gave Congress today United States intelligence reports showing military intervention by the United Arab Republic in the Lebanon rebellion from May 11 to June 21.

The reports were submitted to separate closed sessions of the House Foreign Affairs and Senate Foreign Relations Committees by Christian A. Herter, Under Secretary of State.

Mr. Chairman, this morning's CONGRESSIONAL RECORD contains this long and sordid record of Nasser's intervention in Lebanon on pages 13936 to 13940, as inserted by the Senate minority leader, the Honorable WILLIAM F. KNOWLAND. Let this documentation be a warning to us what to expect in every country of the Middle East, unless Nasserism is checked.

Mr. McCULLOCH. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I am not going to talk about Communist infiltration or constitutional questions at this late time in the debate. Both questions have been fully covered by the ablest members of the Committee on the Judiciary and of the House.

We are now at a point in the consideration of this proposal when I can advise the members of the Committee that we will be able to accomplish a purpose that has long needed to be accomplished by supporting the proposals of both of my distinguished colleagues on the Committee on the Judiciary, the able gentleman from Louisiana [Mr. WILLIS], and the able gentleman from Pennsylvania [Mr. WALTER].

If I had a facility with words and could speak as did a long time President of the United States, I would paraphrase a sentence of his that has come down through the years, and instead of saying, "A plague on both your Houses," I would say, "My compliments to you, Mr. WILLIS, and my compliments to you, Mr. WALTER." I am, in effect, for both your proposals.

If we adopt the amendment offered by the gentleman from Louisiana [Mr. WILLIS], we will be accomplishing that which we want to accomplish. And then we can and should defeat the amendment offered by my good friend from Pennsylvania [Mr. WALTER]. Then we should accept the bill as amended by the amendment offered by the gentleman from Louisiana [Mr. WILLIS]. Then the decision will be up to the other body, and finally up to the Attorney General of the United States, if he chooses to advise the President to veto a bill passed by the Congress.

I have great respect for the Attorney General of the United States, but I want to say that my final decision in this case and my final decision in other cases in the legislative field, is not going to depend upon what the Attorney General of the United States says he may advise the President of the United States to do or not to do. As legislators, as Members of one of the coordinate branches of this Government, we have a duty to perform. Let us with courage and let us with determination discharge that duty as we see it now

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. McCULLOCH. I am pleased to yield to my colleague from Indiana.

Mr. HALLECK. As I understand it, the Willis amendment that is presently pending is an amendment to the committee amendment?

Mr. McCULLOCH. That is my understanding.

Mr. HALLECK. The Willis amendment is really the Walter proposal with respect to correcting the Steve Nelson decision.

Mr. McCULLOCH. It is my understanding that it will do just that.

Mr. HALLECK. Is it also true that the first vote will come on the Willis amendment?

Mr. McCULLOCH. That is my understanding.

Mr. HALLECK. I trust that the Willis amendment will be adopted, that the substitute will be defeated and we can go on to the passage of the bill.

Mr. McCULLOCH. That is my position.

Mr. KEATING. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there is more here than a simple matter of procedure. It has been brought out that the Willis amendment incorporates the language of the Walter bill and tacks it onto the basic legislation. The choice will come eventually on whether to accept the Walter substitute or the basic legislation either with or without the Willis amendment.

We have heard a lot of talk here today against communism, and we have heard expressions of "What are you going to do about it?" and "What is going to happen?" Well, unless the Walter substitute is enacted, nothing is going to happen about the problem raised by the Nelson case.

If the Walter amendment is adopted as a substitute the bill will then go to the other body and will be acted on there and will be signed by the President, because the Attorney General has recommended it. However, if it is tacked onto a piece of legislation which is so general in its terms that it is meaning-

less, it certainly is not going to be favorably acted on in the Senate, nor is it going to be favorably acted on elsewhere.

The very fact, Mr. Chairman, that it has become necessary to attach specific language to deal with the Nelson case onto the general language of H. R. 3 is the most eloquent testimony in the world that the language of H. R. 3 does not meet the Nelson decision. It is so general in its terms that nobody knows what it does mean.

Of course, the adoption of the Willis amendment to this general legislation improves H. R. 3, in my judgment, because it at least gives us something that has some meaning. But I am interested, as is the gentleman from Pennsylvania, and as I believe most of us should be interested, in seeing that at this session of Congress we strike down a decision which has been inimical to the best interests of this country, namely, in the Nelson case. The only way to do that, Mr. Chairman, is by this specific legislation directed to the Nelson case and offered by the distinguished gentleman from Pennsylvania.

Therefore, it is my hope that the amendment tacked onto H. R. 3 will be defeated and that the substitute offered by the gentleman from Pennsylvania will be adopted, to the end that we may have legislation in this Congress. That is the only way to get it.

Mr. WITHROW. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WITHROW. Mr. Chairman, I have an amendment to the committee amendment. When would be the proper time for me to offer that amendment? Immediately following the disposal of the Willis amendment?

The CHAIRMAN. After the Willis amendment has been disposed of.

Mr. WITHROW. I thank the Chair.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana [Mr. WILLIS] to the committee amendment.

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. CELLER. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. WILLIS and Mr. KEATING.

The Committee divided, and the tellers reported there were—ayes 206, noes 88.

So the amendment to the committee amendment was agreed to.

Mr. CELLER. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. CELLER: On page 2, line 8, after the word "Congress" insert "hereafter enacted."

Mr. CELLER. Mr. Chairman, I shall be very brief. Subsequent to the conclusion of the vote on this amendment, unless any other amendments are offered to the committee amendment, there will be a vote on the Walter amendment.

Mr. DAVIS of Georgia. Mr. Chairman, a point of order. I could not even hear what the amendment was. I ask unanimous consent that it be again reported.

The CHAIRMAN. Without objection, the Clerk will again report the amendment offered by the gentleman from New York.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. CELLER: On page 2, line 8, after the word "Congress" insert "hereafter enacted."

Mr. CELLER. Mr. Chairman, I shall be brief.

First I wish to indicate that after the disposition of this amendment and any other amendments that may be offered to the committee amendment, the vote, as I understand it, will be on the Walter substitute.

The amendment I have offered would simply make H. R. 3 prospective in form and would make it applicable to the future, and have no relation to past statutes.

As has been indicated on a number of occasions during this debate, it has been pointed out it would be unfair to pass a statute of this character which would be in the nature of an ex post facto law. That is like changing the rules in the midst of a game. This will change the rules in the middle of the game, or even more; in this case it is more like forcing the game to be replayed according to new rules favorable to one side.

This bill would be applicable to statutes we have accepted, statutes on the judicial construction of which we have relied. It will result in a distortion of the rules of the game, and for that reason I do indeed hope that the committee in its wisdom will see fit to see that the bill will apply only to future cases and hold that Congress cannot go back across the centuries—for upwards of 169 years—and change the interpretation of those statutes. It is palpably unfair to refer and reach back across the past century and have reinterpreted scores and scores of bills passed by Congress with no words of express preemption. Even if Congress intended preemption and did not so express itself in express language, any State could assume jurisdiction over the subject matter of the Federal statute.

I defy anyone to point out any bill that has had such infinitely far-reaching effects. It is like an ex post facto. We always frown upon bills passed in the present that control the past. That is like changing the rules in the midst of a game—nay more this bill is like forcing a game to be replayed according to new rules barring one side. It would be applicable to statutes already in existence—statutes enacted by men who relied upon judicial construction to decide whether a statute preempted the field and who could not have known that their failure to expressly preempt might result in distortion of a legislative scheme of regulation.

We can only conclude, therefore, that where State and Federal statutes are identical or where there is question as to the applicability of the "direct and positive conflict" standard the effect of H. R. 3 would be to unsettle legal relationships and responsibilities long established, accepted and understood. Thus, a railroad operating in interstate commerce and in full conformity to Federal safety regulations might find it necessary under threat of criminal punishment, to suddenly conform to the wholly different standards of a number of States in which it operates. It might well find that the requirements of the various State laws may be incompatible with each other and with Federal law and be unable to comply with all. The confusion in the labor field alone will be incalculable. The very least that we can expect is a flood of lawsuits which would put an even heavier burden upon our already overloaded court calendars.

The impact of the consequent chaos would be felt not only in the railroad industry but also in all possible areas of concurrent powers including shipping, aviation, and all other forms of transportation, labor-management relations, criminal law, aliens, power and natural-gas regulations, matters affecting the national defense, and so forth.

Mr. DAWSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Illinois.

Mr. DAWSON of Illinois. I wish to associate myself with the remarks of the gentleman from New York.

Mr. Chairman, I rise to oppose H. R. 3. This bill was conceived out of an unmerited dissatisfaction over a decision of the Supreme Court—the Nelson case. The Supreme Court there upheld a decision by the highest court of the State of Pennsylvania which ruled that the Pennsylvania sedition statute may not be applied to punish a person for subversive activities directed against the United States. The Supreme Court specifically said it was not ruling on the use of the State statute so far as concerns sedition against the State.

Instead of directing their attention to the particular issue involved in that case, namely, whether a State should be allowed to prosecute a person for activities directed against the United States Government, the proponents of H. R. 3 have seized upon the technique of adopting a rule of construction that no State law shall give way to a Federal law unless Congress has specifically said so, or there is such "direct and positive" conflict between the State and Federal law that "the two cannot be reconciled or consistently stand together."

This technique is like swatting a fly with an atomic bomb. It would apply, to thousands of statutes now on the books, a rule of construction that Congress never intended. It would produce chaos in the legal relationships of virtually every area of our political, economic, social, and governmental affairs. No one—neither among those who support this bill, nor among those who oppose it—has any notion of its possible effects.

To enact this bill is to set the ship of state afloat upon an uncharted sea—there are no standards, no guidelines, no bases for predicting what is likely to happen if we enact this bill.

Basically, this bill, while paying lipservice to article VI, clause 2, of the United States Constitution, which says

that the laws of the United States "shall be the supreme law of the land," attacks the very spirit underlying that article. In the name of States rights it would fragmentize the Federal system. It would do so for no good purpose, because the proponents have failed to show any real need for such sweeping, retroactive legislation. It is wholly untrue that the courts of this country have applied the preemption doctrine in wholesale manner to deprive the States of their concurrent powers of legislation. On the contrary, in numerous cases where the courts have been faced with arguments of conflict between Federal and State authority, the courts have upheld the State laws.

If Congress wants to reverse the Nelson decision, the Congress could do so by legislation directed to the particular issue involved in that case. There is no need, or reason, or logic, in doing so by a bill that would apply in an unpredictable manner to thousands of statutes and create confusion and wasteful litigation for a generation or more.

There are at least two fundamental fallacies in H. R. 3: First, the bill assumes that when past Congresses enacted the thousands of statutes which comprise the vast body of Federal law, the legislators specifically intended to permit conflicting and overlapping State laws to continue in force; and second, that future Congresses will permit future legislation to be subjected to the same result.

The proponents of this bill are wrong on both counts.

For over 150 years Federal laws have been enacted within the framework of a legal system which recognized the doctrine of preemption of Federal statutes. It is neither logical, nor right, nor sound legislation, to adopt this bill now and thereby say that regardless of the facts or the purposes to be accomplished by each law, all past laws shall be treated as though that legal system never existed.

Secondly, if this bill is enacted, I predict that future Congresses which enact major legislation, particularly regulatory laws, will insert provisions to exempt such legislation from the rule of construction contained in H. R. 3, simply because of fear of nullifying the Federal law if such exemption is omitted, rather than because of any opposition to the State laws. Thus, State laws that would easily be sustained in the courts would be frequently invalidated by Congress merely because of the anxieties that this bill would generate.

As one who has for a long time supported the protection of civil rights and opposed racial segregation and other forms of discrimination, I have been fearful concerning the effects that H. R. 3 might have in enabling the continuation and spread of such discrimination. I have been assured by the author of H. R. 3, and by many of the distinguished Congressmen who support it, that this bill would have no such effect. However, the uncertainties inherent in the broad and vague language of this bill are so great that no one seems able to predict the eventual consequences of this bill. Although the bill undoubtedly could not affect those civil rights which rest upon the Constitution, it is not so clear that the bill will not affect those civil rights which rest upon statutory basis. Therefore, despite the disclaimers by the supporters of H. R. 3, I remain gravely afraid that it may affect the civil rights of colored people and other minority groups in many ways that we cannot now foresee.

I oppose H. R. 3 in its entirety, both in its retroactive features and in its prospective operation. Its future operation can at least be dealt with by careful draftsmanship in future bills. But its retroactive effect is simply a manifestation of bull-in-the-china-shop irresponsibility.

In order to eliminate the great evil of its retroactive operation, it was my intention to offer an amendment to line 8, on page 2 of the bill, to insert the words "enacted after the enactment of this section" immediately followings words "No act of Congress." However, after preparing this amendment, I subsequently learned that the distinguished gentleman from New York [Mr. CELLER] intended to offer an amendment to insert the words "hereafter enacted" at the same place. His amendment would accomplish precisely the same objective as mine, and, therefore, I intend to support Congressman CELLER's amendment.

This amendment will make clear that the bill would not affect legislation already enacted by Congress, but would simply provide a rule of construction for such legislation as Congress hereafter may enact. If Congress desires the proposed rule of construction to be applicable to particular existing laws, Congress could easily reenact such legislation, or amend such previous laws specifically. That amendment would simply eliminate the blunderbus approach of burning down the whole town in order to warm your toast.

Mr. HYDE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as was so ably stated a few moments ago, there is really no necessity for making this legislation simply prospective. We can do that anyhow. We are dealing here now with a rule of interpretation of acts of Congress and with construction of a section and clause of the Constitution. I submit to the membership there have been a great many claims made for the bill which are probably a bit exaggerated, and a great many charges made against it which are undoubtedly exaggerated.

When the amendment was offered in the committee—and I offered it in the committee—the Attorney General was asked, and I asked him, what he thought about the amendment. This appears on page 34 of the hearings of May 13 and 20. He said this:

> Mr. WALSH. It seems to me, and I think we ought to try to understand each other on this because it is a matter of great importance, that, as amended by you, a court confronted with a question of preemption, could read the statute in pertinent part as follows:
>
> "No act of Congress shall be construed as indicating an intent on the part of Congress to occupy the field in which such act operates, to the exclusion of all State laws on the same subject matter, unless there is a direct and positive conflict between such act and a State law, so that the two cannot be reconciled or consistently stand together."

And then he said:

> If that is what you mean, that is what I believe to be the present law.

As the gentleman from Virginia has said, the Supreme Court about a hundred years ago announced that to be the law, and the Attorney General said he believes that to be the present law. The only point at which those of us who advocate this bill departed from the Attorney General is the extent to which this law applies to the question of presumption of preemption, or implied preemption.

We believe that one effect of this bill will be as a guide to the Court in saying that where there is no conflict at all between State and Federal law, where the two can stand together we do not want the Court to go so far afield in this business of implied or presumed preemption. That is all we are doing today.

I think it is best in the few minutes remaining to try to understand the problem, for very often we are confused because we do not know what the problem is. The problem is very simple, actually. It may be stated in two parts: One, should the Congress make clear to the courts what it intends? Well, no one denies that, not even the opposition to the bill when I asked that question yesterday. So, no one questions that. That is one of the problems here. We agree, opponents and proponents, that Congress should make clear to the people what it intends.

What is the second problem, and really the most essential problem in this bill? Should the power to determine that intention be the sole or the ever-increasing prerogative of the Court, or should the Congress take a more dominant part in declaring what it intends? That is what we are deciding here today.

Remember, H. R. 3 affects only those areas in which the States may act until Congress expresses its intention to the contrary. Now, we are saying here what Congress intends and we are saying here that we, the Congress, prefer to have a little more to say about what we intend. The opposition to this bill suggests that only the Supreme Court should be the body of this Government to say what Congress intends. That is the problem. It is just as simple as that.

There is talk about the possibility of retroactivity. This is not a retroactive law. It is a rule of interpretation to be applied in the future to laws that are on the books. It is not a retroactive law. It is a rule of interpretation. It will go into that section of the code dealing with rules of interpretation. It is not a law in the strict sense of the word. So all this business about enacting a retroactive law has no weight or bearing.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

Mr. HALLECK. Mr. Chairman, I ask unanimous consent that the gentleman from Maryland [Mr. HYDE] may proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from Indiana.

Mr. HALLECK. I want to say that I oppose the pending amendment because, in my opinion, it will defeat the whole purpose of the bill, as I attempted to point out and as the gentleman from Maryland has so ably pointed out. If I understand the pending amendment correctly, and if I understand the Willis amendment correctly, the adoption of the pending amendment would, in effect, nullify the adoption of the Willis amendment. I think the gentleman from New York is completely wrong when he characterizes this as ex post facto legislation. At the most, this can be considered as an amendment to existing law, and the amendment does not become effective until this legislation is signed and becomes law. So there is nothing retroactive about it at all.

Mr. HYDE. I thank the gentleman. May I refer a moment to all this talk about the effect on labor laws? When the railroad bill was passed providing relief for the railroads, the unions were opposed to section 13 (a). The railroad unions at that time were opposed to that because, they said, it would take power from the States. They opposed that section, and those of you who support labor supported that proposition.

What about the action of the railroad executives? We have a telegram here that says if their proposed amendment fails they will not oppose the passage of the bill. So, Mr. Chairman, I submit that the pending amendment should be overwhelmingly defeated.

Mr. CURTIS of Massachusetts. Mr. Chairman, I rise in favor of the pending amendment.

Mr. Chairman, I am very much in favor of States rights. I believe the Supreme Court wrongly decided the Nelson case and that that decision should be changed by legislation. But the legislation now before us, Mr. Chairman, is retroactive, and I do not see how that can be seriously denied. While there may be criticism of the present Supreme Court, Mr. Chairman, I have too great respect for the decisions of the Supreme Court in the past under great Chief Justices like Taney, Marshall, and, more recently, Chief Justice Taft, to want to see action taken which will effect a change in the results of those decisions.

Why do I say this law has a retroactive effect? There was a decision of the Court a few years ago knocking out a State law requiring the registration of aliens. The Court knocked that out on the ground that the Federal law on that subject was intended, it believed, to occupy the whole field, and that there was no place for State laws requiring the registration of aliens.

If this bill goes through, Mr. Chairman, and that question is raised again, the Court will face the question before it under new ground rules. There will be a ground rule that unless the Congress has specifically stated that it intended to preempt the whole field or unless the State law conflicted with the Federal law the Court shall not decide that the Federal law is exclusive. That State laws will probably be reinstated.

The same thing will happen as to laws regarding railroads and laws regarding food and drugs. The Federal laws which have been held predominant in those fields were not stated by the Congress to be such. It was not stated that the intention of the Congress was to preempt the whole field, yet that has been the construction, and that settled construction should not be jeopardized.

So, I say that this bill is retroactive. It is dangerous legislation; and this amendment, Mr. Chairman, goes right to that point. It cures that difficulty with this law.

Now, Mr. Chairman, I do not subscribe to any idea that you can put this legislation in some slot; that it is favorable to some interests here; that it is against some interests there; that it is liberal or conservative. I think that is all ridiculous. We have a technical problem before us. We feel that this preemption doctrine has been carried a bit too far. I think the first thing is to be sure that we cure the Nelson case, and if we, in our effort to do that, tie the provision into this more general retroactive legislation, we are not going to accomplish our first objective.

I also deny, Mr. Chairman, that the adoption of this amendment will interfere in the slightest with the operation of the Walter amendment which has now been tacked on by the Willis amendment to the bill. The Walter amendment will still be effective. It specifically refers to the Nelson case.

So, Mr. Chairman, I hope that the present amendment will be adopted. I do not think that we want to unscramble as many eggs and create as much doubt and as much litigation as would be created as if we pass this broad retroactive bill.

Mr. KEATING. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to make it perfectly clear where we stand. We have now adopted the Willis amendment to H. R. 3. A vote will come on the Walter substitute for H. R. 3 as amended. But, assuming that the Walter substitute is not adopted, then we will have before us 2 matters, 1 this general legislation, H. R. 3, and the other the Willis amendment which deals with the Nelson case.

Now, first let this be made perfectly clear, that the adoption of the amendment now offered will in no way affect the provisions dealing with the Nelson case which have been added as an amendment to H. R. 3. There cannot be any possible question about that. Second, this is the amendment which I discussed and said I would offer in general debate. I want to appeal to the membership to consider this amendment very carefully on its merits. It adds these two words "hereafter enacted," so that the bill would then read "no act of Congress hereafter enacted," and so on.

Many of those who favor H. R. 3 have expressed to me deep concern over the fact that it would apply to every statute on our books since the beginning of this Republic; and that is my principal objection. It is 80 or 90 percent of my objection to H. R. 3. The dangerous vice inherent in H. R. 3 is that we simply do not know what it may involve. We do know that it will injuriously affect many, many areas of our economy. It might favorably affect others, I concede that. But certainly we should not apply this bill to every law that has been passed to date. Every law on the books will be open to reexamination by the courts. This is bound to invite endless litigation in a host of fields. The cost in time and expense cannot be measured. The Deputy Attorney General predicted in his testimony before the Judiciary Committee that the litigation which H. R. 3 would engender would "offset all the efforts of the past 4 or 5 years to reduce court congestion."

If we want to set up this rule of construction for statutes enacted in the future, then that is a different matter. But even that leaves much to be desired.

It has been said here as an objection that legislation which is prospective only is not needed, that we can accomplish that now without a bill. That is true. But with this amendment H. R. 3 will constitute a statement of Congressional intention to cover all interpretations of laws enacted in the future. It will put Congress squarely on record in favor of maintaining as much concurrent State jurisdiction as constitutionally possible.

It is very important that we confine this bill to the things we know about, namely, the legislation which we enact from this day forward. Nobody—neither the proponents of this legislation nor anyone else—has been able to tell us what statutes will be affected by the general language of H. R. 3. Without the words of this amendment, I repeat, H. R. 3 will apply to every act that has been on our statute books since the dawn of the Republic.

That is not the way to legislate. That is, in my judgment, an irresponsible way of meeting a very serious and pressing problem. The responsible way is to take up our objections to court decisions one by one. In that way Congress, and not the courts, will be in control. If we yield to a desire and to pressure for general legislation, certainly then we should confine that general legislation to the enactments which we make from here on out and not try to interfere with past decisions or past statutes which we have enacted. How can we in this 85th Congress presume to enforce upon the first 84 Congresses a construction of these actions which in many cases they never intended? If we do this, how can we possibly criticize the Supreme Court for doing precisely the same thing?

Mr. TABER. Mr. Chairman, will the gentleman yield for a question?

Mr. KEATING. Of course, I yield to the gentleman from New York.

Mr. TABER. Would not the passage of this amendment prevent the application of the Willis amendment to the Nelson case?

Mr. KEATING. It would not, because the Willis amendment is an entirely separate matter and has been added to H. R. 3 as a separate proposition. That amendment states: "any act of Congress

heretofore or hereafter enacted." As to antisedition laws, H. R. 3 as amended by the Willis amendment would apply to the Nelson case even if the general provision were to read prospectively only.

What I propose is a rejection of the "pig in a poke" aspects of the present bill; a rejection of legislation which means all things to all men and for that very reason may ultimately mean nothing; a rejection of the shotgun approach to the relationship between Congress and the courts; a rejection of indiscriminate, unselective, and undefinable assaults upon our present laws; a rejection of what adds up unquestionably to slipshod and irresponsible legislative processes.

Certainly, no one would claim that the only acts since the dawn of the Republic in which preemption was intended are those in which the act explicitly so recited. Yet, under the bill in its present form, every past law in which Congress neglected to include an express provision stating an intent to occupy the field will be in jeopardy no matter how plainly that intent can be inferred. If we do not like what a past Congress has perpetrated we can alter its future effect. But to pretend that the past Congress never did what we dislike is to close our eyes to the facts. It is to revise history in a way which no believer in the truth could respect. At the very least we should refuse to be parties to such self-deception.

Mr. Chairman, I earnestly urge support of this amendment.

The CHAIRMAN. The time of the gentleman from New York [Mr. KEATING] has expired.

Mr. HYDE. Mr. Chairman, I ask unanimous consent that the gentleman from New York [Mr. KEATING] may be granted 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. HYDE. Mr. Chairman, will the gentleman yield for a question?

Mr. KEATING. I yield.

Mr. HYDE. Mr. Chairman, does the gentleman really think it is advisable to have all laws passed before this date decided by one rule of interpetation and all laws passed after this date decided by a different rule?

Mr. KEATING. I think, to answer the gentleman, that the doctrine of preemption as developed and applied by the courts over the last 150 years has been generally satisfactory to all concerned. I have heard only a few cases, of the hundreds decided in the course of our history, criticized even by the stanchest supporters of this bill. I prefer to let the law as it has been settled in the past stand. If we signal the courts to apply this new rule of construction who can predict what chaos may result? As to those few cases with which we disagree, we should deal with them specifically as we have done with the Nelson case where we have said that any act of Congress heretofore or herafter enacted shall be affected by it. That can be done in a thorough, careful manner. If a majority wants this new rule of construction applying generally to all laws, it should only be applicable to laws we enact in the future.

Mr. HYDE. Does not the gentleman agree that if we approve this amendment we will have one rule for future laws and those already on the books would not be affected by this rule?

Mr. KEATING. I agree. And for the reasons I have given, I believe this is the wisest course to follow.

Mr. HYDE. But that is the gentleman's argument.

The CHAIRMAN. The time of the gentleman from New York [Mr. KEATING] has again expired.

Mr. POFF. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. POFF. Mr. Chairman, it is painful to find myself in discord with the distinguished gentleman from New York, Mr. CELLER. To dispute such a learned, astute and resourceful lawyer is perhaps presumptuous and possibly foolhardy. However, inasmuch as historically lawyers and judges have disagreed among themselves in the interpretation of the law, I am emboldened respectfully to take exception to his argument and to oppose his amendment.

I agree that H. R. 3, in its original form, might have unsettled established law and possibly created some measure of havoc in our jurisprudence. However, since the adoption by the full Committee on the Judiciary of the Hyde amendment which made the last clause of the bill disjunctive instead of conjunctive, I do not feel that the retroactive effect of the bill will have the ruinous impact predicted by the gentleman from New York.

Let us be sure again of what H. R. 3 provides. The terminology of the bill is cast in the negative; let us rephrase and paraphrase it in the affirmative. If the bill becomes law, the courts will still be allowed to preempt the legislative field for the Congress, even in the absence of expressed Congressional intent, if the State law is in hopeless conflict with the Federal statute. That is true with respect to both future and existing statutes. In practically every example cited by the gentleman from New York, there would be hopeless conflict and the Federal law would prevail.

Even if the conflict is not hopeless, the Federal law would prevail for another and distinctly independent reason. A vast body of case law holds that any State law or regulation which imposes an undue burden on interstate commerce is unconstitutional because the Constitution vests jurisdiction over interstate commerce in the Federal Government to the exclusion of the State governments.

Now let us assume, first, that there is no hopeless conflict, and second, that there is no undue burden on interstate commerce. Still, in the event H. R. 3 should work an unanticipated and undesirable consequence with respect to some Federal statute already on the books, Congress can correct that consequence as and when it manifests itself. And we can be sure that the consequence will manifest itself to some alert lobbyist long before it reaches the point of litigation.

In summary, with respect to the integrity and supremacy of Federal statutes already on the books, there are at least 3 safeguards—1 statutory, 1 constitutional and 1 pragmatical. Accordingly, no farmer, no employer and no employee, whether he earns a wage or a salary, need fear that H. R. 3 will deny him any right which he now enjoys or subject him to any penalty or regulation to which he is not already subject.

Then, you may inquire, what is your objection to the Celler amendment and why should the bill have a retroactive effect? That is a legitimate question and deserves a responsive reply.

Already on the Federal books are hundreds of statutes which have never been interpreted by the courts. Most of those statutes contain no specific expression of intent to preempt the legislative field, and unquestionably in most cases Congress in fact intended just the converse. If H. R. 3 fails to become law, the courts in the future will have the same power they enjoy today to infer that when Congress passes the old statute it intended to preempt, even though Congress actually intended otherwise.

Accordingly, the retroactive feature of H. R. 3 is designed to foreclose future court decisions speculating about the intent of Congress in existing statutes, except in cases of irreconcilable conflict, in which cases the Federal statute is and under H. R. 3 will remain supreme. If the retroactive feature is eliminated from this bill by this amendment, the courts tomorrow or next week and forever will have the power to write another decision interpreting another existing statute just like the decision in the Nelson case which even the opponents of H. R. 3 acknowledge was an extraordinary extension of the doctrine of preemption and a grievous distortion of the concept and coverage of the supremacy clause of the Constitution.

Mr. Chairman, I appeal to this body to reject the pending amendment and pass the bill as heretofore amended.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. CELLER].

The amendment was rejected.

Mr. WITHROW. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. WITHROW to the committee amendment: On page 2, line 14, strike out the period and insert in lieu thereof a semicolon and the following "except that this chapter shall not apply in the case of any act of Congress insofar as it relates to common carriers and their employees operating in interstate commerce."

Mr. WITHROW. Mr. Chairman, my amendment has for its objective the exemption of railroads from the operation of this chapter. The railroad industry is peculiar in that its operations are almost entirely interstate in character. This was definitely recognized when the

Taft-Hartley Act was amended to exempt railroads and railroad employees from its provisions.

I spoke to the gentleman from Virginia [Mr. SMITH] in regard to my amendment and he said that its provisions did not apply to the railroads and their employees. I spoke to Members on this side of the aisle who are actively engaged in promoting this measure and they told me that the provisions would not apply to railroad employees and the railroads themselves. But there is a real diversity of opinion among lawyers, and very eminent lawyers, as to whether or not this act does apply to the railroad companies and their employees. So I say to you that I see no wrong in adopting this amendment.

In my opinion, there is a fallacy in enacting legislation which has for its object a commendable objective but in so doing the proponents of that legislation have not the right to force upon a large segment of our country and its industry a situation which might well be unworkable. For the past 2 days, there have been arguments by proponents and those opposed to the bill, and testimony by others outside the Congress, who are distinguished jurists, and there is no agreement as to what this bill will really do.

I have here a letter from the Railway Labor Executives' Association in opposition to the bill. In it they state among other things, and I quote:

> There are many statutes in the field, including the Railway Labor Act, the Railroad Retirement Act, the Carriers' Taxing Act, the Railroad Unemployment Insurance Act, the Federal Employers' Liability Act, the Hours of Service Act, the Safety Appliance Act, and many provisions of the Interstate Commerce Act, the settled construction of which would be seriously jeopardized and exposed to a rash of litigation if this bill passes.

The railway labor executives represent all of the employees on the first-class railroads throughout the United States.

I have here a telegram from Mr. Gregory Prince, vice president and general counsel of the Association of American Railroads, and he has this to say in regard to H. R. 3, and I quote:

> Without language excepting its application to carriers subject to part I of the Interstate Commerce Act, such as railroads, would create chaos in the field of Federal regulation of the railroads. For example, in areas now preempted by Federal legislation such as: (1) rates, H. R. 3 might lead to establishment of multitudinous rates on a single commodity depending upon the action of State courts and juries as to a reasonable rate; (2) penalties, many antiquated State laws are in existence and would have application to interstate rail transportation service if H. R. 3 were enacted, including nullifying car service orders of the Interstate Commerce Commission; (3) safety appliances and free interchange of rolling stock among railroads in this country, H. R. 3 would permit the substitution for Federal law of innumerable and conflicting State statutes requiring particular safety devices on railroad rolling stock; (4) locomotive inspections, conflicting State laws might be given full application with resulting intolerable operation conditions; (5) hours of service, the diversity of State employment laws is a matter of common knowledge and enactment of H. R. 3 would lead to untold complications and additional expense in complying therewith as compared to existing Federal law. Cannot overemphasize the undesirable nature of and chaotic condition that would be created in the field of interstate railroad transportation by enactment of H. R. 3 without language excepting its application in instances of railroads subject to the Interstate Commerce Act.

Again I repeat, that any legislation, no matter how praiseworthy its objectives may be is no justification for the passage of that legislation if it will do serious injury to other industries. This body has not the right, and must assume full responsibility for the enactment of this legislation, whose passage would tend to lead to chaos for the railroads engaged in interstate commerce if my amendment is not adopted.

We should be wary in doing anything which might bring about chaos in the railroad industry. This amendment exempting the railroad industry from the provisions of H. R. 3 would be a protection to them and it would be in the interest of good government.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. WITHROW. I yield to my distinguished colleague from Florida.

Mr. CRAMER. I have a great deal of respect for my distinguished colleague and his sincerity in speaking on this amendment, but I would like to ask the gentleman if this amendment is adopted, would he support the bill? If this amendment is adopted, will the gentleman support the bill, H. R. 3, as amended?

Mr. WITHROW. I do not know what other amendments will be proposed so I cannot very well say as to that.

Mr. CRAMER. Would the gentleman support H. R. 3 in its present form with the amendment?

Mr. WITHROW. I say this, that I am very much in favor of a great many of the provisions of the bill, H. R. 3, but at the same time I would not want to pass judgment on what other amendments will be proposed. As a matter of fact, I sincerely believe that this amendment should stand on its own feet.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BEAMER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I shall not take the 5 minutes, but I hope the Members of the Committee will listen very carefully because I think this is vitally important and I am going to vote for H. R. 3. I think, as many of you have said that we vote for this legislation with a prayer in our heart. I have listened intently to the discussion of this bill because I am just a common layman and not an attorney. Listening to the conflicting arguments presented it appears that many of you attorneys are just as confused as anybody else.

I am wondering if this question of concurrent legislation implied in the amendment in behalf of common carriers and their employees is not something that we should not stop and think about. There are many other problems besides the ICC question involved. I serve on the great Committee on Interstate and Foreign Commerce and it still is a great committee. We have before us problems of other regulatory agencies. I am wondering what is going to happen to the transportation bill which we passed overwhelmingly by both bodies only recently. Permit me to give you one illustration why I think the gentleman from Wisconsin has a very important point. We passed this transportation bill and we tried to spell out specifically what the jurisdiction of each State was in the termination of service within the State or, shall we say, intra-State service. What is this legislation, if it is passed, going to do to that type of legislation and to all of the other regulatory agencies such as communications, and Federal Power Commission and so on? I would like to have the answer.

Mr. MILLER of New York. Mr. Chairman, will the gentleman yield?

Mr. BEAMER. I yield.

Mr. MILLER of New York. The answer to that question is the same as the answer that should have been given to the gentleman from New York [Mr. CELLER] when he was talking about the harmful effects of this legislation on the railroads or the common carriers. It just is not so. The Congress of the United States under the Constitution has exclusive and paramount jurisdiction in the field of interstate commerce. Anything that the States would do by passing statutes regulating the size of cars, the number of safety devices or anything else which would be in contradiction of Federal statutes or which would be in addition to Federal legislation in the area would be construed by the court as an undue burden on interstate commerce and, therefore, ipso facto unconstitutional—and the railroads do not need this legislation whatsoever.

Mr. BEAMER. I am glad the gentleman gave this explanation but still we must face reality and the conditions that exist today. I am wondering about these railroads, for example, that pass through 3 or 4 States that are asking to abandon service within 1 State—that is, intrastate.

They present their case to the Public Service Commission or the regulatory body within the State and secure, or do not secure as the case may be, permission to abandon the service. The Interstate Commerce Commission does not have any authority in that particular instance. We tried to spell it out in the legislation we passed recently in this House. I still say you are going to have confusion. I think the gentleman from Wisconsin has presented an amendment for the transportation industry that is deserving of very serious attention.

I yield back the remainder of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. WITHROW] to the committee amendment.

Mr. VANIK. Mr. Chairman, I offer a substitute amendment.

The CHAIRMAN. The substitute is not in order at this time.

The question is on the amendment offered by the gentleman from Wisconsin [Mr. WITHROW].

The amendment to the committee amendment was rejected.

Mr. WRIGHT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent that I may speak out of order.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WRIGHT. Mr. Chairman, I feel that this is a tremendously far-reaching bill. I favor it, and I oppose any amendments to it.

I would not impose upon the time of the House to discuss any other matter were it not for the fact that a matter has just come to my attention which I think should be brought to the attention of the Members of this House. It impinges both directly and indirectly upon the dignity of this Chamber and of the Congress.

Many of you have been following, as I have followed, in a moderately interested way, the increasingly bitter arguments and condemnations that have arisen out of the controversy over the east front extension.

I have just had delivered to me a document which was distributed among members of the American Institute of Architects at their recent convention. While certainly the authors of this document have every right to be interested in the proposed extension, and while assuredly they have every right to express their opinions, it seems to me that, in their self-appointed role, these men have gone a step too far. They have breached the bounds of good taste and have in effect flaunted upon Congress a gross arrogance and impertinence by the characterizations with which they have described our Speaker of the House. They have sought to make the Speaker the villain of their plot, portraying him as a profaner of temples and describing him as an "unteachable—historic barbarian—gorged with power, ambition, and confident self-adoration."

Such a description as that might be fitting for Attila the Hun, or Genghis Khan, or Hitler, or Francisco Villa. But such raw and intemperate words offend the sensitivities of us all when applied with such thorough inappropriateness to our Speaker, SAM RAYBURN.

"Just who is this SAM RAYBURN?" they seem to demand, "that he would presume to defy the American Institute of Architects, the Luce publications, the Washington Post, and the solemn old New York Times?"

"Where does this RAYBURN get off interesting himself in the Capitol of the United States? What business is it of his whether the sandstone cracks and decays? Who gave SAM RAYBURN the right to interfere with the ravages of time?" This is clearly the attitude of his principal detractors.

It seems to me it is time something was explained to these angry and vociferous RAYBURN critics. What they have failed, or perhaps deliberately refused, to recognize is that the Speaker's position in this matter stems from an abiding reverence for the dignified and orderly legislative processes of representative government. This reverence for orderly processes has produced in the Speaker a rich contempt for organized letter-writing campaigns designed to stampede the Congress from its deliberate judgmet. If that be stubborn, as his critics have called him, then perhaps America needs more of such stubbornness.

Contrary to the assumption of the Speaker's critics, however, Speaker RAYBURN has not arbitrarily made himself the spearhead of the fight to rebuild the east front. What he has done in this regard has been simply to carry out the clear mandate of an act of Congress which directed a 5-man commission, of which he was 1 member, to proceed with the extension and forward it to completion.

If Speaker RAYBURN stands as the lone unflinching defender of the extension it is because he has taken seriously the clear responsibilities imposed upon him by the Congress as a member of this commission.

Responsibilities are important to SAM RAYBURN. If he is alone in this position, it is because he has not retreated in submissive silence to leave the flanks of his colleagues exposed.

I have no strong personal feelings about the timeliness of the east front extension or the wisdom of the 83d Congress in ordering it. It would not offend me personally to see it postponed. But there are many of us in this House, Mr. Chairman, who do have strong feelings about Speaker RAYBURN himself, about his devotion to his concept of responsibility and to the orderly, dignified, legislative processes, and who definitely are offended by any such attempts as this and others to portray him as an irascible dictator, an enemy of culture, or a profaner of temples. For he, assuredly, is none of these things.

Mr. TEWES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TEWES: Page 2, line 14, after the word "together", insert "except that in acts heretofore passed by the Congress the effect of this act may be rebutted by legislative history."

Mr. TEWES. Mr. Chairman, one of the realities which has emerged very forcefully from this debate is that there are some vast misconceptions concerning the meaning of this bill. Many of the supporters outside the Halls of Congress quite clearly are assuming that this legislation redefines the relationships between the State and Federal Government. Some of those who strongly support State sovereignties have indicated that this bill pronounces a dominance of the State over the Federal Government. Those who favor a strongly centralized Federal Government have taken violent exception to this bill because they have also assumed that establishes relationships in favor of the State government.

Actually, some of these proponents and opponents have elevated this legislation to the level of a constitutional change. It is plain from the debate, of course, that they are in error. All this measure does is to establish a standard known technically to lawyers as a rule of construction by which the Supreme Court can be guided in interpreting the meaning of laws passed by Congress. It is, in effect, a guide post to help the Supreme Court determine the intent of Congress. By this measure we say in effect to the Supreme Court that this is the rule for determining our meaning: Unless we say specifically in a law that we rule out State legislation, we are not attempting to occupy the field solely for the Federal Government.

This bill could be drafted two ways. It could provide that in the future, the Supreme Court will assume that Congress intends to preempt the field whenever it legislates or, as does this bill, that Congress does not intend to preempt the field. Either way would serve equally well. Each piece of legislation coming before us would then be considered in the light of this rule of construction.

The committee has chosen to disclaim preemption, though as I say, I am not certain that it makes much difference. Perhaps better logic attaches to this view because it is in accord with traditional rule which has been historically followed by the courts.

At this point, I would like to specifically disavow any desire to rebuke the Supreme Court. I agree generally with the view that when we disagree with specific decisions of the Court, we should enact specific laws directed toward specific decisions.

We should recognize that many unique results in the law are derived as frequently from faulty drafting on the part of Congress as whimsy on the part of the Court. But I see nothing wrong with Congress establishing jointly with the Supreme Court the recognition that our future legislation will not be assumed to have occupied a field to the exclusion of the States unless we specifically say so. This creates a clearcut understanding between the Court and ourselves.

I therefore have no difficulty with this bill as it applies to future legislation. I am considerably less certain about the matter, however, as it applies to measures which have previously been passed. It is, in a sense, a fiction for us today to establish what Congress "intended" in legislation 50 or 100 years ago.

Of course it is true here again that any mischief which occurred would be temporary because Congress could correct any injustices with new legislation. However, it would seem to me to be considerably wiser to make the new rule applicable to the legislation hereinafter enacted. At most, as far as laws on the books are concerned, I should think we would create a rebuttable presumption of Congress' intent not to occupy the field.

In summary, then, my views are that this bill is a simple statement putting Congress and the Supreme Court on common ground with regard to Congress' intent on future legislation. It does not in any way alter the constitutional relationships between the State and the Federal Government. I believe, however, that it can be better confined to future legislation only. If, for the sake of uniformity, its applicability to earlier laws of Congress seems desirable, I should like to see this rule of construction be a presumption only, which actually

could be rebutted by evidence indicating Congress' intent to occupy the field.

This is the purpose of my amendment. H. R. 3 as written affects not only future legislation but everything previously enacted. An amendment just defeated would have made H. R. 3 applicable only to laws hereafter enacted. What my amendment provides is that H. R. 3 does not affect existing legislation if the legislative history is perfectly clear that Congress intended to preempt the field. The Supreme Court under my amendment would have the opportunity to avail itself of that legislative intent.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. TEWES. I yield.

Mr. KEATING. I supported, and said I would offer, an amendment to provide that this bill would apply only to future legislation. I regret that that amendment was defeated. I shall offer the body an opportunity on a motion to recommit to vote for such an amendment. I would, however, be well satisfied with the amendment offered by the gentleman from Wisconsin. While that does not go as far as I would like to go, at least it helps this situation.

It is the retroactive feature that bothers me, and it bothers many who favor this legislation. While I do not think the gentleman's amendment is as advisable as the one defeated, yet I shall support it.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. TEWES. I yield.

Mr. HALLECK. I think we should get the parliamentary situation straight on the record at this point. The pending bill is in the form of an amendment. The only motion to recommit that would be in order would be a straight motion to recommit.

Mr. TEWES. The gentleman from New York has accurately stated the significance of my amendment. It is a compromise. H. R. 3 presently applies to all legislation on the books and all legislation to come. We defeated an amendment which would make it applicable only to the future. If my amendment is adopted, H. R. 3 would, of course, be applicable to future legislation but would not be applicable to the past legislation where it is clear that Congress by legislative history intended to preempt the field.

Mr. Chairman, I yield back the balance of my time.

Mr. WILLIS. Mr. Chairman, we have worked on this bill for almost 3 days and, as far as I know, there are no further amendments pending. The next vote will occur on the substitute offered by the gentleman from Pennsylvania [Mr. WALTER], my amendment having prevailed theretofore, then a vote on the bill itself.

Mr. Chairman, I therefore ask unanimous consent that debate on this bill and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

Mr. DINGELL. Mr. Chairman, I object.

Mr. WILLIS. Mr. Chairman, I move that all debate on this bill and all amendments thereto close in 5 minutes.

The CHAIRMAN. The question is on the motion.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. TEWES].

The amendment was rejected.

Mr. METCALF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. METCALF: On page 2, line 24, strike out the period and insert the following "except that this chapter shall not apply to any Acts of Congress relating to Federal relations with Indian tribes."

Mr. METCALF. Mr. Chairman, I have expressed the fear that our Indian relations would be affected by this bill because of a series of cases where the Federal Government has preempted the field by an implied preemption that would be directly affected by this bill. I asked the chairman of the committee if this had been discussed and he said the matter had not been raised in the committee, nor was it discussed on the floor until I raised the question yesterday.

Mr. Chairman, I do not believe that any member of this committee desires to make this an Indian termination bill, terminating Federal supervision over Indians, or a bill to give the States the right to terminate our Indian affairs. We want the Federal Government to keep control of them, until such time as Congress decides to relinquish that control, yet the legislative history since 1871 has demonstrated that this is an implied preemption in giving the Federal Government exclusive control over the Indians and H. R. 3 might result in that Federal control over the Indians being terminated.

The gentleman from Louisiana [Mr. WILLIS] stated on yesterday there was no such intention on the part of the committee and that there was no consideration of this matter at the time the bill was discussed. Therefore, it seems to me, in view of this situation, we should adopt my amendment to make it doubly clear this is not intended to affect our Federal relations with Indian tribes.

Mr. BROOKS of Louisiana. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, H. R. 3 is a good bill. I am supporting this bill. In fact, for many years I have been working on a program which would, in some way, help to protect the States in their fundamental rights. We have had limited success in the past; but the enactment of this measure promises considerably more success in the future.

I recall this bill when it was first introduced by the distinguished gentleman from Virginia [Mr. SMITH] years ago. I have studied its details, complexities, and ramifications. I have discussed this matter with Congressman SMITH and have listened to him explain his bill. The more thought I have given the matter, the more important I feel it is that this Congress enact H. R. 3 at an early date.

A whole line of Supreme Court decisions, almost in unbroken array, have been handed down in recent years with the result of taking away from the States, in spite of the intention of Congress to the contrary, many normal powers which the States should, and undoubtedly will use in the future.

The Pennsylvania case is a prominent example. It involves the power of the States to punish for sedition. It was not the intention of Congress to take away from the several States this authority. It is extremely unfortunate that 42 States suffered loss of sedition laws because of the Pennsylvania decision of the Supreme Court. This bill, in my judgment, would turn back to the States the right to maintain such laws.

Many other decisions of the Supreme Court should be the subject of the attention of Congress in separate legislation. There is, for instance, the decision seriously impeding the handling of hearings by Congressional committees; decisions affecting the right to discharge Federal employees because of communism; the right to discharge school teachers because of alien doctrines and principles; the right to discharge from the military service men with disloyal backgrounds and with a confessed belief in communism. All these decisions and many others move in the wrong direction.

Congress undoubtedly can correct some of these decisions by legislative enactment. On the other hand, some of them undoubtedly will require more than an act of Congress in order that they may be changed. Regardless of what the situation may be in other instances I think H. R. 3 should pass, and, by passing it, indicate to the people of the United States that we still have confidence in local and State government and that we wish to reaffirm the original rights of the States to legislate within the fields commonly and normally exercised by them in the past.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Montana [Mr. METCALF].

The amendment was rejected.

Mr. VANIK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VANIK: On page 2, line 14, strike out the period and insert in lieu thereof the following: "except that this chapter shall not apply in the case of any act of Congress insofar as it relates to the Natural Gas Act."

Mr. VANIK. Mr. Chairman, I oppose this bill because I candidly fear it to be the gas bill of 1958. One of the decisions that will be attacked by H. R. 3 is the Phillips Petroleum case which will be completely upset. I fear that the consumers of natural gas in 22 States, which are represented by most of the Members of this House today, will be adversely affected because this bill seeks to destroy the protection to the gas-consuming public under the terms of the Natural Gas Act.

In the Phillips Petroleum case the Supreme Court defined Phillips as a natural

gas company within the meaning of the Natural Gas Act, because it sold gas to interstate companies which transported and sold it to distributing companies in 14 States. In the *Interstate Natural Gas Co.* v. *Federal Power Commission* (331 U. S. 682) the Supreme Court held that a company was engaged in the gathering of natural gas and subject to the Natural Gas Act if its gas was commingled with that produced by other companies and placed in interstate shipment.

The Supreme Court did not have specific and absolute language to formulate its decision in either the Phillips or the Interstate decisions—in each of these cases the Court sought to determine legislative intent consistent with the language and legislative history of the Natural Gas Act which was designed to protect the gas consumer from unbridled suppression. In determining legislative intent, the Court looked to the only available source material, the committee reports.

If this bill is passed, one State with power to dictate natural gas policy for over 50 percent of the natural gas of America would promptly supply State statutory definition of a natural gas company which would exclude just about all gas operations from the regulation of the Federal Power Commission. The producing, gathering and price rigging of natural gas would become a State's individual concern. History does not indicate that the gas consumers of 22 other States can rely upon the integrity and profit restraint of the gas and oil industry.

Mr. GRIFFIN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. GRIFFIN. Mr. Chairman, I wish to address myself to the argument put forth that passage of H. R. 3 somehow would overturn the Supreme Court ruling in the case of *Phillips Petroleum Co.* v. *Wisconsin* (347 U. S. 672). Several opponents of the bill have sought to leave the impression that a vote for this legislation would be tantamount to a vote for the Harris natural gas bill. I respectfully submit that there is no sound basis for such an impression and the argument is without merit.

I have before me the Supreme Court opinion in the Phillips case. A fair and careful reading of the case clearly reveals that the decision did not involve the validity of State law as against the doctrine of Federal preemption.

In the Phillips case, the Court merely interpreted the meaning and scope of words actually used by Congress in the Natural Gas Act, as applied to a particular company engaged in the production, gathering, processing, and sale of natural gas. After a careful review of the language of the act and its legislative history, the Court concluded that the petitioner in the case was a natural gas company within the meaning of the words used in the Natural Gas Act.

In the Phillips case, the Court did not strike down a State statute by proclaiming that Federal law, though not in conflict, had preempted a field despite the absence of any evidence of Congressional intent so to do. The validity of State law was not involved, and the Court did nothing, more or less, than to interpret and apply language actually used by Congress in one of its enactments. Whether or not H. R. 3 becomes law, the Court will continue to perform that function in the same manner.

It should be clear that the effect of the Phillips decision could not be overturned by State legislation, regardless of the outcome of our vote on H. R. 3. If a State were to pass a statute which purported to deprive or diminish the extent of regulatory jurisdiction asserted by Congress in the Natural Gas Act, obviously such a State statute would be in conflict with existing Federal law and would, therefore, be invalid. Such State legislation would probably be unconstitutional even in the absence of Federal law—see *Interstate Natural Gas Co.* v. *Federal Power Commission* (331 U. S. 682).

Mr. Chairman, the argument that H. R. 3 would upset the Phillips case and amount to passage of the Harris bill, may appeal to the emotions of some but, I submit, it is not based on sound reasoning.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. VANIK].

The amendment was rejected.

Mr. ULLMAN. Mr. Chairman, the minority report on H. R. 3 which was submitted by nine members of the Judiciary Committee begins with this statement:

> Seldom has this House had before it a bill so productive of chaos in the legal relationships governing substantial areas of American economic and political life.

Mr. Chairman, I believe this is an adequate summation of the effect which H. R. 3 would have on the intricate field of Federal-State relations.

Assuredly this is not a simple bill, as the majority report would have us believe. To contend that it would make no change in the substantive law of the United States because it merely proposes additional rules of construction for the Federal courts is, to my way of thinking, a gross simplification. It would do nothing less than disrupt the large body of established law pertaining to State-Federal relationships and, in so doing, throw into a state of confusion and uncertainty the jurisprudential development of the last 160 years.

As has been pointed out by the minority report, sound legislation should only result from a clear-cut, demonstrative need. Apparently the pressing need for H. R. 3 stems from certain Supreme Court decisions, the most notable of which seems to be the Nelson case. In an attempt to overcome the effect of this and certain other decisions, we are being asked to jeopardize sound legal doctrine. We are not being assured, to the best of my knowledge, that any specific decision will be overruled. We are not being told that henceforth State sedition statutes will be upheld. Nor are we being informed as to the effect H. R. 3 would have on the large body of established law pertaining to the relationships of the Federal Government with the the States or with municipalities.

The law governing a western irrigation district may be substantially altered by this proposed legislation. But as to how and to what extent, we are asked to remain blissfully ignorant. The same would seem to be true of the Federal State law applicable to transportation, industrial relations, criminal law and other important areas of jurisprudence.

In fact, Mr. Chairman, we are being told very little about any of the effects of H. R. 3. We are only being told that it will return to the States a greater measure of their concurrent powers. How this is to be accomplished we do not know. Nor are we enlightened as to the new pattern of the State-Federal relationship which is to emerge.

Mr. Chairman, we all agree that the area of State-Federal relationship is intricate. We are all equally aware of the impossibility of adhering to a pat phrase or a sterile standard in interpreting a complex body of law. Yet, we are being asked to cast aside a century and a half of precedent and to flood the courts with litigation, ostensively to clarify the concurrent powers of the States but actually, of course, because of the displeasure which a number of Supreme Court decisions has aroused.

To an outside observer, this would appear to be folly. I submit that it is nothing less. If it is the consensus that certain Supreme Court decisions should be legislatively modified, common sense would seem to dictate a case by case or area by area discussion and modification. It would not seem to sanction an allegedly simple change in the rules of construction, which would, in effect, jeopardize a whole body of substantive law.

Mr. Chairman, I can only reach the conclusion that this proposed legislation is unsound. The need for it remains unestablished, its impact unpredictable. I trust this unwarranted exercise of legislative authority will be defeated.

Mr. GARY. Mr. Chairman, this Nation owes a debt of gratitude to my distinguished colleague, the gentleman from Virginia [Mr. SMITH], for the constructive legislation whcih he has sponsored to protect our Government from Communists, our States from Federal encroachment and our citizens from the loss of their liberties. This bill is another evidence of his patriotic devotion to our American form of government. I associate myself with his views on this measure and I express the hope that the House will pass it without any crippling amendments.

Mr. DIGGS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DIGGS. Mr. Chairman, that the Supreme Court, in fulfilling the time-honored role of umpire of the Federal system, has been construing the Constitution of the United States and finding the statutory intent of Congress in reference to Nation-State relationships from the beginning of the Republic is an accepted fact. By reason of the Con-

stitution, certain areas of governmental prerogative are marked off to the National Government, and the States, in the absence of Congressional consent, are excluded therefrom. Moreover, article VI of the Constitution fixes the principle that, where State law conflicts with Federal law, State law must fall.

As already indicated, Congress has the authority, within this constitutional framework, to redistribute power in proper cases. Thus, it may permit State action in areas normally closed to the State and conversely, in the interest of a national legislative scheme, properly based on Federal power, may limit State action in areas normally open to the States.

When, however, in cases involving Federal statutes in the gray area last alluded to—where the Constitution as such is not deemed to be controlling and at the same time Congressional meaning within the intent of the statute is obscure—the judicial branch has found it necessary to work out a rule for the ascertainment of Congressional intent, this rule, which itself is not rigidly formulated—see *Hines* v. *Davidowitz* (312 U. S. 52, at p. 67)—is known as the preemption doctrine. The doctrine has found bases for application in several different situations involving concurrent jurisdiction. In summary, they are basically these:

First. Federal statutes in an area of overriding national importance have been held to supersede State statutes in the same area irrespective of nonconflict.

Second. State statutes which tend to disrupt or interfere with the purpose of Federal statutes in the same area have been stricken.

Third. Where Federal legislation is so comprehensive as to raise the inference that Congress did not intend to leave any room for State action, the courts have held that Congress has occupied the field and, as a consequence, have stricken State legislation. Again, direct conflict is not involved.

In my opinion, H. R. 3 will not adversely affect any of the civil rights statutes now in force; nor insofar as I can foresee will it be likely to adversely affect any future civil rights statutes because of the nature of the usual constitutional base of such statutes, to wit, the 14th and 15th amendments to the Constitution. Both these amendments are themselves prohibitions against State action based on race.

There is, however, at least one point of impact in the civil rights area where H. R. 3 may have a resounding adverse effect. That is in the area of irresponsible and false accusations of subversion and/or sedition made from time to time against Negroes who insist, either individually or through civil rights organizations, upon first-class American citizenship. The case of *Pennsylvania* v. *Nelson* (350 U. S. 497), in which the preemption doctrine was applied, precluded States from acting in the field of subversion against the National Government when the National Government has occupied this field, and may well have precluded the States, under like circumstances, from acting in the field of subversion entirely. Although this last point is not made clear by the opinion, it is not beyond the realm of reason to advance the hypothesis that, irrespective of geography, governmental subversion in the form which it usually takes today is national in scope rather than limited by State boundaries. Of course, subversion in any form is not to be condoned. What we are concerned with here is the loose and irresponsible use of untrue allegations of subversion as a basis for massive resistance States to unjustly harass minority groups. If the doctrine of Pennsylvania against Nelson is reversed, and that is what H. R. 3 would do, among other things, such States might well in the absence of express command from Congress, take advantage of the situation to move into full-scale production of so-called State sedition criminal acts, subtly drafted as such but in reality directed primarily at maintaining racial discriminations. Beyond this, there is the danger of heightened harassment of colored citizens through State legislative committees allegedly investigating subversives. The probability that such activities may ultimately be stricken as unconstitutional does not save the situation, for in the period between State action and a decision as to its unconstitutionality much irreparable harm could be done.

For this and other reasons ably stated by the opponents of this measure, I hope that this iniquitous proposal is defeated.

Mr. SISK. Mr. Chairman, some of the arguments presented by the advocates of this legislation are most persuasive, but in my opinion they lack substance. They do not reveal—and there is an apparent effort to conceal—the underlying reasons why this proposal is being so strongly urged at this time.

These elaborate legalistic arguments remind me of a house built of cards, or perhaps, the beautiful front erected on a stage with no building behind.

The fact is, some of the persons urging enactment of this bill disagree in philosophy with some of the recent decisions of the Supreme Court and they are trying to build a fence around that Court. They are attempting to reduce the jurisdiction of the Court and to tie its hands. They would seek thus to nullify or avoid both laws passed by this Congress and interpretation of those laws by the courts.

Now it is possible I may disagree, or at least regret, some decisions of the courts of our country, but I consider this a poor and most dangerous basis for enactment of legislation. If the great body of constitutional law and judicial and legislative precedent of our country is to be modified or changed every time we disagree with a court decision, we are going to substitute chaos and confusion for law and order. If our legislative and judicial branches of government are to engage in adroit and concealed moves trying to limit the powers of the other, the rights of our citizens must thereby be cut down and limited and our traditional separation and balance of powers nullified.

No Member on this floor can anticipate the effect of this legislation if enacted. It is extremely broad and uncertain and I would warn it may extend into many unexpected fields, possibly fields in which the proponents of this would not want it applied in future years. Certainly, we can anticipate it would lead to such a hodgepodge of uncertainty, of varying State laws and Federal enactments, that no citizen traveling from State to State could know the law, or his rights or obligations under it.

This is a dangerous and confusing proposal. I trust it will be defeated.

Mr. WESTLAND. Mr. Chairman, I favor the enactment of H. R. 3 and have said so ever since the bill was introduced. During the early part of our history, the Supreme Court had the task of establishing the supremacy of the Federal Government in the exercise of its legitimate powers. More recently, the Supreme Court has faced the problem of outlining the proper place of the States in our governmental system. Unfortunately, it seems to me our High Court has on occasion forgotten precedent and the clear language of our Constitution.

In the past 20 years, the Supreme Court has reversed more established constitutional principles than were changed during all the other years of the Court's existence. Now there is the ruling in the Steve Nelson case which has broadened and extended the doctrine of preemption to a point where it is conceivable that many State statutes could be ruled unconstitutional. Already a State is left powerless to enforce its sedition laws, leaving us in a situation that delighted the Communists. Why did this happen? It happened because the Supreme Court presumed an intention of Congress that hasn't existed

There is concern in my District of Washington State over the situation, and unless something is done to insure the rights of States, all of our States can ultimately become engulfed by federalism. A remedy for the situation might be provided through a declaratory act by this Congress, reasserting the meaning of the Constitution, but I believe H. R. 3 will do the job in an even clearer manner.

Mr. Chairman, I will vote for H. R. 3 because it definitely sets forth the intent of Congress regarding preemption and safeguards the rights of our States. I, for one, want to see the constitutional government belonging to the States returned.

Mr. DOWDY. Mr. Chairman, I am for H. R. 3. I had intended to offer an amendment which would exempt carriers in interstate commerce laws, but another Member has already offered substantially the same amendment, which was defeated.

Some think H. R. 3 would affect laws having to do with rates, penalties, safety laws, inspection of locomotives, hours of service, railroad retirement, and others. I do not join in that belief, and do not believe the amendment is necessary; neither do I think it would change the effect of H. R. 3 in any way.

I am convinced the Constitution itself takes care of this question. I am for H. R. 3, with or without the mentioned amendment, but was willing to offer it to quiet any fears on the point. None of us who have supported H. R. 3 for over 4 years have ever contended that it

would affect laws concerning interstate carriers and their employees.

Mr. HENDERSON. Mr. Chairman, although H. R. 3, as reported by the committee, is subject to considerable controversy here on the floor because of what a few Members fear is a potential threat to some established rules of procedure, yet I am supporting the bill because I feel that it will serve as a directive to the courts that we Members of Congress are convinced that the sovereignty of the several States must not be impaired. We feel that the strength of our Nation is due, in part, to the fact that we have a traditional separation of authority, of responsibility, and of sovereignty so that a government nearer the people may serve them and so that there can be, in this huge and powerful Nation, a difference of opinion and of regulation with regard to matters that are local in nature.

There has been a tendency, which has seemingly increased in impetus within recent years, toward the centralization of authority. The Congress of the United States has contributed in many measures toward this tendency. I deplore that contribution. The Supreme Court has apparently felt that the acceleration was not great enough and that it would add its judicial temper to the trend and make such rulings as we find in the Nelson case, depriving the States of their right to legislate for and control sedition and subversion within their boundaries because of what the Supreme Court finds to be "implied preemption."

In 1957, early in the 85th Congress, I introduced H. R. 1142, which, in nine lines, provided that, notwithstanding any provision of a court decision to the contrary, the Federal Government and the States and the Territories of the United States have concurrent power to legislate with respect to sedition against the Government of the United States or the government of any State or Territory or the government of any political subdivision of a State or Territory. The intent of the bill was to reverse the decision of the Supreme Court in the Nelson case.

Pennsylvania had its own laws with regard to sedition and yet the Supreme Court determined that the laws were inoperative and unconstitutional because, in enacting the Smith Act, the Federal Government had preempted the field. Nothing could be further from the minds of the Members of Congress as explained by their own words in debate on the Smith Act.

Ohio, after years of legislative investigations, enacted laws dealing with subversion and sedition. The Nelson case rendered these laws inoperative. H. R. 3 as now written will nullify the Nelson case for it has been amended to include phraseology similar to what I had sugegsted in H. R. 1142. Thus, the Congress can take this means of insuring that the Court will not misinterpret its meaning again.

Mr. FASCELL. Mr. Chairman, I support the provisions of H. R. 3, one of the effects of which will give back to the States the right to enforce their State sedition statutes. Such is the purpose of the bill I introduced on this subject, H. R. 1129.

In Florida, our State treason and insurrection laws have been in the statutes since 1868. Since 1941, Florida statutes have made it a felony to advocate by word of mouth or writing the overthrow of our constitutional form of government by force or violence or by any other unlawful means. Additional statutes dealing with this general subject were passed in 1949 and 1951. I was privileged to be a member of the Florida Legislature when in 1953, the Subversive Activities Act was enacted which made it a felony to become or remain a member of a subversive organization.

I supported this legislation then because I felt it was a proper field for State legislation. Every State and all of the citizens within that State have the interest and right to combat subversive influences and activities within their communities.

I introduced H. R. 1129 because I felt the Supreme Court's decision in the Nelson case constituted an unwarranted and unnecessary invasion of the rights of the States in this field. Further, I believe that it was never the intent of Congress in enacting legislation dealing with subversive activities, to deprive the States of the opportunity to enforce their own sedition statutes, or to vest in the Federal Government exclusive jurisdiction in this field.

I am gratified by the overwhelming vote given H. R. 3 in the House.

Mr. WILLIS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WILLIS. Several Members have asked me whether the substitute carries with it the amendment that I proposed and which was adopted a while back. I know it does not, but I am correct in my presumed knowledge; am I not? In other words, this is a separate vote on the Walter substitute?

The CHAIRMAN. It is a separate vote on the Walter substitute.

Mr. CELLER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CELLER. If the Walter substitute prevails, that destroys H. R. 3 in its entirety?

The CHAIRMAN. It supplants the language of the committee amendment as amended.

Mr. CELLER. I thank the chairman.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Pennsylvania [Mr. WALTER].

The question was taken; and on a division (demanded by Mr. CELLER) there were—ayes 93, noes 157.

So the substitute was rejected.

The CHAIRMAN. The question is on the committee amendment as amended.

The committee amendment as amended was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. THOMPSON of Texas, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3) to establish rules of interpretation governing questions of the effect of acts of Congress on State laws pursuant to House Resolution 597, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

Mr. HYDE. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 249, nays 147, not voting 34, as follows:

[Roll No. 133]

YEAS—249

Abbitt	Fountain	Morrison
Abernethy	Frazier	Moulder
Adair	Gary	Mumma
Albert	Gathings	Murray
Alexander	George	Natcher
Alger	Grant	Neal
Allen, Ill.	Griffin	Nicholson
Andersen, H. Carl	Gross	Nimtz
	Gubser	Norblad
Andrews	Gwinn	Norrell
Arends	Haley	O'Hara, Minn.
Ashmore	Halleck	Ostertag
Avery	Harden	Passman
Baker	Hardy	Patman
Baldwin	Harris	Pelly
Barden	Harrison, Nebr.	Philbin
Bass, Tenn.	Harrison, Va.	Pilcher
Bates	Harvey	Pillion
Baumhart	Haskell	Poage
Beamer	Hébert	Poff
Becker	Hemphill	Preston
Beckworth	Henderson	Prouty
Belcher	Herlong	Quie
Bennett, Fla.	Hess	Rains
Bentley	Hiestand	Ray
Berry	Hill	Reece, Tenn.
Betts	Hillings	Reed
Blitch	Hoeven	Rees, Kans.
Boggs	Hoffman	Rhodes, Ariz.
Bolton	Holt	Riehlman
Bonner	Hosmer	Riley
Bosch	Huddleston	Rivers
Bow	Hull	Robison, N. Y.
Boykin	Hyde	Robsion, Ky.
Bray	Ikard	Rogers, Colo.
Brooks, La.	Jackson	Rogers, Fla.
Broomfield	Jarman	Rogers, Tex.
Brown, Ga.	Jennings	Rutherford
Brown, Ohio	Jensen	St. George
Brownson	Johansen	Schenck
Broyhill	Jonas	Scherer
Budge	Jones, Ala.	Scott, N. C.
Burleson	Jones, Mo.	Scrivner
Bush	Judd	Scudder
Byrne, Ill.	Kilburn	Selden
Byrnes, Wis.	Kilday	Sheehan
Cederberg	Kilgore	Sikes
Chamberlain	Kitchin	Siler
Chelf	Knox	Simpson, Ill.
Chenoweth	Krueger	Simpson, Pa.
Chiperfield	Lafore	Smith, Calif.
Church	Laird	Smith, Miss.
Clevenger	Landrum	Smith, Va.
Collier	Lane	Spence
Colmer	Latham	Springer
Cooley	Lennon	Stauffer
Cramer	Lipscomb	Steed
Cunningham, Nebr.	Loser	Taber
	McCulloch	Taylor
Curtis, Mo.	McDonough	Teague, Calif.
Dague	McGregor	Teague, Tex.
Davis, Ga.	McIntire	Tewes
Davis, Tenn.	McIntosh	Thomas
Dawson, Utah	McMillan	Thompson, La.
Derounian	McVey	Thompson, Tex.
Devereux	Mack, Wash.	Thomson, Wyo.
Dixon	Mahon	Thornberry
Donohue	Mailliard	Tuck
Dorn, S. C.	Martin	Utt
Dowdy	Mason	Van Pelt
Durham	Matthews	Vinson
Elliott	May	Vorys
Everett	Meader	Vursell
Evins	Miller, Md.	Walter
Fascell	Miller, Nebr.	Watts
Feighan	Miller, N. Y.	Weaver
Fenton	Mills	Westland
Fisher	Minshall	Wharton
Flynt	Mitchell	Whitener
Ford	Montoya	Whitten
Forrester	Moore	Wigglesworth

Williams, Miss.	Wilson, Ind.	Young
Willis	Winstead	Younger
Wilson, Calif.	Wright	

NAYS—147

Addonizio	Forand	Moss
Anfuso	Frelinghuysen	Multer
Ashley	Fulton	Nix
Aspinall	Garmatz	O'Brien, Ill.
Auchincloss	Gavin	O'Brien, N. Y.
Ayres	Glenn	O'Hara, Ill.
Bailey	Granahan	O'Konski
Barrett	Gray	O'Neill
Bass, N. H.	Green, Oreg.	Osmers
Bennett, Mich.	Green, Pa.	Patterson
Blatnik	Griffiths	Perkins
Boland	Hagen	Pfost
Bolling	Hale	Polk
Boyle	Hays, Ohio	Porter
Breeding	Healey	Powell
Brooks, Tex.	Heselton	Price
Brown, Mo.	Holifield	Rabaut
Byrd	Holland	Reuss
Byrne, Pa.	Holmes	Rhodes, Pa.
Canfield	Holtzman	Rodino
Cannon	Horan	Rooney
Carrigg	Johnson	Roosevelt
Celler	Karsten	Sadlak
Clark	Kean	Santangelo
Coad	Keating	Saund
Coffin	Kee	Saylor
Corbett	Kelly, N. Y.	Schwengel
Coudert	Keogh	Scott, Pa.
Cretella	King	Seely-Brown
Cunningham, Iowa	Kirwan	Shelley
	Kluczynski	Sheppard
Curtin	Knutson	Sisk
Curtis, Mass.	Lankford	Sullivan
Dawson, Ill.	Lesinski	Teller
Delaney	Libonati	Thompson, N. J.
Dellay	McCarthy	Tollefson
Dennison	McCormack	Udall
Dent	McFall	Ullman
Diggs	McGovern	Vanik
Dingell	Macdonald	Van Zandt
Dollinger	Mack, Ill.	Wainwright
Dooley	Madden	Widnall
Dorn, N. Y.	Magnuson	Wier
Doyle	Marshall	Withrow
Dwyer	Merrow	Wolverton
Fallon	Metcalf	Yates
Farbstein	Michel	Zablocki
Fino	Miller, Calif.	Zelenko
Flood	Morano	
Fogarty	Morgan	

NOT VOTING—34

Allen, Calif.	Engle	Radwan
Anderson, Mont.	Friedel	Roberts
	Gordon	Robeson, Va.
Baring	Gregory	Rogers, Mass.
Buckley	Hays, Ark.	Shuford
Burdick	James	Sieminski
Carnahan	Jenkins	Smith, Kans.
Christopher	Kearney	Staggers
Denton	Kearns	Talle
Dies	LeCompte	Trimble
Eberharter	Machrowicz	Williams, N. Y.
Edmondson	Morris	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Robeson of Virginia for, with Mr. Denton against.

Mr. Hays of Arkansas for, with Mr. Buckley against.

Mr. Trimble for, with Mr. Eberharter against.

Mr. Baring for, with Mr. Engle against.

Mr. Morris for, with Mr. Friedel against.

Mr. LeCompte for, with Mr. Christopher against.

Mr. Kearney for, with Mr. Gordon against.

Mr. Talle for, with Mr. Anderson of Montana against.

Mr. Shuford for, with Mr. Machrowicz against.

Mr. James for, with Mr. Sieminski against.

Mr. Radwan for, with Mr. Carnahan against.

Mr. Jenkins for, with Mr. Burdick against.

Mr. Roberts for, with Mr. Allen of California against.

Until further notice:

Mr. Staggers with Mrs. Rogers of Massachusetts.

Mr. Edmondson with Mr. Kearns.

Mr. Gregory with Mr. Smith of Kansas.

Mr. Dies with Mr. Williams of New York.

Mr. HAGEN and Mr. BENNETT of Michigan changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. KEATING. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. KEATING. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. KEATING moves to recommit the bill, H. R. 3, to the Committee on the Judiciary.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

Mr. KEATING. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 161, nays 236, not voting 33, as follows:

[Roll No. 134]

YEAS—161

Addonizio	Fulton	Moss
Anfuso	Garmatz	Moulder
Ashley	Gavin	Multer
Auchincloss	Glenn	Nix
Ayres	Granahan	O'Brien, Ill.
Bailey	Gray	O'Brien, N. Y.
Barrett	Green, Oreg.	O'Hara, Ill.
Bass, N. H.	Green, Pa.	O'Konski
Baumhart	Griffiths	O'Neill
Bennett, Mich.	Hagen	Osmers
Blatnik	Hale	Patterson
Boland	Hays, Ohio	Perkins
Bolling	Healey	Pfost
Boyle	Heselton	Philbin
Brooks, Tex.	Holifield	Polk
Brown, Mo.	Holland	Porter
Byrd	Holmes	Powell
Byrne, Pa.	Holtzman	Price
Canfield	Horan	Rabaut
Cannon	Johnson	Reuss
Carrigg	Judd	Rhodes, Pa.
Celler	Karsten	Rodino
Clark	Kean	Rogers, Colo.
Coad	Keating	Rooney
Coffin	Kee	Roosevelt
Corbett	Kelly, N. Y.	Sadlak
Coudert	Keogh	Santangelo
Cretella	King	Saund
Cunningham, Iowa	Kirwan	Saylor
	Kluczynski	Schwengel
Curtin	Knutson	Scott, Pa.
Curtis, Mass.	Lane	Seely-Brown
Curtis, Mo.	Lankford	Shelley
Dawson, Ill.	Lesinski	Sheppard
Delaney	Libonati	Sisk
Dellay	McCarthy	Staggers
Dennison	McCormack	Sullivan
Dent	McFall	Teller
Diggs	McGovern	Thomas
Dingell	Macdonald	Thompson, N. J.
Dollinger	Mack, Ill.	Tollefson
Donohue	Madden	Udall
Dooley	Magnuson	Ullman
Dorn, N. Y.	Mailliard	Vanik
Doyle	Marshall	Van Zandt
Dwyer	May	Wainwright
Fallon	Merrow	Walter
Farbstein	Metcalf	Widnall
Feighan	Michel	Wier
Fino	Miller, Calif.	Withrow
Flood	Montoya	Wolverton
Fogarty	Moore	Yates
Forand	Morano	Zablocki
Frelinghuysen	Morgan	Zelenko

NAYS—236

Abbitt	Adair	Alexander
Abernethy	Albert	Alger
Allen, Ill.	Grant	Norrell
Andersen, H. Carl	Griffin	O'Hara, Minn.
	Gross	Ostertag
Andrews	Gubser	Passman
Arends	Gwinn	Patman
Ashmore	Haley	Pelly
Aspinall	Halleck	Pilcher
Avery	Harden	Pillion
Baker	Hardy	Poage
Baldwin	Harris	Poff
Barden	Harrison, Nebr.	Preston
Bass, Tenn.	Harrison, Va.	Prouty
Bates	Harvey	Quie
Beamer	Haskell	Rains
Becker	Hébert	Ray
Beckworth	Hemphill	Reece, Tenn.
Belcher	Henderson	Reed
Bennett, Fla.	Herlong	Rees, Kans.
Bentley	Hess	Rhodes, Ariz.
Berry	Hiestand	Richman
Betts	Hill	Riley
Blitch	Hillings	Rivers
Boggs	Hoeven	Robison, N. Y.
Bolton	Hoffman	Robsion, Ky.
Bonner	Holt	Rogers, Fla.
Bosch	Hosmer	Rogers, Tex.
Bow	Huddleston	Rutherford
Boykin	Hull	St. George
Bray	Hyde	Schenck
Breeding	Ikard	Scherer
Brooks, La.	Jackson	Scott, N. C.
Broomfield	Jarman	Scrivner
Brown, Ga.	Jennings	Scudder
Brown, Ohio	Jensen	Selden
Brownson	Johansen	Sheehan
Broyhill	Jonas	Sikes
Budge	Jones, Ala.	Siler
Burleson	Jones, Mo.	Simpson, Ill.
Bush	Kilburn	Simpson, Pa.
Byrne, Ill.	Kilday	Smith, Calif.
Byrnes, Wis.	Kilgore	Smith, Miss.
Cederberg	Kitchin	Smith, Va.
Chamberlain	Knox	Spence
Chelf	Krueger	Springer
Chenoweth	Lafore	Stauffer
Chiperfield	Laird	Steed
Church	Landrum	Taber
Clevenger	Latham	Taylor
Collier	Lennon	Teague, Calif.
Colmer	Lipscomb	Teague, Tex.
Cooley	Loser	Tewes
Cramer	McCulloch	Thompson, La.
Cunningham, Nebr.	McDonough	Thompson, Tex.
	McGregor	Thomson, Wyo.
Dague	McIntire	Thornberry
Davis, Ga.	McIntosh	Tuck
Davis, Tenn.	McMillan	Utt
Dawson, Utah	McVey	Van Pelt
Derounian	Mack, Wash.	Vinson
Devereux	Mahon	Vorys
Dixon	Martin	Vursell
Dorn, S. C.	Mason	Watts
Dowdy	Matthews	Weaver
Durham	Meader	Westland
Elliott	Miller, Md.	Wharton
Everett	Miller, Nebr.	Whitener
Evins	Miller, N. Y.	Whitten
Fascell	Mills	Wigglesworth
Fenton	Minshall	Williams, Miss.
Fisher	Mitchell	Willis
Flynt	Morrison	Wilson, Calif.
Ford	Mumma	Wilson, Ind.
Forrester	Murray	Winstead
Fountain	Natcher	Wright
Frazier	Neal	Young
Gary	Nicholson	Younger
Gathings	Nimtz	
George	Norblad	

NOT VOTING—33

Allen, Calif.	Engle	Radwan
Anderson, Mont.	Friedel	Roberts
	Gordon	Robeson, Va.
Baring	Gregory	Rogers, Mass.
Buckley	Hays, Ark.	Shuford
Burdick	James	Sieminski
Carnahan	Jenkins	Smith, Kans.
Christopher	Kearney	Talle
Denton	Kearns	Trimble
Dies	LeCompte	Williams, N. Y.
Eberharter	Machrowicz	
Edmondson	Morris	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Denton for, with Mr. Robeson of Virginia against.

Mr. Buckley for, with Mr. Hays of Arkansas against.

Mr. Eberharter for, with Mr. Trimble against.

Mr. Engle for, with Mr. Baring against.
Mr. Friedel for, with Mr. Morris against.
Mr. Christopher for, with Mr. LeCompte against.
Mr. Gordon for, with Mr. Kearney against.
Mr. Anderson of Montana for, with Mr. Talle against.
Mr. Machrowicz for, with Mr. Shuford against.
Mr. Sieminski for, with Mr. James against.
Mr. Carnahan for, with Mr. Radwan against.
Mr. Burdick for, with Mr. Jenkins against.
Mr. Allen of California for, with Mr. Roberts against.

Until further notice:

Mr. Edmondson with Mrs. Rogers of Massachusetts.
Mr. Gregory with Mr. Kearns.
Mr. Dies with Mr. Smith of Kansas.

Mr. DAWSON of Illinois changed his vote from "nay" to "yea."

Mr. ASHMORE changed his vote from "yea" to "nay."

Mr. MAY changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. SMITH of Virginia. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 241, nays 155, not voting 34, as follows:

[Roll No. 135]

YEAS—241

Abbitt	Cunningham, Nebr.	Jackson
Abernethy	Dague	Jarman
Adair	Davis, Ga.	Jennings
Albert	Davis, Tenn.	Jensen
Alexander	Dawson, Utah	Johansen
Alger	Derounian	Jonas
Allen, Ill.	Devereux	Jones, Ala.
Andersen, H. Carl	Dixon	Jones, Mo.
Andrews	Dorn, S. C.	Judd
Arends	Dowdy	Kilburn
Ashmore	Durham	Kilgore
Avery	Elliott	Kitchin
Baker	Everett	Knox
Baldwin	Evins	Krueger
Barden	Fascell	Lafore
Bass, Tenn.	Feighan	Laird
Bates	Fenton	Landrum
Baumhart	Fisher	Latham
Beamer	Flynt	Lennon
Becker	Ford	Lipscomb
Beckworth	Forrester	Loser
Belcher	Fountain	McCulloch
Bennett, Fla.	Frazier	McDonough
Bentley	Gary	McGregor
Berry	Gathings	McIntire
Betts	George	McIntosh
Blitch	Grant	McMillan
Boggs	Griffin	McVey
Bolton	Gross	Mack, Wash.
Bonner	Gubser	Mahon
Bosch	Gwinn	Martin
Bow	Haley	Mason
Boykin	Halleck	Matthews
Bray	Harden	May
Breeding	Hardy	Meader
Brooks, La.	Harris	Miller, Md.
Broomfield	Harrison, Nebr.	Miller, Nebr.
Brown, Ga.	Harrison, Va.	Miller, N. Y.
Brown, Ohio	Harvey	Mills
Brownson	Haskell	Minshall
Broyhill	Hébert	Mitchell
Budge	Hemphill	Morrison
Burleson	Henderson	Mumma
Bush	Herlong	Murray
Byrne, Ill.	Hess	Natcher
Byrnes, Wis.	Hiestand	Neal
Cederberg	Hill	Nicholson
Chamberlain	Hillings	Nimtz
Chelf	Hoeven	Norblad
Chenoweth	Hoffman	Norrell
Chiperfield	Holt	O'Hara, Minn.
Church	Horan	Ostertag
Clevenger	Hosmer	Passman
Collier	Huddleston	Patman
Colmer	Hull	Pelly
Cooley	Hyde	Pilcher
Cramer	Ikard	Pillion
Poage	Scrivner	Thornberry
Poff	Scudder	Tuck
Preston	Selden	Utt
Prouty	Sheehan	Van Pelt
Quie	Sikes	Vinson
Rains	Siler	Vorys
Ray	Simpson, Ill.	Vursell
Reece, Tenn.	Simpson, Pa.	Walter
Reed	Smith, Calif.	Watts
Rees, Kans.	Smith, Miss.	Weaver
Rhodes, Ariz.	Smith, Va.	Westland
Riehlman	Spence	Wharton
Riley	Springer	Whitener
Rivers	Stauffer	Whitten
Robison, N. Y.	Steed	Wigglesworth
Robsion, Ky.	Taber	Williams, Miss.
Rogers, Fla.	Taylor	Willis
Rogers, Tex.	Teague, Calif.	Wilson, Calif.
Rutherford	Teague, Tex.	Wilson, Ind.
St. George	Tewes	Winstead
Schenck	Thompson, La.	Wright
Scherer	Thompson, Tex.	Young
Scott, N. C.	Thomson, Wyo.	Younger

NAYS—155

Addonizio	Fulton	Moulder
Anfuso	Garmatz	Multer
Ashley	Gavin	Nix
Aspinall	Glenn	O'Brien, Ill.
Auchincloss	Granahan	O'Brien, N. Y.
Ayres	Gray	O'Hara, Ill.
Bailey	Green, Oreg.	O'Konski
Barrett	Green, Pa.	O'Neill
Bass, N. H.	Griffiths	Osmers
Bennett, Mich.	Hagen	Patterson
Boland	Hale	Perkins
Bolling	Hays, Ohio	Pfost
Boyle	Healey	Philbin
Brooks, Tex.	Heselton	Polk
Brown, Mo.	Holifield	Porter
Byrd	Holland	Powell
Byrne, Pa.	Holmes	Price
Canfield	Holtzman	Rabaut
Cannon	Johnson	Reuss
Carrigg	Karsten	Rhodes, Pa.
Celler	Kean	Rodino
Clark	Keating	Rogers, Colo.
Coad	Kee	Rooney
Coffin	Kelly, N. Y.	Roosevelt
Corbett	Keogh	Sadlak
Coudert	King	Santangelo
Cretella	Kirwan	Saund
Cunningham, Iowa	Kluczynski	Saylor
	Knutson	Schwengel
Curtin	Lane	Scott, Pa.
Curtis, Mass.	Lankford	Seely-Brown
Curtis, Mo.	Lesinski	Shelley
Dawson, Ill.	Libonati	Sheppard
Delaney	McCarthy	Sisk
Dellay	McCormack	Staggers
Dennison	McFall	Sullivan
Dent	McGovern	Teller
Diggs	Macdonald	Thomas
Dingell	Mack, Ill.	Thompson, N. J.
Dollinger	Madden	Tollefson
Donohue	Magnuson	Udall
Dooley	Mailliard	Ullman
Dorn, N. Y.	Marshall	Vanik
Doyle	Merrow	Van Zandt
Dwyer	Metcalf	Wainwright
Fallon	Michel	Widnall
Farbstein	Miller, Calif.	Wier
Fino	Montoya	Withrow
Flood	Moore	Wolverton
Fogarty	Morano	Yates
Forand	Morgan	Zablocki
Prelinghuysen	Moss	Zelenko

NOT VOTING—34

Allen, Calif.	Edmondson	Morris
Anderson, Mont.	Engle	Radwan
	Friedel	Roberts
Baring	Gordon	Robeson, Va.
Blatnik	Gregory	Rogers, Mass.
Buckley	Hays, Ark.	Shuford
Burdick	James	Sieminski
Carnahan	Jenkins	Smith, Kans.
Christopher	Kearney	Talle
Denton	Kearns	Trimble
Dies	LeCompte	Williams, N. Y.
Eberharter	Machrowicz	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Robeson of Virginia for, with Mr. Denton against.

Mr. Hays of Arkansas for, with Mr. Buckley against.

Mr. Trimble for, with Mr. Christopher against.

Mr. Morris for, with Mr. Eberharter against.

Mr. LeCompte for, with Mr. Gordon against.

Mr. Baring for, with Mr. Anderson of Montana against.

Mr. Kearney for, with Mr. Machrowicz against.

Mr. Talle for, with Mr. Engle against.

Mr. Shuford for, with Mr. Friedel against.

Mr. James for, with Mr. Sieminski against.

Mr. Radwan for, with Mr. Carnahan against.

Mr. Jenkins for, with Mr. Burdick against.

Mr. Roberts for, with Mr. Allen of California against.

Mr. Dies for, with Mr. Blatnik against.

Until further notice:

Mr. Edmondson with Mrs. Rogers of Massachusetts.

Mr. Gregory with Mr. Smith of Kansas.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. WILLIS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

DISPOSAL OF FEDERAL PROPERTY IN THE BOULDER CITY AREA

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 9147) to provide for the disposal of certain Federal property in the Boulder City area, to provide assistance in the establishment of a municipality incorporated under the laws of Nevada, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Colorado? The Chair hears none, and appoints the following conferees: Messrs. ENGLE, ASPINALL, BARING, RHODES of Arizona, and HOSMER.

CONTINENTAL HOSIERY MILLS

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4229) for the relief of Continental Hosiery Mills, Inc., of Henderson, N. C., successor to Continental Hosiery Co., of Henderson, N. C., with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, lines 5 and 6, strike out "$18,319.20 with interest thereon from the 19th day of April 1947" and insert "$21,670.11."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

FEDERAL EMPLOYEE COMPENSATION

Mr. MARTIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN. Mr. Speaker, I have today introduced an administration bill to create a commission to study the scores of different compensation systems under which the salaries of Federal civilian employees are determined, and to recommend a comprehensive, uniform pay policy which will insure equitable treatment for all employees and provide a more orderly method for fixing and periodically adjusting Federal pay rates.

This is not a pay bill; it is not intended that new salary rates would be proposed by this commission. The recommendations of the commission would deal with overall policy, criteria, and methods for creating and maintaining a sound Federal salary structure.

It should be understood that this commission would deal with the pay systems of all three branches of the Government—executive, legislative, and judicial. In the executive branch alone there are 16 statutory and 61 plans involving wage boards under which pay rates are fixed by the head of a department or agency. Certain employees of the Congress and the judiciary, as well as officials in all three branches, are under still other plans. There are more than 300 different statutes bearing on the pay of Federal employees. There is no sound basis for determining the proper relationships that should exist among the various plans. With such a myriad of plans it is understandable that our job is difficult, in fact, almost impossible to execute properly.

Because the Federal Government has no uniform policy on employee compensation, the President and Members of Congress have no sound basis for determining when salaries should be adjusted or, if so, by how much.

In my opinion, the Post Office and Civil Service Committee, the Foreign Affairs Committee, the Judiciary Committee, the House Administration Committee, the Armed Services Committee, and the other committees which must deal with pay problems, face a most vexing, frustrating, and almost impossible task in trying to arrive at sound and equitable decisions. These committees are to be congratulated on their conscientious and untiring efforts to do a good job under most unfavorable conditions.

Mr. Speaker, the civilian payrolls of the Federal Government now amount to nearly $12 billion a year, a substantial portion of our total expenditures. We need to assure ourselves that this money is spent properly and that the employees receiving it are paid fairly for the important work they perform. It is for these reasons and on the basis of the facts cited that I have introduced this bill which I believe is the first necessary step toward better pay administration.

This bill provides for a comprehensive review of the entire Federal pay system—the first, I might add, in more than 30 years. This study will be done by a joint commission composed of representatives of both Houses of Congress, the executive branch, and the general public. Based on its findings, this commission will recommend to the President and to the Congress, policies and principles upon which a sound Federal compensation system can be based; and methods for putting such a system into effect.

The bill provides for a report to be submitted to the Congress and to the President by January 1, 1960. Legislation based upon its recommendations would then be considered.

THE CENTRAL INTELLIGENCE AGENCY

Mr. SELDEN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. SELDEN. Mr. Speaker, as far as I have been able to determine, the recent revolution in Iraq took our Government completely by surprise. Apparently we not only had no indication that such a development was imminent, but our policies toward Iraq right up to the eve of the revolution were based on the belief that the situation in that country was relatively stable and that the attitude there was generally favorable to the United States.

This is another instance which causes many Members of Congress and many of our constituents to question whether the Central Intelligence Agency is really doing the job which we have a right to expect it to do. I am fully aware that the task of the Central Intelligence Agency is exceedingly difficult, that its work must necessarily be enveloped in the cloak of secrecy, and that it may be impossible to establish any standards for evaluating its performance.

These same general conditions, however, seem to be equally applicable to the work of the Federal Bureau of Investigation. In the case of the FBI, by way of contrast, most of us feel that there is continuing evidence that it is doing its job effectively.

On the other hand, we have no basis for similar confidence in the work of the Central Intelligence Agency. Only a few weeks ago the life of our Vice President was endangered in Latin America. The CIA apparently did not supply him with a very definite warning as to what to expect. Back in 1950, the Committee on Foreign Affairs was told by the head of the CIA only a few days before the outbreak of fighting in Korea that there was no immediate threat in that area. There is doubt in my mind and in the minds of many others that the CIA was aware of the situation in Hungary before the tragic revolt in that country or that the President and the Secretary of State were adequately informed of events before the invasion of Suez by Israel, the United Kingdom, and France.

The answer to the question that I raise is not greater publicity for the operations of the Central Intelligence Agency or a congressional investigation. In my judgment, however, the people of the United States would have more confidence in the CIA if they knew that there was close Congressional supervision of CIA operations.

It may be that the CIA is doing a good job, but there is no one outside the executive branch who can make a continuing evaluation of its work. Here is an agency that spends millions of dollars and has thousands of employees. Its operations are carried out under conditions where incompetence and inefficiency could remain hidden for a long time.

It is my belief that the executive branch should welcome the creation of a Congressional committee which would recognize and respect the obligations of secrecy in respect to intelligence work and which would continuously assure itself that the Central Intelligence Agency was doing its job. No one has ever questioned the sincerity or the competence of the Joint Committee on Atomic Energy. No one has ever accused that committee of divulging secret information or of doing anything to interfere with the effectiveness of the atomic energy program.

It is my firm belief that the Congress could provide comparable supervision of the Central Intelligence Agency to the advantage of everyone concerned.

JOINT COMMITTEE ON LABOR AND INDUSTRIAL RELATIONS

Mr. TELLER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD..

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TELLER. Mr. Speaker, I have today introduced a proposed joint resolution (H. J. Res. 657) to establish a bipartisan Joint Committee on Labor and Industrial Relations consisting of 8 members, 4 from the House and 4 from the Senate. The membership of the proposed joint committee would be divided equally among Democrats and Republicans.

The purpose of the proposed Senate-House committee would be to diminish politics in the field of labor legislation. Under the joint resolution no proposal could emanate from the committee unless adopted unanimously. By developing a tradition of unanimity alongside a preoccupation with professional approaches in the delicate field of union-management relations, the joint committee could make significant contributions to the cause of a sound American labor policy.

I have had a measure of experience as a member of a similar body in New York—the New York State Joint Legislative Committee on Industrial and Labor Relations. I was deeply impressed by the work of this committee, in which I participated for several years while serving in the State legislature. Establishment

of a similar committee by the Congress would be a desirable forward step in the development of rational and deliberative action in the field of labor legislation.

I do not wish to be understood as contending that bipartisanship and unanimity are unexceptionally suited for effectuating the proper role of Government in worker-employer relations and labor standards. The substantial gains achieved by workingmen and labor unions have been hard fought, and my own view is that they could not have been secured without the dedicated and arduous work of the Democratic Party. My proposed joint resolution does not affect the standing labor committees in the House and Senate, and I shall continue my efforts as a member of our House Committee on Education and Labor to advance liberal and progressive causes to improve the workingman's situation.

Here are some of the things which the proposed bipartisan Joint Congressional Committee on Labor and Industrial Relations would try to avoid in the process of formulating labor legislation:

First. The drafting of labor laws for partisan political objectives, taking insufficient heed of underlying realities and professional and understanding approaches.

Second. The writing of labor laws to meet a deadline rather than to solve a problem with due regard for all of its main aspects and complications.

Third. The weakening of the fabrics of collective bargaining and stable unionism by the adoption of laws which go far beyond the legitimate interest in guaranteeing democracy in the internal affairs of labor unions, and which impede the workings of the bargaining process.

Fourth. The excessive tendency toward omnibus labor legislation containing proposed solutions, some good and some bad, for wholly unrelated situations.

Fifth. The enactment of laws in settings of crisis or instances of particular wrongdoing which go beyond the revealed wrongdoing and unrealistically intervene in the relations of unions and management.

Sixth. The undue federalization of labor laws, to cover activities already regulated or made criminally punishable under State laws.

Seventh. The drafting of legislation to achieve theoretical balance unrelated to practical need, as evidenced for example by the proposal that employers be required to sign non-Communist affidavits.

Mr. Speaker, the hope of preserving our democratic society depends to a very substantial degree upon our successful conduct of union-management relations. The failure to absorb the conflict between capital and labor within the framework of free institutions led countries like Germany and Italy to the adoption of totalitarian regimes. It is my hope that the Congress will establish the proposed joint committee, for it will fortify our strongly held democratic beliefs by giving them sturdy underpinnings in the economic field.

ACTION NOW ON OUR FARM LEGISLATION

Mr. HILL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. HILL. Mr. Speaker, the farm income situation report of the Department of Agriculture was released July 15. I hope that every Member of the House will carefully read and analyze the content of this publication.

It points out vividly that those politically inspired prophets of "doom and gloom" in agriculture are making their predictions without examining the facts. In recent months we have heard a lot of reckless charges about what is happening to agriculture.

My comments today are a followup of what I have said many times before. Although we are continually seeking further improvement, the farmers and ranchers of this country are doing very well.

Let me read to you the first two paragraphs of this report:

Farmers' realized net income in the first half of 1958 was at an annual rate of approximately $13.3 billion. This was 22 percent higher than the revised estimate for the first half of 1957.

Cash receipts from farm marketings were 11 percent above the first half of last year, with prices of farm products averaging 8 percent higher and the volume of marketings up 3 percent. Production expenses were also higher, but by less than 4 percent, not nearly enough to offset the increase in gross income. As a result, farmers' realized net income increased very substantially. Part of this increase reflects delayed marketings of some crops, such as corn and cotton, from last year's late harvest. If the net change in farm inventories is added to realized net income, the increase in the total net income is 13 percent.

Now I am getting tired of hearing these distortions and misrepresentations of the true facts. I am sure the vast majority of the Members of this House on both sides of the aisle feel the same way.

It is tragic that some political opportunists are still trying to farm the farmer instead of working for sound, beneficial agricultural legislation and programs.

It is my fervent hope that within the next few days the House of Representatives will pass an agricultural bill similar to that pending before the Senate. The facts prove that the administration of farm matters is reacting to the good of farmers and ranchers throughout the country. It is the responsibility of Congress to provide needed changes in the basic law that will bring about continued improvements for farmers and ranchers.

Many farm folks are waking up to the fact that "somebody hasn't been telling them the truth." There are some groups and some individuals that are continuing to attempt to distort the true picture in agriculture, but the fact that farm income in Colorado increased 52 percent in 1957 over 1958 is proof that these politically inspired prophets of "doom and gloom" in agriculture are working for only their own aggrandizement and not for the benefit of individual farmers and ranchers.

The farm-income figures just released by the Agriculture Department show that Colorado cash receipts from farm marketings during the first 5 months of 1958 showed an increase over the corresponding months of 1957:

[In thousands]

	Livestock	Crops	Total
1957	$117,294	$35,507	$152,801
1958	138,249	51,686	189,935

Now a word about the need for early action on Public Law 480. It is inconceivable that this important agricultural program is being stalled here in Congress. Secretary Benson pointed out in his press conference this week that Public Law 480 funds are needed right now if they are to be of maximum value to farmers. I need not remind you I am sure that throughout the heartland of this Nation a tremendous harvest is now underway and Public Law 480 funds are needed to be able to take some of these crops directly from the farmer into export. If we wait until next month we will be losing markets for American farmers. It is just that simple.

We know the value of title I in the Agricultural Trade Development and Assistance Act for moving surplus farm products into export markets and easing price-depressing forces at home. And yet some Members of this House have actually talked about postponement of this legislation not until next week or next month but until next year.

I hope that Public Law 480 along with some of the other needed legislation including the wool bill and other provisions incorporated in the Senate bill will be passed by this Congress within a matter of days. It is impossible for me to understand how we can do otherwise and fulfill the trust of the American public, particularly of farmers and ranchers.

This is the time for real statesmanship in agricultural legislation. No Member should attempt to make political hay at the expense of the farmer. All that farmers ask is the right to farm their land, harvest their crops, with help of sound, reasonable farm programs.

FARM INCOME SITUATION REPORT

Mr. McINTIRE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. McINTIRE. Mr. Speaker, the Department of Agriculture's July 1958 farm income situation report contains some very interesting information which I commend to the attention of my colleagues on both sides of the isle.

This report reveals that farmers' realized net income in the first half of 1958 was at an annual rate of about $13.3

billion. This is a net income figure, one that is 22 percent higher than the revised estimate for the first half of 1957.

Cash receipts from farm marketings were 11 percent above the first half of last year, with prices of farm products averaging 8 percent higher and the volume up 3 percent.

This report further reveals another interesting aspect; in fact, a very important one. It is this: The realized gross farm income for the first 6 months of 1958 was at the highest rate for this period on record.

Production expenses were up by less than 4 percent. Thus, farmers' realized income has increased very substantially. We should, of course, be mindful that part of this increase reflects delayed marketings of some crops resulting from last year's late harvest of corn and cotton.

It is interesting to note what this report shows for the January through May 1958 period, especially as related to those areas of the country where it has been said there have been agricultural difficulties. Here is a report on the increases from cash receipts for several of the States concerned: Wisconsin, up 5 percent; Minnesota, up 2 percent; Iowa, up 17 percent; Missouri, up 6 percent; North Dakota, up 3 percent; South Dakota, up 34 percent; Nebraska, up 41 percent; and Kansas, up 54 percent. I would like to say that the increase from cash receipts in my own State of Maine was 43 percent.

The report contains some other interesting things with regard to the farm situation:

Farm assets are at an alltime high, $188 billion as of January 1, 1958.

Farmers have less than $11 in debts for each $100 of assets. In 1940 the ratio was $19 for each $100.

Owner equities rose 7 percent during 1957 to a peak of $168.4 billion.

Farm ownership is also at a record high. Only one in three farms has a mortgage.

The postwar downtrend in prices which started in 1951 has been stopped. Prices received by farmers in March were 5 percent above a year ago and 5 percent above the time when rigid price supports were last in effect.

The family farm continues to dominate agriculture. Ninety-six percent of our farms and ranches are family operations, about the same percentage as 30 years ago.

The level of living on farms is the highest in history.

Farm exports in fiscal 1957 set a new record of $4.7 billion, 68 percent higher than in fiscal 1953.

The surplus production of American farms is being made available for hungry people at home and abroad.

The buildup of surpluses has been reversed. Government investment in surplus farm products owned and under loan has dropped about one-fifth in the past year and a half.

The inventory value of livestock on farms for January 1, 1958, was $14.2 billion, higher by $3 billion than a year ago.

The spiraling inflation of the war years has been almost halted. During the period from 1939 to 1952, the index of prices paid by farmers, including interest, taxes, and wage rates, increased more than 100 percent. From January 1953, when the present administration took office, to January 1958, this index rose only 6 percent.

JOINT COMMITTEE ON INTELLIGENCE

Mr. MARTIN. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. BROWNSON] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BROWNSON. Mr. Speaker, yesterday, I introduced House Concurrent Resolution 363 creating a Joint Committee on Intelligence. It is essentially the same as the resolutions I introduced in the 83d and the 84th Congresses. This measure is similar to Senate Concurrent Resolution 101 introduced in the other body Tuesday by Senator MIKE MANSFIELD.

Two recent international occurrences have suggested our top level intelligence organization leaves much to be desired. The violent and hateful anti-American demonstrations which Vice President NIXON so courageously faced on his South American tour caught us surprisingly off guard. There were whispers and rumors that our intelligence was faulty in several respects. Some of these allegations come from most responsible sources and were downright alarming.

Our complete surprise by this week's coup d'etat in Iraq, a friendly pro-Western ally, could be termed as "the final straw" proving that our intelligence system has failed somewhere along the line of gathering, interpreting, evaluating, and disseminating vital information on this strategic area.

This morning's Washington Post and Times Herald reports, on page A-15, "The Herald Tribune News Service reported from Washington that the Iraq coup caught Western intelligence flatfooted because it was speeded up following the arrest of 60 army officers in Jordan June 22. It said the United States Central Intelligence Agency spotted the Jordan trouble but had no clue of the Iraq coup."

Since the Central Intelligence Agency was set up by an act of Congress in 1947, it alone, of all Government agencies, has operated virtually without Congressional guidance or scrutiny. Scarcely a dozen Senators and Congressmen have any idea how much money has been and is being spent on our intelligence program and make any pretense at overseeing its activities.

Other agencies of the executive branch of Government are kept much better informed about CIA activities than is the Congress with its constitutional responsibilities. Newsweek magazine for July 21, 1958, comments in its feature, The Periscope, under the ironic headline, Capitol Hill:

> Though even Congress isn't given details of CIA budget spending, a routine report recently released by the General Services Administration shows the supersecret agency leases space in 25 buildings in foreign countries.

Rumor has it that we spend in the neighborhood of $300 million of the taxpayers' money on CIA every year. I do not know and cannot, as an elected Representative in Congress, find out. As an Army officer I am cleared for top secret, as a staff officer working on the Normandy invasion I was classified as Bigot and Secret Security; the two clearances which allowed you to know the date and exact location of the invasion months in advance. I do not know how much we spend on CIA. I am not allowed to know how many people they employ. I do not know whether they do a superior, excellent or very bad job. I do not know what we get for our money.

Maybe I am wrong, but I do not believe my constituents want the protection of their interests in this matter, budgetary and securitywise, delegated to a few men, a very few men. These men are terribly busy because they are on two of the most overworked committees in Congress. They cannot be exactly sure where their jurisdiction on matters concerning CIA starts and where it ends. Annually they spend a few hours, at most, trying to determine whether our top intelligence system is adequate, efficient, and useful.

My resolution creates a 12-man watchdog committee very similar to the Joint Committee on Atomic Energy. This committee would see not only that good management practices are followed in the CIA, but also that a watchful eye is kept on our overall intelligence policies and operations.

In my resolution, I differ from the 1 offered in the other body by Senator MANSFIELD in only 1 respect. Where he provides that the composition of the committee shall be limited:

> Of the 6 members to be appointed from the Senate, 3 shall be members of the Central Intelligence Agency Subcommittee of the Committee on Appropriations of the Senate, and 3 shall be members of the Central Intelligence Agency Subcommittee of the Committee on Armed Services of the Senate. Of the 6 members to be appointed from the House of Representatives, 3 shall be members of the Central Intelligence Agency Subcommittee of the Committee on Appropriations of the House of Representatives, and 3 shall be members of the Central Intelligence Agency Subcommittee of the Committee on Armed Services of the House of Representatives.

I propose to leave the composition of the committee to the Speaker of the House and the President of the Senate. In passing, it seems appropriate to note the personnel of the two committees named are among the busiest in the entire Congress since many of the members of the Joint Committee on Atomic Energy are drawn from the ranks of these two committees. My resolution provides a completely bipartisan committee, equally balanced between the 2

parties rather than allowing a 4-to-2 ratio as does the Senate legislation.

We can have supervision with secrecy. Congressional committees operating for years in the sensitive areas dealing with the armed services, the FBI, and foreign policy have demonstrated this fact as has the conduct of the Joint Committee on Atomic Energy. Secrecy for secrecy's sake alone can be dangerous in a field as vital as intelligence. As a Congress, our defense responsibilities demand we know whether we have an effective, efficient and valuable intelligence service or whether we do not. It is not a matter of money or economy alone. Building a first-rate intelligence service may be the price of national survival.

I do not charge that our Central Intelligence Agency is second class. I do have serious doubts about its effectiveness in the light of current events and the recent unpleasant surprises we have found waiting for us in Venezuela and Peru and now in Lebanon and Iraq.

This is a time for Americans to stand close together in days of stress, anxiety and solemn concern. It is not a time for carping criticism. I submit, however, that constructive appraisal is more needed now than ever before. It is our duty to examine our failures and to determine whether the very absence of CIA from legislative review has not contributed to these shortcomings. The cost of failure in the gathering, interpretation, evaluation, or dissemination of intelligence is so high that Congressional oversight cannot be condoned.

PERSONAL EXPLANATION

Mr. FULTON. Mr. Speaker, on Thursday, July 10, I was called out during rollcall No. 125. I was present during the afternoon and voted on rollcalls Nos. 122, 123, and 124. I would have voted "yea" on rollcall No. 125 had I been present. My absence was due to the illness of a paralyzed employee of my office.

MADISONVILLE, KY., HAS MADE AN IMPORTANT CONTRIBUTION TOWARD GOOD GOVERNMENT THROUGH THE INDIVIDUAL ACCOUNTABILITY OF ITS CITIZENS AND THEIR COLLECTIVE DESIRE TO CREATE A BETTER COMMUNITY IN WHICH TO LIVE

Mr. NATCHER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. NATCHER. Mr. Speaker, for the fourth consecutive year the city of Madisonville, Ky., has set an enviable example which could well be emulated by other municipalities throughout the United States. In the July 9, 1958, issue of the Messenger, of Madisonville, Ky., appeared the copy of an ordinance which provides that there be levied for the year 1958 an ad valorem tax of no cents on each $100 worth of property subject to taxation in the city of Madisonville, Ky.; that there will be no poll tax on each male resident of Madisonville, Ky., and that there is also levied for the year 1958 a tax of no cents on each $100 worth of property subject to taxation owned by a person or a corporation or partnership. This ordinance was adopted July 7, 1958.

The fact that no taxes are to be levied in Madisonville is not the sign of a stagnant municipal corporation, but rather it is indicative of civic pride and interest on the part of the citizens in cooperating fully with the city officials who, in turn, through proper management and economy, have been enabled to provide adequate revenue to operate the city. The mayor of Madisonville, David Parish, is a successful businessman whose primary concern is for the welfare of his community and its environs. His efforts are uniformly fortified by members of the Council, all the city officials and personnel of the various departments.

The city of Madisonville was named in honor of President James Madison. It has a population of approximately 15,000 and is the county seat of Hopkins County. It is a beautiful city in the heart of one of the finest coal fields in the United States. Also Madisonville is a progressive city which is not content to stand still, but is ever moving forward. The city owns its electric plant and other public utility facilities, and, by reason of such ownership and the good management thereof, prosperity is evidenced by the non-payment of advalorem, property and poll taxes. The people in Madisonville take pride in their homes, their schools and their churches. Their many civic groups and organizations have as their main goal the advancement and betterment of their community.

The citizens of any locality are benefitted by being the recipients of up-to-date, unbiased news. Such dissemination is made available to the people in Hopkins County, and Madisonville, through the medium of radio station WFMW, and the Messenger, one of Kentucky's newspapers of well known renown. The Messenger has played an important role in the civic affairs of this particular community, and has had a great impact upon all endeavors in the public interest.

As one approaches Madisonville, Ky., a large sign is discernible on which is the inscription "The Best Town on Earth." This inscription is simply an affirmation of the pride that the residents of Madisonville feel in their city, and I, too, have pride in the thought that I represent such American citizens in the Halls of the United States Congress.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HOFFMAN (at the request of Mr. MARTIN), for 3 days, on account of official business.

To Mr. FRIEDEL (at the request of Mr. FALLON), for an indefinite period, on account of illness while on official committee business.

To Mr. SADLAK, for 2 weeks, on account of attendance as official delegate to the Inter-Parliamentary Union Conference.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. DEROUNIAN, for 45 minutes, on Monday next.

Mr. PORTER (at the request of Mr. McCORMACK), for 15 minutes, on Tuesday, July 22.

Mr. MULTER, for 10 minutes, on July 22 and July 23.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. COOLEY (at the request of Mr. ALBERT) and to include extraneous matter.

Mr. WAINWRIGHT and to include extraneous matter.

Mr. BENNETT of Florida and to include extraneous matter.

Mr. ABBITT (at the request of Mr. McCORMACK) and to include extraneous matter.

Mr. DINGELL (at the request of Mr. McCORMACK) and to include extraneous matter.

Mr. MULTER (at the request of Mr. McCORMACK) and to include extraneous matter.

Mr. BOYLE.

Mrs. KEE.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 1045. An act to amend the Soil Conservation and Domestic Allotment Act, as amended;

H. R. 10320. An act to provide for additional charges to reflect certain costs in the acceptance of business reply cards, letters in business reply envelopes, and other matter under business reply labels for transmission in the mails without prepayment of postage, and for other purposes;

H. R. 12162. An act to amend the District of Columbia Stadium Act of 1957 to require the stadium to be constructed substantially in accordance with certain plans, to provide for a contract with the United States with respect to the site of such stadium, and for other purposes; and

H. R. 12575. An act to provide for research into problems of flight within and outside the earth's atmosphere, and for other purposes.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 655. An act for the relief of Brig. Gen. Chester W. Goble;

S. 1850. An act to implement item I of a memorandum of understandings attached to the treaty of January 25, 1955, entered into by the Government of the United States of

America and the Government of the Republic of Panama with respect to wage and employment practices of the Government of the United States of America in the Canal Zone;

S. 2621. An act for the relief of Olive V. Rabiniaux;

S. 2833. An act to provide for the conveyance of the interest of the United States in and to certain fissionable materials in a tract of land in the county of Alamance, State of North Carolina; and

S. 3057. An act to increase the compensation of the Superintendent of Schools and the Commissioners of the District of Columbia.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 2261. An act for the relief of the Committee of Reference and Counsel of the Foreign Missions Conference of North America;

H. R. 3261. An act for the relief of the Oceanside-Libby Union School District, San Diego County, Calif.;

H. R. 3720. An act for the relief of Carl J. Warneke;

H. R. 4044. An act for the relief of Mirko J. Pitner;

H. R. 4330. An act for the relief of Lucia (Castaneda) Sayaan and Gloria (Castaneda) Sayaan;

H. R. 5084. An act for the relief of Maria Alma Dixon;

H. R. 7987. An act for the relief of Maria Giannalia;

H. R. 8850. An act to amend the Universal Military Training and Service Act to authorize additional deferments in certain cases;

H. R. 11033. An act to authorize the creation of record of admission for permanent residence in the case of certain Hungarian refugees;

H. R. 11077. An act to incorporate the Veterans of World War I of the United States of America;

H. R. 11102. An act amending the jurisdiction of district courts in civil actions with regard to the amount in controversy and diversity of citizenship; and

H. J. Res. 582. Joint resolution to authorize the Commissioners of the District of Columbia to promulgate special regulations for the period of the Middle Atlantic Shrine Association Meeting of A. A. O. N. M. S. in September 1958, to authorize the granting of certain permits to Almas Temple Shrine Activities, Inc., on the occasions of such meetings, and for other purposes.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 39 minutes p. m.), the House adjourned until tomorrow, Friday, July 18, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2136. A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, transmitting plans for works of improvement for the Mill Creek watershed, Georgia, Obion Creek watershed, Kentucky, and Muddy Creek watershed, Mississippi and Tennessee, pursuant to the Watershed Protection and Flood Prevention Act, as amended (16 U. S. C. 1005), and Executive Order No. 10654 of January 20, 1956; to the Committee on Agriculture.

2137. A letter from the Assistant Secretary of the Interior, transmitting a proposed concession contract with the Virginia Peaks of Otter Co. which will authorize it to provide facilities and services for the public on the section of the Blue Ridge Parkway north of Roanoke, Va., for a period of 20 years from December 1, 1958, pursuant to the act of July 31, 1953 (67 Stat. 271), as amended by the act of July 14, 1956 (70 Stat. 543); to the Committee on Interior and Insular Affairs.

2138. A letter from the Director, Legislative Liaison, Department of the Air Force, transmitting a report for the fourth quarter of fiscal year 1958 (June 30, 1958), showing the number of officers assigned or detailed to permanent duty in the executive element of the Air Force at the seat of the Government, pursuant to section 8031 (c), title 10, United States Code; to the Committee on Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BROOKS of Louisiana: Committee on Armed Services. House Concurrent Resolution 333. Concurrent resolution to express the sense of the Congress with respect to the size of the Army National Guard; with amendment (Rept. No. 2199). Referred to the House Calendar.

Mr. MORRISON: Committee on Post Office and Civil Service. S. 607. An act to provide retirement, clerical assistants, and free mailing privileges to former Presidents of the United States, and for other purposes; with amendment (Rept. No. 2200). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS of Louisiana: Committee on Armed Services. H. R. 13373. A bill to increase the rate on which lump-sum readjustment payments are computed for Reserves of the Armed Forces; without amendment (Rept. No. 2201). Referred to the Committee of the Whole House on the State of the Union.

Mr. LESINSKI: Committee on Post Office and Civil Service. H. R. 13404. A bill to amend section 404 (c) (1) of the Postal Field Service Compensation Act of 1955 to grant longevity credit for service performed in the Panama Canal Zone postal service; without amendment (Rept. No. 2202). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLATNIK: Committee on Public Works. S. 3833. An act to provide for a survey of the Coosawhatchie and Broad Rivers in South Carolina, upstream to the vicinity of Dawson Landing; without amendment (Rept. No. 2204). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAVIS of Georgia: Committee on Post Office and Civil Service. S. 25. An act relating to effective dates of increases in compensation granted to wage board employees; with amendment (Rept. No. 2207). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAYS of Ohio: Committee on Foreign Affairs. H. R. 10568. A bill to authorize the Secretary of State to evaluate in dollars certain financial-assistance loans expressed in foreign currencies arising as a result of World War II, and for other purposes; with amendment (Rept. No. 2208). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLATNIK: Committee on Public Works. H. R. 11248. A bill establishing the time for commencement and completion of the reconstruction, enlargement, and extension of the bridge across the Mississippi River at or near Rock Island, Ill.; without amendment (Rept. No. 2210). Referred to the House Calendar.

Mr. BLATNIK: Committee on Public Works. H. R. 12916. A bill granting the consent and approval of Congress to the Tombigbee-Tennessee Waterway Development Compact; without amendment (Rept. No. 2211). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLATNIK: Committee on Public Works. H. R. 13420. A bill to amend the Federal Water Pollution Control Act to increase one of the limitations on grants for construction from $250,000 to $500,000, and for other purposes; without amendment (Rept. No. 2212). Referred to the Committee of the Whole House on the State of the Union.

Mr. DEVEREUX: Committee on Armed Services. H. R. 13265. A bill to authorize the appropriation to the Corregidor-Bataan Memorial Commission of an amount equal to amounts, not in excess of $7,500,000, which may be received by the Secretary of the Navy from the sale of vessels stricken from the Naval Vessel Register, to be expended for the purpose of carrying out the provisions of the act of August 5, 1953; without amendment (Rept. No. 2213). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORGAN: Committee on Foreign Affairs. Report of the special study mission to the Near East and North Africa pursuant to House Resolution 29 (85th Cong.). (Rept. No. 2214). Referred to the Committee of the Whole House on the State of the Union.

Mr. COLMER: Committee on Rules. House Resolution 637. Resolution for consideration of H. R. 10045, a bill to provide for the sale of all of the real property acquired by the Secretary of Commerce for the construction of the Burke Airport, Va.; without amendment (Rept. No. 2215). Referred to the House Calendar.

Mr. DELANEY: Committee on Rules. House resolution 638. Resolution for consideration of H. R. 11805, a bill to promote the national defense by authorizing the construction of aeronautical research facilities by the National Advisory Committee for Aeronautics necessary to the effective prosecution of aeronautical research; without amendment (Rept. No. 2216). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 639. Resolution for consideration of H. R. 12662, a bill to provide for the acquisition of lands by the United States required for the reservoir created by the construction of the Oahe Dam on the Missouri River and for rehabilitation of the Indians of the Standing Rock Sioux Reservation in South Dakota and North Dakota, and for other purposes; without amendment (Rept. No. 2217). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 640. Resolution for consideration of H. R. 12663, a bill to provide for additional payment to the Indians of the Lower Brule Sioux Reservation, S. Dak., whose lands have been acquired for the Fort Randall Dam and Reservoir project, and for other purposes; without amendment (Rept. No. 2218). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 641. Resolution for consideration of H. R. 12670, a bill to provide

for additional payments to the Indians of the Crow Creek Sioux Reservation, S. Dak., whose lands have been acquired for the Fort Randall Dam and Reservoir project, and for other purposes; without amendment (Rept. No. 2219). Referred to the House Calendar.

Mr. FOGARTY: Committee of conference. H. R. 11645. A bill making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1959, and for other purposes (Rept. No. 2220). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BLATNIK: Committee on Public Works. S. 3053. An act to authorize the Secretary of the Army to convey certain real property at Demopolis lock and dam project, Alabama, to the heirs of the former owner; without amendment (Rept. No. 2203). Referred to the Committee of the Whole House.

Mr. POFF: Committe on the Judiciary. H. R. 8997. A bill for the relief of Bunge Corp., New York, N. Y.; with amendments (Rept. No. 2205). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. House Resolution 630. Resolution to refer to the Court of Claims the bill (H. R. 3677) for the relief of the Aurex Corp. without amendment (Rept. No. 2206). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1782. An act for the relief of Carolina M. Gomes; with amendment (Rept. No. 2209). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. McCARTHY:

H. R. 13439. A bill to amend the Postal Field Service Compensation Act of 1955 to provide a 10-percent differential for Sunday work; to the Committee on Post Office and Civil Service.

By Mr. MARTIN:

H. R. 13440. A bill to establish a commission to study and recommend revision in Federal pay systems and practices; to the Committee on Post Office and Civil Service.

By Mr. O'KONSKI:

H. R. 13441. A bill to authorize the sale of certain tribal land of the Lac du Flambeau Band of Lake Superior Chippewa Indians, Wisconsin; to the Committee on Interior and Insular Affairs.

By Mr. THOMPSON of New Jersey:

H. R. 13442. A bill to assist the States and Territories in extending and improving their program of fitness through health and safety education, physical education, and recreation instruction for children of school age in order to provide a larger reservoir of persons fit to meet such national manpower requirements as defense, and for other purposes; to the Committee on Education and Labor.

By Mr. THOMSON of Wyoming:

H. R. 13443. A bill to cancel irrigation maintenance and operation charges on the Shoshone Indian Mission School lands on the Wind River Indian Reservation; to the Committee on Interior and Insular Affairs.

By Mr. SAYLOR:

H. R. 13444. A bill to revise the Alaska game law and provide for the protection of marine mammals on and off the coast of Alaska; to the Committee on Interior and Insular Affairs.

By Mr. TELLER:

H. J. Res. 657. Joint resolution to establish a Joint Committee on Labor and Industrial Relations; to the Committee on Rules.

By Mr. FULTON:

H. Con. Res. 364. Concurrent resolution establishing a Joint Committee on Intelligence Matters; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HOLT (by request):

H. R. 13445. A bill for the relief of Fernando Girolami; to the Committee on the Judiciary.

By Mr. KEOGH:

H. R. 13446. A bill for the relief of Luigi Lazzinnaro; to the Committee on the Judiciary.

H. R. 13447. A bill for the relief of the legal guardian of Edward Peter Callas, a minor; to the Committee on the Judiciary.

By Mr. WEAVER:

H. R. 13448. A bill for the relief of Noel Emile Joseph Willame (Noel Douglas Falk); to the Committee on the Judiciary.

By Mr. WILSON of California:

H. R. 13449. A bill for the relief of Maria Teresa Dichiara; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

710. By the SPEAKER: Petition of the city clerk, Syracuse, N. Y., requesting that favorable action be taken on Senate bill 4035, known as the Housing Act of 1958; to the Committee on Banking and Currency.

711. Also, petition of the clerk of the Board of Supervisors, Lockport, N. Y., relative to going on record as supporting appropriate legislation to assist the railroads and to permit them to compete fairly with other forms of transportation; to the Committee on Interstate and Foreign Commerce.

EXTENSIONS OF REMARKS

Fair and Friendly Barter Means Value for Our Surpluses

EXTENSION OF REMARKS

OF

HON. HAROLD D. COOLEY

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1958

Mr. COOLEY. Mr. Speaker, I have received from the Secretary of Agriculture carbon copies of identical letters dated July 3, 1958, which the Secretary has sent to the Speaker of the House and the Honorable JOHN W. McCORMACK expressing his opposition to the legislation with respect to barter which has been reported favorably by the Committee on Agriculture.

Since this letter is virtually the same as that with which the Secretary circularized the Senate after a somewhat similar barter provision had been reported favorably by the Senate Committee on Agriculture and Forestry, I assume that copies have also been sent to other Members of the House and I, therefore, would like to take this occasion to set the record straight with respect to some of the assertions and apparent misinterpretations of the pending legislation which appear in the Secretary's letter.

VALUE RECEIVED

The barter program as it was carried out pursuant to section 303 of Public Law 480 is the only part of our surplus disposal program which has returned to United States taxpayers full value received for every bushel or bale of surplus disposed of and has actually resulted in a substantial net profit.

From the start of that program in 1954 until December 31, 1957, the Department of Agriculture exchanged $878.6 million of surplus commodities out of CCC warehouses for an equal amount of strategic and other materials as authorized by law. Had those agricultural commodities remained in the hands of CCC they would have deteriorated substantially in value during that period of time. In contrast, the materials acquired for the national stockpile by the barter program were worth $923.8 million on December 31, 1957—$45.2 million more than we paid in surplus commodities for them.

The difference in cost of storage has resulted in savings of additional millions of dollars. The annual storage costs of the materials we have disposed of through barter is approximately $106 million per year. The annual storage cost of the materials we have received in exchange is approximately $3.3 million per year—an annual saving of more than $100 million.

FOREIGN RELATIONS

Equally as important is the tremendous lift barter has given our foreign relations program in those areas where Russia is most actively carrying on its program of trade and economic penetration. Through the barter program, hundreds of millions of dollars in purchasing power have been made available to underdeveloped countries through normal channels of trade and without one cent of cost to the American taxpayer. In many instances these dollars have gone to countries which have little opportunity to sell to the United States except through a program such as barter. Moreover, these often are the very countries where Russia is concentrating its trade and economic infiltration programs.

Termination of the barter program has meant an end to trade between those countries and the United States

and in the natural course of events may have a substantial effect in pushing such countries into the Soviet economic sphere.

The trade with these countries that the barter program made possible was in every respect a gain for the United States. We not only received in return for the dollars spent in those countries strategic and other materials which are of permanent value to the United States, we disposed of essentially valueless surplus agricultural commodities in doing so, and the dollar purchasing power made available to the foreign countries has been spent in its entirety in the purchase of additional exports from the United States.

Following is the list of countries from which strategic and other materials have been acquired under the barter program and the amount of dollar purchasing power which this program has made available to each country:

Value of materials delivered under the barter program by country of origin for calendar years 1954 through 1957 (based on program operating records)

[Value in millions of dollars]

Country of origin	Calendar years				
	1954	1955	1956	1957	Total
Africa [1]	11.0	49.5	34.4	------	94.9
Argentina	------	.1	.3	0.5	.9
Australia	------	------	6.0	10.9	16.9
Belgian Congo	------	------	3.0	4.4	7.4
Belgium	------	.3	6.1	5.8	12.2
Bolivia	------	------	1.0	1.1	2.1
Brazil	------	.2	.5	1.5	2.2
Canada	2.7	6.7	21.2	30.8	61.4
Ceylon	------	------	.1	.2	.3
Chile	------	.2	------	1.3	1.5
Colombia	.6	.6	.2	------	1.4
Cuba	------	------	.3	------	.3
Formosa	------	.1	------	------	.1
France	.5	2.0	9.2	7.8	19.5
Ghana	------	------	------	.5	.5
Germany, West	.2	2.0	14.2	13.5	29.9
Greece	------	------	.4	.4	.8
India	------	2.0	4.6	4.1	10.7
Italy	------	2.3	5.2	3.0	10.5
Jamaica	------	------	------	1.0	1.0
Japan	3.1	19.7	15.1	12.2	50.1
Madagascar	------	------	.1	------	.1
Mexico	------	2.1	16.1	27.4	45.6
Netherlands	------	2.4	1.1	.5	4.0
New Caledonia	------	1.7	1.7	.1	3.5
Northern Rhodesia	------	------	.2	7.8	8.0
Norway	------	.9	.7	------	1.6
Peru	------	------	2.4	9.0	11.4
Philippine Islands	------	6.9	6.6	2.7	16.2
Portugal	------	------	.2	------	.2
Portuguese East Africa	------	8.5	6.3	1.1	15.9
South Africa	------	4.8	21.1	49.3	75.2
Southwest Africa	------	------	------	.5	.5
South Korea	------	------	.4	------	.4
Southern Rhodesia	.1	.3	7.3	3.7	11.4
Spain	------	------	.2	------	.2
Sweden	------	.3	.1	------	.4
Tasmania	------	------	.6	------	.6
Trieste	.6	.7	------	------	1.3
Turkey	------	9.8	18.3	23.0	51.1
United Kingdom	------	2.5	1.7	1.5	5.7
Yugoslavia	------	.4	.5	4.8	5.7
Unidentified [2]	------	------	------	5.5	5.5
Total	18.8	127.0	207.4	235.9	589.1

[1] Represents diamond deliveries for which individual countries are not available.
[2] Represents friendly foreign countries for which allocation not available.

Source: CSS, Barter and Stockpiling Division, Feb. 14, 1958.

BASIC AUTHORITY

Mr. Speaker, the basic authority for barter is contained in the Commodity Credit Corporation Charter Act—act of August 29, 1948—with minor additions to that authority in several other acts of Congress up to and including the Agricultural Act of 1956.

Under the authority of the 1948 act—prior to Public Law 480—the Department of Agriculture did a barter business amounting to about $20 million annually.

In enacting Public Law 480 in 1954, Congress included the barter section which is amended by the bill which has been favorably reported by the Committee on Agriculture. This section in Public Law 480 added little to the basic barter authority of CCC, but established a Congressional policy that the Secretary should "protect the funds and assets of the Commodity Credit Corporation by barter or exchange of (surplus commodities in the hands of CCC) for strategic materials entailing less risk of loss through deterioration or substantially less storage charges," and other materials and services stipulated in the section.

Pursuant to this statement of policy, the Department of Agriculture entered with enthusiasm into a barter program that disposed of our agricultural surpluses at a rate of more than $300 million per year and brought us valuable minerals and other materials in exchange. So successful was this operation that it was described in laudatory terms by the President in several of his semiannual reports to Congress on Public Law 480, and Secretary of State Dulles appeared before the Committee on Agriculture personally in June 1956 to urge extension of the barter program to countries not included under the original provisions of Public Law 480.

WHO SCUTTLED THE BARTER PROGRAM?

Why, then, was this apparently successful and highly satisfactory program brought to a sudden end by the Department of Agriculture in May 1957?

The answer to that question requires a degree of candor which I had hoped it would not be necessary to bring into the discussion of this matter. The bitter opposition of the Secretary of Agriculture to our proposed amendment of section 303, and the unusual means he has adopted to bring his views to your attention, seem to leave me no alternative.

From the very beginning of the surplus-disposal program there have been small groups of individual employees within the Department of Agriculture and the Department of State who have been opposed to these programs. Opposition of the State Department group extended to virtually all of the area covered by Public Law 480. Opposition of the group in the Department of Agriculture centered chiefly on the barter program.

For some time after the enactment of Public Law 480 the attitudes of these opposition groups did little damage to the program. Neither was in a position in its respective department to materially affect policy decisions.

Shortly prior to May 1957, however, one of the chief spokesmen for the group in the Department of Agriculture was elevated by the Secretary to a position where he was able to make his personal opinions felt in the policy level of that Department. At about the same time the State Department group seized upon fears about our disposal program, which had been voiced by some of our friendly neighbors — specifically Canada and Mexico—as renewed arguments against one of the most successful aspects of surplus disposal—the barter program.

Under this joint attack, a viewpoint adverse to barter—which I sincerely believe is held only by a small minority group in both the Department of State and the Department of Agriculture—was impressed upon those at the policy level and resulted in the abrupt termination of the barter program.

INCONSISTENT POSITIONS

It apparently was overlooked by those making the policy decisions that the arguments of these two groups are mutually inconsistent. The position of the Department of Agriculture opponents of barter is that we are not disposing of anything under the barter program that we would not sell, anyway, for dollars—that barter is not adding one bit to our total disposal of surplus commodities. The argument of the State Department group, on the other hand, is that sales under the barter program are taking markets for these commodities away from friendly competitors.

These arguments have been explored carefully and at length by both the Senate Committee on Agriculture and Forestry and the House Committee on Agriculture. Spokesmen for both of the Departments concerned have appeared before these committees and have been asked repeatedly to substantiate their assertion that the barter program did not move additional surplus commodities into export but merely replaced sales that would otherwise be made for dollars. In spite of repeated questioning from both sides of the aisle in the Committee on Agriculture and many opportunities to present such evidence, spokesmen for the Department of Agriculture have never submitted any specific evidence to support their assertion.

To the contrary, the evidence is quite clear that since the termination of the barter program dollar sales of wheat have decreased by approximately 100 million bushels per year and dollar sales of cotton have decreased by almost 600,000 bales per year.

So unconvincing has been the testimony of the Department of Agriculture on this point that after going into this matter exhaustively, the Senate Committee on Agriculture and Forestry voted overwhelmingly to report favorably to the Senate a barter provision even stronger than the House provision, and the House Committee on Agriculture, after the most thorough hearings, voted to report favorably the provision which is here under discussion.

On the matter of interference with the export trade of some of our friendly competitors in world markets, the record is equally unconvincing. I am sure that the House Committee on Agriculture and the individual members thereof are as keenly aware of the need for maintaining friendly relationships with other free countries as is anyone in the executive branch of the Government. We see no reason why our surplus-disposal programs cannot be conducted in an amicable and equitable manner and with a minimum of interference to what other friendly countries may rightfully regard

as their normal markets. We believe that those in charge of our disposal programs have done and will continue to do an excellent job in this respect and that the record does not bear out the charge of interference with the markets of friendly countries.

FAIR AND FRIENDLY COMPETITION

On the other hand, we are painfully aware that we cannot adopt a policy of not competing vigorously for this country's fair share of the world market. Such a policy was followed for several years with disastrous results. Surpluses piled high in the warehouses of the Commodity Credit Corporation in spite of our efforts to stabilize world prices by limiting production on our own farms, efforts which have not been matched by any other country.

Two of the most important commodities disposed of under the barter program were wheat and cotton and the following tables taken from Department of Agriculture statistics, give a very clear picture of the position of this country and of two of our friendly neighbors with respect to these commodities.

In the case of cotton, United States acreage has been reduced under Government programs from 23,253,000 acres in the crop year 1948–49 to 12,584,000 acres in the current crop year. During the same period of time, cotton acreage in Mexico has increased from 1,050,000 acres in 1949 to 2,250,000 acres in 1958. With respect to exports of cotton, United States exports in 1948–49 were 4,747,000 bales. Our exports dropped to 2,214,000 bales in 1956 as a climax to the 4-year policy of noncompetition on world markets. Under the incentive of various factors, including disposals under Public Law 480 and the barter program, our exports in the current marketing year will total approximately 5,500,000 bales, which is still substantially below our average exports for the 20 years preceding World War II. During the past 10 years, however, exports of cotton from Mexico have increased from 232,000 bales in 1948–49 to an estimated 1,500,000 bales in 1957–58.

Cotton acreage and exports

Marketing year	Mexico		United States	
	Acreage planted	Exports	Acreage planted	Exports
	Thousands of acres	*Thousands of 500-pound gross weight bales*	*Thousands of acres*	*Thousands of 500-pound gross weight bales*
1948–49	1,050	232	23,253	4,747
1949–50	1,446	655	27,914	5,771
1950–51	1,880	742	18,629	4,108
1951–52	2,183	972	28,195	5,519
1952–53	1,937	992	27,185	3,048
1953–54	1,860	951	25,244	3,761
1954–55	1,820	1,253	19,701	3,447
1955–56	2,700	2,027	17,506	2,214
1956–57	2,095	1,310	16,833	7,594
1957–58	2,250	[1] 1,500	14,310	5,500
1958–59	[1] 2,425	[1] 1,900	12,584	----------

[1] Estimated.

With respect to wheat, the record is equally clear. In the crop year 1948–49 United States farmers planted 78,345,000 acres of wheat. In the 1957–58 crop year this acreage had been reduced by Government programs to 49,919,000 acres—a reduction of roughly 30 million acres. During the same period, wheat acreage in Canada had decreased from 23.7 million acres in 1948–49 to an estimated 21 million acres in 1957–58. United States wheat exports were 502 million bushels in 1948–49, but dropped to 392 million bushels in the fiscal year just closed. Canadian wheat exports were an estimated 300 million bushels in the 1957–58 fiscal year compared to 222 million bushels 10 years earlier.

Wheat acreage and exports

Fiscal year	Canada		United States	
	Acreage planted	Exports	Acreage planted	Exports
	Millions of acres	*Millions of bushels*	*Millions of acres*	*Millions of bushels*
1948–49	23.7	222	78,345	502
1949–50	27.4	236	83,905	297
1950–51	27.3	221	71,287	354
1951–52	25.2	347	78,524	444
1952–53	26.2	302	78,645	296
1953–54	26.4	288	78,931	212
1954–55	25.5	252	62,539	270
1955–56	22.7	289	58,241	336
1956–57	22.8	282	60,658	541
1957–58	21.0	[1] 300	49,919	392

[1] Estimated.

It is not my contention, Mr. Speaker, that any of our friendly competitors are now obtaining a larger share of the world market than they are entitled to. On the contrary, I believe that cooperative, intelligent action among the producing countries of the Free World can and should result in increased exports and increased world consumption of all our surplus commodities. I believe that the United States and other producing countries should share equitably in this increased consumption and that those in charge of our export programs are smart enough to work out such equitable programs. I would suggest that they might find the knowledge and the experience of the Agriculture Committees of Congress of some assistance to them in this respect if they would take the trouble to consult those committees now and then in advance of negotiations, rather than presenting them and the Congress with arbitrary decisions on the part of the executive agencies. What I do contend in connection with the figures quoted above is that our surplus disposal program, including the barter program, has not given our friends and neighbors any justifiable cause for complaint.

SPECIFIC COMMENTS

Now for some specific comments on the Secretary's letter.

His assertion that a reinstatement of the barter program would reduce farm income by lowering prices to farmers rests upon the following assumptions:

First. That we would sell as many bushels and bales of our surplus commodities for dollars without the barter program as we would with it;

Second. That all of such exports would be bought on the open market, thereby increasing the market price; and

Third. That the subsidy payments in kind from Commodity Credit Corporation stocks would not completely offset open market purchase of the commodities.

In this connection, the following table of world cotton prices is interesting. It seems to indicate rather clearly that the world price of cotton was not reduced by the barter program, which began in the fall of 1954, but was reduced by the competitive cash sale program on which the Department of Agriculture embarked in January 1956 after holding American cotton for several years off of the competitive world market. I challenge the Secretary to produce any objective evidence that the barter program has adversely affected world cotton prices.

Cotton

[Price (cost, insurance, and freight) at Liverpool, England, for Texas middling 15/16 inch in equivalent United States cents per pound]

Month	1954	1955	1956	1957	1958
January	---------	37.83	29.67	28.78	29.86
February	---------	37.85	30.27	28.60	28.60
March	---------	36.93	30.81	28.60	28.08
April	---------	36.78	31.05	28.81	27.81
May	---------	37.45	31.09	28.56	28.17
June	---------	37.55	29.03	28.66	28.88
July	36.95	37.42	28.23	28.65	---------
August	37.40	37.38	27.43	28.91	---------
September	38.05	36.92	27.10	28.85	---------
October	37.77	37.03	27.74	28.83	---------
November	37.25	37.14	28.54	29.32	---------
December	37.67	35.89	29.14	29.77	---------

The Secretary's references to barter disposals "undercutting world prices" apparently refer to the slight discounts which those disposing of the surplus commodities through the barter program were sometimes able to offer importers in other countries. Under the barter program, the surplus commodities exchanged for strategic and other materials were purchased by the contractor under competitive bidding conducted by the CCC. The price paid by the barter contractor for those materials was the same as the price being paid by all other exporters purchasing from CCC.

In many instances, the barter contractor did not himself dispose of the wheat, cotton, or other surplus commodity overseas. He turned the disposal operation over to a grain or cotton exporter experienced in this type of operation and normally paid a commission to that exporter of 1 to 2 percent for handling the operation. Within this 2 percent or less commission, exporters were able at times to slightly reduce their prices in order to move the commodity.

Spokesmen for some of the major exporters testifying before the Agriculture Committee stated that many times the ability to make a slight price concession on barter commodities enabled them also to make a cash sale for dollars which they would not otherwise have made.

References by the Secretary to undercutting world prices can only refer to this less than 2 percent margin and is based on the rather strange assumption that an export price established by the CCC has some element of virtue about it while a price 1 percent or 1½ percent less than that is an evil thing.

The Secretary refers to the barter provision reported by this committee as a "unprecedented approach to legislative direction in the exercise of administrative judgment." There is nothing

unprecedented about the provision under discussion—on the contrary, it is a normal and routine exercise of the legislative function—for the Congress to declare a policy—in this instance that barter will protect the funds and assets of the Commodity Credit Corporation—and direct an administrative or executive official to carry out this policy. This is the usual nature of legislation.

Throughout his letter the Secretary expresses his concern for the assets of the CCC and for the taxpayer's dollar. He conveniently overlooks the savings accruing to the CCC and the taxpayer in storage charges resulting from disposal of CCC inventories by barter, the fact that the barter program is the only part of our surplus disposal program where we get full value received for every bushel or bale of commodity disposed of, and that through deterioration alone the commodities that CCC could barter but retains in its stockpile will eventually depreciate to zero.

The Secretary is mistaken when he says that the language of the committee bill would require him to barter for materials of foreign origin "even though they may not be suitable for any Government program." This is not the case. Under the language reported by the committee there would be no change from the present procedures in this respect. Barter would be limited to those foreign materials which are listed as desired for stockpiling by the Office of Defense Mobilization or the new interagency committee which I understand the President has appointed for exactly this purpose. The list of materials from which such a governmental committee could select would be broadened by this legislation but the discretion as to what should be included and what excluded would still rest with the Office of Defense Mobilization or such other proper authority as the President might designate.

Throughout his letter the Secretary refers to the legislation as "mandatory." This, too, is a mistaken interpretation. There is nowhere in this proposed legislation a mandatory directive to the Secretary to make any particular barter transaction. It is true that he is directed to carry on a barter program along the lines of the policies outlined by Congress but it is equally true—though somehow overlooked by the Secretary—that this direction is softened by the phrase "to the maximum extent practicable" which has a well established and very well understood meaning in connection with legislation.

As used in this connection it means simply that the Secretary is directed, in good faith, to carry out a barter program along the lines of the policies clearly enunciated by Congress. The decision as to what particular barter transactions will be entered into is still up to the Secretary. The decisions as to what foreign material may be acquired under the program is up to the President or his designated agency. The only demand the legislation makes of the Secretary is that he endeavor in good faith to carry on a barter program as outlined by Congress, rather than using every device available to him to seek to avoid that responsibility.

CONGRESSIONAL POLICY IGNORED

This brings me, Mr. Speaker, to the crux of this whole situation. Since 1948 the consistent policy of Congress as expressed in many legislative enactments has been that wherever possible surplus agricultural commodities—which inescapably have a value of zero if they remain indefinitely in CCC storage—should be used instead of appropriated dollars to procure strategic and other materials which are not produced in adequate quantity in the United States and for which there is a present or possible future need.

The effect of the Secretary's decision to terminate the barter program amounts to a veto by one officer of the executive branch of these legislative provisions which have been enacted and reenacted by the Congress.

If the barter program were in the hands of an administrator sympathetic to the objectives of that program and to the policies established by Congress there would be no need for any legislation on this subject at this time.

The fact is, however, that this program is in the hands of a hostile administrator. He has stated on numerous occasions that he is unalterably opposed to the barter program as previously directed by Congress, that he will do everything in his power to keep from carrying on such a barter program, and that if there is any loophole in the legislation hereafter enacted by Congress, he will use it to escape putting the intent of the legislation into effect. That is the reason, and the only reason, why this legislation is necessary.

The Committee on Agriculture has no intention nor desire to be arbitrary in this matter nor to force the Secretary into any unsound transactions. It would have preferred not to have any legislation with respect to barter in the bill it has reported but its efforts to negotiate with the Department on the reestablishment of a moderate and sensible barter program have been consistently rebuffed so that there is only one alternative—either a flat directive from Congress that a barter program be carried on, or no barter program.

At the time the program was terminated in May 1957, officials of the Department called before the committee to explain the action stated that the new policy directives, which brought the program to a halt, were not intended to be permanent and that as soon as they had had an opportunity to take a new look at the situation the policies would be modified to permit the resumption of a reasonable barter program. The policies have not been modified in any substantial respect since that time and each effort of the committee to work out with Department officials a resumption of a reasonable barter program has met only the stubborn insistence on their part of standing pat on their actions of May 1957.

LEGISLATION AND COOPERATION

For my part, I am still willing to work with officials of the Department of Agriculture in formulating a fair and reasonable barter program that will help to move CCC commodities out of storage and into world trade and which will deal equitably with all friendly countries. From the record, however, it is quite clear that this kind of negotiation must take place after, and not before, legislation such as that reported by the committee has been enacted into law.

Military Assistance to Israel

EXTENSION OF REMARKS
OF
HON. CHARLES A. BOYLE
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 17, 1958

Mr. BOYLE. Mr. Speaker, early this week, the President announced to the world that he has ordered the United States marines into Lebanon. As in all kinds of great crises, the American people have again supported this measure to keep the peace and protect our freedom-loving friends of that part of the world. We have relied catagorically on President Eisenhower's declaration that the objective of this military action is "to support the principles of justice and international law upon which peace and a stable international order depends." The choice of this Government to keep these independent countries free from Nasserism and communism was a wise decision. Traditionally, some of these countries have been in conflict with each other for reasons of politics, religion, or economics. Today, the smaller nations find themselves united in the one thought that they shall not become subjected to ideologies, not in concert with their own traditional beliefs.

Standing out in this troubled area is that new bastion of democracy, Israel. In the short life of this democracy, it has proven to be a valiant foe, I might even add, an aggressive foe of the atheistic communism and rabble-rousing Nasserism. The past of this new nation is similar to our own. A country made up of the down-trodden, persecuted, abused Jewish people from Nazi oppression, communistic Russia, and the communistic satellites, mixed with a hardcore of pioneers from the free nations of the world, whose only desire was to live in peace in the land of their forefathers. To many of us here today, Israel has a holy significance, as it was the country of the founder of Christianity. It should be pointed out that all peoples, regardless of their beliefs, have lived in harmony and unity in this new country. We have looked upon Israel as a true and dependable friend in the Mid-East. This small nation has really asked very little from the Free World in comparison with the trouble and tribulations which she has suffered to maintain herself as the only democracy in the Middle East. As a sovereign nation, she desires and seeks to have her frontier free from the incessant violations precipitated by Arab nationalism. How caustic

can we be to a nation when we refuse to review our arms policy, in the light of Middle East tension and in the light of what has happened to the $50 million worth of arms in Iraq. It is essential for the American people to realize the importance of preserving the independence of this nation. The sovereignty of this country should be protected at all costs, even to the point of arms.

I applaud the President's use of troops in the Middle East and suggest the deployment of a security force to the State of Israel until such time as the United Nations sees fit to send a United Nations force to this part of the world. On numerous occasions, on the floor of this great forum, I have reminded my colleagues of the role and destiny of Israel as a bulwark against the insidious designs of envious and dictatorial powers who, instead of realizing, as Israel has, that the road to true economic and social freedom comes through long, arduous work and not through the methods of despotic, political maneuverisms.

Israel's request for new arms including our up-to-date missiles should be processed by the Secretary of Defense immediately, approved forthwith, and submitted to the President for action with all possible dispatch.

Needed Legislation

EXTENSION OF REMARKS
OF
HON. ELIZABETH KEE
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 17, 1958

Mrs. KEE. Mr. Speaker, as Congress enters what is hoped to be the final month of the present session, there are a number of legislative proposals which need to be written into law before adjournment.

First. The House should pass a bill establishing procedures for dealing with the problem of areas with chronic unemployment. Many areas are festering sores on the economic system. They were suffering from heavy and protracted unemployment long before the recession became general throughout the country.

Legislation which I am urging the House to pass would provide Federal assistance in attracting new diversified industries to distressed areas, training employees for new jobs and, in general, rehabilitating these areas generally.

The problem has been neglected for too long. The time has arrived for positive Federal action, in cooperation with State and Federal Governments.

Second. Another matter of urgent concern, Mr. Speaker, is that of providing new safety regulations for the Nation's airlanes. The millions of people who travel by air have a personal stake in legislation of this kind. Airlanes are becoming more crowded, and fast, new jet planes add tremendously to the problem.

I favor the establishment of a new, independent Federal aviation agency to regulate the use of airspace. Now military planes operate independently of civilian planes. There are too many planes of all kinds in the air to permit this divided responsibility to continue. Unless forceful action is taken now, more and more midair collisions will occur, and more and more people will be killed.

Third. Also, Mr. Speaker, I trust Congress, before it adjourns, will deal with the real problem of amending the Social Security Act, to increase benefits and lower the age for which widows may qualify. The need for legislation of this type is evident.

Fourth. Small business is crying for help. Tax relief is urgently needed. Provision must also be made for more equity investment capital in small business. To me, this is the best way to end the gobbling up of small business by large concerns. Effective enforcement of the antitrust laws will not do the job alone. Small businesses are finding that the tax schedule makes it almost impossible to prosper and expand.

Fifth. Mr. Speaker, I would still like to see more efforts made to give tax relief to the taxpayers. I realize that the Government's need for revenue will remain at present levels, if it does not increase in the months ahead. Yet I sincerely believe that by revising present schedules, with particular reference to loopholes, an increase in personal exemptions by a hundred dollars or so would be possible. Certainly this is a matter Congress should consider carefully, Mr. Speaker.

American Aluminum Under Foreign Trade Policies

EXTENSION OF REMARKS
OF
HON. WATKINS M. ABBITT
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 17, 1958

Mr. ABBITT. Mr. Speaker, during World War II and the war in Korea, the United States commanded industry to equip for and produce an increased quantity of aluminum. With Federal tax writeoff concessions and over $2½ billion of private funds, the aluminum industry proceeded in a big way to construct and equip plant capacity to meet anticipated needs.

Present plant capacity, plus that already undergoing construction, is expected to produce 2,604,500 tons of primary aluminum per year. The United States aluminum plant capacity is now producing 1,421,050 tons per year, while an additional potential capacity of 605,450 tons remains idle due in no small degree to the importation of foreign aluminum in the amount of two-hundred-and-twenty-two-thousand-plus tons as of 1957.

There is at the present time an overproduction capacity of aluminum and its products in the Free World. Russia is expanding her capacity at a rapid rate. Wages in the competing free nations average about 25 percent of wages paid American labor in the aluminum industry.

With 30 percent of the United States aluminum capacity idle, we are now importing one-sixth of our aluminum consumption from Free World nations that are now able to operate up to 90 percent of their own capacity. We are even buying aluminum plate that is processed from primary pig aluminum in Belgium from Communist bloc countries.

With 20,000 workers, formerly employed in the production and fabrication of aluminum now idle, one cannot question the uneconomic policy of importing aluminum under low tariff rates, produced by substandard foreign labor, while a corresponding loss of income in heavy private investment in plant in this country is lost to the economy.

With overproduction of aluminum in the free nations and a ruthless price-cutting Russian policy prevailing, the aluminum world market promises to remain unstable as long as underprivileged nations that actually need this oversupply of material lack credit with which to purchase it. Instead of attempting to meet the demands of underdeveloped countries, Russia and the free nations of Europe contrive to dump as much as possible on the American markets in order to build dollar credits. Continuation of this policy of importing a large portion of our American needs can prove very injurious to our American industry.

This policy, like that of permitting excesses of low-cost foreign imports in direct competition with many American industries, as anticipated in the extension of the Reciprocal Trade Agreements Act, will undoubtedly prove detrimental to the American domestic economy as well as greatly reduce our chances to export these products on the basis of cash returns, and the worst of it is that we are either directly or indirectly subsidizing a considerable portion of our foreign trade policy with the taxpayers' money.

Kaiser and Olin Mathieson are nearing completion of approximately half a billion dollars in plant construction in the Ohio Valley. These facilities are located in the heart of the most populous area of the Nation with all the transportation and distribution advantages it gives. Excessive aluminum imports should not be permitted in quantities that will deprive this invested capital of a reasonable return and prevent American employees from receiving their normal share of wages.

Eighty-fifth Congress Approves Code of Ethics for Government Service

EXTENSION OF REMARKS
OF
HON. CHARLES E. BENNETT
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 17, 1958

Mr. BENNETT of Florida. Mr. Speaker, the 85th Congress, in putting its

official approval on a code of ethics for Government service, has taken a constructive forward step in a difficult field. The final approval by the Senate was on July 11, 1958. Although this is but an expression of the opinion of Congress, it may still be not the least of the acts of this Congress. The code reads as follows:

CODE OF ETHICS FOR GOVERNMENT SERVICE

Any person in Government service should:

1. Put loyalty to the highest moral principles and to country above loyalty to persons, party, or Government department.

2. Uphold the Constitution, laws, and legal regulations of the United States and of all governments therein and never be a party to their evasion.

3. Give a full day's labor for a full day's pay; giving to the performance of his duties his earnest effort and best thought.

4. Seek to find and employ more efficient and economical ways of getting tasks accomplished.

5. Never discriminate unfairly by the dispensing of special favors or privileges to anyone, whether for remuneration or not; and never accept, for himself or his family, favors or benefits under circumstances which might be construed by reasonable persons as influencing the performance of his governmental duties.

6. Make no private promises of any kind binding upon the duties of office, since a Government employee has no private word which can be binding on public duty.

7. Engage in no business with the Government, either directly or indirectly, which is inconsistent with the conscientious performance of his governmental duties.

8. Never use any information coming to him confidentially in the performance of governmental duties as a means for making private profit.

9. Expose corruption wherever discovered.

10. Uphold these principles, ever conscious that public office is a public trust.

The report of the Senate Post Office and Civil Service Committee reads as follows:

The Committee on Post Office and Civil Service, to whom was referred the concurrent resolution (H. Con. Res. 175) setting forth as the sense of Congress a Code of Ethics for Government Service, having considered the same, report favorably thereon without amendment and recommend that the concurrent resolution do pass.

PURPOSE

The purpose of this resolution is to set forth in a readily understood but meaningful manner basic standards of conduct as a guide to all who are privileged to be a part of the Government service. The word "guide" is used advisedly. The resolution creates no new law; imposes no penalties; identifies no new type of crime; and establishes no legal restraints on anyone. It does, however, etch out a charter of conduct against which those in public service may measure their own actions and upon which they may be judged by those whom they serve.

The original framers of this resolution, together with all those who now support its adoption, do not contend for a moment that it will wash all evil from the soul of the Government or the individuals therein. They do believe strongly, however, that it can do no harm and has great possibility of doing much good.

At the very least it may serve to encourage the thoughtless to be more thoughtful. It may cause caution instead of carelessness. It may add strength to the weak and refortify those who are strong.

Additionally, it may serve to spearhead other steps that will encourage or require greater fidelity to public trust and at the same time put a brake on those who contribute to thoughtless or deliberate dereliction in an effort to obtain special favor or personal gain.

COVERAGE

The committee understands and intends that this resolution apply to every servant of the public whether he be the President, a Member of Congress, a lifelong career employee, or an employee engaged only on a temporary basis to expedite the movement of mail during the Christmas rush.

The committee does not subscribe to or could it support any code of principles that applied only to some and not to others. It believes there is no room in a great democracy such as ours for any set of double standards.

In that framework, the committee unanimously approved the resolution as providing a needed yardstick for the use of all who serve in the Federal service and for the use of those being served with which to measure and judge the propriety of official and personal conduct of every public official and employee—whether elected or appointed—and without regard to the position held or the duties performed.

INDIVIDUAL VIEWS OF SENATORS RICHARD L. NEUBERGER AND JOSEPH S. CLARK, JR.

We strongly support and commend the code of ethics provided in this bill. A meaningful code is long overdue. It should serve as a guide for the executive and legislative branches alike, and for policymaking officials as well as their subordinates.

Precepts of this kind frequently can serve as a standard and an inspiration to good conduct and sound behavior.

At the same time, we desire to stress that this code alone is not enough. After all, it is a statement of principles which is without specific enforcement provisions.

We believe that, in the long run, there will be required definite and explicit conflict-of-interest statutes which will govern the executive and the legislative branches with respect to gifts, disclosure of outside income, and other matters. We also suggest far more stringent regulation of political campaign contributions and similar matters, and consideration of such reforms in this field as originally were proposed by President Theodore Roosevelt and others long ago.

In advancing these views, we criticize no individuals or party or group. All in public life face such problems equally. Many innocent people of high personal ethics have been embarrassed and perplexed by situations that arise so frequently under existing conditions. We trust, therefore, that the present laudable code of governmental ethics will be reinforced in the early future by reforms of greater stringency and efficacy.

The report of the House Committee on Post Office and Civil Service is as follows:

The Committee on Post Office and Civil Service, to whom was referred the concurrent resolution (H. Con. Res. 175), proposing a code of ethics for Government service, having considered the same, report favorably thereon without amendment and recommend that the concurrent resolution do pass.

STATEMENT

House Concurrent Resolution 175 is essentially a declaration of fundamental principles of conduct that should be observed by all persons in the public service. It spells out in clear and straightforward language long-recognized concepts of the high obligations and responsibilities, as well as the rights and privileges, attendant upon service for our Government. It reaffirms the traditional standard—that those holding public office are not owners of authority but agents of public purpose—concerning which there can be no disagreement, and to which all Federal employees unquestionably should adhere. It is not a mandate. It creates no new crime or penalty. Nor does it impose any positive legal requirement for specific acts or omissions.

The code of ethics provided by this resolution has the strong support of organized labor. It has the unqualified endorsement of the Government Employees' Council; AFL-CIO, and other representatives of Federal employee unions. The Civil Service Commission, which is the central personnel authority for the Federal Government, has reported its full agreement with the purpose and nature of the resolution. The Department of Justice has concurred in this view. The Comptroller General of the United States, the independent authority established by the Congress to watch over expenditures of public funds, has stated that such a code of ethics will be useful in placing Government personnel on notice of what actually is expected of them and, in addition, giving notice to those dealing with Government personnel as to just what such personnel may and may not do in the performance of their public duties. This unanimity of opinion extends largely to the Congress, and some 30 Members of Congress have introduced similar resolutions in the past few years.

The committee emphasizes that this resolution in no way reflects on the integrity or the efficiency of the great body of Federal employees. The vast majority of men and women in our Government are conscientious, able, loyal, and honest public servants—above criticism in their official conduct. Their personal and official actions are guided by ethical standards as high and strict as the letter and spirit of any code that could be written into law. These men and women will welcome the adoption, in this code of ethics, of an affirmation of their own high standards. It will strengthen their hand in guiding and correcting any tendency toward cynicism of the high trust associated with public service, or deviation from proper conduct, that is bound to occur among some few in a Government as great and complex as the Government of the United States. A strong and unwavering policy, known to all both in and out of Government, is the best protection against lowering of ethical standards in the day-to-day performance of official duties by our more than 2 million Federal officers and employees.

In the judgment of the committee, the effectiveness of this resolution lies in simplicity and directness of its language. It does not pretend or purport to create new or unfamiliar standards. It is a concise restatement—as a part of the laws under which the Federal Government operates—of the principles of conduct in the public service which always have been expected by the American people.

This and earlier proposed resolutions have been given careful and extensive consideration by the Post Office and Civil Service Committee over the past several years. A number of committee suggestions and recommendations for clarification and improvement have been incorporated in House Concurrent Resolution 175. All points of difference, and all questions of policy, with respect to the language of the resolution have been resolved. The committee knows of no objection whatever to the resolution in its present form.

There will be no additional cost as a result of approval of this resolution.

The favorable reports of the United States Civil Service Commission and the Comptroller General of the United States on House Concurrent Resolutions 5 and 43, 85th Congress (similar to H. Con. Res. 175), follow:

CIVIL SERVICE COMMISSION,
Washington, D. C., April 26, 1957.

Hon. TOM MURRAY,
Chairman, Committee on Post Office and Civil Service, House of Representatives, Washington, D. C.

DEAR MR. MURRAY: This is in reply to your letters of January 17, 1957, asking for the

Commission's views on House Concurrent Resolutions 5 and 43, introduced by Congressman BENNETT and Congresswoman ST. GEORGE, respectively, setting forth a code of ethics to be adhered to by all Government employees, including officeholders.

The subject of ethics and morality of Federal employees is vitally important to a free government. While public employee morality has improved tremendously in this country in the past 75 years, this is an area where perfection will never be reached. The executive branch is very conscious that constant emphasis must be given to the basic thought that those holding public office, as servants of the public, are not owners of authority but agents of public purpose. It is possible that a code of ethics to which Federal employees can look as a guide to conduct would help to reemphasize the importance of this subject and contribute to a further improvement of public standards. The Commission, therefore, is in full agreement with the general purpose and the nature of the resolutions.

House Concurrent Resolution 43 is identical with the resolutions introduced by Congressman BENNETT and Congresswoman ST. GEORGE in previous Congresses. House Concurrent Resolution 5 contains the amended language which was worked out by a subcommittee, chaired by Congressman RHODES, of the House Post Office and Civil Service Committee, after their hearings on March 26, 1956. These amendments took into account a number of technical suggestions made by the Commission.

Congressman BENNETT on February 21, 1957, sent us a marked copy of House Concurrent Resolution 5 containing several further changes of wording as shown in the enclosure.

The Commission is in full agreement with the general purpose and nature of House Concurrent Resolution 5 and House Concurrent Resolution 43 and fully endorses House Concurrent Resolution 5. The editorial revisions proposed by Congressman BENNETT appear desirable.

The Bureau of the Budget has advised us that it has no objection to the submission of this report.

By direction of the Commission:

Sincerely yours,

HARRIS ELLSWORTH,
Chairman.

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, February 6, 1957.

Hon. TOM MURRAY,
Chairman, Committee on Post Office and Civil Service, House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: Your letter dated January 17, 1957, and undated letter, both acknowledged on January 18, 1957, transmitted House Concurrent Resolution 5 and House Concurrent Resolution 43, respectively, for a report thereon by our Office. This Office is in agreement with the purpose of these resolutions and regards House Concurrent Resolution 5 as the preferable of the two.

House Concurrent Resolution 5 and House Concurrent Resolution 43 are similar in that both resolutions would establish a code of ethics in the Government service which, in the sense of the Congress, should be adhered to by Government officials and employees including officeholders. However, House Concurrent Resolution 5 embodies certain changes in language which were suggested by the Civil Service Commission and developed in the hearings before your committee upon consideration of House Concurrent Resolution 2 and House Concurrent Resolution 17, both of the 84th Congress; and we regard the changes as desirable modifications.

Concerning the need for the establishment of a code of ethics for persons in the Government service, we believe that the large majority of all Government personnel need no reminder such as the suggested code of ethics to guide their activities, official or personal, being already possessed of moral standards of conduct as strict in letter and spirit as the proposed code of ethics. However, we recognize that in our complex Government it is impossible always to exclude from employment every person of unscrupulous character who may be cynical of the high trust associated with Government service. Any suggested course of conduct as is contemplated in the proposed code of ethics probably would have little or no deterrent value as to such persons.

We feel that the best protection to the public against questionable activities of Government officials is constant and unwavering vigilance by those charged with the administration of the departments and agencies. In recent years many of the executive departments and agencies have provided, through appropriate regulations, codes of conduct to be followed by their officers and employees. Many of the regulations and codes are more comprehensive and strict than the code proposed in the current resolutions and provide suitable penalties for violations thereof. We believe such codes of ethics are useful because they place Government personnel on notice of what actually is expected of them and in addition they provide notice to those dealing with Government officials as to just what the official may or may not do in the performance of his duties.

Accordingly, we favor the adoption of the current resolutions notwithstanding that many Government departments and agencies have regulations governing the conduct of their employees. Such a code, while without the status of a mandate, would have a salutary effect and should provide a basis and incentive for the promulgation of more definitive regulations by all Government departments and agencies on the matter of ethical conduct of their officials and employees, thus emphasizing to all concerned the interest of the Congress in this matter.

Enclosed for your information is a copy of Comptroller General's Order No. 4.25 governing the conduct of the officers and employees of the General Accounting Office.

Sincerely yours,

_____ _____,
Comptroller General of the United States.

Modern Foreign Language Development and the National Defense Act

EXTENSION OF REMARKS
OF
HON. STUYVESANT WAINWRIGHT
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 17, 1958

Mr. WAINWRIGHT. Mr. Speaker, I want to call the attention of the House today to the modern foreign-language provision in the proposed National Defense Education Act. The important foreign-language development program is directly aimed at the removal of our deplorable deficiency in foreign-language training. There can be no greater barrier between men than that which arises from a lack of communication. The ability to communicate effectively with peoples of the world is vital in the building of sound contracts among nations to strengthen world security in these days. Today our role of world leadership requires an understanding and language facility unsurpassed by any other previous time in our history. A similar emergency presented itself during World War II when, under the pressure and the exigencies of that precarious time the Armed Forces developed stopgap programs to train personnel to speak the languages of the world.

Mr. Speaker, today, at this moment, there are situated in the Middle East, within a thousand mile radius, seething forces which represent nations in which are spoken nearly every language and dialect of this age. Perhaps had there been greater contact, broader understanding and more extensive communication with the countries whose forces now gather, the tensions which we so pressingly feel at this time might have been averted. America's urgent need for more extensive language training is clear in the light of present events. For I call to your attention the fact that Russian university students are required to study a second language which must be of a country in Asia or Africa.

The need for military readiness is an obvious necessity but the comprehensive requirements of our day are reaching sweepstake proportions throughout the world. This fact is vividly outlined in a recent article by Jacob Ornstein, which was published in the Kiwanis magazine. Mr. Ornstein underscored our language lacks when he reported that:

Somewhere in the Middle East a crowd listens to a loudspeaker mounted on a sound truck in the village market place. First the listeners hear a news summary, then a bitter propaganda barrage against Washington, and finally a declaration of Moscow's love for the Moslem world. An American official stands by, completely unable to understand the rapid flow of gutteral sounds. Not far away, a Soviet diplomat smilingly turns to a group of bystanders and strikes up a conversation with them in fluent Arabic. This Russian is one of a vast army of linguists trained in the U. S. S. R. to fight the West, not with automatic rifles or atomic artillery, but with the ordnance of foreign tongues.

The Soviet Union, realizing that words are weapons in the struggle for men's minds, has launched an allout offensive on the language front that no other country has shown the willingness or ability to match. Bright Russian youngsters of 8 are sent to special schools for a thorough grounding in French, German, or English, along with their three r's. High-school students spend 5 years at rigorous language study. Talented youths receive scholarships to state institutes of foreign languages, where 5 years of full-time training are given them in 1 of the major world languages. Diplomats must master the language of the country to which they will be sent—as well as 1 or 2 additional tongues—before they ever set foot on foreign soil. Publishing houses are turning out dictionaries and texts in over a hundred languages, including Chinese, Amharic, Uzbek, and even Zulu.

America is many noses behind in this language sweepstakes. The Arabic tongue, key to the culture and peoples of the entire Middle East, is studied by no more than 85 students in all our universities. Chinese, spoken by 650 million people in Mao's militant state, is offered by only 35 of our higher

institutions, mostly to small classes. A recent survey, made by the writer and published by the Department of State's External Research Staff, found that of our 1,800 colleges, only 165 teach Russian to less than 5,000 students. By contrast, there are about 10 million Russians of all ages mastering English, and Soviet educational authorities have called for an even more vigorous English teaching program.

As a leader in the Free World, we are finding linguistic ignorance to be a formidable stumbling block in international relations. Secretary of State Dulles not long ago declared, "The United States carries new responsibilities in many quarters of the globe and we are at a serious disadvantage because of the difficulty of finding persons who can deal with the foreign language problem. Interpreters are no substitute."

The security of tomorrow may well depend upon the improvement and expansion and extension of modern foreign language programs in our schools. The tensions and troubles of this very moment dramatically spotlight this Nation's inadequacies in the language world.

Evidence of our languishing language programs is clearly underscored by the testimony of Dr. Lawrence Derthick, United States Commissioner of Education, during our subcommittee hearings when he pointed out that education in this country is not yet preparing Americans effectively to live and serve overseas. There is evident need to improve American school and college curricula to prepare men and women to serve in the whole of the world.

Our language lag might be better understood in considering the point Dr. Derthick made concerning the foreign relations of the United States when he observed that:

In negotiations and activities conducted by Americans in foreign countries, we are constantly reminded of the language ability of the Russians who may be competing with the United States in such negotiations. We have frequent proof that entire Soviet delegations will be fluent in the native language of the country in which an international conference or bargaining may be taking place, in contrast to very limited language competence of the American delegation.

Foreign language competence may no longer be defined as several years of study to achieve a reading knowledge. The requirement increasingly today is for Americans with the ability to communicate fully in a foreign language—we need those who can speak, write and read, with particular emphasis upon the spoken language.

It became clearly evident during our subcommittee hearings that the need to expand, to develop and to extend foreign language training in our schools was of priority proportions when it was disclosed that "of all public high schools in the United States, 56.4 percent offer no modern foreign language instruction to their students. To put this another way, not half of the public high schools in 25 States teach modern foreign languages."

The following table illustrates the decline of interest in foreign languages in our high schools:

Year	Total high school enrollment	Percent Latin	Percent modern languages	Percent French	Percent German	Percent Spanish
1890	202,963	34.7	16.3	5.8	10.5	----------
1895	350,099	43.9	17.9	6.5	11.4	----------
1900	519,251	50.6	22.1	7.8	14.3	----------
1905	679,702	50.2	29.3	9.1	20.2	----------
1910	915,061	49.0	34.3	9.9	23.7	0.7
1915	1,328,984	37.3	35.9	8.8	24.4	2.7
1922	2,230,000	27.5	27.4	15.5	.6	11.3
1928	3,354,473	22.0	25.2	14.0	1.8	9.4
1934	5,620,625	16.0	19.5	10.9	2.4	6.2
1949	5,399,452	7.8	13.7	4.7	.8	8.2
1955	6,582,300	6.9	13.7	5.6	.8	7.3

Source: The National Interest and Foreign Languages, revised edition, January 1957.

As Dr. Derthick brought out, these statistics have significance for any who believe that all American youth should have at least the opportunity to study languages. Requirements, choice of language, length, and character of instruction are not in question in a majority of our public schools; modern languages are simply not available.

The situation differs greatly from region to region. In Connecticut, Maine, New Jersey, and Rhode Island, every public high school offers some instruction in modern foreign languages. In the Dakotas, Iowa, and Nebraska, not 1 high school in 10 does so. These are the extremes.

These discouraging facts are further complicated by a shortage of language teachers. Dr. Derthick shed light on this problem when he testified that:

Today, clearly, foreign-language study in America is in a transitional stage. If it is to receive more stress in our schools, the problems ahead are staggering. Precise figures are lacking, but there are probably about 11,000 modern foreign language teachers in our colleges and universities, about 15,000 in our private and public secondary schools (approximately the same number as there were back in 1925, when total public school enrollments were considerably smaller). Of these 26,000 teachers, many are inadequately trained, many overworked and underpaid. Only one-third of them, at the most, belong to any national organization that can give them a sense of being part of an active, unified profession, through an attendance at meetings, reading of pedagogical journals, work on committees, and other means of encountering new ideas.

Most of them feel depressed and frustrated a great deal of the time, for they are expected to do what they know will usually prove impossible and they are painfully aware of (and sometimes exaggerate) the hostility or indifference of administrative officers, other teachers, and part of the public. Few of them speak correctly and fluently the language they teach, for the simple reasons that they were never taught to do so and they have lacked the means to visit the country they are supposed to know all about. They teach only what they feel competent to teach—and stop there. They know few of the historical or current facts that you are now reading.

The shortage of foreign language teachers in our schools was further amplified in a report of the Modern Language Association of America which stated that:

In September 1956 the national supply of new high-school teachers of foreign languages was 25.4 percent short of the demand. In 32 States surveyed, colleges had turned out in the spring of 1956 a total of 639 graduates with qualifications for foreign language teaching in high schools. But only 397 (62 percent) actually went into teaching; the others went on to graduate work (10.5 percent), to homemaking (6.6 percent), to other gainful employment (5.9 percent), to military service (3.1 percent), etc. School principals were looking for 532 recruits qualified to teach as a major assignment a foreign language (i e., some modern foreign language or Latin). But 135 principles [sic] ended their quest in disappointment. In September 1957 the supply of potential foreign language teachers was expected to be a scant 7 percent greater than in 1956, but 30.5 percent less than in 1950. We learned these facts after close study of the 1957 Teacher Supply and Demand Report, by Ray C. Maul (Journal of Teacher Education, March 1957). The report does not draw the conclusion that there was a 25.4 percent shortage of foreign language teachers, but the raw statistics are there and putting them together was a simple matter of arithmetic. A letter from Dr. Maul verifies this interpretation: "You are correct in every respect." A few more facts about the nature of the demand will prove useful. Of the 532 positions for teachers with major preparation in a foreign language, 320 were for full-time teaching of 1 foreign language or for teaching a second foreign language as a minor assignment; 128 required a minor teaching assignment in English; 50, in social studies; and the next most frequent minor was in home economics, 9. On the other hand, there was also considerable demand for new teachers whose chief assignments would be in other subjects but who would need minor teaching assignments in foreign languages. Among the popular combinations were: English, 262, with foreign languages as minor assignments; social studies, 35; home economics, 19; commerce, 11; and mathematics, 10.

Further complicating our foreign language dilemma is the need for additional teachers in this area. Statisticians tell us that:

Between now and 1970 we shall need, in American colleges and universities alone, approximately 8,500 additional (i. e., not including normal replacement) foreign language teachers (between now and 1960, 1,900). These estimates derive from analysis of birth statistics for the 1930's and 1940's, and assume no change in the current appeal of language study. No one yet knows how these additional teachers are going to be recruited and trained. If the American public insists upon and gets some emphasis upon foreign language study in our colleges, the figures just given will, of course, have to be revised upward accordingly. We may hope, however, that many more young people will be attracted into foreign-language teaching if its academic position is improved and its importance publicly recognized.

On the basis of these facts and information it is my considered opinion that the proposed program in H. R. 13247 for foreign language development and grants to the States for strengthening modern foreign language instruction in

the public schools would provide critically needed expansion and extension in this vitally essential area of studies.

The foreign language development program in the bill would provide for language institutes and language and area centers. An appropriation of up to $4.5 million would be authorized for the development of this program which under this title authorizes the United States Commissioner of Education to arrange, through contracts with institutions of higher education for the operation by them of short-term or regular session institutes for advanced training in teaching modern foreign languages. The institutes would be limited to teachers engaged or preparing to engage in teaching, or supervising, or training teachers at elementary or secondary level or in institutions of higher education. Contracts under this provision will cover all or any part of the cost of the institutes as the Commissioner determines to be necessary. He is also authorized to pay stipends to persons attending the institutes, including allowances for dependents and for travel to and from places of residence.

In addition to this, the language and area center program would provide a similar-type contract arrangement with institutes of higher education for the establishment and operation by them of centers for instruction in languages now rarely taught in the United States and for instruction in other fields to provide a full understanding of the areas in which such languages are commonly spoken. The Commissioner would determine the languages in which individuals should be trained in relation to the needs of the Federal Government or by business, industry, or education in the United States. Contracts for this particular program could cover not more than 50 percent of the cost of establishing and operating a center. The Commissioner also would authorize to pay stipends to individuals taking training in foreign languages at these centers including their cost of travel and their dependents.

The objective of this language development program is to assist in the extension and improvement of foreign-language instruction in the United States. The House committee report on the bill (H. Rept. 2157) also states that:

> The foreign-language institutes will improve both the knowledge and skill of the teachers of foreign languages in the elementary and secondary schools and the colleges and universities. It will help to emphasize competence in speaking those languages, and it will encourage the wider teaching of foreign languages at all levels of instruction. This title will also provide the means of preparing more Americans to conduct governmental business, and cultural relations in an effective way. The language and area studies centers will play a significant role in developing a greater number of our citizens to represent effectively our varied interests in those countries of the world which speak languages that are rarely taught in the United States.
>
> It is estimated that in fiscal year 1959, 8 summer institutes and 5 academic year institutes in foreign languages will be established and that stipends will be paid to 235 summer students and 250 academic year students. In succeeding years the number of institutes and the persons attending them will be increased to meet the need and demand for foreign language instruction. It is also estimated that during the year 6 foreign-language training and area studies centers will be established and that stipends will be paid to 180 students. In succeeding years the number of centers will be approximately doubled and the number of persons in attendance will be substantially increased.

The bill would also provide for financial assistance to the States for use by local school systems in improving equipment and materials in the field of modern foreign languages as well as science and mathematics. Grants would be provided, also, to assist State departments of education in expanding their professional services to local schools in these subjects.

H. R. 9521

EXTENSION OF REMARKS
OF
HON. JOHN D. DINGELL
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 17, 1958

Mr. DINGELL. Mr. Speaker, I wish to express opposition to H. R. 9521, introduced by my distinguished colleague, Mr. HALEY. That bill is a special interests bill which ignores the rights of the consumer. The special interests are the fruit and vegetable growers and shippers. The ultimate effect of the bill, if enacted, would be to relieve these interests of the necessity of showing that a chemical preservative has been added to fresh fruits and vegetables.

My constituents want to know whether their food has been chemically preserved. Some of them are opposed to eating food with chemical preservatives added. It makes no difference to them that the amount of preservative may be less than that required to cause outright harm—many of them just don't like chemical preservatives and I believe they have a right to make a free choice, when purchasing food, and a right to purchase nonpreserved fruits and vegetables when they so desire.

The fresh fruit and vegetable industry for years has made capital of the fact that fresh produce is better than that which has been canned, dried, or frozen. It is better, so they say, because it comes to you just the way it is harvested on the farm. But that is not true today in all cases. Many shippers sprinkle, soak, or otherwise treat their harvested produce with chemicals to retard rot, mold, and other deterioration between the time of shipment and consumption. You can see why these special interests do not want to declare the presence of the chemicals they are putting in food. It will tend to nullify the advertising they have done for so many years. How can you say to the consumer in one breath, I am bringing to you the produce just as it was harvested on the farm, when you put on the label the truth that it has been pickled with a little bit of preservative.

Now the real question before us on H. R. 9521 is whether we are in favor of honest, fully informative labeling of food. I am in favor of it and I am opposed to this bill which, in my opinion, goes in the wrong direction in that it would cut down on the information that is made available to the consumer when she purchases her produce.

I am not impressed by the arguments some make that it is impossible or impracticable to declare the presence of chemical preservative on produce. In my opinion, that just is not so. I have observed that the producers are able to declare what they want to. Citrus producers are able to declare color when it is added. All growers and packers find it easy to proclaim that their produce is California's, Florida's, or Michigan's best, or is U. S. Grade A No. 1, choice or fancy. Now, what would be so difficult about declaring added chemical preservative?

The Middle East

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 17, 1958

Mr. MULTER. Mr. Speaker, some of our colleagues seem to be surprised at what appears to be a total lack of information by our State Department and other high Government officials as to what was happening and what was likely to happen in the Middle East. I am afraid it was not lack of knowledge that contributed to the present situation.

Late in 1955 and early in 1956 I advised all those who would listen to me at the White House, the State Department, and the Joint Chiefs of Staff precisely what the situation was in that area and, while some of my predictions have proved wrong, most of them, unfortunately, have proved correct except as to minor details.

In that connection, I am setting forth my testimony of May 8, 1956, before the House Foreign Affairs Committee.

MUTUAL SECURITY ACT OF 1956, TUESDAY, MAY 8, 1956, HOUSE OF REPRESENTATIVES, COMMITTEE ON FOREIGN AFFAIRS, WASHINGTON, D. C.

The committee met, pursuant to call, in room G-3, United States Capitol, at 10:54 a. m., the Honorable JAMES P. RICHARDS (chairman) presiding.

Chairman RICHARDS. The committee will come to order, please. We will continue hearings on H. R. 10082.

We are are privileged to have our colleague, the Honorable ABRAHAM J. MULTER, with us this morning.

Will you proceed, Mr. MULTER.

STATEMENT OF HON. ABRAHAM J. MULTER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. MULTER. Mr. Chairman and members, I appreciate the opportunity of coming before you again and voicing my opinions for whatever aid they may be to you in connection with the pending bill.

While I appreciate the worldwide importance of the provisions of the bill, and that it does cover many areas of the world, I would

like to address myself primarily to the bill as it affects the Middle East, or the Near East, as it is often referred to.

May I by way of preliminary indicate to the committee that I appreciate that in viewing the testimony of any witness you have the right to ask yourself, what is his background and does he have any prejudice or bias in connection with the subject on which he speaks.

When anyone of the Jewish faith addresses himself to the Middle East, you have a right to take that into account. I want to assure the committee at the outset that my first and primary interest is the same as that of every member of this committee, that is, world peace and the security of our own country.

I hope that in assessing the value of my testimony, you will have in mind not only my religious background but also that I was among the first to look with favor upon restoration or resumption of diplomatic relations with Spain. I think that I can justifiably say that my personal report to President Truman late in 1949, after a visit to Spain, together with the information brought back from there by other members, had at least some bearing upon what I think everybody admits today is a desirable result of resuming diplomatic relations with Spain.

I was among the early advocates of help to Turkey, which, as you know, is a 98 percent Moslem country. Despite the fact that it is quite unpopular among many of my constituents, I have taken the position that the interests of our country require if not a full-fledged ambassador or minister at least a special representative at Vatican City.

With those preliminaries, let me address myself to the Middle East situation.

Chairman RICHARDS. May I add that I can testify to the correctness of the gentleman's statement on those matters.

Mr. MULTER. Thank you, Mr. Chairman. I trust that the members of this committee will not think that I usurped or impinged upon their authority when during the last recess I made a trip into various countries, and more particularly into the Middle East, where I visited in Lebanon, Egypt, Turkey, and Israel.

I think that we can all agree that the overall problem is the establishment of peace in that area and that anything short of full-fledged peace is obviously a threat to our own security and to world peace.

I think we also agree that the subsidiary problems are the resettlement of the refugees, the lessening of the existing tensions and an agreement about the boundaries.

I think with a period of 8 years of experience behind us now there must be a complete revision of our policy in that area with much more firmness than has heretofore been shown in our treatment of the peoples throughout that area, or more accurately, our treating with the leaders of the governments there.

The tensions have gotten worse and more bitter. We have had no real negotiations which would lead to peace.

You may recall that as early as 1948, before there was a State of Israel, I said that the only way we will have peace in that area is if we go in there and help all the peoples of that area, the Arabs who are living there as well as the Jews, to help them rehabilitate themselves and to improve their economic conditions there.

That directly relates to the refugee problem. We are told time after time that there are 900,000 refugees outside of Israel who must be rehabilitated and must be resettled.

The Arab position has been they will not talk peace until all of those Arabs are returned to the State of Israel. That means never. I think it should be perfectly obvious to anybody and everybody familiar with the situation that you couldn't possibly resettle those 900,000 Arabs in the little State of Israel even if you were going to take all of the State of Israel and give it to them.

Before they left there 90 percent of them were living in poverty. The average annual income was from $15 to $30 per year. Thirty dollars per year was high income for 90 percent of the Arabs living in that area.

To take them and send them back there would be utter folly—how are they going to live? Obviously these people must be resettled in places where you can give them a piece of land or an opportunity to earn themselves a livelihood that doesn't even begin to approach our standards, but which will at least improve their prior standards, or give them an opportunity to live if not decently as we know it, at least better than they had lived when they were unable to eke out a living for themselves and their families.

Today in these refugee camps they are being supported mainly by the bounty of the United Nations and this country, which supports or gives to that fund most of the money that is being used for that purpose.

Why haven't they been resettled? They haven't been resettled because the Arab leaders have refused to permit them to be resettled.

In that connection, our policy must be changed, and I think it must be a condition of further aid going to that area, that something must be done about that situation.

We have talked and talked to the Arab leaders, and we have run up against a stone wall. They will not move in that direction. I think it is high time that our Department of State changes its policy in that regard and make it known in no uncertain terms that this problem must be solved, that we will no longer continue to permit the Arab leaders to use this as a political problem and to keep those refugees stirred up emotionally against resettlement.

I might say that I have been in that area three times—I was there in 1948, 1949, and again in 1955. After each of my visits there I have been visited at home, unsolicited, by Arabs, Moslem Arabs, and Christian Arabs, indicating that much of the story we get out of there about the unwillingness of the Arabs to be resettled is the talk not of the Arab refugees themselves, but of the leaders of the Arabs.

If we can let those leaders know in no uncertain terms that this problem must be solved, you can begin to move those Arabs out, not en masse but family by family and resettle them. We will then get rid of this emotional problem that has kept that area stirred up all through the years.

You will find back in December 1947 and January and February of 1948 I was urging things such as, as I called it at that time, a Middle East TVA. I had in mind things like the Aswan Dam that they are talking about on the Nile. I had in mind things like the Jordan Valley project that Ambassador Eric Johnston has done so much to bring almost to the point of closing.

Secretary Dulles told the Senate committee in February that all of the details had been worked out except the political agreement. In other words, every last item had been agreed upon, between Syria, Jordan, and Israel, as to how it would be financed, what would be done there, where the power would go, where the water would go, the division of water between Syria and Jordan and Israel. The only thing that stops the project from going ahead is political agreement or assent politically by Syria and Jordan. Both are pressured by the Arab League not to agree politically.

Israel has indicated her willingness to go ahead. She is ready to execute the formal documents. The Arabs refuse. Israel has several times indicated that she would go ahead without the Syrian and Jordanian consent. Of course, each time she has been persuaded that that is not the thing to do.

I say the time has come when our Government must say, and this is probably the place for it to be said, in this bill, or in the report on this bill. Lay down the policy that if the Arabs will not go along with those projects, Israel will be permitted to do it herself, that there will be no aid to that extent to Syria or Jordan as such, but as long as Israel will make the commitment, the firm commitment, that the power and water generated there will go in agreed portions or ratios into Syria and Jordan, when they are ready for it, that Israel may go ahead and do the job and we will help her do it.

I think if we took that firm attitude the Arabs would have no choice in the matter but to say, "Let's go ahead."

I was told, as your study mission was told, as evidenced by their report that was submitted to you under date of March 14, 1956. I met with some of the members of that study mission while we were in that area—that a lot of the tension there was caused by the Baghdad Pact.

The surprising thing is that we were told by Arab officials our American diplomats tell them that the United States did not bring about the Baghdad Pact. Why they should have been told that, I don't know. But it only irritated the situation rather than help assuage their feelings.

There is no doubt but the fact is and Secretary Dulles has taken credit for and has claimed it was his idea. He says he started some 3 years ago to set up this Baghdad Pact as a northern tier or frontier as a defense measure against possible invasion of that area by Soviet Russia.

I sat down in this building, in the old Supreme Court room, with Gen. Bedell Smith, who was then Under Secretary of State, and with Ambassador Byroade, who was then our Assistant Secretary of State in charge of the Middle East, when we were talking about this plan 3 years ago.

I said to them, I think there were several of the members of this committee present, I said to those two gentlemen, that you are wasting your time and your energy and money in that kind of venture, because if Russia decides to move in there, all of the money that you are now spending for military aid and economic aid, if it was all used there for military aid, you are not going to stop Russia from moving into that area, when she decides to move.

I didn't anticipate that Russia was going to jump over the northern tier once it was set up. She has done that and moved in; Communist arms have been going into the Arab States for years. Something now must be done to strengthen that whole area. We are not going to strengthen it by sending arms into Egypt in competition with Russian arms. I don't know how much of the facts on that question have been stated to you——

Mr. VORYS. You don't mean into Egypt.

Mr. MULTER. Into Egypt.

Mr. VORYS. By sending arms into Egypt in competition with Russia—I thought you meant into Israel.

Mr. MULTER. Into Egypt, in competition, because the record is clear that for some time Egypt has—it goes back, I think, to 1952, when Egypt first sought arms from the United States.

She has gotten small quantities through the years from the United States. But when she sought large quantities of arms, she was asked to sign the usual agreement, that she would not be an aggressor, not use any of these arms as an aggressor against any nation. She refused to do that. Then, as you recall, in the summer of last year the Secretary of State pretended to be very much surprised with the fact that a deal had been consummated between Czechoslovakia and Egypt for the sale of jets and large armaments. Ambassador Byroade told me in Cairo, in November 1955, that he had known

of the Egyptian negotiations with the Communists for arms for more than a year before the deal was announced.

I think it should have alerted our State Department to the fact that any country that is looking for arms and will not sign an agreement that those arms will not be used as an aggressor or for aggression, doesn't mean well, but intends to be an aggressor.

Let's analyze that a little further. I understand Secretary of State Dulles said to the Senate committee in February of this year, when he was there, that he didn't know what arms had been sent into Egypt by Czechoslovakia.

When I was there, last year, it was known in Turkey, it was known in Israel, and it was no secret to Egypt. I am now talking about November 1955 when she had already received at least 40 jets and 6 submarines. She has today, I believe, 18 battle cruisers. Where will these battle cruisers and these submarines be used, and against whom will they be used? We are told the only fleet in that area is the United States 6th Fleet. Russia has no fleet there, and Russia is not going to supply Egypt with any of these submarines if they are to be used against Russia. Against whom will the submarines be used? Against Israel? Israel has no navy.

What about this preventive war talk we hear? I say to you in all earnestness it has been stirred up in large part by representatives of our State Department, this talk about a preventive war by Israel against her neighbors. Let's analyze it.

The little country of Lebanon to the north of Israel is smaller in geographic size and has a population of about a million people, which is just about half of the number of people in the State of Israel.

They say that Israel can muster an army of 250,000 men. Lebanon, when I was there in November 1955, could muster a total police force and army of 5,000 men. If Israel had any intentions to move on her neighbors, I think everyone must conclude that Israel could move in on Lebanon and take it over overnight if she had any desires to wage aggressive war against her neighbors. She has not done it and has no intention of doing it. Of all her borders the Lebanese borders have been the most peaceful.

Most of the border incidents coming from the Lebanese side of the border can be traced to infiltrations from Syria and Egypt.

Persons who have had the same advantage as I had of having been in that area as late as 1949, returning again in 1955, are impressed by the fact that Lebanon is making comparatively the same progress as Israel. Her people are prospering, their standards are improving, and they want nothing but to be left alone. Cross the borders into the other Arab countries and you find that they are practically in the same degraded and degrading conditions as existed all through the years up to 1949. There has been little or no improvement in their methods, their means, their standards or their opportunities to earn a livelihood.

I was interested to find out where this talk about a preventive war by Israel comes from. I noticed that Secretary of State Dulles indicated in his testimony before the Senate committee that he believed that there was such talk in Israel of a preventive war against her neighbors.

I found in our Embassies in Lebanon, in Egypt, and in our Embassy in Israel, the talk came from our American officials, that Israel might indulge in a preventive war.

I know that Ambassador Lawson in Israel had no such idea. On the other hand, I know Mr. White in that Embassy made it known to anybody who would listen to him that it was his idea that there will be a preventive war by Israel, and to bolster his position whenever possible he would put you in touch with that minority, that small group in Israel who have been yelling all through the years for such a war and for enlargement of the State of Israel.

That definitely is a very small group in Israel. The large majority of the people, and all the responsible officials in government in Israel, will say that they know that if they were to start any kind of war upon any of her neighbors, they would immediately turn world opinion against them, that they would be cut off from all assistance of any kind from this country and from our allies, and that while they might win the first battle, they would have to lose such a war.

In our Embassy in Lebanon, the same talk was going on. In Egypt I confronted our Ambassador, Ambassador Byroade, with the same matter and I asked him pointblank: "Do you think there is a single Arab leader who believes that Israel will wage a preventive war?" and Mr. Byroade said, "They don't believe it, but I, Hank Byroade, believe it."

It is that kind of preachment going on by our American officials there that is keeping this pot stirred up.

Unless our State Department is going to do something about it, to stop it, we are going to have more and more trouble in that area instead of less and less.

You will probably recall that Mr. Dulles has been taxed many times with the situation in that area, and has been asked to give his reasons as to why something can't be done about it, particularly with the situation in Saudi Arabia, where they refused to permit American Jews to serve as part of our Armed Forces. There is nothing wrong with the provision in any of these agreements that anyone objectionable to a local government should not be permitted to remain in that country.

That has been the way of governments ever since we have had civilized governments. Today, in the United States, if our Government finds a diplomat here from a foreign country who is objectionable, we send him home. We never find anybody objectionable because of his religious beliefs. When the attempt is made to relate Judaism or the Jewish religion to Zionism, then you get this very fine difference that is drawn by the Arabs and by the Moslems, which even our Secretary of State, however, does not try to draw.

They will tell you, the Arabs, the Moslems, that the Jews are our cousins. They say: "We are all Semites. We have all been persecuted together and we want to live peacefully together. But," says the Moslem, "while I do not oppose the Jew, I am opposed to the Zionists, and the Zionist is the fellow who wants a Jewish state."

That cannot be an excuse to our State Department for saying that any American Jew in the armed services of our country may therefore be deemed objectionable to Saudi Arabia or to any of these other countries.

Whether you go to Lebanon or go to Turkey or go to Egypt, you will find that there are Jews living there, and living there peacefully with their neighbors. True, they make no attempt to espouse the Zionist cause in the Arab countries, or the cause of an independent State of Israel. But all this destroys the substance of the charge that the basic difference in that area is a religious difference.

These people can live together, and will live together, and will trade together, and prosper together, if given the opportunity.

I think it is up to the Congress to write the directives into a bill such as this, so that our State Department representatives will do the right thing. They talk about trying to establish peace in this area and couple it with talk about the fact that the boundaries must be agreed upon first.

I say to you gentlemen that if our State Department said to the Arab States: "We will not stand for aggression from either side. We will not permit aggression by Israel against her neighbors. We will not permit aggression by the Arab States against Israel," this problem can be settled. It cannot be settled by saying: "We will guarantee your borders if, as, and when you will agree upon the changes," because that may never come. Unless and until we take the firm position that these boundaries will be changed only by agreement or by arbitration (and there is a method of arbitration) we cannot impress upon both sides the imperative need for them to sit down and agree upon a change of boundaries.

But we must first weigh, "You are not going to fight about these borders and boundaries." Then if they won't sit down and agree upon it, there is a way of making them go to the World Court and submit the matter there.

Mr. CHIPERFIELD. Haven't we said that?

Mr. MULTER. No, sir; we have not. Mr. Dulles has repeated time and time again that we will guarantee these borders and boundaries if, as, and when they agree upon them.

Mr. CHIPERFIELD. The State Department made a statement about aggression, and offered their services, the United Nations, and so forth, to work this thing out; didn't they?

Mr. MULTER. They have not taken the firm position I advocate. There have been intercessions, but there has been no firm statement of that policy by our State Department to this day.

Israel asked for a mutual security pact, and in asking for it she suggested for each of the Arab States the same security pact that she asked for. This, too, is a method of smoking out the evil intent of a potential aggressor. Such a nation not only will not ask for, but will reject such a pact.

The State Department has not seen fit to give or even negotiate with the State of Israel about such a security pact.

Chairman RICHARDS. Where would you place the line? There is a dispute about the line.

Mr. MULTER. You say to all sides: The lines remain precisely where they are until you sit down around the peace table and agree upon a change, and if you can't agree, then either you are going to appoint arbitrators, and if you don't appoint arbitrators, you go to the World Court and let the Court decide. When the Court makes the decision, it will be binding upon all sides.

This is an international dispute. It is a proper subject to come before the World Court. It is high time that we as leaders of the world will say that we will stand for no fighting about things of this kind which can be settled either by agreement or by a Court decision.

In my opinion, we must take that kind of firm position, and if we did we could very quickly settle these problems in that area. If we don't take that firm position, then we are bound to have trouble there. These people will continue to snipe at each other, and it does not matter who is responsible for the first sniping. A shot from 1 side brings forth 2 from the other side. It does not matter whether it comes from Israel or the other side. As long as you have these people stirred up, they will be sniping at each other. The only way to handle it is for us to take this firm position. I do hope that this committee will, as a part of this bill, say that we want to give aid, economic aid, to all of this area but peace, true peace, is the price they must pay.

You have heard many times from our Secretary of State that he hopes this issue of the Middle East will not be made a political issue in this year's election campaign, because it will stir up the Arabs into again voicing the opinion that in this country we depend on Jewish votes and therefore we are more favorably disposed toward Israel than we are to the Arabs.

I was surprised to learn when I met with the Arabs throughout this area, that not one had ever been told that the Jews in this country are a minority, that in the Senate with 96 Members we have only 2 who are Jews, that of the 435 Members of the House the maximum we have ever had, is 11.

As I pointed out to them, in the membership of the study mission that was there representing this very committee, not one depended on a Jewish vote in his home district to get himself elected; that this was not a Jewish problem, nor a Christian problem, nor a Moslem problem, that this is a problem of doing the right thing, the humane thing, and making people behave and not fight with one another.

When you talk to some of our Arab friends over there, you find the unfortunate part of it is that our American diplomats have never once taken the trouble to tell these Arab officials that this is not a Jewish problem at home.

They talk here at home about making it a political issue, but they never tell the Arabs it is not a political issue, that neither party needs Jewish votes to elect our President, or our House or our Senate.

The shame of it is that our State Department has not taken the forceful, unequivocal, position and said to these people, "You are wrong. This is not a political problem at home."

The same thing goes for the way that they handle some of these other problems there. You travel through the Middle East and you are told by some of the Arabs that we should stop the Jews raising funds here in the United States and sending them to Israel. They don't understand that charity drives are conducted here without the aid or interference of Government.

Not once has an American diplomat said to the Arab leaders that the Jews have said time and time again in the United States that they will go out and raise as much money to rehabilitate the Arab areas as they raise for Israel, if only there can be peace there; that if the Arabs will sign a treaty, Americans of all faiths will do the same for the Arabs as they are doing for the Jews there.

No one knows better than we people here at home, Jew and Christian alike, that you can't have prosperity in one little corner surrounded by poverty, without creating antagonisms in the poorer areas. You have to build up the whole area and give them all an opportunity to live.

Mr. VORYS. Along the line you just mention, on August 26, 1955, in an important statement by Secretary Dulles, he said, with reference to the plight of the 900,000 refugees:

"Compensation is due from Israel to the refugees. However, it may be that Israel cannot unaided now make adequate compensation. If so, there might be an international loan to enable Israel to pay the compensation which is due and which would enable many of the refugees to find for themselves a better way of life.

"President Eisenhower would recommend substantial participation by the United States in such a loan for such a purpose."

What do you think of that statement?

Mr. MULTER. That is directly in line with what I have in mind. The Israelis would like to have that. Every right-thinking person would like to see that done, and the only reason it isn't done is because the Arab leaders sit back and say, "We won't let you resettle these refugees anywhere except in Israel."

Mr. VORYS. That is not my understanding.

Mr. MULTER. I would like to suggest that if you would give me, Mr. Chairman, an executive session meeting I will bring to you Arab-Moslems who will tell you that when you go into these refugee camps you will be permitted to meet only with the leaders. They will tell you how terrible the situation is, how the people in the camps will not be resettled except in their homeland. These witnesses, I can bring to you, will tell you that is not so, that the Arab refugees are willing to be resettled, that they want to be resettled. There have been negotiations time and time again between some of them——

Chairman RICHARDS. I would like to say, Mr. MULTER, that we started a little late. Mr. MULTER told us beforehand that he had a meeting with the Banking and Currency Committee, and he has received a notice that they are ready for him.

Mr. MULTER. I will take just a few minutes more. I would like to answer any questions that the members care to address to me either this morning or at any other time you will invite me back.

Mr. VORYS. As you know, the United Nations resolution said it was the duty of Israel either to compensate or repatriate the Arab refugees. Both of those alternatives are open to Israel.

As far as I know, there has never been any offer by Israel to repatriate——

Mr. MULTER. The 900,000—you are right. As I indicated before, it would be an impossible task to try to repatriate them in Israel. They have taken Arabs back into Israel. There have been some 100,000 families that have been reunited within Israel, people who had been outside Israel and permitted to return.

Israel has always indicated her willingness to compensate the Arabs for their property that was left behind. She has unblocked the funds within Israel that were left behind by the Arabs. They have made that available to them.

I was about to say, as I got this message, that I can bring to you Arabs, Christians, and Moslems who left Israel, who negotiated with the State of Israel for compensation, and when the Governments of Syria and Jordan where they were living found out that the negotiations were being consummated, stepped in and threatened them with annihilation if they dared to go through with the agreements or to accept any of the money offered by Israel.

There isn't any doubt that people who are entitled to the money, if they are left alone, will be fairly compensated and will get the compensation that they are willing to accept, if the leaders of their home governments would let them take it.

I am prepared to bring to you, Mr. Chairman, persons whose names must be protected because their families are still over there and who would be annihilated if it was known they are testifying here. I will bring you Arabs who will testify under oath that what I say to you is the fact.

Mr. VORYS. The home government of the Israeli-Arab is Israel. We all joined in the desire of the Jews to go back to their homeland. The homeland of these Arab refugees is not some other country; it is Israel.

Mr. MULTER. How many of these 900,000 fled from Israel?

Mr. VORYS. I don't know. A lot of them have been born in exile.

Mr. MULTER. Many of them were born in the refugee camps. You will find that in the Arab refugee camps outside of Israel, among the 900,000, you will find thousands and thousands of them who were poor nomads roaming the Arab lands, eking out a living from the countryside, who moved into these camps because there they are supported by the U. N. and the contributions of the United States to the U. N. instead of continuing to roam.

I don't care how they got there. They are human beings who should be rehabilitated. They are human beings who should be given an opportunity to earn a livelihood. Something has to be done for them. But it is impossible to take the 900,000, whether they were ever in Israel or not, and move them into Israel, certainly not until there are firm peace treaties entered into between these Arab countries and the State of Israel.

If the peace treaties were consummated, then you might be in a strong position to say, "Those who came out of Israel have a right to return to their homeland."

But as long as they are at war—as late as January 16, Mr. Nasser said, "From the Atlantic to the Persian Gulf there is but one Arab nation which no one will succeed in dividing again. After World War II part of the Arab heart was snatched from the Arab body"—meaning the State of Israel. "Today Arabs from the Atlantic to the Persian Gulf will cooperate in restoring that part," restoring Israel to the Arab lands.

As long as that condition exists, as long as the Arab leaders join with Mr. Nasser, as they are doing in saying that, surely no one believes that bringing those 900,000 Arabs or any substantial part of them into Israel is going to make for peace.

Chairman RICHARDS. Mrs. KELLY.

Mrs. KELLY. Mr. Chairman, I would like to compliment my colleague from Brooklyn, Hon. ABRAHAM MULTER, for his testimony and appraisal of the Middle East situation.

Is there any question in your mind, Mr. MULTER, that if we could get the representatives of all the countries in the Middle East to a peace conference that Israel wouldn't be willing to settle every controversial issue, including the return of a token number of refugees, repayment for their land and return of their bank accounts, trade, boundaries, and so forth?

Mr. MULTER. Mrs. KELLY, there isn't a doubt in the world that the Israeli Government and their officials will sit down at the peace table and talk about all these problems and try to arrive at a solution of them.

But let's be practical about it. As of today, the Arabs will not sit down with the Israelis face to face. But that doesn't mean that you can't commence these negotiations.

As a matter of fact, word was sent home at my instance to the Secretary of State. I know it was received here. I know it was received in our Embassy in Israel. I know it was received in our Embassy in Egypt, that the Arab leaders were ready to sit down and talk, not face to face with Israel, but with American representatives, with United States representatives about the settlement of all of these problems, if the United States will take the initiative and say, "We insist that you sit down and talk about these things."

You could keep the Arabs on one side of the barrier, the Israelis on the other. The United States representative could talk first to one group and then to the other group, and finally consummate an agreement and bring them together to sign it.

It was going to be done, and word was sent back that it would be done, not on the basis of the 1947 partition resolution but on the basis of the 1949 resolution. There is a difference, because now the Arabs say they want to roll everything back to the 1947 boundaries.

The 1949 truce agreements recognized the boundaries set up at that time as armistice boundaries, subject to revision. That word came back, was received here in Washington, was received throughout the Middle East, with the exception of our Embassy in Turkey.

Within 5 days thereafter, Prime Minister Eden of Britain issued the statement that he would be the arbitrator between Israel and the Arabs on the basis of the 1947 partition resolution.

It was an attempt by Mr. Eden to reestablish British prestige in that area. Whether or not he knew that by talking about the 1947 resolution he would blow up the possibility of these negotiations, I don't know, and I won't make that charge against him.

The Arabs sent word that they would talk about the 1949 borders. He wanted to talk

on the basis of the 1947, and the whole thing blew up.

Mr. CHIPERFIELD. Mr. Chairman, I was going to ask this: I can't understand how there would be any considerable portion of people of Israel that would advocate a preventive war, because if they fight a preventive war they are going to have to fight the very war that they are going to try to avoid.

It is a good deal like a man committing suicide because he is afraid to die. That would be the case if you fight a preventive war; no one would win.

There is one question that you didn't comment on, and perhaps you didn't do so because you didn't desire to raise that issue; if you do not, do not answer my question.

Do you advocate the United States sending arms to Israel?

Mr. MULTER. Yes, I do, sir. I disagee with Mr. Dulles that to send arms at this time into Israel would be creating an arms race. The arms race is on.

Mr. CHIPERFIELD. Do you think it would be provocative of war?

Mr. MULTER. No, it would not be. I think it would be preventive of war. I think it is much better to do that than send in 1,800 marines from the 6th Fleet. As Prime Minister Ben-Gurion said, "Don't send your boys over here; send us arms so we can fight your battle." As long as Israel is strong——

Mr. CHIPERFIELD. I heard Churchill made that statement.

Chairman RICHARDS. And Roosevelt, too.

Mr. MULTER. I am against an arms race. The State of Israel is against an arms race. I think every sensible person is against an arms race. But I think you must keep these parties on an even balance. If they know that to fight one another will be to annihilate one another, they won't fight.

Mr. CHIPERFIELD. We have the status of the forces in all of these countries. We can't make it public, but we do have that information.

Mr. BURLESON. As our able colleague always does, he makes a splendid case, but he starts with present-day conditions. I think many people do, in justifying a great many things related to this issue.

Humaneness is exactly the reason that Israel was created in the first place. But there were some conditions in the Balfour Declaration which are usually forgotten or conveniently ignored.

There is no legitimate reason for anyone to think or to believe that Israel is going to be driven into the sea or to say that it is not a nation and that it is not going to endure from now on. Certainly I have no such concept that Israel will not endure.

Of course, it will. Nevertheless, going back to the historical facts under the Balfour Declaration, the British finally decided after the great influx of illegal entries into Israel to advocate a trusteeship. We went along with that policy and were discussing it when Israel declared herself a nation and then we immediately recognized her as such. In the declaration were safeguards for the Arab majority. The great majority were Arabs in the country at that time. There were only 50,000 Jews, but hundreds of thousands of Arabs. It was agreed that their right should be protected.

It was also agreed that no people of the Jewish faith would be bound by the Zionist concepts to the State of Israel outside of the State of Israel.

That leads me to say this to the gentleman, when he speaks of Israel as related to Zionism: Would you contend, Mr. MULTER, that there is a distinction between Israel as a nation and Israel as a creature of international Zionism? Do you attempt to set one apart from the other?

Mr. MULTER. I think you will concede that Israel, like our country, guarantees freedom of religion. I think you will agree that Israel, like our country, guarantees every one of its citizens the right to vote and to hold office.

There are Arab-Moslems and Arab-Christians in the Israeli Parliament. The point I tried to make is that while most Jews are Zionists, not every Zionist is a Jew. There are many Christians who are Zionists. Zionism is the political concept of a Jewish state. Every Jew is not a Zionist.

You probably know that we have in this country a so-called American Council of Judaism. They have been bombarding the Congress with literature for some time. Actually, they represent less than 2 percent of the Jews of this country. But they were against the establishment of a State of Israel.

Mr. BURLESON. If you will allow me to interrupt, they have vehemently denied that they are opposed to the State of Israel. They definitely deny being either pro-Israel or anti-Israel.

Mr. MULTER. They may take the position now that they are in favor of the State of Israel. They were not in favor of it originally. They were bitterly opposed to its coming into being.

After it did, they accepted the fact, but in accepting the fact they do everything they can to dissuade Christians and Jews from sending money to Israel or aiding it in any way. They are doing what they can to help destroy Israel.

They take the position that we must lean over backward in favor of the Arabs and against the State of Israel, which I say is not good policy. It is not American policy.

I don't say that we should be anti-Arab. My argument all through the years is that we must be just as pro-Arab as pro-Israel. You have to be fair and impartial to both of them.

Mr. BURLESON. Is not impartiality the announced policy of the State Department today?

Mr. MULTER. It may be the announced policy, but they are not doing anything to effectuate that policy. They are doing much that is contrary to that policy.

Mr. BURLESON. In connection with funds collected in the United States, let me ask the gentleman, do you agree that contributions to the United Jewish Appeal for the State of Israel should be a deductible item on the tax account of the American taxpayer as a philanthropic contribution?

Mr. MULTER. To the same extent that they are deductible for the support of the American University at Beirut, to the same extent as they are deductible to help people who are in distress anywhere in the world, to the same extent as are the Red Cross and the like.

Mr. BURLESON. Do you know of any other instances or any precedent where any contribution by United States citizens to any political entity of a foreign government is deductible for income tax——

Mr. MULTER. These funds are not made available to a political entity.

Mr. BURLESON. But I disagree with the gentleman—I do not make a challenge that could not be refuted. Frankly, I don't know, but my information is that the funds collected by the United Jewish Appeal for the State of Israel goes into a common fund and can be used for any purpose the Israeli Government may desire.

Mr. MULTER. Mr. Burleson, I most respectfully but just as strongly, disagree with you. The evidence is overwhelming that not a penny of that money goes into the coffers of the State of Israel. Not a penny of that money is disbursed by the State of Israel. Every dollar of that money is used—that which goes into the State of Israel; not all United Jewish Appeal money goes to the State of Israel—that which does go in is used for philanthropic purposes, rehabilitating people, making available to them the means for agriculture, to learn to farm, to learn skills for industry, for hospitals, and the like.

There isn't a dollar of that money that is administered by or paid to the State of Israel.

Mr. BURLESON. Our State Department people were very definite in 1954 in saying that those funds collected went into a common fund in the State of Israel, and the expenditures were not traceable, that they would not give us any assurance that tanks, planes, guns, public housing, health or anything else were not purchased with them; that it was administered by the Israeli Government.

Mr. MULTER. Mr. BURLESON, were they referring to the United Jewish Appeal funds or to Israel bonds?

Mr. BURLESON. They lumped them all together.

Mr. MULTER. You can't lump them together, because the United Jewish Appeal money is not money that is used by the Government or administered by the Government, while the Israel bonds is a bond issue of the State of Israel and the proceeds go to the State of Israel.

Mr. VORYS. And you pay tax on them?

Mr. MULTER. Yes, you pay the tax on the income.

Mr. VORYS. And you can't deduct it?

Mr. MULTER. There is no deduction for the purchase of bonds or the income therefrom.

Mr. VORYS. I found that out recently at home.

Mr. BURLESON. I know that is true of the bonds.

Mr. MULTER. I assure you, Mr. BURLESON, if any such proof were available, our Treasury Department, the Internal Revenue Service, would immediately revoke the tax exemption that is accorded to those gifts.

Mr. BURLESON. They first decided it was not deductible, and then later on they decided it was under an appeals court decision.

Mr. MULTER. I am not familiar with any litigation involving the matter.

I do know very definitely, I have been active in those matters for a long time, on a high level, and I know there isn't a dollar of United Jewish Appeal money that goes to the Israeli Government.

Mr. BURLESON. I hope the gentleman understands I was inquiring. I also hope he is correct and would welcome substantial proof of the correctness of his position.

Mr. MULTER. For more than 50 years the Jewish National Fund, an American organization, has been raising funds here and buying land in Israel, which is then leased on long-term leases, to anyone, to any Jew in Israel who wants to occupy the land. That has been going on for 54 years, to be exact.

Chairman RICHARDS. What is your recommendation about this legislation? You do not want us to include any money for help to any Arab state unless they do what?

Mr. MULTER. Unless they will in good faith enter into peace negotiations, either directly or through the United Nations or an agreed intermediary.

I am not so foolish as to think that you can force these Arabs to sit down face to face with the Israelis. But certainly good-faith negotiations should be entered into without delay through an appropriate intermediary.

The United Nations would, of course, be the best intermediary. There are antagonisms there, too. Possibly they could agree upon some other intermediary, who could bring them to the peace table where they could sign the peace agreement.

It is not going to be an easy task. And it will not be accomplished overnight or in

a day or week. Certainly we ought to say, very firmly, "This is the time to do it."

Chairman RICHARDS. That you have to do certain things or else?

Mr. MULTER. Yes.

Chairman RICHARDS. If they don't do what we say——

Mr. MULTER. We will know where we stand. We will know whether or not we ought to send in any training tanks to Saudi Arabia at a time when there are reserve tank battalions in this country which haven't been able to get a single tank for training purposes.

Chairman RICHARDS. They agreed in writing to provide those tanks, did they not?

Mr. MULTER. They made the agreement to purchase the tanks in September 1955, and payment was made in November 1955. You and I sitting there would certainly have said, "Well, now, this is not the time to make that kind of delivery."

Mr. JUDD. Was not the basic agreement made in 1951 that they could buy weapons and training tanks, and so on, in this country?

Mr. MULTER. Yes.

Mr. ZABLOCKI. Mr. MULTER, is your suggestion only to this one area or is it your intention that we include such a provision for every area where there is a dispute? For example, do you propose the United States withhold any aid to Greece or Turkey, or Britain, until the Cyprus issue is settled, withhold aid to Pakistan and India until the Kashmir problem is resolved? Further, how about the other areas where there are conflicts?

Mr. MULTER. I say, once you find that the parties refuse to sit down and negotiate in good faith——

Mr. ZABLOCKI. Who would adjudicate the situation, as to whether the parties are sitting down in good faith?

Mr. MULTER. Don't you think that the question answers itself, when 8 years have gone by and the parties have not yet sat down and consummated an agreement? Isn't that long enough to determine that they are not trying in good faith to arrive at an agreement?

Mr. ZABLOCKI. No, because there is not a settlement over 8 years does not necessarily indicate bad faith on the part of Israel and the Arab States.

Mr. MULTER. That might be the necessary thing. It might be necessary to say to both sides, "You are both intransigent. Neither will talk. We can help neither one of you from here in."

It might be necessary to come to that position. I don't think it will be. But it may be.

I would like to stay on, but if it is agreeable, I will come back at any time you suggest. I must get to my committee, which is in executive session.

Chairman RICHARDS. Thank you, Mr. MULTER.

SENATE

FRIDAY, JULY 18, 1958

The Senate met at 11 o'clock a. m.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O Thou God of love and hope, through all the length of changing years Thy goodness faileth never.

In a day so full of fear and threat, save us from any panic of spirit. Add to our inner strength which is drawn from deep wells.

With the light of Thy wisdom and the strength of Thy grace, enable those who, in these baffling times, have been entrusted with the stewardship of the national welfare to be true servants of Thine, in the advancement of Thy kingdom.

Grant us to feel the passion of high resolve as we cherish, above all else, the glorious mission to which Thou hast called us as a nation.

Make Thy servants here, upon whom are the eyes of an anxious world, so faithful in their response to human need and the common good that they will fear neither the searching judgment of their fellow men nor the final verdict of the judge of all the earth, from whom no secrets are hid. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, July 17, 1958, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed a bill (H. R. 3) to establish rules of interpretation governing questions of the effect of acts of Congress on State laws, in which it requested the concurrence of the Senate.

HOUSE BILLS REFERRED

The bill (H. R. 3) to establish rules of interpretation governing questions of the effect of acts of Congress on State laws, was read twice by its title and referred to the Committee on the Judiciary.

LEAVE OF ABSENCE

On request of Mr. KNOWLAND, and by unanimous consent, Mr. CAPEHART was granted leave from attendance on the sessions of the Senate beginning today, through Monday, July 21.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Committee on the Judiciary was authorized to meet during the session of the Senate today.

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Subcommittee on Public Health, Education, Welfare, and Safety of the Committee on the District of Columbia was authorized to meet during the session of the Senate today.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Antitrust and Monopoly Subcommittee of the Committee on the Judiciary be authorized to meet at 2 o'clock p. m., during the session of the Senate today.

The VICE PRESIDENT. Without objection, it is so ordered.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

Lloyd H. Burke, of California, to be United States district judge for the northern district of California;

Wilfred C. Varn, of Florida, to be United States attorney for the northern district of Florida;

Lester Shields Parsons, Jr., of Virginia, to be United States attorney for the eastern district of Virginia;

William C. Littlefield, of Georgia, to be United States marshal for the northern district of Georgia; and

Peter Auburn Richmond, of Virginia, to be United States marshal for the western district of Virginia.

By Mr. KEFAUVER, from the Committee on the Judiciary:

Frank Quarles, of Tennessee, to be United States marshal for the eastern district of Tennessee.

The VICE PRESIDENT. If there be no further reports of committees, the nominations on the calendar will be stated.

UNITED STATES NAVAL REPRESENTATIVE, MILITARY STAFF COMMITTEE, UNITED NATIONS

The legislative clerk read the nomination of Vice Admiral Thomas S. Combs, United States Navy, for appointment as United States naval representative, Military Staff Committee, United Nations, as senior Navy member, pursuant to title 10, United States Code, section 711.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

NAVY AND MARINE CORPS NOMINATIONS PLACED ON THE VICE PRESIDENT'S DESK

The legislative clerk proceeded to read sundry nominations in the Navy and Marine Corps which had been placed on the Vice President's desk.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of all these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORTS ON UNITED STATES SOLDIERS' HOME

A letter from the Secretary of the Army, transmitting, pursuant to law, a report of the United States Soldiers' Home, for the fiscal year 1957, and a report of the annual inspection of the Home, 1957, by the Inspector General of the Army (with accompanying reports); to the Committee on Armed Services.

REPORT ON NUMBER OF OFFICERS ASSIGNED TO PERMANENT DUTY AT THE SEAT OF GOVERNMENT

A letter from the Director, Legislative Liaison, Department of the Air Force, Washington, D. C., reporting, pursuant to law, that, as of June 30, 1958, there was an aggregate of 2,532 officers assigned or detailed to permanent duty in the executive element of the Air Force at the seat of government; to the Committee on Armed Services.

PUBLICATION OF NOTICE OF PROPOSED DISPOSITION OF CHINESE HOG BRISTLES

A letter from the Administrator, General Services Administration, Washington, D. C., transmitting, pursuant to law, a notice to be published in the Federal Register of a proposed disposition of approximately 1,518,899 pounds of Chinese hog bristles now held in the national stockpile (with an accompanying paper); to the Committee on Government Operations.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Three letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law pertaining to each alien, and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

GRANTING OF STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders granting the applications for permanent residence filed by certain aliens, together with a statement of the facts and pertinent provisions of law as to each alien, and the reasons for granting such applications (with accompanying papers); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A telegram in the nature of a petition from the mayor and clerk of the City Council of Udall, Kans., congratulating and supporting the President and Congress upon their prompt actions in the face of international crises; to the Committee on Foreign Relations.

A resolution adopted at a convention of the Veterans of World War I of the United States of America, at San Diego, Calif., expressing appreciation for the passage of House bill 11077, giving full rights to the Veterans of World War I to be a representative body of the veterans of that war; ordered to lie on the table.

LETTER AND RESOLUTIONS OF MINNESOTA FEDERATION OF POST OFFICE CLERKS

Mr. THYE. Mr. President, I am in receipt of a letter from Winston Johnson, secretary-treasurer of the Minnesota Federation of Post Office Clerks, with the address of Stillwater, Minn. I have not read the letter nor all the resolutions enclosed with the letter.

I ask unanimous consent that both the letter, which was addressed to me, and the enclosed resolutions be printed in the RECORD and appropriately referred.

There being no objection, the letter and resolutions were referred to the Committee on Post Office and Civil Service, and ordered to be printed in the RECORD, as follows:

MINNESOTA FEDERATION OF
POST OFFICE CLERKS,
Stillwater, Minn., July 15, 1958.

Senator EDWARD J. THYE,
Senate Office Building,
Washington, D. C.

DEAR SIR: Enclosed you will find a series of resolutions adopted at our annual State convention which was held in Rushford, Minn., June 19, 20, 21, 1958. Please give these resolutions careful study and also urge your friends on the Senate Committee on Post Office and Civil Service to give them favorable consideration.

I also want to thank you for your support of our recent salary increase. I know that we can count on your continued wholehearted support for legislation which will help improve our standard of living and working conditions.

In view of the enactment of a salary bill, union recognition legislation has undoubtedly become the most important item on our agenda. The enactment of such legislation will go a long way toward curing many of the evils of the postal service.

Let me assure you that your interest in our welfare will not be forgotten in the place where citizens can best make their influence felt—at the ballot box.

Sincerely,

WINSTON JOHNSON,
Secretary-Treasurer.

PARAMOUNT LEGISLATIVE PROGRAM

Whereas the paramount legislative program of the National Federation of Post Office Clerks as adopted at the Chicago Convention held in August 1956, has not been enacted: Therefore be it

Resolved, That the Minnesota Federation of Post Office Clerks assembled in Rushford, Minn., on June 19, 20, and 21, 1958, go on record supporting the following paramount legislative program:

One thousand dollars salary increase; A. national wage board; B. esculation; C. hourly salary adjustment.

Union recognition.

Repeal of the Hatch Act.

Amend Public Law 68.

Retirement liberalization for all Federal and postal employees.

Seniority by law.

Job security.

Overtime for substitutes.

Seniority promotion by law.

Removal of all antiunion provisions in the Postal Manual.

Health-welfare benefits: Hospitalization coverage.

Thirty-five hour workweek 7 in 7.

Resolved, That the members of the Minnesota Congressional delegation be informed of our action and be requested to actively support this legislative program; be it further

Resolved, That the National Officers of the N. F. P. O. C. be advised of this paramount legislative program and be directed to do everything in their power to assure successful enactment of this program.

EMPLOYMENT OF RETIRED CLERKS AND CARRIERS AT CHRISTMAS

Whereas the Post Office Department must of necessity employ additional help during the month of December, and

Whereas retired postal clerks and carriers would be a considerable asset to the Postal Department during the month of December because of their experience in Post Office operations and knowledge of the schemes: Now, therefore, be it

Resolved, That the MFPOC in convention assembled at Rushford, Minn., June 19, 20, and 21, 1958, go on record favoring the enactment of legislation permitting the Post Office Department to employ retired clerks and carriers during the month of December without forfeiture of retirement benefits; and be it further

Resolved, That copies of this resolution be sent to all Members of Congress from Minnesota.

LABOR-MANAGEMENT RELATIONS

Whereas persistent refusal of the Postal Department to recognize the value of a modern, realistic labor-management relations policy based on mutual cooperation and respect between management and labor is shown by the strenuous efforts of the Department to prevent Congressional approval of S. 386 and H. R. 6; and

Whereas adamant refusal to consult with employee representatives shows thoughtless disregard for the capabilities of competent employees, who are dedicated to the improvement of service to the public; and

Whereas the current low morale and extremely high labor turnover obviously stem from lack of an adequate labor-management

relations policy plus the absence of coordination of various levels of management; and

Whereas it is in the best interest of those who do the work and those who pay for the service that a realistic policy of labor-management relations be initiated by enactment into law of S. 386 and H. R. 6: Therefore be it

Resolved, That the Minnesota State Federation of Post Office Clerks in convention assembled at Rushford, Minn., June 19, 20, 21, 1958, urge passage of this legislation and request all-out support from the AFL–CIO.

POLITICAL ACTIVITY

Whereas Congressman McCARTHY introduced H. R. 763 in the House of Representatives on January 3, 1957, to amend the Hatch Act, which restricts political activity for Federal and State employees; and

Whereas H. R. 763 does not repeal any portion of the existing law which prohibits the coercion of employees by those in authority, the buying of votes, bribing of candidates, promises of rewards for political activity, and other practices which are considered as corrupt practices; and

Whereas the enactment of Congressman McCARTHY'S bill into law would restore Government workers to first-class citizenship and also prevent any executive department of the Government from making rules restricting our political rights: Now, therefore, be it

Resolved, That the Minnesota Federation of Post Office Clerks in convention assembled at Rushford, Minn., June 19–21, 1958, go on record as endorsing the enactment of the McCarthy bill, H. R. 763; and be it further

Resolved, That the Minnesota Federation of Post Office Clerks request that the national office contact the platform committees of both major political parties for the purpose of having them include in their party platforms the objectives sought by the McCarthy bill.

PUBLIC LAW 68

Whereas the national convention held in Chicago 1956 of the NFPOC went on record to amend Public Law 68 instead of outright repeal, and was supported by the legislative director of our union; and

Whereas when the Postmaster General filed his report as stated in section 205 (a) of Public Law 68 there was no rebuttal by our union; and

Whereas the appointment of Mr. Hallbeck as chairman of a committee to look into the affects of Public Law 68 received wide publicity, but the committee did nothing, and the adverse rulings and interpretations of Public Law 68 hasn't been publicized by our legislative director, Mr. Hallbeck; and

Whereas up to May 31, 1958, Mr. Hallbeck has not introduced legislation to correct the many iniquities; and

Whereas we are unable to live with the law due to the many job descriptions written by the Department to the detriment of the clerks, and Legislative Director Hallbeck can be held personally responsible for our plight since he approved and endorsed Public Law 68 and the Moss amendments which became law June 10, 1955: Now, therefore, be it

Resolved, That the Minnesota Federation of Post Office Clerks in convention assembled at Rushford, Minn., June 19, 20, and 21, 1958, go on record insisting that Mr. Hallbeck introduce legislation to correct Public Law 68 and that the State of Minnesota requests the executive board of the NFPOC to support this program at the Boston convention.

Section 201 should be eliminated. It grants the Postmaster General unlimited authority. Section 201 (b) talks about equal pay for equal work and immediately thereafter provides loopholes for the Department to operate.

Section 202 appeals: Must be changed to provide a time limit for the commission to act on appeals such as 60 or 90 days.

Section 203 key positions: The job description for mail handlers level 3 should be rewritten to eliminate the broad interpretation by the Department. Further, all references to key positions for postmaster and assistant postmaster, superintendent, or supervisors authorizing them to perform clerical duties be stricken from the law.

Section 204 dual employment: Entire part b should be rewritten. By requiring an employee to put in 4 hours a day for 30 days it is possible by simple rotation of a few employees to keep any of them from qualifying for higher pay. Employees acting in relief of supervisors for compensatory time is vicious.

Job description for special delivery and regular carriers should state that they cannot perform clerical duties.

Section 204 dual employment: Section b is misused: eliminate the following words: "As the needs of the service require, an employee may be assigned from time to time to perform without change in compensation, duties, and responsibilities other than the duties and responsibilities specifically set forth in his position description."

Section 301b should include our substitutes. They are entitled to holidays with pay. The figure 2080 should be changed to 1400 and should include all employees in the Postal Service.

Section 304 should be changed so all our employees would keep their entrance d date anniversary for step increases.

Section 502: Promotions: employees should be granted the difference between step 1 of his present level and step 1 of the level he is promoted into.

Section 602 should be amended to read "7 in 7 hours hours of work" not 8 in 10 with 30 minutes lunch on the clock.

Section 603 compensatory time, overtime, and holidays: Entire section should be changed. We should receive time and one-half for Saturdays; double time for Sundays and holidays. This should include our substitutes. A section should be written in section 602 or 603 that any employee called to work should be given a minimum of 4 hours' work each time called. According to the law as written the Post Office Department cannot pay overtime for Saturday or Sunday work outside the month of December.

Section 604: This section should increase night work to 20 percent additional pay and should be included in figuring overtime.

Section 606: Should be eliminated. After a substitute serves 1 year for his probationary appointment he should become a regular clerk. The 1 in 5 ratio in section 606 should never have been agreed to by our union. The seasonal assistant description must be eliminated.

Section 802 should be eliminated.

RETIREMENT TAX EXEMPTION

Whereas at the present time deductions from the salaries of Federal employees for financing the Civil Service retirement system are taxable under the Federal Income Tax laws; and

Whereas such deductions are exempted from the income tax for those workers who come under the railroad retirement act and under the social security system: Now, therefore, be it

Resolved, That the Minnesota Federation of Post Office Clerks in convention assembled at Rushford, Minn., June 19, 20, and 21, 1958, favors the enactment of legislation as embodied in the McCarthy bill H. R. 5551 which will exclude such deductions for retirement from the income tax liability of Federal employees.

LEGISLATION—VOLUNTARY PAYROLL DEDUCTIONS FOR UNION DUES

Whereas legislation has been introduced in past sessions of Congress to provide for voluntary additional payroll deductions on Federal employee paychecks to buy life, health, accident, hospital and medical insurance; and

Whereas we believe that the voluntary deduction of union dues should be authorized by law and would be of tremendous value in reducing the cost and work involved in the collection of such dues; and

Whereas the aforementioned provision would stimulate and maintain a consistent membership, organizationally in the Minnesota Federation of Post Office Clerks: Therefore be it

Resolved, That the Minnesota Federation of Post Office Clerks in convention assembled in Rushford, Minn., June 19, 20, 21, 1958, go on record in favor of such legislation authorizing voluntary deduction of union dues; and be it further

Resolved, That copies of this resolution be sent to the Minnesota Congressional delegation and our national officers urging the introduction and enactment of such legislation into law.

PLIGHT OF RAILROAD INDUSTRY—RESOLUTIONS

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD, resolutions adopted by the governing bodies of sundry cities and towns of the State of New York, relating to the plight of the American railroad industry.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

Resolution of Town Board of Machias, N. Y.

Be it resolved by the Board of the Town of Machias:

SECTION 1. That the United States Senate presently in session be and hereby is memorialized to enact such legislation as contained in Senate bill 3778 to ease the existing oppressive governmental controls so as to give relief to the railroad industry in its present struggle to survive.

SEC. 2. That the clerk of the town board be and hereby is requested to transmit a copy of this resolution to Senator GEORGE A. SMATHERS; Senators IVES and JAVITS, and Representative DANIEL A. REED.

SEC. 3. That this resolution is hereby declared to be an affirmation vote of at least two-thirds of all members elected to the board, and shall take effect and be in force immediately as approved.

Resolution of Common Council, Syracuse, N. Y.

Whereas the proposed bill known as "S. 4035," known as the Housing Act of 1958, has been reported out of committee and is scheduled to reach the floor of the United States Senate on or about July 8, 1958; and

Whereas said proposed bill includes in substance provisions for continuance of Federal contributions for urban renewal at the present rate over a period of 6 years; and

Whereas the adoption of said proposed bill in substantially its present form is in the opinion of this common council in the interest of the city of Cyracuse, particularly in relation to its urban renewal program: Therefore be it

Resolved, That this common council hereby urges that favorable action be taken toward the adoption by the Senate of the said proposed bill S. 4035; be it further

Resolved, That a copy or copies of this resolution be forwarded to the Members of the

Senate from the State of New York, to Hon. R. WALTER RIEHLMAN, Representative in Congress, and to such other officials of Senate or House as may be deemed proper.

Resolution of Common Council, Syracuse, N. Y.

An emergency resolution memorializing the United States Senate and the House of Representatives to enact such legislation as will ease the existing oppressive governmental controls on the railroad industry

Whereas the railroad industry has played a major and vital role in the growth and development of the city of Syracuse, by providing employment for thousands of her residents, by contributing to the cost of government through the payment of real-estate taxes, and by continually attracting new industry to the area; and

Whereas through the years, governmental control of the railroad industry has increased to the point where the industry is not able to operate under the true free enterprise system which is enjoyed by its competitors in the transportation industry; and

Whereas the Senate has passed S. 3778, incorporating specific recommendations for the relief of the railroad industry, proposed by the Smathers committee; and

Whereas the House of Representatives has also approved a companion bill by Congressman HARRIS, H. R. 12832: Now, therefore, be it

Resolved by the common council of the city of Syracuse, 1. That the conferees of the Senate and the House of Representatives committees concerned are hereby urged speedily to resolve any differences between the Smathers and Harris bills, to permit prompt final action by both Houses;

2. That the Senate and the House of Representatives are urged to approve the recommendations of its conferees, and to enact the sorely needed Transportation Act of 1958 before the end of the current session;

3. That the clerk of this common council be and he hereby is requested to transmit copies of this resolution to: Senator WARREN G. MAGNUSON, chairman of the Senate Committee on Interstate and Foreign Commerce; Senator GEORGE A. SMATHERS, chairman of the Senate Subcommittee on Surface Transportation; Representative OREN HARRIS, chairman of the House Committee on Interstate and Foreign Commerce; to Senators IRVING M. IVES and JACOB K. JAVITS, representing New York State; and to Representative R. WALTER RIEHLMAN.

Resolution adopted by the Board of Supervisors of the County of Tioga—urge railroad relief legislation

Whereas the railroads have played an important role in the development of this county and the Nation, both in peacetime and in times of national emergency; and

Whereas in the event of a national emergency they would be essential to the Nation's safety; and

Whereas during World War II they carried 97 percent of all military freight and about 90 percent of troop movements; and

Whereas because of declining revenues, many railroads in the East are threatened with bankruptcy or possible Government operation; and

Whereas a Senate subcommittee which conducted an intensive investigation into the railroad situation, has reported that the railroads must be given assistance at once, if they are to survive as a free enterprise; and

Whereas the committee has recommended legislation to give the railroads relief from obsolete regulations and excessive taxation: Now, therefore, be it

Resolved, That this board urge the Congress of the United States to adopt legislation recommended by the Senate committee in order to help the railroads survive as a vital free enterprise industry, without Government ownership or Federal subsidy, and be it further

Resolved, That copies of this resolution be forwarded immediately to the two United States Senators representing New York State, and the Congressman representing this district in the House of Representatives.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ELLENDER, from the Committee on Agriculture and Forestry, without amendment:

S. 3248. A bill to authorize the Secretary of Agriculture to exchange lands comprising the Pleasant Grove administrative site, Uinta National Forest, Utah, and for other purposes (Rept. No. 1851);

H. R. 10321. An act to authorize the Secretary of Agriculture to exchange lands comprising a portion of the Estes Park administrative site, Roosevelt National Forest, Colo., and for other purposes (Rept. No. 1849);

H. R. 11253. An act to authorize the Secretary of Agriculture to exchange land and improvements with the city of Redding, Shasta County, Calif., and for other purposes (Rept. No. 1850); and

H. R. 12161. An act to provide for the establishment of townsites, and for other purposes (Rept. No. 1852).

By Mr. ELLENDER, from the Committee on Agriculture and Forestry, with an amendment:

S. 3741. A bill to facilitate administration and management by the Secretary of Agriculture of certain lands of the United States within national forests (Rept. No. 1853).

By Mr. ELLENDER, from the Committee on Agriculture and Forestry, with amendments:

S. 3439. A bill providing for the reconveyance to Salt Lake City, Utah, of the Forest Service fire warehouse lot in that city (Rept. No. 1848).

By Mr. POTTER, from the Committee on Interstate and Foreign Commerce, with amendments:

S. J. Res. 106. Joint resolution to establish a commission to investigate the utilization of the radio and television frequencies allocated to the agencies and instrumentalities of the Federal Government (Rept. No. 1854).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 3653. A bill to provide for the acquisition of sites and the construction of buildings for a training school and other facilities for the Immigration and Naturalization Service, and for other purposes (Rept. No. 1856).

By Mr. SALTONSTALL, from the Committee on Armed Services, without amendment:

H. R. 7902. An act to authorize travel and transportation allowances in the case of certain members of the uniformed services (Rept. No. 1857); and

H. R. 11700. An act to authorize civilian personnel of the Department of Defense to carry firearms (Rept. No. 1858).

By Mr. SYMINGTON, from the Committee on Armed Services, without amendment:

H. R. 11504. An act to amend title 10 of the United States Code to permit enlisted members of the Naval Reserve and Marine Corps Reserve to transfer to the Fleet Reserve and the Fleet Marine Corps Reserve on the same basis as members of the regular components (Rept. No. 1859).

By Mrs. SMITH of Maine, from the Committee on Armed Services, without amendment:

H. R. 11626. An act to amend section 6911 of title 10, United States Code, to provide for the grade, procurement, and transfer of aviation cadets (Rept. No. 1860).

By Mr. BARRETT, from the Committee on Armed Services, with amendments:

H. R. 11636. An act to repeal section 6018 of title 10, United States Code, requiring the Secretary of the Navy to determine that the employment of officers of the Regular Navy on shore duty is required by the public interest (Rept. No. 1861).

REPORT ENTITLED "THE ROLE OF PRIVATE ANTITRUST ENFORCEMENT IN PROTECTING SMALL BUSINESS—1958" (S. REPT. NO. 1855)

Mr. HUMPHREY. Mr. President, from the Select Committee on Small Business, I submit at this time a report entitled "The Role of Private Antitrust Enforcement in Protecting Small Business—1958," and ask that it be printed.

As the title suggests, this report offers guidance on how individual members of the small-business community can themselves actively participate in enforcement of our antitrust laws. Private antitrust enforcement is reviewed both in theory and as a matter of practice, and a serious attempt is made to assess the weaknesses as well as the strength of the system. In addition, the report sets forth 2 administrative and 8 legislative recommendations for making private antitrust enforcement an effective weapon in the fight against monopoly and anticompetitive trade practices.

The report is based upon testimony taken at public hearings recently held by my Subcommittee on Retailing, Distribution, and Fair Trade Practices, and the Monopoly Subcommittee of the Senator from Louisiana [Mr. LONG], who joins in the recommendations made. At this point, I wish to acknowledge the efforts of our committee members, who worked so diligently to make the hearings and this report truly helpful to the Nation's small-business men.

The VICE PRESIDENT. The report will be received and printed, as requested by the Senator from Minnesota.

PRINTING OF ADDITIONAL COPIES OF HEARINGS ENTITLED "INQUIRY INTO SATELLITE AND MISSILE PROGRAMS"

Mr. JOHNSON of Texas, from the Committee on Armed Services, reported the following original concurrent resolution (S. Con. Res. 107), which was referred to the Committee on Rules and Administration:

Resolved by the Senate (the House of Representatives concurring), That there shall be printed for the use of the Committee, 1,000 additional copies of parts 1 and 2 of the hearings before the Preparedness Investigating Subcommittee of the Senate Armed Services Committee, entitled "Inquiry Into Satellite and Missile Programs."

PRINTING OF ADDITIONAL COPIES OF REPORT ENTITLED "REPORT OF THE SUBCOMMITTEE TO INVESTIGATE THE ADMINISTRATION OF THE INTERNAL SECURITY LAWS"

Mr. EASTLAND, from the Committee on the Judiciary, reported an original resolution (S. Res. 337), which was referred to the Committee on Rules and Administration, as follows:

Resolved, That there be printed for the use of the Senate Committee on the Judiciary

3,500 additional copies of Senate Report No. 1477, 85th Congress, 2d session, entitled "Report of the Subcommittee To Investigate the Administration of the Internal Security Laws" for the year 1957.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. PROXMIRE:

S. 4152. A bill to provide that all losses on the sale or exchange of property held for more than 6 months shall be treated as long-term capital losses for Federal income tax purposes, and for other purposes; to the Committee on Finance.

(See the remarks of Mr. PROXMIRE when he introduced the above bill, which appear under a separate heading.)

By Mr. BIBLE (by request):

S. 4153. A bill to authorize the delivery of sewage from Virginia into the sewerage system of the District of Columbia and the treatment of such sewage, and for other purposes; and

S. 4154. A bill to amend the District of Columbia Redevelopment Act of 1945, as amended; to the Committee on the District of Columbia.

By Mr. MAGNUSON:

S. 4155. A bill for the relief of Gerald Min-Cheng Chang; to the Committee on the Judiciary.

By Mr. KEFAUVER:

S. 4156. A bill for the relief of Eleni Tseliou; to the Committee on the Judiciary.

CONCURRENT RESOLUTIONS

APPROVAL OF SENDING TROOPS TO LEBANON, AND PROMOTION OF FRIENDSHIP WITH ARAB PEOPLES

Mr. FLANDERS. Mr. President, in view of the fact that we are not facing the real problems of the Middle East, I am taking this occasion to submit a concurrent resolution which I shall now read:

Whereas the people of the Arab nations are in a state of turmoil and discontent; and

Whereas the access of the nations of Western Europe to the oil resources of that area is thereby threatened; and

Whereas cutting them off from that supply would cause distress, lower their standard of living and put their future under bond to Communist domination; and

Whereas the unrest in the Arab world is caused primarily by the forcible occupation of Arab land by the government of Israel; and

Whereas the expansion of the population of Israel threatens an added seizure of Arab territory; and

Whereas the over-population of Israel is largely financed by tax-free contributions from American citizens; and

Whereas by certain actions of our Government the friendship of the Arab peoples can be promoted: Therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the sending of troops to Lebanon be approved by the Congress as a necessary means of stabilizing a dangerous situation while more constructive steps are being taken; and be it

Resolved, That our Government reinstate the sending of CARE packages of our surplus food to Egyptian school children; and be it

Resolved, That the Treasury investigate the uses to which tax-free contributions of American citizens are put when sent to Israel, to see whether they tend to exacerbate Middle Eastern turmoil rather than relieve unavoidable distress to the end that the tax-free status may be justified or withdrawn; and be it

Resolved, That the United States use its good offices to gain recognition in a substantial way of the rights of the Arab refugees who were dispossessed of their lands.

Mr. President, I am not seeking cosponsorship of the resolution. My reason for not seeking cosponsorship is that it is generally considered to be politically unsafe to address one's self to the real problems of the Middle East. I am not myself of that opinion. It is my strong belief that American citizens who are Jews are first of all American citizens, and secondarily Jews. I therefore, on my own responsibility and in that confidence, submit the concurrent resolution for appropriate reference.

The VICE PRESIDENT. The concurrent resolution will be received and appropriately referred.

The concurrent resolution (S. Con. Res. 106), submitted by Mr. FLANDERS, was referred to the Committee on Foreign Relations.

Mr. JOHNSON of Texas, from the Committee on Armed Services, reported the following original concurrent resolution (S. Con. Res. 107), which was referred to the Committee on Rules and Administration:

Resolved by the Senate (the House of Representatives concurring), That there shall be printed for the use of the committee, 1,000 additional copies of parts 1 and 2 of the hearings before the Preparedness Investigating Subcommittee of the Senate Armed Services Committee, entitled "Inquiry into Satellite and Missile Programs."

RESOLUTION

Mr. EASTLAND, from the Committee on the Judiciary, reported an original resolution (S. Res. 337) to print additional copies of Senate Report No. 1477, 85th Congress, entitled "Report of the Subcommittee To Investigate the Administration of the Internal Security Laws," which was referred to the Committee on Rules and Administration.

(See the above resolution printed in full which appears under the heading "Reports of Committees.")

TREATMENT OF LOSSES ON SALE OF CERTAIN PROPERTY AS LONG-TERM CAPITAL LOSSES FOR INCOME TAX PURPOSES

Mr. PROXMIRE. Mr. President, this morning I introduce, for appropriate reference, a bill to provide that all losses on the sale or exchange of property treated as capital assets and held for more than 6 months shall be treated as long-term capital losses.

Provisions in the Internal Revenue Code provide that capital assets, and under certain conditions property other than capital assets, if sold and a profit is made can be taxed as "long-term capital gains." This means that such profits are not treated as ordinary income, and taxed as such, but are put into a special category and taxed at a maximum of 25 percent. This bill that I am introducing does not change that: however, other provisions of the code provide that under some circumstances—and I am thinking of section 1231 as one specific instance—losses on property that is held for 6 months or more can be treated as an ordinary loss, in other words, taken at 100 percent instead of 25 percent as in the case of gains.

I submit, Mr. President, that if gains are to be taxed at only 25 percent then losses ought to be treated the same way. Hundreds of millions of dollars in revenue are lost every year because of this inequitable tax gimmick. Only a few well-to-do taxpayers benefit by the law the way it now stands, who by disposing of stocks or other assets that have taken a drop in value are thereby able to offset their gains. Many sales of depreciated assets are made only for the purpose of offsetting the gains made in other sales. My bill, if enacted, would make these transactions subject to the same rules and not permit gains calculated at only 25 percent to be swallowed up by losses calculated at 100 percent.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 4152) to provide that all losses on the sale or exchange of property held for more than 6 months shall be treated as long-term capital losses for Federal income-tax purposes, and for other purposes, introduced by Mr. PROXMIRE, was received, read twice by its title, and referred to the Committee on Finance.

PAYMENT OF BOUNTIES FOR CONTROL OF CERTAIN PREDATORS ON SALMON AND HALIBUT—AMENDMENTS

Mr. MAGNUSON submitted amendments, in the nature of a substitute, intended to be proposed by him, to the bill (S. 2719) to provide for the payment of bounties for the control of certain predators on salmon and halibut of the Pacific coast and Alaska, which were referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed.

MISBRANDING AND FALSE ADVERTISING OF FIBER CONTENT OF TEXTILE FIBER PRODUCTS—AMENDMENT

Mr. TALMADGE submitted an amendment, intended to be proposed by him, to the bill (H. R. 469) to protect producers and consumers against misbranding and false advertising of the fiber content of textile fiber products, and for other purposes, which was ordered to lie on the table, and to be printed.

TECHNICAL CHANGES IN FEDERAL EXCISE-TAX LAWS—AMENDMENT

Mr. MARTIN of Pennsylvania submitted an amendment, intended to be proposed by him, to the bill (H. R. 7125) to make technical changes in the Federal excise-tax laws, and for other purposes, which was referred to the Committee on Finance, and ordered to be printed.

EXTENSION OF TRADE AGREEMENTS ACTS—AMENDMENTS

Mr. PASTORE. Mr. President, on behalf of myself, the Senator from Maine [Mr. PAYNE], the Senator from New

Hampshire [Mr. COTTON], and the Senator from South Carolina [Mr. THURMOND], I submit an amendment to the bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, which I ask to have printed and lie on the table, and I ask unanimous consent that the text of the amendment, which is brief, be printed at this point in the RECORD.

The VICE PRESIDENT. The amendment will be received, printed, and will lie on the table; and, without objection, the amendment will be printed in the RECORD.

The amendment referred to is as follows:

At the end of the bill insert the following new section:

"SEC. —. So long as any agency of the United States under any Federal program is making cotton available for export at prices less than the prices at which cotton of comparable quality is available for domestic use, the President shall impose on imports of cotton manufactures such import fee as is necessary to equalize the difference in the cost of cotton contained therein, measured by the difference between the prices at which United States cotton is made available for export and the prices at which the Commodity Credit Corporation makes or is authorized to make cotton of comparable quality available for unrestricted domestic use."

Mr. PASTORE. Mr. President, I desire to submit a brief explanation of the amendment.

Today, we have a 2-price system on raw cotton. Domestic users are paying 20 to 25 percent more than is paid abroad for raw cotton, and this is because of our desire to meet the world market price. This creates a differential.

My amendment merely provides that the President shall impose a tariff that takes into account this differential in the raw cotton price, so that the domestic cotton manufacturer will be on an even competitive basis with the exports to this country of cotton manufactured goods.

Mr. JAVITS submitted amendments, intended to be proposed by him, to House bill 12591, supra, which were ordered to lie on the table and to be printed.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, and so forth, were ordered to be printed in the RECORD, as follows:

By Mr. JENNER:

Keynote speech delivered by him on June 27, 1958, before the Indiana Republican State convention.

PROPOSED CONFERENCE OF NATIONS TO CONSIDER PROBLEMS OF THE MIDDLE EAST

Mr. MANSFIELD. Mr. President, it appears, on the basis of news dispatches, that the United States resolution before the Security Council, seeking to establish a United Nations police force in Lebanon, is doomed to failure because of the possible exercise of the veto by the Soviet Union and perhaps Sweden.

It is my understanding—again from press dispatches—that if our resolution fails, the matter will not be referred to the General Assembly, because, according to a "nose count," we do not have the two-thirds majority required to carry a resolution in that body.

It is not my purpose to look back on the past or to be critical on the basis of what could or could not have been done. It is my purpose to be as cooperative as I can, to the end that the difficult situation in which we find ourselves can be ameliorated, and out of it may come a possible solution to the problem confronting us and the rest of the world at this time. In that spirit and to that end, I should like most respectfully to offer this suggestion to the administration.

If our resolution fails in the Security Council and if it fails in the General Assembly, either by not being offered, or, if offered, by being defeated, it is my hope that a conference of nations not directly interested in the Middle East situation will be called to consider ways and means of finding a solution. Such nations could function under the aegis of the United Nations or at the specific request of the outside powers most vitally interested in the Middle East. In the latter category I would include the United States, the Soviet Union, the United Kingdom, and France. As to the makeup of the nations to compose the conference, it is my hope that serious consideration would be given to countries such as India, Switzerland, Ecuador, and Japan. I believe that in any conference of this kind, the United States, United Kingdom, Soviet Union, and France should not be participants, but should remain on the sidelines.

Mr. President, I do not know whether there is any value in this proposal. It is being offered in an constructive and cooperative spirit and in the hope that it may, at the least, furnish the nucleus of a new idea, a new policy, or a new procedure. If such a conference can be agreed to and arranged for, I would most strongly suggest that it consider the basic difficulties confronting the Middle East area, so the groundwork could at least be laid in an attempt to bring about an eventual solution.

The main difficulties in the Middle East, as I see them, are as follows: First, the Arab-Israeli conflict; second, the question of the Arab refugees; third, the question of subversion; and fourth, the infiltration of arms into that area.

If such a conference is held, I would urge its members to give full recognition to the fact that today, throughout the Arab world, a spirit of rampant nationalism is in full force. Unless this particular fact is recognized for what it is, I fear that solutions will be long delayed, and that difficulty and trouble in that area will continue to be the norm for decades to come.

FOREIGN TRADE

Mr. ROBERTSON. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement on the subject of foreign trade, by the Honorable Lewis W. Douglas, of New York, who has had an outstanding career in business, as well as in public service, in which he formerly was a Member of the House of Representatives, Director of the Bureau of the Budget, and United States Ambassador to Great Britain.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

WILL WE REPEAT THE ERRORS OF 1920 AND 1930?

(By L. W. Douglas)

There is one very important aspect of the foreign aid and foreign trade issues which has not, perhaps, received the attention it deserves. This aspect of the two interrelated and intimately associated issues has to do with the effect of our policies on the stability of the international structure of exchange rates of foreign currencies in relation to the dollar and the adverse consequences on the level of our own internal economic activity that are generally generated by a depreciation or a threat of a depreciation of foreign currencies. These adverse effects can be especially widespread when a world currency like sterling, in which some 50 percent of the commerce of the world is transacted, depreciates against the dollar.

There is a vast difference between a hard or strong currency and a world currency. The Swiss franc, for example, is a hard currency, yet fluctuations in its exchange rate have little, if any, influence on world trade or our own position. On the other hand, although sterling cannot now be termed a "hard" currency, it is the medium for the transaction of so much of the world's commerce depreciation of the pound or the imposition of exchange restrictions on its use usually has the effect of shrinking the volume of trade, and accordingly, of aggravating any downward movement of economic activity. To this general influence of sterling on the level of production and the volume of trade we at home are not ordinarily immune.

A brief review of the policies and behavior of this country during the twenties, culminating in the abandonment of gold by the British in September 1931, will silhouette sharply and unmistakably the possible consequences to us of a depreciation of sterling in the present and immediately foreseeable economic environment.

We emerged from World War I as a great creditor nation with an economy of impressive magnitude. This was a complete reversal of our prewar position and made it essential that other countries earn more dollars if, over long stretches of time, international payments were to be in substantial balance and stability of exchange rates was to be maintained.

Shortly after the termination of the war we reversed the trend toward lower tariffs established by the Underwood Tariff Act. We enacted into law the emergency tariff schedules of 1921 and the Fordney-McCumber Tariff Act of 1922, the highest tariff we had ever before known in our history. This made it that much more difficult for our debtors to earn the dollars necessary to pay interest on and to amortize their debts to us, to produce an equilibrium in international payments, and to maintain orderly markets for foreign exchange.

This difficulty, however, was obscured by the relatively large volume of foreign loans which we made during the twenties, after the war was over, principally on private account and, in Europe, principally to Middle European countries, including Germany. The other major factor, among others, which concealed the difficulty from public notice

was the steady migration of gold to the United States during the entire period. This depletion of the gold and dollar reserves of other countries made foreign currencies more vulnerable to the strains which the depression of the late twenties and early thirties was later to produce.

When the stock market broke in the autumn of 1929, foreign investment and the export of dollars came to an abrupt halt. The fundamental weakness of the international monetary mechanism began shortly to become apparent.

Meanwhile, in 1929, the Hawley-Smoot Tariff Act with its broad increases in protective duties had been passed and, in 1930 and 1931, was followed, on the part of other countries, by a series of retaliatory tariffs and other restrictions on American exports. These actions produced a further reduction in the dimensions of worldwide markets, a diminution in the size of our own markets and they made it even more impossible for our debtors to earn the dollars necessary to service their debts to us and to preserve orderliness in the exchange markets.

The sharp termination of the export of dollars abroad in 1929, combined with the accumulated impediments standing in the way of earning dollars by foreign countries, contributed much to the collapse of the Credit Anstalt in Austria, the consequent inevitable withdrawal of short-term balances from the Bank of England, the exhaustion of Britain's gold reserves and the inescapable abandonment of gold payments in September 1931.

The depression here, though intense, had been, up to September 1931, manageable. But the depreciation of sterling in the fall of 1931 produced a further shrinkage of markets and reinforced, if it did not generate new, powerful deflationary forces here at home. Prices continued to plummet downward, copper quickly fell to 5 cents a pound, cotton behaved similarly, profits evaporated, real estate values withered, the stock market fell by as great a percentage as had been the decline during the preceding 2 years, bond prices diminished, unemployment rose from 6½ million to 11½ million—all within the short span of approximately 6 months. And within a period of 17 months unemployment had reached the huge figure of 14½ million. The events of the autumn of 1931 made the depression thereafter unique in intensity in the history of more than 100 years.

The sharp deterioration in all values during the short stretch of time after September 1931, coming on top of the deterioration that had already taken place, dampened any forces of recovery that may have existed, aggravated the deflationary influence and laid the foundation for the credit crises, the banking moratorium and the economic demoralization of early 1933.

It is interesting to observe, too, that when the pound was devalued in 1949 we were going through a recession which would likely have been more intense had we not, as one of the consequences of the Marshall plan, restored in part the inadequacy of dollar reserves of other countries which a series of developments, including the war and the massive quality of our economy, prevented our allies from earning through their own efforts. The Korean war, however unwanted, cruel, and unpleasant, probably also produced a new though artificial stimulus to our industrial activity.

This brief account leaves unmentioned many subtle deviations from the main course of developments and it is doubtless, therefore, an oversimplification of the effects of the events of the twenties and thirties on the international monetary system with their unfortunate and grave consequences to our own internal economic welfare. But the omissions do not obscure the clearly silhouetted influence that we experienced and that may be the result in the future of the depreciation of other currencies and especially of world currencies on our own internal economic estate.

This experience should be an important consideration in the present circumstances when the Congress is considering appropriations for foreign aid and the extension of the reciprocal trade legislation. It helps to identify the alternative courses open to us.

We can abandon our efforts to reduce the barriers to trade and we can reduce sharply or eliminate appropriations for foreign aid.

Or we can reduce our tariffs substantially and quickly enough to permit other countries, through the enterprise of their nationals, to earn enough dollars to preserve stability of exchange rates of foreign currencies or at least of the most important world currencies.

Or, finally, we can pursue a course of gradual reduction of interferences with the flow of trade and appropriate enough funds for foreign aid to insure us against the probable unpleasant internal consequences of a depreciation of major world currencies against the dollar.

The first of these three alternative courses could well convert the present recession into a depression of considerable severity with all the social, political, and economic consequences which would follow in its wake.

The second of the three alternative courses seems to be unreal. It is most unlikely that we will reduce tariffs rapidly enough and drastically enough to achieve stability in exchange rates. The immediate readjustments following in the wake of such a drastic course might, in the short term, create economic strains and stresses almost as serious as those which would result from a disturbance in the structure of exchange rates.

The third course is by far the more prudent one for us to follow. It contemplates a gradual reduction of our own protective barriers in consideration for compensating reductions elsewhere of barriers, including, it is hoped, exchange restrictions and it provides for the export of dollars in the form of foreign aid which the artificial interferences with the flow of commerce make it so difficult, if not impossible, for others to earn on a sufficient scale. It, therefore, tends to insulate us against the probable serious results of a devaluation of foreign currencies.

It is not so necessary that these dollars be supplied to western European countries. What is important is that, wherever expended, they find their way into the main stream of international transactions.

The third course is especially valid in the existing circumstances. We are in a recession. We are now a far greater creditor nation and a far greater exporter with a far greater surplus in international payments than we were after World War I. The volume of dollars, which other countries must earn in order to preserve stability of exchange rates is, accordingly, much greater than it was in the 1920's. To terminate foreign aid or to reduce it substantially, and thereby to refrain from attempting to maintain a reasonable balance of payments, would be to repeat the mistakes of 1929 and 1930 and to run the grave risk of converting a relatively mild recession into a depression of wide dimensions.

It is not necessary to refer to the shadow of Soviet ambitions, their confidence that our system will break down from within or to their talents for exploitation, in order to establish our deep national self-interest in the orderly operation of the international monetary machinery. The consequences to our own internal economic system—unemployment on a large scale, the discontent that it would produce, the costly devices that would be improvised to counteract the shocks of a major depression that would probably follow in the wake of a depreciation of foreign currencies—all lead to the conclusion that it is more prudent to export dollars on Government account in order to preserve the international structure of exchange rates than to run the hazard of a depression of major proportions with the toll of human values and national resources.

That the Atlantic Alliance would be seriously impaired, if not shattered, by a serious economic convulsion here at home can hardly be successfully denied. The consequences in the Middle East, Africa, and in all the raw-material-producing areas might gravely affect the whole Western community of nations.

These are considerations which add additional weight to the naked economic aspects of the question.

Until we shall have reduced tariffs sufficiently to enable others to earn enough dollars and until the international environment and the policies of some other countries are hospitable enough to foster, on private account, a relatively steady investment of dollars abroad in order that international payments may be maintained in reasonable balance, it is in our national self-interest to export sufficient dollars on Government account to insure us against unstable, volatile rates of exchange and a further contraction of our own markets.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

SOCIAL SECURITY AND UNEMPLOYMENT BENEFITS

Mr. PROXMIRE. Mr. President, there are increasing indications that the House of Representatives may pass and send to the Senate a bill providing for an increase in social security benefits. I fervently hope so. Because this increase in benefits is so immensely important to 11 million Americans and more than 200,000 Wisconsin citizens who are now on social security, and because this improvement is so overwhelmingly just and necessary, I am serving notice on the Senate that I intend to rise in this body every day, from now until social security improvement is adopted, to plead for it.

Mr. President this very day I received from Wisconsin the latest report from the Wisconsin Employment Service on unemployment in my State. Any dream that this recession will automatically correct itself if the Federal Government just goes to sleep should be dispelled by this kind of report. The fact is, Mr. President, that the number of unemployed in Wisconsin has increased in every one of the last 4 weeks. During the first 28 weeks of this year there were nearly 100 percent more unemployment compensation claims in Wisconsin than there were during 1957 for the same period. During the most recent week, unemployment claims filed in my State have jumped to 125 percent higher than the corresponding week in 1957.

I ask unanimous consent that this report of the Industrial Commission of Wisconsin on unemployment compensation be printed in the body of the RECORD at this point.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

TABLE 59A.1058.—*Normal unemployment compensation claims filed in Wisconsin through 1958 week No. 28 (ending July 12, 1958)*

[Latest week's figures are preliminary]

Period	Week No.	A	B	C	D	E	F	G	H	I	J	K
			Interstate claims		Intrastate claims					Unemployment indicators		
						Initial		Continued			Completed weeks of unemployment	
		All unemployment compensation claims filed	Initial (1B–1)	Continued (1B–2)	All intrastate claims	New	Additional	Waiting period, weeks	Compensable weeks	New cases [1]	Number of weeks	As percent of average covered employment [2]
1957:												
Weeks 1 to 52		1,358,620	8,204	48,922	1,301,494	126,614	54,312	106,351	1,014,217	189,130		
Maximum week	52	44,937										
Minimum week	37	17,837										
Average week		26,127	158	941	25,028	2,435	1,044	2,045	19,504	3,637	22,460	2.7
1957 weeks 1 to 28		766,187	3,994	28,380	733,813	67,932	18,241	58,578	589,062	90,167		
1958 weeks 1 to 28		1,515,500	8,734	73,765	1,433,001	121,048	41,604	101,660	1,168,779	171,386		
Percent change		+97.8	+118.7	+159.9	+95.3	+78.2	+128.1	+73.5	+98.4	+90.1		
1957 week ending July 13	28	21,311	113	662	20,516	1,743	944	2,049	15,780	2,800		
1958 week ending July 12	28	47,664	284	2,478	44,902	2,407	2,552	2,513	37,430	5,243		
1958 weeks ending:												
May 3	18	56,301	263	2,903	53,045	4,161	1,715	4,421	42,748	6,139	48,286	5.7
May 10	19	53,756	325	2,770	50,661	3,087	2,058	3,671	41,845	5,470	46,226	5.5
May 17	20	50,326	283	2,861	47,182	2,284	1,533	2,790	40,575	4,109	43,342	5.1
May 24	21	46,961	231	2,629	44,101	1,835	1,553	1,818	38,895	3,619	40,535	4.8
May 31	22	44,119	233	2,427	41,453	1,731	1,624	1,595	36,503	3,588	41,314	4.9
June 7	23	46,460	260	2,424	43,707	2,999	1,818	1,511	37,379	5,086	39,842	4.7
June 14	24	43,902	288	2,459	41,155	2,255	1,517	2,340	35,043	4,060	38,816	4.6
June 21	25	42,535	250	2,352	39,933	1,936	1,533	1,918	34,546	3,719	37,820	4.5
June 28	26	42,776	242	2,315	40,219	2,322	2,392	1,531	33,974	4,956	37,216	4.4
July 5	27	45,436	289	2,162	42,985	3,102	4,769	1,846	33,208	8,220	42,421	5.0
July 12	28	47,664	284	2,478	44,902	2,407	2,552	2,513	37,430	5,243		

Source: Industrial Commission of Wisconsin Statistical Department.

[1] "New cases" (col. 1) include new and additional claims (cols. B, E, and F) which merely give notice of the start of a period of unemployment as noted below. Some of these "new cases" reflect "partial" unemployment, rather than the start of a layoff period. A new claim is the first claim filed during a calendar year after a job break. An additional claim is any other first claim filed after a job break.

[2] The "completed weeks of unemployment" figure (col. J) approximates the number of claimants unemployed during the given week based on all continued claims (cols. C, G, and H) filed during the immediately following week. Col. K which represents "Covered unemployment as percent of average covered employment" is computed by dividing the "weeks of unemployment" shown in col. J by Wisconsin's average covered employment (845,164) for the 12-month period ended Sept. 30, 1957.

TABLE 59.1058.—*Normal unemployment compensation claims filed in each Wisconsin Employment Service district in 1958, week No. 28 (ending July 12, 1958)*

[Latest week's figures are preliminary]

W. S. E. S. districts	XXX	XXX	XXX	XXX	A	B	C	D	E	F	G	H
	All unemployment compensation claims					Interstate claims		Intrastate claims				
									Initial		Continued	
	In week 24	In week 25	In week 26	In week 27	In week 28	Initial (1B–1)	Continued (1B–2)	All intrastate claims	New [1]	Additional [2]	Waiting period, weeks	Compensable weeks
Entire State	43,902	42,535	42,776	45,436	47,664	284	2,478	44,902	2,407	2,552	2,513	37,430
Appleton	770	729	735	743	724	5	20	699	46	27	42	584
Ashland	714	714	902	966	700	22	171	507	27	40	18	422
Eau Claire	2,094	1,941	1,993	2,057	1,954	24	256	1,674	107	167	169	1,231
Fond du Lac	689	647	767	807	846	1	16	829	106	36	121	566
Green Bay	1,682	1,612	1,628	1,785	1,898	7	92	1,799	124	146	167	1,362
Janesville	3,145	3,116	2,954	5,024	6,219	60	349	5,810	347	660	497	4,336
Kenosha	1,181	1,020	1,015	935	1,045	2	32	1,011	75	47	57	854
La Crosse	1,980	2,012	2,160	2,276	2,275	16	159	2,100	109	90	117	1,784
Lancaster	549	536	505	579	623	9	55	559	74	22	23	440
Madison	2,030	2,115	2,206	2,227	2,000	9	87	1,904	119	70	105	1,610
Manitowoc	1,138	1,077	919	951	919	4	25	890	27	51	57	755
Milwaukee Central	4,094	3,765	3,886	3,784	3,821	42	309	3,470	238	112	128	2,992
Milwaukee North	6,689	6,369	6,447	6,296	6,587	0	0	6,587	125	236	244	5,982
Milwaukee South	7,525	7,454	7,374	7,281	7,549	0	0	7,549	196	224	135	7,094
Oshkosh	800	802	757	768	848	2	23	823	93	29	56	645
Racine	2,363	2,169	2,163	2,194	2,281	6	51	2,224	180	85	245	1,714
Rhinelander	610	624	603	657	655	6	61	588	14	47	21	506
Sheboygan	729	662	645	640	688	4	19	665	78	66	43	478
Superior	1,049	1,015	1,089	1,024	1,216	44	614	563	28	58	27	450
Watertown	583	592	586	662	647	3	12	632	40	21	43	528
Waukesha	1,712	1,784	1,870	1,854	1,961	2	20	1,939	184	100	106	1,549
Wausau	927	889	886	1,119	1,187	3	39	1,124	33	66	80	975
Wisconsin Rapids	778	891	777	867	1,049	13	80	956	79	152	62	663
Part-time unemployment compensation service: [3]												
Beaver Dam (Madison)	275	277	292	309	342	1	3	338	11	4	11	212
Beloit (Janesville)	1,405	1,425	1,453	1,588	1,614	47	262	1,305	87	45	83	1,120
Marinette (Green Bay)	216	202	208	270	283	0	13	220	9	18	27	166
Neenah (Appleton)	108	106	96	114	97	0	1	96	4	2	4	80
Stevens Point (Wisconsin Rapids)	263	255	228	239	312	1	13	298	17	47	17	217

Source: Industrial Commission of Wisconsin Statistical Department.

[1] A new claim is the first claim filed during a calendar year after a job break.

[2] An additional claim is any other first claim filed after a job break.

[3] Included above with district shown in parentheses.

TABLE 56.289.—*Normal veterans' UCV claims filed in Wisconsin through 1958 week No. 28, ending July 12, 1958: (a) in entire State during recent weeks, (b) in each employment service district during latest week*

All normal unemployment claims (UC, UCV, and UCFE) filed in week specified		Week number, ending—	Normal UCV claims ("unemployment compensation for veterans")						
			All UCV claims	Interstate UCV claims [1]		Intrastate UCV claims			
				Initial	Continued	Total	Initial		Continued
							New	Additional	
56,244		Week No. 19 (May 10)	2,087	2	32	2,054	85	31	1,938
52,719		Week No. 20 (May 17)	1,984	5	31A	1,948	64	31	1,853
49,203		Week No. 21 (May 24)	1,888	4	29A	1,855	62	41	1,752
46,320		Week No. 22 (May 31)	1,802	1	24	1,777	64	45	1,668
48,887		Week No. 23 (June 7)	2,055	9	24	2,022	176	121	1,725
46,602		Week No. 24 (June 14)	2,367	9	28	2,330	307	203	1,820
45,584		Week No. 25 (June 21)	2,663	5A	29	2,629	338	184	2,107
45,929		Week No. 26 (June 28)	2,788	3	35B	2,750	316	132	2,302
48,435		Week No. 27 (July 5)	2,059	2	26	2,031	161	81	2,389
50,704		Week No. 28 (July 12)	2,708	4A	37	2,667	142	66	2,460
In week 27	*In week 28*	District offices:							
832	812	Appleton	86	0	0	86	1	2	83
1,059	809	Ashland	101	0	1	100	8	6	86
2,287	2,190	Eau Claire	218	2	16	200	8	6	186
836	872	Fond du Lac	23	0	0	23	1	0	22
2,038	2,147	Green Bay	155	0	0	155	4	5	146
5,113	6,321	Janesville	96	0	0	96	8	0	88
1,000	1,111	Kenosha	65	0	0	65	3	5	57
2,491	2,499	La Crosse	207	0	2	205	7	4	194
633	672	Lancaster	45	0	0	45	1	0	42
2,383	2,126	Madison	109	0	0	109	5	3	101
1,030	985	Manitowoc	64	0	0	64	4	0	60
4,096	4,083	Milwaukee Central	224	0	11	213	23	2	183
6,620	6,934	Milwaukee North	301	0	0	301	15	4	282
7,614	7,923	Milwaukee South	348	0	0	348	19	0	329
824	914	Oshkosh	65	0	0	65	5	1	59
2,180	2,365	Racine	80	0	0	80	6	5	69
728	733	Rhinelander	75	0	1	74	2	5	67
688	734	Sheboygan	41	0	2	39	2	3	34
1,160	1,348	Superior	122	0	4	118	3	5	110
681	672	Watertown	19	0	0	19	2	0	17
1,945	2,095	Waukesha	59	0	0	59	4	4	51
1,216	1,264	Wausau	103	2A	0	101	6	3	92
981	1,154	Wisconsin Rapids	104	0	0	104	5	2	97

[1] Most interstate UCV claims are supplemental. (A UC claim is also taken.) Those which are not supplemental are indicated as follows: A, 1 claim; B, 2 claims; C, 3 claims, etc.

Source: Industrial Commission of Wisconsin Statistical Department.

TABLE 56-A.183.—*Normal Federal employees' UCFE claims filed in Wisconsin through 1958 week No. 28, ending July 12, 1958: (a) in entire State during recent weeks, (b) in each employment service district during latest week*

Week number, ending—	Normal UCFE claims ("unemployment compensation for Federal employees")							
	All UCFE claims	Interstate UCFE claims		Intrastate UCFE claims				
		Initial	Continued	Total	Initial		Continued	
					New	Additional	Waiting period, weeks	Compensable weeks
Week No. 19 (May 10)	401	0	21	380	26	12	16	326
Week No. 20 (May 17)	409	4	29	376	22	33	10	311
Week No. 21 (May 24)	414	2	26	386	18	6	17	345
Week No. 22 (May 31)	405	1	28	376	16	9	14	337
Week No. 23 (June 7)	432	4	26	402	36	11	9	346
Week No. 24 (June 14)	333	1	24	308	10	6	13	279
Week No. 25 (June 21)	386	7	29	350	15	25	2	308
Week No. 26 (June 28)	365	3	22	340	9	10	11	310
Week No. 27 (July 5)	340	6	18	316	15	12	16	273
Week No. 28 (July 12)	332	2	17	313	14	14	16	269
Appleton	2	0	0	2	0	0	0	2
Ashland	8	1	1	6	0	0	4	2
Eau Claire	18	0	1	17	2	0	1	14
Fond Du Lac	3	0	0	3	0	0	0	3
Green Bay	94	0	0	94	1	2	6	85
Janesville	6	0	0	6	0	0	1	5
Kenosha	1	0	1	0	0	0	0	0
La Crosse	17	0	3	14	1	1	0	12
Lancaster	6	0	1	5	0	0	1	4
Madison	17	0	1	16	2	0	0	14
Manitowoc	2	0	0	2	0	0	0	2
Milwaukee Central	38	1	4	33	2	1	0	30
Milwaukee North	46	0	0	46	2	9	0	35
Milwaukee South	26	0	0	26	2	0	0	24
Oshkosh	1	0	0	1	0	0	0	1
Racine	4	0	1	3	0	0	0	3
Rhinelander	3	0	0	3	0	1	0	2
Sheboygan	5	0	1	4	0	0	2	2
Superior	8	0	3	5	0	0	0	5
Watertown	6	0	0	6	1	0	1	4
Waukesha	16	0	0	16	1	0	0	15
Wausau	4	0	0	4	0	0	0	4
Wisconsin Rapids	1	0	0	1	0	0	0	1

Source: Industrial Commission of Wisconsin Statistical Department.

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TABLE 50.3.—*Temporary emergency benefit (TEB) claims filed by workers in each Wisconsin Employment Service district in 1958 week No. 28 (ending July 12, 1958)*

[Latest week's figures are preliminary]

W. S. E. S. districts	X X X	X X X	X X X	X X X	A	B	C	D	E	F	G
	All TEB claims					Interstate claims		Intrastate claims			
	In week	In week	In week 26	In week 27	In week 28	Initial (1B–1)	Continued (1B–2)	All intrastate claims	Initial		Compensable weeks
									First [1]	Resumed [2]	
Entire State			6,673	8,994	9,811	62	149	9,600	1,196	11	8,393
Appleton			98	173	181	0	0	181	20	0	161
Ashland			102	149	231	9	22	200	54	0	146
Eau Claire			212	370	396	12	16	368	61	0	307
Fond Du Lac			58	87	89	0	0	89	11	0	78
Green Bay			299	450	497	0	0	497	73	2	422
Janesville			409	503	509	9	27	563	56	0	507
Kenosha			165	236	266	1	2	263	33	0	230
La Crosse			558	672	757	3	3	751	97	1	653
Lancaster			84	129	138	0	0	138	20	0	118
Madison			348	485	521	3	0	518	61	0	457
Manitowoc			138	240	209	1	1	207	42	0	165
Milwaukee Central			743	866	997	11	28	958	162	0	796
Milwaukee North			1,042	1,402	1,501	0	0	1,501	129	0	1,372
Milwaukee South			1,194	1,422	1,483	0	0	1,483	115	0	1,368
Oshkosh			118	157	171	1	0	170	20	0	150
Racine			244	364	385	1	6	378	53	1	324
Rhinelander			72	97	99	1	4	94	12	0	82
Sheboygan			114	122	137	0	0	137	19	4	114
Superior			72	140	183	10	38	135	30	1	104
Watertown			58	73	91	0	0	91	10	0	81
Waukesha			178	313	324	0	1	323	40	1	282
Wausau			240	338	318	0	0	318	32	0	286
Wisconsin Rapids			127	206	238	0	1	237	46	1	190
Part-time unemployment compensation service: [3]											
Beaver Dam (Madison)			29	46	61	0	0	61	7	0	54
Beloit (Janesville)			203	288	284	3	23	258	22	0	236
Marinette (Green Bay)			33	35	56	0	0	56	8	2	46
Neenah (Appleton)			5	11	16	0	0	16	1	0	15
Stevens Point (Wisconsin Rapids)			30	52	53	0	0	53	5	0	48

[1] A first claim is the first TEB claim filed, after June 21, 1958.
[2] A resumed claim is any other first TEB claim filed after a job break.
[3] Included above with district shown in parenthesis.
Source: Industrial Commission of Wisconsin Statistical Department.

TABLE 50–A.3.—*All claims, normal and temporary emergency, filed in Wisconsin, beginning 1958 week No. 26 (ending June 28, 1958)* [1]

Period	A	B	C	D	E	F	G	H	I	J
	All claims filed normal and temporary	Interstate claims		Intrastate claims						
		Initial (1B–1)	Continued (1B–2)	All intrastate claims	Initial claims				Continued claims	
					Normal		Temporary		Waiting period, weeks	Compensable weeks
					New [2]	Additional [3]	First [4]	Resumed [5]		
1958 weeks 26–28, cumulative:										
UC	135,876	815	6,955	128,106	7,891	9,713			5,800	104,612
UCFE	1,037	11	57	969	38	36			43	852
UCV	8,155	9	98	8,048	619	278				7,151
TEB	25,478	238	193	25,047			9,748	11		15,288
TEBFE	215	7	6	202			72	0		130
TUCV	550	10	11	529			240	1		288
Total	171,311	1,090	7,320	162,901	8,548	10,027	10,060	12	5,933	128,321
1958 week 28:										
UC	47,664	284	2,478	44,902	2,407	2,552			2,513	37,430
UCFE	332	2	17	313	14	14			16	269
UCV	2,708	4	37	2,667	142	65				2,460
TEB	9,811	62	149	9,600			1,196	11		8,393
TEBFE	88	0	2	86			12	0		74
TUCV	225	2	8	215			52	1		162
Total	60,828	354	2,691	57,783	2,563	2,631	1,260	12	2,529	48,788

[1] This table summarizes all normal and temporary emergency claim activities.
[2] A new claim is the first claim (UC or UCFE) filed during a calendar year after a job break. A new UCV claim is the first one filed requesting a UCV determination.
[3] An additional claim (UC or UCFE) is any other first claim (UC or UCFE) filed after a job break. An additional UCV claim is any other first UCV claim.
[4] A first claim is the first temporary claim (TEB, TEBFE, or TUCV) filed after June 21, 1958.
[5] A resumed claim is any other first claim (TEB, TEBFE, or TUCV) filed after a job break.
NOTE.—Normal: UC, State; UCFE, United States; UCV, Vets. Emergency: TEB, State; TEBFE, United States; TUCV, Vets.
Source: Industrial Commission of Wisconsin Statistical Department.

TABLE 57.3.—*Temporary unemployment compensation claims filed by veterans (TUCV) in Wisconsin in each employment service district during latest week through 1958 week No. 28 ending July 12, 1958*

All temporary emergency benefit claims (TEB, TEBFE, and TUCV) filed in week specified		Week number, ending—	TUCV claims ("temporary unemployment compensation for veterans")						
			All TUCV claims	Interstate TUCV claims		Intrastate TUCV claims			
				Initial	Continued	Total	Initial		Continued
							1st	Resumed	
6,827		Week No. 26 (June 28)	108	2	0	106	106	0	0
9,293		Week No. 27 (July 5)	217	6	3	208	82	0	126
10,124		Week No. 28 (July 12)	225	2	8	215	52	1	162
In week 27	*In week 28*	District office:							
180	187	Appleton	5	0	1	4	1	0	3
163	253	Ashland	18	1	3	14	6	0	8
388	410	Eau Claire	8	0	0	8	1	0	7
91	91	Fond du Lac	2	0	2	0	0	0	0
486	546	Green Bay	24	0	1	23	6	0	17
508	604	Janesville	4	0	0	4	1	0	3
238	268	Kenosha	2	0	0	2	0	0	2
692	782	La Crosse	18	0	0	18	6	0	12
131	140	Lancaster	1	0	0	1	1	0	0
501	531	Madison	6	0	0	6	0	0	6
242	213	Manitowoc	4	0	0	4	1	0	3
897	1,035	Milwaukee Central	31	1	1	29	9	0	20
1,458	1,566	Milwaukee North	40	0	0	40	4	0	36
1,447	1,490	Milwaukee South	7	0	0	7	3	0	4
159	173	Oshkosh	2	0	0	2	0	0	2
367	387	Racine	0	0	0	0	0	0	0
107	110	Rhinelander	10	0	0	10	2	0	8
125	141	Sheboygan	3	0	0	3	0	0	3
161	197	Superior	14	0	0	14	4	1	9
73	92	Watertown	1	0	0	1	1	0	0
319	333	Waukesha	7	0	0	7	2	0	5
351	335	Wausau	16	0	0	16	3	0	13
208	240	Wisconsin Rapids	2	0	0	2	1	0	1

Source: Industrial Commission of Wisconsin Statistical Department.

TABLE 57-A.3.—*Temporary emergency benefit claims filed by Federal employees (TEBFE) in Wisconsin in each employment service district during latest week through 1958 week No. 28 ending July 12, 1958*

Week No.—Ending	TEBFE claims (temporary emergency benefits for Federal employees)						
	All TEBFE claims	Interstate TEBFE claims		Intrastate TEBFE claims			Compensable weeks
		Initial	Continued	Total	Initial		
					1st	Resumed	
Week No. 26 (June 28)	46	4	0	42	42	0	0
Week No. 27 (July 5)	81	3	4	74	18	0	56
Week No. 28 (July 12)	88	0	2	86	12	0	74
District offices:							
Appleton	1	0	0	1	0	0	1
Ashland	4	0	0	4	1	0	3
Eau Clair	6	0	0	6	1	0	5
Fond du Lac	0	0	0	0	0	0	0
Green Bay	25	0	0	25	4	0	21
Janesville	1	0	0	1	1	0	0
Kenosha	0	0	0	0	0	0	0
La Crosse	7	0	0	7	1	0	6
Lancaster	1	0	0	1	0	0	1
Madison	4	0	0	4	0	0	4
Manitowoc	0	0	0	0	0	0	0
Milwaukee Central	7	0	2	5	2	0	3
Milwaukee North	25	0	0	25	1	0	24
Milwaukee South	0	0	0	0	0	0	0
Oshkosh	0	0	0	0	0	0	0
Racine	2	0	0	2	0	0	2
Rhinelander	1	0	0	1	0	0	1
Sheboygan	1	0	0	1	0	0	1
Superior	0	0	0	0	0	0	0
Watertown	0	0	0	0	0	0	0
Waukesha	2	0	0	2	1	0	1
Wausau	1	0	0	1	0	0	1
Wisconsin Rapids	0	0	0	0	0	0	0

Source: Industrial Commission of Wisconsin Statistical Department.

Mr. PROXMIRE. Mr. President, one of the reasons why we have unemployment in Wisconsin and in America is that the vast market for goods and services of the more than 11 million Americans who are now on unemployment compensation has dried up under the hot sun of the rising cost of living.

There is no group in America who will expand their buying more quickly than these senior citizens who are now, in an immense number of instances, unable to buy the bare necessities of life on their pitifully inadequate social-security benefits. Increased social benefits will mean increased sales in thousands of stores and shops in America, increased production in American factories, increased jobs in American communities. Mr. President, improved social security makes economic sense. It makes solid moral sense. It is right. It will be—it should be—on the conscience of the Senate unless this body acts to provide it.

EXPENDITURES FOR DEFENSE

Mr. SYMINGTON. Mr. President, on the floor yesterday I said:

It is a fact, and the American people should know it, that, despite all the protestations of planned effort, the total increase in the money requested for our military services since the launching of Sputnik I last October 4 is only about 1 percent of the gross national product of the United States last year.

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This is substantially less than the decrease in the value of the dollar. In other words, our effective effort has actually decreased.

I also pointed out that as of last May 29 defense expenditures had actually been decreased since the launching of the first sputnik.

Just delivered to me are details with respect to what has been done to implement the 17 unanimous recommendations made last January by the Senate Military Preparedness Subcommittee.

These recommendations were designed to bolster our defenses.

These details show that what has been done about them, and what it is planned to do about them, are both pitifully inadequate.

That opinion is verified by all the studies made in connection with our national security by such ad hoc groups of able citizens as those who made the Hopkins studies, the Gaither report, and the Rockefeller report.

Whether it is in the best interest of the United States to have moved into the Middle East at this time is not clear in my mind—one reason being the activities of this Government during the Suez crisis in the fall of 1956; and that is true regardless of the semantic exercises now going on in efforts to explain the difference between the two situations.

But we were stronger then vis-a-vis the Communists than we are today, and every Member of Congress and every American citizen should realize that, under our present policies and programs, this Nation is relatively stronger today than it will be tomorrow—as against the strength of those who often reiterate their determination to destroy us.

In other words, our relative defense position, already deteriorated, is getting steadily worse.

Now that our forces are committed, all people interested in freedom should long ponder that fact.

RESPONSE TO ACTION OF THE PRESIDENT IN THE LEBANON CRISIS

Mr. CARLSON. Mr. President, every Member of the Senate has received telegrams and communications from the citizens of his State in regard to the President's decision to land troops in Lebanon.

The telegrams I have received have been practically unanimous in support of the position taken by the President, and it has been most encouraging to note that the President's action has received bipartisan support from the Congress.

This morning I received a most interesting telegram approving this position by the mayor and city administration of Udall, Kans. Udall is the city that was completely destroyed by a tornado in 1956. There were a number of lives lost and the property destruction was complete. This city knows what can happen to a community when disaster strikes. They visualize what destruction might take in the form of war, and yet they send me a telegram which reads as follows:

Hon. FRANK CARLSON,
Senator, State of Kansas,
Senate Office Building,
Washington, D. C.:

Having already faced total destruction and knowing full well that our only defense lies in continual preparedness, the city of Udall, Kans., through unanimous action of its city council, congratulates and supports the President and Congress of the United States upon their prompt actions in the face of international crises.

By order of the city council, Udall, Kans.
ELLIS SHERRARD,
Mayor.
JOHN ARBUCKLE,
Clerk.

UNITED STATES-LATIN AMERICAN RELATIONS

Mr. CHAVEZ. Mr. President, under date of July 7, 1958, Miguel Jorrin, of the School of Inter-American Affairs of the University of New Mexico, sent a memorandum to President Tom L. Popejoy, of the State university, relative to the anti-American feeling which exists today throughout Latin America. I ask unanimous consent that the memorandum be printed at this point in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

THE UNIVERSITY OF NEW MEXICO.
Albuquerque, July 7, 1958.

To: President Tom L. Popejoy.
From: Miguel Jorrin, School of Inter-American Affairs.
Subject: Latin America and the Spanish Southwest.

I am concerned with the strong anti-American feeling that exists today throughout Latin America. The demonstrations against Vice President NIXON, in Peru and Venezuela, and the recent kidnaping of Americans by the Cuban revolutionists are only examples of the widespread condition. Our relations with Latin America have never been as difficult, since the years before the good neighbor policy. Our State Department is at present considering a revision of its Latin American policy. I feel that we should call the attention of the Federal Government to the contributions that the Spanish Southwest can make in our relations with our neighbors of the south.

We have a large population of Spanish ancestry in New Mexico, Texas, Arizona, Colorado, and California, and we should take advantage of this human resource in selecting the personnel to represent us in Latin America. For example, in our own State of New Mexico, we find the following:

1. A population of Spanish ancestry that is bicultural and bilingual. The youth of Spanish descent, with college training, can acquire preficiencies in the Spanish and Portuguese languages that will equip them to deal successfully with the Latin Americans. There are about 12,000 college students in the State, of whom more than 2,000 are of Spanish descent.

2. New Mexico and most countries of Latin America have the following similarities:

(a) The survival of the Indian culture and its problems.

(b) Both areas are undergoing a transition from a predominantly agricultural or mining economy to one of industrialization.

(c) They are experiencing a population shift from rural to urban areas.

(d) New Mexico has problems of agriculture, health, sanitation, and the need for electrification similar to those found in the majority of the arid and semiarid regions of Latin America.

3. The institutions of higher learning of our State have always emphasized Latin American studies. You are, of course, familiar with our School of Inter-American Affairs that since 1941 has been offering to students general training in the language and culture of Latin America. The College of Agricultural and Mechanical Arts at Las Cruces is an excellent center for the training of personnel in its specialization, and has been used by the Federal Government in several point 4 programs for Latin American students. Highland University has had many years of experience in vocational education in a community with a high percentage of Spanish population. The School of Mines at Socorro offers specialized training under conditions similar to those of many Latin American countries. New Mexico Western College and Eastern New Mexico University have the environmental conditions and experience to contribute to the training of personnel for Latin America.

4. The regional headquarters of many Federal agencies are located in New Mexico. These agencies have developed administrative techniques adapted to relationships with Indian and Spanish culture. They have great experience in working with and through the institutions and values of different cultures. The same can be said of the agencies of the State government. All this can be of great value to our Foreign Service personnel in Latin America.

In conclusion, our State is a laboratory that has the two aspects of ethnic coexistence: the fusion of ethnic elements and their isolation. The people of our State have, in general, a good understanding of the Spanish culture. Our university can be helpful in training, coordinating the training in other institutions, and selecting the qualified personnel we need for our new Latin American policy. The School of Inter-American Affairs can expand its facilities, if necessary, to this effect. I feel that we should present this idea to our Federal Government with the request that it be given serious consideration.

YOUTH SCIENCE CORPS

Mr. THYE. Mr. President, to regain America's lead in technological training, the Secretary of Defense has taken a most constructive step by the issuance of Department of Defense directive 5410.9 of June 25, 1958. The directive authorizes military units throughout the country to aid young people in scientific training, vitally needed both for preparedness and for peaceful progress.

It is urgent that communities organize now to make the most of the authorized assistance, so that well-planned activities will be ready when young people finish their vacations and the schools open in September. Otherwise, another year will be lost—a year we can not afford to lose in this period of danger.

I ask unanimous consent to have printed in the RECORD two recent articles. One from the New York Herald Tribune of July 10, was written by Ansel E. Talbert, military and aviation editor, and outlines the significance of military aid to youth science training. The other, from the American Modeler of August, was written by Kendall K. Hoyt, and sets forth a plan for immediate local action,

so communities can get busy without waiting for an official blueprint.

Organizing is not hard; it is made easy by the great enthusiasm of young people eager to learn about the space age. Give them a chance to learn, from the abundant help available from military and civilian sources in every area, and the brainpower of the oncoming generation will lead the world.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune, of July 10, 1958]

UNITED STATES DEFENSE AND AVIATION: ARMED FORCES TO AID YOUTH SCIENCE TRAINING

(By Ansel E. Talbert)

The Nation's armed services are about to begin a far-reaching program which will put their vast facilities including, classrooms and training aids at the disposal of those seeking to encourage the study of science among young Americans. Neil H. McElroy has just assumed for the first time responsibility for giving all possible aid to youth science training. It specifically will not seek to "take over" or regiment this training. But orders presently are in the process of going out to all the commands and agencies in the defense structure telling them to cooperate with responsible organizations and educational institutions, particularly at the "grass roots" level.

Such cooperation is envisioned as including frequent talks by service scientists, engineers and technical people.

These will take in the most interesting and exciting phases of aviation, astronautics and outer-space flight, chemistry, electronics and many other fields which promote national security.

LIVE DEMONSTRATIONS

There will be demonstrations with supersonic aircraft simulators and giant "moon rocket" training dummies, and probably at some time in the future safe supervision at ranges and other suitable available areas of one of the fastest-growing of today's youthful hobbies—"live" rocket building.

The United States Army already has helped a number of local rocket clubs to avoid becoming public nuisances and menaces to safety, and the Navy has set a number of its top people to study model rocket activities. The Air Force probably has had the most experience with programs of this general type through its nationwide preflight training of high-school age boys and girls in the Civil Air Patrol cadet program—which is being looked to as a good precedent for a much broader program to cover science generally.

Dr. Howard Bevis, the educator who is Chairman of President Eisenhower's Committee on Scientists and Engineers, feels that the cooperation of the services in making available millions of dollars worth of facilities for science training, is a major step in the right direction.

YOUTH PROGRAM

In Congress there is important backing for a national youth science program of a type which would dovetail with what now is being set in motion by the new Defense Department directive. Senator EDWARD T. THYE, Republican, of Minnesota, who on several occasions recently has urged President Eisenhower to institute a nationwide high-school-age program in rocketry and the whole field of science, feels that this program must be one which can be applied locally by existing youth groups, schools, and science clubs in the familiar American pattern.

Senator THYE and a number of other Members of the Senate and House has commented favorably on a youth science corps plan drawn up by an Air Force Reserve officer, Col. Kendall K. Hoyt, who is executive director of the Association of Missile and Rocket Industries. Colonel Hoyt, who during World War II served as organizer of the cadet program of the Civil Air Patrol, which had about 100,000 high-school boys and girls studying technical aviation subjects under volunteer direction with great success, believes that the Nation's Reserve forces could give major aid to science training.

There are many scientists, engineers pilots and future spacemen available as active reservists who must earn a certain number of points annually through approved activities, some of which Colonel Hoyt points out, could be through instruction or demonstration. The Youth Science Corps plan has been endorsed by such bodies as the President's Conference on Occupational Safety—no doubt with an eye on making rocketry safe—and the Science Clubs of America, totaling 18,000 clubs with 400,000 high-school age members.

[From the American Modeler of August 1958]

EXPERT ADVICE FOR AMATEUR ROCKETRY

(By Kendall K. Hoyt)[1]

Military people at thousands of sites across the country may now take part in local efforts to encourage technical studies. Responsibility has been accepted by the Department of Defense.

The Army, Navy, and Air Force in turn will notify all their offices and commands. It will take time to shape a uniform working plan.

But the door is open for help and advice to anyone interested in amateur rocketry or other scientific studies within the knowledge of military men in the area.

These advisers will not be permitted to conduct rocket firings unless there is proof of scientific value in each case. Amateur groups can reach this stage by study and hard work. Many safe types of experiments can be developed.

Meanwhile, rocketry is so complex that beginners can well avail themselves of all the help they can get to learn the fundamental principles and not run off impatiently to play with dangerous forces.

What can be done now?

Military aid can include lectures, training films, instructional material, safe demonstration, and visits to defense installations such as nonsecret rocket sites.

Defense industries are encouraged to cooperate. They need scientists and engineers as much as the military. Missile contracts are spread among hundreds of companies. There is something to see in almost any area.

AREA PROGRAMS

The new Defense Department policy has resulted from many appeals for help in youth rocketry. The three services asked the Department what they should do. Now they can act. Local groups may take these steps:

1. Get together: To avoid pestering busy officers with too many requests, it is wise to form a committee representing youth groups, schools, civic interests, and others most interested. There may already be a local action group formed by the President's Committee on Scientists and Engineers, at work since 1956 to encourage technical education.

2. Find who can help: Not every military post can help effectively; few can do the whole job. An area program may draw aid from several military sources as well as from schools and youth leaders. Bear in mind that the Armed Forces are in no way taking over direction of youth training or organizing; they are merely extending aid to responsible organizations that ask for it. Reserve officers, who are civilians with a military status, can be a good connecting link.

3. Use existing groups: It should not be necessary to form new organizations for rocketry and allied studies; the existing ones have the backing and know-how for the job. There are 18,000 clubs with 400,000 members of high-school age affiliated with the Science Clubs of America. Such groups as the Boy Scouts and Civil Air Patrol also may help. None of these groups is ready to offer a full rocket program. But military cooperation can fast change the picture.

4. Find facilities: Canvass the area to find the best meeting places. Resources include thousands of facilities for the part-time training of local reservists. Assembly rooms and training aids, unused a large part of the time, may be borrowed.

5. Plan a program: It is easy to get crowds of young people to come to a meeting or two, attracted by the glamor of rockets. But they will not keep coming unless there is a good program of interesting information and activities.

WHAT TO STUDY

Rocketry is a complex subject. It takes knowledge of a wide field of technical subjects. The problem is to find someone in the area competent to advise and instruct; someone for each of several fields.

The fundamentals of physics, backed by high-school mathematics, must be grasped to understand why a rocket flies and what great forces may be let loose, even by a small model. Advice from a rocket scientist is best, but a professional engineer or physics teacher can get the idea over.

To prepare for rocketry, it is well to review the whole sweep of science—the first principles of physics, chemistry, electronics, theory of flight, and structural design. After that, some choice of specialists may be offered, to include:

1. Chemistry: Some concept of the reactions of chemicals that produce rocket thrust are necessary to compute how much or what kind of fuel should be used, and to avoid the dangers of mixing explosive or flammable materials.

2. Electronics: For remote control firing, tests, guidance, and telemetering, even model activities can take a lot of advanced technique.

3. Aeronautics: Flight principles obviously apply, whether for a manned airplane or an unmanned space vehicle.

4. Engineering: Structural design, use of materials, construction, and landing require precision at all stages.

A good local program might start with a few weeks of overall study; then divide into four groups for the above subjects, but with joint projects and experiments combining the specialties of all groups.

Students with enough interest and energy may shift between groups and learn all four branches. Many attracted by rockets may find their careers in one of these fields as a result.

YOUTH SCIENCE CORPS

Local initiative along these lines may lead to a National Youth Science Corps, now favored by many authorities and brought closer by the Defense Department approval of aid by the services.

This would not be a new youth organization but a standard package of training that can be used by existing groups—science clubs, Boy Scout troops, and others.

The Nation must have more scientists and engineers. Russia has 800,000 compared with

[1] Colonel Hoyt was the organizer of the Civil Air Patrol cadet program, 100,000 strong, in World War II. He urges the same plan for a National Youth Science Corps. Recent Washington decisions have cleared the way for local action.

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our 750,000 and is gaining year by year. Regardless of Russia, the growth of American industry demands many more technologists than we are producing.

Without waiting for a uniform national program, whatever may be done anywhere by rocket enthusiasts for real learning, rather than unsafe thrill seeking, will reserve the best help that Government and private sources can provide. Under the policies approved from the White House down, the help is there for the asking.

UNITED STATES INTERVENTION IN THE MIDDLE EAST

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the body of the RECORD three editorials from the Wall Street Journal, one published on July 16, entitled "The Use of Force," one published on July 17, entitled "And Afterwards, What?" and the other published on July 18, today, entitled "The Uncalculated Risk." These are thought-provoking editorials, and I hope they will have wide publicity.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal of July 16, 1958]

THE USE OF FORCE

If the United States—with the United Nations or alone—is willing to use enough force it can very likely establish whatever order it chooses in the Middle East.

We can, if the Russians do not also intervene, quash the revolt in Iraq, see to it that governments approved by us are installed in neighboring countries; or, in the extremity, we could even topple the Egyptian Government of Mr. Nasser, which we once prevented the British and French from doing.

In short, the United States has the power to take over the Middle East. That will require more than a few Marines, but we do not doubt that it can be done.

But if that is what we are going to do, if we are going to plunge ourselves deeper into this maelstrom, we had best have clearly in mind what it is we are doing. And understand what the consequences may be, not just for tomorrow, but for years to come.

The first thing to understand is what we are fighting against.

Now it may be true that in one sense we are here opposing Moscow. But this is so only because Moscow has shrewdly and opportunistically allied itself with the forces in the Middle East which we have chosen to oppose. In no sense is this a battle against communism as an ideology, or, as in Korea, a war against Communist imperialistic aggression.

What we are struggling against in the Middle East is a rising tide of a people's deep emotions. It is not, strictly speaking, nationalism, since the emotions involved are not localized by accepted national boundaries. It is not Nasserism, as it is often called, because it did not originate with Mr. Nasser nor will it disappear with Mr. Nasser. The best term is probably Pan-Arabism.

But whatever it is called, it is plainly a powerful force. It spreads over the whole Arab world from Iraq to North Africa. It is the fulcrum on which Mr. Nasser rose to power in Egypt and which Egypt is now using to create an Arab Federation. This is what we would combat with troops.

And if this is what we are fighting against, what are we fighting for?

The most direct answer is that we are fighting for the oilfields of the Middle East. We are told that if Mr. Nasser, or someone like him, gains control of the oilfields there is no telling what might happen. At worst the oil may go to Russia. At the least the Western nations would have lost control of vital resources.

Of course it is by no means certain that Arabian oil in the hands of Arabs is denied to the Western World. Even Mr. Nasser must sell his oil where the oil can be used. But in any event, if this is the reason we are ready to fight, then it is not a crusade against communism and aggression upon which we ride but a frank power drive of precisely the kind we have so long deplored in others.

And if this is the reason, it still leaves unanswered the question of what we do afterward. If our only policy toward middle eastern oil is to hold on to it by force of arms, we foreclose ourselves from any other policy. We leave ourselves no alternative but to stand on guard with arms for a long time to come.

We will have no other alternative either if our objective is to halt the growth of this pan-Arabism, to prevent the formation of an Arab federation under Mr. Nasser or anyone else. To be sure, we can keep the Middle East divided with our soldiers; we can check Mr. Nasser's personal ambitions. But are we to suppose that the use of our force will diminish the resentments against the West, and against the United States?

This leads us directly to the central question about the Middle East, unanswered by our present policy and as yet unexplained by the President: After we have used our force to put down disorder and establish the kind of order we want, what then do we do?

And that cannot be decided until we are first ready to ask ourselves frankly whether we have been right to cling to a policy that puts us in futile opposition to the tide that is running amongst the Arab peoples. Can the United States, in the long run, gain by a policy that makes it necessary to use force?

This newspaper does not think so. It may be true, although it is not a certain conclusion, that the rise of pan-Arabism will not be a good thing for the immediate interests of the United States. There is always a danger that any movement of this kind will rush to extremes, and that we will suffer from the release of centuries of pent-up resentments.

But surely the answer to that, for the United States, is not to turn those resentments into hatred of America. And that we will surely do if we can find no other way than the use of force.

[From the Wall Street Journal of July 17, 1958]

AND AFTERWARDS, WHAT?

Whatever else the armed intervention in Lebanon may show the world about the United States, it is a clear demonstration that we have failed to find any other policy for the Middle East. Were this not so, we would not now be using troops.

And whatever else may be clear about our immediate action in the Middle East, there is as yet no showing that we have any clear idea of what we will do after we have applied our force.

Since the end of World War II we have followed a number of courses in the Middle East. In the early postwar years we were a powerful influence in bringing about the British withdrawal from Egypt, and later from the Suez Canal. We supported in the United Nations the moves that lifted the French protectorate over Syria and Lebanon. We helped to create, out of the lands that were once under the Palestine mandate, the new nations of Israel and Jordan.

In all this, our intent was to help end the era of Middle Eastern domination by the Western powers and to foster an indigenous political development throughout the area.

For a long time we followed a course of noninterference in that development. We stood aloof when the lawful government of Egypt was overthrown by rebels and the king driven into exile. Indeed, for a time, we were sympathetic to Mr. Nasser.

Only 2 years ago when Mr. Nasser seized the Suez Canal, we refused to sanction intervention by the British and French and used our efforts to have them withdraw.

In this desire for an indigenous political development in the Middle East we often found ourselves caught between cross-purposes. We felt we had to give aid and encouragement to Israel, but we steadily found that island in an Arab world a source of political trouble in our relations with her neighbors. We tried to maintain friendly relations with Mr. Nasser and his allies, but the effort foundered because they were adamantly anti-Israel.

We also found that this new political freedom for the Arab world, which we ourselves had fostered, did not develop in other ways as we would wish. The desire of the Arab people for political cohesion threatened not only Israel but the control of Middle Eastern oil; a federation of the Arab States—Mr. Nasser calls it the United Arab Republic—loomed as a new force in the Middle East.

So for the past few years our efforts have been concentrated on keeping the Arab world divided. We have used all our diplomacy, all our foreign aid, to keep where we could, governments friendly to us. These efforts have been increasingly difficult. And when Iraq fell to pro-Nasser rebels, President Eisenhower decided that, all else having failed, there was no other course except armed intervention to prevent the loss of other governments to the Pan-Arabism symbolized by Mr. Nasser.

That this was an act of desperation to save what remains of our position in the Middle East is clear from the risks we accepted. We accepted not only the risk of a local war in the Middle East with Middle Eastern nations, but also the risk that our armed action would provoke armed Russian reaction. And these risks, as yesterday's developments showed, are very real.

But even if these are surmounted, even if we escape war and the intervention succeeds in restoring order for the time being, the question remains, What then? What course do we follow thereafter in the Middle East?

Of course the United States can try, and there are those who say it should, to put on itself the mantle of imperialism which the British and the French laid down. That is, we can try to use our own power to fill the power vacuum left in the Middle East.

But if this is to be the course, if we are to accept force as a wise and proper instrument for maintaining the political order we want in the Middle East, we had best recognize that we will have both done something alien to our ways and accepted a very grievous burden. We would plainly be letting ourselves in for a long, difficult, and costly struggle.

If this is not our purpose, if we have only acted to put out an immediate fire, we are still left all the same unanswered questions. None of the basic forces at work in the Middle East have been changed by the intervention in Lebanon. We will have exactly the same problems after the Marines as before them.

The problems will remain until we adopt a policy that fits the realities of the Middle East. Those realities may not be what we most desire, but only a policy that recognizes them can promise any permanent peace. And it is to this search, if we are fortunate enough to escape a war now, that the Nation ought to direct itself.

[From the Wall Street Journal of July 18, 1958]

THE UNCALCULATED RISK

Two nations have publicly attacked the United States decision to intervene in the Middle East. One is Russia. The other is Sweden.

The reaction of Russia was expected. The risk that it might follow its words with force was known and could be assessed. Against that risk we could marshal our defenses.

But the voice of Sweden raises a new, and no less disturbing, trouble for the United States. For if Sweden's is the voice of many among our friends in the United Nations, as well it may be, then we risk losing something that cannot be regained by force.

It was only 2 years ago that the British and the French sought to use force to stop Mr. Nasser from seizing the Suez Canal. And on that occasion the United States very plainly spoke the feelings of many countries in the West when it refused to sanction that action. We seemed, in the eyes of the world, to be standing for a moral position.

And now Sweden is suggesting that the United States today stands, in the eyes of this same part of the world, where Britain and France stood 2 years ago. Sweden is suggesting we have lost our moral position.

This has plainly come as shock to the State Department. When we announced our landings in Lebanon it was stated that we would withdraw when the United Nations took over. There was an unspoken assumption that whatever we doubted about the reactions of Russia we confidently expected that the other free nations would agree that we had acted rightly. Sweden has uncovered the uncalculated risk.

And we ought not to underestimate what is risked. Throughout our history one of the great strengths of the United States in the world has been that it could depend upon the support that lies in the decent opinion of mankind. We won that esteem by our conduct, and it is this esteem, as much as our military might, that has made us in this century the natural leader of the Free World.

In World War I and World War II not even our enemies could charge us with imperial ambitions or say that we were engaged in a power struggle for the natural wealth of some far-off place. In the Korean war only the Communists could challenge our motives; we appeared plainly to the other nations of the West to be fighting aggression. That is why alongside our Army in Korea there were soldiers from many lands.

Today we are plainly in danger of losing esteem. However the Middle Eastern action appears to Americans, there are signs that it does not appear to many nations, long our friends, as an action right and necessary. This time it is the United States that appears to them to be using its force to prop up governments whose support among their peoples is shaky, the United States that appears to be forcing upon foreign lands its own concept of order.

This is the danger that the U. N.'s General Secretary Hammarskjold, by his frowning silence, and the delegate from Sweden, by his outspokenness, are now warning us of. And it is a danger that the President, in weighing our further actions, had best calculate as well as the risks from Russia.

For in the balance are our motives, until now unquestioned, and our reputation, until now unsullied. And the United States can ill afford to lose its moral stature.

TEMPORARY UNEMPLOYMENT COMPENSATION

Mr. BYRD. Mr. President, during the debate on the temporary unemployment compensation bill (H. R. 12065), it was argued by those who wanted to revise the bill that no State would take advantage of the bill as it was framed. I should like to report the latest information I have as to the number of States that are paying additional benefits. As of July 7, 15 States and the District of Columbia had signed agreements with the Department of Labor to pay extended benefits with Federal funds, in accordance with the provisions of the Temporary Unemployment Compensation Act, signed by President Eisenhower on June 4, and 5 States will themselves pay additional benefits under amendments to their own unemployment insurance laws.

States participating in the new Federal program, as agents of the Federal Government for the purpose of making additional payments to workers who have exhausted their unemployment benefits, are Alabama, Arkansas, California, Delaware, Indiana, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New York, Pennsylvania, Rhode Island, West Virginia, and the District of Columbia.

The five States which have amended their own laws to pay additional benefits are Colorado, Connecticut, Illinois, Ohio, and Wisconsin. These States will finance the additional payments to their State covered workers from their unemployment insurance benefit reserves.

More significant than the number of States involved is that the 16 States that have signed agreements under the temporary unemployment compensation law include 52.5 percent of workers covered by State laws, and that 51.3 percent of exhaustions of benefits have occurred in these States. In addition, the five States that have amended their own laws to extend benefits have 18 percent of the covered workers, and 14.8 percent of the exhaustions have occurred in these States.

I ask unanimous consent to have printed in the RECORD a table listing the States that have signed agreements to pay temporary unemployment compensation or have extended the duration of benefits under their own laws, together with the number of covered workers and the number of exhaustions in these States.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Unemployment insurance coverage and exhaustions in States signing TUC agreements or extending duration provisions of State law

State	Average number of covered workers 1957	Percent of total	Number of exhaustions July 1, 1957 to May 31, 1958	Percent of total
Alabama	527,164	1.3	38,221	2.4
Arkansas	248,669	.6	18,460	1.2
California	3,589,963	9.0	88,633	5.7
Colorado [1]	303,909	.8	7,197	.5
Connecticut [1]	751,941	1.9	31,620	2.0
Delaware	124,975	.3	5,440	.3
District of Columbia	222,934	.6	7,437	.5
Illinois [1]	2,686,409	6.8	78,909	5.1
Indiana	1,100,349	2.8	72,546	4.7
Maryland	686,276	1.7	19,710	1.3
Massachusetts	1,498,755	3.8	61,305	3.9
Michigan	1,880,615	4.7	111,955	7.3
Minnesota	664,803	1.7	20,456	1.3
Nevada	66,444	.2	3,681	.2
New Jersey	1,528,503	3.9	96,162	6.2
New York	4,926,350	12.4	107,291	6.9
Ohio [1]	2,537,300	6.4	61,813	4.0
Pennsylvania	3,130,505	7.9	107,664	6.9
Rhode Island	232,276	.6	23,903	1.5
West Virginia	378,266	1.0	15,657	1.0
Wisconsin [1]	841,876	2.1	49,226	3.2
Total	27,928,239	70.5	1,027,292	66.1
United States totals	39,670,296	100.0	1,560,103	100.0

[1] Extended duration under State law; Colorado amendment provides only 6.5 weeks per exhaustee.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. BYRD. I yield to the Senator from Kansas.

Mr. CARLSON. I appreciate very much the Senator's placing his statement in the RECORD. I am glad to learn so many States have taken advantage of the legislation which Congress enacted. The Senator will remember that statements were made time and time again that no one would take advantage of the law which was being proposed.

Mr. BYRD. I thank the Senator.

THE EMPLOYMENT SITUATION IN MONTANA

Mr. MANSFIELD. Mr. President, in January of this year, the State of Montana had the dubious distinction of having the highest rate of insured unemployment in the United States. The proportion of the national labor force out of work has remained above 5 percent since last December, the longest and deepest unemployment period since the war. For 7 weeks, Montana had the greatest percentage of its insured working force unemployed, with a high of 14.9 percent.

While the Nation as a whole has not recovered as rapidly as most of us would like, Montana has done rather well, with the exception of the mining industry, where the largest number of unemployed is concentrated. The Montana average of insured unemployed at the end of the week of June 28 was 4.5 percent, as opposed to a national average of 6.1 percent. I am delighted to see that my

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State has responded so well; but the picture, as represented in these figures, is not entirely correct, because they do not reflect the number of unemployed who do not collect unemployment compensation or whose 22 weeks have run out. At the present time, 63 percent of the miners in Butte, Mont., are unemployed; and a good many of them have exhausted their benefits.

The minerals stabilization bill, as passed by the Senate, last week, will do much to give a badly needed shot-in-the-arm to the copper, lead and zinc, and several other mineral industries. The effect of the bill will be felt immediately if the measure is passed by the House and is signed into law by the President. The removal of the Defense Minerals Exploration Act will also be of great help.

The Congress has already provided, or is in a position to provide, additional boosts to the economy of Montana. The approval of the Yellowtail Dam resolution has cleared the one remaining obstacle to the construction of the Yellowtail Dam and Reservoir as a multipurpose project of great importance to the southeastern portion of Montana and neighboring Wyoming. The construction of this project will provide new jobs and incentive for new industry, as well as an expansion of the economic base of the whole area.

The recent successful negotiations between the Milwaukee Railroad and the Roundup Coal Mining Co. has enabled this coal mining firm to qualify for the awarding of a 100,000-ton coal contract to serve the atomic energy plant at Hanford, Wash. This contract is essential to the economic stability of Roundup, Mont., a community dependent on coal mining. Without it, its future would be very bleak.

In western Montana, the East Bench unit and Clark Canyon Dam are all ready for construction; and I am hopeful that the House will concur in the appropriation of funds sufficient to permit construction of this large irrigation project to begin. It will provide a great economic boost to the Beaverhead County area. Missoula, Mont., will have a new forest-fire research laboratory, an important link in a nationwide program to study the causes and nature of forest fires. The Forest Service project was approved this year by Congress.

In addition, the continued expansion of the Malmstrom Air Force Base at Great Falls and the construction of the new Strategic Air Command and Continental Defense Command bases at Glasgow have created new activity in these areas.

The one area with no immediate relief in sight is the manganese mining industry at Butte and Phillipsburg. The market is not good, and at Butte there is a large stockpile of this mineral which needs to be upgraded. I am hopeful that something can be done to help this industry.

The last several weeks have been most eventful for Montana, and I hope that the actions taken by Congress will prove as beneficial to the rest of the Nation.

Mr. President, I ask unanimous consent to have printed in the RECORD, in connection with these remarks, a statistical table relative to the 1958 rate of insured unemployment in Montana; and also an article in regard to the unemployment situation in Montana, published on July 9, 1958, in the Great Falls Tribune.

There being no objection, the table and article were ordered to be printed in the RECORD, as follows:

1958 rate of insured unemployment in Montana

Week ended—	Montana average (percent)	National average (percent)	Position among States
Jan. 4	9.9	6.8	
Jan. 11	11.1	6.9	
Jan. 18	12.3	6.8	No. 2.
Jan. 25	13.0	7.0	No. 1.
Feb. 1	13.3	7.1	No. 1.
Feb. 8	13.5	7.1	No. 1.
Feb. 15	14.4	7.5	No. 1.
Feb. 22	14.9	7.9	No. 1.
Mar. 1	14.9	7.9	No. 1.
Mar. 8	14.3	7.9	No. 1.
Mar. 15	13.6	7.8	No. 2.
Mar. 22	13.4	7.9	No. 2.
Mar. 29	12.7	7.9	No. 4.
Apr. 5	11.5	8.0	No. 5.
Apr. 12	10.5	8.1	No. 9.
Apr. 19	9.4	8.0	No. 10.
Apr. 26	8.7	7.8	No. 12.
May 3	7.9	7.7	No. 13.
May 10	7.2	7.4	No. 18.
May 17	6.4	7.2	No. 21.
May 24	5.5	6.9	No. 24.
May 31	5.5	6.7	No. 21.
June 7	5.1	6.7	No. 26.
June 14	4.9	6.4	No. 24.
June 21	4.6	6.2	No. 27.
June 28	4.5	6.1	No. 27.

[From the Great Falls Tribune of July 9, 1958]

MONTANA TWENTY-FOURTH AMONG STATES IN RATE OF UNEMPLOYMENT

HELENA.—Montana with 4.9 percent of its insured labor force unemployed ranks 24th in the Nation, the State's top employment officer reported Tuesday.

Chairman Chadwick H. Smith, of the Unemployment Compensation Commission, said the national average in mid-June was 6.4 percent. West Virginia, at 13 percent, paced other States in the percentage of insured jobless.

Smith said 6,463 Montanans drew jobless compensation last week, 318 fewer than in the previous week.

Half of the claimants were in Butte, Great Falls, Billings, and Anaconda.

Smith said layoffs at Anaconda and Butte due to breakdown of a zinc concentrator at Anaconda, continued to add to claim totals in the two cities.

Anaconda's claim load of 271 was up 57 from the previous week. Butte with 1,414 claimants was up 55.

Other claim load increases were at Helena 220, up 21; Shelby 111, up 11; Bozeman 101, up 7; Sidney 60, up 5; Livingston 107, up 1, and Dillon 50, up 1.

Decreasing claimant totals were at Billings 773, down 139; Great Falls 787, down 82; Missoula 589, down 57; Kalispell 579, down 47; Thompson Falls 128, down 42; Cut Bank 118, down 21; Glasgow 127, down 21; Wolf Point 87, down 16; Lewistown 81, down 10; Miles City 107, down 10; Libby 202, down 10; Glendive 77, down 8; Havre 162, down 7; Polson 178, down 3; Hamilton 134, down 2.

Receiving their 22d benefit checks were 293 claimants.

Smith said unsettled weather was the main factor in causing slowdown of outside construction and agricultural activities.

Labor negotiations in the lumbering and logging industry in the western part of the State were continuing. End came to a teamsters' strike in Billings and brought added employment as crews engaged in mop-up work after a second severe hailstorm.

THE PRESIDENT'S ACTION IN THE MIDDLE EAST CRISIS

Mr. WILEY. Mr. President, in the various public comments which have been made on the floor of the Senate, and in public forums since the United States decision to send marines to Lebanon, I note in the occasional criticisms the following characteristics:

THREE USUAL CRITICISMS OF OUR ACTION

First. In the first place, invariably, the criticisms fail to spell out any reasonable alternative to the course we have taken.

"We should have done something else," the critics assert. But what it is, they do not specify.

Second. In the second place, the criticisms assert that we should have taken an extremist position long ago with reference to President Nasser. "We should have given him all-out support, or we should have opposed him all out," say the critics.

But they themselves would have been the first to condemn the administration if either such extremist policy had led to a crisis, as it undoubtedly would have.

Third. In the third place, the critics say: "We should not oppose Arab unity. We should not insist on the status quo, particularly on the status quo of unpopular regimes."

But the fact is that we do not oppose Arab unity, as such. And we do not bar change, we welcome it, so long as it is peaceful change which does not threaten to plunge the Middle East into Moscow's grasp.

We certainly believe in representative government in the Middle East and elsewhere. But since when is a Moscow-controlled regime representative?

WHAT ALTERNATIVE WAS THERE?

None of these three criticisms, then, is valid.

All in all, what, precisely, would the critics have had us do otherwise? Lose Lebanon entirely by default?

Would they have allowed, through Lebanon's collapse, the entire shattering of prestige of the United States in the Middle East, with the resultant loss of Jordan, as well?

I repeat: What, precisely, do the critics recommend we should have done that we did not do?

OUR MIDDLE-OF-THE-ROAD POLICY ON NASSER

Often the critics condemn us for our patient, wait-and-see policy as regards Nasser over the past few years.

The answer is that heretofore we have, indeed, been cautious and have not gone to the extremes with regard to Egypt. We have tried to encourage Nasser to break away from the Soviet Union.

At the same time we have shown him that we were not going to be blackmailed by him and we were not going to appease him.

Some might, indeed, characterize this as a middle-of-the-road policy toward Nasser.

But what would the critics have done otherwise? Was it not a fact that the United States was obligated to attempt every reasonable possibility to avoid completely estranging Egypt?

In my judgment, we might and should, indeed, have been firmer with President Nasser in view of his long series of provocative acts, such as I outlined the day before yesterday.

But I cannot go along with those critics who assume that we should have followed a 100-percent different policy from the policy which we did follow.

TIME WAS NOT AVAILABLE TO WAIT FOR U. N.

There is a fourth criticism, and that is that we did not get United Nations approval of our troop action.

I, of course, would, indeed, have preferred that the U. N. initially give us such approval.

But time is the crucial factor; 24 hours at the present stage in Lebanon's crisis might have been fatal.

Now, for several days, the United Nations has been wearily debating Lebanon. Despite the splendid efforts of Ambassador Lodge, the U. N. still has not reached its decision.

Obviously, therefore, we had no alternative but to take action.

Article 51 of the U. N. Charter specifically makes provision, as follows:

Nothing in the present Charter shall impair the inherent right of individual or collective self-defense, if an armed attack occurs against a member of the United Nations until the Security Council has taken measures necessary to maintain international peace and security.

The Soviets still have the veto in the Security Council. Recognizing that fact, we exercised promptly the inherent right of individual and collective self-defense in conjunction with the Government of Lebanon.

Now, the Government of the United Kingdom is similarly exercising that right, in voluntary conjunction with the Government of Jordan.

INDIRECT AGGRESSION IS AS DANGEROUS AS DIRECT

The fact that the aggression is not open, not obviously overt, does not diminish the fact that is indeed aggression.

Covert aggression can be just as fatal to a nation as can overt aggression.

If a nation secretly ships across the border armed bands of revolutionists; if it incites revolution and treason, then it can certainly be construed as being guilty of aggression.

STATEMENT BY MURDERED IRAQI FOREIGN MINISTER

One of the most eloquent statements against Egyptian aggression was delivered by a man now unfortunately dead. I refer to the former Foreign Minister of Iraq, Fadhil al Jamali, who was regrettably murdered within the first hours of the coup.

On June 10, speaking before the United Nations, the Foreign Minister clearly set forth the case of Egypt's aggression.

Let it be noted that here was a man highly esteemed in the Council of Arab Nations. He had been a founder and president of the Arab League.

He was no puppet of the United States. He frankly differed with us on certain of our policies, for example, he strongly opposed the State of Israel.

Here, then, was a man who spoke his own convictions as an Iraqi, based upon what he felt was in the best interests of his country.

But here was a man murdered by the forces of foreign aggression.

In the Wednesday, July 16 New York Herald Tribune, on the editorial page, the text of his U. N. talk of June 10 was reprinted under the title "Stop This Aggression: A Free Iraqi Speaks From the Grave."

Mr. President, in summation, there are two questions which are paramount in regard to the President's action in sending American troops into Lebanon. These questions are:

First, did the President have the authority to do this?

Second, if so, was his action a wise use of his authority?

In my considered judgment, the answer to both questions is "Yes," and I want to take a few minutes to explain why I have come to this conclusion.

On the question of the President's authority, there can be no doubt.

By virtue of article II, section 2 of the Constitution, the President is Commander in Chief of the Armed Forces. The President also, of course, exercises the whole executive power of the United States. American history is crowded with examples of the President's use of these powers to send American troops into foreign countries to protect the lives and property of American citizens or otherwise to protect the vital interests of the United States. The President's authority in this respect has never been successfully challenged, either in Congress or in the courts.

There are other legal grounds for the President's action, but this one is sufficient. I remember an occasion several years ago, Mr. President, when the then chairman of the Foreign Relations Committee, the distinguished former Senator from Texas, Tom Connally, said in another connection that "one reason is all you need if it's a good one." There is none better than the Constitution of the United States, and the case could rest there; but let me buttress the matter a little further.

In Public Law 85–7, approved March 9, 1957, the so-called Eisenhower doctrine, the Congress said:

The United States regards as vital to the national interest and world peace the preservation of the independence and integrity of the nations of the Middle East.

Now, the Constitution also provides, in article II, section 3, that the President "shall take care that the laws be faithfully executed."

Thus, it appears that the President had not only the authority, he had also the plain, the inescapable duty, to do what he did in regard to Lebanon.

This brings us, Mr. President, to the second question which I posed at the beginning of these brief remarks—if the President does have the authority to send troops to Lebanon, was his use of this authority wise?

This, frankly, is a more debatable question. There are disadvantages to sending American troops to Lebanon. It will not be easy to extricate ourselves from this entanglement. Our action will be misinterpreted and misunderstood throughout much of the world. The anti-Western component of Arab nationalism will be further inflamed. These are serious consequences. Yet, Mr. President, I am convinced that they are less disadvantageous than the consequences which would have flowed from a failure to take the action which has been taken.

Our troops are in Lebanon at the request of the lawful Government of that country. We have traditionally maintained the friendliest relations with Lebanon and have in recent years furnished it assistance of various kinds to help it maintain its independence and improve the standard of living of its people. The lawful Government has recently found itself threatened by an armed rebellion which is inspired, encouraged, and materially aided by hostile forces outside the country. The situation in Lebanon endangers American lives and property, as well as the independence of Lebanon itself. In these circumstances, the Lebanese Government asked the United States to send troops. If we had not complied we would have suffered a devastating loss of confidence on the part of all of our friends. At the same time, the Communists would have taken heart that they could bluff us out of positions vital to our own security.

If we had ignored the request of the Government of Lebanon, we would have started a chain reaction of subversion and covert, indirect aggression, the end of which no man could foresee. It would almost certainly have led to the loss of all the Middle East to communism and might well have gone even farther, especially in Africa and Asia.

The decision to send troops into Lebanon was not one which was taken lightly. For the reasons which I have indicated, it seems to me clear that the President was not only acting within his constitutional powers but also that he was exercising those powers in a wise and prudent fashion best calculated to preserve world peace and to protect the vital interests of the United States. In doing so, he deserves the support of every American.

Mr. President, I ask unanimous consent that the text of the historic address by Ambassador Lodge be printed in the body of the RECORD at this point.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

STOP THIS AGGRESSION: A FREE IRAQI SPEAKS FROM THE GRAVE

(In his address to the Security Council yesterday, Ambassador Henry Cabot Lodge revealed that Foreign Minister Fadhil al Jamali of Iraq had been foully murdered and his body dragged through the streets of Baghdad. This sad fate of Dr. Jamali—a staunch pro-Westerner, and a graduate of Columbia University—was foreshadowed in the eloquent speech he gave in the U. N. on June 10 demanding protection of Lebanon from Nasser's aggression. Excerpts follow:)

The problem which Lebanon has raised in this Council does not affect Lebanon alone. It affects the whole of the Middle East—nay, the whole Free World. If subversion and interference in Lebanese affairs are permitted to continue and to succeed in Lebanon, no country in the Middle East can feel safe and secure.

Lebanon is a peace-loving country, which has done no harm to any other country. It is a meeting place of East and West and a

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melting pot of cultures and religions. Islam and Christianity, in particular, find ample opportunity in this country to develop a spirit of brotherhood and tolerance.

All was well and peaceful in Lebanon until Nasserism began to creep into the Arab world.

Believe me, this is the issue of Lebanon. It is a struggle between East and West, between freedom and subjugation, between the forces of democracy and dictatorship, between evolution and revolution, between peaceful educational methods and the use of force and revolution in achieving change and progress.

I may now be asked, How does Nasserism achieve its aims?

First, as regards the Egyptian radio: for the last 4 years the so-called "Voice of the Arabs" radio station in Cairo has been consistently attacking one Arab state after another. No Arab state has been spared an attack by this station at one time or another. Many free Arab leaders have been unfairly attacked by this radio station. My country, Iraq, usually gets the lion's share of these attacks: men of responsible positions in Iraq, myself included, are traitors, imperialists, who should be shot by the people. I can produce hundreds of records of these broadcasts.

The same radio calls on the people of Iraq to rise in revolt against their government, calls on army and police to disobey government orders. It describes every member in the Iraqi Parliament as a traitor, an imperialist stooge or an agent of the oil companies. It uses the same language and the same clichés as Radio Moscow.

Second, the press, like the radio, has been utilized to attack those governments and leaders who do not yield to President Nasser's policy. The Egyptian press abuses not only Iraqi leaders, but Lebanese, Jordanian, and other Arabian leaders as well. Moreover, there are newspapers bought by Egypt in some Arab capitals, Beirut included, which publish attacks on governments and persons who do not follow President Nasser's policy.

Third, teachers join in subversion. More recently, some of the Egyptian schoolteachers who are employed all over the Arab world have been trained to disseminate Nasserism and to carry out subversive activities in some parts of the Arab world, Lebanon included.

Fourth, Egyptian military attachés in the various Arab capitals and Egyptian military officers employed by certain Arab states have been found to distribute arms and explosives and to carry out subversion in some Arab capitals, including the capital of Lebanon.

Fifth, money is distributed to promote demagogy and hooliganism and to foment internal political trouble whenever and wherever desired by President Nasser's government machinery, including Lebanon.

Sixth, arms of various categories, including, as Mr. Malik has said, those categories which could not be purchased by individuals, are distributed.

Seventh, infiltration of Syrian Army officers, especially men of the Syrian Deuxieme Bureau and Syrian armed personnel, into Lebanese territory is an established fact. The training of Lebanese rebels by Syrian Army officers in Syria is also a fact well known to us.

Eighth, one of the weapons used by President Nasser's machinery is the exploiting of the opposition in some Arab countries and the intimidating of loyal political leaders. It is a well-known fact that some opposition leaders from Lebanon were frequent visitors to Cairo for the purpose of receiving their inspiration and instruction from President Nasser.

Such is the method of subversion by which the independence of Lebanon, a sister Arab state and a member of the United Nations, is being threatened and its peace and security undermined by another sister Arab state. We are inclined to believe that a sister Arab state left to itself could not be doing this harm to another sister Arab state. It is an external force which has brought about this situation. It is a phase of Soviet penetration of the Arab world. For true Arab nationalism would abhor both the aims and the methods of this kind of subversive activity in Lebanon as well as in other Arab states.

My government is most anxious that peace and stability should be immediately restored in Lebanon. We are most anxious that no state, a sister Arab state included, should be permitted to interfere with the internal affairs of another Arab state so as to undermine its freedom and independence. We can have no peace and no security if our freedom and independence are constantly attacked from within and without by press, radio, arms, infiltration, etc.

In the view of my delegation it is the Egyptian-Syrian intervention fortified by an external force that has brought about this conflagration, and we hope that this Council, having found that the Arab League failed to achieve a satisfactory settlement of the trouble, will take appropriate measures to protect not only Lebanon but other Arab states, including my own, from communism and Nasserism. Aggression and intervention with the intention of undermining legitimate governments should be immediately stopped.

ORDER OF BUSINESS

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Is there further morning business? If not, morning business is closed.

Mr. MARTIN of Pennsylvania. Mr. President, will the distinguished Senator from Nevada [Mr. MALONE] yield to me?

The PRESIDING OFFICER. The Senator from Nevada does not have the floor. The Senator from Pennsylvania is recognized.

Mr. MARTIN of Pennsylvania. Mr. President, I ask unanimous consent that I may speak for not exceeding 10 minutes.

Mr. MANSFIELD. Mr. President, would the Senator like to have the suggestion of the absence of a quorum, or would he rather wait until the Senator from Nevada is recognized?

Mr. MARTIN of Pennsylvania. It does not matter to me at all.

Mr. MANSFIELD. Mr. President, has the pending business been laid before the Senate?

The PRESIDING OFFICER. The pending business has not been laid before the Senate.

EXTENSION OF TRADE AGREEMENTS ACT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be laid before the Senate, and that its consideration be continued beyond the hour of 1 o'clock, notwithstanding the unfinished business.

The PRESIDING OFFICER. The Chair lays before the Senate the pending business, H. R. 12591.

The Senate resumed the consideration of the bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

Mr. MARTIN of Pennsylvania. Mr. President, reciprocal trade agreements have been considered in the United States for more than half a century. In that period reciprocity has become one of the basic concepts of our trade relations with other free nations.

Reciprocal arrangements, when equitably conceived and administered, can be the instruments of increased commercial intercourse, contributing to the economic progress of both parties concerned. They can be the means of bringing nations closer together in friendship and understanding.

In entering into such trade agreements, however, care must be taken to safeguard domestic producers. Obviously, an arrangement which would result in serious injury to any industry, or would substantially reduce industrial employment, will not strengthen the American economy or the economy of the Free World.

It is well established that mutually beneficial international trade creates good feeling among people. However, it is equally true that a wide difference in wage scales offsets the good feeling by giving the low-wage countries advantages in the world markets to the detriment of the higher wage nations.

As individuals and as a nation we must seek the path which leads to better international understanding, mutual respect, and greater cooperation for a better world of peace and justice for all mankind.

In this approach, however, we must carefully consider the basic law and not forget the obligations upon Congress.

Section 8 of article I of the Constitution provides:

> The Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defence and general Welfare of the United States; but all Duties, Imposts and Excises shall be uniform throughout the United States;

The Congress has the right, so far as tariffs are concerned, to delegate authority. This has been done in the creation of the Tariff Commission. The Congress also has the right to delegate authority to the President of the United States. Care, however, must be exercised in the delegation of such authority.

Every American instinctively asks the following questions about any situation which may affect his livelihood: "Does it help or harm my job, my business, my chance to better my future?"

It is proper to ask these questions because the opportunity for economic self-preservation and self-betterment is a fundamental right of a free people.

The true answer is crucial to each individual. It is, therefore, most important to get the best information available before reaching a decision.

In no field is there more urgent need for the individual to have the truth—and the whole truth—than in the subject of foreign trade.

More and more people are beginning to realize the increasing impact of foreign trade on our economy, its close relationship to the economic power of the

free nations, and its potential power to provide America with some of the national security and economic strength necessary for survival in a Communist-threatened world.

It is impossible to measure with precision the impact of foreign trade on any particular area or on any particular segment of industry, but there is no question that our whole economy is strengthened by both imports and exports.

The problem is so complex that laws should be written in general terms with adequate provisions for expeditious review of their administration of these laws.

We must never forget that the final responsibility concerning taxes, tariffs, and appropriations rests on the shoulders of Congress. Any evasion of that responsibility is cowardly.

In dealing with this important subject, we must consider the overall national economy and not necessarily as it applies to any section of our country or to any segment of the economy.

In the debate Thursday night the distinguished Senator from Oklahoma [Mr. KERR] made a very able argument which should be carefully considered. At the same session the distinguished Senator from Ohio [Mr. BRICKER] discussed the constitutionality of the bill now before the Senate. He pointed out clearly that the question of constitutionality should have no effect on the vote of any Senator. All of us should read carefully the very able address by the Senator from Utah [Mr. BENNETT], and give close attention to his suggestion that it has probably become necessary to take a new look at the whole question of reciprocal trade.

In view of world conditions, it is my opinion that the Reciprocal Trade Agreements Act should be extended.

Mr. CARLSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CARLSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment offered by the Senator from Maine [Mr. PAYNE] perfecting certain portions of sections 6 and 7, proposed to be stricken out by the motion of the Senator from Texas [Mr. JOHNSON] for himself and other Senators.

Mr. PAYNE. Mr. President, I ask unanimous consent that the amendment I submitted last evening, as a substitute for the amendment of the distinguished majority leader, the Senator from Texas [Mr. JOHNSON], may be temporarily withdrawn, but with the understanding that that will not preclude my right to resubmit the amendment at a later time.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE 1934 TRADE AGREEMENTS ACT UNCONSTITUTIONAL IF NOT ACTUALLY SUBVERSIVE—THE LEGISLATIVE BRANCH VERSUS THE EXECUTIVE BRANCH OF THE UNITED STATES GOVERNMENT

Mr. MALONE. Mr. President, the 1934 Trade Agreements Act is patently and brazenly unconstitutional. The Constitution of the United States pointedly separated the regulation of the national economy from the fixing of the foreign policy.

The Trade Agreements Act of 1934—so-called Reciprocal Trade Act—tied the two together under the President of the United States, amending the Constitution without the formality of submitting it to the States.

Article I, section 8, of the Constitution provides specifically that the Congress of the United States, the legislative branch, shall regulate and adjust the duties, or tariffs, as we have come to call them, and shall regulate foreign trade, which means the regulation of the national economy.

Article II, section 2, directs the executive branch to fix the foreign policy. The executive branch now regulates both and can trade one for the other, which the Constitution sought to avoid.

PRESIDENT WIELDS POWER TO TRANSFER ANY UNITED STATES INDUSTRY TO FOREIGN NATION

It would be just as reasonable and just as constitutional for the Congress to enact a law transferring the fixing of foreign policy, under article II, section 2, of the Constitution, to the legislative branch as it was of Congress, in 1934, with the connivance of the President, to transfer to the executive the constitutional responsibility of Congress to regulate the national economy. And that was not constitutional at all.

For 24 years, under the 1934 Trade Agreements Act, the President has had unlimited authority to regulate foreign trade, which is the constitutional responsibility of Congress.

Under that act he was given unlimited powers, with no check whatever from Congress or any other body in Government, to trade any part or all of any industry to any foreign nation, or to any group of foreign nations if he thought such action would further his foreign policy.

This was a complete departure not only from the Constitution of the United States but from the policy of Congress and of this Nation since its inception in 1789. In other words there was, in 1934, a complete departure from the policy which had been followed for 150 years, which policy was to let the duty or tariff represent the difference between the cost of manufacturing an article in this Nation and the cost of manufacturing the same, or a like article in the chief competing foreign nation. What it did and was designed to do was to take the profit out of the low-cost labor at the water's edge, adjusted, of course, for other factors.

FREE ENTERPRISE COMPETITION DESTROYED BY 1934 TRADE ACT

For 150 years, if a person or a company or a corporation could think of a product which he or it could produce in this country, either by manufacturing, processing, or mining, and compete with other American producers, and could get adequate financial support, that person or company was in business. The business was established and going if the judgment proved to be correct. If the judgment proved faulty, then the business failed. That is the way we had run independent private business in the United States for, as I say, 150 years.

When, and if, the American market was saturated then the less efficient producer went out of business.

Suddenly all that was changed. It became the policy of our Government to trade American industry for a foreign policy. That meant that no private investments could be made in any new business, or in any business, as a matter of fact, because tomorrow morning the businessman might wake up to find that the President had traded him down the river. That can be done today without anyone's consent or knowledge.

SECRECY CLOAKS STATE DEPARTMENT'S TRADE PACT DEALS

Trade agreements are made without the knowledge of the producer and without the knowledge of Congress. Neither is allowed to have any information on the subject. The matter is handled by the State Department, and no one knows by whom. No one knows what, if any, evidence is considered. Certainly it does not have any effect on the result. No one knows about what is done. No one knows what kind of trade agreement has been made bilaterally by the State Department, or multilaterally by the 36 nations sitting in Geneva. There are 37 nations sitting there, including ourselves. Each nation has one vote. That is a secret operation.

The multilateral trade agreements are secretly arrived at, without any knowledge given to anyone. The producers in this country have no knowledge of it. Members of Congress have no knowledge of it.

RECIPROCITY OMITTED FROM TRADE ACT, AND NO RECIPROCITY EVER INTENDED

The Trade Agreements Act was first passed in 1934 under an emergency condition, and it was an emergency act, so-called. It is called the Reciprocal Trade Act, but the phrase "reciprocal trade" has never occurred in the act or in any of its extensions since 1934. It is merely a palliative, to make it easier to sell to the American public.

The act has been extended 10 times, from 1 to 3 years, never for more than 3 years. It has been extended for 1 year on two occasions. Congress has never been satisfied with it, but has never quite had the nerve to let it die, or to modify it so that Congress could have a check on the Executive, until the Senate Finance Committee amended it this time.

FINANCE COMMITTEE BILL PLACES RESTRAINT ON UNLIMITED POWER OF EXECUTIVE

The Committee on Finance this year reported an extension measure, which represents the best job that has ever been done by either House. It still leaves the regulation of foreign trade and of the national economy in the

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hands of the Executive, which, as I said previously, is unconstitutional; if not unconstitutional, it is unwise. But the bill as reported by the Finance Committee gives Congress a slight check, makes a slight gesture toward the Constitution of the United States, and provides some restraint on the President's action. If, as a matter of fact, he chooses to disregard the Tariff Commission's finding in an escape clause action, when an industry may have petitioned for relief, and the Tariff Commission has found that the tariff should be raised, because the industry needs further protection, then, under the proposed legislation, as reported to the Senate by the Committee on Finance, the President must report to Congress and be supported by a simple majority in each House.

The act itself expired on June 30, and it should be allowed to die; it should not be extended at all. However, as I have said, the bill reported by the Committee on Finance provides a slight check on the Executive, and the best one which has ever been reported in the 24 years of the act's existence.

FINANCE COMMITTEE AMENDMENT WOULD LIBERALIZE "ESCAPE CLAUSE," PROVIDE INDUSTRIES SOME POSSIBILITY OF ESCAPE FROM RUIN

Under the 1934 Trade Agreements Act, as extended to June 30 of this year, and which has now expired, the President has traded a part, indeed, practically all of some industries, to foreign nations, when he considered his foreign policy would be furthered thereby. The Secretary of State, the Honorable John Foster Dulles, testified that the President had that power. He testified before the Commitee on Finance during the hearings before the bill was reported to the Senate. The amendment of the Committee on Finance provides that before the President can bypass the Tariff Commission's recommendation in an escape clause action, he must first secure a majority vote of both Houses of Congress.

The committee further recommended that a tie vote by the Commission would be considered in favor of the industry.

The Committee on Finance reduced the House extension provision from 5 years to 3 years, and reduced the rate by which the President would be allowed to lower duties and tariffs from 25 percent to 15 percent.

NATIONAL SECURITY SAFEGUARDED IN COMMITTEE BILL

In the national security provision of the act, the Committee on Finance provided that the President must take into consideration the effect on national security of a weakening of the country's economy by excessive imports of individual products.

There is no question that the weakening of our economic structure also weakens our defensive power. A mere glance at the national economy will prove to anyone that we are now living on a war economy, and have been since the end of World War II. As a matter of fact, we have lived on a war economy since the beginning of World War II.

EIGHT AND A HALF MILLION UNEMPLOYED AFTER 6 YEARS OF 1934 TRADE ACT

It will be remembered that the administration in 1934 tried everything to improve economic conditions. It appropriated billions of dollars and had free trade running rampant. But when World War II came along, 8,500,000 persons were still unemployed in the United States. That was almost as many as were unemployed when the administration took office. So the administration then in power had not cured anything by the time World War II came along.

Since the beginning of World War II, we have lived on a war economy or an economy in preparation for war. We had a war in Korea which began in 1950. That was called a police action. Another war is starting now which may take the spotlight off some of the very important situations in this country. It could for a time improve our economy—at least on paper.

UNITED STATES TAXPAYERS PUT UP DOLLARS FOR THIRD OF OUR EXPORT TRADE

It is claimed by the Department of State and the Department of Commerce that the United States has $19 billion in export trade. That, however, includes an average of about $5 billion a year which we have given to foreign nations to enable them to buy our goods. It includes subsidies of a billion more which are paid in order to sell our goods, such as farm products, and it includes half a billion in products that are bartered for foreign goods we do not want or need, and which compete against our own producers.

We pay a support price, and then sell the goods at the world price. The difference, of course, the taxpayers of the United States make up. That is our loss. It is called foreign trade.

TABLE EXPOSES FALLACY OF BOOMING EXPORTS SINCE 1934—PERCENTAGE OF NATIONAL PRODUCT ACTUALLY DECLINED

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table showing, in millions of dollars, for each calendar year from 1909 to 1957, the estimated United States production of movable goods; the total exports of United States merchandise; the ratio of exports to movable goods production; military aid exports from the United States; net United States Government grants other than military aid shipments; net United States Government loans; the sum of columns 4, 5, and 6; column 2 minus column 7; the ratio of column 8 to column 1—that is, the percentage of the exportable goods from 1909 to 1957, inclusive, which we have exported in profitable trade.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

[Millions of dollars unless otherwise indicated]

Calendar year	Estimated United States production of movable goods (1)	Total exports of United States merchandise (2)	Ratio of exports to movable-goods production (3)	Military-aid exports from United States (4)	Net U. S. Government grants other than military-aid shipments (5)	Net U. S. Government loans [1] (6)	Sum of cols. 4, 5, and 6 (7)	Col. 2 minus col. 7 (8)	Ratio of col. 8 to col. 1 (9)
			Percent						*Percent*
1909	17,437	1,701	9.8					1,701	9.8
1914	20,599	2,071	10.1					2,071	10.1
1919	47,210	7,750	16.4		39	2,328	2,367	5,383	11.4
1921	33,396	4,379	13.1			−30	−30	4,409	13.2
1923	44,853	4,091	9.1			−91	−91	4,182	9.3
1925	48,341	4,819	10.0			−27	−27	4,846	10.0
1927	48,035	4,759	9.9			−46	−46	4,805	10.0
1929	53,502	5,157	9.6			−38	−38	5,195	9.7
1931	32,885	2,378	7.2			−21	−21	2,399	7.3
1933	25,326	1,647	6.5			7	7	1,640	6.5
1935	34,133	2,243	6.6			[4]	[4]	2,243	6.6
1936	[2]	2,419	[2]			−1	−1	2,420	[2]
1937	44,853	3,299	7.4			[4]	[4]	3,299	7.4
1938	[2]	3,057	[2]			1	1	3,056	[2]
1939	41,671	3,123	7.5			15	15	3,108	7.5
1940	47,671	3,934	8.3			51	51	3,883	8.1
1941	64,267	5,020	7.8	[3]	932	301	1,323	3,697	5.8
1942	89,345	8,003	9.0	[3]	6,304	221	6,525	1,478	1.7
1943	99,851	12,842	12.9	[3]	12,738	109	12,847	−5	----------
1944	105,617	14,377	13.6	[3]	13,845	231	14,077	240	.2
1945	101,411	10,309	10.2	[3]	6,542	1,019	7,561	2,748	2.8
1946	101,194	9,950	9.8	[3]	2,343	[5] 2,701	5,044	4,906	4.8
1947	123,799	15,160	12.2	[3]	1,940	[5] 3,907	5,847	9,313	7.5
1948	139,728	12,532	9.0	[3]	4,194	1,024	5,218	7,314	5.2
1949	123,199	11,936	9.5	[3]	5,207	652	5,859	6,077	4.9
1950	144,527	10,142	7.0	282	3,484	156	3,922	6,209	4.3
1951	165,080	14,879	9.0	1,065	3,035	156	4,256	10,623	6.4
1952	171,540	15,049	8.8	1,997	1,960	420	4,377	10,672	6.2
1953	182,674	15,552	8.6	3,511	1,837	218	5,566	10,066	5.5
1954	175,810	14,981	8.5	2,255	1,647	−93	3,809	11,172	6.4
1955	193,725	15,421	8.0	1,256	1,865	302	3,423	11,998	6.2
1956	202,055	18,940	9.4	1,757	1,696	626	4,078	14,862	7.4
1957	208,400	20,630	9.9	1,355	1,607	961	3,923	16,707	8.0

[1] Covers changes in both long- and short-term claims of the U. S. Government on foreign countries.
[2] Not available. (Prior to 1940, estimates of production of movable goods have been prepared only for years covered by a census of manufactures.)
[3] Not available. (See note 2.)
[4] Less than $50,000.
[5] Military aid shipments under the war and postwar lend-lease and Greek-Turkish aid programs are included in col. 5.
[6] Excluding United States subscriptions of $323,000,000 in 1946 and $3,062,000,000 in 1947 to capital of International Bank and Monetary Fund.

Source: Prepared from basic data of the Department of Commerce, June 1958.

Mr. MALONE. Mr. President, the above chart was prepared in an effort to obtain an accurate picture of what portion of our movable goods is being shipped abroad through the normal processes of international trade and without the benefit of subsidies, grants, gifts, and credits extended to the countries receiving American products at the expense of the American taxpayer. This objective has not been completely accomplished, nor, in the absence of any Government central authority collecting and collating the contributions, loans, barter deals, special donations, and exchanges of goods for foreign currencies made to or with foreign countries by our numerous and various Government agencies at the expense of the American taxpayer, does it appear that a true picture can be given.

For example, exports of farm products under the barter program authorized in title III of Public Law 480, are included in column 2, showing total exports, but nowhere appear in column 5 or 6 listing, respectively, grants other than military aid and Government loans. In 1957 more than $400 million worth of farm products were exported under the barter program. In 1956 barter "sales" totaled $299 million, and the year previously $125 million.

In 1957, according to Department of Agriculture statistics, $1,279 million in farm products were exchanged for foreign currencies, and the year previously $783 million. Foreign currency sales are presumedly included in column 6 of the Department of Commerce table, but the totals in that table for the years 1957 and 1956 are only $961 million and $626 million, respectively.

Of the $4.7 billion in agricultural exports during the last calendar year $1.9 billion moved under Government-financed programs other than CCC credit sales, in other words were not sold for dollars but were given away or exchanged for foreign currencies or products.

Dollar exports for the calendar year totaled $2.8 billion, but of this $1.1 billion involved subsidies in which the producer was reimbursed by the Government under the CCC program and the product was then made available for export through commercial channels for sale at world prices considerably below the domestic price.

These sales, however, meritorious they may be from the standpoint of reducing the agricultural surplus, cannot be considered normal transactions in our commercial foreign trade. They are subsidized sales, the subsidies being paid by the American taxpayer. Yet the full amount of these exports are included in the Department of Commerce export total, and are nowhere reflected in columns 5, 6, or 7.

SUBSIDY EXPORTS OF FARM PRODUCTS SINCE 1953 SHOWN

The Department of Agriculture has supplied me with a table showing the cost of these products during the fiscal years 1954, 1955, 1956, and 1957, and during the period July 1, 1957, to April 30, 1958, and also the amount of dollars received in return. The difference represents the subsidy on these exports.

Fiscal year or period	Cost to Government (Col. A)	Dollars received in return for exports of products bought in col. A (Col. B)
1954	$434,332,000	$261,823,000
1955	726,104,000	497,011,000
1956	769,824,000	493,949,000
1957	1,466,037,000	945,029,000
July 1, 1957, to Apr. 30, 1958	1,228,713,000	774,000,554
Total	4,625,010,000	2,971,812,554

Each of these taxpayer-financed programs, if accurate figures could be obtained, would reduce the total value of exports actually sold abroad under conditions of normal commercial trade, and the percentages of our movable goods which are exported through normal commercial channels within the classical concept of international trade.

The showing that $20,630 million of American products, military or otherwise, were exported during 1957 presents a distorted picture, not only of our foreign trade but also of our economy. Thus, if half of our movable product were shipped abroad as a gift, or bartered for foreign goods we did not want or need, or exchanged for foreign currencies we cannot use, the administration could boast that our exports had increased to more than $100 billion and that we were now exporting 50 percent of our entire movable product. This would not reflect, however, any increased prosperity for the United States; it would reflect disastrous losses to our economy.

The 1934 Trade Agreements Act has not increased the proportion of our national product sold abroad for dollars; it has decreased that proportion. Yet the 1934 act was sold to Congress and the public partially on the claim that it would increase the share of our national production exported to foreign countries. To even attempt to move a comparable share of our national product into foreign countries, it has been necessary since World War II, to give or loan $75 billion to those countries, thus paying for the goods they buy with our own dollars, and to further create devious programs designed to permit them to buy our goods with worthless foreign currencies or to pay for them with their own products of which they have a surplus or to which they attach none or little value.

As may be seen from the charts above, incomplete as they are, from $3.4 billion to $5.8 billion of our export trade each year since the end of World War II has been fictitious from any commercial standpoint and actually financed by the American taxpayer.

NINETEEN HUNDRED AND THIRTY-FOUR TRADE AGREEMENTS ACT RECONVERTED UNITED STATES TO ECONOMIC COLONY OF EUROPE

Mr. President, this table shows conclusively that our profitable trade has not increased since 1909, but that it has varied from year to year. The overall profitable trade, varying back and forth, has remained about the same; that is, the percentage of our exportable goods which have been exported in profitable trade has remained just about the same as or is a little less now than it was before the 1934 Trade Agreements Act was passed.

As a result of the action under the 1934 Trade Agreements Act by the Department of State, and later in Geneva, where 36 foreign competitive nations regulate our trade and divide our American markets among themselves, after 24 years of operation of such a policy the United States today is a greater economic colony in the capitals of old Europe than it was before the Declaration of Independence in 1776. The 300-year-old European colonial system of England, France, Belgium, and the Netherlands was designed to control the markets of lesser nations and included a certain responsibility to those nations.

TRADE ACT AND GATT TIE US TO OLD EUROPE'S TRADE WARS

The United States was the first to break away from that system in 1776. But we have reentered all of old Europe's trade wars under the authority of the 1934 Trade Agreements Act, the so-called reciprocal trade program, under which the General Agreement on Tariffs and Trade was established and is now operating in Geneva. These 36 foreign nations are dividing our markets among themselves through multilateral trade agreements, without any responsibility whatever to us.

Mr. President, for 12 years I have fought on the floor of the Senate and in committees for a return to constitutional government. The American system, for a century of time, meant sound money, protection of the American investors' money and workingmen's jobs, with a duty or a tariff equaling the difference between wages and taxes paid here and those paid abroad, and States rights.

CONSTITUTION EXPLICIT ON POWER TO REGULATE COMMERCE AND TARIFFS

A return to the American system would mean, then, a return to the Constitution of the United States. In that immortal document, in article I, section 8, we read:

> The Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises * * *;
>
> To regulate Commerce with foreign Nations * * *;
>
> To coin Money, regulate the Value thereof, and of foreign Coin,

The 10th amendment of the Constitution provides:

> The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

For a century and a half, Congress adjusted the duties or tariffs on each product so as to equal the difference in the cost of wages and the general expense of doing business here and in the chief competing nations. Under this principle, American investors and workingmen were assured equal access to the American markets.

AMERICAN ACCESS TO AMERICAN MARKET GIVES AMERICA HIGHEST LIVING STANDARD EVER KNOWN

The Tariff Commission was created as an agent of Congress to adjust the duty or tariff so as to have it represent the

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difference in the cost of producing an article or a like product here and in the chief competing nation, and to recommend the difference in cost as the tariff. Under this system, the United States reached the highest standard of living every known in the world.

In about 1949 we had a Secretary of State who adopted and followed the policies set forth in 1934 by the then Secretary of Agriculture, later Secretary of Commerce, Mr. Henry Wallace; by the Alger Hiss crowd; and by the Harry Dexter White crowd. White was one of the most despicable traitors this Nation ever produced. He was Assistant Secretary of the Treasury after 1949.

HOW ACHESON ASSUMED AUTHORITY OVER NATIONAL ECONOMY

I shall quote what Mr. Dean Acheson had to say in January 1949.

This is what he said in 1949:

It is hardly possible any longer to draw a sharp dividing line between economic affairs and political affairs. Each complements and supplements the other. They must be combined in a single, unified, and rounded policy.

Mr. President, that is evidence from Mr. Acheson of what he favored, namely, that he wished to have permanently transferred from Congress to the President the authority to adjust tariffs and regulate the foreign trade policies, authority which the President had transferred to the State Department and Acheson.

Mr. President, if that be a wise policy or a wise course, if any Member of Congress or if the President thinks that would be a wise thing to do, why is not an amendment to that effect proposed to the Constitution of the United States?

WASHINGTON QUOTED ON CONSTITUTIONAL POWERS

Once we had a great President—our first President, George Washington. In his Farewell Address he made many wise suggestions, and left us much wise counsel; and his address is a fertile field for study for all our people, whether Members of Congress, the President, or just ordinary citizens. This is one of the things George Washington said in that address:

If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the constitution designates. But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed.

FATHER OF NATION WARNED AGAINST USURPATION OF AUTHORITY

Mr. President, let us understand that point clearly. It might be that to evade the Constitution, or to change it by usurpation, in one instance would do good; but that is the customary method by which free governments are destroyed.

Mr. President, it may be remembered that Hitler never violated a law passed by the Reichstag; instead, the Reichstag always "beat him to it" by passing any law he wanted.

Congress has reached the danger point; in fact, Congress has passed the danger point in that regard.

LINCOLN WARNED AGAINST GIVING PRESIDENT TARIFF POWER

Abraham Lincoln, another great President of the United States, made a statement which is very significant in terms of what is happening now—namely, that if this Nation is ever destroyed, it will not be destroyed from without; instead, it will be destroyed from within.

As a Member of Congress, Lincoln called for revision of the free trade Walker tariff "with due reference to the protection of our home industry," and added:

The particulars, it appears to me, must and should be left to the untrammeled discretion of Congress.

And in a floor speech on the tariff, referring to the office of President, he asked:

Can he—

Meaning the President—

in the nature of things, know the wants of the people as well as 300 other men, coming from all the various localities of the Nation? If so, where is the propriety of having a Congress?

In an address at Pittsburgh, Pa., following his election as President, but before taking office, Lincoln told his audience that he stood on the Republican platform of that year to revise tariffs so as—and I quote his words—"to favor home production in the home market."

CONGRESS SHOULD ORIGINATE AND PERFECT OWN MEASURES, LINCOLN COUNSELED

In the same speech he voiced his objection to Presidential intervention in tariff legislation.

"As a rule," he said, "I think it better that Congress should originate as well as perfect its measures without external bias."

I am afraid that Abraham Lincoln would not be very popular with our State Department.

Abraham Lincoln was a constitutionalist, and a protectionist.

I shall quote from him again.

Abandonment of the protective policy by the American Government must result in the increase of both useless labor and idleness, and so, in proportion, must produce want and ruin among our people.

So said Abraham Lincoln, one of our greatest Americans.

Mr. President, the big drive to produce want and ruin among our people is on. It began in 1933. Since then the United States economy has been supported by emergencies, including two wars and the preparations for war, and any approach to peacetime conditions has produced among millions of our people ruin, idleness, and want.

ACHESON-THORP POLICY OPPOSITE TO THAT OF LINCOLN

Mr. Dean Acheson in 1949 to all effects favored giving the President the right to trade any commodity produced in this country to foreign nations if he thought that would further his foreign policy; he would not trust the Congress to approve what he might recommend, but the President must be able to trade any product without the knowledge of Congress.

Mr. Acheson's assistant, Willard H. Thorp, was a willing follower. In January 1949, in the course of his testimony before the House Ways and Means Committee, Mr. Thorp said:

1. The European Recovery Act, or the Marshall plan, or ECA—

Mr. President, today it is called something else. In fact, the name is changed almost every year so the public cannot check up on what is being done—

extends immediate assistance, on a short-term basis, to put the European countries back on their feet.

SECRETARY MARSHALL'S SPEECH AT HARVARD RECALLED

It will be remembered by those who were Members of the Senate at that time that Secretary of State Marshall had made at Harvard University a routine speech which later became famous. I have always doubted whether the old general knew that that particular paragraph was included in his speech. At any rate, in the course of his speech he suggested that the United States give money to European and Asiatic nations to aid in their recovery following World War II.

However, Britain's Prime Minister at that time knew what Mr. Marshall was talking about; evidently the Prime Minister knew all about it in advance. In fact, probably he knew more than Mr. Marshall did about that paragraph of Mr. Marshall's speech. So the Prime Minister of Britain took that paragraph "on the first bounce" and, in 30 days, told the United States what the program would cost it—which was $17 billion in 5 years. He said that would be the end.

In his testimony, Mr. Thorp also said:

2. The Trade Agreements Act program is an integral part of our overall program for world economic recovery.

Of course, when he referred to the Trade Agreements Act, he was referring to the 1934 Trade Agreements Act, as extended.

Then he said:

3. The International Trade Organization—

It will be remembered well by the Members of Congress—

on which Congress will soon be asked to take favorable action, provides a long-term mechanism. Each part of this program is important. Each contributes to an effective and consistent whole.

PROGRAM CONCEIVED BY HENRY WALLACE BACKED BY WEIRD FOLLOWERS

So, Mr. President, you see what is before the Senate today.

Let me say that in the committee I did not vote for the bill. In the committee, there were two votes against reporting the bill to the Senate, even though in the committee the bill was amended liberally.

This program was "cooked up" by Mr. Wallace, in the beginning, and then was taken up by the Alger Hiss crowd and the Harry Dexter White crowd, and then

was taken up by Mr. Acheson and his assistant, Mr. Thorp, in the effort to push it through and, subsequently, to extend and continue to extend it.

ITO URGED BY ACHESON, THORP TO BACKSTOP GATT, REJECTED BY CONGRESS

The ITO, or International Trade Organization, was submitted to Congress. Luckily, in the committee we had sufficient votes to kill it. The ITO simply would have approved everything being done at Geneva, by means of GATT—the General Agreement on Trade and Tariffs—a method of arriving at trade agreements, which was organized or spearheaded by our State Department and, by Executive order of our President, was transferred to Geneva, where representatives of the foreign competitive nations sit down and divide our markets among their own nations, by the simple expedient of continually lowering our tariffs and, in the same multilateral trade agreements, promising to lower some of their own tariffs, mostly relatively unimportant.

OTHER GATT NATIONS NOT BOUND TO THEIR AGREEMENTS

Secretary of State Dulles has conceded that other nations do not have to keep their part of these agreements. And they do not keep them so long as they can show they are short of dollar-balance payments in the trade between the United States and themselves. Of course, they can always show that—until our wealth and our markets are equally divided among them and until we are living in just the way they are living now.

Mr. President, that is where we are headed. If it were not for the war economy of today, if we suddenly stopped spending from $40 billion to $50 billion a year for defense purposes—and $50 billion, at least, will be appropriated in the fiscal year 1959—our unemployment would not today be 5½ million; instead, it would be at least 3 times that large—the greatest ever known in the history of the world.

SENATOR RECALLS EARLIER COMMENTS ON ACHESON-THORP PROGRAM

Mr. President, at this time I wish to quote from a speech I made on June 17, 1950, following all the speeches by Mr. Acheson, Mr. Thorp, and many others in the Government:

These pronouncements (of Secretary Acheson in 1949) marked the final abandonment of the workingmen and investors of our own Nation in favor of the one-economic-world theory of averaging the living standards of the nations of the world, and no further venture capital for business development or stabilization could possibly be available since the State Department can choose the industries that are to survive and those that are to be sacrificed on the altar of the one-economic-world theory.

In other words, they could, and they have, remade the industrial map of the United States of America.

I continue to read from my statement of June 17, 1950:

This then, is the three-part free-trade program tying the national economy to the foreign policy to which the administration is irrevocably committed and upon which they have staked their entire combined domestic and foreign policy. This is the well known bipartisan foreign policy—that is, moving toward merging this Nation with a foreign-controlled, one-economic world.

Quoting further:

Spokesmen for the administration say that they have adopted this three-phase free-trade program to average our standard of living with the foreign nations of the world on the theory best expressed by one of their slogans "that you cannot be prosperous in a starving world"; that we must divide our markets—the basis of our own income—with the nations of the world and average the living standard of nations of the world—they say—to avoid world war III.

UNITED STATES IN TWO WARS SINCE 1934 TRADE ACT SOLD AS ROAD TO PEACE

Mr. President, we have had 2 wars in the 24 years we have had the Trade Agreements Act. We had only one that amounted to anything in almost a century without the act. So the act does not seem to prevent war. Now we are in the Middle East trying to protect the oil and the wealth of European nations.

I read further from my June 17, 1950, address to the Senate:

It is the administration's avowed method of establishing world peace.

Then I later said, but not as a part of that speech:

Since the 1934 Trade Agreements Act became effective we have had two wars—World War II and Korea—and are now preparing for a third world war. It would seem the act has not been too effective in keeping us out of war.

Mr. President, for the last 2,000 years, wars between nations have been trade wars. We have been told now for 24 years that if we could have all foreign trade intermingled, and have America dependent on foreign nations for products without which America could not fight a war or live in peace, there would be no war. The facts do not support that contention.

TRADE ACT BACKED BY WALLACE IN 1934 AS ONE-ECONOMIC WORLD TRADE PLAN

I should like to read what Mr. Wallace said in 1934, about the time of the passage of this act. Mr. Henry Wallace was the great man who was Secretary of Agriculture at one time and later Secretary of Commerce. He was the man who hired a fellow by the name of Lee, who was born in Russia and became an American citizen. Mr. Wallace put him in charge of Far East shipping. He was still in that position when World War II started. He is the one I got out of that position, in 1948 or 1949, because he was a Communist. It was not hard to get him out. He was associated with 3 or 4 other Communists. Two of them we got out directly, and two more quit in a few weeks for reasons best known to themselves. We stopped the hearings. Lee and Remington were fired. Everybody had been after Remington, but I finally got him out in 1948 or 1949.

This is what Mr. Wallace said in 1934:

International planning must include a complete survey, item by item, of all the products that enter into our annual output and a conscious decision as to which kinds of products we might receive in large quantities from abroad in times of peace without jeopardizing those industries which we absolutely require in time of war.

That is where Congress picked up the idea that unless an industry were required for national defense, it should not be in business.

WALLACE FAVORED LOWERING AMERICAN ECONOMY TO WORLD LEVEL

I continue quoting Mr. Wallace in 1934:

As producers those who produce for the export market would be beneficially affected by this bill.

That was the first time the free-trade act was passed.

Those who are so inefficient that they cannot meet foreign competition would, in case the powers of this bill were exercised to lower the tariff, be perhaps unfavorably affected.

What he was saying was that unless we reduced our wages and taxes and costs to conform to the low-wage-nation costs, then we were inefficient and should go out of business. That is what some people are still saying. They are saying goods should be imported from wherever they can be produced most efficiently. I have been in every nation of the world. I went into Russia and stayed behind the Iron Curtain for 2½ months and traveled 14,000 miles. I have seen industries all over the world.

AMERICAN POLICY CREATES EFFICIENCY ABROAD, ABANDONS INDUSTRIES AT HOME

American machinery and know-how are available any place on earth at this moment, and they have been for several years. The last plant established anywhere in the world is the most efficient one in the world. Where, Mr. President, do you think the most efficient copper smelting plant is? Is it in the United States? I have news for you, Mr. President; it is in South America. Any time a smelter or a piece of machinery or a factory or a mining outfit is installed in a foreign nation, if it is not the most efficient the engineer will be fired, because the most efficient one is available to him.

What do the owners of such foreign plants do? They hire 2 percent, 3 percent, 5 percent, or 7 percent of well-trained American boys for their business, who train the foreign, low-paid labor. Then the company is as efficient in most cases as an American company with American workingmen. All the difference there is, in the long run, is represented in wages and taxes and the cost of doing business compared between the two places, plus, of course, the low-cost water transportation.

TRADE AGREEMENTS ACT CREATING COMPETITION DESTROYING UNITED STATES INDUSTRIES, THEN CALLS INDUSTRIES LIQUIDATED BY THIS COMPETITION INEFFICIENT

That is what Mr. Wallace was saying. That is what many professors are still saying. That is what many advocates of the trade agreements legislation are saying. It is said that if we cannot meet such competition, then we must go out of business.

I wonder, Mr. President, if we remember that since World War II we have given $75 billion to foreign nations to

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build plants, to build up credits against our gold supply, and to pay off dictators, kings, and other rulers? Since that time, Mr. President, there has been $50 billion invested by American individuals and companies in other nations, to enable them to ship goods back into this country under a free-trade setup. So it is imposible, of course, for American business to compete with the low-wage countries, such as Japan, Germany, and practically every other country, which have American machinery and know-how available.

MACHINERY FOR GIANT RUSSIAN TEXTILE MILL BEING SUPPLIED BY BRITAIN

We have some very helpful people in Europe. I think it is well known, but if it is not, I will cite one case which is rather recent, of July 16, 1958. Of course, we do not trade with Russia. We are very righteous people.

I have in my hand a London AP dispatch dated July 16, 1958, which says:

A big British textile firm, Courtaids, Ltd., said it has signed a multi-million-dollar contract to provide machinery for a factory being built in Russia to manufacture cellulose acetate yarn. Courtalds, Ltd., will supervise the installation of the machinery and put the factory in production. The company did not give the exact amount of the contract.

What kind of machinery, Mr. President, should we suppose the Courtalds textile firm will install in Russia? Will that be the old-time machinery found in China 50 or 100 years ago, or will it be the latest textile machinery known in the world today? Of course we know, Mr. President, it will be the latest machinery. Then, with the wages paid in Russia and with the open arms South America, Europe, and Asia have for the cheapest goods, the result will be that Russia will even take the markets away from England itself, probably, which has taken the market from us already, as well as the Japanese.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. MALONE. I am happy to yield.

Mr. GOLDWATER. Something happened yesterday which was of great interest to the junior Senator from Arizona, and I should like to ask the distinguished Senator from Nevada if it affected him the same way it affected me. I shall start by asking a question. Am I correct in recalling that the Reciprocal Trade Agreements Act has been in effect now about 24 years?

Mr. MALONE. Yes; going on a quarter of a century now. I will say to the distinguished Senator from Arizona that we should not call it the Reciprocal Trade Agreements Act, because the word "reciprocal" is not in it.

Mr. JENNER. Cordell Hull would not recognize it.

Mr. MALONE. Cordell Hull would not recognize it; I agree with the distinguished Senator from Indiana.

Mr. GOLDWATER. I might say I think Americans have a right to be confused, after nearly a quarter of a century—24 years—of trying an experiment which in the mind of the junior Senator from Arizona has not worked. Does the Senator from Nevada not feel that the Senate, after trying for 25 years, should have some observations on the program, as to whether it is practical?

OBJECTIVES OF ALGER HISS, HARRY DEXTER WHITE, AND HENRY WALLACE CARRIED OUT IN TRADE ACT

Mr. MALONE. I should have. All the results are available and apparent. Of course the program will not work from the standpoint of what it was said to be passed for. From the standpoint of Harry Dexter White, Alger Hiss, and Wallace, it has worked perfectly. It has divided the American markets among the nations of the world, so that if we today had an offer of peace and a guarantee for inspection, exactly as we have asked for, we could not accept peace, because we would be broke tomorrow and all our people would be out of work, because we are on a war economy and the foreign nations, the European and Asiatic nations, which include Japan, have our markets.

Mr. GOLDWATER. Mr. President, in view of the fact that the American people have tried this program for more than 24 years we should be able to make up our minds whether it is good. If it is good, it should be permanent. Yesterday on the floor of the Senate, however, the distinguished junior Senator from Pennsylvania [Mr. CLARK] offered an amendment to make the law permanent. If I recall correctly, the United States Senate voted against that amendment 85 to 4. Does the Senator attach any significance to that vote?

Mr. JENNER. Mr. President, will the Senator yield so that I may answer that question?

Mr. MALONE. I am happy to yield. I really would like to answer it, but I will answer following the statement of the Senator from Indiana.

Mr. JENNER. I think that the United States Senate and the Congress of the United States really thought the vote was superfluous yesterday, because anything which has been in existence for a quarter of a century is assumed to be permanent.

Mr. GOLDWATER. The Senator from Arizona would be inclined to agree with that statement, in view of experience with legislation passed year after year, for 1 year at a time, which we have with us the rest of our lives. However, the junior Senator from Arizona was impressed with the fact that yesterday some Senators said very emphatically that the law was no good. Despite that, many of them no doubt are going to turn around this afternoon, tonight, tomorrow, or next week some time to vote for the extension of the law. I am one Senator who cannot quite understand how the Senators are going to cut their consciences to fit the square hole they are supposed to fit. After having said yesterday, "The law is no good; we do not think it should be permanent," how will they be able to say, "We will have to vote for it because Eric Johnston wants it"?

TRADE ACT PART OF PINCERS MOVEMENT TO DESTROY AMERICA'S ECONOMY

Mr. MALONE. I will say to the distinguished Senator from Arizona that the situation should be apparent now. We now know the reason why the act was passed in the first place. The act was never passed for the good of the American producer or taxpayer, because it has now been shown that it was not the only pincer movement. There is a pincer movement, I will say to the distinguished Senator from Arizona. We went off the metal standard for money in 1933, so we immediately threw inflation into everything and priced ourselves out of every market in the world. Then in 1934 we passed the 1934 Trade Agreements Act, laughingly called the Reciprocal Trade Agreements Act. The act was never intended to be reciprocal. It is not reciprocal. It has divided American markets with a hundred foreign nations.

GATT CONCEIVED IN 1947 TO SPEED DESTRUCTION OF OUR MARKETS

Up to 1947 this was done by the State Department in bilateral trade agreements. Then in 1947 the multilateral GATT principle was adopted. The President by Executive order located that fanciful international organization in Geneva. Its numbers grew very fast, and now there are 36 foreign competitive nations sitting in Geneva dividing our markets among them, through the simple expedient of lowering tariffs—lowering our tariffs on important things and lowering theirs on generally less important things.

SENATOR BRANDS STATE DEPARTMENT ONE-WORLD MINDED

We are a member of that organization. The organization has a total of 37 members, each having 1 vote. However, we have a State Department which is all one-world minded. The gimmick is that it is not necessary for the other countries to keep their trade agreements. The other countries do not have to keep their trade agreements so long as they can show they are short of dollar balances. Foreign countries can always show that, and will continue to do so until our wealth and markets are equally divided among them and we are all living alike. Then the Senator knows what situation we will be in. We will not like it, but it will be too late.

Mr. GOLDWATER. In closing, I thank the Senator from Nevada for yielding, and at the same time I wish to compliment the Senator for making his usual learned address on this subject. It seems the United States Senate does not think enough of this program to make it a permanent law. The junior Senator from Arizona does not think the program is good enough to pass it as a 5-year measure. The Senate Committee on Finance thinks it might be a good enough program to justify a 3-year extension. Is there not some way we can stop it altogether, so that Eric will not get what Eric wants?

ERIC JOHNSTON INFLUENCE DISCUSSED

Mr. MALONE. As to Eric Johnston, it is pretty hard sometimes to determine exactly whom he represents. He represents the Hollywood motion picture producers, who make pictures in England and bring them into the United States. They pay taxes and wages over there,

where there are large gatherings to make pictures. They bring the pictures into the United States at very little cost. This man was employed by the Hollywood motion picture industry to come here and browbeat Members of Congress. He is doing it on the basis that he is importing all the pictures that can be made over there. He joined Mr. Paul Hoffman and several other great figures in American history in an effort to influence Members of Congress—to scare them so badly that they would not dare to vote against the bill.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. GOLDWATER. In the Senator's long experience in Washington, has he ever before seen an example of the executive branch of the Government going so far around the Constitution and its intent as to hire a public relations man to take over the prerogatives of the legislative body under our Constitution?

REPUBLICAN PRINCIPLES OF 100 YEARS ABANDONED BY PRESENT ADMINISTRATION

Mr. MALONE. This is the first free trade administration the Republicans have had in 100 years. I hope it will be the last free trade Republican administration.

Before I complete my discussion of this subject, I shall document the record by citing the platforms of both parties for a century. They will show that the Democrat Party has always been led by free traders. They have always wanted to lower tariffs below the difference in the cost of production. For 100 years, the Republican Party, until the beginning of this administration, has always been for tariff adjustment. Article I of section 8 of the Constitution referred to tariffs as "duties, imposts, and excises."

TARIFFS ADJUSTED PRIOR TO TRADE ACT TO GIVE AMERICANS EQUAL ACCESS TO OWN MARKETS

We had been improving the system continually, and adjusting the difference in wages and costs of doing business here and abroad by tariffs. It was a process of evening the costs, so as to take the profit out of the low-cost labor at the water's edge, in order that Americans could compete for the American market. If anyone wanted to change his business, or establish a new business, and he had an idea for a product that would compete with other Americans paying approximately the same wages and taxes, if he could obtain financial support to build a factory or establish a mine, he was in business. If his judgment proved incorrect, he was out of business. We built the greatest nation on earth, and the greatest standard of living on earth.

Now we have reversed the process and have started a complete division of the wealth and tax money of the United States with the nations of the world. That process started in 1934. The President was given authority to trade a part or all of any industry at any time.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. JENNER. Does the Senator understand the new and beautiful expression, "the dollar gap"? Does he understand that we must have customers, and that there are 4½ million people in America living off this program?

Mr. MALONE. Yes. That is the trouble.

Mr. JENNER. The Senator mentioned the Republican Party. Does he mean the modern Republican Party or the old line Republican Party?

Mr. MALONE. I am talking about the Republican Party. I do not know anything about the modern Republican Party. I am no part of it. Perhaps a third party will spring up which some of us can join.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. GOLDWATER. It is understandable that the Senator does not know anything about the modern Republican Party. It died last year with the election of the junior Senator from Wisconsin. I think the clods which fell on the coffin were heard all over the United States.

Mr. JENNER. I believe Paul Hoffman read the Senator out of the modern Republican Party; did he not?

Mr. GOLDWATER. Paul Hoffman tried to read the three of us out of the modern Republican Party. I am sure that had nothing to do with the desire of the Senator from Nevada to leave. I do not blame him for not wanting to associate with Paul Hoffman.

Mr. JENNER. He is an Indiana idiot. That is where he came from.

Mr. GOLDWATER. Did he come from Indiana?

Mr. JENNER. Yes; but we are ashamed of it.

Mr. GOLDWATER. I am married to a Hoosier.

Mr. JENNER. After he bankrupted Studebaker, they did not want him.

Mr. GOLDWATER. Is there any way to get him out of the Republican Party?

Mr. JENNER. If there were any way to send him to Lebanon, that would be the place for him. But Lebanon might not be far enough away.

Mr. GOLDWATER. We are not that mad at Lebanon.

Mr. JENNER. No.

PAUL HOFFMAN'S ATTEMPT TO PURGE G. O. P. OF REPUBLICANS DISCUSSED

Mr. MALONE. Paul Hoffman is the only man I have been able to think of so far who has had the influence with the White House that he apparently has, who has never been successful at anything. He has destroyed everything he has touched.

Mr. JENNER. Including Studebaker.

Mr. MALONE. He destroyed that. Then he wrote an article for Collier's magazine. Certain Senators may remember it, because they were very prominently mentioned. He said that we should be purged from the Republican Party. I do not intend to resign from the Republican Party, because we intend to turn it into a real Republican Party.

Mr. JENNER. The Senator does not think it is too late, does he?

RESTORATION OF PARTY PROTECTING JOBS OF NATION'S WAGE EARNERS PREDICTED

Mr. MALONE. No; I do not. I believe we will get back to the Republican Party which wants to protect the workingmen and investors of the Nation in their jobs and investments, and will do so by a flexible tariff that will equalize the difference in wages and costs of production here and abroad.

To get back to Paul Hoffman, when he failed in the automobile business and destroyed Studebaker, I understood that Mr. Roy Hurley, of Curtiss-Wright, intended to take it over. He has had a hard time bringing it out of the mess it was in.

HOFFMAN ARTICLE PRECEDED COLLAPSE OF MAGAZINE THAT PUBLISHED IT

Paul Hoffman, as I said before, wrote an article for Collier's magazine suggesting that several Senators be purged. So far as I know, the issue in which that article appeared was the last to hit the streets. The man really has something. I do not know what it is. When he touches anything, it is gone.

Mr. President, of course it is well known that what we have done from the beginning under the 1934 Trade Agreements Act—the so-called Reciprocal Trade Act—is really to destroy commerce distribution of the industrial structure of the country with the view of remaking it on the Old World socialistic model. I refer to it as the so-called Reciprocal Trade Act in order to identify it, so that all Senators will recognize it. That is what it is called. Senators have been well trained in that respect.

When the Trade Agreements Act was first enacted the State Department was operated by several of Mr. Acheson's predecessors, then by Acheson himself, and now by Mr. Dulles. They have all advocated such legislation.

Mr. JENNER. Mr. President, will the Senator yield to me?

Mr. MALONE. I yield.

Mr. JENNER. I should like to be able to suggest the absence of a quorum, if it may be understood that the Senator from Nevada will not lose the floor.

Mr. MALONE. I yield with that understanding.

The PRESIDING OFFICER. Does the Senator from Nevada yield for that purpose?

Mr. MALONE. I do.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JENNER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNITED STATES FIGHTING FOREIGN WARS FOR PRODUCTS IT HAS AVAILABLE HERE AT HOME

Mr. MALONE. Mr. President, we fought World War I, World War II, and what many of us called world war III—a police action in Korea, in which the American boys were not allowed to win or lose, the kids were simply murdered—on the theory that it was necessary for us to cross a major ocean to protect strategic or critical materials which were not otherwise available to us.

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SENATE REPORT NO. 1627 ON STRATEGIC MATERIALS SHOWS HEMISPHERE CAN BE SELF-SUFFICIENT

In 1954 the Committee on Interior and Insular Affairs completed a report on the Western Hemisphere entitled: "Accessibility of Strategic and Critical Materials to the United States in Time of War and for Our Expanding Economy." Pursuant to Senate Resolution 143, this document was printed as Senate Report No. 1627.

In that report, the committee said that the Western Hemisphere could be made self-sufficient for either war or peace, and that the Western Hemisphere could be defended with strategic and critical materials available in North America.

NO MIDEAST OIL REQUIRED BY UNITED STATES FOR PEACE OR WAR

If a decision is made by the Chief Executive that we must protect other nations from third nations, and that we must keep everything in status quo, that is one thing. But I read in the press this morning that the Mid-East oil is in danger.

I say categorically that the United States does not need a drop of oil from Asia or Europe for either war or peace. Any oil which we need can be secured from the Western Hemisphere. The fields and the supply lines can be protected so that we can get it in wartime. We do not have to have anything sent through the Suez Canal for either war or peace. We avowedly went into those three wars to protect strategic and critical materials which had to be shipped across major oceans because it was said by the respective Chief Executives and by Secretary of the Interior Ickes, during his tenure of office, that those materials were not otherwise available to us. Many of us doubted these statements and we wanted to investigate and ascertain the facts.

EXTENSIVE INQUIRY PRECEDED SENATE REPORT NO. 1627

That was the reason for the report which was made by the Committee on Interior and Insular Affairs, and which I just described. Two years of investigations and hearings were required before the report was made. Testimony was given by nationally and internationally known engineers and economists and by the chairman of the subcommittee, the senior Senator from Nevada, who has had 30 years of engineering experience. That report was handed to the President of the United States in July 1954.

When conversations were taking place all over the country in that year, to the effect that it was necessary for us to protect Africa to get uranium and other materials from the Belgian Congo, I said categorically that if we treated our taxpayers half as well as we did foreigners, uranium would be running out of our ears in 2 years. That was in 1954. That happened.

URANIUM BEING IMPORTED AT GREATER COST THAN THAT PRODUCED IN UNITED STATES

Now, to a certain extent, we are closing down and putting a damper on United States production of uranium. We are importing uranium from the Belgian Congo, Canada, and almost everywhere else, under contract, and are paying much more for it in many instances than it costs in the United States.

So I say it is not necessary to go to war across major oceans to get everything we need for war or peace. The Western Hemisphere can be protected right here in North America. About one-third of the land area of this continent is in the United States, and we have a population of about 160 million. There is room for a billion without crowding anyone.

FAVORITISM TO EUROPE COSTING UNITED STATES SOUTH AMERICAN FRIENDS

While we have our eyes on Europe and Asia, we are losing many of our South American friends and a part of our trade with South America. If the United States is to have any profitable trade in the future at all, it will be in the Western Hemisphere; it is not in the cheap labor countries of Europe and Asia. We had better start to pay a little attention to our homework.

SENATE REPORT NO. 1627 OPPOSED EXTENSION OF 1934 TRADE AGREEMENTS ACT

In a letter to the chairman of the committee dated July 9, 1954, in which the report to which I have called attention was submitted, we said, under the heading "Committee Recommendations":

The availability of critical and strategic materials are vital to military security and to an expanding domestic economy. National survival in time of war depends on ample and uninterrupted supplies of the 77 such materials included in the report. To assure that imperative needs of the United States be met:

1. We recommend the closest cooperation among the nations of the Western Hemisphere, which is the only dependable source of the necessary critical materials in time of war. This area can be defended and can be made self-sufficient in the production of such materials. We recommend that the spirit of the 130-year-old Monroe Doctrine prevail in our relations with the nations of the Western Hemisphere.

2. We recommend that Congress insure that the regulation of foreign trade conforms to the principles thus laid down in article I, section 8, of the Constitution thus assuring the American workers and investors equal access to American markets.

That means that this act should not be extended, that we should conform and return to the Constitution of the United States. I continue:

3. We recommend eliminating our Nation's present dependency upon remote and possibly unfriendly or neutral areas of the world for the critical materials, without which we cannot conduct a war.

The only tin smelter in the Western Hemisphere is in Texas City, Tex. The continued operation and maintenance of this smelter is essential to our security. The capacity meets our wartime needs.

FREE TRADE PROGRAM JEOPARDIZES NATION'S SURVIVAL

High grade tin ore from Bolivia was being shipped to England, where it was processed, and then shipped to the United States. That required the crossing of a major ocean twice. The ocean could not be crossed at all during war time.

4. We recommend increased depletion allowances to producers of critical minerals and materials as a further incentive to production.

Further studies should be made of the Canadian method of delayed taxation in connection with such critical mineral and material development.

5. We recommend acceleration of the Federal program of stockpiling critical and strategic minerals and materials to assure ready supplies in the event of war and coordination of this program with "going concern" production industries in the Western Hemisphere to assure continuation of necessary supplies under stress of war.

A going-concern production of all materials needed by the United States in war is the best means of survival.

How can that be done under a free trade policy which advocates and permits the President of the United States to trade an industry to a foreign nation under our foreign policy without the knowledge of that industry, and which prevents further investment in private industry subject to that particular act?

INCREASED TITANIUM OUTPUT RECOMMENDED

6. We recommend studies with a view to improve petroleum, gas, and coal resources and develop them to assure maximum availability of domestic fuels for both the peacetime economy and national security. Such studies should determine whether present regulations are unduly restrictive of our own resource expansion and reserves, and if so, regulations should be adjusted to maintain our self-sufficiency in these vital fuels.

7. We recommend increasing the production goal for titanium to 150,000 tons annual minimum without delay. Titanium is a new wonder metal. This is a military must. Contracts should be awarded without delay by the Government to qualified concerns prepared to contribute toward this goal. Civilian demands are tremendous for this heat resistant high-strength-weight-ratio, noncorrosive, nonmagnetic metal.

This metal can become the basis for a $5 to $10 billion new civilian industry. Production of the long-range supersonic speed bombers and the necessary fighter planes will make obsolete any nation's air equipment built without it.

UNITED STATES TITANIUM PRODUCTION CUT BACK BY IMPORTS FROM JAPAN

Mr. President, let me say that in the little town of Henderson, Nev., about 10 miles south of Las Vegas, contracts such as the ones recommended in the report from which I have just now read were let; and, as a result, approximately 50 percent of the titanium produced in the United States was being produced there.

The other 50 percent was produced in New Jersey, by the Du Pont Co. All of it was of good quality, and all of it was being put to use.

Suddenly, titanium started to be imported into the United States from Japan, where it was produced by American-owned companies, using American-manufactured machinery and American workers.

IMPORTS OF JAPANESE TITANIUM COSTS JOBS OF AMERICAN WORKERS

The Japanese-produced titanium was imported at prices so low that there was no chance for competition by titanium produced in the United States. The result was that, last year, 500 men were laid off at Henderson, Nev., and there is grave danger that the titanium plant at Henderson, Nev., will be shut down entirely. Of course, in time of war, no materials could be secured by the

United States from Japan. Nevertheless, the United States is gradually becoming dependent again on foreign sources for the commodities it must have in time of war.

ZINC IMPORTS FROM MEXICO CLOSING AMERICAN MINES

As a matter of fact, the imports of zinc from Mexico and other nations have caused our zinc mines to close.

In the case of tungsten, amounts in excess of those provided for in the Malone-Aspinall Act, which provides for certain payments per unit in the case of tungsten produced in this country, have been obtained, under contract, from Korea and other countries across major oceans.

Mr. President, the Malone-Aspinall Act, enacted in 1953, and renewed in 1956, will be good until 1959. The Senate has voted the necessary appropriation four different times, and each time has sent the measure to the House of Representatives; but each time the House of Representatives has refused to make the appropriation. Therefore, the act is inoperative.

BATS, HORNED TOADS TAKING OVER AMERICAN TUNGSTEN MINE, OWNER REPORTS IN BITTER CONDEMNATION OF TRADE ACT

Mr. President, what is the situation of the American tungsten producer today? I will cite one example, representative of the many plaintive appeals I have received. I ask unanimous consent, Mr. President, to have printed in the RECORD, a letter, handwritten on tablet paper, that I received only today from Mr. Lloyd C. Schrader, a long experienced and expert mining man who, his mine now being closed, has removed from Nevada to California, where he can meditate on the causes of his despair.

There being no objection, the letter of Mr. Lloyd C. Schrader was ordered to be printed in the RECORD, as follows:

PORTERVILLE, CALIF., *July 16, 1958.*

UNITED STATES TARIFF COMMISSION,
Washington, D. C.

GENTLEMEN: The Post Office Department's notice of arrival of registered mail containing your tungsten questionnaire was sent to my ex-tungsten mine—a quiet spot inhabited by bats and horned toads crawling about over rusted machinery and rotted timbers to help the field mice and packrats fashion a fitting monument for the Reciprocal Trade Act and those un-American statesmen who reside in Washington, D. C., the former capital of the United States of America.

I am sorry that I am unable to fill out your questionnaire as requested. The Post Office Department sent it back before I learned it was here.

I wonder if it really matters as I am only a humble, hard-working, American citizen with no claim to royalty, and no hope of ever being the blue-blooded owner of a foreign mine.

Respectfully,

LLOYD C. SCHRADER.

FATE OF TUNGSTEN, LEAD AND ZINC INDUSTRIES IN HANDS OF HOUSE OF REPRESENTATIVES

Mr. MALONE. Mr. President, the Senate has passed a bill which will guarantee a certain price for each of 4 or 5 metals. Included among them are tungsten, lead, fluorspar, zinc, and a certain amount of copper to be purchased for the following year. That bill is now in the hands of the House of Representatives. What the House of Representatives will do with it is problematical.

Mr. President, is the Congress going to permit these industries to be put out of business? The 1934 Trade Agreements Act expired on June 30. If it is renewed, the administration will continue to trade these industries down the river, in the interest of a foreign policy of doubtful effectiveness, at best, because it is well known and well understood, among those who are familiar with the other nations, that if a real war begins, Europe will have to be neutral, for her own preservation. Probably within 1 or 2 years all the American bases in Europe and Asia will no longer be available to us; and that then those nations will insist that our forces leave, because otherwise their security will be threatened.

UNITED STATES URANIUM MINES DEPRESSED BY IMPORTS FROM FOREIGN NATIONS

Uranium is coming from the Belgian Congo, Canada, and other nations, and our own mines are being depressed.

I read recommendation No. 8 in Senate Report No. 1627:

We recommend that goals for production of uranium for fuel be made adequate to meet both military and civilian requirements. Hemisphere self-sufficiency in uranium for fuels can be attained.

In other words, we do not have to go across major oceans to get uranium, oil, or any material on earth that we need for war or peace.

Coal: We are the greatest coal-producing nation on earth.

Oil: We have 350 billion barrels of oil in oil shale, and gasoline and processed oil derived from oil shale costs a very small amount above the cost of oil that comes from underground.

We have more underground oil at the moment than we have even known in the history of this Nation. I do not think the surface has been scratched.

DEPENDENCE ON FOREIGN NATIONS SOUGHT BY FORMER HIGH OFFICIALS—SENATE CHARGES

However, we had the Harry Dexter Whites, and the Alger Hisses, and the Henry Wallaces, and gentlemen like the former Secretary of Interior, Mr. Ickes, who wanted us to become dependent on foreign nations for all these materials.

In 1945, Harry Dexter White, who was Assistant Secretary of the Treasury, wrote a 4- or 5-page memorandum to Mr. Morgenthau suggesting that we lend—and lending would mean giving it to them—$5 billion to Russia, for which Russia would furnish oil, tungsten, lead, zinc, and 4 or 5 other materials which he said we were practically out of in this country.

Mr. Morgenthau took that letter on the first bounce, sent it to the then President of the United States, and asked for a $10 billion loan to Russia for the same purpose. The fact that we now have many times the reserves of oil, lead, zinc, tungsten, and other products than we had when he wrote the letter seems to be overlooked by the Congress of the United States and the administration.

UNITED STATES TUNGSTEN OUTPUT ZOOMED UNDER MALONE-ASPINALL ACT

Under the Malone-Aspinall Act, with the prices of tungsten and six other metals fixed at what was estimated to make up the difference between the world price and the cost of production in this country, with a reasonable profit, we were producing twice as much tungsten as is used in America. The production has been increased many times since Harry Dexter White wrote his famous letter to Mr. Morgenthau.

POLICYMAKERS OF THE THIRTIES AND FORTIES DISCREDITED BUT POLICIES STILL FOLLOWED

What I said in my previous speeches we were doing we are continuing to do. We are still following Henry Wallace, Harry Dexter White, Alger Hiss, and the other famous officeholders in the State, Treasury, Agriculture, and Commerce Departments, after they have been thoroughly discredited both personally and with regard to what they had said about materials which, according to them, we could not produce in this country.

OTHER RECOMMENDATIONS OF SENATE REPORT NO. 1627 CITED

Mr. President, may I repeat recommendation No. 8 of Senate Report No. 1627 and continue with other recommendations which follow in this report.

We recommend that goals for production of uranium for fuel be made adequate to meet both military and civilian requirements. Hemisphere self-sufficiency in uranium for fuels can be attained. A liberal long range market price must be maintained as long as Government control is necessary for security. A tremendous civilian potential use of uranium is assured based on nuclear power for industry.

9. We recommend a review of the work of the Securities and Exchange Commission by the appropriate committees of Congress to clarify its duties and responsibilities. The sale of securities affects the strategic materials program. It is recognized that the Commission should assure full and complete information to potential purchasers of securities, and that its responsibility does not include determination of feasibility. Such Congressional committee review should consider the advisability of a requirement that a thorough and confidential inquiry should precede any public announcement of an investigation of offered securities.

10. We recommend determination by the Congress, through appropriate committees, of the precise duties, and relationships between the multiple (approximately 38) agencies and branches of our Government responsible for stockpiling operations of critical materials.

The determination of these duties should precede the appropriation of funds for these agencies with the aim of facilitating their work and of fixing responsibility for the proper coordinated objectives.

11. We recommend appropriations of $50 million annually to establish and operate a comprehensive 5-year program of laboratory, pilot-plant, and exploratory research into improved methods of beneficiation of critical materials and the study of substitutes, including synthetics and replacements.

We approve the research and studies conducted by the Bureau of Mines on the low-temperature carbonization of coal and we recommend that adequate funds be appropriated to conduct extensive studies and investigations of ways and means to revive the coal industry. These funds should be made available to be used independently or in conjunction with responsible privately operated companies and organizations.

It is recommended that research and pilot-plant work be continued. That the erection of a large-scale oil-shale plant be considered

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by industry in cooperation with the Government. Such plant would endeavor to advance the production of petroleum fuel on a commercial basis, and it would be available in a war emergency.

12. We recommend rejection of international controls of production, prices, and supplies of critical and strategic materials unless by legislative action by the Congress of the United States.

Those recommendations appear on pages 3 and 4 of Senate Report No. 1627 of the 83d Congress. The report also contains findings with respect to a list of 77 strategic materials. There is supporting data in the remainder of the report, about 400 pages.

RELIEF TO STRICKEN METAL INDUSTRIES SEEN IF TRADE ACT NOT EXTENDED

Mr. President, if it were not for the bill under discussion today—that is to say, a measure to extend the 1934 Trade Agreements Act—no special legislation would be needed in regard to the production of any of these materials. What we would have then, and what we should have today, since the act expired on June 30th, would be a reliance on the Tariff Commission, an agent of Congress, for relief under the 1930 act, a perfect free-trade act.

The objective announced by the 1934 Trade Agreements Act, to reach free trade among nations, does not help the living standards in foreign nations, and let me state why. In the foreign nations, kings, queens, or dictators control both the economic structure and the foreign policy, just as our own Executive does now in this country, under the act, but which is otherwise provided by the Constitution.

LOW FOREIGN WAGE RATES THE INCENTIVE FOR $50 BILLION IN UNITED STATES FOREIGN INVESTMENT

When American capital goes into foreign countries— and more than $50 billion has gone into foreign countries—it does not raise the living standards of the recipient nations. What they do is to hold the wages and living standards as low as they can possibly hold them. The lower they hold them, and the higher the price they can get for their products in the United States, the greater the profit is.

Therefore, there is an incentive to hold down the wages and the costs in the foreign nations, which has been done for the 24 years of the existence of the act. The goods are shipped to the United States under practically free trade to make money, while men here are thrown out of work. There are 5½ million men now on the streets, practically all of them in that situation by virtue of this act. The goods shipped into this country also destroy the money of American investors which is invested in American private industry.

So, Mr. President, what we are doing, if we renew and extend the Trade Agreement Act, is to deliberately destroy our working men and investors. That is the reason the act was passed when it was originally enacted in 1934. It was not passed to help America; it was passed to destroy America's free-enterprise system and her economy.

HOW GOVERNMENT CAN ESCAPE FROM DESTRUCTIVE TRADE AGREEMENTS OUTLINED

Mr. President, what does the 1930 Tariff Act provide? That act will be in force if the 1934 Trade Agreements Act is not extended. Under that act, if today the United States should serve notice on the Secretary General of the United Nations that the United States wants to cancel its multilateral agreements made by and with this outfit at Geneva, in 60 days every product covered by the multilateral trade agreements—and there are several thousands of them—would revert to the authority of the Tariff Commission, which is an agent of the Congress.

On what basis would that be? The Tariff Commission would determine under section 336 of the 1930 act the difference between the cost of production in this Nation and the cost of production in the chief competing nation. It would not be the high cost or the low cost, but it would be the reasonable cost of production here, and the reasonable cost of production in the chief competing foreign nation—that is exactly the language of the act—with respect to a given product or all like products. Then the Tariff Commission would recommend that difference in reasonable cost to be the tariff, and that would be the tariff under the 1930 Tariff Act.

TERMINATION OF BILATERAL AGREEMENTS REQUIRES 180 DAYS

When there are bilateral trade agreements, made by the State Department, 6 months' notice, or 180 days' notice, are necessary to cancel such an agreement. At the expiration of the 180 days, all the products under that agreement would revert to the authority of the Tariff Commission, an agent of Congress, on the same basis.

That is the law which provides for a flexible tariff. That is the best tariff law ever passed. The first tariff law was passed in 1789, and was a protective tariff. The tariff has been protective ever since. The modus operandi and the methods have been improved, and the 1930 act was the best act. That was the flexible tariff act.

NEW TARIFF RATES WOULD TAKE HIGH PROFITS OUT OF LOW-WAGE IMPORTS

The Tariff Commission can, under the 1930 act, make an investigation with respect to a product today and determine that a certain tariff is necessary to take the profit out of the low-wage product at the water's edge. The 1930 Tariff Act is an equalization-of-cost act. That is what the act is labeled. Then the next day, in 6 months or in 6 years the Tariff Commission can make another examination, on its own motion, on request of the President, on request of the Congress, or on request of a producer or a consumer, and can make another determination. If the foreign nation has raised its standard of living, the tariff can be reduced accordingly, and when the people of the other nation are living at about the same standard we are, there would be automatically free trade.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. JENNER. According to what we read in the press, if this law is not extended we will revert to the law of the jungle. That is absolutely untrue, is it not?

DISTORTION BY SOME TRADE ACT ADVOCATES CRITICIZED

Mr. MALONE. It is not only untrue, but it is unpatriotic. If I thought those writers knew the effect of what they were saying I would call them traitors on this floor, but I am sure they do not know, because I cannot imagine anything being written along that line if they knew the facts.

Mr. JENNER. Mr. President, will the Senator yield further?

Mr. MALONE. I yield.

Mr. JENNER. Is that not about all we read in the press?

Mr. MALONE. That is all I read in the press.

Mr. JENNER. The Senator is correct.

Mr. MALONE. I read these columnists. I do not know why I read their columns, because I get a little more angry each time I read them.

One of the writers downtown—I forget his name, but I can look it up and supply it for the record—said very emphatically and positively in his column that even the protectionists wanted the bill passed because if it were not passed they could not get an adjustment of their tariffs. I called this writer up and said, "I am a reader of your column. I know you want to be accurate, and I thought I would call your attention to this matter to explain it to you." He said he was very glad to hear from me. I wrote him a letter, but he has never corrected that column, to the best of my knowledge, and he has never mentioned the subject since. Of course, he was wrong diametrically from the facts in the case and I think he knew it, but I did not tell him that.

Mr. JENNER. In Russia they call that "brainwashing." Would the Senator say that the free press of this country is deliberately and maliciously "brainwashing" the American public on the question of reciprocal trade?

Mr. MALONE. There is no question about it. I do not know who controls the policy of the press. I do not know who controls the policy of most television and radio stations. When we open up a set and turn it on, all we hear is that this is the greatest act on earth, that this is building the standard of living of the workingmen and investors of this Nation, and that it would be a catastrophe not to extend the act.

Mr. JENNER. It is said that if the act is not extended a lot of people would be unemployed, up to 4½ million. Where do those figures come from?

GIFTS AND SUBSIDIES TO FOREIGN COUNTRIES ERRONEOUSLY CLASSIFIED AS TRADE

Mr. MALONE. As to the possible 4½ million unemployed, I put a table in the RECORD. We call it trade when we ship something overseas and pay a subsidy to cover the difference between its cost and what it is sold for. We call it foreign trade when we ship farm products

overseas under support prices and sell them at world prices.

I will give the Senator an example, which it may be well to have in the RECORD. We have a Sugar Act. Congress can take any product it wants and treat it any way it thinks is equitable to the producers and consumers. Therefore, on sugar we have a tariff, a quota system, and several things. What we do is to allocate to the beet and sugarcane producers in this country an amount which they believe is sufficient, or they are satisfied they can produce. Then come the possessions such as Puerto Rico and Hawaii, each of which gets a quota. The Philippine Republic is not independent, of course, as the Senator well knows. If we did not give the Philippines about the same advantage they would be broke in a week. Therefore, we allocate a certain amount of sugar production to them. Then there is a certain amount left over. We eat more sugar than we produce. We allocate that to various nations.

CUBAN RAKEOFF ON SUGAR, WHEAT DISCUSSED

During World War II and the Korean war, Cuba had been given about 88 or 90 percent of the allotment. I do not remember the exact percentage. I have been to Peru and all the nations in South America, as well as all other nations in the world. I wanted to see what they produced and how they lived.

In Peru and several other nations it is possible to produce more sugar than is now produced. One percent of the amount left over of the United States allocation would raise the standard of living in Peru somewhat, so I suggested to the State Department assistant who was testifying before our committee that perhaps we should take 1 or 2 percent from the 88 percent and give that allocation to Peru. The State Department was adamant. They had the votes in the committee, so I did not win very much, but I asked the assistant, "Why are you so adamant that you must keep Cuba on 88 or 90 percent of the amount of sugar we consume, beyond what we allocate to our own people?" He said, "They buy our wheat." I said, "That is very interesting. When they buy our wheat, do they pay our support price or do they pay the world price?" With some hesitation he said, "They pay the world price." I said, "That is very interesting, too. When we buy their sugar, what do we pay? Do we pay the support price or the world price at which price the rest is sold and on which the producers make plenty of money?" With quite a bit of hesitation, he said, "Well, we pay our support price."

I figured out right there, in the hearing, and it is in the record, that every bushel of wheat we sell Cuba costs the taxpayers $1.35. We call that foreign trade.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. JENNER. When we take into consideration all the giveaways and the fake loans and all these "gimmicks," how does our foreign trade today compare with what it was when the trade agreements law was first passed in 1934? Has it increased or decreased?

Mr. MALONE. It has decreased.

Mr. JENNER. The Senator should take into consideration, when he answers the question, that our dollar is now said to be worth 48 cents. That is debatable. We have a great many 30-cent dollars. Taking that fact into consideration, can the Senator tell the Senate whether, since 1934, under the reciprocal-trade program, the foreign trade of this country has increased or decreased?

RATIO OF UNITED STATES EXPORTS TO PRODUCTION SLUMPS SINCE 1934 TRADE AGREEMENTS ACT PASSED

Mr. MALONE. In 1925 it was 10 percent of our exportable goods. In 1927 it was 9.7 percent; in 1929, 7.3 percent; in 1933, 6.5 percent. Then we skip a few years. In 1937 it was 7.4 percent; in 1939, 7.5 percent; in 1940, 8.1 percent. That covers the period the Senator is talking about.

Mr. JENNER. That is correct.

Mr. MALONE. Starting back in 1950, it was 6.4 percent.

Mr. JENNER. And in 1925 it was 10 percent.

Mr. MALONE. Yes. In 1952 it was 6.2 percent; in 1953, 6.4 percent; in 1954, 6.2 percent; in 1956, 7.4 percent; in 1957, 8 percent.

Mr. JENNER. In other words, the answer to my question is that on the average, over the years, it is less today than it was before the Reciprocal Trade Act went into effect.

Mr. MALONE. Yes; it is.

Mr. JENNER. Has the Senator taken into consideration the fact that the value of that trade, in dollars, has been cut to the basis of a 48-cent dollar? Is that fact reflected in the Senator's figures?

Mr. MALONE. No; it is not.

Mr. JENNER. Then the true picture is that it is much less than it was when the Reciprocal Trade Act went into effect.

INVITATION TO SECRETARY DULLES TO COMMENT ON TRADE TABLE NOT ACCEPTED

Mr. MALONE. That is a good suggestion, and that is correct.

Let me show what is reflected by the table which I placed in the RECORD early in my address. From 1909 to 1957, we merely subtract from the total of what is called foreign trade the amount of money we have given other nations to buy the goods each year, the subsidies we pay, and the difference between the cost and the world price. When we do that, we arrive at the percentages shown in the table. I presented the table to Secretary Dulles and said, "If you have any comments to make, I should like to hear them. If you have no comment at this time, please write me a letter, but remember when you write it the argument will have only started." I have not heard from him.

Mr. JENNER. We hear discussion to the effect that we must continue the program to help our allies fill their dollar gap. Will the Senator tell the Senate, the occupants of the galleries, and the bright-eyed newspaper reporters who never print any of these facts so that the American people may know them, where the largest percentage of our export foreign trade goes?

FOREIGN NATIONS CREATE OWN DOLLAR GAPS SO CONGRESS WILL PLUG THEM WITH UNITED STATES GOLD

Mr. MALONE. The dollar gap has been used in a peculiar manner. There is only one way the distinguished Senator from Indiana or the Senator from Nevada can have a dollar gap, and that is by spending more money each week, month, or year, than he earns. I have experienced that situation many times.

There are two ways a nation can have a dollar gap. One is by spending more money than it makes each year, which is done regularly by dictators, kings, and so forth. The second is to manipulate its currency in terms of the dollar, and fix a value on it, in dollars, higher than the market price, so that no one but the Congress will buy it. That makes the dollar gap. Ever since 1946, the year before the Senator and I entered the Senate, we have made up the difference in appropriations.

THREE AND A QUARTER BILLION IN UNITED STATES GOLD USED TO PLUG BRITAIN'S POSTWAR DOLLAR GAP

The three and a quarter billion grant or loan to England was to be the last. The purpose of it was to make up their dollar gap. That was the amount they had overspent for the year. When we find out how much more a nation buys than it earns, that is the dollar gap. In 1948, 1949, and 1950, when I spoke on the floor of the Senate, I was still under the impression that someone might listen to the facts——

Mr. JENNER. Or print them.

Mr. MALONE. Or print them. But no one ever does that.

The point I am getting at is that the dollar gap is the greatest hoax ever sold to the American people. I have said that on the floor of the Senate ever since 1948.

Mr. JENNER. Perhaps the Senator does not have the figures, but of the total export part of the great American economy, does not Canada, our neighbor to the north, with only a few million people, take 25 percent of it?

UNITED STATES BEST CUSTOMER IS CANADA

Mr. MALONE. Yes; and I will say to the distinguished Senator that only a few minutes ago I stated that if we have any trade future in the Western Hemisphere, the Western Hemisphere probably represents easily 75 percent of our profitable trade. Our unprofitable trade goes to Europe and Asia.

Mr. JENNER. In other words, our best customer is Canada?

Mr. MALONE. Our best customer is Canada; and the next best is South America.

Mr. JENNER. How do the reciprocal trade agreements work there?

Mr. MALONE. We do not pay much attention to them.

Mr. JENNER. The President has recently visited Canada in an effort to patch up some of the difficulties. What can the President of the United States

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do when this administration has recommended, and Congress passed only a few weeks ago, a bill to permit the Commodity Credit Corporation to have $3½ billion to take our surplus grains and other commodities, mostly wheat and cotton—and in the case of Canada it is wheat—and give them away to the Communist nations, to Poland, Yugoslavia, neutralist India, and other countries throughout the globe?

Does the Senator believe that when we give those commodities to the countries I have mentioned, at the cost of the American taxpayers, they will turn around and buy wheat from Canada? That is the only exportable item Canada has. That is the life blood of her economy, and this Government is destroying our neighbor and best customer by such a silly policy. I wonder what the President did about that situation in Canada.

Mr. MALONE. I hope he became better acquainted with the facts, and understands the situation better.

Mr. JENNER. We may have to send some money to Canada.

Mr. MALONE. That would be logical. We must send it somewhere. The Canadians are more nearly like us than any other people. If we are to send it anywhere, that is a good place to send it.

SALES OF UNITED STATES GRAIN AT WORLD PRICE TURNING FOREIGN FRIENDS INTO ENEMIES

I have supported the polices of Mr. Benson, the Secretary of Agriculture. I like the man personally. I like his policies, so far as they go. He is the only one in the administration who shows any signs of "getting down out of the tree." I told him I would support his Soil Bank proposal. It could not work, but I told him I would make a deal with him. I would support it on the basis that he would not try to sell it to me. At least, he was trying to "get down out of the tree." The plan could not work.

Secretary Benson invited a few Senators to breakfast one morning. He said, "The trouble is that when I sell this grain at the world price I make enemies of the nations which have been friendly with America." That is what the distinguished Senator from Indiana was talking about.

THINKING OF AMERICAN PEOPLE IN ADVANCE OF THAT OF CONGRESS

I came here in 1947, along with the distinguished Senator from Indiana. I still thought facts and argument might have some effect on national policy. I believe they will before long, because I think today the people of the United States are 10 years ahead of the Congress, and when they fully realize what the Congress has done to them in 24 years they will move on this body without even waiting for an election.

Mr. JENNER. I believe the Senator has made a correct statement. If the American people had some channel of communication or some means of news by which they could find out the truth, they would pick up their shotguns and start toward Washington tomorrow.

CANADIANS PRAISED FOR STANDING UP FOR CANADA

Mr. MALONE. I should not be a bit surprised.

Let me tell the Senator what Canada is doing. The Canadians are smarter than we are. In the 12 years during which the Senator and I have been Members of this body, the Canadians have boosted the value of their dollar above that of the American dollar. We talk about underdeveloped nations, and people to whom we are going to give our money. The Canadians are smarter than we are. They are for Canada.

In this country there is a penalty imposed on anyone who is in favor of the United States of America.

Mr. JENNER. Oh, yes.

U. S. NEED IS LEADERS WHO ARE FOR HELPING UNITED STATES

Mr. MALONE. Khrushchev's one serious fault, apparently, is that he is for Russia. Churchill has always been for England. We need to develop a few people who will be for helping the United States, and for the United States.

In 1947 or 1948 I was invited to give a talk at a National Mining Organization Convention in Toronto. It was before we had adopted the Marshall plan but at a time when we were discussing it. Therefore, it must have been in 1948, if I remember. I knew that in Toronto I was among my own kind of people. I still believe that Canadians are as near to our kind of people as it is possible for a people to be. There is a little extra French blood there, but the Senator from Indiana and I, who served in World War I, know that that has never hurt anyone. The Canadians are good people. I thought I would have a little fun with them. I soon found out, however, that their sense of humor was not quite like ours. I said to the 1,500 people or so assembled at that convention, "You have a little more sense than we have in the United States, because you give your prospectors and miners $7.50 for every ounce of gold, as a bonus, and then sell it to us in the United States for $35 an ounce." That did not get a laugh.

I tried again. I said, "We are now considering the Marshall plan. England wants to buy wheat, but you are much smarter than we are, because you will not sell England your wheat until the Marshall plan has been put into effect and we give England the money, so that England will be able to buy your wheat."

Well, Mr. President, that did not get a laugh either. I saw the icicles on the chandeliers getting longer, and I thought I had better start again.

CANADIAN POLICY PAYING OFF FOR CANADA

At any rate, the Canadian policy is paying off. I do not know what the value of the American dollar is today, the exchange on it changes from day to day, but now the Canadian dollar is worth 5 cents more than our dollar. That means Canada has an advantage of 5 percent. That has happened since World War II. In other words, we are destroying our currency under the policy we are following, and the Canadians are building theirs up.

ALL TRADE AGREEMENTS CONTAIN PROVISIONS BY WHICH FOREIGN COUNTRIES CAN EVADE COMPLIANCE

I have referred to this in general terms many times, and I should now like to state it specifically. No country in the world ever keeps its trade agreements with us, because each trade agreement a country enters into with us contains a provision that so long as it can show it is short on dollar payments, it need not keep the contract or agreement with us.

The foreign nations impose tariffs and import permits and exchange permits, and all nations except 2 or 3 manipulate the value of their money in terms of the dollar. They raise its value to more than it is worth on the exchanges. They manipulate it for trade advantages. It is impossible, therefore, to ship to another country any commodity which it manufactures commercially. For example, it takes 55 percent of the value of an American automobile to get it into England. Yet England is always on our necks for more free trade.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. MALONE. I am happy to yield.

Mr. JENNER. I think it is a disgrace that a man who knows the subject as well as the Senator from Nevada knows it, and who has spent his time studying it, must stand on the floor and speak to a practically empty Senate, and to an almost empty Press Gallery. It is a national disgrace that men who walk up to the bar in the Senate, hold up their hand and take an oath to support the Constitution of the United States will spend days trying to wiggle, like a worm, to find excuses for violating that solemn oath.

The Senator from Nevada knows that when he took the oath to become a Senator of the United States, he said he would support the Constitution of the United States. And he knows that article I, section 8, of the Constitution provides that it is the responsibility of every Senator, as a Member of Congress, to regulate the trade and tariffs and imposts and duties of this country.

Mr. MALONE. If I may interrupt at that point——

Mr. JENNER. I ask the Senator to let me proceed for another moment, so that I may finish my thought on this point.

Congress created the Tariff Commission, because Congress could not take care of the details of tariff legislation. Now Senators try to justify breaking their oath of office. They have gone even further by giving away their responsibility to the President, or the Chief Executive. He, in turn, has gone one step further. He has turned it over to GATT, to which 37 nations belong, and in which we have only 1 vote. It is a national disgrace that men will stand up in the Senate and try to justify the means by which they have violated their solemn trust and oath.

Mr. MALONE. I should like to call the Senator's attention to the fact that

there are 12 Senators on the floor at the present time. That is twice as many as I have seen on the floor since the debate began.

Mr. JENNER. They are apparently becoming tired.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. MALONE. I am happy to yield to the Senator from Arizona.

Mr. GOLDWATER. I should like to comment on the remarks of the distinguished Senator from Indiana with relation to the absenteeism on the floor at the present time. I remind the Senator that yesterday when the Senate was asked to vote on the measure, to make the act a permanent one, 84 Senators said "No" and only 4 Senators said "Yes."

Perhaps they are making up their minds that we have been wrong for 24 years. I am eager to see how the Senators will vote when they have an opportunity to express themselves to their constituents on the value of this act to the United States and to the world.

Mr. JENNER. Their constituents do not know anything about it. We have no way of communicating with them. They do not know what is going on.

Mr. GOLDWATER. They are finding out somehow what is going on in Washington, because I am getting a great deal of mail on the subject.

Mr. JENNER. I do not know how that can be. I read the newspapers. This morning, for example, I did not read a word about this debate in any of the newspapers. I do not know where the people are getting their information.

Mr. GOLDWATER. Now that the Goldfine hearings are over, and the Federal Government is assuming the position of an international "Goldfine," maybe we can get the information to the people.

Mr. JENNER. I do not know why the Senator assumes that at all, when it has not been so in years.

Mr. GOLDWATER. The junior Senator from Arizona is blessed in the fact that he lives in the Far West, where the news filters through the rarified air of Washington. So far as Washington is concerned, one must wait for his hometown newspapers to find out what is going on in Washington.

Mr. JENNER. That is where I am blessed, too, because I believe my State has the greatest press in all the world.

Mr. GOLDWATER. Mr. President, will the Senator yield further?

Mr. MALONE. First, I should like to say that our people in Nevada know about these things.

Mr. JENNER. The Senator must have told them.

NEVADANS ALERT TO MENACE OF 1934 TRADE ACT

Mr. MALONE. Yes; I have been telling them about it. They thought at first that I was mistaken, because of what all the newspapers and all the leaders of our party were saying. I have made them listen after nearly 12 years of debate in the Senate, and after debating with my own people in Nevada. They used to say: "Look at the employment. Look at the employment we have and the prosperity we have. We are paying dividends to everyone."

Of course, the national debt was rising at least once a year, and sometimes twice a year. We have raised it by $4 billion or $5 billion since then. The money has been spread out among us, to make it possible for the people to buy. It is like the story of the little grocery store owner down the street who went to his banker for a loan, so that he could spread out. Of course, the banker pressed a little button and called the police. He knew the man was crazy, but he did not know how crazy he was, or whether he was dangerous. That is how it has been happening.

EFFECTS OF TRADE ACT ILLUSTRATED BY LAYOFFS OF TITANIUM WORKERS AND MINE SHUTDOWNS

Titanium has been shipped into this country by Japan. As a result, 500 workers have been laid off in my State. They had their own little homes, with carpets on the floor. Now they cannot even sell their houses.

Mr. JENNER. Oriental rugs?

Mr. MALONE. No, they had to pay for their carpets. In Lincoln County all the mines are shut down. The people there had been paying off the loans on their houses under the wonderful plan Congress had provided for them. Now they have no jobs. Now they cannot even sell their houses. In Humboldt County the same thing is true. Do Senators know what those people are saying now? They are saying, "That dumb Irishman must know what he is talking about."

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. GOLDWATER. What the Senator has been saying about the State of Nevada is true to a lesser extent in the State of Arizona. It has been happening to a lesser extent in my State, and to a greater extent in other parts of the United States. That brings up an interesting question. We have had this so-called Reciprocal Trade Act for over 24 years. It has not increased foreign trade at all in that period of time, according to the testimony I have heard this morning from the distinguished Senator from Nevada.

Mr. MALONE. It has not increased profitable trade, which is the only trade in which we ought to be interested.

Mr. GOLDWATER. It is the only kind of trade in which anybody is interested.

Mr. MALONE. The taxpayers are making up the difference between the profitable and the giveaway unprofitable trade.

Mr. GOLDWATER. Am I not right in saying that we have three alternatives in this endeavor to protect American industry: We can resort to the constitutional process of adjusting tariffs and quotas; we can create subsidies, as we have been doing; or we can simply let the producers go broke. Am I right in that assumption?

FOREIGN-AID FREE-TRADE SQUEEZE ON TAXPAYERS TRYING THEIR ENDURANCE

Mr. MALONE. That is correct. I think we have just about taken the last squeeze out of the taxpayers. They are getting very tired of such procedure. Small business is going broke right and left.

Mr. GOLDWATER. I am glad the Senator has mentioned that, because I intended to come to that point. I think this is a very serious part of the whole discussion, one at which the American people in particular should look, and about which Members of Congress should be increasingly concerned. If we are to ignore our constitutional responsibility and stop protecting American industry by means of tariffs and quotas, but still do not want to see American industry go broke, then we are left with the only other alternative, which is in the form of subsidies.

I recall to the Senator's mind the fact that only a few days ago the Senate passed a subsidy bill—I do not like to call it that, but that is the only word which seems to fit—which requires the payment of $350 million for the support of the minerals industry during the next 5 years. Still, we touched on only 3 or 4 or 5 minerals in that bill.

Does the Senator think there is enough money in the United States to subsidize every industry which has a perfectly legitimate and normal right to ask to come under a subsidy programs?

WAR REMEDY FOR EASING UNEMPLOYMENT DEPLORED

Mr. MALONE. We have started something which will stop of itself, because it will simply play out. We have been deliberately putting our workers on the street, taking their legitimate jobs away from them, and putting them in national defense jobs or in the Army.

If we can work up another nice war—it would be the fourth in the past 39 years—then we might be able to send enough of the boys to war, to ease the unemployment situation. That was what happened in World War II; 8,500,000 persons were walking the streets until World War II was started for the purpose of easing unemployment.

Mr. GOLDWATER. We have heard much about what the opposition party did to get this country out of the depression. I am glad the Senator from Nevada has mentioned that.

Mr. MALONE. A war was started to get the country out of a depression.

Mr. GOLDWATER. Why was it necessary to get into a war to get out of a depression. Why was that? Because in 1932 we started—I hate to use the word "monkey" because it is not a proper word for this body, but I will use it anyway because people understand it—we started to monkey around with the law of supply and demand. We started to tamper with the constitutional process. We started to tell the American people, "We do not care what you are thinking. We here on the banks of the Potomac know better. Let us do it."

So the Government started programs which were designed to get industry out of trouble. Tax money was pumped into the pockets of the people. We heard talk about "spend and spend, and elect and elect."

But by 1939, after 7 years of such efforts, only 1 economic index had come back to the level of the economy of 1932.

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In spite of that, Government officials still believe that we can play with the natural laws. The natural laws include the law of supply and demand. I suggest also that the natural laws govern this country, because this country was founded upon the concept that we were free because we were the free children of God. Having tampered with those laws, what are we faced with today?

The Senate had before it one bill which, I think, asked originally for $2 billion. As I recall, the amount was reduced to something more than $1 billion, after debate, to help areas of depression—depressed areas. What was proposed was not only to take business away from the prosperous sections of the country and to locate it in the depressed areas, but, in addition, to take tax money from the people in prosperous areas and pour it into the depressed areas.

How much money does the Senator believe would be required—if he can get his mind into that lofty region—to take care of the depressed areas of the United States?

Mr. MALONE. We are just about ready for that. There is not enough money in the world. Besides, no one would furnish it if he had it.

I may say something to the Senator from Arizona of which I know he is already cognizant. There are so many angles to this question, and it hits a person in various ways. It comes in through the doors. If you shut the doors, it comes in through the windows. If you shut the windows, it comes up through the cellar door.

Mr. GOLDWATER. And we get it on the television and radio, too.

MOVE TO MAKE FREE TRADE PERPETUAL RECEIVES ONLY FOUR VOTES

Mr. MALONE. We get it on the television, on the radio, and in the newspapers. If we do not absorb it and believe it, I do not know how we evade it.

Consider, for example, the distinguished junior Senator from Pennsylvania [Mr. CLARK]. He is no doubt effervescent and overflowing with good will. He was born under this system; that is to say, he grew up under it. He has come to the Senate believing in it. He is a fine-looking young man, a man who has a great future. He believes in this philosophy. But he has not been here long enough to understand the meshes and the undercurrents.

He offered an amendment yesterday which would have simply done away with a limitation on this program. His proposal was to make it permanent. But he found, to his great chagrin and mortification, that he could get only three votes besides his own.

LAW OF SUPPLY AND DEMAND REPEALED IN 1933–34

So we know that although nobody wants such a program, no one has quite got the guts to face up to the issue today. We will vote over and over again to extend it. Why? Because the White House has the greatest lobby anybody ever saw on earth. It includes the Eric Johnstons, the Paul Hoffmans, and all the hangers-on whose jobs have been created under this system.

I realize that the distinguished Senator from Arizona has not served in the Senate so long as BILL JENNER and GEORGE MALONE. Perhaps he does not remember that the law of supply and demand was repealed in 1933 or 1934.

Mr. GOLDWATER. I am aware of that, because during that period, when I was not in the Air Force, I was trying to make a living at my own business. The most serious condition we had during that time was not from our competitors across the alley or across the street, but from our competitors in Washington, who were keeping back more and more of our earnings, to the total detriment of the entire economic system.

In my opinion, the greatest inflationary force which is at work in the country today is the continuing high income taxes. They will continue to go higher and higher, because there is a deficit of approximately $3 billion this year, and we are looking blithely at a $10 billion deficit next year.

I remind the Senate of this fact: In all the Communists have said since communism began, we have not heard any talk about destroying the Western World or America by military might. The Communists have talked about destroying America by ruining our economy.

If there is a faster way to do that then by the constant taxing of our incomes, such as we have seen going on in this country for the past 25 years, I do not know of any other way to do it. I think there is a greater danger to us in that field than in any of the efforts to communize the world.

Mr. MALONE. I think it is evident that we cannot compete with anyone in the world, because no other nation has as high a living standard as we have. Therefore, if we sell anything to a foreign nation, it must be at such a price that the difference between our cost and the world cost has to be made up by the taxpayers.

CONGRESS SINCE 1934 HAS FAILED AMERICAN WORKINGMEN AND INVESTORS

East of the Potomac there seems to be some kind of sound barrier through which no public sentiment penetrates. There is no penetration going on now, apparently, in view of the way we are spending the taxpayers' money at this session of Congress.

For 145 years, until 1934, under the Constitution of the United States, the Congress itself regulated duties or tariffs, or they were regulated through the Tariff Commission, an agent of Congress.

But now Congress has turned over to the Executive the authority to regulate tariffs. It is Congress which should be responsible for the fixing of tariffs, so as to make certain that the American workingman and investor receives the difference between the reasonable cost of production of American products and the cost of doing business in the chief competing nation on a like product.

NINETEEN HUNDRED AND THIRTY-FOUR TRADE ACT KEEPS WAGES IN FOREIGN COUNTRIES AT LOWEST LEVELS

The greatest free trade law in the world is the one which provides that when the standard of living in one country is approximately the same as that in another, automatically and immediately there will be free trade between them. In that event, profits are not made by taking advantage of low-paid labor, and in that event there is no incentive to keep wages low.

Of course, the basis of a great deal of the unrest with which the Vice President met in South America is the low wage level of the common workingmen there, who receive wages far less than those received by workingmen in the United States.

Mr. GOLDWATER. Mr. President, at this point will the Senator from Nevada yield to me?

The PRESIDING OFFICER (Mr. PAYNE in the chair). Does the Senator from Nevada yield to the Senator from Arizona?

Mr. MALONE. I yield.

Mr. GOLDWATER. Previously, we discussed whether the so-called Reciprocal Trade Agreements Act has accomplished anything for our country in the past 24 years or more. I wonder whether the distinguished Senator from Nevada, who has a broad knowledge of mining and mining engineering, and has traveled throughout South America, can tell me whether any increases in the wages paid the copper miners in South America have been comparable to the wage increases received by the copper miners of the United States?

I remind the Senator from Nevada that in his State, I believe, as in mine, the prevailing wage for such work is $2.40 an hour, as compared to $16 a month in Rhodesia and from $2 to $3 a day in South America. Have the copper miners in those countries received wage increases comparable to those received by the miners in our country?

FLEXIBLE TARIFF NECESSARY TO INCREASE COPPER PRODUCTION

Mr. MALONE. No.

Of course, the only way to increase the domestic production of copper would be to impose a tariff on copper imports, so that—just as in the case of all other imports—the tariff would represent the difference between the cost of production in foreign countries and the cost of production in the United States. In that event, inasmuch as all other countries are competing for the American market, when there was overproduction in this country, the least efficient producers would go out of business; and when there was insufficient production in the United States, there would be increased imports. That is the best system ever devised.

But the name "Reciprocal Trade Agreements Act" was devised by a previous administration, and the use of that name has been continued by this one, in an effort to "sell" to a gullible public the program under that act.

Mr. GOLDWATER. The Senator from Nevada has pointed out that in the competing countries, wages and the standard of living have not risen to the extent wages and the standard of living in the United States have risen; and the Senator from Nevada realizes, as do I, that the great bulk of the profits which have been made as a result of such imports to the United States, as

made possible by the so-called Reciprocal Trade Agreements Act program, has gone into the pockets of those who operate the importing companies, and to some extent has gone into the pockets of the governments of those countries, instead of being received by the workingmen there.

FREE-TRADE PROFITS GO TO FOREIGN DICTATORS, NOT TO WORKERS

Mr. MALONE. In fact, the profits have gone, not so much to the governments of those countries, as to the dictators there. After all, when our money goes into those countries, it is divided in three ways. Some of it is used to pay the workingmen; but, even today, they are paid wages which are pitifully low. A very large part of the money goes to the companies which are engaged in those businesses.

As a matter of fact, some of the finest American companies are doing business in other countries, almost all over the world. We cannot blame them for that, if Congress has no more gumption than to make such operations profitable.

Under this program, the wages received by the workingmen of those countries are held at very low levels, and the importing companies charge for their products what the traffic in the United States will bear. Then the great bulk of the profits is divided between the dictators of those countries and the companies which are engaged in that business.

DICTATORS PROFITS FROM FREE TRADE HIDDEN IN SWITZERLAND WHERE DEPOSITS NOT DISCLOSED

Of course the dictators never go hungry. Most of their money is deposited in banks in Switzerland, where bank deposits can be maintained under numbers, without disclosing the names of the persons concerned.

When the dictators retire—either voluntarily or involuntarily—if they are able to reach the borders of their countries, they are "fixed" for the rest of their lives, and continue to maintain their yachts and automobiles and palaces. But the United States has provided the money to begin with, and the profits have been taken out of the hides of the workingmen of those countries. I think that situation is now clear to all of us.

TARIFFS WILL EQUALIZE DOMESTIC AND FOREIGN COSTS IF TRADE ACT IS NOT RENEWED

Mr. President, on June 30 the 1934 Trade Agreements Act, as extended, expired. If Congress does not now take action to continue it, once notice is served on the Secretary General of the United Nations that the United States wishes to withdraw from the multilateral trade agreements, 60 days thereafter this authority will revert to our Tariff Commission, which then will proceed to fix the tariffs on the basis of fair and reasonable competition; and the tariffs so fixed will be sufficient to result in an equalization of the cost of production in the United States with the cost of production in the chief competing countries.

Similarly, in the case of the bilateral agreements, 180 days after such notification is given, the authority in those fields will revert to our Tariff Commission, and then the United States firms will be able to resume business operations. No Government officials in Washington will have anything whatever to do with these matters.

RETURN TO FAIR AND REASONABLE TARIFF SYSTEM WILL PUT END TO INFLUENCE PEDDLING

To require those who operate small companies in Arizona or Nevada to come to Washington, D. C., and humbly submit petitions in an effort to remain in business for another 60 or 90 days to various Government officials results in the greatest hoax in all the world.

We have seen what that system results in—the exercise of influence on officials who have the power of life or death over such companies.

Mr. GOLDWATER. Mr. President, the result of such influence is changing a little. It used to mean deep freezers, but today it means vicuna. So there is a somewhat higher level in that respect.

Mr. MALONE. But no sentiment in favor of the continued operation of American industries is ever allowed to influence the Government officials' decisions which affect industrial operations west of the Potomac and Hudson Rivers.

DEBT MOUNTS AS NATION'S MARKETS, WEALTH DIVIDED WITH THE WORLD

Mr. President, we have been told, and great organizations of our citizens have been told and taught for 24 years by the State Department—which admits that in nine-tenths of the cases when trouble develops, it does not know what is going on in the world—that once the markets of the United States are divided with the other nations of the world, and once the wealth of the taxpayers of the United States is divided with the other nations of the world, there will be peace; that is what we are told will be found at the end of the rainbow. Yet there is no peace.

For 2,000 years the world wars have been trade wars and every nation which ever attempted to embrace free trade has been involved in these wars to its great injury or destruction.

WARS AND DEBT MARK HISTORY OF FREE TRADE

Mr. President, the most costly war in blood and treasure this country has experienced came within 7 years after Congress enacted the 1934 Trade Agreements Act which Congress was told would assure the peace. Before this war our debt was negligible.

Now I want to show what our total debt on which the taxpayers of this Nation are paying interest, is today in the United States. The total Federal debt is $301,700,000,000, of which $274,900,000,000 is Federal Government debt and $26,800,000,000 is Federal agency debt.

TRADE AGREEMENTS ACT LONG STEP TOWARD WORLD GOVERNMENT

The 1934 Trade Agreements Act, designed to divide the American markets among the nations of the world, is only one approach to a world government, with total dependence of the United States upon our potential enemies for the materials without which we cannot exist either in time of war or in time of peace. During peace, if we are dependent on foreign nations for certain materials, then we have to sign whatever they put before us in the way of treaties, or even a world government, eventually.

Mr. President, contrary to what some persons believe, the 1934 Trade Agreements Act has accomplished its objectives, because it was designed for a different purpose than what Congress was told it was designed for. It was sold to this country as helping the United States of America; whereas its real purpose was and is to divide the wealth of this Nation among the nations of the world; and that it has done perfectly.

At the end of 24 years of the Trade Agreements Act we find ourselves on a war economy and we have been on a war economy now for 18 of those years. Right now we could not exist 60 days without the continuation of expenditures of national defense money.

TRADE ACT PART OF ECONOMIC AND POLITICAL PINCERS TO DESTROY NATION

So, then, let us see what this great 1934 Trade Agreements Act—laughingly called reciprocal trade—is made of. I will tell you, Mr. President, what it was a part of. It is a political and economic pincers to destroy this country, and we are nearer the edge right now than any of my colleagues seem to believe.

What were these economic and political pincers? First, in 1933, this Nation went off the gold standard, and our money was tied to nothing on earth. We started to print money, and we priced ourselves out of the markets of the world through inflation almost immediately. Then the 1934 Trade Agreements Act was enacted to divide, deliberately, the American market among the nations of the world.

GIFT LOANS, GATT DRAINING LIFEBLOOD FROM NATION'S ECONOMY

In 1946, $3¾ billion were loaned to England. My colleagues know what a loan to England means. History should show what it amounts to. It amounts to a gift.

This was followed by the Marshall plan in 1948, which has become a permanent lien on the American taxpayers, by other names.

The 1947 General Agreement on Tariffs and Trade was a sitting down with a set of rules to let every nation out but us. No other nation keeps or attempts to keep the agreements it signs as to the tariffs it agrees to reduce, because the rules themselves permit the other nations to get out from under so long as they are short of dollar-balance payments, and they will always be short, until all the wealth of the world is divided equally.

Mr. President, as the result of the General Agreement on Tariffs and Trade, 36 nations sit in Geneva completing the job on us of the division of our markets.

In 1948 the Marshall plan extension divided the taxpayers' money.

UNITED STATES DESERTED TROOPS ABROAD THROUGH STATUS-OF-FORCES TREATY

There was a status-of-forces agreement, a part of the NATO Pact. Absolutely, Mr. President, we deserted our boys in the armed services. We desert them now the minute they leave our shores.

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If our boys violate the law of another nation, they can be tried there. Those boys can be tried under the law of the foreign nation. In the Middle East, in some places, if a person steals a loaf of bread, the penalty is to cut his hand off; it does not make any difference what the reason is. We desert the boys the minute they leave our shores to go to a foreign war.

One of the boys violated a law in Iran. He is subject to the law of Iran now.

INTERDEPENDENCE SCHEME WOULD SACRIFICE NATION'S SOVEREIGNTY AND FREEDOM

All of these things add up to interdependence with all Europe. The Senate will remember that when the Prime Minister of England came here a few weeks ago, he talked about interdependence. Interdependence with whom? Is it interdependence with the small, broke nations of Europe? We do not need to be interdepedent with anybody. What we need is to be independent. Then we would have a chance to defend nations such as the nations of old Europe if we saw fit to do so or if we thought our security would be threatened if they were threatened.

NATION'S DEBT NOW AT RECORD TOTAL OF $852,700,000,000

Mr. President, I want to put into the RECORD figures on the debt of this country. I desire to complete this presentation.

The total Federal debt is $301,700,000,000. Of that, $274,900,000,000 is the debt of the Federal Government and $26,800,000,000 is the debt of Federal agencies.

The total State debt is $52,500,000,000, of which $14,100,000,000 is the debt of State governments and $38,400,000,000 is the debt of local governments.

The total private debt is $498,500,000,000, of which $276,600,000,000 is corporation debt and $221,600,000,000 is debt of individuals and unincorporated enterprises.

The total debt of this Nation, upon which the taxpayers are paying interest, is $852,700,000,000.

No nation can carry a debt like that. What are we doing? We are scattering our wealth all over the world, together with our markets, so that we are breaking small business and simply destroying the taxpayers of America.

FEDERAL PUBLIC DEBT FROM 1860 TO 1958 SHOWN

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement as to the Federal public debt from the year 1860 to the year 1958, as of January 31.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Federal public debt

Year	Amount	Per capita
1860	990, 582, 417. 00	$2. 80
1865	2, 077, 929, 012. 00	75. 01
1893	961, 431, 766. 00	14. 36
1913	1, 193, 047, 745. 00	11. 99
1933	22, 538, 672, 560. 00	179. 48
1941	48, 961, 443, 536. 00	367. 09
1945	258, 582, 187, 410. 00	1, 848. 60
1947	258, 286, 383, 109. 00	1, 792. 05
1952	259, 105, 178, 785. 00	1, 650. 06
1956	272, 750, 813, 649. 00	1, 622. 64
1958, Jan. 31	274, 554, 825, 744. 39	1, 587. 28

ALL EUROPEAN WARS FOR MONOPOLY OF COMMERCE

Mr. MALONE. I read the following:

All the wars in Europe from the peace of Utrecht in 1713 until the outbreak of the continental war, were waged on behalf of monopolies of commerce, or, to be more accurate, monopolies of market, for success meant the exclusion of the beaten nation from the markets now secured by the victorious rival.

That is a quotation from An Economic Interpretation of History, by Thorold Rogers.

One of the great world-trade wars of history preceded and was a contributing factor to the American Revolution.

This was the Seven Years' War from 1755 to 1763, fought in what now is Germany, in both Americas, in India, and on the seven seas.

Great Britain declared it, alleging encroachments by the French in North America, the Caribbean, and in India. France, Spain, and Portugal participated, also the American colonies of the first three nations. We call it the French and Indian War. This war followed another world war from 1740–80 in which Austria, Prussia, France, Bavaria, England, and Holland and Bourbon possessions in Italy participated, and ultimately Russia, was fought by all parties on land, and by the French and English also at sea. England also carried on a separate trade war with Spain from 1739 to 1748 and tried to capture South America but failed. In the Seven Years' War, Britain won Canada, most of India, Florida—briefly—some Caribbean islands, and part of Africa. The American Colonies contributed money and troops in this conflict.

BRITAIN TRIED TO ASSESS COLONIES IN AMERICA TO PAY FOR WORLD TRADE WAR

When the war was over Britain owed heavy war debt, raised duties, tripling them in many cases, imposed a special stamp tax on the American Colonies, and sent naval forces to our coasts to collect duties and prevent smuggling from other and foreign colonies in the Americas. New revenue officers were appointed by the Crown who seized, indiscriminately, all ships engaged in trade between the British and Spanish colonies, and all other foreign ships engaged in trading with the American Colonies.

A new law in 1765 raised duties on commerce between the American colonies and other European colonies so far above their strength to bear, as to render it contraband to all intents and purposes. In addition the King ordered that all revenues from these duties be paid, not to the colonies, but to the British Exchequer, meanwhile prohibiting the colonial bills of credit from being made legal tender by the colonies. Thus, the colonies were drained of the little ready money which might be still remaining in the colonies.

TRADE WARS AFFECTING AMERICAN COLONIES BEFORE REVOLUTION LISTED

According to Thorold Rogers in his "An Economic Interpretation of History," the following were all trade wars. I ask unanimous consent to have the statement printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

European wars involving colonies 1689 to 1763

	European name	Colonial name
1689–97	War of the League of Augsburg.	King William's War.
1702–13	War of the Spanish Succession.	Queen Anne's War.
1739–43	War of Jenkin's Ear..	War Between England and Spain.
1743–48	King George's War....	War of Austrian Succession.
1755–63	7 Years' War.....	French-Indian War.

In 1776 we declared our independence of old Europe's trade wars.

WARS, INSURRECTIONS, AND REBELLIONS INVOLVING EUROPEAN POWERS 1792 TO 1914

I have before me a list of old world wars, insurrections, armed invasions and conflicts from 1792 to World War I, 1914, and rebellions against old world powers. There were 133 such trade conflicts between the nations of Europe and people in other parts of the world. I ask unanimous consent to have the list of wars printed in the RECORD at this point.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

OLD WORLD WARS, INSURRECTIONS, ARMED INVASIONS, AND CONFLICTS FROM 1792 TO WORLD WAR I, AND REBELLIONS AGAINST OLD WORLD POWERS

1. 1792–97: War of first coalition against France. Austria, Prussia, Great Britain, Holland, Spain, Sardinia, Holy Roman Empire against France.
2. 1797: War of France against Republic of Venice.
3. 1798–99: French invasion of Egypt, Syria, accompanied by Turkish declaration of war on France.
4. 1798–1802: War of second coalition against France. Britain, Russia, Austria, Naples, Portugal, Turkey against France.
5. 1801: British attack on Denmark.
6. 1805: War of the third coalition against France. England, Austria, Russia, Sweden against France. Spain allied with France. Prussia at first neutral and friendly to France.
7. 1806–7: War of France against Prussia and Russia.
8. 1806–9: War of England against Turkey.
9. 1806–12: War of Russia against Turkey.
10. 1810: War between Sweden and Denmark.
11. 1808: War of Russia against Sweden, following revolution in the latter.
12. 1810: War declared by Sweden against England.
13. 1812: French invasion of Russia.
14. 1815: Swedish war against Norway.
15. 1815: War of the One Hundred Days against Napoleon. Austria, England, Prussia, Russia against France.
16. 1810–20: Revolt of Spanish colonies in America from Spain.
17. 1821: Insurrection of Piedmont against Austria.
18. 1821–27: Revolt of Greece against Turkey. War of independence.
19. 1822: Revolution in Spain against Ferdinand VII.
20. 1824–26: First Burmese war against Britain.
21. 1825: Revolt of Javanese against Dutch.
22. 1826–28: War of Russia against Persia.
23. 1827: Naval war of England, Russia, and France against Turkey.
24. 1828: Russian-Turkey war.
25. 1824–27: First Ashanti war on African Gold Coast against Britain.

26. 1830: Revolution in France against Charles X.
27. 1830: Revolution in Belgium against union with Holland.
28. 1830–31: First Polish revolt against Russia.
29. 1830: French invasion of Algiers.
30. 1831: Insurrection in Italian Papal States.
31. 1828–34: Civil war in Portugal.
32. 1832–33: First Turkish-Egyptian war.
33. 1834–39: Civil war in Spain.
34. 1835–37: Second French-Algerian war.
35. 1935–40: Boer-Zulu war.
36. 1839–40: Second Turkish-Egyptian war with Russia, Austria, France, England and Prussia intervening.
37. 1839–42: First opium war of England against China.
38. 1839–42: First British-Afghan war.
39. 1840–41: Third French-Algerian war.
40. 1842: British-Boer conflict in Natal, Africa.
41. 1844: French invasion of Morocco.
42. 1846–47: First British war on Kaffirs.
43. 1848: Revolution in France and proclamation of republic.
44. 1848: Insurrection in Venice against Austrian domination.
45. 1848–49: War between Austria and Piedmont.
46. 1848: Revolution in Vienna.
47. 1848: Revolution in Hungary.
48. 1848: Revolution in Bohemia.
49. 1848: Insurrection in Lombardy against Austrian rule.
50. 1848: Revolution in Berlin.
51. 1849: War between Austria and Hungary.
52. 1849: War between Prussia and Denmark.
53. 1850–53: Second Kaffir war against Britain.
54. 1852–53: Second Burmese war against Britain.
55. 1854–56: Crimean war. England, France, Austria, Prussia, and Piedmont allied with Turkey against Russia.
56. 1857–58: Second Opium war. England and France against China.
57. 1858: French-Spanish invasion of Indochina.
58. 1857–58: Great Sepoy rebellion in India against British.
59. 1959: War of France and Piedmont against Austria.
60. 1860: War between Piedmont and Kingdom of Naples.
61. 1863. Second revolution of Poland against Russia.
62. 1864: War of Prussia and Austria against Denmark.
63. 1866: Seven Weeks War. Prussia and Italy against Austria.
64. 1863–67: French invasion of Mexico.
65. 1860–61: Insurrection in Syria against Turks. French intervention.
66. 1870–71: Franco-Prussian War.
67. 1865–66: War of Boers against Basutos.
68. 1866–68: Cretan insurrection against Greece.
69. 1867–68: War of Orange Free State against Basutos.
70. 1867: Insurrection in Indochina against French.
71. 1868: British assault on Ethiopia.
72. 1873–74: Second British war against Ashanti.
73. 1875: Bulgaria, Bosnia, Herzegovina revolt against Turkey.
74. 1875: Insurrection in Malaya against British.
75. 1875–78: Egyptian-Ethiopian war.
76. 1875: Serbo-Montegran war against Turkey.
77. 1877–78: Russian-Turkish war.
78. 1879: First British-Afghan war.
79. 1879: First Zulu war against British.
80. 1880–1881: Revolt of Transvaal Boers against British.
81. 1878: Insurrection in Crete against Turkey.
82. 1881: French invasion of Tunis.
83. 1882: British invasion of Egypt.
84. 1882: Insurrection in Indochina against France.
85. 1883–1885: First French war on Madagascar.
86. 1885: Third British war against Burmese.
87. 1885–86: British war on Nyasaland.
88. 1885–86: French war on Mandingos.
89. 1885: Serbo-Bulgarian war.
90. 1887–89: First Italian war on Ethiopians.
91. 1888–89: Insurrection in East Africa against Germans.
92. 1890: French war on Damoney.
93. 1891–93: Wahehe war against Germany in East Africa.
94. 1892: Insurrection in Congo against Belgium.
95. 1892: Second French war against Dahomey.
96. 1893: Insurrection in Ethiopia against Italians.
97. 1893: French war against Tuaregs.
98. 1893: Third Ashanti war against British.
99. 1894–96: Second Madagascar war with French.
100. 1895–99: Rebellion in Mozambique against Portuguese.
101. 1894–95: Sino-Japanese War.
102. 1896–97: Cretan Insurrection against Turkey incited by Greeks.
103. 1895–98: Fourth Ashanti War against British.
104. 1897: Greek-Turkish War.
105. 1895–1896: Italian-Ethiopian War.
106. 1897: German armed seizure of Kiaochow in China.
107. 1896: Insurrection of Bagetelas against Belgians.
108. 1896: Insurrection of Rhodesians against Britain.
109. 1898: French wars against Mandingo.
110. 1898: British conquest of Sudan.
111. 1896: British assault on Zanzibar.
112. 1899–1902: South African Boer War against British.
113. 1897–1898: Insurrection in Uganda against British.
114. 1900–1901: Insurrection of Ashantis against Britain.
115. 1902: Great insurrection in Angola against Portuguese.
116. 1904: Insurrection of Ekumekos in Nigeria against British.
117. 1904–1905: Insurrection in Cameroons.
118. 1905: Insurrection in French Congo.
119. 1905: Insurrection in Angola.
120. 1905: Insurrection in German East Africa.
121. 1904: Great insurrection in German Southwest Africa.
122. 1904–1905: Russo-Japanese War.
123. 1907: Subjugation of North Sumatra by Dutch after long warfare with Achinese.
124. 1908–09: French conquest of Muaretania.
125. 1909–11: French conquest of Wadai.
126. 1907: Insurrection in Angola.
127. 1911: Tripolitan War between Italy and Turkey.
128. 1900–01: Chinese Boxer Rebellion against foreigners. Twelve powers involved.
129. 1907: Insurrection of Riff tribesmen against Spain.
130. 1912: First Balkan War. Bulgaria, Serbia, Greece against Turkey.
131. 1913: Second Balkan War. Bulgaria against Greece, Serbia; later Turkey and Rumania against Bulgaria.
132. 1913: Serb invasion of Albania.
133. 1914: Outbreak of World War I.

BOTH COLD AND HOT WARS TODAY TRADE WARS

Mr. MALONE. I close by saying that for 2,000 years there have been trade wars, small or large in accordance with the number of nations involved. The trade war now is greater than ever. That is what we are fighting today, Mr. President; we are fighting a trade war. Therefore, instead of extending the 1934 Trade Agreements Act, which divides our market with the nations of the world and encourages more trade wars, we should let the act expire.

Already we have priced ourselves out of the markets through inflation, except where we add a subsidy to the cost of production.

RETURN TO CONSTITUTION URGED

Let us get back to the Constitution of the United States, article I, section 8, which provides that Congress shall regulate foreign trade.

Let us get back to the 1930 Tariff Act, which provides, in effect, that the Tariff Commission, an agent of Congress, shall determine the cost of producing an article in this country and the cost of producing that article or a like article in the chief competing country, and that the difference in cost becomes the tariff automatically.

Under that act, every week or every month or every year, or every 10 years, or whenever the Tariff Commission, the agent of Congress finds that there has been a change in the relationship between our country and the chief competing nation with respect to any product, it may reexamine the situation and determine the difference. If the other nation has raised its standard of living in relation to our standard of living, then the tariff goes down to that extent. If and when the other nation is living about as we are, free trade is immediate and automatic. That is the best kind of free trade law the United States could ever have.

HALT DESTRUCTIVE TRADE AGREEMENTS WITH OTHER COUNTRIES OR THROUGH GATT

We should revert to that 1930 Tariff Act. The 1934 Trade Act expired on June 30, 1958.

We should not make bilateral trade agreements through the State Department, or multilateral agreements through GATT, which consists of 37 nations, of which we are one, and where we have only 1 vote. Since June 30, when the 1934 Trade Agreements Act expired, no further agreements of that kind can be entered into.

On 30 days' notice to a nation under a unilateral agreement, the determination of tariff duties on all products reverts to to the Tariff Commission. On 60 days notice to the Secretary General of the United Nations, the determination of duties on all products covered by multilateral trade agreements reverts to the Tariff Commission. The duties on all those products would then be regulated on that basis.

On 180 days' notice to the nations which have bilateral trade agreements with us, the fixing of duties on all products covered by such trade agreements reverts to the Tariff Commission. When that is done, the workingmen and investors of this Nation will be back in business.

Mr. LONG. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. LONG. Much has been said in the Senate in support of the idea of simply giving away American industries.

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It has been said that this action was necessary to enable other nations to ship things to us, in order that we could pay for things we wanted to buy from them, to pay for things they want to sell us, and vice versa.

If the whole purpose of the act is to enable other nations to get dollars so as to pay for the things they would like to buy from us, I think those who advance that argument would be interested in a chart which appears on page 89 of the hearings.

The chart shows there is no dollar gap, at least, so far as the countries lacking dollars to buy from us are concerned. It is the other way around.

When I first came to the Senate, it was said that we had to give away our money to Western Europe, because there was a dollar gap. The table will show that for a few years—about three—there was a dollar gap. In other words, we were apparently taking in from other countries more dollars than they were taking in from us. But, as the chart demonstrates, that was only a brief, three-year period.

If we consider all the gifts and giveaways, in addition to the tourist money which is spent abroad, the table indicates that in every year since 1949 the dollar balance has been favorable to the foreign nations, and that our gold reserves have been declining. I believe the last estimate was that our gold reserves have declined to $22 billion. Our friends abroad have a right to claim $11 billion or $12 billion of that.

Mr. MALONE. It is $16 billion or $17 billion.

Mr. LONG. Does the Senator refer to a $16 billion or $17 billion balance?

UNITED STATES GOLD RESERVES DWINDLE PERILOUSLY

Mr. MALONE. Sixteen or 17 billion dollars are held by foreign nations or individuals, and this can be converted into balances of foreign nations, which, in turn, can be presented to our Treasury with a demand made for gold, under our long-established policy. If all the demands were presented, the Chairman of the Federal Reserve Board, Mr. Martin, and former Secretary of the Treasury Humphrey, under my cross-examination, testified that the United States would have about $5,700 million worth of gold left.

FOREIGN DEMANDS ON GOLD SUPPLY COULD WRECK NATION'S FINANCES

They further testified that the United States could refuse to honor these demands. They hastened to say that. But I asked both of them what would happen to our currency on the international exchanges if we did that. They said our currency would be destroyed on the international market.

Then I asked Mr. Martin what effect that would have on our economy. He said it would probably cause a very severe depression.

I am glad the Senator from Louisiana has mentioned the dollar shortage, because the theory of the dollar shortage is the greatest hoax that was ever sold to the Nation. It was sold through the propaganda of foreign nations right after General Marshall made his famous speech at Harvard. I do not think he had any idea his speech would be famous. I do not think he even knew that that particular paragraph was in his speech. But the Prime Minister of Great Britain knew it, took it on the first bounce, and told us within 30 days what it would cost us.

FOREIGN NATIONS CREATE OWN "DOLLAR SHORTAGE"

In 1948 I put a table into the CONGRESSIONAL RECORD. It was a carefully worked out table. No one ever disputed it. It showed that every nation in Europe, except Austria and Germany, which we were deliberately holding down, had by then at least ninety percent recovered from any trade loss they had sustained prior to World War II. In a very short time they were on a 100 percent basis.

So there was no dollar shortage at all, except that they were spending more than they earned each year, and many of the foreign countries fixed the prices on their own interest terms.

Mr. LONG. The Senator has heard the statement to the effect that, after all, even though the foreign countries have so many of our dollars that they could empty Fort Knox, the way things stand now, that should not concern us because they are not making a demand on us for payment. But once the word gets around that Uncle Sam does not have enough gold to make good the dollar demands, what will happen?

Mr. MALONE. There will be a run on the bank.

Mr. LONG. But the bank cannot pay off if all the creditors demand payment at the same time.

Mr. MALONE. I have been very much interested in the distinguished junior Senator from Louisiana ever since his arrival here, because he has a habit of listening carefully to the debates. While we have not always agreed on every question, we have been very close.

RUSSIAN GOLD THREAT TO WORLD CURRENCIES

I asked another question of Mr. Martin, the Chairman of the Federal Reserve Board, who can manipulate the currency at will. There is no need to go into that; that is a matter of record. But I visited Russia and traveled 14,000 miles within that country. Bulganin and Khrushchev turned me loose. I guess they thought I was a hopeless case. I visited plants being built along the entire length of the Volga River. I traveled 1,000 miles behind the Ural Mountains. The Ural Mountains will drive an engineer nuts, because they are one of the greatest mineralized areas in the world. The manufacturing plants of the region are really operating.

After we had established the amount of gold we could call our own, I asked Mr. Martin, "Do you know what I think the real Russian threat is?"

He answered, "No."

I said, "It is the gold ruble. Inside of 2 years, possibly, the ruble will be put on the gold standard. If Russia puts the ruble on the gold standard, and they have the gold, what will happen to our currency with no gold behind it?"

He replied, "I shudder to think."

UNITED STATES CLOSE TO OWN DOLLAR SHORTAGE

I said, "Start shuddering, because that is going to happen just as surely as God made little, green, sour apples. That is what will happen. Then the ruble will be the currency of the world, not the dollar. Then the foreign nations will demand gold from us."

Mr. LONG. It is a sad day, indeed, when people are sold on the idea of stripping from American industry what little protection it may need to survive on the basis of the argument that foreign countries do not have dollars with which to pay, when the United States does not have enough gold to pay for the dollars we are holding now.

Mr. MALONE. We are close to a dollar shortage, but we have not wakened up to the fact.

Mr. BIBLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BIBLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 6282) for the relief of the former shareholders and debenture noteholders of the Goshen Veneer Co., an Indiana corporation; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. LANE, Mr. DONOHUE, and Mr. POFF were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11645) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1959, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 4, 20, 34, 35, 49, 55, and 59 to the bill, and concurred therein, and that the House receded from its disagreement to the amendments of the Senate numbered 5, 40, and 50 to the bill, and concurred therein severally with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed a bill (H. R. 13366) to provide for the advancement of Maj. Gen. Claire L. Chennault, United States Air Force, retired, to the grade of lieutenant general on the retired list, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the

enrolled bill (H. R. 4229) for the relief of Continental Hosiery Mills, Inc., of Henderson, N. C., successor to Continental Hosiery Co., of Henderson, N. C., and it was signed by the Vice President.

ADVANCEMENT OF MAJ. GEN. CLAIRE L. CHENNAULT TO THE GRADE OF LIEUTENANT GENERAL ON THE RETIRED LIST

The PRESIDING OFFICER laid before the Senate the bill (H. R. 13366) to provide for the advancement of Maj. Gen. Claire L. Chennault, United States Air Force, retired, to the grade of lieutenant general on the retired list, which was read twice by title.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside and that the Senate proceed to the consideration of H. R. 13366, the bill to provide for the advancement of General Chennault.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Louisiana?

There being no objection, the Senate proceeded to consider the bill.

Mr. ELLENDER. Mr. President, the House of Representatives has just passed this bill, which would advance Maj. Gen. Claire L. Chennault to the rank of lieutenant general on the retirement list. As most Senators know, General Chennault is gravely ill, hence the urgency for immediate consideration of the bill. I have consulted with the members of the Committee on Armed Services and with the minority and majority leaders. I have been informed there is no objection to the immediate consideration of the bill, thus eliminating the need for committee consideration and perhaps unnecessary procedural delay.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks a short summary of General Chennault's activities in the service of his country.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

Claire L. Chennault was born in Commerce, Tex., on September 6, 1890. He attended Louisiana State University and Louisiana State Normal College. He was commissioned a first lieutenant in the Infantry Reserve on November 27, 1917, and transferred to the Aviation Section, Signal Corps Reserve, on that same date, where he served through the World War. He was honorably discharged on April 16, 1920, and was commissioned in the Air Service of the Regular Army as a first lieutenant on July 1, 1920.

Thereafter he was assigned to Gerstner Field, La., as assistant supply officer. At his next station, Ellington Field, Tex., he served in various capacities from October 1920 to June 1922. Upon his transfer to Fort Bliss, Tex., he served with the 12th Observation Squadron, and performed, among other duties, those of engineering officer until September 1923. Following his transfer to the Hawaiian Department, he served at Wheeler Field for 2 months and the remainder of his tour of nearly 3 years at Luke Field, where he commanded the 19th Pursuit Squadron for 2 years and 4 months.

Following his return to the United States, he was assigned to duty at the Air Service Primary Flying School at Brooks Field, Tex., where he was a flying instructor for 2 years and director of flying until August 1930, when he was assigned as a student in the Air Corps Tactical School at Langley Field, Va. His graduation in June of the following year was followed by his detail as instructor at this school, which was moved that summer to Maxwell Field, Ala. In addition to his duties as instructor, he served as Chief of the Pursuit Section of the school for 7 months and as a member of the Air Corps Board which functioned at that field.

He went to China shortly after the outbreak of the Sino-Japanese War to train pursuit units of the Chinese Air Force. In the summer of 1941, he was made a brigadier general in the Chinese Air Force and placed in charge of recruiting the American Volunteer Group of pursuit pilots (later known as the Flying Tigers) for service with the Chinese. He was recalled to active duty in the United States Army on April 15, 1942. In July 1942 he became commanding general of the United States Air Forces in China. He was named to command the Fourteenth Air Force in China in March 1943.

He was relieved from his assignment overseas in July 1945 and, having returned to the United States, was assigned to Headquarters, Army Air Forces, Washington, D. C.

He reverted to retired status on October 31, 1945.

General Chennault has been awarded the Distinguished Service Medal with one Oak Leaf Cluster, the Distinguished Flying Cross, the Chinese Order of the Celestial Banner, Third Class, and the Order of the British Empire.

Mr. ELLENDER. Mr. President, I wish to say that General Chennault has had a brilliant military career. His duties have been performed under unique and exceptional conditions which did not fall within the normal purview of military operations. The promotion to the next higher rank under the proposed legislation carries with it no perquisites, but it does acknowledge the respect and admiration of a grateful nation to a soldier and airman with unusual capabilities, who has served his country with dignity, courage and honor.

I urge the Senate to approve the bill quickly.

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H. R. 13366) was ordered to a third reading, read the third time, and passed.

EXTENSION OF TRADE AGREEMENTS ACT

The Senate resumed the consideration of the bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

Mr. JENNER obtained the floor.

Mr. JOHNSON of Texas. Mr. President, will the distinguished Senator from Indiana yield to me so that I may suggest the absence of a quorum and propound a unanimous-consent request, with the understanding that the Senator from Indiana will retain his right to the floor?

Mr. JENNER. I ask unanimous consent, Mr. President, that I may yield to the Senator from Texas for the purpose of suggesting the absence of a quorum and propounding a unanimous-consent request without losing my right to the floor.

The PRESIDING OFFICER (Mr. JORDAN in the chair). Is there objection to the request of the Senator from Indiana? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. JORDAN in the chair). Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, on behalf of the distinguished minority leader and myself I send to the desk a proposed unanimous-consent agreement and ask that it be read.

The PRESIDING OFFICER. The clerk will read the proposed unanimous-consent agreement.

The legislative clerk read as follows:

Ordered, That, effective on Tuesday, July 22, 1958, at the conclusion of routine morning business, during the further consideration of the bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 4 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Texas?

Mr. BUSH. Mr. President, reserving the right to object, will the distinguished majority leader indicate to us what the plan of operation will be if this agreement is entered into?

Mr. JOHNSON of Texas. It is expected that the Senate will continue the discussion of the trade bill until approximately 4 o'clock, and then we shall ask that it be laid aside temporarily in order that the Senate may take up the Defense Reorganization bill and consider it this afternoon, and perhaps this evening, in the hope of disposing of it today. We would not expect to have any yea-and-nay votes involving that bill on Saturday or Monday. If it were not disposed of, we would have to decide on Tuesday, after we dispose of the pending bill, when it would come up; but we would not expect to consider it before 4 o'clock. I

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understood that that was satisfactory to the members of the Armed Services Committee.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. KNOWLAND. It is hoped, is it not, that in the event it is possible to reach a vote today, there may be a yea-and-nay vote?

Mr. JOHNSON of Texas. The chairman of the committee and the ranking members of the committee anticipate that they can explain the bill and debate it, and that the Senate can act upon it today.

Mr. BUSH. Mr. President, I congratulate the majority leader on the proposed plan. I have no objection.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent request?

Mr. JAVITS. Mr. President, reserving the right to object, I have a question. We always ask this question. I am sure the majority leader will be glad to answer it.

As I understand, the proposed unanimous-consent agreement applies to any new amendments which may be placed before the Senate next Tuesday, as well as to amendments which have already been submitted.

Mr. JOHNSON of Texas. That is true.

Mr. JAVITS. I have no objection.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. SPARKMAN. Is it the judgment of the majority leader that action can be completed on the pending bill on Tuesday?

Mr. JOHNSON of Texas. I hope so, but I have no way of knowing.

Mr. SPARKMAN. I realize that, but does the Senator think it might be possible?

Mr. JOHNSON of Texas. It is possible. It is planned to have the Senate convene early and remain in session late.

Mr. SPARKMAN. I presume there will be several yea-and-nay votes on Tuesday on amendments, as well as on the bill.

Mr. JOHNSON of Texas. I presume so.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and the agreement is entered.

ORDER TO CONVENE AT 10 O'CLOCK A. M. ON TUESDAY NEXT

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate convenes on Tuesday, it convene at 10 o'clock a. m.

The PRESIDING OFFICER. Is there objection?

Mr. LONG. Mr. President, reserving the right to object, what date did the Senator mention?

Mr. JOHNSON of Texas. Ten o'clock a. m. on Tuesday next.

Mr. LONG. Is it planned that the Senate adjourn from today until Tuesday?

Mr. JOHNSON of Texas. No. The unanimous-consent request relates to the time of convening on Tuesday, and all Senators will be on notice that there will be a morning hour on Tuesday, followed by a resumption of consideration of the bill.

Mr. LONG. The Senator is not planning an adjournment from today until Tuesday?

Mr. JOHNSON of Texas. No.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Texas? The Chair hears none, and it is so ordered.

EXTENSION OF TRADE AGREEMENTS ACT

The Senate resumed the consideration of the bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

Mr. JENNER. Mr. President, So much has been said about the Reciprocal Trade program and it has so many facets that the subject sometimes seems hopelessly confused. There is no confusion about the program. It is a package in which half a dozen different proposals are tied together, each of which is best understood separately.

The important matters hidden in this package are as follows:

First. In 1934, Congress voted to surrender its legislative responsibility to the executive branch.

Second. The executive branch originally asked for this power to implement an overall policy approaching free trade.

Third. After the war the executive branch surrendered its derivative legislative power to an international body, of which we are 1 of 36 members.

Fourth. This international body is not concerned primarily with free trade, but with its very opposite, an elaborate worldwide system of quotas and allocation of markets, which is under no obligation to put American interests above those of 35 other members.

Fifth. This international body interlocks with a host of other international bodies operating above the Congress and the Constitution, and in accordance with the principles of a directed, not a free, economy.

Sixth. This international program contributes nothing whatever to a fundamental reexamination of our tariff policies to fit them to the needs of the 20th century.

Seventh. It does nothing whatever to increase the volume of world trade, or reduce the controls on freedom of trade employed by other nations.

Eighth. This program is in fact a limitation on the total of world trade, and a transfer of a share of the world market from American production to foreign production, under specious arguments about a dollar shortage.

Ninth. This program, in combination with our other international programs, is in fact a system for the export of jobs. Far from increasing the job opportunities or wages paid in the United States, it is stimulating the export of American working capital to make jobs in other countries. The output of these workers then comes into the American market to compete with the output of American farms and factories.

The heaviest penalty for this surrender to a directed international economy will fall on the workers of the United States whose high wages depended on our vastly superior machinery and equipment, provided out of the savings of Americans, reinvested in employment here at home.

The reciprocal trade program is by now so great a detriment to American economic life that it is almost impossible to describe it in temperate language. It is almost impossible to make it credible to those who have not looked behind the fleecy clouds of propaganda to see the cold unvarnished truth.

I shall not attempt to discuss in full the points I have raised. Senators know the vast body of evidence which has been collected to show the true effects. I shall put my emphasis principally upon the problem of the export of job capital and the great danger which will confront our wage earners, professional people, and businessmen if the capital available for jobmaking is permitted to shrink much further.

Let me first summarize the arguments which are so well hidden by the propaganda.

First, Congress has no shadow of a right to delegate its legislative duty. The members of the Constitutional Convention were masters of the English language. They said, "All legislative powers herein granted shall be vested in a Congress of the United States."

There is no mistaking the meaning or the obligation. The founders did not assign the legislative power to Congress, so Congress could delegate it to the executive branch or to a supernational agency. Congress has no power, by statute or any other means, to delegate its legislative responsibilities. It has no moral right to do so.

Let me take a moment to remind the Senate why the Founding Fathers gave the legislative power to a Congress of the people's representatives.

They understood very clearly a problem we pretend is new. They saw plenty of examples of a strong centralized executive establishment which laid down the rules for the entire Nation and told the people what was what. They watched the system as it worked out in Spain, France, the German principalities, Austria, and Russia. Then George III and his ministers tried to impose arbitrary government controls, like those of the Continent, on American colonists who cherished every right and freedom won by Englishmen.

When the Founding Fathers said, "All legislative powers herein granted shall be vested in a Congress" of representatives of the people, they were talking about the old, old problem of executive management of the people's affairs which bureaucrats have always undertaken so willingly. They were saying they would have none of it. They would say the same thing today.

The founders put their complete trust in representatives of the people, rather than in bureaucrats, because the representatives of the people were con-

cerned about the Nation, not about the ruling establishment, whether it was a king, a dictator, a president, or anyone else.

This was no sentimental choice. It was a matter of the gravest self-interest.

The government of a nation must make many compromises where unity is necessary. One interest or another must frequently be sacrificed for the good of the whole. The founders of our country wanted the Congress, which represented all the people, not the executive branch, to decide which areas and which interests were to be restricted for the common good.

They would not for a moment have tolerated the notion that the vital interests of New England, the South, and the West, of textiles and cotton and automobiles, should be arbitrated by anyone but the representatives of the Nation in Congress assembled.

Congress cannot either legally or morally assign its legislative power of life and death over towns, industries, and sections, to a permanent bureaucracy out of touch with the people.

So important is this one argument that I am almost tempted to stop here and say, "Nothing else matters." The first step taken by Congress when it assigned its legislative power over tariffs to the executive branch, was itself illegal and immoral. Even if good results had flowed from this delegation of duty, it still would have been an illegal and immoral step.

Dean Clarence Manion, a famous authority on the Constitution, coming from my own State, has stressed this first principle.

He said:

> The Constitution builds a firm limitation around the power of every public officer. • • • In spite of a widely prevailing impression to the contrary, there are no emergency escape hatches in the walls of this constitutional confinement. Through fire and flood, war and peace, boom and bust, the Constitution continues to govern as written and all of its officers solemnly swear that its dominion shall be forever undisturbed.

If this is so, why should Congress now seek to perpetuate activities that flagrantly violate constitutional commands, and why does the President insist that Congress do so?

The Senate Finance Committee has taken a most important first step in restoring the legislative responsibilities of Congress. It has amended the House bill so that recommendations of the Tariff Commission may not be rejected except with the approval of both Houses of Congress.

The Tariff Commission was set up to give the Congress the necessary technical information about the effects of tariff changes on our multitude of industries. It was never intended that the Congress would give up any of its legislative responsibility—the burden of deciding what should be done in matters so vital to the interests of our people.

I am tired of being told, every time we give more power to the executive branch, that "the President" will decide. The President is one man, with human limitations. He has only 24 hours in his day, and he, too, must eat and sleep, and decide about the Middle East and defense reorganization, and many other problems.

It is silly nonsense to pretend that the President makes one decision in a thousand on the legislative issues Congress votes to submit to him.

The decisions are made by the permanent bureaucracy. They planned it that way. The permanent bureaucracy is dominated by the Socialist one-world doctrines which have dominated our Government for many years.

Congress did not give the legislative power on tariffmaking to President Roosevelt, President Truman, or President Eisenhower. Congress gave it to the bureaucracy.

On the constitutional issue, Congress has no right to turn its legislative responsibilities over to the bureaucracy.

It has no right to give responsibility for our economic life to the bureaucracy until it investigates the persistence of Socialist, one-world, and Communist influences in our Government.

Congress has no right to enter into international arrangements with the United Nations until it has thoroughly investigated the influences which led, for example, to the firing of Bang Jensen.

We can bandage our eyes and say we are going ahead on a safe road, but that will not prevent us from falling over the precipice, if the precipice is there.

I will not spend much time on the argument that free trade is a good thing, and that reciprocal trade agreements build up the volume of world trade.

Serious, responsible people present such arguments, but they do not see how little relation the arguments have to the world of violent power struggles in which we now find ourselves.

Neither do I intend to give blank-check endorsement to 19th century ideas of protectionism.

This is the mid-20th century. We must face our problems in the world of today. But nothing whatever has happened to justify Congress in shifting the burden of making policies for our time from the legislative to the executive branch.

The reciprocal phase of the reciprocal-trade program disappeared long ago. There is nothing reciprocal about the present program.

Secretary Hull was following a 19th century idea which was very successful for Great Britain during a short period of her history. But in 1934 we no longer had the Pax Brittanica or the International Division of Trade. Great Britain herself had already left free trade behind her.

At its best, then, Hull's original reciprocal trade was a dream from other days. The program did not long retain even the 19th century virtues of Hull's original idea.

The next step was the conversion of Hull's free-trade program into a scheme for the international cartelization of world trade, with spokesmen for the executive branch of our Government sitting down with those of 35 other nations to decide what is to happen to industry and employment in the United States.

This is, in my opinion, a second gross violation of constitutional law. There is nothing in the language, the history, or the spirit of the Constitution which permits any American official to barter away our sovereign rights by diluting them with the interests of 35 other nations.

The executive branch has been able to use the treaty clause and the executive agreement—concerning which the Senator from Ohio [Mr. BRICKER] has made a valiant fight—to build up a Tower of Babel of international bureaus and commissions affecting the rights of the American people. But that is not law. That is not the Constitution. That is not morality.

Dean Manion has explained what happened. He said:

> After World War II, however • • • our international diplomats had developed a fixation for multilateral international pacts, organizations, and associations, in which many nations were involved and which could be used as steppingstones to an ultimate international world government.

Put in other words, a powerful group within the executive branch were determined to use the war powers and war fatigue, to put us into a world government.

They knew the American people were bitterly opposed to the idea. So they decided to do it secretly, by using the so-called treaty clause as an instrument for a revolutionary change in the American form of government, without any sign by which the people could be alerted.

You remember, Mr. President, how the Senator from Ohio [Mr. BRICKER] and other Senators fought valiantly to end this totally dishonest misuse of a power granted in the Constitution for quite different purposes.

I will not waste one moment of the time of the Senate describing the constant stream of propaganda statements which has been put out by the oneworlders to make this reciprocal trade program look like what it is not.

First it was a depression remedy, then a way to win the war, then a cure-all for peace, more recently a reservoir of new and profitable jobs for our people—I may say 4,500,000, but no official could be found in the Government who could document that statement.

I have in my hand a report from the Department of Commerce entitled "Foreign Trade Impact Study—State of Indiana." Each Senator has received a similar study dealing with his State. Are they not neat and pretty?

These reports explain to the Senator that he must vote for the reciprocal trade program because it brings so many jobs to his State.

Do not try any independent judgment on this, or the voters will "get you."

Let us open it at random. In table 2 we learn that Indiana has 868 firms engaged in manufacturing machinery other than electrical.

They have 61,143 employees. The output of these firms according to the 1954 census of manufacturers was $480 million.

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On page 4 the report says our exports of nonelectrical machinery exceeded $2.9 billion.

This, they say, was an average of $1,825 for every United States employee in the industry.

Says the report:

> Indiana's proportionate share of this national export total was over $91.5 million.

Now that is very impressive. But I want to know one thing. Were these exports paid for? Or were road machinery or tractors given away by the ICA, perhaps to Tito himself.

If they were foreign aid, they were not exports. They were not paid for abroad. The cost was met by taxes on American workers. And we know very well Indiana's proportionate share of those taxes was higher than anything that appears in these dishonest statistics of foreign trade.

In the Senate Finance Committee I listened to the claims, repeated again and again, that the foreign trade program had created 4½ million jobs for American workers. That story has been repeated and repeated in every newspaper throughout the land.

As one witness said:

> It would seem clear that the Congress has the simple choice of protecting the job security of 4 million Americans who live off of exports * * * according to the proven formula of reciprocity or to step backward—

I ask you, Mr. President, to listen to these lovely words:

> to step backward into a volatile system of regional dictated tariffs to protect the job security of only 200,000 workers in injured industries.

Mr. MALONE. Mr. President, will the Senator from Indiana yield to me?

Mr. JENNER. I yield.

Mr. MALONE. Is not the Senator from Indiana aware that, at the present time, approximately 6 million American workers are unemployed, as a result of the operations and effects of the so-called Reciprocal Trade Agreements Act?

Mr. JENNER. That is correct.

Mr. MALONE. Is not the Senator from Indiana also aware that the only trade which would be done away with as a result of a failure to extend the act would be the unprofitable trade?

Mr. JENNER. Yes.

Mr. MALONE. Does not he also realize that if the Congress permits the act to remain expired—after all, it expired on June 30—the policy laid down under the 1930 Tariff Act will again go into effect?

Mr. JENNER. That is correct. I think we brought out that point very clearly during the debate.

Mr. MALONE. I am sure we did.

In other words, have not we simply allowed the President to exercise the authority; and the President, in turn, has delegated it to the State Department; and the State Department, through multilateral agreements and the operations of GATT, at Geneva, has allowed American industrial operations to be shut down in the areas in which the State Department and GATT wished or chose to have them shut down?

Mr. JENNER. That is correct; and that situation will continue if the act is extended for 5 years, as now requested by some.

Mr. MALONE. And, in the event of war——

Mr. JENNER. Of course, we no longer have wars; today, they are merely "police actions."

Mr. MALONE. Yes, or "peace movements."

Does not my colleague agree that if American industrial operations continue to be forced to shut down, by means of this program, the United States will be in dire straits—because of a lack of strategic minerals and materials—in the event of war?

Mr. JENNER. Certainly.

Mr. MALONE. Furthermore, if the present wartime economy were to end, how many American workers does the Senator from Indiana think would be unemployed within 60 or 90 days thereafter?

Mr. JENNER. I have no way of knowing.

Mr. MALONE. Certainly, the number of unemployed then would be at least double the number of unemployed at the present time, would it not?

Mr. JENNER. There could be easily that many.

Mr. MALONE. Then our economy would be right back where it was at the beginning of World War II, would it not?

Mr. JENNER. That is correct.

Mr. President, I tried and tried to get one solid piece of evidence that the reciprocal trade program had created any jobs for any Americans. No one could give a scintilla of evidence for any such jobs. In the two large volumes of printed hearings on the pending bill, not one scintilla of evidence of that sort is to be found.

None of the propaganda which has been issued has any relation to the facts. Its only purpose is to fool the American people, so they will not notice how they are rushing with seven-league boots into a one world government. But, of course, the American people pay even for the propaganda used to fool them.

The case is clear. The only purpose of all the talk about free trade, communism, full employment, and the rest, is to keep the American people so busy that they will not notice that their liberties are being stolen, through misuse of the treaty clause, to set up international cartels of their trade industry and employment by our State Department and 35 foreign countries.

Let me remind the Senate that these assumptions of power by the executive branch do not get before the Supreme Court. No one is asked to rule whether they are constitutional. Certainly the executive branch will not raise the issue. No one knows, or could guess how far-reaching are the powers the executive branch has hidden away as a result of this clever plan for silent, painless revolution.

Let me remind the Senate that the activities of these international planners are carried on behind a curtain of secrecy.

If Congress asks for books and records, it is told either that a matter of executive privilege is involved or that we cannot violate the confidence of foreign nations. Foreign governments are regarded as far more important than the American Congress, the American press, or the American people.

I know this is incredible. But it is true. Even more shocking, it is the whole truth.

Other students of this program have brought out the evidence that foreign nations make no attempt whatever to reciprocate by making reductions in their tariffs. In fact, our situation will grow worse as the European Common Market tears down the tariff walls between West European nations, and so increases the relative difference between the tariffs our producers pay and those laid down to protect our producers against goods imported from other countries.

We are told that Congress must renew these powers this year, because the State Department must negotiate with the European Common Market. We are told that the program cannot be limited to 3 years, because it will take 4 or 5 years to reach an agreement with the Common Market countries. We are told that Congress cannot limit the annual reductions, or take back its power at the end of the period, because the State Department must be wholly free to negotiate for deep cuts.

Mr. President, does Congress plan to fold up in the next 3 years? Is it going to postpone its sessions from now until 1963?

Either I do not understand; or the State Department could, if it had a real case, in 1959 and 1960 and 1961 request of Congress additional power to negotiate with the European Common Market.

How much longer is Congress going to give blank-check powers to the administration because the administration says it does not know what may happen or what it will do about these matters?

Now I come to the most important and most widely ignored problem in the whole situation. The United States is engaged in a multipronged effort to transfer large shares of its economic capital to foreign soil, there to be used to make jobs for the people of those countries.

We hear much about the great volume of sales to foreign countries and the much smaller volume of our purchases of foreign goods. Then we hear much about the dollar gap.

These poor nations, we are told, cannot get enough dollars to pay for American goods; so we are told we have to give away our products. Why have we had this problem of the dollar gap since 1945, but not before? The explanation is so simple. From 1789 to the 20th century, foreign nations could get all the dollars they wanted. They bought them in the market, and paid the current competitive price, the way any one of us buys grapefruit or a house. Today, nations cannot get dollars, because when governments set up a socialist welfare state, they have to lie about the value of their money, in order not to disclose how much

they are really spending. All of us know that our Government is doing it, too.

But people of other countries do not have to buy their money at a purely imaginery political price. The welfare state cannot pass its money outside its borders on a straight trading basis. That is why it must have quotas and exchange controls. That is why the welfare state governments will not take one step to open up their foreign trade as a result of the reciprocal-trade program. The international quota system is just what the managers of the welfare state like best.

The American Government should have refused to subsidize a single Socialist or welfare state government by its internaltonal hocus-pocus.

Instead we adopted the myth of the dollar gap. The bright-eyed boys write about it all the time. We have read about the dollar gap for years.

Our Government devised one program after another by which it could give away the products of our fields and factories to other countries, and call it trade. Give it away, and call it trade.

We are giving away the hard-earned savings of the American people through foreign aid, the International Bank, the International Fund, the Export-Import Bank, and gifts of surplus agricultural products in exchange for foreign currency, which we then give away under some other program.

All these giveaway programs go down in the books under the false name of trade. They "prove" that the governmental managers of our economy are oh so much cleverer than the Americans who used to think trade was trade, and the only way to increase trade was to make a better product, have better salesmen, or work out a better price.

How silly were those men of earlier generations to limit themselves to economic means to increase our trade, when by manipulating our money and manipulating our statistics, they could have made everything look oh so much bigger.

Of course, they did build this country up from a strip of little settlements along the seacoast to the greatest economic producer of all time. But that is so prosaic and sober, alongside the rainbow promises of the welfare state.

I remind the Senate, that the underlying plan, by which American officials are working so hard to give away our national resources to other countries, goes back to proposals of Stalin for Socialist "equalization of shares" between nations, to follow up the "equalization of shares" between classes, which is the first Socialist objective.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. JENNER. I yield.

Mr. MALONE. What was the maxim or catchword or catch phrase or catch sentence Karl Marx used? Was it "From each according to his ability, and to each according to this need"?

Mr. JENNER. That is correct.

Mr. MALONE. Is that what we are following?

Mr. JENNER. It looks that way.

Mr. MALONE. We have forgotten that we are following it.

Mr. JENNER. We have forgotten many things. We have torn a lot of pages out of the book.

Mr. MALONE. Does the Senator recall the history of the operations of Harry Dexter White and Alger Hiss? I am sure the Senator recalls that Harry Dexter White was Assistant Secretary of the Treasury.

Mr. JENNER. Yes, I do.

Mr. MALONE. Does the Senator remember that Harry Dexter White advocated giving millions and billions of dollars to Russia, so that this country would be dependent on Russia for products without which we could not conduct a war or live in peace?

Mr. JENNER. Yes. I think that time will come.

Mr. MALONE. It is coming fast. Instead of depending on Russia for manganese, of which there is so much within our own borders that we could not use it in 1,000 years, we are now getting eight or nine hundred thousand tons annually from India, which is the next best thing to what Harry Dexter White recommended. I guess he was about the best example of a traitor we ever raised in this country.

Mr. JENNER. He is a good example.

What has not been made clear is the fact that this gradual funneling away of American capital into foreign countries, affects disastrously every person in the United States who earns his living, or lives in a family which supports itself.

Mr. President, have you ever seen the level of a river gradually receding? If so, you know how, as the level falls, there are little changes in everything on the river, the banks, the docks, the boathouses, the trees. After a while the area where the water used to be is exposed in all its desolation. Everything on the river has a sort of disconnection with everything else, because the river wove together all the human activities on its banks.

Americans have never seen the level of their economic rivers falling. We have always had more capital every decade than we had the decade before. We do not know what is before us.

Competition will get fiercer among factory workers, building workers, schoolteachers, doctors. People will lose the kindly generosity that marks Americans. They will become more cruel and ruthless in their competition, like the people of older, sadder countries.

But, it is said, we are not getting poorer. We are getting richer.

Yes, we have been getting richer. That is where the managers of the welfare state are so clever.

Our dollars have been devalued until they are now worth only 48 cents. Our national debt is $280 billion. Our contingent Federal debt is another $250 billion. Our private debt is $213 billion. Our municipalities and towns are indebted to the extent of over $50 billion. Yet it is said we are getting richer and richer.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. JENNER. I yield.

Mr. MALONE. That makes a total of more than $650 billion.

Mr. JENNER. With the corporate debt included, it is over $1 trillion.

Mr. MALONE. On which the American people are paying interest?

Mr. JENNER. That is true.

Mr. MALONE. The interest on the national debt annually is nearly as much as the national debt was when this 1933 debacle came about. Is that correct?

Mr. JENNER. That is correct; about $11 billion or $12 billion a year.

Mr. MALONE. I think there was a national debt of about $16 billion.

Mr. JENNER. We used to criticize Franklin Roosevelt for spending $9 billion a year. We are paying $11 billion a year in interest now.

Mr. MALONE. That is correct.

Mr. JENNER. We have been getting richer every decade. We always get much richer after every war.

The managers of the American welfare state have only taken part of our rising income. They have left us fancy kitchens, dishwashers, garbage disposals, and outdoor swimming pools, so we will feel richer. They are only robbing our savings, our capital, our reserves of the pools of wealth for future needs, which we do not see and handle every day.

They are taking only the seed-corn of our society. Their motto is "After us the deluge."

Hugh Bennet, the head of the Bureau of Soil Conservation Service, used to tell people on every occasion that 400 farms rolled past the mouth of the Mississippi and out into the Gulf of Mexico every minute. He knew what erosion meant. He saw in his mind's eye every little gulley that was eating into American soil from Minnesota to the gulf. He felt in his bones every grain of good topsoil that started on that tragic journey to the ocean floor.

I do not have the eloquence to tell the Senate how thousands of good jobs for American farmers and factory workers and teachers and doctors are being shipped out of American ports on their way to France or Italy or Thailand or India or Poland or Yugoslavia or Timbuktu. Yes, on their way to Tito and Gomulka, within the Soviet orbit, and we are supposed to be against communism. I do not have the eloquence to relate how serious these little gulleys in our employment capital are going to be in a very few years. I do not know how to warn the young workers in our society that every year more of the loss will fall on them.

The plan to equalize the standard of living of the United States with that of backward areas has two aspects. After American capital rolls out, in the form of foreign aid or uncollectible loans, to make goods in other countries, the goods produced with this capital are to flow back to this country to compete with our products.

The planners want no barriers to the inflow of these products of foreign labor plus American capital. Congress must not interfere.

The so-called Reciprocal Trade program which ties us into GATT, is the method for taking down the barriers and letting foreign goods in free or nearly free.

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We have a huge volume of testimony on the effects of present-day imports on various industries and sections. That testimony belongs right here.

I will not repeat the arguments in the hearings. I would like to point out that these industries are not caught in a squeeze from old-fashioned competition of the 19th century type. They are caught in the pincers of the one worlders—squeezed between the foreign giveaway jaw and the GATT jaw.

It is time we began to deal with this international division of wealth.

If we do nothing, the division of wealth will continue until we average the incomes of Americans with those of Cambodia and Egypt. I ask Senators, what kind of average do we get if we divide up the incomes of 173 million Americans with the incomes of over a billion people—a billion—in the underdeveloped areas?

How far down do we think we will go, if we do not stop this thing now?

Mr. MALONE. Mr. President, will the Senator yield?

Mr. JENNER. I yield.

Mr. MALONE. Is it not very plain that what we are heading for is a world government in which we will have 1 vote among 70 or 80 votes?

Mr. JENNER. We are practically at that point now, particularly with respect to trade. We have 1 vote out of 37 now in GATT.

Mr. MALONE. We have 1 vote in 37 in GATT. Of course, our vote is on the other side, because we have a State Department which believes in the division of American markets with the nations of the world and in the remaking of the industrial map. Is the proof of that not to be found in the fact that there has long been before Congress proposed legislation to appropriate the taxpayers' money to train workingmen for other jobs whenever they are put out of work?

Mr. JENNER. Not only that, but only this year we increased the lending authority of the Export-Import Bank by $2 billion.

Mr. MALONE. Of course.

Mr. JENNER. We can create industries abroad to compete with the industries at home. Now it is requested that we take down the tariffs to let the foreign goods come into the United States.

The only way we can survive under a one-world dream is when our standard of living becomes the standard of living of the rest of the world. I do not think the American people, if their eyes were open, would be willing to pay that price.

Mr. MALONE. I am sure they would not be.

To come back to my point, a bill has been before the Senate which proposes to use the taxpayers' money to train workingmen for other jobs, and to ship them to other areas. The facts are that the proponents of the program knew they were going to remake the industrial map of the United States.

Mr. JENNER. Surely. They know it. They think it is perfectly all right, at the taxpayers' expense, to pick up a family in New England and move it across the country to some other area, to make people in the Middle East happy.

Mr. MALONE. Is that not the Russian method, except that the Russians do not need legislation?

Mr. JENNER. The Russians simply need a gun.

Mr. MALONE. They need only a gun. That is cheaper.

Mr. JENNER. Mr. President, we do not need a 5-year extension of the trade-agreements program. We do not need a 3-year extension. Let us not delude ourselves. We are voting every few years not to extend GATT, but to make GATT perpetual.

The vote yesterday almost made me feel bad. The Senator from Pennsylvania [Mr. CLARK] said, "Let us make the law permanent; let us make it perpetual," and a yea and nay vote was taken. Only four Senators voted for the amendment of the Senator from Pennsylvania.

I think the vote does not reflect the true situation, because, in my opinion, the truth is that this program has been in existence since 1934. We have extended the program for 2 years or 3 years at a time, and now President Eisenhower says he wants it extended for 5 years. I think this is already a perpetual program.

Mr. MALONE. It made some of us feel bad, to see a young man, in his early prime—who came to the Senate practically raised on the system of the past 24 or 25 years, who believed what he heard in the debate about the act being extended 10 times, with the 11th time coming up, and that the President wanted a 5-year extension—with such enthusiasm asking for the act to be extended in perpetuity. I was disappointed.

Mr. JENNER. Perhaps the Senator from Pennsylvania was trying to save this body some time, because I think it is going to be a program in perpetuity. We have no way of letting the American people know what is happening to them on the floor of this legislative body.

The means of communication are so slanted that the people cannot get the truth.

Mr. MALONE. Mr. President, will the Senator further yield?

Mr. JENNER. I yield.

Mr. MALONE. Does the Senator remember that the act expired on June 30 of this year, and that now the tariffs on any products with respect to which there are no trade agreements are back with the Tariff Commission, which is operating under the 1930 Tariff Act? If 60 days' notice were served upon Mr. Hammarskjold, Secretary-General of the United Nations, in 60 days all the thousands of products involved in multilateral agreements would be back with the Tariff Commission, under tariffs to be regulated on the basis of fair and reasonable competition, and the American workingmen and investors would be back in business.

Mr. JENNER. The law has already expired. There is no reciprocal trade program now, but if one were to believe what he reads in the "slick" magazines, he would think the world would come to an end if the act were not extended.

Mr. MALONE. I did not hear any explosion.

Mr. JENNER. It is said that we would go back to the law of the jungle. I have often seen articles to the effect that there would be logrolling among Senators in connection with the tariffs on crockery and other products.

Mr. MALONE. A little logrolling would do no harm.

Mr. JENNER. We have these agreements anyway. The only one who could bring about chaos would be the Executive, and the only way to do that would be to serve 120 days' notice in the case of bilateral treaties, and 60 days' notice in the case of multilateral treaties, and we would go back to the basic law which Congress passed, under which it established a creature of its own, under article I, section 8, of the Constitution, which provides that Congress alone shall have the power to fix tariffs, imposts, duties, and excises.

Mr. MALONE. That would be according to the Constitution of the United States, would it not?

Mr. JENNER. That is correct.

Mr. MALONE. That is unheard of.

Mr. JENNER. It is almost unheard of in this body.

Mr. MALONE. In the opinion of the distinguished Senator from Indiana, would it do any harm to try it for a little while?

Mr. JENNER. I do not think it would.

Do Senators think the program can be stopped any more easily after 3 years than after 5?

Let us have the courage to vote to make GATT perpetual, and honestly admit we are ready to lower our standard of living to the depths. Or let us end this folly now. Let us tell the world Congress is not going to surrender a particle of its power or responsibility. Then we can set out to make a truly American plan for expanding world trade by a return to honest economics, an honest dollar, honest capital formation, honest employment, and political honesty without bread or circuses.

Mr. MALONE. Mr. President, will the Senator further yield?

Mr. JENNER. I yield.

Mr. MALONE. Would the Senator believe, from what he has seen west of the Potomac in the past 2 or 3 years, in the present state of unrest caused by unemployment, and the realization that the Congress has had its eyes focused across the Atlantic Ocean, and not across the Potomac, that the sound barrier on the Potomac River, through which no public sentiment has apparently seeped in 24 years, might be broken, and that the public might be aroused enough to break the sound barrier of its own volition?

Mr. JENNER. I do not think so, because I do not believe the public knows what is going on. There is no means of communication.

Mr. MALONE. They know in Indiana and Nevada.

Mr. JENNER. We make that possible. We carry the news back to our people. But think of the poor suckers in New York, New Jersey, and other States up and down the east coast. What chance have they? They can read the Wash-

ington Post. They might as well read Pravda.

I caution the members of the press not to print that.

Mr. MALONE. An editorial in the Washington Post of this morning caught my attention. I wish I had it before me. I would read some of it into the RECORD—it will probably be read anyway. It predicted dire catastrophe for any Senators who even indicated that they wanted to place any kind of check on the exercise by the President of the constitutional authority of Congress. Something terrible would happen to them. I cannot remember what it was. However, after 24 years, it seems almost unthinkable that the President should exercise the constitutional Congressional responsibility and wield it as a one-man power, with no check whatever.

Mr. JENNER. Here there are those who would like to kill people. Who think constitutional powers should be adhered to, but in Indiana the people elect them.

Mr. MALONE. They do in Nevada, too. After November 5, I will let the Senator know what happens.

Mr. JENNER. Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks certain excerpts from part I of the printed hearings, beginning on page 451, at the point I have marked, at the point where I addressed the chairman, and ending on page 455, at the conclusion of the article which was under discussion at that time.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

Senator JENNER. Mr. Chairman, I am going to take a minute or two, I have not taken much time of this committee and do not propose to, but I think we are getting into a lot of trouble here because we have departed from the basic fundamentals of our Government, and I think this witness typically shows when you got out here to try to do special things for special people that you are in deep waters. I just want this for the record, and I want this in the record.

I am quoting from a pamphlet here by Dean Clarence E. Manion which says:

"By its own terms, the Constitution of the United States is the supreme law of the land. All United States Senators and Representatives have taken a solemn oath to support it as such. The President's single sworn duty is to 'preserve, protect, and defend the Constitution.'"

"Whoever reads the simple language of this great document cannot avoid the impression that these official obligations to support and follow it are now 'more honored in the breach than in the observance.'"

And that is where we are when we are discussing this reciprocal trade agreement.

He says:

"The Constitution builds a firm limitation around the power of every public officer. This constitutional circumscription of public authority is the very definition of our freedom. In spite of a widely prevailing impression to the contrary, there are no emergency escape hatches in the walls of this constitutional confinement.

"Through fire and flood, war and peace, boom and bust, the Constitution continues to govern as it is written and all of its officers solemnly swear that its dominion shall be forever undisturbed.

"If this is so, why should Congress now seek to perpetuate activities that flagrantly violate constitutional commands, and why does the President insist that Congress do so? This is what is happening in the current effort to extend the so-called Reciprocal Trade Agreements Act.

"The President tells us now that we need this measure to strengthen our common defense against communism. Back in 1934, another President said we needed it to overcome an economic depression. In the years between, everything has been cited to support and perpetuate this Presidential management of our foreign commerce—everything, that is, except the Constitution of the United States.

"To get perspective, we will have to back up to the beginning. When Congress convened in 1933, it was in an understandable hurry to ease the severe pains of the great depression. One of its first official performances was the National Industrial Recovery Act, popularly known as NRA.

"This measure gave President Roosevelt an extraordinary power to approve binding codes of fair competition for a variety of industries. Normally, Congress itself would have set up these codes in the form of statutes governing the described business practices.

"From the beginning of our Government under the Constitution, Congress had exercised its prescribed powers in this direct way."

"Nevertheless, in its haste to meet the emergency and because Mr. Roosevelt urged it to do so, Congress quickly delivered the NRA codemaking job into the hands of the President.

"In 1935, the Supreme Court nullified NRA as an unconstitutional delegation of Congressional power (*Schechter* v. *United States* (295 U. S. 495)).

"The High Court's decision was unanimous. It stressed a basic principle of constitutional law, namely, Congress cannot delegate its own constitutional duties and responsibilities to anybody, and, as one Justice (Cardozo) described it, NRA was an example of such 'delegation running riot.'

"Before this decision was rendered, Congress had passed the Trade Agreements Act of 1934—"

and now we are being asked by this legislation to extend it for 5 more years.

"In 1934, in which the NRA formula of delegation was followed into the field of foreign commerce."

In other words, the NRA put in domestic business delegation of powers which Congress had the responsibility for, so now along comes this bill and extends it to foreign commerce, the same thing.

"The new foreign trade law soon became known as the Reciprocal Trade Agreements Act, although Congress did not call it that and reciprocity has certainly not been featured in the law's accomplishments."

We have had thousands and thousands of examples that there is no reciprocity about it.

"Like NRA, the Trade Agreements Act was pressed upon Congress as 'an emergency remedy for emergency conditions.' Congress has exactly the same responsibility in the field of interstate commerce that it has in the area of our commerce with foreign nations.

"A change by the President in the import duty on any article is applied not just to such items entering the United States from the country which is the other party to the agreement, but to all such items thereafter imported from all countries.

"This kind of 'reciprocal trade' thus means that, by one agreement with a single country, the President can and does change the general United States tariff level, in spite of the fact that the Constitution expressly gives to Congress, and only to Congress, the 'Power To lay and collect Taxes, Duties, Imposts and Excises.' (Art. I, sec. 8, United States Constitution.)"

How we can sit here day after day in hearings after taking a solemn oath to defend that Constitution and deliberately pass and delegate these rights away, I don't know.

I say this, Mr. Chairman, we are destroying this country, because we are departing from the basic fundamental laws that made us a great nation. I am leaving this body, but I am not going to leave until I have my say on these basic fundamental things. You can see how far afield we are going, because we have departed from the Constitution.

He further says:

"But, this is by no means the full dimension of unconstitutional power now exercised by the Federal Executive as a result of this delegated Congressional authority. Pursuant to the Constitution, treaties are negotiated by the President and ratified by the vote of two-thirds of the United States Senate. Since the passage of the Trade Agreements Act, our State Department may use and has used these new trade negotiations to modify or suspend a formal constitutional treaty that has been previously negotiated by the President and then ratified by two-thirds of the Senate (e. g., art. II, United States trade agreement with Columbia).

"This diplomatic short circuit is called an 'executive agreement.' All of the trade pacts made pursuant to the 1934 act have been treated by the State Department as such executive agreements."

And there are thousands of them in existence, and not a Member of this Congress knows what they are.

"Please remember that these are not submitted to the Senate for ratification, but, by the decisions of our courts, they are now none the less binding upon the country (*U. S.* v. *Pink* (315 U. S. 203)).

"Between 1934 and 1947, all of these new trade pacts were bilateral; that is, each was negotiated between the United States and one other country. It is obvious from the early history of its administration that bilateral negotiations and bilateral agreements were all that was contemplated when the trade agreements law was passed."

Isn't that correct?

Senator MALONE. That is correct. Every word you say is correct.

Senator JENNER. What has happened?

"After World War II, however, it was a different story. By that time our internationalist diplomats had developed a fixation for multilateral international pacts, organizations and associations in which many nations were involved and which could be used as steppingstones to an ultimate international world government."

If you are going to erase and equalize all of these discriminations and if you are going to lift everybody up to our level or we are going to come down to their level, that is exactly the way you are going to have to proceed with a world government and if you iron out these difficulties you won't need subsidies and nobody will need protection in this country and the whole standard of the world will be on the same level and we will all be in the same boat.

But you can't have your cake, gentlemen, and eat it too.

"In 1946, our State Department came forth with plans for a proposed 'International Trade Organization'—"

and I have heard witnesses sit here in this hearing and deliberately say "We need it, we are for it." They do not know why. They don't know a thing about it, what it will do to their country or to their standard of living but they are pounding these clichés, these phases that are being brainwashed, throughout this country and brainwashing the American people.

"In 1946, our State Department came forth with plans for a proposed 'International Trade Organization' with an essential underlying feature called a General Agreements on Tariffs and Trade. This so-called ITO languished when it was submitted to

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Congress, which properly refused to swallow this organization's supranational enforcement machinery.

"However, GATT, the underlying organization, fared better because it was not and probably never will be submitted to Congressional scrutiny. GATT was signed by our State Department's Director of International Trade on October 30, 1947: whereupon President Truman proclaimed that then and thereafter the United States was and would be bound by all of GATT's unprecedented schemes for international planning and trade regulation.

"At the same time, the President, for and in behalf of the United States, accepted all of the tariff concessions that were a part of GATT's original negotiation."

Mr. Chairman, I am still reading.

'You will observe that this Presidential proclamation changed the whole range of our duties and imports which the Constitution empowers Congress, and only Congress, to change.

"But, President Truman's GATT proclamation did much more than that. It handled jurisdiction over tariffs and other precious areas of our foreign and domestic commerce to the tender mercies of GATT, a foreign Socialist organization whose proceedings are conducted in secrecy and in which the United States has but 1 of the 37 possible votes."

You will never win that ball game either.

"If the NRA, in which constitutional power went from Congress to the President, was unconstitutional 'delegation running riot,' then what can be said of constitutional power that is delegated by Congress to the President, and then redelegated by him to an association of foreign governments dedicated to the leveling of world living standards and a redistribution of the world's wealth?"

That is where you are going in this thing.

"GATT contemplates that its decrees will ultimately be policed and enforced by an appropriately muscled international tribunal. Drawn to these specifications is the new Organization for Trade Cooperation, 'OTC,' which has already been advanced as President Eisenhower's climactic contribution to the international government of our foreign and domestic commerce which, before him, President Truman, with our adherence to GATT, so nobly advanced."

"When GATT gets this enforcement machinery—

and the way we are going they are going to get it just as sure as day follows night, because we are departing from our solemn oath when we said we would support and defend and protect the Constitution of the United States—

the resulting impact upon our domestic affairs is certain to be loud and painful."

We won't be worrying about flatware, Japanese textiles, and little glass, but you will be worrying about the whole thing.

"Aside from import duties and international shipments, GATT is designed to regulate many areas of our domestic economy, including such things as a price-control system, rates of domestic exchange for foreign currency, our fair share of the world's raw materials and the proportion of our domestic market that should be supplied by foreign producers.

"There are at least 15 important Federal statutes that are in apparent conflict with GATT. These laws include the Agricultural Adjustment Act, the Clayton Antitrust Act, the Internal Revenue Code, and, last but not least, and most ironically, the Trade Agreements Act of 1934, as amended, which brought us to GATT in the first place.

"Under persistent prompting and pushing by the President, Congress now proposed to extend this Trade Agreements Act which binds us to GATT, which, in turn, directly threatens the jurisdiction of the Trade Agreements Act and 14 other Congressional statutes. Nobody in Washington proposes to repeal those statutes.

"For patriots and taxpayers it is dispiriting and depressing, if not demoralizing, to see so many of our honorable Congressmen and Senators chasing their own political coattails in such an obviously vicious circle of internationalist intrigue. If these plodding politicians would pause in their muddled milling, they might hear the re-echoes of this good advice from one of their distinguished predecessors, Senator Daniel Webster:

" 'When the mariner has been tossed for many days in thick weather and on an unknown sea, he naturally avails himself of the first pause in the storm * * * the earliest glance of the sun * * * to take his latitude and ascertain how far the elements have driven him from his true course. Let us imitate this prudence and, before we float further on the waves of this debate, refer to the point from which we departed, that we may at least be able to conjecture where we now are.'

"The point from which you departed, my dear Senators and Congressmen, is the Constitution of the United States. It is unnecessary for you to weigh the hypothetical benefits of Free World trade against the established benefits of the American standard of life and living.

"It is necessary merely for all of you to read the Constitution which you have sworn to support and from which you have departed. This is all you need to do in order to vote conscientiously to kill this misnamed 'reciprocal trade' bill and its monstrous un-American internationalist appendages."

This article says:

"Tell your Senators and Congressmen that they are not expected to do everything that the President tells them to do. Tell them they are expected to do what they have sworn to do; namely, support the Constitution of the United States."

Mr. Chairman, I do not think any better advice could be given to this committee, and I am just simply tired of people coming in here with self-serving statements and repeating clichés and brainwashing the American people, tying it up with our economy, tying it up with Congress, and tying it up with everything.

Now this gentleman here testifying, I am not here to abuse him or demean him but you have some figures here that intrigue me.

You say on page 2:

"In viewing the testimony thus far it would seem clear that the Congress has the simple choice of protecting the job security of 4 million Americans who live off of exports achieving this according to the proven formula of reciprocity or to step backward—

It is a beautiful word, isn't it, "step backward"—

"into a volatile system of regional di-stated tariffs to protect the job security of only 200,000 workers in injured industries."

Mr. JENNER. Mr. President, I yield the floor.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION BILL, 1959—CONFERENCE REPORT

Mr. HILL. Mr. President, I submit a report of the committee on conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11645) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1959, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of July 18, 1958, p. 14281, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. HILL. Mr. President, the report is signed by all the conferees on both sides of the aisle. I ask for its adoption.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 11645, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
July 18, 1958.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 4, 20, 34, 35, 49, 55, and 59 to the bill (H. R. 11645) entitled "An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1959, and for other purposes," and concur therein; that the House recede from its disagreement to the amendment of the Senate numbered 5, and concur therein with an amendment, as follows:

In lieu of the matter proposed by said amendment insert:

"COMPLIANCE ACTIVITIES, MEXICAN FARM LABOR PROGRAM

"For expenses necessary to enable the Department to determine compliance with the provisions of contracts entered into pursuant to the act of July 12, 1951, as amended, $480,600.

"SALARIES AND EXPENSES, MEXICAN FARM LABOR PROGRAM

"For expenses, not otherwise provided for, necessary to carry out the functions of the Department of Labor under the act of July 12, 1951 (65 Stat. 119), as amended, including temporary employment of persons without regard to the civil-service laws, $1,550,000, which shall be derived by transfer from the farm labor supply revolving fund: *Provided*, That reimbursement to the United States under agreements hereafter entered into pursuant to section 502 of the act of October 31, 1949, as amended (7 U. S. C. 1462), shall include all expenses of program operations except those compliance activities separately provided for herein."

That the House recede from its disagreement to the amendment of the Senate numbered 40, and concur therein with an amendment, as follows:

In the second line of the engrossed amendment:

Strike out the words: "or hereafter."

That the House recede from its disagreement to the amendment of the Senate numbered 50, and concur therein with an amendment, as follows:

Strike out the proviso: ": *Provided*, That these funds shall be available only if a contract for construction is executed on or before April 30, 1959."

Mr. HILL. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 5, 40, and 50.

The motion was agreed to.

Mr. HILL. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a table showing the result of the conference between the two Houses.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

[Figures in brackets not added in totals]

Appropriation title	Appropriation, 1958	Budget estimate, 1959	House allowance	Senate allowance	Conference agreement
TITLE I. DEPARTMENT OF LABOR					
Office of the Secretary	$1,480,000	$1,556,000	$1,478,000	$1,478,000	$1,478,000
Office of the Solicitor	2,121,000	2,121,000	2,321,000	2,321,000	2,321,000
Transfer from highway trust fund	[200,000]	[200,000]			
Bureau of Labor Standards	985,000	1,004,000	995,000	1,004,000	1,004,000
Bureau of Veterans' Reemployment Rights	542,000	542,000	542,000	542,000	542,000
Bureau of Apprenticeship	3,600,000	3,900,000	3,600,000	3,700,000	3,700,000
Bureau of Employment Security:					
Salaries and expenses	125,600	125,600	6,219,000	6,219,000	6,219,000
Transfer from unemployment trust fund	[5,832,400]	[6,174,400]			
Grants to States	292,814,000	329,300,000	305,000,000	305,000,000	305,000,000
Unemployment compensation for veterans	76,800,000	19,000,000	19,000,000	19,000,000	19,000,000
Unemployment compensation for Federal employees	54,400,000	27,800,000	27,800,000	27,800,000	27,800,000
Mexican farm-labor program	2,250,000	1,339,400	480,600	1,339,400	480,600
Transfer from revolving fund		[910,600]		[910,600]	[1,550,000]
Bureau of Employees' Compensation:					
Salaries and expenses	2,838,000	2,810,600	2,810,600	2,810,600	2,810,600
Employees' compensation fund	[57,600,000]	[57,000,000]	Indefinite	Indefinite	Indefinite
Bureau of Labor Statistics: Salaries and expenses	7,200,000	7,572,000	7,332,000	7,517,000	7,424,500
Women's Bureau	462,000	462,000	462,000	462,000	462,000
Wage and Hour Division	10,600,000	10,500,000	10,500,000	10,500,000	10,500,000
Total, Department of Labor	456,217,600	408,032,600	388,540,200	389,693,000	388,741,700
TITLE II. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE					
American Printing House for the Blind	328,000	400,000	400,000	400,000	400,000
Food and Drug Administration:					
Salaries and expenses	9,300,000	9,410,000	9,300,000	9,800,000	9,800,000
Certification, inspection and other services	[1,254,500]	[1,254,500]	Indefinite	Indefinite	Indefinite
Freedmen's Hospital	3,000,000	2,975,000	2,975,000	2,975,000	2,975,000
Gallaudet College:					
Salaries and expenses	730,000	785,000	785,000	815,000	815,000
Construction	1,690,000	123,000	123,000	123,000	123,000
Howard University:					
Salaries and expenses	3,800,000	4,000,000	3,900,000	4,000,000	3,953,700
Plans and specifications	150,000	171,000	123,000	123,000	123,000
Construction of buildings	262,000				
Construction of buildings, liquidation of contract authority		163,000	163,000	163,000	163,000
Office of Education:					
Promotion and further development of vocational education	33,750,081	33,750,081	33,750,081	33,750,081	33,750,081
Further endowment of colleges of agriculture and mechanic arts	2,501,500	2,501,500	2,501,500	2,501,500	2,501,500
Grants for library services	5,000,000	3,000,000	5,000,000	6,000,000	6,000,000
Payments to school districts	127,000,000				
School construction	98,650,000	850,000	750,000	850,000	800,000
Salaries and expenses	7,000,000	7,950,000	7,800,000	7,850,000	7,850,000
President's Committee on Education Beyond the High School	50,000				
Office of Vocational Rehabilitation:					
Grants to States and other agencies	46,500,000	50,600,000	50,600,000	51,600,000	51,600,000
Training and traineeships	4,400,000	4,800,000	4,800,000	4,800,000	4,800,000
Salaries and expenses	1,330,000	1,400,000	1,400,000	1,400,000	1,400,000
Public Health Service:					
Assistance to States, general	22,592,000	22,889,000	22,000,000	25,574,000	22,889,000
Grants to States	[15,000,000]	[15,000,000]	[14,500,000]	[15,000,000]	[15,000,000]
Grants for graduate training of public health personnel	[2,000,000]	[2,000,000]	[2,000,000]	[5,000,000]	[2,115,000]
Grants and special studies, Alaska	2,165,000	2,165,000	2,165,000	2,165,000	2,165,000
Construction of mental health facilities, Alaska		6,500,000	6,500,000	6,500,000	6,500,000
Venereal diseases	4,415,000	4,400,000	4,400,000	5,800,000	5,400,000
Grants to States	[1,700,000]	[1,700,000]	[1,700,000]	[3,000,000]	[2,600,000]
Tuberculosis	7,000,000	5,386,000	5,386,000	6,886,000	6,386,000
Grants to States	[4,500,000]	[3,000,000]	[3,000,000]	[4,500,000]	[4,000,000]
Communicable diseases	7,050,000	6,200,000	6,200,000	7,150,000	6,600,000
Equipment, communicable disease center		1,700,000	N. C.	1,700,000	1,700,000
Sanitary engineering activities	12,640,000	12,815,000	12,725,000	13,315,000	12,815,000
Grants for water pollution control	[3,000,000]	[3,000,000]	[3,000,000]	[3,000,000]	[3,000,000]
Grants for waste treatment works construction	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000
Grants for hospital construction	121,200,000	121,200,000	121,200,000	211,200,000	186,200,000
Salaries and expenses, hospital construction services	1,450,000	1,320,000	1,300,000	1,650,000	1,600,000
Hospitals and medical care	44,399,000	44,309,000	44,730,000	48,730,000	48,454,000
Grants for advanced training of professional nurses	[3,000,000]	[3,000,000]	[3,000,000]	[7,000,000]	[6,000,000]
Foreign quarantine service	3,876,000	3,983,000	3,983,000	4,233,000	4,108,000
Indian health activities	40,100,000	40,225,000	40,225,000	45,000,000	40,473,000
Construction of Indian health facilities	3,130,000	2,374,000	3,124,000	5,000,000	4,124,000
National Institutes of Health:					
General research and services	14,020,000	17,742,000	17,742,000	32,552,000	28,974,000
National Cancer Institute	56,402,000	55,923,000	57,423,000	81,129,000	75,268,000
Mental health activities	39,217,000	37,697,000	40,397,000	55,896,000	52,419,000
National Heart Institute	35,936,000	34,712,000	36,212,000	49,529,000	46,613,000
Dental health activities	6,430,000	6,293,000	6,543,000	7,923,000	7,420,000
Arthritis and metabolic disease activities	20,385,000	20,592,000	21,092,000	34,798,000	31,215,000
Allergy and infectious disease activities	17,400,000	17,497,000	17,997,000	26,590,000	24,071,000
Neurology and blindness activities	21,387,000	20,727,000	21,977,000	32,250,000	29,403,000
Subtotal, NIH	211,183,000	211,183,000	219,383,000	320,577,000	294,383,000
Grants for construction of research facilities	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Construction of general office building				9,625,000	9,625,000
Retired pay of commissioned officers	[1,500,000]	Indefinite	Indefinite	Indefinite	Indefinite
Construction of dental research building			3,700,000	3,700,000	3,700,000
National Library of Medicine (operating expenses)	1,450,000	1,415,000	1,415,000	1,415,000	1,415,000
Construction of Library of Medicine facilities				6,950,000	6,950,000
Salaries and expenses	5,100,000	5,325,000	5,260,000	5,260,000	5,260,000
Total, Public Health Service	562,750,000	508,389,000	578,696,000	807,430,000	745,747,000
St. Elizabeths Hospital:					
Salaries and expenses	3,085,800	3,154,000	3,154,000	3,154,000	3,154,000
Major repairs and preservation of buildings and grounds	55,000	87,000	87,000	87,000	87,000
Construction	180,000	125,000	125,000	125,000	125,000

UNIVERSITY OF MICHIGAN LIBRARIES

[Figures in brackets not added in totals]

Appropriation title	Appropriation, 1958	Budget estimate, 1959	House allowance	Senate allowance	Conference agreement
TITLE II, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—con.					
Social Security Administration:					
Bureau of Old-Age and Survivors Insurance	[$138,690,000]	[$133,300,000]	[$133,300,000]	[$133,300,000]	[$133,300,000]
Bureau of Public Assistance:					
Grants to States	1,770,600,000	1,806,400,000	1,806,400,000	1,806,400,000	1,806,400,000
Salaries and expenses	1,900,000	2,040,000	1,980,000	1,980,000	1,980,000
Children's Bureau:					
Salaries and expenses	2,000,000	2,013,000	2,000,000	2,000,000	2,000,000
Grants to States for maternal and child welfare	41,500,000	41,500,000	42,500,000	43,500,000	43,500,000
White House Conference on Children and Youth		150,000	150,000	150,000	150,000
Office of the Commissioner	300,000	314,000	314,000	314,000	314,000
Transfer from OASI trust fund	[240,000]	[246,000]	[246,000]	[246,000]	[246,000]
Office of the Secretary	1,800,000	1,819,000	1,809,000	1,809,000	1,809,000
Transfer from OASI trust fund	[260,000]	[263,000]	[263,000]	[263,000]	[263,000]
Office of Field Administration	2,300,000	2,418,000	2,358,000	2,358,000	2,358,000
Transfer from OASI trust fund	[700,000]	[702,000]	[702,000]	[702,000]	[702,000]
Office of the General Counsel	500,000	505,000	505,000	505,000	505,000
Transfer from OASI and Food and Drug	[474,000]	[475,000]	[475,000]	[475,000]	[475,000]
Surplus property utilization	502,000	632,000	632,000	632,000	632,000
Total, Department of Health, Education, and Welfare	2,732,914,381	2,552,424,581	2,565,080,581	2,797,594,581	2,736,815,281
RELATED AGENCIES					
National Labor Relations Board	9,384,800	9,985,000	9,384,800	13,100,000	13,100,000
National Mediation Board:					
Salaries and expenses	500,000	520,000	520,000	520,000	520,000
Arbitration and emergency boards	250,000	250,000	250,000	250,000	250,000
National Railroad Adjustment Board	545,000	525,000	525,000	525,000	525,000
Railroad Retirement Board	[8,150,000]	[8,450,000]	[8,450,000]	[8,450,000]	[8,450,000]
Federal Mediation and Conciliation Service: Salaries and expenses	3,550,000	3,695,000	3,650,000	3,695,000	3,650,000
Interstate Commission on the Potomac River Basin	5,000	5,000	5,000	5,000	5,000
Soldiers' Home	[4,750,000]	[5,178,000]	[5,256,000]	[5,299,500]	[5,299,500]
Grand total	3,203,366,781	2,975,437,181	2,967,955,581	3,205,382,581	3,142,606,981

A CONSTRUCTIVE PROPOSAL FOR FOLLOWUP ACTION IN THE MIDDLE EAST

Mr. WATKINS. Mr. President, it has been only 3 days since the President of the United States acted at the invitation of the Lebanese Government to send our Armed Forces into that unhappy country, to help keep order. The President's action in sending in our Armed Forces followed hard on the invitation from President Chamoun, of Lebanon; and these event-filled days have been filled with almost hourly developments of extreme international interest.

Mr. President, I believe the President took the only action he could have taken under the circumstances. I think he was fully justified. I may not be in full agreement regarding all the reasons he gave; but one substantial fact was sufficient to justify sending our troops to help Lebanon preserve peace and order—namely, the lawful presence in that country of 2,500 American citizens who had established their homes there for many reasons, personal or otherwise.

A long line of precedents, dating way back in our history, precedents based on sound reasoning and international practice—justifies the action taken on Tuesday by the President. I know of no authority in this field who denies the President's right—in fact, his duty—to send our Armed Forces into a country, under these circumstances, and at the request of the head of the country, to protect American lives and property there.

The criticism the President is receiving from some quarters stems from other reasons which he gave.

There have been very few working hours in which to consider fully his other reasons; but it does appear, aside from his statement, that his action is justified by article 51 of the United Nations Charter. It can also be justified as coming within the spirit, at least—if not by direct and explicit authorization—of the Middle East Resolution adopted last year by the Congress.

President Eisenhower's decision was a hard, difficult one to make, because of the inflamed condition of the public mind in the Mid-East; but it had to be made, and I think the considered opinion of history will be that the President was right in making this historic decision.

As I was preparing this statement, news came that Great Britain had sent troops into Jordan, for the purpose of defending the independence and integrity of that nation. That was in response to an invitation from the Jordanian Government. I think the action of Great Britain can be justified. In that country there are no written constitutional inhibitions against the taking of such action by the reigning British Government.

Important and justifiable as they are, however, the military actions taken by Great Britain and the United States do not, in and of themselves, provide a solution to the basic problems that have created the continuing difficulties in the Mid-East.

Some people are now wondering what we can do to extricate ourselves from the situation there. In my opinion, this is what we can do: We can enlist the support of the United Nations in undertaking programs to remove some of the basic sources of tension and unrest in that area. I recommended such action in 1953, on my return from the Middle East where I had been studying the problem of the Arab refugees; and I think subsequent developments have made such action all the more essential. The four major, constructive steps which I re-propose—I first proposed them in December 1953, in a report to the President—are:

First. Guarantee the borders of Israel and the bordering Arab States against aggression. This action, supported by the United Nations and the Big Three Western powers—the United States, Britain, and France—would enable the Middle-East nations to reduce the size of their armies and to engage in constructive works of peace, instead of tension-creating border-patrol duty.

Second. Require the payment of reparations by the Israeli Government to Arab refugees, for their property which was taken or which fell into the hands of the Israeli Government or its nationals.

Third. Solve the tremendous and tragically inhumane refugee problem that resulted—and still exists today—from the creation of the Israeli Republic and the disastrous war with the Arab States which accompanied the establishment of Israel. Hundreds of thousands of people left homeless by the birth of a new Republic in the center of one of the oldest civilized areas have been kept alive by the United Nations refugee program; but they have also been kept homeless and frustrated in the corroding atmosphere of refugee camps which have become a symbol of Arab irritation and resentment against the establishment of the State of Israel.

This tragic problem of a most deplorable waste of human resources in festering centers of international ill-will must be solved before any substantial progress can be made toward stability in the Mid-East.

We and other nations have been pussyfooting around this problem for several years now, because it points up what some have not wished to admit; namely, that one of the basic causes of unrest in the Mid-East has been the establishment of the State of Israel in the midst of the Arab nations of the Mid-East. That action and the conflicts which accompanied it led to the establishment of the sickening, hope-destroying, refugee camps made necessary by the war, and maintained ever since largely because leaders of the Arab

nationalist movement felt that the camps must be preserved as "symbols" of the "cruel war." Not only do these permanent "transient" camps represent an appalling waste of nearly 1 million human lives, but they also tend to increase Arab resentment, not only against Israel, but also against the United States and other Western nations which were helpful in the creation of the Israeli State.

Mr. President, at this point let me say that I do not attempt to pass on the merits, either one way or the other, of the establishment of the State of Israel. I purposely refrain from discussing that matter, because I wish to point out that, regardless of whether we agree or disagree with that policy, at this time we should consider the fact that that action—whether it was right or was wrong—has resulted in the creation of one of the great problems which is causing much of the trouble in that part of the world.

Today, we are already involved, up to our necks, in Mid-Eastern affairs; so I believe we can afford to face the facts and speak bluntly about this matter.

Mr. President, I maintain that we and Britain cannot solve any major problems by the military actions now being taken to preserve the independence of certain Arab States. We are merely attempting to stabilize a rapidly deteriorating situation. Action to solve the refugee problem would be one of the most constructive things we could do to follow up that military action, which has provided us with time in which to accomplish a solution of some of the real causes of the difficulties in that area.

Fourth. Another constructive course of action which should be taken at this time is to contribute international assistance toward the development of the water resources of the Middle East. This also would help provide jobs and a new future for the Palestine refugees and their families.

Troops of friendly, democratic nations may restore stability to the States of Lebanon and Jordan, but they will not provide jobs and increased standards of living for the very poor people in those countries.

So let us propose that we and the other members of the United Nations move from the negative role of policeman into an expanded positive role of contributing to economic solutions which will help people and will reduce international friction.

Let us help the people of Iraq develop the now-wasting waters of the Tigris and Euphrates in a program which will be acceptable to the entire river basin.

This offer, I should say, also should extent even to Mr. Nasser and to the people of Egypt and the other nations on the Nile watershed. Let us consider reopening negotiations for construction of the Aswan Dam, if the Egyptians show a willingness to cooperate in works of peace, instead of works of intrigue, aggression, and war.

We can also make a determined effort to get the countries in the Jordan River Basin to cooperate in a program to develop that watershed.

Many of these projects have already had much investigation and engineering research, and they can be built as reimbursable projects, like our reclamation works in the West.

The construction of these projects would go a long way toward solving the Arab refugee problem, and also would help bring much needed economic help to the Arab States bordering Israel, and also to Israel itself. In fact, the entire Mid-East area would receive tremendous economic benefits.

Let us hope that the United Nations can achieve stability in government in that area, and then turn to cooperate in expedited, constructive works of peace that will solve problems that it is impossible for military force alone to solve. Let us help these people undertake activities of common interest.

Mr. JAVITS. Mr. President——

The PRESIDING OFFICER (Mr. THURMOND in the chair). Does the Senator from Utah yield to the Senator from New York?

Mr. WATKINS. I yield.

Mr. JAVITS. Mr. President, I would never dream of interrupting the Senator from Utah. But I hope that before he takes his seat, he will allow me to discuss this matter with him.

Mr. WATKINS. I shall.

Mr. JAVITS. I thank the Senator from Utah.

Mr. WATKINS. Mr. President, the proposal of such activities under the United Nations would be a significant test of the sincerity of Russian motives. If Moscow opposed such measures, it could be assumed that the Russians were interested, not in peaceful solutions, but in continuing unrest. And if they do oppose such efforts, perhaps the other nations of the world which honestly desire peace and stability can cooperate with the Middle Eastern nations, either within or outside of the United Nations framework.

We have had to take military action, and we believe that the judgment of the world's historians will support it. Now let us take prompt and forward looking, peaceful action that will demonstrate to the people of the Middle Eastern countries that we are sincerely interested in them and their aspirations toward a better life.

Mr. President, that concludes my statement on this subject. I shall speak on another subject in a moment, but first I wish to yield to the Senator from New York.

Mr. JAVITS. I thank the Senator for yielding. I wish to make a few comments brought on by the Senator's statement, and also suggested by what I understand to be a resolution of generally similar import submitted earlier in the day by the Senator from Vermont [Mr. FLANDERS].

I think we have to be rather clear as to our objectives, and also as to where we think the fault lies. I do not believe being superficial about it will help us. It is easy to fall into the trap of annoyance with the intransigence which has created the quarrel, seemingly insoluble so far, between the Arab states and Israel, and to use the manifestation as the cause. The fact is that one could as easily have fallen into the same trap as to Hitler, who used the Jews as a convenient scapegoat, and one could have said that Hitler would not have been a danger to the world if the Jews had not been around.

It is a fact that the Nasser brand of Arab nationalism, which is causing so much mischief, is deeply rooted in personal power-playing and Communist orientation, based on the denial on the part of the West to send arms to Nasser. So Nasser turned around and got the arms from the Soviet Union, which was in a sense the beginning of the seduction or subversion by the Communist states.

The drive toward Arab hegemony is not going to be stopped by throwing Israel to Nasser, any more than Hitler was stopped when he was thrown Czechoslovakia and other countries in Europe. In short, the problem is deeper than that. But I thoroughly agree with the distinguished Senator from Utah, for whom I think he knows I have not only a high regard but a deep affection, that we have the greatest incentive now to move, in a big, constructive way, along the lines of solving problems which are susceptible of solution. I thoroughly agree that the problem of Palestine Arab refugees is susceptible of solution, and it is one aspect of the fundamental problem that we should pursue.

I am very hopeful that some of the Arab States, too, will realize that the problem is insoluble without their cooperation as well. For example, we had almost settled the problem of the Jordan River waters. Israel had agreed to certain participation, and it was thought the Jordanians had agreed, when suddenly Eric Johnston's mission fell completely apart because of the political withdrawal on the part of the Arab participants, even though they would not have had to deal with Israel directly, but could have dealt through the United Nations. Such are some of the pitfalls in the situation.

Moreover, we feel nationalism is perfectly logical. We must recognize the determination of people to better themselves and have pride in themselves. We ourselves are the product of a revolution. We are certainly proud of it. However, we do not want a revolution by the Communists to grind down the Middle East.

I think this is germane to the deep feeling the Senator has on the subject.

First, we favor that kind of Arab nationalism which equates with constructive efforts to improve the condition of the people and develop their own nationalism in ways which will build up the people and their nation.

Second, economic help is one way we should help those people.

Third, the Arab refugee problem is certainly a splendid major work of construction to which we should devote ourselves.

Fourth, the Israeli should make full contribution to whatever is done in that area; but at the same time that should not be by way of sacrificing any part of Israel to the Arab States in any conflict,

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because on that basis we would have to appease a power-hungry dictator by giving him a bone or a piece of meat. We have found such appeasement is fatal, and we know it failed in Europe. So it would fail in the Middle East.

Many of us have been talking about Israel as a bastion of freedom in that area of the world. Certainly it has been proved to be so in the past few weeks and months, and is being proved to be so today.

Mr. WATKINS. I thank the Senator. I want him to understand, and this body to understand, that I am not here taking either the side of the Arabs or of Israel with respect to their controversy. I personally wanted to avoid taking sides, and merely recognize the fact that there is a controversy. That is not the only reason, but it is one of the big reasons why it is so difficult to get some settlement.

One can hardly be in that area 24 hours without being told, not only by one, but probably by every person he meets, that it is the one big problem in that area. If one happens to meet a protagonist on one side, and then one on the other side, he will get both sides of the story within a few minutes.

I spent an active period in that area in 1953, as chairman of the Immigration Subcommittee of the Senate, and also as a member of the Refugee Subcommittee. My particular mission was not to settle any problems with respect to the establishment of Israel on the Israeli or the Arab side, but to see what could be done about the refugees.

The United States Government, through the United Nations, has spent approximately 70 percent of the cost of maintaining and feeding the refugees. Ever since the camps were established, which was about 10 years ago, the cost of maintaining them has become quite a burden.

While I was there I met with Mr. Eric Johnston, who was the special ambassador appointed by the President to that area for the purpose of trying to get the governments there to accept a reclamation project. I met with him and the head of the Syrian Government 1 or 2 times, in which this matter was discussed. I had planned, and it was the desire of the President, I understand, to work with Mr. Johnston wherever I could in that area. Unfortunately, I could not stay any longer. I had been abroad about 3 months then. That area was the last part of my trip.

I had a strong feeling, based on what I had heard and what I had discussed with our own diplomats and with the representatives of various countries and with representatives of the refugee committees of the principal refugee camps—in fact, anybody who would talk to me about it—that a program just as I had suggested could probably be brought to the acceptance stage by the Arabs, and I was quite sure it would be accepted by Israel.

The first part of the plan was to provide for some kind of guaranty that the Arabs would not suffer from any aggression involving the loss of territory at the hands of Israel, and the same kind of guaranty that there would be no change of boundary lines as a result of aggression from the Arab States. The second part was the matter of reparation for loss of private property, much of which had fallen into the hands of Israeli nationals or the Government, and that the Israeli Government was willing to do something about it.

The plan recognized that at least there was some justice to the claim. The constructive thing to do is to find homes and opportunities for the refugees.

I visited with representatives of the Arabs, who were then living in Israel. There were about 180,000 who lived in the Nazareth area. I met with them on at least two occasions, and we had several hours of conference. I never will forget their plea, which was to use all the influence I had with the refugees on the outside to go somewhere else rather than to try to return to Israel. I was in full agreement that they should not return to Israel. They would not be happy there. Israel is an established fact. It is a government. It is a nation. It is recognized. There was no hope for those refugees if they went back into Israel, because there simply is not enough area to sustain the approximately 1 million Arabs in the camps, while sending the others back into Israel and keeping the other inhabitants there.

I worked with the people with whom I came in contact with respect to the reclamation projects. I found that the Jordan Valley project would be a very desirable one. I felt that, after probably rather prolonged negotiations, it would be possible to work out an agreement. I found those people were no tougher to get an agreement with than some of the western farmers. For instance, the States of California and Arizona have been at loggerheads for many years over water questions. I felt it was not an impossible situation.

The project would have taken care of only about 225,000 refugees, and I found that, by reason of births in the camps, the refugees were increasing in number by about 30,000 a year. At the end of 10 years, which is about the time it would have taken to build the project and get it into operation, there would have been at least 300,000 more refugees. Since the project would take care of only 225,000, they would have been losing ground, rather than getting the problem solved.

I urged that an attempt be made to make arrangements in Iraq, where there was plenty of land and water, both not being used.

That area could be made a source of many homes and opportunities for the people. Such a program would strengthen the Iraq nation and would be beneficial in numerous ways. It would remove one of the principal causes—I do not say the only cause—of trouble.

It seems as though the Arab nationalist movement sort of coincided in a way with the establishment of the Republic of Israel. Since the two came together, a real problem has been presented. After all, the Arabs took a very humiliating defeat at the hands of the Israeli, when they declared war after the Republic had been established. That probably increased the desire to become strong as a nation, so that they could do something about the defeat.

I mention all of this to point out that there is an opportunity now to do something constructive. We are buying time. By sending our troops into Lebanon and the British sending troops into Jordan, we know we will never settle the issue finally, because there is a deep-seated Arab nationalism.

It is the fact that Israel is a state and is going to stay one. All the people of that area must live together as neighbors. We must devote our time and attention now, as rapidly as possible, to promoting some constructive programs which will help solve the problems. I feel that such can be done through reclamation projects.

I am not throwing any bones to Nasser. I simply say if Nasser wants to cooperate and is willing to cooperate, and all of these people are willing to sit down and confer together, the situation can be improved. It would help Nasser to have the Aswan Dam built and it might in a way be a victory for him, at the same time I found much poverty among the Egyptian people. For instance, on the farms a rather remarkable fact was brought to my attention by the minister of agriculture. He said, "Senator, do not get the idea that our people are lazy because you do not see them working on the farms after 10 o'clock in the morning." I became curious and I asked, "Why do they not work after 10 o'clock?" "Because," he said, "we have so many unemployed people in this country that we have sent them to the farmers, and we have required that the farmers employ them and keep them, and all of the work is done by 10 o'clock in the morning."

That is a situation which could be corrected. I think we could render a great service. We could carry a message of good will, to show we have respect for the proper ambitions of the Arab nationalist movement, and at the same time we could help Israel become firmly established among the nations.

The big job is to establish good will among those people. We cannot do it alone by military acts, although that will buy time in which to act, unless something happens in the future to upset the entire situation.

Mr. JAVITS. I should like to add one point to the Senator's statement of facts. It must not be forgotten that all the Jewish population, in effect, was ousted from practically all Arab countries, and their property confiscated. Israel has stated a willingness to compensate for the so-called sequestered lands. I do not think we can wipe out and forget the expulsion of these populations and the tremendous assets which were left.

Mr. WATKINS. I would not want to enter into the details of the settlement. Whatever offsets there may be should be considered.

Mr. JAVITS. The Senator did not mention that item.

Mr. WATKINS. It would take too long to go into all the details. I know there is another matter to come before the Senate, and I have still another speech to make.

Mr. JAVITS. I should like to make one further point. Let us remember that the United Nations proposal, had it been followed through, would have represented an equitable world judgment on the situation. The thing was broken wide open by the feeling on the part of the Arab States that they wanted to push what was then Israel into the sea. Be that as it may, all those things being in the record and being historic, I can tell the Senator from Utah that I will certainly do my utmost to make my contribution to taking hold of the Palestine-Arab refugee situation, because I believe at this particular stage it offers very real possibilities.

Mr. WATKINS. I thank the Senator.

Mr. JAVITS. I thank the Senator from Utah.

EXTENSION OF TRADE AGREEMENTS ACT

The Senate resumed the consideration of the bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

Mr. WATKINS. Mr. President, we are now engaged in debate, or have been up until some time this afternoon, which will result in one of the major legislative decisions which must be made before the 85th Congress adjourns. That decision is whether the Reciprocal Trade Agreements Act of 1934 is to be extended again, and, if so, upon what basis; or whether it should be terminated. Without doubt, the intense interest in this matter has been high-lighted during the past few months by the economic slump and the large number of people, as a result, who have been unemployed.

Some able individuals have suggested that the recession was caused in part by our liberal trade policy; others have suggested—and not without some fact on their side—that a more liberal trade policy would augment these forces in the economy making for recovery. This is a topic about which most people feel very strongly, one way or the other. For example, the western lead and zinc mining industry is convinced that the recession itself has only served to highlight the long-standing chronic unemployment which has existed for nearly a decade now. They are convinced that the basic cause of this definitely has not been the recession, but a trade and tariff policy which has permitted foreign competition to take away their domestic markets. They have, I might add, two unanimous findings of the United States Tariff Commission to substantiate their position.

Personally, I have always believed that mutually beneficial trade should be encouraged between this country and other free nations of the world.

I favor trade so long as it does not destroy American industry and agriculture. Because I believe the Congress will adopt reasonable provisions to strengthen the peril point and escape clause provisions of the present law, I shall vote for extension of the Trade Agreements Act.

This I am convinced can be done without jeopardizing the economies of our friends throughout the world. We must remember that more is involved in this matter than what is best for the United States from our own point of view. In this connection, I am impressed by the following statement contained in President Eisenhower's message of January 30, 1958:

> Important as growing international trade is to our country, it is equally important to our allies and trading partners. For them it is indeed vital to the health and growing strength of their economies, on which their political stability and military power heavily depend. The assured future of the reciprocal trade program is necessary for our national security and for our entire foreign policy.

As a means of giving concrete expression to this policy, we have negotiated trade agreements with 43 countries—8 under bilateral agreements; 35 under GATT. Of the concessions granted by the United States under these agreements, about 40 percent are duty reductions, and about 60 percent are what are known as bindings of import treatments. In most cases these insure duty-free importation of certain products. As a result, more than one-half of our imports enter duty free. Our average tariff rates, as measured by the percentage of custom receipts to total exports, are now the lowest that they have been in this country.

The proponents of the House-passed bill, H. R. 12591, have pointed out in connection with tariff concessions that in all of the renegotiations of tariff concessions, "new concessions have been granted by the countries modifying their schedules with the result that the new schedules are maintained at an overall level at least as favorable to trade as that existing when the agreement was first negotiated"—House report, pages 90–91. While this may be true, foreign countries have resorted to other devices which have had the effect of limiting United States exports and excluding them from foreign consumption.

I am impressed by the conclusion reached by the Senate Finance Committee in this connection. Consider the following statement contained in the committee report on H. R. 12591:

> The committee views with concern the large number of our trade barriers constantly arising in countries with which the United States has friendly trade relations. Sharp increases in duty, the imposition of license or quota controls, exchange controls involving multiple categories and differential rates, purchase arrangements that discriminate against the United States, special taxes, fees or charges added to duties, and many others are being noted (p. 3).

It is for this reason, Mr. President, that we should follow the intended progress of the peril point and escape clause provisions of the present law. International trade, if it is to be mutually beneficial, must be based upon reciprocity. The only vehicle which we can rely upon to gain reciprocal treatment is vigorous enforcement of the escape clause.

The original act of 1934 contained no safeguard to protect domestic interests which had to compete for domestic markets with expanding imports. This is evident from the language of the act itself, under which the President was authorized to enter into agreements calling for mutual modification of import restrictions, "for the purpose of expanding foreign markets for the products of the United States by regulating the admission of foreign goods into the United States in accordance with the characteristics and needs of various branches of American production so that foreign markets will be made available to those branches of American production which require and are capable of developing such outlets by affording corresponding market opportunities for foreign products in the United States."

Today 70 percent of our exports consist of manufactured goods shipped in the forms in which they are consumed abroad. By contrast less than 20 percent of our imports consist of such goods. Over 80 percent consist of raw materials—materials and crude foodstuffs.

No wonder many domestic industries, including our minerals industries, are demanding that the Congress place reasonable restrictions upon foreign imports and that the escape-clause procedures be amended to provide effective relief. Nor has this discrimination against our domestic raw materials industries gone unnoticed by foreign countries which would like to ship us more of their manufactured products. The Canadian Minister of Finance in an address to the Investment Bankers Association of America only last December, stated:

> That the United States ought to modify policies which impede Canadian sales to the United States. Canada's purchases from the United States in a considerable measure comprise finished goods. The nature of the United States tariff, however, not unlike others, is such as to discourage the importation of finished products. Much of the total of Canada's sales to the United States consists of raw industrial materials. While we Canadians are glad to have a market in the United States for much of our surplus production of industrial raw materials, nevertheless we are not content merely to dig these materials out of our soil for export to other countries to be fabricated there into finished products, many of which we are then invited to buy back. We should like to see the United States administration and Congress take serious account of the heavy unbalance of the trade between these two countries and also of the way in which United States tariff policies are excluding Canadian finished products from the United States market.

On the other hand, Mr. President, is it any wonder that some export-minded segments of our economy, which want cheaper raw materials, are urging Congress to extend the act for 10 years, or indefinitely, and to eliminate the escape-clause provisions entirely?

Is it any wonder that this selfish portion of the American business community uses the slogan "Trade, not aid" as an argument for still lower tariffs and other concessions, when such economists as Jacob Viner, Princeton University's international trade expert, and Willard L. Thorp, Amherst College economist and

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former Assistant Secretary of State for Economic Affairs under President Truman, have told Congressional committees that even complete free trade would not, "create a great volume of trade"?

Conversely, my contacts convince me that only a few of those who object to an extension of the trade program act do so with the idea that there should be higher tariffs and other controls on all imported commodities. This is not the case at all. Most of those who do object to the program, or have reservations about it, are convinced that there is a necessity of protecting those domestic industries which may be damaged, and which are entitled to help in that event, so that they can at least be placed on an even competitive basis with their foreign competitors.

It was with this latter thought in mind that I, as a member of the 1956 Republican national convention platform drafting committee, helped draft the following plank.

Recognizing economic health as an indispensable basis of military strength and world peace, we shall strive to foster abroad and to practice at home, policies to encourage productivity and profitable trade.

Barriers which impede international trade and the flow of capital should be reduced on a gradual, selective, and reciprocal basis, with full recognition of the necessity to safeguard domestic enterprises, agriculture and labor against unfair import competition. We proudly point out that the Republican party was primarily responsible for initiating the escape-clause and peril-point provisions of law to make effective the necessary safeguards for American agriculture, labor, and business. We pledge faithful and expeditious administration of these provisions.

I firmly believe that if the escape-clause provisions were faithfully and expeditiously enforced most of the opposition to the reciprocal trade program would disappear. On March 17 of this year I wrote the President in this regard. After quoting the foreign trade plank from the Democratic party's 1956 platform, which does not mention the escape clause, I quoted the applicable plank from the Republican Party's platform of that year, which I have just read, and then went on to say, in part, as follows:

Let me repeat that I believe the pathway ahead for the reciprocal trade extension would be much easier to negotiate if real life and meaning were given to the reciprocal trade provisions of the law. Again, may I say that the escape clause was only for the occasional industry and not meant for the whole economic front.

In his reply of March 21, 1958, the President replied, in part, as follows:

Many thanks for your very thoughtful and fine spirited letter of March 17 about trade matters. * * *

I have sought conscientiously to administer the escape clause during the years of my Presidency and I shall continue to do so in the future under such extension of the act as the Congress passes. It was for the purpose of administering this provision of the act more effectively that I have asked the Congress for authority to raise rates in cases of demonstrated injury to a level of 50 percent above the Smoot-Hawley rates which were in effect when the trade agreements legislation was initially enacted.

Mr. President, I ask unanimous consent that this exchange of correspondence between the President of the United States and myself be printed in the RECORD at the conclusion of my remarks, so that all Members may have access to the entire contents.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. WATKINS. Mr. President, whether even this provision, which is contained in the Senate committee bill, would be sufficient to provide adequate relief to some industries, such as lead and zinc, is open to question. Nevertheless, it constitutes a positive proposal by the President in keeping with the 1956 Republican platform pledge of faithful and expeditious administration of the escape clause.

In spite of the fact that the President has leaned very heavily on the advice of the State Department with respect to even domestic trade matters insofar as they affect foreign commerce, much of which advice has not always been sound in my opinion, I believe the President has personally attempted to do a conscientious job in administering the escape clause during the years of his Presidency.

I have discussed this question with him a number of times and I know how keenly he feels on these matters, and I have his recent personal assurance as stated in the letter to me under date of March 21, 1958, which I have already referred to. With such assurances and with the deep confidence I have in the President's personal integrity, I am supporting his request for an extension of the Trade Agreements Act which does delegate to him great power in making decisions with respect to whether or not domestic industry has been injured and what, if anything, shall be done about it under the conditions which may prevail in the international field.

I believe that the President has made some mistakes in relying too heavily on advice from the State Department. But these mistakes, I am convinced, are mistakes of judgment and do not involve bad faith in any degree whatsoever.

I have confidence in the President that he will keep his commitment in this respect in the years remaining in his term of office. I believe the record indicates that in general he has tried to conscientiously administer the escape clause as the Congress intended.

Of considerable interest in this regard in this statement by Secretary Weeks before the Senate Finance Committee:

There has been criticism of the operation of the escape-clause provisions so let us examine the record to date. The fact is that most unsuccessful escape-clause applicants failed to obtain action because they did not make a case for injury in their appearance before the Tariff Commission. Since the institution of escape-clause procedure, of the 87 cases filed with the Tariff Commission, 54 cases were either dismissed at applicant's request, terminated without finding or rejected by the Commission. Three are still pending. The remaining 30 cases were sent to the President with a recommendation for action.

These 30 cases which were presented to the President by the Tariff Commission involved 26 commodities. Of the 26, 2 are still pending; and of the remaining 24 cases, the President has taken action in 12—in 10 by accepting the Tariff Commission recommendations and in 2 by other appropriate means.

It is indeed a tribute to the operation of the Trade Agreements Act that while we have made concessions on about 3,000 items that move in world trade, over a 5-year period only 26 commodities reached the President's desk under escape-clause procedure.

In each case where he decided not to invoke the escape clause, the President documented fully and publicly his reasons. In some cases the President concluded that serious injury as a result of imports had not been demonstrated; in others, that the proposed tariff increase would not remedy the situation in any significant way. While basing his decisions primarily on these considerations, the President—whose responsibility it is to conduct the foreign relations of the United States—obviously also had to weigh the effects of particular actions on our relations with other nations, on our alliances, and on our military security itself.

In this connection, it should be noted that now and again overriding considerations of foreign policy may necessitate, even though an industry ought to have and is entitled to relief via the escape-clause route, that other means must be utilized to assist an industry adversely affected by our trade policy. No matter how sympathetic we may be to the cause of an occasional industry in these matters, it seems to me we simply must resolve the issue on the side of national security and other considerations when our foreign policy would be so affected by escape-clause action as to adversely affect more universal considerations.

The President is aware of the need for balancing foreign-policy considerations along with matters of domestic concern in escape-clause actions. This is evident in my judgment by the fact that in November 1957 he issued an executive order establishing a Trade Policy Committee composed of the Cabinet members with the Secretary of Commerce as its Chairman. The purpose of the Trade Policy Committee is to recommend to the President basic policies for the administration of the Trade Agreements Act.

Now that we have such a policy committee at the cabinet level, I believe that other domestic considerations as well as the State Department's point of view will be expressed and given adequate recognition by the President in escape-clause actions.

In the case of lead and zinc, for example, no one has been more concerned than I or tried harder than I have to find a solution to the problems of that industry, which stem from our trade policy. There can be no question that this industry merits escape-clause relief from the adverse effects of our trade program.

The Senate recognized this fact when it passed S. 4036, the minerals stabilization bill, only a few days ago. The President of the United States also recognized this fact in his June 20, 1958,

announcement that he was suspending consideration at that time of the recommendations of the Tariff Commission in the escape-clause case involving this industry.

In the case of lead and zinc the President has suggested that at this time, in his judgment, the escape-clause route is not the appropriate one, all other factors considered, to give the needed relief.

The announcement of June 20 stated:

Early action by the Congress on this plan (S. 4036), which offers a more effective approach to the problems of the lead and zinc industries, would help assure a healthy and vigorous minerals industry in the United States.

Under the circumstances we had no choice but to pass that bill. The lead and zinc industries should not have to bear the entire cost of foreign policy considerations which mitigate against escape-clause relief, as I stated in my talk in support of S. 4036:

The mining industry has proposed, and I have championed, tariff and import quota action to remedy this situation. This action would nullify the unfavorable conditions under which the industry is now forced to operate and would insure the domestic industry an adequate share of the domestic market.

However, the administration has taken the position that the imposition of quotas, as recommended by 3 of the 6 Tariff Commissioners in the recent escape-clause decision, would seriously impair international relations in these difficult times, and would adversely affect us economically as well. This position apparently has concurrence in the Congress, in view of the heavy House majority which voted for extension of the Trade Agreements Act, with additional authority to further reduce domestic tariffs.

Under these circumstances, the Senate Interior Committee accepted the subsidy proposal of the Secretary of the Interior, Fred A. Seaton, who has worked valiantly to achieve some form of effective relief for the domestic mining industry.

I think my colleagues are well aware of my feelings about subsidy programs in general. I most reluctantly accepted cosponsorship of this measure as a last-gasp remedy.

And in offering this legislation, I do so not as a gratuity to the mining industry, but as a gratuity to the foreign-trade program. The subsidy involved in this program should be considered as a cost of the foreign-trade program, because it is being offered as an alternative to the imposition of tariffs and quotas to give a strategic industry essential protection and equal access to domestic markets.

As a subsidy to the trade program, it does not appear to be unreasonable.

But of one thing I would caution everyone interested in this particular problem. The President has never denied the necessity of helping this industry, but his method of helping is not, at this time at least, to be through the escape clause route. So that there can be no doubt on this point, Mr. President, I ask unanimous consent to have printed at this point in my remarks a Tariff Commission press release dated June 20, 1958, which contains the President's letter to the chairman of the House Ways and Means and Senate Finance Committees, indicating he was suspending consideration, at that time, of the Tariff Commission's recommendations for escape clause relief for the lead and zinc industry.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

WHITE HOUSE STATEMENT CONCERNING THE PRESIDENT'S ACTION ON LEAD AND ZINC

There is reproduced below the White House announcement concerning the President's action of June 19, 1958, on the Tariff Commission's report on lead and zinc.

"The President announced today that he was suspending his consideration at this time of the recommendations of the United States Tariff Commission in the escape clause case involving lead and zinc.

"A final decision would be appropriate, the President said, after the Congress completed its consideration of the minerals stabilization plan presented with his approval by the Secretary of the Interior. Early action by the Congress on this plan, which offers a more effective approach to the problems of the lead and zinc industries, would help assure a healthy and vigorous minerals industry in the United States.

"The President set forth his conclusion in identical letters to the chairmen of the House Ways and Means and Senate Finance Committees. The text is as follows:

" 'DEAR MR. CHAIRMAN: Under section 7 of the Trade Agreements Extension Act of 1951, as amended, the United States Tariff Commission reported to me on April 24, 1958, its finding that the domestic producers of lead and zinc were experiencing serious injury. The Commission was evenly divided on its recommendation for remedial action. Three of the Commissioners recommended maximum increases in tariffs with quantitative limitations. The other 3 Commissioners recommended an increase in tariffs to the 1930 rates without quantitative limitations of any kind.

" 'I am suspending my consideration of these recommendations at this time. A final decision will be appropriate after the Congress has completed its consideration during this session of the proposed minerals stabilization plan which was submitted by the Secretary of the Interior with my approval. This plan offers a more effective approach to the problems of the domestic lead and zinc industries, and in view of their urgent needs, it is hoped that the Congress will act expeditiously on this plan to help assure a healthy and vigorous minerals industry in the United States.

" 'Sincerely,

" 'DWIGHT D. EISENHOWER'."

Mr. WATKINS. Mr. President, there are other industries which undoubtedly have, are, and yet will be adversely affected by our trade policy concessions and growing restrictions abroad upon use of our exports.

In my judgment, the Congress should now take prompt action to make the escape clause more effective. In addition to the provision contained in the House bill, and the Senate Finance Committee version, which would permit the President to impose duties up to 50 percent of 1934 level instead of the 1945 level, I believe it is important that Congress return to itself a measure of control over escape clause actions.

Personally, I favor the escape clause procedure modifications contained in section 6 of the House bill, with respect to finality of recommendations made by the Tariff Commission, except that instead of a two-thirds vote, a majority vote of each House in favor of the action recommended by the Tariff Commission should give such findings the effect of law. In effect, the Senate bill would subordinate the President to considerations of domestic policy only.

In my judgment, the President should have final power in view of what may be overriding international considerations, unless a majority of Congress—a consensus of opinion in the Congress—holds to the contrary. On the other hand, no industry ought to be required to obtain the support of more than a majority of the Congress to approve a Tariff Commission recommendation when the President disapproves, in whole or in part, a Tariff Commission recommendation, based upon foreign policy considerations.

It is difficult enough for any industry to obtain a majority vote on normal legislation such as S. 4036, the minerals stabilization bill, let alone a two-thirds vote in an escape clause "referendum" when the President, for reasons of international diplomacy or national security, does not accept the findings of the Tariff Commission.

For these reasons I shall vote to amend the Senate Finance Committee bill to eliminate the changes in the escape clause procedure which it makes. If this can be done, it is my sincere hope that the House and Senate conferees will adopt the section 6 of the House bill with the two-thirds voting requirement reduced to a simple majority, as I have already suggested in my opinion should be done.

EXHIBIT 1

MARCH 17, 1958.

The Honorable DWIGHT D. EISENHOWER,
President of the United States,
The White House, Washington, D. C.

MY DEAR MR. PRESIDENT: Some time ago at a conference which you were kind enough to permit me to have with you, I mentioned incidentally the matter of international reciprocal trade and the effect it was having upon some of our own industries in the United States. That was only incidental to my main purpose at that time.

I am afraid I left a rather unfavorable impression upon you in the brief way it was mentioned.

I am advised through the press that in a very short time you intend to make a speech on world trade and its meaning and benefits to this country, as well as the Free World.

For the purpose of being helpful, and for no other reason, may I call your attention to a number of matters that may possibly have escaped your attention. First let me quote from the Democratic national platform of 1956:

"The Democratic Party has always worked for expanding trade among free nations. Expanding world trade is necessary not only for our friends, but for ourselves; it is the way to meet America's growing need for industrial raw materials. We shall continue to support vigorously the Hull reciprocal-trade program.

"Under Democratic administrations, the operation of this act was conducted in a manner that recognized equities for agriculture, industry, and labor. Under the present Republican administration, there has been a most flagrant disregard of these important segments of our economy resulting in serious economic injury to hundreds of thousands of Americans engaged in these pursuits. We pledge correction of these conditions."

Following that, Mr. President, I quote from the Republican national platform of 1956,

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which I understand was approved by you and your advisers:

"Recognizing economic health as an indispensable basis of military strength and world peace, we shall strive to foster abroad and to practice at home, policies to encourage productivity and profitable trade.

"Barriers which impede international trade and the flow of capital should be reduced on a gradual, selective, and reciprocal basis, with full recognition of the necessity to safeguard domestic enterprises, agriculture, and labor against unfair import competition. We proudly point out that the Republican Party was primarily responsible for initiating the escape-clause and peril-point provisions of law to make effective the necessary safeguards for American agriculture, labor, and business. We pledge faithful and expeditious administration of these provisions."

I was a member of the Republican platform drafting committee, and as such was very much interested in this Republican plank—in fact I helped draft that section. I am mentioning this subject because I think it may help in connection with the problem of securing Congressional approval of an extension of our reciprocal trade agreement program.

Senators who come from States such as mine are naturally required by the necessities of the industries in our States to secure all the protection possible to keep these industries in operation.

In my conversation with you I mentioned the lead-zinc problem and the fact that most of our lead-zinc mines are now closed following the termination of the stockpiling program which was recently in effect and which was ended because the stockpiles had been filled.

At the outset may I say that only a few of those who object to an extension of the reciprocal trade program do so with the idea that there should be higher tariffs on all American-produced commodities. Personally, I believe in wide and extensive international trade, but I believe in all industries we should be in a position to compete on even terms with industries from abroad where the standards of living are not so high and where labor costs in some instances are only about one-tenth what they are in this country. I think that is the view of most of those who generally believe as I do.

The escape clause which is mentioned in the Republican plank, to which I referred, is based on the necessity of protecting only those occasional industries in this country which may be damaged and which are entitled to help in that event so that they at least can be placed on an even basis of competition with their foreign competitors. If the escape clause, of which we are rather proud, as declared in the above plank, would be faithfully and expeditiously enforced, I think most of the opposition to the reciprocal trade program would disappear.

As matters now stand, even though the Tariff Commission finds that one of our industries is being damaged—as for instance lead and zinc—the amount of relief than can be granted by restoring the old tariff would be insufficient in the face of the much higher costs of today.

In the communication you sent to the Congress and in the communication sent by Secretary of Commerce Weeks accompanying yours, it was pointed out that we might go back to 1934 and the tariff of that date as a possible ceiling for aid, over the tariff which was in effect when the reciprocal trade treaty program was first adopted when Cordell Hull was Secretary of State.

I had this statement checked by some of my mining people, and they say that the tariff provided in the Trade Act of 1934, even if that was used as the ceiling, would not give us sufficient protection for our industries now in peril, partially because of the much higher costs we have today in relation to the prices received for the commodity.

In other words, in my humble opinion it is necessary that the ceiling be raised so that real protection can be given under the escape clause if the Tariff Commission finds that our American industries complaining are really being damaged or threatened with destruction.

Let me repeat that I believe the pathway ahead for the reciprocal trade extension would be much easier to negotiate if real life and meaning were given to the reciprocal trade provisions of the law. Again, may I say that the escape clause was only for the occasional industry and not meant for the whole economic front.

May I hope that you will be able to give this some consideration in any forthcoming statements you may make on this problem.

With all good wishes, I am,

Sincerely,

ARTHUR V. WATKINS,
United States Senator.

THE WHITE HOUSE,
Washington, March 21, 1958.

The Honorable ARTHUR V. WATKINS,
United States Senate, Washington, D. C.

DEAR ARTHUR: Many thanks for your very thoughtful and fine spirited letter of March 17 about trade matters.

In making my proposals for the extension of the trade agreements legislation, I specifically sought to accord the possibility of greater relief to industries establishing injury under the escape-clause provision. If the Congress accepts my recommendation in this regard, tariffs can be raised in meritorious cases not only to the 1934 levels, as you say in your letter, but to 50 percent above those levels. This recommendation was reached after very searching consideration throughout the whole administration as to how we could improve the provision for relief without jeopardizing the whole program. As you know, I have been attacked roundly for including this recommendation in my proposals by those who are more on the free trade side.

I have sought conscientiously to administer the escape clause during the years of my Presidency and I shall continue to do so in the future under such extension of the act as the Congress passes. It was for the purpose of administering this provision of the act more effectively that I have asked the Congress for authority to raise rates in cases of demonstrated injury to a level 50 percent above the Smoot-Hawley rates which were in effect when the trade agreements legislation was initially enacted.

I know of your work at the convention in 1956 in helping to draft the plank in the platform dealing with trade. I was grateful for your assistance then and I sincerely hope that we can continue to have your support for a trade policy that makes sense for the Nation and is not unmindful of the special problems posed by foreign competition for some sectors of the economy.

With warm regard,

Sincerely,

DWIGHT D. EISENHOWER.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Ratchford, one of his secretaries, and he announced that on today, July 18, 1958, the President had approved and signed the following acts:

S. 602. An act to provide for the acquisition of additional land to be used in connection with the Cowpens National Battleground site;

S. 832. An act for the relief of Matilda Strah;

S. 1593. An act for the relief of Elisabeth Lesch and her minor children, Gonda, Norbert, and Bobby;

S. 1832. An act to authorize the appointment of one additional Assistant Secretary of State;

S. 1901. An act to amend section 401 of the Federal Employees Pay Act of 1945, as amended;

S. 1975. An act for the relief of Peder Strand;

S. 2108. An act to amend the Public Buildings Act of 1949, to authorize the Administrator of General Services to name, rename, or otherwise designate any building under the custody and control of the General Services Administration;

S. 2109. An act to amend the act extending the authorized taking area for public building construction under the Public Buildings Act of 1926, as amended, to exclude therefrom the area within E and F Streets and 19th Street and Virginia Avenue Northwest, in the District of Columbia;

S. 2318. An act to provide for the conveyance of certain land of the United States to the city of Salem, Oreg.;

S. 2630. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment, and to provide certain services to the Girl Scouts of the United States of America, and to permit use of certain lands of the Air Force Academy for use at the Girl Scout senior roundup encampment, and for other purposes;

S. 2638. An act for the relief of Nicholas Christos Soulis;

S. 2665. An act for the relief of Jean Kouyoumdjian;

S. 2944. An act for the relief of Yoshiko Matsuhara and her minor child, Kerry;

S. 2950. An act for the relief of Peter Liszczynski;

S. 2964. An act granting the consent and approval of Congress to a compact between the State of Connecticut and the State of Massachusetts relating to flood control;

S. 2965. An act for the relief of Taeko Takamura Elliott;

S. 2984. An act for the relief of Taka Motoki;

S. 3019. An act for the relief of Herta Wilmersdoerfer;

S. 3080. An act for the relief of Kimiko Araki;

S. 3159. An act for the relief of Crescencio Urbano Guerrero;

S. 3172. An act for the relief of Ryfka Bergmann;

S. 3173. An act for the relief of Prisco Di Flumeri;

S. 3175. An act for the relief of Giuseppina Fazio;

S. 3176. An act for the relief of Teofilo M. Palaganas;

S. 3269. An act for the relief of Mildred (Milka Krivec) Chester;

S. 3271. An act for the relief of Souhail Wadi Massad;

S. 3272. An act for the relief of Janez (Garantini) Bradek and Franciska (Garantini) Bradek;

S. 3358. An act for the relief of John Demetriou Asteron;

S. 3364. An act for the relief of Antonios Thomas;

S. 3431. An act to provide for the addition of certain excess Federal property in the village of Hatteras, N. C., to the Cape Hatteras National Seashore Recreational Area, and for other purposes; and

S. 3506. An act to authorize the transfer of naval vessels to friendly foreign countries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. THURMOND in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, and withdrawing the nomination of Richard H. Waldum, to be postmaster at Black River Falls, Wis., which nominating messages were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

LANDS AND NATIONS IN THE U. S. S. R.

Mr. FREAR. Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "Lands and Nations in the U. S. S. R.," written by Dr. Lev E. Dobriansky, which originally appeared in the March 1958, issue of the Ukrainian Quarterly.

Dr. Dobriansky is a professor at Georgetown University, and is chairman of the Ukrainian Congress Committee of America.

There being no objection, the article was ordered to be printed as follows:

LANDS AND NATIONS IN THE U. S. S. R

(By Lev E. Dobriansky)

There are basically two ways of treating the involved subject of Lands and Nations in the U. S. S. R. One is a detailed description of the geography, climate, and peoples of the Soviet Union, a sort of travelogue winding up more often than none in a swamp of statistics and disconnected facts. For our purposes this would be too elementary an approach, accomplishing no more than perhaps a hundred visits to the Soviet Union and still not arriving at a fundamental knowledge and understanding of its lands and nations.

The second way of developing this subject is an institutional analysis of our subject which can show how the lands and nations came to be what they are in the present framework in order to grasp their significance for our actions in the present and for the future. It is an approach by which the lands and peoples are functionally understood in a working conception of historical movement that serves to furnish both background and perspective. As one cannot truly come to know a person by his surface appearance and transient utterances, so with societies, empires, states, and nations it is sine qua non to perceive the background, the habits, the fibres of traditional force, the living past in the object of our concern. Material resources are important, but peoples and nations which determine the level of resources are vastly more important. Indeed, the ultimate weapon is man, not what he devises.

In applying this institutional analysis to the Soviet Union our aim is to arrive at a meaningful pattern of understanding, applicable and usable for action in the cold war, a hot war, and also in a period of reconstruction. At no cost to accuracy and objectivity, this compact analysis is admittedly adapted for national security policy consideration in scrupulous line with our own traditions. Among other things it will seek to provide an empirical basis for a single moral and political standard guiding and justifying our actions in both the Russian Communist empire and the Free World. Primarily, this analysis is directed against the many grave misconceptions currently imprisoning the thoughts of numerous high-ranking people with regard to Soviet Union.

CURRENT MISCONCEPTIONS ABOUT THE SOVIET UNION

Now what are these gross misconceptions upon which some presume to base our policies? The first and foremost is that the U. S. S. R. is Russia. One may perhaps excuse the average journalist for notoriously perpetuating this myth and all the errors it entails, but it is clearly unpardonable for any responsible official to reveal his limitations by committing this basic error. Russia, the homeland of the Russian people, is no more coincident with the U. S. S. R. than the United States is with North America. A second misconception has the Soviet Union as a nation, with Soviet people, a Soviet society, a Soviet economy, and a Soviet political system. Here, too, the Soviet Union is no more a nation than was the British Empire, and whether many realize it or not, these monolithic terms, which readily serve the semantic purpose of blurring the real, diverse, and distinctive elements in the Soviet Union, have for some time been the stock of Moscow's terminology for export. The true meaning of "soviet," as a council of workers, is not even any longer recognizable.

From these two main misconceptions many others evolve. For example, how often have you heard that the U. S. S. R. is like the United States, "a country of many nationalities and ethnic groups," some 177 of them; or that, like the United States, the Soviet Union has its "national minorities, the great Russians constituting the majority"; or that the U. S. S. R. is a federal union like ours, Byelorussia being a counterpart of Massachusetts or, as the expert Mr. Kennan would have it, Ukraine a counterpart of Pennsylvania. These notions have as much meaning as those harbored by many uncritical Americans only a decade ago that the Constitution of the U. S. S. R. is actually like ours and that in many respects the U. S. S. R. is a democrary like ours. They bear as much validity in fact and history as the baseless assertions that "the Soviet Union was formed 40 years ago," that "Kiev, Kharkiv, Baku are Russian cities," that "there are the Russian peoples," and that there is even a gross national product of the Soviet Union, which again suggests the fiction of a Soviet nation.

The greatest part of anyone's education is devoted to a proper and accurate identification of things and events. If an address or lecture contained remarks to the effect that the United States was formed in 1795 or that Warsaw or Helsinki is a Russian city, you would probably have prudent doubt about the interpretations and judgment of the speaker. Doesn't it follow with equal force of logic that if these misconceptions about the Soviet Union prevail, interpretations that follow can only be accepted with similar doubt. In fact, as the Nazi experience in the U. S. S. R. well attests, plans and policies based on flagrant misconceptions invite only disaster. It is a truism that we cannot afford to misidentify the sources of the enemy.

If these are the ruling misconceptions, then the importance of this institutional analysis becomes manifestly evident. It can be significant for every concourse of our national activity in relation to the U. S. S. R., be it diplomatic, military, economic, political, or psychological. Above all, the analysis penetrates at the very base of the Communist empire, indicating its strengths and weaknesses. Although admittedly there are several points of vulnerability and weakness in the Soviet Union—economic and sociologic in character—the force of nationalism in the U. S. S. R. is, in my judgment, the most dangerous for Moscow; and this despite the shifting opinions of the late Admiral Stevens and others. Thus our analysis cannot be undertaken in the usual historical vacuum, captioned by such rhetorical vagaries and clichés as "the fight against communism and Marxism-Leninism." For an understanding of lands and nations, history is vital and indispensable in order to stave off all sorts of institutional hiatuses and ideologic simplisms. In short, as the Russian scholar, Nicholas Berdyaev, rightly warns in his classwork on The Origin of Russian Communism, "It is particularly important for Western minds to understand the national roots of Russian communism and the fact that it was Russian history which determined its limits and shaped its character. A knowledge of Marxism will not help in this."

THE INSTITUTIONAL BACKGROUND OF THE U. S. S. R.

Let us then look into these roots, into this institutional background of the U. S. S. R. One of the most misleading illusions is that the Bolshevik Revolution represented a break with Russia's past and uniquely initiated a new and dangerous society. It is the height of unrealism to believe that any such institutional hiatus is achievable in the evolution of a social organism. The eminent Russian historian, Peter A. Struve, well points out that "The roots of the Russian revolution are deeply imbedded in certain basic facts and processes of Russian history."[1] In a perspective view down to the present, these processes can be basically summed up in three overall and predominant secular features: (1) imperial expansionism and conquest of nations, (2) totalitarian authoritarianism and tyranny, and (3) an institutionalized Messianism expressed in a variety of ideologies.

Considering the first imposing feature of the Czarist past and the Communist present, probably no definition of it surpasses the one offered by Secretary of State Dean Acheson on June 26, 1951 before the House Foreign Affairs Committee:

"Historically, the Russian state has had three great drives—to the west into Europe, to the south into the Middle East, and to the east into Asia. Historically, also, the Russian state has displayed considerable caution in carrying out these drives. * * * The Politburo has acted in the same way. It has carried on and built on the imperialist tradition. What it has added consists mainly of new weapons and new tactics. * * * The ruling power in Moscow has long been an imperial power and now rules a greatly extended empire. This is the challenge our foreign policy is required to meet. It is clear that this process of encroachment and consolidation by which Russia has grown in the last 500 years from the Duchy of Muscovy to a vast empire has got to be stopped."

A glance at any political map covering this imperialist expansion to 1914 is sufficient for one to appreciate the old Russian saying, "Russia grows larger and larger."

Tolstoy put it this way: "Russia is the Continent and Europe its peninsula." A review of a condensed record of Russian imperialist expansion shows vividly that there really is nothing new in the drives of present-day Moscow. The three chief directions—west, south, and east—the frequency of wars and aggressions, the eternal peace gestures followed by broken treaties, constant meddling in the affairs of other states, the tactic of alternation—first west, then east, west, and then south—and the relentless conquest of nations form an unmistakable legacy for the heirs of the czars. Fortunately American scholars are beginning to realize this. In one of the soundest books on this subject, Dinko Tomasic, in his work on The Impact of Russian Culture on Soviet

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[1] Social and Economic History of Russia, Paris, 1952, preface.

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Communism, captures the meaning of this institutional foundation of the U. S. S. R. when in reference to "expansion, greatness of the state, ideas of grandeur, and Messianic ideas of world redemption or world domination," he accurately concludes, "this tendency toward exhibitionism and ideas of greatness was manifested also in the glorification of Russia, and the belief in the sacredness of its exalted mission in the world."

Now let us consider the second institutional basis of Russian communism, that of totalitarian authoritarianism and tyranny. Usually without defining what they mean, people ascribe to communism certain institutional forms which, significantly, are deeply rooted in the traditional Russian base of so-called Communist institutions. For policy and political action, the importance of grasping this institutional Russian continuum cannot be too strongly emphasized. With only differences in degree due to technology and bureaucratic skill, totalitarian authoritarianism and tyranny—by which are meant thought and act aimed at the subordination of institutions and persons to a centrally dictating will—are not the mutational product of any Communist innovation in ethnic Russia. They, too, have their firm roots and experience in the cumulative tradition of Russian institutions.

Thus when one reads the reflections of de Tocqueville or Journey for Our Time of the Marquis de Custine, two able observers in the last century, one cannot but be impressed by the truth of this continuum. In his classic, Democracy in America, de Tocqueville observes: "The American struggles against the natural obstacles which oppose him; the adversaries of the Russian are men; the former combats the wilderness and savage life; the latter, civilization with all its weapons and its arts; the conquests of the one are therefore gained by the plowshare; those of the other by the sword." Supplementing this reflection today, one may add that there can be no greater danger to civilization than the combination of modern technology and a barbaric scheme of institutions as found in the U. S. S. R. As so vividly shown by de Custine, it is a traditional scheme supported by the submissiveness, servility, and humility of the beaten Russian masses whose wounds have been largely palliated by dreams of the deliverance of the entire world. Russian history is replete with many writers of the stature of Timofeiev and Nekrasov who have rebelled against this chronic submissiveness to authoritarian rule.

A systematic enumeration of the paramount institutional forms of traditional Russian totalitarianism will further demonstrate, except for degree and magnitude, the substantial identity of these forms in the past and present. The first form is statism and all that it entails in the way of leader worship, state dominance, parasitical bureaucracy, policy of concessions and the like. The far-flung importance of the state in the U. S. S. R. is self-evident. But what is not evident to many is the fact that statism has always been typical of "holy Mother Russia." At the head of Russia was the "god" anointed head of the state and empire, the czar. For example, Peter I, in every respect the first Bolshevik, could without restraint dismiss the Moscow patriarch and proclaim himself the "God-anointed head of the Greek Orthodox Church." He and other czars set the precedent of deification for Stalin later. State and personal worship, bureaucracy, class stratification, and unlimited power were the dominant characteristics then as now. Concessions and their reduction to the people were determined by the weakness and strength of the regimes then as now. In this century, for instance, Nicholas II, forced by defeat in the Russo-Japanese War of 1905 to grant a constitution and a parliament, soon quelled the revolution and by decree neutralized the Duma.

How powerful the Russian institution of statism is can also be gleaned from the writings of Russians who oppose the present regime but not the power of "Holy Mother Russia." As a fair example, Alexander Romanoff, Grand Duke of Russia, writes: "Could I, a product of an empire, an individual raised to believe in the impeccability of the state, still continue to denounce the present rulers of Russia? The answer was 'yes' and 'no.' * * * To remain loyal to Russia and to follow the example of the early Romanoffs who had never thought themselves bigger than their empire meant to admit that the Soviet Government should be helped and not hindered in its experiment and to wish it would succeed where the Romanoffs had failed."[2] Alexander Kerensky wrote in 1943: "Russia, a geographical backbone of history, should exist in all her strength and power no matter who or how he is ruling her. From this comes his (Miliukov's) testament for us; to be on watchful guard of Russia—no matter what her name is—absolutely, unconditionally, and to the last breath."[3] These examples could be multiplied, including the Nacionalno-Trudovoy Soyuz—the Russian NTS which, ironically enough, receives American aid.

The second institutional form, economic collectivism and planning, is also not without deep roots in the Russian colossus. So-called communism has only magnified and refined collectivist economic instruments for more extensive state political control. The 5-year plans and economic crash programs have in essence nothing over similar crash programs initiated by Peter I. Lauded by the present Russian totalitarians as a "progressive empire builder," Peter spared no costs, either human or material, in the building of Petersburg and numerous industrial projects. In this century, on the eve of World War I, Nicholas II ordered his Minister of Commerce and Trade, Kriganovsky, to prepare a 5-year plan for state execution.

This traditional collectivist mentality is observable also in Russian agriculture. The commune, known as the mir, institutionalized collective ownership of farm property and was managed by an elderman (starosta) who was appointed by the head of the local Czarist police. At the beginning of this century, under the Stolypin reforms which allowed peasants to leave the commune, only small numbers in Russia did, and even some of these returned. In Ukraine, however, as much as 50 percent of all peasant holdings were turned into privately owned farms by 1915. Thus, the transition from the mir to the kolkhoz or sovkhoz was an institutionally easy one. The Russian Narodniki or Populists envisioned this transition to complete socialist enterprise, and in the same 19th century the Russian writer, A. I. Hertzen, well perceived this collectivist nexus.

To complete this institutional picture of the Russian continuum into the present, other dominant forms would include genocide and the Russification of conquered nations, censorship and the distortion of history, the Iron Curtain technique, the secret police, Siberian slave labor, anti-Semitism, the fraud of the Potemkin village, and diplomatic duplicity and fifth columns. These institutional forms are all compatible parts of a totalitarian whole and again, despite differences in degree, have their able precedents in the tradition. The record of genocide is long and extends back to the slaughter of the people of Novgorod, the fourth Eastern Slavic nation. The mass murder of the population of Baturyn under Peter I, the drowning of 10,000 Crimean Tartars in the Black Sea under Catherine II, and the massacre of Polish revolutionaries and Ukrainian Catholics in the Kholmland under Nicholas I are just a few precedents to the crimes of Stalin and Khrushchev.

The Russification programs under Stalin, in Turkestan, Ukraine and elsewhere, continued the Czarist policies of banning books not in the Russian language, as under Peter I, and the many cultural suppressions under Alexander II in the last century. The same holds true for censorship and the distortion of history. When, for example, in 1863 the Czarist Minister Valuev declared "There never was, is not, and never will be a Ukrainian language," he gave eloqent expression to a policy of distortion and censorship which in different ways has characterized the Red regimes of Moscow. Prohibitions against traveling abroad and passports for travel within the Empire presented a Czarist version of the Iron Curtain technique now practiced more severely by Red Moscow. As to the dreaded secret police, the MVD has its erstwhile predecessors in the Czar Nicholas II's Okhrana and Ivan III's Oprichchina. Needless to say, Siberia and slave labor have a perennial Russian meaning which surely was not conceived by Communist ideology. So with anti-Semitism and the Potemkin villages, whether under Catherine II, Stalin or Khrushchev.

When it comes to diplomacy, duplicity, and divisive conspiracy, the institutional approach provides deeper insights into the present than any abstractionist reliance on the principles of Leninism. The progress of Russian expansionism over the centuries has been largely based on these factors. To mention only the zigzag operations of Alexander I, his doublecross of the western allies for Napoleon in the Treaty of Tilsit was a perfect model for Stalin's doublecross for Hitler in 1939. Also, none of the countless violations of treaties by the Red Czars could improve upon Alexander's violations of the Holy Alliance of 1814–15. Although pledged to police Europe in the maintenance of the status quo, he used the alliance as an umbrella for the instigation of Greek uprisings against Turkey. Alexander himself only perpetuated for his heirs a tradition set by Ivan III, Peter, and Catherine.

To strike a note of irony here, let us see how Marx and Engels viewed the Russian menace in writings which are taboo in the Soviet Union. In an article on the Foreign Policy of Russian Czarism (1890), Engels observed, "Once again stupid Europe was made a fool of; Czarism preached legitimacy to the princes and reactionaries, to the liberal Philistines it preached the liberation of oppressed peoples and enlightenment—and both believed it." How different is this today—peaceful coexistence for the West, arms for Asia and Africa; trade for the business interests, the inevitable "victory of socialism" for the masses and so forth? In an article on Poland's European Mission (1867), Marx strikes a familiar ring: "In the first place the policy of Russia is changeless, according to the admission of its official historian, the Muscovite Karamsin, but the polar star of its policy—world domination—is a fixed star."

The czars of the past sought such domination and employed all the tools of the trade, including fifth columns and ideologies. One could go back to the conspiratorial fifth columns of Ivan III in his peaceful destruction of Novgorod in 1478, but again let's hear how Marx described it with reference to the Russian conspiracy in the Balkans, Austro-Hungary, and elsewhere. In the April 19, 1853 issue of the New York Tribune, he wrote: "Hundreds of Russian agents preambulated Turkey, pointing out to the Greek Christians the Orthodox Emperor as the head, the natural protector, and the ultimate liberator of the oppressed Eastern Church, and to the South Slavonians especially pointing out that same emperor as the almighty czar, who was sooner or later to

[2] Always a Grand Duke, pp. 130–131.
[3] Novy Zhurnal, No. V., 1943.

unite all the branches of the great Slav race under one sceptre, and to make them the ruling race of Europe." These deceptive ideologies of orthodoxy and pan-slavism, now combined with so-called communism, still play their role in totalitarian Russian expansionism.

Finally, for our understanding of Russia and its people, the third institutional strand—messianism as expressed by deceptive ideology—must be briefly considered. Russian communism, as Berdyaev puts it, is the third form of Russian imperialism, the dominant preceding forms being the "third Rome" ideology and pan-slavism. In each the Messianic elements of sacred mission, protection, and liberation of others, the certain deliverance of the world, and the racist superiority of Russia to achieve these ends are present. They sanctify the conquest of nations and by pretext justify more conquests. This was so in the restricted civilized world of the 15th-18th centuries, in the more expanded world of the 19th and and early 20th century, and by virtue of technology and science, the complete world now.

The ideology of the "third Rome" commenced with Ivan III in the 15th century when he claimed the privileges of the Emperor of Constantinople, proclaimed Moscow the "third Rome," and adopted the double-headed eagle. The ideology was formulated by the Pakovian Monk Philoteus who in 1524 wrote: "All Christian empires ended and were absorbed by one empire—that of our autocrat, in accordance with the prophetical books, the Russian Czardom. Two Romes have fallen, and the third exists; but there will be no fourth."

Serving the expansionist interests of Russia, this Messianic belief has lasted 500 years, even into the present atheistic Russian empire. Peter the Great exploited it before he named, for the first time, his imperial realm "Russia." Propaganda before the partitions of Poland by Catherine II claimed that her fellow orthodox had to be protected from Polish and Jesuit persecutions. "Protection of fellow Christians" and "protection of the holy places and the orthodox" in Jerusalem preceded and sanctified the wars against Turkey. And in 1948, on the occasion of the 500th anniversary of the independence of the Russian Church, Bishop Hermogen, rector of the Moscow Theological Academy, let it be known that the present patriarchate of Moscow alone preserved the true Christian faith, not shared by either the Catholic or Protestant worlds. Clearly, this Messianistic expansionism not only continues yet in the "third Rome" form but also, and more importantly, has been channeled into the latest form of materialistic millenarianism known as Russian communism.

But in the tradition there was and still is another Messianic form, Pan-Slavism. Here, too, it was a sacred mission, one of protection and liberation, and a means for world deliverance. The Czars proclaimed it their secret duty to unify all Slav nations, and the constant wars in the Balkans ensued. It was also a sacred duty to hoist the Russian cross over the Hagia Sophia in Constantinople and plant the Russian interests in the Near East. However, as Hans Kohn shows in his work on Pan-Slavism: Its History and Ideology, what started as a Pan-Slavism soon developed into Pan-Russianism. Pushkin gave literary punch to this as all Slavic rivers had to run into the Russian sea. Nevertheless, this ideologic tool was used in World Wars I and II; it reached our soil with the attempted American Slav Congress only a decade ago; and is being dangerously exploited by Khrushchev in the Soviet Union today. In words that could be readily adapted to so-called communism, Engels well observed that "in truth Panslavism is a smoke screen for world dominion, appearing in the cloak of a nonexistent Slavic nationality; and therefore our worst enemy."[4]

The new smoke screen for world dominion is the third Messianic form, communism. As a militant faith within the empire it vanished over 30 years ago with Lenin's New Economic Policy and with the reintroduction of traditional modes of totalitarian rule supported by mass submissiveness. It never actually took hold in the non-Russian nations conquered by the Russian Bolshevik armies. As many had predicted—among them Russian scholar Hertzen—Russian communism quickly proved to be "Russian autocracy turned upside down." Like the "third Rome" and Pan-Slavist ideologies, it nevertheless continues to be a tool for the empire.

If this institutional analysis is correct, then romantic notions about some institutional chasm between the submissive Russian masses and their Moscow regime, about a powder keg of popular revolt in Russia proper, about evolution to freedom through technical Russian education are dangerous illusions which could only benefit the present heirs of a totalitarian tradition. "Psychologically," as the late Father Walsh taught, "the Russian people—upon whom the Revolution is based and without whose acquiescence it could not have been launched or so long sustained—have always revealed qualities of frustrated mysticism which inclines them to constant acceptance of contradictions and paradoxes."[5] Let us now look at this Revolution and how the pains of this frustrated mysticism laid the foundation, in terms of conquered lands and nations, for the threat confronting our own national existence today.

THE RUSSIAN AND NON-RUSSIAN REVOLUTIONS OF 1917

In thinking about our present policy it is extremely important to grasp the framework of essential events which occurred in 1917 and the period thereafter. First, an empire called Russia, and built in the course of nearly 500 years, was in dissolution and utter collapse. Like the demise of the Ottoman and Austro-Hungarian Empires, its fate appeared to be sealed for good. Second, in that year there were three revolutions in the empire, not just one. There were two revolutions on the soil of Russia itself and one vast revolution for national independence among the non-Russian nations in the collapsing empire. What is called the Russian Civil War was between the White Czarist loyalists and the Red Bolshevik rebels: the revolution for national independence was fought by non-Russian patriots in the Baltic area, in Poland, in Ukraine, the Caucasus and in Asia against foreign Russian domination, whether white or red. And third, at the time both the Russian Bolshevik revolution and the national non-Russian revolution succeeded, the March Russian revolution with Kerensky failed.

The failure of the first Russian revolution and Kerensky's social democracy may be attributed to many proximate causes as, for example, Kerensky's greater concern for the imperialist retention of Ukraine and the Caucasus than for the political entrenchment of his government against Bolshevik competition. The ultimate cause of this failure, however, rested in the conspicuous absence of any institutional environment for democratic function in Russia—a significant point for romanticists envisioning a spontaneous democratic Russia in the future. As now, there was no real middle class in Russia for Kerensky to build on, and the weight of the totalitarian past could not be easily set aside. Lenin, who a few years before never dreamed of ruling Russia, provided the controls that were in consonance with the institutional sinews of the long Russian tradition. Despite his expeditious coup, he had the broad support of the masses with promises of land, bread, and peace. The politically contrived notion that the Russians were the first to be victimized by bolshevism is not supported by careful scholarship. In addition to Father Walsh and others, the Russian scholar, George Fedetov, under whom I had the privilege of studying, wrote: "Moscow and Petersburg succumbed easily to bolshevism. * * * There must have been something in the great Russian tradition that provided more food for bolshevism than the soil of the rest of the Empire: Serfdom, the village commune, czarist autocracy."[6]

The truth is that in the rest of the Empire the struggle was not only against bolshevism but also, even more so, against any form of Russian imperialism and colonialism. Decades before the full awakening of national consciousness in Asia and Africa, in the very bowels of the Russian Empire popular movements for national self-determination and independence surged forth. Significantly, passages from our own Declaration of Independence and the addresses of Lincoln and others were quoted to further inspire these movements; and with the announcement of Wilson's doctrine of national self-determination, they bloomed into open revolution. In contrast to czarist bureaucrats and Kerensky Menshiviks, Lenin understood the full significance of these non-Russian liberation movements. Similar to what is going on today in Africa and Asia, even before the outbreak of World War I the Russian Bolsheviks sought to exploit the good and morally principled cause of national self-determination and independence for their own nefarious ends. Bolshevik literature abounds with this appeal to the non-Russian nations. In essence it repeats Lenin's writings on self-determination. As late as May 1917, Lenin stated that, "If Finland, if Poland, if the Ukraine break away from Russia, there is nothing bad about that. * * * Anyone who says there is, is a chauvinist. No nation can be free if it oppresses other nations."

In 1917 and 1918, not only Finland, Poland, and Ukraine declared their independence and popularly determined themselves as sovereign states, but also Lithuania, Latvia, Estonia, White Ruthenia, North Caucasia, Georgia, Armenia, Azerbaijan, and Turkestan. Even within the territory of Russia, the Idel-Ural Republic was established among the Moslems in European Russia; the Far Eastern Republic was founded in what is now the Soviet Far East; and the millions of non-Russians and Russian "Siberyaks" in Siberia clamored for independence from Moscow. Many of these states, like Poland, Ukraine, Georgia, and Lithuania, were recognized not only by the new Soviet Russia, i. e., the Russian Soviet Federative Socialist Republic, but also by Western powers. Contrary to common misconceptions, there was no Soviet Union in this period; there was truly a Soviet Russia without a colonial empire.

But this state of affairs was not for long. If not in words, certainly in deeds, Lenin and the Russian Bolsheviks proved to be old-style Russian chauvinists. By familiar devices of divide and conquer, fifth column infiltration, and the setting up of puppet regimes, Red Moscow picked up the institutional threads of the Russian totalitarian tradition and began to weave its own colonial power. In this first wave of Russian Communist imperialism, the newly independent countries were invaded and conquered one by one until Trotsky's Red armies were stopped at the gates of Warsaw. Some,

[4] Karl Marx and Friedrich Engels, The Russian Menace to Europe, p. 118.

[5] Edmund Walsh, Total Empire, p. 44.

[6] The Russian Review, April 1953, p. 91.

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like Finland, Poland, and the Baltic nations, were fortunate to maintain their independence, thanks to Western aid and the absorption of Russian energy in capturing the economically richer prizes of Ukraine, the Caucasus, and Turkestan.

This first series of conquests was made possible not only by the organization, armed might, and political devices of the Russian Communists but also by the ignorance of Wilson about the nature of the Russian Empire and on the part of others who supported materially the decadent Czarist forces which likewise fought the independence movements. One could only contemplate how different the course of history might have been in our time, had the principle of national self-determination been supported for all nations in the Russian Empire. History has shown, instead, that these early conquests laid the foundation both for an empire called the Soviet Union and for future aggressions leading to an even more expanded empire. In 1922–24, as a response to the national feelings of its first captives, Moscow formed the Union of Soviet Socialist Republics, a spurious voluntary federation concealing a prison of nations. With this empire and given its opportunities, Moscow was prepared for future, direct and indirect aggressions.

U. S. S. R.: MOSCOW'S PRIMARY EMPIRE

For those concerned with policymaking, the factors of population, resources, economy, and so forth in the Soviet Union should have more realistic meaning in this institutional context than is otherwise the case. Statistics and factual data, especially those provided in the monolithic categories of Moscow, do not and cannot speak for themselves. An uncritical acceptance of such monolithic data in fact tends to misrepresent the realities of the Soviet Union and to breed all sorts of misconceptions, not to say some unwarranted fears. Aggregate population figures, for example, have considerably less meaning than those required by our context. Aggregate resources are also less meaningful than the particular location of these resources. So with economic and other aggregates resting on untenable assumptions about the nature of the Soviet Union and serving to conceal important facts of economic colonialism, slave labor composition, occupational discrimination, and a host of other inequities drawn along national lines.

The determining fact is that the Soviet Union is not a monolith nor has it ever been. It is not a country or nation like the United States or France; nor is it a genuine federation of nations. Like its predecessor, the Czarist Russian empire, it is today Moscow's primary empire, with worse totalitarian features but also with the same multinational pressures. Let us not confuse the terms nation and state. Legalistically, the present empire may be viewed as a state, but its political structure is multinational; and at that consisting of relatively few nations. As we saw, the Baltic countries were absorbed into this state or empire, but this in itself did not extinguish the Lithuanian, Latvian, and Estonian nations. In fact, the criteria for what constitutes a nation, the integrating soul of a people—namely, common territory, descent, language, tradition, customs, history, and religion—are more applicable in number to such non-Russian nations as Georgia, Armenia, Ukraine, and Turkestan than they are to many newly independent nations in Asia and Africa, or even to our own country where the language, in common with several other nations, is English. These non-Russian nations in the U. S. S. R. have all these qualities that make up their individual national consciousness and their collective personalities, plus the indomitable will for national independence.

Without our institutional understanding of the Soviet Union, the usual population figures and charts could be very misleading. This shows up in such inaccurate usages as the national minorities or 177 ethnic groups. First, since we're dealing with estimates, there is real doubt that in the Soviet Union as a whole the Russians even constitute a majority. In fact, considering the dominant political position of Russia in the empire and the background to current statistics, there is every reason to believe that they are in the minority. Estimates on the basis of the empire census of 1897 show about 60 percent of non-Russians. Lenin himself held that "In Czarist Russia the Russians constituted 43 percent of the total population, i e., a minority, while the non-Russian nationalities constituted 57 percent." In the present period, it is interesting to read in the standard textbook used in the U. S. S. R. (Economic Geography of the U. S. S. R. by Baizak and others) that "Particularly rapid is the natural increase of population among the formerly oppressed nationalities * * * their rate of natural increase surpassing considerably the average birth rate of the U. S. S. R. as a whole."

There are many statistical tricks in padding figures for political purposes, as, for example, counting a person as a Russian because he knows the Russian language or making election districts larger to reduce the quantitative influence of non-Russians. However, as in the above case or in the careless disclosures of G. M. Chekalin in 1941, slips are made. With the aid of governmental demographers, the Displaced Persons Commission took an interest in this subject and on the basis of reasonable extrapolations of the 1939 census, showed in the following chart that of an estimated total population of 202 million, over 54 percent are non-Russians.

Estimates

Republic	Total	Russian	Non-Russian	Percent of non-Russians of total in republic
Estimated population	202,087,877	91,520,472	110,567,405	54.7
Russian S. F. S. R.	114,337,428	83,923,672	30,413,756	26.6
Ukrainian S. S. R.	42,272,943	3,889,111	38,383,832	90.8
Byelorussian S. S. R.	10,525,511	757,837	9,767,674	92.8
Estonian S. S. R.	1,120,000	91,840	1,028,160	91.8
Latvian S. S. R.	1,950,502	239,912	1,710,590	87.7
Lithuanian S. S. R.	3,134,070	78,352	3,055,718	97.5
Moldavian S. S. R.	2,321,225		2,321,225	100.0
Georgian S. S. R.	3,722,252		3,722,252	100.0
Armenian S. S. R.	1,346,709		1,346,709	100.0
Azerbaijan S. S. R.	3,372,794	327,161	3,045,633	90.3
Kazakh S. S. R.	6,428,175	1,272,260	5,185,915	80.2
Uzbek S. S. R.	6,601,619	369,691	6,231,928	94.4
Turkmen S. S. R.	1,317,693	98,827	1,218,866	92.5
Tadzik S. S. R.	1,500,540		1,500,540	100.0
Kirghiz S. S. R.	1,533,430	179,412	1,354,027	88.3
Karelo-Finnish S. S. R.	512,977	292,397	220,580	43.0

It should be mentioned that soon after the release of this chart, in November 1951, Beria sensitively denied its validity. Not only the overall percentages must have politically vexed him but also the breakdowns which refute the misleading notion of "177 ethnic groups." The non-Russian nations as represented by the non-Russian republics, with Turkestan combining the five Central Asiatic republics, comprise alone about 80 percent of the total non-Russian population. This obviously leaves little for percentage distribution among the other so-called ethnic groups, most of which are tribes with no national character. In the event of the collapse of the empire, the problems will not be insoluble as Dr. Jessup and others suppose. Moreover, it is rather fuzzy thinking to regard any nation a "national minority" by virtue of its absorption and captivity in the empire.

The natural resources of the U. S. S. R. also assume more meaningful significance with the dimensions of our institutional analysis. In the 8½ million square miles of this empire the most productive land, as you know, is in the oft-mentioned triangle from the Baltic Sea to the Black Sea and into Central Asia. Significantly, most of this area is located within the non-Russian homelands, notably Ukraine and its black-earth region. For some time one of the great livestock countries of the world, Ukraine is the chief wheat-producing area and provides abundantly in sugar beets, oil seeds, and numerous other commodities. White Ruthenia is important agriculturally in flax, grain, and potatoes. There are fertile regions in the Caucasus and Central Asia. In the Uzbek area of Turkestan are some of the finest cotton lands and in the Turkmen area, cotton, grain, and oil seeds are prominent. The colonial importance of these non-Russian areas for Moscow is quite evident.

It is true that almost every significant mineral used in modern production is found in the U. S. S. R. However, to say that the empire is self-sufficient is as meaningless as the term "self-sufficiency" is vague. But here, too, it is vitally important to note the location of some of these mineral resources. Iron ore, of all kinds and grades, is located in the Caucasus, Turkestan, the Far East, and, as one of the most important sources, in the Krivy Rih area of eastern Ukraine. For some time Ukraine was second to the United States in iron ore mining and doubled France, a leading European producer. In coal, the Donets Basin in Ukraine, the Kuzbas in Turkestan, Georgia in the Caucasus, rank among the greatest in the world. Among the largest oil centers in the world are the Baku in Azerbaijan, the "second Baku" in Turkestan where new oil finds requiring little refining have been made in the Fergana Valley. The largest manganese mines in the world are in Georgia, which, along with Nikopol in Ukraine, supplies almost the entire output in the empire. About half of the copper, lead, and zinc resources are in Turkestan where also bauxite, uranium, silver, the exportable item of chromium, and tungsten figure prominently. Many of these resources are found in the Caucasus where Azerbaijan is also rich in zinc, silver, gold, copper, and vanadium. The resource base of the over 30 million Moslems in this empire is undoubtedly a firm one and should be considered, once we attain to the vision, in a general policy aimed at the entire Moslem world.

THE NON-RUSSIAN CENTRIFUGE IN THE U. S. S. R.

The Communist Djilas well points out that "In the U. S. S. R. operations are not concerned with communism but are simultaneously concerned with the imperialism of the great Russian-Soviet state."[1] Both

[1] The New Class, p. 178.

Russian institutional totalitarianism and Russian imperialism have been fiercely resisted by the non-Russian nations in the U. S. S. R. The record is detailed by the decade for each of them. For the largest non-Russian nation, not only in the Soviet Union but also behind the European Iron Curtain, perhaps it suffices to quote William Henry Chamberlin who writes: "No people in Europe have a better fighting anti-Communist record than the Ukrainians."[9] Their nationalist upsurges in the twenties, the famous Kharkiv trials of 1930, the politically man-made famine of 1932–33—when the Russian satrap Kossior warned that "Ukrainian nationalism is our chief danger"—the purges and the Vynntsia massacre of the thirties, their mass desertions to the Germans followed by U. P. A. underground operations against both Russian and German totalitarianism in the forties, their leadership in opposition in Vorkuta and elsewhere in the first half of this decade, all these events and more signify an irrepressible will to reestablish the independence that was theirs in 1918.

The non-Russian centrifuge in the U. S. S. R. has always existed, but it has gained not even the knowing understanding of our Government, no less various means of support. In sharp contrast, Moscow's policy under Khrushchev has been shrewd and clever. At the 20th congress of the C. P. S. U. he said that Stalin attempted to kill 40 million Ukrainians and failed. His policy is different. He seeks to join them with a wide variety of favors and concessions under the semblance of Ukrainian independence. With no sympathetic ear in the West, Ukrainians and other non-Russians may well seek their freedom through other means than unrewarded self-sacrifice, and in the process we may stand to lose. Truly, the indifference of our policy in the cold war toward this non-Russian centrifuge hardly distinguishes itself from the nature of the German policy in the last hot war. "The steady flow of Ukrainian volunteers for the German forces we ignored. The millions of Ukrainians, who by themselves could have turned the scales in the east, were not only being left unused, but were actually being repulsed and disillusioned," writes Erich Kern in the best-selling The Dance of Death.

U. S. S. R. LANDS AND NATIONS AND UNITED STATES

Can we do anything about this? The answer is emphatically "Yes." We can conduct political warfare aimed at the very heart of the Russian Communist empire. It is impossible for us to realize the expansion of freedom in the world, and perhaps even to preserve existing freedoms, by giving the enemy the prime advantage of continually creating tensions on this side of the Iron Curtain. With minimum danger of precipitating any hot war, we can employ diplomatic, political, psychological, and cultural weapons in an area that is even more important than the so-called satellite one. In the empire within an empire we can truly generate pressures for freedom by simultaneously pursuing these three goals: (1) Real national self-determination and independence for all the non-Russian nations in the Soviet Union; (2) the advancement of decentralist Siberyak tendencies in the Asiatic sphere of the R. S. F. S. R. itself; and (3) the hope of genuine freedom to countless innocent Russians in an attempt to create and broaden a discernible rift between the Moscow Government and the underlying Russian masses.

This strategy of liberation through guided evolution confirms our own great American tradition. It offers us the long-awaited opportunity to follow a single moral and political standard of national self-determination and independence anywhere in the world. It focuses world attention on the remaining and worst empire in history. Its expression alone would decimate the aims of such spectacles as the recent Asian-African Conference in Cairo by relentlessly working for the affirmative answer to the question posed in the New York Times editorial, Moscow's Glass House: "Is freedom any less the right of Latvians, Lithuanians, Estonians, Ukrainians, Byelorussians, Moldavians, Armenians, Georgians, and the like, than it is of those about whom the Cairo meeting pretends to be so solicitous?"[9] Whether we'll sensibly work for this answer depends on our intelligent attitude toward the same problem that Marx recognized a century ago this decade, when he said: "They will have learned before that the idea of Russian diplomatic supremacy owes its efficiency to the imbecility and the timidity of the western nations, and that the belief in Russia's superior military power is hardly a delusion. There is only one way to deal with a power like Russia, and that is the fearless way."[10]

CONDENSED RECORD OF RUSSIAN IMPERIALIST EXPANSION, 15TH TO 20TH CENTURIES

1478: Ivan III, Grand Duke of Moscow, conquered free Republic of Novgorod the Great.
1485: Conquered and annexed to Muscovy the Grand Principality of Tver.
1492: Provoked first war with Lithuania for borderlands, ending in 1494.
1499: Second war with Lithuania until 1503.
1507: Basil III resumed war against Lithuania, concluding in 1508 an "eternal peace."
1510: Conquered and annexed the Republic of Pskov.
1512: Basil's second war with Lithuania commenced and continued till 1522.
1517: Moscow annexed independent Grand Principality of Ryazan.
1552: Ivan IV (the Terrible) conquered the Czarate of Kazan.
1556: Conquered the Czarate of Astrakhan.
1558–61: Expansion through White Ruthenia to Latvia and conquest of Smolensk.
1581: Ivan IV conquered Czarate of Siberia and start of eastward expansion.
1617: Under Romanov dynasty, Peace of Stolborvo and partition of Karelia between Moscow and Sweden.
1654: Alexis wars with Poland over Ukraine.
1658: Moscow starts war against Ukraine.
1667: Peace of Andrusiv and partition of Ukraine between Moscow and Poland.
1687: Peter I wars with Turkey and the Khanate of Crimea.
1696: Conquest of Asov.
1700: (a) Treaty with Turkey and cession of Asov settled; (b) Peter wars with Sweden for the Baltic coast.
1721: Peace of Nystadt with Sweden and acquisition of Latvia, Estonia, Ingermanland, and West Karelia. (1) "Russia" established.
1722: Peter I began war with Persia.
1723: Acquired western coast of Caspian Sea with Baku.
1733: Empress Anna interferes in war of Polish Succession.
1756: Russia interferes in war with Prussia, the Seven Years War.
1769: Catherine II wars with Turkey for Black Sea Coast.
1772: Achieved first partition of Poland, with occupation of greater part of White Ruthenia.
1774: Peace with Turkey, annexing Black Sea coast from the Don to the Bug and the Karbada.
1775: Destroyed the semi-independent Ukrainian Military Republic.
1783: Catherine annexed the Crimea.
1787: Began second war with Turkey.
1793: Second partition of Poland and occupation of Lithuania and Courland.
1799: Paul I interfered in war with France.
1801: Annexed Georgia.
1806: Alexander I began war with Turkey.
1809: Sweden cedes whole of Finland and Aaland Islands.
1812: Peace of Bucharest, cession of Bessarabia by Turkey.
1813: Alexander wars with Persia.
1816: Russia embarks on full conquest of Caucasus.
1826: Nicholas I wars against Persia.
1828: Peace of Turkmantschai, acquisition of Erivan, etc., from Persia.
1828: Nicholas began war with Turkey and continues to conquer Caucasus.
1829: Peace of Adrianopolis, annexation of Danube Delta and Caucasian Black Sea Coast.
1853: Nicholas resumed war with Turkey (Crimean) and began conquest of Turkestan.
1855: Alexander II completed conquest of Caucasus.
1858: In Central Asia, conquest of Amur.
1860: Annexation of Assuri.
1868: Conquest of Samarkand and Bukhara.
1875: Acquisition of Sakhalin.
1877: War on Turkey.
1878: Congress of Berlin, annexation of southern Bessarabia, Batum Kara.
1898: Lease from China of Kwantung with Port Arthur and Dairen.
1900: Occupation of Manchuria.
1904: War with Japan; checked Russian ambitions in Korea, China, Tibet.
1914: Russian conspiracy at Sarajevo; assassination of Archduke Ferdinand by Serbian student, Princip, who was in Pan-Slav movement financed by St. Petersburg.
1918: Soviet Russia attacks Ukraine, whose independence it recognized.
1920: Attacks independent Georgia which it recognized.
1922–23: Forced incorporation of these areas in federal union of U. S. S. R.
1939: Attack on Finland.
1939: Attack on Poland.
1940: Annexation of Lithuania, Latvia, and Estonia.
1945–49: Moscow-centered empire encompasses Poland, Czechoslovakia, Albania, Hungary, Rumania, East Germany, Bulgaria; satellite Yugoslavia; North Korea; mainland China; Mongolia.
1950: Tibet.
1954: North Vietnam.

[9] The Ukrainian Quarterly, 1950, vol. VI, No. 1, p. 9.

[9] December 30, 1957.
[10] New York Tribune, December 30, 1853.

REORGANIZATION OF THE DEPARTMENT OF DEFENSE

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1879, House bill 12541.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 12541) to promote the national defense by providing for reorganization of the Department of Defense, and for other purposes.

The motion was agreed to and the Senate proceeded to consider the bill, which had been reported from the Committee on Armed Services with an amendment, to strike out all after the enacting clause and insert:

That this act may be cited as the "Department of Defense Reorganization Act of 1958."

AMENDING THE DECLARATION OF POLICY

SEC. 2. Section 2 of the National Security Act of 1947, as amended (50 U. S. C. 401), is further amended to read as follows:

"SEC. 2. In enacting this legislation, it is the intent of Congress to provide a comprehensive program for the future security of

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the United States; to provide for the establishment of integrated policies and procedures for the departments, agencies, and functions of the Government relating to the national security; to provide a Department of Defense, including the three military Departments of the Army, the Navy (including naval aviation and the United States Marine Corps), and the Air Force under the direction, authority, and control of the Secretary of Defense; to provide that each military department shall be separately organized under its own Secretary and shall function under the direction, authority, and control of the Secretary of Defense; to provide for their unified direction under civilian control of the Secretary of Defense but not to merge these departments or services; to provide for the establishment of unified or specified combatant commands, and a clear and direct line of command to such commands; to eliminate unnecessary duplication in the Department of Defense, and particularly in the field of research and engineering by vesting its overall direction and control in the Secretary of Defense; to provide more effective, efficient, and economical administration in the Department of Defense; to provide for the unified strategic direction of the combatant forces, for their operation under unified command, and for their integration into an efficient team of land, naval, and air forces but not to establish a single Chief of Staff over the Armed Forces nor an overall Armed Forces general staff."

STRENGTHENING THE DIRECTION, AUTHORITY, AND CONTROL OF THE SECRETARY OF DEFENSE

SEC. 3. (a) Section 202 (c) of the National Security Act of 1947, as amended (5 U. S. C. 171a (c)), is amended to read as follows:

"(c) (1) Within the policy enunciated in section 2, the Secretary of Defense shall take appropriate steps (including the transfer, reassignment, abolition, and consolidation of functions) to provide in the Department of Defense for more effective, efficient, and economical administration and operation and to eliminate duplication. However, except as otherwise provided in this subsection, no function which has been established by law to be performed by the Department of Defense, or any officer or agency thereof, shall be substantially transferred, reassigned, abolished, or consolidated until the expiration of the first period of 30 calendar days of continuous session of the Congress following the date on which the Secretary of Defense reports the pertinent details of the action to be taken to the Armed Services Committees of the Senate and of the House of Representatives. If during such period a resolution is reported by either of the said committees stating that the proposed action with respect to the transfer, reassignment, abolition, or consolidation of any function should be rejected by the resolving House because (1) it contemplates the transfer, reassignment, abolition, or consolidation of a major combatant function assigned to the military services by section 3062 (b), 5012, 5013, or 8062 (c) of title 10 of the United States Code, and (2) if carried out it would in the judgment of the said resolving House impair the defense of the United States, such transfer, reassignment, abolition, or consolidation shall take effect after the expiration of the first period of 40 calendar days of continuous session of the Congress following the date on which such resolution is reported; but only if, between the date of such reporting in either House and the expiration of such 40-day period such resolution has not been passed by such House.

"(2) For the purposes of paragraph (1)—

"(A) continuity of session shall be considered as broken only by an adjournment of the Congress sine die; but

"(B) in the computation of the 30-day period or the 40-day period there shall be excluded the days on which either House is not in session because of an adjournment of more than 3 days to a day certain.

"(3) (A) The provisions of this paragraph are enacted by the Congress—

"(i) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

"(ii) with full recognition of the constitutional right of either House to change such rules (so far as relating to the procedure in such House) at any time, in the same manner and to the same extent as in the case of any other rule of such House.

"(B) For the purposes of this paragraph, any resolution reported to either House pursuant to the provisions of paragraph (1) hereof, shall for the purpose of the consideration of such resolution by either House be treated in the same manner as a resolution with respect to a reorganization plan reported by a committee within the meaning of the Reorganization Act of 1949 (5 U. S. C. 133z et seq.) and shall be governed by the provisions applicable to the consideration of any such resolution by either House of the Congress as provided by sections 205 and 206 of such act.

"(4) Notwithstanding the provisions of paragraph (1) hereof, the Secretary of Defense has the authority to assign, or reassign, to one or more departments or services, the development and operational use of new weapons or weapons systems.

"(5) Notwithstanding other provisions of this subsection, if the President determines that it is necessary because of hostilities or imminent threat of hostilities, any function, including those assigned to the military services by sections 3062 (b), 5012, 5013, and 8062 (c) of title 10 of the United States Code, may be transferred, reassigned, or consolidated and subject to the determination of the President shall remain so transferred, reassigned, or consolidated until the termination of such hostilities or threat of hostilities.

"(6) Whenever the Secretary of Defense determines it will be advantageous to the Government in terms of effectiveness, economy, or efficiency, he shall provide for the carrying out of any supply or service activity common to more than one military department by a single agency or such other organizational entities as he deems appropriate. For the purposes of this paragraph, any supply or service activity common to more than one military department shall not be considered a 'major combatant function' within the meaning of paragraph (1) hereof.

"(7) Each military department (the Department of the Navy to include naval aviation and the United States Marine Corps) shall be separately organized under its own Secretary and shall function under the direction, authority, and control of the Secretary of Defense. The Secretary of a military department shall be responsible to the Secretary of Defense for the efficient and economical operation of such department. Except as otherwise provided by law, an Assistant Secretary of Defense shall have authority to issue orders to a military department only if (1) the Secretary of Defense has delegated to such Assistant Secretary the authority to issue such orders, and (2) such orders are issued through the Secretary of such military department or his designee. In the implementation of this paragraph it shall be the duty of each such Secretary, his civilian assistants, and the military personnel in such department to cooperate fully with personnel of the Office of the Secretary of Defense in a continuous effort to achieve efficient administration of the Department of Defense and effectively to carry out the direction, authority, and control of the Secretary of Defense.

"(8) No provision of this act shall be so construed as to prevent the Joint Chiefs of Staff or any member thereof from presenting to a committee of the Congress, on his own initiative, after first so informing the Secretary of Defense, any recommendations concerning the security of the United States."

(b) Section 202 (d) of the National Security Act of 1947, as amended (5 U. S. C. 171a (d)), is further amended to read as follows:

"(d) The Secretary of Defense shall annually submit a written report to the President and the Congress covering expenditures, work, and accomplishments of the Department of Defense, accompanied by (1) such recommendations as he shall deem appropriate, (2) separate reports from the military departments covering their expenditures, work, and accomplishments, and (3) itemized statements showing the savings of public funds and the eliminations of unnecessary duplications and overlappings that have been accomplished pursuant to the provisions of this act."

(c) Section 2201 of title 10, United States Code, is repealed and the analysis of chapter 131 of title 10 is amended by striking out the following item:

"2201. General functions of Secretary of Defense."

(d) Section 2351 of title 10, United States Code, is repealed and the analysis of chapter 139 of title 10 is amended by striking out the following item:

"2351. Policy, plans, and coordination."

CLARIFYING THE CHAIN OF COMMAND OVER MILITARY OPERATIONS

SEC. 4. (a) Section 3034 (d) (4) of title 10, United States Code, is amended to read as follows:

"(4) exercise supervision over such of the members and organizations of the Army as the Secretary of the Army determines. Such supervision shall be exercised in a manner consistent with the full operational command vested in unified or specified combatant commanders pursuant to section 202 (j) of the National Security Act of 1947, as amended."

(b) Section 5081 (c) of title 10, United States Code, is amended to read as follows:

"(c) Under the direction of the Secretary of the Navy, the Chief of Naval Operations shall exercise supervision over such of the members and organizations of the Navy and the Marine Corps as the Secretary of the Navy determines. Such supervision shall be exercised in a manner consistent with the full operational command vested in unified or specified combatant commanders pursuant to section 202 (j) of the National Security Act of 1947, as amended."

(c) Section 5201 of title 10, United States Code, is amended by adding at the end thereof a new subsection (d) to read as follows:

"(d) Under the direction of the Secretary of the Navy, the Commandant of the Marine Corps shall exercise supervision over such of the members and organizations of the Marine Corps and Navy as the Secretary of the Navy determines. Such supervision shall be exercised in a manner consistent with the full operational command vested in unified or specified combatant commanders pursuant to section 202 (j) of the National Security Act of 1947, as amended."

(d) Clause (5) of section 8034 (d) of title 10, United States Code, is renumbered "(4)" and amended to read as follows:

"(4) exercise supervision over such of the members and organizations of the Air Force as the Secretary of the Air Force determines. Such supervision shall be exercised in a manner consistent with the full operational command vested in unified or specified combatant commanders pursuant to section 202 (j) of the National Security Act of 1947, as amended."

(e) Section 8034 (d) is amended by striking out clause (4) and by renumbering

clauses (6) and (7) as clauses "(5)" and "(6)," respectively.

(f) (1) Section 8074 (a) of title 10, United States Code, is amended to read as follows:

"(a) The Air Force shall be divided into such organizations as the Secretary of the Air Force may prescribe."

(2) Subsections (b) and (c) of section 8074 of title 10, United States Code, are repealed, and subsection (d) is redesignated as subsection "(b)."

(g) Section 3062 (b) (1) of title 10, United States Code, is amended to read as follows:

"(1) prepare for such employment of the Army, and for such recruiting, organizing, supplying, equipping, training, serving, mobilizing, and demobilizing of the Army, as will assist in the execution of any power, duty, or function of the Secretary or the Chief of Staff."

(h) Section 8032 (b) (1) of title 10, United States Code, is amended to read as follows:

"(1) prepare for such employment of the Air Force, and for such recruiting, organizing, supplying, equipping, training, serving, mobilizing, and demobilizing of the Air Force, as will assist in the execution of any power, duty, or function of the Secretary or the Chief of Staff."

CLARIFYING THE ORGANIZATION AND DUTIES OF THE JOINT STAFF

SEC. 5. (a) Section 143 of title 10, United States Code, is amended to read as follows:

"§ 143. Joint Staff

"(a) There is under the Joint Chiefs of Staff a Joint Staff consisting of not more than 400 officers selected by the Joint Chiefs of Staff with the approval of the Chairman. The Joint Staff shall be selected in approximately equal numbers from—

"(1) the Army;

"(2) the Navy and the Marine Corps; and

"(3) the Air Force.

The tenure of the members of the Joint Staff is subject to the approval of the Chairman of the Joint Chiefs of Staff, and except in time of war, no such tenure of duty may be more than 3 years. Except in time of war, officers completing a tour of duty with the Joint Staff may not be reassigned to the Joint Staff for a period of not less than 3 years following their previous tour of duty on the Joint Staff, except that selected officers may be recalled to Joint Staff duty in less than 3 years with the approval of the Secretary of Defense in each case. The number of such officers recalled to Joint Staff duty in less than 3 years shall not exceed 30 serving on the Joint Staff at any one time.

"(b) The Chairman of the Joint Chiefs of Staff in consultation with the Joint Chiefs of Staff, and with the approval of the Secretary of Defense, shall select the Director of the Joint Staff. Except in time of war, the tour of duty of the Director may not exceed 3 years. Upon the completion of a tour of duty as Director of the Joint Staff, the Director, except in time of war, may not be reassigned to the Joint Staff. The Director must be an officer junior in grade to each member of the Joint Chiefs of Staff.

"(c) The Joint Staff shall perform such duties as the Joint Chiefs of Staff or the Chairman prescribes. The Chairman of the Joint Chiefs of Staff manages the Joint Staff and its Director, on behalf of the Joint Chiefs of Staff.

"(d) The Joint Staff shall not operate or be organized as an overall Armed Forces General Staff and shall have no executive authority. The Joint Staff may be organized and may operate along conventional staff lines to support the Joint Chiefs of Staff in discharging their assigned responsibilities."

(b) Section 202 of the National Security Act of 1947, as amended, is amended by adding at the end thereof the following new subsection:

"(j) With the advice and assistance of the Joint Chiefs of Staff the President, through the Secretary of Defense, shall establish unified or specified combatant commands for the performance of strategic missions, and shall determine the force structure of such combatant commands to be composed of forces of the Department of the Army, the Department of the Navy, the Department of the Air Force, which shall then be assigned to such combatant commands by the departments concerned for the performance of such strategic missions. Such combatant commands are responsible to the President and the Secretary of Defense for such strategic missions as may be assigned to them by the Secretary of Defense, with the approval of the President. Forces assigned to such unified combatant commands or specified combatant commands shall be under the full operational command of the commander of the unified combatant command or the commander of the specified combatant command. All forces not so assigned remain for all purposes in their respective departments. Under the direction, authority, and control of the Secretary of Defense each military department shall be responsible for the administration of the forces assigned from its department to such combatant commands, except when the Secretary of Defense determines that for the purposes of efficiency such responsibility should be assigned to another military department. The responsibility for the support of forces assigned to combatant commands shall be vested in one or more of the military departments as may be directed by the Secretary of Defense. Forces assigned to such unified or specified combatant commands shall be transferred therefrom only by authority of and under procedures established by the Secretary of Defense, with the approval of the President."

AUTHORIZING THE DELEGATION OF DUTIES BY THE MILITARY SERVICE CHIEFS

SEC. 6. (a) Section 3035 of title 10, United States Code, is amended by adding at the end thereof a new subsection (c) to read as follows:

"(c) The Vice Chief of Staff has such authority and duties with respect to the Department of the Army as the Chief of Staff, with the approval of the Secretary of the Army, may delegate to or prescribe for him. Orders issued by the Vice Chief of Staff in performing such duties have the same effect as those issued by the Chief of Staff."

(b) Section 5085 (b) of title 10, United States Code, is amended to read as follows:

"(b) The Vice Chief of Naval Operations has such authority and duties with respect to the Department of the Navy as the Chief of Naval Operations, with the approval of the Secretary of the Navy, may delegate to or prescribe for him. Orders issued by the Vice Chief of Naval Operations in performing such duties have the same effect as those issued by the Chief of Naval Operations."

(c) Section 5202 of title 10, United States Code, is amended by adding at the end thereof a new subsection (c) to read as follows:

"(c) The Assistant Commandant has such authority and duties with respect to the Marine Corps as the Commandant, with the approval of the Secretary of the Navy, may delegate to or prescribe for him. Orders issued by the Assistant Commandant in performing such duties have the same effect as those issued by the Commandant."

(d) Section 8035 of title 10, United States Code, is amended by adding at the end thereof a new subsection (d) to read as follows:

"(d) The Vice Chief of Staff has such authority and duties with respect to the Department of the Air Force as the Chief of Staff, with the approval of the Secretary of the Air Force, may delegate to or prescribe for him. Orders issued by the Vice Chief of Staff in performing such duties have the same effect as those issued by the Chief of Staff."

CLARIFYING THE ROLE OF THE CHAIRMAN OF THE JOINT CHIEFS OF STAFF

SEC. 7. Section 141 (a) (1) of title 10, United States Code, is amended by striking out the words ", who has no vote."

REDUCING THE NUMBER OF ASSISTANT SECRETARIES OF MILITARY DEPARTMENTS

SEC. 8. (a) Section 3013 (a) of title 10, United States Code, is amended to read as follows:

"(a) There are an Under Secretary of the Army and three Assistant Secretaries of the Army in the Department of the Army. They shall be appointed from civilian life by the President, by and with the advice and consent of the Senate."

(b) (1) Section 5034 of title 10, United States Code, is amended to read as follows:

"§ 5034. Assistant Secretaries of the Navy: appointment; duties

"(a) There are three Assistant Secretaries of the Navy in the Department of the Navy. They shall be appointed from civilian life by the President, by and with the advice and consent of the Senate.

"(b) The Assistant Secretaries shall perform such duties as the Secretary of the Navy prescribes."

(2) Section 5035 of title 10, United States Code, is repealed.

(3) The analysis of chapter 505 of title 10, United States Code, is amended by striking out the following items:

"5034. Assistant Secretaries of the Navy: appointment; duties; compensation.

"5035. Assistant Secretary of the Navy for Air; appointment; duties; compensation."

and by inserting the following in lieu thereof:

"5034. Assistant Secretaries of the Navy: appointment; duties."

(c) Section 8013 (a) of title 10, United States Code, is amended to read as follows:

"(a) There are an Under Secretary of the Air Force and three Assistant Secretaries of the Air Force in the Department of the Air Force. They shall be appointed from civilian life by the President, by and with the advice and consent of the Senate."

ESTABLISHING THE DIRECTOR OF DEFENSE RESEARCH AND ENGINEERING

SEC. 9. (a) Section 203 of the National Security Act of 1947, as amended, is amended by redesignating subsections "(b)" and "(c)" as subsections "(c)" and "(d)", respectively, and by inserting a new subsection "(b)" as follows:

"(b) (1) There shall be a Director of Defense Research and Engineering who shall be appointed from civilian life by the President, by and with the advice and consent of the Senate, who shall take precedence in the Department of Defense after the Secretary of Defense, the Deputy Secretary of Defense, the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force. The Director performs such duties with respect to research and engineering as the Secretary of Defense may prescribe, including, but not limited to, the following: (i) to be the principal adviser to the Secretary of Defense on scientific and technical matters; (ii) to supervise all research and engineering activities in the Department of Defense; and (iii) to direct and control (including their assignment or reassignment)

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research and engineering activities that the Secretary of Defense deems to require centralized management. The compensation of the Director is that prescribed by law for the Secretaries of the military departments.

"(2) The Secretary of Defense or his designee, subject to the approval of the President, is authorized to engage in basic and applied research projects essential to the responsibilities of the Department of Defense in the field of basic and applied research and development which pertain to weapons systems and other military requirements. The Secretary or his designee, subject to the approval of the President, is authorized to perform assigned research and development projects: by contract with private business entities, educational or research institutions, or other agencies of the Government, through one or more of the military departments, or by utilizing employees and consultants of the Department of Defense.

"(3) There is authorized to be appropriated such sums as may be necessary for the purposes of paragraph (2) of this subsection."

(b) Section 7 of Public Law 85-325, dated February 12, 1958, is amended to read as follows:

"SEC. 7. The Secretary of Defense or his designee is authorized to engage in such advanced projects essential to the Defense Department's responsibilities in the field of basic and applied research and development which pertain to weapons systems and military requirements as the Secretary of Defense may determine after consultation with the Joint Chiefs of Staff; and for a period of 1 year from the effective date of this act, the Secretary of Defense or his designee is further authorized to engage in such advanced space projects as may be designated by the President.

"Nothing in this provision of law shall preclude the Secretary of Defense from assigning to the military departments the duty of engaging in research and development of weapons systems necessary to fulfill the combatant functions assigned by law to such military departments.

"The Secretary of Defense shall assign any weapons systems developed to such military department or departments for production and operational control as he may determine."

(c) Section 171 (a) of title 10, United States Code, is amended by renumbering clauses "(6)," "(7)," "(8)," and "(9)" as clauses "(7)," "(8)," "(9)," and "(10)," respectively, and inserting the following new clause (6) after clause (5):

"(6) the Director of Defense Research and Engineering."

REDUCING THE NUMBER OF ASSISTANT SECRETARIES OF DEFENSE

SEC. 10. (a) Subsection (c) of section 203 of the National Security Act of 1947, as amended (5 U. S. C. 171c), as redesignated by section 9 (a) of this act, is amended as follows:

(1) By striking out the word "three" and inserting the word "seven" in place thereof.

(2) By striking out the word "and" after the word "Navy."

(3) By inserting the words ", and the Director of Defense Research and Engineering" after the words "Air Force."

(b) Section 3 of Reorganization Plan No. 6 of 1953 (67 Stat. 638) is repealed.

AUTHORIZING THE TRANSFER OF OFFICERS BETWEEN THE ARMED FORCES

SEC. 11. Chapter 41 of title 10, United States Code, is amended as follows:

(1) By adding the following new item at the end of the analysis:

"716. Commissioned officers: transfers between Army, Navy, Air Force, and Marine Corps."

(2) By adding the following new section at the end:

"§ 716. Commissioned officers: transfers between Army, Navy, Air Force, and Marine Corps

"Notwithstanding any other provision of law, the President may, within authorized strengths, transfer any commissioned officer with his consent from the Army, Navy, Air Force, or Marine Corps to, and appoint him in, any other of those armed forces. The Secretary of Defense shall establish, by regulations approved by the President, policies and procedures for such transfers and appointments. No officer transferred pursuant to this authority shall be assigned precedence or relative rank higher than that which he held on the day prior to such transfer."

NATIONAL GUARD BUREAU

SEC. 12. Section 3015 of title 10, United States Code, is amended by redesignating subsections "(a)", "(b)", and "(c)" as subsections "(b)", "(c)", and "(d)", respectively, and by inserting a new subsection (a) to read as follows:

"(a) There is a National Guard Bureau, which is a Joint Bureau of the Department of the Army and the Department of the Air Force, headed by a chief who is the adviser to the Army Chief of Staff and the Air Force Chief of Staff on National Guard matters. The National Guard Bureau is the channel of communication between the departments concerned and the several States, Territories, Puerto Rico, the Canal Zone, and the District of Columbia on all matters pertaining to the National Guard, the Army National Guard of the United States, and the Air National Guard of the United States."

EFFECTIVE DATE

SEC. 13. Sections 8 and 10 of this act shall become effective 6 months after the date of enactment of this act.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RUSSELL. Mr. President, the bill before the Senate is intended to change the organization of the Department of Defense. The changes proposed are not revolutionary in nature but they should improve the operations of the Department and eliminate problems that exist in certain areas.

The areas in which changes are made may be classified generally into first, powers of the Secretary of Defense; second, changes in functions established by law; third, changes in unified commands; fourth, research and engineering; and fifth, the Joint Chiefs of Staff, the Chairman, and the Joint Staff. Later in this discussion, I shall address myself to each of these subjects. Before doing so, however, I desire to comment on the history of Defense organization.

From the beginning, it was generally recognized that the complexities of an organization for national security were such as to require a span of years for their eventual solution. That the evolutionary process of meeting the problem was adopted does not mean that a satisfactory basic structure will never be attained.

The Committee on Armed Services has been aware that the evolution of the structure of the Department of Defense will progress as we recognize the adjustments that must be made from time to time if we are to achieve an organization characterized by economy, efficiency, and, more importantly, military preparedness.

The National Security Act of 1947 represented a compromise between widely divergent views, and established a federation rather than a merger of the Armed Forces. The Secretary of Defense had responsibility for establishing general policies and exercising general direction, authority, and control over the Military Establishment. Since the three departments retained all powers not given to the Secretary of Defense, he could act only as a coordinator rather than as an administrator.

In 1948, the first Secretary of Defense, the late James Forrestal, reported to the Congress that the statutory authority of the Secretary of Defense should be materially strengthened.

In 1949, after extended consideration by the Congress, which added its own contribution to the proposals made by the President and the Hoover Commission, the National Security Act of 1947 was amended to tighten the administrative structure of national defense. The National Military Establishment was changed to the Department of Defense, which was given the status of an executive governmental department. The Army, the Navy, and the Air Force ceased to be executive departments, becoming three military departments within the Department of Defense. The powers of the Secretary of Defense were enhanced by providing that he would exercise direction, authority, and control—rather than general control—over the Department. The Under Secretary of Defense became the Deputy Secretary, with authority to act for the Secretary of Defense during his absence or disability. Three Assistant Secretaries of Defense were also provided for the Secretary of Defense. The post of Chairman of the Joint Chiefs of Staff was created and it was specified that he should have no vote. The membership of the Joint Staff, which assists the Joint Chiefs of Staff in background studies for strategic planning, was raised from 100 to 210 officers. In addition, provision was made for the establishment of uniform budgetary and fiscal procedures.

Rorganization Plan No. 6 of 1953 made further change in the Defense organization. It transferred to the Secretary of Defense the functions of the Munitions Board, the Research and Development Board, the Defense Supply Management Agency, and the Director of Installations. To enable the Secretary to perform the new functions transferred to him, six additional Assistant Secretaries of Defense and a General Counsel of equivalent status were authorized. The selection of the Director of the Joint Staff was made subject to the approval of the Secretary of Defense. The selection of

the members of the Joint Staff by the Joint Chiefs of Staff, and their tenure, was made subject to the approval of the Chairman of the Joint Chiefs of Staff. Management of the Joint Staff and the Director was transferred from the Joint Chiefs of Staff to the Chairman of the Joint Chiefs of Staff.

It is against this brief background that the changes contemplated by the pending bill must be considered.

POWERS OF THE SECRETARY OF DEFENSE

The declaration of Congressional policy contained in the National Security Act requires that the military departments be separately administered. Section 202 (b) of the same act provides that the Secretary of Defense shall have direction, authority, and control over the Department of Defense. These two provisions have been constantly cited as being inconsistent and as encouraging needless and time-consuming argument within the Department of Defense.

During hearings on this bill, the Secretary of Defense indicated there was no problem so far as his relationship with the Secretaries of the military departments is concerned but that in subordinate echelons of the military departments there is a tendency to take refuge behind the words "separately administered" and thereby to delay formulation and implementation of policies by the Secretary of Defense.

Speaking personally, I am of the opinion that much of this difficulty could be resolved by a determined exercise of powers I think the Secretary of Defense now has. There is hardly any power so complete as the authority to discharge a person. In my view, the summary discharge, transfer, or forced resignation of just one or a few of the recalcitrant persons would go a long way toward reinforcing respect for the authority of the Secretary of Defense.

Be that as it may, this bill proposes to change the requirement that the military departments be separately administered to one that they be separately organized and to provide that the Secretary of Defense shall have direction, authority, and control over all three military departments. Part of the controversy over this part of the bill has occurred in connection with whether the direction, authority, and control of the Secretary of Defense over the military departments must be exercised through the Secretaries of those departments.

The Secretaries of the military departments are being retained, and if they are to have any meaningful status, it is essential that they be informed of how the Secretary of Defense desires their departments to function. Equally true is the contention that the size and complexity of the Department of Defense are such that the Secretary himself cannot personally perform every duty and function with which his office is charged. He must have assistants and they must, in providing staff assistance to him, have access to information within the military departments and to follow up the implementation of policies enunciated by the Secretary of Defense.

To avoid the administrative disruption that could result if a secretary of a military department were not informed of orders from the Secretary of Defense to subordinate elements of a military department, the bill provides that except where they are authorized to do so by other provisions of law, Assistant Secretaries of Defense may issue orders to military departments only if the Secretary of Defense has delegated the authority to issue orders and then only if such orders are issued through the Secretary of the military department or a person designated by him to receive these orders.

In a further attempt to clarify and strengthen the authority of the Secretary of Defense, the bill provides that it is the duty of the Secretaries of the military departments and their civilian and military assistants to cooperate fully with the Office of the Secretary of Defense to achieve efficient administration and to carry out the direction, authority, and control of the Secretary of Defense.

Mr. President, if these provisions become law, the power of the Secretary of Defense and persons to whom he delegates authority should be as complete as words in a statute can make them. It is elementary that the Congress cannot administer the laws. I hope that approval of this language will make clear that everything within the Department of Defense is the business of the Secretary of Defense, and that his instructions and policies are superior to any other authority there.

CHANGES IN FUNCTIONS

The next general subject of the bill is the extent to which the Secretary of Defense has power to change functions established by law. At this point, let me emphasize the words "established by law" because the authority of the Secretary to deal with other functions is unlimited except for the availability of appropriations.

Except for the so-called combatant functions, the Secretary now has authority to transfer, reassign, abolish, or consolidate other functions authorized by law after submitting a report in regard to all of the pertinent details to the Committees on Armed Services of the respective Houses.

The so-called combatant functions, which are defined in law in very broad terms, now may not be transferred, reassigned, abolished, or consolidated. Other provisions of the National Security Act provide that military personnel may not be so detailed or assigned as to impair these combatant functions and that the Secretary of Defense shall not direct the use and expenditure of funds in a manner that would impair these combatant functions.

I mentioned that the combatant functions are prescribed in broad terms. They are not much more specific than that the services will be organized, trained, and equipped primarily for operations on land, at sea, and in the air as appropriate, except that the Marine Corps functions are spelled out in more detail by statute.

One of the problems encountered during hearings on the bill was to get a useful definition of the term "major combatant function." We had before us in committee some of the most illustrious witnesses in the field of military science and military terminology, but no really satisfactory definition of the term was ever submitted.

Since this is true, the committee concluded that Congress is as qualified as any instrumentality, if not better qualified, to determine what is a major combatant function and what changes in functions are likely to impair the national security. On this point, the procedure prescribed for changing functions established by law is that except during hostilities or the threat of hostilities, the Secretary of Defense must report proposed changes in functions established by law to the Committees on Armed Services. If the committees take no action, the proposed changes become effective after 30 days. If during the 30-day period either of the committees reports a resolution stating, in effect, that first, the proposed change involves a major combatant function; and, second, that it would impair the defense of the United States, the proposed transfer, reassignment, abolition, or consolidation would not be effective until after 40 days of continuous session following such committee's reporting of the resolution. If during this 40-day period either House passes the resolution of its committee recommending rejection of the change in functions, the proposed change would not take effect. If neither House approved the resolution, the proposed change in function would become effective.

During hostilities, or the threat of hostilities, if the President determined that this action were necessary, any functions, including combatant functions, could be transferred, reassigned, or consolidated—but not abolished—until the end of such hostilities, or threat of hostilities. The functions then would revert to their former status.

It is important to note that two activities would not be subject to the disapproval procedure by Congress which I have outlined.

One of these is covered by the so-called McCormack amendment. Under it, any supply or service activity common to more than one military department may be carried out in such manner as the Secretary of Defense may determine. This provision should substantially reinforce the authority of the Secretary of Defense to eliminate unnecessary duplication in the service and procurement fields.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. O'MAHONEY. Is this provision intended to carry out the views which were expressed in the appropriation bill for the Department of Defense a year ago, which amendment was offered in harmony with one offered by the majority leader in the House, to provide for a single service of supply for common-use items?

Mr. RUSSELL. The bill provides that the Secretary may establish one. It is not compulsory, but he is authorized to establish one or to manage these activities through any agency within the Department that he desires to select.

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I should say that the powers which this provision confers upon the Secretary are similar to those that were originally contained in the O'Mahoney amendment, which was included in the appropriation bill for the Department of Defense at the time the distinguished Senator from Wyoming was chairman of the Subcommittee on Defense Appropriations.

Mr. O'MAHONEY. Do I correctly understand, then, that the Department of Defense has given indications that it favors this sort of approach in order to economize in the purchase of supplies?

Mr. RUSSELL. Not only do they favor it; they eagerly embrace it. We all hope it will lead to some savings and to the prevention of overlapping and duplication in the fields of service and supply.

The Senator from Wyoming is entitled to great credit. He was the first one, so far as I remember, to deal with this subject, in an appropriations bill in 1952.

Mr. O'MAHONEY. As chairman of the Department of Defense Appropriation Subcommittee, the distinguished senior Senator from New Mexico [Mr. CHAVEZ] was also an advocate of this procedure.

Mr. RUSSELL. I well recall that the Senator from New Mexico supported such a proposal.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. CHAVEZ. What is the fate of the Marine Corps in the bill?

Mr. RUSSELL. So far as I am concerned, the fate of the Marine Corps, in the bill, rests exactly where it does at the present time: That is, in the Congress of the United States.

Mr. CHAVEZ. I thank the Senator from Georgia.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. DOUGLAS. First, I congratulate the Senator from Georgia on the magnificent work he has done as chairman of the committee. As the Senator from Georgia knows, we have not always been in complete harmony on all issues before the Senate; but I know the Senator from Georgia has been a public servant of the first degree of magnitude on the Committee on Armed Services. His work in this very difficult field is a further tribute to his public service.

Mr. RUSSELL. I am grateful to the Senator for his tribute. I only hope that a part of it may be deserved, and that in the future the Senator from Illinois and I may be in accord on more matters.

"It is sweet to be praised by those who are themselves praised."

I thank the Senator from Illinois for his compliment.

Mr. DOUGLAS. May I follow the question asked by the Senator from New Mexico, because we are making legislative history? Can we be assured that there is nothing in the bill which changes the combatant roles and missions of the United States Marine Corps?

Mr. RUSSELL. There is nothing in the bill which could be in any wise construed as changing the combatant nature of the United States Marine Corps.

Mr. DOUGLAS. Is there anything in the bill which permits the Secretary of Defense or the President to change that status without the consent of Congress?

Mr. RUSSELL. No; indeed not. I have just said that before a change could be made in a major combatant function, as determined by the Committee on Armed Services of either body, the question would have to be submitted by a resolution to either body and there would be an opportunity for disapproval in the same method as provided for in the Reorganization Act.

Mr. DOUGLAS. Does the bill affect the organizational structure of the Marine Corps which, under the 1952 act, has been established at 3 divisions and 3 air wings?

Mr. RUSSELL. It does not in any way affect the floor placed under the Marine Corps by act of Congress. The Marine Corps is the only service in the Department with a floor under its combat structure.

Mr. DOUGLAS. The Marine Corps must have that floor in order to be protected from possible inroads by other services. This is for the interest of the Nation rather than purely for the interest of the Marine Corps.

I congratulate the Senator from Georgia on the splendid work he has done in defending not merely the Marine Corps, but the United States of America. I have a feeling of great happiness at the statement he has made. I am sure that millions of people throughout the country have that same feeling.

Mr. RUSSELL. I appreciate the Senator's statement. While I am a strong advocate of the Marine Corps and supported the legislation to which the Senator has referred, my primary purpose in working upon this section of the bill was to defend the prerogatives of Congress under the Constitution to provide for and maintain the national defense.

Mr. DOUGLAS. I am well aware of that. I think that in matters dealing with the national defense, Congress has almost invariably made a better choice than has the Department of Defense, which is frequently torn by service rivalries.

Mr. RUSSELL. The record of Congress in this field does not suffer by comparison with that of the executive branch over the past several years.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. CASE of South Dakota. Since a legislative history is being made, as the Senator from Illinois has said, with respect to the Marine Corps, I may say to the Senator from Illinois, and to other Senators, as well, that I think the chairman of the committee was not only fair, but was also deliberate in his efforts to make certain that in the testimony on the bill itself a legislative history was made with respect to the position of the Marine Corps.

The Secretary of Defense was interrogated at various points on this matter. His assistant, Mr. Coolidge, was interrogated, as were other representatives of the Department of Defense. All of them responded fully, frankly, and, I think, satisfactorily to the questions which were asked by the chairman of the committee and by others of us with respect to maintaining the present position of the Marine Corps.

I might ask, as a matter of emphasis, as was done in the executive session of the committee, where the bill refers to the Joint Chiefs of Staff, whether it was understood, agreed, and affirmatively stated by the Secretary of Defense that when such reference is made to the Joint Chiefs of Staff, that means the Commandant of the Marine Corps, insofar as the action taken or contemplated involves the Marine Corps?

Mr. RUSSELL. The committee not only had testimony to that effect; but I believe that is the inescapable conclusion from the statute, which provides that in matters affecting the Marine Corps, the Commandant of the Marine Corps shall sit and shall serve as a member of the Joint Chiefs of Staff. No provision of this bill would impinge on or jeopardize that statutory provision.

Mr. CASE of South Dakota. In addition, what the chairman of the committee has stated with reference to the position of the Commandant of the Marine Corps applies, does it not, to the right given to the members of the Joint Chiefs of Staff to come to the Congressional committees? In that connection, I refer to the provision on page 26, reading as follows:

(8) No provision of this act shall be so construed as to prevent the Joint Chiefs of Staff or any member thereof from presenting to a committee of the Congress, on his own initiative, after first so informing the Secretary of Defense, any recommendations concerning the security of the United States.

Is that provision not to be understood to include the Commandant of the Marine Corps, in cases in which he might wish to make such presentations in connection with matters or actions relating to the Marine Corps?

Mr. RUSSELL. Undoubtedly, under that provision of the bill, the Commandant of the Marine Corps could come to the Congressional committees, in connection with a matter affecting the Marine Corps.

I wish to make it perfectly clear that a full-time member of the Joint Chiefs of Staff—let us say, for instance, the member representing the Army—could, under that provision, come to a Congressional committee in connection with a matter affecting the Air Force. But I do not think the Commandant of the Marine Corps would have that authority.

But certainly, insofar as such matters would relate to the Marine Corps, including its composition, strength, or functions, the Commandant of the Marine Corps would have authority to come before a Congressional committee on his own initiative, as would any other member of the Joint Chiefs of Staff.

Mr. CASE of South Dakota. In conclusion, let me say to the Members of the Senate that the clarity with which the chairman of the committee has answered the questions in regard to this particular issue, in connection with the presentation of the matter in the Senate, is identical with the clarity and the

firmness of his answers and his attitude regarding the Marine Corps as evidenced during the hearings. Both the printed hearings and the hearings in executive session will bear out the accuracy of my statement on this point.

Now, if the Senator from Georgia will indulge me further, I should like to add another word of tribute to another great legislative leader, the distinguished Senator from Massachusetts [Mr. SALTONSTALL], former chairman and now the ranking minority member of the Committee on Armed Services. We who work with these men, the distinguished chairman from Georgia and the distinguished ranking minority member from Massachusetts, we who see them in action under the stresses and the day-to-day tests, know that they are truly a great team, devoted to the welfare of our country, and capable far beyond ordinary standards.

It is a privilege, Mr. President, for the junior Senator from South Dakota not only to work under the leadership of these men, but also to testify here on the floor of the Senate to the qualities these men have exercised in working out this bill.

Mr. DOUGLAS. Mr. President, let me say that the entire country owes a great debt of gratitude to the distinguished Senator from Georgia.

Mr. RUSSELL. Mr. President, I am very grateful to my colleagues for their kind remarks.

Of course, the correctness of the old saying, "Once a marine, always a marine" is certainly demonstrated by the procedure and attitude of my colleagues in connection with this bill; and no military organization, from the time of the Crusaders and the Knights of Malta, ever demonstrated any greater esprit or zeal in the defense of their organization than that demonstrated by the three distinguished Members of this body who served so valiantly in the Marine Corps.

Mr. CLARK. Mr. President, will the Senator from Georgia yield to me?

Mr. RUSSELL. I yield.

Mr. CLARK. I believe it to be important—as indicated by the two Senators who have been asking questions during the last several minutes—that we be sure the correct legislative history is established in connection with the bill. So I should like to invite the attention of my good friend, the Senator from Georgia, to section 3 of the bill, beginning on page 21, and continuing on page 22.

As I read that part of the bill, it authorizes the Secretary of Defense to "take appropriate steps to provide in the Department of Defense for more effective, efficient, and economical administration and operation and to eliminate duplication." Then there is a proviso that "no function which has been established by law to be performed by the Department of Defense shall be substantially transferred" without first giving the Congress the notice to which the Senator from Georgia has referred.

Am I correct in stating that the Marine Corps has no special, sacred exemption from any transfer of functions under the provisions of the bill, and will not be treated differently from the way the Army, the Navy, and the Air Force will be treated?

Mr. RUSSELL. The Senator from Pennsylvania is correct.

The Marine Corps will have this slight advantage: Its functions under existing law are spelled out a little more in detail than are the functions of the three parent services, because, after all, the Marine Corps is a part of the Navy Department. But the Marine Corps has no position different from that of naval aviation or the Army or any other branch of the armed services, in that although a program for the abolition of their functions may be submitted, the power to disapprove such a proposal is vested in the Congress; and that is the answer I gave when I was asked where that power would reside. I said that under the provisions of this bill, it would still reside in the Congress, just as it does today.

Mr. CLARK. But in the case of the Marine Corps, it would not reside in the Congress any more than such power would reside in the Congress in the case of the Army, the Air Force, or the Navy; is that correct?

Mr. RUSSELL. That is correct.

Mr. CLARK. So if the Secretary of Defense were to decide, in his wisdom, to change a function—combat or otherwise—of the Marine Corps, he could do so, provided he made to the Congress the report which is called for by the provisions on pages 21 and 22 of the bill, and awaited a determination by the Congress as to whether it sought to set aside what he had undertaken to do. Is that correct?

Mr. RUSSELL. That is correct; and of course, any function which, by custom or usage, has attached to the Marine Corps can be transferred, under the provisions of the bill, by the Secretary of Defense, without referring the matter to Congress.

Mr. CLARK. Let me say that I have the greatest consideration and respect for the Marine Corps, although I do not think it is entitled to priority consideration, even though I know that some of my colleagues believe it is.

Mr. RUSSELL. Under the circumstances, and in view of the position taken by some of my colleagues, I hope the Senator from Pennsylvania will not press me on that score. [Laughter.]

Mr. REVERCOMB. Mr. President, will the Senator from Georgia yield to me?

Mr. RUSSELL. I yield.

Mr. REVERCOMB. The Senator from Georgia is entitled to great credit, respect, and thanks for the fine work he has done on this measure, particularly in view of the considerable differences of opinion among those who testified before the committee.

Mr. RUSSELL. I thank the Senator from West Virginia; but, of course, the committee is always entitled to the credit for what has been accomplished as a result of its deliberations. I happen to preside over an unusually capable committee.

Mr. REVERCOMB. I appreciate that, and I pay my respects to both the chairman of the committee and through him to the other members of the committee.

Much has been said in regard to the Marine Corps and that is highly desired. I hope I am not anticipating a part of the presentation the Senator from Georgia will make when I turn attention to the part of the bill which deals with the National Guard.

The portion of the committee's report which relates to section 12 of the bill provides the statutory basis for the National Guard Bureau, including its chief.

In that connection, I read the following from the report at page 9:

> Since the National Guard is a State force when not in Federal service and the National Guard Bureau is the channel of communications between the departments concerned and the several States, Territories, Puerto Rico, the Canal Zone, and the District of Columbia on National Guard matters, the committee believes that the duties and functions of the National Guard Bureau and its Chief should not be transferred, reassigned, abolished, or consolidated.

Do I correctly understand that provision to mean that the National Guard will be recognized, as it is today, as a separate entity, as a part of the defenses and Armed Forces of the country, and that the bill, if enacted, will not result in any changes in the control of the National Guard or in any direction of the National Guard? In other words, will the bill leave the National Guard in its present status?

Mr. RUSSELL. This part of the bill was intended to insure the preservation of the National Guard Bureau which, of course, is very important to the National Guard.

Mr. REVERCOMB. But I would say the bill goes much further; in fact, I would say it assures the preservation of the National Guard of the country.

Mr. RUSSELL. I doubt that the Secretary of Defense will have any power, under this bill, to abolish the National Guard. But the bill gives the National Guard representation in that Department, in connection with such important matters as the size, functions, and missions of the National Guard.

However, I am frank to say that the fact that we make the National Guard Bureau a statutory office is somewhat contrary to the general philosophy of the bill, because we are giving the Secretary of Defense the authority to streamline, abolish, and consolidate. But in this case, we make statutory provision for an organization that has been in existence for some years without being specifically authorized by statute; and we undertook to state our reasons for doing so.

At their conference, the governors were very anxious that there be no change in the present functions and responsibilities of the National Guard Bureau; and it was represented to our committee that all 48 of the governors, and also the National Guard agencies of the Territories and Puerto Rico, were very much concerned about the continued existence of the National Guard Bureau. For that reason, the committee undertook to assure this in the bill.

Mr. REVERCOMB. Let me say that the establishment and recognition by statute of the National Guard Bureau is a recognition of the National Guard

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itself and its status as a part of the Armed Forces.

Mr. RUSSELL. Of course the National Guard is, by other statutes, recognized as a part of the Armed Forces of the United States.

This bill establishes the National Guard Bureau as the liaison with the Department of Defense.

Mr. REVERCOMB. I speak with feeling in regard to this matter because I believe the National Guard is very much in the first line of defense of the country. When war comes, the National Guard is called out early. When there is trouble in time of peace, the National Guard is of great assistance to the stability of a State and to the stability of the country.

Mr. RUSSELL. In times of catastrophe and emergency, such as floods and tornados, they also are very helpful.

Mr. REVERCOMB. Exactly so. I also know, from some experience, of a feeling which has existed in some high officers of the regular professional services toward the guard, which goes back a long time. I think I can best express it by quoting a few lines from Rudyard Kipling's "Tommy," respecting the attitude of the professional high command office toward the National Guard:

For it's Tommy this, an' Tommy that, an' "Chuck 'im out, the brute!"
But it's "Saviour of 'is country" when the guns begin to shoot.

Everything possible should be done to sustain the National Guard. There is a move on, of which we now hear, to cut the numbers in the guard. That is something which I feel, in these times and with world conditions as they are today, should not be done. The National Guard should be maintained at least at its present strength. I hope it will be the judgment of Congress to see that carried out at once.

I want to express my pleasure and great satisfaction to the Senator from Georgia for the recognition contained in the new bill whereby the National Guard is further established into the defenses of this country. The National Guard has a tradition as old as the Nation itself, and it is just as important today, both in times of war and of peace, as it ever was.

Mr. RUSSELL. I share the sentiments expressed by the Senator from West Virginia. I may point out that, because of the 6 months' training program now in effect in the guard, the National Guard is more efficient today than it ever was.

Mr. REVERCOMB. That is correct. The National Guard is modernly trained and has kept up to date with arms, and, with its volunteers and dedicated service, it is in the forefront of the defenses of the country.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from Pennsylvania, who has ably served the Nation in time of war, and who has continuously maintained an interest in this subject.

Mr. MARTIN of Pennsylvania. I have confidence in the chairman of the Armed Services Committee. He has rendered a great service to our country. The question I should like to ask pertains not only to the National Guard, but also to the Reserves, because, starting with the plans laid down by George Washington, it was declared that the wars of the Republic, or the defense of the Republic, must be conducted by the people themselves, or eventually we would lose the independence of the individual citizen.

Does the distinguished Senator feel that the reorganization plan will conserve the work of the civilian soldier, not only in the National Guard but also in the Reserve?

Mr. RUSSELL. I can only say to the Senator from Pennsylvania, in frankness, that nothing in the bill adds to the statutory protection that the other Reserve components have at the present time. There is ample statutory authority for the National Guard, the Army Reserve, the Air National Guard, the Air Force Reserve, and the Navy Reserve, including naval aviation and the Marine Corps Reserve. But, in the last analysis, the strength of those organizations depends on appropriations made from year to year by the Congress of the United States.

The Senate will have before it, perhaps within the next 10 days, an appropriation bill which deals with the strength of the National Guard and of the other Reserve components.

I may say to the Senator, although he knows this better than I, because he has been interested in the guard and the other Reserve components for many years, that there has been an ebb and flow of interest in the Reserve components. At times the Department of Defense has come before the committee and stated the Reserve or the National Guard should be strengthened. In other instances efforts have been made to reduce the strength of the National Guard or the Reserve. In the last analysis, it is up to the Congress to provide for the size, the composition, the equipment, the strength, and the training of the Reserve forces that are so vital to our national security.

Mr. MARTIN of Pennsylvania. I appreciate the statement fully. If the Senator will give me a moment, I should like to make this comment: I had been hopeful over the years that there could be a better understanding between the Regular Army Establishment and the Reserve components. Personally, I should like to see Regular Army officers have command and staff positions in the National Guard and the Reserve. When I commanded a division, I think I had eight Regular Army officers, either as staff officers or holding places of command. It worked out extremely well. I served as a field officer with General Krueger when he was a field officer, and I know it was a great help to my organization and a great help to me. He said to me many times it was a great aid to him. He said it was a great help to him in the command of the great Army he had in World War II.

I apologize to the Senator for taking this time.

Mr. RUSSELL. The Senator need not apologize. There is no Member of this body who is better prepared to discuss the all-important issue of the Reserve components than is the Senator from Pennsylvania.

Mr. MARTIN of Pennsylvania. I was on the water on the way to the Philippine Islands 60 years ago at this time. I have observed these matters over all those years. During that time I have seen several wars.

On Monday of this week I placed in the RECORD the famous order of General Pershing in 1918, when he commanded eight divisions. Four of them were National Guard divisions. I also placed in the RECORD at that time what our enemies, the Germans, said about our armies. They named 8 divisions as the most efficient, and 7 of them were National Guard units.

I appreciate fully that the Senator from Georgia, as former Governor of his State and as a veteran, is just as much interested in the civilian components as I am. I realize it is up to Congress to make appropriations. But I hope this reorganization plan will result in bringing the regular establishment and the civilian components much closer together.

I have no criticism of the Regular Army. To me it has always been grand. It has been helpful on every occasion. Every once in a while a man wearing 3 or 4 stars will come up to me and say, "Do you remember when I was your aide?" I have kept up that association. It has been one of the nicest things in my life.

Under the leadership of the Senator from Georgia I know there will be the cooperation which is necessary to defend this country.

As the distinguished Senator from West Virginia said a moment ago, we depend upon the civilian soldier. That has been true from the battles of Lexington and Concord to those fought on the frozen hills of Korea. It always will be true so long as this country is a nation where the individual is supreme. That is how we want to keep it.

I think the Senator from Goergia has done a magnificent job. The United States owes him a very warm vote of thanks.

Mr. RUSSELL. I am most grateful to the distinguished soldier and statesman from Pennsylvania for his high tribute. I certainly share his expressed hope that the powers conferred on and delegated by the bill to the Department of Defense will be utilized to bring about a closer working relationship between the civilian components and the regular establishment.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from Kentucky.

Mr. COOPER. The Senator from Georgia was kind enough to yield to me a few moments ago, but I was glad to defer to the senior Senator from Pennsylvania [Mr. MARTIN]. I think we should always remember his service for our country in four wars.

Mr. RUSSELL. And the distinguished Senator from Pennsylvania has the rank of lieutenant general.

Mr. COOPER. The Senator from Pennsylvania rose from a private to a lieutenant general. We honor him and defer to him on military matters.

I return to the question raised by the Senator from Illinois [Mr. DOUGLAS] and then referred to by the junior Senator from Pennsylvania [Mr. CLARK]. I am sure the Senator from Missouri [Mr. SYMINGTON] is interested in the matter. I rise for the purpose of securing information for our legislative history.

I know that since the President made his recommendations for the reorganization of the Defense Department the battle has centered around the maintenance of the different services, including the Marine Corps, under the Navy, and the functions, the roles, and missions of the services. I believe the committee has resolved these issues as clearly as they can be resolved, and the committee deserves great credit for its work.

I refer first to section 3 of the bill, which provides there shall be no substantial transfer of functions of the service except under the conditions prescribed, and subject to the disapproval of one Committee on Armed Services, and one House of the Congress.

But the exceptions should be set forth in the legislative history. I ask the opinion of the chairman of the committee.

Section 3, subsection (4), on page 24 of the bill, provides that "the Secretary of Defense has the authority to assign, or reassign, to one or more departments or services, the development and operational use of new weapons or weapons systems." This authority, it seems to me, could affect the functions of a department or service. To that extent it is an exception. The power of the Secretary of Defense to assign or reassign, to one or more departments or services, the development and operational use of new weapons or weapons systems could affect functions.

Mr. CLARK. New weapons.

Mr. COOPER. I said "new weapons."

Mr. RUSSELL. As I stated a few moments ago, there are two very significant exceptions from the Congressional disapproval. The first is in the so-called service and supply amendment, which was discussed by the Senator from Wyoming [Mr. O'MAHONEY]. The other is in the field, which is perhaps of even more significance, the assignment and reassignment of new weapons or weapons systems. The Secretary of Defense has complete statutory authority in that field.

Mr. COOPER. Further, it is correct to state, I believe, that under subsection (5) the President, when it is necessary because of hostilities or the imminent threat of hostilities, has the authority, until the termination of such hostilities or threat of hostilities, to transfer, reassign, or consolidate functions.

Mr. RUSSELL. The President has complete authority. If the President makes a finding that hostilities exist or there is an imminent threat of hostilities, he has authority to change any function in the Department of Defense as he sees fit.

Mr. COOPER. Again, when a unified combatant command is established, within the structure of the command the commander of it has the power to assign functions of forces under him, and to administration, and assign supply to any service.

Mr. RUSSELL. That is correct so far as the combatant and specified commands are concerned. The Secretary of Defense as the deputy of the President in this field, has complete authority, and can designate the department which is to supply the logistics or to pay the members of the unified command, even though it might be a different military service.

Mr. COOPER. No service could prevent the assignment of its forces to a unified or specified combatant command, or take such forces away?

Mr. RUSSELL. Indeed not. Such authority is vested completely in the Secretary of Defense.

I would be less than frank if I did not say I thought that power was inherent in the President of the United States as Commander in Chief, under the Constitution.

Mr. COOPER. Yes.

Mr. RUSSELL. For anyone who might have any question in his mind, the language spells out that the authority in that field is firm and fixed in the Secretary of Defense as a representative of the President.

Mr. COOPER. I know the bill so provides, but I wanted to spell it out for the legislative record.

I hope very much the House of Representatives will accept the Senate amendment to the bill.

I will say further, as one who served as a private soldier, for a time one learns how little he knows about roles and missions. It is my belief that in the final analysis, roles and missions always are a determination of the military commander. No one else can determine the role or mission of a military force.

Mr. RUSSELL. We have had great experience with unified and specified commands. We used such commands throughout World War II very successfully without having these provisions on the statute books. It should be much simpler in the future.

Mr. COOPER. I should like to ask the Senator one other question, and then I shall be through. It is the matter of separate administration of the Departments of the Army, Navy, and Air Force now established in the National Security Act.

The Senator will remember that early in the session I undertook to eliminate the provision, and to establish the authority of the Secretary of Defense. The President recommended that separate administration be eliminated so as to assure the control of the Secretary of Defense over the three Departments. I assume after reading the report and reading the bill, that the words "shall be separately organized" that it is the intention of the committee to give ample authority to the Secretary of Defense and to clarify his powers to administer the three Departments.

Mr. RUSSELL. Of course, the administration does not disapprove the words "separately organized."

Mr. COOPER. Yes.

Mr. RUSSELL. The rock on which the storm of controversy broke was that the exercise of authority through the Secretaries of the Departments was perhaps a limitation upon the authority of the Secretary of Defense. That language has been changed by the Senate committee bill.

Mr. COOPER. I know the Senator from Georgia [Mr. RUSSELL] does not like public commendation. He certainly does not need it, but I must join with all the other Senators in the Chamber in commending him and the members of the committee for this bill—one which I hope will be adopted by the House of Representatives. The bill meets practically all the President's recommendations and it will provide a much more effective defense organization. I would like also to congratulate the ranking minority member, the senior Senator from Massachusetts [Mr. SALTONSTALL] for his effective work.

Mr. RUSSELL. I thank the Senator.

Mr. JAVITS and Mr. DOUGLAS addressed the Chair.

Mr. RUSSELL. I yield first to the Senator from New York.

Mr. JAVITS. Mr. President, I would not intrude except that I have a question with respect to the legislative history which relates to a matter on which the Senator touched. I do not think the Senator dealt with the phase of the matter to which I shall refer.

First, I should like to join my colleagues in commendation of the committee and its very distinguished chairman. My friend from Kentucky [Mr. COOPER] and I feel the same way; the Senator from Georgia does not need commendation, but a great job has been done in bringing the bill to the Senate in this fashion and in this spirit. It is a wonderful thing as an achievement and a wonderful thing for the country and the world, especially today, when our forces are being so challenged, that this kind of harmony can be created under the distinguished leadership of the Senator from Georgia.

My fundamental question is this: A great deal of controversy has been raised about the provisions on page 26, lines 4 to 9. In the words of the President, this was thought to have some connection with discipline and command. This is the provision which would entitle individual members of the Joint Chiefs of Staff, or any member of the Joint Chiefs of Staff, to communicate directly with a committee of Congress.

I believe that this channel of free speech is absolutely essential, and I thoroughly agree with what has been done in this regard. However, I think it would be very advantageous, in view of the hot nature of the debate, if the distinguished chairman of the committee would make some statement of his views as to how this provision involves functions of discipline and command. I think the situation has been confused, rather than clarified. I think the committee has done the right thing, but I think it would

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be helpful if the distinguished chairman could spell the situation out in a little greater detail.

Mr. RUSSELL. There are two aspects of the very important matter of the Congress having full and complete access to the military experience and judgment of our trained military men in order to enable us to meet our constitutional responsibilities.

One of them arises in a case where the Congress invites a member of the Joint Chiefs of Staff, or any other skilled and experienced military man, to appear before a committee of Congress to present his views on legislation, or to assist the committee in formulating legislation.

It is my view that when the Congress requests a member of the military service to appear before a committee as a witness, it has the right to get the plain, unvarnished, and unalloyed opinion of that military man, to the same degree that such opinion is available to the executive branch of the Government.

We have no independent military staff which we can summon to assist us in this field. Some of these matters, involving roles, missions, weapons, and the necessity for the development of weapons, are of vital importance to the country. Some of the programs cost a great deal of money.

For that reason, the chairman of the committee, when he felt that some impediments were being placed in the way of the committee receiving the frank and candid opinion of military leaders, suspended hearings until we could have assurances that they were free to give their frank views.

There is no question in my mind that the committee is in a position to protect itself when it desires to obtain the advice of one of the military leaders.

The provision to which the Senator refers, of course, does not relate to those cases. It relates to a case where some practice or policy has been adopted within the Department of Defense and one of the members of the Joint Chiefs of Staff is convinced that the matter is very detrimental to the national security. It would authorize him, on his own initiative, after he goes to the Secretary of Defense and advises him that he feels called upon to take this drastic step, to come before the Congressional committee and point out the policy and the reasons why he thinks it would be detrimental to the national security.

There has been a great deal of controversy about this provision, but, as a matter of fact, it has been in the law for 9 years. Under the law as it stands at present, not only Chiefs of Staff, but the Secretaries of any of the services are authorized, on their own initiative, to present any matter to the Congress. That provision has never been utilized, to my knowledge. I have no recollection of any one of the Joint Chiefs, or any one of the service Secretaries, having utilized it. But it does afford protection in the event that there should be some policy involving a radical, violent change in the Department, which one of these dedicated military men might feel the Congress ought to be apprised of in order to enable it to measure up to its responsibility. That is the purpose of the language. I doubt very much if it will be used at any time in the near future, but it is there as a matter of protection to one who might feel called upon to come to the Congress to present his views on why a certain policy might prove disastrous to the Nation.

Mr. JAVITS. Does the Senator feel that implicit in this provision is the solicitude on the part of the dedicated military man, as well as the duty of the Congress itself in connection with the fundamental problems of discipline and command, and that the decision can properly be based upon experience in that area?

Mr. RUSSELL. That is my opinion. The importance of this action has been recognized. We have gone through reorganizations in the Department of Defense since this provision was placed in the law. We have gone through the Korean war, and through controversies involving carriers and strategic air missions, and things of that nature. But the provision has never been utilized. However, if the Congress is to function as a coequal branch of the Government, it should, at least by statute, undertake to throw some protection about a Chief of Staff of a military service who may feel called upon to come to us.

It would not be an easy thing to do. It would require a great deal of soul-searching. Those men are familiar with discipline, and the function of carrying out commands has been instilled in most of them for at least 30 years.

Mr. JAVITS. I thank the Senator.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. SALTONSTALL. I wish to join other Senators in commending the chairman of our committee for bringing forth this bill with unanimous support. In order to offer support from this side of the aisle, I had prepared a brief statement. I am obliged to go to an important appointment which I must keep.

I ask unanimous consent to have my statement printed in the RECORD at the conclusion of the statement of the Senator from Georgia and the debate on his statement. I joined with him in submitting a unanimous report on a very important measure.

The PRESIDING OFFICER. Without objection, the statement may be printed in the RECORD, as requested.

(Mr. SALTONSTALL's statement appears in the RECORD following Mr. RUSSELL's speech and the colloquy which ensued.)

Mr. RUSSELL. Mr. President, of course I do not interpose any objection to the printing of the statement of the Senator from Massachusetts. Let me say that I consulted him almost daily over a period of weeks with respect to the provisions of the bill. He has been a great help to me and to the committee in arriving at a solution which we all think will be extremely helpful. We lay no claims to perfection. Human institutions do not achieve perfection. But we hope and believe that the bill will be extremely helpful to the security of the United States.

Mr. THYE. Mr. President, before the Senator from Massachusetts leaves the Chamber, will the Senator from Georgia yield to me momentarily?

Mr. RUSSELL. I yield to the Senator from Minnesota.

Mr. THYE. I should like briefly to commend the chairman of the committee and the ranking Republican member of the committee, the Senator from Massachusetts [Mr. SALTONSTALL], as well as the other members of the committee, for having done a most outstanding job of developing the pending bill and reporting it into the form in which it is. They have rendered a distinct service, and I wish to commend them for it, and to say that I am in full support of the bill as reported from the committee.

Mr. RUSSELL. On behalf of the committee, I thank the Senator from Minnesota.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. DOUGLAS. A few minutes ago, in the colloquy between the Senator from Kentucky [Mr. COOPER] and the Senator from Georgia, the Senator from Kentucky raised a question with the distinguished chairman of the committee. It somewhat startled me, and aroused certain feelings of alarm. I refer to the question which he directed to subsection (4) on page 24, which reads as follows:

(4) Notwithstanding the provisions of paragraph (1) hereof, the Secretary of Defense has the authority to assign, or reassign, to one or more departments or services, the development and operational use of new weapons or weapons systems.

In themselves those words seem very innocent. I take it, however, that this clause is not to be used as a pretext for altering the control by Congress over the assignment of major combatant functions, roles, and missions in periods other than war. The Department of Defense is not presumed to be given the power to seize upon this paragraph to vitiate the act as a whole, is it?

Mr. RUSSELL. I should say that if the Department of Defense should seize upon this language as a subterfuge to escape the limitations placed upon the abolition or transfer of functions, Congress would respond immediately. I do not apprehend that such a thing will happen. There is nothing which has generated any suspicion in my mind that it might happen.

Mr. DOUGLAS. In other words, weapons are to follow functions, and not functions to follow weapons?

Mr. RUSSELL. Oh, yes; indeed. Weapons are the instruments for performing functions.

Mr. DOUGLAS. I thank the Senator.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. SMITH of New Jersey. As a member of the Committee on Foreign Relations I have been endeavoring, with my staff, to follow the operations of the Senator's committee in taking care of the proposed legislation now before the Senate. I wish to commend the Senator highly for what he has done and for the way in which he has done it, in resolving the differences, and in trying to meet the

request of the President and at the same time protect the Congress.

Mr. RUSSELL. The Senator from New Jersey has stated in those few lines my purpose and objective, at least.

Mr. SMITH of New Jersey. I have prepared a statement which I intended to read to the Senate. However, I shall not do so. Instead, I shall ask unanimous consent, as did the Senator from Massachusetts, to have the text of the statement printed at the conclusion of the Senator's remarks. The statement is brief, and it sums up my study of the issues as I see them.

I ask unanimous consent that the statement be printed in the RECORD at the conclusion of the Senator's remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The statement by Mr. SMITH of New Jersey appears in the RECORD following Mr. RUSSELL's speech and the colloquy which ensued.)

Mr. SMITH of New Jersey. Mr. President, I wish to read two paragraphs of the statement, because they are addressed to the distinguished Senator from Georgia:

> This bill is a great tribute to all the members of the Armed Services Committee. In particular it is a tribute to the judgment and leadership of the distinguished committee chairman, the Senator from Georgia [Mr. RUSSELL], and the ranking minority member, the senior Senator from Massachusetts [Mr. SALTONSTALL].
>
> I cannot close without singling out one other member of the committee who has made a particular contribution to the clarification of the issues involved in defense reorganization. I refer to the Senator from Missouri, the distinguished former Secretary of the Air Force [Mr. SYMINGTON]. In recent months he has repeatedly risen in the Senate to stress the overriding importance of supporting the President in this matter. In fact, one of the most concise summaries of the issue at stake was made in the letter which he sent to every Member of the Senate.

I join with the other Senators in commending the Senator from Georgia for what he has done.

Mr. RUSSELL. I thank the Senator from New Jersey in my own behalf. I can say that the experience of the Senator from Missouri [Mr. SYMINGTON] has indeed been very helpful in bringing about solutions of the problems which confronted the committee.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. RUSSELL. I am very glad to yield to the distinguished Senator from Missouri, who has been as interested in this important subject as has any other Member of Congress, of either House. He has labored assiduously on the proposed legislation. He brought to the committee his administrative experience in this field, particularly in helping us understand some of the clashes of authority which were asserted to have taken place within the Department. His broad experience was of great help to all of us.

Mr. SYMINGTON. Mr. President, I shall speak later on this vital matter in my own time. However, I did not wish the opportunity to pass without thanking my good friend the distinguished Senator from New Jersey [Mr. SMITH] for his very kind and gracious remarks. I should also like to join my colleagues in commending the Senator from Georgia, the distinguished chairman of the committee, who did a magnificent job in obtaining the agreement of the committee on most of the points requested by the President in this vitally important field. It is a great privilege and pleasure to work with the chairman of the Committee on Armed Services, an association which I have enjoyed for some years.

Mr. RUSSELL. I thank the Senator from Missouri. It has been a pleasure to serve with him on the committee.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. RUSSELL. I am glad to yield to the Senator from Oregon.

Mr. MORSE. I simply wish to record my own very high praise of the Senator from Georgia [Mr. RUSSELL] for his great statesmanship in the handling of this very difficult matter.

Some weeks ago it appeared to many of us that we would be confronted with a major debate in this session of Congress over the pending bill. I am delighted that the Senator from Georgia and the members of his committee reported the bill unanimously. I am very proud to join him in support of the bill, because I know in supporting it I am supporting a bill which is in the interest of the national security of my country.

Mr. RUSSELL. I thank the Senator.

Mr. President, the second activity that would not be subject to disapproval by resolution is the authority of the Secretary of Defense to assign or to reassign to one or more departments the development and operational use of new weapons and weapons systems. This authority should further enable the Secretary of Defense to stop wasteful duplication and competition in such fields as missiles and similar revolutionary weapons that may be developed in the future.

To those who may have any reservations about the wisdom or desirability of permitting Congress to disapprove changes in functions, I would invite attention to the fact that the functions subject to such disapproval are those established by law. The Congress approved them and if it is to surrender the complete power to negate Congressional enactments, this, to me, is almost an admission that we are unwilling or unable to discharge our constitutional obligation. I also invite attention to the fact that the power to change these functions in this instance would reside in the Secretary of Defense, an appointive official, instead of in the President, an elective one. In the procedure applicable to the disapproval of reorganization plans under the Reorganization Act of 1949, the Congress does not have to make any finding or to give any reasons for disapproving a reorganization plan. To disapprove a proposed change in functions under this bill, the Congress must find that the function involved is both a major combatant function, and that its change would impair the defense of the United States.

I strongly feel that neither of the Armed Services Committees and that neither the House nor the Senate would make such a determination lightly.

In pointing out the desirability of retaining Congressional control over changes in functions established by law proposed by an appointive official, let me say emphatically that I do not intend an invidious reference to the incumbent Secretary of Defense. Mr. McElroy is a man of unusual ability and I admire the broad comprehension of Defense operations that he has acquired in a relatively brief tenure. There is every indication that he will prove to be one of our most effective Secretaries of Defense.

CHANGES IN UNIFIED COMMANDS

The third general topic dealt with by the bill is that of unified commands. This is not a new concept in our defense structure. Contrary to a widespread impression, the military services are not now intended to prepare for separate conflicts on the land, at sea, and in the air. The law already charges the Joint Chiefs of Staff with the establishment of unified commands in strategic areas. Such commands have been established and are functioning. The chain of command to these unified commands now flows from the President to the Secretary of Defense to the Secretary of the military department designated as executive agent for the command to the unified commander. This system was established by Executive action in 1953. Prior to that time, the chain of command flowed from the President, to the Secretary of Defense, to a member of the Joint Chiefs of Staff designated as executive agent for the unified command, to the unified commander. This earlier arrangement proved unsatisfactory, in that it apparently did not serve to keep the Secretary of the military department, whose military chief served as executive agent of a unified command, fully informed of events in which the Secretary had some responsibility.

Under the changed chain of command now contemplated, the flow of authority will be from the President, to the Secretary of Defense, to the commander of the unified command. The Joint Chiefs of Staff will furnish the advice and guidance upon which the orders of the Secretary of Defense are transmitted to the unified commanders.

The change in the chain of command to unified commands can be accomplished without any change in the law. Since the Joint Chiefs of Staff will provide the advice and guidance upon which the strategic direction of unified commands by the Secretary of Defense is based, the Joint Chiefs will require additional staff assistants in the nature of an operational unit. To provide this staff assistance, the bill would increase the statutory limit on the size of the Joint Staff from 210 to 400 officers.

Two possible limitations on the authority of a unified commander would be removed under terms of the bill. One of these is the possibility that the military departments might transfer their forces from a unified command without the approval of the unified commander. The bill provides that once the force structure for a unified command is determined by the President through the Secretary of Defense with the advice and assistance of the Joint Chiefs of Staff,

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the forces assigned to these commands may be transferred from them only under procedures established by the Secretary of Defense with the approval of the President. The second possible conflict under existing law is the fact that the Chief of Naval Operations and the Air Force Chief of Staff have statutory command responsibility over elements of their services. The bill repeals this statutory command responsibility. In the future, all of the military chiefs will exercise supervision over such members and units of their services as the appropriate Secretary determines they should supervise. It is provided that this supervision must be consistent with the full operational command to be vested in commanders of unified commands. This should clarify the operational control of the unified commanders.

Let me say in all candor that I believe both of these problems could be resolved, without any change in law, by the President as Commander in Chief of all the military forces. However, there certainly can be no objection to changing the law in these respects, if it serves to clarify the situation.

The military departments would continue to organize, train, and equip the forces of which unified commands are composed and the military departments would control operations in other than unified and specified commands. Except for those cases where the forces from one service assigned to a unified or specified command are so small that it would be inefficient for their administration to be handled by their own military department, each military department will continue to be responsible for the administration of its forces assigned to unified commands. In this sense, administration means promotion, personnel administration, and courts-martial procedures.

The responsibility for the support of forces assigned to unified or specified commands could be vested in one or more of the military departments by the Secretary of Defense. This is the procedure that is followed today.

RESEARCH AND ENGINEERING

One of the significant features of this bill is the statutory creation of a major new position to be known as the Director of Defense Research and Engineering. To emphasize the importance attached to this position, the Director of Defense Research and Engineering would rank above the Assistant Secretaries of Defense, but below the Secretaries of the military departments.

The Director will advise and direct all research and development activities within the Department of Defense, although most of these activities will continue to be performed by the military departments themselves. It is this area that offers one of the main hopes for monetary savings that could result from enactment of this measure. In addition to being the principal adviser to the Secretary of Defense on scientific and technical matters and supervising all research and engineering activities in the Department of Defense, the Director would exercise control over those research and enginering activities that the Secretary of Defense determines as requiring centralized management.

This last duty includes the power to assign or to reassign research and engineering activities.

We are all aware that this is essentially a field for assistance in weapons development, on which we have spent large sums of money. It is one of the most important posts in the Federal Government. A capable Director of Defense Research and Engineering can not only make a substantial contribution to the military effectiveness of our armed services, but he can avoid wasteful competition in this field.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield. I always welcome the suggestions of the Senator from Kentucky.

Mr. COOPER. It has been said that the Research and Development programs which have been carried forward in the separate services have become so "separate" that at times it has been difficult for one service to secure from another service the information which it needed for its research. Also, it has been charged that the three services have duplicated research work in many instances, and at great cost to the country.

I remember that an official of the Department of Defense once said to me that in one instance one service had been able to secure needed research information from another country, before it could secure the information from another service in our own country. I do not know whether that is true; but it could be true, and if so, it is wrong—wrong in practice, and dangerous to the defense of our country.

Can we understand that the Director of Defense Research and Engineering will have the authority to insure there will be no duplication, or at least a minimum of duplication, in the research work of the three services? Can we be assured that he will demand that research information available to one service be made available to all services? Is it a fact that, if he so determines it necessary, he will have the authority to take research work away from a service and place it under a central agency? All of this seems vital, at the time of development of new weapons.

Mr. RUSSELL. I think he has all the powers which the Senator from Kentucky has suggested in the three phases of his question. Under the authority of the Secretary, the director has almost unlimited power in the field of research engineering. He can assign one phase of the work to one department and another phase to another department, and he can provide for the interchange of information.

Undoubtedly there has been some competition among the services. I think it has been exaggerated at times, but it was very marked in the field of research and development. Undoubtedly at times the services were competing against one another for eminent engineers in that field to work on weapons which had practically the same purpose.

But under the office which is to be created within the Department of Defense, the Director of Research and Engineering will have the authority and the ability to avoid duplication which has proved somewhat costly.

In carrying out the unified direction of research and engineering activities, the Director by delegation from the Secretary of Defense could contract for research and development work with private business organizations, educational or research institutions, and other agencies of the Government. He also could perform this work through one of the military departments.

A capable Director of Defense Research and Engineering undoubtedly can make a substantial contribution to military effectiveness and to the avoidance of wasteful competition in this field. We earnestly hope that these results will be achieved.

THE JOINT CHIEFS OF STAFF, THE CHAIRMAN, AND THE JOINT STAFF

The changes proposed in the status and relationships of the Joint Chiefs of Staff, the Chairman, and the Joint Staff are the last of the five general areas that I shall mention.

Earlier, I referred to the fact that the ceiling on the size of the Joint Staff would be increased from 210 to 400 officers. This is to enable the Joint Chiefs of Staff to give operational assistance to the Secretary of Defense in his exercise of direction over unified commands.

Since members of the Joint Chiefs of Staff have other duties as the military chiefs of their own services, the demands on their time are great. In order that they may have more time to devote to the duties of the Joint Chiefs of Staff, the bill authorizes the military chiefs to delegate to their vice chiefs such authority and duties as their Secretary approves.

A provision of law that the Chairman of the Joint Chiefs of Staff may not vote would be repealed, and the Chairman of the Joint Chiefs of Staff would be authorized to assign duties to the Joint Staff. The other members of the Joint Chiefs of Staff already have the authority to assign duties to the Joint Staff.

Since 1953, the Chairman of the Joint Chiefs of Staff has managed the Joint Staff. This bill adds language providing that this management is on behalf of the Joint Chiefs of Staff, in order to preserve the corporate nature of that body, including the Chairman.

The bill contains provisions to avoid permanency of assignment to the Joint Staff and to prevent the Joint Staff from having executive powers in its own name. These provisions are intended to prevent the development of a career staff which would be out of touch with current operations and developments in the military services.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. CLARK. I invite the attention of the Senator to a provision of the bill which appears on page 31, line 19, which reads:

> The Joint Staff shall not operate or be organized as an overall Armed Forces General Staff and shall have no executive authority.

First, I am in complete accord with the action of the distinguished chairman of the committee in increasing the membership of the Joint Staff. It never occurred to me that we were in the slightest danger of having a Prussian system in this country. I have felt that the fear, expressed in some quarters, that we might Prussianize our Department of Defense and our armed services, was an utterly groundless fear. I wonder what my friend from Georgia will say as to the meaning of the language: "shall not operate or be organized as an overall Armed Forces General Staff and shall have no executive authority."

Is it intended that there should be any change in the actual authority of the Joint Chiefs of Staff, as it presently exists, so far as their organization and executive authority are concerned; and would their relationship in the future be different from their relationship in the past with respect to the staffs of the Army, Navy, and Air Force?

Mr. RUSSELL. I do not think this section changes the authority of the Joint Chiefs of Staff as it exists at the present time. The law at present provides that they are the military advisers to the Secretary of Defense, the President of the United States, and, I believe, the National Security Council. That is their statutory function.

The language to which the Senator from Pennsylvania adverts came to us in the bill as it passed the other body. I may say, in all frankness, that it springs from a fear which has been expressed in some quarters that the Joint Chiefs of Staff were developing into something like the old Prussian staff. I have not indulged in that fear or fantasy, or whatever it might be, as much as some other persons have, but I do not think the language does any harm. The Department of Defense has not objected to it. So in order to eliminate, as much as possible, areas of controversy between the Senate and the other body, we let the language remain in the bill.

Mr. CLARK. It is sometimes wise to still groundless fears. Does the Senator have the concept that the Joint Staff would be an operational staff, really, through which the Secretary of Defense would exercise his command over the combatant forces for which the bill calls, rather than having any particular authority over those combatant forces such as that exercised by the separate staffs of the three separate departments, the Department of the Army, the Department of the Navy, and the Department of the Air Force?

Mr. RUSSELL. They have a number of other functions besides those to which the Senator refers. I think one of the most important functions of the Joint Staff is the preparation of war plans. We are supposed to have war plans to fight in any situation in any part of the world. That is a matter of tremendous moment in this age of blitz war and atomic threats.

Mr. CLARK. I quite agree with the Senator from Georgia.

Mr. RUSSELL. But they have no authority which does not spring from their designation by the civilian authority of the President as Commander in Chief, and the Secretary of Defense.

Mr. CLARK. My concern is that the Joint Staff should have adequate authority. I am not afraid that they will not have enough. I want to be certain that the Joint Staff will have the authority to make war plans and to act as a staff for the operational plans, and that they will not be inhibited by any residual authority in the Army General Staff, the Air Force General Staff, or the Navy General Staff, so far as the overall plans are concerned.

Mr. RUSSELL. The Joint Staff has no real authority in its own name.

Mr. CLARK. It is an advisory organization?

Mr. RUSSELL. It is an advisory organization and a planning organization.

Mr. CLARK. But so, of course, is the Army General Staff.

Mr. RUSSELL. Under the present concept, there is some difference between the functions of the staff of the Army and the Joint Staff.

Mr. CLARK. But I understand that the Army staff directives are issued in the name of the Joint Staff; is that correct? That was the case when I served in the Army.

Mr. RUSSELL. I suppose so; but in connection with the planning and in carrying out the orders which flow from the President, through the Secretary of Defense, to the Joint Chiefs, the Staff has a function.

Mr. CLARK. The Staff has?

Mr. RUSSELL. Yes.

Mr. CLARK. Does the Senator from Georgia agree that under the provisions of the bill, the Joint Staff will have adequate authority to advise the Secretary of Defense with respect to, first, war plans, and, second, the application of operational controls, without undue interference from the Staff's constituent departments?

Mr. RUSSELL. I think there is no question about that. But, of course, the plans to which the Senator refers come from the Joint Staff, and then go to the Chiefs, and in some cases they send them back for alternative suggestions; something may occur to them that perhaps was not apparent to the planning staff, so they may send some matter back, for revision. But all of it is based on the function of the Joint Chiefs of Staff to serve as advisers to the Secretary of Defense and to the President of the United States, as the Commander in Chief.

Mr. CLARK. I thank the Senator from Georgia for his very clear explanation.

Mr. DOUGLAS. Mr. President, will the Senator from Georgia yield to me?

The PRESIDING OFFICER (Mr. FREAR in the chair). Does the Senator from Georgia yield to the Senator from Illinois?

Mr. RUSSELL. I am glad to yield.

Mr. DOUGLAS. I had intended to postpone until later some further questions. However, in view of the fact that the Senator from Pennsylvania has, in his questions, touched on one of the points which I should like to have covered, I desire to ask some questions at this time, to help make the legislative history on this point.

Mr. RUSSELL. I hope I shall be able to answer the questions.

Mr. DOUGLAS. There is no intent, is there, to create a single general staff with command responsibilities over all the services?

Mr. RUSSELL. I see in the bill no plan or authority which would have that result.

Mr. DOUGLAS. I am very much reassured by that statement, because, like many of my colleagues, I have been studying the history of the German general staff and the history of the Army and Navy staffs in Japan; and the consequences of the actions of those professional groups of planners and executors were very unhappy.

Although I think the danger in this country would be very, very much less, yet conceivably the danger might exist. So I am very glad to have this assurance from the chairman of the committee.

Mr. RUSSELL. The Secretary of Defense himself so testified before the committee.

Mr. DOUGLAS. But, of course, Secretaries come and go, whereas the law will continue.

Mr. RUSSELL. Of course.

Nothing in the bill would justify such a conclusion; but the functions of the Joint Chiefs might vary with the ability of the person who occupied the position of Secretary of Defense.

Mr. DOUGLAS. I take it that in connection with the bill there is no purpose to create a single general military service or single general staff with command functions, is there?

Mr. RUSSELL. No; nothing in the bill could effectuate that result.

Mr. DOUGLAS. I thank the Senator from Georgia very much.

Mr. RUSSELL. To my mind, the very opposite is clearly the case.

Mr. DOUGLAS. Yes, and I am delighted that is so.

The Senator from Georgia correctly drew a distinction between planning functions of the general staff and operational functions.

Mr. RUSSELL. In that respect there is a definite difference. Of course, sometimes plans and functions have to be changed on the spot; that has been found necessary in all wars.

Mr. DOUGLAS. That is correct.

One page 31, the bill specifically provides:

> (d) The Joint Staff shall not operate or be organized as an overall Armed Forces General Staff and shall have no executive authority.

That seems to me a complete disavowal.

Then, in the following text, we find this:

> The Joint Staff may be organized and may operate along conventional staff lines to support the Joint Chiefs of Staff in discharging their assigned responsibilities.

In other words, the word "operate" appears a second time in line 22.

My understanding is that the second use of the word "operate" does not mean, and is not intended to mean, that the

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orders will be given for specific responsibilities to field units in times other than war, but simply means that the Joint Staff may be organized in the familiar J–1, J–2, J–3, J–4, J–5, and, since its addition, J–6.

Mr. RUSSELL. I did not know about J–6.

Mr. DOUGLAS. I think there is a J–6.

Mr. RUSSELL. What is it?

Mr. DOUGLAS. I am not certain but I believe a 6th dealing with communications has been added.

Mr. RUSSELL. I am not familiar with that.

I construe this language merely to give them the option of organizing along the J line or the G line, as it was in the old days, or to function as they do at the present time.

Mr. DOUGLAS. But at least in times of peace they are not to supersede the Army, the Navy, and the Air Force, to give orders, are they?

Mr. RUSSELL. I see nothing in the bill which would enable them to do so in time of war, either; it is not confined to times of peace.

Mr. DOUGLAS. I thank the Senator from Georgia for his very clear statement on this point, which should be extremely reassuring.

I hope the planners in the Pentagon will read and will study this legislative history carefully—so carefully that they will not transcend the authority that is given.

Mr. RUSSELL. I think any authority that is exercised by the Joint Chiefs of Staff is very largely dependent on the Secretary of Defense.

Mr. JENNER. Mr. President, will the Senator from Georgia yield to me?

Mr. RUSSELL. I yield.

Mr. JENNER. I have not had an opportunity to go into these matters very thoroughly. But I wonder what basic change has been made, as between the bill as passed by the House of Representatives and the bill as reported to the Senate by the Senate committee, and how the Senator from Georgia can harmonize the testimony of Admiral Carney and General Cates with the language of the bill as reported to the Senate by the Senate committee.

Mr. RUSSELL. The main burden of the testimony of Admiral Carney, who is a very excellent military officer, and the testimony of General Cates, who has had a very distinguished career, was in regard to matters which are not specifically dealt with in the bill, although some phases of those matters are dealt with in the bill.

General Cates expressed some concern over the fate of the Marine Corps in the future, and gave his reasons therefor.

But there can be no question that the bill as reported to the Senate allayed those fears; and now distinguished former Marines, such as the Senator from South Dakota [Mr. CASE], the Senator from Illinois [Mr. DOUGLAS], and the Senator from Montana [Mr. MANSFIELD] have agreed that the bill protects the Marine Corps.

I may say that the Secretary of Defense testified that he had no intention of doing anything that would adversely affect the Marine Corps, and that he thought it a very important part of the Department of Defense.

One of the very important changes between the bill as now before the Senate and the bill as passed by the other body is that the Senate committee version of the bill takes greater note of the prerogatives of Congress with respect to the national defense than did the bill as passed by the House of Representatives.

Mr. JENNER. On that point, Admiral Carney testified as follows:

> Primarily on the freedom to make radical transfers, I think the door has been opened by this concurrent resolution veto, rather than retention of positive control by the Congress.

Let me ask what the bill as now reported to the Senate provides, as compared to the provision contained in the bill as passed by the House of Representatives.

Mr. RUSSELL. The bill as reported to the Senate retains complete control in the field of functions established by law, whereas, under the provisions of the bill as passed by the House of Representatives, after the Secretary of Defense undertook to make a big change, conceivably one of the members of the Joint Chiefs of Staff, could disagree; and then the Congress could negate the change by concurrent resolution.

Mr. JENNER. It gave the command the initiative; and Congress would be able to act thereafter; is that right?

Mr. RUSSELL. That is right.

But it occurred to me that if all the members of the Joint Staff were in agreement, they could make any change they saw fit to make, and Congress could not do anything about it, unless Congress passed a bill over a Presidential veto.

So we have eliminated from the bill the provision which would have permitted the Joint Chiefs of Staff to inject themselves into the picture; and we require the Secretary to file with the Congress any proposed changes in functions established by law. Let us make that clear. Then, if the committees find that a major combatant function is involved, and that the proposed change would impair the national defense, the committees will report a resolution to their respective bodies, just as under the Reorganization Act; and if a majority of either House approve the resolution, the proposed transfer or change in function will not take place.

I think that is one of the most important differences between the two versions of the bill.

I would say that perhaps the most significant language in the House bill which was eliminated was the provision requiring that the direction, authority, and control of the Secretary of Defense over the military departments must be "exercised through" the Secretaries of those departments.

Mr. JENNER. Does the Senator think the initiative has been taken away from the Department of Defense?

Mr. RUSSELL. No; the initiative is there. The Department of Defense can undertake to make a transfer or an abolition or a reassignment, but the final power remains in the Congress of the United States, and it is not dependent upon any member of the Joint Chiefs of Staff.

Mr. JENNER. I have been looking at the hearings.

Mr. RUSSELL. The hearings are lengthy, and it is a very involved subject, I may say to the Senator from Indiana; but I am convinced this bill gives to the Secretary of Defense all the powers he needs or should expect in order to administer the Department of Defense, while at the same time maintaining the prerogative of the Congress of the United States, as a coequal branch of the Government, to function under the arrangement established by the Constitution.

Mr. BENNETT. Mr. President, will the Senator from Georgia yield to me so I may ask a few questions in another area?

Mr. RUSSELL. I yield to the Senator from Utah.

Mr. BENNETT. Am I correct in understanding that under the proposed legislation the number of Assistant Secretaries is being reduced by one?

Mr. RUSSELL. There is a question of whether it is 1 or 2.

Mr. BENNETT. But the number is reduced?

Mr. RUSSELL. The number is reduced by more than one. We have taken one away from each military department.

Mr. BENNETT. The number is reduced by two?

Mr. RUSSELL. In my opinion it is five, counting the Department of Defense and the military departments.

Mr. BENNETT. Was there any discussion in the hearings which showed that a particular function would be eliminated?

Mr. RUSSELL. No; the Secretary of Defense, as the representative of the President, has not come to any very firm conclusion with respect to two of the Assistant Secretaries of Defense.

Mr. BENNETT. The concern which brought me to ask the question refers to the Assistant Secretary for health and medicine and the fear that he might be downgraded to an Assistant to the Secretary.

Mr. RUSSELL. That fear may be justified, but it will be an administrative determination by the Secretary of Defense. There is nothing to prevent him from making the official in charge of health and medical matters one of the Assistant Secretaries.

Mr. BENNETT. But he could do the same thing to any of the others?

Mr. RUSSELL. The duties of one assistant secretary are designated by law, but the Senator's statement is true with respect to the others.

Mr. BENNETT. I hope Congress will be concerned about this problem, because there is no more important function for the benefit of the men in the armed service than the maintenance of this service. At one time I understand there was an Armed Forces medical policy counsel who in turn was downgraded to an Assistant to the Secretary. The Rockefeller report in 1950 recommended strongly that the man be retained as an Assistant Secretary.

Mr. RUSSELL. The Secretary of Defense stated that in his opinion it was not a downgrading, but was a change in assignment or title rather than a downgrading in importance within the Department of Defense.

Mr. BENNETT. Or in sphere of responsibility.

Mr. RUSSELL. The Committee on Armed Services was very vitally concerned in this matter. At one time some of the members prepared some amendments to deal with the question, but we were granting so much flexibility in the bill that it seemed we should not attempt to prescribe rigidly the duties of assistant secretaries.

Mr. BENNETT. I am glad to have had the opportunity to discuss this question with the Senator from Georgia.

Mr. RUSSELL. I am always glad to have the opportunity to discuss these matters with the Senator from Utah.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from Indiana.

Mr. JENNER. I submit that the members of the Constitutional Convention very clearly understood the two great political dangers in the defense establishment, namely, that it could be used for wars the people did not want, or for domestic intimidation. These are not new dangers of our day. The dangers are as old as the existence of political authority. The Constitution provides for Congressional control of our military power because the members of the convention understood so clearly the perpetual danger that a strong military establishment might, if unchecked, lead to foreign adventures or domestic tyranny.

I think that argument is basic. I wonder if there is anything in this bill which would change that in any sense.

Mr. RUSSELL. Mr. President, there is nothing in this bill that would, in my opinion, directly endanger permanently the intention of the Founding Fathers. What the Senator has read is correctly stated, but there has been a tremendous change in the world of today in the attitude of Congress toward the Defense Establishment. In this country we have always depended upon civilian soldiers. In undertaking to avoid some of the dangers the Senator has stated—embarking on foreign military adventures or seeking more power from the people by military force, in other words, what is known as dictatorship in other lands—we have kept a small regular Military Establishment. That is undoubtedly what the Founding Fathers had in mind. However, the threat of world communism has been great, and we had to reinforce ourselves very rapidly and rebuild, at tremendous expense, a military organization to face in World War II the greatest military organization the world had ever seen.

I must be very candid with the Senator from Indiana and state that so long as we have this great military organization for our defense, there is a danger that the military organization can be used to embark on foreign adventures, or encroach upon the liberties of individual Americans. There is nothing in this bill which increases that danger. It is inherent in a large military organization.

Mr. JENNER. But the Congressional control of the Military Establishment is not weakened by the bill, is it?

Mr. RUSSELL. No; the bill as reported is much stronger in the protection of the functions of Congress than either the proposal of the President, or the bill passed by the other body of Congress.

Mr. JENNER. Would the Senator say the thinking embodied in the bill is along the lines of the last war, or the next war?

Mr. RUSSELL. The purpose in the enactment of the bill—and I would not have wasted any time on it if I did not believe this—is to aid us in defending this country in a war of missiles, which can travel so fast as to be beyond the power of human comprehension.

Mr. JENNER. In our present relations with NATO, there is the concept that we are to supply our resources for the arsenals across France, England, and other countries. The Soviet Union can, by every method at its disposal, break down our supply systems by use of fifth columnists in our own Government and those of other countries. I wonder if such a danger would be increased by the bill?

Mr. RUSSELL. I do not think there is anything in the bill which would give aid and comfort to those who would foster those dangers.

Mr. JENNER. I thank the Senator.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from Connecticut.

Mr. BUSH. I should like to observe, apropos of what the Senator from Indiana said, that our distinguished chairman has repeatedly stated—and in the light of his long experience certainly no one would challenge the statement—that the Secretary of Defense, in his judgment, has had, and has today, all the authority which is outlined for him in the bill. What the bill actually would do, if the chairman will permit me so to state, is actually to clip the wings of the Secretary, because of the measure of Congressional authority which is introduced into the situation by this particular bill.

Mr. RUSSELL. That is true with respect to the abolishing of functions.

Mr. BUSH. Exactly.

Mr. RUSSELL. The bill clarifies the authority of the Secretary within the Department of Defense.

Mr. BUSH. That is true. I was thinking particularly of the question of functions.

Mr. RUSSELL. That particular subject is in the control of Congress.

Mr. BUSH. The Senator is correct.

Mr. RUSSELL. I thank the Senator.

Mr. McNAMARA. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from Michigan.

Mr. NcNAMARA. I should like to ask the distinguished Senator, the chairman of the Committee on Armed Services, a question concerning a matter which has bothered me a little bit. I quote from page 2 of the report:

> Since the service Secretaries are being retained, to avoid the administrative disruption that would result if a Secretary of a Department were not informed of orders from the Secretary of Defense to subordinate elements of a military department—

And so on. It seems the language is almost an apology for retaining the Secretaries of the services.

My question is this: Really, are the Secretaries of the services being downgraded to the extent I assume they are in the reorganization bill? Are the Secretaries of the services losing a great deal of their authority and responsibility under the reorganization?

Mr. RUSSELL. I do not think so at all. The very purpose of the bill is to make clear that the Secretaries of the services are not to be downgraded by permitting an Assistant Secretary of Defense to come into one of the Departments and issue orders irrespective of the Secretaries. The bill, as we have reported, it, requires that he go through the Secretaries of the Departments.

Mr. McNAMARA. Yes.

Mr. RUSSELL. The authority of the Secretary of Defense himself is complete. When the Secretary of Defense gives an order to the Secretary of the Army or of the Navy or of the Air Force, that person is obligated to carry the order out immediately. However, we established standards for the delegation of the powers by the Secretary of Defense. Such delegations must be specific, and then the Assistant Secretary of Defense must exercise the authority he has through the Secretary of the military department.

I want to be perfectly candid with the Senator from Michigan. If there is any question in the mind of anyone in the Department of Defense as to the supreme authority of the Secretary of Defense over the Department of Defense, the provisions of the bill seek to eliminate such a question and to make his authority clear.

Mr. McNAMARA. To that degree, then, the administrative authority of the Secretaries of the services has been diminished.

Mr. RUSSELL. Not in my opinion. I have always held that the Secretary of Defense had that authority anyway. The act of 1949 gave the Secretary of Defense complete authority, supervision, and control. I believe the words were "direction, authority, and control" over the three departments within the Department of Defense.

According to the testimony submitted to us, there were times when some of the subordinates within the three departments seemed to forget there had been any such thing as a Department of Defense created or any power vested in the Secretary of Defense. We had some rather startling, if not shocking, testimony as to what I would have termed insubordination.

Mr. McNAMARA. That is exactly what I have in mind. It appears to me that with respect to how the Secretaries of the services have functioned up to now, even since the creation of the Department of Defense they have had

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considerable administrative authority. Properly or improperly—and I think we can take our choice—the Secretaries of the services have exercised considerable administrative authority, and perhaps more than they should have.

Do I correctly understand that the bill would spell out clearly the fact that the Secretaries of the services do not have such administrative authority as I assume they have indicated they have?

Mr. RUSSELL. The bill does not directly take away from the Secretaries of the services any administrative authority. The bill merely makes it clear that there is a power superior to theirs, which is vested in the Secretary of Defense. The bill does not take away any authority from any one of the service Secretaries, but it does seek to remove any question as to the fact that there is a Department of Defense, and not three separate departments.

The three departments have been downgraded to a degree, to be frank. For more than 100 years the Secretary of the Army and the Secretary of the Navy sat in the President's Cabinet and attended Cabinet meetings. The Secretary of Defense now goes to the Cabinet meetings, and the other Secretaries of the departments do not. However, those officials are tremendously important administrative officials under the direction and control of the Secretary of Defense, and have very broad administrative authority and a great deal of responsibility.

Mr. McNAMARA. I have inquired of the staff as to the charts which indicate the flow of authority. The Secretaries of the services are set apart in a different category, which is quite marked, when the proposal is graphically set out. It appears to me there could be an interpretation that the Secretaries of the services are more or less in the category of a board of advisers to the Secretary of Defense, as the flow of authority comes down in the chart, which I believe is included in the hearings, but which unfortunately we do not have before us.

Mr. RUSSELL. The departments are still separately organized, but there is no question that they are subordinate to the Secretary of Defense. If there is any idea anywhere that the departments are not subordinate, I hope that will be eliminated. If it is not eliminated, it will be up to the Secretary of Defense to discipline someone to eliminate it.

There is a question as to the chart presentation. I might say to the Senator from Michigan that I proposed to the officials of the administration when they presented testimony on the bill that it might be desirable to have a Secretary of Defense and three deputies; one for Air, one for Army, and one for Navy. That procedure would eliminate all the controversy about the respective authorities of the Assistant Secretaries of Defense and the Secretaries of the military departments. In my opinion, that is still a preferrable way to organize the Department of Defense.

Mr. McNAMARA. On the face of it, I agree.

Mr. RUSSELL. The administration did not approve of that. That procedure would give a chain of command directly from the three men.

Mr. McNAMARA. More specifically.

Mr. RUSSELL. Without confusion as to the relative power and authority of the Assistant Secretaries of Defense, as weighed against the authority of the three Secretaries of the Departments.

Mr. McNAMARA. That was exactly what bothered me.

I think the explanation given by the Senator from Georgia, as is true with respect to all the explanations he has given on the bill, indicates the great study given the subject, as well as the understanding of the Senator. I wish to add my feeble words of praise for the distinguished Senator from Georgia, who has done such a tremendous job in this area.

Mr. RUSSELL. The Senator from Michigan is most gracious, and I am deeply grateful to him.

Mr. President, as to the miscellaneous provisions, the report from the Secretary of Defense to the President and to the Congress covering the operations of the Department is now a semiannual one. This bill changes the reporting requirement to make it on a yearly basis.

The interservice transfer of officers would be authorized under procedures established by the Secretary of Defense. These transfers could not be carried out without the consent of the officers concerned.

The committee added a provision that is intended to assure the continued existence of the National Guard Bureau and the function of its Chief as adviser on National Guard affairs. As Members of the Senate know, the National Guard is a State force when not in Federal service and the Bureau serves as a link between the departments concerned and the State. The committee believes that this relationship should be continued.

A subject that I have not discussed in treating the major areas of the bill is the statutory right of Secretaries of military departments and members of the Joint Chiefs of Staff to present to the Congress on their own initiative, after first informing the Secretary of Defense, any recommendation concerning the Department of Defense that they consider appropriate. This provision of law has been in effect since August 10, 1949, and so far as I know, it has not been invoked. Members of the Senate know of our constitutional duties respecting the national defense, and they know that we do not have military experts in our employ. If we are to perform these duties intelligently, I am convinced that we must have access to the professional advice of the persons who have achieved eminence in the military field, because of their competence developed over lifetime careers in the service. The bill continues the rights of the Chiefs to come to Congress on their own initiative, but in recognition of the fact that the status of the Secretaries of the military departments as political appointees is somewhat different, the bill deletes the right of the Secretaries to come on their own initiative.

As I indicated at the beginning, Mr. President, this bill is not earth-shaking in the organizational changes it proposes. I fervently hope, however, that it will contribute to greater military effectiveness and to the avoidance of heavily increased defense budgets.

I am frank to say that in these perilous days there is no magic bill we can pass, and no administrative legerdemain that will provide us with an adequate defense for the country at what might be regarded as a cheap cost.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. BUSH. Before the Senator takes his seat, I wish to add my voice to those which have already been raised in praise and commendation for his work on this particular bill.

I have had the pleasure—and it is a very great pleasure—to be a member of the Senator's committee for the past 2 years. I am amazed at almost every meeting we have to find out how much he knows about the Armed Forces of the country—their history, how they are constituted, how they function, and what their duties and responsibilities are. It is amazing to me that a man could have such a complete grasp of such an enormous subject as the Senator from Georgia has of the Armed Forces of the United States.

He has been a member of the Armed Services Committee since its institution, and was a member of its predecessor committee for so long that I believe the memory of man runneth not to the contrary. Perhaps that is why he knows so very much about the subject. I hope that if this bill gives more authority to the Secretary of Defense to exercise firm discipline in the Department of Defense, he will exercise it with the same firmness and justice as the distinguished chairman of our committee has always exercised his authority in the Armed Services Committee. It has been a great pleasure and a real experience to work under the chairmanship of the Senator from Georgia in connection with the pending bill.

The significant thing is that this almost momentous piece of legislation—certainly one of the most important to come before the Senate this year—has been so carefully drafted in the committee, and so thoroughly discussed for weeks and months, is almost ready for passage. The importance of the bill was talked about for months. We discussed the difficulty which was expected in getting it through the Senate. There was expected to be a great controversy over it. Yet at 4 o'clock this afternoon, we were able to take up a measure of this magnitude, and we expect to be through with it in 2 or 3 hours from now. That in itself constitutes a tribute which is due to the distinguished chairman, because he has so handled the bill in the committee and with the administration and the Department of Defense that he has been able to come before the Senate with a bill against which, I venture to say, not a single vote will be cast. I think that is an accomplishment for which great credit is due the senior Senator from Georgia.

Mr. RUSSELL. Mr. President, the statement of the Senator from Connecticut makes me feel very humble. I can only say to him, "Thank you." The fact that we were able to produce proposed

legislation of this nature was due to the quality of the membership of my committee, of which the Senator from Connecticut is a very able member.

Mr. BUSH. In addition to my tribute to the Senator from Georgia [Mr. RUSSELL], I wish to pay special tribute to the Senator from Massachusetts [Mr. SALTONSTALL]. He has devoted a tremendous amount of time to this bill. He has been very effective and very helpful to the whole committee. I am sure the chairman will agree that his work on the bill has been very valuable and very, very helpful to us all.

I should like also to pay tribute to the Secretary of Defense, Mr. McElroy. The Secretary of Defense has been remarkable in the cooperation which he has given to the Armed Services Committee. He carries very heavy burdens.

I feel that in this critical hour we are very fortunate to have a man of his capacity, experience, judgment, good temper, and great ability presiding over the Department of Defense. The increased authority which will be given to him in his capacity as Secretary of Defense, as provided in the bill, in my judgment will be used wisely and with great discretion. I compliment Mr. McElroy upon the way he has cooperated with the committee in connection with the preparation of the legislation.

Mr. President, I thank my distinguished colleague for his courtesy.

Mr. President, in the interest of conserving the time of the Senate at this late hour, I ask unanimous consent that I may have printed in the RECORD a statement which I had intended to deliver this evening.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BUSH

The Senate is about to vote on H. R. 12541, the proposed Department of Defense Reorganization Act, at a time of crisis in the Middle East. The events flowing from the revolutionary Arab nationalism fomented by Nasser in that troubled area may have the most fateful consequences.

The danger that the world may be plunged into world war III is greater than at any time since Korea. It is in such a tragic atmosphere that we must determine how best to organize the military power of the United States to meet the grave perils which confront us.

This is a problem which has concerned me ever since I entered the Senate, and most acutely since the organization of the 85th Congress when I was assigned to the Committee on Armed Services. During the last Congressional recess, I spent many weeks inspecting our European bases and visiting the 6th Fleet which now is playing such a major role in protecting American interests in the Middle East. I was impressed by the readiness of our Armed Forces in the field, and have the highest respect and admiration for the men and officers who man our outposts.

The complacency of the American people with respect to the growing military power of the Soviet Union was rudely shattered when the first Russian sputnik was put into orbit last October. I canceled the remainder of my inspection trip abroad to return to Washington to participate, as a member of the Armed Services Committee, in the hearings which were then conducted by the Preparedness Subcommittee under the chairmanship of the distinguished majority leader, Mr. JOHNSON of Texas.

The Preparedness Subcommittee's hearings produced much new information concerning the relative military strengths of the United States and the Soviet Union which demonstrated that while there was no cause for hysteria there certainly was no excuse for complacency. Its recommendations have had an effect in the present session of Congress. In contrast with the situation a year ago, when the President's defense budget was cut deeply in an economy drive, the Congress this year has appeared eager to vote sums substantially larger than the amounts requested.

During the course of the subcommittee's hearings, I was impressed by the testimony of many distinguished witnesses concerning the crucial importance of reorganization at the Pentagon, with emphasis upon unified command under effective civilian control.

To stimulate discussion of this problem, I introduced on February 3, 1958, for myself and the distinguished junior Senator from New York [Mr. JAVITS] S. 3209, which sought to put into legislative language some of the major recommendations for defense reorganization of the report on International Security: the Military Aspect made by the special studies project of the Rockefeller Brothers Fund, Inc.

Major objectives of my bill included:

1. To strip from the National Security Act of 1947 the major legal barriers to effective unification of the Armed Forces and more efficient organization and administration at the Pentagon.

2. To permit the creation of operational unified commands as needed, thus making possible the most efficient use of the striking and defensive powers of the United States in a period of rapidly changing methods of warfare.

3. To establish a direct line of command authority over unified commands of the Armed Forces of the United States from the President through the Secretary of Defense.

4. To preserve the identity of separate services—the Army, the Navy (including naval aviation and the Marine Corps), and the Air Force—and their fine traditions.

These objectives, with the addition of others, including the greater coordination of defense research and engineering, were recommended by the President in his special message of April 3, 1958, and in his communication of April 16, 1958, submitting a draft of proposed legislation. S. 3649 was introduced on April 21, 1958, by the distinguished senior Senator from Massachusetts [Mr. SALTONSTALL], and I was privileged, with other Senators, to be a cosponsor.

Companion bills were introduced in the House and resulted in the passage of H. R. 12541, the bill which has now come before the Senate with amendments proposed by our Committee on Armed Services.

As passed by the House, H. R. 12541 incorporated 16 of the President's 19 legislative recommendations, but contained 2 provisions which would interfere with efficient organization and administration at the Pentagon and with the most effective distribution of combatant functions among the armed services.

I refer to the requirement in the House bill that the Secretary of Defense exercise his direction, authority, and control of the Defense Department through the three departmental secretaries; and to the cumbersome procedure for transferring, consolidating, or abolishing combatant functions which proposed, in effect, to permit a single member of the Joint Chiefs of Staff to decide unilaterally which combatant functions are major.

Our Senate committee has amended these provisions in a manner which should eliminate their most harmful effects. Although the requirement that the three departments be separately organized is retained, it is made clear that they shall be under the direction, authority, and control of the Secretary of Defense. With respect to combatant functions, the proposed amendment, while establishing a procedure still more cumbersome than I would prefer to have had it, provides that only either the House or Senate may decide which combatant functions are major.

I have complimented the distinguished chairman of the Armed Services Committee, the senior Senator from Georgia [Mr. RUSSELL] and the distinguished ranking minority Member, the senior Senator from Massachusetts [Mr. SALTONSTALL] for their leadership in working out changes in language in the bill which could be accepted by the committee. I hope that when the bill goes to conference they will be as persuasive with the House conferees as they were with our committee.

If the bill remains substantially in the form recommended by our committee, it will help immeasurably to achieve our objective of safety with solvency. I urge the Senate to adopt it.

Mr. BRICKER. Mr. President, will the Senator from Georgia yield for one question?

Mr. RUSSELL. I yield.

Mr. BRICKER. First, I join the distinguished Senator from Connecticut [Mr. BUSH] in what he said about the chairman of the committee. I think the chairman already knows of the esteem in which I hold him.

I have received a letter in regard to the matter of an Assistant Secretary of Defense for Health and Medical Services. Has that subject been discussed?

Mr. RUSSELL. It was discussed. The Senator from Utah [Mr. BENNETT] raised the question, and we discussed it.

Mr. BRICKER. The medical profession is very much interested in having an Assistant Secretary in charge of the Health and Medical Services. I have a statement from Dr. Richard L. Meiling, who is associate dean at Ohio State University, on this subject.

Mr. RUSSELL. Dr. Meiling is a good friend of our committee. He is one of the outstanding spokesmen for the medical profession in the United States.

Mr. BRICKER. I merely wished to commend to the consideration of the committee the subject which he has directed attention. I think there is testimony in the RECORD on the subject.

Mr. RUSSELL. There is nothing in the bill that would abolish the position of Assistant Secretary of Defense for Health and Medical Services.

Mr. BRICKER. Under the terms of the bill, the Secretary may continue that office if he cares to do so.

Mr. RUSSELL. He may continue it if he sees fit.

There was a strong feeling on the part of some members of the committee that that should be done, but we were dealing with a bill involving vast discretionary authority. It would have been somewhat inconsistent to say to the Secretary of Defense, "of the six Assistant Secretaries who have no statutory function, you must assign this particular one to be Assistant Secretary of Defense for Health and Medical Services." For that reason the committee did not undertake to deal with the question.

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Only one Assistant Secretary has functions which are prescribed by statute. He is the Comptroller of the Department.

Under the terms of the bill, the Secretary of Defense has authority, if he sees fit to do so, to designate one of the Assistant Secretaries as Assistant Secretary for Health and Medical Services. He might designate the very able gentleman who has occupied that position. He has testified before the committee that he did not intend, in any event, to downgrade the importance of this official, who is one of the most responsible officials in the Department of Defense.

Mr. BRICKER. The statement of the chairman is very encouraging. I think it will be encouraging to the American Medical Association and to Dr. Meiling, who is very much interested in this particular position.

Mr. RUSSELL. Dr. Meiling is greatly concerned in the subject of public health in all areas. He has been very helpful to the committee in dealing with legislation involving the health of members of the armed services and their dependents.

Mr. BRICKER. My questions are only for the purpose of encouraging the Secretary to give full consideration to the desires of the American Medical Association and the desire of Dr. Meiling.

Mr. RUSSELL. I assure the Senator from Ohio that if the Secretary of Defense sees fit to designate one of the Assistant Secretaries as Assistant Secretary for Health and Medical Services, he may do so, and he will meet with no opposition whatever from the Committee on Armed Services.

Mr. President, I have been asked by a number of Senators whether there would be a record vote on the pending bill. I should like to ask for the yeas and nays.

The yeas and nays were ordered.

STATEMENT BY SENATOR SALTONSTALL

I wish to add my support to the statement of the distinguished chairman of the Armed Services Committee. He and the other members of this committee have spent many hours of careful effort with respect to the vitally important defense reorganization legislation now pending before this body. The chairman's examination and analysis of the bill has been particularly searching and his vast knowledge of defense organization has contributed much to the success of the final legislation which our committee has reported.

Certainly there were many conflicting views with respect to this legislation. There were as many variations offered for the bill as there were people appearing before our committee. I think it is a great tribute to the chairman that this bill in its present form has been reported unanimously by the committee. The Department of Defense and others who are interested in the operations of the Defense Department with whom we have conferred are, I believe, in general support of this bill.

The responsibilities of the Congress in "providing for the common defense" have never been greater. Our problems today in directing our defense effort exceed in many respects even the problems encountered during war. For in peacetime we face many limitations which do not exist in wartime. We must be concerned with much more than the limited objective of winning a battle. Our military policies must be predicated on the long-term security of the United States and they must be balanced with economic and political considerations.

The responsibilities of the President and the Defense Department are very great indeed. It is of paramount importance that we provide the organization and administrative equipment by which the defense forces of our Nation can be most efficiently and effectively managed. We are spending approximately $40 billion a year on defense. Including civilian and military, the Defense Department employs almost 4 million people. It procures approximately $22 billion worth of goods and services each year. It is 5 times larger than the largest corporation in the United States.

If you or I were stockholders in a corporation of this size, we would certainly want to insure that, under proper supervision from the board of directors, the officers of the corporation had the authority they needed to fully execute their responsibilities. This is just what we have tried to achieve with the Defense Department. And the stakes are much higher. For the dividends can be related in much more than dollars and cents. They can be related in the security of our Nation and the future protection of its freedom.

As has been pointed out, this bill goes far to resolve all of the conflicting and divergent views with respect to the massive issue of defense reorganization. On the three points with which the President took issue in the bill passed by the House, I believe that the new language which has been prepared meets the criticisms offered but yet retains the objectives sought by the House.

The language requiring the Secretary of Defense to exercise his authority through the respective Secretaries of each department has been deleted. But the organizational relationship between the Secretary of Defense, his Assistant Secretaries, and the military departments has been carefully spelled out in section 3 B (6).

In this section it is stated that the three military departments shall be separately organized and shall function under the direction and authority of the Secretary of Defense. An Assistant Secretary of Defense has such authority as may be delegated, but orders issued by him to the military departments are issued through the Secretaries of the respective departments.

With respect to the transfer and consolidation of functions, the Secretary of Defense has been given the authority he seeks; but with respect to those functions established by law, he must first report to the Armed Services Committees of Congress, and if during a 30-day period thereafter either committee offers a resolution disapproving the transfer, the proposal will not take effect for another 40 days, during which time either body may by simple majority disapprove the proposed action.

From all points of view this is an important improvement over the bill as reported by the House of Representatives. The bill reported by the House reserved as a responsibility of the Joint Chiefs of Staff the determination as to whether a transfer or reassignment of functions should be considered by the Congress. It is, in my judgment, much superior to have the Congress consider the transfer of any function which has been established by law.

Congress will with this bill give to the Secretary of Defense the flexibility he needs to manage an organization as large as the Defense Department, but Congress at the same time will retain the control which has been traditionally vested in it over the roles and missions of the military services.

In the House bill both Joint Chiefs of Staff members and service Secretaries are expressly authorized to appear before committees of Congress after consultation with the Secretary of Defense. The committee has deleted service Secretaries from this provision since they, of course, are directly responsible to the Secretary of Defense.

The national security demands the passage of this legislation. The President has vigorously taken the leadership for modernizing the organization of the Defense Department. All Americans are in support of his objectives and this bill, in my judgment, provides strong Congressional ratification for President Eisenhower's aims. It is a tribute to this great political and military leader that he has proposed and followed through on an important, indeed, vital plan for strengthening our Defense Establishment.

Briefly stated, this bill should accomplish a number of critical objectives. It will:

1. Give the Secretary of Defense more flexibility in the operation of the Department and in the assignment of missions to components of the Department;

2. Permit the Secretary of Defense to exercise greater authority over the operations of the Defense Department through more clearly defined channels of command;

3. Provide better integrated strategic planning at the defense level for the overall accomplishment of our military objectives;

4. Reduce duplication and unnecessary overhead in the administration of the Department;

5. Preserve the organizational integrity and separate organization of our three military establishments, but integrate them more effectively at the command levels and in important administrative efforts.

6. Give the President certain emergency authority with respect to the assignment of missions and functions;

7. Redefine the concept of unified combatant commands so as to provide greater control and coordination at the combatant levels;

8. Further the development of new weapons and the advance of military technology by coordinating the responsibilities for new development in a Director of Research and Engineering.

The accomplishment of these objectives will do much to improve and strengthen our Nation's defense effort.

I should like to emphasize that this bill in no sense destroys the identity of our separate military services nor does it propose the creation of a Supreme General Staff. Rather, it emphasizes civilian control of our Military Establishment. We must never under any circumstances relinquish civilian control; we must never permit the professional military to assume responsibility for political, economic, or other responsibilities of Government. With an organization as vast as the Defense Department, military authority should extend only to military operational problems. Civilian authority must remain responsible for the overall direction of our military effort, our national strategy, administration of our Defense Department, and our coordination of military effort with political and economic considerations.

This bill, furthermore, recognizes the necessity and gives statutory backing to a well-trained and ready National Guard. It reaffirms the intent of Congress that there shall be naval aviation and a Marine Corps. It does not disturb statutory organizational requirements such as that calling for three combatant Marine divisions and air wings.

Military technology is rapidly changing. To meet rapidly changing technology requires flexible administrative tools. The Director of Engineering and Research established by this bill will help coordinate our important effort to modernize existing forces and develop new and superior weapons.

Through our military power, through strength, we will maintain security for our own Nation and help to preserve the integrity of the Free World. It is an enormous undertaking, but America is well equipped to meet its challenge.

Our military forces must be so strong that no nation will dare to attack us lest we retaliate devastatingly.

We must be ready, in addition, with balanced military forces to meet the Communists on any ground they, as the aggressor, may choose. It is a costly process. For research and development, the improvement of our existing forces and the development of new weapons require vast expenditures.

But since we can never attack—and as a peace-loving nation we never shall—we must be prepared to defend against any kind of an attack an aggressor may launch; we must be prepared on all fronts. We have achieved balanced military strength; we have land armies to aid in defending our frontiers against military aggression, crack paratroop outfits, and Marine landing teams to meet any emergency anywhere in the world and to protect American lives and property, formidable naval forces, and strategic air wings to return an enemy attack.

With these balanced forces which help us to extend American and Free World influence to every corner of the globe, we shall continue to protect freedom and liberty from the Communist infection wherever it may strike.

STATEMENT BY SENATOR SMITH OF NEW JERSEY

I wish to express my strong support for H. R. 12541, the Department of Defense Reorganization Act of 1958, as it has been amended and unanimously reported by the Senate Committee on Armed Services.

I believe the committee has been eminently successful in attaining the kind of bill which President Eisenhower has so earnestly sought. This bill should give us maximum military strength at minimum cost—the kind of defense reorganization which the President has described as essential to insure our safety.

Any discussion of this vital subject must inevitably begin with the President's recommendations. He has declared defense reorganization to be his most important legislative goal of this session. He issued a clear call for action last January in his state of the Union address. In subsequent messages to Congress spelling out the details of his recommendations, the President listed three main objectives which the legislation should accomplish:

"First, the safety and solvency of our Nation require prompt revision of certain aspects of the present Defense Establishment to bring it into accord with the necessities of our time.

"Second, onrushing technological advances in weapons and other devices of war demand that our defense organization have a posture ready to react unerringly and instantly to sudden attack.

"Third, the unprecedented costs of maintaining in peacetime a massive defense establishment demand the utmost economy and efficiency in all of its operations."

The compelling reason why these objectives must be achieved should be clear to anyone who understands the total nature of the struggle in which we are engaged with Communist imperialism. The urgency for attaining these objectives should be as obvious as the headlines of today's newspapers which tell of the grave crisis in the Middle East.

These deeply disturbing events are but the most recent evidence of the fact that communism is on the offensive throughout the world, utilizing all available weapons—economic, political, and cultural as well as military.

If we are to meet this many-pronged offensive, we must make the most effective use of our national power and resources. We must bring our military, economic, political, and cultural weapons up to date to cope with the new strategy of total cold war.

This is just what we have been doing. Since World War II, we have set up the USIA to handle the dissemination of information. We have established broad programs of cultural exchange. Last year Congress reorganized the mutual security system, our chief weapon in the economic and social struggle, by clearing administrative channels, separating long-term economic assistance from military aid, providing for a Development Loan Fund, and making an emergency fund available to the President. As a result the operation of the program was made more effective through greater continuity and flexibility and clarified organization.

This year, the President asked that we apply the same philosophy to our military arm that it, too, might be brought up to date. He specified that it be given greater flexibility and effectiveness through unification of planning and operations and clarification of command structure, in order to meet the requirements of the nuclear age.

It should be understood that the President has consistently sought these objectives since World War II. In the fall of 1945 he returned from Europe after commanding the greatest combined force ever brought to bear against an enemy, the victorious leader of over 5 million allied land, sea, and air forces, to testify as follows before the Senate hearings on military reorganization:

"We have learned by hard experience that the Nation's security establishment is, in fact, a single fighting team composed of three services each supplementing the other in proper balance. It must mean that it is now necessary so to organize that we can obtain a well-rounded annual program. The need is for efficiency, economy, simultaneous overall consideration of the requirements, and the maximum pooling of talent. What is required of us in war we must prepare to do in peace."

Again, in the spring of 1947, testifying for the establishment of the Defense Department under a single Secretary, he declared that—

"In this day of scientific and technological war, it is of primary importance to balance the security forces against world conditions as they exist from year to year. The establishment of single responsibility and authority for submitting recommendations to the President and to Congress, and for carrying out the mandates of the Congress will constantly bring to our ever-changing problems, involving the three services, solutions applicable to the time and conditions. Without such single direction we tend to become compartmented into fixed forms and practices that always grow more rigid with time."

These words, spoken more than a decade ago, ring prophetically true today. They serve to emphasize that, on the subject of defense reorganization, the President is the Nation's foremost authority. His familiarity with the organization of the Armed Forces is unique, based on his wartime experience as chief of operations of the War Department and as allied commander of the combined forces. He is Commander in Chief in fact, as well as in name. His views and recommendations deserve our utmost confidence and support.

The defense reorganization bill passed by the House embodied most of the President's recommeendations. However, he singled out three particular provisions as being directly in conflict with the stated goals of reorganization.

These three provisions, he said, "continue to emphasize disunity and separatism within the Defense Department. They continue to imply Congressional approval of wasteful duplications, administrative delays, and interservice rivalries. * * * America, having started on this reorganization, wants the job done right."

The Armed Services Committee has acted thoughtfully and constructively on each of these major criticisms. They have entirely eliminated the first objection by striking out the ambiguous language requiring the Defense Secretary to exercise his authority through the respective Secretaries. The substitute language clarifies and strengthens the Secretary's authority.

The President's second objection dealt with the power of the Defense Secretary to transfer combatant functions. As drafted by the House, the bill made this power subject not only to Congressional review, but also to the unanimous approval of the Joint Chiefs of Staff.

The Armed Services Committee has retained and strengthened the supervisory authority of Congress in this area, stipulating that a major transfer of functions can be rejected by a simple resolution of either House, rather than by concurrent resolution. In this particular, the committee has moved in the opposite direction from the President, making it possible for a mere majority of a quorum, or only 25 Senators, to block transfer. However, the feature of this provision which was most objectionable to the President has been removed by deleting the veto power of the Joint Chiefs.

The third objection concerned the provision that any Secretary or service chief may present recommendations to Congress after notifying the Defense Secretary. This has been substantially modified by the committee through substitute language confirming the right of any member of the Joint Chiefs to present to a committee of Congress, on his own initiative and after first informing the Defense Secretary, any recommendations concerning the security of the United States. Thus the danger of encouraging interservice rivalries and insubordination to the Secretary, which was inherent in the original language, has been, to some extent, alleviated.

For my part, I would prefer to go all the way with the recommendations of the President. At the same time, it is apparent that the committee has made a genuine effort to accommodate the President's views. I am convinced that the principal objections have, for all practical purposes, been eliminated. This, and the fact that the committee reached unanimous agreement on its amendments, in effect expresses a bipartisan vote of confidence in the President's judgment. The committee has done a solid piece of work. Its recommendations, as reported merit the full approval of the Senate.

I believe the present bill offers a remarkable illustration of what can be accomplished when knowledgeable men take into consideration a complex problem in all seriousness and sincerity, and with the bipartisan spirit which is required when dealing with a subject so vital to the national security.

This bill is a great tribute to all the members of the Armed Services Committee. In particular it is a tribute to the judgment and leadership of the distinguished committee chairman, the Senator from Georgia [Mr. RUSSELL], and the ranking minority member, the senior Senator from Massachusetts [Mr. SALTONSTALL].

I cannot close without singling out one other member of the committee who has made a particular contribution to the clarification of the issues involved in defense reorganization. I refer to the Senator from Missouri, the distinguished former Secretary of the Air Force [Mr. SYMINGTON]. In recent months he has repeatedly risen in the Senate to stress the overriding importance of supporting the President in this matter. In fact, one of the most concise summaries of the issues at stake was made in the letter which he sent to every Member of the Senate.

I urge the passage of the bill as reported by the committee.

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Mr. SYMINGTON. Mr. President, let me again congratulate my distinguished colleague from Georgia for the excellent job he has done with this bill. As he knows, and as many of my colleagues know, I do not believe the bill goes far enough from the standpoint of basing our Department of Defense on progress rather than continuing to base it on tradition. But I do not see how it would have been possible to pass a bill which went beyond what the President of the United States recommended to the Congress.

Mr. President, today this country is in an economic recession; and it is not a question of whether something should be done about it—but what.

Eighty-four cents of every American tax dollar goes for past or possible future war.

Sixty cents of that tax dollar goes for current defense.

We know that our system of free enterprise could be destroyed by excessive taxation, excessive inflation, or unilateral disarmament.

For a long time we have known also that the duplication and waste resulting from that organizational structure of the Pentagon, a structure now functioning on the basis of tradition instead of progress, is costing the American taxpayer many billions of dollars.

In the past there has been no more ardent advocate of greater service unification than President Eisenhower.

The proposed legislation in question is based on the President's vast military experience. He pleads with us to pass this bill, in the interest of the security and prosperity of the United States.

Twelve years ago, this country was superior on the land, supreme both on and under the sea, and also in the air.

In addition, many of our allies were both strong and ready.

How different today.

The strength of our allies has either waned or disappeared.

The strength of the possible enemy in important respects exceeds our own.

In that connection, perhaps the most ardent opponent in the Congress of the President's reorganization plan recently said:

> The Department of Defense organization is essentially sound. * * * After all, this country won the last great global war.

Well, General Grant finally defeated the Confederacy with men and horses. That may be why it took 75 years to get horses out of the Army.

I have said many times, and reiterate today, that a realistic reorganization of our Defense Department, one which would recognize modern weapons and modern weapons systems, would save the American taxpayer billions of dollars annually, through more effective use of the tax dollar for national defense.

The time has now come when we must have a more simplified command structure, one which recognizes that, whereas in the past our warning time was measured in years, today our estimated warning time can only be measured in minutes.

The time has also come when this country must have a national defense staff charged with recommending plans to the Secretary of Defense and the President, and directing operations under their orders.

As in the case of any other staff, this one should have a chief or director or chairman—his title makes little difference.

What, then, stands in the way of adopting a type of organization which makes sense, in this day when manned and unmanned air weapons have erased the ancient boundaries between land and sea operations?

The answer is "tradition," an instinctive resistance to change, a tendency to cling to the familiar, and a fear that vested interests in existing organization patterns will be upset.

But this should discourage no one.

It cannot be allowed to, because, if it continues to be successful, that reliance on tradition can destroy us all.

In fact, already in this country we have come a good part of the way; and that no doubt is why we are still free.

Let us trace some of these steps.

At the turn of this century the United States Army had no general staff; and no system of higher military education out of which a general staff corps could grow.

Officers serving on this staff should be drawn, preferably in about equal numbers, from the three military departments, but they should have no duties with their services of origin while they are on the national staff.

Furthermore they should be organized as an integrated planning and operating staff on the model of the Pentagon staffs of the present military services, not as a series of interservice committees.

If this country now had no military services and had to build an armed force from scratch, there is not the slightest doubt that, after a Secretary of Defense, such a national defense staff would be the first obvious organizational need.

National defense presents a single complex problem, not three separate problems, neatly divided into packages of land, sea, and air.

This single complex problem demands a single composite staff, to analyze and direct it—a staff comprising the best talents of all our present services, a staff directed at the national problem, as the unitary thing it is.

That is the principle of a national staff.

There was a Commanding General of the Army, but he had no staff capable of planning a military program for the Army as a whole.

The Quartermaster General, the Adjutant General, and the Paymaster General, along with a few others, had private empires to which they were deeply attached.

Analysis of the military mistakes of the Spanish-American War convinced Secretary of War Elihu Root that an Army General Staff, with a Chief of Staff having authority over all staff divisions, was essential.

And let us have one thing clear: The Army General Staff of Elihu Root, and continuing right down to the present, was copied from the Prussian army general staff.

The same thing is true of the British army general staff, established at about the same time.

And the same thing is true of the United States Naval Staff; and the staff of the United States Air Force.

When we are now told that the Prussian general staff was the breeding ground of the German militarism that caused two world wars, and that adopting anything like the Prussian general staff in this country will lead to military dictatorship by a "man on a white horse," it is well to recall that we adopted this very system, 55 years ago, without producing any such result.

So let us dismiss that bogey man, in his Halloween mask.

Elihu Root's conception of a General Staff, with a Command and General Staff School, and later a War College to train its officers, was bitterly opposed, chiefly by high ranking officers who did not want to find themselves subordinated to the new Chief of Staff.

As example, arguing against Mr. Root's General Staff bill, one of the most famous military men of his day, General Nelson Miles, testified:

> More than 100 years ago our Army was organized by the genius of Washington, Steuben, Hamilton and others. In all the wars in which we have been engaged, it has in the end been victorious. It has withstood intrigue and contaminating influence from without, and has absorbed the injurious elements that have been forced upon it, sustaining the honor of the Nation, and the glory of American arms in every campaign; and its present organization is best adapted to our great Republic. In my judgment a system that is the fruit of the best thought of the most eminent patriots and ablest military men that this country has produced should not be destroyed by substituting one that is more adapted to the monarchies of the Old World. * * *
>
> The scheme is revolutionary, casts to the winds the lessons of experience, and abandons methods which successfully carried us through the most memorable epochs of our history. * * *
>
> * * * I trust that the office (Commanding General of the Army) which Scott and Grant and Sherman held with so much distinction, will not be destroyed while any of their comrades and friends who so well knew of their services and responsibilities still survive.

This speech, which we can now afford to smile at with indulgence, has all the stock phrases of the appeal to sentiment and tradition against logic and progress.

Change a few names and dates and you will find it repeated in much of the opposition to present plans for reorganization.

Root succeeded in unifying the Army to meet the needs of his day. We must succeed in unifying the three services under the changed conditions of our day.

In World War I, a situation existed which may have a lesson for us.

On the Western Front the Allies had three forces faced with a unitary problem—a French Army, a British Army, and an American Army, with three commanders trying by agreement and compromise to meet the threat of German conquest of France.

Appointment of a supreme commander for all three forces was suggested, but was considered a rash innovation. It

was not accepted until the Germans nearly broke through in their last great offensive of March 1918. Only then did the three Allies agree upon Marshal Foch as Supreme Commander to take the place of the three-headed, committee-type organization which had nearly lost the war.

But Marshal Foch commanded only land forces. Not until World War II did the next giant step take place—appointment of theater commanders who controlled land, sea, and air forces.

This further step was required by the changing nature of war. It simply made no sense to have fighting forces divided into traditional packages, each fighting its own war, when the military problem was incapable of this three-part division.

Thus the type of authority exercised by MacArthur, Nimitz, and Eisenhower was an innovation that caused military organization to adapt itself to the changes that had taken place in the nature of war.

Joint commands under a single commander, with integrated three-service staffs not only made sense, they succeeded.

Accordingly, when the North Atlantic Treaty Organization created its military structure, a joint command in Europe was not even a subject of discussion. It was taken as axiomatic.

Anyone who had suggested that Supreme Headquarters Allied Powers in Europe, better known as SHAPE, should be directed by a committee of Army, Navy, and Air Force officers would have been ridiculed. Through experience the three services had lost their fear that their specialized knowledge would be suppressed, their advice ignored, and their operations hampered by a supreme commander not brought up in their individual service traditions.

Three army generals and one Air Force general have successfully exercised Supreme Command in Europe; and, it should be added, a succession of American admirals in southern Europe and British admirals in northern Europe have successfully exercised three-service commands in those areas.

Thus we find that, step by step, military organization in combat theaters has evolved in the direction of joint and combined staffs under a single chief or commander.

This does not mean that authority is exercised arbitrarily, or without the most careful study and the fullest advice. Each supreme commander has had his land, sea, and air advisers, upon whom he has heavily relied.

But it does mean that there is one responsible military authority, with the power of decision, assisted by the combined brains of a three-service staff charged with considering the problem as a whole.

Officers of the three services—and indeed of several nations—have served under a single military chief, with effectiveness and mutual satisfaction all around.

The men appointed to these top posts proved able to expand their capabilities to meet their expanded responsibilities. General MacArthur had no more fervent admirers than General Kenney of the Air Force and Admiral Kincaid of the Navy.

The same was true of General Eisenhower and Admiral Nimitz and their subordinates during the war.

And the same has been true of those who have commanded at SHAPE.

These wartime joint and combined commands, along with the peacetime commands that have succeeded them, have provided a reservoir of officers of all ranks who have acquired the habit of viewing three-service operations as combined rather than competitive operations.

And this capability of three-service thinking—or, better, nonservice thinking—has been developed and transmitted to the younger generation of officers by the interservice and international schools—the National War College, the Armed Forces Staff College, the Armed Forces Industrial College, and the NATO Defense College.

Out of wartime experience and peacetime education, therefore, we now possess a national officer corps capable of providing the trained human resources of a national defense staff.

In Washington, the organization of the services is far different.

While the fighting commands have adapted themselves to an understanding of modern war, through tight unification, nevertheless the Washington headquarters have not.

When the Japanese struck at Pearl Harbor the United States had two separate Departments—the Department of the Army and the Department of the Navy.

Each prepared separate plans, presented separate budgets, and operated separate bureaucratic empires.

The connecting link between them was the now-forgotten Joint Board, plus a few low-level Army-Navy committees, none of which succeeded in producing coordinated action.

There were no joint commands. General Short and Admiral Kimmel were in Hawaii. General MacArthur and Admiral Hart were in the Philippines.

In both places the heads of each service operated independently, with only casual, and often hostile, communication.

A glance at our pre-Pearl Harbor organization may contain a very important lesson at this present moment of time.

Everyone knows that our military organization on December 6, 1941, was wrong. No one would go back to it.

But it took the humiliation and loss of December 7, 1941, to effect a change, despite the fact that for many years previous to that tragic date there had been proposals for service unification.

The most recent had been made by the General Board of the Navy in June 1941, and was still under consideration.

But at that time all of the bureaucratic forces, and all of the arguments based on tradition which are now being used to oppose any true unification of the services, were then operating at full force, not only to prevent any unification in Washington but also to prevent it in the combat commands.

The nature of war had changed, but tradition and vested interests had prevented our military organization from changing with it.

The lesson is this: We must, in peacetime, adapt our organization to the changing needs of war. We cannot afford, perhaps cannot survive, an atomic Pearl Harbor.

We now know that this country can be lost to a determined aggressor if our weapons are not modernized in peacetime so as to meet changing needs.

The same is true of our defense organization.

Shortly after Pearl Harbor, this country established the Joint Chiefs of Staff, with their subsidiary committees.

Was this because we had made a study of higher defense organization and had concluded that a committee system was best adapted to meet American needs?

It was not.

No such study was made.

Our country faced the necessity of operating with the British Chiefs of Staff Committee; so we copied their system in order to provide balanced representation in the combined Chiefs of Staff.

The Joint Chiefs were an oddity in American Government.

In the first place, they contained one officer, the commanding general of the Army Air Corps, who was the equal of the Army Chief of Staff in the Joint Chiefs of Staff meeting room, but his subordinate outside.

In the second place, American Government has never operated by and through committees, where either everyone must agree or no action can be taken; and where each member has a veto—as is true among the permanent members of the Security Council of the United Nations.

This British institution was copied, for lack of something better that was immediately available.

The difficulties of our first Joint Chiefs of Staff during World War II were well known throughout the services. It was therefore natural that, as the war was drawing to a close, the problem of postwar organization should be considered.

In order to obtain the best thinking of the senior officers of all services, the Joint Chiefs of Staff formed a special committee to tour all theaters of operations; and of the officers interviewed while the realities of war were foremost in their minds, an overwhelming majority favored a Department of Defense, served by a Chief of Staff and a National Interservice Staff.

This, therefore, was the type of organization the committee recommended.

But then a significant and somewhat discouraging thing happened: Certain of these officers who had been interviewed, after they came back to this country, and as the experiences of war faded, and the bureaucratic pressures of Washington became more intense, recanted their previous views and opposed all forms of unification of the services.

I do not criticize these men. But I do say that opinions formed under the pressure of a strong and determined enemy are likely to be more reliable in the national interest than opinions revised under the pressures of the Washington bureaucracy.

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We all know the result: Years of negotiation produced a heavily watered-down version of the original unification proposals.

A Secretary of Defense, but no Department of Defense; instead, a National Military Establishment.

No National Staff or Chief of Staff; instead, a Joint Staff of limited numbers, operating as a series of interservice committees.

This was the National Security Act of 1947.

After short experience, the first Secretary of Defense recommended increased authority.

Later there was established a Department of Defense—and on the military side there was created a Chairman of the Joint Chiefs of Staff.

These were some of the 1949 amendments; and they were an improvement.

I cannot say as much for the 1953 changes, introduced by Reorganization Plan No. 6 of that year. These latter changes overemphasized business management at the expense of a sound national defense. They created a "figures-before-forces" psychology, and caused the Office of the Secretary of Defense to busy itself with relatively small details of administration which could be better handled by the services.

We now know that these trends should be reversed.

In the millions of words now being devoted to a proposed new structure for our Department of Defense, two facts stand out.

The first is that, because in this field we have continued to cling to tradition instead of accepting the vital importance of progress, unnecessary billions of dollars of the taxpayers' money are being spent annually without providing the national security needed.

The second point which stands out so clearly is the fact that our present defense structure cannot function effectively in this nuclear space age.

Until a short time ago, the geographic protection of two oceans gave the United States literally years in which to prepare.

Today not only do we not have years to prepare; we have not even hours. God grant that we have as much as 30 minutes in which to react effectively.

Thus we find that our present organization is the product of an evolution which started back with Elihu Root in 1903; and proceeded through 2 world wars to the 3-phase statutory changes of the last 11 years.

Consistently the trend has been toward more unified planning and control in order to meet the whole military problem as a unit.

The tremendous technological developments of modern war, plus the steady growth of the international Communist conspiracy, force us now to face up to reality if we are to remain free; because from here on the second best military organization may be worth exactly as much as the second best poker hand.

Furthermore, the command channel should run from the Secretary of Defense, through the Joint Chiefs, to the combat commands, which are technically designated the unified and specified commands.

Such an arrangement would permit the highest civilian authorities to continue to have the full expression of views held by the service chiefs, as advised by the service staffs; but they would have the views of the chairman on a national nonservice basis.

In addition, the Secretary of Defense would have an integrated staff, charged with advising him upon the national strategic problem as a whole.

Furthermore, by establishing a single command channel from the Secretary of Defense through the Chairman of the Joint Chiefs of Staff, it would become possible to assure military reaction as rapidly as needed in response to orders from the Commander in Chief.

In this age, when national survival may depend upon very, very quick reaction to attack, nothing could be more important.

The prediction is frequently expressed by opponents of any further unification that the proposed reorganization of the services will lead this country down the road to military dictatorship and destroy the civilian control of the Military Establishment.

Because the latter is one of our most cherished traditions, this argument has an impact on those who have not studied the subject.

History is often invoked to sustain this prediction—the history of Germany, Japan, Italy, the Soviet Union, and Latin America.

History will not support this military dictator prediction, however.

Let me briefly run through the list.

Prussia and the Kaiser's Germany had an army general staff and a strong militaristic tradition. We copied the army general staff in 1903; but of course their militaristic tradition did not come with it.

Hitler's Germany was a party dictatorship, not a military dictatorship.

Beginning in 1938, Hitler had a high command of the armed forces, called the OKW; but this was an instrument for Hitler to impose his will on the army, not the reverse.

We deplore Hitler as a civilian authority, but that's what he was.

In the Japan of the 1930's, there is no question that the military dominated the civilian authority.

But was this because of a unified command of the army, navy, and air forces?

It most certainly was not.

There was no such unified command of any kind whatever.

The Japanese military derived their power from the Samurai tradition, the code of Bushido, and the constitutional provision requiring the Ministers of War and Navy to be officers on the active list.

This situation made it possible for the military to force the collapse of any ministry by refusing to nominate an officer to serve in these ministerial positions.

By contrast, in the United States, we have a statutory provision forbidding any professional officer to serve as Secretary of Defense within 10 years of his active service.

The Soviet Union is a party dictatorship. Its source of power lies in the secret police. It has never been dominated by the military.

If anyone doubts this, he might consider the present status of the Soviet Union's greatest war hero, Marshal Zhukov.

Italy, too, was a party dictatorship; but does anyone suggest that any military figure dominated Mussolini? If so, who was he?

In Latin America, military dictatorships are a common occurrence. But an interesting fact should be noted. The dictator is quite likely to be a colonel, as in Argentina—or a sergeant, as in Cuba—rather than a general.

These latter dictatorships do not stem from any particular form of military organization, but from the political immaturity and the habit of authoritarian government, which are the outgrowth of a low level of education of the people.

No; the lessons of history do not suggest that the kind of organization proposed will produce a "man on a white horse" who will dominate us all.

Actually, if in this country one were to try to propose a form of governmental organization best adapted to producing a military dictatorship, what would it be?

Would it not be to place supreme executive authority in one man, make that same man commander in chief of the armed forces, and then develop the habit of electing victorious generals to that high position?

As we all know, that is precisely the setup the United States has had for nearly two centuries; namely, after wars, electing a victorious general as President.

None of the six generals who have occupied the White House, however, has shown any tendency to be faithless to the principles of democracy.

The liberties of this country hang on no such slender thread as what this Congress may legislate as to the powers of the Chairman of the Joint Chiefs of Staff and the structure of the Joint Staff.

Under our proposal civilian control is still assured by three levels of civilians in the executive establishment—the Deputy Secretary of Defense, the Secretary of Defense, and the President—in addition to the concurrent authority exercised by the two Houses of Congress.

Actually, effective civilian control would be enhanced by the existence of a senior officer, with a competent interservice staff, whose time and attention would be devoted solely to the problem of national planning; and who, therefore, would be in a position to assist his superiors in the executive branch and the Congress to arrive at wise decisions in the face of the divergent ideas so often found in the three services.

The objectives of the senior executive civilians, and of the Congress, must be national, not parochial. To attain these objectives, they should have professional advice with an unbiased national outlook.

Mr. President, at this stage of history there are few more important things

this Congress can do than create a workable Military Establishment.

It is difficult to make the right changes, for they are opposed by the standpat, foot-dragging pressures of tradition.

It is easy to get bogged down in a multiplicity of proposals, each with its several variations.

But this increasingly critical subject now demands action in the national interest.

This may well be our own and the Free World's last chance to create a defense structure capable of defending our freedom in the nuclear age.

I noted with great interest, and in part with agreement, the remarks on the current reorganization bill by the able and experienced Representative from Texas, who addressed the House of Representatives on June 5.

Like him, I am appalled at the startling change of attitude in the White House between the congratulatory letter of May 16 to Chairman VINSON, and the harshness of the President's press release of May 28.

I am sure that I too would be offended if, as a committee member, I had worked hard to reach agreement with a representative of the White House, believed that such an agreement had been reached, and then discovered the product denounced to the Nation by the President.

But these are most serious national problems we are considering. They should not be affected, one way or the other, by the deftness or awkwardness with which relationships between the executive and legislative branches are being conducted.

With respect to the question of the power of the Secretary of Defense over military functions, I believe that, unless modified, the House committee changes in the bill are unwise and would in effect block a realistic adjustment of functions of the services to military needs.

But first I should like to dispose of some general, or background matters.

We have been told that the Declaration of Independence shows that among the 27 reasons for which we broke away from the mother country, 11 were abuses of the executive at the expense of the legislative authority.

I do not wish to quibble, but a rereading of this great document confirms my memory that these interferences with legislative authority which stirred our forefathers to revolt, were actions by a hereditary monarch 3,000 miles away placing restrictions on our elected colonial legislatures. They were not abuses by a locally elected executive against a locally elected legislature, as our Government is now constituted.

I find it hard to anticipate the need for a 1958 declaration of independence from an overweening Executive power at the other end of Pennsylvania Avenue.

We have gentler ways of getting rid of Executives. By law we shall demonstrate that method a couple of years from now. I cannot, for the life of me, find the specter of George III lurking in the military functions section of this bill as it was originally presented; and I hope that my friends who favor the committee draft will credit me with loyalty to our national principles equal to their own.

One of these principles is, of course, civilian control of the military. I think I am right in saying that no proposal for a more unified Military Establishment has ever been made in this century, from Elihu Root's general staff bill down to the present, without dire predictions that a man on a white horse would take over; and that we would find ourselves saddled with a military dictatorship on the German, Japanese, or Latin American model. Names are mentioned as if the mere naming proved something: Scharnhorst, von Moltke, Ludendorff, and most recently, a man named von Waldersee who is said to have deposed Bismarck.

The Prussian general staff is designated as the threat to our liberties, apparently without realization that both our Army and our Navy adopted a general staff organization based on the Prussian model in the early years of this century—the Army in 1903, the Navy in 1915.

I emphasize the word "organization" in that last sentence.

The thing we did not adopt from the Prussian system was the practice of building up a continuing military elite—called in Germany the general staff corps and distinguished by a red stripe on the uniform trousers. This corps held a special status, permitting them to entrench themselves on a permanent basis in the highest staff and command positions; and thus to acquire great practical power through influential contacts in political and financial circles.

The United States has required that officers be rotated through various types of duty, at home and overseas. The so-called Manchu law provides that no officer shall serve continuously in Washington for more than 4 years, without specific individual direction by the civilian authorities.

But we should all realize that, with these possibly unnecessary safeguards, we have had the Prussian-type general staff organization in this country for half a century.

As one leading newspaper has put it, we are a little late in becoming fearful of "an all-powerful staff of militarists presumably in the mold of Erich von Stroheim, monocle and all."

The present troubles in France were brought into my friend's speech for good measure—but without any suggestion as to how the organization of the French Ministry of Defense or Ministry of War had any effect in these troubles.

Perhaps we should examine the present realities in this country, rather than divert ourselves with ancient and modern governments operating in a totally different atmosphere from our own.

No matter what we do with this bill, all military men of whatever rank will be subject to three levels of executive authority—the Deputy Secretary of Defense, the Secretary of Defense, and the President, plus the concurrent authority of 96 Senators and 435 Representatives in Congress. Furthermore, this Secretary of Defense is now provided with 9 appointive officials of Assistant Secretary rank or higher, and some 1,600 civilian personnel.

I attribute utmost sincerity to those who talk to us about the risks of losing civilian control; but I beg them, in the interest of quieting their own fears and preventing the Congress from taking action on unjustified apprehensions, to examine the control exercised by this panoply of civilian officialdom, with its power to hire and fire, to transfer and rebuke, and to release or withhold appropriated funds.

If the Members of the Senate will examine a bill introduced last January by the distinguished chairman of the House Armed Services Committee—H. R. 11001—they will find that he proposes to reduce the Assistant Secretaries of Defense by half, the Assistant Secretaries of the services by half, and the personnel of the Office of the Secretary of Defense by two-thirds. I am bound to infer that this proposal stems from a belief that there is too much, not too little, civilian control in the Pentagon.

And he may be right.

That brings us now to the Constitution.

We have received enlightenment as to the powers of Congress to raise military forces and to make rules to govern them with references to learned treatises suggesting that these powers were conferred because of disputes between Charles the First and the Long Parliament. Surely these specters, too, are difficult to resurrect. Indeed it is not necessary to try to resurrect them, for all agree that we in the Congress have sole power to appropriate moneys for the Armed Forces, and also as much power as we choose to exercise to regulate those forces.

We can, if we choose, put the Department of Defense in a straitjacket by prescribing every meticulous detail of how the Armed Forces shall be composed, organized, and led.

As Representative KILDAY has pointed out, the mere fact that the bill is presented to us by the White House, concedes the power.

The question before us in the bill is not whether we have this power. The question is how far it will serve the interests of the country for us to exercise it by restricting the flexibility of action of the Department of Defense in adapting our forces to the rapidly changing conditions of our time.

This is an issue of statesmanship, of restraint in the exercise of undoubted power.

We must avoid such excessive exercise of the legislative power as that of the notorious and discredited Committee on Conduct of the War in the period 1862–65. That committee, it will be remembered, sought in substance to conduct military operations from Capitol Hill. In words which yield an echo of some we have heard on the present bill, Senator William Pitt Fessenden said:

> I hold it to be our bounden duty • • • to keep an anxious, watchful eye over all the executive agents who are carrying on the war at the direction of the people. • • • We are not under the command of the military of this country. They are under ours as a Congress; and I stand here to maintain it. (37th Cong.)

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Pursuing this principle, the committee called upon generals to expose their future campaign plans; summoned junior officers to give their opinions as to whether their commanders had given the correct orders, and whether the juniors would have ordered a battle differently; insisted that 1 unit of 10,000 men be taken from 1 army and given to another; and demanded the dismsssal of General Grant.

I do not suggest that any of those who framed the House bill would claim that Congress should exercise command authority over the military, and act upon this principle after the manner of the Committee on the Conduct of the Civil War. But I mention this episode to point out that the judgment of history may be harsh on those who insist upon Congressional control in areas where wisdom would idicate that responsibility and authority should be reposed in the executive establishment.

Section 3 of the House committee bill is complex in language but can be simply summarized in two statements. First, in case of "hostilities or imminent threat of hostilities"—that is particularly interesting, considering the situation in which the United States finds itself tonight—the President may transfer or consolidate military functions until the crisis has passed.

At all other times functions may not be altered unless all members of the Joint Chiefs of Staff agree or until Congress has had 60 days to prevent the action by joint resolution.

Please note that the first provision—as to powers in the event of hostilities or threat thereof—recognizes the necessity of placing authority over allocation of military functions in the hands of those who have command responsibility for the safety of the Nation. But it gives that authority in circumstances where it could not possibly be exercised.

Military functions cannot be changed while we are under the enemy's guns; at that time we must fight with what we have, in men, weapons, and organization.

The time when functions can safely be redistributed is the time when we are relatively at peace and can adapt training, installations, and manpower to the new arrangement.

The House committee bill says in substance: "When trouble is on our doorstep the national interest prevails. But before the trouble and after the trouble, tradition and vested interests are entitled to exert their obstructive pressures."

I submit that this is not the way to handle things.

The President and the Pentagon must establish national war plans; and they must carry them out if need arises. There should be placed squarely on the shoulders of these same men the responsibility of assuring that military functions are so allocated among the services that these war plans can be carried out to the greatest effect.

The shocking thing about the present assignment of roles and missions among the services is that, except in minor detail, they are now identical to what they were 10 years ago, following the Key West and Newport Conferences.

We in Congress should not be putting brakes on adaptation to changing conditions. Rather we should vest in the Secretary of Defense powers of decision and demand that he firmly exercise them.

If we retain the detailed protections of certain parts of the Military Establishment which were—unwisely, in my view—inserted into the National Security Act, if we permit any dissenting member of the Joint Chiefs of Staff to throw any issue of military function into extended committee hearings, we shall, in effect, maintain the existing impediments to desirable change which now give us a 1948 structure to meet a 1958 world.

The modernization of military functions is a matter of critical importance. Great obstacles to change already exist within the complex structure of the military departments.

Tradition and vested interests constantly assert themselves. Congress should exert its undoubted authority in this area, not by sanctioning existing obstacles, and increasing them, but by providing the responsible executive officials with the freedom of action which will place squarely upon them, the duty to come forward with programs in the national interest.

Let us return briefly to the so-called constitutional argument, to see how illogical it is.

The House version of the bill permits the President and the Secretary of Defense to shift combatant functions if all members of the Joint Chiefs of Staff agree, but requires that the matter be thrown into Congress if one member disagrees.

Can anyone seriously argue that it is constitutional to allow the President and the Secretary of Defense to take action if 5 service officers agree to it, but unconstitutional to give this authority to the 2 top civilian officials in this area if 1 of the 5 officers disapproves?

What is involved here, and this is clear, is the unwillingness to give the President and Secretary of Defense a transfer power which is willingly given to the Joint Chiefs of Staff.

Is this, I ask with great respect, the principle of civilian control?

The President has offered a bill for the further unification of the services. If Congress is to change it, the change should be made in the direction of strength, not weakness.

Eloquent testimony is offered by the fact that the last 2 Presidents, 1 of each party, have felt the need for greater unification; that the first great Secretary of Defense, after long opposition to the basic idea, closed his career as Secretary by advocating tighter unification; that the 3 officers who have served as Chairman of the Joint Chiefs of Staff, 1 from each service, approve the present bill in its unamended form; and that all of the several studies of the Department of Defense, made within the last few months, have come out with substantially unanimous conclusions of the same order.

The trend is obvious, for all to see.

Let it not be said that the Congress of the United States has preferred traditionalism to progress where the Nation's safety is involved.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield to my able associate.

Mr. CLARK. I commend the distinguished Senator from Missouri for his brilliant and able address on this most difficult subject with which we are dealing in so short a period of time. I associate myself completely with his remarks and indicate my own feeling that the bill is not strong enough: Where we tamper with the President's recommendations, we should tamper for the purpose of strengthening, and not of weakening.

I wish to state my own gratification at the fine work the Senator has done in debunking the ancient and absolute nonsense which has been talked in too many quarters about the problem of military reorganization, and to express to the distinguished chairman of the committee and his coconferees, who have done such a magnificent job in bringing the bill to the floor, the hope that they will stand firm and in confidence against any effort to weaken a bill which makes a substantial improvement in our military structure.

Mr. SYMINGTON. I thank my distinguished colleague from Pennsylvania, who is an authority in these matters, for his kind remarks, so eloquently expressed.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield to my friend from Connecticut.

Mr. BUSH. I wish to pay my respects to the distinguished Senator from Missouri in connection with not only his address, but also his efforts since November 20 of last year, when the subcommittee—the so-called Johnson subcommittee—first met to consider the question of our defense preparedness.

I believe that no Member of the Senate has, since then, devoted as much time and study to this subject as has the Senator from Missouri, because of his long service as Secretary of the Air Force and his long study after he left the service of the Air Force. Certainly no one could more ably have done so. He has made, I think, great contributions to the proposed legislation. He has questioned witnesses very, very closely, and has brought out much useful information for the committee.

I think the Senate should know that he deserves our respect and our gratitude for the time, the effort, and the intelligent work he has devoted to the bill.

Mr. SYMINGTON. I thank the distinguished Senator from Connecticut for his kind remarks.

As all of us know, tonight our country faces many grave problems. As I remember the testimony before our committee of Adm. Arthur Radford, recently retired as Chairman of the Joint Chiefs of Staff, he stated that today the United States is in the greatest danger in its history.

Mr. President, in my opinion it was a good day for the security of the United States when the distinguished senior

Senator from Connecticut [Mr. BUSH] joined the Armed Services Committee.

Mr. MORSE. Mr. President, will the Senator from Missouri yield to me?

The PRESIDING OFFICER (Mr. CHURCH in the chair). Does the Senator from Missouri yield to the Senator from Oregon?

Mr. SYMINGTON. I yield to my able friend from Oregon.

Mr. MORSE. I wish to join in the tributes being paid the Senator from Missouri for the excellent educational job he has done during the past 2 years. In that statement, let me say that I include the year before the time mentioned by my friend, the Senator from Connecticut, because during the last 2 years the Senator from Missouri has, in speech after speech, warned the Senate of the deterioration of the defense posture of the Nation. I am satisfied that on issue after issue, events subsequent to his warnings, have proved him to be correct.

I served for a time on the Armed Services Committee with the Senator from Missouri, and I know of the contributions he has made. I also had associations with him when he was Secretary of the Air Force, an office in which he served with great distinction.

I wish particularly to commend and compliment him for joining his colleagues on the committee in working out the bill which has come to us this afternoon with the unanimous report of the Armed Services Committee. After all, that is the real test of whether a man is a great legislator.

Despite the fact that sometimes the views of the Senator from Missouri have been at considerable variance with those of some of his colleagues, he has been willing and able to iron out the differences on the anvil of conference and consultation, with the result that this evening the Senate has before it a bill which comes with the unanimous report of the committee. That fact will place the Senate conferees in a strong position in the conference, and also is of material aid to the welfare of the country.

Mr. SYMINGTON. I thank the distinguished Senator. I take little credit for the effective action on the bill, but rather wish to turn such deserved attention to the parliamentary genius of the great chairman of our committee, the senior Senator from Georgia [Mr. RUSSELL].

I know the distinguished Senator from Oregon will be interested in the fact that recently I was reading the CONGRESSIONAL RECORD of July 1947, when he was a member of the Senate Armed Services Committee, and when the so-called unification bill was before the Senate. The Senator from Oregon has always been a man of wisdom and logic. His position 11 years ago in respect to the importance of that legislation was comparable to the position he takes tonight. I thank the Senator from Oregon.

Mr. COOPER. Mr. President, will the Senator from Missouri yield to me?

Mr. SYMINGTON. I yield to my friend from Kentucky.

Mr. COOPER. The Senator from Missouri has made a very valuable and informed speech tonight. He has placed in true perspective, I believe, the purpose of the defense reorganization bill. It is to provide for a more effective defense by enabling the Secretary of Defense to exercise his authority more effectively, rather than to place limitations upon his authority.

Further, I should like to say that during the time the bill was being considered and debated, I believe the Senator from Missouri performed a valuable and patriotic service to this body and the country.

Knowing him, I was not surprised, but it should be recorded that he rose above partisanship and in a great speech declared that he would support the President's recommendations—because, from his experience, he believed they would make our defense more effective.

I believe the position of the Senator from Missouri had a gerat deal to do with the formulation of public opinion in the country, and in the Congress in support of the bill.

Mr. SYMINGTON. I thank my friend, the senior Senator from Kentucky.

During prior discussions in regard to this measure, I told the Senator from Kentucky how proud I am that we have been associated in our thinking regarding this bill. I can only add that I wish he were still a member of the Armed Services Committee, where he performed so well for the security of the country, comparable to his current service on the committees of which he is now a member.

Mr. DOUGLAS. Mr. President, will the Senator from Missouri yield to me?

Mr. SYMINGTON. I am glad to yield to my friend.

Mr. DOUGLAS. Mr. President, I, too, wish to congratulate the Senator from Missouri. He and I have not always viewed this problem in the same way, and I imagine there are still points of difference between us. But no one could ever doubt the intense loyalty and patriotism of the Senator from Missouri, his keen understanding of many of the problems of the armed services, and his determination to do his best, according to his lights.

Although I regret that he and I have not been in complete agreement as to the assignment of some of the roles and missions, I wish to say that I have great respect and great affection for the Senator from Missouri; and it is out of the conflict over points of view of this type that we develop, on the whole, I believe, a better appreciation of the issues, better legislation, and a stronger Union.

Mr. SYMINGTON. I thank the very able senior Senator from Illinois. He has a great combat record in one of the greatest services of all; and I am sure that the differences between us are but temporary, and that we are united in our support of the Nation, which tonight faces grave problems.

Let me assure him that, although we may have differed on points of detail, I have never had the least question of his great patriotism in this body, where his courage has been comparable to the great courage he showed when he was a member of the Armed Forces.

Mr. CASE of South Dakota. Mr. President, will the Senator from Missouri yield to me?

Mr. SYMINGTON. I yield.

Mr. CASE of South Dakota. Mr. President, I wish to say that the speech made by the distinguished Senator from Missouri is an excellent illustration of the need for the defense reorganization bill.

It may be that the Senator from Missouri has indicated that the bill does not go so far in some particulars as he thinks it should. As a matter of fact, it does not go so far as I, myself, had hoped it would go in some particulars.

But I believe it is a good bill, the legislative process considered.

I would not want this opportunity to pass without saying definitely that I believe the speech made by the Senator from Missouri will, of itself, stand as a good measure of the necessity and need of the times for a reorganization of the Defense Department, for the creation of powers which the Secretary of Defense did not clearly have under the 1948 act, and for the establishment of a clear-cut, direct chain of command from the Commander in Chief, through the Secretary of Defense, directly to the Joint Chiefs of Staff, and, from them, to the unified commands in the field. When this bill, as it has been reported to the Senate, becomes law, we shall have all that by statute; we shall have it as a major feature of our defense posture.

I was one of those who felt a distinct letdown after the Key West Conference of some years ago, when the representatives of the various Departments met and more or less "divided up the territory," so to speak, and determined that each one would be supreme in its own field and would find all its answers for itself.

At least now we have a structure which makes possible a unification rather than a triplification, which will depend upon what the Secretary of Defense does under the authority given in the bill.

Legislation is not the complete answer. I think the chairman of the committee has repeatedly pointed out in the hearings that the administration of a law determines its effectiveness. I think the chairman has felt at times much more could have been done by the decisive action of heads of the individual Departments and by the head of the Department of Defense. Now I feel at least we have given him some of the authority which he said was needed. I hope with that authority he will not hesitate to use it.

I hope I am not trespassing upon the time and the generosity of the Senator from Missouri by going one step further and saying that the ability of the committee to reach the conclusion it did in the bill it reported is partly due to the testimony given by Mr. McElroy, the Secretary of Defense. The Secretary came before the committee and said there were three major areas in which the administration was disappointed with the bill as it came to the Senate from the House of Representatives. In two of those areas I feel the Senate Committee on Armed Services has met the desire of the Secretary in a major way. Possibly in the third area not so much was done, but at least there has been some clarification, which has been due in part, perhaps, to an incident which arose during the hearings of the committee.

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The final result, I feel, is for the good of the country. The Senator from Missouri, by his incisive questioning, by the persistence with which he kept his eye on the goal of improving unification and of giving authority where it was said it was needed, has made a major contribution to the result.

I hope the position which the Senate Armed Services Committee has taken in the direction of improvement along the lines requested by the administration may be accepted by the conferees of the House. If so, at least a great step forward will have been taken, in view of the power the President can exercise in case of hostilities or the imminent threat of hostilities, which will enable us to meet problems which confront the country in the military posture we face today.

Mr. SYMINGTON. I thank my friend from South Dakota for his kind statements. It was my privilege, when I was in the executive branch of Government, to testify in hearings before him in the House Appropriations Committee. At that time I learned he scrutinizes the facts very carefully. In my opinion, there is no Member of this body who is more accurate and more alert to the importance of detail on major issues than is the distinguished Senator from South Dakota. I join with him in hoping the testimony of Secretary McElroy and the testimony of the other witnesses, will make it possible for the distinguished chairman to be as successful in conference as he has been in committee and on the floor. It is so important that the President of the United States, in the great emergency which now faces our country, have the authority which he considers essential in order to do his job as Commander in Chief.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield to my friend from Oklahoma

Mr. MONRONEY. I should like to join my colleagues in the Senate in complimenting the distinguished chairman of the Committee on Armed Services [Mr. RUSSELL], the junior Senator from Missouri [Mr. SYMINGTON], and the junior Senator from Mississippi [Mr. STENNIS]—in fact, all the members of the Armed Services Committee—in giving us a chance to vote on the bill today. It is most reassuring to those of us who do not have the intimate day-to-day knowledge of the actual operations of our widespread Armed Forces that this great committee has come to the Senate with a unanimous report, resolving most of the differences between the three branches of the services raised in the other body of Congress, and bringing us a table of organization which will enable a more efficient operation of what is perhaps the most gigantic management problem the world has even seen—that of managing our far-flung fighting forces.

We have protected the historic roles of the branches of the military services. We firmly believe that we may look forward to a very satisfactory bill emerging from the Congress. The entire Senate has a right to be indebted deeply to the members of the committee for their work.

Mr. SYMINGTON. I thank the distinguished Senator from Oklahoma for his generous remarks, and wish to take this opportunity again to congratulate him, as the authority in the Senate on civil aviation, for the victory he won the other day in the bill which passed the Senate.

I am glad the Senator from Oklahoma mentioned the junior Senator from Mississippi [Mr. STENNIS]. It has been my privilege to serve with the Senator from Mississippi on the Armed Services Committee for some years now. In my opinion, there is no more dedicated public servant in any work he undertakes. He is the expert in the Senate on problems of military construction. The country is better off for the sound work he does in promoting the best interests of the Armed Forces of the United States.

Mr. HOLLAND. Mr. President, I am for the bill. I feel we all owe a debt of gratitude to the Senator from Georgia [Mr. RUSSELL] and those who worked with him. I had hoped to vote for the bill, but the third plane on which I have had reservations, and the last which will get me to Florida tonight, leaves at such a time that I must leave the Senate Chamber now. I should like to have the RECORD show that I am in favor of the bill. I understand there is no organized opposition to the bill. If there were I would cancel my departure.

Mr. President, I ask unanimous consent that I be granted leave of absence from further attendance of the session of the Senate today.

The PRESIDING OFFICER. Without objection, leave is granted.

Mr. KEFAUVER. Mr. President, as a member of the Committee on Armed Services I wish to make a brief statement in support of the bill. I would engage in a lengthy eulogy of the chairman of the committee, the Senator from Georgia [Mr. RUSSELL] and the other members of the Armed Services Committee, except that the hour is late and Senators are anxious to vote in order that some can get on their way.

Mr. President, it seems almost impossible, considering the time the bill came to the Armed Services Committee and the differing points of view, that there could be unanimous support and solid backing upon the part of the Senate and the administration for the bill which has been reported. I believe this is due to the remarkable leadership and patience of the chairman of the committee, the Senator from Georgia, and the other members of the committee.

Second, I join in paying tribute to the Senator from Missouri [Mr. SYMINGTON], the Senator from Connecticut [Mr. BUSH], the Senator from Massachusetts [Mr. SALTONSTALL], and all other members of the committee for their patient work.

Mr. President, the defense structure of the United States is a matter of vital concern to the people of the United States at this critical juncture in our history. We live in a period of rampant militarism with each nation living in constant apprehension of the possibility that it will be the target for an H-bomb or for more limited kinds of warfare. It is patently apparent that no nation and no individual can escape the implications of modern military power.

For this reason it is absolutely essential that we examine most carefully every suggestion for change in our military structure. Our Nation was born with a healthy distrust of military power as a threat to our free democratic institutions. We have continued to demand absolute subjection of military authority to civilian control. When the demands of the military machine are so heavy, in terms of our productive capacity, in terms of the everyday lives of our people, we must be ever more vigilant to guarantee our liberties and our civilian direction of the Government.

In arguing for adherence to traditional principles, I do not want anyone to believe that I fail to recognize the implications of modern technological developments in warfare. The techniques of conducting modern military operations have been revolutionized since the end of World War II. The development of the H-bomb and ballistic missiles has forced us to revamp our military systems and our strategical concepts in a way unthought of in previous eras. The Armed Forces are required to be in a state of instant readiness to repel attacks which may be sudden, and if successful, devastating. We must have offensive weapons which can retaliate instantaneously against an aggressor. We must combine our traditional fighting units into unified operational commands which are trained to function in all the elements—land, sea, and air—against the enemy.

It has often been said that existing political and military organization and procedures are awkward and unresponsive to the necessities of modern-day warfare. Those who make this allegation frequently point to the fact that there will be no more than a 30-minute warning during which an intercontinental ballistic missile may be winging its way toward an American city. We all recognize that such a situation becomes more realistic each day. But the conclusion which these critics of our basic political arrangements draw from the critical problem of reaction time is, in my judgment, unwarranted. If it were accepted, as it is not in this bill, I feel that it would be exceedingly dangerous to the fabric of our democratic society.

In making decisions on military matters, we are required to recognize one fundamental distinction: the division of responsibility between the executive branch and the Congress. These two branches share in the responsibility of defending the United States and we must be vigilant to protect the prerogatives of each.

The Constitution provides that Congress shall have the power "to raise and support armies," "to provide and maintain a Navy," and "to make rules for the government and regulation of the land and naval forces." It therefore follows that Congress has the power to create the Armed Forces, establish their organization and powers and force levels, determine their functions, and, if necessary, disestablish and after these func-

tions and powers. Congress may give the Executive some discretionary authority to provide for emergencies and contingencies, but it would be abdicating its constitutional responsibilities if it were to give blanket power to the Executive in any of these areas.

In establishing Congressional responsibility in these areas the framers of the Constitution were cognizant of the problems involved in the relations between civilian and military authority and wisely decided that the elected representatives should have the ultimate authority to make the necessary decisions. It was clear to them that decisions of this kind were of the utmost political consequence and required the most careful deliberation by Congress.

On the other hand, I am equally aware that the executive branch has constitutional authority and the practical necessity for complete control over the management and operation of the Armed Forces. The President of the United States was made the Commander in Chief of the Army and Navy and the State militias when pressed into national service. Congress has no constitutional power and no practical ability to engage in actual management of the armed services; these of necessity must be left to the Chief Executive and those whom he designates to assist him. The authority of the President over the operations of the Armed Forces was clearly borne out in 1950 when President Truman sent the troops into Korea, and it is being demonstrated today as President Eisenhower directs our forces in Lebanon. My position on this matter was made clear last year also when I voted against the so-called Middle East doctrine on the grounds that the President had sufficient authority to dispatch our troops to meet any threatening situation anywhere in the world. In recognizing his complete authority over our Armed Forces in the field, I admit that in fact the President can commit us to war in spite of the power given only to Congress to declare war.

With this fundamental distinction in mind we may then examine this bill with a standard for judging its merits. I feel that this is a good bill, deserving the support of the Senate and the President of the United States. It will go far toward meeting the problems the President has been facing in the executive branch while at the same time insuring civilian control in the Congress as well as in the executive branch.

The President has expressed a desire for a clarification of command authority as it relates to unified commands. It should be said, however, that there has never been any dispute over the power of the President to establish unified commands and to direct their activities. They have existed since World War II, and this bill does not give the President anything he did not have before in this regard. In the past the President has chosen to use the members of the Joint Chiefs of Staff or the military departments as executive agents for unified commands. He now proposes to shorten this chain of command by placing the unified commands directly under the Secretary of Defense with the Joint Chiefs of Staff providing strategic planning and guidance. Congress should not attempt to interpose its judgment on such military command arrangements, and this bill does not attempt to do so.

This bill does provide for clarification of command authority by removing two possible sources of conflict. Forces which have been assigned to unified commands may be removed from these commands by the military departments of which they are parts without the approval of the commander of the unified forces. Obviously, such a reassignment of component units might seriously cripple the effectiveness of a unified command. Therefore, this bill provides that the Secretary of Defense, with the advice of the Joint Chiefs of Staff, can establish unified commands and determine force requirements. The military departments would be required to provide the necessary component units and these units could be transferred or reassigned only under procedures established by the Secretary of Defense with the approval of the President. Thus the integrity of the unified commands, the fighting forces at the first line of defense, are fully protected.

Existing law also gives command authority to the Air Force Chief of Staff and the Chief of Naval Operations over their respective military forces. Therefore, there exists the possibility of a conflict between the unified commanders and the military chiefs of these services. This bill removes the command authority from these two military chiefs and makes their authority conform to that of the other military chiefs, in that they will supervise such military forces as their Secretaries shall determine.

The administration has found these provisions satisfactory and I am certain they will remove any possibility of conflict of authority in the military departments regarding our combatant forces.

This reorganization bill would create the office of Director of Defense Research and Engineering, who would rank just below the Secretaries of the military departments. He would be authorized to engage in basic and applied research regarding the development of new and improved weapons systems. He could contract with private firms and universities as well as engage in research using Department of Defense personnel. He would be the chief adviser to the Secretary of Defense on research activities and would be empowered to supervise and direct research including the assignment of such activities to the various military departments.

This request for centralization of control over research activities was occasioned by the revelations of conflict and interservice rivalry over weapons development. There is no question in my mind that such internal strife has delayed our research efforts, particularly in the ballistic missiles field. The establishment of this new office in the Department of Defense will rationalize our research efforts and eliminate duplication of effort where they have existed as the result of a service's desire to compete with the other accomplishments of some other military service. It is not contemplated that the research efforts of the various services in similar fields will be precluded. It does empower the Secretary of Defense, through the Director of Research and Engineering, to eliminate wasteful and harmful duplication and competition.

There are those who expect great savings of money from this centralization of responsibility for research. Frankly, I have serious doubts on this score, but I will be satisfied if we have a more efficient use of our money and if we can expedite our progress in weapons development.

The President has objected to some of the language contained in the bill passed by the House of Representatives, and the Senate Armed Services Committee has held extensive hearings in open and executive sessions in an attempt to achieve common ground which will protect the President in his authority over the Armed Forces. I want to pay tribute to our distinguished chairman who has conducted the hearings with such fairness and completeness. We listened to witnesses supporting every conceivable view on the problem of defense reorganization, and particularly on those matters with which the President found fault. In my estimation, the committee has gone a great distance in meeting the President's objections while securing and insuring reasonable Congressional control.

The President objected to the language governing the transfer, consolidation, reassignment or abolition of a major combatant function. Originally, he had asked for authority to alter these functions upon notification to the Armed Services Committees of Congress after a 30-day waiting period. The House Armed Services Committee quite rightly rejected this blank check to the administration and provided that upon the registration of an objection to a transfer or consolidation by one of the members of the Joint Chiefs of Staff that function then became a major combatant function whose transfer would be subjected to a veto by a concurrent resolution by Congress.

We examined this procedure carefully and came up with what I believe to be reasonable and workable alternative. It was objected that no military man should be able to delay a Presidential decision on transfer or consolidation by making an objection. This viewpoint was considered at length and resolved by providing that all proposals to transfer, consolidate, reassign, or abolish functions established by law will be reported to the armed services and held in abeyance for 30 days. If one of the Armed Services Committees objects to the alteration, that function becomes a major combatant function. Within 40 additional days if one of the Houses of Congress concurs in the judgment of the Armed Services Committee the President is denied the authority to make the requested change.

There are many arguments in favor of this arrangement. In the first place it preserves the essential feature of civilian control by allowing nonmilitary men—the Armed Services Committees—to raise the objection, and the Congress

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to resolve the issue. Secondly, it follows the regular plan for reorganization in that a single House may prevent a transfer by a simple majority vote. Thirdly, it preserves the Congressional prerogative of making the ultimate determination of military requirements and needs.

It has been urged that this plan would occasion too much delay. But I would like to point out that major revisions of functions, under the optimum conditions, would require months to consummate. This requirement of legislative review will not seriously change that situation. Furthermore, such a procedure will allow some of the wisest and most experienced men in military affairs—the members of the Armed Services Committees—to contribute their judgment on these very important matters.

Under present law it is required that the military departments be separately administered. Very impressive testimony was given in executive session to the effect that this statutory requirement had been used as the basis for resistance to the authority of the Secretary of Defense. The House included in its bill a provision stating that each department shall be "separately organized under its own Secretary and shall function under the direction, authority, and control of the Secretary of Defense, exercised through the respective Secretaries of such departments." The President asserted that the requirement that the authority of the Secretary of Defense be exercised through the Secretaries of the military departments would continue to frustrate the efforts of the Secretary of Defense to obtain true unification.

This problem related particularly to the authority of the Assistant Secretaries of Defense, to whom the Secretary of Defense must delegate some of his authority. These Assistant Secretaries must be able to discuss common problems with subordinates in the military departments and insure that Department of Defense policy is being effectuated at all levels of the administration.

Strong testimony was given to the committee asserting that the granting of such authority would make the heads of the military departments mere figureheads and would lead to complete confusion. It was further argued by such eminent authorities as Ferdinand Eberstadt that it would eliminate the decentralization of administration through which efficiency is obtained in the Department of Defense.

I believe we have been able to resolve the differences between these two positions in a manner which will be satisfactory to both. The Assistant Secretaries are authorized to issue orders only if the Secretary of Defense has delegated authority to issue such orders to the Assistant Secretary and if such orders are issued through the Secretary of the military department or his designee. The Secretaries of the military departments are required in this bill to cooperate fully with the Secretary of Defense in the establishment of efficient administration of the Department of Defense and to carry out fully the directions of the Secretary of Defense.

It appears to me that we have provided in this section the necessary authority to the Secretary of Defense to maintain orderly administration in his Department through his subordinates. He personally has had all along the authority to enforce his views on any of his subordinates, but this specific language will enable him to utilize more fully his powers. And it should be specific direction to the members of the military departments that they are responsible to the Secretary of Defense and his assistants for the orderly and efficient administration of their offices.

At the same time this bill retains decentralized administration for the carrying out of many of the vital functions which the Army, Navy, and Air Force can best accomplish. Civilian control is maintained by retaining the authority and position of the Secretaries of the departments and preventing them from being bypassed.

Mr. President, I am pleased that the administration apparently decided not to press for removal of the right of the members of Joint Chiefs of Staff to come to Congress on their own initiative to explain their differences of opinion on military policy. The committee did eliminate the language of the House bill which would have allowed the Secretaries of the departments to come to Congress, on the realistic assumption that these Secretaries are political appointees of the President and are therefore part of his official family.

Admittedly this right of the Joint Chiefs of Staff to come to Congress, which is in existing law, has never been used. But it can be argued with considerable justification that the mere existence of this right has prevented the need for its use. Certainly we would be saying to the members of the Joint Chiefs of Staff that they no longer had the right to express their views were we to strike this language from the bill.

I will not go into detail regarding the changes made in the Joint Chiefs of Staff and their relations to the Joint Staff. I need only point out that this bill increases the size of the Joint Staff to provide the Chiefs with improved staffing for centralized strategic direction of the unified commands. It allows the Chiefs to delegate some of their authority to the Vice Chiefs of the services. It provides the Chairman of the Joint Chiefs with added responsibility and authority for the direction of the Joint Staff. Although there were fears expressed that these changes would lead ultimately to the establishment of a general staff system, it is my opinion that such fears are unwarranted. The responsibility for policy and strategy is retained in the Joint Chiefs of Staff while the Chairman acts as the agent for the Joint Chiefs.

In conclusion, Mr. President, I would like to reiterate my conviction that this bill provides all that the President needs in the management and administration of the Armed Forces of the United States. No one recognizes more fully than the members of the Senate Armed Services Committee the need for complete and unquestioned authority for the President and his subordinates over the military forces. No one better realizes the importance of strategic planning and unified commands in military operations. Both of these requirements have been fully met in this bill.

At the same time we have refused to give the President all he wanted in terms of authority to determine the organization, structure, and functions of the various elements of the Armed Forces. We did this out of our concern that the Congress retain its prerogatives given it by the Constitution and that experienced civilian control be maintained over our basic Military Establishment. The retention of this authority in the Congress will in no way obstruct the President or the Secretary of Defense in the performance of their necessary duties, but will allow the Congress to contribute its considered judgment on fundamental political and military problems.

Mr. President, after serving with the chairman and the other members of the Committee on Armed Services, I am convinced the civilian control of our Military Establishment in the Congress, and particularly in the Armed Services Committee, is a trust which is well placed and represents an obligation which will be well kept.

Mr. GOLDWATER. Mr. President, first I desire to compliment the entire Committee on Armed Services for what I think has been an outstanding job in coming to a conclusion on a very difficult problem.

Mr. President, as I said before, I do not believe that the bill goes far enough, but I consider it to be a step in the right direction. The fact that the Committee on Armed Services unanimously reported the bill indicates that in the next Congress we may be able to take another step along the road.

I wish briefly to discuss one aspect of the dangers of the present organization which I feel has not been sufficiently stressed. I apologize to the Senate for taking the time at this late hour, but I have waited most of the afternoon for this opportunity, and I want to have my remarks in the RECORD. I am going to discuss very briefly the interservice feuds and missions assignments.

At a time when the Nation, as a whole, and the Congress, which represents the people, and the President, who directs the administrative branch of our Government, are all concerned with the shortcomings of the present defense organization, it is well that we reflect on the reasons most generally agreed to as to the causes of those shortcomings. Certainly this approach must be used if we are to intelligently arrive at any suggestions for the correcting of existing situations, suggestions aimed at providing for America the best possible defense. Primarily, I believe that the roots of our criticized defense organization can be found in the continuing feuds between the services and the assignment of roles and missions. The arguments between services was noticed by one of our most distinguished military men, then General Dwight Eisenhower, as he appeared,

on November 16, 1945, before the Senate Committee on Military Affairs. He commented that when war came at Pearl Harbor we were under a joint command setup and that it was not until we met and surprised the enemy in North Africa that unified command existed.

Commenting further he brought out his convictions that, with this new concept of command, there were many difficulties that had to be met and solved, and it is interesting to read his exact words in explaining his reasoning as to the source of those difficulties:

> In my opinion, those difficulties grew directly from the traditional separation of the Army and the Navy, which is the inevitable outcome of the present organization of our military departments. Separation at the top necessarily fosters separation all along the line.

This was not all that this distinguished military leader had to say on the problems of separation, for earlier in his testimony he said:

> As allied commander of the land, sea, and air forces employed against our enemies, first in the Mediterranean and next in northwest Europe, I know that our efforts would have met with failure without unity of direction. No system of joint command could possibly have brought victory to our cause.

Eisenhower has not been the only military man of stature who recognizes in service feuds a situation not conducive to efficient military decisions or actions. General Doolittle, appearing before the Preparedness Investigating Subcommittee of the Senate Armed Services Committee, on November 26, 1957, on being queried by the Senator from New Hampshire [Mr. BRIDGES] relative to competition between the armed services, made the following pertinent observation:

> I believe competition is a very healthful thing. I believe that competition on a football field is a very healthful thing. But the competition should be directed toward the opposing team.

General Doolittle was saying, in effect, that, instead of our three services competing with each other to the extent that there have been open arguments develop, such as the one over B–36 versus carriers, they should direct their opposition to the enemy. The general, being an outspoken man who states his convictions in clear language, made the point that, because modern weapons had become so "devastating," this Nation no longer had time to "dillydally over decisions." Decisions must be made quickly and they must be expedited with dispatch—two requirements of modern military planning whose very obviousness has prompted much of the interest in the reorganization of our military.

A closer look at the problem of interservice strife points up what, in the writer's opinion, is the main area of argument today. Before airpower made its debut it was clear where the responsibilities of the then two services lay. The Army was concerned with war on the ground and the Navy with war on the sea. The Navy augmented the Army's role by acting as a transport agent for both materiel and men, but even in those days the Navy felt it should get in on the ground activities, so the Marines came into being. The accepted roles of the services were suddenly changed as airpower emerged from World War II as the dominant all-powerful weapon. The Army is clamoring for its own air forces to provide transportation and tactical offense and observation. This would not be bad in its basic argument, but it is now extended so that the Army wants in on the strategic fields by virtue of the ICBM. The Army has also moved into the field of air defense by having been assigned the Nike.

The Navy, on the other hand, has abandoned her battleships and cruisers, but has become more insistent that her strategic air role be amplified by more carriers and more planes. The Navy, likewise, seeks to play a greater role in strategic warfare responsibilities by the Polaris missile to be launched from submarines. Both of those services recognized by the end of World War II that the air weapons could concentrate the greatest firepower on the enemy for the accomplishment of the roles assigned them under the old concept of roles and missions, so they, naturally, have fought for the use of air, even though that use caused duplication of the Air Force's natural role.

In this struggle between the services for the use of one weapon, there has been duplication that has caused waste, not only of materiel and manpower, but of money. This duplication, and the accompanying confusion, has also made it impossible for the Joint Chiefs of Staff concept to work, for loyalty to a service and its demands cannot stop at the Chiefs' level, even though the men, themselves, must want it to. As General Doolittle observed when asked a specific question to that point—namely, could a general who has served on the Joint Chiefs of Staff ever go back to a service, had he acted against that service's basic interests—"I would not go that strongly, sir, but I would say that it would not help them any."

This is 1958, 11 years after the National Security Act of 1947 was passed, an act aimed originally at bringing unity out of disunity, but even the final act was a compromise between conflicting theories of composition and operation. World War II clearly showed the need for unification of the Armed Forces, and this act was supposedly the answer to that need. Under it the Department of Defense was created, with its chief, the Secretary of Defense, being given broad general powers, which powers have since been whittled at by laws that tamper with the functions of the three still separate services. Each service acquired its own Secretary, and each of these men have the right of appealing over the head of the Secretary of Defense to the President and to the Department of the Budget. Since enactment of the Security Act and its amendment in 1949, the operation created to unify has assumed gargantuan proportions that, in its very structure, defies the accomplishment of the act's original purpose. There are 9 Assistant Secretaries, some 300 committees, staffed by over 2,000 people. In fact, we can say, with a great degree of safety, that the Department of Defense has become a fourth service fighting with the other three for its own prerogatives.

A look again at the strongly untenable position of a member of the Joint Chiefs will point up the need for a real hard look and action on reorganization. For argument's sake, and for the sake of an example, recognize that a service Chief must strive to win a fair share of the Joint Chiefs' decisions for his own service or be thought of as disloyal to that service. That immediately places two hats on that man's head—one, the hat of his service, and the other, the hat of a member of the Joint Chiefs. He wears the hat of his service all week long, as he works for that group, then comes the day when he takes that hat off, walks into a secret room in the Pentagon, puts on his Joint Chief's hat and attempts to arrive at decisions on collective action on plans to improve our offensive and defensive capabilities.

What is the result of this situation? One that comes to mind is concerned with Air Force doctrine, which holds that an aircraft carrier would be a sitting duck in any future war, but this doctrine is in conflict with the Navy doctrine on the subject, which claims that a carrier, with its mobility, would have an advantage over land-based aircraft. The resulting decision recognizes both doctrines and so we have two services engaged in strategic bombing, with the attendant expense of duplication and the accompanying confusion of war plans involving who does what to which target and at what time.

There seems to be no cure for this evil created by natural jealousies and concerns for one's own branch of the service. It is being intensified by the fight for missiles, which finds us in the peculiar situation of the Army planning missiles to protect cities and the Air Force working on ones to defend air bases. Dr. Vannevar Bush, who was formerly Chairman of the Research and Development Board, has clearly stated the case against the continuance of this confusing arrangement. Appearing before the Preparedness Investigating Subcommittee he said:

> The services, the three services, have prepared war plans, all different, each one of them the best they can produce. From there on there has been no means by which those could be brought into a unitary plan. * * * That, gentlemen, is not the way to prepare for war.

That this feeling is not confined just to thoughtful people in this country interested in the problems of defense is demonstrated by a remark that Field Marshal Montgomery made before the Royal United Service Institution in 1955. He said:

> I am quite certain about one thing. The more we mess about with old organizations designed for conditions that will not recur, the further we shall get from the right answer.

When one reflects on the probability that most of our technological know-how that is used in modern defensive or offensive planning has been gained in the past 10 years, one can immediately relate

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this to our outmoded assignment of roles and missions. Our present roles and missions were originally assigned about the time this rapid development and change in military technology got under way, and while the outstanding characteristic of the strategic situation today is based on this rapid change, our roles and missions concepts remain basically the same, with but few adjustments having been made. The irony of this situation is that the technological developments and corresponding changes will continue at an even faster rate and we are experiencing difficulty in making the needed adjustments in our role and missions assignments. Because these are made by law, there is a built-in rigidness that denies the flexibility needed with modern weapons, so the changing is not just a matter of top-level decision of the military. It will require action by the Congress.

Probably as great an obstacle to the achievement of the purposes of the act of 1947 as the interservice rivalry previously discussed is the rivalry caused by the present assignment of roles and missions. In fact, it is a built-in troublemaker, as three services fight for the one weapon, air, today. This rivalry must be resolved so as to develop one strategic plan for the United States instead of three. We are endangering our future by prolonging this resolution any longer, for, as these roles and missions are assigned today, they would hamper—not help—our efforts in any war of the future.

As one example, under the present assignment, Operation Overlord would not be a feasible operation today with our enemy having atomic and nuclear capabilities.

The question would arise after that statement as to what form of invasion operation would work, and my answer is that, unless we have all air under one command, and by that I include missiles, as well as manned aircraft, complete control of the space over the landing site and also the enemy launching sites would be impossible, and, without those factors, invasion would not be possible. We, in effect, recognized part of this theory when we acquired control of the air over Overlords beaching areas and under the roles and missions of the forces, as then assigned, it worked perfectly. Today, however, with substantially the same roles and missions, in which each service has some air assignments and one has nothing but the air, and with each service having some responsibilities in missiles, even though they overlap, there can be no one strategic plan under which Overlord could be launched.

Plainly put, the time has come to modernize our concepts of the employment of our forces to keep pace with the bursting capabilities of the new weapons. Several examples must be mentioned here to explain the urgency of the need for that action. Artillery action against air attack was feasible when our artillery could reach and shoot down planes. While it is of no value now against the higher flying jet bombers, it has value against battlefield missions of close support or observation, as was proven in Korea. Realizing the futility of artillery against high altitude bombers, the Army developed missiles to replace that weapon, so ground defense of local targets remained feasible. Today, however, assuming that our enemy has air-to-ground weapons that can be launched well outside the range of our Nikes, the Army either has to develop a missile like the Bomarc—Air Force—or fail in its mission. In other words, point defense—Army—has tended to get into the field of area defense—Air Force—as far as the defense of strategic areas or locations are concerned.

Another example of the overlapping of roles and missions is clearly demonstrated by the Navy's attempts to develop a 1,500-mile missile that can be fired from a submerged submarine. In spite of the fact that one primary function of the Air Force is the responsibility for strategic warfare, the Navy goes forward with competing plans. Admiral Rickover contends that, with the freedom to use the oceans, we could, with a 1,500-mile missile, "knock out almost any part of the world." The necessity for speed does not enter into the Admiral's plans—he merely contends that submarines can be hidden under the ice cap of the polar region and come out when the whistle blows. The fact that this will take time does not seem important. What is important, in the Navy's thinking, is that they stay in the air act, even though SAC is perfectly capable of handling that which they train hourly to do—hit strategic enemy targets.

In a press conference held by the Secretary of Defense on February 7, 1958, Secretary McElroy announced the lifting of the 200-mile limitation on Army missiles for ground support. Here is another decision, while well-intentioned, which will have the effect of overlapping. Missiles of a range of several hundred miles require reconnaissance to observe target effects, and the Army is not equipped to perform this observation. The Army commander will have to depend upon the cooperation of the Air Force to perform a vital command function or—and here we get into more competition—the Army will probably seek reconnaissance aircraft of its own.

Thus, by decisions aimed at allowing the three services to use the air as a weapon, we are constantly setting up overlaps and competitive areas that do not contribute to the formation of one overall strategy. In former days, missions could be assigned between services with little argument because the areas of responsibility were black and white. Now, with the powerful capabilities of modern weapons systems which have transcended the old boundaries between the areas of responsibility of the services, these areas of responsibilities are now gray.

In summation it is obvious to me that with any serious attempt to reorganize our military we must, at the same time, remove the grayness of the areas of responsibility between the services—a decision that will not be easy to make nor, when made, will be a popular one, for that decision will necessarily recognize the air as our weapon and also place responsibilities for its use in such a clear fashion that one service will emerge in a dominant role in its use. This I feel important to stress at this point in my paper because the efforts at creating a reorganization will have bearing on the necessity for this decision.

I state again, as I have stated before in discussions on this subject, that I believe the ultimate organization of the armed services must be one military, one uniform, a General Staff, and a Chief of Staff, surrounded by proper civilian protection and surrounded by Congress and the President, so as to eliminate any chances that there might occur what some people seem to think could possibly occur under such a system.

Mr. STENNIS. Mr. President, I shall not detain the Senate for more than a few minutes. I wish to call particular attention to some of the matters brought out during the hearings on the pending bill, which is a very far-reaching bill conferring more power on the head of a department than any other measure we have ever had before us.

The executive hearings were particularly impressive, with testimony from unusually competent witnesses. Some of the witnesses testified in behalf of even a stronger bill than the one before us, and some, with equal force, testified for a more limited version.

Much has been said about this proposed legislation not going far enough. I am certain in my own mind that it goes as far as any bill can go and still have the backing and tremendous support evidenced here today. A measure going further would, in my opinion, have little chance to become a law.

I may say further that the hearings clearly disclosed to me a definite need for additional legislation on the subject. Even though the Secretary of Defense has great authority under current law, testimony revealed the fact that often there were certain forces at levels below the Secretary which at times seriously—although I believe honestly—disagreed with the scope of his authority. At times these disagreements constituted a resistance to directives and impaired the efficiency of our giant Military Establishment as well as the effectiveness of our deployed forces.

This emphasizes and highlights the most unusual things accomplished by the chairman, the Senator from Georgia [Mr. RUSSELL] in the handling of the hearings and the development of the bill. The chairman was very ably assisted by other Senators. I particularly point to the assistance given by the Senator from Massachusetts [Mr. SALTONSTALL]. The chairman not only resolved the very difficult, intricate, and complex testimony, but he also worked in close harmony with all the members of the committee. In addition, I know that more than once he consulted with the President of the United States, in a way which I believe was helpful to each of them, beneficial to the proposed legislation, and beneficial to the country.

Without particularizing the fields in which the Senator from Georgia made his greatest contribution, I should like

to say that I have not seen his sound judgment equalled in resolving the many factors of this complex and far-reaching subject.

I refer particularly to that area pertaining to the major combatant functions, and their possible transfer. The definition of a major combatant function, no witness could clearly state. Finally the chairman solved the problem by proposing the provision that would cause such matters to be presented to Congress—a solution which should be satisfactory to everyone.

There was also the difficult question of what powers and responsibilities should remain with the Secretaries of the services. I wish to emphasize that I believe the service Secretaries are highly important and necessary to the administration of the affairs of their departments. General Motors Corp. is the largest corporation in the Nation, and if I remember correctly it handles a budget of about $2¼ billion annually. The Secretary of the Army handles more than $9 billion annually; Secretary of the Navy more than $10 billion; and Secretary of the Air Force between $17 billion and $18 billion. This serves to emphasize the tremendous importance of the service Secretaries and the responsibilities they carry.

I wish to add to what has been said about the National Guard. I look upon the National Guard and the Organized Reserves as vital, essential, and irreplaceable components of the Nation's military strength. They must always be maintained and kept ready. They are definite and valuable assets. We must develop them even further, rather than minimize them. We must utilize our Reserves even further as a means of maintaining military strength at a cost we can afford. Reserves, citizen soldiers, if you please, provide not only military strength, but the patriotism and spirit that go with the idea of unity of effort essential to a free people.

Mr. RUSSELL. Mr. President, I wish to express to the distinguished Senator from Mississippi my deep appreciation for his complimentary references to me. They are all the more appreciated because they come from one of the ablest and most dedicated Members of the Senate, certainly one of the most valued members of the Committee on Armed Services. Through the years I have come to rely on him very heavily in carrying on the work of the committee. He handles enormous projects, particularly authorizations for construction and matters of that kind, in a manner which has been a great credit to the country and a great credit to the Committee on Armed Services.

Mr. STENNIS. I thank the Senator.

Mr. SALTONSTALL. I merely wish to reiterate what the chairman of our committee has said about the distinguished Senator from Mississippi and the hard work and intellectual effort which he puts into his work.

Mr. STENNIS. I thank the Senator.

Mr. SALTONSTALL. I shall take the opportunity to ask the Senator from Mississippi a brief question, because I know the Senate is desirous of voting. I have had a number of conversations concerning the need to have as an Assistant Secretary of Defense a doctor, in charge of health matters. I myself am in favor of that. I should like to ask the Senator from Mississippi how he feels about the matter.

Mr. STENNIS. I am glad to respond to the Senator. It is a matter about which we have been concerned and on which we have had considerable discussion. I certainly share the Senators hope that the matter will be settled in such a fashion so that one of the Assistant Secretaries may be a person with the training, professional skill, and understanding of these problems such as the Senator from Massachusetts has mentioned.

Mr. SALTONSTALL. I am glad to have the endorsement of this matter by the Senator from Mississippi.

Mr. THURMOND. Mr. President, I congratulate the distinguished Senator from Georgia, the distinguished Senator from Mississippi, and the other members of the Committee on Armed Services for the excellent work they have done on the bill.

A reorganization of the Defense Department has been clearly indicated for some time. Recent developments in fields of science and technology, especially those which were revealed in the missile field last fall, have clearly shown that the chains of command must be clarified and responsibilities fixed in our Department of Defense. The urgency of these needs is emphasized by the current high level of international tension over the Middle East situation.

Our armed services are led by capable and devoted men, whose first loyalty has always been to our country. I am convinced that these men have been making heroic efforts to be effective under the present plan of organization. But they need our help. The responsibilities of the military command are heavy enough without making the Pentagon into an artificial obstacle course. The clear responsibility of Congress is to remove the obstacles and to institute an organizational system which will help, rather than hinder, the operation of the Military Establishment.

This is not the first effort which Congress has made toward reorganization since the original act in 1947. Congress has worked diligently on the problem. The committees of Congress are to be congratulated on their exhaustive studies of the entire problem. Despite all previous efforts, however, it is quite evident that interservice disputes have continued to an alarming degree, and that under the present system it is difficult to fix responsibility for affirmative decisions.

It is my belief that the bill reported to the Senate by the Armed Services Committee is a good one. It removes existing ambiguities as to the authority of the Secretary of Defense. It gives the Secretary of Defense additional control of unified commands, thereby clarifying the chain of command from the President to the military commander on the scene. This bill also gives the Secretary of Defense greater latitude in dealing with the problems inherent in the changing concept of advanced weapon employment, by freeing him to some extent from the existing prohibition against interfering with the assignment of so-called combatant functions of the individual services.

One of the most valuable parts of the bill is that which establishes the position of Director of Defense Research and Engineering and provides for a coordination of research and engineering activities of the Department of Defense. There are other badly needed provisions contained in the bill.

In recommending these changes to the Senate, the committee has wisely preserved in full force and effect the civilian control of the military which is essential in a democratic system of Government, especially this of ours. Some persons have been greatly alarmed for fear that the reorganization bill would bring into existence a so-called general staff setup. Certainly, under this bill there is no room for justifiable alarm. Neither the Joint Chiefs nor the Chairman are given any inherent command functions, but on the contrary, even as to unified commands, they can exercise only such command functions as are delegated to them by the civilian Secretary of Defense.

Mr. President, I am greatly pleased that Congress is taking action on this vital matter, which is so essential to the national defense.

Mr. President, one of the most important problems, to my mind, which faces the Department of Defense today is that of the Reserves. In World War II, 98 percent of the members of the Air Force and of the Army were citizen soldiers. It is highly important that the morale of our citizen soldiers be maintained at a high state. In some cases, the handling of the Reserves has not resulted in this way. I hope the Department of Defense will take steps to make certain that the Reserves are given equal and fair treatment. It is essential in this day, when wars can start quickly, and when action has to be taken without delay that the Reserves be prepared. They must be combat-ready. They must be well trained. They must have proper equipment. They must be ready to take the field on several hours' notice.

It is my sincere hope that the Department of Defense will give greater consideration to the Reserves; and when I say "the Reserves," I include, of course, the National Guard. The National Guard is one part or phase of the Reserves.

It is highly important that consideration be given to cooperating with the States in building and maintaining of a strong National Guard. I feel that with a strong National Guard and a strong Reserve, the country will be kept prepared to a much greater degree than it is today.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. THURMOND. I yield.

Mr. CHAVEZ. So far as the Subcommittee on Defense Appropriations is concerned, there are two units especially of our national defense system which we

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tried to take care of. They are the National Guard and the Reserves, notwithstanding any ideas which may have arisen in the Pentagon.

Mr. THURMOND. I thank the distinguished Senator from New Mexico for that statement. I congratulate him for his deep interest in the National Guard and Reserves and for the good work he has done for those components of our national defense.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. THURMOND. I yield.

Mr. REVERCOMB. I applaud the Senator from South Carolina for his able statement upon the preservation of the National Guard. Earlier today, in a discussion with the distinguished Senator from Georgia [Mr. RUSSELL] the Chairman of the Committee on Armed Services, I commented upon the same subject.

I am glad to see in the bill on which we shall vote in a short time, I trust, that the National Guard is recognized and is included as a component part of the first line of the defenses of our country.

Mr. THURMOND. In the bill the National Guard Bureau would be provided by statute. Heretofore, this has not been the case. The creation of such a bureau should be a stimulus and an impetus to the building of a stronger National Guard.

Mr. REVERCOMB. One of the great things about the National Guard is that they are volunteers. They are men who serve at their own choosing. They are men who take pride in their service.

Mr. THURMOND. That is correct. I thank the distinguished Senator from West Virginia for his remarks. The National Guard and the Reserves spend time each week in training. They give many hours to preparing themselves to serve their country in the event an emergency comes.

When many persons are in their homes, enjoying television, or enjoying sports, or relaxing, the National Guard and the Reserves are training to be ready for an emergency.

They deserve a great amount of consideration. They deserve the applause of Congress. They deserve to be commended because they are true patriots in every sense of the word.

Mr. BARRETT. Mr. President, I think the bill is a very satisfactory solution to an extremely difficult problem.

The Secretary of Defense has the biggest job in the Government, save and except that of the President of the United States. The Department of Defense has under its jurisdiction more than 4 million persons, both civilian and military; and about 60 percent of the entire Federal budget is dedicated to defense purposes.

This is a good bill. The distinguished chairman of the Committee on Armed Services and the senior Senator from Massachusetts are entitled to great credit for evolving such a satisfactory measure.

It seemed to me that Congress should give the Secretary of Defense the tools necessary to carry out his onerous duties, and then to hold the Secretary strictly responsible and accountable for his work.

The Secretary of Defense is entitled to great credit for the admirable manner in which he conducted himself in the presentation of his case to the committee.

Without question of a doubt, interservice rivalries and bickerings have seriously interferred with the efficient administration of the Department of Defense. The bill serves notice, in no uncertain terms, that in these critical days there must be a quick and clear chain of command from the President down to the unified commanders in the field.

In my judgment, the injunction in the bill which requires each of the service Secretaries and their civilian assistants and the military personnel to cooperate fully with the personnel of the Office of the Secretary of Defense should have a very salutary effect in bringing good administration to the Department of Defense.

I wish to be associated with the remarks of the distinguished Senator from Mississippi in regard to the National Guard. I am certain that the statement in the report—"that the duties and functions of the National Guard Bureau and its Chief should not be transferred, reassigned, abolished, or consolidated"—will bear fruit in the years which lie ahead.

On the whole, Mr. President, I believe the bill is a good one.

The PRESIDING OFFICER (Mr. CHURCH in the chair). The committee amendment in the nature of a substitute is open to amendment.

If there be no amendment to be proposed to the committee amendment, the question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The question now is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The question now is, Shall the bill, as amended, pass?

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Tennessee [Mr. GORE], the Senator from Florida [Mr. HOLLAND], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Ohio [Mr. LAUSCHE], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

The Senator from Virginia [Mr. BYRD], and the Senator from Montana [Mr. MURRAY] are absent because of illness in their families.

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from Virginia [Mr. BYRD], the Senator from Tennessee [Mr. GORE], the Senator from Florida [Mr. HOLLAND], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Ohio [Mr. LAUSCHE], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Texas [Mr. YARBOROUGH] would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate.

The Senator from New Hampshire [Mr. COTTON], the Senator from Vermont [Mr. FLANDERS], the Senator from Maine [Mr. PAYNE], and the Senator from New Jersey [Mr. SMITH] are necessarily absent.

The Senator from Michigan [Mr. POTTER] is absent on official business.

The Senator from Colorado [Mr. ALLOTT] is detained on official business.

If present and voting, the Senator from Colorado [Mr. ALLOTT], the Senator from Indiana [Mr. CAPEHART], the Senator from New Hampshire [Mr. COTTON], the Senator from Vermont [Mr. FLANDERS], the Senator from Maine [Mr. PAYNE], the Senator from New Jersey [Mr. SMITH] and the Senator from Michigan [Mr. POTTER] would each vote "yea."

The result was announced—yeas 80, nays 0, as follows:

YEAS—80

Aiken	Green	McNamara
Barrett	Hayden	Monroney
Beall	Hennings	Morse
Bennett	Hickenlooper	Morton
Bible	Hill	Mundt
Bricker	Hoblitzell	Neuberger
Bridges	Hruska	Pastore
Bush	Humphrey	Proxmire
Butler	Ives	Purtell
Carlson	Jackson	Revercomb
Carroll	Javits	Robertson
Case, N. J.	Jenner	Russell
Case, S. Dak.	Johnson, Tex.	Saltonstall
Chavez	Johnston, S. C.	Schoeppel
Church	Jordan	Smathers
Clark	Kefauver	Smith, Maine
Cooper	Kerr	Sparkman
Curtis	Knowland	Stennis
Dirksen	Kuchel	Symington
Douglas	Langer	Talmadge
Dworshak	Long	Thurmond
Eastland	Magnuson	Thye
Ellender	Malone	Watkins
Ervin	Mansfield	Wiley
Frear	Martin, Iowa	Williams
Fulbright	Martin, Pa.	Young
Goldwater	McClellan	

NAYS—0

NOT VOTING—16

Allott	Gore	Payne
Anderson	Holland	Potter
Byrd	Kennedy	Smith, N. J.
Capehart	Lausche	Yarborough
Cotton	Murray	
Flanders	O'Mahoney	

So the bill (H. R. 12541), as amended, was passed.

Mr. RUSSELL. Mr. President, I move that the Senate insist upon its amendment, request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. RUSSELL, Mr. BYRD, Mr. JOHNSON of Texas, Mr. SALTONSTALL, and Mr. BRIDGES conferees on the part of the Senate.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its

reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H. R. 13366) to provide for the advancement of Maj. Gen. Claire L. Chennault, United States Air Force, retired, to the grade of lieutenant general on the retired list, and it was signed by the President pro tempore.

EXTENSION OF TRADE AGREEMENTS ACT

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1875, H. R. 12591.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to the consideration of the bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment by the Senator from Texas [Mr. JOHNSON], offered for himself and other Senators, to strike out sections 6 and 7.

ORDER FOR ADJOURNMENT TO MONDAY

Mr. JOHNSON of Texas. Mr. President, because of the very able and superb performance of the Armed Services Committee under the leadership of the very able chairman of the committee, the Senator from Georgia [Mr. RUSSELL], we have completed action on one of the most important measures that will come before the Senate this session. We had scheduled, and had anticipated that we would have, a session tomorrow, but since we have been able to complete our deliberations on this very important bill this evening, I ask unanimous consent that when the Senate concludes its business today it stand in adjournment until 12 o'clock noon on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. I desire to express my appreciation to each Member of the Senate for his complete cooperation, without which we would have been unable to have completed action on the bill which has just been passed.

AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954—PUBLIC LAW 480

Mr. SCHOEPPEL. Mr. President, as we face today's grave decisions, growing out of the crisis in the Middle East, we can be thankful that our position is one of strength, not weakness. This is true of our military, of our industry, and of our agriculture which supports both.

In times of crisis, supplies of food and feed which only a short time ago may have been labeled surpluses, suddenly take on new importance as valuable reserves. Certainly this was true at the time of World War II and Korea.

No one can prophesy the outcome of this new crisis which confronts us, but I want to express my thanks to the farmers of the United States for the substantial contribution they are making to our ability to meet our international challenges, whatever they may turn out to be.

Wheat is, of course, one of the commodities which immediately comes to mind at a time of crisis.

The farmers of Kansas and the other great wheat growing states have been industriously harvesting a big crop. Even though in the past several days we have had bad storms in Kansas, fortunately 80 percent of the wheat was harvested, and the overall production picture is excellent.

The July crop report of the Department of Agriculture says that the Nation's total wheat crop this year, including both winter and spring, is expected to be 1,343 million bushels. This would be the second largest crop in history, exceeded only by 1947.

Through Public Law 480 we have been able to expand greatly the consumption of wheat from United States farms. We have been able to move great quantities to friendly countries where it is badly needed, thus performing the double service of giving an expanded market to our wheat growers, and strengthening our relationships with foreign friends at a time when such friends are very much needed.

We recall that in the 1957 fiscal year our wheat industry achieved an all-time high record export of wheat and flour equivalent, totaling 550 million bushels valued at nearly $1 billion. These exports were equal to 55 percent of the national wheat production for the year. They made it possible, for the first time in 5 years, to reduce the national wheat surplus by over 100 million bushels.

A large share of the credit for this accomplishment goes to Public Law 480, particularly title I, which provides for selling surplus commodities to friendly countries for their own currencies.

In fiscal year 1955, wheat exports under foreign currency sales came to 24 million bushels.

In fiscal year 1956 they came to 94 million bushels.

In fiscal year 1957 they came to 200 million bushels.

In the 1958 fiscal year, which ended June 30, wheat exports under title I came to 175 million bushels which, I might add, represented 44 percent of our total wheat exports for the year.

As a result of Public Law 480 activity, we had a further small cut in the surplus wheat stockpile during the past season.

Furthermore, this additional export movement of wheat means larger purchases of free-market supplies by private traders and it means more money in the pockets of farmers.

We have all noted recently that, with a general recession facing the business community of the United States, agriculture was probably the least affected of any of our major industries. The marketing and income benefits that accrued from Public Law 480—not only to our wheat growers but to a wide variety of agricultural producers—probably have been responsible, more than any other contributing factor, for this favorable situation.

The Department of Agriculture estimates that, because of the wheat export disposals made under the Public Law 480 program, farmers received on the average 9 cents more per bushel for all wheat they marketed in 1956–57. This meant that farm income from wheat during the current season is up about $90 million because of the Public Law 480 program.

The benefits to our agriculture from Public Law 480 are tangible, and with our own eyes we can see them—in terms of more products moving from farms, more activity in the agricultural business community, and more income for farmers.

From where we stand it may be a little more difficult to see the tangible benefits which accrue overseas in the friendly countries where our products finally are consumed. Colombia in South America is one of these countries, and I noted how our Ambassador, Mr. John M. Cabot, once described the usefulness of the program:

> It may not mean much to you to say that we have shipped 130,000 tons of wheat and flour in 1955–57, and over 30,000 tons of cotton. Perhaps you can judge the quantities better if I say that the wheat and flour will make 800 million half-pound loaves of bread, and that the cotton is sufficient to make one suit of clothes for every man, woman, and child in Colombia.

Public Law 480 is a program which reaches directly from our American farms to millions of friendly people overseas. When we multiply the loaves of bread and the suits of clothes in Colombia by the very wide array of products exported under Public Law 480, and multiply it again by the 37 countries with which we have title I agreements, we find a program in support both of our domestic agriculture and of our foreign policy whose impact is of the highest magnitude.

The authorization for Public Law 480 came to an end on June 30. That was 16 days ago. Today we are in a period of vacuum, insofar as being able to go ahead and make plans for future activity. This is a program that cannot wait.

To those of my friends on both sides of the aisle who are or should be concerned about the implications of our failure to extend title I of Public Law 480, I wish to point out:

First. Immediately after the August cotton crop report is released the Department of Agriculture will have to make a final decision with respect to the support level of cotton for this marketing year, 1958.

If Public Law 480 is not on the books by then, necessarily the Department of Agriculture will have to assume that the exports during the 1958–59 marketing

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year will be reduced below the level which would otherwise prevail. In other words, the USDA would have to reduce the estimates of exports by the estimated amount of exports resulting from new Public Law 480 commitments.

This failure will have the immediate effect of resulting in a lower cotton support price for the 1958 crop than would prevail if Public Law 480 were in operation. This will mean substantially less income to every cotton farmer.

Second. Failure to pass legislation for Public Law 480 will mean that the 1959 acreage allotments for cotton, rice, corn, and tobacco will be substantially less than would otherwise be in effect.

This is due to the fact that the Department of Agriculture will not be able to include additional Public Law 480 exports in the export estimates. This will reduce the normal supply levels and will cause severe acreage allotment cuts to farmers and distress in their communities. Local farm related businesses such as gins, cottonseed mills, rice mills, transportation and shipping, fertilizer and pesticide sales will be affected. Labor will suffer.

If the aim is to delay passage of Public Law 480 and to cause distress among farmers and farm communities, then this is the way to do it. Failure to pass Public Law 480 will be the greatest disservice to American agriculture that has ever occurred.

Mr. President, on July 24, 1953, I introduced in the Senate of the United States, S. 2475, which was commonly refered to as the Agriculture Trade Development Act. Senators will recall that 10 Senators joined as cosponsors of the legislation.

This measure became Public Law 480. I think that every member of this body will agree that no other single piece of legislation has done more for the American farmer than Public Law 480. By creating an export program for the farmers' excess production and by the development of new markets for American products, this measure has been the principal vehicle upon which our surplus products have been moved out of storage and into peoples' stomachs.

I hope we can get on with the job. The Senate has passed a good Public Law 480 bill. I sincerely hope that the other body will move quickly. For if Public Law 480 is to make its greatest contribution to farm income, the purchases for export should be made at the time the crops are being harvested so that the increased demand will be felt in the market place, and will accrue to the benefit of farmers.

It does not do the farmer much good for the Public Law 480 purchases to be made after the commodity has left his hands.

Farmers are harvesting and marketing wheat now. They need export outlets now. Markets are being lost now. Thus, income to wheatgrowers is being hurt now.

I urge each Senator to use his influence to get the Public Law 480 extension enacted into law.

TRIBUTE TO SENATOR MANSFIELD FOR STATESMANLIKE POSITION REGARDING MIDDLE EAST CRISIS

Mr. PROXMIRE. Mr. President, I want to associate myself as strongly as I can with the judicious and statesmanlike statement in the terribly serious Near East situation made earlier today on the floor of the Senate by the distinguished junior Senator from Montana [Mr. MANSFIELD].

No matter how strongly some of us may feel that the original action was a grave mistake, American soldiers are on foreign soil, the flag is there, and all good Americans must rally behind them. In this situation, the most constructive proposal I have seen, by anyone inside or outside the Congress, in this Nation or any other, was the one made today by the Senator from Montana [Mr. MANSFIELD]. I salute him for his courage and his vision.

The Senator from Montana [Mr. MANSFIELD] is surely right in saying that we must begin with the situation as it is: American troops are in Lebanon, and there seems no prospect at the moment of getting them replaced by a United Nations police force. The problem is what can be done constructively to preserve the peace of the world, and to get American troops out of the Middle East as expeditiously as we can, consonant with the national interest.

The suggestion that a conference of nations not directly interested in the Middle East be called seems to me a sound and affirmative approach to the problem. It carries a special authority because it is made by a member of the Foreign Relations Committee who is distinguished for his scholarship in foreign affairs, and for his dispassionate concern for what is best, not for his party or his section or his State, but for the Nation.

Even more important, the Senator from Montana has called for the conference to base its inquiry on the real causes—the real basic difficulties which have caused the terrible troubles, specifically: First, the Arab-Israeli conflict; second, the question of the Arab refugees; third, the question of subversion; and fourth, the infiltration of arms into that area.

Finally, the Senator from Montana [Mr. MANSFIELD] has urged full recognition of the rampant spirit of Arab nationalism.

I hope that the administration will see fit to adopt the suggestion of the Senator from Montana, and I express my own deep appreciation for his leadership in a crisis of genuinely ominous proportions.

THE HOUSING PROBLEM

Mr. SPARKMAN. Mr. President, a couple of days ago some of us had a colloquy on the floor of the Senate relating to housing. There recently passed the Senate a comprehensive omnibus housing bill which is now pending before the House of Representatives. I think in view of the pendency of that legislation, Mr. President, some articles which I shall ask to have printed as a part of my remarks in the RECORD are quite relevant.

Therefore, Mr. President, I ask unanimous consent to have printed as a part of my remarks the following articles:

First, an article from today's Evening Star, the real-estate section, written by Robert J. Lewis, and entitled "The Housing Act: Will It Help?"

Second, an article from today's Washington Daily News entitled "Home Plan Is Success." I may say that this article refers to the Emergency Housing Act which was passed earlier this year.

Third, an article from the real-estate section of today's Evening Star entitled "Home Building Gains in June."

Fourth, an article from yesterday's Wall Street Journal entitled "GI Home Loan Applications in June Rose 68 Percent From May, Trailed 1957."

Last, an article from the July 21, 1958, issue of Newsweek entitled "Sparking the Upturn: Housing."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star of July 18, 1958]

THE HOUSING ACT: WILL IT HELP?

(By Robert J. Lewis)

New housing legislation, now before Congress in final development stages, is bound to benefit buyers and builders alike.

The House Housing Subcommittee will complete its hearings on the measure today. The Senate already has approved a bill.

House recommendations probably will seek even more generous provisions for conventional mortgage lending and for encouragement of private housing, though the House version is not expected to be so generous to public housing as was the Senate's.

HOPE FOR INCREASE

House leaders are said to hope the final form of the legislation will allow FHA to insure mortgages up to $25,000 for single-family homes. The Senate last Friday approved a $22,500 mortgage ceiling.

Administration leaders had asked Congress to raise the mortgage limit to $30,000, but probably would be pretty well satisfied if it could have an increase to $25,000.

Under present legislation, FHA is barred from a good share of the market because it cannot insure mortgages above $20,000 on single-family homes.

Most controversial of the home-financing proposals appears to be headed for further study only. This is the United States Savings and Loan League's scheme to permit the insurance of the top 20 percent of conventional mortgages. The plan would provide more conventional-money competition to FHA lending.

IDEA TURNED DOWN

But the full Senate Banking Committee turned down the idea, though the Sparkman housing subcommittee favored such a program. The majority of the full committee held that the plan needed further study.

Chairman RAINS is reported still to favor the United States League proposed measure, and the House subcommittee may recommend its adoption in some form.

Among aspects of the bill that disturbed some Senators was its failure to give assurance that properties insured under it would be required to meet construction and neighborhood standards, such as are required for FHA-insured loans.

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Also objectionable to many legislators was failure of the proposal to set a mortgage interest-rate ceiling. Advocates of the legislation are reported now to be willing to accept changes that would offer some assurance on those two points.

PLAN OPPOSED

On the other hand, a large group of lending institutions affiliated with the National League of Insured Savings Associations consider the rival organization's plan inadvisable.

The National League favors early action by the Home Loan Bank Board that would empower savings and loan associations to make conventional loans with only 10-percent downpayment.

At present, savings and loan organizations are permitted to make conventional loans only on the basis that a minimum 20 percent of the appraised value of the house be made as a downpayment by the buyer.

This proposal to enable savings and loan associations to make 90-percent conventional loans is reported to be under serious study by the Home Loan Bank Board.

HANDICAP FOR BANKS

If it is approved—and there are reports that it may be—savings and loan organizations would have still further advantages over banks in making mortgage loans. Banks are permitted to make such conventional loans only if the buyer pays down a third of the home's appraised value.

Whether many savings and loan lenders actually would be willing to make 90-percent loans, if they were permitted, is another matter altogether.

Industry leaders concede that institutions in large metropolitan areas would be the principal sources of high-ratio-of-loan-to-value loans. Institutions in smaller cities probably would hold to a policy of making less generous loan arrangements.

PRESSURE IS ON

In the present period of plentiful money, considerable pressure is building up to permit savings and loan institutions to make more generous loans. This would be another means of putting funds to their proper work—that of earning interest for the shareholders.

Without Government insurance or guaranty, however—such as provided in the case of FHA or GI loans—there would be, theoretically at least, less security for the principal than is provided by Government-backed mortgages offering a somewhat lower return.

Also emphasized in the new legislation soon to be ready for House and Senate conferees is encouragement for rental housing, cooperative housing, housing for the elderly, rehabilitation of older homes and construction of new homes for families displaced by urban projects, college housing, low-rent public housing, and housing for individual servicemen and the armed services.

The Senate bill permits FHA insurance of mortgages on garden-type rental housing in the amount of $9,000 per room instead of $8,100, and for elevator apartments raises the amount per unit from $8,400 to $9,400.

For apartments built in high-cost areas such as Washington, the above amounts could be increased by $1,250 per room, up to and including 8 rooms. This would be an increase of $250 per room above the present provision for construction in high-cost areas. In the case of cooperative housing, the Senate version increases the maximum loan ratio from 90 percent of replacement cost to 97 percent, and raises the dollar limits to the same schedule as for rental housing.

For individual servicemen's housing, the bill raises the mortgage ceiling from a limit of $17,100 to a new ceiling of $20,000.

In the case of relocation housing to be made available for families displaced by urban-renewal projects, the Senate raised the maximum insurable loan for construction or rehabilitation of sales housing from $9,000 to $10,000 in normal cost areas. In high-cost areas, such as Washington, the limit would be raised from the present $10,000 to $12,000.

[From the Washington Daily News of July 18, 1958]

HOME PLAN IS SUCCESS

(By Edward Cowan)

The Government's antirecession mortgage purchase program is thumping along at an average weekly commitment rate of $35 million and is considered a resounding success.

Officials of the Federal National Mortgage Association (Fanny May), which administers the program, say it has—

Helped home buyers get mortgage loans, sometimes at a small cut in interest rates.

Encouraged some builders to shift production to lower price models—a boon to low-income and elderly buyers.

Occasionally been responsible for price cuts with no change in the house itself.

Stimulated construction of houses that would otherwise have not been built.

FAST START

Since it was started in April to spur construction of new houses and create jobs, the program has rung up mortgage purchase commitments in 42 States totaling $457,837,000 on 38,589 mortgages.

Congress voted a billion dollars for the program with the restriction that it be spent only for a mortgage insured by the Federal Housing Administration or guaranteed by the Veterans' Administration.

In addition, the mortgage may not exceed $13,500 and must be purchased at par, less specified fees.

Fanny May officials believe that builders and lenders have made some concessions to meet these eligibility requirements. Enticed by the prospect of a Government purchase guaranty, some lenders have been willing to make small cuts in interest rates to meet the FHA maximum of 5¼ percent.

DISCOUNTS OFF

Officials also claim that builders have shifted to cheaper models to get under the $13,500 ceiling. Still a third reported result has been a paring of discounts. When discounts run large, builders sometimes try to make up the difference by boosting the house price.

The program has been particularly attractive because a Fanny May commitment binds the agency to buy but does not oblige the lender to sell. Hence, lenders have freedom to sell to the Government or in the private market or to keep the mortgage.

Fanny May President Stanley Baughman said the Government's readiness to buy eligible mortgages at par has bolstered builders' confidence and thereby the number of dwellings they are putting up.

How many of the commitments lenders will decide to ask the Government to make good on remains to be seen. But with lenders paying a commitment fee of three-fourths of 1 percent and an equal purchase fee when the deal is closed, Fanny May stands to make on the venture, counting even the cost of borrowing from the Treasury.

[From the Washington Evening Star of July 18, 1958]

HOME BUILDING GAINS IN JUNE

June housing statistics just released by several Government agencies all indicate the home building industry is returning to more comfortable, if not record, levels.

Housing started during the month totaled 115,000 units, the Bureau of Labor Statistics reported. This is the highest level of any month since August 1955, and 15 percent above June a year ago.

Privately owned units put under construction during June numbered 104,500—the best monthly figure in 2 years, BLS said. The rate of building during June was such that if it were maintained throughout the year with allowance for normal seasonal variations the total would be 1,090,000. This is the highest seasonally adjusted rate set by any month since August 1956.

MAY BE LOWER

However, the Bureau noted that during the first 6 months of this year the rate of building was such that if that pace continues the year will show only 983,800 private housing units started. This is only about 2 percent ahead of the 6-month figure for last year.

The Federal Housing Administration established an all-time record in June on applications for mortgage insurance on 1- to 4-family dwellings. These applications covered a total of 90,600 dwelling units.

Dwelling units started in June under FHA inspection totaled more than 27,900, the largest volume reported for any month since June 1955.

During the first half of the year, the agency received mortgage insurance applications under all its programs covering more than 462,000 units, an increase of nearly 85 percent over the same period last year.

FHA TYPE GAINS

The number of dwelling units started during the past 6 months under FHA inspection is 117,700, an increase of more than two-thirds over the first half of 1957.

GI home loan activity also continued strong during June, the Veterans' Administration said.

Applications for home loan guaranty jumped 68.3 percent between the 8,705 of May and the 14,652 of June. This was, however, still below the 20,911 of June 1957.

Appraisal requests for proposed structures totaled 28,391—slightly off from May—and more than double the 13,736 of June a year ago.

Housing started under the VA program numbered 8,482 units in June. This was a gain from the 6,043 of May, but still well below the 12,983 of June 1957.

[From the Wall Street Journal of July 17, 1958]

GI HOME LOAN APPLICATIONS IN JUNE ROSE 68 PERCENT FROM MAY, TRAILED 1957—FHA SAYS MARKET TAGS ON MORTGAGES IT BACKS ROSE FOR SEVENTH STRAIGHT MONTH

WASHINGTON.—Applications for GI home loans in June went up to 14,652, a gain of more than 68 percent from the 8,705 applications in May, the Veterans' Administration reported.

The agency said the increase reflected the rise in requests for appraisals—which precede loan applications—during the past few months. In May, for example, appraisal requests for new homes hit an 18-month high of 29,170.

For June, new home appraisal requests dropped off slightly, to 28,391. But requests for VA appraisals on existing homes went up to 13,963 from 12,157 in May.

While the June total of applications for GI home loans lagged behind the 20,911 applications received in the corresponding month of 1957, the requests for appraisals on both new and existing homes in June this year were well ahead of last year. The June 1957 total of appraisal requests for new homes was 13,736, and for existing homes came to 10,264.

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Construction starts on VA homes rose to 8,482 in June this year, compared with 6,043 in May.

EARLIER REPORTS SHOWED GAINS

The GI housing report followed two earlier reports of increased housing activity for June. The Labor Department announced that private home starts in June rose to a seasonally adjusted annual rate of 1,090,000—the highest since August 1956, when the rate was 1,136,000. This was the second month in a row that the adjusted annual rate of private home starts passed the million mark since January—after hitting a 9-year low in February at 915,000.

Applications for Federal Housing Administration mortgage insurance in June, the agency announced last week, reached a second straight monthly record. The June total came to 90,600, the FHA reported, although applications for mortgage insurance on new homes slipped slightly to 33,427 from the 34,558 in May.

The FHA also reported yesterday that market demand for mortgages it insures continued upward, with average prices on secondary market offerings of mortgages rising for the seventh straight month. A survey made as of July 1 showed the 5¼-percent FHA-backed mortgages were bringing an average net price of $99.1 per $100 of outstanding balance for immediate delivery transactions. This net price is after payment of discounts, fees, or other charges. The average price on June 1 was $98.9.

RANGE OF PRICES

The range of prices over the Nation on July 1 was $96.5 to $101. Increases were reported in all six of the FHA zones. The largest increase of 0.5 a point was reported for the Northeastern States.

At the same time, Government Housing Administrator Albert Cole announced a cut in interest rates on college housing loans of one-eighth of a point, changing the rate to 2⅞ percent from 3 percent. The cut resulted from a formula prescribed by law. The funds for college housing loans are borrowed by the Administrator from the Treasury at a rate equivalent to the average interest rate on all interest bearing obligations making up the Federal debt.

The interest cost on the Federal debt has been dropping since the recession started last fall.

The average interest rate on the Federal debt, plus one-fourth of a point for administrative cost, results in the 2⅞ percent college housing program loan rate. This rate will apply to all loans for which reservations of funds were made after July 1 of this year.

[From Newsweek of July 21, 1958]

SPARKING THE UPTURN: HOUSING

(To the rat-a-tat of hammer and rasp of saw, a giant is awakening. The housing industry, key to so many parts of the United States economy, is building up to a boom-time tempo.

(This week Associate Editor John A. Conway turns Newsweek's Spotlight on Business to builders and buyers, reports what they are doing, and where they think they are going.)

In the Santa Clara Valley south of San Francisco this week, builder A. L. Branden broke ground for a 10,000-house community that in 3 years will add more than 35,000 people to the city of San Jose. On the other side of the continent, William J. Levitt was laying the foundations for the first of 17,000 houses planned for this third Levittown, this one in New Jersey. And a few weeks ago, a group of upstate New York builders heard Vice President Frederick W. Jackson of the Dime Savings Bank of Brooklyn say flatly: "Don't tell me we have a recession when my bank has committed about twice as much mortgage business during May as in any [other] month in history."

In city after city across the country, the quickening beat of hammers sounded a new note for the house-building industry—and for the entire United States economy. After more than 2 years, the housing slump had struck bottom; from here on, builders agreed, the way was up. Housing starts, after sliding to an annual rate of 880,000 in March, passed the million mark in May, neared 1.1 million in June, and now look as if they will produce a second-half rate of 1.2 million new houses—and all that goes with them.

Not that the boom is here, or will be tomorrow. "The day after the shortest day of the year is no longer than the day before the shortest day," Bill Levitt said. "The housing boom—and I speak of it as something that really moves—is over a year off," added Chicago builder Philip Klutznick.

But to the United States economy, the important thing was that it was coming. No other industry sets off the economic chain reaction that housing does. Every 100,000 starts means 975 million board-feet of lumber, 2.4 million bags of cement, 200,000 tons of steel, 470 million bricks, close to 2 million gallons of paint. Appliance makers will get the call for 100,000 refrigerators, 7,000 air conditioners, 32,000 garbage-disposal units, and 55,000 kitchen exhaust fans.

What was raising the rooftrees again? "In a large measure," said Chicago's Phil Klutznick, "this has come about through more confidence on the part of the buying public." And the buyer's improved morale got its spark from the improving tone of the economy. "Housing, more than anything else," Detroit builder Rodney Lockwood explained, "is keyed to the general economic tone."

BANKER TO BUYER

Working to help turn the home seeker's cheerier mood into action was a hoard of money lying in banks, savings and loan companies, and with other mortgage writers, crying to be converted into bricks, mortar, lawns, barbecue pits, and two-car garages. Since April 1, the new, easier terms on loan guaranties offered by the Federal Housing Administration (downpayments as low as 3 percent) and the Veterans' Administration (no downpayment at all) had instilled home buyers with fresh enthusiasm. In May, the FHA had the biggest month of its career, with 90,000 applications. And more Government help—perhaps much more—was on the way. Last week the Senate approved and sent to the House a housing bill calling for almost $2.5 million in funds for everything from low-rent urban housing to college dorms—much more than the President had requested.

The housing pickup already is spreading. Wallboard sales, after an abominable start this year, showed a 13-percent improvement in June over last year, reported Allied Chemicals' Barrett division. Plywood, usually bought about a month before the sawing and hammering begin, also has started to move. United States Plywood's sales climbed 7 percent in June over the 1957 figures.

The stirrings of a new housing boom are making themselves felt in the home-appliance field as well—particularly among the newer, fancier items. In May, the National Electrical Manufacturers Association found, factory shipments of built-in ranges climbed to 43,000 versus 30,000 in May 1957; waste-disposal units jumped from 35,900 to 46,400, freezers from 82,300 to 87,900. And Sylvania home-appliance market manager Robert Shaw reported that TV sales in June were the best his company had ever had in that month.

Out on the housing sites, the builders, many of them still recovering from the overbuilding that accompanied the 1955 boom (when 1,329,000 homes were started), seemed of two minds about the future, at least for the short haul. "The comeback will last, I think," said Fred Anderson, general manager of California's Branded Enterprises. "It's just a flash in the pan," was the view of West Coaster Joseph L. Eichler, who averages 700 houses a year in the San Francisco area. In between, the more representative of the big builders, stands Texas Tom Lively, whose Centex Construction Co., of Dallas, plans 3,000 houses this year against 1957's 4,500. Lively sees no mad rush of building immediately ahead, but he is not worried. "Maybe this steadier market will be better," he says. "Home building's 'usual' big booms and big dips can get pretty wild."

SHARP SHOPPERS

No one denies that the frantic race for shelter that created the building boom of the first home-hungry postwar years has ended. "Today's buyer," says Brooklyn banker Fred Jackson, "is looking for his second or even his third house. Sixty percent of our business is there." Customers also want attention and are getting it. "People are shopping sharply," O. J. Hartwig of the Long Island (N. Y.) Homebuilders Institute notes. "It takes 4 or 5 callbacks before a deal cooks."

The price tag is getting a close look; the result, according to New York housing economist Uriel Manheim after a cross-country check of builders: "Around 60 percent of the new dwellings will sell from $12,500 to $20,000." Atlanta's Talmadge H. Boyton, for instance, has switched from $25,000–$30,000 houses for "the junior-executive class" to a new 1,200-lot project of $12,500–$14,750 houses. "Frankly," Boynton says, "I think we ran out of junior executives." His new pitch is straight to the pocketbook. Scattered around Boynton's model home are loudspeakers that tell customers: "And remember, you don't have to pay the closing costs. We take care of that"—a $400 saving for the budget-minded buyer.

Bigger, better: For his money, the buyer also wants more house than he used to get. "Everybody all over the country wants a larger, better home," Tom Lively says (he is building in Dallas, Chicago, and Hawaii). Levitt's first best seller on Long Island, in 1947, was an 800-square-foot house with no garage, priced at about $8,000. "That was $10 a square foot" he points out. The big item in his new Levittown in New Jersey is an eight-room, two-and-a-half-bath house tagged at $14,490, plus garage—"and that's about $8.50 a square foot."

To get prices down, especially in the range under $13,500 (top limit for the lowest FHA downpayments), builders are cutting the frills, doing their best to cut corners on time and labor. Detroit's Joe Slavik, who builds about 400 houses a year, listed a few. "Instead of using plaster, we use dry wall; instead of a full treatment of cupboards, we let the upper part of the cupboards go." Faster tools are another answer, Detroiter Rodney Lockwood finds—power nailers, shears instead of saws for lumber, to name a couple.

If the current pickup holds, how high will housing go? Even the short-term pessimists see the industry hitting new peaks in the 1960's, when the baby crop of the forties will reach the home-buying stage.

By 1960, the experts figure, the country will have more than 51 million households versus 49.5 million now; by 1965, 55.8 million; by 1970, 61 million. And, many builders insist, even at the best postwar rates, the country is barely matching its housing needs. In 1925, for example, 937,000 houses were started—to meet the demand of a population of some 115 million and a $90.3 billion economy. Today, even a million-start year looms none too large, with population at 171 million and gross national product at $422 billion.

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"Builders look forward to the coming years with a song in their hearts," economist Nathaniel Rogg, of the National Association of Home Builders, says: With the statistics of the golden sixties ahead of them, it is small wonder.

HELLS CANYON DAM

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point a letter with respect to Hells Canyon Dam I have received from A. Lars Nelson, master of the Washington State Grange and a resolution accompanying the letter.

There being no objection, the letter and resolution were ordered to be printed in the RECORD, as follows:

WASHINGTON STATE GRANGE,
Seattle, Wash., July 11, 1958.

The Honorable WAYNE MORSE,
Senate Office Building,
Washington, D. C.

DEAR SIR: At the 69th Annual Session of the Washington State Grange, held at Seattle, Wash., June 16 to 20, the delegate body adopted a resolution entitled "Favoring Hells Canyon Dam."

A copy of this resolution is being enclosed for your information.

Thanks kindly for your attention.

Sincerely,

A. LARS NELSON,
Master, Washington State Grange.

RESOLUTION ADOPTED BY THE DELEGATE BODY, WASHINGTON STATE GRANGE, IN ANNUAL SESSION AT SEATTLE, WASH., JUNE 16–20, 1958, FAVORING HELLS CANYON DAM

Whereas the Federal Government could realize over $10 million in profit by building the Hells Canyon Dam and flooding out Idaho Power Co.'s Brownlee Dam; and

Whereas the Government could pay Idaho Power Co. $76 million for Brownlee, operate it and sell Idaho Power Co. all the power for 4.6 mills; and

Whereas during the 10-year construction period of Hells Canyon the revenue from Brownlee would have written off all but $150,000 of the $76 million cost; and

Whereas the Government could deduct $22 million in land, relocation, and salvageable Brownlee equipment; and

Whereas after paying $4 million to cut a channel through Brownlee to permit Hells Canyon to operate, the Government would realize a net profit of $10,900,000 after 10 years; and

Whereas this would lower the overall cost of Hells Canyon Dam; and

Whereas the profit could be boosted to $12,500,000 if the Government borrowed the money at 2½ percent instead of 3 percent: Now, therefore, be it

Resolved, That the Washington State Grange continue its all-out support of the Federal Government building the dam at Hells Canyon; and be it further

Resolved, That copies of this resolution be sent to our Northwest Senators, our State Congressional delegation, and the Columbia Basin Commission.

A. LARS NELSON,
Master.

ROLET OHLSON,
Secretary.

SHERMAN ADAMS—BAD APPLE IN THE POLITICAL BARREL

Mr. MORSE. Mr. President, the Eisenhower administration has set a new record in design on politics. It has mounted favoritism and gift taking higher on the Republican political machine than it ever was in the administration of Hoover or Coolidge. The Eisenhower administration is well on its way toward surpassing the record of Harding and his cronies.

I ask unanimous consent that the pertinent parts of two 1952 speeches given in the Pacific Northwest by candidate Eisenhower be printed in the RECORD at this point in my remarks.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

I have talked about the lack of progress toward a stable and sound peace. I have talked about the extraordinary expenditure program of our Government—one that includes waste and extravagance and duplication. I have talked about disloyalty in Government. I have talked about high prices and high taxes, and of course, some of these things are necessary.

And I have talked about the tendency toward centralizing government in Washington and taking it away from the local communities. Finally, I have talked about what I am going to talk about in a little more detail this morning—corruption in Government.

THE EFFECT OVERSEAS

First of all, of course, corruption is an expense piled onto all of the necessary expenditures that you people must bear. By this I mean the actual cost in dollars is something that you have to add onto all these wasteful and extravagant expenses, as well as the necessary expenses. But the great damage done to us by corruption in Government, is, after all, not just a few dollars it takes out of our tax revenues and our pockets.

This mess in Washington lowers our prestige abroad and robs us of pride in our own Government. If we are going to restore pride in Government, who is going to do it?

You can't take an organization that has been in power far too long and merely by doing a little face-lifting job, doing a little repaint job, get by with it. Actually, I believe the administration candidate said all it needed was a little refreshing. But as far as I am concerned, how do you refreshen a bad egg?

Here is what we are up against, ladies and gentlemen. The sad and tragic and overwhelming fact of our time is this struggle between the free system of government and communism. We need every weapon we can get if we are to win through. Everything that is legitimate and honorable we must use.

The second you have corruption you give to our enemies ammunition that is very effective because this struggle is not only that is represented in the field of economics and trade and sometimes even the field of force, but it is represented in just a straight struggle for man's minds, ideas, and morals.

I want to read you a headline from a New York paper to show you how important this is. This is out of a New York paper:

"Red Slings Mud at United States Dirty Linen—Washington Scandals Provide Field Day for Moscow Radio."

Then the next one: "Moscow Radio Floods Russia and Satellites With This Story."

Then the Moscow radio says, "Justice is conditioned by dollars."

Then the Communist paper in New York City, the Communist Daily Worker, says in commenting on scandals, "capitalism itself is the big fix. Corruption and graft are the blood in the veins of capitalism," which means free enterprise.

What I am trying to get over, ladies and gentlemen, is this: When we give unnecessarily to the Communists this ammunition of calling us crooked and dirty in high places—as a St. Louis judge says, "men in high places selling out their birthright for a dirty mess of dollars"—it is exactly the same as giving them an advantage in terms of the secret weapon of something else that we should keep away from them.

We do not have to give them the advantage of that. So I would put this this way, ladies and gentlemen: That every scandal of that kind is really a betrayal of our country because we are trying to hold up Americanism before the world as the fine thing that it is, that system which has given to more people greater opportunity for happiness, contentment, and progress for expansion for their own souls and hearts, than any other system in the world.

How then can we do it if we are going to accompany it and have every story expanded and built up by stories of scandal, of thievery, of just petty dollar grabbing in high places?

We just can't have it.

This comes back to the stand that I take. We must have the kind of Government in Washington that excites your pride. That means that in the fundamentals of American life, you will be behind it. I do not mean that all of us are ever going to agree in all the details of running America.

Of course not; it is too vast. We have to have discussions over details and methods. But when we come down to the purpose of Americanism, what we are trying to do in the world in our struggle for peace and prosperity for all human beings, then we must be united.

You are going to unite if you respect your Government. If you respect your Government, the strength of the United States is multiplied because it is the unified thing and its strength abroad to lead toward peace to lead other nations to stand with us toward the Communist threat are multiplied.

It is a cheap way to get a lot of security, just to have plain woodshed honesty in government.

PLEDGE TO THE PEOPLE

Ladies and gentlemen, I am not here to make you a lot of specific promises as to how you can benefit this group at the expense of others, how you can get a few more votes, by a lot of slick language and a lot of highbrow terminology.

What I am here for is to make you a simple pledge, the kind of pledge which can be made honestly, and which Americans have a right to demand of any prospective officeholder, whether he be in the city council, or in the Congress, or in the White House itself. It is a pledge I am going to give you in terms of the same pledge I made to labor on Labor Day of this year, and I said this:

If you people decide to have a change in administration which would put me in the White House, at the end of 4 years we should like all of the people in the executive department, the Senate, and the Congress who have been responsible for the administration during those 4 years to meet with a crowd like this at the end of the 4 years where each of you could turn to the other and say:

"Those people, first of all, decided everything in terms of what was good for the United States of America; not for any particular group, but they decided things in the surety that they were good for the United States, and that what was good for the United States, as a whole, was good for everybody.

"Next, those fellows were fair. Next, they were just. And finally, they were just one of us. They were friendly. They didn't try to take a mighty position and to rule over us. They remembered that, in America, government is the servant of the people, and never their master."

And now, ladies and gentlemen, you know Mrs. Ike's ties with Tacoma are just as close as mine. And so if you would allow me I should like to bring her out.

AT PORTLAND

Ladies and gentlemen, before this vast audience which has made me such a signal honor by coming here in the middle of a busy day to listen to the few thoughts I may have to give you, I want to pay my tribute to your great Governor and the honor I feel in his introduction of me.

I should like also to pay my respects to your Congressman, Mr. ANGELL, and more particularly, because of the identity of your mayor [Dorothy Lee], want to speak for just a second about my earnest belief, my deep conviction that we should have more women in public life.

It is not only, ladies and gentlemen, that we have 2 million more of them than we do of men. I have a deeper reason arising out of my conviction that our civilization, our form of government, has its roots firmly based in moral and spiritual values in a deeply felt religious faith. And I have the further belief that women, as the homemakers of our Nation, are more concerned with the preservation and the strengthening of those values in our conscience all the time than do the busier men in their preoccupations with making a living.

I do not mean to say that we have not had great leaders, inspirational leaders in this field of moral value and moral worth, but I think by and large we would all agree that women pay more attention to such values than do men, and I should even be bold enough to say this:

I feel today we probably have the greatest group of Republican governors that we have ever had at any one time in all the history of the United States, and we have more than half of them. And I think that their caliber might even be enhanced if we could include—an additional 1 or 2 of them—women next time.

FIRST PURPOSE OF CRUSADE

I am joined together with many thousands of Americans, indeed millions, who believe that it is time for a change in our national administration. We are conducting a crusade, and the first purpose of that crusade—not the ultimate one but the first purpose—is to get rid of men who are too small for their jobs, too big for their britches, and too long in power.

That is only the first objective, because what this crusade seeks to do during the next 4 years is to bring back a situation in America where every single one of our citizens can have pride in his Government, can have that—can have that kind of pride, ladies and gentlemen, that makes us want to unite behind our national legislative and executive leaders to promote those basic purposes for which America has stood in the past and stands for now at home and abroad; peace abroad and the welfare of 155 million people here at home.

I am, for a few moments, with your indulgence, going to extend some remarks I made last evening in Seattle. I talked there about the "wholehog" interest in our Government; the "wholehoggers" who want to seize upon every resource, every possibility in our whole Nation to extend the powers of Federal Government over our lives.

I addressed myself mainly last evening to water, water conservation. I emphasized the importance of partnership among the Federal and State Governments and the people in the development of water resources.

The people of the area must have a strong voice in the planning and the administration of these great projects. We don't want Federal domination of the people through Federal domination of their natural resources.

Now in the wise use of our public lands and forests this is especially important because the Federal Government holds so much of your western land in trust for the people.

The people of Oregon, I know, are really qualified for this partnership because they themselves have made much progress in establishing tree farms, the principle of sustained yield, and the financing of forest research at their own expense. That goes for the State of Washington, too. Your two States have been leading the way for the country.

Now for many years the national administration has been trying to corrupt the purposes of our forest and land management agencies despite the devoted service of the thousands of fine people in those agencies; but the political bosses of these people in Washington have departed far from the purposes laid down by that great Republican conservationist, Gifford Pinchot.

NOT AS PATRON OR BOSS

They have reached out to acquire more and more private land with more and more dominating control. They have preached Federal control over private lands with rules written in Washington and administered from Washington.

Nowhere has the administration shown more clearly this desire to regiment our people and our resources than in this field of public land policy. Your only clear assurance against such control is to elect a national administration which is friendly to the States, which will come to you as a partner, not as a patron or a boss.

Washington, D. C., today knows nothing of partnership, even in its own family. Two Federal agencies for years have been fighting a squabble over which should supervise forest lands. In another bureau actual fraud and favoritism have crept in. Only last summer in your own State a Federal court canceled the sale of Indian timber as fraudulent and ordered its resale to the highest bidder, not to a favorite.

Let me assure you that the new administration will not play favorites.

Our renewable resources must be harvested on a scientific basis. The diversified need for the great variety of forest products must be recognized. Our Federal land managers should not be local dictators. Our national forests should constitute a timber resource to provide the products needed in time of crisis or severe shortage. They should not be turned into a vehicle for Federal control of the Nation in their forest economy.

The administration should get busy and show by example how the principle of sustained yield can work. We should have full cooperation between the Federal and State and local governments to attain the best possible multiple use of public lands. We must be watchful that no special interests do irreparable harm to our watersheds by improper exploitation.

Let us see today that, when interests clash, decisions shall be made on the basis of the greatest good to the greatest number in the long run. That has been the Republican policy for half a century.

And now, ladies and gentlemen, with those ideas placed upon the record, to extend the thoughts I expressed last night about conservation, I want to talk to you a little bit about the Republican Party, the party which will return the Federal Government to the people next year.

APPEALS TO DIVERSE ELEMENTS

Now while we do this through the medium of a party, I want to make quite clear that no one in the leadership of this crusade is appealing merely to Republicans or to people as Republicans or as anything else except as American citizens.

We believe that to accomplish the purposes of this great crusade it is necessary that all people who believe in certain broad principles or broad objectives which must be accomplished in the interests of our country, band themselves together. They may differ widely in method; they may differ widely in their ideas of the right procedure to follow.

But if they feel, if they support basic principles, basic aspirations as of today, then they are, for the purposes of this election and for the next 4 years, all the same party in conducting the crusade.

I don't label them. I merely say they are a great army carrying on a necessary purpose.

These diverse elements are many sorts. They include people of every race, color and creed, and that is as it should be; because, ladies and gentlemen, if there is any one thing that has made our Government work during these years with such vast benefits to so many people, it is our faithful adherence to the principle of the two-party organization.

If we should attempt to break up any of these great organisms into parties, depending upon the peculiar or particular beliefs of each group, we would certainly have an innumerable number of parties.

In France, for example, if someone disagrees with the Social Democrats he goes to the Christian Democrats, or if he disagrees with the Radical Socialists he goes to the Socialists; if he disagrees with General de Gaulle he goes to another party. Finally, of course, you have at the extreme end of the scale the Communists.

But due to this splinter party system, government is paralyzed. It finally cannot serve the people, even in cases where the very interests, indeed sometimes it seems the very life, of the Nation is at stake. These little differences are nursed so tightly to the breast, their mutual hatreds are so valuable to them, that they cannot act. Now that must not happen in America.

I say, again, this crusade welcomes and insists that it must have people of many diverse beliefs in every form of human endeavor and activity, so long as we have certain ideals, aspirations and purposes which we commonly support.

Now, the opposition party finds it hard, they profess, to understand how this can be. You know, they are the party who wanted to demand a loyalty oath. At their convention they wanted to make each member there swear, take an oath, that he would support the party nominee, regardless.

Now, the Republican Party and its associates, its independent and enlightened Democratic associates, do not believe in party oaths. Indeed, we want differences of opinion to keep us healthy and on our toes. We do not believe in thought control.

And the opposition party is finding that it has many people who are rebelling from the mental yoke, the intellectual yoke, which it has tried to place upon them. Indeed, even in the South that they have traditionally called their own—an area where they thought they had a mortgage that was binding forever and forever—they are getting frightened, and rightfully so.

So, then, we believe in unity but not in uniformity. We believe in cooperative work, but not in regimentation. Senator Vandenberg's fight carried on for many months was against factions and classes in our political life.

Now, let us talk for just a moment about these goals that all of us who are in this crusade are supporting. Now, I do not mean just the purpose of supplanting a worn-out administration in Washington. That is merely the first step. This crusade of cleaning out an inept and bungling administration will take as its first job that of cleaning out corruption.

It is absolutely unthinkable that an American citizen has to be worried as was a lady who recently wrote me a letter. She said: "General, I should like to vote for you, but, before I do, will you give me your promise that more of the tax money I pay will actually get to Washington?"

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We have descended a long, long way from the dream of our forefathers when a hard-working American taxpayer has to exact a promise from a prospective office holder: "Will you please see that the sacrifices I make in order to pay my taxes will not be exploited by someone who is lining his own pocket?"

That, then, is the first purpose of the crusade; high taxes and prices.

CRUSADE'S SECOND PURPOSE

Now, of course, with the expenditure programs that are required today for necessary purposes, there cannot be any escape for the moment from high costs and high taxes and high prices. Which makes it all the more necessary that we watch with a jaundiced eye anything that is unnecessary—all of the waste, the duplication, the inefficiency that we know about, and which you would not expect me here today at this time to enumerate. That must be eliminated, and it is the second purpose of this crusade.

Just one example of what this double-squeeze of high prices and high taxes is doing to us: The ordinary wage earner of America in 1945 earned a pound of coffee in 18 minutes of work; today it takes him 34.

Now, that is not just because of some unusual or unexpected shortage of coffee. That is merely a measure of the cheapening of your money, which means a cheapening of your insurance policy, of your savings account, of your pension, everything that you have put aside to do your part in making sure your old age is a comfortable one.

So, that, I say, is the second step and objective of that crusade: to eliminate disloyalty from this Government, no matter what else may be necessary. How difficult it may be to find the disloyal in our Government, this much is certain.

In the high policy positions we have the answer in establishing a government that can command the services of the ablest, finest Americans that there are in this whole country. If we can bring men and women to Washington, and we can—if we have the kind of government that an American respects—because that American will be proud to serve his country under such conditions, we will have incorruptible men and women in the top positions.

And how will they choose their principal assistants? Why, from among the men and women that they know to be incorruptible. And so it will go. And we will have the policymaking positions of the United States filled with people who are loyal, dedicated, devoted to the Constitution of America and to the 155 million they serve.

Now, with our objectives of corruption, unnecessarily high prices and taxes and disloyalty, the next is decentralization of power, of which I spoke to you briefly in the prepared part of my talk. We must keep the long nose of government out of private business. We must earnestly and conscientiously combat the theory that the only ability in the United States is found among the bureaucrats sitting behind desks in Washington.

We must have the faith of our Founding Fathers, that the more responsibility we keep close to home, responsibility in the individual, in the family, in the community, and in the State, in that measure will be the success of our country, not in measure by which it centralizes power and makes us all creatures of a state.

CHALLENGE OF COMMUNISM

Indeed, don't forget this: The essential challenge that communism makes to free government is this: Free government has failed, it cannot rule people, they cannot rule themselves because they break up into pressure groups, there must be central control and then it says, we control it through a dictatorship of the proletariat; but, to most Americans, dictatorship is dictatorship, and just because you put a $4 word behind it, it doesn't make it any different.

And the final and the great object of this crusade is to bring about peace. Peace in the world. Now there are several reasons that I put this last. Not only is it the most important; not only does this problem overshadow all others, but there is this point:

The first requisite to peace is a strong, solvent, prosperous United States. Only that kind of United States can lead the free nations of the world into a voluntary association which will bind them together firmly in opposition to the spread of communism.

Therefore, if we are going to be strong, which means united, if we are going to be prosperous, if we are going to be leaders, we must have a government that you respect. When 155 million people can respect their own government we need not be afraid of its prestige and its power of leadership abroad.

Now under such conditions, ladies and gentlemen, the next part of the program would be to develop prosperity without war. It would be to develop true equality of opportunity in our country regardless of race and color and creed; to make certain that those great aspirations noted in our Constitution and in our Declaration become a living fact, a shining fact for all to see and so bind us more closely and closely together in our moral support of these great principles.

Finally, such a government would be one that could say, after 4 years in power, and at a meeting such as this—and we could put representatives of that government on this stage—its ambition would be that you could turn one to the other and say why, during those 4 years those people didn't have a lot of promises to give us, to catch our votes.

PROMISES LONG WORN OUT

Actually, of course, all the promises, the political promises, have long been worn out. But those people lived up to their pledge to give us a fair government and a just government so far as God gave them the power to determine what was just and what was fair.

And finally they gave us a government that was friendly, that wanted to be helpful among us; that did not come in a domineering fashion to tell us what we must do and should do under their wise leadership. It merely came to help; it was friendly.

If we can—if we can make that pledge, as I do now, in the many people who have joined this crusade, from the left to the right, from the top to the bottom, if we can come at the end of 4 years and have you say that, there is no ambition among any of those men and women who would be a member of that government that would not be satisfied.

There is no longing here for power, for domination, or for dirty dollars.

Thank you very much, ladies and gentlemen.

Mr. MORSE. Mr. President, in the foregoing remarks Eisenhower, the candidate, pointed out how corruption in high places hurts us abroad and at home. In 1952 he called these scandals "a betrayal of our country." But what does President Eisenhower say now about Sherman Adams? He needs him.

I respectfully suggest that the President take the time from his busy day to read the campaign speeches the Madison Avenue crowd wrote for him in 1952.

In his Portland, Oreg., speech candidate Eisenhower discussed the attempt to defraud 2 Indians of their timber by 2 private citizens with the aid of an Indian Service employee. In the summer of 1952 the Truman administration had acted and the guilty parties were tried, convicted, and fined. In a subsequent resale the Indians received $1,175,000 for timber which two conniving timbermen tried to steal for $135,000. The Truman administration did a good job of cleaning up this scandal.

Mr. President, I also ask unanimous consent that an excellent article from the New Yorker magazine of July 12, 1958, by Richard Rovere, be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon? The Chair hears none and it is so ordered.

(See exhibit 1.)

Mr. MORSE. Mr. President, Mr. Rovere points out that the administration's defense—that others do it—is just about as damaging as an outright admission of malfeasance. The Eisenhower administration has not learned from the Adams case. Just the other day three expensive military aircraft were put at the disposal of the President's brother and niece so they would be flown from a Wisconsin vacationland to Washington. I believe that the Government, in a case such as this, has the duty to pay the cost for bringing a person such as Milton Eisenhower from his home to Washington—not from a vacation spot—when he is properly engaged in work for the Government. The travel costs must be computed on that basis and no other. So far as I am concerned commercial aircraft should be used. Milton Eisenhower deserves to be paid for his services. He is not entitled to special privileges. This is another example of how the Federal laws are being corrupted by this administration.

I say to the American people that this is an administration which is corrupt at the top. Unless we do something about it, the entire moral fabric of the Government and of its employees is in danger. It is up to the leaders to set the example, and I deplore the example this Eisenhower administration is setting for the people of the Nation.

There is mounting evidence that Sherman Adams did not tell all he should have to the Harris committee. It has been indicated that in a 6-month period, when the FTC matter was up, Goldfine made 43 telephone calls to the White House.

I say he had Sherman Adams in a position where he was using him. Adams had been equipped with various small gifts bundled into a vicuna coat, wrapped up in an oriental rug, and deposited in the plush suite of plush hotels.

In the critical times which face our Nation, it is essential that the President start to live up to his campaign promises. The vast majority of our people are honest and hard working. The vast majority of our Federal employees are honest and hard working.

It is no problem to pick the bad apples out of the political barrel. It cannot be done from the bottom up and must be done from the top down. I say this with great conviction to President Eisenhower. He is a "lame duck" President and he knows it. The very least he can do for the Office of the Presidency, for the people of this Nation, and in his own honor

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is to clean up his own mess before he reaches the end of his term in office.

EXHIBIT 1

LETTER FROM WASHINGTON

The die was cast the moment it became known that it was seldom a Dutch treat when Sherman Adams and Bernard Goldfine were together. That was a month ago, and from then on it mattered very little whether the Harris Subcommittee on Legislative Oversight turned up any new evidence in the case or whether Mr. Adams continued to report for duty at the White House.

When chastity gets lost, it is lost for keeps. Mr. Eisenhower could have spared himself some awkward times in press conferences by a stout repudiation of a double standard of political morality, but the damage to his system of subcontracting executive authority was beyond repair. For one thing, Sherman Adams could never again be protected from Congress. His vicuna coat might shield him from the elements, but it and the rug and the hotel bills worked like a radiologist's dose of barium in making him accessible to close scrutiny. As the President's agent extraordinary, he had been like the Secret Service and the Central Intelligence Agency in that he could not function effectively while others were looking on; if he was to be a watched pot, he would never boil. Until last month, he successfully avoided examination. Senator McCarthy wanted to put him on the stand during the Army-McCarthy hearings, and Senator KEFAUVER sought his testimony during the fuss over the Dixon-Yates contract, but both times Mr. Adams spoke the magic words about the separation of powers and the privileged character of executive communication, and that was that. But now, thanks to Mr. Goldfine's handsome benefactions, this will no longer do. Having once admitted a certain confusion between private affairs and public ones, Mr. Adams has forfeited the right to claim that he never acts except on behalf of the President. This forfeiture undermines any dealings he may have with other people, for it has been an unstated assumption of all his relationships that they would not be subject to review except by the President, and that they were most unlikely to be reviewed by him. What is more, and what is worse, Mr. Adams has probably made it impossible for any successor to enjoy the immunity he has enjoyed. If he quits and a successor is found, the Adams case can be cited as a precedent by any Congressional committee that wishes to open White House doors.

From the start, Mr. Adams and his White House associates, including the President, have relied on defensive strategies that are just about as damaging as an outright admission of malfeasance. One is the tu-quoque, or you're-another, argument, which consists in pointing out that most Members of Congress and many members of the press have received favors from private citizens and done favors in return. The noted entertainer and public-relations authority Tex McCrary has been installed in the Mayflower to gather bushels of documents to support this argument, which—to put aside all questions of relevance and logic—has the disadvantage of making enemies in exactly those places where friends are most needed. The other line of defense has even graver flaws. To assert his integrity, Mr. Adams had had to concede a lack of good sense. With an innocence that would have done him credit if innocence were of much value in his calling, he told the Harris subcommittee that he had made errors "of judgment and not of intent," and the President seconded this by saying that, as he saw it, his assistant had been not wicked but only imprudent. Some defense of Mr. Adams's virtue was certainly called for, but to explain that what may have had the appearance of moral delinquency was only bad judgment is in this case hardly more helpful than to say of a surgeon, for example, that he does not lack a knowledge of medicine but is merely, on occasion, careless. To put it rather coarsely, Mr. Adams has been on the Federal payroll to exercise not his honesty but his good judgment, and as between a defect of virtue and a defect of prudence, it is hard for anyone to say that one is in all cases more deplorable than the other from the point of view of the general welfare. The moral climate would be worse than it is if, in fact, Mr. Adams had put in the fix at the Federal Trade Commission so that his friend could label his yard goods as he chose, but a few lapses from discretion by a man wielding such powers as Mr. Adams has had could be costly and painful to the commonwealth as a whole. His getting tied up with Bernard Goldfine was a lapse that has dealt the administration by far the heaviest blow it has ever suffered.

In the view of nearly everyone here, Mr. Adams will not again wield great power, even if he does stay on through the end of his patron's term. It is thought most likely that he will not stay on. But if he does, his role will be greatly diminished—as, indeed, it has been for the past month. (Congressmen who have been at recent White House meetings of the legislative leaders have told reporters that Sherman Adams sits at the President's side as of old but says nothing throughout the sessions.) This may afford satisfaction to his detractors, who are numerous in both parties, and in both the executive and the legislative branches, but it is a tragedy for the President, and one is hard put to imagine how Mr. Eisenhower will be able to get through the 2½ years that remain of his second term. Necessity mothered the invention of a deputy President with powers greater than those of any comparable figure in the past. Mr. Eisenhower came to the White House lacking, on the one hand, political experience and, on the other, a zest for acquiring it. Most of the tasks that have taken up the greatest part of other Presidents' time have interested him very little, and most of the people a President normally sees were not at all to his taste. Even if his health had stood up, he would have been unwilling to put in days as full as Mr. Truman's. (Mr. Truman delighted, perhaps to a fault, in the more or less routine chores of his office, and although several people around him got into serious trouble, none of them had responsibilities anywhere near as large as those of Mr. Adams.) There simply had to be a Sherman Adams if there was to be an Eisenhower administration, and it is interesting to recall now that Mr. Eisenhower understood this well enough to retain Mr. Adams within a few days after his formal entry into politics; Sherman Adams—then Governor of New Hampshire, where the earliest Presidential primaries are held—was just about the first politician Mr. Eisenhower met after becoming one himself. His need was great then, and from now on it will be greater than ever.

The period ahead looks far more difficult than any in the past 6 years, and the President's reserves of physical strength and political power are low. Yet no one here can at present see how he can rearrange things in the White House to free himself from the burdens he has always found intolerable. Mr. Adams has given hostages to all his enemies. A willing successor may be found—Fred Seaton, now Secretary of the Interior, has been mentioned more frequently than anyone else—but the very fact of his being Mr. Adams' successor would make him vulnerable; for a time, at least, no one will be allowed to work in the shadows. If all this had come to pass a few years ago, the Vice President might have been enlisted; as an elected and constitutional official, he could protect himself somewhat more easily than Mr. Adams or any successor could. But the very last thing Mr. NIXON is looking for nowadays is a closer identification with the White House; long before the Adams-Goldfine affair he was busily seeking to create an image of himself independent of the administration and, in some respects, independent of the Republican Party. It appears very much as if the President will have no choice but to do for himself the things that Mr. Adams has always done for him, and the pity of this is that it will be at the expense of those concerns in which his interest and his competence are highest. Mr. Adams has been useful to him in a great variety of ways, but he has had little to do or to say about foreign policy and national defense. It is the general expectation now that Mr. Eisenhower will in the future have less time for these affairs.

The question that everyone here has been trying to answer is: How on earth did Sherman Adams get into this mess in the first place? What weakness of perception allowed him to accept, of all things, a coat from a man he knew to be at odds with the authorities? The hotel bills one can perhaps understand, despite the fact that a member of the Truman administration owed his downfall to a few days on the cuff at the Saxony, in Miami Beach; hotel bills, after all, can be regarded as entertainment. And a rug for one's living-room floor, particularly if there was some talk of returning it one day, could just possibly be regarded as what the President described as "a tangible expression of friendship." But for a man charged, as Mr. Adams was, with most of the work in cleaning up "the mess in Washington" to accept a coat, the symbolic garment of corruption, from a businessman petitioning the Government for relief—this has flabbergasted all Washington. What was Sherman Adams thinking of? How could any man in his right mind have been so foolish? Mr. Adams' admirers have never been great in number here (no one in his position could hope for very many admirers), but it has never been suggested that the man is a fool. Thus far, his association with Mr. Goldfine is his only really striking error of judgment. Nor is it credible that he is simply one more venal politician. If he were, he would have covered his tracks more artfully, and the chances are that he would have had far less to do with such compulsive namedroppers as Bernard Goldfine and Mr. Goldfine's odd associate of former times, John Fox. Also, if personal gain had been his dominant motive, he would have left the administration some while back and exploited his connections from the outside, where the exploiting is really good.

Whatever else may be said of the assistant to the President, the length of his service testifies either to his loyalty to his President and his party or to his fondness for power, and, conceivably, to a combination of these. Moreover, as far as anyone now knows, he has served selflessly; it is impossible to detect in any of the transactions in which he is known to have had a part any self-serving decisions or resolutions. Members of the Harris subcommittee have said that they have not yet unfolded the whole story of Sherman Adams, but it is a fairly safe bet that if the files currently held anything juicier than what has been spread on the record over the past month, some indication of its character would by now have been given.

If Mr. Adams is neither stupid nor venal, the flaw must lie somewhere in his political education, and perhaps, too, in the political atmosphere that envelops him. He must simply have never understood that his relationship with Mr. Goldfine would be interpreted by most people here as being quite as improper as anything that came to light in

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the Truman administration—and at the same time would seem downright hilarious to those who have always regarded him as the sternest of the deacons in the Eisenhower administration. When he ordered the late Harold Talbott to resign as Secretary of the Air Force because Talbott had attended to some personal affairs on office time and written some private letters on office stationery, he possibly thought of his action not as a defense of morality but merely as the enforcement of a house rule. This confusion of values—if that is what it was—might be explained by the fact that Mr. Adams' whole training has been that of a provincial politician. When he met Mr. Eisenhower, he was a lumber merchant who had served briefly in the New Hampshire Legislature, a single term in the House of Representatives, and two terms as Governor of New Hampshire. Before he became an Eisenhower enthusiast (he had been on Senator Taft's side on most matters of policy, he once explained, but he became convinced early in 1952 that the general was "the fastest horse in the stable"), he had had no experience in national politics aside from his 2 years in the House, which is, in the main, a kind of extraterritorial jungle frequented by tribesmen whose principal concern while here is with what is going on around the council fires at home.

As a New Hampshire politician, Mr. Adams had gone to a school in which the prevailing codes of political behavior are as greatly at variance with those professed in Washington as if they came from 2 wholly different societies in 2 wholly different stages of development. In most State governments—and notably in that of New Hampshire—the idea of conflict of interest simply does not exist. On the contrary, a mutuality of interest between government and business is taken for granted, and men often go into the legislative branches to represent their businesses. Mr. Adams used to have no hesitation in telling his early biographers that he had entered the New Hampshire legislature—which is, incidentally, one of the world's largest parliaments, with 1 representative for every 729 voters of the State—at the insistence of his superiors in the Parker-Young Co., and primarily for the purpose of representing the firm. In State politics—especially in those States that have not yet got what they regard as their full share of capital investment—a man who speaks for a prominent industry is very much pro bono publico.

A good many politicians bring the statehouse view of life to Washington, but as a rule the view undergoes certain modifications here. They come to regard themselves—especially if they are Republicans—as spokesmen not for a particular business but for an entire industry, or for business in general. And the quicker ones learn in good time that the gratuities that may be accepted in State politics (all 48 governors accepted bolts of vicuna from Bernard Goldfine) can get a man into serious trouble here.

In Mr. Adams' case, quite evidently, no such reassessment occurred. This could be because he is an excessively provincial man and an excessively insensitive one. He has been one of the largest figures in the administration right from the start, but the conditions of his work and the austerity of his life may have made it impossible for him to appreciate that Washington is different from Concord in certain fundamental ways. He has been unaccountable not only to Congress but to other members of the administration and to the press. He has worked behind closed doors in the White House and, as the President's accredited deputy, has had everyone except Mr. Eisenhower himself come to him when he called. So far as is known, his off-duty life has not been a broadening one; he has always been thought of as a Yankee villager who kept Epworth League hours, except on choir-rehearsal nights, and few things about the recent revelations have been more surprising to his colleagues than that he had so gay and worldly a friend as Mr. Goldfine and that he frequented such places as the old Copley Plaza and the Waldorf-Astoria. The general belief even now is that these were novel associations for him, and that their very novelty and glamour blinded him to the consequences of enjoying them. The unkind word, hick, has been used a good deal in discussions of the mystery of his behavior. It was surely a countryman speaking when his first response to the charge that he had received a $700 coat was that this was untrue—he had looked into the matter and found that its real value was $69.

Yet the mystery is not solved by any amount of digging into Mr. Adams' past or by speculations about his life here. He has, after all, assimilated enough of the spirit and rhetoric of political uplift to make acceptable speeches and to register hot indignation when other men have embarrassed the White House by their associations. He has been quick to learn all the other rules of political self-preservation. If it was mere self-righteousness—a belief that it was all right for him to do what he had fired other men for doing—his New Hampshire canniness should have warned him to be more careful than he was. And if, on the other hand, some Yankee-trader instinct was working deep within him, the concern for appearances that all politicians—provincial or not—have, should have told him that this would at least look bad, and that by far the better deal, in the long run, would be to pass up the opportunities that his friendship with Mr. Goldfine afforded. His needless, pointless fall from grace is easily the most baffling problem in political behavior to come along here in years—as baffling in some respects, though wholly different in character, as that posed by Alger Hiss—and one imagines that it will be a good many years before Washington stops talking about it.

Mr. Goldfine is testifying before the Harris subcommittee today, and it is expected that his testimony will bring this phase of the subcommittee's hearing to a close. In recent days, the subcommittee itself has been subject to a good deal of criticism, not only from the administration but from civil-libertarians, who have accused it of having violated the rules of the House of Representatives and the principles of common decency in allowing a witness to make defamatory statements in public sessions. The witness in question was John Fox—a financier of eccentric habits and a man plainly dedicated to making life miserable for Mr. Adams and Mr. Goldfine—who testified for 3 days and scattered defamatory statements, some of them based on the remotest kind of hearsay, over every page of the record. A House rule adopted in 1955 provides that when a committee has a witness who can reasonably be expected to use his Congressional immunity to damage the reputations of others, he should be heard first in closed executive session. It is a rule that was made with exactly such a witness as John Fox in mind and that almost everyone honors in principle. It is questionable, though, whether very much good would have come from applying it in this case—or in any case that excites partisan furies as this one has.

The only difference between an open session and a closed one is whether reporters hear the testimony while it is being given or hear it quoted and paraphrased by Congressmen immediately after the session is over. Sometimes, on matters involving foreign and military affairs, it is possible to get all the members of a Congressional committee to agree to maintain a tight security, and there are certain other cases—generally those involving individuals of no political concern to either party—in which the proceedings of an executive session are not disclosed. But for many years, whenever the national interest is not involved and political interests are, it has not been possible to keep committee members from talking to the first reporter they see. If Mr. Fox, for example, had been heard without any reporters on hand, the newspapers the next day would not have been barren of news about his appearance. On the contrary, they would have been full of news, provided by Congressmen fresh from the scene of the slaughter, and the stories, instead of reflecting only Mr. Fox's animadversions, would have reflected those of the source as well. For many years now, both political parties have been agreed on the proposition that Congressional hearings are useful for the education of the public as well as for providing relevant knowledge for legislators, and ever since that agreement was reached it has been exceedingly difficult to maintain the distinction between an open and an executive session—except when what is revealed is either innocuous or clearly perilous.

RICHARD H. ROVERE.

REPRESENTATIVE CHARLES O. PORTER

Mr. MORSE. Mr. President, the New York Post of July 6 contained an excellent article by William V. Shannon on CHARLES O. PORTER, a fine Congressman, who represents Oregon's Fourth Congressional District so capably.

Representative PORTER's work on the Murphy-Gallindez case is known throughout the Nation. It is illustrative of the determination and hard work that PORTER carries on daily in behalf of the people he represents. I am proud to be associated with him in the Congress. I ask unanimous consent that the New York Post article be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Post of July 6, 1958]

THE FRESHMAN WHO SPEAKS HIS MIND

(By William V. Shannon)

WASHINGTON.—The young receptionist covered the phone with her hand and said:

"Is it all right to give out Congressman PORTER's home address?"

"It's in the telephone book so I guess it's all right," the secretary replied matter of factly. Then she added with a smile, "Of course, if he has a Dominican or a Cuban accent, it might not be such a good idea."

Like his staff, Representative CHARLES PORTER, the freshman Democrat from Oregon, who has earned national publicity by his crusade for justice in the Galindez-Murphy case, gets a kick out of the excitement he has stirred up, but he cannot take its cloak-and-dagger aspects entirely seriously.

For a time, he carried a gun while traveling to and from his office each day because Washington police officials had warned him not to disregard the threatening letters and anonymous telephone calls he has received since he began his attacks on the Trujillo regime in the Dominican Republic.

"I have since discontinued the practice because I decided that if anyone were determined enough to kill me, I could not completely protect myself whatever I did," he remarked the other day.

WARNING

After PORTER appeared on the Meet the Press television show last year to discuss the Galindez case, he received several of those

mysterious telephone calls. He was awakened one night by a caller who said nothing but held a watch near the phone; there was only the ominous ticking and faint background noises.

PORTER became interested in the Galindez case because Gerald Murphy, the young freelance pilot who is believed to have flown the kidnap plane which reportedly carried Jesus de Galindez from New York to the Dominican Republic, was a native of his district in central Oregon. When Murphy disappeared, his parents enlisted PORTER's help. The Congressman made his first speech on the case in the House on February 28, 1957. He made his most recent last Tuesday, blasting the whitewash report prepared for the Trujillo government by New York Attorney Morris Ernst.

"I thought the Ernst report, even though I would disagree with its findings, would be a closely knit, carefully worked-out legal presentation very difficult to knock holes in," he observed. "I was astonished to find how sloppy and loosely reasoned it was. Except for the skill it shows in skirting the libel laws, the report could have been written as well or better by any first-year law-school student."

PORTER knows something about the way lawyers work because he is one himself. He is also the coauthor of The American Lawyer, published by the University of Chicago Press. This volume grew out of his 3 years as chief assistant in Boston to the director of a comprehensive survey of the legal profession sponsored by the American Bar Association. Before working on this survey, between 1948 and 1951, PORTER had graduated from Harvard Law School and spent a year as clerk to a justice of the Ninth Circuit Court of Appeals, which has jurisdiction over the west coast.

UPSET

PORTER returned to the West in 1951 and formed a law partnership in Eugene, Oreg., the largest city in the Fourth Congressional District and, up to that time, long a Republican stronghold. PORTER plunged into politics immediately. In 1952 he became chairman of the Democratic finance committee for his county and campaigned vigorously for Adlai Stevenson.

In 1954 he ran for Congress and lost by 14,000 votes. Two years later he ran again, picked up more than 30,000 votes above his previous total, and squeezed home in front by 4,400 votes. He defeated Harris Ellsworth, a Republican, who had held the seat for 7 terms and who was subsequently appointed Chairman of the Civil Service Commission by President Eisenhower.

PORTER was born April 4, 1919, in the small town of Klamath Falls, Oreg. ("It's the only political mistake I've ever made—I was born just outside my District.") As a child, he moved with his family to Eugene, where his father still works as a railroad yardmaster. PORTER has a sister and an older brother who is an Air Force master sergeant stationed at the Omaha SAC base.

His earliest enthusiasm was for newspaper work. In high school he edited a paper which won State and national honors and helped win him a journalism scholarship to Northwestern University. He then won a national merit scholarship and transferred to Harvard. For a brief period he was the New York Times campus correspondent.

At Harvard, he majored in social relations (sociology and psychology). He graduated cum laude but he says, looking back on it, "There is a lot of terminological nonsense in sociology.

"I did my senior honors thesis on democracy in labor unions—and found there was not much of it," he said.

PORTER is a lean, live wire-type with a lot of nervous energy, a gift for the fluent phrase and a share of natural cockiness. He was born to heckle, speak his mind, found committees, and give hell to the other side. While a junior at Harvard, early in 1940, he founded the National Student Defense League. This was an intercollegiate organization whose purpose was to agitate for all-out aid to Britain.

In his senior year, he shifted to the law school under a special program that enabled undergraduates to begin studies early. As a law student, he was ineligible for membership in the National Student Defense League.

"So I founded a new organization called 'The Committee for Militant Aid to Britain.' It consisted of three guys: myself, a Yale man, and Bill Bundy (now a high CIA official and Dean Acheson's son-in-law). We were for an immediate declaration of war on Germany. Our first rally in Harvard Yard ended up with the freshmen throwing snowballs at the isolationists who were picketing us and everybody singing 'There'll Always Be An England'."

Between trying to help Britain and studying law, PORTER made time to establish the Harvard Law School Record, a 4-page weekly still in existence and the first law-school newspaper in the country.

"Now they put 'Oldest Law School Newspaper in America' on their masthead. Boy, does that make me feel old," PORTER exclaimed the other day.

"When I was yelling for war to help the British, the other side kept asking me why I didn't volunteer for the Army myself. I told them we had a draft system and I would go when I was called."

In July 1941, the Army called him and for the next 50 months he was in the service. Sent to the Caribbean, he naturally bobbed up as Yank magazine's first correspondent in the Caribbean area. Assigned to the Air Force and sent to the Harvard Business School to become a statistical officer, he got unexpectedly washed out for lack of discipline.

"I was the first man ever washed out of the program on those grounds," PORTER recalls. "I was taking a course in geopolitics which I didn't have too high an opinion of. I asked the instructor if it would be all right if I skipped his last lecture so I could go get a marriage license because I wasn't interested in geopolitics and I was interested in getting married. He didn't seem to like my attitude.

"I was married on March 1, 1943, the date I was to have been graduated. Being washed out didn't bother me but my wife didn't like it because all the wedding invitations had to be changed from 'Second Lieutenant PORTER' to 'Officer Candidate PORTER,'" he added.

He had met the former Priscilla Galassi 4 years before on a blind date when he was a sophomore and she a junior at Radcliffe. They now have 3 sons, Don, 13, Chris, 8, and Sam, 5, and a daughter, Anne, 3.

PORTER, eventually made second lieutenant, served overseas with the 9th Air Force and spent several months at the end of the war as a war crimes investigator. Returning to Harvard in 1945, he finished up 3 years of law school work in 2 and took his degree in 1947.

PORTER is of medium height, extremely slim, with a bony face, deep-set blue eyes, and thinning sandy hair. He wears dark, plastic-rimmed glasses which he periodically pushes to the top of his forehead, giving himself a quizzical appearance. In college he was a crack squash player. His chief recreations now are swimming, paddleball in the Congressional gymnasium, and taking his youngsters on hikes.

He recently finished reading Choice for Survival, by Louis Halle, a former member of the State Department policy planning staff. He is currently reading Independent Man, a biography of the late Senator James Couzens written by Harry Barnard.

SATISFACTION

"I was planning to read the Couzens book sooner or later but then I read an article somewhere in which the author of the book listed me as one of the outstanding Congressmen, so I decided to read his book sooner rather than later.

"Obviously he is a rare judge of character," Porter said with a smile.

"I don't get to read a lot of books. I take home great stacks of them from the Library of Congress and pile them up by my bed intending to read them but I find I never have time to more than dip into most of them. Too much time is taken up reading bills, reports, and the CONGRESSIONAL RECORD."

He has a huge photograph of Franklin D. Roosevelt on the wall behind his desk and several smaller autographed photos of Adlai Stevenson on an adjoining wall.

"I was for Stevenson in 1952 and 1956 and I am still for him," says Porter. "What a great President he would make!"

Porter has found the response in his home district to his work on the Galindez case very favorable. The editorial comment in the predominantly Republican press has been "uniformly good" and he has received only two hostile letters. There is no feeling that he should concentrate exclusively on Oregon affairs.

"I told my constituents before they elected me that I intended to devote one-third of my time to working for peace," he says. "In both my campaigns, I spoke often about foreign affairs and did not confine myself just to local issues."

His work on the Galindez case has broadened into a general interest in Latin America. He visited ex-President Jose Figuers in Costa Rica and arranged for him to testify before the House Foreign Affairs Committee on ways the United States could win friends south of the border.

He is now corresponding with the State Department and the Immigration Service in an effort to get Marcos Perez Jimenez, the fallen dictator of Venezuela now in exile in Miami, excluded from this country. Porter first spotlighted public attention on American military aid to the Batista government in Cuba and takes credit for stopping this flow of arms.

He obviously enjoys his job. What is the appeal of being a Congressman?

"I enjoy this job because there is so much you can do to focus attention on various problems and feel you are accomplishing something for the public good," is his answer.

TRIBUTE TO REPRESENTATIVE METCALF, OF MONTANA

Mr. MANSFIELD. Mr. President, one of the outstanding Representatives in the House of Representatives is my colleague, the Honorable LEE METCALF from the First District of Montana. Representative METCALF has made an outstanding record during his tenure of service in this body, and we in Montana are extremely proud of his many activities, great ability and outstanding integrity.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point as a part of my remarks an editorial entitled The Need to Ex-

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pand Social Security, published in the Lewiston (Mont.) Daily News of July 6, 1958.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Lewiston (Mont.) Daily News of July 6, 1958]

THE NEED TO EXPAND SOCIAL SECURITY

Congressman METCALF is currently advocating a complete overhaul of the 23-year-old Social Security Act, including an across-the-board increase in old-age benefits and medical insurance.

The Metcalf program has the full endorsement and support of Senators MURRAY and MANSFIELD and Congressman ANDERSON.

The Metcalf program proposes:

1. Increase in social-security benefits 10 percent across the board.

2. Insure the aged against the cost of surgery and up to 120 days of hospitalization and subsequent nursing home care each year, while assuring a free choice of doctors and hospitals making certain there is no Federal control over either the practice of medicine or the administration of hospitals or nursing homes.

3. Begin disability benefits payments as soon as disability occurs, instead of at the age of 50.

4. At least double the present limit of $1,200 a year which a person drawing social security can earn and still get his full pension.

Other expanded benefits proposed include increasing Federal share in public-assistance programs for the needy; full benefits for all women at age 62; increase unemployment compensation benefits by an average of 40 percent, and the duration to 39 weeks; and allow disabled individuals to collect both social security and other Federal disability pensions.

In view of the uninterrupted inflation we are experiencing, the proposed expansion of social security benefits is certainly justified. Today the average retired worker and his aged wife receive $108 per month. Deducting about half of this for minimum food costs, we have just a little over $50 to meet all other living expenses. Obviously, this is no longer sufficient. Moreover, we can see no reason to penalize initiative by the silly limitation that social securtiy benefits are reduced if an individual earns more than $1,200 per year.

We hope this Congress will recognize the need of the Nation's increasingly large older population and act this session to extend required aid.

The social-security program, once denounced as socialism, is now recognized as a great humanitarian advance—security and insulation from want for millions. But, it must be amended from time to time in accordance with changing needs. The proposed Metcalf amendments deserve speedy adoption.

Mr. MANSFIELD. I point out that since June 25 Representative METCALF has advocated a complete overhaul of the 23-year-old Social Security Act, including an across-the-board increase in benefits and medical insurance.

This proposal by Representative METCALF has the full approval of the other members of the Montana delegation, including my senior colleague [Mr. MURRAY], chairman of the Committee on Interior and Insular Affairs, and Representative LEROY H. ANDERSON, who ably represents the Second District in the House of Representatives.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

REPORT OF COMMITTEE ON LABOR AND PUBLIC WELFARE

Mr. THURMOND, from the Committee on Labor and Public Welfare, to which was referred the bill (H. R. 9369) to authorize refunds by the Veterans' Administration of amounts collected from former servicemen by the Government pursuant to guaranty of life insurance premiums under the original Soldiers' and Sailors' Civil Relief Act of 1940, reported it favorably, without amendment, and submitted a report (No. 1862) thereon.

EXTENSION OF TRADE AGREEMENT ACT—AMENDMENT

Mr. PROXMIRE submitted an amendment, intended to be proposed by him, to the bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, which was ordered to lie on the table and to be printed.

JOINT COMMITTEE ON CENTRAL INTELLIGENCE—ADDITIONAL COSPONSOR OF CONCURRENT RESOLUTION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the name of the junior Senator from Texas [Mr. YARBOROUGH] may be added as an additional cosponsor of the concurrent resolution (S. Con. Res. 101) establishing a Joint Committee on Central Intelligence, submitted by me on July 15, 1958.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENTS TO CONFERENCE OF INTERPARLIAMENTARY UNION

The PRESIDING OFFICER. The Chair has been requested by the Vice President to announce for him the appointment of the following Senators to attend the 47th conference of the Interparliamentary Union in Rio de Janeiro, from July 24 through July 31, authorized by the State Department Appropriation bill for 1959, namely: Senator J. ALLEN FREAR, JR., of Delaware; Senator FRANCIS CASE, of South Dakota; Senator A. D. MIKE MONRONEY, of Oklahoma; and Senator JOHN D. HOBLITZELL, JR., of West Virginia.

ADJOURNMENT TO MONDAY

Mr. MANSFIELD. Mr. President, if there be no further business to come before the Senate at this time, I move that, under the order previously entered, the Senate adjourn until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 8 o'clock and 31 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until Monday, July 21, 1958, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 18, 1958:

UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS

I. Jack Martin, of Maryland, to be associate judge of the United States Court of Customs and Patent Appeals, vice William P. Cole, Jr., deceased.

UNITED STATES MINT

Richard Lee Merrill, of Colorado, to be Assayer of the United States Mint, Denver, Colo., to fill an existing vacancy.

PUBLIC HEALTH SERVICE

The following candidates for personnel action in the Regular Corps of the Public Health Service subject to qualifications therefor as provided by law and regulations:

1. FOR APPOINTMENT

To be senior assistant surgeons

Donald E. Bedingfeld	LeRoy F. Lamoreaux
Lowry L. Sheely	Herbert F. Schwarz
James R. Warbasse	Leo Lutwak
James M. Miller	Albert C. Diddams
Kenneth S. Warren	David K. Wagner
Robert E. Markush	

To be assistant surgeons

George W. Sciple	Robert A. Fouty
Alexander V. Monto	Richard G. Griffin
Ray A. Harron	Archer K. Tullidge

To be senior assistant dental surgeons

Anderson F. Williams	James D. Price
Reginald N. Edwards	Thomas E. McClellan
Anthony A. Rizzo	James D. Wrinkle
James H. Hunt, Jr.	Robert K. Davis
Jose H. Diaz	Ray W. Alcox
Joseph Plumbo	James T. Lovett

To be assistant dental surgeons

Walter J. Rubinstein	Leland S. Scott
Harold E. Rosenau	Ike Slodov
Joseph Pomerantz	Irwin I. Ship
Lowell W. Smith	John H. Holt
M. David Lindeman	Charles G. Williamson
Richard H. Johnson	Richard J. Schilling
Kay D. Curtis	Vernon E. Burge
Richard W. Kristensen	
Robert E. Mecklenburg	

IN THE NAVY

The following-named captains of the line of the Navy for temporary promotion to the grade of rear admiral, subject to qualification therefor as provided by law:

Frederick V. H. Hilles	Thomas R. Kurtz, Jr.
Alexander S. Heyward, Jr.	Charles T. Booth II
Jack S. Dorsey	Haslett P. Weatherwax
Frank B. Miller	John L. Chew
Raymond N. Sharp	John W. Gannon
Emmet O'Beirne	Forsyth Massey
Edward E. Colestock	John S. McCain, Jr.
Elonzo B. Grantham, Jr.	Louis J. Kirn
William E. Ellis	Ralph C. Johnson
William S. Post, Jr.	Charles K. Duncan
Harry Smith	John A. Tyree, Jr.
Arthur F. Spring	Frederick L. Ashworth
John B. Colwell	George H. Miller
Bernard F. Roeder	Benedict J. Semmes, Jr.
	Bernard A. Clarey
	William I. Martin.

UNIVERSITY OF MICHIGAN LIBRARIES

POSTMASTERS

The following-named persons to be postmasters:

ARIZONA

Pauline R. Hollamon, Camp Verde, Ariz., in place of C. A. Pulsifer, resigned.

Retta A. Thompson, Queen Creek, Ariz., in place of Beulah Stapley, retired.

ARKANSAS

Albert J. Roberts, Gillett, Ark., in place of L. Q. Lowe, retired.

Hubert C. Robbins, Jr., Piggott, Ark., in place of H. M. Jinks, resigned.

CALIFORNIA

Blanche M. Calahan, Ryde, Calif., in place of D. M. Durham, resigned.

FLORIDA

Marion M. Woolley, Fort Walton Beach, Fla., in place of H. T. Stewart, resigned.

David Peyton Yon, Tallahassee, Fla., in place of J. F. Cochran, deceased.

GEORGIA

Horace J. Healan, Hoschton, Ga., in place of J. P. Pirkle, retired.

IDAHO

James W. Hart, Buhl, Idaho, in place of J. W. Hann, retired.

ILLINOIS

Martin D. Baum, Shannon, Ill., in place of F. C. Spengler, deceased.

William C. Hallock, Tilden, Ill., in place of C. H. Lindsay, retired.

INDIANA

John E. McMahan, Liberty, Ind., in place of of G. L. Bridenhager, retired.

Verda May Penrod, Uniondale, Ind., in place of Arthur Miller, deceased.

IOWA

Phineas D. Varnum, Malcom, Iowa, in place of Ralph Wentzel, transferred.

KANSAS

Robert G. Naylor, Burlington, Kans., in place of C. H. White, retired.

Paul R. Shahan, Marion, Kans., in place of H. J. Keazer, transferred.

Mary L. Halstead, Olpe, Kans., in place of F. A. Brinkman, retired.

Roland D. Kesler, Quinter, Kans., in place of R. S. Ikenberry, retired.

Ernest C. Balay, Wichita, Kans., in place of C. M. Fitzwilliam, retired.

Lloyd E. Herder, Yates Center, Kans., in place of F. M. Stocker, retired.

KENTUCKY

Joseph H. Goosmann, Covington, Ky., in place of R. T. Von Hoene, deceased.

James Elmo Hankins, Frankfort, Ky., in place of M. T. Fish, retired.

LOUISIANA

Marie L. Haley, Luling, La., in place of G. C. Kinler, retired.

MASSACHUSETTS

William H. Hauston, Falmouth, Mass., in place of C. E. Morrison, retired.

MICHIGAN

Charles C. Larsen, Jr., Newaygo, Mich., in place of C. P. Sawyer, retired.

Mary S. Porter, Samaria, Mich., in place of M. S. Dunbar, retired.

MINNESOTA

Dean Lawrence Swanson, Hamel, Minn., in place of E. R. Sheridan, retired.

Robert L. Rislove, Peterson, Minn., in place of M. B. Gullickson, retired.

Neil O. Lance, Plainview, Minn., in place of M. J. Leonard, retired.

MISSISSIPPI

Forrest E. Figg, Courtland, Miss., in place of M. H. Thornton, resigned.

NEW JERSEY

John James Healy, Atco, N. J., in place of E. L. Banker, retired.

NORTH CAROLINA

Edward H. Thomas, Charlotte, N. C., in place of G. E. Wilson, Jr., deceased.

Roby J. Maley, Lexington, N. C., in place of S. J. Smith, retired.

OHIO

Frank B. Mason, Jr., Andover, Ohio, in place of W. E. Cole, retired.

Lloyd Benton Secrest, Galion, Ohio, in place of J. B. Romine, resigned.

OREGON

Lola V. Moorehouse, Noti, Oreg., in place of H. G. Suttle, retired.

PENNSYLVANIA

John M. Welsh, Downingtown, Pa., in place of R. C. Laird, retired.

Harold J. Bagshaw, Hollidaysburg, Pa., in place of A. H. Christy, retired.

SOUTH CAROLINA

Dorothy G. Stoudemire, Little Mountain, S. C., in place of W. R. Shealy, deceased.

TENNESSEE

Alfred Benford Justice, Greeneville, Tenn., in place of F. C. Lindsay, retired.

TEXAS

William C. Brown, Brownfield, Tex., in place of J. L. Shelton, resigned.

William M. Sumner, Carrollton, Tex., in place of G. P. Isom, removed.

Roland L. Brockington, Lancaster, Tex., in place of J. F. Mitchell, retired.

WASHINGTON

Norman P. Kramer, Colton, Wash., in place of O. E. Marine, retired.

WEST VIRGINIA

Jay B. Graham, Buckeye, W. Va., in place of A. B. Graham, retired.

WISCONSIN

Richard C. Coffen, Lake Tomahawk, Wis., in place of E. L. Saykally, deceased.

Forrest C. Spangberg, Strum, Wis., in place of Gerald Bergerson, transferred.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 18, 1958:

UNITED STATES NAVAL REPRESENTATIVE, UNITED NATIONS

Vice Adm. Thomas S. Combs, United States Navy, for appointment as United States naval representative, Military Staff Committee, United Nations, as senior Navy member, pursuant to title 10, United States Code, section 711.

IN THE ARMY

The following-named officers for temporary appointment in the Army of the United States to the grade indicated under the provisions of title 10, United States Code, sections 3442 and 3447:

To be major general

Brig. Gen. John Simpson Guthrie, O18228.
Brig. Gen. Louis Victor Hightower, O18502.
Brig. Gen. Francis Thomas Pachler, O18488.
Brig. Gen. Herbert Lucian Scofield, O29462.
Brig. Gen. Paul Russell Weyrauch, O18252.
Brig. Gen. William Henry Hennig, O17122.
Brig. Gen. Cyrus Abda Dolph 3d, O19170.
Brig. Gen. Briard Poland Johnson, O29393.
Brig. Gen. Victor James MacLaughlin, O18580.
Brig. Gen. Bogardus Snowden Cairns, O18798.

IN THE NAVY AND MARINE CORPS

The nominations of William M. Akers and 341 other officers in the Navy and Marine Corps, which were confirmed today, were received by the Senate on July 8, 1958, by the Senate, and appear in full in the Executive Proceedings of the Senate in the CONGRESSIONAL RECORD for that date, under the caption "Nominations," beginning with the name of William M. Akers, which is shown on page 13150, and ending with the name of John W. Taylor which is shown on page 13151.

WITHDRAWAL

Executive nomination withdrawn from the Senate July 18, 1958:

POSTMASTER

Richard H. Waldum to be postmaster at Black River Falls, in the State of Wisconsin.

HOUSE OF REPRESENTATIVES

FRIDAY, JULY 18, 1958

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

I John 4: 18: *Perfect love casteth out fear.*

Almighty God, by whose mercies we are spared and by whose power we are sustained, grant that daily we may commit ourselves to Thy never-failing providence.

Inspire and gird us with those capacities and abilities which will enable us to discharge our tasks and responsibilities diligently and devotedly.

Help us to walk the way of life and of duty with a firm step which nothing can impede and a courage of heart which knows no fear and a splendor of faith which can never be eclipsed by doubt and despair.

Give us the blessed assurance that a day is dawning when the evil and sinister forces of aggression, which are breaking the heart of humanity and blaspheming Thy holy name, shall be supplanted by truth and righteousness.

Hear us in the name of the Prince of Peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

GOSHEN VENEER CO.

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 6282) for the relief of the former shareholders and debenture note holders of the Goshen Veneer Co., an Indiana corporation, with a Senate amendment thereto, disagree to the Senate amendment, and ask for a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. LANE, DONOHUE, and POFF.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION BILL, 1959

Mr. FOGARTY. Mr. Speaker, I call up the conference report on the bill (H.

R. 11645) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1959, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 2220)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11645) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1959, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 29, 31, 47, 51, 54, and 57.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 7, 8, 10, 12, 13, 14, 23, 27, 28, 38, 52, 53, 56, 58, and 60, and agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$7,424,500"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,953,700"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$800,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$22,889,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,400,000"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$6,386,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$4,000,000"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$6,600,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$12,815,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$186,200,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$35,000,000"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$7,500,000"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$7,500,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,600,000"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$43,454,000"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment, as follows: recede from its disagreement to the amendment insert "$4,108,000"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$40,473,000"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,124,000"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$28,974,000"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$75,268,000"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$52,419,000"; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$45,613,000"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$7,420,000"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$31,215,000"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$24,071,000"; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$29,403,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 4, 5, 20, 34, 35, 40, 49, 50, 55, and 59.

JOHN E. FOGARTY,
WINFIELD K. DENTON,
FRED MARSHALL,
MELVIN R. LAIRD,
ELFORD A. CEDERBERG,
JOHN TABER,
Managers on the Part of the House.

LISTER HILL,
DENNIS CHAVEZ,
RICHARD B. RUSSELL,
WARREN G. MAGNUSON,
JOHN STENNIS,
JOHN O. PASTORE,
EDWARD J. THYE,
MARGARET CHASE SMITH,
CHARLES POTTER,
IRVING IVES,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House, at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11645) making appropriations for the Departments of Labor and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1959, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE I—DEPARTMENT OF LABOR

Bureau of Labor Standards

Amendment No. 1.—Salaries and expenses: Provides that not less than $201,575 shall be for the work of the President's Committee on National Employ the Physically Handicapped Week as proposed by the Senate instead of $192,575 as proposed by the House.

Amendment No. 2.—Salaries and expenses: Appropriates $1,004,000 as proposed by the Senate instead of $995,000 as proposed by the House.

Bureau of Apprenticeship

Amendment No. 3.—Salaries and expenses: Appropriates $3,700,000 as proposed by the Senate instead of $3,600,000 as proposed by the House.

Bureau of Employment Security

Amendment No. 4.—Grants to States for unemployment compensation and employment service administration: Reported in disagreement.

Amendment No. 5—Compliance activities, Mexican Farm Labor Program; and Salaries and expenses, Mexican Farm Labor Program: Reported in disagreement. It was agreed that a motion will be offered in the House to recede and concur with the Senate amendment, with an amendment which will have the effect of (1) restoring the paragraph proposed by the House and stricken by the Senate, and (2) amending the paragraph inserted by the Senate to appropriate $1,550,000 all of which shall be derived by transfer from the farm labor supply revolving fund, rather than $2,250,000 of which $910,600 would have been derived from the farm labor supply revolving fund, as proposed by the Senate.

Bureau of Labor Statistics

Amendment No. 6—Salaries and expenses: Appropriates $7,424,500 instead of $7,332,000 as proposed by the House and $7,517,000 as proposed by the Senate.

TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Food and Drug Administration

Amendment No. 7—Salaries and expenses: Appropriates $9,800,000 as proposed by the Senate instead of $9,300,000 as proposed by the House.

Gallaudet College

Amendment No. 8—Salaries and expenses: Appropriates $815,000 as proposed by the Senate instead of $785,000 as proposed by the House.

Howard University

Amendment No. 9—Salaries and expenses: Appropriates $3,953,700 instead of $3,900,000 as proposed by the House and $4 million as proposed by the Senate. The conferees are agreed that the $53,700 by which the amount agreed upon exceeds the amount proposed by the House, shall be used exclusively for additional teachers in medicine and dentistry.

Office of Education

Amendment No. 10—Grants for library services: Appropriates $6,000,000 as proposed by the Senate instead of $5,000,000 as proposed by the House.

Amendment No. 11—Assistance for school construction: Appropriates $800,000 instead of $750,000 as proposed by the House and $850,000 as proposed by the Senate.

Amendment No. 12—Salaries and expenses: Appropriates $7,850,000 as proposed by the Senate instead of $7,800,000 as proposed by the House.

Office of Vocational Rehabilitation

Amendment No. 13—Grants to States and other agencies: Appropriates $51,600,000 as proposed by the Senate instead of $50,600,000 as proposed by the House.

Amendment No. 14—Grants to States and other agencies: Provides that $4,600,000 is for special projects under section 4 of the Vocational Rehabilitation Act as proposed by the Senate instead of $3,600,000 as proposed by the House.

Public Health Service

Amendment No. 15—Assistance to States, general: Appropriates $22,889,000 instead of $22,000,000 as proposed by the House and $25,574,000 as proposed by the Senate. The conferees are agreed that the $889,000 by which the amount agreed upon exceeds the sum proposed by the House shall be allocated as follows: $128,000 to initiate a study on silicosis and pneumoconiosis; $74,000 for work with the chronically ill and the aged; $72,000 for accident prevention; $115,000 for training public health workers; and $500,000 for general health grants to the States.

Amendment No. 16—Control of venereal diseases: Appropriates $5,400,000 instead of $4,400,000 as proposed by the House and $5,800,000 as proposed by the Senate. The conferees are agreed that $100,000 of the amount appropriated in excess of the amount proposed by the House shall be for research in the field of gonorrhea for the purpose of devising a more rapid and accurate and diagnostic test.

Amendment No. 17—Control of tuberculosis: Appropriates $6,386,000 instead of $5,386,000 as proposed by the House and $6,886,000 as proposed by the Senate.

Amendment No. 18—Control of tuberculosis: Provides that $4,000,000 shall be available only for grants to States instead of $3,000,000 as provided by the House and $4,500,000 as provided by the Senate.

Amendment No. 19—Communicable disease activities: Appropriates $6,600,000 instead of $6,200,000 as proposed by the House and $7,150,000 as proposed by the Senate. The conferees are agreed that of the $400,000 by which the amount agreed upon exceeds the amount proposed by the House, $75,000 shall be for extension of work on rabies control, and $325,000 shall be for an intensified program to study staphylococcal infections.

Amendment No. 20—Equipment, Communicable Disease Center: Reported in disagreement.

Amendment No. 21—Sanitary engineering activities: Appropriates $12,815,000 instead of $12,725,000 as proposed by the House and $13,315,000 as proposed by the Senate. The amount agreed upon will restore the $90,000 reduction in the budget mad · by the House.

Amendment No. 22—Grants for hospital construction: Appropriates $186,200,000 instead of $121,200,000 as proposed by the House and $211,200,000 as proposed by the Senate.

Amendment No. 23—Grants for hospital construction: Provides that $150,000,000 of the total appropriation shall be for payments pursuant to part C of the Public Health Service Act as proposed by the Senate instead of $99,000,000 as proposed by the House.

Amendment No. 24—Grants for hospital construction: Provides that $35,000,000 of the total amount appropriated shall be for payments pursuant to part G of the Public Health Service Act instead of $21,000,000 as proposed by the House and $60,000,000 as proposed by the Senate.

Amendments Nos. 25 through 28—Grants for hospital construction: Provide for the division of funds included for payments pursuant to part G of the Public Health Service Act as follows: $7,500,000 for diagnostic or treatment centers instead of $6,500,000 as proposed by the House and $20,000,000 as proposed by the Senate; $7,500,000 for hospitals for the chronically ill and impaired instead of $6,500,000 as proposed by the House and $20,000,000 as proposed by the Senate; $10,000,000 for rehabilitation facilities as proposed by the Senate instead of $4,000,000 as proposed by the House; and $10,000,000 for nursing homes as proposed by the Senate instead of $4,000,000 as proposed by the House.

Amendment No. 29—Grants for hospital construction: Restores language proposed by the House and stricken by the Senate.

Amendment No. 30—Salaries and expenses, hospital construction services: Appropriates $1,600,000 instead of $1,300,000 as proposed by the House and $1,650,000 as proposed by the Senate.

Amendment No. 31—Hospitals and medical care: Restores language proposed by the House and stricken by the Senate which establishes $1,866,000 as the amount to be available for payments for medical care of dependents and retired personnel under the Dependents' Medical Care Act.

Amendment No. 32—Hospitals and medical care: Appropriates $48,454,000 instead of $44,730,000 as proposed by the House and $48,730,000 as proposed by the Senate. The increase over the amount proposed by the House includes $3,000,000 for graduate nurse training authorized by Public Law 911, 84th Congress, and $724,000 for military pay increases for commissioned officers authorized by Public Law 422, 85th Congress.

Amendment No. 33—Foreign quarantine activities: Appropriates $4,108,000 instead of $3,983,000 as proposed by the House and $4,233,000 as proposed by the Senate.

Amendment No. 34—Foreign quarantine service: Reported in disagreement.

Amendment No. 35—Foreign quarantine activities: Reported in disagreement.

Amendment No. 36—Indian health activities: Appropriates $40,473,000 instead of $40,225,000 as proposed by the House and $45,000,000 as proposed by the Senate. The increase of $248,000 over the amount proposed by the House will cover the increased costs of military pay increases for commissioned officers authorized by Public Law 422, 85th Congress.

Amendment No. 37—Construction of Indian health facilities: Appropriates $4,124,000 instead of $3,124,000 as proposed by the House and $5,000,000 as proposed by the Senate.

Amendment No. 38—Construction of Indian health facilities: Provides that of the total appropriation $1,750,000 shall be available for the purposes of Public Law 151, 85th Congress, as proposed by the Senate instead of $750,000 as proposed by the House.

Amendment No. 39—General research and services, National Institutes of Health: Appropriates $28,974,000 instead of $17,742,000 as proposed by the House and $32,552,000 as proposed by the Senate.

Amendment No. 40—General research and services, National Institutes of Health: Reported in disagreement.

Amendment No. 41—National Cancer Institute: Appropriates $75,268,000 instead of $57,423,000 as proposed by the House and $81,129,000 as proposed by the Senate.

Amendment No. 42—Mental health activities: Appropriates $52,419,000 instead of $40,397,000 as proposed by the House and $55,896,000 as proposed by the Senate.

Amendment No. 43—National Heart Institute: Appropriates $45,613,000 instead of $36,212,000 as proposed by the House and $49,529,000 as proposed by the Senate.

Amendment No. 44—Dental health activities: Appropriates $7,420,000 instead of $6,543,000 as proposed by the House and $7,923,000 as proposed by the Senate.

Amendment No. 45—Arthritis and metabolic disease activities: Appropriates $31,215,000 instead of $21,092,000 as proposed by the House and $34,798,000 as proposed by the Senate.

Amendment No. 46—Allergy and infectious disease activities: Appropriates $24,071,000 instead of $17,997,000 as proposed by the House and $26,500,000 as proposed by the Senate.

Amendment No. 47.—Allergy and infectious disease activities: Strikes language proposed by the Senate.

Amendment No. 48—Neurology and blindness activities: Appropriates $29,403,000 instead of $21,977,000 as proposed by the House and $32,250,000 as proposed by the Senate.

Excluding construction, the House allowed a total of $219,383,000 for all activities of the National Institutes of Health. This was increased by the Senate to $320,577,000, an increase of $101,194,000. The effect of the agreements reached on the preceding 10 amendments is to appropriate a total of $294,383,000, an increase of $75,000,000 over the amount originally allowed by the House. This large increase was agreed to with the distinct understanding of the managers on the part of both the House and the Senate

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that there should be no reduction in the high standards for determining the acceptability of research projects for financing from these appropriations and that there should be no diversion of funds for any purpose not contained in the President's budget for 1959 or specifically provided for by the House or the Senate.

Some question has been raised concerning the earmarking of funds for the mental health program for contracting with the pharmaceutical industry. The managers on the part of both the House and the Senate are agreed that the Psychopharmacology Service Center be given a special allocation of approximately $4,000,000 to advance the program of basic research on the effects of drugs on the mentally ill and for the development of desperately needed screening techniques to determine the effectiveness of particular drugs on particular patients by every appropriate means, including entering into contracts with research organizations, public or private.

The managers on the part of both the House and the Senate are agreed that the amounts provided for research grants in the appropriations for the National Institutes of Health are sufficient to allow funds for diversion to cover the recent civil service and military pay increases.

Amendment No. 49—General office building: Reported in disagreement.

Amendment No. 50—Construction of library facilities: Reported in disagreement.

Amendment No. 51—Retired pay of commissioned officers: Deletes language proposed by the Senate.

Social Security Administration

Amendment No. 52—Grants to States for maternal and child welfare: Appropriates $43,500,000 as proposed by the Senate instead of $42,500,000 as proposed by the House.

Amendment No. 53—Grants to States for maternal and child welfare: Provides that $12,000,000 of the sum appropriated shall be for child-welfare services as proposed by the Senate instead of $11,000,000 as proposed by the House.

General Provisions

Amendment No. 54: Inserts language proposed by the House and stricken by the Senate which limits the amount that may be paid to cover indirect costs of a research project to 15 percent of the direct costs. The managers on the part of both the House and the Senate agreed to the restoration of this limitation with the understanding that the question of changing such limitation was being deferred due to the fact that the interagency committee composed of representatives of the agencies of the Federal Government most concerned with this matter have not yet made their final report and many volunteer agencies making grants for research projects are not at the current time paying in excess of 15 percent and some are paying considerably less.

Amendment No. 55: Reported in disagreement.

TITLE III—NATIONAL LABOR RELATIONS BOARD

Amendment No. 56—Salaries and expenses: Appropriates $13,100,000 as proposed by the Senate instead of $9,384,800 as proposed by the House.

TITLE VI—FEDERAL MEDIATION AND CONCILIATION SERVICE

Amendment No. 57—Salaries and expenses: Appropriates $3,650,000 as proposed by the House instead of $3,695,000 as proposed by the Senate.

TITLE VIII—UNITED STATES SOLDIERS' HOME

Amendment No. 58—Limitation on operation and maintenance and capital outlay: Appropriates $5,299,500 as proposed by the Senate instead of $5,256,000 as proposed by the House.

TITLE IX—GENERAL PROVISIONS

Amendment No. 59—Reported in disagreement.

Amendment No. 60: Strikes limitation on certain advances to States for the first quarter of the next succeeding fiscal year proposed by the House.

JOHN E. FOGARTY,
WINFIELD K. DENTON,
FRED MARSHALL,
MELVIN R. LAIRD,
ELFORD A. CEDERBERG,
JOHN TABER,
Managers on the Part of the House.

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FOGARTY. Mr. Speaker, these are times in which it is imperative for the Members of this body to reiterate in words and demonstrate in action their confidence in the stability and future progress of our country. The eyes of all nations of the world are focused upon the United States as a bulwark of freedom and a pioneer in its ability to demonstrate how free men, acting with vision and with good faith, can build and perpetuate a society which continues to meet the needs of the people, as the people perceive them, and to maintain a nation with the kinds of inner strength essential not just to survival, but to full and rewarding life.

Members of Congress have many opportunities to contribute to this kind of positive growth. One such opportunity is before us now for action.

I refer to our disposition of the conference report on the bill H. R. 11645, making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1959.

The House passed this bill with a total of $2,967,955,581. This total was increased by the Senate to $3,205,382,581 or an increase of $237,427,000. The bill as agreed to in conference carries a total of $3,142,606,981 or $62,775,600 less than the Senate bill and $174,651,400 over the bill as passed the House. The major part of the increase over the House bill is in the United States Public Health Service; more specifically, there is an increase of $75 million for the operating expenses of the National Institutes of Health; there is an increase of $65 million for hospital construction; and there is an increase of $16,575,000 for 2 buildings, $9,625,000 for a general office building at the National Institutes of Health and $6,950,000 for the construction of a new building or the National Library of Medicine. The items which I have specifically mentioned account for over $156 million of the total increase of over $174 million.

The Federal activities supported by these appropriations are those which perhaps most directly affect all of the people—their health, their security, their opportunity for education, and for productive participation in the affairs of our Nation. One of my great rewards as a Member of Congress has been the opportunity to serve the people as chairman of the committee of the House which considers these programs and recommends action on appropriate levels for their support. Two things have made this task easier: First, the members of the House committee have always given thoughtful, impartial, and farsighted attention to the needs and programs of the agencies in these two vital departments of the executive branch; and, second, our colleagues in the other body have been just as sincere and dedicated in their consideration of how these programs can best serve the American people.

I am glad to be able to say that again no such basic disagreement lies behind the conference report and its recommendations to both Houses of Congress for these appropriations.

I want to make a special comment concerning that part of these actions relating to medical research. For the most part, these programs are centered in the National Institutes of Health, which, as an arm of the Public Health Service, is a vital source of funds for the support of research, research training, and research construction in the medical sciences.

The House in its initial action on these appropriations provided a marked increase over the funds contained in the administration bill, reflecting once again its deep concern that the health of the American people continues to improve as the result of new knowledge derived from research. On the basis of the testimony presented before us, your committee recommended and you endorsed greater efforts against cancer, heart disease, mental illness, and the other major health problems of today, and in training promising young men and women for research careers.

The Senate action recommended still further increases in the funds available for these programs.

In the conference that ensued, the question was not one of reconciling differences, but of agreeing upon appropriate levels. We were able to achieve this agreement without compromise in principle.

The conferees agreed upon a level of $294 million for these eight appropriations, an increase of $75 million above the House's initial figure and about $83 million above the administration's request.

I want to say that while I have always given strong support to medical research because of my personal conviction of its contributions to the Nation's health, I would not have accepted increases of this magnitude, nor, I believe, would the other members of the conference committee, had it not been for the demonstrations of integrity and good judgment by the National Institutes of Health officials and their scientific advisors in the past. What is proposed here is a sizable increase. But the important thing is the assurance we can have that high standards of quality will be maintained, that money will not be used if it cannot be utilized effectively, and that the availability of funds under these circumstances will give ample demonstration of our commitment that progress against the diseases that kill and cripple our

people and impair the happiness and productivity of our society will not be impeded simply by lack of funds available for research. Both the House and the Senate committees fully expect to keep in close touch with these programs, to be advised on how the added funds are used, and to see the quality of the activities maintained as its dimension is increased.

I must say a word, too, about the insistence of the House conferees in refusing to accept the Senate recommendation to increase from 15 percent to 25 percent the amount provided for overhead costs of research projects carried out in the medical schools and universities. I would not want this construed as a lack of awareness on our part that these schools are facing acute financial crises in terms of financing their general operations. It is generally recognized that this is a legitimate and pressing need and that something should be done about it. The question has been raised as to whether this problem is to be met directly or indirectly. Many feel that legislation should be sought for direct Federal assistance.

These questions of overhead and mechanics and dimension are important and relevant to your consideration of the bill that is before you. As Members of Congress, representing our own constituents and the people as a whole, it is our job to look into these programs in depth and see that the investment of public funds is carried out in a manner that is responsible and effective and truly representative of the best interests of the people.

We must never lose sight, however, of the fact that we are considering here matters which are directly and specifically matters of life and death, of health and survival. In large measure as a result of the interest and stimulus of Congress, through programs that have been wisely administered in support of activities that have been effectively carried out, we have helped advance the present and potential health of the people beyond all expectation. There is no one of us who would interrupt or impede this progress. Money alone is not the answer. Trained people, and ideas, and facilities, and equipment, and time—these, too, are essential to progress against disease. We cannot buy such progress, except insofar as we can build the Nation's resources for research and provide an intellectual and social climate in which science can flourish.

What this appropriation says, insofar as the Federal Government is concerned, is that we do not want dollars alone to limit the rate of progress against disease through research.

Mr. LAIRD. Mr. Speaker, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Wisconsin.

Mr. LAIRD. Mr. Speaker, we have had this bill in conference for 4 weeks in an effort to work out a satisfactory compromise which we could present to the House. There were several large additions which were made by the Senate to this bill. The total additions which were made amount to $237 million. This was compromised in the conference to the extent that the total overall additions which are now provided in this conference report are $174 million.

Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point a table which sets forth that portion of the increase that has to do with the National Institutes of Health.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The table follows:

Explanation table of conference report agreement covering medical research appropriations for fiscal year 1959, National Institutes of Health

[All figures in thousands]

	General research and services	Cancer	Mental	Heart	Dental	Arthritis	Allergy	Neurology	Total
1. Total research grant funds in Senate bill	$20,000	$33,992	$17,000	$28,258	$4,351	$22,500	$17,000	$19,250	$177,351
2. Direct costs (line 1 less overhead at 25 percent)	16,000	27,194	13,600	22,606	3,481	18,000	13,600	15,400	129,881
3. Indirect costs:									
(a) At 25 percent of line 2	4,000	6,798	3,400	5,652	870	4,500	3,400	3,850	32,470
(b) At 15 percent of line 2	2,400	4,079	2,040	3,391	522	2,700	2,040	2,310	19,482
4. Reduction due to retention of 15 percent limitation (3 (a) minus 3 (b))	1,600	2,719	1,360	2,261	348	1,800	1,360	1,540	12,988
5. Total Senate increase over House bill	14,810	23,706	15,499	13,317	1,380	13,706	8,593	10,273	101,194
6. Less reduction due to retention of 15 percent limitation	1,600	2,719	1,360	2,261	348	1,800	1,360	1,540	12,988
7. Senate increase over House bill, with 15 percent limitation	13,210	20,987	14,139	11,056	1,032	11,906	7,143	8,733	88,206
8. Less amounts necessary to reduce increase to $75,000,000	1,978	3,142	2,117	1,655	155	1,783	1,069	1,307	13,206
9. Distribution of $75,000,000 increase	11,232	17,845	12,022	9,401	877	10,123	6,074	7,426	75,000
10. House allowance	17,742	57,423	40,397	36,213	6,543	21,092	17,997	21,977	219,383
11. Conference agreement (line 9 plus line 10)	28,974	75,268	52,419	45,613	7,420	31,215	24,071	29,403	294,383

Mr. LAIRD. The Senate in adopting this bill provided for the construction of certain buildings at the National Institutes of Health. Construction of these particular buildings was to proceed immediately.

The language, which was in the bill passed by the other body, which would require construction to be started at a very early date, has been deleted because there is a great deal of construction at the present time in the District of Columbia area. The construction costs are high here because of the great competition in the District area for people employed in the construction trades. It was the feeling of our conference committee that this should be very carefully gone over and proper construction start times for these buildings would have to be arrived at at a later time.

The total amount provided in this bill in increases over the bill as passed by the House in the area of health research is $75 million over and above the figure as passed by the House. In the statement by the managers on the part of the House, we have made it very clear to the National Institutes of Health that they must maintain the same high standards in making these research grants that they have in the past. By adding this money, it is not the intention of the House conferees in any way to reduce these high standards, which have been set by the National Institutes and the various advisory committees in the way of allocating research grants.

On the basis of the testimony which was presented, it is very difficult for me to believe that more than $50 million above the original House bill can be spent in fiscal 1959. I think the chairman of the committee will agree, that it will be almost impossible for the amount of money provided in this conference report to be expended in the fiscal year 1959. It is not the intent in granting this increase that the standards which have been maintained and which have made the National Institutes of Health one of the great research centers of the world. It is not the intention that these standards would be reduced in any way.

We, in the United States, can be very proud of the fact that we lead the world in the field of medical research. The great discoveries that have been made recently have been made in the United States so far as medical research is concerned fill my heart with pride. Often times the American people, I think, fail to realize the great work that has been done in this important field of medical research. We are entering an era where we are near a major breakthrough in the field of cancer research. That is one of the greatest things that could happen for all of our people, both in America and throughout the world. We are also making great strides in other fields including mental health.

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Mr. Speaker, it is the feeling of our committee that this is certainly an adequate bill.

Mr. FOGARTY. Mr. Speaker, there are one or two other things that I wish to mention before we vote on this conference report.

There are many instances where special segments of the programs provided for in the bill were identified in the House and Senate reports for special attention and action. We expect the agencies to start at once to so plan these programs as to implement the expressed intentions of Congress.

There is one item in the Department of Labor section of the bill which may need some clarification. There have been rumors to the effect that the action agreed upon by the conferees would make it necessary for the Department of Labor to dismiss several compliance personnel in connection with the Mexican farm-labor program. The facts of the matter are that the $480,600 in the bill for "Compliance activities, Mexican farm-labor program" is exactly the amount which is carried in the President's budget for this activity for 1959, and is the same as the amount provided for this activity in the 1958 Appropriation Act, and compares with $424,553 shown in the President's budget as having been spent for this activity in 1957. It is clear from these figures that no reduction in force for compliance personnel will be required. In fact, the amount provided by the conferees' agreement will allow over 10 percent more than was spent on this activity in 1957 and the same amount as for 1958. It certainly was not the intention of the conferees to curtail this activity in any way and I believe I speak for at least the majority of the conferees in saying that we will be quite disturbed if any curtailment is put into effect.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. FOGARTY. Mr. Speaker, I yield to the gentleman from Montana [Mr. METCALF].

Mr. METCALF. I want to ask the chairman of the subcommittee, the gentleman from Rhode Island [Mr. FOGARTY] about the animal house in Hamilton. The gentleman from Wisconsin was talking about the expensive construction here in the National Institutes of Health out at Bethesda. In Hamilton there is a Public Health Service institution which year after year has performed distinguished service and if it comes to a question of an area where you can have cheap construction to do the kind of research that is necessary to be done, I was hoping that you would hold that appropriation for that animal house out there.

Mr. FOGARTY. I might say that both sides, the House and Senate agreed to eliminating this item because there was no testimony by the United States Public Health Service before the committee of the other body or the committee of the House as to the advisability of building this building. So it was the opinion of the conferees that it be eliminated from the bill at his itme.

Mr. METCALF. I thank the gentleman for that explanation.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 4: Page 5, line 8, insert: "and for the acquisition of a building through such arrangements as may be required to provide quarters for such offices and facilities in the District of Columbia and for the District of Columbia Unemployment Compensation Board, subject to the same conditions with respect to the use of these funds for such purposes as are applicable to the procurement of buildings for other State employment security agencies."

Mr. FOGARTY. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 5: Page 5, line 4, strike out lines 4 to 9, inclusive, and insert the following:

"SALARIES AND EXPENSES, MEXICAN FARM LABOR PROGRAM

"For expenses, not otherwise provided for, necessary to carry out the functions of the Department of Labor under the act of July 12, 1951 (65 Stat. 119), as amended, including temporary employment of persons without regard to the civil-service laws, $2,250,000, of which $910,600 shall be derived by transfer from the farm labor supply revolving fund: *Provided*, That reimbursement to the United States under agreements hereafter entered into pursuant to section 502 of the act of October 31, 1949, as amended (7 U. S. C. 1462), shall include all expenses of maintaining and operating migration and reception centers, including salaries and expenses of regular and other employees engaged therein."

Mr. FOGARTY. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. FOGARTY moves that the House recede from its disagreement to the amendment of the Senate numbered 5, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"COMPLIANCE ACTIVITIES, MEXICAN FARM LABOR PROGRAM

"For expenses necessary to enable the Department to determine compliance with the provisions of contracts entered into pursuant to the act of July 12, 1951, as amended, $480,600.

"SALARIES AND EXPENSES, MEXICAN FARM LABOR PROGRAM

"For expenses, not otherwise provided for, necessary to carry out the functions of the Department of Labor under the act of July 12, 1951 (65 Stat. 119), as amended, including temporary employment of persons without regard to the civil-service laws, $1,550,000, which shall be derived by transfer from the farm labor supply revolving fund: *Provided*, That reimbursement to the United States under agreements hereafter entered into pursuant to section 502 of the act of October 31, 1949, as amended (7 U. S. C. 1462), shall include all expenses of program operations except those compliance activities separately provided for herein."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 20: Page 24, line 1, insert:

"EQUIPMENT, COMMUNICABLE DISEASE CENTER

"For purchase and installation of equipment, not otherwise provided, for the Communicable Disease Center Building, Atlanta, Ga., $1,700,000, to remain available until June 30, 1960."

Mr. FOGARTY. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 34: Page 27, line 5, insert ": *Provided*, That appropriations under this head for fiscal year 1958 are hereby made available for payment of overtime for the period July 1, 1957, to May 2, 1958, computed in accordance with administrative instructions issued November 4, 1957, by the Public Health Service, Division of Foreign Quarantine."

Mr. FOGARTY. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 35: Page 27, line 11, insert "Section 364 (c) of the Public Health Service Act, as amended, is amended to read as follows:

"'(c) The Surgeon General shall fix a reasonable rate of extra compensation for overtime services of employees of the United States Public Health Service, Foreign Quarantine Division, performing overtime duties including the operation of vessels, in connection with the inspection or quarantine treatment of persons (passengers and crews), conveyances, or goods arriving by land, water, or air in the United States or any place subject to the jurisdiction thereof, hereinafter referred to as "employees of the Public Health Service", when required to be on duty between the hours of 6 o'clock postmeridian and 6 o'clock antemeridian (or between the hours of 7 o'clock postmeridian and 7 o'clock antemeridian at stations which have a declared workday of from 7 o'clock antemeridian to 7 o'clock postmeridian), or on Sundays or holidays, such rate, in lieu of compensation under any other provision of law, to be fixed at two times the basic hourly rate for each hour that the overtime extends beyond 6 o'clock (or 7 o'clock as the case may be) postmeridian, and two times the basic hourly rate for each overtime hour worked on Sundays or holidays. As used in this subsection, the term "basic hourly rate" shall mean the regular basic rate of pay which is applicable to such employees for work performed within their regular scheduled tour of duty.'"

Mr. FOGARTY. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 40: Page 30, line 3, insert ": *Provided further*, That all funds herein or hereafter appropriated which are expended under any provision of the act in connection with any research or training project may be expended pursuant to contracts made on a cost or other basis for supplies and services by negotiations, without

regard to section 3709 of the Revised Statutes, including indemnification of contractors to the extent and subject to the limitations provided in title 10, United States Code, section 2354, except that approval and certification required thereby shall be by the Surgeon General."

Mr. FOGARTY. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. FOGARTY moves that the House recede from its disagreement to the amendment of the Senate numbered 40, and concur therein with an amendment, as follows: Strike out "or hereafter."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 49: Page 32, line 17, insert:

"GENERAL OFFICE BUILDING

"For construction of a general office building at the National Institutes of Health, including related parking facilities, $9,625,000, which shall be consolidated with funds appropriated under this head in the Second Supplemental Appropriation Act, 1957 (70 Stat. 769), to be disbursed and accounted for as one fund: *Provided*, That the Surgeon General is authorized to convey by quitclaim deed to the appropriate body corporate of the State of Maryland upon such terms and conditions as he may prescribe such portion of land presently included in the site of the National Institutes of Health as may be necessary to permit improvement of the street currently designated as Cedar Lane for the distance that such street runs contiguous to such site: *Provided further*, That such terms and conditions may include an agreement by the Surgeon General to pay on behalf of the United States 50 percent of the cost of the improvement, but not to exceed $100,000."

Mr. FOGARTY. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 50: Page 33, line 19, insert:

"CONSTRUCTION OF LIBRARY FACILITIES

"For construction and equipment of the National Library of Medicine, including furniture, architectural and engineering services, and moving, $6,950,000, which shall be consolidated with funds appropriated under this head in the Second Supplemental Appropriation Act, 1957 (70 Stat. 769), to be disbursed and accounted for as one fund: *Provided*, That these funds shall be available only if a contract for construction is executed on or before April 30, 1959."

Mr. FOGARTY. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. FOGARTY moves that the House recede from its disagreement to the amendment of the Senate numbered 50, and concur therein with an amendment, as follows: Strike out ": *Provided*, That these funds shall be available only if a contract for construction is executed on or before April 30, 1959."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 55: Page 42, line 4, insert:

"SEC. 208. Any appropriation available for the pay and allowances of commissioned officers of the Public Health Service may be utilized for the payment of claims as authorized by the act of September 2, 1957 (71 Stat. 575)."

Mr. FOGARTY. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 59: Page 46, line 16, insert "and for expenses of attendance at meetings concerned with the function or activity for which any such appropriation is made."

Mr. FOGARTY. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent that all Members who so desire may extend their remarks on the conference report.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

COMMITTEE ON THE JUDICIARY

Mr. LANE. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have until midnight tonight to file a report on the bill H. R. 12894.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

"KONGRESSIONITIS"

Mr. SIKES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SIKES. Mr. Speaker, from the Medical Doctor's Notebook, published in New York, and called to my attention by my good friend, Dr. R. P. Stritsinger, of Pensacola, I think I have found what ails a lot of us. I quote:

A Swiss medical journal reports on a disease first described by a German physician: "Kongressionitis." Obviously caused by a filtrable virus, since the agent has never been isolated, this syndrome has a long incubation period, often over years. The patient experiences agitation which forces him from his home and leads him to great distances. To this locomotor disturbance are added prolixity and logorrhea, resulting in abundant, either coherent or incoherent, discourses. As the disease becomes chronic, graver symptoms appear: delusions of grandeur, the feeling that his words will change the world and that all who contradict him are persecutors.

This infection is highly contagious; it incubates most readily in assemblies, fostered by tobacco smoke and favored by the warmth of banquets.

Treatment consists of isolation, interdiction of newspapers, radio, visitors. Silence is prescribed, including prolonged therapeutic sleep. Cures are unfortunately only temporary and recidivation is always to be feared.

CURRENT RECESSION LEVELING OFF

Mr. HALE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. HALE. Mr. Speaker, there have recently been several promising indications that perhaps the current recession is leveling off. Industrial production, incomes, and housing construction all advanced in June. We are all hopeful that this is the start of a trend that will carry us to new heights of prosperity.

But reassuring though these signs may be, they should not lead the House to turn its back on legislation to aid chronically distressed areas. These areas are not suffering entirely because of the current recession. They are afflicted by such deep-rooted problems as technological changes, migration of industry, shifts in demand, and overdependence on one industry.

Such problems have caused these areas to suffer not only during economic downturns, but during national economic prosperity as well. For example, the Biddeford-Sanford area in my Congressional District of Maine has been classified as one of labor surplus since 1954.

The Area Redevelopment Act (S. 3683) is, therefore, not an antirecession measure. It is a bill to help correct a situation which has been with us for a long time. It is a bill to supplement the efforts of local communities to overcome problems they cannot solve alone. It is a bill to help assure prosperity for our entire Nation.

Area redevelopment legislation has had an unhappy history. Such legislation had been recommended by the Joint Economic Committee in 1955. Appropriate legislation was passed by the Senate in 1956. But a House bill, after having been approved by the Banking and Currency Committee on June 29, died in the Rules Committee as Congress adjourned.

This year the Senate has again passed an area redevelopment bill. The House Banking and Currency Committee approved the measure on July 1, and a rule was requested last Wednesday.

I hope the Rules Committee will not allow the same fate for this bill as was dealt the 1956 measure. Adjournment, we hope, is not far in the future. The time for action is now. About 4.8 million workers in 70 industrial areas in 20 States, plus millions in rural areas, are looking to the House of Representatives for assistance. We must not turn our backs on these people.

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I urge the Rules Committee to send this legislation to the House as soon as possible. Delay on this vital legislation would be inexcusable.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following resignation from a committee:

The Honorable SAM RAYBURN,
The Speaker,
The House of Representatives,
Capitol Building,
Washington, D. C.

DEAR MR. SPEAKER: I hereby tender my resignation as of this date, as a member of the House Post Office and Civil Service Committee.

With kindest of personal regards, I am,
Sincerely,

GRACIE PFOST,
Member of Congress.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

MAJ. GEN. CLAIRE L. CHENNAULT, UNITED STATES AIR FORCE, RETIRED

Mr. HÉBERT. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 13366) to provide for the advancement of Maj. Gen. Claire L. Chennault, United States Air Force, retired, to the grade of lieutenant general on the retired list.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Maj. Gen. Claire L. Chennault, United States Air Force, retired (AO-10090), shall be advanced on the retired list to the grade of lieutenant general, effective for all purposes as of the date of enactment of this act.

With the following committee amendment:

On page 1, line 5, after the comma, strike out "effective for all purposes as of the date of enactment of this act." and insert "except that no increase in retired pay or benefits shall accrue as a result of the enactment of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SMALL BOAT SAFETY

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 626 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 11078) to promote boating safety on the navigable waters of the United States, its Territories, and possessions; to provide coordination and cooperation with the States in the interest of uniformity of boating laws; and for other purposes. After general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. MADDEN. Mr. Speaker, House Resolution 626 makes in order the consideration of H. R. 11078, the small boat safety bill. The resolution provides for an open rule and 2 hours of general debate on the bill.

This bill was originally reported to the House on April 15 this year and, after hearings before the Committee on Rules, a rule was granted. Thereafter the bill was recommitted at the request of the chairman of the Merchant Marine and Fisheries Committee since the committee report did not comply with the Ramseyer rule. It was subsequently reported on June 26 with several committee amendments and another rule was reported by the Rules Committee.

The bill, as last reported, requires the numbering, for identification, of all motor boats propelled by machinery in excess of 7½ horsepower, including outboard motor boats under 16 feet which were previously excluded. The boat owners will be required to secure a number in the State where the boat is principally used, in accordance with the State numbering system. Federal standards are set up in the bill and if a State does not have a numbering system, or the system does not meet these standards, the numbering functions will be performed by the Coast Guard. The certificate of numbering, for which the charging of a fee is authorized, must be available at all times when the boat is being operated. A Federal number is good for 3 years and a committee amendment provides that if a State has a numbering system approved after April 1, 1960, it will accept a Federal certificate as long as it is valid but no more than a year from the date of the approval of the system. The States are also authorized to charge fees for the certificates awarded under their systems. There are certain exemptions to the numbering system. They are: foreign vessels temporarily using the navigable waters of the United States, its Territories and the District of Columbia, public vessels of the United States, the States and municipalities, and special classes so designated by the Secretary of the Treasury under which the Coast Guard operates. A committee amendment provides that the States under their numbering system may exempt the same vessels.

The bill amends the Motorboat Act of 1940 to require assistance in the event of accident and the reporting of the accident to the proper State or Federal official. The bill also provides for the enforcement of the act through the imposition of civil penalties.

Provision is made for the repeal of obsolete laws and makes the effective date of this legislation April 1, 1960.

It is hoped that the enactment of this bill will encourage uniformity of boating laws, cooperation, and comity between the States and the States and the Federal Government, and be, at least, a partial solution to the problem of recreational boating safety.

I urge the adoption of House Resolution 626, so the House can debate, and if it desires, amend the same to bring about any necessary changes in the regulations of certain types of boats.

Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN], and pending that, I yield 10 minutes to the gentleman from North Carolina [Mr. BARDEN].

CALL OF THE HOUSE

Mr. WAINWRIGHT. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 136]

Anderson, Mont.	Edmondson	Radwan
Ashley	Engle	Roberts
Bailey	Farbstein	Robeson, Va.
Baring	Friedel	Rogers, Mass.
Barrett	Gordon	Sadlak
Bass, Tenn.	Green, Oreg.	Saund
Blitch	Gwinn	Scherer
Boggs	Healey	Scott, Pa.
Boykin	James	Shuford
Broomfield	Jenkins	Smith, Kans.
Buckley	Kearney	Talle
Burdick	Latham	Taylor
Carnahan	LeCompte	Teague, Tex.
Celler	McCarthy	Teller
Christopher	Machrowicz	Trimble
Coudert	Meader	Vursell
Dellay	Michel	Wharton
Dennison	Miller, Md.	Whitener
Dies	Morris	Williams, N. Y.
Dingell	O'Brien, N. Y	Winstead
Eberharter	Powell	Yates
	Preston	Zelenko

The SPEAKER. On this rollcall 360 Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

SUPPLEMENTAL APPROPRIATION BILL, 1959

Mr. CANNON, from the Committee on Appropriations, reported the bill (H. R. 13450) making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes (Rept. No. 2221), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. CLEVENGER reserved all points of order on the bill.

CONSIDERATION OF MILITARY CONSTRUCTION APPROPRIATION BILL ORDERED FOR THURSDAY, JULY 24

Mr. CANNON. Mr. Speaker, I ask unanimous consent that it may be in order on Thursday next to consider the military construction appropriation bill for the fiscal year 1959.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

ELECTION OF MEMBER TO COMMITTEE ON PUBLIC WORKS

Mr. MILLS. Mr. Speaker, I submit a privileged resolution—House Resolution 642—and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That GRACIE PFOST, of Idaho, be, and she is hereby, elected a member of the standing Committee of the House of Representatives on Public Works.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SMALL BOAT SAFETY

Mr. BARDEN. Mr. Speaker, this rule will make in order the consideration of the bill H. R. 11078, which is generally known as the small boat bill.

At the outset, let me say it is not my intention to oppose the rule. The consideration of the bill, of course, will follow adoption of the rule.

I take this time for the purpose of discussing the bill. I do not agree with much that is contained in the bill. I think it is possible for the House to amend the bill in such a way that at least we can live with it. The bill has had a rather tortuous route to travel. It first appeared in the House on the Consent Calendar. Then it went to the Rules Committee, and the Rules Committee refused to grant a rule. Later it reconsidered the matter and granted a rule. It was then requested by the chairman of the committee that the bill be recommitted to the committee. It was recommitted and returned. The Committee on Rules granted a rule, which rule is now before us for consideration.

May I say at the outset that the committee has, during the time intervening from the time it first made its appearance on the calendar of the House until now, approved, as I understand, some amendments which appear in the last issue of the bill. Some of these amendments are in the right direction; some of them are absolutely in the wrong direction.

The bill started out to require the licensing of everything. It had the language "Boat operated by machinery." Of course, rowboats and small boats are not operated by machinery until an outboard motor is put on. Then it becomes a mechanized rowboat or small boat or whatever you may choose to call it.

During the consideration of the bill, as I understand what happened, and I have no copy of the amendments nor have I ever been officially told what they are, there was an exemption adopted of boats carrying a 7½-horsepower motor. Of course, the argument given for this bill and the excuse for it is that to some extent it will curtail and slow down, and if possible stop, what is known as hot-rodding with these new motorboats and the speedboats that are being used. Well, I do not think there is anyone in this room that is not opposed to that kind of dangerous business, just as we are opposed to hot-rodding with automobiles so far as that is concerned. But, there is room for reason in any situation, I think, and anybody that will venture the statement that you can make a hot-rod out of a 10-horsepower engine on a small boat is more optimistic than anyone I know of. A 10-horsepower engine is generally what you take with you to go fishing and get back home, if possible, before supper. Now, to have it apply to anything below a 10-horsepower engine and require Federal fees to be paid to the United States Government is simply unreasonable and not being realistic with the facts.

There is some question about the skiing that goes on. Well, bless their hearts, I love to see them ski; I like to see them ski safely, and it is our duty to be reasonable about that. Everybody that knows anything about skiing knows that there is no skiing going to be done by an engine of less than 15- to 18-horsepower, and that will pull one small person, and then you will be ankle deep in water But, a 20 will do a very good job, with a certain type of boat. But, these motors are being built up to 75-horsepower with 6 cylinders, and while this committee was considering the matter it seems to me they would have considered something about coordinating or adjusting the size of boat to the size of motor.

Now, under this bill right here there is no reason in the world why the administrator could not issue a license to a 14-year-old kid with a 75-horsepower engine an a 14- or 16-foot boat. Well, you know how dangerous that is, especially when the rig is capable of doing over 100 miles per hour; it is obviously a dangerous situation.

The only safety provision that I can find in this bill is that it prohibits reckless and careless operation of a boat. And, strange as it may seem, it is copied verbatim from existing law. The difference between existing law and what is contained in this bill is that under existing law there may be as much as a $2,000 fine or 1 year in jail and under this bill it is $50 or $100 fine; I believe it is a $50 fine. Now, that is about all the safety I can find in it.

I am going to tell you what I think is the honest reason this bill is here before us in this shape. There is a provision in this bill that every one of these boat-owners shall buy a permit or a title or a license. I do not know what you call it; I do not know even the term; I think it is a numbering permit that they use—and pay a fee as may be prescribed by the administrator, whatever it may be—the most general discussion was from $3 to $5—and get a certificate and carry it in your pocket—and it must be pocket size—everywhere you go with the boat or anybody else who goes with the boat. And, you must renew that every 3 years. Well, now, what a nuisance. And why? It so happens that I have a boat about 17 feet long. About 12 years ago I licensed that boat; just exactly as was required. I have the number painted on the boat; I have a certificate. That was 12 years ago. I have never had to renew it; it was not necessary to renew it. I never paid a penny for it, and my boat is licensed and tagged exactly the way this law requires.

Now, let me tell you this. They estimate the number of small boats in this country to be anywhere from fifteen to twenty million. And, I think probably they are about right in their guess. One guess is as good as another so far as that is concerned. All right. Now it is proposed that the United States Government extract from them, all of those people, many of whom are least able to pay and many of whom do not know anything in the world about writing to the Administrator in Washington to get a permit and have a license issued to them and extract from them the total sum of probably seventy-five to one hundred million dollars. Let me to tell you what is happening. This same Government of ours has the licensing of boats divided between the Coast Guard and the Customs Service. The Customs Service licenses part of them and the licensing overlaps into the Coast Guard. That is all right. But do you realize that resting in the Customs Service are numbers and permits and licenses, exactly as they are supposed to be issued in this bill, to the number of over 40,000, for the largest ships that plow the seas, without one penny charge?

The other day I witnessed a little conversation that took place between a gentleman who owns a yacht that cost over $80,000. It is numbered and licensed. It does not come under this bill. He did not pay a cent for his number. He did not pay a cent for his license. And he will not pay a cent for his license under this bill. It just is not right and does not make sense, and that is all there is to it.

Not only that, but the Coast Guard now, as of March 31, 1958, has registered 440,996 of these small boats. I called the Coast Guard on yesterday. I said, "Listen! If this bill passes do you mean that you intend to make all of them reregister, make out new applications and pay the fee?" He said, "Sure." That was his answer exactly. I said, "Do you have any good, sensible reason for that?" "Well," he said, "we are going to register them by States this time." "Well," I said, "on my application I gave you my address, the name of my boat, where it is located, where I located, what I was doing, my post office address; do you not think it is less trouble to turn those over and sort them out than for the small boat owners to make out 440,000 new applications and have those people pay a fee, whatever fee the administrator designates?"

Of course if the Coast Guard is responsible for collecting $75 million or $100 million from small boat owners. They feel sure the Appropriations Committee

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will give them the $8 million cost set out in the report—$3 million of which will be for personnel—not to say anything about possible promotions.

It is wrong, Mr. Speaker, and we are going to offer some amendments to cure it. If there is any safety in this bill, I want to preserve it. I have children and grandchildren who use boats and, if there is any good in it, I want to save it. But I say to you now: If a boat is going down, you had better have something on that boat besides three numbers and a Federal certificate to hang on to.

The present law is good law. The present law requires all of this equipment. The present law prohibits reckless operation. If there is any advantage to having a number on these small boats, then put it on there. But let us not make of this Government a slot-machine government, so that for every little certificate or number on your boat you have got to ante up $3 or $5, whatever the Federal Administrator says. If there are the 14 million small boats as they estimate, even using the minimum fee of $3, that will produce $42 million. The estimated cost of $8 million deducted from $42 million leaves $34 million profit from the small-boat owners while the half-million-dollar yachts up to the $100 million luxury liners do not pay 1 penny fee for registration and numbers. That simply is not right. It is not fair and I oppose it. And the same committee has jurisdiction of both types of vessels. Why the discrimination?

The SPEAKER. The time of the gentleman from North Carolina [Mr. BARDEN] has again expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the gentleman 3 minutes.

Mr. BARDEN. There are so many bad things in this bill to talk about.

This bill seems to advocate the idea of encouraging the States to pass legislation, which is good, because that is where it ought to be in the first place. If the States want to charge a fee, O. K. The Federal Government has no right to prohibit it, and the Federal Government should not have any right to venture in and give them specific directions.

But the bill states that they will not recognize it unless it is in accordance with the whim of the Federal Administrator in Washington. Further than that, if they do not continuously administer their own State law in accordance with the views and standards set up by the Federal Administrator they will wipe it out. That is an ambitious program if I have ever heard of one. In effect, he can veto that law or repeal it later should he recognize it initially. So far as the doctrine of preemption is concerned, brother, this does not preempt; it takes over.

Mr. SIKES. Mr. Speaker, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from Florida.

Mr. SIKES. Would the gentleman emphasize the fact that the administrator can veto any State law simply by writing a letter to the State and telling them their law is no longer in effect?

Mr. BARDEN. That is exactly right, except the law says they can write him a letter and then he permits them to come up and talk to him. Of course, he is going to be of the same opinion still. That is it.

Let us get back to this safety business a little bit. Where is the safety? You read through this. You find, first, fees; second, numbering. This thing of just taking over—well, here is the section about which the gentleman from Florida was talking. It states:

> Whenever the Secretary determines that a State is not administering its approved system for numbering vessels in accordance with the standards set forth under subsection (c) of this section, he may withdraw such approval. The Secretary shall not withdraw his approval of a State system of numbering until he has given notice in writing to the State setting forth specifically wherein the State has failed to maintain such standards.

One other thing: I do not know how this House feels, but to me it is serious when we begin to give civil police power to any branch of the military service and spread them throughout the interior of this land to enforce laws. That to me is a horrible thing to do. And how do they do it? It is because they wiped out their own definition of navigable waters and give no definition for navigable waters whatever. Why do they say they do it? Why do they say they knocked it out? It is so the Supreme Court can then hold that any water capable of being navigable or capable of being made navigable or anything that will fit this law comes within the purview of the bill. Therefore, you will have it all over the country. If this is done, then we have no right whatever to criticize the Supreme Court for we have not only passed the buck but we have admitted that we either could not or were afraid to attempt to define navigable waters.

Another thing: They say it will cost $8 million. They claim it will take $3 million worth of additional personnel for the Coast Guard. I sometimes wonder if that is not what the Coast Guard has its eyes on. If that is true, here is the place to stop that. Let's cut out these fees to be paid to the Federal Government. I do not know how much it will cost to collect these fees. If there are 20 million small boats, it will cost them more than $8 million to run them down. I will assure you of that.

When they get through, what have they done if they have registered 20 million? They have extracted from the American people, the very smallest people, those who are least able to stand it, from $60 to $100 million. For what? Because they said "Register your boat." I go along with registering the boats if they will do it free, then Uncle Sam can pass out a card. I say the Federal Government had better begin giving consideration to how we can give the American people more service without charging for it. The American people have been most tolerant with Congress on the subject of taxes—we have given it away—at times we have been accused of wasting it, and so forth. I wonder if they would not be justified in asking the question: I wonder if our great Government is not ever going to get around to the point when it can render just a little service such as numbering a small boat without making us pay for each little service rendered, whether we have already paid for it or not?

I repeat, I think perhaps a rehearsal of this subject or the bringing up of this question and the passing of any kind of bill will do some good. I am not attacking this bill to defeat it in toto. I am trying as best I can to take the bugs out of it and make it an honest attempt to improve and not to destroy a situation. It repeals more law and better law than it writes. I do not think you get very far with that kind of situation.

Mr. ALLEN of Illinois. Mr. Speaker, I did not expect any difference of opinion on this rule. I had hoped the rule would be adopted immediately, and the gentleman from North Carolina, whom I admire so much, could offer any amendments and then let the membership decide whether his amendments were meritorious. I regret that my good friend has taken so much time. I doubt that we have been at odds on very much legislation that has come before the Congress in the past. And, I am sorry he has taken so much time on the rule.

Mr. BARDEN. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. BARDEN. I am not opposed to the rule, let me say that to the gentleman. I said that at the outset. We are still buddy buddies.

Mr. ALLEN of Illinois. Mr. Speaker, of course, the purpose of this bill is to modernize the present laws in regard to boats. In my District, for instance, we have the Mississippi River running close to my home town of Galena. We have the Rock River running through Rockford and Sterling and other towns in my district. We know that with this boom in small boats there have been created many problems. After extensive hearings, the committee unanimously reported this bill in the hope that we could supplement the laws in an effort to make boating on rivers and lakes safer. The gentleman from North Carolina mentioned hot rodding. I know in my District, and I am certain it happens in your Districts, whether you have rivers or lakes, that there is a young group of people who will get in a boat and they take many chances. There is no number on the boat so that you can identify these youngsters in the event of an accident. So the purpose of this bill is to make boating safer. It is a question of the safety element so that at least you can identify these people who do take chances with small craft.

Mr. Speaker, they had hearings on this bill. They heard the Coast Guard, the Commandant, the National Association of Engine and Boat Manufacturers, the United States Coast Guard Auxiliary, the American Yachtsmen's Association, the Motor Boat and Yacht Panel of the Merchant Marine Council of the Coast Guard, the American Pilots' Association, the American Boat and Yacht

Council, several yacht safety bureaus, the United States Power Squadron, and others. They had, I repeat, 5 months of hearings in all parts of the country. After the 5 months of hearings, this committee, I repeat, unanimously reported this bill. Over 300 witnesses testified before the committee. By far the great, great majority were in support of the object and purpose of promoting more safety on our rivers and lakes by means of registering boats and putting numbers on boats so that you could identify anyone who does things that are dangerous to others. I urge the passage of this rule.

Mr. Speaker, I now yield 5 minutes to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Speaker, I wish first of all to say that I favor this small-boat safety legislation as I believe the rivers, lakes, harbors, channels, and navigable waters of this country as well as the coastal waters need safety legislation for the handling of the many hundreds of thousands and millions of small craft in these waters. I think it is a fine thing that in this country we are recognizing more and more the value of the recreational facilities we have in this country, the Territories and possessions. This recreation on our United States waters has become of general interest, not just the privilege of a few people with substantial investment in boats.

I would like to ask some questions about the bill of the chairman and the ranking minority member of the committee to see what the jurisdiction is.

Does this bill give the States the right of traffic regulation on navigable waters so that speed rules and safety rules can be adopted covering various channel conditions both on the navigable rivers, streams, and coastal wterways adjacent to a State?

Mr. TOLLEFSON. Mr. Speaker, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Washington.

Mr. TOLLEFSON. The bill is primarily an enabling act to encourage the States to adopt uniform small-boat safety measures. The bill confers concurrent jurisdiction upon the various States with the Coast Guard over the operation of boats on State waters and on what we might call Federal waters, navigable waters. If the bill is adopted and a State passes a law of its own, then, automatically the officials of the State may enforce State laws with regard to all waters whether they be State or Federal.

Mr. FULTON. And that would cover traffic and safety rules as well as other regulations adopted pursuant to State legislation?

Mr. TOLLEFSON. That is correct.

Mr. FULTON. Then, the State can delegate this power to various municipal departments or subdivisions such as a city, county, village, or township, incorporated or unincorporated, delegate to them the right to make regulations under the State authority?

Mr. TOLLEFSON. The gentleman is correct.

Mr. BARDEN. Mr. Speaker, will the gentleman yield? I know he wants all the facts.

Mr. FULTON. I am glad to yield to the gentleman.

Mr. BARDEN. A Federal administrator outlines the type of bill the State may pass. If it passes the kind that the administrator advocates the State may operate under it. Is that not right?

Mr. TOLLEFSON. That is correct.

Mr. BARDEN. All right; but if the State does not administer it and enforce it in accordance with the views of the Federal administrator here in Washington he can brush them out of the way. Is that correct?

Mr. TOLLEFSON. I would not agree that it would be that broad. This bill, as I have indicated, is an enabling act, also known as a numbering act. The Secretary does not have arbitrary power. If the State law, in fact, complies with the minimum requirements of this bill, then the Secretary would have no right to void the State laws.

Mr. FULTON. In case of conflict between the State statute and the Federal administrator regulation, which prevails? Does the Federal Secretary or administrator, or the State Government prevail? Or is there preemption in either one?

Mr. TOLLEFSON. Mr. Speaker, will the gentleman yield?

Mr. FULTON. I yield.

Mr. TOLLEFSON. The bill specifically sets forth the minimum requirements that should be contained in the State law. If the State law contains those minimum requirements, then the Secretary has no right to void the State laws. As a matter of fact, the committee felt, and the bill so provides, that the State may add other requirements than those contained in this legislation. This bill contains only the minimum requirements.

Mr. FULTON. Then it is incorrect to state that there is concurrent jurisdiction.

Mr. TOLLEFSON. I cannot agree with that statement.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield the gentleman 3 additional minutes.

Mr. FULTON. My next question has to do with the State's right of inspection. Will an individual State and its subdivisions have the right of inspection to assure safety of equipment of these motorboats that are under this act and the various kinds of vessels under it?

Mr. TOLLEFSON. This bill does not prohibit any provisions of that kind.

Mr. FULTON. Under this legislation would the State under its safety provisions and powers be able to set rules for inspection, such as we in Pennsylvania have for motor vehicles?

Mr. TOLLEFSON. Yes.

Mr. FULTON. Does this bill provide at all what may occur in the case of a vessel that is abandoned? Is it subject to the ordinary salvage rules of maritime law or is it subject to the kind of legal rule we would have with a motor vehicle being abandoned on a highway in the State of Pennsylvania?

Mr. TOLLEFSON. The present law is not changed in that respect. This bill does not deal with that subject.

Mr. FULTON. One other question. We in Pennsylvania have many rivers, lakes, and navigable streams. For example, two of the major ones are the Ohio River and the Monongahela River, with many miles of river bank in my District, and the Allegheny River joins these rivers at Pittsburgh. We in the western Pennsylvania area are always having accidents, where people in motorboats by their inexperience come downstream, do not see the dams, and the boats are often going over our local dams, causing loss of life, injury, and loss of the craft. What is there by way of safety provision to protect the motorboaters on the rivers so that there are adequate safeguards for safety? That brings up the question, first, of the operation of the locks and the dams by the Federal Government, the States or their subdivisions, or private or public water and power companies, when anyone is operating a boat in or around such construction or facility. If a lockmaster is operating a lock, then there is the United States Army district engineer who has responsibility for safety of the craft during passage. Secondly, does this bill for small boat safety require the United States Army district engineers to provide safety measures above the dams, buoys, and lights of warning, which are not now in place? Should the Interior Department be joined in this bill likewise to have safety measures for these motorboats?

Can someone answer questions of the jurisdiction of the Interior Department, the Public Works Department, the Department of Army Engineers, the Coast Guard, and likewise the operation of locks and dams, whether that is all included under the provisions of this safety measure?

Mr. TOLLEFSON. I will say to the gentleman that this bill only covers boat operations. It does not have anything to do with the construction of locks and dams or the operation of locks and dams. It seems to me the appropriate place for making safety provision for locks and dams would be in legislation coming out of the Public Works Committee.

Mr. FULTON. This law does not apply to people who own or are operating piers or docks?

Mr. TOLLEFSON. That is correct.

Mr. FULTON. Or shore installations that are not operating boats? They are not under this legislation?

Mr. TOLLEFSON. That is correct.

Mr. MADDEN. Mr. Speaker, I yield 10 minutes to the gentleman from North Carolina [Mr. BONNER].

Mr. BONNER. Mr. Speaker, your Committee on Merchant Marine and Fisheries has had this legislation under consideration for 2 years or more. Had those who seem to know so little about what is in the bill accepted the invitation of the committee and had come to the hearings, in all probability there would not be this discussion here today.

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A question arose, and this subject came to the attention of the committee, not due to the fact that I or any member of the committee thought this idea up out of thin air.

You will recall the tragedy that happened down here in the Chesapeake Bay when a doctor and his wife from my State were lost and friends and loved ones of others were lost. You will recall the tragedies that happened up in Long Island Sound and off the New England coast when lives were lost. We were holding hearings in the Committee on Merchant Marine and Fisheries on safety of boat operation; we were not holding hearings on the subject that is involved in this bill.

During the course of the hearings the Commandant of the Coast Guard made this statement, and I read from his statement, in reference to the 1918 Numbering Act. Now, remember back over the period of time from 1918 when the Numbering Act was passed by the Congress and what has transpired since that time. The Commandant went on to say:

> Other serious flaws in the present day administration of the 1918 act lie in the fact that this law does not provide for periodic renewal of certificates of award of number. It is a one-shot proposition. This, of course, means that the records are cluttered with copies of certificates of award of numbers of boats, many no longer in existence or have changed ownership from place to place. Many boats have gone out of existence, and the records in Coast Guard headquarters are such today that a revision of the 1918 act be undertaken.

So then there came to the committee an unusual situation. The manufacturers of small boats and small boat engines came to the committee and asked us to review the 1940 Boating Act and other boating laws. So, the committee was invited to go into this study.

I want to tell this House that I was reluctant myself with respect to the matter you have before you. So, we set up a subcommittee of the whole Committee on Merchant Marine and Fisheries to visit the coastal boating areas of the United States and learn from the people what was necessary and what should be done. We had hearings in the State of Florida and invited Mr. SIKES to come. We had hearings in North Carolina and invited Mr. BARDEN to come. And, I offered the transportation. We had hearings in the State of Illinois.

Mr. BARDEN. Mr. Speaker, will the gentleman yield?

Mr. BONNER. There is no doubt about that, is there?

Mr. BARDEN. Will the gentleman yield?

Mr. BONNER. Well, I am just telling what happened. You do not deny that, do you?

Mr. BARDEN. I just asked if you would yield.

Mr. BONNER. I yield.

Mr. BARDEN. Now, the gentleman told me over the phone that the Coast Guard was going to fly him down to Elizabeth City with some of the members and some of the witnesses. I said, "Listen, HERBERT, I am not going down as a guest of the Coast Guard and give them the dickens and then come back on their plane as their guest." Is that not what I told you?

Mr. BONNER. No, because I did not issue the invitation.

Mr. BARDEN. You did not?

Mr. BONNER. The clerk of the committee may have or the chief counsel.

Mr. BARDEN. You talked to me yourself personally.

Mr. BONNER. If I did, I do not remember. But, I want to tell you this Mr. BARDEN, your difference with the Coast Guard is none of my business. The Coast Guard attended the hearings in explanation of this. The Commandant of the Coast Guard did not go, but he sent officials down to testify at these hearings.

So we held hearings in Florida. We held hearings in North Carolina. We held hearings in Washington, D. C. We held hearings in Norfolk. We held hearings in Boston, Mass. We held hearings in Illinois, when Mr. KLUCZYNSKI presided. We held hearings in Detroit, where Mr. DINGELL presided. We held hearings in the State of Washington, when I assigned Mr. THOR TOLLEFSON, one of the finest Members of this House, to preside over the hearings. We held hearings in California, in San Francisco, when Mr. MILLER presided. We held hearings in Los Angeles. At no place where these hearings were held did any witness appear before the committee and say anything other than that something must be done.

Read your papers; read the editorials in the press of the land in support of this bill. There has been more misinformation disseminated about this bill than one would think possible. I did not know there was going to be a debate here, while we were considering the rule, on the bill. I was prepared to debate the bill when we consider it in the Committee of the Whole. I am prepared to tell you what the bill does and what the bill does not do.

Yes, we have made some amendments to the bill. Since the bill was sent back, due to an error in the writing of the report which made the bill subject to a point of order under the Ramseyer Rule, we have made some amendments. Yes, in the Committee on Rules, the vote was 5 to 5. I did not think, when I went before the Committee on Rules, that you had to go into the greatest detail about a piece of legisaltion that had been reported out of a committee of this House by 30 members practically unanimously. I thought that you could get a wide open rule. But I listened to the testimony before the Committee on Rules and to put it mildly, I was shocked.

Mr. Speaker, this bill, as I said, was recommitted to the Committee on Merchant Marine and has been reported back to the House. There have been some technical changes in the bill. Prior to the recommittal several Members of Congress expressed interest in this legislation and advised that they would have offered several amendments from the floor if the bill had been debated as originally scheduled. Knowing of these amendments and in view of the necessity of considering the bill de novo, the suggestions and recommendations were considered and acted upon by the committee when it considered the recommitted bill on June 26. Accordingly this bill was referred back to the House and is today under consideration for your personal approval.

They were the only proposed amendments which I was aware of. There are going to be a great many amendments offered here; not to improve this bill, do not get it into your heads that they are going to try to improve the bill. They are going to offer amendments to try to ruin the bill. That is what they are going to do.

Mr. Speaker, with reference to the matter of jurisdiction—and then I am going to yield to the gentleman from Pennsylvania [Mr. FULTON]—the jurisdiction granted in this bill is a concurrent jurisdiction on the navigable waters of the United States. That jurisdiction the States do not have today. We expect the legislatures of the States to bring about uniform handling of this boat business.

Did you know there are close to a million of these boats on the highways today? We get those statistics from the State highway commissions and the boat industry. There are close to a million boats on trailers, and if they are on trailers they are on the highways. They are running from State to State. The theft of them is tremendous.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. BONNER. I yield to the gentleman from Pennsylvania.

Mr. FULTON. My question is about the fees that will be charged by the States. For example, on page 6, paragraph 10, it is stated:

> The States may charge fees in connection with the award of certificates of number and renewals thereof.

Mr. BONNER. A reasonable fee.

Mr. FULTON. First, there is no limit on the amount of fee that may be charged under this provision. Secondly, it does not state whether it is a State or any subdivision or municipal subdivision of a State, so that under this provision you could possibly have the city, the county, the village, and the State as well as the township levying a fee.

Likewise, I should like to have an explanation of the bill in this connection. Some of us live in a tri-State area. Ohio, West Virginia, and Pennsylvania come together in western Pennsylvania, near where I live.

Mr. BONNER. We are preparing and we have an administration bill that will take care of boats with respect to fees. We are not dictating to the States what fee they shall charge for the service. We say a reasonable fee.

Mr. FULTON. Does the gentleman not think there ought to be only one fee that the State or subdivision is able to charge, rather than any number of fees?

Mr. BONNER. That is all that is anticipated, a fee just like an automobile fee, just like the number on the back of your car. That is what that number

back there on your automobile is for. It is for safety.

Mr. GROSS. How could you regulate the fees to be charged by the States?

Mr. FULTON. My question was, where people live near State lines, of course a 90-day provision for the acceptance of this certificate from 1 State to another is not enough, because they will be going back and forth all the time on the rivers.

Mr. BONNER. They are in-and-outers. We put that 90-day provision in there for Mr. SIKES' State of Florida. It was requested by Florida because all these people send their boats south in the winter. That is why we put that 90-day provision in there.

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. DOOLEY] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. DOOLEY. Mr. Speaker, I am strongly in favor of H. R. 11078, a bill which would promote boating safety on navigable waters of the United States, its Territories and possessions, and provide coordination and cooperation with the States in the interest of uniformity of boating laws.

There is a real need, to my way of thinking, for the adoption by the House of this important measure.

In the area which I represent, a large section of Westchester County in New York, boating of all kinds is very popular. On any given day when the weather is right during the summer, hundreds of powerboats and sailboats dot Long Island Sound from New Rochelle to the northernmost border of the county adjacent to the Sound. Of these boats, many are driven by outboard motors, while others are palatial yachts or sailboats of various descriptions.

It is to the powerboats that this bill has particular reference. The sudden burst of interest in power boating, particularly small boats from 8 to 20 feet in length, has brought about a critical situation on the waters of Long Island Sound as well as on inland waters, rivers, and lakes. At present there is a great deal of confusion because of different laws in different States regarding the supervision, administration, and control of powerboating.

In Westchester County, the Coast Guard Auxiliary and the power squadron have proved of great help in indoctrinating newcomers to boating as to the importance and significance of using good judgment at all times while on the water and knowing as much as possible about nautical safety. Nevertheless the influx into boating circles has been so tremendous in recent years that there is a lag that must be taken up.

Many newcomers drive boats as though they were automobiles and risk the lives of other boatmen who are more intelligently conservative. Hotrodding on boats is becoming as popular as hotrodding in cars and a curb must be placed upon this dangerous sport. Crowded harbors and waterways do not lend themselves to reckless conduct or discourteous manners.

By the passage of this legislation there will be a certain amount of comity between the States which will not only recognize the rights of boat owners from other States but will tend to unify the laws governing the waterways so that there will be some semblance of order.

The committee responsible for this piece of legislation has made an intensified study of boating over the past 2 years. It has heard the testimony of such important personages as the Commandant of the Coast Guard, representatives of yacht clubs and boat-building organizations, the American Yachtmen's Association, members of the Motor Boat and Yacht Panel of the Merchant Marine Council of the Coast Guard, the American Pilot's Association, the American Boat and Yacht Council, the Yacht Safety Bureau, the United States power squadrons, and many individuals representing either themselves or other organizations.

In the course of the hearings the committee heard over 300 witnesses from all walks of life and representing every phase of recreational boating and interests concerned therewith, including the United States Corps of Engineers, Park Service rangers, and the United States Coast Guard Auxiliary together with local yacht clubs, outboard boating clubs, marine dealers and marine trade associations, State and local governments, water skiers, resort owners, boat owners and riders, and operators of commercial ships.

One prominent boating writer who has contributed considerably to the welfare of motorboating over the years, namely, Mr. Arthur Dunn, of Mamaroneck, N. Y., strongly advocates the passage of this measure. So too does Richard Chase, owner of one of the best boatyards in my section of the country. These men know whereof they speak when they say there is need of the Bonner bill if boating is to be conducted along intelligent lines and if the newly popular sport of outboard boating is to recognize its proper responsibilities.

Testimony has been given that at least 15 million boat owners today enjoy this exhilarating sport, and more than several million of these boats are propelled by outboard motors.

The basic objectives of the bill are, first, to require the numbering for identification of all motor-powered boats using the navigable waters of the United States; second, to give the Coast Guard civil penalty authority in addition to its present criminal penalty authority; third, to direct the Coast Guard to define generally by regulations what acts or practices constitute reckless or negligent operation of a boat; fourth, to require certain assistance and reports from persons involved in boating accidents; and fifth, to declare it to be the policy of the Congress that the Coast Guard and the States enter into agreements to insure the greatest possible uniformity of boating laws and enforcement procedures.

Under this bill every undocumented vessel propelled by machinery of more than 7½ horsepower, whether or not such machinery is the principal source of propulsion, using the navigable waters of the United States, and any such vessel owned in a State and using the high seas, shall be numbered in accordance with the bill. There are exceptions, which are foreign vessels temporarily using navigable waters in the United States, and States and municipalities and special classes so designated by the Secretary.

The bill would require outboard motor-driven boats under 16 feet, which were previously excluded, to now be numbered for identification if they are propelled by machinery in excess of 7½ horsepower.

Obviously the worthy goal of this bill is uniformity, comity, and reciprocity among the several States and the Government. However, where a State for one reason or another does not have a numbering system meeting the Federal standards, the numbering functions will be performed by the Coast Guard, insofar as boats using the navigable waters of the United States are concerned.

There are many points in this bill which I need not emphasize now but, everything considered, I regard it as a most desirable piece of legislation and intend to support it without restricting amendment.

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from Washington [Mr. TOLLEFSON].

Mr. TOLLEFSON. Mr. Speaker, I had not intended to take any time on the rule at all. I did not suppose there would be any argument about it. I am glad to hear the gentleman from North Carolina say he is not opposing the rule. I hope the House does approve the rule.

I should like the House to know that we have considered this bill for over 2 years. We heard some 300 witnesses and scores of organizations all over the country. All of them, with almost no exception, have urged that we vote out this kind of bill.

This is not a Federal law such as we started out with 2 years ago, providing for Federal regulation. This is a bill, as I indicated a short time ago, to encourage the States to adopt uniform boat operation laws. Whether you approve this bill or not in the final analysis, you can rest assured that most if not all of the States will adopt boat operation laws of their own. They are in the process of doing so now.

This bill was discussed with the Council of State Governments, and the council has approved this legislation. We have worked out a bill with them. Many of the States that were interested are now awaiting the action of this Congress so that they can adopt uniform State laws. I do not want to go into the details of the bill. I just want to urge the House to adopt this rule so that we can have an opportunity to answer some of the statements that have been made here this morning. May I say, and regretfully, some of them have been misstatements. We would like an opportunity to explain the bill to you. It is not such a terrible thing as some of the opponents would lead you to believe. It is a very simple bill. It is a bill that has been asked for by almost all the boating organizations in the country that I know

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of, and I trust the House will adopt the rule.

Mr. BROWN of Ohio. Mr. Speaker, I have no further requests for time.

Mr. MADDEN. Mr. Speaker, before moving the previous question, I ask unanimous consent that the former resolution, House Resolution 591, which is now on the calendar and which was withdrawn by the chairman of the Committee on Merchant Marine and Fisheries, be tabled.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

House Resolution 591 was laid on the table.

Mr. MADDEN. Mr. Speaker, I move the previous question on the pending resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. BONNER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 11078) to promote boating safety on the navigable waters of the United States, its Territories, and possessions; to provide coordination and cooperation with the States in the interest of uniformity of boating laws; and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of H. R. 11078 with Mr. PRICE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. BONNER. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, the purpose of this bill is to regulate and modernize existing law and bring about supervision over motorboats that are now not documented. Let me call the attention of the House to a peculiar situation in the existing law. Here are two boats both 16 feet in length. One has an inboard motor and the other has an outboard motor. The boat with the inboard motor comes under the supervision of the present law. Whether a boat is 16 feet or less it makes no difference, it comes under the present law. So this bill has for its purpose to try to regulate and bring about registration or numbering of the boat that carries an outboard motor. Certainly, that is a reason for reconsidering the Numbering Act of 1918. You might have 40 or 45 horsepower on a 16-foot inboard and you would have to number it. But, on a 16-foot boat with an outboard motor, you could have a 50-horsepower motor or more or less and under the present law you do not have to number it.

That is one of the reasons for the necessity of this general revision.

Mr. HALE. Mr. Chairman, will the gentleman explain the reasons——

Mr. BONNER. I would rather make my statement; then I will endeavor to explain anything that is not clear.

As I said in the general debate on the rule, the 1918 act is obsolete. The 1940 act certainly needs revision. Now, let us understand something about the background of the bill.

This bill is the result of an intensive study by the committee. In 1918 at the time of the adoption of the motorboat numbering act, most of the boats covered were inboard sailing auxiliaries or boats with inboard motors. Outboard motors were seldom used, and were a novelty at that time. Such motors were heavy, large, of low horsepower, hard to start, and unreliable. There were not many of them, as I remember. For practical reasons—we have been delaying the date of bringing this act into existence so that the States might have a part in this program.

Outboard power boats less than 16 feet in length were excluded, as I stated, from the numbering act of 1918. Although most statistics on the subject are scanty, it appears that while the development of recreational boating in the United States began to be active in World War I, it did not begin to reach its peak until after World War II. In 1947 the records show there were 2,500,000 pleasure craft in operation. Within 6 years this number had more than doubled, and in 1957 the total number of such boats in the United States was approximately 7 million.

The increasing mobility of boat owners with their increasing travel across State lines emphasizes today the fact that only 750 boat trailers are known to be in use—these statistics are gathered from the State highway commissions; yet I think the statistics of the Outboard Motor Club of America lists 1,300,000 outboard motor boats with trailers on the highways in the United States. Testimony before the committee has shown drastic changes that have taken place since the 1918 act.

Early in the first session of the last Congress the Commandant of the Coast Guard called the attention of the committee to the problem confronting his agency in the promotion of small boat safety and the enforcement of the Motorboat Act of 1940 as a result of the phenomenal increase in the number of pleasure craft. He stated that many States had written him to request guidance on State legislation.

Subsequently, 2 years ago, the boating industry through its leading trade organizations, asked for an overall study of the existing boating situation. Because of that, as pointed out in the committee report, comprehensive hearings were held all over the country. Testimony was given by over 300 witnesses. Not only were there a great many individual boatmen and members of yacht clubs at every hearing, but there was representation by the two best known and most effective organizations of individual boat users in America, the Power Squadrons and the Coast Guard Auxiliary. The Coast Guard Auxiliary has nothing to do with the Coast Guard; it is an auxiliary that is independent and separate, but it does a great work.

From the outset it became clear that the overall problem involved the States as well as the Federal Government. All witnesses expressed the hope that there might be uniformity in law and regulations throughout the country, so that one traveling from one State to another State could understand the laws of the various States with respect to motorboating just as you can today the laws of the States with respect to automobiles.

Accordingly, last summer the committee wrote to the governors and attorneys general of every State in the United States asking for their comment and asking for their opinion on this subject. The committee collaborated with the Council of State Governments in the preparation of this present bill, so much did we depend on the States. When the Council of State Governments was having its meeting here in Washington, we asked them to put this subject on their agenda. They set up a special subcommittee. The Council of State Governments in collaboration with the Coast Guard and the staff of the Merchant Marine Committee, and certain members of the Committee on Merchant Marine and Fisheries, brought forth the bill that we have here today. So if you criticize the bill, you can criticize your State governments, you can criticize your State attorneys general, you can criticize the Council of the State Governments. If you had listened to the debate on the floor of the House yesterday by people here in the Congress talking about the States and not trusting the States that sent them here to do what they should do in legislation, then I say the debate yesterday was a great emphasis in support of this bill.

Here is what the bill does: The bill is intended to accomplish the following: Repeal the Numbering Act of 1918. The major change in existing law is the requirement of numbering for identification of motor powerboats propelled by machinery of 7½ horsepower, using the navigable waters of the United States. We do not say anything to the States about what they should do. This has to do with the navigable waters and, understand, the Federal Government has jurisdiction over the navigable waters of the United States. The States do not under existing law. The numbering requirement does not cover outboard motors of 16 feet in length. It is in this category that the most phenomenal growth has developed.

Now, with reference to this 7½ horsepower amendment; yes, we put it in, but in the bill itself there was a section covering exemptions. The States could have made that exemption, the Coast Guard, the Federal Government could have made that exemption. But to satisfy those who said in all probability the men who are selected to administer the laws of this land might not administer them to the best interests of the general public, we put in the 7½ horsepower exemption. I spoke to the gentleman from Florida [Mr. SIKES] and I told him I was willing to accept 5½ horsepower, but when we went into committee we went further and we put 7½ horsepower in there.

I have visited marinas up and down the country, and have asked the question, "Is that sufficient for the boats you rent, for the boats that fish and operate along the creeks and rivers of the Nation?" It is a very popular power motor, the 7½

horsepower. This exemption is sufficient.

I will tell you another thing you will hear stressed a lot. A fellow that lives down on the river and makes his living by the sea, he uses mostly an inboard motor, because an outboard motor would get tangled up in his nets. He is using an old automobile motor put in an inboard skiff.

So, we are not bothering him. Do not get overexercised that we are taking away the privilege of some fellow down on the creek.

Now, the gentleman from Maryland [Mr. LANKFORD] offered the 7½ horsepower amendment, and we accepted it. Under the present system, numbers once awarded are not permanent. They are permanent now but they will not be permanent. They will be for a 3-year period and on application for renewal he will get the same number back for the next 3-year period. And, that is to keep the files for identification active. What good would it do to have a great conglomeration of files and in the files numbers of boats not even in existence? Keeping track of numbered boats under this system—that is, the old system—is virtually hopeless.

Under the proposed new system each owner of an undocumented vessel would register his boat in the State in which it is most frequently used, and this numbering system which this bill makes possible to be brought into existence by the various States is in collaboration with the various State attorneys general and representatives of the boating interests of the Nation. This is not a bill to take away the pleasure of any man that enjoys the outdoor recreation of boating. No. We were careful about that; we were hesitant about that, and we refrained from doing anything hasty. As I say, the boat will be registered in the State in which it is most frequently used. Such States may charge fees for numbering functions and shall grant reciprocal recognition of numbers awarded to any vessel by another State or the Federal Government for a period of at least 90 days. Now, why is the Federal Government brought in? Because if a State does not join this system, then the Federal Government will carry out the provisions of this act only on the navigable waters of that State. The Federal Government will not bother with the State waters. It will be only applied to the navigable waters. As first reported to the House the bill provided for a 30-day reciprocity period. We changed that because we realized that that is not sufficient time, so we changed it to 90 days. In States not having an approved numbering system, the Coast Guard will continue to perform that function on waters under Federal jurisdiction and only under Federal jurisdiction.

Now, second, authorize the Coast Guard to impose civil penalties for violation of the law as an aid to enforcement of prohibition against reckless or negligent operation. Under present law violators of the section prohibiting reckless or negligent operation may be proceeded against only in criminal proceedings. This bill provides civil proceedings for the Coast Guard and lets the Coast Guard assess a civil penalty which can be appealed to court if the violator feels aggrieved.

Now, they talk about the $50. Why, it is up to $50. He might be fined $5 or $10 or whatever. Under this criminal penalty that is now in existence, it is up to $2,000. So, it is unreasonable; it is out of all reason, and, therefore, the law against reckless operation has not been enforced on that account. It was ridiculous. There was a 1-year penalty and a $2,000 fine.

Now, authorizing the numbering of boats using the navigable waters of the United States by States willing to comply with the Federal standards and agree to grant reciprocal recognition of numbers issued by other States or by the Federal Government.

Mr. FULTON. Mr. Chairman, will the gentleman yield on that point? I should like to ask a question on the 90-day provision.

Mr. BONNER. I yield.

Mr. FULTON. Section 3 (c) (7) at page 5 states:

(7) The State shall recognize the validity of a number awarded to any vessel by another State under a numbering system approved by the Secretary under this act, or awarded a number by the Secretary, for a period of at least 90 days.

Do I understand that the purpose of that is to prevent 2 or 3 States from requiring a boatowner to pay a license fee to each State, somewhat on the order of an automobile that an owner takes from Pennsylvania to Florida?

Mr. BONNER. Here is what that is. A State coming into this system later, to a resident of which the Federal Government had awarded a license previously, that number shall be effective for 90 days. I believe that is what the gentleman is talking about?

Mr. FULTON. That is the section I am speaking of, but my point is whether the section has for its purpose to prevent more than one State from levying a license fee on a motorboat owner.

Mr. BONNER. Of course, there will only be one number. The bill says that. There will be only one number on the boat. Only one State can number a boat.

Mr. FULTON. I understood the gentleman from Florida [Mr. SIKES] had raised that question.

Mr. BONNER. I do not know anything about what the gentleman from Florida said. There is not going to be more than one number on the boat. I heard the gentleman before the Committee on Rules.

Mr. FULTON. Does that mean that Pennsylvania boats can go to Florida, and be there for any time, without paying an extra license fee?

Mr. BONNER. They can be there 90 days without having to pay a fee to the State of Florida.

Mr. FULTON. So they have up to 90 days without any license fee, by Federal statute?

Mr. BONNER. And that is plenty of time to spend in Florida; of course it is.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield to the gentleman from California.

Mr. HOLIFIELD. That same system is used for automobiles, is it not?

Mr. BONNER. Of course, you have reciprocity in the matter of automobiles; of course you have. I thank the gentleman for his contribution.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. BONNER. If the gentleman has a short question.

Mr. BARDEN. It is very short.

Mr. BONNER. What is it?

Mr. BARDEN. Has the gentleman ever heard of the Federal Government limiting the amount of comity or recognition between one State and another in the matter of auto license?

Mr. BONNER. I have great confidence in the Federal Government. I have great confidence in the legislature of my State. If the Congress passes this bill, I have confidence. I will have confidence in the administrators who carry out their functions here.

Mr. BARDEN. Maybe that is where our difference lies.

Mr. BONNER. I know that the gentleman differs on a great many things with me. But we have a section in this bill providing that any rules and regulations must lie on the Speaker's desk for a certain length of time before they become effective.

Mr. TOLLEFSON. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield to the gentleman from Washington.

Mr. TOLLEFSON. With reference to the matter of comity, I think the gentleman from North Carolina was discussing the 90-day comity period. That does not limit the State. The State could make it 6 months; is that right?

Mr. BONNER. Yes. We are not telling the States what to do.

Mr. FULTON. Mr. Chairman, will the gentleman yield to me further?

Mr. BONNER. I yield.

Mr. FULTON. I should like to ask this question because I am one of those southern Congressmen from south Pittsburgh.

Mr. BONNER. The gentleman ought to come down to my section of the country.

Mr. FULTON. I am interested in States rights. So I would like to raise this question. How can you provide that one State shall recognize the validity of a number? Suppose the Legislature of the State of Pennsylvania says, "We ignore that"? Is not our State sovereignty going to defeat the bill?

Mr. BONNER. The gentleman's State would not do that in this case any more than it would in the matter of automobile reciprocity.

Mr. FULTON. How can the Federal Government tell our State that it shall recognize the validity of a certain number or license when we may not want to?

Mr. ALLEN of California. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield.

Mr. ALLEN of California. I think the point is that unless the State agrees with the numbering system—this is one of the conditions of the numbering system—then the State does not have the right to enforce its own laws on the navigable

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waters of the United States. That is a right given by this bill.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield?

Mr. BONNER. Please let me proceed to finish my statement.

There is a requirement that people involved in boating accidents make reports. Today there are no statistics anywhere available on boating accidents. This bill provides that anybody in a boating accident shall stop and give assistance and shall make a report to the State or to the Coast Guard. Thereby we can keep up with the accidents that are happening on the waters of our country today. If you do not believe this thing is serious, go down to some summer resort and look it over yourself.

It is declared to be the policy of the Congress that the Coast Guard and the States enter into agreement to ensure the greatest possible uniformity of boating laws and enforcement procedures among the several jurisdictions.

The most important provisions of the bill are those found in sections 9 and 13, which in effect encourage uniformity of boating laws, cooperation in the enforcement of them, and a clear declaration that the States shall have concurrent jurisdiction in the navigable waters of the United States to make and enforce laws for the regulation of small boats.

Now, something about the cost of the bill. You have heard statements made about the cost of this bill. We did call on the Treasury and the Coast Guard for the cost of this bill and they sent up a report. We questioned that report, for in that report were functions the Coast Guard must do itself anyway. So instead of the cost of the bill being $11 million the first year and $10 million the next, the cost of the bill eventually to the Federal Government, and this is contained in a letter to the committee dated May 1, 1958, will be $1 million-plus. For a little more safety in this country where every day you pick up the papers and read of somebody running over somebody else in a fast motorboat, and these boats go 40 or 50 miles an hour, that is a relatively small amount.

That settles the question on the cost.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield to the gentlewoman from Illinois.

Mrs. CHURCH. I am concerned regarding the payments of money for the registry number and also for the payment of the penalties. Do I correctly understand that the registry number will be purchased and the amount therefor given to the State which issues the license?

Mr. BONNER. It still is not for taxing purposes. It is for the number of that boat. The minimum cost we talk about is simply to defray that cost. The States collect that money if they enter into this program. It is not the Federal Government.

Mrs. CHURCH. Section 8 on page 11 of the bill specifies a penalty of $50 under certain circumstances.

Mr. BONNER. That is a maximum penalty.

Mrs. CHURCH. Does the penalty go to the State or to the Federal Government?

Mr. BONNER. If they take them into the local courts it would go to the State. If it went into the Coast Guard, the Coast Guard would take them into the local court under this, because it would be a civil penalty, and they would collect it.

There is a whole lot more about this bill I should like to explain to the House to give you assurance that certainly 30 men on any committee could not be wrong, as some people have represented us to be. I think we have some right intelligent men on that Committee on Merchant Marine and Fisheries. I will say to my friends on the left you have some fine men over here, and I can say the same to my friends on the right. We have given time and study to it. It cannot be as bad, it cannot be as wrong as those who would confuse the matter seem to want to make it be.

Mr. HALE. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield to the gentleman from Maine.

Mr. HALE. I am very pleased with the gentleman's bill. I think the committee deserves every commendation for its work on the measure. May I ask the gentleman about the provision in section 3 relating to more than 7½ horsepower? I wondered why that particular figure was chosen.

Mr. BONNER. I have the figures that show how fast a motor will drive a 14-foot boat. They are in my file there. I will give the gentleman that figure later. I have all those figures. This is on a 14-foot skiff, we call it.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield to the gentleman from New York.

Mr. WAINWRIGHT. I did not want to interrupt the gentleman from North Carolina before because he was making such a fine statement. One of the points the gentleman made in his very passionate plea was that boats in the Chesapeake Bay were sinking.

Mr. BONNER. Not only did the boats sink but some people were drowned.

Mr. WAINWRIGHT. Quite right. These people drowned. Does the gentleman from North Carolina stand in the well of the House and suggest that putting a number on the bow or stern of a boat is going to stop that?

Mr. BONNER. That is an old chestnut, as the gentleman very well knows. Let me tell you something. Down in my State the other day they were arguing over the color of the license plates to be put on the back of an automobile. And they wanted to put a red bird on there. They said a red bird would fade out quickly. During the discussion it was pointed out what difference does the color make. The only reason that number is on the back of the automobile is for the purposes of identification of that automobile in the case of a criminal violation or any other kind of violation of the laws. That is the only reason to have these numbers on these boats. Do you not think that any man who can be identified is going to be a little more careful in his conduct on the water if he can be identified than some reckless and careless fellow who does not have any identification on his boat? May I point out to my dear friend that there is going to be more enforcement than there has been heretofore. We expect the peace officers of the State to enforce this bill when the States comply with the provisions of the bill.

Mr. WAINWRIGHT. The gentleman did not answer the question. The question was a direct question and the question was: Does the gentleman think that a painted number on the bow of a boat is a safety measure, for example, in a storm and disasters which the gentleman referred to?

Mr. BONNER. The gentleman knows just as I know that we cannot do anything about what God Almighty does when a boat is caught in a storm.

Mr. WAINWRIGHT. The gentleman suggested in his opening remarks that that was one of the things this bill would help to prevent, and I want to clarify it.

Mr. BYRNE of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield.

Mr. BYRNE of Pennsylvania. As a former member of the Committee on Merchant Marine and Fisheries, and it was brought out in the hearings that were held on the bill, the purpose of this bill is to bring about some uniform regulation to identify the boat owners and to eliminate hot rodders; is that not correct? And its purpose also is to protect life and property; is not that also correct?

Mr. BONNER. That is right. The gentleman served on the committee and served well. The gentleman sat through some of the hearings on this bill at the time he was a member of the committee. The gentleman is exactly right and every place we visited, they wanted us to do something about.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman from North Carolina has consumed 30 minutes.

Mr. TOLLEFSON. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I yield to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, if I may have the attention of the chairman of the committee, the question comes up of the jurisdictions of the States on navigable streams where two or three or four States may come together. Is there anything that has been put into the bill on that? For example, between Canada or Mexico and the United States where there is a possibility of conflict or jurisdiction. Do you have anything by way of a provision that will eliminate that and give us some method of procedure so that where these conflicts come up, they can be settled by some statutory authority?

Mr. BONNER. Was the gentleman addressing that question to me?

Mr. FULTON. Yes; to either gentleman.

Mr. BONNER. I wish the gentleman would direct his inquiry to the gentleman from Washington [Mr. TOLLEFSON] because out on the Columbia River they

have a situation out there which I am sure the gentleman from Pennsylvania may be referring to.

Mr. FULTON. I would like to have an answer, if I may.

Mr. TOLLEFSON. As I understand the gentleman's question, he is concerned about the jurisdiction over navigable waters adjacent to more than one State.

Mr. FULTON. And possibly another country.

Mr. TOLLEFSON. This bill, as I understand it, does not attempt to offset any present international law or agreements. I mention that to take care of the international situation.

Mr. FULTON. How about a river where three or four States come together or three States come together at one point? What happens when you have an accident or something happens at that point? What do you do?

Mr. TOLLEFSON. May I suggest the situation which exists between the State of Oregon and the State of Washington where we have the Columbia River and the State boundaries run to a certain point in the river? Under this legislation the State of Oregon would not go farther than the boundaries of the State of Oregon to enforce this law. If there are more than 2 States adjoining a body of water it would seem to me the same rule would apply.

Mr. FULTON. Will the gentleman permit this question? On page 9, section 22 we find this provision:

> This act shall apply to every motorboat or vessel on the navigable waters of the United States, its Territories, and the District of Columbia, and every motorboat or vessel owned in a State and using the high seas.

How far seaward does that extend? Does it go further than the generally accepted three-mile limit? Or is it any place as long as the boat is registered in a State?

Mr. TOLLEFSON. Let me go again to the State of Washington, because I am most familiar with the situation there. The State boundary runs 3 miles off shore. So I assume the jurisdiction of the State of Washington, so far as this bill is concerned, would extend to the 3-mile limit.

Mr. FULTON. What about its applicability where there are claims, that the State boundaries reach farther than 3 miles seaward? Suppose the claim is made to 9 miles; who would have jurisdiction beyond the 3-mile limit?

Mr. TOLLEFSON. This bill does not fix a limit in that respect as far as those States are concerned. The gentleman is aware of the controversy which exists.

Mr. FULTON. I am trying to settle it before it arises under this bill.

Mr. TOLLEFSON. This bill will not settle it.

Mr. FULTON. Then the question is, does each State have the right to exercise its jurisdiction as to the territorial waters only to the 3-mile limit or to the limit claimed by the State?

Mr. TOLLEFSON. Let me answer the gentleman further on the other question. I do not know whether I made it clear. Under the bill if the State of Louisiana claims out to 9 miles, I doubt that the Coast Guard would argue with them as to jurisdiction out to the 9-mile limit.

Mr. FULTON. So, if the State of Louisiana came under the act it would have jurisdiction out to the 9-mile limit, whereas the jurisdiction of the other States and Territories would extend only 3 miles seaward. Is that right?

Mr. TOLLEFSON. I do not know what the position of the Secretary would be.

Mr. FULTON. Why, in some places, are Territories stricken from the bill and in other places left within the bill?

Mr. TOLLEFSON. This bill is intended to apply to the States and the Territories alike, including the District of Columbia. If in any particular paragraph or section the Territories are not mentioned it was not intended to keep them out.

Mr. FULTON. Your definition, then, would leave out the Commonwealth of Puerto Rico, would it?

Mr. ALLEN of California. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield.

Mr. ALLEN of California. The reason for this elimination stems from the fact that the Coast Guard has no station in the Canal Zone or the other areas involved.

Mr. FULTON. Would the gentleman explain to us what eliminations have been made so we can get them of record?

Mr. ALLEN of California. In the case of Puerto Rico, Puerto Rico has the status more of a State, and enforcement there would be under Puerto Rican laws by the Puerto Rican Government.

Mr. FULTON. Puerto Rico is a Commonwealth and not a State. I imagine that is why. Neither is the Canal Zone a State.

Mr. ALLEN of California. There is no way to administer this law down there.

Mr. FULTON. Are the Virgin Islands eliminated?

Mr. ALLEN of California. The term "a possession of the United States" and the term "The Canal Zone and the Commonwealth of Puerto Rico" are stricken.

Mr. FULTON. Then the Virgin Islands is likewise stricken?

Mr. ALLEN of California. It is a Territory and, therefore, it is not included.

Mr. FULTON. There was a distinction that has been stated by the gentleman from New York. I would like to know whether the Hawaiian Islands are specifically in or out.

Mr. ALLEN of California. They are in.

Mr. FULTON. How about the Virgin Islands, can the committee tell me that authoritatively?

Mr. TOLLEFSON. Will the gentleman withhold that until counsel checks?

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentlewoman from Illinois.

Mrs. CHURCH. I certainly favor sound provisions to increase boat safety, but will the gentleman direct his attention to section 7 (b), reading:

> The Secretary may, from time to time, and for such periods as he may prescribe, exempt any vessel or class of vessels from the numbering provisions of subsection (d) of section 3 of this act.

May I ask the gentleman why the Secretary is given such permission to exempt vessels?

Mr. TOLLEFSON. As I recall the purpose of the section, it is that there are some classes of vessels that might want to be exempted; for instance, naval vessels, Coast Guard vessels, and boats of that type.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman from Michigan.

Mr. DINGELL. I would like to answer the question asked by the gentlewoman from Illinois. This is more or less a common provision that appears in Federal statutes affecting vessels of various kinds. It permits the Secretary to have the necessary flexibility to include or exclude vessels and to permit States which might desire to exclude certain vessels from their State numbering system which would come in under this and it would permit the Secretary to accommodate the wishes of the States, since it is the expectation of the committee that this bill will reflect a real working unity and a spirit of good feeling between the Secretary and the States. So that is the reason for the inclusion of this section.

Mrs. CHURCH. Would that not mean that you might be working against uniformity in State laws rather than working toward that goal?

Mr. DINGELL. That is not so at all. The real fact is this is the first step that we have had toward unity and uniformity in relation to the States and the Federal Government, particularly insofar as laws affecting the numbering of vessels is concerned. It was felt by the committee we had to have some provision in there whereby the Secretary could for good cause exempt certain classes of vessels and permit the States to exclude from their State numbering systems those vessels.

Mr. TOLLEFSON. May I say to the gentlewoman this is not as broad as it sounds. It was not intended to give the Secretary the broad authority to exempt boats that the States might want to have numbered; for instance, a captain's gig when a Navy boat is in harbor. It has an outboard or inboard motor. The Secretary could exempt that particular boat.

Mrs. CHURCH. The committee did not mean to give loose authority to the Secretary to exercise his own desires in the matter?

Mr. TOLLEFSON. The gentlewoman is quite correct.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. TOLLEFSON. Mr. Chairman, I yield myself 5 additional minutes.

Mrs. CHURCH. I would also like to refer to the statement, I think made by the chairman of the committee, that the local police would be called upon to help enforce these laws. That leads me to wonder whether or not it would not be necessary then to have marine police. Certainly no motorcycle officer could enforce the law on the open seas. Is the gentleman going to ask for a sufficient

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appropriation for the Coast Guard to take on this additional duty?

Mr. TOLLEFSON. If I can make my statement, I will take all of these matters up. In brief, however, it is anticipated that State law-enforcement agencies will enforce the provisions of this and State laws.

Mr. Chairman, I think it would be helpful for the House to know something about the history of the bill. You have heard some of it already. We started consideration of this subject better than 2 years ago at the request of the National Association of Engine and Boat Manufacturers and of the Outboard Motor Association of America. They were concerned about the growing number of small boats in the United States. In 1956, when we first had this subject brought to our attention, there were some 6 million small boats in the United States; in 1957 there were an additional million added, so that in 1957 there were 7 million small boats. There were a number of accidents in every part of the country. The best statistics that we could get from the Metropolitan Life Insurance Co., because the Coast Guard did not have facilities for statistics, were that 100 people per month were being killed in small-boat accidents. My own guess is that the number is in excess of that figure.

There are no available figures with respect to the many, many accidents which take place in which persons are injured and in which property is damaged.

Now, when the picture was presented to us, our first thought was to have a bill providing for Federal regulation of boats, but during the course of the hearings, which ran over a 2-year period and extended throughout the various areas of the country, we changed our approach to the problem. We held hearings on every coast, including the gulf and in the Midwest and on the Great Lakes. Appearing before the committee were every type of boating organization, the United States Coast Guard, the Coast Guard Auxiliary, American Yachtmen's Association, Outboard Boating Club, American Pilots Association, National Association of Marine Dealers, National Association of Engine and Boat Manufacturers, United States Power Squadron, and countless other boating and yachting associations. I did not attend all the hearings throughout the country, but some members of our committee were present at every meeting, naturally, and my recollection is—and the hearings will so indicate—that the proposal that we finally now have before you has the overwhelming support of those organizations. This proposal is in the nature of an enabling act to authorize and encourage the States to adopt uniform boating-safety measures.

In addition to that, during the past year the matter has been considered by the Council of State Governments, because they were much interested in it and particularly since we asked that they interest themselves in it. They set up a special subcommittee to study the proposal and to study the particular bill which was then pending, and in conjunction with them we changed the philosophy of the bill. Starting from a bill calling for Federal regulation, we wound up with a bill calling for State regulation.

This bill, as the chairman has said and as others have indicated, is a bill to, shall I say, encourage the States to adopt small-boating legislation. Many States have those laws already. And, if I may say so, whether the House approves this bill or not, every State in the Union will in due course of time have its own boating laws. Now, if left to their own devices, you can imagine how many different kinds of boating laws we would have. It is the committee's desire and purpose that those State laws be as uniform as possible. One of the chief reasons for that has already been indicated by our chairman. He said that there were now almost a million boats and trailers running across the highways of our Nation. Of course, once a boat and its trailer get on the highways, they are going to cross State lines, and it is in the interest of uniformity that we encourage the States to have uniform boating laws.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman from Florida.

Mr. SIKES. I think my distinguished friend will recognize the fact that once you put a boat on a trailer, that is covered by the registration laws for the carrying of that boat on the trailer, so it already has protection.

Mr. TOLLEFSON. The gentleman is partly correct. The trailer itself must be registered as a motor vehicle, but the boat itself under this law would have to have registration.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman from North Carolina.

Mr. BARDEN. Frankly, we have come down to the conclusion that the principal thing in the bill is the registration of boats, is it not; the licensing of boats?

Mr. TOLLEFSON. I cannot agree with the gentleman on that, and if I may proceed, I will touch upon the reason for my answer.

Mr. BARDEN. Here is the thing. I want some good reason now why we should not leave the fee charges to the various States. You and I know that they are going to pass those laws. They passed them in my State. They already have some. I voted for some in the State legislature, even that far back. We know they are going to have them. But, why should the Federal Government reach in and begin to charge these people fees?

Mr. TOLLEFSON. This bill does not provide for fees by the Federal Government except upon Federal waters and where a State does not desire to cooperate with this proposal. This bill provides that the State laws shall fix the fees in the various States, except in those States which do not adopt the uniform State law provided here. Then the fee that would be charged by the Federal Government would apply only on Federal navigable waters. It would not apply to State waters.

Mr. BARDEN. Is it not a fact that the reason you took the definition of navigable water out of the bill was so it could reach the inland waters?

Mr. TOLLEFSON. No; the reason we took out the definition of navigable waters, as I remember it, is simply because we could not write a satisfactory definition of navigable waters. The question of navigable waters is one of constitutionality and the courts have to decide in each specific case what is and what is not a navigable stream or what is a navigable body of water. We in Congress could not write the definition.

Mr. BARDEN. Will the gentleman permit me to ask another question? The gentleman has been very courteous and I appreciate it. There are about 17 States that have State laws and which charge fees, and so forth. Why should the other 31 States be coerced into any action and why should their people be charged whatever fee the Administrator fixes in order to get a license, whether it be $3 or $5?

Mr. TOLLEFSON. The gentleman is laboring under a misapprehension entirely. The other States are not being coerced to do anything. If they do not want to adopt a State law which conforms to this bill they do not have to do so, and the Federal Government may not charge a fee upon any boat operated in any State waters under this bill. I see the gentleman shaking his head. I may say to the gentleman that that is correct. The gentleman has been laboring under many misapprehensions with respect to this bill, and this is one of them. The Federal Government may not charge a fee to a boatowner who operates his boat solely on State waters. It can only do so when it is used on Federal navigable waters.

Mr. BARDEN. I am sure the gentleman is mistaken.

Mr. TOLLEFSON. I am sure that I am right.

Mr. BARDEN. The language of the bill is very specific in that respect.

Mr. TOLLEFSON. I must disagree with the gentleman. We discussed this thing over a period of months.

Mr. BARDEN. When the gentleman has finished will he yield me a few minutes then? I do not want to belabor this point now.

Mr. TOLLEFSON. I shall be very happy to. At this time I cannot yield further. I have not succeeded yet in finishing my statement. I am afraid I shall have to furnish the information requested by the gentlewoman from Illinois later.

It has been said that this is not a safety measure. Of course, that is not true at all. This bill, of course, is, shall I say, a numbering measure also. But it does provide authority for the Coast Guard and to the States to set up safety standards and safety requirements. It gives authority to the Coast Guard to set up definitions as to what is careless and negligent and reckless driving. It gives authority to the Coast Guard to impose, in addition to the Federal criminal penalties which are already in the law, certain civil penalties which simplifies the procedure which now exists.

This most certainly is a safety measure. But it is a minimum safety measure. The States can go beyond this, if they wish, in their own State laws. I do not see how we could have made this more of a minimum safety measure. But do not let anybody convince you that this is not a safety measure.

Mr. SIKES. Mr. Chairman, will the gentleman yield for a question on procedure under the bill?

Mr. TOLLEFSON. I yield to the gentleman from Florida.

Mr. SIKES. The question is this. Under the bill as it is written, what would be the manner of enforcement if an individual A owns a motor but borrows a boat from an individual B who does not have a motor, of the horsepower which is covered under this act, or who rents a boat from an individual who does not have it licensed under this act?

Mr. TOLLEFSON. I hope I can answer that in just 1 minute. The gentleman is talking about a boat livery which rents boats but does not have a motor for the boat. Some individual comes along and rents that boat without the motor. That boat without the motor is not required to have a number. The moment it has a motor put upon it, it does require a number. If the livery owner and operator conspire together, then both are responsible. But if the livery owner does not participate in the deal or arrange it, then he is not; but the man who owns the motor and operates the boat would be in violation of the law.

Mr. BONNER. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. YOUNG].

Mr. YOUNG. Mr. Chairman, I rise in support of this legislation because I honestly believe it to be a step in the right direction, a step in a necessary direction to improve the safety aspects of the operation of millions of boats on the navigable waters of this Nation.

Certainly one has but to consider the history of the development of the problem to understand why we are here today debating the merits of this legislation. I daresay, and I say it with the utmost of respect and with no idea of criticism, that this is why there is considerable opposition to the measure, because it will bring about a regulation that has become necessary because of the thousands and millions of users of boats on our navigable waters, a situation that requires in screaming terms more safety regulations.

May I compliment this committee on this fine piece of legislation, this fine step in the right direction in bringing about more safety to the boat users.

Let me direct the attention of the Members to the fact that this bill was reported out of the Committee on Merchant Marine and Fisheries by a unanimous vote of all who were present.

I consider this legislation as being necessary, but by no means do I contend that it is a perfect piece of legislation.

Mr. Chairman, this legislation will do simply this: It will cause the identification of all boats that are operated on the navigable waters of this Nation; it will give incentive to every State to enact its own laws covering these necessary regulations, and it will tend to make uniform the applicable State laws on the subject. Only if the States do not act will the Federal Government come in and act in connection with Federal navigable waters. I most sincerely and earnestly recommend the passage of this legislation.

Mr. TOLLEFSON. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. PELLY].

Mr. PELLY. Mr. Chairman, the purpose of H. R. 11078 is to promote small-boat safety. Actually, in itself, it is more legislation to encourage uniformity of Federal and State boating laws and regulations, and perhaps it would be more accurate to describe this bill as a necessary first legislative step to act as a foundation, as it were, on which to establish small-boat safety regulations. The measure is really one that will facilitate enforcement.

Frankly, when the hearings on this subject were first held 2 years ago, I despaired of the committee coming to any practical solution for it was apparent that conditions and problems in the various States and localities differed. The overlapping and conflicting jurisdictions of various waters seemed to present an insurmountable difficulty. But worse than that was my fear that well-intentioned but to me overzealous members of our committee might come up with impractical and burdensome regulations. I was thinking of the marinas and resorts that rent small boats in Puget Sound and in my Congressional District, and it seemed some members might favor such requirements as drivers' licenses as are required with automobiles. It just did not appeal to me that the Federal Government should be prescribing so much for so many. Rather, I thought each State should meet its own conditions in its own way, yet some overall general conformity seemed both desirable and necessary.

Very wisely, our chairman called in the Council of State Governments and when its representatives testified I felt a surge of relief. Certainly, the idea that the States themselves were drafting a model State law which would dovetail with this small-boat bill was good news.

Since then, passage of H. R. 11078 has been urged by the marine division of the Washington State Governor's safety conference, and this division supports enactment of a law by my own State legislature to tie in with this bill.

The fact that safety legislation was first suggested by the small boat and engine manufacturers might be mentioned. Certainly, let no one think this bill is the brainchild of the Coast Guard for purposes of obtaining more funds. Actually, the head of the Coast Guard, Admiral Richmond, in his testimony urged against increasing the authority of the Coast Guard. And, actually, as I have stated publicly, the Coast Guard in the past has been altogether too modest, in my opinion, in asking for money—particularly for airplanes and more smaller vessels to police and protect the vast waters under their jurisdiction. The Coast Guard is one service that practices economy until it hurts. Every taxpayer, if familiar with the vast and ever expanding responsibilities of this service in relation to cost, should feel warmly toward the Coast Guard.

Also, I should mention the important contribution to boating safety and records of public service without cost to the taxpayers of the Coast Guard auxiliary and United States Power Squadron. The safety programs, as pointed up in our hearings, were exceedingly effective. But, the point is that it is impossible without numbering, to identify small boats that break navigation rules and endanger the life and limbs of others. The testimony showed that high-powered outboard motorboats are lethal weapons in the hands of operators who ignore ordinary good sense or proper rules. Swimming and waterskiing on congested waters with a showoff or two in a small boat can and often does result in tragedy.

Of course, one cannot legislate and prevent foolish acts, but by numbering boats it is possible to identify and hold responsible those who act foolishly and make more hazardous an otherwise healthy and wholesome means of public recreation.

Motorboating is a great and growing pastime. Early action is called for in developing a minimum step toward uniformity of State and Federal law because, as it is, and will be more so, the regulatory and enforcement situation is confused.

As an example of the growing and urgent need for legislative coordination for cooperation between the Federal Government and the States in matters pertaining to navigable waters of the United States in the interest of uniformity of boating laws, let me cite my native city of Seattle. There a citizens committee for the harbor department is presently studying a new city ordinance to suggest to the mayor and Seattle City Council as a local measure to control boating. This local ordinance should dovetail with the Federal Motor Boat Act and State legislation covering strictly State waters. This Bonner bill to establish basic regulations in my opinion is imperative and then local authorities can regulate themselves according to local conditions.

The Marine Digest, a highly regarded Pacific coast weekly, has called for boating control. In an editorial the Marine Digest suggested that the next legislature in my State of Washington make it imperative that controlled boating and an overall master plan for the navigational supervision of Washington waters be made a must item.

Boating—

The Marine Digest pointed out—

must be sanely controlled so that more and more people can enjoy the wonderful pleasures of owning a boat.

It went on to say:

A few will howl that controlled boating constitutes an infringement of their rights as citizens. We do not buy this. Any mass activity must be controlled. When it isn't, the excesses of the perennial jackass minority soon brings about restrictions that spoil the activity for everyone.

Mr. Chairman, the Bonner bill would be enabling legislation for State legisla-

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tion and local action. Accordingly, I support and shall vote for the bill.

Mr. GARMATZ. Mr. Chairman, I yield 5 minutes to the gentlewoman from Missouri [Mrs. SULLIVAN].

Mrs. SULLIVAN. Mr. Chairman, although it has been brought out here today, I would like to remind you that our committee first interested itself in this problem when it was brought to our attention by the Commandant of the Coast Guard.

The Coast Guard had found themselves in an impossible position, due to the very great increase in the number of pleasure boats being used by the people of our country. It was a problem which had grown in magnitude by leaps and bounds, and had far exceeded any rules and regulations set out for its control.

As you all know, our committee held lengthy and exhaustive hearings throughout the United States. In each and every locality where the committee sat, the interested people were cognizant of the problems arising out of this recreational pastime. The people themselves wanted legislation which would tend to make more safe and sane, the operation of this type of boat upon our waters. The vast majority of witnesses who have appeared before the committee throughout the United States and in our hearing room in Washington have been heartily in favor of this type of legislation, or even legislation which would be much more stringent, in trying to curb the reckless and foolish operation of boats and to make this recreation a more safe and sane pastime.

Our various States have met and have agreed, and are in accord with this type of legislation, and they only wait until their legislative bodies meet to follow the lead which I hope and trust we will show them today. Our committee files are bulging with letters from people from all walks of life who are interested in some regulatory legislation—legislation to make more safe the operation of boats of this type.

Newspapers throughout the country have written editorials supporting a resolution of this type or asking that the Congress go much farther than even we can contemplate here today, in order to bring a minimum of control out of the chaotic condition which now exists.

People in my home district and my home State of Missouri have spoken to me relative to my unqualified support of this measure, and I think without question that this is one measure wherein the people have spoken and the States have spoken, asking that this legislation be passed by this body.

Mr. Chairman, I yield back the balance of my time.

Mr. TOLLEFSON. Mr. Chairman, I yield 8 minutes to the gentleman from New York [Mr. WAINWRIGHT].

Mr. WAINWRIGHT. Mr. Chairman, it is very rare for me to rise on a measure. This is especially true when I am not on the committee presenting the legislation. However, I am a boat owner, both a small boat owner and the owner of a boat over 16 feet in length, a boat of the type not included in this legislation. In the second place, I believe the Congressional District I represent, which has approximately 2,000 miles of navigable waters, is probably the largest in that respect in the United States. I also feel that this area, which is Long Island, has as many or more small boats that would be affected by this legislation.

While the distinguished chairman of the committee took the viewpoint that it was a "silly" question to ask whether the numbering of a boat was a safety measure, I would like to let the record speak for itself and leave it to the wisdom of each Member to decide whether it is a "silly" question. This is the chief question before us today.

This legislation is being pushed through under the guise of being a safety bill. It is not a safety bill. A bill which requires legislation to be passed by 48 States cannot be called a safety bill. However, how can you get a bill through committee and passed unless it is given an attractive title? How can a Member of Congress vote against a "safety bill"? And, Mr. Chairman, this is the principal reason this bill has been nicknamed a safety bill.

The Members of this House know that the Rules Committee turned down this bill because of its defects in draftsmanship. The committee corrected a number of those mistakes in draftsmanship. It was returned to the Rules Committee, and the ship was saved from sinking by the ability of the able chairman of the Merchant Marine Committee.

There are still a number of situations in the bill that require correction. For example, I own a boat over 16 feet registered in accordance with the Motorboat Act of 1940. I have received a certificate of registration, for which I did not pay 1 cent. For my son's 14-foot outboard motor he would be required to pay the fee that is charged by the State of New York. Why is it a man who owns a 20-, 30-, 40-foot boat, or even an ocean liner, as the gentleman from North Carolina [Mr. BARDEN] stated, does not have to pay a nickel for registration?

Mr. ALLEN of California. Mr. Chairman, will the gentleman yield?

Mr. WAINWRIGHT. I yield to the gentleman from California.

Mr. ALLEN of California. The bill under which your vessel is registered and you pay no fee is repealed by this act. Therefore, your boat, or a 65-foot boat, or a small boat, a 10-foot boat, with the required number of horsepower in it, will pay the same fee.

Mr. WAINWRIGHT. At the end of 3 years. For the next 3 years that situation will exist?

Mr. ALLEN of California. Yes. Then the number that you get, and the certificate, will be good for 3 years.

Mr. WAINWRIGHT. Let me ask the gentleman, or any other member of the committee: On Long Island we do a good deal of duck shooting in the fall. Outboard motors will tow out a group of duck boats. One outboard motor will tow out 4 or 5 duck boats in rough weather. Now, one of those boats, the one with the motor, will be required to have a certification of registration in accordance with this law, but the other boats, the ones being towed, which will have people in them without life preservers do not? This bill does not help people in these boats being loaded with heavy duck shooting equipment.

Mr. ALLEN of California. No; that is not exactly correct. As to the numbering, the gentleman is correct. If that condition exists, under this bill the State of New York will have the power to make safety laws which it can enforce through its own courts on the navigable waters of the United States.

Mr. WAINWRIGHT. Let us assume that the State of New York might not choose to enact legislation, these people would not be covered. As the gentleman stated, if they do enact legislation these people might be covered. That refers particularly to State legislation.

Who is behind this bill, and why is there such pressure for this kind of a bill as against a regulatory bill that would put teeth, that would put safety measures into the small boating activities of America? I think the answer can be found, Mr. Chairman—and I am sorry I have to make this charge on the floor of the House—I have in my hand here a publication entitled "The Boating Industry," for the trade only. This is a publication of the Boating Industry of America. This is their most recent issue, this being published late in June of this year.

In an editorial compiling the laws of the 48 States on small boating, there is a special reference to my own State of New York. On page 305 and page 307, the article refers to an act passed by the New York State Legislature which would require a certificate of safety by certain age groups. It would require them to have a certificate of safety. The Boating Industry opposed this and said, in effect, "No, we will support the Bonner legislation, because this kind of legislation is dangerous to the industry."

Let me give you an exact quote, and I will let you draw the same conclusion. It refers to the safety bills I have told you about that were passed by the State Assembly and the Senate of the State of New York. Then it says:

> Of course, the boating industry went to work to discourage this legislation and ultimately to get the Governor of the State of New York to veto this key bill.
>
> A companion measure later introduced died in the New York Senate.

Mr. Chairman, in conclusion let me say that the gentleman from North Carolina [Mr. BARDEN] and the gentleman from Florida [Mr. SIKES] and I have some corrective amendments that we feel would cover the loopholes that I have presented to you here today. I, for one, believe in safety. I think that we ought to have before us a true safety measure, not a weak numbering act misnamed a safety measure. Certainly being against something called a safety measure is like being against the Ten Commandments. What a shame that we should be afraid of true safety regulations.

Mr. TOLLEFSON. Mr. Chairman, I yield 4 minutes to the gentleman from Pennsylvania [Mr. CURTIN].

Mr. CURTIN. Mr. Chairman, I rise in support of H. R. 11078. Since I have the privilege of serving on the distinguished

committee which handled this legislation, I first wish to commend the gentleman from North Carolina, the chairman of this committee, for his patience, diligence, and fairness displayed during the many hearings which were a necessary prelude to reporting out this bill.

This legislation is vitally necessary in a field of activity which is probably the most rapidly expanding one today. It is expanding into a family pastime of enormous dimensions.

Although the District which I have the honor to represent does not have as many waterways under Federal jurisdiction going through it, or bounding it, as do many other Districts, nevertheless, we do have many lakes, rivers, and streams contained therein which are extensively used by small-boat enthusiasts; so, therefore, I am very familiar with the scope of small boating and the problems which this bill seeks to correct.

The objectives sought by this legislation have already been discussed, so, therefore, I will not impose upon your time by repeating such anticipated accomplishments.

I believe we all realize that this legislation is not the final, nor complete, answer to all of these problems which have developed in this activity. However, in a field which is largely unregulated but which is growing so rapidly, it is a first and very necessary step in the direction of safety on the waterways of this country.

One of the objections to the bill, namely the alleged difficulty and confusion resulting from the custody requirement of the certificate of number in boats customarily rented, will be largely removed by eliminating the requirement for numbering of boats powered with outboard motors of 7½ horsepower or less. It is obvious that the formality involved in renting one of these smaller boats is considerably less than with a larger boat, so, therefore, the misplacing of such certificate of number for such larger boats is less likely to occur than it would have been with such small boat so powered, and, largely, rented very informally.

The newspapers and many magazine articles have recounted numerous instances of the need for this legislation as a safety measure to the boating and swimming public. This bill is not burdensome to the boating public, but it will be a giant stride toward safety and control over a mushrooming sport.

This industry, and the accompanying sport, has come a long way in a few short years from the noisy and unreliable "kicker" fastened on a rowboat to the powerful, sleek, small craft of today, powered with outboard motors of many horsepower, or, perhaps, 2 such synchronized outboard motors of 30 or 35 horsepower each, with possible speeds of approximately 40 miles per hour.

Such small craft are potentially lethal with the power and speed they command at the control of the unregulated operator, often inexperienced. Pleasure boating is really here to stay, but, as the boats churn the water, death and injuries are frequent fellow travelers.

There have been many accidents resulting from the unregulated use of this new toy—the small boat powered by an outboard motor. We have all heard of bathers, or swimmers, having a limb chewed off by an outboard propeller, of a water skier crashing into bathers, of small craft careening into other small craft, and of property damage and drownings resulting thereform. One of our large insurance companies reports that Americans are killing themselves in boating accidents at the rate of about 1,500 a year.

This legislation now before us is probably not the final law we will write on this pastime as it continues to grow, but it is, at least, a very healthy start. One very salutary effort, for example, would be the discouragement of "hit and run" accidents on the water.

Some are opposed to this legislation because they say it goes too far; others are opposed because they say that it does not go far enough. Well, in my years as a practicing attorney, I generally found that a compromise with which neither side was satisfied was a good one.

Therefore, let us enact this bill, let us start on the road to sensible regulation of small boats on our waterways—let us take this first step toward safety for our small boatmen, our swimmers, and our bathers.

I earnestly urge the passage of this bill.

PROGRAM FOR THE WEEK OF JULY 21

Mr. TOLLEFSON. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Chairman, I take this time to ask the majority leader if he will be good enough to inform us as to the program for next week.

Mr. McCORMACK. Would the gentleman mind if I made an observation about today?

Mr. ARENDS. I would welcome it.

Mr. McCORMACK. If the bill under consideration is disposed of today, we shall go over until Monday. If it is not, I am sorry, but we will have to meet tomorrow. I hope that it will be disposed of today, but that is something over which I have no control.

Mr. BONNER. Mr. Chairman, will the gentleman yield to me?

Mr. ARENDS. I am glad to yield to the gentleman.

Mr. BONNER. The proponents of the bill under consideration are certainly willing to have the bill concluded today and will yield much of the time that we have now under the rule to promote the clearing of the bill.

Mr. McCORMACK. In anticipation of that, the program for next week is as follows: On Monday there are 14 bills under suspension of the rules. Of course, there is also the Consent Calendar. The bills under suspension are as follows:

S. 3420, extend Agricultural Trade Development and Assistance Act—Public Law 480.

H. R. 13382, Small Business Tax Revision Act of 1958.

H. R. 10277, amend Tariff Act of 1930, newsprint paper.

S. 2266, naval shipyard wage rates, Portsmouth, N. H.

House Concurrent Resolution 333, relating to the size of the Army National Guard.

H. R. 4381, Armed Forces, memorial markers.

H. R. 13373 increase, lump-sum readjustment payments, Armed Forces Reserves.

H. R. 13265, authorization, Corregidor-Bataan Memorial Commission.

H. R. 13140, revise depository library laws.

H. R. 488, Medal for Distinguished Civilian Achievement.

S. 1939, agriculture, amend Federal Seed Act.

H. R. 12165, Reconstruction Finance Corporation, payment in lieu of taxes.

H. R. 12018, acquire land, Guam.

H. R. 11722, Indians, Crow Tribe, payment for lands.

If there is time left, House Resolution 580, to create a Committee on Science and Astronautics. That is the resolution to establish a standing committee, in recognition of the importance of science and astronautics in the world of today and tomorrow. Of course, if the resolution is adopted, the committee will not be set up until the next Congress. But we would like to get the resolution through.

H. R. 11805, construction of facilities in relation to aeronautic research.

On Tuesday there will be H. R. 13450, the supplemental appropriation bill for 1959, which will be the first order of business, no matter what the status is of any bills brought over from Monday.

Any rollcall votes on Monday and Tuesday, other than those on rules, will go over until Wednesday, because there is a primary in Oklahoma.

Following the supplemental appropriation bill, there will come up S. 3651, the Small Business Investment Act of 1958. Then H. R. 4504 the marketing facilities bill. Then H. R. 12670, a bill relating to payment for land to the Crow Creek Sioux Tribe.

Also H. R. 12662, a bill for lands for Oahe Dam, on the Missouri River. Also H. R. 12663, a bill providing additional payments to the Sioux Tribe of Indians.

If any legislation that I have mentioned for Monday is not disposed of on that day, I may be able to work it in ahead of some of these bills.

The first order of regular business on Thursday will be the military construction appropriation bill for 1959. If a rule is reported out on S. 3497 the community facilities bill may be brought up.

There is the usual reservation that conference reports may be brought up at any time and any further program will be announced later.

Of course, it will be a busy week. I know there are several bills we have to act upon before the session is over. As the majority leader I want to give an opportunity for consideration of all bills, whether they are must or not, to be acted upon, because I know Members are interested in them. I am pretty well caught up on any rules out of the Rules Committee. There are 1 or 2 bills with rules out, but they will be brought up later. There are reasons why they have not been brought up. But as the major-

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ity leader I am pretty much up to date with this program for next week.

However, there are several must bills still in committee. If they get out, there is no reason why we should not have our business in a condition where we should be able to adjourn not later than August 16, and I hope August 9. If they will put the pressure on for August 2, I will cooperate in every way possible.

Mr. ARENDS. I should like to offer that August 2 as an amendment.

Mr. McCORMACK. We are getting toward the close of what has been a remarkable session. Members on both sides have problems in an election year. The public realizes that if after proper consideration we have disposed of the people's business we should get out of here as quickly as possible.

Mr. BONNER. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. CLARK].

Mr. CLARK. Mr. Chairman, I have heard it said that the bill contains no safety requirements. With this I heartily disagree. The entire measure is designed to promote boating safety. The majority of witnesses testified that the greatest need in boating under today's conditions was improved enforcement.

The essential facts of any program to promote safe boat operating practices are first, a substantial prohibition against certain practices and second, adequate means to enforce the prohibition provisions. The Motorboat Act of 1940 provided the substantive prohibition against reckless or negligent operation of a boat. Our committee, in this bill, recognizes this as the best way to handle the situation, rather than by spelling out in detail a great many specific prohibitions.

What the Motorboat Act of 1940 does not do, however, is to provide the necessary means to enforce this prohibition in the year 1958. H. R. 11078 does provide three very important enforcement tools to aid enforcement and thus promote boating safety.

First, the bill provides, in section 6 (a) that the operator of a boat must stop and render certain assistance in the case of a collision or accident, and thereafter report a full description of the accident. There is no such requirement under existing law.

Second, the bill requires that all motor-propelled vessels must carry an identifying number. One of the basic elements of enforcement is being able to identify that which is thought to be violating the law. Thus, we have numbers or tags on automobiles for identification. In the case of boats, the Numbering Act of 1918 excludes from its provisions, all outboard boats under 16 feet in length. There are over 3 million such boats today which cannot be readily identified in case of accidents, violations of law, and loss or theft. In response to just about 100 percent of the views expressed to the committee, H. R. 11078 does require that all motor-propelled vessels be numbered for identification, except those propelled by motors of 7½ horsepower or less. To number a boat means it can be identified. To be identified materially assists enforcement. Greater enforcement means greater safety. Moreover, if a boat owner or operator knows he can be identified by a number on the hull, he may take a different operating attitude, which again promotes safety.

Third, the bill—in section 6 (b), lines 12, 13, and 14, on page 9—provides a most needed enforcement tool by allowing the Coast Guard to levy up to a $100 penalty for reckless or negligent operation of a boat without having to go through the existing criminal penalty procedures. This provision will make enforcement of the law much more effective, and thus will promote safety. Many minor violators, who now go unpunished, due to the Coast Guard's reluctance to stigmatize the offender as a criminal, will be apprehended.

For these reasons, we believe that H. R. 11078 definitely will promote boating safety.

Some objection has been expressed to this legislation on the ground that it repeals section 21 of the Motorboat Act of 1940, which excepts vessels of less than 17 feet, and certain other vessels from the requirement that the certificate of award of number must be kept at all times on board the vessels to which the number has been awarded. This section, an amendment to the Numbering Act of 1918, was added to the Motorboat Act of 1940 by my good friend and colleague, the gentleman from North Carolina [Mr. BARDEN]. Prior to that time, the 1918 act required that every powered vessel subject to that act had to have the papers certifying award of number permanently on board the vessel. This was totally impractical in the case of very small vessels and those whose design or fittings were such that the carrying of the certificate on board would render the certificate imperfect, illegible, or otherwise tend to destroy its usefulness as a means of ready identification. However, under existing law, a boat operator was nevertheless required to exhibit the certificate of award whenever requested by appropriate authority, subject to civil penalties ranging from $100 to $1,000. Under this bill, on the other hand, no numbered boats are required to keep their certificate permanently aboard. In lieu thereof, simple pocket-sized certificates are required, which are to be produced on demand when the boat is in use. The maximum penalty for failure to produce the certificate under this bill is not more than $50.

Some people feel that the whole job of numbering boats and enforcing the safety laws on the waters should be handled by the Coast Guard; others with equal vigor feel the whole job should be done by the States.

Our basic philosophy toward this problem is well documented in House Report No. 378 of the 85th Congress, 1st session, when we stated:

> Your committee was urged by some witnesses to preempt, by positive legislation, the jurisdiction over all waters of the United States except those clearly State controlled. This was based upon a desire to obtain maximum uniformity of boating laws, and to avoid conflicting or varying State laws.
>
> In view of the Federal Government's jurisdiction over the "navigable waters of the United States" as defined by the courts in interpretations of our Constitution, it is safe to say that the great majority of the waters used extensively by pleasure boats in the United States are subject to Federal control. Thus, it is argued that by full exercise of Federal power Congress could, by comprehensive legislation, achieve uniformity of regulation on most of the waters of the country on which there is substantial boating activity.
>
> While fully in agreement with the objective of all witnesses who urged maximum uniformity of boating laws in the United States, your committee does not feel that this objective should be attained by such extreme means as preemptory action by the Federal Government. Nor does it appear practical.
>
> Several witnesses before the committee were official representatives of State governments. These witnesses agreed in their testimony that the proper way to proceed to obtain the desired uniformity of boating laws was for the Congress to enact an up-to-date Federal boating safety law for the high seas and waters under Federal jurisdiction, which law would serve as a guide or model for those States which desire also to enact boating safety laws. Your committee agrees with the views of these State representatives and feels that it is the responsibility of this committee and the Congress to assist the States in this manner. In short, this committee prefers a policy of full cooperation with the States, rather than a policy premised upon any considerations of paramount and exclusive jurisdiction.

The question is also asked, "Why do you want to number the boat? Why not number the outboard engine that can so easily be transferred from one boat to another?" The answer to that question simply is that this is safety legislation, not revenue legislation. You cannot justify paying a fee and getting a number for an outboard engine on the grounds of safety, because you could not see the number in case of accident. It is the boat that will be in the accident, and, if it is power propelled, it should have the number on it so that it can be readily seen. I admit that to charge a fee to number an outboard engine would raise more revenue, and I know of at least one State that does so for that very reason, but, I repeat, our committee is interested in boating safety, not revenue. Therefore, this bill requires that the boat be numbered for identification.

Some members expressed concern lest the Coast Guard, acting for the Secretary of the Treasury, might exceed the intent of the law through the exercise of power to promulgate regulations. Charges of this sort were made in regard to Public Law 519, 84th Congress, providing additional safeguards with respect to small boats carrying more than six passengers for hire. This problem was considered by the committee when the bill was recommitted, and an amendment was adopted to provide that rules and regulations promulgated by the Coast Guard shall be submitted to the Speaker of the House and the President of the Senate when Congress is in session and shall not become effective until 60 days thereafter. We feel that by means of this important provision Congress will be assured an opportunity to consider the need for modification of the legislation if regulations pursuant to the law disclose a need therefor. It will serve as a checkrein against the possibility of overzealous regulation.

The principles laid down in this bill recognize the fact that we are working in an area where Federal and State responsibilities coincide or overlap. That is the reason we sought the active cooperation of the Council of State Governments in drafting the legislation. Despite this, and despite the fact that this bill yields to the States jurisdiction which has heretofore been exclusively Federal, some Members seem to fear that there are provisions of the bill which will—or may—invade State jurisdiction. Nothing could be farther from our intent. Nevertheless, to remove any doubts on this score, the Committee adopted an amendment—proposed by Mr. MERROW and Mr. BASS of New Hampshire—which would assure that this bill does not infringe upon the jurisdiction of any State.

Section 11 provides that the act shall take effect upon enactment except for section 3 (d) relating to numbering by the Secretary, which section would take effect April 1, 1960.

Our purpose in proposing that the effective date of section 3 (d) be delayed until April 1, 1960, is to permit every State to have an opportunity to set up an approved numbering system before the Secretary is required to number any boats under this act.

Most States will hold legislative sessions in 1959, and all those legislatures meeting in regular biennial session in 1960 will have convened before April 1.

Delaying until that date the requirement that the Secretary initiate numbering will mean, at worst, that in some States numbering under this act will not be done for one full boating season—that of 1959.

We believe the date is well chosen in terms of giving the several States time and notice of Congressional intent so there will be a minimum of confusion and no more delay than is necessary.

In summary, this is essential safety legislation. It is simple, yet effective. It is not burdensome to the boating public, and in the opinion of many, perhaps does not go far enough. Our committee felt, however, that it would be unwise to attempt any greater degree of regulation until experience with this legislation might indicate the need for it.

Insofar as the Federal Government may be concerned, it assures the most efficient and economic operation. It does not forfeit Federal control where it is needed, but distributes the burden of responsibility among the States and the Federal Government.

It clarifies the right of the States and their subdivisions to meet the needs of their particular situations where question has been raised in the past, but it in no sense compels or requires any State to yield any of its historical jurisdiction or prerogatives.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. CLARK. I yield.

Mr. FULTON. I want to compliment the gentleman on his statement and for his interest in small boat safety.

Mr. CLARK. I thank the gentleman very much.

Mr. TOLLEFSON. Mr. Chairman, I yield 4 minutes to the gentleman from Florida [Mr. CRAMER].

Mr. CRAMER. Mr. Chairman and Members of the Committee, I favor this legislation. I want to congratulate the committee for the many years of study they have put into it, but I feel that some amendments are needed. Principally, I want to take this time to discuss those amendments. Let me say first, I want to thank the committee for in its last hearings they permitted me to appear before them and make some recommendations in regard to amendments. As the results of that appearance, the committee did accept two amendments. I want to thank the committee. I think it is a better bill as a result of it.

They did accept on page 5, line 10, my amendment upon my request by appearance before the committee that would increase from 30 days to 90 days the reciprocity between States. In other words, if you are licensed in Pennsylvania, you can come to Florida as many thousands of people do—you can come to Florida—and vacation up to 90 days and these vacationers will be able to use their boat without having to license a second time in the State of Florida. Previously in the committee bill, there was only a 30-day reciprocity period. Many people who come to Florida, and I know they go to many other places, do so for a longer period. I think a 90-day period is far more reasonable.

In addition, the committee accepted an additional amendment by me which I was concerned about because of the fact that when the old Public Law 519 was passed, there were regulations and rules adopted by the Coast Guard and many of them were difficult to be carried out. Many of them went further than they needed. So a provision was added giving the Congress some say-so about the regulations adopted. It is added on page 10, lines 10 through 15, which provide "that rules and regulations shall be submitted to the Speaker of the House and the President of the Senate when the Congress is in session and shall not become effective until 60 days thereafter."

In other words, Congress should have an opportunity to review the rules and regulations to make sure they are reasonable. Without adding to the delay I want to thank the committee for its consideration of those amendments.

There are some other matters that I want to call to the attention of the Commitee, and again I say I am in favor of the general principles of the bill. I feel, however, that attention is being diverted from the bill as a safety measure. It is not intended to be a title registration bill. I do not think it is intended to consider a boat on the same basis as an automobile for registration purposes under this bill. This is intended to be a safety bill. We should be as much concerned with safety on the waterways as we are with safety on the highways. But there was such an effort to partially make it a title registration bill apparently on the part of the committee, and I think unwisely, because I think the important objective of the bill, that is safety, will be made more difficult by this proof of title requirement in section 7 (c). This is not a title registration bill but it is a safety measure.

I am going to offer an amendment which I hope will restore it as a safety measure and not make it quite so burdensome as a title registration measure by eliminating section 7 (c) the proof of title section and redefining the term "owner" to conform. All this amendment will do is change the definition on page 2 of subsection 4, the definition of the word "owner" so that it will read instead of "'owner' means the person who has lawful possession of the vessel or a person who has lawful possession of a vessel" to "a person who claims lawful possession," and would strike out section 7 (c) which has two sections which require documentary proof of ownership at the time of application for a certificate of title.

The testimony is to the effect that there are 7 million boats that would be affected by this legislation. I venture to say that at least 50 percent of the owners—and I say this partially from my own experience—50 percent of the owners would be unable to prove ownership at this time. When you get to boats of 14 feet, 16 feet, or smaller, you will find that seldom is a certificate of title given. Usually a receipt for money paid is given. So I venture to say that 50 percent of such boatowners would be unable to furnish a certificate or a duplicate certificate of title, for they would not be available.

I hope the Committee will adopt my amendment and pass the bill.

Mr. FALLON. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. MACDONALD].

Mr. MACDONALD. Mr. Chairman, I believe this bill is a good bill and that it is long overdue. I think one of the most striking things about the debate on the floor so far is that nobody has mentioned that of all the people appearing to testify on the bill they were practically unanimous in support of the bill.

I come from a State that has a 1,800-mile coastline with 450 lakes or navigable streams; obviously the people of Massachusetts are concerned with this matter.

I have in my hand a letter from the Massachusetts Bay Yacht Clubs Association, which has some 60 members. Each one of these yacht clubs has the problem of trying to control the traffic of these hotrod outboards and reckless drivers on the sea. The people who are mostly concerned with this matter, are in favor of this bill.

I quite agree with two of the Members who stated earlier that perhaps the bill does not include all the safety measures possible, but I do also say that perhaps there is some misapprehension regarding the safety measures already on the books that are being enforced by the Coast Guard. None of these will be abrogated by the passage of this bill.

Mr. Chairman, I want to take this opportunity to urge my colleagues in the House to support H. R. 11078, which is designed to promote boating safety on the navigable waters of the United States and to provide cooperation with the States in the interest of uniformity of boating laws.

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The purpose of this bill is to modernize our outdated boating laws to meet safety problems created by the phenomenal boom in the use of small boats. This bill will result in a uniform system of governing the operation of small boats much in the same way that the operation of automobiles in our various States is handled. It also will give reciprocity between the States in the governing of this great American outdoor sport.

The bill requires the numbering, for identification, of all motorboats propelled by machinery in excess of 7½ horsepower, including outboard motor-driven boats under 16 feet, in length, and provides for a reasonable fee for doing so and provides penalties for noncompliance. The bill also amends the Motorboat Act of 1940 to require assistance in the event of accident and establishes regulations covering reckless or negligent operation of these boats in the navigable waters of the United States. This means that boatmen will be obliged to render assistance and make a report in the case of serious boating accidents. Likewise, under the bill the States and Federal Government will enter into cooperative agreements to insure the greatest possible uniformity of boating laws and enforcement procedures.

Mr. Chairman, in 1947 there were almost 2½ million pleasure craft in operation. In 1957, the total number of recreational boats in use in the United States increased to 7 million. In Massachusetts we have 1,800 miles of coastal waters and 450 lakes, ponds, and parts of rivers in which there is extensive boating. It is obvious that boating has become a universal family sport in this country, indulged in by persons of all walks of life, and operating all types of small boats. Because of this increased activity in boating, the present boating laws have become inadequate to provide for the safety of lives and property that is necessary. I am, therefore, pleased that the House is considering this worthy measure today.

In conclusion, permit me to state that I am vitally interested in cutting down boating accidents and getting cohesive regulation for this wonderful recreation. The benefits which will result from enactment of this bill in terms of protecting life and property will be most significant. It is my hope that the House will pass this meritorious measure and that the Senate will soon give their approval to it. In doing so they will indicate the strong desire of the Congress to assure uniformity of boating laws in the United States and thus help prevent boating accidents on the navigable waters of this country.

I hope the House sees fit to pass this bill as quickly as possible today.

Mr. TOLLEFSON. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. DORN].

Mr. DORN of New York. Mr. Chairman, in an effort to speed up the consideration of this bill I think the House while not unanimous, is practically unanimous in support of the bill.

Mr. Chairman, I was startled a few weeks ago to read in a Red Cross report that small-craft accidents caused one-fifth of all drownings.

The original and main reason for automobile legislation was the numerous accidents caused by automobiles. If small-craft accidents continue at the present rate, it may be that similar legislation will be needed.

This motor-boat legislation does not attempt to come to grips with and solve causes of motor-boat accidents, nor does it attempt to curb a motor-boat operator. It is an extremely cautious approach to small-boat safety. It avoids in every way restrictive legislation or regulations which would prevent complete enjoyment of the sport of boating or impair the fullest use of our waterways.

Because the Merchant Marine Committee decided that stringent regulations were not advisable at the present time, it does not mean that it will discontinue studying and examining Coast Guard reports and recommendations as to the cause and prevention of motorboat accidents.

I want to sound a warning to manufacturers of motor-powered boats. They have a duty to the public beyond the sale of safe, dependable, seaworthy craft. They, and their agents, must follow their sales into the hands of the ultimate purchaser to insure that the buyer knows how to operate, where to operate, and when to operate, and that the buyer knows the danger to life in the operation of a motorboat, that the buyer knows the "rules of the road," and what is most important, that the buyer realizes and respects the dangers from the elements and the water.

If accident statistics show that this committee must put teeth into this legislation, then we will consider further the recommendations from witnesses that operators be licensed, that there be a minimum age for operation, and that the Coast Guard inspect pleasure craft.

When hundreds of thousands enjoy the sport of motorboating, some regulations become inevitable, but how much regulation depends upon how the industry and sportsmen regulate and govern themselves for the good of the industry and for the pleasure of the sport, but principally, for the safety of our citizens.

Mr. TOLLEFSON. Mr. Chairman, I yield 3 minutes to the gentleman from North Carolina [Mr. BARDEN].

Mr. BARDEN. Mr. Chairman, the gentleman made a statement recently, and he either thought he was right or was honestly in error, one of the two. That was on the matter of payment of fees to States that did not happen to have a State legislative act. I believe your answer was then they would not have to pay a license to the Federal Government.

Mr. TOLLEFSON. I said if the boat was operated on Federal or navigable waters.

Mr. BARDEN. I read from page 6:

> The owner of an undocumented vessel required to be numbered under subsection (a)—

That is the one that requires all above 7½ horsepower—

> who uses his vessel principally in a State which does not have a numbering system approved by the Secretary under subsection (c) of this section, shall make application to the Secretary, and upon payment of the fee established under section 5, such owner shall be granted a certificate of number containing the number awarded such vessel by the Secretary.

Now I read you section 5:

> The Secretary may prescribe reasonable fees or charges for the numbering of a vessel, or renewal thereof, under subsections (d) and (e) of section 3 of this act.

I may say in fairness to the gentleman that he said they had interpreted that to mean only the Federal waters. I am sure I do not have to remind the gentleman that the various States of the Union have jurisdiction over the rivers, creeks, and navigable waters within its borders, except insofar as any act may be in conflict with any Federal act. The State cannot pass an act that would be in direct conflict with a Federal act. Other than that, those waters are under State jurisdiction.

Mr. TOLLEFSON. The gentleman is correct with respect to the power and authority of the Federal Government. The Federal Government has no jurisdiction or authority to regulate boating on waters which are non-Federal or non-navigable, as we use the term. In other words, it has no jurisdiction over State waters, no matter what this bill says. The Federal Government could not require a fee to be paid for the numbering of boats on strictly State waters.

Mr. BARDEN. Then I read from page 9 of your report:

> The term is a flexible one, governed by constitutional determinations. The definition included in H. R. 11078 was restrictive in the sense that it left out of Federal cognizance a number of large bodies of water popular for recreational boating that ordinarily should be included—

Such as lakes and rivers.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. TOLLEFSON. Mr. Chairman, I yield myself 1 minute to reply to the gentleman.

Mr. Chairman, as I indicated in my earlier argument, we struck the definition of navigable waters from the bill because we came to the conclusion we could not define navigable waters, and that it was impossible for any committee of this Congress to define what navigable waters are. No matter what definition you came up with, eventually you would go to the Supreme Court and the Supreme Court would decide the matter.

Mr. BARDEN. If you could not define it, how do you know what waters it applies to?

Mr. TOLLEFSON. There are a lot of waters commonly accepted as navigable.

Mr. BARDEN. For instance, the river that goes by my place, has beacons and guides and is navigable under any law, because ships navigate it. It is also State waters for it is 50 miles inland.

Mr. TOLLEFSON. I do not know whether it is included in navigable waters or not.

Mr. BARDEN. It most assuredly is, and every law in the State of North Carolina is applicable to that river except any law that may be in direct conflict with any Federal law.

Mr. TOLLEFSON. The Federal Government has no authority or jurisdiction over purely State waters.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. GARMATZ. Mr. Chairman, I yield 3 minutes to the gentleman from Maryland [Mr. LANKFORD].

Mr. LANKFORD. Mr. Chairman, I want to take this opportunity to thank the chairman of the committee for letting me have this time, because the Fifth Congressional District of Maryland, which I have the honor of representing, is bordered by the Chesapeake Bay and the Potomac River and in addition, contains many miles of rivers and streams offering fine recreational facilities for residents of the Washington-Baltimore metropolitan areas. It is certainly not my wish to unduly restrict and harass those many thousands who are turning in ever-increasing numbers to water sport for recreation. Nor is it my desire or my wish to place any undue restrictions on those many thousands of my constituents who earn their living from the water. But any one of us who has had occasion to be present on the Chesapeake Bay on a summer weekend cannot help but be appalled at the congested conditions and the reckless practices that often exist. It is clear that an approach such as that set forth in H. R. 11078 must be put into practice if complete chaos with ever-increasing loss of life and property is to be prevented. The fact that the States are urged to consider the problems of our waterways and to establish and administer their own numbering system is of paramount significance. This bill could well provide the incentive for such State action that has long been needed.

As familiar as I am with recreational boating, I must admit that I was surprised recently to learn that boating has in every sense of the word become big business. In 1957 it has been estimated that there were 7,071,000 recreational craft in existence on all waters in the United States—approximately 1 for every 24½ persons—and that $1,912 million was spent at retail level during the same year. Over 3,360,000 outboards were in use, of which 2,375,000 were estimated to be used occasionally on row boats, dinghies, prams and other miscellaneous craft on all waterways.

I feel very strongly about this, and, as I have said, there is no desire on my part to harass or to interfere in any way with the recreational facilities offered by our waters nor to interfere with those people who make their living from the water. But, I feel that this is a step in the right direction. It is not perfect; the members of the committee have agreed that it is not perfect, but I say to you very sincerely that if action is not taken now to educate and to curtail the irresponsibility on our waterways, then we are going to be faced with far more restrictive legislation which we will be forced to pass if this is not done now.

Mr. Chairman, I urge the House to pass this bill.

Mr. TOLLEFSON. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. SHEEHAN].

Mr. SHEEHAN. Mr. Chairman, as a member of this committee, I want to wholeheartedly express my approval of the bill, and if there are any real objections to parts of the bill, I am sure the House in its wisdom can work its will in the Committee of the Whole under the 5-minute rule and make whatever changes the membership deems fit.

I am a little concerned that the outstanding feature in this bill, the safety feature, is being lost in the opposition to the registration part of the bill. One of the Members who spoke previously made some comment of the fact that if a boat is going down, you need more than three numbers and a certificate if you are going to help the people in the boat that is going down. That is one of the main purposes of the bill, as I see it. Under the present law boats under 16 feet do not come under the jurisdiction of safety regulations. In recent years we have seen a tremendous increase in the number of boats under 16 feet, which have very powerful motors on them, and we have had testimony before our committee of hundreds of cases, of the negligent use of such boats, which have caused loss of life and property.

Under this bill, boats under 16 feet would be subject to safety rules if they are operated on navigable waters, provided, of course, they have a motor over 7½ horsepower. Therefore it seems to me this legislation is essential for the safety both of life and property.

The testimony has shown the necessity for this bill. I am sure that if we allow the bill to be fouled up through opposition of the registration feature we will be doing a disservice to the people of the country. Some objection has been made to the fact that the States are getting into this picture. I yield to no one in this House in my support of States rights. I have always supported them, as I did in the preemption bill we considered yesterday. Under the bill we are now considering States rights would be protected, because the bill would provide a model to which the States could conform, if they desired. If the States did not want to, the Federal Government could not compel them to. And under the present bill the Federal Government to giving back to State jurisdiction some of the registration rights.

Questions have been raised here about the registration fee and a great deal of concern has been voiced about that. If you look at the bill itself, on page 6, paragraph (10), it states that "The States may charge fees." So if a State wants, in looking out for its people, to provide registration free of charge, there will be no question about the registration fee if the boat is used within a State and not on Federal navigable waters.

I hope that the committee will accept the bill we have before us today so that the safety features will be of more general application.

I might make one comment about the safety features. Very frequently, as we found in the testimony, small boats under 16 feet, but with powerful motors, swamp other boats, hurt bathers or people who are surf riding, and after the accident, the boat has disappeared down the river or the lake and there is no way to identify it, because there is no number on the boat and there is no registration. The passage of this bill will promote more safety and will protect the life and property of our people.

Mr. GARMATZ. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, it was my privilege to act as chairman of the committee that held hearings at various points on the Pacific coast and through the Midwest. I am sure that if any of you who have any doubts about this bill could have been with the committee, you would have had those doubts dispelled.

The overwhelming amount of testimony we received from boating enthusiasts, the leaders of Coast Guard squadrons, yacht clubs, and other boating clubs, was all a plea for some type of legislation to regulate this rapidly growing sport.

The trouble does not arise from the people who have been raised around tidewater and who have been brought up on the water. They know the dangers of boating and the dangers of the water. They have a second sense when on the water. It comes from the fact that people can now purchase boats very cheaply. They are sold high-powered motors by high-powered salesmen, and they go out to sea and into the water when they are ill prepared for that sport.

It was brought out very definitely that age was not a factor. I would much prefer to be in a boat with a 10-year-old kid who was brought up on the water than be in a boat with a mature man who has just adopted the sport and thinks he knows something about the handling of boats or has some knowledge of the sea.

Once upon a time it required a substantial investment to own a pleasure boat, but that is not the case today. Too many people with too little knowledge are entering the field.

This is a safety measure. If anything, the measure is too weak. Personally, I should like to see a much stronger bill passed, but I realize that it is a new field. It is one in which we must do some pioneering. It is much better to hasten slowly than to pass restictive legislation not founded on fact, that would be embarrassing, would be hard to administer, and would defeat the purpose of safety that we seek here.

Mr. TOLLEFSON. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. SIKES].

Mr. SIKES. Mr. Chairman, I appreciate the fact that my friend has yielded me time for the purpose of renewing the question I directed to him sometime ago, one facet of which is this: If I buy a motor and borrow a boat from a friend, then which of us is guilty of violating the law and subject to the $50 fine.

Mr. TOLLEFSON. The bill itself makes reference to that question on page 11, section 8. The language of that section might give the gentleman the impression that both of them were liable for a violation. My own interpretation of it is that the owner of the boat is not liable unless he knows that his boat is going to be used in conjunction with a

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motor. In a sense, he is then a party to it.

Mr. SIKES. Then, if I own a motor and borrow an unregistered boat, I have the responsibility of registering that boat with the Federal Government and paying a fee for 3 years before I can put my motor on the boat and use it?

Mr. TOLLEFSON. That is correct.

Mr. SIKES. That is a rather severe requirement for people who might like to borrow a boat from a friend.

Mr. TOLLEFSON. No. He should be subject to the same safety requirements as everyone else.

Mr. SIKES. What is the situation with regard to a boat livery or a person who rents a boat to me on which I place my motor? Am I responsible for registering his boat also?

Mr. TOLLEFSON. Technically that is so. However, the bill gives authority to the States to regulate that matter. The committee thought it best to leave that problem to the States.

Mr. GARMATZ. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. KLUCZYNSKI].

Mr. KLUCZYNSKI. Mr. Chairman, after hearing the program scheduled by our good majority floor leader, Mr. MCCORMACK, for next week, I am sure we all need a good weekend's rest so I will not take the time allotted to me. I will make my remarks very brief.

I am very happy to see that H. R. 11078 is here before us today. It is very important legislation, and it has been very close to my heart. I made a study of it for the past 2 years, and it kept me awake at night. I have been up until 2 or 3 o'clock in the morning every night for the past 10 days.

Mr. Chairman, I want to congratulate the chairman of the Committee on Merchant Marine and Fisheries, Mr. BONNER, for making it possible to bring H. R. 11078 to the floor of the House today to explain its purpose. This legislation is for the safety of about 30 million people in the United States who take advantage of the sport of small-boat pleasure craft.

There are over 6 million inboard and outboard motors today. This industry has grown by leaps and bounds. This small boat safety legislation is requested by the manufacturers, resort owners, boat clubs, yacht clubs, boat liveries, and the promoters of the Chicago, New York and boat shows held in other cities. It is legislation needed for the safety of all concerned.

Our good chairman, Mr. BONNER, requested that the members of the Committee on Merchant Marine and Fisheries check into this subject. Extensive hearings were held all over the United States. They continued for a period of 2 years. I had the honor of presiding at the hearings held in Chicago where we heard over 70 witnesses and received the ideas and suggestions of all who were present. We had resort owners from the States of Illinois, Michigan, Indiana, and Wisconsin.

We listened to owners of liveries, and all interested in the subject. We felt honored to have before the subcommittee the Honorable Warren Wood, speaker of the House of Representatives of Illinois. They all agreed that something must be done with respect to boat safety.

Ladies and gentlemen of the House, this safety is provided in H. R. 11078 and I urge you to pass this bill now.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. KLUCZYNSKI. I yield.

Mrs. CHURCH. I wish to commend the gentleman for the time and thought he has given to this legislation. I would ask him, if he would, to repeat for the record the statement he made earlier to me personally this afternoon that all of the testimony in Chicago at the hearings were in favor of this bill.

Mr. KLUCZYNSKI. That is right. I happened to be chairman of the subcommittee in Chicago. We had over 70 witnesses there.

Mrs. CHURCH. And it did include representatives from the State legislature and from the resort areas?

Mr. KLUCZYNSKI. Yes.

We were very fortunate in having the speaker of the house of the State of Illinois, Warren L. Wood, present. He was for this bill. They were all for it—everybody was for it unanimously.

Mr. GARMATZ. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I want to set forth before the members of the Committee what this bill does not do.

First. Despite the fears and misgivings expressed by some Members, the numbering requirement of this legislation does not apply to any boats not using power, such as rowboats, canoes, rafts, and so forth.

Second. It does not require individual operators' licenses. This was urged by many witnesses, but the committee felt that such a step is premature.

Third. It does not require the inspection of pleasure craft by the Coast Guard. The committee believes that such a step would be extreme in the absence of some indication that the boat engine manufacturers are derelict in their manufacturing standards.

Fourth. It does not place any age limitation on operators of boats. The great preponderance of the evidence showed that youngsters are as competent as their elders in handling watercraft.

Fifth. It does not increase Federal jurisdiction.

Sixth. It does not invade any State jurisdiction.

Seventh. It does not attempt to regulate boat liveries. This should be handled by the States themselves to accord with local conditions.

Eighth. It does not attempt to regulate water skiing. While this fine new sport creates problems in some areas it is more a matter to be handled by State legislation.

Mr. TOLLEFSON. Mr. Chairman, I yield such time as he may require to the gentleman from New York [Mr. ROBISON].

Mr. ROBISON of New York. Mr. Chairman, a few years ago I was privileged to own and operate a small family-type cruiser on Cayuga Lake, in the beautiful Finger Lake section of New York. Though far from resembling a yacht, my boat was over 16 feet long and, therefore, was required to be registered with the Coast Guard. I did not find this requirement burdensome, and in fact rather welcomed the added title protection that the numbering system provided.

Certainly, Mr. Chairman, there is no worse example of the confusion and inconvenience of lack of uniformity in laws of the sort proposed here, than is afforded by the maze of 48 different State laws now controlling the registration of motor vehicles and the licensing of their operators. This bill (H. R. 11078) is designed, it seems to me, to provide a reasonably broad framework within which a properly uniform State system for the registration of small boats, and for the application of certain safety standards for their operation, can be constructed. During the last few days, we have been discussing States rights in this body. I would be opposed to any proposal in this field which would tend to deprive the various States of their jurisdiction over their territorial waters, but I do not think this bill will have that effect. It allows the States a reasonable opportunity to establish, within the limits here prescribed, their own numbering system, safety program, and to set and retain their own reasonable fee for such services to their boating citizens. Only if the States do not so act, as I understand it, will the Federal Government step in.

The net effect then, as I see it, would be to promote the pleasure boating industry, and the convenience and safety of our millions of small-boat owners. This is evidenced, in considerable degree, by the almost universal approval this legislation has received from pleasure boating organizations and publications all over the country.

I intend to support the objectives of H. R. 11078.

Mr. TOLLEFSON. Mr. Chairman, I yield the remainder of the time on this side to the gentleman from California [Mr. ALLEN].

Mr. ALLEN of California. Mr. Chairman, I support this legislation. I think it is very timely and a necessary measure to be passed. The first thing it does, and this is from the Federal standpoint, is to revise the law of 1918 which provided for the numbering of 100,000 boats most of them in waters usually used by large ships. This bill will provide a numbering system for 7 million boats more or less now used all over the Nation on a great variety of waters that were never used before.

The bill will set up an overall numbering system which will govern the Federal numbering of boats and which may be used by the States as well. It will encourage uniformity of laws among the States and in this connection there is a great need for the encouragement of uniformity as is recognized by the State governments themselves, and it will provide a much less formal procedure for the lesser offenses.

It will give to the States which adopt the numbering system the unqualified right to have concurrent jurisdiction on Federal waters which are now of doubtful jurisdiction, and one of the provisions which will prove to be most important is the provision for the first

time for the gathering of statistical information as to the nature of accidents, and casualties, to indicate what changes in law are necessary to eliminate these dangers.

As to the matter of this being safety legislation, we have a letter from the Coast Guard Commandant which points out that 2 provisions of the law make it such. One is the extension of the numbering provisions to vessels under 16 feet which have been a most alarming cause of casualties, and the other is the extension of the right to use civil penalties with regard to the misdemeanor type of reckless operating. The Commandant says he believes that these two features alone clearly support the position that H. R. 11078 as reported out by the Committee on Merchant Marine and Fisheries would promote safety with respect to the operation of small boats.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield?

Mr. ALLEN of California. I yield.

Mr. WAINWRIGHT. I wonder whether the gentleman from Maryland [Mr. GARMATZ] would answer the question as to why the committee decided not to include the 6 essential safety measures that he just read and why it was limited to the 2 particular situations the gentleman from California has just referred to in the letter from the Coast Guard Commandant.

Mr. ALLEN of California. Speaking for myself, I think the reason is that we investigated in almost every locality where hearings were held and we could find little or no agreement as to what safety provisions should be incorporated into law.

We started out with a very definite list of safety regulations, but we came to the conclusion in regard to small boats that it is very difficult to put into a law standards which will apply to all waters everywhere. It would seem to be much better to enable the States to pass laws to meet local conditions.

Mr. WAINWRIGHT. Would not the gentleman feel that a provision in the bill to the effect that States may require a certificate of safety would be a step in the right direction?

Mr. ALLEN of California. I think it might be. I doubt that we need to put such a provision in this bill because the States undoubtedly, if they have the right, would pass laws which would govern all the waterways in the State. On State waters they could pass such a law without any need for sanction from the Federal Government.

Mr. WAINWRIGHT. They do not need permission from the Congress in the case of navigable waters for the Coast Guard to promulgate regulations of that sort.

Mr. ALLEN of California. If the Coast Guard were to do that it would be different.

Mr. WAINWRIGHT. This is one of the amendments I have.

Mr. ALLEN of California. On State waters the State could do that without any sanction from the Federal Government.

Mr. WAINWRIGHT. I thank the gentleman.

Mr. ALLEN of California. Mr. Chairman, I reserve the balance of my time.

Mr. GARMATZ. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. SHELLEY].

Mr. SHELLEY. Mr. Chairman, I rise to support this legislation.

I served for about 6 years on the Committee on Merchant Marine and Fisheries, and all that time have been interested in this type of legislation. Further than that, over the years I have a background of experience in this field. It so happens that I have gone to sea in the merchant marine. I am a licensed navigator. I served in the Coast Guard during World War II. I had a boat of my own up until several months ago which I operated on the Potomac River and Chesapeake Bay.

Anybody who has had any experience in small boat operation and navigation in the last several years will appreciate some of the changes that have come into this pleasure, or sport, with the great interest in the number of new boat owners. Very few people realize that although in every State of this Union to operate an automobile you must pass an eye test and some examination showing that you have knowledge of the motor vehicle law; to operate any boat under 65 feet all you have to have is the money to go out and buy a boat. You do not have to pass an eye test, you do not have to know anything about the rules of the road or any safety regulations whatsoever. Personally, I would like to see an operator's test and see that everybody who is operating any boat under power is required to pass an examination showing that they know something about the rules of the road, passing signals, backing signals, and all of the necessary rules of navigation that are required in the operation of vessels. But I am realistic enough to know that the proposal of such a law at this time would meet terrific opposition and would not be passed.

What we are doing here is not one whit different from what history shows was done in regulating the operation of motor vehicles. As motor vehicles came in during the early part of the century there was no regulation by anyone. As their use increased, and as accidents grew, State after State adopted laws, so that today every State in the Union has some requirements for the operation of motor vehicles as to knowledge of the operator and as to the safety of the vehicle being operated.

We are starting here today what is very, very much needed in this field. This is not a perfect bill. The committee has worked on it for several years. I have had the pleasure, although no longer a member of the committee, of working with the committee. It is a start. They have tried to be considerate and not make it too rigid and to stringent, as a start. It simply requires a very modest beginning in numbering. Those of us who know something or pride ourselves on knowing something about navigation at sea and safety in the water use the term "the menace of the waterways" when it comes to these hot-rodders who go out in 15-, 18-, and 20-foot boats with two 40-horsepower motors tied on the rear end, with no sense of responsibility, no sense of the liability that rests on their shoulders in the event of harm; with no sense whatsoever of the fact that this small boat can endanger the lives of passengers aboard a much larger vessels by crossing without giving signals, by crossing on the wrong side, or maneuvering in a way they should not in narrow and confined waters. These things will be eventually regulated. Today, with no numbering, no identification, no mark of registration on some of these smaller boats, there is no way of identifying a person who commits a violation or who creates the hazard and does harm and injury to others.

Mr. SANTANGELO. Mr. Chairman, will the gentleman yield?

Mr. SHELLEY. I yield to the gentleman from New York.

Mr. SANTANGELO. I would like to associate myself with the remarks just made by the gentleman. I favor this bill. As I pointed out during the committee hearings, I have a brother who was almost killed by one of these hot-rod members who was in his motorboat going along and without looking back cut his boat right in half, threw my brother into the water. He went to the hospital and stayed there for a long period of time. This is something that has to be taken care of, and I think the gentleman is advocating the proper method in requiring that these people show some competency before they are permitted to go out and maim other people on the high seas and in the water.

Mr. SHELLEY. I appreciate the remarks made by the gentleman from New York.

The CHAIRMAN. All time having expired, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Federal Boating Act of 1958."

SEC. 2. As used in sections 3 to 5, inclusive, and sections 7 to 13, inclusive, of this act—

(1) The term "undocumented vessel" means any vessel which is not required to have, and does not have, a valid marine document issued by the Bureau of Customs.

(2) The word "vessel" includes every description of watercraft, other than a seaplane on the water, used or capable of being used as a means of transportation on water.

(3) The word "Secretary" means the Secretary of the Department in which the Coast Guard is operating.

(4) The word "owner" means the person who has lawful possession of a vessel by virtue of legal title or equitable interest therein which entitles him to such possession.

(5) The phrase "navigable waters of the United States" means those waters within the territorial jurisdiction of the United States, its Territories and possessions, which, by themselves or through connection with other waters, form a continued highway on which vessels may be navigated from one State to another, or to foreign countries.

(6) The term "State" means a State of the United States, a Territory of the United States, a possession of the United States, and the District of Columbia, the Canal Zone, and the Commonwealth of Puerto Rico.

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SEC. 3. (a) Every undocumented vessel propelled by machinery, whether or not such machinery is the principal source of propulsion, using the navigable water of the United States, and every such vessel owned in a State and using the high seas, shall be numbered in accordance with this act, except—

(1) foreign vessels temporarily using the navigable waters of the United States;

(2) public vessels of the United States;

(3) State and municipal vessels;

(4) ships' lifeboats; and

(5) vessels designated by the Secretary under section 7 (b) of this act.

(b) The owner of an undocumented vessel required to be numbered under subsection (a) of this section shall secure a number for such vessel in the State in which it is principally used, in accordance with the State numbering system approved by the Secretary in accordance with subsection (c) of this section, or if no such numbering system has been approved by the Secretary for the State where such vessel is principally used, shall secure a number for such vessel in accordance with subsection (d) of this section.

(c) The Secretary shall establish an overall numbering system for the numbering of vessels under this act. He shall approve any State system for numbering vessels which is submitted to him which meets the standards set forth below:

(1) The system of numbering shall be in accordance with the overall system of numbering established by the Secretary.

(2) The certificate of number and the number awarded shall be valid for a period not exceeding 3 years, unless canceled or surrendered, and may be renewed for additional periods.

(3) The number awarded shall be required to be painted on, or attached to, each side of the bow of the vessel for which it was issued, and shall be of such size, color, and type, as may be prescribed by the Secretary. No other number shall be permitted to be carried on the bow of such vessel.

(4) The certificate of number shall be pocket size and shall be required to be at all times available for inspection on the vessel for which issued, whenever such vessel is in use.

(5) The owner shall be required to furnish to a designated State official, notice of the transfer of all or any part of his interest in any numbered vessel, and of the destruction or abandonment of such vessel, within a reasonable time thereof.

(6) The State shall require that reports be made to it of accidents involving vessels numbered by it under its numbering system, and shall compile and transmit to the Secretary such statistics on such accidents.

(7) The State shall recognize the validity of a number awarded to any vessel by another State under a numbering system approved by the Secretary under this act, or awarded a number by the Secretary, for a period of at least 30 days.

(d) The owner of an undocumented vessel required to be numbered under subsection (a) of this section who uses his vessel principally in a State which does not have a numbering system approved by the Secretary under subsection (c) of this section, shall make application to the Secretary, and upon payment of the fee established under section 5, such owner shall be granted a certificate of number containing the number awarded such vessel by the Secretary.

(e) The certificate of number initially awarded to an owner under subsection (d) of this section shall be valid for 3 years from the date of the owner's birthday next occurring after the date the certificate of number is issued, unless surrendered or canceled pursuant to regulations of the Secretary. If at the end of such period such ownership has remained unchanged, such owner shall, upon application and payment of the fee established under section 5 of this act, be granted a renewal of such certificate of number for an additional 3-year period.

(f) The number awarded under subsection (c) or (d) of this section shall be painted on, or attached to, each side of the bow of the vessel for which it was issued, and shall be of such size, color, and type as may be prescribed by the Secretary. No other number shall be carried on the bow of such vessel.

(g) The certificate of number granted under subsection (d) of this section shall be pocket size and shall be required to be at all times available for inspection on the vessel for which issued whenever such vessel is in use, and shall constitute a document in lieu of a marine document that sets forth an official number issued by the Bureau of Customs.

SEC. 4. The owner of any vessel numbered under section 3 (d) of this act shall furnish to the Secretary notice of the transfer of all or any part of his interest in any numbered vessel, and of the destruction, or abandonment of such vessel, within 10 days thereof.

SEC. 5. The Secretary may prescribe reasonable fees or charges for the numbering of a vessel, or renewal thereof, under subsections (d) and (e) of section 3 of this act.

SEC. 6. (a) Section 13 of the act entitled "An act to amend laws for preventing collisions of vessels, to regulate equipment of certain motorboats on the navigable waters of the United States, and for other purposes," approved April 25, 1940 (46 U. S. C. 526l), is amended to read as follows:

"SEC. 13. (a) No person shall operate any motorboat or any vessel in a reckless or negligent manner so as to endanger the life, limb, or property of any person. To 'operate' means to navigate or otherwise use a motorboat or a vessel.

"(b) In the case of collision, accident, or other casualty involving a motorboat or other vessel subject to this act, it shall be the duty of the operator, if and so far as he can do so without serious danger to his own vessel, or persons aboard, to render such assistance as may be practicable and necessary to other persons affected by the collision, accident, or casualty in order to save them from danger caused by the collision, accident, or casualty. He shall also give his name, address, and identification of his vessel to any person injured and to the owner of any property damaged. The duties imposed by this subsection shall be in addition to any duties otherwise provided by law.

"(c) In the case of collision, accident, or other casualty involving a motorboat or other vessel subject to this act, the operator thereof, if the collision, accident, or other casualty results in death or injury to any person, or damage to property in excess of $100, shall file with the Secretary of the Department within which the Coast Guard is operating, unless such operator is required to file an accident report with the State under section 3 (c) (6) of the Federal Boating Act of 1958, a full description of the collision, accident, or other casualty, including such information as the Secretary may by regulation require."

(b) Section 16 of such act of April 25, 1940 (46 U. S. C. 526o), is amended by striking out "than that contained in section 14 of this act."

(c) Such act of April 25, 1940 (46 U. S. C. 526–526t), is further amended by adding at the end thereof the following new section:

"SEC. 22. (a) This act shall apply to every motorboat or vessel on the navigable waters of the United States, and every motorboat or vessel owned in the United States and using the high seas.

"(b) As used in this act—

"(1) The phrase 'navigable waters of the United States' means those waters within the territorial jurisdiction of the United States, its Territories and possessions, which by themselves or through connection with other waters, form a continued highway on which vessels may be navigated from one State to another, or to foreign countries.

"(2) The term 'State' means a State of the United States, a Territory of the United States, a possession of the United States, and the District of Columbia, the Canal Zone, and the Commonwealth of Puerto Rico."

SEC. 7. (a) The Secretary shall make such rules and regulations as may be necessary to carry out the provisions of this act.

(b) The Secretary may, from time to time, and for such periods as he may prescribe, exempt any vessel or class of vessels from the numbering provisions of subsection (d) of section 3 of this act.

(c) Nothing in this act shall be deemed to require the Secretary to make any determination of the validity of any legal title to, or equitable interest in, any vessel subject to this act.

SEC. 8. (a) Whoever being the owner of a vessel required to be numbered under this act, violates section 3 or 4 of this act, or regulations established by the Secretary under section 7 of this act, shall be liable to a penalty of $50 for each violation. Whoever operates a vessel in violation of section 3 of this act, or regulations established by the Secretary under section 7 of this act, shall be liable to a penalty of $50 for each violation.

(b) The Secretary may assess and collect any penalty incurred under this act or any regulations prescribed pursuant to section 7 of this act. The Secretary may, in his discretion, remit or mitigate any penalty imposed under this section, or discontinue prosecution therefor on such terms as he may deem proper.

(c) Commissioned, warrant, and petty officers of the Coast Guard may board any vessel required to be numbered under this act at any time such vessel is found upon the navigable waters of the United States, or on the high seas, address inquiries to those on board, require appropriate proof of identification therefrom, examine the certificate of number issued under this act, or in the absence of such certificate require appropriate proof of identification of the owner of the vessel, and, in addition, examine such vessel for compliance with this act, the act of April 25, 1940, as amended, and the applicable rules of the road.

SEC. 9. It is hereby declared to be the policy of Congress to encourage uniformity of boating laws, rules, and regulations as among the several States and the Federal Government to the fullest extent practicable, subject to reasonable exceptions arising out of local conditions. In the interest of fostering the development, use, and enjoyment of all the waters of the United States it is further declared to be the policy of the Congress hereby to encourage the highest degree of reciprocity and comity among the several jurisdictions. The Secretary, acting under the authority of section 141 of title 14 of the United States Code, shall to the greatest possible extent enter into agreements and other arrangements with the States to insure that there shall be the fullest possible cooperation in the enforcement of both State and Federal statutes, rules, and regulations relating to recreational boating.

SEC. 10. The Secretary is authorized and directed to compile, analyze, and publish, either in summary or detailed form, the information obtained by him from the accident reports transmitted to him under section 3 (c) (6) of this act, and under section 13 (c) of the act entitled "An act to

amend laws for preventing collisions of vessels, to regulate equipment of certain motorboats on the navigable waters of the United States, and for other purposes," approved April 25, 1940 (46 U. S. C. 526e), together with such findings concerning the causes of such accidents and such recommendations for their prevention as he may deem necessary. Such information shall be made available for public inspection in such manner as the Secretary may deem practicable.

SEC. 11. (a) Except section 3 (d), this act shall take effect on the date of its enactment.

(b) Section 3 (d) of this act shall take effect April 1, 1960.

SEC. 12. The act entitled "An act to require numbering and recording of undocumented vessels," approved June 7, 1918, as amended (46 U. S. C. 288), and section 21 of the act entitled "An act to amend laws for preventing collisions of vessels, to regulate equipment of certain motorboats on the navigable waters of the United States, and for other purposes," approved April 25, 1940, as amended (46 U. S. C. 526t), shall not be applicable in any State having a numbering system approved by the Secretary under section 3 (c) of this act. Such act of June 7, 1918, and such section 21 of the act of April 25, 1940, are repealed effective April 1, 1960.

SEC. 13. The applicability and the jurisdiction for enforcement, upon the navigable waters of the United States, of the laws of the United States and of any State which require the numbering and otherwise regulate the use of undocumented vessels, shall be as follows:

(1) Such laws of the United States shall be applicable and enforced on such waters by law enforcement officers of the United States.

(2) Such laws of any State in a State having a numbering system approved by the Secretary under section 3 (c) of this act shall be applicable and enforced on such waters by law enforcement officers of the State or by law enforcement officers of the appropriate subdivisions of the State.

(3) Nothing herein shall preclude enforcement of State or Federal laws pursuant to agreements or other arrangements entered into between the Secretary and any State within the contemplation of section 9 of this act.

Mr. BONNER (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with and printed in the RECORD at this point and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Page 2, strike out lines 14 through 19.

The committee amendment was agreed to.

The Clerk read as follows:

Page 2, line 6, strike out "(6)" and insert "(5)".

The committee amendment was agreed to.

The Clerk read as follows:

Page 2, line 21, strike out "a possession of the."

The committee amendment was agreed to.

The Clerk read as follows:

Page 2, line 22, strike out "United States" and insert "and" and after "Columbia" strike out "the Canal Zone."

The committee amendment was agreed to.

The Clerk read as follows:

Page 2, line 23, strike out line 23.

The committee amendment was agreed to.

The Clerk read as follows:

Page 2, line 25, strike out "machinery," and insert "machinery of more than 7½ horsepower."

Mr. SIKES. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. SIKES to the committee amendment: On page 2, line 25, strike out the figure "7½" and insert "10."

Mr. SIKES. Mr. Chairman, this bill has been referred to as a bill to regiment all Americans who are not now regimented and as originally written I think that is about as good a concept as we could have. There has been read to us an impressive list of associations, organizations, manufacturers and others, who are for the bill. I gather that everybody is for the bill except the people who use boats. They should have some voice in this matter.

Much has been said about safety. I question there is any safety language in this bill that is not repeated from existing legislation, and I know that to appear to be opposed to safety places one in about the same category as being opposed to religion, motherhood, and the American flag. But I would like to be sure that we know what we are talking about when we speak of this as a safety measure. The facts are, according to the statistics that are available to everybody, that people who drown while using boats are numbered as seven-tenths of 1 percent fatalities per 100,000 people. There are over twice that many who drown in bathtubs at home. There are 16.7 per 100,000 who die in accidents in homes, 23.9 per 100,000 who are killed in automobile accidents. So, boating does not present the great dangers that have been portrayed here today.

Now, Mr. Chairman, this bill will do this: It will require 7 to 15 million small boat owners, pleasure boat owners, fishing skiff owners, bateau owners, to register their boats for a fee of maybe $3, maybe $5, maybe $10—nobody knows—per year each 3 years and be subjected to harassment and regimentation by a new army of Federal inspectors or deputies who will parade all over the countryside. There will be more disgusted, disgruntled, mad Americans under this bill than we have ever created at one time in the history of the Congress by a so-called minor bill.

I want to remind you that any registration that may be required can be done by the States as they license automobiles. I want to remind you that a new wholesale series of regulations can be written under this law and we or the people can do very little about it. I know the committee has seen fit to limit some of the bad features of this bill. This certainly is an improvement. But I submit, Mr. Chairman, the safety hazards are not brought about by those using small motors. Those people who place a 25-, 35-, or 50-horsepower motor on the back of an outboard cabin cruiser or open boat and drive it at tremendous speeds up and down the waterways, constitute the safety hazard, and they should be controlled. No one objects to controls where they are needed.

I say let us limit this to motors above 10 horsepower. Motors below 10 horsepower do not constitute the hazard. The facts show that the trend among boat owners and motor owners is toward motors of higher power. A number of years ago most people had a motor of about 5 horsepower. These are the people who used their boat for pleasure and for fishing. They constitute the great bulk of those who will be affected by this bill. Now the trend in size of motors is up. I would say that most boat owners now have a 7½-horsepower motor. But more and more of them are going to ownership of motors of greater horsepower, motors of 10 horsepower or above. If motors of 10 horsepower or less are exempted from the provisions of this bill, that will eliminate most of the people who do not contribute to the hazards of boating and will leave subject to the law most of those who do provide danger on the waterways today.

Mr. Chairman, the committee has the responsibility of cleaning up this bill and making it one that the public will accept. This is not an amendment to ruin the bill. This bill already is ruined. I oppose it and I shall vote against it but I hope we can improve it.

Mr. BONNER. Mr. Chairman, I rise in opposition to the amendment.

Before I address myself to the amendment I want to say again that I am sorry to hear the gentleman from Florida [Mr. SIKES] say what he did about the bill. Perhaps if he had come to the committee and shown some interest at the time we were writing the bill and offered some of his amendments and his advice then, we might have been able to bring a bill to the floor of the House that would have had his approval. But I doubt it seriously.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield.

Mr. SIKES. I happen to have responsibilities and duties here just as does the gentleman from North Carolina, including committee responsibilities that keep me busy 4 or 5 hours a day most of the days that we are in session.

Mr. BONNER. I understand that.

Mr. SIKES. I did not know when the gentleman was ready to consider amendments to his bill. I assumed, when the House sent the bill back to the committee, that we would have an opportunity to submit corrective amendments, but the bill was reported out again the first time the committee met to consider it.

Mr. BONNER. Mr. Chairman, that is another error. The bill was recommitted, not because of any fault in the bill

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but because of an unfortunate situation in the staff of the committee. The staff of the committee was chagrined and I was sorry for them. They made a mistake so far as the report of the bill was concerned, with respect to the Ramseyer rule. A point of order would have been made. I asked that the bill be recommitted for that reason.

Mr. Chairman, with respect to this amendment concerning the 10-horsepower motor, I talked to the gentleman from Florida about putting in an amendment providing 5½ horsepower, 1 day. I shall not tell the House his reply to me, but in the bill itself there is provision for exemptions. There are certain boats exempted. In the bill itself horsepower could have been exempted. When we held these hearings, there were many things people wanted us to put in the bill and many things they wanted us to leave out of the bill. Five and one-half horsepower on a 14-foot skiff will take that skiff 8 to 10 miles an hour. I have these figures here and these records on speed, and I got them from accurate sources. A 7½-horsepower motor is a 59-pound modern motor. It will carry a 14-foot skiff 12 to 15 miles an hour. That is fast enough for anybody who puts his private motor on a livery skiff and goes fishing.

Mr. Chairman, we had to find a place to cut off, we had to make a cutoff. I went to livery people up and down the coast. I went to five, to be factual. They told me that an exemption of 5½ was enough, but we went up to 7½.

Mr. Chairman, I ask for a vote on the amendment.

Mr. BARDEN. Mr. Chairman, I move to strike out the last word, and rise in support of the amendment.

Mr. Chairman, I think I am a pretty good authority on this question of fishing. I have been given credit for being one, and I am proud of it. But when you come to me talking about putting a 7½-horsepower engine on a skiff with two men in it—and where I go fishing there are at least two men fishing; we do not go by ourselves—and go 15 miles an hour, I know that is silly and absurd. It cannot happen. That is all there is to it.

Mr. BONNER. The record shows 12½ to 15.

Mr. BARDEN. I do not know what records the gentleman has or where they came from. I am not concerned about that. I am talking about my own operations.

This is what happens with these rental boats. I know of a one-armed man who lives a quarter of a mile from me who rents 20 or 25 boats to fishermen who bring their own motors. There is a 5-pound difference between a 7½- and a 10-horsepower motor. They bring the motors there in the trunks of their cars, and rent a boat.

This is what will happen. They bring their motors. The man will not have his boats registered unless we amend this bill, and the fisherman is not going to go back home with that motor. He is going to put his 10-horsepower motor on that boat and go fishing. Law or no law. There are just as many 10- as 7½-horsepower motors. These men are not the hot rodders. They do not run over anybody, they do not hurt anybody, they do not do any damage.

Let us leave some place where two fellows seeking quiet and peace and comfort can go up a creek or a river and do some fishing without having some Federal officer breathing down their necks.

Mr. SIMPSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield.

Mr. SIMPSON of Illinois. Yesterday we were legislating for States rights. What is the matter with giving this to the States?

Mr. BARDEN. I am in favor of wrapping this bill up right now if the gentleman will make a motion to that effect. I will yield the floor for you or anybody to make that motion right now.

Mr. TOLLEFSON. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I only want to say that the bill as we originally proposed it carried no limitation on horsepower. We inserted the limitation simply to try to arrive at a compromise and satisfy the gentleman from Florida. He is now not satisfied with 7½ horsepower, he wants it up to 10. I think that raises the horsepower too high. Seven and one-half horsepower or any motor on a boat in excess of 7½ makes it a dangerous instrumentality. I trust the amendment will be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida to the committee amendment.

The question was taken; and on a division (demanded by Mr. SIKES) there were—ayes 39, noes 60.

So the amendment to the committee amendment was rejected.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: On page 3, line 2, after the word "States", insert "its Territories and the District of Columbia."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: On page 3, line 7, after "States", insert "its Territories and the District of Columbia."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: On page 4, line 24, after "thereof" insert "The owner shall be required to notify a designated State official of any change of his address within a reasonable time of such change."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: On page 5, line 10, strike out "30" and insert "90."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: On page 5, beginning at line 12 and following paragraph (7), add the following new paragraphs:

"(8) In the case of a State having its numbering system approved after April 1, 1960, such State shall accept and recognize any valid certificate of number awarded under subsection (d) of this section for so long as such certificate would otherwise be valid under such subsection (d), except that where such a certificate would remain valid for more than 1 year after the date when such State's numbering system was approved, the State may accept and recognize the validity of such certificate for a lesser period, but such period shall not end sooner than 1 year from the date of approval of such system.

"(9) The State may exempt any vessel or class of vessels from the numbering provisions of its system if such vessel or class of vessels has been made exempt from the numbering provisions of section 3 (d) by the Secretary under section 7 (b) of this act.

"(10) The States may charge fees in connection with the award of certificates of number and renewals thereof."

Mr. WAINWRIGHT. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. WAINWRIGHT to the committee amendment: On page 6, after line 5, insert a new section 11:

"(11) The States may require that no person may operate any motorboat subject to this act unless such person holds a valid safety certificate issued by either the United States Coast Guard, the United States Coast Guard Auxiliary, the United States Power Squadron, or the Explorer Scouts of the Boy Scouts of America, which shall certify that the holder has successfully passed an examination in marine safety.

"(c) The Secretary of the Department within which the Coast Guard is operating is authorized to make such regulations as may be necessary to provide for the examinations and the certificates required by subsection (b) of this section."

Mr. WAINWRIGHT. Mr. Chairman, I had originally planned to introduce this provision as an amendment to the Motorboat Act of 1940. It would authorize the Coast Guard to promulgate regulations which would allow the three principal auxiliary boating agencies in America—the Coast Guard Auxiliary, the Power Squadron and the Explorer Scouts of America, commonly referred to as the Sea Scouts, to issue certificates of safety to people before they could operate powerboats. After discussing the matter with the ranking member on the minority side, I changed this to make it permissive in the States and, as you heard the amendment read, the States may require that this type of regulation can be enacted. It is a permissive regulation and actually the only reason it is necessary to put it in the bill is to authorize the Coast Guard to issue this kind of regulation should the States so request them. In my opinion this is the amendment that could be added to make this truly a safety bill.

Mr. Chairman, I yield back the balance of my time.

Mr. ALLEN of California. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ALLEN of California. Was the amendment reported in a form that was permissive? I ask unanimous consent that the amendment may be again reported.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. WAINWRIGHT: On page 6, after line 5, insert a new section 11:

"SEC. 11. The States may require that no person may operate any motorboat subject to this act unless such person holds a valid safety certificate"——

Mr. ALLEN of California. I thank the Chairman.

Mr. BONNER. Mr. Chairman, may the Clerk read the amendment a little further? Issued by whom?

The CHAIRMAN. The Clerk will continue reading.

The Clerk read as follows:

The States may require that no person may operate any motorboat subject to this act unless such person holds a valid safety certificate issued by either the United States Coast Guard, the United States Coast Guard Auxiliary, the United States Power Squadron, or the Explorer Scouts of the Boy Scouts of America——

Mr. BONNER. That is sufficient.

In the hearings with reference to this bill throughout the country there was strong argument in support of the proposition that there should be a license to operate for people operating these small boats, that they should take an examination and be licensed. This bill operates in conjunction with the States. We want to leave some of this supervision to the States.

In respect to this amendment I read, Mr. Chairman, a letter from the United States Power Squadrons which would have the responsibility of issuing these certificates. It reads as follows:

It is very gratifying to hear that the Bonner bill will apparently be offered to Congress; however, rumors have reached us that an amendment or amendments will be offered, authorizing the United States Power Squadrons to police the various phases of the bill; even to the point of examining applicants for registration. We appreciate the faith placed in our organization, but we regret that we are not in the position, nor do we have the facilities, for these responsibilities.

Ours is strictly an educational institution. We teach piloting and small-boat handling, without cost, to anyone interested. Our entire organization is one of voluntary service, without any kind of monetary compensation. Our students are taught to respect fully authorized agencies, such as: Coast Guard, Engineers, etc., but we are not in any position to share enforcement with these legally authorized agencies. We cooperate with all Government bodies; including: Navy, Army, Merchant Marine, various Departments of the Treasury and Commerce Departments; however, we are not a policing agency, nor could we assume or accept such authority.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield to the gentleman from New York.

Mr. WAINWRIGHT. I do not know whether the gentleman remembers a former Member of this House by the name of Vreeland, from the State of New Jersey. Mr. Vreeland is general counsel and vice commodore of the particular agency whose letter the gentleman just read.

Mr. BONNER. This is signed by Mr. Kenneth B. Champ. He is the commandant.

Mr. WAINWRIGHT. I am sure the gentleman remembers Mr. Vreeland. He and other members of the boating agency to which I have referred would voluntarily agree to do this if the States requested it.

Mr. BONNER. Mr. Chairman, I hope the amendment will not be adopted.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield.

Mr. MILLER of California. I sympathize with Mr. WAINWRIGHT's amendment, but if the gentleman had time to go through the hearings I am sure he would find that in more than one place the representatives of the Coast Guard Auxiliary and Power Squadrons repeatedly testified that they could not with their limited facilities reach over 10 percent of the boating enthusiasts.

Mr. WAINWRIGHT. I went through the same hearings and we did not see the references to which the gentleman refers.

Mr. TOLLEFSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I had intended to offer a substitute amendment, but the Parliamentarian tells me it is not in order.

If the amendment which is pending, the amendment to the committee amendment, is voted down, and I really think it should be after considering it, then I will offer another amendment which will accomplish the purpose which the gentleman from New York seeks.

The CHAIRMAN. The question is on the amendment to the committee amendment offered by the gentleman from New York [Mr. WAINWRIGHT].

The amendment to the committee amendment was rejected.

Mr. TOLLEFSON. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. TOLLEFSON as an amendment to the committee amendment: On page 6, after line 5, insert a new paragraph:

"(11) The States may require that the operator of a vessel required to be numbered hereunder shall hold a valid safety certificate to be issued under such terms and conditions as may be provided by State law."

Mr. TOLLEFSON. Mr. Chairman, I do not believe that this amendment is necessary under the bill. The bill gives the States the authority to do just what this amendment provides, but I am offering it because there still are those Members of the House who feel this matter ought to be spelled out, and just to satisfy any doubts they may have I offer the amendment.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman from New York.

Mr. WAINWRIGHT. I certainly feel that is a conciliatory gesture and that the chairman of the committee should accept the amendment.

Mr. BONNER. Mr. Chairman, I accept the amendment.

The CHAIRMAN. The question is on the amendment to the committee amendment offered by the gentleman from Washington [Mr. TOLLEFSON].

The amendment to the committee amendment was agreed to.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 6, line 24, insert "(c) or."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 7, line 6, insert "(c) or."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 7, line 11, insert: "(h) Whenever the Secretary determines that a State is not administering its approved system for numbering vessels in accordance with the standards set forth under subsection (c) of this section, he may withdraw such approval. The Secretary shall not withdraw his approval of a State system of numbering until he has given notice in writing to the State setting forth specifically wherein the State has failed to maintain such standards."

Mr. BARDEN. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. Chairman, I do not feel that this matter should be passed without comment. I want to read this amendment:

Whenever the Secretary determines that a State is not administering its approved system for numbering vessels in accordance with the standards set forth under subsection (c) of this section, he may withdraw such approval. The Secretary shall not withdraw his approval of a State system of numbering until he has given notice in writing to the State setting forth specifically wherein the State has failed to maintain such standards.

Now, that to many Members, I am sure, is objectionable, because in that language rests the authority of an administrator in Washington, to virtually veto if not veto the act of a State legislature. The legislature is not going to be directed and told what they can do or shall not do by a Washington administrator. I think we ought to know that.

Many of us have served in State legislatures, then we write into Federal law that a Washington administrator, whenever the Secretary determines that a State is not administering its approved system for numbering vessels in accordance with the standards set forth under subsection (e)—that is the standard set by the Federal administrator. Then he can veto. I know we are in a hurry to get away, but honestly I do not believe this House wants to vest that kind of veto power in a Washington administrator, because I know he is not going to be able to push the State legislatures around. So far as supervising the administration of a State law is concerned, that is unheard of. I do not think the

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House wants to pass over this too lightly. There is a lot of dynamite in that paragraph, and I am opposed to the committee amendment.

Mr. BONNER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this amendment, of course, was offered by the Council of State Governments, and it is offered to endeavor to get a uniform system throughout all the States of a boating act that will be the same in all States. It means this, that if any State does not carry out the uniform boating act on the navigable waters that are now under the jurisdiction of the United States, then the Secretary can withdraw the authority of that State from administering the State system on Federal waters. It is asked for by the States. Whether you want to approve it or whether you want to disapprove it, the States asked for this part in the bill itself. So there you are. You talk about States rights. You spoke here yesterday about letting the States do something. Well, the States did this. We did not do it.

Mr. TOLLEFSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the position of the gentleman from North Carolina [Mr. BARDEN] emphasizes again his misapprehension about the bill. Now, I do not mind him being apprehensive of legislation—I know he is a very careful legislator—but the thing that he overlooks, I am sure, is that even should the Secretary withdraw his approval of the State law, under this act the State could go ahead and enact any boating act it desired, and the Secretary would have nothing to say about it. Bear in mind, as the chairman has said, this language was suggested by the Council of State Governments. The only thing that would happen, if the Secretary disapproved of a State law, a small boat law, would be that thereafter that State could not enforce its laws upon the navigable waters of the United States; nor could it qualify for numbering under this bill. Of course, a State could have its own numbering system.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman from North Carolina.

Mr. BARDEN. It has been argued by every member of the committee and it is so patent in this bill that the Federal law will be in effect until the State adopts it, and if the State adopts it, then the Federal law pushes the State law out and the Federal law becomes effective. What do you call that organization? The Council of State Governments? Let us make it clear to this House who the Council of State Governments is. He is a man who is a kind of a glorified chamber of commerce man appointed by the governor to attend to things like this. Do you think he will tell the State legislatures what to do when they meet?

Mr. TOLLEFSON. Let me tell the gentleman that he is still laboring under a misapprehension. The Federal Government does not have jurisdiction of the operation of boats on State waters, only on Federal waters.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman from Florida.

Mr. SIKES. Is it not very clear in the terms of this legislation that the Federal law prevails until a State law is enacted, which is approved by the Federal administrator, and any time that he withdraws his approval by writing a letter the State law no longer becomes effective and the Federal law again takes over?

Mr. TOLLEFSON. The gentleman from Florida has the same misapprehension as the gentleman from North Carolina has. The Federal Government does not have jurisdiction over State waters, only over Federal waters.

The CHAIRMAN. The question is on the committee amendment.

The question was taken; and on a division (demanded by Mr. SIKES) there were—ayes 69, noes 23.

So the committtee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 7, line 23, strike out "ten days" and insert "a reasonable time."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: page 7, line 23, insert "The owner shall notify the Secretary of any change in his address within a reasonable time of such change."

The committee amendment was agreed to.

The Clerk read as follows:

Page 9, line 19, insert "its Territories and the District of Columbia."

The committee amendment was agreed to.

The Clerk read as follows:

Page 9, line 21, strike out "the United States" and insert "a State."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 9, line 24, strike out all of line 24 down to and including all of line 5 on page 10.

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 10, line 6, strike out "(2)."

The committee amendment was agreed to.

The Clerk read as follows:

Page 10, line 7, strike out "a possession of the United States" and insert "and."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 10, line 8, strike out "the Canal Zone."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 10, line 9, strike out "and the Commonwealth of Puerto Rico."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 10, line 12, insert: "*Provided*, That such rules and regulations shall be submitted to the Speaker of the House and the President of the Senate when Congress is in session, and shall not become effective until 60 days thereafter."

Mr. SIKES. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. SIKES: Page 10, strike out line 15 and insert "become effective if disapproved by a resolution adopted by either branch of Congress within 90 days thereafter."

Mr. SIKES. Mr. Chairman, I would like to call your attention to the language of the committee amendment on line 15, which says "become effective until 60 days thereafter." I propose to add language which will say when the entire amendment is read: "*Provided*, That such rules and regulations shall be submitted to the Speaker of the House and the President of the Senate when Congress is in session, and shall not become effective if disapproved by a resolution adopted by either branch of Congress within 90 days thereafter."

Mr. Chairman, I submit that the language of the committee amendment does not, in the first place, provide ample time for the Congress to express disapproval of regulations that may be submitted in connection with this bill.

In the next place, the type of action to be taken by the Congress to disapprove such rules and regulations is not spelled out. If my language is adopted, there will be a clear responsibility of the Congress if it does not favor the proposed rules and regulations to so show its disapproval by a resolution adopted for one branch or the other of the Congress within 90 days.

Obviously 60 days is insufficient time to insure adequate time for Congress to act. My amendment will give time enough to study whatever is submitted in proposed rules and regulations, to analyze and determine what the effect would be upon those who are under the jurisdiction of small-boat legislation.

Those in the coastal areas recall very well the distressing experiences we have had under Public Law 519. For months we battled regulations that were excessive and exacting in scope. The first regulations proposed by the Coast Guard would have made it virtually impossible for boat operators in the coastal areas to carry on normal operations. Those regulations literally increased their costs of operation to the point and placed such requirements on them that it would have been economic suicide for fishing and pleasure craft operators to try to stay in business. It took the Congress a long time and a great deal of effort to secure partial correction of the regulations that were issued under Public Law 519. Even though the worst regulations were modified or eliminated, there is widespread hardship as the result of this legislation.

If my language is adopted, the Congress will have an orderly way of insuring that unreasonable rules and regulations are not summarily imposed by the administrator of this act.

Mr. BONNER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the committee feels that this is a very important provision in that Congress will be assured an opportunity to consider the need for modification of the legislation if regulations pursuant to existing law disclose the need thereof. The provision of this subsection is supplemental to the requirements of the Administrative Procedures Act.

Mr. Chairman, at this point I want to say that I deeply regret that the Council of State Governments was belittled a little while ago by Congressman BARDEN. I should like at this time to express my deep appreciation for their services.

This group is comprised of dedicated people who give of their time and effort in order to unify the various States in a concerted effort to arrive at solutions confronting all of the States. Our legislation today was a direct result of their work as well as the work of other groups having the same aim. This cooperative effort has been both unique and remarkably successful in intergovernmental relation.

My sincere thanks to the following people who were instrumental in helping our committee to bring out the legislation which we feel will greatly benefit all of the people who are interested in small boating as a recreational pursuit: Membership of Recreational Boating Regulations Subcommittee of the Committee on Suggested State Legislation of the Council of State Governments: Paul A. Johnston, chairman, director, Department of Administration of State of North Carolina; Milton Alpert, assistant attorney general, New York; John B. Boatwright, Jr., secretary, Advisory Legislative Council, Virginia; Willoughby A. Colby, commissioner on uniform State laws, New Hampshire; Donald P. Dunklee, member of senate, Colorado; Charles Tom Henderson, director, statutory revision and bill drafting departments, office of the attorney general, Florida; Carl M. Frasure, department of political science, University of West Virginia; Harrington Adams, deputy attorney general, Pennsylvania, ex officio.

Other State officials who participated in subcommittee meetings: Nicholas V. Olds, assistant attorney general, Michigan; Edward R. Thornton, public utilities commissioner, New Hampshire; Mitchell Wendell, consultant, New York Joint Legislative Committee on Interstate Cooperation; Charles A. Cusick, member of assembly, New York; J. F. X. Iacovino, counsel, New York Joint Legislative Committee on Motor Boats; Winslow Melvin, Public Utilities Commission, New Hampshire; Walter O. Sheppard, member, Florida House of Representatives; Ernest Mitts, director, State Board of Conservation, Florida; Harry G. Smith, director, State Budget Division, Florida; Sidney D. Britt, member, North Carolina House of Representatives; Ralph Earle, Jr., Duke University, North Carolina.

Mr. Chairman, I ask that the amendment be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida to the committee amendment.

The amendment to the committee amendment was rejected.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 10, line 20, strike out all of paragraph (c).

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 10, line 24, insert the following:

"(c) (1) The Secretary, by regulation, may require of an applicant for a certificate of number under section 3 (d) of this act such proof of ownership of legal title to, or equitable interest in, the vessel to be numbered as the Secretary, in his discretion, may from time to time determine to be adequate.

"(2) Nothing in this act shall be deemed to require the Secretary—

"(A) to make any determination of the validity of any legal title to, or equitable interest in, any vessel subject to this act.

"(B) to require the presentation by any applicant for a certificate of number under section 3 (d) of this act of any original document whereby such applicant or others acquired title to, or interest in, the vessel to be numbered."

Mr. CRAMER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is the amendment I discussed in general debate on the bill. This amendment, in my opinion, is one of the major weaknesses of the bill. I repeat, I am in favor of safety legislation with regard to motorboats on the waterways. This in my opinion makes the bill as much a title registration bill as it does a safety bill. I am in favor of a safety bill. This has been represented as a safety bill. It has not been represented as a title registration bill.

I have an additional perfecting amendment, if this amendment is not agreed to, that will conform the bill to the nonadoption of this amendment by, on page 2, subsection (4) in line 11, in the definition of "owner," changing the present definition, "The word 'owner' means the person who has lawful possession of a vessel" to "The word 'owner' means the person who claims lawful possession."

This proposal is not one that is surreptitiously arrived at, it is one that is well founded. It is one that is recommended, as appears on page 15 of the committee report, by the Department of the Treasury as an alternative to this section of the bill. It is suggested by the Secretary of the Treasury. If you will refer to section 2 on page 15 of the report you will see the Secretary had these recommendations to make, and in my opinion they are very sound:

It is recommended that the definition of the word "owner" be revised by changing one word "has" to "claims" on page 2, line 6.

This will be done by the amendment I intend to offer if the pending committee amendment is defeated.

The reason for this and for the defeat of the pending amendment, and the reason I think this action is paramount, and as explained in the Treasury report, is as follows:

The suggested change in the definition of the word "owner" is urged in order to eliminate any question or tendency felt by many that documentary evidence of legal title or legal proof of lawful possession should be furnished to the Coast Guard upon application for issuance of a number. Should this legislation be enacted it is intended that issuance of numbers be expeditious. Certification by the applicant that he has lawful possession of the boat, by virtue of legal title or equitable interest therein which entitles him to such possession, would suffice.

I want to comment on that a little. In other words, the Secretary of the Treasury said in effect, we do not want to have to bother with this question of title of ownership and of proof of title. What we want is for a person to come in and be able to make an application for a certificate and be able to sign a statement to the effect that he is, or claims to be, owner of the boat and therefore has a right to a certificate. Then that person is acting on his own peril and if he lies, he is subject to the penalty of perjury. That is all that the Secretary of the Treasury deems necessary under this legislation. Refusal to accept or the voting down of the committee amendment and the adoption of my perfecting amendment would accomplish the suggestion put forward by the Treasury.

Reading further:

Such documentary evidence as the applicant may have would remain in his position.

I pointed out in general debate that of the 7 million boats, in my opinion, that have presently been purchased, you will find at least 50 percent of those boats or the owners thereof have no record of title whatsoever. How in the world can they comply with this proposed section 7 (c)? Again I say this is a constructive amendment. I think it would help the bill. I do not intend to harm the safety objectives of it in any way. That would mean that at least half of the 7 million people who now own boats have to come in and show some documentary proof of title. Any one buying a boat under 16 feet or 14 feet, I know will agree, that buying such a boat is like buying a piece of furniture. You do not get title to it. They give you a receipt for the money paid. Most of the people have lost those receipts. They had no reason previously to keep them. When you go down to buy most personal property other than automobiles, they do not give you a certificate of title. They just give you a receipt for the money that you pay. The same thing applies to a small boat. I discussed the matter both with the majority and the minority leaders on the committee. I feel there is some agreement with regard to my position on this and I trust the committee will accept my position on this amendment, that this committee amendment will not be agreed to, and a clarifying amendment will be agreed to when I offer it with regard to the definition of ownership.

I yield to the gentleman from Washington [Mr. TOLLEFSON].

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Mr. TOLLEFSON. Mr. Chairman, there were these two approaches as to the manner of title or claim of ownership to a boat, and as the gentleman from Florida indicated, there was a suggestion from the department containing language different from that contained in the bill. So far as I personally am concerned, I will accept the gentleman's suggestion.

Mr. CRAMER. I thank the gentleman.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was rejected.

Mr. CRAMER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. There are additional committee amendments. The gentleman may withhold offering his amendment until we have completed action on the remaining committee amendments.

Mr. CRAMER. I thank the Chairman. I will offer the amendment later.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment on page 12, line 7, after "States", insert "its Territories and the District of Columbia."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment on page 14, line 14, insert: "its Territories and the District of Columbia."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment on page 14, line 21, after "State", insert "in a State."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment on page 15, line 7, insert: "(4) Nothing herein shall interfere with, abrogate, or limit the jurisdiction of any State: *Provided, however,* That the Secretary shall not approve any State system for numbering which does not fully comply with the standards set forth in section 3 (c)."

Mr. BARDEN. Mr. Chairman, I offer a substitute for the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. BARDEN as a substitute for the committee amendment: Page 15, strike out lines 7 through 11 and insert a new subsection:

"(4) No provision of this act or the act of April 25, 1940, as amended (46 U. S. C., secs. 526–526t), shall be construed as indicating an intent on the part of Congress to occupy the field in which such acts operate, to the exclusion of all State laws on the same subject matter, unless there is a direct and positive conflict between such acts and the State law so that the two cannot be reconciled or consistently stand together."

Mr. BARDEN. Mr. Chairman, it is needless for me to say that this is H. R. 3. Considerable controversy arose in the various States which had boat laws on the books. I see in the report here New Hampshire was one State that was very much concerned. The Governor wrote and asked that this language be incorporated; he wanted this amendment to be placed in the bill:

Nothing herein shall interfere with, abrogate, or limit any jurisdiction presently claimed or enforced by any State under presently applicable State laws.

That, of course, was good sense, but the committee apparently lulled the gentlemen to sleep by inserting this:

Nothing herein shall interfere with, abrogate, or limit the jurisdiction of any State: *Provided*—

Listen to this—

Provided, however, That the Secretary shall not approve any State system for numbering which does not fully comply with the standards set forth in section 3 (c).

Well, that is telling him "Yes" and then slapping him down with "No."

I think we might just as well make it clear. I do not think anybody wants to interfere with the very thing the Governor of New Hampshire and the rest of the governors asked for, so this amendment as I have drawn it simply states this:

Page 15, strike out lines 7 through 11 and insert a new subsection:

"(4) No provision of this act or the act of April 25, 1940, as amended (46 U. S. C., secs. 526–526t), shall be construed as indicating an intent on the part of Congress to occupy the field in which such acts operate, to the exclusion of all State laws on the same subject matter, unless there is a direct and positive conflict between such acts and the State law so that the two cannot be reconciled or consistently stand together."

I know that is just as good today as it was yesterday, and that is exactly what we did yesterday, providing that when there is a conflict between State and Federal law the State law goes down; otherwise it stands. All these Governors wanted was just the same jurisdiction they now have and always have had, and unless they come in conflict with the Federal law they expect their laws to stand.

What is the use for me to argue this? It was pretty thoroughly fanned out yesterday. So I just ask that this amendment be adopted in a sense of fairness to the States, consistency of the House, and then just good common sense. I think it ought to be adopted.

Mr. ALLEN of California. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, when the bill was first presented it did not contain this amendment. It became evident from the presentation of the gentleman from the State of New Hampshire [Mr. BASS and Mr. MERROW], which was the only State which seemed to be in disagreement with the bill as to this provision, that they would like to have some such language. They appeared before the committee and in cooperation with the committee worked out the language which appears in the bill now as a committee amendment. This was worked out in conjunction with the Representatives of the State of New Hampshire and language adopted which suited their needs. It seems to me inasmuch as the Representatives in this House had a good part in the framing of this language that it would be well to adopt the language which was agreed on in the committee rather than substitute language which might not meet the situation as it exists in the State of New Hampshire, and which might also jeopardize the overall numbering system which is one of the features of the bill.

Mr. BONNER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as the gentleman from California has stated, this amendment was placed in here solely at the request of the State of New Hampshire. To save my soul, I do not see any difference between the language and the intent of the amendment that my good friend the gentleman from North Carolina [Mr. BARDEN] offers and this amendment. I am just as anxious as anyone to preserve the rights of the States.

In this case we are giving to the States the authority to regulate boating on the navigable waters that the Federal Government now controls. The individual States do not have any authority on these waters as of today, but in this bill we are giving them authority to regulate boating on the navigable waters of the United States that the Federal Government has today and has historically always had jurisdiction over.

Mr. Chairman, I do not differ with this amendment, but I do not see any need for it:

Provided, however, That the Secretary shall not approve any State system for numbering which does not fully comply with the standards set forth in section 3 (c).

If the standards and the rules and regulations and the laws on the navigable waters of that State do not comply with the standards that we want all States to carry out on navigable waters, then this proviso applies. I do not want to be placed in a position of saying, "I voted for this yesterday," which I did. I believe in this, but I do think the situation is different here.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield to the gentleman from North Carolina.

Mr. BARDEN. Let me say to the gentleman the laws do not change that. It is no different, it is not changed. If the law yesterday was good, it is good today. What we have here is, you said, "Yes," and in the last half you qualify it and say "No." This just says the States shall retain their jurisdiction in the absence of conflict.

Mr. BONNER. Over their own water.

Mr. BARDEN. It does not change any of the existing law.

Mr. BONNER. Provided that they do not then comply with the authority that is given over navigable waters of that State as set forth by the regulations; then the State provision does not apply.

Mr. BARDEN. All we said yesterday was that the Supreme Court should not say "Provided," and we do not agree with that. I think the gentleman is in accord with this amendment.

Mr. BONNER. I do not think there is anything wrong with the language in the bill. I am in accord with this, but this is applicable to the pending bill and there is no change at all.

Mr. Chairman, I oppose the pending amendment.

Mr. THOMSON of Wyoming. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time for the purpose of asking a question of the chairman of the committee. Several times the statement has been made that this applies only to navigable waters. My concern is this: I wonder if there is a definition of navigable waters in the bill that I am not aware of, because, as far as I know, the disposition is to call everything a navigable stream from the Atlantic to the Pacific, including the major rivers in my State and everything that you can paddle over in a canoe.

It seems to me, particularly with the Supreme Court expanding as it has on taking over control of our waters, that this is going to be all-inclusive, and I wonder if there is any definition in this instance that limits or changes this?

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. THOMSON of Wyoming. I yield to the gentleman from North Carolina.

Mr. BONNER. The gentleman from California spoke on the question of navigable waters. That matter has been in the courts from time immemorial. There are certain waters that are recognized to be navigable waters historically. I know of some and others in their own localities know of some, also. But, what the courts will determine, I just simply cannot answer that. The matter has been fought in the courts.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield?

Mr. THOMSON of Wyoming. I yield to the gentleman from New York.

Mr. WAINWRIGHT. The gentleman from Iowa, Mr. GROSS, asked this question in committee of the Commandant of the Coast Guard, and the Commandant of the Coast Guard said, "I cannot give you an answer, but I will come back to it." And, he came back and he gave an answer to the gentleman from Iowa, and again the gentleman from Iowa said, "Well, this, in effect, is gobbledygook. I do not understand it." The truth of the matter is that the Supreme Court definitions of navigable waters of the United States are so loose and so broad that it can take in any fishing pond or any stream or any water almost anywhere in the United States.

Mr. THOMSON of Wyoming. That is certainly what concerns me, and I wondered if we are going to have an expanded Coast Guard telling our people where they can fish and where they cannot, if they are fishing from a boat.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. THOMSON of Wyoming. I yield to the gentleman from Iowa.

Mr. JENSEN. I might say that at one time a number of years ago I asked a general of the Army engineers to give me a definition of a navigable stream, and he said that the best definition he could give was any stream on which a rowboat could float.

Mr. THOMSON of Wyoming. I thank the gentleman. As far as statements to the effect that these are already Federal waters and the Federal Government has control of them, I want it clearly understood that I do not agree. They are State waters. The States should, and rightfully do, control them. The States control the fishing in them. If this bill passes it seems to me that we are giving more power to the Federal Government.

I believe that the necessary laws with the necessary uniformity can be obtained through the Council of State Governments by State action in the States where they are needed.

Mr. ALLEN of California. Mr. Chairman, will the gentleman yield?

Mr. THOMSON of Wyoming. I yield to the gentleman from California.

Mr. ALLEN of California. I think it is true to say to the gentleman that the definition of navigable waters is determined by the courts, because the term originates from the commerce clause in the Constitution. I would be of the opinion that the only way we could define navigable waters, except by court decision, would be by constitutional amendment.

The CHAIRMAN. The question is on the substitute offered by the gentleman from North Carolina [Mr. BARDEN].

The question was taken, and on a division (demanded by Mr. BARDEN) there were—ayes, 45, noes 73.

So the substitute was rejected.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. HARDY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARDY: On page 3, line 24, strike out "under this act" and insert in lieu thereof "required to be numbered under subsection (a) of this section."

Mr. BONNER. Mr. Chairman, the committee will accept this amendment.

Mr. HARDY. Mr. Chairman, the purpose of this amendment is simply to clarify the fact that the committee intended that this should apply only to boats having 7½ horsepower or more.

I appreciate the acceptance of the amendment by the committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. HARDY].

The amendment was agreed to.

Mr. BONNER. Mr. Chairman, due to the lateness of the hour, I move that all debate on the bill and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. BARDEN. Reserving the right to object, Mr. Chairman, there are at least 2 or 3 amendments here we would like to discuss. I do not want to talk 20 minutes, so far as that is concerned. As a matter of fact, the Chairman has not granted me the first minute to talk today. I managed to wiggle out 2 or 3 minutes, but he did not give me any. There are 2 or 3 amendments that I think are important. There is one that is very definitely important and I think ought to be discussed at least a little bit. Five or ten minutes from now such a motion may be in order, but to put such a stranglehold on the debate at this time I think would not be advisable.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. BARDEN. Mr. Chairman, I object.

Mr. BONNER. Mr. Chairman, I move that all debate on the bill and all amendments thereto close in 25 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from North Carolina.

The motion was agreed to.

Mr. CRAMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAMER: On page 2, line 11, after "who" strike out "has" and insert "claims."

Mr. CRAMER. Mr. Chairman, this would merely conform to the action already taken by the House in striking out section 7 (c) or refusing to accept the committee amendment as to section 7 (c). I ask that the amendment be adopted.

Mr. BONNER. Mr. Chairman, the committee will accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. CRAMER].

The amendment was agreed to.

Mr. WAINWRIGHT. Mr. Chairman, I have two amendments that I am going to offer, and I ask unanimous consent that they be considered en bloc in order to save time. They affect fee registration.

The CHAIRMAN. Is there objection to the request of the gentleman from New York that his two amendments be considered en bloc?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. WAINWRIGHT: On page 6, lines 11 and 12, strike out the words "and upon payment of the fee established under section 5," and insert "and"; after the sentence ending on line 13 add a new sentence, "The Secretary shall award a number to any undocumented vessel on request of the owner thereof, notwithstanding such vessel does not have a motor attached or belonging thereto."

And on page 8, strike out lines 1 through 3.

Mr. WAINWRIGHT. Mr. Chairman, in the interest of brevity, I shall take but 2 minutes and if the Committee will give these comments some consideration, I think they will understand the intent of this amendment.

I pointed out in general debate that the owner of a boat over 16 feet at the present time and, as the gentleman from California [Mr. ALLEN] later conceded, for the next 3 years he does not have to pay a single cent. In other words, the owner of a 60-foot yacht does not have to pay one single cent to have his boat registered.

Yet the owner of a 10-foot pram or a 12-foot outboard motorboat has to pay a straight registration fee which could be anywhere from $2 to $10 or $15. I think that is highly unfair, and have eliminated that unfairness in my amendment.

At the same time, the second part of the amendment would provide that those people who own rowboat stations, and rowboat stations and fishing stations are locations where a person can go and rent a rowboat for hire, go out

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in a lake or body of water wherever it is located. They would be allowed to register their boats whether or not they have outboard motors on them, because in so many instances at these boat stations a person will come and request a boat for hire with an outboard motor; then that same boat can be used for a rowboat without the outboard motor. If a man has 25 boats at a fishing station it would be far simpler for him to register all 25 boats than to register 10 of them.

Mr. BONNER. I have no doubt that the States can fix their own laws, so that if you want to register a boat you can.

Mr. WAINWRIGHT. Will the gentleman support the amendment?

Mr. BONNER. No. I do not want to load the bill up with amendments.

Mr. WAINWRIGHT. The gentleman just got through saying he was in favor of the amendment.

Mr. BONNER. I do not think there is any objection to your getting a number.

Mr. WAINWRIGHT. If there is no objection to the amendment, I shall not take the Committee's time.

Mr. BONNER. I oppose the amendment and hope it will not be adopted.

Mr. TOLLEFSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there are two phases to this amendment. I should like to touch on both of them.

The period involved here is not for 3 years, but only until April 1960. The purpose for the setting of this period is to give the States time to comply with the uniform act.

With respect to the other phase of the gentleman's amendment, his State or any other State in its State laws could provide for the thing he wants done. However, our committee has felt that we should not direct the States to do these things, we should leave them entirely to the States. If he definitely wants to make provision with respect to this matter, that State can do so.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman from New York.

Mr. WAINWRIGHT. The gentleman states that it will be until 1960 before registration is required on a yacht or a boat over 16 feet. Is that correct?

Mr. TOLLEFSON. That is correct.

Mr. WAINWRIGHT. Therefore, 7 million small boats, about which the gentleman from North Carolina [Mr. BONNER] talks, would be registered before 1960, but not the larger boats. I do not think it is fair, and the average so-called small man who owns this kind of boat does not think it is fair, either.

Mr. TOLLEFSON. That is not entirely correct. The small boats will not have to pay a dollar for numbering until their particular States have come under this act. It could be exactly at the same moment as the larger boat came under the bill.

Mr. WAINWRIGHT. On the other hand, if the registration laws are enacted by the States, as the gentleman hopes they will be, it would be done immediately.

Mr. TOLLEFSON. Then it would affect the larger boat at the same time.

The CHAIRMAN. The question is on the amendments offered by the gentleman from New York.

The amendments were rejected.

Mr. WAINWRIGHT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WAINWRIGHT: Page 6, strike out lines 16 through 17.

Page 6, line 18, strike out "unless" and insert "until."

Page 6, line 19, strike out the words "if at the end of such period such ownership has" and strike out lines 20 through 23.

Mr. WAINWRIGHT. Mr. Chairman, the purpose of this amendment is this: The legislation presently requires renumbering every 3 years. The boat has to have its certificate renumbered every 3 years no matter how many transfers there are. What my amendment would do would be to make the certificate of registration permanent for the life of the boat. Since the act of 1918, the original numbering act, and the act of 1940, all boats that are registered, and those are the boats above 16 feet that are required to be registered, have received permanent registration. The Coast Guard has had no trouble with it. Consequently, why should there be a switch at this particular time so that there will be a constant renumbering at least every 3 years? The purpose of this amendment is to make permanent the certificate of registration required under the bill.

Mr. TOLLEFSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is a matter which the committee considered at some length. The committee decided not to make the registration permanent. Permanent registration would destroy the effectiveness of the proposal, it seems to me. The 3-year period is the time that the committee and the Council of State Governments and all other organizations interested in the bill agreed upon. I hope the Committee will defeat the amendment.

Mr. ALLEN of California. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield.

Mr. ALLEN of California. Mr. Chairman, one of the reasons for the 3-year limitation is the fact that a great number of boats that were originally numbered have passed out of existence. Unless there is a renewal of the certificate number periodically, there is no way of keeping up with the exact number of boats that are actually in existence. That is one of the principal reasons for this proposal. The other reason was that the nature of boats is changing. The small boats that will now be numbered under the numbering system are not as durable as the long-lasting and larger boats which were contemplated in 1918 when the numbering act was originally passed.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. WAINWRIGHT].

The amendment was rejected.

The CHAIRMAN. Are there any other amendments to be offered? If not, under the rule, the Committee rises.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. PRICE, Chairman of the Committee of the Whole House on the State of the Union reported that that Committee, having had under consideration the bill, H. R. 11078, to promote boating safety on the navigable waters of the United States, and possessions; to provide coordination and cooperation with the States in the interest of uniformity of boating laws; and for other purposes, pursuant to House Resolution 626, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? [After a pause.] If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read a third time.

The SPEAKER. The question is on the passage of the bill.

Mr. WAINWRIGHT. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. WAINWRIGHT. I am.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion.

The Clerk read as follows:

Mr. WAINWRIGHT moves to recommit the bill H. R. 11078 to the Committee on Merchant Marine and Fisheries with instructions that no fee shall be charged for obtaining a number under this act.

The question was taken and the Chair announced that the noes appeared to have it.

Mr. WAINWRIGHT. Mr. Speaker, I object to the vote on the ground that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and nineteen Members are present, a quorum.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. SIKES) there were—ayes 181, noes 29.

So the bill was passed.

A motion to reconsider was laid on the table.

The title of the bill was amended so as to read: "A bill to promote boating safety on the navigable waters of the United States, its Territories, and the District of Columbia; to provide coordination and cooperation with the States in the interest of uniformity of boating laws; and for other purposes."

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 13366. An act to provide for the advancement of Maj. Gen. Claire L. Chennault, United States Air Force, retired, to the grade of lieutenant general on the retired list.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11645) entitled "An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1959, and for other purposes."

The message also announced that the Senate agreed to the amendments of the House to the amendments of the Senate numbered 5, 40, and 50 to the above-entitled bill.

APPROPRIATION FOR OFFICE OF AREA DEVELOPMENT

Mr. AVERY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. AVERY. Mr. Speaker, I think the Senate Appropriations Committee should clarify what appears to be capricious action with reference to the appropriation of funds for fiscal year 1959 for the Office of Area Development in the Department of Commerce. The budget request for this Office was $395,000, the same as allowed in 1958. This sum was approved by the House. The Senate Appropriations Committee reduced this sum 49.4 percent, or $195,000. At the same time, however, every other office in the Department either received more funds or the same as received in the 1958 appropriation.

For example, the Bureau of the Census received an 84.6 percent increase; the maritime activities a 394 percent increase; and the Bureau of Standards a 22.5 percent increase.

If the committee were to establish a cut in funds for the Department of Commerce it would seem logical that each office and bureau would be proportionally affected.

This cut comes at a time when requests for area technical development assistance from small communities and labor-surplus areas are at an all-time high for the Office of Area Development. More than 1,200 communities, most of them under 25,000 in population, requested the services of the Office during the past year. Two communities in my District have been the beneficiaries of excellent service from this Office. They are Atchison and Clay Center, Kans. The communities desired technical assistance in their self-help efforts to strengthen their local economies and improve their communities. The number of requests received by the Office during the last year was three times greater than the previous year. And yet, the unusual action of the Senate Appropriations Committee has necessitated a staff reduction from 47 employees to 21 employees. It does not make sense.

All of the agencies and offices of the Department of Commerce are important but at the same time the Office of Area Development renders one of the most useful services possible—that of assisting communities in their industrial development.

The Office of Area Development has served as a clearinghouse in the Federal Government for labor-surplus areas and small communities that wish to receive advice on how to undertake economic diversification and job development programs and to learn the various kinds of Federal assistance available to help them in their efforts. Some recent Office of Area Development publications which have been widely used by small communities throughout the country are Federal Activities Helpful to Communities, Basic Industrial Local Factors, How To Locate Industrial Prospects for Your Community, and Organized Industrial Districts—A Tool for Community Development.

I contend that unwarranted and arbitrary action was exercised by someone in promoting this illogical cut. I would not take exception to this if it were not for the fact that no other office or agency in the Department had a reduction in funds, and this particular reduction is almost 50 percent.

It is shortsightedness and unwise economy to unreasonably cut such a useful service to the communities throughout the Nation, and especially so when no other cuts are made in the same Department.

It would appear the Senate Appropriations Committee should give an accounting of this matter.

THE WASHINGTON BASEBALL CLUB

Mr. TEAGUE of California. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. TEAGUE of California. Mr. Speaker, one of the Members of the House on July 16, here on the floor, made some entirely uncalled for and, in my opinion, ridiculous statements concerning the players of the Washington Baseball Club.

I attend several games at Griffith Stadium each year. Win or lose, the Nats put up an interesting game. I have never seen a team with more hustle. More than that, they frequently look like a real good ball club.

I know none of the players personally, but am entirely confident that all of them are either good citizens of the United States, or are here perfectly legally as visitors from friendly countries. They in no sense are wetbacks passing off as baseball players, here illegally.

As one Member of Congress, I wish the Nats success at the box office and on the field.

PERSONAL EXPLANATION

Mr. SHELLEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SHELLEY. Mr. Speaker, on Thursday, July 10, I was absent on leave because of illness and missed being recorded on rollcall No. 123. I would like to announce that if I had been present I would have voted in favor of H. R. 13015, authorizing military construction for 1959. I was also necessarily absent on Friday, June 27, and Monday, June 30, during two rollcalls. On rollcall No. 109, Tax Rate Extension Act of 1958, if I had been present, I would have voted in favor of this bill and on rollcall No. 112, extension of special milk program for children, if I had been present, I would have voted in favor of this bill. I ask unanimous consent that the RECORD and Journal contain this statement of my position on these measures.

PROMPT ACTION BY THE CONGRESS IS NECESSARY TO GET ADEQUATE LEGISLATION TO CONTROL CHEMICAL FOOD ADDITIVES

Mrs. HARDEN. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentlewoman from Indiana?

There was no objection.

Mrs. HARDEN. Mr. Speaker, the American public is faced today with a serious public health hazard that requires immediate Congressional action. That is the hazard resulting from the use in food of chemicals that have not been tested adequately to demonstrate their suitability. The Food and Drug Administration estimated some time ago that about 150 chemicals are being used in food without proper testing. Millions of pounds of inadequately tested chemicals are being used in food every year and everyone who purchases food from the grocery store is being exposed to these questionable additives.

A frightening example occurred a few years ago when a group that was studying methods for preventing the development of mold on fruit suggested that a chemical called thiourea be tried. Some oranges were dipped in a dilute solution of the chemical but fortunately none of the treated fruit was shipped before the Food and Drug Administration made some studies in its laboratories. The Administration found that thiourea is highly toxic—and long-term studies showed that it produces cancer in the liver of test animals and causes goiter—and that it penetrates the skin of treated citrus and appears in the juice. The citrus that had been treated experimentally was withheld from the market but a packer of frozen fruit—not as careful—treated some of his frozen peaches with thiourea and the Administration had to seize stocks that had been shipped to Erie, Bradford, and Warren, Pa.; and Elmira, N. Y.

We do not know how many of the 150 improperly tested chemicals now going into food will be found safe and how many will prove to be unsuitable for continued use. It is important that we find out and that new compounds not be added to food until they are tested and found safe.

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The Congress has been studying this problem since 1950 when the House established a Select Committee To Investigate the Use of Chemicals in Foods. That committee recommended stronger legislation in 1952 and numerous bills have been presented to the Congress since that time to remedy the situation. Twelve bills are now before the House and one before the Senate. Hearings were held in earlier Congresses and in both the first and second sessions of the present Congress on food additives legislation but we still do not have a food additives bill out of committee.

The promoter who chooses to add a new substance to food without testing and does not know whether it is or is not a poison may go ahead and use it in your food and mine. But the problem is even broader. Reputable food producers may be supplied with and use raw materials containing chemicals that haven't been shown to be suitable for use in food; they may be subjected to major adverse publicity and financial losses if their food is found to contain a poison. It is as important to the reputable manufacturer as to the consumer to get a good law. It is hardly conceivable that in this day of advanced scientific procedures and advanced social reforms, the population should be subjected to the dangers of untested food additives.

I have heard from a number of my constituents who are acutely concerned about this matter and I understand that my colleagues likewise have received growing indications of consumer interest in this important problem. In my opinion, it is imperative that the Congress act to guarantee the purity of our food supply and act during this session. It is my intention to press strongly for prompt consideration of the pending legislation by the Committee on Interstate and Foreign Commerce and I urge my colleagues likewise to call upon that committee for immediate action. Eight years is long enough to consider this legislation. There is general agreement by representatives of Government, the food and chemical industries, and consumer organizations that better legislation is required now.

Mr. Speaker, I urge that this matter not be allowed to die again in this session of Congress.

PERMISSION TO FILE MINORITY REPORT

Mr. GROSS. Mr. Speaker, I ask unanimous consent that I may have until midnight Saturday night to file a minority report on the bill S. 607.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

ADJOURNMENT UNTIL MONDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of next week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

COMMITTEE ON THE JUDICIARY

Mr. McCORMACK. Mr. Speaker, at the request of the gentleman from New York [Mr. CELLER], chairman of the Committee on the Judiciary, I ask unanimous consent that the Committee on the Judiciary may be permitted to sit during general debate next week.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

VISIT OF DR. MILTON EISENHOWER TO CENTRAL AMERICAN COUNTRIES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. FLOOD] may address the House for 10 minutes, to revise and extend his remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. FLOOD. Mr. Speaker, in common with all citizens of the United States who have been and are interested in recent developments in the Canal Zone and the Republic of Panama, I have noted the fact that Dr. Milton Eisenhower, the brother of the President, has embarked on a trip through Latin American countries as the President's personal representative, with the rank of Ambassador.

As to controversial questions between the United States and Panama, his visit to the Panamanian Republic was noticed with grave concern. Especially is this true because the students of the University of Panama, who have in recent weeks grossly trespassed on Canal Zone territory—sought an audience with him, to present claims for "clear, definite sovereignty for Panama in the Canal Zone"—see Associated Press news story from Panama, July 11, 1958, carried in the Washington Evening Star of that date, page 11A.

It may be recalled that the press of Panama and that of the United States, have carried recent stories of the gross trespass by the students of Panama, against the rights and sovereignty of the United States, by unlawfully invading the Canal Zone, and planting there in May last 72 Panamanian flags. It will also be recalled that these—and other students of Panama schools—shortly after the flag incident, marched through the streets of Panama and "stormed" the Presidential Palace, with the evident purpose to awe the President of the Republic into taking immediate action in harmony with their demands with respect to Panamanian claims of sovereignty over the Canal Zone.

Those demonstrations in Panama City degenerated into mob violence, with the result that 10 or 12 Panamanians were killed.

It is certainly to be hoped that Dr. Eisenhower will not meet and discuss with these students questions of the gravest import as regards sovereignty or the future operation and maintenance of the Panama Canal. To do so, in my judgment, would be a grave disservice to the United States. Not only this, but, as well, he would give undoubted injury and affront to the legally constituted authorities of the Panamanian Government who, alone, are authorized by the constitution and laws of the Panamanian Republic to conduct the foreign affairs of their country.

It seems to be true—as has been widely charged—that in the outbreaks in question the leaders of the student body of the University of Panama are radicals and extremists in dangerous degree, and that their attitudes and actions have been, to a definite extent, communistic in spirit and purpose. It is to be hoped that Dr. Eisenhower may not, through any motive of friendliness, be inveigled into any transgression of the well-established proprieties involved during these Latin American contacts. If he should undertake to meet and consult with student bodies, and other unofficial groups, in countries he is now to visit, and to discuss with them questions of important international concern affecting relationships between his own country and the respective countries visited by him, the results might be undesirable for all responsible authority in these nations.

It is realistic to recall that in recent years our international affairs have greatly retrograded; in many cases diplomatic bungling of our American representatives—especially by our irregular diplomats—in dealing with international questions, have often brought us to the brink of disaster.

Are we unable to learn anything from the sad, bitter, dangerous, and costly, experiences of the past?

It may be expected, in fact, that radical and communistic elements in the countries now to be visited by the distinguished brother of the President, will be seized upon by these untoward elements to create incidents and incite hostility now or later against the American Government; and this should certainly preclude him from meeting with and discussing with unofficial organizations or groups in these countries, international questions.

We do not desire to be impertinent and declare that we expect the worst, but hope for the best; but we do venture to warn the distinguished personal representative of the President of the pitfalls involved in his current mission, and to express the hope that he may avoid them.

[From the New York Times]

DR. EISENHOWER CAUGHT IN MIDDLE—LEFTIST STUDENTS FEUDING WITH MODERATES CALL FOR PROTESTS AGAINST HIM

(By Paul P. Kennedy)

PANAMA, July 15.—An internecine student fight that probably will have repercussions in the countries to be visited by Dr. Milton S. Eisenhower was shaping up here today.

Leftist students who have been trying to unseat the moderate leadership of Carlos Arellano Lennor distributed placards on the National University campus today, saying, "Friend Milton did not come."

The placards referred to the rejection by Dr. Eisenhower of an invitation to visit Señor Arellano and other members of the Student Union Directive Committee for a conference on the university campus. Dr. Eisenhower originally had invited the students to visit him at the Embassy residence here and kept the appointment open for them last evening. The students declined, insisting that Dr. Eisenhower visit them.

The only one to appear for the conference was Dr. Jaimie de la Guardia, rector of the university and a relative of President Ernesto de la Guardia, Jr.

LEFTISTS RENEW ATTACK

As a result of the disagreement, which in itself was relatively minor, the leftist students renewed an old attack on Señor Arellano and his associates.

Apprehension has been expressed by rightist students that their opponents were planning to circularize students in the countries to be visited by Dr. Eisenhower, suggesting demonstrations. Señor Arellano and other student union officers here said they considered the Eisenhower matter closed and would not communicate with the student unions of other countries.

Meanwhile Dr. Eisenhower and his delegation and President de la Guardia and various members of his Cabinet set our early this morning on a combined fishing and work trip.

The members of the expedition insisted it was mainly a fishing adventure, but indications were it would turn largely into a series of conferences. The party was put on by the United States and principally by the Panama Canal Company, which supplied three boats and provisions.

The principal craft, the craneship *Atlas*, a 186-foot vessel, will be used for conferences and sleeping quarters. The group will return to Panama early tomorrow just in time to pick up luggage and take off by plane for Tegucigalpa, Honduras.

Roy S. Rubottom, Assistant Secretary of State for Latin American Affairs, cut short the fishing trip this afternoon to return to Panama in view of the Iraqi situation.

He was accompanied by Miguel S. Moreno, Panamanian Foreign Minister.

A United States Embassy spokesman said Mr. Rubottom had returned to talk with Washington.

Apparently Dr. Eisenhower considers his visit to Panama, the first country of six countries to be visited, has been a success. He said last night at a press conference that a large list of projects had been submitted by Panamanians. Many of these, he said, are "quite eligible pro private financing; and others, have no doubt, will be eligible for public financing by such organizations as the Export-Import Bank, the International Bank for Reconstruction and Development, and the Development Loan Fund."

[From the Washington Evening Star of July 11, 1958]

STUDENTS ASK TO SEE MILTON IN PANAMA

PANAMA, July 11.—University students who openly oppose Panama's President Ernesto de la Guardia, Jr., have asked for a meeting with Milton Eisenhower during the 4-day visit he begins tomorrow.

There was no official comment on the request to talk with President Eisenhower's brother. As the President's personal representative, he is traveling with the rank of Ambassador and a meeting with Mr. de la Guardia's opponents creates tricky diplomatic problems.

It was reliably indicated, however, that a meeting might be arranged under certain conditions.

The Panama University Students' Union said Dr. Eisenhower's visit offered an opportunity to present demands for "clear, definite sovereignty" for Panama in the Panama Canal Zone, which is under United States jurisdiction. The students especially want Panamanian flags flown in the zone and abolition of the zone's special postal service. "Let him (Eisenhower) talk with public officials; but he should also talk with the public and with students who are the genuine representatives of collective feelings," the students' union said.

Dr. Eisenhower, the president of Johns Hopkins University in Baltimore, will begin a Central American tour here. He goes on to Nicaragua, Guatemala, Costa Rica, Honduras, and El Salvador.

Mindful of Vice President NIXON's hostile reception from mobs including students in Lima, Peru, and Caracas, Venezuela, the student union said it would guarantee Dr. Eisenhower's safety while he was on the university grounds.

But members of the Panama National Guard and secret police will be barred from the university, the students said.

[From the Washington Evening Star of July 12, 1958]

DR. EISENHOWER OFF TO PANAMA

Dr. Milton Eisenhower took off today on a good will tour of Central America that he hopes will provide a basis for a new look at United States policies in that area.

The President's brother, who said goodby to President Eisenhower at the White House just before taking off on his special mission, also told newsmen he would be glad to talk with Panama college students who requested an interview with him.

Dr. Eisenhower said he would talk with them at the United States Embassy in Panama City.

ITINERARY MADE PUBLIC

He apparently was unaware that the students turned down an invitation to meet him at the Embassy and instead asked him to come to the university.

The student group that wishes to talk with Dr. Eisenhower is opposed to the present regime in Panama.

Dr. Eisenhower also made public his official itinerary. Some sources had believed it was held up because of security. The State Department said last night, however, it was delayed because final details were not completed.

Mr. Eisenhower's 19-year-old daughter, Ruth, is accompanying him on the trip. They are due at 6 p. m. in Panama City for a 4-day visit.

OTHER SCHEDULED VISITS

The itinerary then will take him to Tegucigalpa, Honduras, where he arrives July 16.

Other scheduled visits are San Juan, Puerto Rico, July 24; San Salvador, El Salvador, July 27; and Guatemala City, Guatemala, July 30.

He will leave Guatemala City August 1 for the return flight to Washington.

In his talk with newsmen after seeing the President, Dr. Eisenhower said there are two purposes behind the trip. One is purely good will, expressing friendship of the American people to those of Central America. The other is a general fact-finding study.

He pointed out that he is taking along representatives of the State and Treasury Departments, the Export-Import Bank, and Development Loan Fund, and a medical man.

He said he will study agricultural, industrial, health, and other problems and added:

"I hope to have a quick perspective of conditions and then take a new look at our policies in the light of this overall review."

Asked about existing relations between the United States and the six Central American countries, Dr. Eisenhower said all are very warm, cordial, and dependable friends of ours, but there are problems in each one.

Dr. Eisenhower, president of Johns Hopkins University in Baltimore, originally was scheduled to leave in mid-June on what was billed then as a good will visit. But the State Department announced June 5 the trip was being delayed because of scheduling problems.

[From the Washington Sunday Star of July 13, 1958]

DR. EISENHOWER IS GREETED IN PANAMA

PANAMA, July 12.—Dr. Milton S. Eisenhower arrived in Panama today, his first stop on a good-will and factfinding mission in Latin America.

The brother of President Eisenhower arrived at Tocumen Airport in an Army Constellation plane at 6:55 p. m. (e. d. t.).

Foreign Minister Miguel Moreno, Jr., welcomed Dr. Eisenhower as "the authentic representative of understanding and good will which have characterized" his brother's actions in the international field.

In reply, Dr. Eisenhower recalled that he accompanied the President to the Panama meeting of American Presidents 2 years ago.

"I return today at my brother's request," he said, "to see if I can gain through informal discussions with you leading officials and other groups of Panamanians a greater appreciation of some of the continuing problems which beset our neighbors in Panama and Central America.

"I come to you with an open mind and a hand outstretched in sincere friendship."

A crowd of about 200 men and women at the airport gave him a cordial reception.

The reception Dr. Eisenhower gets during his 21-day tour of 6 nations and Puerto Rico may test the state of United States relations in the area after the strains revealed by the Latin America tour of Vice President NIXON in May. Honduras, Costa Rica, Nicaragua, El Salvador, and Guatemala are the other countries on the tour.

A student union here turned down an invitation from the United States Embassy for a delegation of five students to meet Dr. Eisenhower Monday at the Embassy residence.

The student president, Carlos Arellano Lennox, instead sent a cable to Dr. Eisenhower inviting him to sit down and talk with them at the National University. He said the students don't want to engage Dr. Eisenhower in a debate but insisted if there is a meeting it must be on university grounds.

He added that the students would guarantee Dr. Eisenhower's safety within the university premises and allow him to bring any security guards he wants except members of Panama's national secret police or the National Guard. The students have been feuding with the Government since police put down student demonstrations in May against school administrative policies.

Within 2 hours after his arrival, Dr. Eisenhower sent a message to the student president politely but firmly rejecting the invitation to meet in the university. He reiterated his own bid to meet a student delegation at the Embassy.

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[From the Americas Daily, Miami Springs, Fla., of July 13, 1958]

MILTON EISENHOWER FLIES TO PANAMA IN GOOD-WILL TOUR THROUGH CENTRAL AMERICA—WILL STUDY CONDITIONS THERE WITH VIEW OF IMPROVING UNITED STATES RELATIONS

WASHINGTON, July 12.—Dr. Milton Eisenhower departed by airplane today on a good-will and factfinding tour of five countries of Central America, Panama, and Puerto Rico.

He left here at 10:07 a. m., eastern daylight time, en route to Panama.

Dr. Eisenhower undertook the trip as President Eisenhower's personal envoy in another effort to strengthen ties with the hemisphere republics. He is a brother of the President. He will be gone about 3 weeks.

In an airport statement, he said:

"I look upon the purpose of this visit as twofold—first, as a good-will expression of our Government for the peoples of the area, and, secondly, as a genuine factfinding trip."

Dr. Eisenhower, who is president of Johns Hopkins University, was accompanied on the trip by Assistant Secretary of State for Inter-American Affairs Roy R. Rubottom; the President of the Export-Import Bank, Samuel C. Waugh; Assistant Secretary of the Treasury Tom B. Coughran; and Director of the Development Loan Fund, Dempster McIntosh.

Panamanian Ambassador Ricardo M. Arias flew with the group as far as Panama, where they were scheduled to arrive about 5 p. m., local time, today.

Arias said that this was a particularly happy day in Panamanian-United States relations following the approval by a Senate-House conference yesterday of the protracted bill to give equal wages and employment benefits to Panamanian employees of the Canal Zone Company.

The measure is the last major piece of legislation required to implement fully the 1955 Treaty of Friendship between the two countries.

Dr. Eisenhower, who made a tour of South America in 1953, said at the airport he was pleased with the fact that several of his recommendations after that trip were put into effect by the United States Government.

He mentioned the program for helping stabilize Latin American economies by stockpiling the raw materials they produce and the greatly increased flow of credits. He dismissed as "untrue" suggestions that the administration had acted on only two of a dozen or more recommendations of his 1954 report.

Commenting on his new trip which will cover the countries omitted from his previous mission, Dr. Eisenhower said:

"It will give us in a few short weeks a good overall perspective of conditions there as well as the effectiveness of our policies. It will enable us upon our return to see whether any modification in our policies and programs would be desirable."

Dr. Eisenhower conferred with President Eisenhower today just prior to departure. He called at the White House at 8:30 a. m., eastern daylight time, for a half hour of consultation with his brother and then departed for the airport.

ITINERARY

He gave reporters the following itinerary:

July 12: Leave Washington 10 a. m., arrive Panama City at 6 p. m.

July 16: Arrive Tegucigalpa, Honduras, 10 a. m.

July 18: Arrive San José, Costa Rica, 10:30 a. m.

July 21: Arrive Managua, Nicaragua, 10:30 a. m.

July 24: Arrive San Juan, P. R.

July 27: Arrive San Salvador, at noon.

July 30: Arrive Guatemala City 9 a. m.

August 1: Leave Guatemala City 8 a. m., arrive Washington 6:30 p. m.

DIGNIFIED WELCOME

PANAMA CITY.—Leaders of high school and university undergraduate groups, some of which are highly critical of United States policy in Latin America, said they are urging students to give Dr. Milton Eisenhower a dignified welcome when he arrives here on his forthcoming tour of Central America.

A special manifesto was prepared for distribution to all students, leaders said. It will emphasize that "NIXON type" demonstrations will not help resolve any differences between Panama and the United States.

Meanwhile Honduras President Ramón Villeda Morales said in a newspaper interview in Tegucigalpa that he was sure the anti-American outbreak which marred Vice President RICHARD M. NIXON'S South American tour could not happen in Honduras.

[From the New York Times of July 14, 1958]

PANAMA ASKS AID OF DR. EISENHOWER

(By Paul P. Kennedy)

PANAMA, July 13.—President Ernesto de la Guardia, Jr., told Dr. Milton Eisenhower today that Panama urgently needed financing for increasing production to meet her rapidly mounting population.

In a 3-hour conference between the Eisenhower delegation which includes the heads of United States lending agencies, and top members of the De la Guardia cabinet, the president is reported reliably to have told the visiting Americans that the economic pressure on Panama had reached a serious stage.

Present among the United States delegation at the conference, the first business session conference thus far in the Eisenhower visit, Samuel C. Waugh, President of the Export-Import Bank; Dempster McIntosh, President of the Development Loan Fund, and Tom Coughran, Assistant Secretary of the Treasury.

Earlier these three, without going into details, said their primary objective in accompanying Dr. Eisenhower was to study the atmosphere for loans.

Earlier, Dr. Eisenhower was criticized by a group of Panamanian students for having refused to meet them outside the United States Embassy for an interview.

The central executive committee of the Union of University Students, which is said to be opposed to the government, formally rejected an invitation to talk with Dr. Eisenhower at the Embassy.

The President's brother, who arrived here last night, is on a 21-day factfinding and good-will tour of six Central American nations, after which he has said he will take a new look at United States policies on Latin America.

Dr. Eisenhower, who is president of the Johns Hopkins University, had agreed to the students' request for an interview but had suggested in his reply to their invitation that it be conducted in the Embassy. He explained that his schedule was so full he could not visit the university.

In a letter today, the student committee said: "We deplore the fact that those who made up your schedule for conversations to learn of various countries arranged them for the Embassy, which in the final analysis is not part of the country you are visiting but part of your own country."

This interchange was just another part of Dr. Eisenhower's day in which students figured. In his first formal call on President de la Guardia this morning, conversation about students figured largely. The visit lasted 30 minutes.

Dr. Eisenhower, accompanied by his entourage, was greeted in the diplomatic salon of the presidential residence. After an exchange of greetings the talk turned to education and students. It is a subject close to Panama's president because students here have had an unsettling effect on his administration virtually ever since he took office.

SECRECY RULES EASED

Under unusually strict secrecy rules United States State Department officials have heretofore kept information of Dr. Eisenhower's program on a day-to-day basis.

They relaxed the rules somewhat today by announcing that he was going to take a trip through part of the Panama Canal tomorrow and going on a fishing trip Tuesday, his last day in Panama.

Today's program was largely social. After the visit to the presidential residence the group went to Balboa Heights to visit Maj. Gen. Ridgely Gaither, commander of United States forces in the Caribbean.

In the early afternoon, Dr. Eisenhower gave a luncheon for the President and Panamanian Cabinet members at El Panama Hotel. Later the group moved to the hotel's presidential suite for the first business conference of the visit. It was to last an hour and a half, but time was gained by hurrying through the luncheon.

Except for what they read in the newspapers this morning, most Panamanians received no indication Dr. Eisenhower was here. This morning he and Ambassador Julian F. Tarrington left the Embassy by a rear door and hurried through the city without fanfare.

[From the Americas Daily, Miami Springs, Fla., of July 17, 1958]

REPRESENTATIVE FLOOD LAUNCHES ATTACK AGAINST PANAMA PRESS

WASHINGTON, July 16.—Representative DANIEL J. FLOOD, Democrat, Pennsylvania, told Congress yesterday that Panama is becoming a storm center of hostile propaganda against the United States.

He said that the Panama extremists are also trying to place President de La Guardia in an unfavorable position.

In a speech on the floor of the House, FLOOD said that a campaign to create anti-United States feeling has increased in volume, "especially in the Spanish language newspapers of the Republic of Panama."

"These papers cater to an entirely different set of readers from the English language press and are far more extreme and provocative," FLOOD said.

"The inevitable result is that the people of the United States are not as well informed as they should be on the true nature of the Isthmian storm center of hostile propaganda that is now forming south of us. But some few are:

"Thoughtful Panamanians and North Americans, familiar with the current Isthmian situation, liken it to a smoldering period presaging violent volcanic eruption."

FLOOD said that the Panama anti-United States propaganda is aimed at bringing about the surrender of the United States long established position as exclusive sovereign over the Canal enterprise, and to obtain "a grossly unmerited share" of total receipts from operation of the Canal.

He said that if the extreme demands of Panama agitators are met the Canal operations would incur annual loss of about $26,500,000, which would have to be borne by United States taxpayers.

"As a corollary of this effort is the undoubted purpose of many of the extreme radicals involved to place President de La Guardia in an unfavorable light with the hope that his deposition may be brought about," FLOOD stated.

In a separate press statement, FLOOD said that Milton Eisenhower should not meet

with University of Panama students to discuss questions of international character.

He said that such a meeting with unofficial groups would be an affront to the legally constituted authorities of the Panama Government, authorized by the Panama constitution and laws to conduct the foreign affairs of their country.

[From the Washington Daily News of July 18, 1958]

IKE'S BROTHER STIRS TROUBLE—MORE PANAMA DEMANDS LIKELY

(By Edw. Tomlinson)

PANAMA CITY, July 18.—As a result of Dr. Milton Eisenhower's visit here the seeds of future trouble over the Panama Canal have been sowed.

Dr. Eisenhower referred to his trip as a "study mission" and said anything he discussed with officials would be reported to his brother and other Washington authorities only as an expression of Panamanian Government aspirations.

Hardly had the doctor and his party left the isthmus, however, when some extreme nationalists passed the word Uncle Sam is now committed to negotiate with Panama concerning new treaty demands.

To some politicians, extremists, and especially merchants, this would mean virtual Panamanian domination of the economic and political life of this strategic waterway.

WHAT WE'VE GIVEN

Only in the last 10 days, the United States Congress appropriated $20 million to construct another bridge across the canal connecting the northern and southern portions of the Republic.

A few days later legislation was completed which makes the wages and salaries of Panamanians working in the Canal Zone equal to those paid United States citizen employees.

At the urgent request of isthmian merchants we have refused Panamanian employees the right to trade in Canal Zone commissaries and shops. We also upped the annuity which we were paying the Republic from $450,000 to $1,130,000. And we turned over to the Republic approximately $25 million worth of land and real estate in the cities of Colon and Panama City.

JUST BEGINNING

Apparently these concessions were considered chicken feed.

We now are called on to discontinue all commercial activities in the Canal Zone. This would force 40,000 United States employees and their families to purchase all necessities, from food to medicine, in the Republic.

Politically, they insist that the United States raise the Panamanian flag in what one fiery student described as "equal majesty with the Stars and Stripes" over the zone, the canal and all ships passing through.

Among other things, they also think we should agree to compel our citizens and officials in the zone to forget English and speak Spanish exclusively.

In the original canal treaty of 1903, the Republic of Panama granted the United States in perpetuity all "rights, power and authority within the zone" as if the United States were sovereign of the territory. We have refused to change that document.

As the current Panamanian politicians see it, we have in effect agreed to discuss modifications of this agreement. They argue that Dr. Eisenhower came as special ambassador representing the President and that he heard highest Panamanian officials outline what they expected—and they point out these requests were put in an official communique.

Next day Dr. Eisenhower himself praised President De La Guardia for what he called a well thought-out program. So far as the general public, particularly the nationalists, are concerned this sounded like a commitment for future negotiations. The crusading students aren't going to let them forget it.

THE FEDERAL RESERVE WILL NOW PURCHASE GOVERNMENT BONDS—END OF DISORDER SHOULD BE EXPECTED

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, on Wednesday a week ago I sent a telegram to Chairman Martin of the Federal Reserve urging that the Federal Reserve System take some action to stop the growing disorder in the Government bond market. I called the attention of the House to this message, which suggested that if the Federal Reserve does not have sufficient authority to stabilize the Government bond market, such as it might use if it untied its hands from its bills-only policy, then the Board should recommend to Congress what authority it needs to stop the wild speculating and the chaotic prices in this market.

Again on Wednesday of this week, in my speech entitled "The Federal Reserve Has About 2 Weeks in Which To Avoid Another Devaluation of the Dollar," I urged that the Federal Reserve's Open Market Committee convene itself immediately and adopt a resolution to purchase Government bonds promptly, in whatever amounts are necessary to assure that the prices of these bonds will not be allowed to fall below some definitely stated percentage of their value. It seemed to me, as I said then, that unless the Open Market Committee took this action, a further drastic decline in the value of the dollar would be sure to come.

The news has just reached me that the Federal Open Market Committee has met by long-distance telephone and reached a decision to suspend its bills-only policy and to go into the open market and purchase Government bonds. The Open Market Committee, which is made up of the 7 governors of the Federal Reserve System and 5 of the Federal Reserve bank presidents, is to be warmly congratulated for this action. This action should help greatly to restore confidence in what should be the safest security in the world—bonds of the United States Government—and it should help to stop the chaos and wild speculating which has been going on in this market. I have today sent Chairman Martin a telegram conveying my congratulations to the entire Open Market Committee. The telegram reads as follows:

JULY 18, 1958.

Hon. WILLIAM MCC. MARTIN, Jr.,
Chairman, Federal Reserve System,
Washington, D. C.:

The Open Market Committee is to be warmly congratulated for its decision to suspend the "bills only" policy and to purchase United States Government bonds in the open market. This action was greatly needed. It will restore confidence in Government bonds and will help prevent further loss in the value of the dollar. If the Federal Reserve System finds that using this authority which it has proves inadequate to stabilize the Government bond market, I strongly believe, as I stated in my telegram to you last week, the Board of Governors should ask Congress for the authority which it needs to do the job. You may be assured of my support for that authority.

WRIGHT PATMAN,
Member of Congress.

I should like to insert in the RECORD my previous telegram to Chairman Martin, together with his kind and prompt response:

JULY 9, 1958.

Hon. WILLIAM MCC. MARTIN, Jr.,
Chairman, Board of Governors of the Federal Reserve System, Washington, D. C.:

In view of the increasing disorderly conditions in the Government bond market, such as the record debacle of yesterday, may I ask if there is not something which the Federal Reserve System can do to check the junglelike activities being carried on by gamblers and speculators which are causing a loss of confidence in bonds of the United States and a distaste and a disrespect for our Government's obligation on the part of conservative investors. Gambling in securities of the United States on thin margins in markets having no adequate supervision seems to me a breach of public order which would hardly be tolerated under the private rules of exchanges for trading in commodities. Furthermore, the violent day-to-day fluctuations in bonds of the United States which the world is now witnessing can hardly reflect changes in the prospects for stability in our Government or in its ability to meet its future obligations. If the Reserve System does not have adequate authority to remedy this situation, such as it might use if it untied its hands from the Open Market Committee's "bills only" policy, then may I ask if the Board would consider it appropriate to recommend to Congress what authority is needed to remedy this condition.

WRIGHT PATMAN,
Member of Congress.

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM,
Washington, July 10, 1958.

The Honorable WRIGHT PATMAN,
House of Representatives,
Washington, D. C.

DEAR MR. PATMAN: This is to acknowledge receipt of your telegram of yesterday in regard to the Government bond market. Upon my return from Denver next week I shall discuss this matter with the members of the Board. In the meantime, copies of your telegram have been distributed to them.

Sincerely yours,

WM. MCC. MARTIN, Jr.

SPECIAL ORDER GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to Mr. MATTHEWS, for 15 minutes, on Monday next.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. BYRNE of Illinois.

Mr. BERRY and to include extraneous matter.

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Mr. McGREGOR in three instances.
Mr. NEAL.
Mr. McCORMACK and to include a statement that he recently made before the Committee on Merchant Marine and Fisheries in reference to the bills H. R. 10638 and 10692.
Mr. SAYLOR (at the request of Mr. TEAGUE of California) and to include extraneous matter.
Mr. BENNETT of Michigan and to include extraneous matter.
Mr. HARRISON of Nebraska and to include extraneous matter.
Mr. SIEMINSKI (at the request of Mr. McCORMACK) and to include extraneous matter.
Mr. ALBERT (at the request of Mr. McCORMACK) and to include extraneous matter.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 4229. An act for the relief of Continental Hosiery Mills, Inc., of Henderson, N. C., successor to Continental Hosiery Co., of Henderson, N. C.; and

H. R. 13366. An act to provide for the advancement of Maj. Gen. Claire L. Chennault, United States Air Force, retired, to the grade of lieutenant general on the retired list.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on July 17, 1958, present to the President, for his approval, bills of the House of the following titles:

H. R. 1045. An act to amend the Soil Conservation and Domestic Allotment Act, as amended;

H. R. 10320. An act to provide for additional charges to reflect certain costs in the acceptance of business reply cards, letters in business reply envelopes, and other matter under business reply labels for transmission in the mails without prepayment of postage, and for other purposes; and

H. R. 12162. An act to amend the District of Columbia Stadium Act of 1957 to require the stadium to be constructed substantially in accordance with certain plans, to provide for a contract with the United States with respect to the site of such stadium, and for other purposes.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 20 minutes p. m.), under its previous order, the House adjourned until Monday, July 21, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2139. A letter from the Secretary of the Army, transmitting the Annual Report of the United States Soldiers' Home for the fiscal year 1957, and a copy of the report of the annual inspection of the home, 1957, by the Inspector General of the Army, pursuant to the act of Congress approved March 3, 1883, as amended (24 U. S. C. 59 and 60); to the Committee on Armed Services.

2140. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting a copy of the order suspending deportation in the case of Hans Theodore Max Blanke, A-1107735, pursuant to Public Law 863, 80th Congress; to the Committee on the Judiciary.

2141. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders granting the applications for permanent residence filed by the subjects, pursuant to the Refugee Relief Act of 1953; to the Committee on the Judiciary.

2142. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

2143. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

2144. A letter from the Administrator, General Services Administration, transmitting a notice of a proposed disposition of approximately 1,518,899 pounds of Chinese hog bristles now held in the national stockpile, pursuant to the Strategic and Critical Materials Stock Piling Act (53 Stat. 811), as amended (50 U. S. C. 98b (e)); to the Committee on Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CANNON: Committee on appropriations. H. R. 13450. A bill making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes; without amendment (Rept. No. 2221). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLATNIK: Committee on Public Works. H. R. 8160. A bill authorizing a survey of the Tensaw River, Ala., in the interest of navigation and allied purposes; without amendment (Rept. No. 2222). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLATNIK: Committee on Public Works. H. R. 12216. A bill to designate the dam and reservoir to be constructed on the Cumberland River near Carthage, Tenn., as the "Cordell Hull Dam and Reservoir"; without amendment (Rept. No. 2223). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG: Committee on Post Office and Civil Service. S. 2033. An act to provide for the Board of Trustees of the Postal Savings System to consist of the Postmaster General and the Secretary of the Treasury; without amendment (Rept. No. 2224). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAYS of Arkansas: Committee on Foreign Affairs. S. 3557. An act to amend the International Claims Settlement Act of 1949, as amended (64 Stat. 12); without amendment (Rept. No. 2227). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLATNIK: Committee on Public Works. H. R. 9173. A bill to provide for the conveyance of a pumping station and related facilities of the Intracoastal Waterway System at Algiers, La., to the Jefferson-Plaquemines Drainage District, Louisiana; without amendment (Rept. No. 2228). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLATNIK: Committee on Public Works. H. R. 13342. A bill to provide for a survey of Parish Line Canal, La.; without amendment (Rept. No. 2229). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLATNIK: Committee on Public Works. H. R. 10207. A bill authorizing the modification of the Crisfield Harbor, Md., project in the interest of navigation; without amendment (Rept. No. 2230). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLATNIK: Committee on Public Works. S. 2158. An act relating to the procedure for altering certain bridges over navigable waters; without amendment (Rept. No. 2231). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORRESTER: Committee on the Judiciary. H. R. 12894. A bill to authorize the making, amendment, and modification of contracts to facilitate the national defense; with amendment (Rept. No. 2232). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HYDE: Committee on the Judiciary. House Joint Resolution 652. Joint resolution to facilitate the admission into the United States of certain aliens; with amendment (Rept. No. 2225). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. House Joint Resolution 653. Joint resolution for the relief of certain aliens; without amendment (Rept. No. 2226). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CANNON:

H. R. 13450. A bill making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes.

By Mr. WALTER:

H. R. 13451. A bill to amend section 245 of the Immigration and Nationality Act; to the Committee on the Judiciary.

By Mr. DINGELL:

H. R. 13452. A bill to prohibit the use of Government property by any organization practicing segregation on the basis of race, creed, or color; to the Committee on Public Works.

By Mr. DURHAM:

H. R. 13453. A bill to amend title II of the Social Security Act to provide that an individual's adopted child shall be eligible for child's insurance benefits on the basis of such individual's wage record without regard to the length of time the child has been adopted; to the Committee on Ways and Means.

By Mrs. KNUTSON:

H. R. 13454. A bill to authorize a $100 per capita payment to members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation; to amend the act of May 18, 1916, relating to the use of the fund established by that act for the Red Lake

Band of Chippewa Indians; and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PRICE:

H. R. 13455. A bill to amend the Atomic Energy Act of 1954, as amended; to the Joint Committee on Atomic Energy.

H. R. 13456. A bill to amend the Atomic Energy Act of 1954, as amended; to the Joint Committee on Atomic Energy.

By Mr. QUIE:

H. R. 13457. A bill to amend the Federal Unemployment Tax Act to provide for the payment of unemployment compensation in amounts determined by the average wages of the unemployed person and of all other wage earners in the State in which he resides; to the Committee on Ways and Means.

By Mr. SELDEN:

H. R. 13458. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to provide for leasing of acreage allotments for cotton and for other purposes; to the Committee on Agriculture.

By Mr. LANKFORD:

H. R. 13459. A bill to establish a commission to study and recommend revision in Federal pay systems and practices; to the Committee on Post Office and Civil Service.

By Mr. ROBISON of New York:

H. R. 13460. A bill to amend section 203 of the Social Security Act to increase the amount of earnings individuals are permitted to earn without suffering deductions from their benefits; to the Committee on Ways and Means.

By Mr. BENNETT of Florida:

H. R. 13461. A bill to provide for a National Museum of Naval History; to the Committee on Armed Services.

By Mr. MORRIS:

H. R. 13462. A bill to amend title VIII of the National Housing Act; to the Committee on Banking and Currency.

By Mr. SADLAK:

H. R. 13463. A bill to amend the Federal Employees Compensation Act to provide that certain compensation payments may be based on the employee's monthly pay immediately preceding the date of commencement of such payments; to the Committee on Education and Labor.

By Mr. STAGGERS:

H. R. 13464. A bill to establish a policy of Congress with respect to sustained yield and multiple use management of the national forests; to the Committee on Agriculture.

By Mr. DAVIS of Georgia:

H. R. 13465. A bill to authorize the Postmaster General to provide for the transportation of mail, and for services in connection therewith by motor vehicle carriers; to the Committee on Post Office and Civil Service.

By Mr. REUSS:

H. R. 13466. A bill to amend the Housing Act of 1954, as amended, to stimulate the creation and development of State, metropolitan, and regional compehensive planning agencies and to facilitate planning in cities and counties; to the Committee on Banking and Currency.

By Mr. SIMPSON of Illinois:

H. R. 13467. A bill to amend the Railroad Retirement Act of 1937 to provide that an individual's annuity based in part on military service shall not be reduced by reason of the payment to such individual of veteran's benefits based on the same service; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GWINN:

H. R. 13468. A bill to provide for the issuance of a license to practice pharmacy in the District of Columbia to Diodato Villamena; to the Committee on the District of Columbia.

By Mr. HOLTZMAN:

H. R 13469. A bill for the relief of David Tao Chung Wang; to the Committee on the Judiciary.

By Mr. TELLER:

H. R. 13470. A bill for the relief of Mrs. Carmen Ocampo Carrillo and her children, Maria Celia O. Carrillo, Tomas Antonio Jesus Carrillo, Maria Corinto Asuncion Carrillo, and Marie Cecile Carrillo; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Thirty Percent of American Aluminum Plants Idle Due to Foreign Imports

EXTENSION OF REMARKS
OF
HON. WILL E. NEAL
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Friday, July 18, 1958

Mr. NEAL. Mr. Speaker, during World War II and the war in Korea, the United States commanded industry to equip for and produce an increased quantity of aluminum. With Federal tax writeoff concessions and over $2½ billion of private funds, the aluminum industry proceeded in a big way to construct and equip plant capacity to meet anticipated needs.

Present plant capacity, plus that already undergoing construction, is expected to produce 2,604,500 tons of primary aluminum per year. The United States aluminum plant capacity is now producing 1,421,050 tons per year, while an additional potential capacity of 605,450 tons remains idle due in no small degree to the importation of foreign aluminum in the amount of 222,000-plus tons as of 1957.

There is at the present time an overproduction capacity of aluminum and its products in the Free World. Russia is expanding her capacity at a rapid rate. Wages in the competing free nations average about 25 percent of wages paid American labor in the aluminum industry.

With 30 percent of the United States aluminum capacity idle, we are now importing one-sixth of our aluminum consumption from Free World nations that are now able to operate up to 90 percent of their own capacity. We are even buying aluminum plate that is processed from primary pig aluminum in Belgium from Communist bloc countries.

With 20,000 workers, formerly employed in the production and fabrication of aluminum, now idle, one cannot question the uneconomic policy of importing aluminum under low-tariff rates, produced by substandard foreign labor, while a corresponding loss of income to heavy private investment in plants in this country is lost to the economy.

With overproduction of aluminum in the free nations and a ruthless price-cutting Russian policy prevailing, the aluminum-world market promises to remain unstable as long as underprivileged nations that actually need this oversupply of material lack credit with which to purchase it.

Instead of attempting to meet the demands of underdeveloped countries, Russia and the free nations of Europe contrive to dump as much as possible on the American markets in order to build dollar credits. Continuation of this policy of importing a large portion of our American needs can prove very injurious to our aluminum industry.

This policy, like that of permitting excesses of low-cost foreign imports in direct competition with many American industries, as anticipated in the extension of the Reciprocal Trade Agreements Act, will undoubtedly prove detrimental to the American domestic economy as well as greatly reduce our chances to export these products on the basis of cash returns and the worst of it is that we are either directly or indirectly subsidizing a considerable portion of our foreign-trade policy with the taxpayers' money.

Kaiser Aluminum and Olin Mathieson with new plant construction in the Ohio Valley will not be able to go into full production if aluminum imports are not greatly reduced.

Thus will private investment not be able to return dividends but full employment will not be possible. The overall loss to the national economy will likewise suffer.

The status of the American aluminum industry is just another indication that our foregn-trade policies need immediate study and overhauling.

McGregor Urges Mail Service to All

EXTENSION OF REMARKS
OF
HON. J. HARRY McGREGOR
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Friday, July 18, 1958

Mr. McGREGOR. Mr. Speaker, I am again calling attention to the proper committee of Congress and am asking for action on H. R. 766, a bill which I introduced that would give rural mail delivery as nearly as practicable to the entire rural population of the United States.

I am in receipt of a letter from the Post Office Department in which they advise that they have no objections to the bill and in reality favor its passage. I have long believed that all citizens are entitled to mail service either by rural carrier or door to door delivery. With

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the Post Office Department in accord with this view, I respectfully urge that hearings be held immediately so that the legislation can be put into effect prior to the adjournment of Congress.

Harness Racing: An American Republican Institution

EXTENSION OF REMARKS
OF
HON. ALFRED D. SIEMINSKI
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Friday, July 18, 1958

Mr. SIEMINSKI. Mr. Speaker, the Senate has under consideration a sports bill. It passed the House as H. R. 10378. The bill would exempt certain sports from the antitrust laws.

At the time H. R. 10378 was considered in the House, I opposed its form because I felt it was unfair to other sports that had not had an opportunity to present their unusual problems to the committee and thus permit them to be included in the exemption from the antitrust laws.

In this regard, I feel harness racing is a sport that needs antitrust exemption. It needs it more than any other sport. It is presently the victim of harassing interests that would want the sport, as we know it, destroyed and make of it a vast commercial enterprise with profit the only motive. There are those people in harness racing who look only to profit. They do not care for the great American institution, nor do they concern themselves with the sport as a republican institution.

I hope the Senate, in its wisdom, will not let harness racing be destroyed by profiteers, gangsters, and gamblers, but rather will include harness racing in the bill to give it protection from the antitrust laws so that it may continue to maintain high standards of conduct and keep it supervised in such a way that gangsters, racketeers, and profiteers will not take over this fine old American sport.

Mr. Speaker, I should like now to talk a little about harness racing as a great American sport.

Since the end of World War II, harness racing in our country has developed into one of the most popular of all our outdoor sports. It is estimated that some 5,000 trotters and pacers compete in 1,000 race meetings held each year in the United States and Canada. Originating, as a formal competitive sport, in the United States more than a century ago, harness racing is flourishing today with unprecedented popularity; every indication points to an even brighter future.

The homespun quality of this peculiarly American pastime remains its greatest drawing card. The vast majority of race meetings are still held at State, county, or other agricultural fairs.

The light-harness racehorse, unlike the thoroughbred, has its origins much closer to everyday life and its breeding and ownership were and are common to all classes, not just to the higher income strata. In the days before the wide use of machines, the harness horse served many functions off the racecourse.

However, we should not lose sight of the fact that the American standardbred trotter is descended chiefly from thoroughbred ancestry. About 90 percent of the registered trotters and pacers of today are direct descendants through the male line of Rysdyk's Hambletonian 10 and through him of the English thoroughbred stallion, Messenger—foaled in 1780. Though he never raced as a trotter himself, Messenger, who was imported into the United States in 1788, is credited with being the grand patriarch of the standard breed. Long after Messenger's death, his progeny brought him posthumous recognition and fame by their speed, spirit, and endurance. Even the great thoroughbred racehorse, Man O' War, could trace his ancestry back to the extraordinary Messenger.

HISTORY

Trotting races have had an enthusiastic following since the earliest days of our history. However, the harness horse's original function was to provide transportation. Trotters won a reputation for their speed and stamina while traveling the stagecoach routes along the eastern seaboard. The first trotting races, staged under saddle, were informal affairs, with one owner challenging another to a match of speed. But out of these early races blossomed a popular sport which spread to a wide area when good roads were developed.

It is an interesting fact that religious tradition, quite unintentionally, played an important role in stimulating interest in trotting-horse races in the colonial days. In New England and the Middle Atlantic States, pious churchmen looked on horseracing as a detriment to public morals and saw to it in 1802 that all the racetracks were closed down. However, they were persuaded that trotting should not be included in this ban on racing, because the pace of the horses was not so fast. Without its usual competition, trotting races flourished as a popular pastime.

The first generally accepted record in American trotting was made by a gelding named Yankee, of unknown breeding, who in 1805 trotted a mile in 2:59 over the Harlem Lane course in New York. The first public trotting race that attracted much notice occurred at the Jamaica Turnpike in 1818, when a horse named Boston Blue trotted a 3-minute mile under the saddle and won for his owner a $1,000 purse.

But this early informal racing gradually gave way to the more formal type of sport we know today. Prior to 1830, although trotting races were being held in many areas, records were seldom kept, publicity of the feats of various performers was rare as sporting journals were nonexistent, and regulating bodies had not yet been organized to set up rules of competition. In 1825 the New York Trotting Club, the first organization set up to formulate standards for the sport, was founded. Philadelphia followed suit in 1828 with its Hunting Park Association Club, established for the encouragement of the breeding of fine horses, especially that most valuable one known as the trotter. These organizations and the others that came along shortly thereafter encouraged the amateur spirit that has pervaded the sport through the years and demonstrated a widespread desire on the part of horsemen to improve and develop the breed of trotting horses.

The continuing rivalry of two grandsons of Messenger—Top Gallant and Whalebone—over several years broadened interest in the sport along the Atlantic seaboard. These horses first met in 1829 at the Hunting Park track in four 4-mile heats, with Top Gallant winning the grueling contest. In those days 4-mile heats and 3-out-of-5 races were in vogue. A race by these standards could leave the competing horses completely exhausted after a possible round of 11 or 12 heats. As the conception of trotting races changed, these long heats were gradually reduced to the current 1-mile heats.

As our country progressed toward its maturity, the whole picture of early racing altered. New innovations were introduced, including the use of racing vehicles. These began to appear in the form of stripped-down 4-wheeled family buggies. At first they met with considerable derision. But soon the fans realized that the horses could attain greater speeds when hitched to the wagons than they had when they were under saddle. About 1840 the high-wheeled and high-seated sulky came into vogue. These vehicles were constructed along the lines of the bikes of today, but they had tremendous wheels and the driver was perched up so high that he could see over the horse's head. Soon, the widespread acceptance of the sulky brought an end to saddle racing and the use of 4-wheel carts. In 1845 the distinguished gray mare, Lady Suffolk, achieved the first 2½-minute mile with a sulky—a landmark in trotting history. Overnight this great horse became the idol of the racing fans and through her 162 races she continued to hold her title as the "Queen of the Trotters."

Eighteen hundred and forty-nine was the most significant date in the annals of the trotting horse's development. For on this date harness racing's most potent stallion, Hambletonian 10, was foaled. From this horse, whose name is familiar to all who love this sport, more than 90 percent of the horses racing today are directly descended. Hambletonian 10 was the great-grandson of Messenger on both sides of his line. However the significance of his birth and his potentialities were not fully appreciated until he had reached the ripe old age of 12. His owner, William Rysdyk, a farmhand who had had no previous experience in breeding trotters, obtained the horse from his employer with the avowed intention of making a fortune from the colt's stud fees. Hambletonian 10 was therefore never fully developed as a racer and his best time was 2:48½ in a high-heeled sulky. Though he stood at stud from the age of 2, the distinguished characteristics of his bloodline were not

properly assessed until his descendants began to rewrite the record books. His stock has never been surpassed. He sired 1,331 foals, which earned him the title of the most prolific stallion of all time, and his stud fees amounted to $200,000, a tremendous return on Rysdyk's $125 original investment. Hambletonian 10's blood submerged all other strains in the production of the standard-bred. Four of the immortals of harness racing, Peter the Great, Axworthy, McKinney and Bingen, were all male line descendants of Hambletonian 10. Peter the Great has to his credit the siring of 661 standard-record performers.

While harness racing had developed much spectator interest since its earliest days and had taken hold as a major sport, it had a period in the middle of the 19th century when it fell into bad repute, because of what was considered the unwholesome atmosphere surrounding some of its meets. The sport, for reasons outside its own control, attracted undesirable elements with resulting drunkenness, rowdyism and widespread gambling at the tracks. From the pulpits and reform movement platforms of the country, harness racing was condemned for its evil and vice. As a result of the unhealthy conditions and the loud condemnation, many people who could have had the best influence on the sport withheld their patronage. For a period the sport sank to the low ebb of its long history.

It was soon evident that what was needed was a controlling body of honest sportsmen who would administer standard rules for racing and track management. It was under these circumstances that in 1870 the first comprehensive governing body in racing circles, the National Trotting Association, was born. It set out immediately to inaugurate the needed cleanup of harness racing. Soon the efforts to prevent and abolish the evils that had given the sport a bad name were effective. The NTA instituted uniform rules for every phase of the sport and set a healthy pattern for the future. The sport again began to grow in popularity and to attract the type of sportsmen who would enhance its reputation.

The notable rivalry between such distinguished gentlemen as Commodore Cornelius Vanderbilt and Robert Bonner lent a new glamor to the trotting sport. The fact that these reputable men of business and industry would indulge in harness racing for pleasure and for profit did much to elevate the sport from its dark days.

As the country grew and the westward movement progressed, sports-minded people began to establish chains of tracks over the widening area of our country. But the Yankee sport of harness racing took longer to be accepted in the South, the birthplace of thoroughbred racing, than elsewhere. Pacers were the favored animal in the South for a saddle horse. Interest in harness racing began to be stimulated as many northern owners adopted the practice of sending their prize horses south for the winter to keep them in training. Though Kentucky has since contributed a great deal to the breeding of harness horses, in this era there was a movement among thoroughbred enthusiasts to prevent trotting in Kentucky. Fortunately the movement came to naught, and in 1873 the Kentucky Association of Trotting Horse Breeders came into existence. This organization, the oldest of its kind, was soon to sponsor some of the great harness turf classics in this country.

OUTSTANDING HARNESS TRACK RECORDS

Soon speed in harness racing became the all-important factor. As is true in all realms of sports, the crowd would flock to see a winner, a champion. With a new record set, a new champion would be born. I wish to mention only a few of the outstanding performers who have made racing history with their feats in the last century. In 1859 a bay mare by the name of Flora Temple trotted the mile in 2:19¾ and became the first of her breed to break the 2:20 mark. This record created such interest that she was sent on an exhibition tour extending as far west as St. Louis.

Another mare, Goldsmith Maid, followed Flora Temple into the limelight. She first attracted attention when she broke the 2:15 mark. In 1874 she beat her own record in Boston by posting a 2:14 mile while pulling a then standard 60-pound sulky. For many years, Goldsmith Maid reigned supreme as the largest money winner anywhere in the world for any breed, sex or gait. Her winnings were certified as being between $264,000 and $364,000. From the age of 8—now considered a rather old age for racing—until she reached 20, this granddaughter of Hambletonian 10 was the first lady of the track. Goldsmith Maid was immortalized for her brilliant career in William Cary Duncan's literary portrait, Golden Hoofs.

The next trotting queen was a chestnut mare, Maud S., another granddaughter of the remarkable Hambletonian 10, who was foaled in 1875. When 4 years old Maud S. was sold to William H. Vanderbilt for $21,000. She steadily cut down her record on the mile from 2:17¼ in 1879 to 2:10¼ in 1881. In 1884 a black gelding, Jay-Eye-See, became the first trotter to post a 2:10 mile. But Maud S., brought out of retirement by Vanderbilt, showed that she was still the fleetest of trotters by hitting 2:09¾ that same year and 2:08¾ in 1885.

In 1892 the sport of harness racing was revolutionized by the introduction of the "bike" type of sulky. This new lighter vehicle with pneumatic tires on ball-bearing wheeels made the old-type sulkies obsolescent practically overnight. As frequently occurs when a new invention appears, the crowds voiced their loud disapproval of the "bike" sulky. But it was not long before they saw the trotting speed record broken with "this new contraption," by a brown mare named Nancy Hanks who cut the record by 4 seconds in 1886. The sport of harness racing took a new lease of life with the increased potentialities of the "bike" sulky.

Star Pointer, a pacer, became the first harness horse to enter the charmed 2-minute circle in 1897. But 6 years later Lou Dillon set a milestone for trotters by also breaking the 2-minute mile. Later the same year she lowered the mark to 1:58½. Two years later a pacer, Dan Patch, added fuel to the raging controversy on who had the faster gait, the trotter or the pacer by pacing the mile in 1:55¾. Dan Patch had the greatest publicity build up of any harness horse up to that time. He became a colorful figure in sporting history by his glamourous performances.

TWENTIETH CENTURY RECORDS

There are 3 horses who appeared later in the 20th century who most certainly deserve to be mentioned in any history of the great sport of harness racing. The first, Billy Direct, holds the world's fastest pacing record of 1:55 which he attained in Lexington in 1938 and which made him the fastest harness horse in the world. Another sensational record was set by Peter Manning, a trotter owned by W. M. Wright when in Lexington in 1922 he trotted a 1:56¾ mile. This mark stood until 1938 when the renowned trotter, Greyhound, became one of the immortals of harness racing by setting a record of 1:55¼ with his remarkable display of speed. This record still stands today.

RECENT DEVELOPMENTS

During the 20th century harness racing has had its ups and downs. As late as 1939 trotting and pacing races were in the midst of a great recession. Purses were small, good horses were scarce, and racing opportunities were at a minimum. The sport was slowing down and it looked as if it were going to be relegated to life in the shadows of other American sports. But fortunately for its fans, the leaders of harness racing decided to change its environment and bring it closer to the urban areas. With this move, the sport was reorganized from its one-time rural character. Today we witness a revitalized industry, which has skyrocketed to new peaks of success since the close of World War II. Purses have been greatly enlarged; and new interest has developed in the breeding of harness racers.

Several factors have been particularly responsible for a rebirth of this century-old sport and its increased popularity. Among these are the advent of night racing, the introduction of widespread parimutuel betting, the easy accessibility of race tracks to large urban areas, and the infusion of new talent into the ranks of owners, trainers, and drivers.

But essentially its long popularity must be attributed to the appeal of the American democratic character of the sport itself. For here is a sport that has come down to us from our forefathers basically unchanged. Oliver Wendell Holmes described the attraction of trotting well when he wrote in his Autocrat of the Breakfast Table that the running horse was kept mainly as a gambling implement but that the trotting horse was useful to man's being.

Horse racing—

He said—

is not a republican institution; horse trotting is.

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Mr. Speaker, I see no reason why harness racing should not be included as a sport exempt from the antitrust laws as contemplated in H. R. 10378 now under consideration in the Senate.

Boating Safety

EXTENSION OF REMARKS
OF
HON. EMMET F. BYRNE
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Friday, July 18, 1958

Mr. BYRNE of Illinois. Mr. Speaker, I support the House's action in passing H. R. 11078, to promote boating safety on the navigable waters of the United States, its Territories and possessions and providing for cooperation with the States in this matter. Our Nation is possessed of an abundance of streams and larger bodies of water. Certainly Chicago, my home city, has a great deal at stake in this bill. When the St. Lawrence Seaway is completed, and all Chicagoans are awaiting this important event, the giant ships from all major cities of the world will sail down the St. Lawrence Seaway into Chicago's beautiful harbors.

As a member of the House Public Works Committee, and serving on the subcommittees of Rivers and Harbors and Flood Control, I am vitally interested in navigation projects, flood control problems, and safety measures pertinent to these subjects.

The Third District of Chicago is located on Chicago's southwest side. As such, residents are a bit removed from lake front, and have no true body of water that can be used for recreational purposes. Persons living in areas further south and west in Cook County are still further removed from water recreational facilities. With the advent of water skiing, the ever increasing popularity of the sport of small boat craft, there is a need for safety regulations. I understand that there are now about 30 million people who indulge in the small boat craft. When hearings on H. R. 11078 were held in Chicago, my good friend, Congressman KLUCZYNSKI, presided at them. As he has told us, the committee heard over 70 witnesses, not all of whom were from Illinois but many were from States contiguous to Illinois. The witnesses favored this proposal.

Looking ahead I think is necessary. I hope that residents of my district as well as those in other districts located in southwest Cook County will have water recreational facilities. I introduced legislation recently providing for the conversion of a swamp and marsh area known as the Stoney Creek watershed into a chain of lakes suitable for swimming, boating and other recreation connected with water. I have introduced legislation to continue the Cal-Sag navigation project. Both of these areas while not actually in the Third District are directly adjacent to it. The residents of these areas would be the beneficiaries of my proposals. New and expanded industries or businesses will develop in this part of Chicago. The number of small craft owners will increase. With this, there will be a great need for adequate safety precautions.

Another consideration is that this proposal which I voted for does not infringe on States rights nor does it permit encroachment into State affairs and private affairs by the Federal Government.

The National Wool Act

EXTENSION OF REMARKS
OF
HON. E. Y. BERRY
OF SOUTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Friday, July 18, 1958

Mr. BERRY. Mr. Speaker, there is a matter pending before this Congress which is extremely important to a basic agricultural industry. I refer to the bill to extend the National Wool Act. This was introduced last year before adjourning. It was tied in with the omnibus agricultural bill which was refused a rule on the floor of the House recently. If some legislation is not enacted prior to the close of this session, it will deal a severe blow to one of the most successful programs now in existence for there will be no support program on the books after the present Wool Act expires March 31, 1959.

The National Wool Act of 1954 was enacted in August of that year and became effective with the 1955 marketing year commencing April 1. The goal of the act is to increase United States production to 300 million pounds of shorn wool annually. We are a deficient producing country in regard to wool and present production has started up under the terms of the act but still approximates only 230 million pounds.

With the present act due to expire at the end of this marketing year, we should by all means assure continuity in this program.

The sheep industry is a long-range operation on which plans have to be made at least a year in advance. In fact, it is 2 years before ewe lambs come into full production. The sheep industry is therefore unlike the poultry industry in which numbers can be increased or decreased rapidly. It is also unlike a farm crop which requires no decision until planting time.

If the act is not extended this summer, growers will lose confidence and dispose of ewe lambs rather than to hold them to increase production. Thus the gain in sheep population now commencing would be lost. Ewe lambs are 16 percent higher than last year's population.

The bottom will fall out of the ewe lamb market this fall if the act is not extended because there would be a number of sheepmen who would be selling out.

Banks and other financial institutions will be most hesitant and may even refuse to make loans on sheep operations this fall if the act has not been extended and there is consequently no certainty of its extension.

I sincerely urge the House Agriculture Committee to assure us an opportunity to vote on this vital extension of the wool program in time for its enactment before the end of the session.

Keynote Speech by Hon. William E. Jenner at 1958 Republican State Convention

EXTENSION OF REMARKS
OF
HON. WILLIAM E. JENNER
OF INDIANA
IN THE SENATE OF THE UNITED STATES
Friday, July 18, 1958

Mr. JENNER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the keynote speech I made on June 27, 1958, before the Indiana Republican State Convention, in Indianapolis.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

KEYNOTE SPEECH, 1958

(Address by Senator WILLIAM E. JENNER, Republican of Indiana, before the Indiana Republican State Convention, Indiana State Fairgrounds, June 27, 1958)

Fellow Hoosiers, fellow Republicans, I am honored to be invited to give the keynote speech for the Republican State Convention of Indiana.

Twenty-two years ago, as the youngest Republican in the Indiana Senate, I made the keynote address at our State convention in 1936.

I am grateful for the honors you have paid me since that day long ago. I have tried to repay you, so far as I am able, by service to our party, and to the country to which we give the full measure of our devotion.

Nowhere else are the people sturdier, their vision clearer, or their patriotism stronger than back home in Indiana.

We are gathered here to choose our candidates and our platform for the 1958 campaign, and lay the foundation for victory in 1960.

Hoosiers do not like appeasers. The land of the paw-paw and the persimmon, of limestone and the tall sycamore, does not breed political sprouts or pygmy patriots. We are "fer" or "agin" in Indiana. Our rugged Hoosier politics demands that each man and women stand up and be counted. That's the only kind of candidates we will ever offer the voters of Indiana.

Our party has a fine record in the State, and a fine record in the Nation.

The New Dealers left us a legacy of debt, taxes, unbalanced budgets, and a colossal bureaucracy. They talked of freedom from fear, but all their policies stem from fear, and perpetuate fear. They would paralyze the magnificent fighting spirit with which Americans meet new dangers.

We Republicans balanced the budget. We cut taxes seven and a half billion dollars. We put money into the sinking fund, to pay off the debt. We fought inflation at every turn.

The New Dealers hate free enterprise in business, unions, education, the press. They love controls—control of little business, big

business, and middle-size business, control of unions, of education, of the news.

We Republicans believe in liberty. We believe the Federal Government should get out of our hair. We have begun to clean up the mess the fair dealers left us. The task is bigger than we dreamed but we shall never stop until the work is done.

We do not say Republicans are perfect. We admit we have made mistakes. But the worst faults of Republican limited government, bound by the Constitution, are oh so much better than anything the Democratic Party has picked up, out of the refuse heap of European Socialist ideas.

There's a new breeze blowing in the world. People are sick of the promisers and planners. They are fed up with Socialists and spenders, with international do-gooders and international moneychangers. Nationalism is rising all over the world. Patriotism grows more popular every day. This is no moment for Hoosiers to trim their sails.

The rest of the country is turning toward us as the spenders leave behind them only ruin and decay.

Of course the cleanup is not finished.

We still spend billions each year on the great giveaway, foreign aid, which Dean Acheson fastened on us. What has it brought us? Wherever we look we are abandoning the true anti-Communist nations, while the nations which are soft on communism are abandoning us.

Our sovereignty is meshed into the United Nations. Its network of international agencies is used by the Red magician to dull our brains while they pick our pockets.

Our Socialists and spenders work unceasingly to weave the spider web of international controls which they call reciprocal trade. The plotters and planners have meshed our economy with those of over 60 foreign countries. The magnificent strength of free America is chained down by the little people—like Gulliver chained down by the Lilliputians. Soviet Russia is stepping up her economic attack on us all over the world. Is Russia held down by the United Nations?

The conflict with communism grows fiercer every day. It comes closer to the vitals of American national life. Our American answer must be strong and clear.

Fellow travelers laugh at our concern about communism at home, but the Communists insist their influence carries even to our Supreme Court.

Their press boasted that the well-known Supreme Court decisions, which deprived Congress, the executive agencies and the States, of their legal weapons against subversion, were the greatest victories the Communists had ever won.

I have spent the last 2 years fighting for the bill I introduced, to end appeals to the Supreme Court in these dangerous cases of subversion. The American people have risen magnificently in support of it.

They will not rest until the breach in the citadel of our internal security is firmly closed.

Our New Deal power seekers pretend spending restrains Communist aggression. But do you think Khrushchev is very restrained? You heard him boast over an American television network that our grandchildren would be Communist. You see his spies and saboteurs creeping down, into Indonesia, into the Middle East, into Latin America, in fact all over the world. Do they look very restrained? I ask you.

The masters of Moscow talk of the conquest of space but they never turn their eyes from conquest of this planet.

Uncle Sam's muscles are still larded with fat. He has been weakened by his repeated trips to the international blood bank. But our country is as strong as ever, at the grassroots. Potomac fever has not poisoned the blood-stream of our people.

Thank heaven, we are waking up. The mobs in Peru and Venezuela which spit upon our Vice President and his wife, the sawdust Caesars, like Tito, who take our money so they will have chips to bargain with the Soviet Union—these characters show up the dismal truth about our holdover foreign policy.

The people of Indiana have always supported our efforts to reveal the truth. Hoosiers demand eternal vigilance of anyone elected to speak for them. If one of their representatives wavers in his Americanism, Hoosiers mark him well.

This year the contest between European new deal socialism and constitutional Republicanism is more bitter and ruthless than ever.

The Democrats in Congress thought they would put on a show, to steal public attention from the achievements of our party.

They set up a roar—what about sputnik? What about missiles?

They gave the defense agencies more money, and told them to spend what they had, even more quickly.

Did the defense agencies need more money? No. The Republicans had given them all the funds needed for national security.

Why did the Democrats vote a lot more money? You know why. They dared not question President Eisenhower's military experience, so they tried to act out the story that he was letting the reins slip from his tired hands.

They played their theme song "How terrible is the defense muddle," for awhile, but it didn't click. The great missile expert, von Braun, said we fell behind in the missile race because we wasted the years between 1945 and 1951, while the Communists pushed ahead, full speed. You remember who was President from 1945 to 1951? So did the Democrats. They hurriedly dropped rockets and missiles, and turned to the recession.

Now, Republicans are deeply concerned over any threat of unemployment. But we will not offer hungry people a diet of pie in the sky. We leave that to the Democrats.

President Eisenhower expressed our Republican faith, when he said:

"Achievement and progress cannot be created for our people. They can only be created by our people. Americans would have it no other way."

The Republican administration in Washington set in motion about 50 separate actions to help business make jobs, without weakening our dollar.

The Democrats in Congress started spending a billion here and two billions there, for quickie plans supposed to "cure" the recession.

By the end of May 1958, laws already passed by New Dealers in Congress had pushed Government spending for the current year up to $73 billion, against income of $70 billion. Spending for 1959 has been pushed up over $78 billion.

The bills they have introduced in Congress, so far, would, if passed, commit us to $206 billion of new spending a year.

Well, we accept the challenge. Republicans plead guilty to careful handling of the people's money. We will let the Democrats argue for red ink budgets, and a dollar worth 25 cents, maybe even 10 cents.

Our people have had enough of political juvenile delinquents dragging the national economy along, in their souped-up jalopies, because spending, spending, is oh such fun.

Do they care where the money is coming from? Well, you care because it's going to come from you and you and you.

Let me show you how much damage the Democrats did to our finances in 5 months of 1958. Remember every time the dollar falls, the cost of groceries and shoes goes up. That is what a falling dollar means.

When the Republicans took over, Secretary Humphrey paid the bills the Fair Dealers had left us, but cut the Truman budget $10 billion. The dollar had fallen to 48 cents, but the Republicans were determined to break its fall. We intended to stop the cruel increase in the monthly bills of every family. We did.

But the New Deal Democrats in Congress knew what it meant, if we restored financial sanity. They decided to stop us. In 1 year they turned a balanced budget into a deficit of up to $20 billion.

The Democrats say they love the people, but the Republicans have hearts of stone. Well, folks, when prices go up at the grocery store and the butchers, remember how the Democrats love the people.

When you hear of the tinkle of 1 cent, 2 cents, 10 cents, dropping out of every dollar in the land, remember—the Republicans balanced the budget. The New Dealers are responsible for every penny the dollar will shrink in the next few years. That is how the New Dealers love the people.

If we had fought a little bit harder in 1954 and in 1956, we would have a Republican Congress now. We would not be facing a deficit of 20 billions or so for this year, with a $300 billion debt ceiling at hand, and the stratosphere the limit for the coming years.

This year we must work hard to elect Republicans to the Senate, and to every seat in the House. A smashing victory in a strong Republican State like Indiana spills over into hope and confidence among Republicans in every other State.

We Hoosiers enjoy good State government. We have made Indiana a land of milk and honey to which the citizens and employers of other States eagerly turn their gaze. To tax-ridden Americans, debt-free Indiana is the promised land.

We believe in home rule. Without home rule there can be no return to sanity in government. There can be curbs on inflation, no end to crushing taxes.

We in Indiana do not intend to go the way of all flesh among history's republics—surrender to the siren song of so-called civil servants.

Let us repeat and repeat, "The Republican Party is the guardian of home rule. The New Dealers are the mortal enemies of home rule."

Indiana Republicans have provided schools and highways not only for our present needs, but for future growth. As we look to the rainbow of hope, our vision is clear. We want the best for our people. But we know we can get it, only by our own hard work.

Our legislature, under Republican leadership, has concern for our duties as well as our rights. They knew they must raise taxes and they did it. We honor them for their courage.

We must not let the next general assembly fall to New Deal Democrats. They will surrender even more of our State responsibilities. Washington will take our dollars and give us back pennies, and then send their agents here to tell us how to spend our pennies.

The Indiana Republican Party encourages business, but holds it responsible. We encourage labor unions, but hold them responsible.

Not one workingman or woman in Indiana will have money taken from his pay check—against his will—to buy expensive houses or trips to Miami, or special underwear, for grafters in union officers. No workingmen or women in Indiana will be compelled to give their money to help the Reuthers or the Hoffas elect candidates from a political party they reject.

Hoosier Democrats are powerless to influence the leadership of their party or its national policies. The Walter Reuthers are stealthily extending their grip over the New Deal party in every State.

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In 1936 I appealed to the Jeffersonian Democrats of Indiana to help turn the New Dealers out. We appeal to them again. To Jeffersonian Democrats we offer a hospitable home. But we will not permit the Democrats to borrow Henry Schricker's white hat and hide under it, while they carry Marxist daggers in their belts.

We want men in Congress, and in State and local officers, who will not tremble when Walter Reuther cracks the whip.

No one must be elected to speak for Indiana who follows any flag but the American flag.

In our beautiful State banner the 19th star of Indiana shines big and bright above the 18 which preceded it. In the American flag the Indiana star shines brightly for every Hoosier and it glows with love of America.

So ring the bells and tell the people:

"Here is your choice.

"Will you trust the Republicans to preserve and defend our country? Or would you rather turn back to Adlai Stevenson and Harry Truman and puppets worked by strings held in the hands of Walter Reuther?

"Will you trust the Republicans to preserve the American dollar? Or would you rather turn to the party of Franklin Roosevelt and Harry Truman, who took from our people hundreds of billions in taxes, but didn't have enough, and had to run us $250 billion in debt?

"Will you trust the party which has guided our magnificent industrial growth since the Civil War? Or would you rather turn back to the party of Harry Hopkins, who kept American workers on the dole long after the great depression had receded so they could tax and tax, spend and spend, elect and elect?"

Will you trust the Republican Party, which is the party of peace, or the Democratic Party, which took us into 3 world wars in 40 years?

Ask the people, "Shall we trust our future to the party which is determined that Americans shall remain free? Or shall we turn to the party which let Communists into the citadel of our national life and protected them when Congress exposed their treason? Have you forgotten Alger Hiss and Harry White and all the rest of their ilk?"

There is nothing negative about our Republican Party. As Theodore Roosevelt said, the eyes of the true conservative are always on the future. We believe our constitutional government is the greatest form of government ever devised by man. We believe our first duty is to safeguard America. We believe in liberty and the right of our people to manage their own affairs. We believe it is the duty of Congress to protect the people's earnings. We believe in a strong Military Establishment to defend America, and we insist that our Armed Forces must be free of international controls of any sort whatever. We believe in nationalism. We think international organizations should have no power over us above our Constitution, and no bureaucracy above our laws. We don't like Communists, and we don't want to give them anything. That goes for Tito and Nehru, too.

Until the power of the Federal Government is again limited under law, America will be in danger.

The fight centers here in Indiana. Hundreds of thousands of dollars will be poured out to defeat Indiana Republicanism.

My fellow Republicans, we must pledge that we will never let up our fight on America's foes so long as the great God gives us breath.

Will you go out of this convention ready to fight every moment from now until the evening of November 4?

We may be ever so right; but if we don't get out the vote, the temple of liberty will crumble into dust.

These are critical times. But, as Patrick Henry said, the lamp of history is the only light by which our feet can be guided.

We face the uncertain future confident of the intelligence, the integrity, the patriotism which true Republicans are always ready to devote to the service of our country.

Transcript of Celebrity Parade Program Featuring an Interview With Hon. Harold D. Cooley

EXTENSION OF REMARKS
OF

HON. CARL ALBERT

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1958

Mr. ALBERT. Mr. Speaker, one of the most popular television programs among members of Congress is the Sunday afternoon Celebrity Parade program produced and moderated by Joseph McCaffrey. Each Sunday Mr. McCaffrey comes up with an interesting discussion on important issues facing us today. Recently he had as his guest the distinguished gentleman from North Carolina, the chairman of the House Committee on Agriculture, HAROLD D. COOLEY. I ask permission to insert a transcript of this program:

Mr. MCCAFFREY. Mr. Chairman, perhaps the big question is, Will there be a farm bill this session?

Mr. COOLEY. Mr. McCaffrey, I want to express my appreciation to you, and to WMAL–TV for the service you are rendering the farm people by devoting this program to a discussion of their problems. I am pleased to be in the company of a television and radio correspondent who has built such a reputation for effective presentation, fairness, and good taste as yourself.

Now, to get directly to your first question: Will there be a farm bill enacted in this session?

I would say that enactment of general farm legislaiton at this session is now extremely doubtful. There are several reasons for this.

First, we are now only about 3 weeks away from adjournment.

Second, we have tried twice this year to enact legislation beneficial to agriculture. Senate Joint Resolution 162, which sought only to hold the line against further price support and acreage reductions for hard pressed farmers, was vetoed by the President. Then, only 2 weeks ago, the House Committee on Agriculture, which it is my honor to serve as chairman, presented a general farm bill to the House. Although this latter bill, H. R. 12954, was written by Democrats and Republicans working long and hard and harmoniously together on our committee, Mr. Benson and the administration opposed it. Thereupon a majority of the Members of the House refused to permit the bill to be brought into the House Chamber for debate.

Third, in this trail of circumstances, I believe the misrepresentations and confusions are such that the climate in Washington is not friendly at this time to the enactment of sound legislation that will effectively prevent the impending additional hardships that confront our farmers.

Mr. MCCAFFERY. Mr. Chairman, what happens if there is no farm bill, how many of the present programs would expire, and what would be the result of such expirations?

Mr. COOLEY. Mr. McCaffery, there must be farm legislation before certain of our major crops are planted in 1959. Mr. Benson has notified us that he intends to cut the cotton acreage from the current national allotment of around 17,500,000 acres down to 14,100,000 acres. This will mean disaster for the cotton industry, unless the Congress can prevent such action by the Secretary. There would not be sufficient quality cotton produced for our own domestic industry and for our normal exports. Similarly, unless the Congress can prevent it, Mr. Benson has indicated he intends to cut the rice acreage next year by almost 40 percent, from 1,650,000 acres down to 1,100,000 acres. This would play havoc with the rice industry, both at home and in export. You will remember, Mr. McCaffery, that the hold the line bill passed by the Congress early this year would have prevented any reduction of cotton and rice allotments in 1959. You will recall also that the President in his veto message told the Congress in effect that if we had given Secretary Benson the authority to reduce cotton and rice price supports down to 60 percent of parity—60 percent of a fair price—then he, the President, would have been favorably disposed toward preventing the severe acreage cuts which Mr. Benson had indicated for these crops. That same bill, vetoed by the President, also would have stabilized prices for dairy farmers, wheat farmers, and producers of other crops in 1959.

Agriculture has suffered severely in the last 5 years, under Mr. Benson's policy of constantly lowering the price supports for the major crops. There recently has been an improvement in the prices of cattle and hogs, but this is temporary. The corn-hog farmer is especially in a more precarious position today than perhaps at any time since the great depression. Feed grain stocks have increased for 5 consecutive years. Another huge crop is being harvested. These feed grains must be fed to animals. This means the building of huge gluts especially in the hog markets. Unless the Secretary will cooperate with the Congress to work out a sound program for feed grains, our farmers may expect corn prices in the next few years to average 80 cents to $1 a bushel and hogs to average $10 to $12 per 100 pounds.

My answer to your question, Mr. McCaffery, is: There must be farm legislation, approved by the Congress and by the President, before the 1959 crops are planted.

It is my own feeling at this moment that circumstances in Washington are not favorable to the enactment of the legislation farmers need. I have noted a growing opinion on Capitol Hill that, in these circumstances—particularly since the ugly aspects of partisan politics have entered the deliberations on farm problems—the Congress now complete its action on the bill extending Public Law 480, which embraces the agricultural export programs, and that consideration of other major agricultural legislation be postponed until the new, 86th Congress convenes next January.

Those who believe it best to postpone action until January point out that at that time the Congressional elections will be behind us, that the Members assembling for the next Congress will have had a direct and immediate contact with their constituencies, that the Members will be better aware of the dangers that lie ahead, and that the climate then should be altogether better for prompt action on sorely needed legislation affecting the 1959 crops.

I personally shall hope that then, when the new Congress convenes, we may drive politics out of our considerations and that, when a farm bill is presented to the Congress, we shall not be able to tell a Republican from a Democrat, that all of us, regardless of party affiliations, may say and do those things which are fair and just to our farmers and which are in the best interests of Americans in all walks and in all occupations.

Mr. McCAFFERY. You have long been active in advocating a more direct marketing system for farmers, it's always seemed to me that the consumer had to pay too much middleman take. What could be done, in your opinion, to cut the spread from farmer to consumer?

Mr. COOLEY. I am glad that you have brought the consumer into this discussion, Mr. McCaffery. I mentioned earlier the needs of our farmers for more thorough information through the regular news medium. The same goes for consumers. The consumers need accurate information on how they are involved, for any farm program, to be successful, must be fair to farmers and consumers alike. Allow me just one pertinent illustration: When our farm bill was presented to the House 10 days ago, some Members of Congress called it a bread tax. The idea, of course, was to frighten Members who represent city-consumer constituencies and compel them to vote against the bill. Virtually all the news accounts I saw and heard of the House proceedings played up the fact that someone had called the bill a bread tax. No account that came to my attention pointed out, as was covered in the Agriculture Committee's report, that since January 1948 the farm price of wheat has dropped from $2.81 a bushel to $1.95 while, in contrast, the price of a 1-pound loaf of bread has increased on the average throughout the country from 13.8 cents in 1947 to the current price of 19.1 cents—that while the price of wheat declined 31 percent the price of bread increased 38.4 percent—or was it mentioned that the farmer now gets only 2½ cents for the wheat in the 19.1 cent loaf of bread.

It is not now proper to ask of those who condemned as a bread tax the effort to maintain a fair price for wheat: "Where were you when the people between the farm gate and the retail counter were increasing the bread price from 13 cents to 19 cents? Why were you not then unloosening your 'bread tax' condemnation on the middlemen."

Mr. McCaffery, the American people consumed 11 percent more farm-produced food in 1957 than in 1952, yet our farmers received $600 million less for that larger volume of production in 1957 than for the more limited volume in 1952. In contrast, consumers paid food processors and marketing middlemen $6.1 billion more in 1957 than in 1952, for hauling, processing, and handling the food between the farm gate and the retail counter.

I think the American consumer should know these facts. They were covered in our committee statement presenting the bill to the House.

You were kind to mention, in your questions, my long advocacy of a more direct marketing system for farmers. It is my opinion that this is perhaps one of the easiest ways to prevent some of the tremendous increases in food prices that occur between the farm gate and the retail food counter. For almost a decade I've tried to get a bill through the Congress to provide a system of private loans, insured by the Government as the Federal Housing Administration is operated, for the building of clean and efficient marketing facilities for perishable foods in the cities. A great number of our cities, including New York City, are using the facilities inherited from horse dray and push cart days. They are inefficient and they are filthy. They add large costs to the prices consumers must pay for foods. The legislation would benefit urban consumers greatly, in savings on their food bills and in sanitation and health; but there has not yet been sufficient enthusiasm in the cities to bring about final passage of this legislation.

Mr. McCAFFERY. Mr. Cooley, can anything be done, in your opinion, to save the small farmer—or are we on the way to a few giant corporate farmers made up of hundreds of thousands of acres?

Mr. COOLEY. Mr. McCaffery, if such comes to pass it will be a sad day for America. I believe this would mean an end to our free enterprise system, to our democracy as we have known it for almost 2 centuries. I am afraid we are inclined that way. It frightens me.

Free enterprise does not live on profits, interests, and rentals alone. It prospers by the incentive to every young man that, by devotion to his job and good management of his affairs, some day he may be his own boss, own his own farm or his own business.

There has been a great attrition in the agricultural population during recent years. However—and I do not believe many people realize this—there are still more individual free enterprise units in agriculture than in all our industry and business combined. There are still approximately 5 million farms, while the total of free enterprise units in business and industry number about 4,200,000.

It is my feeling and my fear that by the proportion we reduce the number of individual units of enterprise we weaken the American individual free enterprise system; and it is my conviction that for agriculture we cannot afford to substitute a hired-hand, corporate-managed system for the independent family farm operation.

We in the House Committee on Agriculture are doing all within our power to maintain the family system of farming. I have appointed a special Family Farm Subcommittee with this specific duty:

"To make a special study of the ways and means to protect, foster, and promote the family farm as the continuing dominant unit in American agriculture, with special attention to the manner in which we can adjust our farms programs to accommodate the convenience, productivity, and prosperity of the family farm unit."

This subcommittee, under the chairmanship of Hon. CLARK W. THOMPSON, of Texas, is doing a splendid work to provide guidance for legislation and to bring the position of the family farm to the attention of the Nation. I am confident that the American people have the good sense and the wisdom to support our efforts and to make certain that the family system of agriculture, which has made us the best fed nation on earth, will be perpetuated as the most essential of all the elements of our total economy and society.

Mr. McCAFFERY. Mr. Chairman, is the farmer as well off today as he was in the last year of the Democratic administration?

Mr. COOLEY. Prior to 1953, under the farm program, we supported the prices of major commodities at 90 percent of parity, and in each of those 11 years the combined prices of all farm commodities averaged 100 percent of parity or more. From 1952 through 1957 farm prices constantly declined, under the policy of the administration which is to lower price supports year by year.

You asked specifically for a comparison of 1957 with 1953. Here it is; farm prices, down 16 percent since 1952; farm parity ratio, down 18 points to 82 percent of parity; realized net farm income, down 19 percent, lowest point since 1942; purchasing power of that farm income, down 23 percent, lowest since 1940; farm debt, at a record high, above $20 billion; farm population, declined 12 percent, from 24,283,000 in 1952 to 20,396,000 in 1957.

In 1957, the returns to all farm workers for their labor and management reached a low of 69 cents an hour, while the average wage of industrial workers reached a high of $2.07 an hour.

Since Secretary Benson began his drive to bring down farm prices 5 years ago, farm income has dropped about $1 billion a year, the cost of farm programs has increased by about $1 billion a year, farm debt has climbed about $1 billion a year, and farm people have been leaving the farms at the rate of about 1 million a year.

That is a dreary record, Mr. McCaffery. We in the Congress have been thwarted at every turn in our efforts to remedy these conditions. Yet, I am not discouraged. I have supreme confidence in the fairness and the wisdom of the American people, and I feel certain that when they know of these conditions and the circumstances they will insist upon Government policies that will return agriculture to a parity position with other segments of our economy and society.

A Look at the Government's Fuel Buying Policy in a Critical Period

EXTENSION OF REMARKS
OF
HON. JOHN P. SAYLOR
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Friday, July 18, 1958

Mr. SAYLOR. Mr. Speaker, as you very eloquently stated during floor discussions of the Middle East situation, prevailing circumstances are so serious as to preclude any injection of political inference into the issue. So long as the dark clouds of hostility cast their ominous shadows over our beleaguered friends abroad, the first duty of all Members of Congress and all American citizens is to stand behind the efforts of our commander in chief in his attempts to bolster the position of those of our friends imperiled by the scheming marauders of the Kremlin.

Confronted as we are with these critical conditions, the United States must be realistic in firming up its own mobilization base requirements. Although we trust that there will be no disruption of oil movement from the rich petroleum fields of the Middle East, we must nevertheless take advantage of every opportunity to assure ourselves of adequate energy supplies regardless of what eventuality will develop. The stark fact is that we do not know for certain whether we shall continue to have at our disposal the crude oil and products heretofore and now available to us from the rich petroleum fields that fan out from the east coast of the Mediterranean.

At the present time United States imports of crude oil and products amount to more than 20 percent of domestic production. About one-fifth of these imports originate in the Middle East. The economic dislocation that would follow any cutoff is apparent: America's own fuel producers would be required to come through with an immediate and sharp acceleration of output. Eventually imports from other areas of the world could be increased, although those supplies—with the exception of what comes from Canada—would also be in danger should the sparks engendered by prevailing Middle East friction erupt into the flames of open warfare.

We ourselves can do without Middle East oil. Where the impact would be most severe is in Western Europe, which had to look to us for more oil and more coal when the Suez crisis came about almost 2 years ago. Since that time,

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reliance upon Arabian oil has been accentuated to a considerable extent in most of those countries on the continent and in the United Kingdom.

We do not know from one hour to the next whether the Suez will again be closed to tanker traffic or whether oil will continue to pour from pipelines into the shipping bottoms at Mediterranean ports. We do know that if and when that supply is cut off, the whole pattern of energy production and distribution in the free areas of the world is going to undergo abrupt revision.

For approximately a decade the United States has imported more oil and products than we have shipped elsewhere. We presumably have been following the theory that a substantial proportion of our oil consumption should come from abroad as a means of conserving our own resources. I find no quarrel with this premise, although it has been officially recognized—by Congress and the Executive Department alike—that imports of residual fuel oil have largely displaced United States coal rather than supplement this Nation's output of a petroleum product.

If the importation of crude oil and products is justifiable, the Federal Government is pursuing a policy of inconsistency in at least a part of its fuel buying program.

On Monday, July 14, the day on which revolutionists backing the Nasser movement proclaimed a republic in Iraq, the General Services Administration in Washington announced awards of construction contracts that included converting a Chicago post office heating plant from coal to oil firing. The bituminous coal industry, mind you, is currently operating at approximately 22 percent below the 1957 level. Many mines are working 1 or 2 days a week, while others are closed entirely. Thousands of coal miners are idle. Despite this predicament, the industry is forced to stand by and experience further losses in consumption through such decisions as that which takes this Chicago post office annex off the fuel with which Illinois has been so abundantly endowed. The United States Geological Survey lists recoverable reserves of bituminous coal in that State at 68 billion tons, yet the GSA would reject this domestic fuel in favor of a product whose easy availability actually depends upon the pleasure of those forces whom we have chosen to resist with arms in the Middle East.

The goings-on in Chicago are not an isolated case in the Federal Government's peculiar fuel buying policy. At Fort Eustis, Va., authorization has been granted for the conversion to oil firing of a plant that consumes 35,000 tons of coal annually. The plan calls for a number of the installations to use No. 2 oil, which is always in very short supply during any war emergency.

At Fort Leonard Wood, Mo., a new boiler plant is scheduled for construction, with oil specified as the fuel.

At Fort Dix, N. J., a new hospital boiler plant is now under construction. It has been designed for oil consumption, even though a large coal-fired plant is near enough to serve it adequately.

An Air Force base at Presque Isle, Maine, is being designed to use oil.

Eight schools in the District of Columbia are being converted from coal to oil at this very critical time.

The Capitol powerplant, serving this very building, is scheduled to house 4 new additional 50,000-pound steam/hour boilers that are to be oil-fired even though easily expandible coal facilities are already in the plant.

Mr. Speaker, to create unnecessary reliance upon a fuel supply which rests upon an international plight of such delicacy is complete folly. Unquestionably, the GSA news release to which I have referred was prepared prior to the hour that the revolt in Lebanon took place. The other typical fuel programs which I have mentioned were promulgated previously. None, however, came into being during the days of quietude among the states of the Middle East. We had in the Suez crisis ample warning of what could happen. Why, then, have Federal offices not exhibited more foresight in the construction of their new facilities?

While the conversions from coal to oil have been taking place, coal has also been losing ground to natural gas in Government facilities. Two years ago it was my pleasure to visit the site of the new Air Force Academy in Colorado. There I learned that natural gas was the fuel selected for use in these buildings. I protested the plan to use a resource whose life index is rapidly declining, particularly when the Academy is adjacent to so much good coal. Fort Campbell, Ky., is converting to natural gas its boilers that consume 38,000 tons of coal per year. The cost will be approximately $460,000. Fort Gordon, Ga., which uses 26,000 tons of coal per year, is going to gas. Redstone Arsenal, Ala., is converting to gas. It uses 78,500 tons of coal annually. Kentucky has 72 billion tons of recoverable reserves and Alabama's stockpile amounts to almost 4 billion tons. Getting coal to Georgia has never been a problem; as a matter of fact coal amounts to 50 percent of all the fuel consumed by that State's electrical power industry.

The Middle East crisis also emphasizes the lack of logic in this program. In an emergency, natural gas will be required to replace oil in many specialized assignments. Coal, in turn, would then be called upon to go back into some of these Government facilities which are converting at great expense to gas-burning installations.

At this time I call to your attention and to the attention of responsible officials in the Department of Defense the following excerpts from memorandums originating in that Department. The first quotation is taken from a memorandum February 17, 1951, from the Chairman of Military Director for Production Management to the Secretaries of the Army, Navy, and Air Force. It follows:

Coal is the Nation's largest fuel resource. It is available quite generally, except in west coast States. It should be employed, as far as practicable, at all military facilities—both command and industrial, as well as military sponsored industrial facilities.

The next quotation is from a Department of Defense Instruction of May 16, 1956. It was signed by the Assistant Secretary of Defense—Properties and Installations. I quote:

Every consideration must be given to the availability during full mobilization of any fuel selected.

Where do we go from here? I do not know, but I shall attempt to ascertain whether those responsible for the decisions to do away with coal in Federal buildings are taking the current international situation into consideration. I hope that I shall have a more favorable report to offer to Congress at a later time.

Social Security Legislation

EXTENSION OF REMARKS
OF
HON. JOHN B. BENNETT
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Friday, July 18, 1958

Mr. BENNETT of Michigan. Mr. Speaker, Congress should not adjourn this present session until positive action is taken to make much needed adjustments and improvements in our social-security law.

I am speaking today in behalf of several million American citizens who are retired—or about to retire—on pensions which are completely inadequate to maintain a decent standard of living, and for those in ill health who do not have adequate medical and hospital care.

There are many retired people today in every State of this Union whose social-security pensions are so small they must seek assistance from various welfare and charitable organizations to maintain the barest type of existence. No sound reason has been advanced for permitting this lamentable situation to continue any longer.

There are those who argue we cannot afford to increase social-security pensions and add additional benefits because of the great cost. But I feel certain most working men and women throughout the country would be willing to absorb a part of this cost if they were assured they would receive a pension at the time of retirement which would enable them to live decently and comfortably without other assistance.

We have been generous in our aid to foreign countries to enable them to improve their economies and provide better living conditions for their people. We can ill afford to neglect those at home to whom we owe our first and primary duty.

Basically our social security system is one of the soundest in the world. It is consistent with our free enterprise system where the worker, the employer, and the Government all join together in contributing to a plan which will assure a high standard of living for those who are

no longer able to pursue gainful employment. Congress has made many improvements in this basic law since it was first adopted more than 20 years ago. But the program cannot stand still. It must be geared to changes in our economic growth and progress in order to meet constantly changing conditions and particularly to keep pace with increased costs of living. The last pension increase of several years ago averaged only about $5 per month and was completely inadequate. That is the reason it is so desperately important for Congress to take action to make further increases and adjustments between now and the adjournment of this session.

It is all very well to discuss the matter and present theories for a solution—but this is a slow and tedious process. The time has come when we must do something practical about the problem. Let us look to those affected by this law. As of April 1958, 11,628,000 were receiving social security benefits; 6,476,900 were old-age beneficiaries; 1,903,600 were wives—or dependent husbands—of retired workers; 1,147,200 were widows or dependent widowers; 89,000 were parents of workers who have died; 1,545,800 were fatherless children; 338,000 were the widowed mothers of these children; 187,500 were disabled.

Our social security system is based on the sound principle that workers and their employers can contribute a share of earnings each year during their working life toward a source of income when they can no longer work. It recognizes that, for most American families the pay check represents a place to live, adequate food and clothing, and necessary medical care. When that pay check stops—because of death, retirement, or disability—the social security benefit indeed becomes the difference between a life of dignity and self-respect and one of humiliating destitution.

Because I am concerned with maintaining a sound and fair social-security system, I introduced H. R. 12977 on June 17, 1958, which is aimed to improve the living standards for retired people. My bill has seven principal points which I now wish to explain.

First. Reduce the retirement age to 62—now 65—for men and to 60—now 62—for women, paying full benefits at these ages, thus eliminating the present reduced benefits for wives and women workers who elect to apply at age 62. An additional one-half million women and three-fourths of a million men could immediately draw benefits as a result.

Second. Make widows eligible at age 50—now 62—primarily so that widowed mothers who have remained in the home to care for their children can qualify for benefits at an earlier age.

Third. Raise the minimum benefit from $30 to $50 to help reduce the need for supplementation of social-security benefits through the "needs test" public assistance programs. Some three and one-quarter million people will be affected by this change.

Fourth. Increase present benefits on a graduated scale from around 20 percent for people with the lowest amounts to around 10 percent for those receiving the maximum benefit.

Fifth. Add a program which will provide for the costs of hospitalization, surgery, and nursing home care for the retired worker and his wife, whose total family income—including social-security benefits—is under $2,400 a year.

Sixth. Raise the wage base for tax and benefit purposes from $4,200 to $6,000 per year.

Seventh. Liberalize the definition of total and permanent disability and the qualifying period in present law so more people can qualify for benefits under this program.

REDUCTION OF RETIREMENT AGE

My first change—reduction of the retirement age from 65 to 62 for men and from 62 to 60 for women—is one of the most important features of my bill. It will reach down to provide social-security benefits for millions of men and women today who have been arbitrarily retired from their jobs and must now wait months and often years—a period during which savings are depleted, assets are liquidated, and often charity must be solicited from friends, relatives, or public funds—until they can qualify for their social-security benefits. For the truth of the matter is that, even under the present law, less than 10 percent retire voluntarily to qualify for social-security benefits. Most people retire because of company retirement provisions or because of ill health.

Too often the eligibility age for social security is confused with a compulsory retirement age. Yet more than 20 years of experience with the system has shown us that the man or woman who is able to work beyond retirement age—and is allowed to work beyond that age—will almost invariably continue on the job. The fact that the average benefit under social security today is just under $65 a month is one understandable incentive.

Another compelling reason for lowering the retirement age is the tragic fact that older workers, who are the special victims of plant relocations and retooling operations, find it almost impossible to secure new jobs or the opportunity to develop new and marketable skills. It is an anomaly of our times that the new machines which add so greatly to our productivity as a Nation are viewed with fear and apprehension by older men and women who, after a long working life, find their jobs threatened by the age of electronics. With the laudable purpose of cutting administrative costs, the Social Security Administration itself installed, not long ago, a huge electronic machine to help keep the records in this largest bookkeeping operation in the world. In its administrative aspects, the social-security system has therefore, recognized that we are living in a new age in which machine power is steadily replacing certain kinds of manpower. It is time that the program aspects of the plan recognize this fact as well. One necessary way of adjusting to this fact is by lowering the floor for eligibility so that the displaced workers of our modern productive plant can begin to receive benefits at an earlier age if they have been forcibly retired before they are 65.

ELIGIBILITY OF WIDOWED MOTHERS

My second proposal—to make widowed mothers eligible at age 50, instead of requiring them to wait until they are 62 as in present law—will round out the purpose of the 1939 amendments which took special account of the fact that the widows and orphans of workers who die prematurely are entitled to protection against wage-loss caused by the death of the family breadwinner. Under this provision each child was made eligible for a benefit during his minority and the widowed mother received her own benefit until her youngest child reached the age of 18. The purpose of the amendment was to make it possible for the widowed mother to remain in the home and care for her children—in the same way she would have done had her husband not died—by providing social security benefits in lieu of his wages. This is, indeed, a laudable purpose and one which I heartily endorse. But it does not go far enough. Too often, I am afraid, the cancellation of the benefit check because the children are grown works a cruel hardship on the mother who, having raised her family, finds herself, in middle age, thrown off the social security rolls. According to the most recent figures available—for the end of the year 1956—approximately 40 percent of the women receiving mother's benefits were between the ages of 40 and 50. After age 50, as could be expected, the number of eligible mothers tapered off abruptly.

My proposal would accomplish two purposes:

First. For those mothers who are 50 or over when the youngest child reaches 18, the benefit would be continued for the rest of their lives.

Second. For those mothers who are younger than 50 when the youngest child reaches 18, the waiting period for benefits would be cut by 12 years because they would be eligible for benefits at age 50 instead of age 62.

Mr. Speaker, I submit that all evidence shows it is extremely difficult for women without work experience to find a job after 50. Only about one-third of the women age 45 to 54 are in the labor force today and of those who have jobs, about 80 percent are in the low-pay service jobs in private households, business establishments and industry. Therefore, this change is of the most urgent importance.

INCREASE MINIMUM BENEFIT

The third improvement I propose would increase the amount of the present minimum benefit from $30 to $50 per month—a change which would be of particular importance to those people who can qualify for social security only on the basis of low wages—especially domestic workers and those agricultural workers who do day work. Obviously the minimum benefit of $30 a month cannot even be described as a subsistence income in our high-cost economy of today, yet about 13 percent of the people now receiving social-security benefits receive this minimum amount. Because this benefit is so low, it is necessary for the public assistance agencies to supplement these social-security

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benefits to bring them up to the barest minimum required for existence. As of February 1958, 24 percent of people on old-age assistance were receiving social-security benefits so small they required such supplementation, and this figure has been rising over the years. In February 1957, for example, it stood at 22 percent.

Moreover, a small increase in the social security minimum benefit has no effect in situations such as this, as many of us in Congress learned in 1954. The $5 increase in the minimum benefit provided at that time was treated simply as additional income by the old-age assistance people and the supplementary old-age assistance check was reduced by the $5 increase in the social-security benefit. Thus, a man or woman receiving the minimum social-security benefit of $25 at that time and a supplementary old-age assistance check of $25, for a total of $50 per month, still received only $50, since the new $30 minimum merely cut the supplementary old-age assistance check to $20. The only way we can remedy this problem is to make a substantial increase in the minimum benefit to at least $50. This will not only make about 3,250,000 people eligible for substantially increased benefits, but it will also release some of the funds now being used by the States for old-age assistance payments so that people in need, who are entirely dependent upon these programs, could receive larger payments with the same expenditure of State and Federal moneys.

CHANGING BENEFIT FORMULA

The fourth provision would make a related increase in benefits for all people now receiving benefits and those who will apply for them in the future. This would be accomplished by changing the benefit formula so that it would pay 66 percent—now 55 percent—of the first $110 of the average monthly wage, and 20 percent—as in existing law—of the remainder up to the new maximum of $500. This revision will provide an increase of over 20 percent for those beneficiaries in the lowest brackets. For the average beneficiary it means an increase from $64 to $76 a month, a rise of 19 percent, and for the retired worker receiving the maximum benefit under present law, $108.50 per month, a rise of 11 percent to the sum of $120.60. Moreover, the maximum benefit which eventually can be paid when the new $6,000 wage base goes into full effect will be $150.60 per month.

The effect of this change on representative benefits for a primary beneficiary is illustrated by the following table:

Average monthly earnings	Present law	My amendment
$50.00	$30.00	$50.00
100.00	55.00	66.00
125.00	63.50	75.60
150.00	68.50	80.60
200.00	78.50	90.60
250.00	88.50	100.60
300.00	98.50	110.60
350.00	108.50	120.60
400.00	----------	130.60
450.00	----------	140.60
500.00	----------	150.60

I am concerned with the figures which show that at the end of 1956 only about 30 percent of the full old-age benefits were over the average of $64. I am equally concerned that some 400,000 families, who are currently drawing benefits for both the retired worker and his wife, are now receiving only $75 or less in the form of monthly benefits.

This revision in the benefit formula recognizes the fact that social-security benefits must reflect substantial increases that have taken place in the cost of living. For the same reason, the Congress voted increases in benefits in 1950, in 1952, and in 1954. But no increase in the amount of benefits has been made during the past 4 years, while the cost of living—particularly the cost of food and medical care—has steadily climbed upward. In voting an increase of 10 percent for civil service active and retired employees, and in substantially increasing military pay, the Congress has already recognized this continuing rise in living costs.

I am sure I do not need to emphasize the fact that a similar cost-of-living adjustment is even more urgently needed by our older people. For they are the special victims of the sharp rise in the price of meat, and milk, and medical care. They are trying to make out on a fixed income which buys less and less with each passing day.

MEDICAL AND HOSPITAL CARE

The fifth improvement recognizes the inability of numerous retired people to pay for the cost of medical care associated with hospitalization on meager pensions which are now available to them. My plan would pay the cost of hospital care and surgical services provided in the hospital up to 60 days for people eligible for social-security benefits. If further care in a nursing home is indicated by the physician, additional costs up to 120 days of combined hospital and nursing home care is provided. It incorporates an income test, used in many private plans, by limiting this protection to those people whose total family income, including social-security benefis, does not exceed $2,400 a year. These modifications will, I believe, bring better medical care to those people who need it most, at less cost to the social-security system.

The method of confining payments to those hospital services where cost schedules have already been tested by Blue Cross plans, also preserves the professional independence of doctors. It is designed simply to provide a form of insurance protection for those people on social security whose income is so limited that they cannot afford to pay the premiums for this kind of prepaid care.

We must make this forward step because I am convinced our older people are not getting their share of the modern but increasingly costly miracles of medical care. The high cost of medical care is felt more acutely by older people, moreover, because their illnesses are usually of longer duration.

According to the most recent nationwide survey of medical needs and costs, conducted for the Health Information Foundation in 1952–53, the average annual cost for private care for people 65 and over was $102, as compared with $65 a year for the general population. Of the total of over $10 billion spent for private personal health services, 13 percent, or $1.3 billion was required for these older people. In other words, men and women 65 years of age and over were faced with charges 57 percent greater than was the general population.

The wider application of preventive measures which we are getting today will lead to less infirmity in older years in the future. This is one of the reasons why I am not persuaded by the argument sometimes presented that my proposal would lead eventually to excessive medical costs. Another is that I am confident the doctors of this country are competent enough, and honest enough, to insure against any abuse of this provision.

While progress is under way toward the goal of providing better voluntary prepayment coverage for older people, the fact still remains that although almost two-thirds of our people under 65 have some form of prepayment insurance, only 36 percent of people 65 and over are now insured. Moreover, among these older people, the proportion with insurance declines with advancing age so that fewer than one-fourth are insured among those aged 75 and over.

Finally, good evidence indicates that it is not through negligence that many older people are without medical care protection. It is simply because it is not available to them at a price they can pay. Thus, my plan with its $2,400 income ceiling is designed specifically to meet the medical care needs of people with a low retirement income who would otherwise be self-sufficient. We will not only be preserving individual self-respect, but we will also be helping hospitals to meet the mounting costs of providing the best kind of medical care for people who cannot now afford it.

INCREASE IN SOCIAL SECURITY WAGE BASE

The sixth change proposed in the system is to bring the social security wage base, for benefit and tax purposes, more closely in line with modern price and wage levels. The original wage base of $3,000 covered the full earnings of 97 percent of all workers in covered employment in 1939. Now, for the present wage base of $4,200, the figure is only 72 percent. Of men with earnings during the whole year, only 60 percent have all their earnings covered under the present ceiling of $4,200. Thus, for a majority of men who are regularly employed, the present ceiling puts a dead stop to further benefit increases no matter how much their earnings rise. Under my proposed $6,000 wage base, 75 percent will have their entire wages covered.

LIBERALIZATION OF PERMANENT AND TOTAL DISABILITY

My seventh proposal would establish a more liberal definition of permanent and total disability for the benefits which were authorized by the 1956 amendments, and modify the stringent length of service requirements. These more realistic provisions would not only apply to the benefits payable to people 50 and over, but also to the "disability freeze" which applies to workers at any age.

I presume that every Member of Congress has received mail from people who have considered themselves qualified for these payments but have been rejected by the Social Security Administration. The definition of disability in the law is strict and it is even more strictly administered.

This conclusion seems to be borne out by the facts. In September 1956, right after the act was passed, it was estimated that about 400,000 people would qualify the first year. The President's budget message in January 1957 dropped the figure to 380,000 and later in the year the Bureau of Old-Age and Survivors Insurance issued a revised estimate of 275,000. Actually, as of April of this year only 187,500 disability beneficiaries were on the rolls.

The change I propose would modify the requirement in present law that the disabled person must be unable to "engage in any substantial gainful activity" by stating that he must be unable to "engage in a substantial gainful activity which is the same as or similar to the occupation or employment last performed by him on a regular basis before the onset of such impairment." This latter terminology is closer to what Congress really intended in passing the 1956 amendments and will insure administration of the act in a way that will give the American worker real protection against crippling injury or disease.

My bill will also reduce the quite stringent requirements that an individual to qualify, must have 20 out of the last 40 quarters of coverage before he is disabled. I propose that this period be reduced to 15 out of the last 30 quarters. Such a revision, I believe, will take care of some of the tragic cases of middle-age workers who are incapacitated in the early years of their coverage under this system.

In conclusion, let me say that we must keep our social security system up to date because we believe in the inherent dignity and worth of each individual.

If the welfare and security of our social security beneficiaries is to be properly protected, the Congress must no longer postpone action on these vital matters. My bill embodies the much-needed changes presently required in our social security program. I sincerely hope the Members of this Congress will enact it into law.

McGregor Recognizes Highway Problems

EXTENSION OF REMARKS
OF
HON. J. HARRY McGREGOR
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Friday, July 18, 1958

Mr. McGREGOR. Mr. Speaker, it has been my privilege to be a member of the Public Works Committee ever since I came to Congress. These years of service on that committee have now served to make me senior minority member on the full committee, which handles legislation relative to public roads, public buildings and grounds, rivers and harbors, and flood control.

The records will show that I was especially active and took the initiative in provisions which will give additional Federal assistance to city streets and the farm-to-market roads. This legislation permits the State highway departments and local authorities to use Federal funds on city, county, and township roads. The specifications covering these roads can be drawn by the local county engineers, with the approval of the highway department, and need only meet the requirements of the local communities.

This means that Federal highway funds can be used on city streets and farm-to-market roads without rigid adherence to Federal specifications which often in the past, because of the exhorbitant cost, have prevented the construction of needed streets and roads in many sections of our cities and rural areas.

I greatly appreciate the many letters and words of commendation I have received because of my activities on this legislation.

Agriculture's Improved Income Situation

EXTENSION OF REMARKS
OF
HON. ROBERT D. HARRISON
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES
Friday, July 18, 1958

Mr. HARRISON of Nebraska. Mr. Speaker, livestock producers are especially gratified at agriculture's improved income situation.

In the first half of 1958, farmers received over $9 billion from sale of livestock and livestock products—nearly a billion dollars more than in the same period last year. In livestock, the improvement came about solely through strengthening of prices, since volume of sales was down slightly from the year before.

Farmers' cash receipts from sale of meat animals in the first half of 1958 were up nearly 20 percent from a year earlier. Their receipts from poultry and eggs rose by 15 percent. And dairy receipts were down a little, but only about 1 percent.

Production of milk during May and June was about 1 percent below a year earlier, despite predictions of a number of people that the lowering of price supports which took effect in April would cause farmers to increase their production in an effort to maintain their incomes.

Coupled with the steady growth of our total population, which should strengthen the total demand for dairy products, this slight decrease in production indicates we are moving toward a better balance between supply and demand—toward increased reliance on prices in the market rather than Government supports to insure an adequate income.

Figures for cash receipts by commodity groups actually cover only 5 months, January–May, whereas the total income figures cover 6 months, January–June. Milk production January–June was down about one-nineteenth of 1 percent from a year earlier.

Superliner Passenger Vessels for Operation in the Atlantic and Pacific Oceans

EXTENSION OF REMARKS
OF
HON. JOHN W. McCORMACK
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Friday, July 18, 1958

Mr. McCORMACK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statements made by me before the Committee on Merchant Marine and Fisheries:

Mr. McCORMACK. Mr. Chairman and members of the committee, I am appearing before you in support of and urging favorable consideration by the committee of H. R. 10638, introduced by Congressman JOHN H. RAY, of New York, and H. R. 10692, introduced by me, which are identical bills. There are two other bills introduced to which I will refer in a minute or two, which would authorize the construction by the Secretary of Commerce of two trans-Atlantic superliners and their sale at a fixed price to Sea Coach Transatlantic Lines. I have been familiar with the proposal of Mr. H. B. Cantor, and I have met Mr. Cantor several times. It is the first time I knew the name of the company but I have met him several times. For approximately 2 years, I have been acquainted with Mr. Cantor's proposal, and I have been greatly impressed by his sincerity and by the imagination and merit which his plan possesses.

Since the original bills were introduced, I am informed that some alternative measures have been introduced by Congressman MACDONALD and Congressman O'NEILL, both of Massachusetts. These other bills would provide additional safeguards to the Government with respect to the pricing of the ships and concerning the obligation of Sea Coach to create and maintain capital and special reserve funds in order to insure the company's prompt payment of its obligations to the Government and to provide for the eventual replacement of the vessels.

I know that Mr. Cantor has encountered considerable difficulty working within the present framework of the Merchant Marine Act of 1936 before the Federal Maritime Board, the provisions of which act he has found to be unrealistic for the construction of these vessels, as have the large subsidized companies, the United States Lines and American President Lines, which have had legislation introduced on their behalf, which legislation your committee has recently considered and passed upon favorably, and it has passed the House and, as I remember, the other branch of the Congress.

I believe that Mr. Cantor's proposal deserves your thorough consideration. If I did not approve of it, I would not introduce the bill. The business aspects, of course, I am not thoroughly acquainted with, not being a businessman, but the proposal seems to me to be a very meritorious one, and, in the world of today, to be a very desirable one and one that is most attractive and one which has more far-reaching influence than the mere construction of vessels and any material values that might be involved, such as profits and so forth, the means of low-rate transportation of Americans abroad and persons abroad to our shores.

UNIVERSITY OF MICHIGAN LIBRARIES

We all know of the favorable results and effects that might flow from such an opportunity existing.

In the first place, Mr. Cantor plans to operate his vessels with no operating subsidy from the Government, which is in itself a revelation to me, as I am sure it is to you.

Secondly, Mr. Cantor has already spent a large amount of his own money to develop his plans to the present stage. I make that statement upon information and belief. I believe he deserves at least as favorable treatment as other companies have received in this field.

Thirdly, he is willing to spend and invest a considerably larger amount of his own money. He will state that to you or to any one upon questions or during the presentation of his statement. He is willing to spend and invest a considerably larger amount of his own money to see his plans accomplished and is going to considerable difficulty to arrange for further private financing to accomplish the construction of the ships.

Fourthly, the Government is fully protected under the legislation which has been introduced, in that not one cent will be spent for the construction of these vessels, even after the enactment of the bills, until Mr. Cantor has first satisfied the Federal Maritime Board and the Secretary of the Navy:

1. That he possesses satisfactory final shipbuilding plans and specifications, which can only be developed at great cost;

2. That his plan is economically feasible;

3. That his company possesses the necessary financial qualifications to construct the vessels, in accordance with the existing rules and regulations of the Federal Maritime Board pertaining thereto; and,

4. That his company possesses the necessary personnel and operating ability to maintain and operate the vessels over their economic life.

Lastly, but perhaps most important, it seems obvious from the recent testimony of the Department of Defense witnesses on H. R. 11451, before this committee and before the Senate Interstate and Foreign Commerce Committee, that large superliners, of the type proposed by Mr. Cantor, are urgently needed for our national defense requirements, and that these vessels will greatly promote and enhance our national prestige by making international travel available to a virtually untapped market, especially of medium and low income people both here and abroad.

As far as I can see, Mr. Cantor is not requesting any unprecedented benefits from the Government. The type of contruction-differential subsidy, which would be made available to this company according to the proposed legislation, is essentially the same type of assistance that is available to any qualified citizen of the United States, who is serious in the undertaking of a plan of this sort and has the means of raising the necessary capital to accomplish. His company, furthermore, is willing to pay 50 percent of the cost of a commercial equivalent vessel which is a higher price than any other company has indicated a willingness to pay for superliner vessels.

The reason for the necessity of the legislation and its consideration by this committee is that the existing framework of the Merchant Marine Act of 1936 is unrealistic to accomplish the purpose, as I am informed that the chairman of the Federal Maritime Board himself has admitted in his recent testimony before the Senate Interstate and Foreign Commerce Committee in May 1958, and as this committee itself has found in its recent report on superliner construction. It has proven to be impossible for Mr. Cantor to proceed with his worthwhile project under the Merchant Marine Act of 1936, because of the great uncertainty involved with respect to the final price of the vessels, the difficulties involved in arranging for in excess of $100 million in private financing for construction loans and mortgage loans, and the final uncertainty that, once Mr. Cantor's application for construction differential subsidy has been processed and approved by the Federal Maritime Board, the appropriation might never be recommended by the Department of Commerce or the Bureau of the Budget and never be enacted by Congress, with the alarming result that Mr. Cantor would spend some $2 or $3 million of his funds in utter futility.

It is important to point out, I believe, that Mr. Cantor is only asking for a chance to proceed with his project before the Federal Maritime Board on a reasonable basis. He is requesting no short cut or special privilege in obtaining administrative approval. Any appropriation from Congress in connection with this project is necessarily 1 or 2 years in the future.

In closing, I should like to say that I recognize the special competency of this committee to pass upon proposals of the type of Mr. Cantor's and I know that you, Mr. Chairman and the members of your committee will give his proposal and the legislation which has been introduced your serious consideration. The legislation does appear to me to be within the spirit and intent of the recent report of this committee on superliner passenger vessels for operation in the Atlantic and Pacific oceans, Report No. 1601, dated April 3, 1958.

The construction of the ships herein proposed will add materially to the improvement of our troop-lifting capacity for purposes of national defense, and will contribute immeasurably to the improvement of the position of the United States in the operation of passenger vessels in the North Atlantic, which your committee has recently found to be wholly inadequate. These vessels should promote and facilitate international good will by allowing for the interchange of common peoples between the United States and Europe, heretofore largely impossible. Through the introduction of low passenger fares, the little man will, for the first time, be enabled to take a trans-Atlantic voyage, and he will be able to enjoy the facilities of the shipbuilding program that our Government has sponsored for many years.

That concludes my statement.

I know that you gentlemen will want to hear from others, Mr. Cantor and those who can give you detailed pertinent information that is relevant to hearings of this kind on such legislation and which is vitally important as distinguished from a general statement which I have made. General statements are important but you gentlemen are particularly concerned, I am sure, with information and evidence relating to the purposes of such vessels, the financial ability of Mr. Cantor and his associates and his company to carry out any obligations that might be entered into with our Government and other pertinent information of that kind.

The CHAIRMAN. Thank you, Mr. McCORMACK.

Does that conclude your statement?

Mr. McCORMACK. Yes.

The CHAIRMAN. Mr. McCORMACK, the Chair on behalf of the committee would like to make a statement with respect to favorable treatment as to other operators.

Now the question in the two superliners which this committee reported out and which has been passed by Congress is the replacement of existing vessels, and this matter was taken before the Maritime Board under the 1936 act.

The question was brought to this committee as to the special legislation due to the fact that it was stated that these vessels could not be built under the 1936 act, that since the enactment of that law things had changed to such a great extent that it was impossible to construct replacement vessels under the 1936 act.

Therefore, the committee did hold extensive hearings based on this point and, in the proceedings of the committee and at one point in the hearings to thoroughly determine beyond a shadow of a doubt whether the question raised was correct or not, the committee requested and brought in the General Accounting Office to take the records of the companies and, as nearly as possible, to audit them to see that the companies were unable to construct, and to ascertain whether or not, under the 1936 act, such replacement could be effected.

The strongest support in the bill for replacement of the *America* and replacement of the obsolete ship in the American President Lines was the report of the General Accounting Office. On that report this committee based its strongest reasoning for special legislation.

Now, I want to assure you, Mr. McCORMACK, and the others who introduced similar bills, that this committee will give serious and careful consideration to the subject contained in the bills.

Mr. McCORMACK. Thank you very much, Mr. Chairman.

The CHAIRMAN. I wanted the record to show that and to show why special legislation was brought out in those cases and it has brought to the attention of the chair a question as to whether or not there should be a general hearing on the 1936 act and there are other matters in maritime affairs that have not been reviewed in, we will say, 20 or 25 years. Conditions have changed in overall operations on the high seas which are now affected and must have the attention of this committee. I have reference to the dual ship operation, freight operation, and the conference operation.

Mr. TOLLEFSON?

Mr. TOLLEFSON. I think Mr. McCORMACK has made a good point that the committee may want to ask some questions as to feasibility and that sort of thing. The majority leader has made a good general statement in support of this legislation but I think I would like to ask some questions as to feasibility.

Mr. McCORMACK. I realized that. That is why I made my latter observation, because, if I were in your position, I would want to get detailed information on all of the aspects that enter into the matter of this importance.

I am sure Mr. Cantor will furnish the necessary information. He is a man of independent means. I am sure you will find that he has a very interesting proposition because basically it seems to me that motels are successful on land and can be successful particularly when they are a monopoly in a sense in that you cannot go out to sea and build motels anywhere you want. You can on land. We know the importance of motels in the world of today and tomorrow in any country and it seems to me to be just common sense by parity of reasoning that they can apply to sea.

You gentlemen can ask the questions and get the facts but it seemed to me to be basically a good common sense proposition.

I am not interested in any of the business aspects. I am interested in the good results that will flow, tens of thousands of persons leaving our shores abroad where they can go for $50 or $75 so far as the trip is concerned. You will hear a story that is really most interesting, as I have heard it on several occasions. Then there will be thousands coming back.

I would dread, gentlemen, if I picked up the papers in the near future and found where the Soviet Union announced they were going to build something of this kind. We will again be behind as with sputnik.

Those things all have a psychological effect. I would regret to see France or any other country announce that they would get the jump on us when we have the real opportunity for service here.

Then from the angle of national defense, the building of these ships in order to be

used for transport service is one of the things of which you gentlemen are more aware than I by reason of your service on this committee and the specialized knowledge that you have as a result of your experience.

Mr. MILLER. Mr. Chairman, may I ask an observation to the majority leader?

We have just passed legislation providing for a luxury ship in the Pacific but before that ship can be built the British will have beaten us to the punch.

If you notice, they have been taking full page ads not only on the west coast but in the Washington Post. The Pacific Orient has been talking about their two ships that they have built that will be in the Pacific before we get a luxury ship in the Pacific run.

That is how far we fall behind in some of these things because we do not look into the future.

Mr. THOMPSON. Will the gentleman yield?

Mr. MILLER. Yes.

Mr. THOMPSON. Will the distinguished majority leader mind if we dub this bill "the McCormack Boatel bill"?

Mr. MCCORMACK. Well, because of my friends MACDONALD, and O'NEILL, and RAY, if you can put MMOR, something like that, it will be all right. I do not like to be exclusive except in my own Congressional district when I am up for renomination.

The CHAIRMAN. Mr. BOYKIN?

Mr. BOYKIN. Mr. Chairman, our majority leader, JOHN MCCORMACK, always makes a good statement and not only a good statement but a very, very interesting one. Before my friend, Brother THOMPSON, names this bill, we do not want to forget Mr. Cantor's name in this business.

Mr. MCCORMACK. You report it out and you can call it the committee boat if you want.

Mr. BOYKIN. I have talked to Mr. Cantor and also his very able attorney about the proposition and we do have these wonderful motels and they are just taking over. When I drive to Alabama we always stay at motels because they are so wonderful. If we can do the same thing on the water, it would be very, very wonderful.

It seems as if nearly everybody here has introduced a bill.

I know that you would not have gone into it, JOHN, unless you thought it would be wonderful.

Brother MILLER says he hopes that nobody will beat us to it. You said that first. I know the committee will go into it very carefully.

I always enjoy hearing you talk because you are so intelligent and have so much vision.

Mr. MCCORMACK. If there is one thing I like it is to meet my many friends who are, like FRANK BOYKIN, pleasant exaggerators.

The CHAIRMAN. Mr. ALLEN.

Mr. ALLEN. I have no questions, Mr. Chairman. I am glad to see the majority leader here. He has always had a good understanding of the merchant marine and has been a good friend of this committee. We are glad to have this evidence of continuing interest.

Mr. MCCORMACK. Thank you, JOHN. I remember not so long ago when you did something very good in the Panama area. It was a very good cause.

The CHAIRMAN. Mrs. SULLIVAN.

Mrs. SULLIVAN. Mr. Chairman, I would like to say to our great majority leader that he has embarked upon, I think, a very fantastic but very interesting subject that I think needs a great deal of delving into to get into the details because on the surface it just seems almost impossible to have such a thing happen. Yet when we think of carrying over 6,000 passengers back and forth on 1 voyage at a very, very low cost, it certainly should have its appeal so that I for one will be very interested in hearing the details of this.

The CHAIRMAN. Without the various members expressing their compliments, I am going to have drawn up a resolution of compliments to the witness and all members can sign it. If there are any questions about the bill, the following members would like to add, we will hear them.

Mr. SHEEHAN, do you have any questions about the bill?

Mr. SHEEHAN. No, except, Mr. BONNER, that this looks like a good thing to take out of the foreign aid funds and help the shipping industry.

The CHAIRMAN. Mr. VAN PELT?

Mr. VAN PELT. I have no questions.

The CHAIRMAN. Mr. CLARK?

Mr. CLARK. I have no questions.

The CHAIRMAN. Mr. RAY?

Mr. RAY. I want to commend the statement made by the majority leader and, if I may, say that my reasons for introducing the bill were parallel to those which led him to sponsor it.

The CHAIRMAN. Mr. DINGELL?

Mr. DINGELL. Mr. Chairman, thank you very much.

I just wanted to say that, with all due deference to the rule of seniority around here, I would like to have my name appear first on the resolution that the Chair just talked about. I have the greatest faith, regard, respect, and admiration for our distinguished friend and great majority leader. I wanted to express that this morning.

Mr. MCCORMACK. Thank you.

The CHAIRMAN. Mr. MAILLIARD?

Mr. MAILLIARD. I have no questions.

The CHAIRMAN. Mr. LENNON?

Mr. LENNON. I have no questions.

The CHAIRMAN. Mr. PELLY?

Mr. PELLY. I find it difficult to believe but is it possible that this is to be a nonsubsidized operation?

Mr. MCCORMACK. Well, may I suggest you ask that question of Mr. Cantor.

Mr. PELLY. I wondered if in your conversations there had been that indication because certainly it would be something that we should all wholeheartedly support in this day and age.

Mr. MCCORMACK. I would not think it could be offhand. I would rather you would ask Mr. Cantor. I would not think it would be because it involves the building of vessels here, the cost of construction.

Mr. PELLY. I meant the operation. I realize that construction would be subsidized.

Mr. MCCORMACK. Would you ask that question of Mr. Cantor?

Mr. PELLY. I can assure you that if it is it is going to have a lot of support from some of us.

Mr. CANTOR (H. B. Cantor). Yes, sir. It will be a nonsubsidized operation.

Mr. PELLY. That is a truly amazing statement.

The CHAIRMAN. Mr. DELLAY.

Mr. DELLAY. Mr. Chairman, I would like to emphasize one point which I think the majority leader touched on. That is that a lot of people leave this country to visit foreign countries and as individuals leave the impression that they represent the country back home. Our tourists can be either of great advantage or tremendous disadvantage to us.

I would like to feel that the people in the higher bracket on many occasions in the way they travel, their habits when they move around in our friendly countries, may not be conscious of the importance of the impression they give, and give a wrong impression. I can think of no more healthy situation than where the average American is given an opportunity to travel to foreign countries and live pretty much at his own level of life and converse with that great group of people of middle income in foreign countries.

Mr. MCCORMACK. I agree very, very much on both propositions. There is a small percentage who we know go abroad who are not representative of American spirit and the sentiments of America in general. The great majority are, but the small percentage are the ones that stick out. It is unfortunate.

On the other hand, the great majority of people who would utilize the vessels of this type would probably be more representative or at least would be distinctly representative of America and would carry with them that personality which I think would make the impression abroad that you have so aptly and pointedly referred to.

Thank you very much, Mr. Chairman.

The CHAIRMAN. Mr. BAUMHART?

Mr. BAUMHART. I have no questions.

The CHAIRMAN. Thank you very much, Mr. MCCORMACK.

The next witness is the Chairman of the Maritime Administration, Mr. Clarence Morse.

McGregor Urges All To Exercise Right To Vote

EXTENSION OF REMARKS
OF
HON. J. HARRY McGREGOR
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Friday, July 18, 1958

Mr. McGREGOR. Mr. Speaker, a day of decision will be election day, November 4, 1958. We have become a great Nation because our citizens are interested, and each and every one play an important part in our Government. We can continue to be a great Nation only if every qualified voter regards it as his duty to exercise his franchise and prove to the world that Americans value their right to take part directly in the election of Government officials and in the management and control of our Republic. The number of ballots cast will demonstrate to the world how much we value that privilege, and will emphasize that the American form of Government marches forward with determination, vigor, and strength. Everyone should carefully analyze the candidates to determine whether or not they believe in the philosophy of Government that has made America a great Nation. Every candidate should make known his position on the issues confronting us, and also make known his record. My record is public and I invite your investigation. The record will show that we are winning the greatest battle of all time in preserving our form of Government, restoring real stability in our domestic and foreign affairs, and giving us all what we hope and pray for, a lasting peace. The continuation of this program calls for outstanding leadership, honesty, integrity, careful planning, and judicial administration of the law. You will be assuming your proportionate share of this responsibility when you go to the polls on Tuesday, November 4, and vote for the candidate of your choice.

Be sure and vote Tuesday, November 4.

UNIVERSITY OF MICHIGAN LIBRARIES

SENATE

MONDAY, JULY 21, 1958

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Father of all men, amidst the clamor of busy concerns and cares, for this dedicated moment, away from the strife and confusion of tongues, we seek a quiet cloister of the soul, where spirit with spirit may meet.

In this anguished day of the world's turmoil and uncertainty, we pray that our own hearts may be purged and purified as we face the high demands of public good committed to the keeping of those who here serve the Nation and the world.

Override the errors of our faulty judgment.

In these perilous times, through the sincere expressions of differing appraisals, may the final wisdom that charts the Republic's course be higher than our own.

We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Friday, July 18, 1958, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

COMMITTEE MEETING DURING SENATE SESSION TOMORROW

On request of Mr. CHURCH, and by unanimous consent, the Committee on Foreign Relations was authorized to meet during the session of the Senate tomorrow.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour, for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

ORDER DISPENSING WITH CALL OF THE CALENDAR

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the call of the calendar, under the rule, be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, there are several nominations on the Executive Calendar; and I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The VICE PRESIDENT. If there be no reports of committees, the nominations on the calendar will be stated.

UNITED STATES DISTRICT JUDGE

The Chief Clerk read the nomination of Lloyd H. Burke, of California, to be United States district judge for the northern district of California.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

UNITED STATES ATTORNEYS

The Chief Clerk proceeded to read sundry nominations of United States attorneys.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

UNITED STATES MARSHALS

The Chief Clerk proceeded to read sundry nominations of United States marshals.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

AMENDMENT OF TITLE 10, UNITED STATES CODE, RELATING TO ACTIVE DUTY AGREEMENTS FOR RESERVE OFFICERS

A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, with respect to active duty agreements for Reserve officers, and for other purposes (with an accompanying paper); to the Committee on Armed Services.

PLANS FOR WORKS OF IMPROVEMENT IN MONTANA, OKLAHOMA, AND PENNSYLVANIA

A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting, pursuant to law, plans for works of improvement on Lower Willow Creek, Mont., Whitegrass-Waterhole Creek, Okla., and Little Schuykill River, Pa. (with accompanying papers); to the Committee on Public Works.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

The petition of Ramon Diaz Melendez, of Cayey, Puerto Rico, praying for the enactment of the bill (H. R. 8772) to amend section 1552, title 10, United States Code and section 301 of the Servicemen's Readjustment Act of 1944 to provide that the Board for the Correction of Military or Naval Records and the Boards of Review, Discharges and Dismissals shall give consideration to satisfactory evidence relating to good character and exemplary conduct in civilian life after discharge or dismissal in determining whether or not to correct certain discharges and dismissals, and for other purposes; to the Committee on Armed Services.

A resolution adopted by the National Fellowship of Indian Workers, in triennial conference, at Estes Park, Colo., favoring the adoption of the concurrent resolution (S. Con. Res. 3) relating to raising the standard of living of the American Indian; to the Committee on Interior and Insular Affairs.

A telegram in the nature of a memorial from the American Library Association, signed by David H. Clift, executive secretary, San Francisco, Calif., embodying a resolution adopted by that association, protesting against any increase in international postal rates on books, newspapers, periodicals, and other educational and cultural materials; to the Committee on Post Office and Civil Service.

NEED FOR ADDITIONAL FEDERAL COURT IN KANSAS—RESOLUTIONS AND EDITORIAL

Mr. CARLSON. Mr. President, there is urgent need for the creation of another Federal court in the State of Kansas.

There is a great area in northwestern Kansas which presently must be served through the Federal court facilities at Topeka, Kansas City, or Wichita. As Kansas is a large State, this places an additional burden on the clients and attorneys in this section of the State.

When a new Federal building was constructed at Salina some years ago, the initial plans were drawn so the building might be expanded to include a Federal courtroom.

As Congress is considering pending legislation for another Federal court in Kansas, I urge that every consideration be given to the possibility of making available courtroom space at Salina.

I have received two resolutions adopted by the Bar Association of Northwest Kansas at a recent annual meeting, and I ask unanimous consent that they be

printed in the RECORD, and referred to the Committee on the Judiciary.

There being no objection, the resolutions were referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

RESOLUTION

Whereas the statute provides for a term of the United States District Court to be had in Salina; and

Whereas the post office building in Salina, Kans., was designed to carry additional floors; and

Whereas additional floors were originally designed so as to include Federal courtroom facilities; and

Whereas Federal court facilities are relatively remote from Salina, Kans.; and

Whereas such remoteness increases the expense of members of the public in the Salina area who are involved in litigation in the Federal courts of Kansas, inclusive of the bankruptcy court; and

Whereas the inclusion of Federal court facilities in the Salina Post Office will decrease the expense of the public so involved: So, now, be it

Resolved by the Bar Association of Northwestern Kansas, That it dedicate itself and its members to do all in their power to urge the inclusion of courtroom facilities in the post-office building in Salina, Kans.; and

Resolved, That it urge public support for such inclusion; and

Resolved, That the secretary of the Bar Association of Northwestern Kansas be and he is hereby directed to transmit an inscribed copy of this resolution unto each: the Honorable Delmas C. Hill, the Honorable Wint Smith, the Honorable Frank Carlson, the Honorable Andrew Schoeppel, the Honorable J. Floyd Breeding, Attorney General William Rogers.

RESOLUTION

Whereas the amount of business in the United States Distric Court of the District of Kansas has been increasing; and

Whereas the case load for the United States District Court for the District of Kansas is in excess of other States having more judges; and

Whereas there is pending in the Congress of the United States legislation for the creation of a third Federal judgeship for the District of Kansas: Now, therefore, be it

Resolved by the Bar Association of Northwestern Kansas, That every effort be made by our Senators and Representative from this district to pass legislation for the creation of said third Federal judgeship; and be it further

Resolved, That a copy of this resolution be sent to the Senators from Kansas and to the Representative from this district.

Mr. CARLSON. Mr. President, I ask unanimous consent that an editorial which appeared in the July 11 issue of the Salina (Kans.) Journal, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Salina (Kans.) Journal of July 11, 1958]

A FEDERAL COURT NEED

Justice can be a matter of court and incidental costs.

For example, a northwestern Kansan who would seek his rights in Federal court must expect to pay costly mileage and hotel bills for witnesses, etc. Sometimes it is cheaper for him to suffer a wrong than pay the expense of righting it.

Those who must defend themselves in Federal court are put under extra penalty by such costs.

This is obviously unfair. And it is one of the reasons the Northwest Kansas Bar Association recently went on record as favoring Federal court sessions in Salina.

Salina already is designated as one of the cities in Kansas where Federal court may sit.

Judges are available. Kansas now has a second judge in Arthur Stanley, Jr., of Lincoln and Kansas City, and a third judge may shortly be provided by Congress.

The need of a court session closer than eastern Kansas certainly is apparent. The lawyers of the northwest have certified to this need and endorsed Salina.

All that is lacking is court facilities.

However, the groundwork for them is laid. Salina's post office building was so constructed that additional floors may be provided, including space for a Federal court and its offices. Even the elevator shaft is in place.

Furthermore, greater room is needed in the building for postal functions and other Federal offices. This is additional justification for completing the building as originally planned.

Every possible argument favors Federal court facilities in Salina.

But it remains for the Justice Department and the Congress to act. Who knows how to prime the activator?

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SYMINGTON, from the Committee on Armed Services, without amendment:

H. R. 3518. An act to amend title 10, United States Code, relating to the entitlement to reenlistment under certain circumstances of certain former officers (Rept. No. 1864).

By Mr. BUSH, from the Committee on Armed Services, without amendment:

H. R. 7734. An act to exempt certain teachers in the Canal Zone public schools from prohibitions against the holding of dual offices and the receipt of double salaries (Rept. No. 1863).

By Mr. CASE of South Dakota, from the Committee on Armed Services, with amendments:

H. R. 7140. An act to amend title 10, United States Code, to authorize a registrar at the United States Military Academy, and for other purposes (Rept. No. 1865).

IMPROVED METHODS OF STATING BUDGET ESTIMATES AND ESTIMATES FOR DEFICIENCY AND SUPPLEMENTAL APPROPRIATIONS—INDIVIDUAL VIEWS (S. REPT. NO. 1866)

Mr. BRIDGES. Mr. President, under an order of the Senate with respect to the bill (H. R. 8002) to provide for improved methods of stating budget estimates and estimates for deficiency and supplemental appropriations, which is the so-called accrued expenditure bill, which was referred to the Committee on Appropriations with a time limit for reporting, I ask unanimous consent that I may report the bill now from that committee, with amendments, and that the Senator from Arizona [Mr. HAYDEN], chairman of the committee, may have an opportunity to submit his individual views. I ask that the report, together with individual views, be printed.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from New Hampshire.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MANSFIELD (for Mr. MURRAY):

S. 4157. A bill to amend the Fair Labor Standards Act of 1938 with respect to the frequency of review of minimum wage rates established for Puerto Rico and the Virgin Islands; to the Committee on Labor and Public Welfare.

By Mr. WILLIAMS:

S. 4158. A bill prohibiting the issuance by certain common carriers by water of free tickets or passes in certain cases; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. WILLIAMS when he introduced the above bill, which appear under a separate heading.)

By Mr. PROXMIRE:

S. 4159. A bill to authorize the establishment of the Moraine National Park in the State of Wisconsin, and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. PROXMIRE when he introduced the above bill, which appear under a separate heading.)

By Mr. BENNETT:

S. 4160. A bill to establish a program of loans for the purpose of encouraging and assisting individuals to obtain a college education; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. BENNETT when he introduced the above bill, which appear under a separate heading.)

By Mr. LANGER:

S. 4161. A bill for the relief of Leon Startek; to the Committee on the Judiciary.

By Mr. FULBRIGHT (by request):

S. 4162. A bill to further amend the Defense Production Act of 1950, as amended; to the Committee on Banking and Currency.

By Mr. STENNIS:

S. 4163. A bill to authorize the Secretary of the Army or his designee to convey a portion of the former United States Coast Guard Air Station, Biloxi, Miss., to the State of Mississippi; to the Committee on Armed Services.

By Mr. ANDERSON:

S. 4164. A bill to amend the Atomic Energy Act of 1954, as amended;

S. 4165. A bill to amend the Atomic Energy Act of 1954, as amended; and

S. 4166. A bill to amend the Atomic Energy Act of 1954, as amended; to the Joint Committee on Atomic Energy.

CONCURRENT RESOLUTIONS

SYSTEMATIC DISCUSSIONS BETWEEN LEGISLATORS OF CANADA AND THE UNITED STATES

Mr. AIKEN (for himself and Mr. MANSFIELD) submitted the following concurrent resolution (S. Con. Res. 108), which was referred to the Committee on Foreign Relations:

Resolved by the Senate (the House of Representatives concurring), That the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs shall establish subcommittees for the purpose of jointly exploring, with appropriate officials of the Government of the United States and the Government of Canada, the desirability and feasibility of increased sys-

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tematic discussion between legislators of the two countries on problems of common concern.

ESTABLISHMENT OF THE UNITED NATIONS FORCE

Mr. SPARKMAN submitted the following concurrent resolution (S. Con. Res. 109), which was referred to the Committee on Foreign Relations:

Whereas the United Nations emergency force, created pursuant to resolutions of the United Nations General Assembly of November 3 and 4, 1956 (A/RES/391 and A/RES/394), has made an important contribution to international peace and security in the Middle East; and

Whereas the need for such a force appears likely to continue; and

Whereas such a force could be an important instrument for the maintenance of international peace and security not only in the Middle East but also in other areas of the world: Therefore be it

Resolved by the Senate (the House of Representatives concurring), That the Congress welcomes the establishment of the United Nations emergency force.

SEC. 2. It is the sense of the Congress, that—

(a) a force of a similar character should be made a permanent arm of the United Nations;

(b) such a force should be composed of units made available by members of the United Nations: *Provided*, That no such units should be accepted from permanent members of the Security Council;

(c) consideration should be given to arrangements whereby individuals would be allowed to volunteer for service with such a force: *Provided*, That individuals who are nationals of permanent members of the Security Council should not be acceptable;

(d) equipment and expenses of such a force should be provided by the United Nations out of its regular budget.

PROHIBITION ON ISSUING FREE TICKETS OR PASSES

Mr. WILLIAMS. Mr. President, on January 7, 1957, I introduced Senate bill 306, the purpose of which was to regulate the granting of free or reduced-rate transportation of passengers by common carriers by water engaged in foreign commerce and in commerce between the United States and its Territories and possessions.

Since the introduction of this bill certain agencies of the Government have raised the question that perhaps the bill as drawn would unintentionally restrict certain functions of the Government, such as the transportation of immigration officers between ports in the course of official duties and the transportation of post office employees on official duty as handlers of the mails.

Accordingly, the bill was redrafted and submitted in the form of an amendment, which was submitted and agreed to by the Senate as a part of H. R. 11451. In the conference this amendment was rejected, with the understanding that hearings were to be held by the Senate Committee on Interstate and Foreign Commerce.

Hearings are now scheduled for this proposal next Friday, July 25, and in order that the revised language of the bill as formerly passed by the Senate and approved by the Departments affected may be before the committee at the time of the hearings, I am reintroducing this amendment as a new bill with the Post Office Department's recommendations included.

Congressional action on this proposal is long overdue, and I hope that as the result of the hearings next Friday this bill will be favorably reported by the committee and acted upon by the Senate at this session.

I ask unanimous consent that the bill be printed in the RECORD at this point, and that the bill be appropriately referred.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 4158) prohibiting the issuance by certain common carriers by water of free tickets or passes in certain cases, introduced by Mr. WILLIAMS, was received, read twice by its title, referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That no common carrier by water subject to the Shipping Act of 1916, as amended; the Merchant Marine Act of 1936, as amended; or any other act; shall directly or indirectly issue any ticket or pass for the free or reduced-rate transportation to any official or employee of the United States Government (military or civilian) or to any member of their families, traveling as a passenger on any ship sailing under the American flag in foreign commerce or in commerce between the United States and its Territories and possessions; except that this restriction shall not apply to persons injured in accidents at sea and physicians and nurses attending such persons, and persons rescued at sea, and except that this restriction shall not apply to persons referred to in section 405 (b) of the Merchant Marine Act, 1936, as amended (46 U. S. C. 1145 (B)), relating to steamship companies carrying mails of the United States. Nothing contained in this act shall prohibit any common carrier by water, under such terms and conditions as the Board may prescribe, from interchanging with any other common carrier by water free tickets, free passes, or free or reduced-rate transportation for their directors, officers, and employees and their immediate families, unless such individuals are also employees of the United States Government.

MORAINE NATIONAL PARK, WIS.

Mr. PROXMIRE. Mr. President, I introduce, for appropriate reference, a bill to establish the Moraine National Park in the State of Wisconsin.

This bill is identical to H. R. 13310 which was introduced by the Representative of the Fifth Wisconsin District, my friend, Mr. REUSS. Representative REUSS has given strong and inspired leadership to this project, and I commend him warmly for it.

Wisconsin is 1 of 4 States in the Union which has no national park, yet Wisconsin offers more natural advantages for recreation than most other States.

The best remaining evidences of the great Glacial Age are to be found in Wisconsin. In the last million years of natural history, the Northern States were covered by four separate glaciers. The last glacier, which remained as late as 10 or 11 thousand years ago, was called the Wisconsin Glacier because the marks it made are best seen in Wisconsin.

The Wisconsin Glacier covered most of Wisconsin. It dug out Lake Michigan, Green Bay, Lake Winnebago, and many other rivers and lakes in the State. When it finally withdrew, it left behind a series of moraines, the most easily identifiable geological remains of the glacier to be found anywhere.

Time has proved that the moraines are not suitable for farming, but they are natural tree-bearers and they are grand for scenery.

The moraine country has the great advantage of being in the central part of the United States where a maximum number of our people could enjoy it.

The park I propose would provide a trail for horseback riders, campers, and skiers more than 500 miles long.

This park has been planned for many years by conservation groups in Wisconsin. It is supported by most of the newspapers of the State. The Moraine National Park would preserve a great resource for all our people, while there still is time.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 4159) to authorize the establishment of the Moraine National Park in the State of Wisconsin, and for other purposes, introduced by Mr. PROXMIRE, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

COLLEGE EDUCATION LOAN ACT OF 1958

Mr. BENNETT. Mr. President, for a number of months I have observed the presentation of a great array of proposals designed for use of Federal funds to help young people secure a college education. Most of these proposals have taken the form of outright grants and scholarships.

The cost of these programs is necessarily high, and once the contribution has been made there is no provision for replenishing the fund from which it was made. The only return is in the life and skill of the recipient of this help. I sincerely believe that this country needs the contribution which these young people are capable of making. I also believe that these students, whose professional status has been enhanced by their schooling, are also in a position to repay, in large part, the money that was made available to them to complete their education, and that their self-respect would be preserved if they were permitted to do so.

I know there are a number of measures presently under consideration by the Congress dealing with this general problem, and I had expected that the Senate would have had the opportunity to consider these proposals more fully than has yet been the case. Fully realizing that we are rapidly approaching the adjournment date of the 85th Congress I have hesitated to present my proposal for a revolving loan fund to provide low-interest loans to worthy college students, but I present it now in the hope that it will be included in the study presently

being made by the Senate Committee on Labor and Public Welfare.

Loans from the fund would be available to all students in need of assistance who are in attendance at a fully accredited college or university. Interest on the obligation would commence 1 year after graduation from college and the loan would be repayable within 5 years from the date of graduation. Thus the money loaned would be returned to the fund for reloaning to other students demonstrating their needs in subsequent years.

To examine properly the need for a program of assistance and to measure the reaction these prospective students would have to a proposal for making repayable loans to them for the purpose of assisting them complete their education, I conducted a poll among the senior students in the high school of Utah. I think the results are interesting, and I should like to list them.

Returns were received from approximately 70 percent of the senior high school students in the State, and of the 6,877 students who responded to the questionnaire 5,395, or 78 percent, said that they planned to attend college. This is a remarkable percentage, but quite in keeping with the tradition the State of Utah has always maintained.

Of the 1,482 students who do not plan to attend college, only 368 indicated that the reason for their decision was financial, and of the 5,395 who do plan to go to college there were 4,451 who expect to be able, either through the help of their parents or by part-time work, to support themselves while in school.

I was particularly impressed, however, by the answers I received to the following question: "If a program of Government loans for higher education were available, to be repaid over a period of time after graduation from college, would you find such a program helpful in your college career?" Of the 5,395 who planned to attend college, 4,080, or approximately 76 percent, replied affirmatively.

I believe that the need for a large-scale program of outright grants has not been clearly demonstrated, and I think a program of loans, to be repaid by the student over a period of 5 years after his graduation, might be equally effective, and certainly far less costly to the Government.

Many universities now extend loan aid to outstanding and needy students, and their experience has shown these loans to be extremely good risks. The graduate's ability to repay is greatly increased as a result of his training, and since the amounts of the loans are usually quite small in terms of overall cost of schooling, they do not present a great burden to the borrowing student.

I think the results of my poll indicate that the financial problem involved, while substantial, is not a major one. Certainly it is not of sufficient proportion to justify a $3 billion program of outright handouts to help students through college.

I think the cost of maintaining a revolving loan plan would be negligible, compared to some of the scholarship plans that have thus far been proposed, and I believe those students who received the benefit of the loan would not only be grateful for the help during their years of need, but would find considerable satisfaction in knowing that they actually were able to support themselves through college, even though it involved repayment at a later date.

One of the disadvantages of the educational loan systems now privately operated is that the repayment period often runs concurrently with the education period, and the burden of earning the necessary amounts to retire the loan falls upon the student at a time when he is least able to bear it.

I think the answers to other questions asked in the poll would be of interest to my colleagues. Those planning to attend college selected the following areas of concentration:

A total of 905 planned to major in the physical sciences, including physics, chemistry, mathematics, biology, and the like. Of this number, 870 were boys and 35 were girls.

Two hundred and thirty-three chose schooling in the social sciences, including economics, sociology, English, foreign languages.

Five hundred and twenty-one selected the study of medical sciences, such as medicine, dentistry, and nursing. Of this total, 277 were male and 244 female.

Two hundred and eighty-two were drawn to the study of fine arts, such as music, painting, speech, dramatics, and so forth.

Five hundred and twenty-seven chose to become educators. Of this total, 132 were boys and 395 were girls.

Ninety selected law as a profession.

One hundred and seventy-four were drawn to physical education studies. Actually these will probably enter the teaching field and should be added to the 527 who selected education as a major.

Eight hundred and forty-two checked business study as their choice.

Six hundred and seventy-nine checked the blank opposite "other" and specified their choice as being architecture, archeology, mechanical engineering, drafting, forestry, radio-television, advertising, newspaper and magazine reporting, and many other diverse fields.

As could be expected, a considerable number had not chosen their area of competence—to be exact, 1,099 were as yet undecided.

The great interest shown by these students in the physical sciences, in medicine, and in education, show that they are responding splendidly to our recognized need for persons skilled in these fields so important today. Their interest challenges our educational system to supply a program to make full use of it. Certainly these youngsters are not looking for a soft education and if this is what they get, they will have been defrauded. This will be particularly true if they are willing to go into debt for it.

I think these expressions of opinion and interest afford us a representative cross-section of students on the question of loans under a Federal sponsorship. In their comments on this questionnaire, they made it clearly evident that some of them would require some form of help in securing the education of their choice. I think such help should be made available without making outright gifts.

Mr. President, I introduce, for appropriate reference, a bill to establish such a revolving loan fund and program, and I ask unanimous consent that the bill be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 4160) to establish a program of loans for the purpose of encouraging and assisting individuals to obtain a college education, introduced by Mr. BENNETT, was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc.,

SHORT TITLE

SECTION 1. This act may be cited as the "College Education Loan Act of 1958."

DEFINITIONS

SEC. 2. As used in this act—

(1) the term "Commissioner" means the Commissioner of Education, Department of Health, Education, and Welfare;

(2) the term "institution of higher education" means a public or private nonprofit college or university; and

(3) the term "accredited institution of higher education" means an institution of higher education which is accredited by a nationally recognized accrediting agency or association.

ESTABLISHMENT OF LOAN PROGRAM

SEC. 3. (a) The Commissioner shall establish a program providing for loans, in accordance with the provisions of this act, for the purpose of encouraging and assisting individuals to obtain education beyond the secondary school level in institutions of higher education in the United States, its Territories and possessions.

(b) The Commissioner may establish such rules and regulations as are necessary to carry out the provisions of this act.

FEDERAL LOAN FUND

SEC. 4. (a) There is hereby established in the Treasury a special fund to be known as the "Federal College Education Loan Fund" which shall be used as a revolving fund for making loans under this act.

(b) There are authorized to be appropriated to the fund $75 million.

LOANS

SEC. 5. Loans made to individuals under the provisions of this act—

(1) shall be made in such numbers as may be possible with available funds;

(2) shall be made upon application in such form and containing such information as may be prescribed by the Commissioner;

(3) shall be made only to individuals who show a need for the amount of such loan in order to pursue a course of study at an institution of higher education;

(4) shall not exceed $2,000 to any individual for any academic year, as defined in regulations of the Commissioner, and may be made for one or more academic years, and may be made for the period of time required to complete such individual's work for the bachelor's degree and/or such postgraduate degrees as are confined to the individual's chosen academic area except for such special cases as may be provided for in regulations established by the Commissioner;

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(5) shall be made only to individuals certified by an institution of higher education as acceptable for the course of study for which such loan is sought;

(6) shall be made without security, except that the borrower shall execute a promissory note payable to the United States, and if the borrower is a minor such note shall bear the endorsement of his or her parent or guardian;

(7) shall be due and repayable lot later than 5 years after the date on which the borrower ceases to pursue a full-time course of study at an institution of higher education;

(8) shall be canceled to the extent of 25 percent of the amount on loan under the provisions of this act to any individual on the date such individual receives his first bachelor's degree, if such individual (A) had majored in one of the physical sciences in obtaining such degree, (B) obtains such degree from an accredited institution of higher education, and (C) has achieved grades while obtaining such degree which average in the upper 25 percent of the averages of grades of all individuals receiving bachelor's degrees from such institution of higher education in the academic year in which such individual received such degree;

(9) shall bear interest at the rate determined by the Secretary of Treasury, which is the average annual interest rate (adjusted to the nearest one-eighth of 1 percent) on all interest-bearing obligations of the United States then forming a part of the public debt, as computed at the end of the fiscal year next preceding the fiscal year in which the loan is made, except that no interest shall accrue prior to 1 year from the date on which the borrower ceases to pursue a full-time course of study at an institution of higher education; and

(10) may be made in such installments as the Commissioner deems appropriate, and in the event made in such installments may be discontinued at any time the borrower fails to maintain satisfactory proficiency in the course of study for which the loan is made.

ADMINISTRATIVE APPROPRIATIONS AUTHORIZED

SEC. 6. There are authorized to be appropriated such amounts as may be necessary for the administration of this act.

EXTENSION OF TRADE AGREEMENTS ACT—AMENDMENTS

Mr. PAYNE submitted amendments, intended to be proposed by him, to the bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, which were ordered to lie on the table, and to be printed.

AMENDMENT OF COMMODITY EXCHANGE ACT TO PROHIBIT TRADING IN ONION FUTURES IN COMMODITY EXCHANGES

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 376) to amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ELLENDER. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. ELLENDER, Mr. JOHNSTON of South Carolina, Mr. EASTLAND, Mr. AIKEN, and Mr. YOUNG conferees on the part of the Senate.

THE AMERICAN HERITAGE OF FREEDOM, AND THE SPIRITUAL HERITAGE OF OUR FOREFATHERS

Mr. SMITH of New Jersey. Mr. President, I know that I share the feelings of all Members of the Senate when I say that over the weekend I have been groping for light on the distressing world problems. I have reviewed in my thinking two dominant facts in our history which impress themselves on me: First, the American heritage of freedom; and, second, the spiritual heritage of our forefathers.

Let me comment on them briefly:

THE AMERICAN HERITAGE OF FREEDOM

In our heritage of freedom, the greatest single principle is that of liberty based on law. The United States was founded on the philosophy summarized in the opening sentences of the Declaration of Independence:

We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness. That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed.

This is our American birthright of freedom. It is more than a privilege; it is a duty and a responsibility. Every human being must have the freedom to live his own life and to make his own choices; and this, I believe, is the big issue in the Middle East crisis today.

But freedom is not the road to luxury or license, nor is it the path of safety. It demands devotion and courage and a profound sense of responsibility.

Not only in the individual sense, but in the broader national sense, our birthright of freedom brings with it serious responsibilities. Communism would destroy that birthright, if communism ever achieves its goal of world domination. If, on the other hand, liberty prevails, the birthright of freedom is given to all mankind, and the world can aspire to a future of peace with justice, and the rule of law in the place of the rule of might. I emphasize again that this is what the nations of the Middle East seek.

Now let me consider our spiritual heritage.

THE SPIRITUAL HERITAGE OF OUR FOREFATHERS

Let me return to the Declaration of Independence, and examine its concluding sentence:

And for the support of this Declaration, with a firm reliance on the protection of divine providence, we mutually pledge to each other our lives, our fortunes, and our sacred honor.

Mr. President, I believe it apparent that this document is not merely an expression of political principles. The inspiration of the Declaration springs from its statement of basic moral and religious principles, which are rooted in the Judaeo-Christian tradition of human dignity and equality under God.

I should like to stress this point, because it sums up the most important difference between democracy and communism:

Communism entirely opposes the proposition that all men are creatures of God. Communism is completely materialistic and atheistic; it denies God altogether.

Throughout our history in times of national crisis America, through its leaders, has affirmed, in the words of Benjamin Franklin, that "God governs in the affairs of men."

Franklin, we know from his biography, was never driven by any particular brand of piety. All the more moving, then, was his dramatic plea to the Constitutional Convention of 1787, when, late in the session, the delegates reached a crisis of dissension which made it look as if the Union might never be achieved.

At this point, Franklin, then 81, rose to address the Convention with these words:

The small progress we have made, after 4 or 5 weeks' close attendance and continual reasonings with each other, our different sentiments on almost every question, several of the last producing as many noes as ayes, is, methinks, a melancholy proof of the imperfection of the human understanding. We, indeed, seem to feel our own want of political wisdom, since we have been running all about in search of it. * * *

In this situation of this Assembly, groping, as it were, in the dark to find political strength, and scarce able to distinguish it when presented to us, how has it happened, sir, that we have not hitherto once thought of humbly applying to the Father of Lights to illuminate our understanding? * * *

I have lived, sir, a long time, and the longer I live the more convincing proofs I see of this truth: That God governs in the affairs of men. And if a sparrow cannot fall to the ground without His notice, is it probable that an empire can rise without His aid? I * * * believe that without His concurring aid we shall succeed in this political building no better than the builders of Babel. We shall be divided by our little, partial, local interests, our projects will be confounded, and we ourselves shall become a reproach and byword down to future ages. And, what is worse, mankind may hereafter, from this unfortunate instance, despair of establishing governments by human wisdom, and leave it to chance, war, and conquest.

History indicates that this was the turning point in the Convention. When the delegates returned, after a short recess, they gave to the Colonies and to the world the document, the Constitution of the United States, that is the framework of our liberty and our strength.

Mr. President, I ask my colleagues whether this challenge of Benjamin Franklin, so inspiringly presented, is not what we need now in our dealing with this international crisis. How can the right answer be found unless we turn, as Franklin said, "to the Father of Lights to illuminate our understandings"? The times call for a renewal of our faith and a new dedication to reestablish, once again, the moral leadership of a free America in the world.

NECESSITY FOR PRESERVING INTERNATIONAL LAW AND ORDER

Mr. KNOWLAND. Mr. President, the world must find out now if there is to be an effective way, through the United Nations or otherwise, of preserving international law and order, or if the reign of assassination, subversion, and infiltration of arms and men is to be unchecked and unchallenged. If such be the case, the Free World can be nibbled away, piece by piece.

Because of the Soviet veto in the Security Council and the Communist delaying tactics in the General Assembly, it was clearly shown in the 1956 Hungarian situation that freedom was strangled to death that year while the United Nations passed 10 resolutions.

If the Free World is to be limited to mere talk to preserve the independence of nations while the Communists have the capacity to act and to destroy them, then the world has reached one of the great and decisive turning points of history.

The ultimate safety of this Republic and the preservation of a Free World of free men is at stake.

I ask unanimous consent that there may be printed in the body of the RECORD, as a part of my remarks, an article by Roscoe Drummond which appeared in this morning's Washington Post and Times Herald.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LEBANON AND HUNGARY: A FALSE PARALLEL

(By Roscoe Drummond)

When President Eisenhower sent the United States marines into Lebanon to protect its Government from violence, he candidly told the Nation that he was taking this action "whatever the consequences."

It is well that he spoke thusly because none can foresee what the chain of events will be. It was a reluctant action; perhaps it was a tardy action; but the United States had no alternative unless we were prepared to see the whole Middle East fall, piece by piece, under the reckless evil sway of Nasser.

The responsible Democratic leaders of Congress are not heckling the President in this anxious emergency. They can honestly feel that mistakes of foreign policy permitted the situation to get out of hand. But this is not the time for recriminations or scapegoating. Whatever the mistakes of the past they are not the exclusive possession of any administration or any party.

There are lessons to be learned all along the road from the loss of China to the disaster in the Middle East. But the immediate need is not to permit any partisan temptation to blur the propriety of the President's course.

Moscow, along with the Chinese Communists and the Bulgarian Communists and the Yugoslav Communists and some others, are doing their best to blur the issue. We need to be careful not to help them.

The Soviet Union now suddenly and blandly transforms itself into a shining opponent of "outside interference" in the affairs of other nations. A few days after it told the United Nations that it could not even have the facts about the execution of Hungary's last legal premier, Imre Nagy, it warned the Security Council that it must not tolerate interference by the United States in the internal affairs of Lebanon.

Bear in mind that the Soviet Union wants violence and chaos wherever it can obtain it outside the Soviet Bloc. Moscow doesn't want an end to violence in Lebanon. It doesn't want the United States to secure conditions of peace and it doesn't want the United Nations to do it either.

There will be many outside the United States and perhaps some at home who will be bemused by the argument that American forces are doing in Lebanon what Soviet forces did in Hungary. This is a false parallel and ought not to be left unanswered.

It is false at three points, at any one of which it breaks down completely:

1. The United States responded to the unanimous Cabinet request of the legitimate and elected government of Lebanon.

The Soviet Union never received any request for help from any elected government or from any legitimate government or official of Hungary—and this is the unanimous verdict of the United Nations Hungarian Commission.

2. The United States is not seeking to impose any government or any form of government on Lebanon. This is proved by the fact that the United States has offered to withdraw its forces instantly the United Nations will take their place.

Did the Soviet Union ever offer to let the United Nations go into Hungary to insure government by the consent of the governed?

3. Moscow says it does not wish to interfere in the internal affairs of Lebanon and doesn't want the United States to do so. Isn't it interfering in the internal affairs of the elected government of Lebanon to argue that Lebanon does not have the right to invite the assistance of a nation whom it trusts? President Chamoun's request to President Eisenhower was an exercise of Lebanese sovereignty.

It is also fair to say that the dispatch of marines to Lebanon is not the same as the British and French expedition when Nasser nationalized the Suez—an action which was without the sanction of invitation.

Nations which have been offered the protection of the United States and have accepted it must never have reason to doubt that they can depend on that act. This is why the President had to act.

It is a riskful action and an honorable one.

SUPPORT BY FORMER PRESIDENT TRUMAN OF UNITED STATES INTERVENTION IN MIDDLE EAST

Mr. KNOWLAND subsequently said: Mr. President, I ask unanimous consent to have printed in the body of the RECORD, at the point where I made a policy statement concerning the critical international situation, an excellent statement by former President of the United States Harry S Truman, which was published in the Washington Sunday Star of July 20, 1958.

Mr. Truman, in his article, urges support of the position which the Government of the United States has taken in the Middle East. He points out the importance of the country standing firm in confronting the dangers which are presented at this time.

At this crucial period of history, I think Americans, regardless of their partisan affiliation, will take great satisfaction and gain much strength from the fact that the former President of the United States has laid aside all partisanship and has issued a strong statement in behalf of the stand which has been taken by the United States Government to meet the critical problems now confronting the Nation.

The VICE PRESIDENT. Is there objection to the request of the Senator from California?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

URGES SUPPORT OF LEBANON INTERVENTION—FIRM STAND AGAINST REDS SEEN VITAL

(By Harry S Truman)

The situation in the Middle East is one of extreme danger, and the President having taken a first and necessary step, the United States and the free nations of the West must be alert, determined and exceedingly careful not to leave any room for misunderstanding as to what we are prepared to do at all stages.

Our objective is to prevent a third world war. Our aim is to insure the peace of the world, and we have devoted our wealth and energies to that end at great sacrifice.

The President has made a momentous decision and proclaimed a policy which every citizen of the United States should support.

I hope, too, that we will find a way to create an atmosphere of genuine bipartisanship in which our foreign policy can be supported by all citizens. For it is necessary that those who are trying to destroy the Free World clearly understand that we will unanimously support the man who takes the leadership—and that man necessarily will have to be the President of the United States.

CONCERNED ABOUT U. N.

For some time I have been worried about the steadily worsening prospects for peace and for the arrangements and organizations we have set up to help keep the peace of the world.

I have been frankly concerned that the same fate that overtook the League of Nations of Woodrow Wilson might also befall the United Nations. This would be a great tragedy, and I expect that many anxious generations would pass before there could be built another international organization to cope with the recurring dangers of war.

It was in that troubled mood that I recently returned from a visit to the Mediterranean where I thought about the trend of events as they concerned us and the other free nations in that part of the world.

I would have preferred, as I am sure the President would, to call first upon the United Nations for action on the plea of President Chamoun of Lebanon for help. But under the circumstances, there was no time to deal with the emergency, because it was obvious that the Russians would have delayed any action in the Security Council until help of any kind would have been rendered futile.

KOREAN CRISIS RECALLED

At the time of the Korean crisis, we were able to get quick action in the United Nations because Russia was then boycotting the Security Council. Today, however, the situation is different, with Russia again actively present and disrupting the work of this organization for peace.

In the recent past, I have been openly critical of some of the misjudgments and the drift in the conduct of our international policies. But this is no time to dwell on the past. The President, it is now evident, has adopted a policy of positive action.

Positive action, of course, does involve certain risks, but we have learned from experience that there are far greater risks in failure to act or in hesitation to act when we have to deal with the Soviet Union.

I therefore believe that the President—considering all the circumstances—had no alternative than to respond to the call of the President of Lebanon to dispatch troops to that troubled country. And the British were in the same situation with regard to Jordan.

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The President is right in proposing that American troops should be withdrawn as soon as the United Nations can make provision to send an international force to take their place.

FIRM STAND HELD VITAL

Having taken this action, in Lebanon, I think it is necessary that we make it clear to the Soviet Government that the Free World means business in its determination to stop Communist intrigue and subversion in the Mediterranean. This should be done through formal diplomatic representation in concert with our allies.

Time and again we have seen that when the Kremlin is convinced that we mean business and are determined to back it up with action, it will back down. This happened in Iran, and this happened in Greece and Turkey.

Moscow once again must be reminded that we stand ready, whatever the cost or consequences, to back up our commitments for peace.

And I think this may be a good time for a new approach in Egypt. Under proper conditions, it might prove useful to a peaceful resolution of the Middle Eastern crisis to invite President Nasser to Washington for a frank and friendly discussion.

I wish we could have invited him much earlier, during the beginning of the Middle Eastern crisis.

WOULD INVITE OTHER LEADERS

One of the things President Nasser does not seem to understand is that the hope for improvement of the lot of his people lies in his working with the West. On the other hand, if he keeps on flirting with the Russians and encourages them in their sinister campaign of indirect aggression, he stands a good chance of turning his country into a Mediterranean Hungary or Poland.

Arab nationalism can have no future in the plans of Russian imperialism. Nor is there any hope for a better future for the Arabs if, on the pretense of freedom, so-called republics are set up by brutal military coups, such as occurred in Iraq.

I think we would have a better opportunity to learn from President Nasser at firsthand exactly what his aims are. At the same time, we ought to invite and welcome other recognized Arab leaders to come here so as to give full and equal consideration to their aims and problems.

MANY WAYS TO HELP

There are many ways in which we could be helpful to the Arabs in their quest for security and freedom and a decent standard of living, and we ought to explore every opportunity to help.

I think we ought to make it clear to Nasser and other Arab leaders that the free nations of the world cannot be politically blackmailed because of their need for oil from the Middle East. The fact is that the Free World now has access to ample oil resources outside the Middle East from which they can supply all their industrial, domestic, and strategic requirements.

It would, therefore, be foolhardy for extremist Arab nationalists to cut off the supply of oil to the West. This would result only in chaos and economic disaster to them.

Before anyone in the Middle East is tempted to risk another crisis like Suez, I hope that he will think twice, because it will not work again.

I think the times are serious, and it is dangerous to minimize the difficulties we face. But I also think we have an opportunity to clear the air of many wrong and false assumptions in our dealings with the Middle East.

We can now stand on firmer ground and seek to follow through in a policy of dealing resolutely and realistically with the Soviet challenge in that explosive part of the world.

SUMMIT MEETING

Mr. MORSE. Mr. President, if I had the right or authority to confer awards, I would confer 1 cum laude to the editors of the Washington Post and Times Herald for 3 editorials which appeared in today's edition. I want to introduce them into the RECORD and make comments, under the 3-minute rule, as to each editorial.

The first editorial is the one in this morning's Washington Post entitled "Leap to the Summit," which I highly approve. As I said on a television program last night, I would have no objection to a summit meeting if it was understood by the participants in the summit meeting that no agreements were going to be reached, but that any proposed agreements would go to the United Nations for subsequent consideration and approval.

I consider it to be important that we do not let Khrushchev get ahead of us in world opinion by the great play he has made for a summit meeting to discuss the crisis in the Middle East. I would talk to him, if I were in the administration. I would call his hand in the open and make clear where we stand, because we have a case for peace we can defend. We have made many mistakes in the prosecution of that case for peace. But, so far as our hearts and ideals are concerned, there is no question of the soundness of America's case.

I ask unanimous consent to have printed in the RECORD the first editorial, stressing the point that any discussions which take place should be on the conditional basis that we make it perfectly clear that any proposed suggestions or agreements will be given to the United Nations for final approval; but the discussions ought to include, as I said on the television program last night, the causes of the real trouble, and should come to grips not only with oil problems, self-determination problems, Israeli problems, but also with the problem of whether we can get a commitment from Russia which can be relied upon, whether she can demonstrate by a fulfillment of her commitments, and will not try to turn the Middle East into a holocaust.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LEAP TO THE SUMMIT

Nikita Khrushchev's proposal for a summit conference beginning tomorrow has all the earmarks of a major propaganda gesture. But the Western Powers would make a serious mistake, in our opinion, to dismiss it as if nothing more than propaganda were involved. The world will soon forget Khrushchev's crude boasting of Soviet military strength, his absurd references to the American defense of Lebanon and the British defense of Jordan as aggression and his irresponsible kindling of a war spirit ("the guns are beginning to fire"). What it will remember, if the present crisis should lead to catastrophe, is that the Moscow chieftain urged an immediate consultation of heads of state in the name of peace. This is scarcely a proposition to which governments genuinely devoted to the cause of peace can reject.

We hope, therefore, that the United States, Britain, and France will promptly accept the Khrushchev suggestion and ask the statesmen to assemble forthwith in Washington. Khrushchev indicated that he was willing to come to Washington if talks at Geneva should be regarded as unsuitable. Top-level talks here would have the great advantage of being close to the seat of United Nations operations, and in the last analysis it is to the U. N. that the powers must look for a solution of the Near East controversy.

It is interesting to note that the Soviet leader did not suggest that any of his allies be asked to the proposed meeting. Three of the five powers on his invitation list, the United States, Britain, and France are allied through the North Atlantic Treaty Organization, and a fourth, India, clings to a neutral position in the East-West conflict. Does Khrushchev hope to swing France's Premier de Gaulle and India's Prime Minister Nehru against the two powers that have sent troops to the Near East? In any event, he would be taking a long chance of finding himself in the minority in such a gathering. If he is willing to talk soberly of the clash of Soviet and western policies in the Near East in these circumstances, it would seem unreasonable for the West to close the door on such discussions.

The suggestion that Secretary General Hammarskjold of the United Nations might also participate seems to us out of order. Since he is not the head of any state, he could not join the talks on a basis of equality, and it might be very unwise for him to become entangled in such negotiations, although his presence as an observer might be useful.

Presumably the aim of the proposed meeting would be to stabilize the explosive situation in the Near East and to hasten the withdrawal of American and British troops from Lebanon and Jordan. There would be sharp differences, of course, as to how this objective could be achieved. But the objective itself seems to be acceptable to the United States. In his speech to the American forces in Lebanon the President reemphasized the temporary nature of their assignment and reminded the troops that their purpose in being there is to help the people of Lebanon keep their freedom. Every official statement on the rescue operation in Lebanon has made the same point. If a conference of heads of state could promote this aim of an early withdrawal under conditions that would save small states in the area from subversion and aggression, it would be wholly in line with American policy.

A heads-of-government meeting would not need to lift the problem out of the United Nations. A hastily summoned gathering would not likely devise solutions, and any big-power deal in regard to the Near East contrary to U. N. principles would be out of the question. The effect of the talks might well be, therefore, to center attention upon the desirability of letting the United Nations function in this crisis.

It has been the Soviet Union which, up to now, has prevented an international settlement of the issue in Lebanon. Its veto in the Security Council blocked the United States proposal for a U. N. military force to supplement the American troops in Beirut. If the situation in the Near East is one-tenth as serious as Khrushchev represented it as being in his notes to the Western Powers, effective United Nations action is imperative, and the Soviet Union, if its concern is genuine, cannot rationally continue to frustrate such action.

The practical necessity for U. N. action does not, however, minimize the desirability of a summit meeting on the crisis if the Russians want it. At the very least such a gathering should quiet the Kremlin's excited war talk. It would give President Eisenhower and Prime Minister Macmillan opportunity to tell the Soviet leaders face to face that their basic interest in the present emergency is to maintain the independence of the near eastern states. Surely a calm discussion of the

reasoning behind these operations would expose the hollowness of the Kremlin's incendiary accusations even if it should produce no agreements and the deadlock in the U. N. should remain.

In our opinion, the risks in such a conference would be slight and the possibility of gains would be substantial.

PROMOTING TRAVEL

Mr. MORSE. Next, Mr. President, I ask unanimous consent to have printed in the RECORD the second outstanding editorial which appeared in today's Washington Post, entitled "Promoting Travel." Some of us have been critical of the administration's passport bill. As I said in the hearings before the Foreign Relations Committee this morning, I do not think anyone has any right to be critical on any issue unless he is willing to offer a substitute for the measure he is criticizing. I happen to be one of the cosponsors of the Humphrey bill relating to passports. I think its broad outlines are sound. It may need some improvements, as suggested by the Washington Post. In fact, I consider the Fulbright proposal to be sound in its broad outlines. I believe we ought to have passport legislation.

Contrary to certain representations which have been made, I am going to work for passport legislation. I am going to fight the administration's passport bill, because, in my opinion, it violates basic rights of individual freedom in this country and constitutional guaranties, but I am going to work for legislation along the lines of the Humphrey bill.

I salute the Washington Post for the excellent editorial under the title "Promoting Travel," and I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PROMOTING TRAVEL

The passport bill introduced last week by Senator HUMPHREY and half a dozen distinguished colleagues takes an affirmative and libertarian approach to foreign travel by American citizens. This is the direct antithesis of the negative and antilibertarian approach taken by President Eisenhower's message to Congress on the subject last week. The title of the Humphrey bill is the Right to Travel Abroad Act and its stated purpose is to protect the travel rights of persons owing allegiance to the United States and to govern the issuance of passports. In general, the proposal is aimed at facilitating travel rather than impeding it; and its injunctions are aimed not at passport applicants but at public officials.

Under the terms of the Humphrey bill, the Secretary of State would be empowered to deny passports—except when war had been declared by Congress or in respect to a designated combat area where American Armed Forces were engaged in hostilities—only to persons under indictment, information, or sentence for the commission of a felony. The present practice of the Secretary of State of declaring whole areas of the world out of bounds to American travelers would be forbidden by the Humphrey bill; instead the President would be empowered merely to declare that certain areas are dangerous and that Americans venturing into them could not expect to receive the usual protection of the United States Government but would be allowed to travel in them at their own risk. All of this seems thoroughly sensible, practical and consistent at once with national security and individual rights.

The Humphrey bill does, however, contain one questionable provision. Although it repeals a good deal of misguided legislation governing the issuance of passports, including the act of Congress making it a crime for a citizen to leave or enter the United States without a passport, it would leave untouched that part of the McCarran Internal Security Act of 1950 which prohibits the application for, or use of, a passport by persons who are members of an organization against which a final order has been handed down by the Subversive Activities Control Board. Although the McCarran Act is 8 years old, no final order against any organization has yet been handed down by the SACB; and since, in all probability, the act will ultimately be declared unconstitutional by the courts, continuance of this provision may seem of no importance. It is, nevertheless, full of mischief and ought to be overturned by Congress itself.

Despite the shrill note of hysteria with which the President urged immediate adoption of passport legislation, there is no pressing need for Congress to act. The Supreme Court's ruling of a fortnight ago effectively forbids the Secretary of State any longer to deny passports on account of political association and belief. Perhaps Congress itself needs to correct his disposition to render whole sections of the globe terra incognita to Americans. The subject is too important, however, to be dealt with in haste. There can be no harm in allowing time for hearings and reflection until Congress reconvenes next year.

CODE OF ETHICS

Mr. MORSE. Mr. President, I also call attention to the third editorial in this morning's Washington Post which I shall ask to have printed in the RECORD. The editorial is entitled "Sweetening the Ethics." I think it is an editorial every Member of Congress should ponder, and that we should proceed to consider a bill which will carry out the objectives of such legislation, which I think will do much to increase public confidence in freedom from conflict of interests within the Congress of the United States.

I ask unanimous consent that the editorial be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SWEETENING THE ETHICS

When the Senate suddenly approved a Code of Ethics for all Government employees the other day, it must have been aware that it was erecting a new standard by which the conduct of its own Members will be judged. Undoubtedly, the resolution was approved primarily as a hint to the President's Assistant, Sherman Adams, that the Senate expects him to step down. It admonishes all Government employees that they should never accept, for themselves or their families, favors or benefits under circumstances which might be construed by reasonable persons as influencing the performance of their official duties. But it clearly strikes at gifts and favors to Congressmen as emphatically as it does at similar benefits to executive officials.

Perhaps this higher standard of public service which Congress has set (the House had previously passed the resolution) influenced the Senate in voting larger travel and telephone funds for Senators. Most Senators find it necessary to visit their home States during sessions of Congress even though they are reimbursed for only one trip when Congress adjourns. The new proposal would allow them two additional trips home each year at Government expense, if they should actually make the trips. This is a reasonable adjustment long overdue and should be extended as well to Members of the House. The effect should be to relieve Members of Congress, in some measure at least, from the temptation to accept gifts, lecture fees, and other benefits that might involve a conflict of interest in order to finance what seems to them essential activities.

EXTENSION OF THE TRADE AGREEMENTS ACT

Mr. NEUBERGER. Mr. President, the so-called cherry-growers' amendment to the reciprocal trade bill has given me many anxious moments.

To begin with, the amendment is sponsored by three of my colleagues from the Pacific Northwest, whom I respect and admire. These are the two distinguished Senators from the State of Washington [Mr. MAGNUSON and Mr. JACKSON] and the distinguished senior Senator from Oregon [Mr. MORSE].

Secondly, the amendment is sincerely sought by many of my own constituents in the great cherry-producing area of the Willamette River Valley of Oregon. These worthy people have asked me to join in the amendment's support.

However, Mr. President, I have reluctantly decided that, as a firm backer of the reciprocal-trade program, I must vote against this amendment when it is called up.

I realize that the reciprocal-trade program, which three successive American Presidents have regarded as the keystone of our foreign policy, cannot succeed unless we in the Senate exercise self-restraint and political courage with respect to the products native to our own particular States.

Let me explain what I mean. If we from Oregon seek to amend the act to secure special treatment for cherries, then how can we reasonably object when Senators from textile-producing States in the Northeast and the South do the same for woolens, cottons, and other textiles? How can we object when those of us who represent New England seek special protection for watches, or those from California for fish, those from the industrial Midwest for motors or bicycles, or those from Ohio and West Virginia for pottery? Eventually there would be no trade program whatsoever. The program could be riddled and strangled by political log rolling, as occurred during the trade-choking era of the Smoot-Hawley tariff.

Therefore, it becomes incumbent upon each of us—especially those who favor world trade as an avenue toward the bright destination of peace and prosperity in the Free World—to refrain from demanding favored treatment for the products manufactured or grown by our own constituents.

When the cherry-growers' amendment first was sponsored by my three distinguished colleagues, I sought the views of one of the leading spokesmen for the President of the United States in the field of the Trade Agreements Act—As-

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sistant Secretary of Commerce Henry Kearns, whose specialty is in the realm of our international trade policy. I asked Secretary Kearns certain questions regarding the amendment, as a basis for judging whether, on balance, it would be in the public interest. I specifically asked his attitude concerning the impact of the amendment on the reciprocal-trade program generally, because I had made up my mind that I would not support any amendment to the bill which would imperil our reciprocal-trade treaties as a whole.

On July 8 I wrote to Mr. Kearns, seeking the views of the administration on three questions:

1. Do you believe that an amendment similar to either of the enclosed texts is necessary and proper to assure the cherry growers and brining industry of a remedy comparable to that provided for other domestic producers in our tariff legislation?

2. Would an amendment such as this be consistent or inconsistent with our Government's overall objectives and program in the field of international trade policy?

3. Do you have any factual information indicating the impact of imports on the domestic producers concerned in this instance? If this impact is seriously adverse, and the administration does not consider the proposed amendment to be appropriate, can you suggest any other form of relief for these producers?

Secretary Kearns replied on July 16. His letter made the following main points in reply to my inquiry:

First, the imported product which the cherry growers and briners of the Northwest believe to cause injury to their domestic market is not fresh or brined cherries but glace cherries. If the imported product were fresh or brined cherries, the domestic producers would have recourse to the Tariff Commission, because the import would be a "like or directly competitive" product with their own.

Since the imports, however, are glace cherries, it is a domestic glace cherry industry which must demonstrate to the Tariff Commission that it has been or is being injured by imports. The domestic glace cherry industry has apparently failed to do so. Secretary Kearns points out that it is difficult to see how those who supply the domestic glace cherry industry could show injury from imports, if the glace cherry people themselves are apparently unable to do so.

Secondly, Secretary Kearns explains how the amendment would have the effect of increasing the uncertainties in United States trade and tariff policy, and thus have an undesirable impact on our Government's overall objectives in this field.

Third, he points out that in 1952, the majority of the Tariff Commission decided that candied and glace cherries were not then being imported in such quantities as to threaten serious injury to the domestic producers of these products. Since that time, production of glace cherries has continued in this country, in spite of imports, and the United States producers have apparently not subsequently sought relief from the Tariff Commission. The Department of Commerce assumes that the situation has continued basically unchanged since 1952, and the worst fears of the industry have not in fact been realized.

Mr. President, if the facts are not as stated in this letter from the Assistant Secretary of Commerce Henry Kearns, I would hope and assume that the domestic cherry industry would renew its demands for an investigation by the United States Tariff Commission. Until such a new investigation might take place, however, and furnishes a factual basis for the claim that the domestic cherry growers and briners cannot gain relief in the course of an escape clause action on behalf of the glace cherry industry itself, I shall accept the conclusion of the administration that the proposed amendment would do more potential damage to the trade agreements program than it would accomplish for the cherry growers of Oregon.

In conclusion, Mr. President, I ask unanimous consent that the exchange of correspondence between myself and Assistant Secretary of Commerce Henry Kearns be printed in the CONGRESSIONAL RECORD.

I am pleased that my position is not without some significant editorial support in the State of Oregon. The Oregon Daily Journal of Portland, a newspaper which has long advocated and backed the important Reciprocal Trade Program of our Government, on its editorial page of July 19, 1958, published an editorial entitled "Senator NEUBERGER Takes Some Risks." This editorial, I am happy to report, sustains my position on the cherry-growers' amendment, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the correspondence and editorial were ordered to be printed in the RECORD, as follows:

JULY 8, 1958.

Mr. HENRY KEARNS,
Assistant Secretary for International Affairs, Department of Commerce, Washington, D. C.

DEAR MR. KEARNS: As you will recall from our prior correspondence, I have consistently been committed to the policy of maintaining the best possible, long-term trade agreements program, unhampered by any restrictive amendments that would interfere with its effectiveness.

One of the industries in my State which have over the years presented to me evidence of the adverse impact of imports on their own business in this country consists of the cherry growers and briners, which play a substantial role in the economy of Oregon.

It has been the basic complaint of these people that their role in the production of brined or glace cherries does not bring them within the definition of "industry" for purposes of the escape clause under present law.

For the purpose of obtaining standing to be heard in escape clause and peril point proceedings, the cherry growers in 1955, and again this year, have sought to amend the definition of domestic industry so as to permit inclusion of their products at the earlier stages in the process of making glace cherries.

Before the Senate may be called upon to vote upon such an amendment, I would appreciate the administration's comments on the following questions:

Do you believe that an amendment similar to either of the enclosed texts is necessary and proper to assure the cherry growing and brining industry of a remedy comparable to that provided for other domestic producers in our tariff legislation?

Would an amendment such as this be consistent or inconsistent with our Government's overall objectives and program in the field of international trade policy?

Do you have any factual information indicating the impact of imports on the domestic producers concerned in this instance? If this impact is seriously adverse, and the administration does not consider the proposed amendment to be appropriate, can you suggest any other form of relief for these producers?

As a Senator from Oregon, I am naturally concerned about these questions that are deemed by many of my constituents to be of crucial importance to their economic positions. In the greater national interest, it is not my intention to support any amendment that would impair our necessary and valuable international trade program. For these reasons, it is important that I have whatever light you may be able to shed on the above questions before I may have to vote on an amendment such as that proposed on behalf of the cherry producers of the Northwest.

With kind regards,
Sincerely,

RICHARD L. NEUBERGER,
United States Senator.

THE ASSISTANT SECRETARY
OF COMMERCE,
Washington, July 16, 1958.

Hon. RICHARD L. NEUBERGER,
United States Senate,
Washington, D. C.

DEAR SENATOR NEUBERGER: I have your July 8 letter asking for my comments on three questions concerning the status of the cherry growers and briners in the trade-agreements program.

I shall comment on the questions in the order in which they appear in your letter:

1. "Do you believe that an amendment similar to either of the enclosed texts is necessary and proper to assure the cherry growers and brining industry of a remedy comparable to that provided for other domestic producers in our tariff legislation?"

I believe such an amendment is not necessary, for two reasons: (1) The position of the cherry growers and briners under the trade agreements safeguard provisions is the same as that of any other group of producers. They have direct recourse against damage from imports of products which are like or directly competitive with their own. This situation is no different from that of any other producer. No producer has direct recourse under the escape clause against imports of products which are not directly competitive with his own, either because the industries are completely unrelated or because the products in question are at distinctly different stages of processing. For example, I presume that producers of steel could not properly seek action under the escape clause to restrict imports of automobiles, even though automobiles are very largely composed of steel.

(2) More importantly, as a practical matter it is difficult to see why such an amendment is necessary. United States producers of glace cherries can seek direct relief under the escape clause against any serious injury caused by glace cherry imports. Presumably, if such imports were injuring any United States producers, the first and most severe injury would be to United States producers of glace cherries themselves. Any injury which the suppliers of fresh and brined cherries might indirectly suffer would seem unlikely to approach in severity the injury to the glace industry. If this is true, it is difficult to see how suppliers of fresh or brined cherries could demonstrate serious injury, even if they did have direct recourse to the

escape clause, as long as the glace industry is not injured.

2. "Would an amendment such as this be consistent or inconsistent with our Government's overall objectives and program in the field of international trade policy?"

I believe such an amendment would be undesirable. If we were to amend the escape clause to provide that each United States producer might directly seek restrictions under the escape clause, not only on imports of products directly competitive with his own, but also on related imports at any other stage of production or processing, we should greatly have broadened the escape clause, conceivably have multiplied the number of applications under it, and further reduced the stability of our trade policy. As you know, the escape clause is probably the feature of our trade program most frequently cited by businessmen concerned over the uncertainties involved in our tariff policy. If such a broadening were actually required to ward off genuine injury to American producers, the situation would be different. But since it is difficult to see how such a broadening is needed, it would appear to have little or no compensating advantage.

3. "Do you have any factual information indicating the impact of imports on the domestic producers concerned in this instance? If this impact is seriously adverse, and the administration does not consider the proposed amendment to be appropriate, can you suggest any other form of relief for these producers?"

To the best of my knowledge, the last detailed investigation of this impact was made incident to the escape clause case filed in 1951 by the Maraschino Cherry and Glace Fruit Association. The Tariff Commission's decision in this case was published on October 17, 1952. The majority held that candied, crystallized, or glace cherries were not being imported in such quantities as to cause or threaten serious injury to the applicants, who constituted the domestic industry like or directly competitive products.

While the growers and briners of cherries were not officially a party to this investigation, the Commission took notice of their interest in the matter and included in the majority report the following comment on the relation between imports of processed cherries and the interests of the growers and briners:

"The domestic industry producing glace cherries cannot properly be considered as including the cherry growers or the primary processors of domestic cherries who put up sulfured cherries. Because, however, of the concern expressed by these other groups in the subject matter of this investigation, it seems desirable to indicate to what extent the interests of these groups are affected by imports of glace cherries.

"As already indicated, the great bulk of the cherries that are sulfured consist of sweet cherries and from about one-third to two-fifths of the domestic crops of sweet cherries have been sulfured in recent years. As also indicated above, domestic sulfured cherries are used almost exclusively in the production of maraschino and glace cherries. Maraschino cherries, however, are very much more important as an outlet for the domestic sweet cherry crop and for the domestic production of sulfured cherries than are glace cherries.

"The production of glace cherries has accounted for only about 5 percent of the total consumption of sweet cherries in the United States and for only about 15 percent of the total consumption of sulfured cherries. As a matter of fact, the record imports of glace cherries in 1951 were equivalent to less than 1 percent of the production of sweet cherries in that year (when the crop was the smallest since 1945), and to only 2 percent of the quantity sulfured.

"It is clear, therefore, that the increased imports of glace cherries have been of minor importance to the market for sulfured cherries, and of extremely minor importance to the market for the domestic crops of sweet cherries. Moreover, as already indicated, there have been only very small, if any, imports of maraschino cherries and preserved cherries in other forms covered by the trade-agreement concession. Thus, the imports of preserved cherries in all forms covered by tariff treatment reflecting the trade-agreement concession have been of very small importance to the growers of sweet cherries and the packers of sulfured cherries."

While we have no later detailed investigation, I do understand that the production of glace cherries in this country has continued since 1952. Under these conditions, and since the United States producers of glace cherries have apparently not had occasion again to seek escape-clause relief, I assume that the impact of imports of processed cherries upon the interest of the glace producers in this country must not have significantly changed since that date. This being the case, it might suggest that the impact of imports on the cherry growers and briners has been largely unchanged.

The comments I have given above reflect our best judgment in the absence of a new detailed investigation. It would, of course, be necessary to have such an investigation to establish the facts conclusively. For an authoritative report on this point, it probably would be necessary to consult the Tariff Commission, which has facilities for industry investigations.

I thoroughly appreciate the importance of this question to Oregon and your interest in the matter. I hope these comments will be helpful and if there is any additional information which I can supply, please do not hesitate to call upon me.

Sincerely yours,

HENRY KEARNS.

[From the Oregon Journal of July 19, 1958]

SENATOR NEUBERGER TAKES SOME RISKS

Cherry growers in Oregon and Washington have sought special redress of grievances under the escape clause of the reciprocal trade act now pending in the Senate.

Washington's Senators MAGNUSON and JACKSON and Oregon's Senator MORSE are supporting the growers' position with an amendment. Oregon's Senator NEUBERGER has chosen to differ with his three Democratic colleagues by opposing the amendment. He thus risks the wrath of some of his constituents and possible consequent political damage.

"I have called this to your attention," writes Senator NEUBERGER to us, "because it is not always easy to resist strong demands from one's own State to riddle such a bill as that involving extension of reciprocal trade. Yet I am aware that, if the Northwest Senators can secure special exemptions for cherries, then Senators from Ohio can obtain them for pottery, Senators from the Rocky Mountains for minerals, Senators from Michigan for motors—and the President's trade program is all but dead. I believe that, in the present international situation, we cannot afford to lose commercial contacts with our allies overseas, and thus I am standing by the program of the President without drastic revision or amendment."

Before taking this position, NEUBERGER sought the advice of Assistant Secretary of Commerce Henry Kearns, one of the President's principal advisers on foreign trade. Kearns said he believes the amendment is both unnecessary and damaging.

The cherry growers and briners, he said, already have sufficient protection under the trade agreements safeguard provisions the same as any other group of producers. "They have direct recourse against damage from imports of products which are like or directly competitive with their own," he added. And to broaden the escape clause with exceptions of this type will reduce the stability of our trade policy, he advises.

Whatever the merits of this particular proposal, Senator NEUBERGER has taken a position in behalf of principle which requires considerable courage. The Journal, which has consistently supported the overall reciprocal-trade program, believes his position is sound.

DAILY SITUATION REPORTS ON THE MIDDLE EAST

Mr. GREEN. Mr. President, Members of the Senate have expressed interest in keeping themselves well informed on developments in connection with the situation in the Middle East.

Arrangements have now been made between the Committee on Foreign Relations and the Department of State so that Members of the Senate may receive a situation report on the Middle East on a daily basis.

The Department of State has undertaken to send a representative to the Foreign Relations Committee room every day, one-half hour before the Senate convenes. Therefore, as the Senate meets tomorrow at 10, Under Secretary of State Herter will at 9:30 be present in the Foreign Relations Committee room to brief interested Members of the Senate.

After tomorrow, these daily situation meetings will be convened in the Foreign Relations Committee room one-half hour prior to the daily meeting of the Senate.

Meetings will, of course, be in executive session. I hope that Members of the Senate will avail themselves of this opportunity to keep up to date on the situation in the Middle East.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. GREEN. I yield.

Mr. MANSFIELD. Do I correctly understand the chairman of the Foreign Relations Committee to state that the meetings which are to be held every day half an hour before the Senate convenes will be open to all Members of the Senate?

Mr. GREEN. That is correct.

Mr. MANSFIELD. And they will be in executive session?

Mr. GREEN. That is correct.

Mr. MANSFIELD. I thank the chairman.

INTERNATIONAL AGREEMENT BETWEEN THE UNITED STATES AND THE EUROPEAN ATOMIC ENERGY COMMUNITY

Mr. BRIDGES. Mr. President, it is all but impossible these days to avoid discussion of the crisis now confronting the Free World. We can only pray that the calculated risk which President Eisenhower found necessary to take will not lead to all-out war.

But there are some rays of sunshine visible through the clouds, Mr. President. I refer, in particular, to the recent message of the President, asking the Congress to approve an international agree-

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ment between the United States and the European Atomic Energy Community.

This agreement would open the way to using nuclear power in Western Europe to help our friends meet their rising demands for peaceful energy. It ties in closely with a major aim of our foreign policy—to provide new horizons for continuing economic and social advances in an integrated Europe.

The joint program is designed to bring into operation by 1963 about 1 million electric kilowatts of installed nuclear capacity in the European Atomic Energy Community. This capacity would be produced from reactors of proven types developed in the United States.

It is unfortunate that this program has come to us late in the session of Congress. But I understand, Mr. President, that the Joint Atomic Energy Committee plans to begin hearings shortly on this subject.

I believe that many people in this country as well as the peoples of free Europe hope that the Congress will not adjourn without acting favorably upon this vital legislation.

TRIBUTE TO STATESMANSHIP OF SENATOR JOHNSON OF TEXAS, BY ROSCOE DRUMMOND

Mr. NEUBERGER. Mr. President, in the Washington Post and Times Herald for July 19, 1958, the distinguished syndicated columnist, Mr. Roscoe Drummond, has paid tribute to the statesmanship being demonstrated by the majority leader of the Senate, LYNDON B. JOHNSON, in his efforts to save the reciprocal-trade program from crippling amendments which would destroy its effectiveness as an instrument of American foreign policy.

I ask unanimous consent that this column, entitled "Up to LYNDON JOHNSON," which emphasizes Senator JOHNSON'S capacity for rising above petty partisanship, be printed in the body of the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

UP TO LYNDON JOHNSON—FREE WORLD'S TRADE AND AID POLICIES AT STAKE

(By Roscoe Drummond)

There is one man and only one man on Capitol Hill today who can save Congress from itself; that is, who can prevent a hasty, heedless, reckless, election-minded majority from tearing to shreds the Government's Free World trade and aid policies and throwing them down the well.

That man is Senate Democratic Leader LYNDON JOHNSON of Texas.

Here is what's happening and what Senator JOHNSON is up against:

As the result of wholesale Democratic opposition the House of Representatives has thrown into the lap of the Senate a mutual security bill slashed 22 percent below the minimum the President considers safe and with the vital new Development Loan Fund cut more than 50 percent—the spectre of a head without a body.

Thus at a time when the Soviets are putting their economic aid offensive into high gear, Congress proposes to put the American program into reverse.

By a coalition of Democratic and Republican votes—and on one of the most critical issues by a majority of Democratic votes—the Senate Finance Committee has massacred and mangled the Reciprocal Trade Act renewal so that unless it is corrected on the floor of the Senate it might better be vetoed by the President. It deprives the President of needed discretionary power, puts Congress back into the logrolling business of passing on tariffs, cuts the authority to negotiate mutual tariff reductions to minuscule proportions and reduces the renewal, which the House has passed overwhelmingly, from 5 to 3 years.

Thus, at a time when Western Europe is taking its greatest forward step during the next 5 years toward free trade throughout most of the Continent, Congress is at the point of taking its greatest backward step since the Reciprocal Trade Act was first passed a quarter century ago.

Senator JOHNSON, I am convinced, has the prestige, the authority, and the resources to avert these calamities.

He has a tremendous stake in succeeding.

He knows that the national interest is at stake and can be counted on to act accordingly.

He knows that the heart and core of the philosophy of his own leadership is at stake and that if he lets the Democratic Party stultify the Reciprocal Trade Act and emasculate the economic-military aid program, it will be a besmirching repudiation of his leadership.

He knows that if a Democratic President is elected in 1960, he will be asking for and will be urgently needing the very same measures of trade and aid which in the past 2 weeks Democratic votes have brought to the point of destruction.

Senator JOHNSON will not be unmindful that in 1954 and in 1956 the country gave the Democrats majorities in both House and Senate on the Democratic campaign theme that they could better be relied upon to support the President than could the Republicans.

The very hallmark of Senator JOHNSON'S leadership is that rarely, if ever, has he indulged in opposition for the fun of it, in opposition for the politics of it, in opposition for the sake of opposition.

Mr. JOHNSON has been determined not to repeat the mistake of the Republicans in the thirties when they branded their party as the nearly total opponent of all the social and economic reforms of the New Deal, from which mistake they are still suffering, despite the fact that the majority of the party has embraced most of these reforms.

It seems to me that Senator JOHNSON can enable his party to escape the mark of opposition for its own sake only by repairing the grievous damage done to the aid program and the Reciprocal Trade Act.

THE CAPITAL CITY

Mrs. SMITH of Maine. Mr. President, there is a question of deep concern to me: Is Washington to be the spacious, beautiful Capital of our Nation, or a commercial city? If the former, there must be an awakened attitude on the part of Congress and the various Government agencies in regard to the importance of the esthetic angle of the city's growth.

In the days of Washington, Jefferson, and L'Enfant, city planning concerned itself with the order, beauty, and unity of the necessary utilities. Today, in the rush of progress and change, commercial areas spring up overnight; traffic swarms everywhere, including monumental areas; cars are parked in the Great Plaza itself, and uncontrolled parking lots lower property values. Government expands at an incredible rate; tempos come down, and office space to replace them is apportioned at 170 square feet per person. Land is utilized to the maximum, allowing small room for any setting, and concentrating employment in and near the Mall area, tangling Government workers with tourists. Spot zoning is employed to meet an individual situation, and suddenly we are confronted with the rapid change to commercial, where formerly were history, beauty, trees, planned space surrounded by proportioned masses. Land recommended for Government taking falls to commercial interests by default, and is welcomed by the District Commission as taxable property. Special interests are pushed at Government expense, wasting the taxpayer's money without solving the basic issues involved, often in the process doing irreparable harm to the city's existing beauty.

The problem of providing space for Government buildings is becoming really serious. The needs of the departments appear to demand space and cube beyond the capacity of available, convenient and suitable sites to receive them, resulting in two grave errors: First, the crowding of large buildings onto inadequate grounds, as in the case of the new State Department building, whose vast square footage necessitates the "office building" approach to its design, rather than a gracious structure with an impressive approach, befitting one visited by potentates from the whole world; and, second, the concentration of buildings in the central or Mall area. Quality of architectural design is demanded in all important Government buildings, but mass detail and purpose in relation to vicinity and surroundings is of even greater importance. What, for instance, is a building devoted to experimental work with animals doing on the Mall next to the Capitol of the United States? To replace the tempos, Government office buildings are now being planned for Government-owned land on the Mall, whereas the development of such areas as East Capitol Street would relieve the additional traffic concentration, separate the workers from the tourists, prevent the overweighting of the Mall, and save the space necessary for future monumental institutional and cultural structures.

Another effect of the present indifference to the Capital City is the lack of quality and artistry in important new buildings. Plans are conceived on the basis of the square footage of the lot to the building, multiplied by 8 stories, and divided by 170 square feet per person to determine the number of people to occupy the building. The demand for space and cube makes corresponding demands for adequate money to provide them. The results, viewed in terms, first of the length of time required to implement the project for which money has been appropriated; second, of the inevitable growth in demand for space during the study period; and third, of the steady increase in cost of construction, are inevitable; namely, first, the building exceeds its appropriation—it must be cut in size, and/or simplified to its bare bones; second, the amenities including

architectural interest, character proportion, significance, and choice of materials are forced into a secondary background; third, allied and applied arts are eliminated in the force majeur of getting the work done at all. And to top this, prejudiced controversies over modern art have inculcated in Congress a fear of and a reluctance to have anything to do with art. A rich variety of sculpture, mosaics, decorative panels, stained glass, and so forth, are being used in many fine buildings today. We have available the materials, styles, treatments, and skills. We do not have to produce banalities in imitation of the past, nor do we need to splash raucous colors and ugly angles across our walls, since both modern and conservative work may still be soberly judged by time-honored standards of proportion, texture, design, inspiration, scale, setting, appropriateness, and so forth.

In all the intricate problems which beset the Capital, each with its ramifications of operations involving many departments and agencies, conflicts arise, largely because there are too many planning agencies, each going its own direction with no real coordination. The results are frequently stopgap measures arrived at by default, which, if continued, will irreparably damage the beauty of our Capital. Against the force of the unstemmed tide of progress, piecemeal measures are no substitute for settling the basic issues of transit, parking, and traffic, zoning, land acquisition, and so forth. We must have the will to get down to earth and settle these problems. It will take money and time and hard work, but it must be done before the beauty of our Capital lies in ruins.

The Commission of Fine Arts, an advisory body appointed for the purpose of retaining Washington's beauty in the course of its expansion, as well as the National Capital Planning Commission, has to resort to persuasive methods to prevent many esthetic disasters, such as the so-called Constitution Avenue Bridge, so long impending, and recently averted by intercession of the President. For adherence to its responsibilities, the Commission has been labeled obstructionist, unrealistic, but its advice might well be heeded, since it is disinterested, with nothing to gain for itself; a free and voluntary service, desiring only to bring the intricate and complicated problems of the city's growth into a harmonious whole. It would seem to me desirable if the District Committees of both the Senate and the House would seek a constant flow of data on problems affecting Washington's appearance, from this Commission, in order to understand the esthetic angle of each issue within their jurisdiction.

I repeat, there must be an awakened attitude on the part of Congress and the various Government departments toward these matters. Progress and preservation, functionalism and beauty are not incompatible. To oppose a bridge at the foot of the Mall is not to be unrealistic about traffic problems. Traffic and the beauty of the Nation's memorials are each a part of our present-day civilization, and they can coexist if the traffic commissioners, engineers, planners, and so forth, are all determined to find the right solution. And if Washington is to remain the splendid Capital of a great Nation, funds for this purpose must be appropriated as recommended by its agencies.

From the long-range point of view, no nation can exist simply by building bigger and bigger government. It cannot afford to lose sight of its esthetic and spiritual life, or graciousness, good will, and vision. Every great civilization of the past is known to us and measured by its art forms. A nation without regard for its art forms is on the way to decline, and certainly we are not ready for that.

The PRESIDING OFFICER (Mr. CARLSON in the chair). Is there further morning business?

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. BENNETT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). Without objection, it is so ordered.

LOANS FOR CONSTRUCTION OF HOSPITALS AND OTHER FACILITIES

Mr. HILL. Mr. President, I ask unanimous consent for the present consideration of Calendar No. 1880, House bill 12694.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 12694) to authorize loans for the construction of hospitals and other facilities under title VI of the Public Health Service Act, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alabama?

There being no objection, the Senate proceeded to consider the bill.

Mr. HILL. Mr. President, this bill was thoroughly considered by both the House Committee on Interstate and Foreign Commerce and the Senate Committee on Labor and Public Welfare. The bill was unanimously reported by both those committees. It was unanimously passed by the House.

The bill provides that in a case in which some religious organization operates or wishes to construct a hospital and does not wish to take a grant under the Hospital Survey and Construction Act, it may obtain, in the form of a loan, the same amount of money it would obtain under a grant, the loan to be paid back to the Government in not to exceed 40 years. The institution would have to meet all the terms, conditions, and requirements of the act with respect to the loan, just as it would have to meet the requirements of the act with respect to a grant.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

Mr. HILL. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. SPARKMAN. Mr. President, I move to lay that motion on the table.

The motion to reconsider was laid on the table.

EXTENSION OF HOSPITAL SURVEY AND CONSTRUCTION ACT

Mr. HILL. Mr. President, I ask unanimous consent for the present consideration of Calendar No. 1881, House bill 12628.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 12628) to amend title VI of the Public Health Service Act to extend for an additional 3-year period the Hospital Survey and Construction Act.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alabama?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Public Welfare with amendments, in line 5, after the word "thereof", to strike out "twelve" and insert "fourteen", and in line 7, after the word "thereof", to strike out "seven" and insert "nine."

Mr. HILL. Mr. President, this bill would extend the Hospital Survey and Construction Act. It was unanimously reported from the House Committee on Interstate and Foreign Commerce.

It unanimously passed the House, and was unanimously reported from the Senate Committee on Labor and Public Welfare.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. HILL. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. SPARKMAN. Mr. President, I move to lay that motion on the table.

The motion to reconsider was laid on the table.

NECESSITY FOR IMPROVED SOCIAL SECURITY BENEFITS

Mr. PROXMIRE. Mr. President, once again I rise to plead for improved social security benefits. The tragic condition under which millions of our elder citizens must spend their last years is a disgrace to America.

In my talks with thousands of Wisconsin people in every corner of my State, the desperate need for improved and broadened social security recurs time and time again.

Some of these old people are victims of misfortune through no fault of their

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own—they are ill, or have suffered accidents, or are heavily burdened with the responsibility of caring for sick and helpless dependents. Others are in good health but no longer able to work sufficiently to earn a decent living. Many are not eligible at all for social security. But even at best, the social security benefits they are receiving are totally inadequate to provide for their minimum needs for comfort and decent living.

Just one of the many letters I have received today tells of a typical instance of hardship and misery. It is from an old lady, who receives a total of $84.20 a month. She must pay $50 a month for rent—she describes her room as "in a very, very busy business district—third floor and dirty, though I keep my place clean."

After paying her rent, this woman has only $34 a month left to buy food, clothing, carfare, shoes, and everything else she needs. This, Mr. President, represents an almost unbelievable level of deprivation for the richest country in the world. But it is not the whole story.

For this woman is a diabetic. She is required to have a special diet to preserve her life and her health. Imagine trying to maintain life at all on $34 a month. How completely unreasonable to expect her to protect her health by obtaining the special diet which her disease requires. It is no wonder that she is on the verge of utter despair. Let me read what she says:

> My blood sugar count is 225 and should be 125—all because by the 27th of the month I am without food or money. Everything is high—fresh fruits, meats, vegetables—everything. I try to buy food for diabetics, but that is too expensive. So I must resort to anything that is eatable and low in price. So often I have felt like ending this life of mere existence and torture. I just keep holding back doing such a thing as I know it is not God's will but my own wish.

Mr. President, there is not a single thing that imposes a more urgent practical and moral obligation upon us in the Congress of the United States, than the need for a more adequate Social Security program. We must not delay taking action to help our elder citizens. Their need, their misery, and despair is a shame and a rebuke to the people of the United States so long as it is allowed to go on without correction.

Mr. President, I ask unanimous consent to have this letter printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Mr. WILLIAM PROXMIRE,
Washington, D. C.

DEAR MR. PROXMIRE: * * * Social security. I receive only $30.70 per month and $53.50 old-age pension. Mr. PROXMIRE, my rent is $50 per month which I'll admit is too much in regard to my budget I receive but what am I to do? I lived 20 years in the last place at $40 per month, but due to the razing of the old building I was forced to move last year August 27. I walked the streets searching for a place to meet my budget. I finally struck this place—in a very, very busy business district—3d floor and dirty, though I keep my place clean. The rent was $55 but I got them to lower it to $50—my recommendations were good. Here is the thing—I am a diabetic, under care of the county. Naturally, this money of $84 a month, with $50 a month for rent, leaves me only $34 for a month to include all living expenses, including food, carfare, clothing, shoes, incidentals, and so forth. Mr. PROXMIRE, I can't buy the food I need much less one pair of stockings; this anyone with common sense should realize. My blood sugar count is 225 and should be 125, all because about the 27th of the month I am without food or money. Everything is very high—fresh fruits, meats, vegetables—everything. I try to buy foods for diabetics, but that is expensive too. So I must resort to anything that is eatable and low in price. So often I have felt like ending this life of mere existence and torture. I just keep holding back doing such a thing as I know it is not God's will but my own.

To think there is an abundance of everything everywhere for everyone to enjoy. * * * Charity should begin at home. * * * Respectfully yours.

SMALL BUSINESS LEGISLATION

Mr. PROXMIRE. Mr. President, this morning I appeared before the Senate Committee on Interstate and Foreign Commerce in behalf of S. 3850, the fair-trade bill, which I had the honor to coauthor with the junior Senator from Minnesota [Mr. HUMPHREY]. I ask unanimous consent that my statement before the committee be printed in the RECORD at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR WILLIAM PROXMIRE BEFORE THE SENATE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, JULY 21, 1958

Mr. Chairman, I want to thank you for this opportunity to appear before your committee. In my judgment the measures which I am supporting this morning before your committee constitute the most important small-business legislation the Congress has before it. I feel very strongly that the adoption of this legislation is essential to the health and, indeed, to the existence of small business as we know it in America today.

Mr. Chairman, American small business is in serious trouble. All objective evidence—the number of failures, the number of voluntary discontinuances, the level of return on invested capital in small business, the share of the national production enjoyed by small business—all these indices show that small business is steadily losing ground to big business and has become a prime victim of the recession.

The typical small business is a retail store, and the retail store has the poorest survival prospect of any business. This was strikingly demonstrated by figures presented to the Small Business Committee hearings on discount houses on June 23 by Mr. Victor Lebow, a New York City marketing consultant who specializes in the problems of retail businesses. Mr. Lebow stated that there are 1,900,000 retailers today. What are the prospects for a new retail business? Based on 7 years of postwar prosperity, between 1947 and 1954, a retail store opening today has only a 74-percent chance of surviving the first 6 months, and a 50–50 chance of staying open the first 2½ years. Stated another way, 26 out of 100 retail stores opening today will be out of business in 6 months. Eighty-three of them will not be in business 10 years from now.

Based on the years 1953–56, Mr. Lebow said that a turnover of 50 new stores is necessary to get 1 net addition to the number of retail businesses in operation.

For these reasons it is time Congress did something about this.

The Select Committee on Small Business, the Banking and Currency Committee, the Small Business Administration, and other agencies and committees have been deeply concerned about the problems of small business. Some extremely constructive proposals have been made to the Congress. Mr. Chairman, while this legislation is good and helpful, it is good and helpful for a relatively small segment of small business. The vast majority of small businesses are totally untouched by any other measures that are before Congress today. This Congress has already taken important steps to help the manufacturing concern or small corporation in several ways. The Small Business Committee has scheduled a series of inquiries into the action of the Defense Department in failing to provide that small manufacturing businesses get their share of the procurement dollar. This is an excellent, worthy inquiry, and one I warmly support. An omnibus small-business tax bill now before Congress would help the incorporated small businesses very greatly. I cosponsored and warmly support that legislation. The Johnson capital bank bill, which has passed the Senate, would do much to provide capital for small units in industry. We all know that this capital would be made available primarily, in fact overwhelmingly, for manufacturing concerns, with almost nothing for the small retail business. Of course I warmly supported the Johnson bill, too. In fact, I cosponsored a very similar bill. The fact is that the only proposals before Congress that would help the great bulk of small business, the retail stores, are the bills before this committee this morning.

Of all the areas of American business, the retail stores have been the most characteristically small business. The overwhelming majority of stores and shops all over America are still "small business," usually family business operations. The vast majority of American small-business men are retail merchants. The independent proprietor, the free-enterprise businessman can be said to be the backbone of American economic democracy. Here in the retail business is where he is. In American small cities, towns, and villages he represents the social, political, and moral leadership. In most American communities he provides the community spirit that builds our towns. The leadership, the time, the energy, and the money come from him.

Behind this vital community leadership is the wonderful family life that the "Mom and Dad" store provides. Like the family farm, the family business offers an ideal moral climate for the development of the invaluable qualities of character and morality. The energy-demanding work of the family store virtually eliminates juvenile delinquency. The qualities of thrift, industry, business sense, are developed and nurtured in the family atmosphere. The family store is an immensely valuable American institution. If any economic institution can be said to deserve preservation, certainly the family store is it.

Even if it were an economically inefficient operation, the argument for preserving and protecting the family store would be a strong one. Like the family farm, it is not inefficient. It is efficient. It has proven itself repeatedly. It lacks one important survival asset in our competitive economy, however, and that is capital. This lack of capital means that the large competitor, the chainstore or massive supermarket, even if less efficient, can engage in price-cutting operations until the little business is driven out.

I have talked personally with literally thousands of merchants all over my State of Wisconsin. I am convinced that there is no

group in America more fervently and completely opposed to subsidies, including subsidies for themselves, than the small-business man. There is, however, one form of legislative protection that he desires, that he wants, that he needs, and that he deserves. This is action by the Government to provide the kind of margin between what he pays for the goods he buys and what he receives for the goods he sells that will permit him to operate on a stable and efficient basis.

This is not to say that the American small-business man wants an end of competition, even of price competition. This is not to say that this legislation in any way would eliminate competition or even price competition. Indeed, in the long run I am completely convinced that price competition will be encouraged if the legislation I am supporting this morning is adopted.

Testimony before our Small Business Committee was replete with evidence that minimum margins on fair-traded products which this legislation would permit, would still permit an enormous amount of price competition both between trade-marked brands on the one hand, and unbranded products on the other.

I should like to present to the committee one striking demonstration of the fact that it is possible where fair trading prevails to have fair markups for the dealers, fair prices for the consuming public, and flexible pricing, which adapts itself to changing conditions.

In the middle of 1954 a vicious price war erupted in the retailing of gasoline in New Jersey. Markups declined to the extent that it was impossible for the dealer to operate profitably. After public hearings in 1956 by the Small Business Committee, almost all the major suppliers in New Jersey began to fair trade their gasoline. Since that time the retailer has had a fair markup, and the buying public has had fair prices.

I should like to offer for the record a table comparing the dealer's tank-wagon price, the dealer margin, and the retail price (without tax) of gasoline in Newark, N. J.; Wilmington, Del.; Philadelphia, Pa.; and an average of 55 other cities. Newark is the only city represented on this table which has fair traded gasoline, yet on June 1, 1958, the price of gasoline to the retail consumer in Newark was lower than it was in any other of those cities. Moreover, the table clearly proves that the retail price in Newark is as flexible as it is in any of the other cities.

The second table gives the tank-wagon price and the service-station price for gasoline in New Jersey after fair trade was adopted in 1956. It shows considerable variability in retail prices over a range of 3 cents a gallon. It demonstrates beyond question that a fair-trade price responds to competition and is no more rigid than any other price.

Furthermore, it is obvious that price competition is only one form of competition to the retail store. There is also service competition. There is the competition of location and convenience. There is competition of personality between the owners and employees of different stores. There is advertising competition. There is merchandising competition. There is inventory competition. Of all these forms of competition, and all of them are extremely important to the consumer, only price competition, on the basis of all the testimony of all the opponents of this legislation before our committee, only price competition could be adversely affected by this legislation.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 1785. An act designating the reservoir located above Heart-Butte Dam in Grant County, N. Dak., as Lake Tschida, and for other purposes;

S. 1939. An act to amend the Federal Seed Act of August 9, 1939 (53 Stat. 1275), as amended;

S. 2266. An act to provide a method for regulating and fixing wage rates for employees of Portsmouth, N. H., Naval Shipyard;

S. 3076. An act to amend section 12 of the act of May 29, 1884, relating to research on foot-and-mouth disease and other animal diseases;

S. 3437. An act authorizing the Department of Highways of the State of Minnesota to construct, maintain, and operate a free highway bridge between International Falls, Minn., and Fort Frances, Ontario, Canada;

S. 3478. An act to insure the maintenance of an adequate supply of anti-hog-cholera serum and hog-cholera virus;

S. 3608. An act to revive and reenact the act authorizing the State Highway Commission of the State of Maine to construct, maintain, and operate a free highway bridge between Lubec, Maine, and Campobello Island, New Brunswick, Canada; and

S. 3677. An act to extend for 2 years the period for which payments in lieu of taxes may be made with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 12541) to promote the national defense by providing for reorganization of the Department of Defense, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. VINSON, Mr. BROOKS of Louisiana, Mr. KILDAY, Mr. DURHAM, Mr. RIVERS, Mr. ARENDS, Mr. GAVIN, Mr. VAN ZANDT, and Mr. BRAY were appointed managers on the part of the House at the conference.

The message further announced that the House had passed a bill (H. R. 11078) to promote boating safety on the navigable waters of the United States, its Territories, and the District of Columbia; to provide coordination and cooperation with the States in the interest of uniformity of boating laws; and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 11645) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1959, and for other purposes, and it was signed by the Vice President.

HOUSE BILL REFERRED

The bill (H. R. 11078) to promote boating safety on the navigable waters of the United States, its Territories, and the District of Columbia; to provide coordination and cooperation with the States in the interest of uniformity of boating laws; and for other purposes, was read twice by its title and referred to the Committee on Interstate and Foreign Commerce.

EXTENSION OF THE TRADE AGREEMENTS ACT

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Is there further morning business? If not, morning business is closed.

The Chair lays before the Senate the unfinished business, which is H. R. 12591.

The Senate resumed the consideration of the bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Texas [Mr. JOHNSON], on behalf of himself and other Senators, to strike out sections 6 and 7 of the bill.

Mr. SPARKMAN. Mr. President, one of the most important and yet most controversial matters that will be before the Senate this year is the unfinished business, the Reciprocal Trade Agreements Act. There are many different views as to what kind of measure Congress should pass. The textile industry has experienced injury and difficulty from the administration of the Trade Agreements Act.

Mr. Donald Comer, Avondale Mills, Inc., Birmingham, Ala., expresses some of the views held by textile mill operators in a letter of July 8 to the Senator from Illinois [Mr. DOUGLAS]. I have discussed this letter with the Senator from Illinois, and it is agreeable to him to have the letter printed in the RECORD.

I ask unanimous consent that the letter be printed in the RECORD immediately following these remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 8, 1958.

The Honorable PAUL DOUGLAS,
United States Senate,
Washintgon, D. C.

DEAR SENATOR DOUGLAS: The Comers have been in the cotton spinning industry for four generations. Before that we grew cotton. Our mills are the Avondale Mills and Cowikee Mills in Alabama, and the Bibb Mills in Georgia. I mention this fact because we are among the older textile groups and so this justifies me in answering your question at the hearing before the Senate Finance Committee last Monday, July 1.

You asked, "How long is your industry going to be an infant? When is it going to get off the nursing bottle and walk on its own feet?" Certainly I can partially answer your question by asking you one. How long is the Congress going to regulate the hours, ages, working conditions and wages of the American textile industry at well above the world level and 10 times higher than the Asian standards? How long is the Congress going to subsidize the growing of surplus American cotton and sell the surplus to our foreign competitors at some 20 percent less than you sell it to the home spinner?

In this connection the New York Daily News Record, which carries your question, also carries an interesting trade article un-

der the heading "Korean Cotton Industry Rebuilt to Top 1945 Level." Here it is:

"It appears likely that the ROK will dip a cautious toe into the cotton fabric market this year, with export of 10 million yards of heavy sheeting to the United States. That represents a single purchase by the American Uniform Co., Springfield, Tenn., reportedly for the manufacture of waiters' uniforms and similar articles. The cloth is 38 inches wide, bleached, and priced at 14.5 cents a yard f. o. b.

* * * * *

"On the financial side, there is a distorted exchange-rate situation. Since all of the raw cotton comes through United States aid channels, it is paid for at the official rate of 500 hwan to the dollar. The going rate within the country is actually about 1,000 to 1—meaning that spinners are getting their cotton at half price, in effect. In addition to the fact that the price is subsidized to begin with under the United States surplus disposal program.

* * * * *

"When Japan pulled out of Korea in 1945, there were 13 cotton mills with 316,000 spindles. At the end of the Korean war in 1953, there were 5 mills with about 70,000 spindles. At the end of 1957, there were 15 mills."

Here is a sale of 10 million yards of goods from Korea to a Tennessee garment manufacturer. This took business away from our neighbor, Mr. Stanley Converse, whose mills are in South Carolina. The Korean goods sold for 14½ cents a yard. Our price was 19 cents. Mr. Converse's mill is operating on short time and unprofitably. The name, Converse, is well known in South Carolina. Mill profits of yesterday helped establish the Converse College. There are only a few spindles in your State, but your jobbers, distributors and garment industry are wonderful customers of the cloth and yarn we sell.

Gen. Robert Wood is my personal friend. He and I were in the Army in 1899, serving in the Philippines. His company is our largest customer. My brother, Hugh Comer, is a director of your ICRR. My father, B. B. Comer, held an interim appointment in the Senate following the death of the senior Senator, John H. Bankhead.

You ask, when will our industry be weaned? Can you tell us when, if ever, Congress will lower their home protective social guards, thereby encouraging a bend backward toward the Asian standards?

Can you tell me when Congress will change their farm policy, requiring a home industry to pay the parity price for cotton and his foreign competitor the lower world price and with some juggling of the exchange difference that gives him a further double advantage in price?

Can you tell me when Congress will encourage foreign trade that is really reciprocal? The definition of this word means "equal", "mutual"—is a trade equal when the foreigner buys from us only what he wants and needs and insists on paying us in goods that we don't need, don't want—the import of which kills an American industry?

Do you agree with Senator CASE of New Jersey, that such a trade only discomforts blank number of workers—let them run and learn another trade; or do you agree with Fortune magazine, if the industry that is hurt is of value to our defense needs, let the Defense Department pay for the hurt?

Do they forget what Secretary Knox, of your State, said, that textiles are second only to steel in our defense needs?

Did you read Life magazine, about Steubenville, Ohio—how Japanese paying Weirton Steel Co. for their tinplate with chinaware shutting down Ohio and West Virginia chinaware business?

After Japan has shut down our textile and chinaware business with their cheap prices, how long before you think their prices will be advanced to what the traffic will bear?

If Weirton sells tinplate to Japan, he doesn't have to take his pay in something that comes to this country and shuts down a neighbor industry. If Japan can only pay in cotton goods and chinaware, let Weirton take these goods to Southeast Asia, swap them for rubber and tin; or take them to Latin America, swap them for bauxite, nitrate, coffee, cocoa, bananas, etc., and bring these needed articles into America.

We charge in the present procedure, we are left in the hands of little hatchet men in Washington bureaus with the power to say to American industry, "Off with your head." "We think it is desirable that this other industry should live." I say if it should be for the good of all of us that one of us should die in order to give life to another, for heaven's sake, let's retain that life-and-death power in the hands of the Congress.

You ask when. My answer is, "not in our day." In the years of yesterday, the teeming Asians had only their hands. We with our machines could compete. Today they have the same machines we have, and their hands are just as trained, adept, as ours. It's a crime to turn our American market, its purchasing power created by our industry wages and our farm income—Government protected, over to these cheap wage imports, with the threat of ever-increasing floods from all Asia. Africa next.

Japan is not only threatening with her fabric—she is also building the loom to supply the world needs as fast as possible. If you care to argue that present imports are a small percent of our total needs, my answer is that it is not just the present hurt—it is the threat of what will come in this crazy trading that our Government is doing. We started out fighting Japan's imports. Now Hong Kong, Korea, and all Asia is on deck. We are not at war, yet for the fear of war we are putting $40 billion in our budget for defense.

Life magazine, of June 23, said Mr. William Welday, division manager of the Ohio Power Co.'s local plants at Steubenville, Ohio, put it more succinctly. "The answer to foreign competition," he said, "is not in a sheltered economic climate. The Free World and the friendship of Japan are a damn sight more important to me than protecting a few factories." Why just a few and who is going to draw the line? Mr. Welday seems to wish to do some head chopping. The little hatchet men in Washington could use him.

I wish Mr. Harllee Branch, head of the Southern Co., which operates the power companies in Georgia, Florida, Alabama, and Mississippi, would tell this Ohio Power Co. man how important is the power requirements of his textile customers. We are for foreign trade, we only ask that we have fair rules. Don't put us in the ring with our two hands tied.

I am 80 years old and more or less in the hands of my doctor, or I would have been glad to come before the committee. I hope you have this letter read and included in the proceedings.

Very truly yours,

_____,

Chairman, Executive Committee,
Avondale Mills, Birmingham, Ala.

LABOR UNIONS AND INFLATION

Mr. BENNETT. Mr. President, this is the third in my series of statements summarizing my impressions gained from the testimony developed in the hearings of the Finance Committee on the financial condition of the United States.

In the first statement I discussed inflation as the general theme of the hearings. In the second I reviewed the testimony presented with respect to the role played by the Federal Reserve System in our present economic situation. In this speech I shall try to develop the relationship between increases in wages and the rise of prices. I am focusing attention on the wage problem because this seems to be one of the more important of the recent economic developments making this inflation different from previous ones.

When we define inflation simply as a rise in prices, we are guilty of inadequacy and oversimplification. We need to look deeper at the elements of current price rises to discover what forces play on them to force them up. Each inflation is the result of the interaction of many forces, both psychological and economic. But regardless of the refinements, there are fundamentally two forces at work: First, a demand-pull force, involving excessive spending on the buyers' side of the market, and second, a cost-push force, operating from below on the supply of materials and labor. Today I shall concentrate on the latter, the cost-push force.

First, however, let us look at the interaction of the two forces. The demand-pull involves excessive spending by business, Government, and consumers for the economy's goods and services. Likewise, as the buyers of the productive services bid in competition for these resources, secondary demand-pull elements, which raise prices, are set up. On the supply side, higher wage rates, rising raw material prices—which again may be attributed in large part to wage increases—taxes, and some other factors all operate as cost-push forces to raise prices. By far the most important of the cost-push forces is wages, which account for 78 percent of the national income originating in manufacturing.

While most of the witnesses and questionnaire respondents to the Finance Committee named demand-pull chief villain in inflation causes, it was recognized by all who testified on this point that cost-push forces aggravate or amplify the inflation generated by excessive spending, while many said that the cost-push forces may themselves even initiate or be the direct cause of the current inflation.

I think it is significant that the current wave of inflation, now in its third year, though probably originating in the capital boom of 1955, and in other conditions earlier, has gone on in the face of what was up until last fall a tight monetary policy. It has persisted in fiscal years 1956 and 1957, in the presence of a Federal surplus although it has required a huge Federal deficit to produce past historic inflations. It was not touched off by a speculative fever in either consumer or producer goods or in stocks and bonds. Rather than an expansion of profit margins which usually accompanies a strictly demand inflation this one was accompanied by a shrinkage of profit margins. Consumer stocks were high rather than depleted by wartime scarcity or rationing. And finally the

current recession has not stopped the steady upward climb of prices.

Is there some new force in this inflation which has not received sufficient attention? I think there well may be. To me it is significant that practically every witness who appeared before the Finance Committee made reference to the inflationary power of labor unions. This was the case regardless of the background, philosophy, or politics of the individual witnesses. Practically every respondent to the questionnaire made the same observation about labor. Certainly such an array of testimony is more than mere casual coincidence and deserves more than casual attention.

THE ROLE OF WAGE COSTS IN INFLATION

Before referring to the testimony of the witnesses themselves, I shall outline the understanding I have gained of the general role of wage costs in inflation.

Wage rates may operate in several direct and indirect ways to initiate or sustain inflationary conditions.

First. Wage rate increases, not fully offset by improved productivity in the industries concerned, increase costs per unit which producers will attempt to recover through higher prices. I shall take a look at this in detail in a few minutes.

Second. Increased labor costs and prices, particularly if they occur in basic or supplier industries, will spread as higher nonlabor costs—cost of material and components—to other industries, in later stages of production, thus forcing up the prices of these industries as well.

Third. Because of wage leadership in collective bargaining and the influence of widening wage differentials on other workers, higher wages will be demanded in the industries not directly involved in the original wage-push.

Fourth. The prevalence of long-term labor contracts even in segments of the economy remote from each other tends to produce general rigidity and prevent offsetting downward adjustments of cost, and therefore, even though these wages have not risen, they contribute indirectly to the general upward pressures on the wage-price structure.

Fifth. As prices rise, upward wage pressures become cumulative and self-reinforcing. New wage and salary demands in all sectors are made to offset the rising cost of living. Escalator clauses in wage contracts tying money wage rates to the Consumer Price Index have become widespread in recent years. These wage increases are significant cost-push forces, whatever the initial or generating cause may have been. It is significant that these escalator clauses are most prevalent in the so-called strategic industries—industries which can cause repercussions throughout the rest of the economy. Examples are the steel, automobile, railroad, trucking and transit, electrical machinery, aircraft and parts, agriculture machinery, meatpacking, aluminum, and iron ore mining industries.

How likely is it that these five direct and indirect wage factors will push prices up in a particular situation? Referring to separate action in a single industry, if wages are increased without the creation of additional demand for the products of that industry, 1 or more of these 3 things will probably occur: (1) There will be increased unemployment in that industry; (2) there will be a downward pressure on wages in other industries; or (3), there will be a downward pressure on prices in the softer or more flexible parts of the economy.

If we are to speak of the effects of these five factors on the economy as a whole, our answer depends on the vigor and elasticity of the demand and on the direction and strength of current monetary and fiscal policies. If the demand is not expansive, increased unemployment will probably occur. Some authorities lay the present recession to this very situation. While the relative importance of the demand-pull and cost-push forces differ from one inflationary period to another and from one phase of each inflation to another, the two always exist when inflation is present, as it is now. Referring to the present inflation, Gerhard Colm, chief economist of the National Planning Association, had this to say in response to the committee questionnaire:

> Thus, I would explain the price rise of 1957, in part as a delayed aftermath of the preceding demand inflation; in part, as a cost inflation resulting from the rise in administered prices and increase in wage rates in excess of productivity gains.[1]

That both elements are usually mutually present in each inflation was made clear by Federal Reserve Board Chairman Martin when he appeared last August before the committee. He said:

> These distinctions present an oversimplification of the problem. Inflation is a process in which rising costs and prices mutually interact upon each other over time with a spiral effect. Inflation always has attributes, therefore, of a cost-push. At the same time, demand must always be sufficient to keep the spiral moving. Otherwise the marking up of prices in one sector of the economy would be offset by a reduction of prices in other sectors.[2]

WAGES, PRODUCTIVITY, AND PRICES

With the above discussion as benchmark and background, let us turn to labor's role in the cost-push inflation. It is my considered opinion, based in large part on my review of the Senate Finance Committee hearings, that a primary factor in the rise of consumer prices since early 1956 has been the increase in payroll costs in excess of increases in productivity. The same testimony was borne out by such men as Marriner Eccles, Dr. Sumner Slichter, and others.

Said Marriner Eccles:

> I believe the main cause of rising prices has been the use which labor union monopolies are making of their power to force up wages and numerous costly fringe benefits far in excess of increased productivity.[3]

[1] Investigation of the Financial Condition of the United States, comments of economists, professors, and others in response to the questionnaire of the Committee on Finance, United States Senate, 85th Congress, ch. 5, p. 584.

[2] Investigation of the Financial Condition of the United States, hearings before the Committee on Finance, United States Senate, 85th Congress, p. 1219.

[3] Ibid, p. 1695.

And Dr. Sumner Slichter, of Harvard, pointed out that the recent rise of prices reflects more than the typical strong demand for goods. He related his comments more specifically to the present recession:

> Wages have continued to rise throughout the recession in the face of falling demand for labor and goods. Thus the recession has given the public a clearer picture than ever of the responsibility of rising wages for rising prices. The more plainly the public sees the relationship between wages and prices, the more carefully it will appraise the demands of unions.[4]

These are the opinions, and I could cite several others;

What are the facts?

At this point, I ask unanimous consent to have printed in the RECORD a table showing the increases in hourly wages in manufacturing and productivity in manufacturing from 1947 to 1957. The table shows the percentage increase to 1957 from each year back to 1947. This same table is found on page 2088 of part 6 of the Finance Committee hearings.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE I

Year	Hourly wages manufacturing [1]		Productivity manufacturing	
	Average hourly earnings in manufacturing	Percentage increase from specified year to 1957	Indexes of output per man-hour (index: 1947–49=100) [2]	Percentage increase from specified year to 1957
1957	$2.07	----------	134.5	----------
1956	1.98	4.5	133.5	0.7
1955	1.88	10.1	130.0	3.5
1954	1.81	14.4	125.6	7.1
1953	1.77	16.9	119.7	12.4
1952	1.67	24.0	115.3	16.7
1951	1.59	30.2	111.6	20.5
1950	1.47	41.3	111.8	20.3
1949	1.40	47.8	105.4	27.6
1948	1.35	53.3	99.8	34.8
1947	1.24	67.3	90.5	41.0

[1] Manufacturing employment totaled 26 percent of total civilian employment in 1957.

[2] Computed from data prepared by Department of Labor.

Mr. BENNETT. Mr. President, when we examine the table, we observe that the increase to 1957 in average hourly wages in manufacturing has exceeded the increase in hourly output per worker every year since 1947. Over the total period, hourly earnings increased 67.3 percent, while productivity—the output per man-hour—increased only 41.0 percent, or a difference of 26.3 percentage points. Professor Slichter, of Harvard, and A. D. H. Kaplan, of the Brookings Institution, refer to this spread between wage and productivity increases as the inflationary gap. It is interesting to compare this so-called gap with the rise in industrial wholesale prices over the same period. These increased from an index of 95.3 to an index of 125.6 from 1947 to 1957, or a rise of 32 percent.

The changes since the beginning of the latest wave of inflation show hourly wages increasing 10.1 percent in the 2 years from 1955 to 1957, while productivity increased only 3.5 percent over the same period, thus creating a gap or 6.6

[4] Ibid, p. 1843.

percent. This corresponds to a wholesale industrial price increase of 7.3 percent over the period. In 1 year, from 1956 to 1957, manufacturing wages increased 4.5 percent, while output per man-hour increased only 0.7 percent, creating a gap of 3.8 percent. This compares with an industrial price increase of 2.8 percent during that year.

Obviously, the increase in labor costs in excess of productivity will not nearly match the rise in prices every year. As noted above, demand and other complex conditions enter in. In showing year-to-year changes, we find some cases where productivity moves ahead of wage increases, where prices lag behind costs, and where prices take the lead. We can also find that this pattern will vary from industry to industry within the same year. The purpose of the comparison here is merely to prove that cost-push forces are present in the overall inflationary process.

COST-PUSH INFLATION AND THE DISTRIBUTION OF INCOME

Another important aspect of the cost-push inflation deserves some careful attention. This is founded in the intense desire of unions and workers in every industry and firm to match their particular wage increases with the increase in productivity for their own industry or for the economy as a whole, whichever is higher. Thus, the figure for the whole economy becomes the irreducible minimum for all workers in wage negotiations with their employers. To outline the problem created by such misuse of statistics, let me refer to the response of Professor Haberler to the committee:

Technological progress and the rise in output per man-hour is, of course, not uniform over the whole economy. Some industries, let me say, certain branches of manufacturing and perhaps agriculture, display faster technological advances than some others—let me say most service industries. Hence, if the overall price level is to remain stable, the prices of the products of the more progressive industries must fall and the prices of the less progressive industries must rise. T..is presupposes, however, that wages in the more progressive industries cannot rise as fast as productivity in those industries. If stability of the price level and full employment are to be maintained, wages in these industries cannot be allowed to rise faster than average productivity of labor in the whole economy.

Suppose that labor in the progressive industries is organized in powerful unions which force up wages in proportion to the rise in productivity in those particular industries—an assumption which does not seem unrealistic—then, it is true, prices of the products of these industries need not rise. But since the American economy is sufficiently competitive to generalize, sooner or later, such a wage rise, if not fully, then at least to a large extent, over most of the economy, including the less progressive industries which cannot absorb the higher wage cost without a rise of prices at which they sell, the overall price level will go up.

It follows that the policy of wage increases in proportion to (let alone those in excess of) the rise in productivity in each particular industry is highly inflationary.[5]

The problem of the wage-price spiral, then, includes the conflict over the distribution of real income, not so much between labor and nonlabor elements, but among various labor groups themselves. Human nature demands that the various groups try to protect themselves by pressuring for higher money incomes. The workers in the least progressive industries will not settle for less than the average, and those in the most progressive industries will certainly not reduce themselves to the average. Strategically placed, highly organized unions usually play a special role as catalysts in this mad scramble. And the union leaders are right there on the spot with the figures for their particular situation, using every device and skill to raise the hopes of every worker—and thus create more cost-push pressure.

In our present collective bargaining society, therefore, inflation becomes almost a matter of arithmetic. There is an almost inevitable persistent upward pressure on the cost-price structure. The constantly increasing power of organized labor will continue to put an increasingly heavy burden on our monetary and fiscal policy unless we can find acceptable means of controlling the wage-push factors of inflation.

PROFITS AND WAGES

The rather popular claim is frequently made that increasing profits, rather than increasing wage costs, are the real cause of rising prices. None of the witnesses who appeared before the Finance Committee or submitted statements for the record made this red-herring argument, but it was freely offered by labor leaders and other witnesses related to labor who appeared before another Senate committee while our finance hearings were going on, and is frequently presented in speeches by labor leaders and appears in reports of major labor negotiations. Because a few companies have large profits, this is frequently used as an argument to apply to business as a whole. Those who accept this fallacy then build a whole economic philosophy on the idea that to increase profits is to diminish purchasing power, and that the way to cure our economic problems is to increase purchasing power by increasing wages, regardless of related increases in productivity.

Before turning to the facts of the case, I wish to point out that the subtle false logic of this argument has great appeal to the ordinary citizen. On the surface this reasoning has its foundation in a sound economic doctrine—the purchasing power concept—but in reality, it merely perverts the idea. For an answer to this false reasoning, I turn again to the able testimony of Professor Haberler:

It is one of the most pernicious fallacies that a boost to wages is an effective method of increasing purchasing power and thus alleviate depression. A tax cut or increase in public expenditures strengthens purchasing power. On the other hand, a rise in wages may or may not increase purchasing power of the workers (depending on what it does to employment). But in any case, whether it does or does not raise the purchasing power of the workers concerned, it boosts cost of production, it pushes up prices (or prevents prices from falling) and so reduces the real purchasing power of all consumers, including labor itself, adds to the fires of inflation and thus makes it more difficult for the monetary authorities to relax credit restrictions.[6]

What do the facts say with regard to wages versus profits as an inflation force? I wish to have printed in the RECORD at this point another table which I had inserted in the hearings. It shows the percent increase to 1957 from preceding years of total corporate profits, and total compensation of employees, both, of course, before taxes.

It will be seen by examining the table that the increase in wages of employees exceeded the increase in corporate profits before taxes for each year from 1947 to 1956.

I ask unanimous consent to have printed at this point in the RECORD, table II.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE II.—*Profits and wages for 1947–57*

[Dollars in billions]

Year	Profits		Total wages	
	Total corporate profits before taxes	Percentage increase from specified year to 1957	Total annual compensation of employees	Percentage increase from specified year to 1957
1957	$41.0	----------	$254.4	----------
1956	43.0	−4.7	241.4	5.4
1955	42.5	−3.5	223.1	14.0
1954	33.5	22.4	206.8	23.0
1953	37.0	10.8	208.1	22.2
1952	35.9	14.2	195.1	30.4
1951	41.2	−.5	180.4	41.0
1950	40.0	2.5	154.3	64.9
1949	26.2	56.5	140.9	80.6
1948	32.8	25.0	140.9	80.6
1947	29.5	39.0	128.8	97.5

Mr. BENNETT. Mr. President, it will be noted that during the years of the latest inflation, 1955–57, profits increased slightly from 1955 to 1956, but decreased from 1956 to 1957. Profits in 1957 were lower than in both 1955 and 1956. On the other hand, employee compensation increased dollarwise and percentagewise between 1955 and 1957. Referring to the table inserted earlier, it will be seen that the same is true for hourly earnings in manufacturing.

Although unincorporated business and professional incomes are not shown in the table, I might point out that from 1955 to 1957 these incomes increased from $27.3 billion to $28.7 billion for a percentage rise of 5.1 percent. This is less than half of the increase in compensation of employees over the corresponding years.

Yet the question may still be asked: Could not a general wage increase come out of profits? It might for a few companies and for a few years, but it could not be true for all companies or for every year. This should be clear from the data already presented; but for additional evidence, I have shown in table III the national income by years from 1947, and the percentage which corporate profits before taxes and compensation of employees are of that income.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point table III.

[5] Questionnaire, ch. 5, p. 625.

[6] Ibid, p. 623.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE III

[Dollars in billions]

Year	National income	Compensation of employees as a percent of national income	Corporate profits before taxes as a percent of national income
1947	$197.2	65.3	15.0
1948	221.6	63.6	14.8
1949	216.2	65.2	12.1
1950	240.0	64.3	16.7
1951	277.0	65.1	14.4
1952	290.2	67.2	12.4
1953	302.1	68.9	11.1
1954	299.0	69.2	12.2
1955	324.1	68.8	12.4
1956	343.6	70.3	12.5
1957	358.2	71.1	11.5

NOTE.—The remainder of the distribution within 100 percent is made up of farm business and professional, rental, and net interest income.

Mr. BENNETT. Mr. President, from this table it is obvious that wages have in fact increased their relative share of the national income during the past 3 years from 68.8 percent in 1955 to 71.1 percent in 1957. Corporate profits, on the other hand, have correspondingly declined from 12.4 percent to 11.5 percent of national income during the same period.

A general wage increase of even 5 percent in 1957 not compensated by an increase in productivity or prices would reduce nonwage income by one-eighth, and if it all came out of corporate profits it would mean a reduction of 31 percent in this sector—nearly one-third. A 16-percent wage increase would wipe out all profits. Thus, it does not take much imagination to see what an additional profit squeeze would do to the economy.

On the other hand, one of the most potent factors in our economy to damper inflationary forces is increased productivity. If production is increased as fast as demand is enlarged, price inflation will probably not occur. I submit that productivity will be increased only if profit margins are large enough to provide businessmen with incentive to borrow, and savers with incentive to invest or to lend the funds to finance the new capital improvements. In this sense, therefore, profit margins are an indirect defense against inflation rather than a cause of inflation.

From the pamphlet, the Mechanics of Inflation, published by the United States Chamber of Commerce, I borrow this paragraph:

If temporarily high profits in expanding industries become the basis for monopolistic wage demands, and those profits are reduced before they can perform their most important economic function, the expansion of the industry desired by consumers is cut off. The whole community is thereby robbed in higher prices, uneconomic use of our resources and foregone improvements in living standards. If a free market is to be preserved, we enforce competition and rely on competition to grind down temporarily high profits. This is not the function of the labor leader, however sincere and public spirited he may be.[7]

[7] P. 39.

Another point is worth noting here. Normally, profits, being a residual share of national income, increase faster than other income shares in a boom period. On the other hand, they fall more rapidly in a recession—for example, 1931 and 1932. They are not inflexible downward, as are wages; nor on the rise do they establish higher rigid cost plateaus, as do wages.

Before I leave this discussion of the relative inflationary effect of rising wages and rising profits, I wish to turn briefly to a philosophical comment on the subject made by Mr. Theodore O. Yntema, vice president and economist of Ford Motor Co., which appears in his testimony before the Subcommittee on Antitrust and Monopoly. He said:

We would like to see the productivity advances in the economy distributed more in lower prices and less in higher money wages of reduced purchasing power. * * *

Certainly, we should not tolerate attempts by any power group to grab such benefits for themselves. * * *

The productivity of society is reflected in the physical volume of output per man-hour worked. This output per man-hour is usually called the productivity of labor. The term, however, is a misnomer because laborers are not responsible for much of the increase in productivity. The increases in productivity come mainly from management's utilizing capital and putting into operation the improvements discovered by scientists, engineers, and others. It is somewhat ironical that productivity should be expressed as output per man-hour, and it is most unfortunate that the term "productivity of labor" should be misinterpreted as productivity attributable to labor.[8]

CONCLUSIONS—RECOMMENDATIONS

If the power of labor to exact wage increases in excess of productivity is a major cause of inflation, what course should the Government pursue to stem this inflationary force? The monetary authorities, and those responsible for fiscal policy—and a major responsibility for these rests squarely on this body—have a mandate to control the demand type of inflation. What forces or agencies have the responsibility to stem the cost-push type of inflation? Fiscal and monetary policy could handle this type of inflation, too, but only at the cost of increased unemployment.

I have not as yet reached any conclusions for myself as to the best course to follow. However, the witnesses to the Finance Committee offered some individual suggestions which are worth considering.

I think it should be obvious to everybody that the place to begin, and in the long run perhaps the only source of a solution, is with the public itself—through a program of economic enlightenment. Sumner Slichter concluded his testimony before the committee with these words:

The more plainly the public sees the relationship between wages and prices, the more carefully it will appraise the demands of the unions. The public is obviously getting tired of the stiff annual rounds of wage increases that far exceed the contribution of the workers to productivity. An atmosphere is being built up in which employers who take long and costly strikes in an attempt to hold wage increases down to increases in productivity will have strong public support.[9]

[8] Prepared testimony of Theodore O. Yntema before the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary, United States Senate, February 4–5, 1958, pp. 40–41.

Gerhard Colm offered these suggestions:

1. Develop more facts on prices, wages, and productivity, and a better understanding of these facts.

2. Implement the price stabilization objective of the Employment Act.

3. Give consideration to an annual informal conference of business and labor leaders and research economists, for the purpose of discussing along general lines price and wage policy which would give support to high and rising employment and production without causing inflation or deflation. Whether or not agreement on price and wage policy is reached at these sessions, the resulting public information would lead at least to a clearer understanding of the areas of disagreement. "A better informed public opinion in itself will exert a restraining influence on price and wage policy."

4. Set up a special Government commission on price and wage policy. Require producers and labor leaders to inform the commission of contemplated price increases and new collective bargaining agreements before they become effective. After study by the commission, and review by the Council of Economic Advisers, the President could then approve or suspend the effective date for a period of say 60 days if they are deemed to be contrary to the public interest.[10]

Though Mr. Colm's first three suggestions merit further study, I hope we can reach a solution more in keeping with private free enterprise than his fourth suggestion.

There is one other suggestion which received only a little attention in the committee hearings, but which also deserves some careful study. The idea has been suggested by many responsible men in other places. It is a call to extend present antitrust laws to cover labor union activity, or in some way limit the size of unions. George Romney, president of American Motors, in testimony before the Subcommittee on Antitrust and Monopoly, called for a dividing of the power of national unions. Two of his specific proposals were:

1. The combining of the national unions for the establishment of common bargaining demands or use of economic power, should be prohibited.

2. Affiliated unions should be free to combine in bargaining with employers having less than 10,000 employees, but only within prescribed geographical limits. However, those representing more than about 10,000 employees of a single employer should be prohibited from combining to establish collective bargaining demands or exercising joint economic power against more than one company.[11]

Theodore O. Yntema in his response to the Finance Committee questionnaire gave it as his opinion that the most desirable solution to wage inflation, and its cause—the labor monopoly problem—is

[9] Hearings, p. 1843.

[10] Questionnaire, ch. 5, pp. 580–581.

[11] Prepared testimony of George Romney before the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary, United States Senate, February 7, pp. 38–39.

the development of antimonopoly laws comparable to those which govern business.

I quote in length from Mr. Yntema's words, both because of their vital nature, and because they summarize my feelings on this matter:

Competition in business is not perfect—in the everyday sense; it can be and needs to be improved. By and large, however, there is enough competition in most industries to keep prices and profits down to levels roughly equal to those necessary to compensate for the risks of the business. * * * And there are laws on the books prohibiting monopoly and monopolistic practices—laws that have maintained reasonably workable competition in business.

A different situation exists in labor. Labor unions are monopolies established under the aegis of law. They are given special protection and even immunities and privileges that are not accorded ordinary citizens. They are not subject to much regulation or restraint in the use of their monopoly power.

During the boom of 1955–57 and in the recession of 1957–58 the unions have displayed their power to drive up wages faster than productivity and to squeeze profit margins. There is no reason to expect different behavior in the future from labor unions unless their powers are reduced. We can look forward, therefore, to continued and probably accelerated cost-push inflation in the future unless appropriate action is taken. * * *

This problem of labor monopoly and cost-push inflation cannot be solved merely by increasing the degree of competition in business. * * *

Industrywide organization of business to oppose industrywide organization of labor is not a happy solution. * * *

Wage and price controls are still worse as a solution.

This problem cannot be cured by monetary or fiscal means. Prof. E. H. Chamberlin makes this point clearly in The Economic Analysis of Labor Union Power.

Mr. Yntema then quotes Professor Chamberlin:

To deal with a wage-push inflation by monetary or fiscal policies is certainly not to deal with causes; it is rather an attempt to create a counter push by squeezing businessmen so that they will in turn squeeze labor. It risks economic contraction to say nothing of major industrial strife. An obvious alternative is to diminish the degree of economic power in the hands of the unions, so that the pressure may be reduced at its source * * *

As a first step, some or all of the legal immunities of labor can be removed, and unions can be made subject to the laws of the land that ordinary citizens must obey. * * *

If this first step is not sufficient, the second step would be the development of antimonopoly laws for unions and analogous to the antimonopoly laws for business. If necessary, it would be possible to limit federations of locals for collective bargaining to a size that does not give them monopoly control of labor and wages in an industry and to prohibit collusion among such federations in economic matters. It may not, however, be necessary to go this far to prevent most wage inflation. * * *

What is needed is objective analysis of wage inflation and labor monopoly by competent, disinterested scholars and the publication of their findings. As economists in increasing numbers undertake such analysis, as the economic profession becomes better informed, and as the knowledge spreads to the public, there will develop a basis for action in dealing with labor monopolies.[12]

Cost-push inflation, though relatively new, is an American economic problem of major proportions. It is a complex problem, and likewise the solutions to it are still beclouded. But the difficulty of our task should not deter us from tackling it. I conclude with the words of Dr. Yntema:

Wage inflation is the key economic problem of this country. Solving that problem will make possible high employment, price stability, and dynamic economic progress. The resulting benefits to union members will far outweigh any possible gains they might achieve by exercise of union monopoly power.[13]

AMENDMENT OF MINERAL LEASING ACT OF 1920, RELATING TO DEVELOPMENT OF COAL ON PUBLIC DOMAIN

The PRESIDING OFFICER (Mr. MANSFIELD in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 2069) to amend section 27 of the Mineral Leasing Act of February 25, 1920, as amended, in order to promote the development of coal on the public domain, which was to strike out all after the enacting clause and insert:

That section 27 of the act of February 25, 1920, as amended (41 Stat. 448, 30 U. S. C. 184), is further amended by deleting from the first sentence thereof the words "coal or" and "for each of said minerals", and by inserting at the beginning of said section the following:

"No person, association, or corporation, except as herein provided, shall take or hold coal leases or permits during the life of such lease in any one State, exceeding the aggregate acreage 10,240 acres: *Provided*, That a person, association, or corporation may file an application for coal leases or permits for acreage in addition to said 10,240 acres, which application or applications shall be in multiples of 40 acres each, not to exceed a total of 5,120 additional acres in such State, and shall contain a statement that the granting of a lease for such additional lands is necessary for the person, association, or corporation to carry one business economically and is in the public interest. On the filing of said application, the coal deposits in such lands covered thereby shall be temporarily set aside and withdrawn from all forms of disposal under this act. The Secretary of the Interior shall conduct public hearings on said application or applications for additional acreage. After such public hearings, the Secretary may, under such regulations as he may prescribe, to such extent as he finds necessary for the applicant in order to carry on business economically and is in the public interest, set aside for a period not to exceed 50 years and withdraw for such period of time the coal deposits in such lands from all forms of disposal under this act. When it is further shown to the satisfaction of the Secretary that the applicant has an immediate requirement for said acreage so set aside and withdrawn and is prepared without unreasonable delay to commence operation of any of said lands, then the Secretary may, under such regulations as he may prescribe, issue permits or leases to the applicant for such lands which are so required and will be so developed without delay. The Secretary of the Interior may re-evaluate all or any part of any withdrawal so made if he finds that such is in the public interest or that the coal deposits in such withdrawn lands are no longer necessary for the applicant to carry on business economically."

And to amend the title so as to read: "An act to amend section 27 of the act entitled 'An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain' to increase the aggregate acreage of coal leases which may be held by one person in any one State."

Mr. O'MAHONEY. Mr. President, I move that the Senate disagree to the amendments of the House of Representatives to the bill (S. 2069), request a conference with the House of Representatives on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Wyoming.

The motion was agreed to; and the Presiding Officer appointed Mr. O'MAHONEY, Mr. CARROLL, and Mr. BARRETT conferees on the part of the Senate.

Mr. BENNETT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. FREAR in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONFLICT OF FEDERAL AND STATE STATUTES

Mr. STENNIS. Mr. President, in the past few years the Federal judiciary has greatly extended Federal power at the expense of the States.

One device employed by the court in making this unauthorized transfer of power is by abuse of the rule of statutory construction which holds that where a Federal statute directly conflicts with the language of a State statute in an area of power delegated to the Federal Government by our Constitution, the Federal statute must prevail.

Within the limited scope of this rules application, this guide to statutory construction is well grounded in reason. Federal laws in a Federal field must prevail when they directly conflict with State law.

It is the abuse of this rule, the extension of the doctrine of preemption to Federal statute involving no conflict that is resulting in the invalidation of many State laws and is casting grave doubt on the legal effectiveness of many, many others which deal with vital local issues. For the reason that this essentially procedural rules abuse is creating a great deal of mischief with regard to the laws of the 48 States, I joined in sponsoring S. 337, "to establish rules of interpretation governing consideration of the effects of acts of Congress on State laws."

[12] Questionnaire, Ch. 6, pp. 744–746.

[13] Ibid, p. 758.

The companion bill, H. R. 3, was introduced in the House under the sponsorship of the distinguished Representative from Virginia, Judge HOWARD SMITH. I am gratified to learn that H. R. 3 has been passed by the House of Representatives by the convincing and overwhelming vote of 240 to 155 last Thursday.

This measure will reinforce and underscore a fundamental rule of judicial construction. Throughout the greater part of our Nation's history's this rule was honored as being necessary for the preservation of the balance of power between the States and the Federal Government in our Union. The purpose of this bill is to give Congressional endorsement to the time-honored judicial doctrine so clearly expressed by the Supreme Court itself in *Reid* v. *Colorado* (187 U. S. 137, 148):

> It should never be held that Congress intends to supersede or by its legislation suspend the exercise of the police powers of the States, even when it may do so, unless its purpose to effect that result is clearly manifested. This Court has said—and the principle has been often reaffirmed—that "in the application of this principle of supremacy of an act of Congress in a case where the State law is but the exercise of a reserved power, the repugnance or conflict should be direct and positive so that the two acts could not be reconciled or 'consistently stand together.'

This rule has never been specifically discarded by the Supreme Court, nor has it ever been challenged in the opinions of the Court itself. It is so fundamentally sound that it would defy direct assault to any judicially experienced mind. Lately, the Supreme Court has honored this rule more in its breach than in its observance.

It will probably never be overruled by the Supreme Court. It will continue to be ignored when the Court—to reach a predetermined conclusion—decides that State laws are unduly interfering with Federal power, as in the case of State subversive laws in *Commonwealth* v. *Nelson* (Doc. No. 10, April 2, 1956), or in labor disputes involving local emergencies—*Amalgamated Assoc.* v. *N. L. R. B.* (340 U. S. 383, 1950)—or the condemnation of unsanitary butter—*Cloverleaf Co.* v. *Patterson* (315 U. S. 148, 1942).

These decisions not only invalidated State statutes under consideration but have raised doubt as to the validity of many others. Unless these opinions are reversed or overruled by the Court itself, or future cases are distinguished on some merely technical ground, or unless Congress acts, the States are permanently excluded from legislating in many vital fields. This is the most lasting evil effect.

The President is elected to serve the people of the country as a whole, and has no primary responsibility to represent the States interests in matters of conflict for overlapping areas of power. The Federal courts certainly have no direct responsibility to the State. The House of Representatives, which is composed of members elected by the people representing districts within States, has shown laudable concern for the preservation of State sovereignty. However, it is the Senate, which is composed of members elected from the States to serve here to protect the interests and rights of the States, which has a special obligation regarding legislation on this subject. The grave issues presented by the Supreme Court's vast extension of Federal power over truly local situations and problems through judicial extension of legislation deserve immediate and thorough consideration of the Senate. The people deserve to know that the Federal Judiciary's relentless war on the powers of the States will not and cannot go unchallenged.

Mr. President, I trust that the Senate, first through the Committee on the Judiciary, and then on the floor, will soon take up for debate this momentous and far-reaching question, which seems to be so clearly set forth in a very simple bill. I trust that the Senate, after mature consideration, will pass the bill by a convincing and overwhelming vote, and an even larger vote than the vote by which it was passed in the House of Representatives, and that the bill will become law.

If so, I believe we shall have taken a very sound and what I believe to be a very essential step toward restoring the proper relationship which should exist between the States and the Federal Government in a multitude of cases in many important fields. Failure to enact some legislation on this very grave subject will not only lead to further confusion with respect to the true relationship between the States and the Federal Government, but will also encourage those who seek to wipe out State and Federal lines.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ALASKA INTERNATIONAL RAIL AND HIGHWAY COMMISSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business, the proposed extension of the Trade Agreements Act, be temporarily laid aside, and that the Senate proceed to the consideration of Calendar No. 1877, S. 2933.

The PRESIDING OFFICER (Mr. FREAR in the chair). The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2933) to extend the life of the Alaska International Rail and Highway Commission to increase its authorization.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Foreign Relations with an amendment to strike out all after the enacting clause and insert:

That (a) section 3 of the act entitled "An act to establish an Alaska International Rail and Highway Commission", approved August 1, 1956 (70 Stat. 888; 48 U. S. C. 890), as amended, is amended to read as follows: "The Commission is authorized to cooperate with the officials of the Dominion of Canada and of the Provinces of British Columbia and Alberta and with any commission or similar body appointed for such purpose by the Dominion of Canada or the Provinces of British Columbia or Alberta. The Secretary of State shall, at the request of the Commission, arrange for meetings with such officials and with such commissions or similar bodies of the Dominion of Canada or the Provinces of British Columbia and Alberta."

(b) Section 7 of such act is amended by striking out "not later than two years after the date of enactment of this act", and inserting in lieu thereof "at the earliest practicable time, but in no event later than February 1, 1960." Section 7 is further amended by striking out the last sentence thereof which reads as follows: "The Commission shall cease to exist, and all authority conferred by this act shall terminate, 30 days after the date of submission of the final report", and inserting in lieu thereof: "The Commission shall cease to exist for all intents and purposes, and all authority conferred by this act shall and does terminate 30 days after the date of the submission of the final report or on March 1, 1960, whichever date occurs first."

(c) Section 8 of such act is amended by striking out "$75,000" and inserting in lieu thereof "$300,000."

Mr. MAGNUSON. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an explanation of S. 2933.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

As amended by the committee, this bill makes three changes in the law creating the Alaska International Rail and Highway Commission:

1. The deadline for the Commission's final report is extended from August 1, 1958, to February 1, 1960. The bill provides that the Commission will cease to exist 30 days after its final report is submitted, but in no event later than March 1, 1960.

2. The authorization of appropriations to the Commission is increased from $75,000 to $300,000.

3. The Commission is authorized to cooperate with officials of the Province of Alberta as well as with officials of Canada and the Province of British Columbia. This is to provide for the contingency that some of the transportation routes to be studied may lie farther east than was originally contemplated.

The Commission was created by act of Congress August 1, 1956, and directed to make "a thorough and complete study" of the economic and military advantages of additional highway and rail transportation facilities between the continental United States and Alaska, of the most feasible and direct routes, and of the most feasible feeder routes from coastal ports and cities. The Commission was directed to submit its final report within 2 years and to include in the report estimates of the cost of construction of rail and highway facilities together with estimates of the economic benefits.

There was a delay of almost a year in the appointment of the Commission, and it did not hold its first meeting until July 30, 1957. In the 18-month extension which S. 2933 would provide, the Commission proposes to contract with a reputable consulting firm for a study of the economic problems involved in the construction of additional transportation facilities. The Commission has a staff of only four people. Members of the Commission serve without pay, except for reimbursement for expenses. The present membership is Louis S. Rothschild, Under Secretary of Commerce for Transportation, Chairman; Senator Magnuson, Vice Chairman; Senator Barrett, Dele-

gate E. L. Bartlett, Representatives Russell Mack, Leo O'Brien, and B. F. Sisk; Roger C. Ernst, Assistant Secretary of the Interior for Public Land Management; Laurence C. Vass, Director of the Office of Transport and Communications, Department of State; Maj. Gen. Samuel Browning, Deputy Chief of Transportation, Army; Norton Clapp, chairman of the board, Weyerhaeuser Timber Co., Seattle; Charles Burdick, Juneau; and Frank E. McCaslin, president, Oregon Portland Cement Co., Portland, Oreg.

The pending bill is supported by the Departments of State, Defense, Commerce, and Interior. It was introduced January 9 by Senator MAGNUSON. The committee held a hearing on July 15, amended the bill, and ordered it favorably reported.

The Department of Defense has reported that "at present, existing lines of communication to Alaska are adequate to support the military forces in accordance with jointly approved war plans" and that "additional land transportation facilities connecting the United States with Alaska are not required for the support of present and projected plans for the military forces in Alaska. The Department bases its support of the bill on the grounds that the Commission's report "will undoubtedly be of military interest and value."

More important, in the committee's view, are the economic questions to be answered by the study. To a considerable extent, the economic history of the United States is a story of development following the creation of new transportation facilities. There is no doubt that the development of Alaska would be stimulated in the same way by additional rail and/or highway routes.

It is necessary, of course, to recognize the great difficulties, principally of terrain and climate, which stand in the way of developing additional routes. Such development may prove not to be economically feasible. But this can be determined only through a study such as the Commission proposes.

The bill does not in any way commit the Congress to a given course of action in regard to any recommendations which may emerge from the study.

It is important, however, that the study be made. The matter takes on added urgency in view of the apparently imminent attainment of statehood of Alaska.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DAY SIGNALS FOR CERTAIN VESSELS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business, the proposed extension of the Trade Agreements Act, be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 1878, S. 3951.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 3951), to amend the act of June 7, 1897, as amended, so as to authorize the Secretary of the Treasury to prescribe day signals for certain vessels, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD at this point an explanation of the bill.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

Existing statutes authorize the Commandant of the Coast Guard to establish rules to be observed on inland waters by vessels in passing each other and as to the lights to be carried on such waters. This bill would add authority for prescribing day signals as well as lights, and in accordance with the policy set forth in Reorganization Plan No. 26 of 1950, it would vest the regulatory authority in the Secretary of the Department in which the Coast Guard is operating.

The bill would resolve any question as to the validity of the regulations, would conform the regulations to be observed and the penalties for violations on inland waters with those in effect on western rivers, and would make provision to assure the availability of these printed rules on board vessels more than 65 feet in length.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a memorandum from the Treasury Department regarding the bill be printed at this point in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM RE DRAFT BILL TO AMEND THE ACT OF JUNE 7, 1897, AS AMENDED, AND SECTION 4233A OF THE REVISED STATUTES, SO AS TO AUTHORIZE THE SECRETARY OF THE TREASURY TO PRESCRIBE DAY SIGNALS FOR CERTAIN VESSELS, AND FOR OTHER PURPOSES

In the Federal Register of January 10, 1948, there were published certain regulations of the Corps of Engineers, Department of the Army (13 F. R. 150) and the Coast Guard (13 F. R. 152). The Coast Guard regulations are substantially identical to the Corps of Engineers' regulations. These regulations, now in effect, prescribe lights and day signals for dredges and vessels working on obstructions and signals to be used by vessels in passing floating plants in navigable channels. The Corps of Engineers' regulations, now codified in title 33, Code of Federal Regulations, sections 201.1–201.16, are applicable to the Great Lakes and the western rivers. The Coast Guard regulations, title 33, Code of Federal Regulations, section 80.18–80.31a, are applicable on certain inland waters, that is, the same waters on which the inland rules of the road are applicable.

The statutory authority for the issuance of the Corps of Engineers' regulations is section 7 of the River and Harbor Act of August 8, 1917 (40 Stat. 266; 33 U. S. C. 1), which provides in pertinent part as follows:

"It shall be the duty of the Secretary of War to prescribe such regulations for the use, administration, and navigation of the navigable waters of the United States as in his judgment the public necessity may require for the protection of life and property, or of operations of the United States in channel improvement, covering all matters not specifically delegated by law to some other executive agency."

The statutory authority for the issuance of the Coast Guard regulations referred to above was section 2 of the act of June 7, 1897 (30 Stat. 102), as amended to date of issuance (33 U. S. C. 157 (1946 edition)), which provided in pertinent part as follows:

"The Commandant of the Coast Guard shall establish such rules to be observed, on the waters mentioned in the preceding section (all harbors, rivers, and inland waters of the United States, except the Great Lakes and their connecting and tributary waters as far east as Montreal and the Red River of the North and rivers emptying into the Gulf of Mexico and their tributaries) by steam vessels in passing each other and as to the lights to be carried by ferryboats and by barges and canal boats when in tow of steam vessels, and as to the lights and day signals to be carried by vessels, dredges of all types, and vessels working on wrecks or other obstruction to navigation or moored for submarine operations, or made fast to a sunken object which may drift with the tide or be towed, not inconsistent with the provisions of this act, as he may from time to time deem necessary for safety."

A few months after the promulgation of the regulations described above Congress enacted Public Law 544, 80th Congress, act of May 21, 1948, volume 62, Statute, page 249, which affected the authority for issuing the regulations described above. Public Law 544 amended, inter alia, section 2 of the act of June 7, 1897, title 33, United States Code, section 157, supra, to read in pertinent part as follows:

"SEC. 2. (a) That the Commandant of the United States Coast Guard shall establish such rules to be observed on the waters mentioned in the preceding section by steam vessels in passing each other and as to the lights to be carried on such waters by ferryboats and by vessels and craft of all types when in tow of steam vessels, or operating by handpower or horsepower or drifting with the current, and any other vessels not provided for, not inconsistent with the provisions of this act, as he from time to time may deem necessary for safety."

It appears that the phrase, "and day signals" was inadvertently omitted from the amended section 2. Report No. 406, 80th Congress, of the Committee on Merchant Marine and Fisheries on H. R. 3350, which later became Public Law 544, does not include any statement of intention to delete the authority to prescribe day signals, although the report does include a letter from the Secretary of the Treasury setting forth, among other things, the specific amendments to the inland rules intended to be made by the bill. The omission of the authority to prescribe day signals raises a doubt as to the validity of the present Coast Guard regulations relating to day signals for certain vessels on inland waters. To resolve this doubt it is recommended that the words "and day signals" be inserted following the words "as to the lights" in section 2 (a).

It is also recommended that section 2 (a) be amended by deleting the words "the Commandant of the United States Coast Guard" and substituting therefor the words "the Secretary of the Department in which the Coast Guard is operating." The purpose of this amendment is to follow the policy stated by Congress in Reorganization Plan No. 26 of 1950 that all functions of the Treasury Department be vested in the Secretary. Similar amendments are proposed for section 2 (b) of the act of June 7, 1897, as amended. It is also recommended that the words, "as provided for in article 30 of chapter 802 of the laws of 1890" be deleted for the reason that the statute cited has been repealed and superseded by the act of October 11, 1951, volume 65, Statute, page 406.

The bill would also amend section 2 (a) of the act of June 7, 1897, as amended, and section 4233A (a) of the Revised Statutes by deleting from each the requirement that "two printed copies of such rules shall be furnished to all vessels and craft mentioned in this subsection, which rules shall, where practicable, be kept posted up in conspicuous places thereon," and substituting the provision that "a pamphlet containing such act and regulations shall be furnished to all vessels and craft subject to this act. On vessels and craft over 65 feet in length the pamphlet

shall, where practicable, be kept on board and available for ready reference." The existing provision requires that only the rules be kept on board (i. e., posted). It is essential that the statutory rules also be kept on board. The Coast Guard now publishes the statutory and regulatory rules together in a pamphlet. The requirement that the rules be posted is not necessary. It is only necessary that the rules be handy in pamphlet form for ready reference, where practicable. Moreover, the existing requirement applies only to vessels and craft mentioned in the subsection. There are many other vessels that should be required to carry the rules pamphlet, where practicable. The proposed amending language reflects the foregoing considerations.

It is proposed in the draft bill to amend section 3 of the act of June 7, 1897, as amended, title 33, United States Code, section 159, by changing the language to provide that an unlicensed pilot, engineer, mate, or master, as well as one who is licensed may be cited for a violation of the rules. It is also proposed that the word "steam" be deleted so that persons in sailing ships and other vessels not propelled by machinery will be subject to penalty for violation of the rules. It is further proposed that the amount of the penalty be increased from $100 to an amount not exceeding $500. This increase in penalty would make it equal to the amount now provided for in the western rivers rules, section 4233B of the Revised Statutes, and as proposed for the Great Lakes rules in H. R. 7226 and S. 1976, 85th Congress. Certain other clarifying changes in phraseology are proposed in section 3. The draft bill would amend section 4 of the act of June 7, 1897, as amended, title 33, United States Code, section 159, by increasing the penalty from $200 to $500 and by adding a provision that the vessel would be liable to a penalty for a violation of the regulations established pursuant to the act. Certain clarifying changes in phraseology are also proposed to section 4.

Section 4233A of the Revised Statutes was also enacted by Public Law 544. Section 4233A is worded exactly the same as amended section 2 of the act of June 7, 1897, supra. Section 4233A is the authority for the Secretary of the Treasury to prescribe regulations to supplement the western rivers rules to prevent collisions. The enactment of section 4233A has raised a doubt as to the validity of the Corps of Engineers regulations, title 33, Code of Federal Regulations, sections 201.1–201.16, supra, insofar as they purport to prescribe lights for certain vessels on the western rivers. The authority to prescribe such lights has been specifically delegated to the Commandant (Secretary of the Treasury) by section 4233A. Apparently, then, the Corps of Engineers has no authority to prescribe such lights under section 7 of the Rivers and Harbors Act of 1917, volume 40, Statutes, page 266, title 33, United States Code, section 1, supra, since section 7 authorizes the Corps of Engineers to issue regulations only with respect to matters not specifically delegated by law to some other executive department.

It is proposed that section 4233A be amended in the same way as proposed above for section 2 of the act of June 7, 1897, title 33, United States Code, section 157. If so, amended, section 4233A would authorize the Secretary of the Treasury to prescribe day signals for certain vessels on the western rivers, as well as for lights, as at present. Then it is planned that the present Corps of Engineers regulations for the western rivers be canceled and reissued by the Secretary of the Treasury under the authority of the amended section 4233A. There would then be no doubt of their validity.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That sections 2, 3, and 4 of the act of June 7, 1897, as amended (30 Stat. 102; 33 U. S. C. 157, 158, and 159) are further amended to read as follows:

"SEC. 2. (a) The Secretary of the Department in which the Coast Guard is operating shall establish such rules to be observed, on the waters described in section 1 of this act, by steam vessels in passing each other and as to the lights and day signals to be carried on such waters by ferryboats, by vessels and craft of all types when in tow by steam vessels or operating by hand power or horsepower or drifting with the current, and by any other vessels not otherwise provided for, not inconsistent with the provisions of this act, as he from time to time may deem necessary for safety, which rules are hereby declared special rules duly made by local authority. A pamphlet containing such act and regulations shall be furnished to all vessels and craft subject to this act. On vessels and craft over 65 feet in length the pamphlet shall, where practicable, be kept on board and available for ready reference.

"(b) Except in an emergency, before any rules or any alteration, amendment, or repeal thereof, are established by the Secretary under the provisions of this section, the said Secretary shall publish the proposed rules, alterations, amendments, or repeals, and public hearings shall be held with respect thereto on such notice as the Secretary deems reasonable under the circumstances.

"SEC. 3. Every licensed and unlicensed pilot, engineer, mate, or master of any vessel who violates the provisions of this act or the regulations established pursuant hereto shall be liable to a penalty of not exceeding $500, and for all damages sustained by any passenger, in his person or baggage, as a result of such violation: *Provided*, That nothing herein shall relieve any vessel, owner, or corporation from any liability incurred by reason of such violation.

"SEC. 4. Every vessel which is navigated in violation of any of the provisions of this act or the regulations established pursuant hereto shall be liable to a penalty of $500, one-half to go to the informer, for which sum such vessel may be seized and proceeded against by action in any district court of the United States having jurisdiction of the offense."

SEC. 2. Section 4233A of the Revised Statutes (33 U. S. C. 353) is amended to read as follows:

"SEC. 4233A. (a) The Secretary of the Department in which the Coast Guard is operating shall establish such rules to be observed, on the waters described in section 4233, by steam vessels in passing each other and as to the lights and day signals to be carried on such waters by ferryboats, by vessels and craft of all types when in tow of steam vessels or operating by hand power or horsepower or drifting with the current, and by any other vessels not otherwise provided for, not inconsistent with the provisions of this act, as he from time to time may deem necessary for safety, which rules are hereby declared special rules duly made by local authority. A pamphlet containing such act and regulations shall be furnished to all vessels and craft subject to this act. On vessels and craft over 65 feet in length the pamphlet shall, where practicable, be kept on board and available for ready reference.

"(b) Except in an emergency, before any rules or any alternation, amendment, or repeal thereof, are established by the Secretary under the provisions of this section, the said Secretary shall publish the proposed rules, alterations, amendments, or repeals, and public hearings shall be held with respect thereto on such notice as the Secretary deems reasonable under the circumstances."

UTILIZATION OF RADIO AND TELEVISION FREQUENCIES

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business, the proposed extension of the Trade Agreements Act, be temporarily laid aside, and that the Senate proceed to the consideration of Calendar No. 1888, Senate Joint Resolution 106.

The PRESIDING OFFICER. The joint resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A joint resolution (H. J. Res. 106) to establish a commission to investigate the utilization of the radio and television frequencies allocated to the agencies and instrumentalities of the Federal Government.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the joint resolution, which had been reported from the Committee on Interstate and Foreign Commerce with amendments, on page 1, after line 5, to strike out:

(b) The Commission shall be composed of three members, to be appointed by the President, one of such members to be designated as Chairman at the time of appointment.

And in lieu thereof to insert:

(b) The Commission shall be composed of five members, as follows:

(1) Two appointed by the President of the United States, one of whom shall be designated by the President at the time of appointment as Chairman of the Commission;

(2) One appointed by the President of the Senate;

(3) One appointed by the Speaker of the House of Representatives; and

(4) One appointed by the Chairman of the Federal Communications Commission.

On page 2, after line 18, to strike out:

(f) The members of the Commission shall each receive $50 per diem when engaged in the actual performance of duties vested in the Commission, plus reimbursement for travel and subsistence and other necessary expenses incurred by them in the performance of such duties.

And in lieu thereof to insert:

(f) The members of the Commission shall each receive $50 per diem when engaged in the actual performance of duties vested in the Commission, plus travel and subsistence expenses while away from their homes or regular places of business in accordance with the Travel Expense Act of 1949, as amended, and the Standardized Government Travel Regulations.

On page 4, line 10, after the word "amended", to insert a colon and "*Provided, however*, That no employee (other than technical personnel) whose position would be subject to the Classification Act of 1949, as amended, if such act were applicable to such position, shall be paid a salary at a rate in excess of the rate payable under such act for positions of equivalent difficulty or responsibility"; after line 21, to strike out:

(c) The Commission is authorized without regard to any other provision of law to reimburse employees, experts, and consultants for travel, subsistence, and other necessary expenses incurred by them in the performance of their official duties and to make reasonable advances to such persons for such purposes.

And on page 5, after line 11, to strike out:

(b) The Commission may authorize the Chairman to make the expenditures herein authorized and such other expenditures as the Commission may deem advisable. When the Commission ceases its activities it shall submit to the Appropriations Committees of the Senate and the House of Representatives a statement of its fiscal transactions properly audited by the Comptroller General of the United States.

And, in lieu thereof, to insert:

(b) The Commission may authorize the Chairman to make the expenditures herein authorized and such other expenditures as may be necessary to carry out the duties of the Commission. When the Commission ceases its activities it shall prepare a statement of its financial transactions and the General Accounting Office shall, in connection with the audit of the Commission's financial transactions required by other law, audit said statement and report thereon to the Committees on Appropriations of the Senate and the House of Representatives.

So as to make the joint resolution read:

Resolved, etc., That (a) there is hereby established a Commission on the Allocation of Radio and Television Frequencies (hereinafter referred to as the "Commission").

(b) The Commission shall be composed of five members as follows:

(1) Two appointed by the President of the United States, one of whom shall be designated by the President at the time of appointment as chairman of the Commission;

(2) One appointed by the President of the Senate;

(3) One appointed by the Speaker of the House of Representatives; and

(4) One appointed by the Chairman of the Federal Communications Commission.

(c) The members of the Commission shall be citizens of the United States who (1) are not officers or employees of the Federal Government, and (2) by reason of training or experience, or both, are experts in the field of communications.

(d) The Commission shall establish rules for its procedures.

(e) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

(f) The members of the Commission shall each receive $50 per diem when engaged in the actual performance of duties vested in the Commission, plus travel and subsistence expenses while away from their homes or regular places of business in accordance with the Travel Expense Act of 1949, as amended, and the Standardized Government Travel Regulations.

SEC. 2. (a) It shall be the duty of the Commission to conduct a thorough and comprehensive study and investigation of the radio and television frequencies allocated to the various agencies and instrumentalities of the Federal Government with a view to determining (1) whether such frequencies are being efficiently utilized to the maximum degree possible, (2) whether any (and if so, how much) of such frequencies may, without jeopardizing the public interest, be relinquished to the Federal Communications Commission for allocation to nongovernmental purposes, and (3) what are the likely future requirements of the various agencies and instrumentalities of the Federal Government for radio and television frequencies.

(b) The Commission shall submit to the President within 6 months after the date of enactment of this Joint Resolution a full and complete report of the results of the study and investigation provided for in subsection (a) together with such recommendations as the Commission deems advisable. The Commission shall also submit, at such time, to the Congress a report identical as that submitted to the President, except that there shall be omitted from the report submitted to the Congress any information which has been classified for security purposes. Upon submitting the reports provided for by this subsection, the Commission shall cease to exist.

SEC. 3. (a) The Commission shall have power to appoint and fix the compensation of such personnel as it deems advisable, without regard to the provisions of the civil service laws and the Classification Act of 1949, as amended: *Provided, however*, That no employee (other than technical personnel) whose position would be subject to the Classification Act of 1949, as amended, if such act were applicable to such position, shall be paid a salary at a rate in excess of the rate payable under such act for positions of equivalent difficulty or responsibility.

(b) The Commission may procure, without regard to the civil service laws and the Classification Act of 1949, as amended, temporary and intermittent services to the same extent as is authorized for the departments by section 15 of the act of August 2, 1946 (60 Stat. 810), but at rates not to exceed $50 per diem for individuals.

SEC. 4. (a) The Commission is authorized to secure from any department, agency, or independent instrumentality of the Federal Government any information (including information which has been classified for security purposes) it deems necessary or desirable to enable it to carry out its functions under this joint resolution; and each such department, agency, and instrumentality is authorized and directed to furnish such information to the Commission, upon request made by the Chairman of the Commission.

(b) The Commission may authorize the Chairman to make the expenditures herein authorized and such other expenditures as may be necessary to carry out the duties of the Commission. When the Commission ceases its activities it shall prepare a statement of its financial transactions and the General Accounting Office shall, in connection with the audit of the Commission's financial transactions required by other law, audit said statement and report thereon to the Committees on Appropriations of the Senate and the House of Representatives.

SEC. 5. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this joint resolution.

Mr. MAGNUSON. I believe the bill requires a brief explanation for the benefit of the Senate. As many Senators know, in the field of radio and television, in our endeavor to have as wide a coverage as possible in what we like to call free television, we are confronted by certain limitations because the spectrum itself is very much limited in its frequencies. Much of the trouble encountered with respect to applications for TV licenses, particularly in the large market areas of the United States, such as Denver, Seattle, and other areas, has been caused usually by the fact that there are only three or four frequencies available. In many major markets in the United States, with the exception of Los Angeles and New York, only between two and four frequencies are available.

The reason for that limitation is due, in part, to the fact that approximately one-third of the very high frequency band, which is the most desirable of the frequencies available, has been frozen for other uses.

The committee has been unable to find out exactly what that one-third is being used for by the military. Of course, if it is necessary for national defense that the military use such a great portion of the spectrum, we are in favor of it. However, we should like to know whether these frequencies are actually being used by the military. If not, they should be released for commercial use, for the benefit of the users of television in various parts of the country, many of whom do not now have adequate television programing.

The committee has studied the matter for a long time, and has wrestled with the problem of the ultra-high frequency bands, in which the available frequencies are much larger. It should be remembered that conversion of the present sets would cause a great deal of expense to the public. Today there are perhaps 42 million to 43 million television sets in the United States, but there are only about 4 million equipped to take ultra-high signals, or what we call all-channel sets. The cost of converting a set to an all-channel set would run anywhere from $15 at the manufacturer's end to about $50 to $75 at the user's end. That would be the cost of converting an ordinary set into an all-channel set. Therefore, it would cost the American public hundreds of millions of dollars.

The distinguished Senator from Michigan [Mr. POTTER], the author of the joint resolution is not in the Chamber at the moment. However, it seemed to the Senator from Michigan and to the Federal Communications Commission that the proper way to proceed would be to appoint an outside commission, which would be composed of five members, two to be appointed by the President of the United States, one by the President of the Senate, one by the Speaker of the House, and one by the Chairman of the Federal Communications Commission, to look into the question of the allocations to the various agencies of the Federal Government and to make proper recommendations, which we hope will release the so-called very high frequency bands, so that we may solve the many problems involved.

We are hopeful that the report will develop what the situation is with respect to the urgency of the military need.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The amendments were agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

CONSTRUCTION OF MODERN NAVAL VESSELS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar 1863, H. R. 11518.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 11518) to authorize the construction of modern naval vessels.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an excerpt from the report explaining the bill.

There being no objection, the excerpt from the report (No. 1828) was ordered to be printed in the RECORD, as follows:

PURPOSE

This bill would authorize the President to construct not to exceed 20,000 tons of amphibious warfare ships and landing craft.

EXPLANATION

The authorization contained in this bill would be used for two amphibious ships in the fiscal year 1959 shipbuilding and conversion program.

Description of ships involved

One of the new ships is called an amphibious assault ship (LPH). It will be 592 feet in length with a standard displacement of 10,700 tons. This ship type is specially designed to accommodate Marine Corps helicopters and troops for assault landings to effect a maneuver of vertical envelopment after takeoffs from dispersed positions at sea. The ship will carry 20 of the large Marine assault helicopters and about 2,000 troops with assault equipment. One of these ships was included in the fiscal year 1958 shipbuilding program.

The second of the ships to be authorized is called an amphibious transport dock (LPD). It will be 500 feeet in length with a full load displacement of 13,000 tons and a standard displacement of 7,300 tons. This ship would be the first of its class—a new design.

The LPD is intended to fulfill a dual purpose. Like the amphibious assault ship it will carry helicopters and it will also carry landing craft for transporting troops with heavy equipment to beaches. The landing craft will be carried in a well of the ship and can be loaded prior to launching through an opening in the stern. This can be accomplished while the ship is still underway. The deck of the well housing the landing craft will provide a landing deck for six transport helicopters.

This ship would be a partner for the amphibious assault ship in the amphibious force of the future. It is capable of transporting and landing about 900 troops with their landing equipment. It will provide a means by which equipment and cargo essential to landing operations but too heavy for transportation by helicopter may be delivered ashore to complement the assault elements landed by helicopter.

Requirements for tonnage authorization

From existing shipbuilding statutes the Navy has adequate authorization to construct all the ships and craft in the 1959 shipbuilding program except for the two amphibious vessels that are the subject of this bill.

The Vinson-Trammell Act provides ample authority for major combatant ships. Unobligated balances from Public Law 8 of the 82d Congress are sufficient to permit construction of the service and other small craft. From Public Law 3 of the 82d Congress, however, there are available only 4,282 tons of authorization in the amphibious warfare vessels and landing craft subcategory. Since the tonnage of the two vessels that would be authorized by this bill totals about 18,000, it is obvious that the available tonnage authorization is insufficient.

COST

The cost of constructing the amphibious assault ship is estimated at $40 million and the cost of constructing the amphibious transport is estimated at $29 million.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H. R. 11518) was ordered to a third reading, read the third time, and passed.

EXTENSION OF TRADE AGREEMENTS ACT

The Senate resumed the consideration of the bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

Mr. MARTIN of Iowa. Mr. President, I shall review briefly the reasons why the extension of the trade agreements program in a satisfactory and workable form is so essential to a vital segment of our national economy, a segment which is the basic livelihood of my State of Iowa—agriculture.

Perhaps to a greater degree than any other major component of our economy, American agriculture must have foreign markets for its output. American agriculture not only can but does produce far more than is needed or used by Americans. That excess of production over consumption has to go somewhere.

It can be simply to glut on domestic markets, driving prices down to such unconscionably low levels that farmers' income from their products does not even cover costs of production. This has happened in the past, often leading to a national economic depression.

The excess can be bought by the Government itself in price-support operations, so as the prevent prices from falling to disastrously low levels. This certainly is preferable to permitting farm-product prices to fall so low as to bankrupt farmers and bring on a depression, but it is far from a satisfaction long run method of operation. It can cost taxpayers hundreds of millions, perhaps even billions of dollars, and is bound to lead to strict Government regulation and regimentation of our entire agricultural economy.

The third alternative is the only really satisfactory solution: to sell our agricultural surpluses to other nations which need them to satisfy the requirements of their own peoples. In order to sell our products to other nations, we must find some way to permit the other nations to pay, directly or indirectly, through their exports of other goods which they themselves produce. The only way whereby they can acquire dollars with which to pay for American farm products, is to sell their own products for American dollars. Boiled down to what may be an oversimplification, we cannot expect other nations to continue buying American goods unless we in return import goods from other nations. The sole purpose of the trade-agreements program is to promote exactly such an international interchange of goods—to increase the flow of international trade, and to increase the willingness and ability of other countries to buy American goods.

Reverting again to agriculture specifically, the urgent necessity for constant development of additional foreign markets has been heightened by what has been called the technological explosion of American agriculture. For technology has had an extremely heavy impact on American agriculture throughout the 20th century, particularly since the close of World War II. Fewer farmers are producing greater crops. Every hour of farmwork today produces twice what it did in 1940, three times what it did in 1910. Yields per acre have soared. Last year's crop was as big as any in history, yet was produced on the smallest acreage since 1919. Were it not for the large exports of agricultural commodities, our farmlands would be swamped with their own production.

Fortunately, a large export movement of farm products is taking place. Special Government export programs and the activities of private industry have helped appreciably to expand our exports in the past 4 years. In the 1958 fiscal year which ended June 30, agricultural exports represented the output of some 60 million acres of United States cropland. This is, roughly, three times all the cropland under cultivation in the State of Iowa, and, roughly, one-fifth of the total cropland under cultivation in the entire country. This fact in itself should make clear, beyond all doubt, the essentiality of foreign markets to American agriculture, and to the entire national economy, even aside from the need for foreign outlets for many of our processed and manufactured goods, because of the vital effect agriculture has on our entire national economy.

But it is not only a question of holding the foreign markets we already have for agricultural products. The steadily increasing per-acre yield—increasing faster than is our population and our domestic consumption—makes it essential that we continue to develop new markets abroad for our agricultural output. By far the most practical way of doing that is through an effective trade-agreements program.

The United States is the world's largest exporter of farm products. In fiscal year 1957 our farms supplied three-fourths or more of the world exports of soybean oil, cottonseed oil, lard, and tallow. They supplied more than half of the world exports of soybeans and corn. They supplied more than two-fifths of the world exports of cotton and wheat, and almost two-fifths of world exports of tobacco. They supplied more than one-fifth of world exports of rice, citrus, and dried fruit.

Our exports of farm products in fiscal year 1957 came to a record total of $4.7 billion. Our agricultural exports in fiscal year 1958 are expected to total $4 billion—down somewhat but still the third highest on record. The dollar portion of our agricultural exports is holding firm. In the fiscal year 1957, 60 percent of our agricultural exports were for

dollars; in the fiscal year 1958, the figure is expected to be 70 percent.

It is a fortunate coincidence that there is great need for our agricultural supplies in other countries. Because of this need abroad, our agricultural exports not only are of great benefit to the United States but also help to provide needed food and clothing for millions of foreign consumers.

In countries such as those of Western Europe, our farm products are helping to maintain levels of living which already are comparatively high. In countries such as India, our farm products not only are helping to feed and clothe people, but also to hold down food costs, strengthen programs of economic development, and contribute to political and economic stability. American farm products not only are playing an active part in the world of commercial trade, but, at the same time, are making a positive contribution to our foreign policy by strengthening our friendship with the other nations of the Free World.

In this connection I wish to add that the United States is also a large importer of farm products, exceeded only by the United Kingdom. We practice beneficial two-way trade. In recent years our agricultural imports have averaged nearly $4 billion. The bulk of the imports—coffee, cocoa, tea, rubber, bananas, sugar, wool, silk—supplement our own production of food and fiber. In general, they are commodities we do not produce. They contribute to a higher standard of living for the American consumer. They provide an important source of dollar earnings to foreign countries. This helps them buy more of our meats, wheat, feed grains, soybeans, cotton, tobacco, and other farm products.

Competitive imports are the ones we hear objections to, but so far as agriculture is concerned, they are a relatively small part of the total. For the year ending last June 30, for example, our wheat and flour exports were valued at $931 million; imports at $2.3 million. In other words, wheat and flour imports were about two-tenths of 1 percent of wheat and flour exports. And even these imports added to the ability of other countries to buy more from us for dollars.

We have effective machinery for protecting our agricultural programs against excessive imports. Section 22 of the Agricultural Adjustment Act, as amended, provides this protection. Import controls are now in effect on wheat and wheat products, rye and rye products, flaxseed and linseed oil, peanuts and peanut oil, certain dairy products, cotton, tung oil and almonds.

I should like to conclude with some observations about the trade-agreements program as it affects our agricultural trade. Our national objective is, of course, to sell a maximum amount of our farm products to foreign customers with payment in dollars. In my opinion, continuation of the trade-agreements program will help us tremendously to maintain and expand these essential dollar exports by giving access to foreign markets and giving foreign customers the opportunity to earn dollars, so they can buy from us.

Today, American agriculture is maintaining a high level of exports within the framework of the trade-agreements program. Nearly four-fifths of United States agricultural exports go to countries that are members of the program. Nearly two-thirds of such exports move under trade restriction easements obtained through the program.

The trade-agreements program stands as one of our major available tools to lessen discrimination against American farm products. A member country cannot take arbitrary action to exclude products from another country, but must be guided by the rules of the reciprocal trade program. If we did not have the trade-agreements program, there would be no impelling reason why many nations could not arbitrarily go as far as they wanted in limiting their imports of our farm products. The trade-agreements program is our best, single hope of keeping open and deepening the channels of trade through which our farm products flow.

Even beyond our special interest in expanding foreign outlets for agricultural commodities is our broader interest, as United States citizens, in effective and friendly Free World relationships. We cannot have political and military friends who are our economic enemies. The trade-agreements program strengthens economic relationships between members. Not only does it help protect our agricultural economy at home, but it also helps to bolster our efforts to improve the economy and add to the strength of the entire Free World.

TRIBUTES TO SENATOR MARTIN OF PENNSYLVANIA

Mr. CASE of South Dakota. Mr. President, today, I wish to say a few words in regard to the service of one of the most illustrious Members of the United States Senate. I refer to the distinguished senior Senator from Pennsylvania, ED MARTIN, as we know him.

As the ranking minority member next below him in the Committee on Public Works, I have wished for some time to say something about his work. His announcement of some weeks ago that he would retire at the end of this term made it seem to me appropriate that something be said about the life of this eminent citizen of Pennsylvania and distinguished Member of the United States Senate.

Mr. CHAVEZ. Mr. President, I am compelled to leave the Chamber, to attend a committee meeting. I shall appreciate it very much if at this time the Senator from South Dakota will yield briefly to me.

Mr. CASE of South Dakota. Mr. President, it is a privilege for me to yield to the distinguished Senator from New Mexico, the Chairman of the Committee on Public Works, who has been our chairman when the Democrats were in the majority, just as Senator MARTIN of Pennsylvania was chairman when the Republicans were in the majority.

Mr. CHAVEZ. I thank the Senator from South Dakota for yielding.

Mr. President, all of us know Senator Martin of Pennsylvania. We know he is a devoted public servant. We know of the wonderful service he gave the State of Pennsylvania as its governor. We know of the patriotic service he rendered the United States of America in its Armed Forces.

I have enjoyed having Senator MARTIN of Pennsylvania not only as the Chairman of the Committee on Public Works, when his party was in control of the Senate, but also as a member of the committee during the time when I have been the chairman of the committee.

I previously stated, and today I repeat, the Committee on Public Works is a construction committee. Never once have I seen either Senator MARTIN of Pennsylvania or any other member of the committee indulge in any sort of partisan politics in connection with public works for the benefit of the Nation.

Senator MARTIN has been a devoted member of the committee, just as the other committee members have been.

The least I can say is that I, for one, am very sorry that Senator MARTIN is leaving the Senate. Both Pennsylvania and the Nation will be the poorer.

Although I know that none of us is infallible, nevertheless, Senator MARTIN has contributed greatly to the welfare of both the State of Pennsylvania and the Nation, as well as to the welfare of the world.

I thank the Senator from South Dakota for his courtesy in yielding to me.

Mr. CASE of South Dakota. Mr. President, I appreciate very much the tribute the disinguished chairman of the Public Works Committee has paid to Senator MARTIN of Pennsylvania.

It has been my privilege to serve under the leadership of both Senator MARTIN of Pennsylvania and the Senator from New Mexico [Mr. CHAVEZ], during the periods in which they have served as chairmen of the Committee. What the distinguished Senator from New Mexico has said with respect to the attitude in the committee is correct: It is a construction committee; it is devoted to building the United States as a whole, as well as building every State of the Union. No partisanship is to be found among the members of the committee; and I am glad that its present chairman, the Senator from New MEXICO [Mr. CHAVEZ] has paid his tribute to this illustrous American, Senator ED MARTIN, of Pennsylvania.

Mr. KERR. Mr. President, will the Senator from South Dakota yield to me?

The PRESIDING OFFICER (Mr. LONG in the chair). Does the Senator from South Dakota yield to the Senator from Oklahoma?

Mr. CASE of South Dakota. I yield.

Mr. KERR. Mr. President, I should like to associate myself with the kind remarks and, in my judgment, the just statements which have been made about the distinguished Senator from Pennsylvania [Mr. MARTIN].

In years past, it was my happy privilege to serve as the Governor of Oklahoma at about the same time when Senator MARTIN of Pennsylvania, was serving as Governor of Pennsylvania. As Governors of the two States, we had many things in common. One of the pleasures of that experience was the

meeting of the governors' conference in Pennsylvania, at which Senator MARTIN was host, and then, later on, a meeting of the governors' conference in Oklahoma, where I had the honor to be host.

Since I have been a Member of the United States Senate, most of the time I have served on the Committee on Public Works and on the Finance Committee; and during all my tenure on both committees, Senator MARTIN of Pennsylvania, has also been a member.

Senator MARTIN is a man of great military accomplishments and high military standing, and in that regard he has rendered notable service to his country.

I believe he is one of the great men I have known; and it is with the deepest regret that I contemplate his retirement from this body.

I am happy to associate myself with the remarks of the distinguished Senator from South Dakota [Mr. CASE] and other Senators who have acknowledged the statesmanship and great, patriotic service of the Senator from Pennsylvania.

Mr. CASE of South Dakota. Mr. President, I am sure the Senator from Pennsylvania appreciates this tribute from the Senator from Oklahoma [Mr. KERR], who, as he has stated, has served with him on two of the great Senate committees—the Committee on Finance and the Committee on Public Works.

Mr. President, the life of ED MARTIN is a reminder that in this country a man can start from humble beginnings and, if he has nobility of character and conducts himself well, he may be entrusted with great honors.

ED MARTIN was the 97th Governor of Pennsylvania. He became the 48th United States Senator from Pennsylvania.

His career embraces distinguished service in five fields: The law, military life, politics, government, and business. In each of these vital activities he started at the bottom of the ladder, and rose step by step to positions of trust and honor, through diligent application, hard work, devotion to the principles to which he has always given complete faith and loyalty, and steadfast patriotism and personal courage.

Senator MARTIN'S career stands out brilliantly as an example of the rewards offered in the United States, under the American system of free and equal opportunity, to the youth of our land, no matter how humble may be their origin.

EDWARD MARTIN, the son of Joseph Thomas Martin and Hannah Bristor Martin, was born September 18, 1879, in a log house on a Greene County farm near the village of Ten Mile, Pa.

On May 9, 1898, he joined Company K, of the 10th Pennsylvania Volunteer Infantry, as a private. The regiment was rushed through mobilization, trained at Mount Gretna, and embarked from San Francisco for the Philippine Islands.

Through the heart of that campaign in the steaming mountains and jungles of Luzon, he served with the troops commanded by Gen. Arthur MacArthur, father of Gen. Douglas MacArthur. While in combat, he worked his way up to the rank of sergeant. But during the campaign he became infected with the plague of the tropics—malaria—and, like hundreds of other soldiers exposed under war conditions to the mosquito-borne infection, he became seriously ill. He was first under fire in the Spanish-American War on July 31, 1898, before his 19th birthday, was in one campaign for 70 days, and was under fire each day. Later he was in the Philippine Insurrection.

On July 1, 1899, he returned on a troopship to the United States, and immediately, upon demobilization, August 22, 1899, returned to college. It was nearly 6 years later before he recovered from the malaria.

The love of soldiering was now a part of his existence, and in 1900 he reenlisted in the Pennsylvania National Guard. By January 15, 1901, he had been commissioned a lieutenant, and that same year graduated from Waynesburg College. In 1905 he was commissioned a captain, and was admitted to the practice of law. Almost immediately when he commenced his career as a young country lawyer he became active in political affairs as secretary of the Greene County Republican Committee.

On December 1, 1908, he married lovely Mary Charity Scott, sweetheart of his boyhood. Her parting gift to him, when he went overseas in 1898, had been a small pocket New Testament which he had carried with him during his service. In that little Bible he recorded the important dates of his service, and in that same Bible, in years to come, he was carefully to record the important dates in the history of his family and his own career. It has always been used when he has taken an oath of office, military or civilian.

The couple settled down to living on the income of a struggling young lawyer. His progress was steady, and he went ahead in his profession, his business, his military career, and his political activities. He become chairman of the Greene County Republican Committee and county solicitor. While he was Republican county chairman, a Democrat board of county commissioners elected him on two occasions as their county solicitor. That is a tribute not only to his ability, but to his fairmindedness, which we have seen exhibited time and again on the floor of the Senate. He served for a period of 7 years, where he received his knowledge of local taxation, which stood him in good stead when he served as a member of the Senate Committee on Finance.

By 1910 he had become a member of the Republican State Committee and had a large and successful law practice. He had also won his major's leaves in the Pennsylvania National Guard.

With Pennsylvania's 28th Division—then the 7th Division—he went to the Mexican border for service in that hot and sandy campaign under Gen. John J. Pershing. Upon the 28th's return to the Keystone State there was little time for more than demobilization and reorganization for World War I.

The 28th embarked for France in May 1918. During the American counter-offensive at Courmont his regimental headquarters was destroyed by an enemy shell, and 17 of his officers and men were killed on the spot. Only five escaped. Badly wounded, Major MARTIN crawled out of the wreckage and rallied his men around him. Inspired by the example of their commanding officer, his men renewed the attack and reached their objective triumphantly, capturing a great number of enemy prisoners. For this valor under fire he received his first D. S. C. Colonel MARTIN during this time was also commander of the 109th Regiment for 4 days while it was in action.

The 28th went on right in the midst of deadly hand-to-hand fighting in the Argonne Forest. It was here that MARTIN, now a lieutenant colonel, was caught with his men in one of the German gas barrages that shocked the world. But despite being gassed, Colonel MARTIN maintained the offensive for 14 days. At one time he had a temperature of 104°, but remained on duty.

Here he received his second D. S. C., symbolized by an oak leaf cluster on the first award.

The 28th was on the front lines north of the Marne River when Colonel MARTIN made a short and now widely quoted speech to his men: "We did not come over here to die for our country. We are no good dead. We came here to live—and fight—for our country and if we work together and use teamwork we will have less casualties and accomplish more for the folks back home."

Colonel MARTIN returned to his family and the quiet of civilian life, and on August 17, 1922, he was promoted to brigadier general, in command of the 55th Infantry Brigade. In 1921 he moved his family from the Greene County home to their present Washington home in adjoining Washington County—that is, little Washington, Pa.

General MARTIN was interested in banking, transportation, and the oil industry in western and southwestern Pennsylvania. His business interests became so absorbing that he gave up the active practice of law. At one time he was a director of 12 banks and corporations. Even more active politically, he became a candidate for auditor general on the Republican ticket in 1924, and was elected by a majority of nearly 1 million votes. This was his first statewide victory, and was to lead the way to his ultimate taking the highest Pennsylvania office.

He ran for State treasurer in 1928, and was elected by another near million majority. During his incumbency he was selected president of the Gasoline Tax Collectors' Association of North America and president of the Auditors, Controllers and State Treasurers' Association. The same year he became candidate for State treasurer he was the unanimous choice of his party for chairman of the Republican State Committee. He continued as State chairman until 1934. He has been a delegate to all the Republican national conventions since 1932, and twice chairman of the delegation.

In 1942 ED MARTIN was elected Governor of his State of Pennsylvania, and

served until the end of the term—from 1943 to 1947.

In 1946 ED MARTIN was elected to the United States Senate, and came here to take his place in January 1947. He was reelected to that position. So that he will have served two terms at the completion of the present term.

I first met ED MARTIN when he was in command of the Pennsylvania National Guard during its maneuvers in the South in 1941 and 1942. Senator MARTIN, as a leader of the National Guard in the State of Pennsylvania, had hoped to develop in Pennsylvania a great military training center. Indiantown Gap Military Reservation was his dream, and he constantly worked for its construction and development.

When Gov. Arthur H. James formed his cabinet he made General MARTIN the adjutant general of Pennsylvania, with promotion to major general and command of the 28th Division. He became the first adjutant general to be also commander of the 28th. The combination of the two positions was a natural for the man who worked his way up in the same outfits from buck private. He was made president of the National Guard Association of the United States in 1940.

He took the division through the vast Army maneuvers at Manassas, Va., and Ogdensburg, N. Y., while the clouds of World War II hung ominously on the horizon. No maneuvers were ever more realistic, and General MARTIN deliberately made them that way. In 1939, he said:

> War is inevitable; and when it comes Americans will not bow humbly at the thought of incurring the Axis' wrath. The day of speculation is past. We can now almost anticipate where the shattering thunderbolts will leap. Our salvation will not be attained by painting political rainbows or throwing ourselves at the feet of destiny and hoping for a miracle.

He was still in the middle of his term as adjutant general when the National Guard divisions of the United States were ordered to active Federal service, and the 28th Division, among them, was inducted into the Army of the United States.

General MARTIN promptly took the division to Indiantown Gap—the very camp and training ground which he had visualized and developed. One of his first acts after becoming adjutant general had been to get complete Federal construction on that State reservation.

From Indiantown Gap he led the 28th to the great Carolina maneuvers, after receiving this commendation from Lt. Gen. Hugh Drum, commander of the First Army:

> General MARTIN's personality and leadership have carried the division forward and knit it together as a fighting team. It doesn't take long to sense who is the motive power behind it all. Let the people of Pennsylvania know that their sons, brothers and husbands are in good hands, for General MARTIN is a capable leader.

He was cited by the Corps commander for his handling of the division in the Carolina maneuvers.

As I say, during those maneuvers I first met General MARTIN. I was a Member of the House of Representatives, and while serving as a member of the Committee on Appropriations for the military services, I visited the maneuvers and saw General MARTIN, General Drum, and others.

On January 27, 1942, General MARTIN was relieved of his combat command by virtue of age regulations. He had passed however, he was directed to consolidate the age of 62. Still in Army service, civilian defense activities in the Fifth Corps area, covering Indiana, Kentucky, West Virginia, and Ohio, with headquarters at Fort Hayes, Ohio.

He was on this duty when the demand arose for his services as wartime Governor of Pennsylvania—the State which had to produce a bulk of the sinews of war for America.

General MARTIN was relieved of his civilian-defense duties and campaigned for Governor. He won the primary by nearly 100,000 votes and the general election by more than 200,000 votes. He was inaugurated January 19, 1943.

Following through on the hard-working theme of his inaugural address that, "Right now, nothing matters but winning the war, because if we do not win it, nothing else will matter." Governor MARTIN also found time to work on postwar planning and financial stockpiling.

Under Governor MARTIN's direction the gigantic industrial and agricultural forces of Pennsylvania were mobilized for the Nation's defense and Pennsylvania produced all-time recordbreaking quantities of weapons, equipment, food and other munitions of war.

Stream purification ceased to be a dream under MARTIN—it became law. This was one of the most important steps in the conservation of Pennsylvania's natural resources which had been taken in the history of the State. He also caused to be enacted the first law requiring physical examination of all the schoolchildren of the Commonwealth.

The matter of mental health and the hospitals where the insane were kept was also a paramount consideration in Governor MARTIN's administration, with a modern scientific approach. Governor MARTIN recommended and received allocations of $35,800,000 in his postwar program specifically for construction, extension and modernization of these State hospitals together with State schools and State penal and correctional institutions.

The entire excess of the administration's general fund was ultimately set aside for these postwar improvements and the liquidation of the $48 million general State authority debt. The administration succeeded in reducing or abolishing many taxes, which in 2 years resulted in a saving to the taxpayers of some $211,600,000.

That, Mr. President, was a notable achievement for a State government. It illustrates the debt-free principles which the Senator from Pennsylvania [Mr. MARTIN] has sought to foster in his work as a member of the Senate Committee on Finance.

But he also believed in building a State.

More than $375 million had been set aside and earmarked for highway restoration and construction and other work by the end of his administration. He was chosen, during this critical period, by the governors of all the States to be their chairman of the governors' conference. He was also chosen chairman of the council of State governments. He was awarded 15 honorary degrees by colleges and universities in addition to the 3 which he had previously been awarded.

The ultimate end of hostilities found the Commonwealth not only holding the forefront in war production but in the forefront of postwar planning. In order to keep the people informed Governor MARTIN made 322 prepared addresses during his administration.

Governor MARTIN was prevailed on to continue his public service—since in Pennsylvania a Governor cannot be reelected—by becoming a candidate for the United States Senate at the end of his term. In the general election of November 1946, Governor MARTIN was sent to the Senate by a plurality of 608,120 over his Democratic opponent.

It had been a long time, almost a century, since a Pennsylvania Governor had gone to the Senate—as a matter of fact EDWARD MARTIN was only the third Governor in the State's history to be elected to that highest deliberative body. The first Governor to go to the Senate was William Findlay, in 1821. The second was William Bigler, in 1855. That course of political career was not repeated in Pennsylvania from 1855 until ED MARTIN was elected to the Senate in 1946, nearly 100 years later.

On November 4, 1952, EDWARD MARTIN was reelected to the United States Senate. More than 2,300,000 votes were cast for him, with a majority of more than 162,000 over his Democratic opponent.

Pennsylvania's senior United States Senator, he has served continuously on the Finance Committee and the Public Works Committee. He is now the senior Republican member of the Public Works Committee, of which he was chairman during the 83d Congress. He is also the senior Republican member of the Finance Committee.

In the 80th Congress he served as chairman of the Subcommittee on Steel of the Senate Small Business Committee. A lawyer and banker, with a thorough knowledge of tax problems and fiscal affairs, his interest in this service grew out of his own experience as a small, independent operator in the gas and oil productions fields.

In the 81st Congress he was appointed a member of the Congressional Commission for the Renovation of the Executive Mansion—White House—which was in charge of the extensive work done on the White House during the Truman administration.

He was appointed a member of the United States Commission for the Celebration of the 200th Anniversary of the Birth of John Marshall during the 83d Congress, and a member of the Joint Congressional Committee on Construction of a Building for a Museum of History and Technology for the Smithsonian Institution, during the 84th Congress.

During President Eisenhower's administration, Senator MARTIN introduced and

took the leadership in the fights for many key measures of the Eisenhower program.

At the end of World War I, he was placed on the first General Staff eligibility list. Pennsylvania has awarded him the Distinguished Service Medal of the Commonwealth—1947—and the American Legion has awarded him its Distinguished Service Medal—1947. He was awarded the Distinguished Service Medal of the National Guard Association of the United States—1951—and the Distinguished Achievement Gold Medal of the Pennsylvania Society in 1946. He also was awarded the Purple Heart with Oak Leaf Cluster in World War I.

He has personal knowledge of taxes at the three levels of government, by his work as solicitor of a county, State treasurer of Pennsylvania, and as a member of the Finance Committee of the United States Senate.

While he was chairman of the Public Works Committee, it put through Congress the largest road program in the history of the United States. Also there was passed the lease purchase bill which permits an extensive Federal building program on a self-liquidating basis. Extensive improvements of harbors, rivers and other water transportation facilities were approved together with a careful study of irrigation, Federal control and other subjects.

He has headed four national organizations, as follows:

Gasoline Tax Collectors Association of North America.

National Association of State Auditors, Comptrollers and Treasurers.

National Guard Association of the United States.

The Governors Conference.

I think it may safely be said that few men in the history of the country have had such a broad service in their own States or in the Nation as a whole. I think no one will contradict me when I assert that had the turn of events been such that ED MARTIN had been honored by being elected to the Presidency of the United States, he would have filled that position well. I can think of very few men with whom I have had the privilege of working, who have had such broad development, who have started from such humble beginnings, or who have been honored with so many positions of trust in a single lifetime.

General MARTIN is a statesman whose one purpose and ambition is to defend America from enemies at home and abroad, to preserve the American system of government and the sacred heritage of freedom and independence handed down to us by the heroes and patriots of past generations.

Mr. KNOWLAND. Mr. President, I wish to join in the remarks which have been made by the distinguished Senator from South Dakota [Mr. CASE] relative to the service of our colleague the senior Senator from Pennsylvania.

It has been my privilege to know ED MARTIN for a great many years. I have served as Republican national committeeman from my State, and I had met him at several of the national political conventions of my party before I came to the Senate.

He has had a long and distinguished career in the military service of his country and in the political life of his State of Pennsylvania. He has served as auditor general, State treasurer, and Governor of that great State. He was elected to the United States Senate in 1946.

He has been a valued Member of this body, not only by reason of his service on the Public Works Committee, on which he is now the ranking Republican member, and of which he was formerly chairman, but also by reason of the fact that he is the ranking minority member of the Committee on Finance, one of the most important committees of this body.

He has been a close friend and colleague of Senators on both sides of the aisle. His friendliness and his desire to be of help to his colleagues in this body have been noteworthy. All of us regret very much that, on his own determination, he decided not to be a candidate for reelection to the Senate.

However, I know that as long as ED MARTIN lives, he will not lose his interest in public affairs—public affairs in the broad sense—in recognition of the fact that citizens of this country have a responsibility to do far more than merely discharge one of the duties of citizenship by voting once every 2 years. To ED MARTIN good citizenship means carrying out those responsibilities 365 days of the year.

I am sure that after his term of service comes to an end, we shall find, in the civic life of his community, in the affairs of his State of Pennsylvania, as well as of his party, which he has served so well and over such a long period of time, he will still be making a contribution to the public welfare of the people of the United States.

Mr. CASE of South Dakota. Mr. President, I appreciate the well-chosen remarks of the distinguished minority leader. I know that Senator MARTIN will greatly appreciate them.

Mr. CARLSON. Mr. President, I would not want this opportunity to pass without expressing my sincere thanks and appreciation to the distinguished Senator from South Dakota [Mr. CASE] for calling the attention of the Senate to the fine service rendered by a distinguished Member of this body who will soon be leaving us; namely Senator ED MARTIN, of Pennsylvania, who is retiring of his own accord.

I have known Senator MARTIN for many years. I first became acquainted with him when I was a Member of the House of Representatives, where my service began in 1935.

It has been a pleasure to serve with him in the United States Senate. I served with him for one term on the Committee on Public Works. I served with him on the Post Office and Civil Service Committee for one term.

During my service on the Senate Finance Committee it has been an added pleasure not only to be associated with him, but to receive the benefit of his great knowledge and experience when it comes to dealing with the fiscal affairs and tax problems of this great Nation.

Senator MARTIN is truly a great citizen, a notable military leader, and an eminent statesman, as is attested by his having served as Governor of his State, Senator, and in many other capacities.

Recently there has come off the press a book entitled "The Congressional Anthology: Poems Selected by Senators and Representatives." I received a copy of the book last weekend. In going through it I found a statement by the Senator from Pennsylvania submitting an excerpt from a poem. I believe that his statement and the excerpt from the poem express the true ED MARTIN better than anyone could do it by talking about him. The statement and excerpt from the poem are found on page 124 of this edition. If the distinguished Senator from South Dakota does not mind, I should like to read it.

Mr. CASE of South Dakota. I shall be very happy to have the Senator do so.

Mr. CARLSON. I read from page 124 of the volume to which I have referred:

COME, SEND ROUND THE WINE

(Excerpt, submitted by Senator EDWARD MARTIN, Pennsylvania)

I know of no more impressive expression of unity under God than these lines from the pen of Thomas Moore, the gifted Irish poet.

How fortunate we are that the God-given freedoms we enjoy in this blessed land are not the special possessions of any class or creed. They are the sacred heritage of all men. They cannot endure unless we are a united people, walking upright in the fear of the Lord, living in peace and harmony, respecting each other in good will and understanding.

Tolerant religion is the foundation upon which our forefathers built the greatness of our Nation. It is the true spirit of America. It does not thrive under compulsion. It flourishes only where free men meet on common ground, equal in dignity, equal in prestige, working together and striving together to make a better life for all.

As a commander of troops, I have seen young men of all nationalities and all religions united in comradeship on the battlefield. They represented the finest flower of American youth. They came from humble homes and from mansions of wealth—Jew and Gentile, Catholic and Protestant—white and Negro—serving alike and sharing danger alike.

In my military experience I have known of many instances when the consolation of religion was brought to a dying soldier by a chaplain of a faith other than his own.

In those tragic moments differences of form of worship faded into insignificance. The spirit of unity under God was paramount.

I recall particularly an event in World War I which has made an unforgettable impression upon me. In the fierce fighting around Courmont, in France, the headquarters of the 110th Infantry were blown up. There were many casualties. Three boys from western Pennsylvania were among the fatally wounded—Red Farrell, a Catholic from Waynesburg, Tut Whitehill, of Washington, a Protestant, and Butch Korman, a Jewish boy from Greensburg.

In their dying moments they were ministered to by two chaplains, Father Wolfe, of the Catholic Church, and Chaplain Scholl, a Protestant. No chaplain of the Hebrew faith was available but the Jewish boy was not neglected or overlooked. The prayer that ascended to Heaven was said by the Protestant clergyman who also administered the last rites to the Catholic boy. Father

Wolfe was at the side of the Protestant boy, bringing the comfort of hope and faith to a soldier who died for his country.

I cannot recall that day without realizing how trifling our worldly differences are when the soul of a hero goes to meet his God.

The spiritual strength of America is made up of every religion that holds fast to its belief in the brotherhood of man and the Fatherhood of God. The divine teachings call upon us to cleanse our hearts of bitterness, hatred and prejudice. If we are strong in the faith to which we adhere, we can break down the barriers that divide us and be united in love of our country and love of God.

"Shall I ask the brave soldier, who fights by my side
In the cause of mankind, if our creeds agree?
Shall I give up the friend I have valued and tried,
If he kneel not before the same altar with me?"

—*Thomas Moore.*

I wish to read that because it has been my privilege personally to know Senator MARTIN, and to know that he has dedicated his life to the preservation of the great heritage which all of us have received in this Nation at the hands of those who have gone before us and have built the Nation on the basic principles espoused by Senator MARTIN. I have known him personally as a great statesman and soldier and citizen. However, I believe the highest compliment that can be paid to him is that he has always been a perfect gentleman. I have never seen a time, no matter what the situation or circumstance, when he failed to conduct himself as such. It has been my privilege to be associated with him. I sincerely hope that Senator and Mrs. Martin, who are the neighbors of Mrs. Carlson and me where we live in Washington, will enjoy a well-deserved rest when they leave us.

Mr. CASE of South Dakota. I thank the Senator from Kansas for this splendid tribute. Certainly no picture of ED MARTIN would be complete which did not portray or give recognition to his deep sense of spiritual values. The words of the Senator from Kansas are very fitting indeed.

Mr. SMITH of New Jersey. Mr. President, I desire to express my appreciation to the Senator from South Dakota for setting forth the splendid story on ED MARTIN'S career. I join my colleagues who have spoken about ED.

To go back a number of years, I believe I first met ED when we were both members of the so-called Glenn Frank committee, which was established in the 1930's after the Landon defeat, to formulate a program for the Republican Party at that time. ED and I worked together on the Frank committee. I had the privilege of being the chairman of the second division of that committee, representing the Middle Atlantic States, and, therefore, included New Jersey and Pennsylvania. ED, in Pennsylvania, next door to me, was always ready to outline programs and contribute to the discussions which were participated in by the various sections all over the United States.

Beyond that, after ED became Governor of Pennsylvania, I came to know him again in a new way. I was on the Republican National Committee, and had many discussions with him, when both the Senator from California [Mr. KNOWLAND] and I were on the National Committee.

I have followed ED'S career for the last 20 years. I have noted his contribution to our party, but primarily to his State and Nation.

I thank the Senator from Kansas [Mr. CARLSON] for the poem he has read. It is a perfect tribute to Senator MARTIN'S spiritual life. I have had the privilege of knowing ED on that basis, and I know of his deep dedication to the finest things for which our country stands. As I mentioned in the few remarks I made earlier today, ED MARTIN understands the heritage of freedom of the United States. He understands the spiritual heritage of the United States. He has been dedicated to carrying forward those two heritages through the many years.

Finally, Mr. President, a personal word. Senator MARTIN and his wife, Charity Martin—we call her "Chatty"—have been living near us in the Wardman Park Annex, and we have gotten to know them intimately. My wife's most intimate friend is Mrs. Martin. We have had the most friendly relations, and have become close, warm, personal friends.

I regret that both ED and I feel it necessary to retire from the Senate after our many years of service. However, I wish to pay tribute to him and to express my gratification for my association with him, which has meant so much to me, particularly by way of the inspiration he has afforded me.

I again thank the Senator from South Dakota for initiating these proceedings, because he has brought to our attention ED MARTIN'S career and the fine things he has done for our country in his many endeavors.

Mr. CASE of South Dakota. I am sure we all appreciate the fine tribute of the Senator from New Jersey.

Mr. WILEY. Mr. President, I think it is most appropriate that we do not wait until a great man has died before we give him flowers. By "flowers" I mean the credit that is his due. The Senator from South Dakota has done a fine job today.

I remember General MARTIN, as I always heard him called, when he came to the Senate. I did not know him before then. I saw this tall, spare, kindly looking General, and I thought, "My lands, is he the man who has gone through three wars?"

There was not a scar on his soul. Why? Because, as has been so eloquently said by those who have spoken before me, he is a man dedicated to a purpose, he has had objectives in life, indeed he has led a life of service. He gave of himself unstintingly.

Since he came here as a Senator, his benign, kindly approach always impressed itself upon me. Life had remained sweet to him, because he had forgotten many of the ills and remembered only devotion to duty.

So I, too, am happy to call him and his dear wife friends. They have made a contribution to the life of each Senator because of the kind of life they have led. When we contrast that to other contributions, Senators will know what I have in mind.

ED MARTIN has always exhibited a fine, gentlemanly, lovable approach. When he rose in the Senate, it was, one might say, almost with an apology. He was always most humble. Yet every time he spoke, what he said was filled with ideas. His remarks always were worth listening to.

I thank the Senator from South Dakota for affording me the opportunity to join with him in praise of ED MARTIN on this occasion.

Mr. CASE of South Dakota. I thank the Senator from Wisconsin.

Mr. CHURCH. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. CHURCH. As a Senator on this side of the aisle, who has listened with great interest to the tributes paid to the distinguished Senator from Pennsylvania [Mr. MARTIN], I should like to join with my colleagues in their commendation.

I could not have known of the heroic services of ED MARTIN to his country during the First World War, and I did not know in such detail as has been given in the Chamber this afternoon of his exceptional service to the State of Pennsylvania in the years which followed.

However, during my brief tenure in the Senate, I have come to know the Senator from Pennsylvania, who is a member of the Committee on Public Works. My acquaintanceship with him, although it has been brief, has been very pleasant indeed. He has always been a gentleman in every sense of the word I am very grateful to him for many kindnesses he has shown to me. I am sorry he is leaving the Senate. I will miss him, even as the country will miss his services, as he retires to private life.

Mr. THURMOND. Mr. President, will the Senator from South Dakota yield?

Mr. CASE of South Dakota. I yield.

Mr. THURMOND. It was with deep regret that I learned that Senator MARTIN of Pennsylvania would not offer for reelection. I remember that some years ago, when I was the Governor of South Carolina, he visited my State, came to the Governor's office, and had a nice chat with me. I had known him for a time prior to that.

Since coming to the Senate, I have learned to hold him in high admiration. I think he is one of the great men in the Senate today. He has made an indelible imprint on the history of the Nation, from a military standpoint and from a statesman's standpoint, as well.

I join with other Senators, on both sides of the aisle, in wishing him every happiness in the future. I am certain that his record is a great consolation and satisfaction to him and the members of his family. I wish him everything good in the years to come.

I am proud to say that I have had the pleasure of serving with him on the Committee of Public Works. It was there, where I came in close contact with

him, that I learned of his great ability, patience, energy, and love for his country. I had already known of those qualities, but as a member of the committee I learned of them to a greater degree.

I am happy to join in all the fine things which have been said by my colleagues about Senator ED MARTIN of Pennsylvania.

Mr. CURTIS. Mr. President, it is very fitting that as this session draws to a close we should direct our attention to the outstanding service of one of our number, the distinguished senior Senator from Pennsylvania [Mr. MARTIN].

The senior Senator from Pennsylvania is an ideal citizen and statesman. He is essentially patriotic. We could speak long concerning his services to his country, both as a soldier and as a citizen. He is devoted to our system of private enterprise, which, after all, is the system of fredom and liberty.

ED MARTIN is devoted to the idea of a two-party system in our Republic. He has devoted much time to making his party a better party, and at the same time he has shown great respect for the opposing party. Ed Martin likes people. He has made a success of his public life. He has set an example which the youth of America could well follow. In this regard I refer to his sterling character and deep and reverent Christian faith.

We are sorry to see him leave the Senate. We hope that the future holds many good things for Senator MARTIN and Mrs. Martin.

Mr. BRIDGES. Mr. President, one of the great privileges of membership in this Chamber is the honor of association with able and distinguished men whose dedicated patriotism and statesmanship are an inspiration to all of us.

By their example we are guided to greater heights in the service of our country. Such an example is, and has been, furnished us by the senior Senator from Pennsylvania, EDWARD MARTIN.

ONE OF OUR MOST ESTEEMED COLLEAGUES

But none can stay the passing of the years. It fills our hearts with sadness when such an esteemed statesman and military leader decides to step aside from the arduous duties, to which he has devoted many years of labor, to spend the golden years of his career as an elder statesman, ready as always with his sound and stimulating advice and counsel.

CAREER EMBRACES FIVE FIELDS

As the Senator from South Dakota has said, ED MARTIN'S career embraces unparalleled service in the fields of law, military, politics, government, and business, in each of which he has distinguished himself.

MADE LIEUTENANT GENERAL LAST YEAR

One of the many peaks of his career occurred only last year when the 3 stars of a lieutenant general were pinned on his shoulders as the famed 28th National Guard Division marched in review in summer training at Indiantown Gap, Pa.

ED MARTIN is probably one of the few Members of Congress, if not the only one, who has served in 4 wars.

His great military career began when he enlisted in 1898 as a private in Company K, 10th Infantry, Pennsylvania Volunteers, which saw service in the Philippine Insurrection.

Lieutenant General Martin also saw service in the Mexican expeditionary campaign; and by the time World War I occurred, he had risen to the rank of colonel, in command of an infantry regiment. In World War II, he trained the 28th Division—the division which marched in review when he became a three-star general in the Pennsylvania National Guard.

HOLDS MANY MILITARY DECORATIONS

Pennsylvania's senior Senator holds many high decorations, among them the Distinguished Service Cross with oakleaf cluster and the Purple Heart with oakleaf cluster.

BEGAN MILITARY CAREER AT 18

Senator MARTIN was born in a log house in Pennsylvania, September 18, 1879.

Young EDWARD was 15 when he entered Monongahela College, at Jefferson, Pa. The same year he transferred to Waynesburg College, where he played football and started the study of law. But he was not to have an uninterrupted education, for the Spanish-American War was in the making and he became a soldier of the line.

On May 9, 1898, he joined Company K, of the 10th Pennsylvania Volunteer Infantry, as a private; and soon thereafter embarked for the Philippine Islands, where he served in the grueling Philippine campaign with the troops under Gen. Arthur MacArthur, father of Gen. Douglas MacArthur. He worked his way up to the rank of sergeant.

In 1901, he graduated from Waynesburg College and in 1905 was admitted to the practice of law. Almost immediately he commenced his career as a young country lawyer and became active in political affairs.

A LITTLE LATER

He went to the Mexican Border with Pennsylvania's 28th Division and served under General John J. Pershing.

He served in World War I, and in France was a battalion commander and then a regimental commander, and was promoted in the field to the rank of lieutenant colonel. He led his command through five major offensives, was wounded, gassed and twice received the second highest military award for valor and heroism conferred by our Nation—the Distinguished Service Cross.

After the war, ED MARTIN returned to his native Pennsylvania and became interested in banking, and other business activities.

He was elected State treasurer by nearly 1 million majority and subsequently was elected Governor of Pennsylvania by more than 200,000 votes.

As Governor, General MARTIN took an intense interest in stream purification, and brought about the enactment of a law on the subject, which proved to be of great value in conserving Pennsylvania's natural resources. He also succeeded in having passed a law requiring physical examination of all the schoolchildren of Pennsylvania.

Following his term as governor he was elected to the Senate in 1946, and reelected in 1952. It is not necessary for me to review his faithful and dedicated service in the Senate. It is known and admired by all his colleagues, who, as I do, hold for him affectionate regard and high esteem. Because of the nobility of his character, his friendly nature, his many statesmanlike qualities, and his devotion to his country, as exemplified in his brilliant record as a soldier, he will be sorely missed when the roll is called on the opening of the 86th Congress.

Mr. CASE of South Dakota. Mr. President, I appreciate the way in which Senators who are on the floor at this time have added their words of tribute to the life of our distinguished colleague, Senator ED MARTIN, of Pennsylvania.

The reason the Senator from Pennsylvania is not in the Chamber now is a very characteristic one. I happened to see him in the Senate restaurant this noon, told him I expected to say a few words about him, and that he had better come to the floor.

He pointed to the people seated around him at the table and said, "These people have come from Pennsylvania. I have an appointment of some time standing to keep with them. I am to meet with them before one of the departments, where we are to take up a little problem confronting them. Since I have an appointment, I think I had better keep it with them."

So ED MARTIN will have to read these words in the RECORD. But I am certain that he will appreciate what has been said by so many of his colleagues this afternoon.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a biographical summary of dates, places, and events in the life of Senator ED MARTIN.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

BIOGRAPHICAL SUMMARY OF SENATOR EDWARD MARTIN, OF PENNSYLVANIA

EDWARD MARTIN was born at Ten Mile, Washington Township, Greene County, Pa., September 18, 1879. He was graduated from Waynesburg College in 1901 and admitted to the Pennsylvania bar in 1905.

Senator MARTIN served in the Pennsylvania National Guard continuously from May 9, 1898, to January 18, 1954, when he went on the retired list as a major general after 56 years of service. During the Spanish-American War he served in the Tenth Pennsylvania Volunteer Infantry in the Philippines; served in the Philippines in the Spanish-American War and the Philippine Insurrection from June 15, 1898, to August 22, 1899; served on the Mexican border from June 22, 1916, to October 27, 1916; served in World War I from July 15, 1917, to April 25, 1919; served in France with both 109th and 110th Infantry Regiments and commanded each of these regiments.

Awarded the Distinguished Service Cross with oak leaf cluster, 1918; the Purple Heart with oak leaf cluster, 1918; the Pennsylvania Reilly Medal, 1937; Pennsylvania Society Gold Medal for Distinguished Achievement, 1946; the Pennsylvania Distinguished Service Medal, 1947; the American Legion Distin-

guished Service Medal, 1947; the National Guard Distinguished Service Medal, 1951.

Was promoted to brigadier general, August 17, 1922; advanced to major general, June 26, 1939, and assigned to command the 28th Division, Pennsylvania National Guard, June 26, 1939. Inducted into Federal service as commanding general, 28th Division, February 3, 1941. Cited by Second Army Corps for manner of handling 28th Division in Carolina maneuvers. Relieved of command of the 28th Division, by reason of over age in grade, January 27, 1942, and assigned to Headquarters Fifth Corps Area, Fort Hayes, Ohio. Placed on Army inactive list April 1, 1942. Promoted to lieutenant general, Pennsylvania National Guard, August 10, 1957.

Author and editor, History of the 28th Division, five volumes, 1921.

Lawyer; president and director, Dunn-Mar Oil & Gas Co., Washington, Pa.; director, Washington County Fire Insurance Co.

Auditor general of Pennsylvania, 1925–29; State treasurer of Pennsylvania 1929–33; chairman, Republican State Committee of Pennsylvania, 1928–34; adjutant general of Pennsylvania, 1939–43, with exception of active duty, February 17, 1941, to April 1, 1942; Governor of Pennsylvania, January 1943 to January 1947; member, executive committee, Governors' Conference, 1945–46; chairman, Governors' Conference, 1946; United States Senator, January 3, 1947; member of Senate Finance Committee and Senate Committee on Public Works in 80th, 81st, 82d, 83d, and 84th Congresses; chairman of Senate Public Works Committee in 83d Congress; member Joint Committee on Restoration of the Executive Mansion; member Joint Congressional Committee on the John Marshall Bicentennial; member Joint Congressional Committee on Construction of a Building for a Museum of History and Technology for the Smithsonian Institution.

REFUNDS OF VETERANS' INSURANCE PREMIUMS

Mr. CHURCH. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar 1895, H. R. 9369.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 9369) to authorize refund by the Veterans' Administration of amounts collected from former servicemen by the Government pursuant to guaranty of life insurance premiums under the original Soldiers' and Sailors' Civil Relief Act of 1940.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. THURMOND. Mr. President, the bill authorizes the Veterans' Administration to make refunds to veterans from whom improper collections were made under the original Soldiers' and Sailors' Relief Act of 1940. The collections covered amounts paid by the Government on commercial life-insurance premiums which had been guaranteed pursuant to article IV of that act.

The Veterans' Administration estimates the total amount of refunds at approximately $1,642,000. However, some moneys are already available to the Veterans' Administration for making the refunds; and, hence, the additional appropriation involved is approximately $1,300,000.

The number of persons potentially entitled to refunds is estimated at 8,440 by the Veterans' Administration.

EXPLANATION OF THE BILL

The Soldiers' and Sailors' Civil Relief Act of 1940, upon proper application, authorized the Veterans' Administration to guarantee premium payments on life-insurance policies purchased by servicemen prior to entry into the Armed Forces, thereby suspending, as a practical matter, the necessity for the individual serviceman to keep current on insurance premiums while he was on active duty. Upon failure of the individual serviceman to pay premiums, plus interest, by the end of the period of protection, the Government was obligated to pay the insurance company the difference between the cash surrender value of the policy and the accrued premiums plus interest. The act did not specifically provide for reimbursement by the serviceman for any loss sustained by the Government in connection with the premium guaranty and, as a result, an ambiguity arose as to whether an indebtedness would accrue against servicemen on whose behalf the Government made premium payments.

The act was amended in 1942 (Public Law 732, 77th Cong., approved Oct. 6, 1942) in such a way as to make clear that servicemen who accepted the benefits of the premium guaranty after the 1942 amendments would be obligated to reimburse the Government for any premium payments made under its guaranty.

The ambiguity still existed, however, with respect to servicemen who participated in the premium guaranty benefit program for 1940 to 1942. The Veterans' Administration took the position that these men were obligated to reimburse the Government for premium payments made on their behalf and, pursuant thereto, effectuated collections in the amount of approximately $1,642,000. Most of these moneys were collected by the Veterans' Administration by offsets of the alleged indebtedness against benefits due the servicemen after they became veterans.

The matter was ultimately litigated and decided in favor of the veterans in the United States Supreme Court decision in *United States* v. *Plesha et al* (352 U. S. 202), rendered on January 14, 1957. The Supreme Court of the United States held in the Plesha case (reproduced later in this report), that the 1940 act, as distinguished from the 1942 amendments, had not imposed an obligation upon the serviceman to reimburse the Government for premiums paid pursuant to its guaranty under the act.

In the light of the decision in the Plesha case, the Veterans' Administration made a policy decision to carry out on a broad basis the decision of the Supreme Court by making refunds to all persons from whom collections had been effected. In furtherance of this decision, the Veterans' Administration requested a ruling by the Comptroller General as to use of the moneys in the soldiers' and sailors' civil relief fund for the purpose of voluntarily making such refunds. The Comptroller, on June 24, 1957, advised that the moneys in the fund could not be so used and, further, that the matter should be brought to the attention of Congress.

In the closing days of the 1st session of the 85th Congress, the President's letter of July 25, 1957, to the Speaker of the House of Representatives, among things, included a proposal that authorization for the refunds be granted through a rider on a supplemental appropriation bill. The House and Senate Appropriation Committees concluded, however, that authorizing legislation should first be enacted as a basis for appropriating the necessary funds. The Veterans' Administration then recommended this legislation on August 15, 1957.

The practical effect of this bill is to provide for expeditious administrative payment of refunds to the more than 8,000 potential claimants. Any delay in making administrative settlement can only mean further litigation and expense to the Government as well as to the veteran claimants. Since the principle entitling veterans to refunds has already been established by the Supreme Court of the United States, the claims for refunds cannot generally be successfully defended by the Government. For these reasons, a practicable disposition of the claims for refunds, as well as the best interest of all parties, requires prompt payments through administrative action as provided by this bill.

Finally, as recommended by the Veterans' Administration, the bill authorizes waiver of technical defenses which might be available to the Government against some of these veterans, such as the fact of voluntary payments, in certain instances, the making of payments pursuant to individual judgments, and the 10-year statute of limitations. This provision thus assures equal treatment of all those concerned in this matter, subject only to the filing of application within the 2-year period prescribed by the bill.

COMMITTEE ACTION

Desiring to assure that refunds under the bill will be made promptly to all those entitled, the committee considered the inclusion of a direction in the bill that individual notice be given to potential claimants. This was determined to be unnecessary. It is the committee's view that, since the purpose of the bill is to satisfy outstanding obligations of the Government heretofore established by the decision of the Supreme Court in the Plesha case, individual notification procedure can and will be followed without a specific statutory mandate. It is the committee's desire that as soon as practicable the Veterans' Administration notify each potential veteran claimant, or his heirs or legal representatives, of the right to file claims so that all concerned will have ample opportunity to make application within the specified 2-year limit.

Mr. President, the Veterans' Administration and all other appropriate Government agencies have approved the passage of the bill.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H. R. 9369) was ordered to a third reading, read the third time, and passed.

UNITED STATES INTERVENTION IN THE MIDDLE EAST

Mr. FULBRIGHT. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an editorial entitled "Facing the Reality," and an article entitled "Mideast Debate," written by Joseph E. Evans, both published in the Wall Street Journal of July 21, 1958.

I think the Wall Street Journal has shown a more acute and profound understanding of what is involved in the difficulty in the Middle East than has almost any other newspaper which has come to my attention. I strongly recommend that the editorial and article be read by my colleagues.

There being no objection, the editorial and article were ordered to be printed in the RECORD, as follows:

FACING THE REALITY

Let us suppose that out of the present turmoil in the Middle East there should emerge a political union of the Arab States.

This is not an idle supposition. As the threat of immediate war has diminished, if not yet disappeared, we are seeing more clearly exposed the weaknesses of our present Middle Eastern policy and the absolute necessity of evolving a policy that fits not our desires, but the actual conditions in that part of the world.

Until we do that we cannot plan even our next moves intelligently. We cannot decide what it is our troops are supposed to do in Lebanon. We cannot decide under what circumstances we can extricate them. We cannot determine our own intentions with regard to Jordan, Iraq, Egypt, and the other nations in that area. We can find no way to counter the propaganda moves of Moscow. We are reduced, in fact, to irresolution and uncertainty in everything.

For all these things depend on our coming to grips with the basic political drive in the Arab world. We must decide first of all whether we are going to oppose that drive with force or whether we are going to accept it. And if we are going to accept it, then how best we can accommodate to it for our own and the world's best interest.

Heretofore, the United States has seen only dangers in Arab unity. They do exist. Perhaps, as some people fear, they override all else. But there is only one way to come to grips with that question. That is to examine honestly and without prejudice all the consequences of accepting Arab unity and, equally important, the consequences of opposing it.

The first factor to be considered in any assessment of Arab unity must be Mr. Nasser. He is certainly a potentially dangerous man. But Mr. Nasser is a hard and obvious fact, and unless we are prepared for a war to destroy him, we will have to live with him.

Moreover, if Nasser had never arisen, then there would have been some other Pan-Arabian leader calling for the same kind of Arab unity. Nasser's strength lies in his appeal to the emotions of the people of the Middle East for a unity of political power. The Arabs all the way from the eastern Mediterranean to north Africa are restless and many of them are ripe for unity. So Mr. Nasser is more than a head of one Arab State, he is a symbol.

If Mr. Nasser—or some other symbolic leader—eventually succeeds in putting together an Arab federation, what will we be faced with?

An Arab power will have moved into the power vacuum created by the withdrawal of the British and French from the Middle East. Political control will have passed from the hands of the West into Arab hands, and that control would include the great basin of oil Western Europe needs so vitally.

No one can view this without misgivings. A new power, particularly a new power emerging suddenly through age-old resentments, must be a question mark. But that it would be an anti-Western power is by no means automatic or inevitable.

So far as Middle Eastern oil is concerned, the Arabs have little use for it except as a means of revenue. Since the Western world controls both the transportation and marketing of oil, an Arab federation would be foolish not to come to some kind of acceptable terms. Mr. Nasser has the Suez Canal and the canal still serves the West. One of the first actions of the Iraqi rebels was to announce that they would honor the oil agreements and that they had posted guards to protect oil facilities from damage.

So far as political power is concerned, whoever succeeds in creating one will also succeed in creating a force that may become something of a balance of power in that part of the world. In the conflict between the West and Russia it could well turn out to be a neutral power, for whoever holds it will be just as reluctant to turn it over to the Soviets as to the West.

Such an independent, third force in the Middle East is not necessarily what we would most desire. But our prime purpose there, surely, is not so much that we should control the area as that it should not fall under the domination of Russia. And so the prospect of Arabian unity need not run counter to our own interests—unless we pursue a policy that drives the Arabs in the direction of Moscow.

We are not supposing that it will be easy or simple to accommodate to this new nationalism in the Middle East. We will still be left with great problems. But the alternative seems to be far worse. Unless we intend to create our own little principalities in the Middle East, and be prepared to police them endlessly, we have got to face the reality of Arab nationalism that Mr. Nasser represents.

MID-EAST DEBATE—INTERVENTIONISTS SAY UNITED STATES POLICY DEMANDED TROOPS; CRITICS BLAME LACK OF POLICY

(By Joseph E. Evans)

WASHINGTON.—Beneath a surface appearance of unity in this tense and unhappy capital runs a strong undercurrent of criticism and debate over the United States intervention in Lebanon. It appears in Congress, in the private views of foreign experts outside the Government, and even occasionally within the administration itself.

The question the controversy turns on is this: Where did United States policy in the Middle East go so wrong in the past that we now have to use troops?

One curious aspect of the debate is that so far neither the President nor any other high official has publicly revealed just what it is trying to accomplish in the Middle East beyond the immediate objective of coming to the aid of the Chamoun government in Lebanon. Normally accessible diplomats are extremely difficult for newsmen to see. The upshot is that the United States is not making an effective answer to the worldwide criticism raging even in such friendly countries as West Germany and Japan—and, less distinctly, right here in Washington.

The case for intervention is this:

The United States landed Marines at Beirut because it became convinced that otherwise no small nation anywhere in the non-Communist world could feel safe from external aggression or subversion, Communist or otherwise, internal coup d'etat and assassination of its leaders. This was the basic consideration, overriding any possible threat of Soviet retaliation and also overriding the fact that intervention would not solve any problems in the Middle East and would probably complicate them.

Until the Iraq coup a week ago today, the idea of American military intervention in Lebanon had been all but abandoned. The reason is that the revolt in Lebanon appeared to be practically over, with the government and the rebels nearing agreement on their complex political problems; it seemed the likely outcome would be a stable nation still essentially pro-Western. But the Iraq coup gave the Lebanese rebels a tremendous hypo, just as their revolt was expiring.

THE ADVERSE WINDS

Even some of the administration's critics admit there is merit to the argument that if nothing had been done in Lebanon, other little nations would collapse at the first adverse wind. What bothers the critics more—not so much for the past that is gone as for the future—is the United States policy in the Middle East which has now landed us in Lebanon.

This United States policy has been one of proffered friendship toward both the Arab nations and the State of Israel. The United States has tried in various ways to ameliorate the bitter dispute between those antagonists, dangling the prospect of sizable aid for joint economic development projects if the enemies could reconcile themselves. The United States has also shown sympathy for Arab ambitions for independence and unity, despite the fact that the United States is firmly allied with Britain and France, the former colonial powers in the Middle East.

Thus when Colonel Nasser, now the President of the United Arab Republic of Egypt and Syria, took power in Egypt, the inclination of the United States was to favor him, or at least try to get along with him. Some officials here contend it was Nasser who ruined that effort, not the United States, and that it happened before the Aswan Dam-Suez Canal crises.

Ever since then, in any case, relations with Nasser have been extremely difficult, though with ups and downs. For some time now the belief of the United States Government has been that he is all but in the pocket of the Kremlin, and that the troubles in Lebanon, Jordan, and Iraq are traceable to him and through him to Moscow. Therefore the United States figures he cannot be permitted to take over the Middle East with impunity.

To its critics, all this is not a policy at all, but the results of refusing to make a real policy. Most of these critics are Democrats, some are Republicans, but in any case the objections cut across party lines because the policy, or lack of it, developed under both the Truman and Eisenhower administrations.

Essentially the critics contend that all along the United States has failed to look at the Middle East problems in the face. It could, for one thing, never realistically hope to appear a friend to the Arabs so long as it supported Israel. Its ostensible sympathy for Arab aspirations, moreover, was bound to seem hollow when it allined itself, not with the independence movements but with the feudal monarchies of Saudi Arabia, Jordan, and Iraq. Finally, the United States, it's charged, misunderstands the Arab movement and errs in concluding it is run by Moscow.

"I don't believe Nasser is a Communist, or that he is pro-Communist," says one nongovernmental expert on the Middle East. This man also seriously doubts that the Iraq coup was the result of a Nasser-Soviet plot.

ARAB NATIONALIST

What Senator FULBRIGHT and others contend the United States has been unable or unwilling to perceive is that the movement toward Arab unity is essentially a popular movement which is bound to win out, and which was not in the beginning inimical to the United States. "Force can restrain it only temporarily," warns one man. Therefore, in this view, it is folly for the United States to oppose it by trying to shore up Middle East regimes that are fast becoming relics of the past.

The United States, some of these critics suggest, could have devised a workable policy for the Arab world, regardless of what it did about the Arab-Israeli dispute. If it had ever frankly recognized the inevitability of pan-Arabism, it could have adopted a fairly simple policy of accommodation, realizing that not only colonialism but also feudalism was dying in the Middle East and making the best of it.

But as it is, the failure ever to hammer out a clear and consistent policy that would serve United States interests to the least disadvantage in the face of irresistible movement toward Arab unity has led to rising Arab hatred of the United States and deterioration to the point of military intervention. And now, it's feared, the United States position has been done irreparable damage in Arab eyes, and we stand to forfeit the goals we have sought—a stable and peaceful Middle East free of Communist influence.

So runs the subsurface debate. As in the Korean war, most people here publicly support the intervention now that it is a fact. But many deplore the policies that made it a fact.

EXTENSION OF TRADE AGREEMENTS ACT

The Senate resumed the consideration of the bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

THE IMPORTANCE OF TRUE RECIPROCITY IN INTERNATIONAL TRADE

Mr. WILEY. Mr. President, I should like to summarize briefly some of my observations with regard to the reciprocal-trade-agreements bill which now is before us.

First. The principle of reciprocity is sound. I refer to true reciprocity in which each nation benefits by having each one make some concession in its own national interest and in the interest of world commerce.

Second. The greatest law of nations is the law of self-preservation. America can preserve itself by assuring a strong, free, healthy world in which our allies are strong and vigorous, with sound economies.

Third. More and more of the world's markets are opening up to us. At present there may exist situations in which that does not seem to be the case; but the world is growing, and if we can keep out of a third world war—which some persons believe to be around the corner—the world's markets will continue to open.

Today, we export approximately $19 billion worth of products and services. In the years up ahead, we shall export still more. The other day, someone estimated that it will not be long until the United States exports $50 billion worth of goods and services annually. At the present time we are importing approximately $13 billion worth.

Fourth. So, too, we shall be importing more. We have found that the best customers for America's products are also the best suppliers—as in the instance of Canada.

Fifth. It is a fact, however, that in a certain number of instances damage is inflicted on a domestic industry. I have cited the plywood industry as a case in point. There, the difference between the wages paid to Americans and those paid to foreign labor results in a situation which can be harmful, and has been harmful, to American producers.

The other day, on the floor of the Senate, I had a brief debate on this subject with the distinguished senior Senator from Illinois [Mr. DOUGLAS]. In my opinion, at least, the debate was really worth while, because, after all, in this country there are those who are away over to the left and who want free trade, and there are others who are away over to the right and who want the door to be closed, so the United States will again be isolated. In the debate I had with the Senator from Illinois, the issue was how to find a way by which we can keep the American market, by and large, in the case of practically every product, for the American producers. That issue calls for sane thinking and able minds.

Sixth. The reciprocal trade agreements program, like all programs, depends upon its administration. If it is administered soundly and wisely, it will operate to the national interest. If it is not, harm will be done.

Seventh. For some time we have had on our statute books what are known as the peril-point and escape-clause provisions. Those provisions should not be dead letters. They should be utilized on a sound basis, as Congress intended.

Eighth. The House version of House bill 12591 is, by and large, a step in the right direction. It was passed overwhelmingly, by a vote of 317 to 98. The bill is by no means perfect, but certainly it should not be cut to pieces. Whether it will be adequately administered will depend on the human equation.

Ninth. I believe that Congress should not get back into the business of attempting to write tariffs by itself. If we were to attempt, here on the Senate floor, to adjust specifically, either up or down, literally hundreds of tariffs, we would have time for nothing else. Therefore, I would oppose any step which would, in effect, put Congress back into the business of writing or changing specific tariffs.

From time to time, as in the instances of plywood, it may be necessary for the Congress to take certain specific actions. Those should, however, be relatively few in number. Mr. President, think of all the things Congress must do, today. It is obvious that Congress would not wish to go into that particular phase of national activity.

Tenth. Hundreds of Wisconsinites have written to me on the present issue. Some domestic producers have indicated their concern over what they feel is a lack of adequate protection in the bill as passed by the House.

On the other hand, other producers and unions have written favoring the House version. The Milwaukee Association of Commerce has written, urging extension of the Reciprocal Trade Agreements Act. The League of Women Voters of Wisconsin, at the State and local levels, has written, endorsing the House version of the bill.

Eleventh. Scores and scores of Wisconsin companies are now engaged in the export business. I have previously had printed in the CONGRESSIONAL RECORD the names of many of the companies which benefit from our mutual-security program.

The other day, the junior Senator from Wisconsin [Mr. PROXMIRE] had printed in the RECORD a significant list of the many Wisconsin companies which benefit from the reciprocal-trade program. At this time, I shall not undertake to submit the list again.

Twelfth. In the case of the reciprocal-trade program, I do not believe in going to either extreme. I am not in favor of free trade. Neither am I in favor of Chinese-wall-type trade barriers which bar trade. I am in favor of the policy which was enunciated long ago by the Apostle Paul, I believe, who said, in effect, that he who does not look after his own is unworthy. I believe the American producer is entitled primarily to the American market. But I also realize that this world of ours has, by means of man's ingenuity, been shrunken in size, so that when we hear, as we did the other day, that the Kremlin says it has intercontinental missiles, we are beginning to realize that the very instrumentalities we used militarily a few years ago, and even those we used economically, in and by themselves may not be adequate as we face the new facts of life. Therefore, we must carefully consider what we call foreign policy and foreign affairs; and often times in the interest of maintaining the necessary relationships, we may have to make economic concessions which in some respects seem to be even a little detrimental to some of our own groups.

Thirteenth. As the cosponsor of the Wiley-Dondero Great Lakes-St. Lawrence Seaway Act of 1954, I naturally have a particular interest in the development of sound, two-way trade with the world. If the seaway is to move 50 million tons of goods, as we earnestly believe it will, encouragement must be given to world trade in both directions.

WISCONSIN'S ENORMOUS STAKE IN FOREIGN TRADE

Fourteenth. I have previously pointed out the enormous stake of my State in foreign trade.

I should like to point out now that in Wisconsin's largest city, the Milwaukee Trade Club has a membership of more than 158 companies engaged in exporting and servicing exports.

Furthermore, according to R. J. Peot, of the Koehring Export Division, "exports from the Milwaukee area industry alone amounted to $252 million, and provided jobs for 10,698 production workers in 1956—the latest year for which figures are available."

IMPORTANCE OF STRATEGIC MATERIALS

Let me point out that, as I have very frequently stated, the United States has an extraordinary dependence upon foreign sources of supply for strategic materials.

Thus, we import 100 percent of the natural rubber used by United States industry, 100 percent of tin, 100 percent of industrial diamonds and graphite, 98 percent of platinum metals, 91 percent of chromite, 96 percent of nickel—and so on, down the line.

This amount of imports is not a luxury; it is an absolute necessity.

Let me further cite the comments made by the Paley Commission in June of 1952. It pointed out that the United States is self-sufficient in only 2 out of 32 indispensable minerals. We have only enough molybdenum and magnesium to meet our domestic needs. In that connection, I refer to page 6, of volume 1, of the Paley Commission report.

In other words, it is not as if we could dispense, willy-nilly, with foreign trade. It is a matter of life and death to the American Continent.

DIFFERENCES BETWEEN SENATE AND HOUSE BILL

In what respects does the Senate committee bill differ from the House bill?

First, it reduces the Presidents' authority from 5 years to 3 years.

Second, it cuts the President's tariff-reducing authority from 25 percent to 15 percent—only 5 percent a year. Moreover, it prevents a carryover of unused authority from one year to the next.

Third, it removes from the President his final discretionary authority in escape clause cases to determine the Nation's needs in foreign policy, national security, and the total national interest.

I shall not attempt to take the time of the Senate to review all three of these principal changes. I shall, however, address myself to the Kerr amendment.

Under it, a Tariff Commission recommendation would become automatically effective unless it were disapproved by the President, and unless such disapproval were confirmed by a majority vote of the Congress.

Thus, the Kerr amendment delegates to the Tariff Commission virtually complete authority to set tariff rates in escape clause cases. It makes the Commission's authority final, except when the President is able, in a case of overwhelming urgency, to obtain a majority vote in both Houses of Congress to uphold his position.

In my judgment, this latter amendment may plunge the Congress right back into tariff-making in all escape clause cases.

It seems to me that the Congress is already overwhelmingly deluged with responsibilities. It is inundated with foreign policy and domestic policy requirements. Should we, therefore, as a matter of policy, force back upon Congress the responsibility for specific escape clause decisions?

Should we not, therefore, leave it in the hands of the Chief Executive of our country to decide on escape-clause actions within the national interest?

WORLD WILL CHANGE

Whether we decide to extend the President's authority for 3 years or 5 years, the fact of the matter is that we, of the Congress, cannot foresee ahead as much as 3 days or 3 months or 3 years. The world is in flux. The Congress will always have the responsibility of making reviews of this, or any other law. We shall be invigorating, I trust, with new life the principle of reciprocity.

But we cannot assume that the world is going to stand still for a period of 3 years, and that any law which we enact will work soundly for 3 years in the changed world of today.

PROTECTING OUR BIRTHRIGHT

If I were to sum up my position, I would say that, while we are anxious to help human beings throughout the world achieve their birthright, we do not intend to give away our own birthright. I mean the birthright of American employees; I mean the birthright of American businessmen in this, the greatest market of the world.

WILL THE MECHANISM WORK?

The big question, therefore, is, Will the escape clause and peril-point provisions which we enact work?

If a mechanism does not work, or if those who are operating the mechanism are not efficient, then it is our responsibility, (a) to change the mechanism; and (b) to urge that the operators change their course of action.

CONGRESS MUST KEEP ITS EYE ON THE BIG PICTURE

When the flood of incoming Swiss watches jeopardized the watchmaking skills and labor of the New England area, then the President acted to protect and preserve those watchmaking skills.

There have been other instances when the President has soundly invoked escape-clause provisions. He has raised tariffs. Quotas have been set on incoming imports. It may be necessary to do so again in the future, depending upon the specific conditions of the time.

AMERICA, THE LEADER OF THE WORLD

In conclusion, the dramatic headlines of the Middle East underline the fact that we are the leading nation of the earth. But we do not control the actions of the earth. Events are occurring in many places which will determine our own future decisions.

We must keep our eye on the big picture. We must constantly reevaluate our mechanisms, our approaches, our concepts, so that at each given time in our history, we may be adequate to the responsibilities which are ours.

FOREIGN POLICY

We must have efficient tools in handling our foreign affairs. Our leaders in Government are of the opinion this reciprocal-trade measure is such an instrument.

TRANSFER OF FEDERAL EMPLOYEES FOR SERVICE WITH INTERNATIONAL ORGANIZATIONS

Mr. CHURCH. Mr. President, I ask unanimous consent that the Senate temporarily lay aside the unfinished business and proceed to the consideration of Order No. 1871, Senate bill 4004.

The PRESIDING OFFICER (Mr. CURTIS in the chair). The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 4004) to encourage and authorize details and transfers of Federal employees for service with international organizations.

The PRESIDING OFFICER. Is there objection to the request for the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Post Office and Civil Service with an amendment to strike out all after the enacting clause and insert:

That this act may be cited as the "Federal Employees International Organization Service Act."

DEFINITIONS

SEC. 2. As used in this act—

(1) "International organization" means every public international organization or international organization preparatory commission in which the United States Government participates.

(2) "Federal agency" means any department or agency in the executive branch of the United States Government including independent establishments and Government owned or controlled corporations, and any employing authority in the legislative branch of the United States Government.

(3) "Employee" means any civilian appointive officer or employee in or under the executive or the legislative branch of the United States Government.

(4) "Congressional employee" means those included in the definition of that term contained in the Civil Service Retirement Act.

(5) "Transfer" means the change of position by an employee from a Federal agency to an international organization.

(6) "Detail" means the assignment or loan of an employee to an international organization without the employee's transfer from the Federal agency by which he is employed.

(7) "Reemployment" means either the reemployment of an employee pursuant to section 4 (a) (5), or the reemployment of a Congressional employee within 90 days from the date of his separation from the international organization, following a term of employment not extending beyond the period specified by the head of the Federal agency at the time of consent to transfer or, in the absence of such a specified period, not extending beyond the first 3 consecutive years of his entering the employ of the international organization.

DETAILS

SEC. 3. (a) The head of any Federal agency is authorized to detail for a period not exceeding 3 years any employee of his department or agency to an international organization requesting services.

(b) Any employee while so detailed shall be considered for the purpose of preserving his allowances, privileges, rights, seniority, and other benefits, to be an employee of the Federal agency from which detailed and he shall continue to receive compensation, allowances, and benefits from funds available to that agency. The authorization of such allowances and other benefits and the payment thereof out of any appropriations available therefor shall be considered as

meeting all the requirements of section 1765 of the Revised Statutes.

(c) Details may be made under this section—

(1) without reimbursement to the United States by the international organization; or

(2) with agreement by the international organization to reimburse the United States for compensation, travel expenses, and allowances, or any part thereof, payable during the period of detail in accordance with subsections (a) and (b), and such reimbursement shall be credited to the appropriation, fund, or account utilized for paying such compensation, travel expenses, or allowances.

(d) Nothing in section 1914 of title 18, United States Code, relative to augmenting salaries of Government employees shall prevent an employee detailed under this section from being paid or reimbursed by an international organization for allowances or expenses incurred in the performance of duties required by the detail.

TRANSFERS

SEC. 4. (a) Notwithstanding the provisions of any law, Executive order, or regulation, any employee serving under a Federal appointment not limited to 1 year or less who transfers to an international organization is entitled to the following, if the transfer is made with the consent of the head of his agency, except that the provisions of paragraph (5) relating to reemployment rights, and the provisions of paragraph (6) relating to rates of basic compensation payable upon reemployment shall not apply to Congressional employees:

(1) To retain coverage and all rights and benefits under any system established by law for the retirement of civilian employees of the United States, if all necessary employee deductions and agency contributions in payment for such coverage, rights, and benefits for the period of employment with the international organization are currently deposited in the system's fund or depository, and for such purpose service as an officer or employee of the international organization shall be considered to be creditable service under any such system.

(2) To retain coverage and all rights and benefits under the Federal Employees' Group Life Insurance Act of 1954, as amended (5 U. S. C., ch. 24), if all necessary employee deductions and agency contributions in payment for such coverage, rights, and benefits for the period of employment with the international organization are currently deposited in the Employees' Life Insurance Fund created by section 5 (c) of the Federal Employees' Group Life Insurance Act of 1954, as amended (5 U. S. C. 2094 (c)), and for such purpose service as an officer or employee of the international organization shall be considered to be service as an officer or employee of the United States.

(3) To retain coverage and all rights and benefits under the Federal Employees' Compensation Act, as amended (5 U. S. C., ch. 15), and for this purpose his employment with the international organization shall be deemed to be employment by the United States. However, in any case in which the injured employee, or his dependents in case of death, receives from the international organization any payment (including any allowance, gratuity, payment under an insurance policy for which the premium is wholly paid by that organization, or other benefit of any kind), on account of the same injury or death, the amount of such payments shall be credited against any benefits payable under the Federal Employees' Compensation Act as follows: (A) payments on account of injury or disability shall be credited against disability compensation payable to the injured employee; and (B) payments on account of death shall be credited against death compensation payable to dependents of the deceased employee.

(4) To elect to retain to his credit all accumulated and current accrued annual leave to which entitled at the time of transfer to an international organization which would otherwise be liquidated by a lump-sum payment. On the request of an employee at any time prior to reemployment, payment shall be made for all of the leave retained. In any case in which an employee receives a lump-sum payment and reemployment occurs within 6 months following the date of the transfer, such employee shall refund to the Federal agency the amount of the lump-sum payment. This subsection shall under no circumstances operate so as to cause a forfeiture of retained leave following reemployment or to deprive an employee of any lump-sum payment to which he would otherwise be entitled.

(5) To be reemployed within 30 days of his application for reemployment in his former position or a position of like seniority, status, and pay in the agency from which he transferred, if he is separated from the international organization within 3 years after the date on which he entered on duty with the international organization, or within such shorter period as may be specified by the head of the Federal agency at the time of consent to transfer, and he applies for reemployment not later than 90 days after the separation.

(6) Upon reemployment, to the rate of basic compensation to which he would be entitled had he remained in the Federal service. Upon reemployment, the sick leave account of the employee shall be restored by credit or charge to its status at the time he left the Federal service; and the period of separation caused by his employment with the international organization and the period necessary to effect reemployment shall be considered creditable service for all appropriate Federal employment purposes.

(b) During the employee's period of service with the international organization, the agency contribution for retirement and insurance purposes may be made from the appropriations or funds of the Federal agency from which the employee transferred.

(c) All computations under this act prior to reemployment shall be made in the same manner as if the employee had received basic compensation (or basic compensation plus additional compensation in the case of a congressional employee) at the rate at which it would have been payable had the employee continued in the position in which he was serving at the time of his transfer.

(d) The provisions of this section shall apply only with respect to so much of any period of employment with an international organization as does not exceed 3 years or such shorter period as may be specified by the head of the Federal agency from which the employee is transferred at the time of consent to transfer, except that for retirement and insurance purposes this section shall continue to apply during the period in which a congressional employee is effecting or could effect a reemployment or an employee other than a congressional employee is properly exercising or could exercise the reemployment right established by subsection (a) (5). During that reemployment period, the employee shall be considered to be on leave without pay for retirement and insurance purposes.

REGULATIONS

SEC. 5. The President is authorized to prescribe the necessary rules and regulations to carry out the provisions of this act and to protect and assure the retirement, insurance, leave, and reemployment rights and such other similar Federal employment rights as he may find appropriate. These regulations may provide for the exclusion of employees from coverage hereunder on the basis of the nature and type of employment such as, but not limited to, excepted appointments of a confidential or policy-determining character, or conditions pertaining to the employment such as, but not limited to, short-term appointments, seasonal or intermittent employment, and part-time employment.

EFFECTIVE DATE

SEC. 6. This act shall take effect on the date of its enactment except that any present employee of an international organization who entered on duty with the organization by transfer under Executive Order 9721 of May 10, 1946, as amended by Executive Order 10103 of February 1, 1950, or under the International Atomic Energy Agency Participation Act of 1957, not earlier than 3 years prior to the date of enactment, may elect to have coverage hereunder for the remainder of the 3-year term if the head of the Federal agency from which he transferred consents to that coverage.

REPEAL PROVISION

SEC. 7. Section 6 (a) of the International Atomic Energy Agency Participation Act of 1957 (22 U. S. C. 2025 (a)), is repealed except that it shall be considered to remain in effect with respect to any employee subject thereto who is serving as an employee of the International Atomic Energy Agency on the date of enactment of this act and who does not make the election referred to in section 6, and for the purposes of any rights and benefits vested thereunder prior to such date.

Mr. JOHNSTON of South Carolina. Mr. President, this bill, a draft of which was submitted to the Vice President, was requested by the Secretary of State. Not only the Department of State but a great many international organizations are having trouble getting efficient help under present circumstances. They asked that the bill be passed.

It will be noted that the bill gives certain benefits to transferred employees which they do not now have. The right is provided that the departments may transfer personnel to various international organizations without the employees' losing their rights as Federal employees. It will help the various organizations fill temporary jobs with such employees.

We must take some such action as this, for certain jobs in these international organizations are now being filled by people who are not citizens of the United States and we have to pay the compensation of those who fill the positions. The passage of the bill will really help the citizens of the United States.

The committee was unanimous in reporting the bill and recommending that it be passed.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). The question is on agreeing to the committee amendment.

Mr. JOHNSTON of South Carolina. Mr. President, the amendment would only correct technical errors we found in the bill in the process of hearing.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RECONVEYANCE OF CERTAIN LAND TO SALT LAKE CITY, UTAH

Mr. CHURCH. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Order No. 1882, S. 3439.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Idaho?

There being no objection, the Senate proceeded to consider the bill (S. 3439) providing for the reconveyance to Salt Lake City, Utah, of the Forest Service fire warehouse lot in that city, which had been reported from the Committee on Agriculture and Forestry with amendments, on page 1, line 3, after the word "authorized", to strike out "and directed"; in line 8, after the word "thereon", to insert a colon and "*Provided*, That as a condition of such conveyance the Secretary may in his discretion reserve to the United States for a period of not to exceed 2 years from the date of the deed the right to use and occupy without charge the property being conveyed."; on page 2, line 11, after the word "of", to strike out "Agriculture, said" and insert "Agriculture. Said"; and in line 18, after the word "Administration", to insert a comma and "or on other property acquired by or available to the Secretary of Agriculture"; so as to make the bill read:

Be it enacted, etc., That the Secretary of Agriculture is authorized to reconvey, by quitclaim deed, to Salt Lake City, a municipal corporation of the State of Utah, the Forest Service fire warehouse lot located at 634 South Second East Street in Salt Lake City, together with all appurtenances pertaining thereto and all improvements thereon: *Provided*, That as a condition of such conveyance the Secretary may in his discretion reserve to the United States for a period of not to exceed 2 years from the date of the deed the right to use and occupy without charge the property being conveyed.

SEC. 2. The real property conveyance which is authorized by this act is described as commencing at the southeast corner of lot 8, block 20, plat A, Salt Lake City survey and running thence west 10 rods; thence north 5 rods; thence east 10 rods; thence south 5 rods to the place of beginning.

SEC. 3. The consideration for the conveyance herein authorized shall be the fair market value of the property as determined by the Secretary of Agriculture. Said payment to the United States shall be deposited in a special fund and shall be available to the Secretary of Agriculture for the purpose of aiding in the construction of other similar facilities in Salt Lake City on property available to the Forest Service at the former Veterans' Administration site near Fort Douglas, which is being assigned by the General Services Administration, or on other property acquired by or available to the Secretary of Agriculture.

SEC. 4. The United States purchased the lot from Salt Lake City by deed dated April 25, 1935, recorded in book 142 of deeds, page 337 of the Salt Lake County recorder's office records.

Mr. JOHNSTON of South Carolina. Mr. President, this bill, with committee amendments, would authorize the Secretary of Agriculture to sell to Salt Lake City, Utah, a tract of land used by the Forest Service as the location for a forest fire control warehouse and suppression crew headquarters. The city would be required to pay full market value as determined by the Secretary of Agriculture, and the proceeds would be available for the construction of new fire control facilities on a more suitable site owned by the Government.

The city needs the tract for municipal purposes. It is not suitable for the purposes for which it is now used by the Government, since the city has built up around it and fire crews situated at this station must travel through congested areas to reach fires on the national forest. This increases hazards of accident and hampers fire control. The transfer will be of advantage to both the city and the Forest Service.

The committee amendments, which are of a technical nature, were suggested by the Department of Agriculture, and are fully explained in the report.

The bill meets what is known as the Morse formula.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EXCHANGE OF CERTAIN LANDS, ROOSEVELT NATIONAL FOREST, COLO.

Mr. CHURCH. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Order No. 1883, H. R. 10321.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Idaho?

There being no objection, the Senate proceeded to consider the bill (H. R. 10321) to authorize the Secretary of Agriculture to exchange lands comprising a portion of Estes Park administrative site, Roosevelt National Forest, Colo., and for other purposes.

Mr. JOHNSTON of South Carolina. Mr. President, the bill would authorize the Secretary of Agriculture to exchange about 4 acres of land near Estes Park, Colo., for land of equal value on the outskirts of Fort Collins, Colo. The land near Estes Park is not needed by the Forest Service, while additional land in the Fort Collins area is urgently needed in connection with its administrative headquarters in that city.

This bill also meets the Morse formula.

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H. R. 10321) was ordered to a third reading, read the third time, and passed.

EXCHANGE OF LANDS AND IMPROVEMENTS WITH THE CITY OF REDDING, CALIF.

Mr. CHURCH. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Order No. 1884, H. R. 11253.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Idaho?

There being no objection, the Senate proceeded to consider the bill (H. R. 11253) to authorize the Secretary of Agriculture to exchange land and improvements with the city of Redding, Shasta County, Calif., and for other purposes.

Mr. JOHNSTON of South Carolina. Mr. President, the bill would authorize the Secretary to exchange approximately 11.98 acres within the city of Redding, Calif., owned by the United States and used by the Forest Service, for approximately 40 acres at the Redding Municipal Airport, owned by the city of Redding. The bill further provides that the land and improvements to be conveyed to the United States shall have a value not less than the land and improvements offered in exchange.

In addition, it would be required that the improvements on the land conveyed to the United States meet the needs and requirements of the Forest Service at least as satisfactorily as those now on the land owned by the Government.

The bill would provide that the lands conveyed to the United States be a part of the Shasta National Forest and subject to the laws, rules, and regulations applicable to lands acquired under the act of March 1, 1911.

The Federal property in Redding is used by the Forest Service as a multifunctional headquarters. The forest supervisor of the Shasta-Trinity National Forest has his office there. In addition, equipment shops and fire-control functions serving seven national forests in northern California are headquartered on the site. The latter consists of a zone dispatcher, a fire-danger weather-forecasting station—manned by the Weather Bureau—a smoke-jumper center, a zone fire-equipment cache, and a paracargo center.

For some time the Forest Service has recognized the need to improve its physical plant and relocate the functions it carries on at the Redding site. In turn, the city of Redding has need for the Federal property in order that it might consider its civic functions in one center. The city, therefore, proposed the idea of exchanging properties, erecting on the property it would convey certain improvements needed by the Forest Service. The Secretary of Agriculture has no authority to make the proposed exchange, hence the need for the legislation.

This bill also meets the Morse formula.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H. R. 11253) was ordered to a third reading, read the third time, and passed.

EXCHANGE OF LANDS, UINTA NATIONAL FOREST, UTAH

Mr. CHURCH. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and

that the Senate proceed to the consideration of Order No. 1885, S. 3248.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Idaho?

There being no objection, the Senate proceeded to consider the bill (S. 3248) to authorize the Secretary of Agriculture to exchange lands comprising the Pleasant Grove administrative site, Uinta National Forest, Utah, and for other purposes.

Mr. JOHNSTON of South Carolina. Mr. President, the bill would authorize the Secretary of Agriculture to convey to the Pleasant Grove Second Corporation of the Church of Jesus Christ of Latter-day Saints a 0.75-acre tract of land in the city of Pleasant Grove, Utah, in exchange for an 0.83-acre tract in the city of Pleasant Grove and a 2-acre tract near that city. The Government land is appraised at $3,323, while the privately owned tracts are appraised at $3,850.

In addition, the church will remove all structures situated on the Government-owned site and relocate them on the tract of land located in the city which is to be transferred to the Government. The Government tract is the only tract suitable for needed expansion of the church, while the city tract to be conveyed by the church is entirely suitable to the Government's needs and the 2-acre tract will provide needed pasture for Government horses. The Government will receive full consideration.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 3248) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of Agriculture is authorized to convey by quitclaim deed to the Pleasant Grove Second Corporation of the Church of Jesus Christ of Latter-day Saints, a corporation organized and existing under the laws of the State of Utah, all right, title, and interest of the United States in and to the following described tract of land comprising the Pleasant Grove Administrative Site, Uinta National Forest, Pleasant Grove, Utah: Beginning at a point which is 148.5 feet north from the southeast corner of lot 1, block 49 of the survey of Pleasant Grove townsite; thence west 165 feet; thence north 198 feet; thence east 165 feet; thence south 198 feet to point of beginning, containing .75 acre, more or less, and to accept in exchange therefor a conveyance in fee simple by warranty deed to the United States by said Pleasant Grove Second Corporation of the Church of Jesus Christ of Latter-day Saints of the following described tracts of land located in Pleasant Grove, State of Utah. Tract 1: Commencing at a point in the west line of block 52, plat "A", Pleasant Grove City survey of building lots; which point of beginning is south 0 degrees 30 minutes west along the centerline of Second West Street, a distance of 33.0 feet and south 89 degrees 30 minutes east 28.6 feet from the intersection monument at said Second West Street and Fourth North Street as per the official city plat of Pleasant Grove City (1939); and running thence south 89 degrees 30 minutes east 247.5 feet; thence south 8 degrees 58 minutes east 142.0 feet; thence north 89 degrees 30 minutes west 269.8 feet to the west line of said block 52; thence with said block line north 0 degrees 05 minutes east 140.0 feet to the point of beginning, containing .83 acre, more or less. Tract 2: Commencing 70 links south and 9.85 chains east of the one-quarter corner common to sections 29 and 30, township 5 south, range 2 east of the Salt Lake base and meridian; thence east 132 feet; thence north 660 feet; thence west 132 feet; thence south 660 feet to the point of beginning, containing 2 acres, more or less, together with the spring arising on and appertaining thereto and used exclusively in connection with said tract: *Provided*, That the lands conveyed by either party under the provisions of this Act shall be subject to rights-of-way, exceptions, reservations, or conditions outstanding of record.

SEC. 2. Prior to the consummation of the exchange authorized by the first section of this Act, and as a condition to the execution of the quitclaim deed by the Secretary of Agriculture, the Pleasant Grove Second Corporation of the Church of Jesus Christ of Latter-day Saints shall remove all structures, improvements, appurtenances, and facilities situated on the Pleasant Grove Administrative Site described in section 1 of this Act and relocate or reconstruct them at its expense in a manner satisfactory to the Secretary of Agriculture on the tract of land described in section 1 of this Act as tract 1 of the lands which the Pleasant Grove Second Corporation of the Church of Jesus Christ of Latter-day Saints proposes to exchange with the United States. Previous to the removal of the aforesaid structures, improvements, appurtenances, and facilities the Pleasant Grove Second Corporation of the Church of Jesus Christ of Latter-day Saints shall furnish a performance bond in favor of the United States satisfactory to the Secretary of Agriculture to assure the proper relocation or reconstruction of such structures, improvements, appurtenances, and facilities.

TOWNSITES IN NATIONAL FORESTS

Mr. CHURCH. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Order No. 1886, H. R. 12161.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Idaho?

There being no objection, the Senate proceeded to consider the bill (H. R. 12161) to provide for the establishment of townsites, and for other purposes.

Mr. JOHNSTON of South Carolina. Mr. President, the bill would authorize the Secretary of Agriculture to set aside areas of national-forest land or land administered by him under title III of the Bankhead-Jones Farm Tenant Act, as townsites and divide such areas into townlots to be offered at public sale to the highest bidder for not less than appraised value thereof.

The need for the legislation arises primarily from three circumstances: First, where a national forest is immediately adjacent to a growing urban community; second, where a town or settlement within the national forest on private land is outgrowing the available private land; third, where a sawmill, mining development, power dam, or other permanent installation within a national forest makes the establishment of a townsite administratively desirable. Under present laws, the Forest Service has no authority to sell national-forest land to private owners for the building of houses and similar structures. Where it has become necessary, for any reason, for private residences and other structures to be built on national-forest land, it is now done under special use permits which convey no title to the land.

Such a policy makes it difficult for the individual, who must build his house or other building on land he does not own, and also for the Forest Service which must—in the event of any substantial settlement—enter into the business of providing municipal services such as fire and police protection, sanitation, and so forth, which are considerably outside its usual functions.

For these reasons, the administration asks that the bill be passed.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H. R. 12161) was ordered to a third reading, read the third time, and passed.

ADMINISTRATION OF CERTAIN LANDS WITHIN NATIONAL FORESTS

Mr. CHURCH. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Order No. 1887, S. 3741.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Idaho?

There being no objection, the Senate proceeded to consider the bill (S. 3741) to facilitate administration and management by the Secretary of Agriculture of certain lands of the United States within national forests which had been reported from the Committee on Agriculture and Forestry, with an amendment, on page 2, line 8, after the word "Provided,", to strike out "That nothing in this act shall be construed as affecting the status of national forest lands administered as such by the Secretary of Agriculture under the act of June 24, 1954 (68 Stat. 270), and which were formerly revested Oregon and California Railroad grant lands" and insert "That nothing in this act shall be construed as (1) affecting the status of lands administered by the Secretary of Agriculture under the act of June 24, 1954 (68 Stat. 270), and which are revested Oregon and California Railroad grant lands, administered as national forest lands, or (2) changing the disposition of revenues from or authorizing the exchange of the lands, or the timber thereon, described in the act of February 11, 1920 (ch. 69, 41 Stat. 405), the act of September 22, 1922 (ch. 407, 42 Stat. 1019), and the act of June 4, 1936 (ch. 494, 49 Stat. 1460).", so as to make the bill read:

Be it enacted, etc., That, in order to facilitate the administration, management, and consolidation of the national forests, all lands of the United States within the exterior boundaries of national forests which were or hereafter are acquired for or in connection with the national forests or transferred to the Forest Service, Department of

Agriculture, for administration and protection substantially in accordance with national forest regulations, policies, and procedures, excepting (a) lands reserved from the public domain or acquired pursuant to laws authorizing the exchange of land or timber reserved from or part of the public domain, and (b) lands within the official limits of towns or cities, notwithstanding the provisions of any other act, are hereby made subject to the Weeks Act of March 1, 1911 (36 Stat. 961), as amended, and to all laws, rules, and regulations applicable to national forest lands acquired thereunder: *Provided*, That nothing in this act shall be construed as (1) affecting the status of lands administered by the Secretary of Agriculture under the act of June 24, 1954 (68 Stat. 270), and which are revested Oregon and California Railroad grant lands, administered as national forest lands, or (2) changing the disposition of revenues from or authorizing the exchange of the lands, or the timber thereon, described in the act of February 11, 1920, (ch. 69, 41 Stat. 405), the act of September 22, 1922 (ch. 407, 42 Stat. 1019), and the act of June 4, 1936 (ch. 494, 49 Stat. 1460).

Mr. JOHNSTON of South Carolina. Mr. President, this bill would facilitate administration of the national forests by providing that the rules applicable to Weeks law lands shall also be applicable to a large group of lands acquired under various authorities and administered in connection with the national forests. Subject to minor exceptions, all Federal lands in the forests would then be administered as lands reserved from the public domain or Weeks law lands; and the Department would not have to consider conflicting rules applicable to various small parcels in taking any administrative action.

The bill was intended to exclude from its provisions all revested Oregon & California Railroad grant lands. However, it was discovered after the bill had been introduced that certain revested Oregon & California Railroad grant lands had not been excluded; and the committee amendment, which has the approval of the Department of Agriculture, would remedy this oversight by excluding these lands.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. CHURCH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CHURCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

INCREASED USE OF AGRICULTURAL PRODUCTS FOR INDUSTRIAL PURPOSES

Mr. CHURCH. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 1831, Senate bill 4100.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 4100) to provide for the increased use of agricultural products for industrial purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. CURTIS. Mr. President, this measure, if favorably considered by this body and the House of Representatives, would open up a new day in the field of agriculture if the law were sympathetically administered.

We are living in a time when the genius of man is able to produce more food than we require. Such food products are rich in every substance and every component used industrially.

The bill offers a great opportunity for the return to a day when farmers can manage their own farms and find a market for all they can produce.

The matter is not a new subject to the Senate. In 1956 the Senate incorporated a provision in the agricultural bill, pursuant to an amendment offered by me, calling for the appointment of a bipartisan Commission to study the problem of finding new uses for our agricultural products. That proposal became law. A Commission was appointed. It was headed by the distinguished J. Leroy Welsh, of Omaha, Nebr. The Commission has submitted a report. The proposed legislation has been written to carry out that report. I ask unanimous consent that at this point in the RECORD there may appear a statement on the program which I made before the Committee on Agriculture and Forestry when this bill was under consideration there.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR CURTIS BEFORE THE SENATE AGRICULTURAL AND FORESTRY COMMITTEE ON JUNE 4, 1958

Mr. Chairman, may I express my gratitude to this committee for holding this hearing. A great many Senators and Representatives have expressed their interest in the development of a program to promote industrial uses of agricultural surpluses. Many of them have introduced bills or joined in the introduction of bills.

I wish to particularly commend Senator CAPEHART, of Indiana, for his work in this endeavor. He has long been interested in it and given it much attention.

The bill introduced by a member of this committee, the distinguished Senator from South Carolina [Mr. JOHNSTON], varies only a little from the measure that I have introduced, S. 2306. The passage of the Johnston bill would be most acceptable to me.

Mr. Chairman, the Senators who have introduced or cosponsored a proposal relating to the general subject of the promotion of the industrial uses of agricultural surpluses include: Senator GEORGE D. AIKEN, Senator GORDON ALLOTT, Senator FRANK A. BARRETT, Senator J. GLENN BEALL, Senator JOHN W. BRICKER, Senator STYLES BRIDGES, Senator JOHN M. BUTLER, Senator HOMER E. CAPEHART, Senator FRANK CARLSON, Senator CLIFFORD P. CASE, Senator FRANCIS CASE, Senator DENNIS CHAVEZ, Senator CARL T. CURTIS, Senator EVERETT DIRKSEN, Senator JAMES EASTLAND, Senator RALPH FLANDERS, Senator J. W. FULBRIGHT, Senator BARRY GOLDWATER, Senator BOURKE HICKENLOOPER, Senator ROMAN L. HRUSKA, Senator JACOB K. JAVITS, Senator WILLIAM E. JENNER, Senator OLIN D. JOHNSTON, Senator ESTES KEFAUVER, Senator THOMAS H. KUCHEL, Senator WILLIAM LANGER, Senator FRANK J. LAUSCHE, Senator GEORGE W. MALONE, Senator EDWARD MARTIN, Senator THOMAS B. MARTIN, Senator THRUSTON B. MORTON, Senator KARL E. MUNDT, Senator FREDERICK G. PAYNE, Senator CHARLES E. POTTER, Senator WILLIAM A. PURTELL, Senator ANDREW F. SCHOEPPEL, Senator H. ALEXANDER SMITH, Senator MARGARET CHASE SMITH, Senator JOHN J. SPARKMAN, Senator JOHN STENNIS, Senator EDWARD J. THYE, Senator ALEXANDER WILEY, Senator MILTON R. YOUNG.

I trust I haven't missed anyone. If I have the oversight is certainly not intentional. In addition, a large number of the Members of the House of Representatives have introduced bills or have taken some active part in promoting this program.

Mr. Chairman, I have no pride of authorship so that I am speaking of the program generally. I am grateful to everyone who has advanced legislation dealing with the program for industrial uses of farm surpluses.

It is my hope that this committee can, with the help of interested Members of Congress, and the splendid outside help that is available, perfect a measure and recommend its passage to the Senate.

Mr. Chairman, at this time I want to pay special tribute to the bipartisan Commission on Industrial Uses of Farm Products. They have done an outstanding job. I have not only read their report, but substantially every bit of material prepared by their task forces. These men have rendered an unselfish public service. Most of them were able to serve without even collecting their expenses. It is my understanding that 18 task groups were formed and that approximately 188 of the country's leaders in agriculture, industry, and science assisted this Commission. The Chairman of that Commission was my fellow Nebraskan, Mr. J. Leroy Welsh, who for a score of years has given unselfishly of his time toward this objective. He was assisted by four distinguished men on the Commission. They were Karl D. Butler, Charles R. Sayre, George H. Coppers, and Frank J. Welch.

Mr. Wheeler McMillen, of the Farm Journal, likewise has been interested in farm chemurgy for many years and has rendered valuable service as executive director of the Commission. Dr. G. E. Hilbert, of the department of Agriculture, was of great assistance too.

The Welsh Commission has chartered the way for a new day in agriculture. They have advocated a program that, in my opinion, will be of great benefit to agriculture and that it will lessen the cost of our agricultural program. I believe that it can be carried out so that it is fair to every segment of our economy.

I know of no one who contends that our present farm program is satisfactory either to farmers, taxpayers, or to the Government. Both major political parties have wrestled with this problem for a number of years. The programs sponsored by the Government in the past have been put forth with good intentions. Many of the things that have been done have been of great temporary assistance to farmers, yet the problem remains far from solution.

The problems we now face and those the Government faces would have become this acute much earlier if it had not been for the intervention of two wars. In spite of all of the years of efforts put forth and the spending of billions of dollars we are still

plagued by surpluses. These surpluses hang like a cloud over the normal markets and prevent a rise in prices. At the same time they are a heavy financial burden upon the Treasury of the United States. A reduction in acreage has not resulted in a reduction of surpluses. Many well-qualified people believe that we have not yet scratched the surface in the matter of productivity. We have reduced and reduced the acres which a farmer may plant in order to participate in the price-support program. The individual farmers are not to blame for the situation. If they are to stay in business and make a go of things they must produce all that they can.

As usual when we compel a farmer to reduce, and reduce drastically, the production of that crop for which his land is best suited, he must find something else to plant. We sometimes go around in circles. We reduce the corn acreage in our area, merely to find that the producer of another commodity who has had his acres reduced turns to corn. We may find that a corn farmer, because he cannot produce enough corn, avails himself of the opportunity to raise the minimum number of acres of wheat. Therefore, he plants 15 acres of wheat to the detriment of the wheat farmers in an area where the land is primarily suited for wheat. Restrictions, reductions, regulations, and penalties rather than solve our problems merely confound them.

We must turn our attention to new markets. What are those new markets? Great and commendable efforts are being made to increase our exports of agricultural products. This is proving to be very costly. We are subsidizing, for instance, the export of wheat to the extent of about 75 or 80 cents per bushel. But, the real problem in reference to exports is that the world is producing more of its own food. Many countries that were, a few years ago, deficit-food areas now are plagued with a surplus.

The greatest market that we can find anyplace for agricultural products is right here at home. The greatest new market we can find is a market in industry. We are living in an industrial age. The American people are using more gadgets, more materials, and equipment of all kinds than ever before, and that use is increasing daily. Many of these industrial uses can be supplied from raw materials produced on the land. For more than a quarter of a century many groups and individuals have advocated such a program. It has often been referred to as farm chemurgy, but those efforts have not gotten very far.

In 1956, my amendment to the agricultural bill was adopted which called upon the President to appoint a five-man Commission to recommend ways to increase the industrial uses of our agricultural products. The Commission has done a good job. The Commission called in 188 of the country's leaders in agriculture, industry, and science. Eighteen task groups were formed and they have brought in a report charting a course to reach this objective.

The bills before the committee were introduced to carry out the recommendations of this bipartisan Commission.

This program falls in three parts. In the first place, it calls for a broad program of scientific research to find new uses for farm crops. Secondly, it calls for a program of trial commercialization and pilot testing, and, thirdly, a program of limited subsidies on a test pilot basis to both farmers and industry to get the program started.

None of us will deny the value of research. Most of the material things that we use and enjoy from day to day are the products of research. The great advances in medicine, that have extended human life, are a result of scientific research. The atom was split and a profound program of peacetime uses of atomic energy awaits us, all because of research.

Oh yes, there has been research in the field of agriculture. But, practically all of this research has been directed toward how we can produce more and we have neglected the research on finding new uses for that which we can produce. It is because of research that we now produce 100 bushels of corn where we used to produce 25. All through these years, however, the talent, the brains, the laboratories and the money have not been applied to finding new uses for the things we produce on the farm. As the Welsh Commission points out, industry is currently investing at least $3 billion a year, 3 percent of gross sales, in research. The result is obvious in a constant flood of new and improved products—fabrics, plastics, building materials, surface coatings, detergents, chemicals, and many others.

Many of these so-called miracle products of modern research have provided the foundation for vast new industries and the stimulus for new consumer demands. Most of the products are based on nonagricultural raw materials (particularly chemicals derived from petroleum), which are chemically taken apart and rebuilt (synthesized) in new forms. This search by industry is continuous, systematic, and intensive.

By contrast, agriculture spends not over $375 million on research—about 1 percent of gross sales, and most of this goes to improve and increase production. Federal and State Governments spend $190 million of the total, of which no more than $18 million goes for utilization research. In other words, about one-twentieth of 1 percent of the gross sales of agriculture has been used on research to find new uses for agricultural products.

The result has been that we not only have not found new markets, we have lost many of the markets agriculture formerly had. Again, quoting the Welsh report, synthetics and petroleum chemicals have increasingly moved into the industrial markets for vegetable oils. In the last 20 years, for example, domestic use of paint, varnish, etc., increased about 100 percent in the rapidly expanding United States economy. Use of linseed and other drying oils increased only about 25 percent. Synthetics took their place. If linseed oil were used in paints today at the same rate as in the early 1930's, the United States would need a million more acres of flax. Per gallon of paint, the use of drying oils has dropped more than 40 percent in the last 20 years or so as they were progressively replaced by synthetic products. Tung oil is affected by the same trend.

In writing legislation on this subject, care should be taken that the use of one agricultural commodity is not expanded at the expense of another agricultural commodity.

I am sure the Board, which is to be created, will likewise follow such a policy. All segments of American agriculture must work together and receive equal treatment.

So, in recent years agriculture has been researched out of a good part of its natural markets. Nearly half of the market for natural fibers—cotton, wool, flax, silk—has been taken over by synthetic fibers. Two out of three pairs of shoes are now made partly or wholly of leather substitutes. Two-thirds of the soap has been replaced by detergents, which do not use natural fats. In fact, in the last 10 years the use of detergents per person increased from 1 pound a year to 15 pounds while the use of soap decreased from 23 pounds to 8 pounds.

One of the jobs of this research and trial commercialization is to regain the markets we have already lost, but there are many, many opportunities in addition to that.

At the present time we are using more synthetic rubber than natural rubber. It is of better quality. It has been improved because of research. The research has been done by the petroleum industries and they are making rubber. It is estimated that the consumption of synthetic rubber will increase by 50 percent in the next 5 years. Were the American farmers allowed to have that increase only and that rubber was made from alcohol made from farm produts, it would require 200 million bushels of grain.

It is contemplated that if this program is initiated that the Board would reactivate the Government-owned alcohol plant at Omaha and the synthetic rubber plant near Louisville, Ky. The Johnston bill specifically so provides. These plants would work jointly in the production of alcohol, butadiene and rubber. They would fit into the program of research and trial commercialization in order to develop the larger program.

A former distinguished Nebraskan, William Jeffries, as a rubber czar in World War II made a large portion of the Nation's rubber from alcohol made from grain. It can be done again. When Mr. Jeffries started, the cost of synthetic rubber, per pound, was exceedingly high. That cost was gradually lowered throughout the program. The lowering of costs is the important element in a trial commercialization program.

It has long been my hope that we could use alcohol produced from grain as a part of our motor fuel. Farmers buy a lot of gasoline and tractor fuel. Certainly they should be allowed to produce their own fuel. The number of cars in the country is constantly increasing and likewise the motor fuel market is increasing. European countries have blended alcohol into their gasoline up to 25 percent. Were we to blend alcohol into our gasoline to the extent of 10 percent, it would require more than a billion bushels of grain. In other words, that one use alone could probably solve the grain surplus problem.

However, we face a very definite obstacle in regard to this. It is an economic fact that gasoline can be produced cheaper than alcohol. Consequently, no one selling gasoline is going to turn to a blended alcohol. In peacetime, under our free American system, we cannot compel them to do so by law.

However, I am thoroughly convinced that a broad program of research will lower the cost of producing alcohol from farm products. At the present time when we make alcohol out of farm products we have a protein residue that is a very valuable food for animals. However, with improved methods brought about by research and trial commercialization, it is believed that the alcohol can be extracted and the protein residue will be a fine human food. Its value will then be many times greater than its value for livestock food. The alcohol will then become more or less a byproduct and it can be sold at a price that it will compete with gasoline for a part of this motor-fuel market. So, while a portion of the motor-fuel market is not ours at this time, it is not an impossibility from the standpoint of the long-range accomplishments.

A number of leaders in the petroleum industry are not averse to these efforts. They realize that the farmers are purchasers of their products. They realize that farm prosperity means a great deal to the prosperity of our country. Furthermore, these same companies will be selling the motor fuel at all the filling stations in the country regardless of the components of that fuel. They are not going to lose the business.

Incidentally, it is the objective of the legislation and the Welsh Commission report that the Government enter into the field of research, trial commercialization, and pilot testing with limited subsidies, but that the results be turned over to private enterprise. We do not advocate a program of Government-owned plants and Government manufacturing of products from the farm or from any other source.

Our surpluses are primarily starches. From starch we make alcohol and from alcohol we can make rubber, we can make plastics, we can make a thousand and one things

that are now being made from other materials.

We are not limited by any means to motor fuel and rubber and like products. There are literally hundreds of possibilities of making industrial uses of agricultural products. These include solvents, surface coatings, plastics, chemicals, fibers, films, explosives, adhesives, lubricants, insecticides, drilling muds, paints, varnishes, and even paving materials. For instance, the Welsh Commission report says as an example, about 35 percent of the corn processed by wet milling now goes to nonfood uses. The industry would like to expand this fifteenfold. The largest new outlets it envisages are for the use of starch in metallurgy, in insecticides, in defoliants, and in paper. These three uses alone might take up to 410 million bushels of corn annually.

Our country produces great quantities of sugar; we could produce a lot more. Here is what the Welsh report says about the industrial possibilities in regard to sugar. "The sugar industry is confident that these industrial uses will be developed, to the extent perhaps of utilizing an extra million tons of sugar by 1965 and 2 million tons by 1975. This would add more than 10 percent to the projected 1965 demand and more than 16 percent to that projected for 1975. Sugar is an inexpensive, exceptionally pure, and, chemically, very reactive material adaptable for many large-scale industrial applications. Present industrial use is small, but a dozen years of research have turned up some highly promising leads."

Perhaps the forage crops that we produce have the highest value of any crops since they furnish over half the food for livestock. Yet it is likely that far greater values lie locked up in those crops, particularly the legumes, than those which have been exploited. At the present time, we extract some chlorophyll and some xanthophyll from legumes. But, the Welsh Commission reports that the 55 million tons of legumes produced annually in the United States also contain some things that we have never developed. These include a billion dollars worth of protein, carotene worth 2¾ billion, vitamin E, 2 billion; vitamin K, 115 million; xanthophyll, 12½ billion; and chlorophyll worth 19 billion. Now, those figures may be a bit fantastic but it shows that these materials are in our legumes, are waiting there to be used and developed for medicinal and other nonfood uses.

I want to quote from the Welsh report in one other instance in reference to potatoes. Here is what it says, "The potato industry is confident that a materially enlarged research and development program would so expand the market that surpluses would disappear and it might even be necessary to increase production."

In this search for new uses for farm products we will also turn our attention to new crops. Do you know how many different kinds of plants our Creator placed on this earth? Two hundred and fifty thousand. Do you know how many plants we have domesticated and raised on our farms? One hundred and fifty. The other plants are there for a purpose. I no not believe that creation is a matter of accident. I think it has a design and a purpose. Let's get our laboratories busy to find out what these purposes are.

The Welsh Commission report discusses in particular some of these new crops and their possibilities. The task group on new and special crops points out that while we produce only about 5,000 acres of castor beans in the country, within 20 years we could use the production of a million acres. These castor beans would be used for the production of oil used in industry. They can be produced throughout the south in lieu of the grain.

We are short of paper in this country. The American people use more paper products than anyone could ever imagine. Our publishers sometimes get concerned about the shortage or the threat of a shortage of paper. The task group on new and special crops points out that we can make not only paper but furniture and specialties from bamboo. They further point out that you can produce bamboo in the south from South Carolina to Texas and the coastal and Piedmont areas. This crop could be expanded for industrial purposes so that we could use a million acres of bamboo. We must remember that what helps any segment of American agriculture helps all of American agriculture.

This same task group made reference to a very fine productivity going on in Nebraska. I refer to the development and improvement of the safflower. This crop did not amount to very much until 1946 when the results of the research and development of the Nebraska Agricultural Experiment Station were made known. At the present time we raise about 1,000 acres of safflower, most of it in northern California and western Nebraska. Safflower oil is now being sold to manufacturers of alkyd resins, enamels, varnishes and high quality paints. It is believed that with further development in research great possibilities may come from the safflower.

Throughout the years our cordage and rope, particularly the cordage for marine use has been from abaca and sisal, which are imported products. The task group on new crops points out that sansevieria, a commonly used house plant, known as the snake plant, can be used for cordage and rope. That this promises a market of a possible hundred thousand acres.

Kenef, the task group points out, can be used to make fiber for post-office twine, carpet yarn, camouflage, burlap, and other articles normally made of jute, which is imported. They point out that this new industrial use, when fully developed, could require the production of 200,000 acres.

Another crop mentioned by this same task group was simmondisa, from which they would produce a wax, to be used as waxes and polish. It would be noncompetitive because wax is now in demand in industry. This has a possibility for 150,000 acres.

We use tannin in the leather industry. It is believed that we could use the production of 100,000 acres of canagriee to produce the tannin and it would be competitive in price with our imported tannins.

If a program of broad research and trial commercialization can be gotten underway, it is very likely that many of these things I have mentioned can be developed. It is also very likely that some of them may not prove to be practical. At the same time, there will be many, many other industrial uses that will come out of such industrial research that none of us have ever thought about.

This is a long-range program. It will take time. It will not solve all of our problems. I am thoroughly convinced, however, that the avenue that has been neglected so long is the one we must now pursue and that is new uses for the crops that we produce. The program of restrictions and limitations is not working.

The objective we seek is full production for American agriculture. May the time soon come when the American farmer can manage his own land and plant all of his acres and sell his products at a fair price.

I am not unaware that industry will be anxious to buy the raw products of our farm at the lowest possible competitive price. Therefore, there will be instances where additional uses of a product do not necessarily bring the price level up to the point where it should be. I point out, however, that if we have a market for the crops that we produce and can get rid of surpluses, then price supports, when, and if necessary, become much simpler. They are no longer a costly burden on the part of the taxpayers.

Mr. Chairman, I wish to again express my thanks for this hearing. I urge favorable consideration of legislation that will carry out the program advocated by the bipartisan Commission headed by Mr. J. Leroy Welsh.

Mr. CURTIS. Mr. President, it was originally my intention to offer an amendment to the bill. The bill carries an authorization for an appropriation of such sums as may be necessary to carry out the act. The Welsh Commission had recommended that the program be financed by annually appropriating a sum equal to 15 percent of our customs revenues. Frankly, I regret that that cannot be done. It would provide continuity of the program. It is very important in any research-and-development program that it be possible to plan ahead; that laboratories be provided with scientists and technicians, who undertake long-range research; that contracts be let for several years in advance, and that provision be made for trial commercialization and pilot testing. In the field of research, it is very costly and wasteful to have hills and valleys in a program. If we rush into a research program one year, and then, later, slow it up or almost stop it, and then at a later time speed it up again, it is very wasteful. It is not possible to keep the scientific personnel who are necessary for such a program. Besides, the facts which are about to be unfolded are lost, and then it is necessary to start all over again.

I shall not offer the amendment, because, after consultation with a number of Members of the Senate, including the chairman of the Committee on Agriculture and Forestry, it is apparent that such an amendment would not prevail. I would be less than fair if I did not acknowledge the fact that there is an argument against earmarking appropriations. If we follow that practice too much, after a while our revenues are tied up, and the hands of Congress are tied also.

In agreeing to the bill without amendment today, I do so with certain reservations. First, I hope that by the time the House of Representatives considers the bill, the committee will be able to go into it and ascertain if there is a way whereby we can guarantee a continuity of the program at a level of expenditures which can be relied upon by those planning the work to be done. It might well be considered in conference. In any event, it is my hope that when the measure becomes law, the Committee on Appropriations will undertake to look into the problem of planning ahead, with the thought in mind that, regardless of what the appropriations may be, they can be relied on, so that the projects of research, of trial runs, of pilot testing, and of trial commercialization will have an opportunity to develop to the fullest extent in the realization of their objectives.

Mr. President, much will depend upon the administration of the act. We have some very fine and devoted and talented people in our departments and bureaus. They have their own work to do and they are bound by certain characteristics of the system they serve. It will be exceedingly important that the right individual

be selected to administer the program. He must be an individual who believes in it, an individual who has vision, and an individual who has faith. He must be an individual who rejects the negative approach to agriculture which we have followed for two decades.

The Government has been proceeding on the basis that by controlling agriculture and by limiting acreage and restricting the endeavors of farmers we can solve our problems of surpluses. It has not worked out that way. We have regulated our farmers. We have restricted them. We have penalized them. Yet we have not solved the problem of surpluses or prices. The negative approach of a restricted agriculture has failed. We must admit that the large expenditures in the field of agriculture have often helped our farmers and our economy. However, they have not solved the problem.

The expenditures for the Department of Agriculture have increased a great deal in the past 5 or 6 years. That is further evidence of the futility of the approach we have followed up to date. The amount of money it would take to inaugurate the proposed program and get it underway in full motion and at a sustained rate would represent a very small portion of the present budget of the Department of Agriculture.

It is my hope that the program can be undertaken, not as an additional expenditure of the Department of Agriculture, but as a part of the appropriations for it. I believe there are places—and I am referring primarily to the direct payments to farmers—where the expenditures may be reduced and some of the money thus saved be spent in finding a real solution to the problems of agriculture.

This is not a proposal by which we can appropriate money and solve the agricultural problem by next November, or possibly even before the November 2 years from then. It is high time, however, that we undertake a basic program for solving the problems of agriculture. How do we solve problems in the other spheres of life? We do it by education and by research. That is the approach which we must make in the matter of trying to solve the problems of agriculture.

In the statement which I have placed in the RECORD, I have mentioned various aspects of industrial uses, and have referred to some of the possibilities of turning idle acres into productive enterprises so as to provide an industrial market for agricultural surpluses.

I offer my thanks to the distinguished Senator from Louisiana [Mr. ELLENDER], the chairman of the Committee on Agriculture and Forestry, and to all the other members of the committee, especially the ranking minority member, the distinguished Senator from Vermont [Mr. AIKEN] and the distinguished Senator from South Carolina [Mr. JOHNSTON], who himself offered a bill.

After the Welsh Commission made its report, a number of bills were introduced. I pay tribute to the distinguished Senator from Indiana [Mr. CAPEHART] and to other Senators who either introduced bills or joined in the introduction of bills.

Mr. JOHNSTON of South Carolina. Mr. President, on behalf of the Committee on Agriculture and Forestry, I may say that the bill has been well studied. The committee held a number of hearings concerning it. The first hearings were held in 1955; additional hearings were held in 1956, 1957, and 1958. After all the hearings, the committee decided to write a bill which would select all the good features from the various and sundry bills which had been introduced.

Approximately half the membership of the Senate have introduced bills on this subject at one time or another during the last 4 years.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. CURTIS. The statement I have already offered contains a complete list of every Senator who has introduced a bill or who has joined with another Senator in the introduction of a bill.

Mr. JOHNSTON of South Carolina. Such a list is also in the report. So the matter has been studied and restudied.

The bill establishes a new agency whose function will be to coordinate and expedite efforts to develop new uses for farm products, new crops to replace those in surplus, and additional means of disposal of surplus commodities in Government inventory. It will be known as the Agricultural Research and Industrial Administration and will be in the Department of Agriculture, so that the existing authority and facilities of the Department in this field can be used by the new agency without duplication of effort or conflict of authority.

Most of the bills introduced did not place the new agency in the Department of Agriculture. My bill did not; neither did the bill introduced by the Senator from Nebraska, as I recall. We thought that perhaps the agency should be placed in another department. But the Department of Agriculture, in its presentation before the committee, insisted upon having the agency placed under it. To appease the Department of Agriculture and to work along with them, the agency has now been established as a separate entity in that Department.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. CURTIS. What the Senator from South Carolina has said is true. I think almost every bill which was introduced provided for the administration to be outside the Department of Agriculture. There was some thought that if the administration was to come under any of the older departments of the Government, it should be under the Department of Commerce, because this is an industrial and businessman's job.

We have no quarrel with the Department of Agriculture. We hope they will undertake this work in a sympathetic way.

Does the Senator from South Carolina agree with me that the success of this work will depend on its administration?

Mr. JOHNSTON of South Carolina. I feel that 99 percent of the success of the work will depend on its administration. For that reason, I felt, as the Senator from Nebraska felt, that new life would have been instilled into the work by having it placed in a separate agency.

The agency will be headed by an administrator at a salary of $20,000 per year, and 3 deputy administrators at $17,500 per year, and will have authority to hire up to 10 especially qualified scientific or professional personnel at salaries up to $19,000 per year. It is the purpose of the bill that the new agency be able to obtain the best people available, so that new uses for our surplus farm products may be found and put into commercial use as rapidly as possible.

The committee has attempted to provide in this bill all of the additional authority which the new agency may require to accomplish its purpose. In addition to the very broad authorities already possessed by the Department, other Federal agencies, land-grant institutions, and experiment stations, the new agency would be given the following authorities:

First. Authority to make research grants for periods not exceeding 5 years.

Second. Authority to use foreign currencies generated under Public Law 480, 83d Congress, without appropriation.

Third. Authority to make contracts providing for commercialization, market acceptance, and economic feasibility of industrial utilization of agricultural products and processes.

Fourth. Authority to provide incentives for the establishment of new crops and new industrial uses.

Fifth. Authority to grant certificates for the rapid amortization of new facilities for tax purposes.

Sixth. Authority to utilize commodities owned by Commodity Credit Corporation for research and other purposes.

Seventh. Authority to contract for the private operation of any Government facilities transferred to it.

Eighth. Authority to assist those contracting with it, by loans or grants, in the acquisition of facilities.

Ninth. To provide in its contracts for the equitable disposition of inventions produced thereunder in a manner not inconsistent with the patent laws.

Tenth. To grant exclusive licenses for up to 5 years for patents controlled by the Department.

Eleventh. To pay incentive awards to private citizens for program suggestions.

Twelfth. To test production procedures on a commercial basis and acquire and operate manufacturing plants.

And finally, authority to provide graduate scholarships and fellowships in fields related to agricultural research.

Any Government-owned facility useful in the program could, at its request and with the approval of the Director of the Bureau of the Budget, be transferred to the new agency, together with the funds and personnel related thereto.

The bill would further require an annual report from the Agency and authorize the appropriation of such sums

as may be necessary to carry out the act.

Personally, I agree thoroughly with the Senator from Nebraska in the matter of keeping this activity going. Some funds should be provided to keep it going. I, too, favored 15 percent; but the committee did not think as I did. For that reason, it was not placed in the bill. We found opposition on the outside, also, to such a proposal.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. HUMPHREY. First, I commend the Senator from South Carolina for reporting the bill from the committee and for his personal leadership in making the bill a reality.

The Senator will recall that from time to time over the past few years hearings have been held, or at least informal discussions with Department of Agriculture personnel, relating to the possibility of more extensive applied research, particularly in the field of industrial uses for agricultural commodities. On every occasion, the people in the Department of Agriculture assured us that they already had ample authority.

Second, they assured us that they were engaged in research of this nature. But upon more careful examination, we found that the emphasis upon what we call applied research was not so much as Congress had indicated there should be by its expression through bills which had been introduced.

Third, we found a need for even broader authority, which the Senator from South Carolina has outlined. I shall not repeat the areas of new authority, but there was a need for more varied authority than exists under the Agricultural Marketing and Research Act.

The point I wish to stress at this moment is that in the use of foreign currencies, we have provided in the bill the possibility of enabling the new agency to utilize foreign currencies for the purpose of industrial research. This means that industrial research could be done abroad or could be done in the United States. It means that we can tie into the new agency the brain power, the know-how, and the research capabilities of people in other lands, where we have foreign currencies which relate to those particular countries.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CURTIS. I am impressed by what the Senator has said about research. The life we enjoy in America is the result of research, whether it be in medicine or industry. Industry in America is spending $3 billion a year on research, or about 3 percent of gross sales.

By contrast, agriculture spent not more than $375 million, or about 1 percent of gross sales, on research. But most of this goes to improve and to increase production.

Federal and State governments spent $190 million of which no more than $18 million goes for utilization research. In other words, about one-twentieth of 1 percent of the gross sales of agricultural commodities has been used for research on new ways to use agricultural commodities.

Mr. HUMPHREY. Mr. President, I think that use has been, and is, a very vital one, and needs to be emphasized. We have spent great amounts of time and money on the improvement of production, and I think that in the long run those expenditures will be for the good of the Nation. But, as the Senator from Nebraska has pointed out, very little has been applied to the utilization aspect.

Let me say that I believe the pending bill is sound. I believe that over the years the Department of Agriculture has made a substantial record in the field of research. The pending measure will augment that record and will at least provide authority for the expansion and improvement of our research facilities.

In the committee hearings, I gathered that the Department is showing a new interest in, and a new enthusiasm for, this effort.

I wish my colleagues to know that when it comes to utilization research in the case of agricultural commodities, we are willing to legislate for the use of foreign currencies; but in the case of malaria, cancer, and heart-disease studies—and in connection with the Mutual Security Act, I sponsored amendments which would provide for them—the brakes were applied. In other words, we were told that no foreign currencies could be used for those purposes, in the absence of direct appropriations—which means that foreign currencies used for those purposes will be deducted from the dollar appropriations which are made in that connection.

Mr. President, I want my position to be clear: I favor this bill as it is written. I favor the use of Public Law 480 currencies—in other words, the so-called soft currencies—for utilization research. I favor their use in connection with the purposes of this bill.

However, I think it nothing short of shocking that we should be willing to spend unlimited amounts of foreign currencies for utilization research, but at the same time—and the Congress has so voted—we are unwilling to use the same currencies to strike death blows at the dread diseases of cancer, heart disease, and other serious diseases which afflict mankind, particularly when we know that, throughout the world excellent research facilities exist.

So I hope these activities will be carried on in the field of scientific research and endeavor and in connection with the translation of scientific documents.

Mr. President, in connection with the translation of scientific documents, let me point out that, again, we have limited the use of foreign currencies, despite the great need. In the committee I supported that phase of the bill; and, as chairman of the Subcommittee on Agricultural Research, I feel a great interest in this subject. So I commend the Senator from South Carolina [Mr. JOHNSTON] and the Senator from Nebraska [Mr. CURTIS] for their great interest in it.

Mr. CURTIS. I appreciate the remarks of the Senator from Minnesota.

Mr. President, we have made a comparison in the case of research production. Although it is true that that aspect has been emphasized, and although I would not wish to be critical of it, yet we must make additional progress. Certainly research in regard to production helps make production more efficient, lowers its cost, and thus enables our products to compete in the world markets and for industrial uses. But, while not reducing that type of research, we also need to place emphasis on research for industrial uses.

Mr. JOHNSTON of South Carolina. Mr. President, I, too, thank the Senator for his remarks in regard to the percentage of funds used for research in regard to production, whereas only a small amount has been used in the effort to dispose of the surplus agricultural commodities we have at the present time.

The enactment of this bill will result in a greater effort to dispose of some of those surpluses, by making additional uses of our agricultural commodities.

Furthermore, the bill provides for the making of an annual report. Those reports will help keep Congress informed of the work in that field, and will permit Congress to check on the progress being made. In that way, Congress will be able to act in accordance with the progress made and the best interests of the farmers of the Nation.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent to have a statement on the bill printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR JOHNSTON OF SOUTH CAROLINA IN SUPPORT OF PASSAGE OF AGRICULTURE-INDUSTRIAL RESEARCH AND PROMOTION BILLS

A stable, healthy agricultural industry is essential to a prosperous national economy.

When agriculture is flourishing the country is prosperous; when agriculture is depressed, we have bad times in the Nation. Six years ago agriculture began to lag and today our entire economy is suffering. Neglect of agriculture is a prime cause of our woes.

The promotion of agriculture is thus the promotion of the national welfare and it is a challenge to our best thinking and best efforts.

So it is a heartening development to find the Agriculture Committee reporting out this bill to strengthen agriculture nationally through comprehensive research to promote new crops and to find new industrial uses for agricultural products.

Back in April, I had the privilege of introducing S. 3697 which provided for the creation of an agricultural research and industrial board for the advancement and promotion of our national agricultural industry. I proposed that the board be given the power to coordinate and expedite research, pilot plant development, trial commercialization and industrial uses with Federal and State governments, educational institutions, private research organizations, trade associations, individual and industrial corporations in expanding the industrial utilization of the products of the farm and forest and the development of new crops.

My bill would empower the board to provide research grants, student fellowships, scholarships and similar aid; it would be empowered to extend suitable incentives to farmers or to industry to hasten the establishment of a new crop or of a new industrial use.

The bill I introduced would have accomplished this through the creation of a new Government agency devoted to this kind of research. The new agency would have been run by a board of five members appointed by the President, by and with the advice of the Senate. Not more than three members of the board would be of the same political party. Two of the members, under the provisions of my bill, were to be appointed from agriculture, 2 from industry and 1 from science. My bill provided that the board so created would be prohibited from directly conducting research, operating plants or processes or otherwise engaging in business. It provided for the administrator of the General Services Administration to transfer to the board the Government-owned alcohol producing facility at Omaha, Nebr., for the use in the program. The bill I introduced would require an annual report to the Congress by the board.

It was a source of gratification to me that many Members of the Senate took occasion to write me favorably upon the contents of my proposed bill, stating that it was their opinion it filled a real need, and pledging their support. I am grateful for such acknowledgements and support.

The Agriculture Committee, after its deliberations, has reported the present measure. It embraces the aims and objectives of several proposed bills and differs only on the form and organization to achieve those goals. I might say that the Department of Agriculture, in an official analysis of my proposed bill, likewise approved the aims and objectives, but naturally preferred that the program be carried out within the framework of the Department, rather than the establishment of a new board.

All real friends of the farmer are going to concentrate on the ways of helping him, rather than in dissipating their energies on details of how we help him. Aid for agriculture is the thing; if we enjoy the luxury of differing as to method, we must not hinder progress toward assisting our national agricultural industry. I am sure that all of us are in agreement on this basic idea: our Nation's farmers are the backbone of the national economy and in helping him, we help ourselves. I may feel my ways of rendering assistance are better than the next fellow's, but this is not going to deter me one whit from giving my wholehearted support to a compromise program that carries with it the hope of bettering agriculture.

I wish to take this opportunity to extend my appreciation to the chairman of the Agriculture Committee, the distinguished senior Senator from Louisiana, Mr. ELLENDER. The emergence of the present committee bill is only a short time removed from the date hearings were held on proposed measures. Prompt action has characterized the committee and it is certainly to the credit of the distinguished chairman and the members of the committee staff that today we are able to deliberate on this vital research and development legislation.

Research is the key that unlocks many doors. When we view the surpluses of agricultural products we realize the urgent need of wider and more intensive research for new uses for those products and for new products that will yield paying crops.

Research is a multiplier that increases multiple uses of basic products. I never cease to wonder at the work of George Washington Carver whose genius was able to develop more than 100 byproducts from the humble peanut. Who knows what untapped secrets nature has stored up in other everyday products.

Research is a creative force, generating progress, sparking productivity, promoting comfort, adding to total living. Research creates wealth through inventiveness and ministers to man's welfare.

Take any successful manufacturing company and you will find behind it a substantial research program. The more successful the company, the more funds are being poured back into the business through the medium of research. Fiscal analysts will tell you one of the best ways to determine the future prospects of any given company is to read its statement and learn what part of its earnings are being plowed back in the form of research. Those companies that fail to provide adequate research programs soon wind up in the ditch; the leading corporations are strong on research.

We must do for agriculture in research what industry does. We cannot, in national self-interest, afford to do less. Every dollar invested in agricultural research will come back manyfold, and the beneficial effects will pour into all segments of the economy.

I don't want anyone to get the idea that our Government is not conducting agricultural research. It would be unfair to foster this notion or attempt to create this impression.

Just what the Department of Agriculture is doing in this respect is best told in the words of True D. Morse, in his capacity as Acting Secretary. In a letter to the chairman of the Senate Agriculture Committee on June 2, embracing a departmental report on my proposed bill, S. 3697:

"During the past year the Department has taken the following steps to place greater emphasis on research in general and utilization research in particular: (a) Reorganization of the Agricultural Research Service in which the importance of utilization research was recognized by placing it on an equivalent organizational level with our production research; (b) creation of pioneering research organizational units, and strengthening of basic research in the utilization research divisions; and (c) recommendations of increases in fiscal year 1959 totaling $5,805,000 to be appropriated for utilization research in this country, and $5 million to be allocated from Public Law 480 funds for research in foreign countries on selected phases of our utilization-research program. This makes a total of $25,830,000 requested for our utilization research in fiscal year 1959."

This, of course, is a start in the right direction, but I think you will agree, judging by commercial standards, the ratio of expenditures for research in relation to the total dollar value of the Nation's agriculture products, is relatively small. More, much more, needs to be done.

As a matter of fact in the same departmental report, Acting Secretary Morse concluded that a number of additional suggestions embraced in my legislative proposal, which the Department is not now doing, were meritorious. He wrote as follows:

"The bill (S. 3697) contains certain authorities that are not now available to the Department of Agriculture, but which we believe are necessary if agricultural research is to produce the expected results. Among these are authority for research grants, student fellowships, scholarships, and similar aids to strengthen graduate training. Such provisions are included in H. R. 10278, the proposed Educational Development Act of 1959, which is now pending before the Committee on Education and Labor."

Such unified agreement upon desirable objectives is most encouraging. The recognition is widespread that a prosperous agricultural industry is one of the basic necessities of a strong America. Farmers are one of the most important consumer groups in America. For our Nation to be prosperous, the farmer has to be in position to buy the products of industry. It is true that the number of farmers in America has decreased in recent years, but statistics show that purchases by farmers for production and consumption have increased.

The Commission on Increased Industrial Use of Agricultural Products stresses the economic importance of the farmer in the following words: "Two-fifths of the Nation's total economic activity arises from agriculture and related business functions."

The broad objectives of the measure we are now considering were outlined in the report of the aforementioned Commission. After a thorough study and survey of the agricultural industry, the Commission last year came up with major recommendations looking toward comprehensive research to bring about the greatest possible industrial uses of agricultural products.

In its report, the Commission said:

"In the past 25 years agriculture often has been researched right out of its natural domain. Industry will continue to explore the unknown in search for new products and new uses for old products. Nothing is plainer in the economic pattern of today than that agriculture must compete in areas of basic and applied scientific research. Agriculture should be enabled to compete as an equal in the contest for consumer acceptance. It is now losing by default."

The Commission was created in accordance with section 209 of Public Law 540, 84th Congress. It filed an interim report on April 17, 1956, and its final report on June 15, 1957.

Altogether the Commission made 8 pertinent recommendations, as well as obtaining suggestions through correspondence with experiment station directors and more than 350 industrial executives. The work of the Commisison was well planned and comprehensive.

In its report, the Commission stated it found it necessary to obtain quickly: (1) an adequate assessment of the current state of industrial utilization research; (2) a sound appraisal of its possibilities; (3) adequate understanding of the obstacles to further development.

"To this end, the Commission set up task groups or special committees in the following areas: Corn wet-milling, cotton, crop residues, industrial alcohol from grain, industrial uses for grain other than alcohol, dairy products, forage crops, forest products, fruits and vegetables, hides, skins, and animal byproducts, new and special crops, oilseeds and animal fats, poultry products, rice, sugar, tobacco, white potato products, wool and mohair."

Not the least important of the Commission's conclusions of its studies was the last, which reads:

"The dynamic forces which created American industrial development must be motivated in the farm economy."

It is noteworthy that the Commission's first recommendation called for a substantial increase in research funds and did so in the following language:

"The Commission proposes as its first and most necessary recommendations that the funds for industrial uses research be increased to not less than three times the amounts currently ($16,145,000) available; and that additional sums be provided as herein suggested for new-crop research, trial commercialisation, development, and incentives."

Immediately following this, the Commission recommended that the facilities of the Department of Agriculture be fully utilized in furthering the research program, as well as land-grant colleges, experiment stations, universities and colleges, private research organizations, and foreign institutions." There followed a recommendation for research grants and fellowships, scholarships,

and similar aids that while furthering research projects, would also increase the supply of trained scientists.

Special emphasis was put by the Commission on the new-crop projects with the purpose of creating durable, additional markets, and for rapid disposal through industrial channels of accumulated surpluses.

The Commission found that the "Current industrial outlets for the products of the total farm acreage, estimated to be less than 7 percent, are undeniably small."

One of the most encouraging leads to be developed by the Commission was the prospect of a major crop for the South, bamboo. This product has shown great potential in the paper field as well as in furniture and plastics. I am pleased to report that preliminary experimentation and work with this crop has already been started in South Carolina and Georgia by private firms and through the Clemson College Edisto Experiment Station near Blackville, S. C.

A whole regional economy can be uplifted and transformed through the development of some such good new pay crop. We all know what has been accomplished with the soy bean, the commercial markets it commands, the jobs it has created, the payrolls it accounts for; who knows how many such undiscovered commercial products await in the darkness that can only be pierced by the searchlight of research. Is it any wonder that we approach this research program with enthusiasm and great expectations, holding as it does vast vistas of opportunities.

In my opinion, no legislation that has come before this Senate in recent years is more important from the farmers' standpoint.

We must pass this legislation in order to step up our research. We have appropriated billions in this Congress for foreign aid, much of it going for research in foreign countries. It is inconceivable to me to think of passing up this opportunity to help our own people and our own economy.

I urge passage of this proposed legislation and I hope my colleagues on both sides of the aisle will support this badly needed measure.

Mr. CHURCH. Mr. President, in order that other Members of the Senate who are interested in the agricultural research bill may have an opportunity to present on the floor their views regarding it, I ask unanimous consent that the bill be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRAVEL AND TRANSPORTATION ALLOWANCES OF CERTAIN MEMBERS OF THE UNIFORMED SERVICES

Mr. CHURCH. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of Calendar No. 1890, H. R. 7902.

The PRESIDING OFFICER. The bill will be read by title.

The LEGISLATIVE CLERK. A bill (H. R. 7902) to authorize travel and transportation allowances in the case of certain members of the uniformed services.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Idaho? Without objection, it is so ordered.

The Senate proceeded to consider the bill.

Mr. CHURCH. Mr. President, the purpose of the bill is to provide authority to pay a limited group of members of the uniformed services travel and transportation allowances to which they would have been entitled except for the fact that they were undergoing hospitalization or medical treatment and could not select a home of record within the 1-year period required in order to qualify for such allowances.

All of the personnel affected by this bill were released between April 1, 1951, and August 11, 1955. They consist mainly of Reserve officers.

Public Law 368 of the 84th Congress—August 11, 1955—authorized travel and transportation allowances for any member of the uniformed services to his home of selection upon retirement or discharge with severance pay following at least 8 years of continuous active duty. The principal reason for enacting the 1955 legislation was to authorize members of the Reserve components to have the same right to select a home of record that was extended to members of the Regular services under regulations and statutes then in effect.

The Comptroller General had held that the Career Compensation Act of 1949 did not contain sufficient authority to grant transportation and travel allowances to members of the Reserve components to go to the homes they selected, upon retirement or discharge.

Section 3 of the 1955 legislation was made retroactive to April 1, 1951, in order to cover the reservists in question. This section provided, among other things, however, that the travel to the selected home of record must have been performed within 1 year after retirement or placement on the temporary disability retirement list.

During the implementation of Public Law 368, it became apparent that certain members, though otherwise eligible to select a home under that law, could not within a period of 1 year following a separation occurring before August 11, 1955, travel to a selected home, due to physical incapacity or mental incompetence. The Comptroller General ruled—B-126158, December 5, 1955—that they could not qualify for travel and transportation benefits under Public Law 368. As a result, these members were, and now are, entitled to travel and transportation benefits only to the home of record at the time of entry into service.

The effect of the ruling of the Comptroller General was to penalize a few individuals who, through no fault of their own, could not perform the travel within the 1-year limitation period. The result is that these individuals are entitled only to travel and transportation benefits to their home of record upon entrance into service.

The bill extends to 1 year after the period of hospitalization or medical treatment, the period during which travel may be performed under section 3 of the 1955 legislation. This legislation will, therefore, correct the inequity, by providing affirmative authority for travel and transportation allowances to home of selection to members of the uniformed services who could not, under Public Law 368, of the 84th Congress, perform travel to a selected home either before April 29, 1953, or within 1 year after retirement, discharge, or placement on the temporary retirement list.

Enactment of this bill will result in no increase in the budgetary requirements within the Department of Defense.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H. R. 7902) was ordered to a third reading, read the third time, and passed.

FIREARMS FOR CERTAIN CIVILIAN PERSONNEL OF THE DEPARTMENT OF DEFENSE

Mr. CHURCH. Mr. President, I ask unanimous consent that the Senate temporarily lay aside the unfinished business and proceed to the consideration of Order No. 1891, H. R. 11700.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H. R. 11700) to authorize civilian personnel of the Department of Defense to carry firearms.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. CHURCH. Mr. President, the purpose of the proposal is to authorize the carrying of firearms or other appropriate weapons by civilian personnel of the Department of Defense. The carrying of firearms or other appropriate weapons would be authorized, under regulations prescribed by the Secretary of Defense, for civilian employees and officers who are engaged in official duties of an investigative or a law-enforcement nature, or while acting as carriers of classified information.

It is the position of the Department of Defense that implied administrative authority already exists to permit persons covered by this legislation to carry firearms incident to their official duties. Such persons already carry arms or other appropriate weapons under carefully controlled conditions.

The need for special legislation is desirable, however, to avoid any misunderstanding with State or local law-enforcement officials. Licensing requirements vary throughout the country and where express provision is not made locally to exempt Federal officials, misunderstandings are possible with respect to the authority of civilian employees of the Department of Defense to be appropriately armed.

Mr. President, I ask unanimous consent that the remainder of the statement from which I have been reading, giving in somewhat more detail the character of the pending bill, be included in the RECORD at this point in my remarks.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

The Department of Defense is of the opinion that should an incident occur during the

course of an investigation the result might be that a matter of vital interest to the United States could be compromised.

CIRCUMSTANCES WHERE CARRYING OF FIREARMS IS NECESSARY

Limited numbers of authorized civilian personnel of the Department of Defense, specially trained and properly designated, have the duty of conducting investigations within the jurisdiction of the Department of Defense in such fields as espionage, sabotage, and subversion. Investigations also are made in connection with major violations of the Uniform Code of Military Justice, such as murder, manslaughter, rape, larceny, robbery, perjury, mayhem, sodomy, arson, mutiny, sedition, extortion, burglary, and certain conduct punishable under articles 133 and 134 of the Uniform Code of Military Justice, such as smuggling, trafficking in narcotics, black-market activities, and violations of customs, postal, and currency regulations.

LEGISLATION FOR OTHER AGENCIES

Specific authorization has been granted to agents of other branches of the Government who have duties of a law-enforcement or protective nature. Such authority has been enacted for civilian employees in the United States Bureau of Prisons, United States marshals, Treasury Department agents, Central Intelligence Agency, and certain agents of the Department of State.

MILITARY PERSONNEL

The historic right of military personnel, whether in uniform or civilian clothing, to carry firearms when authorized by competent authority is too well settled to be a cause of concern. The chance that they will be challenged in exercising this right is so remote that it is not deemed necessary or advisable to include military personnel in this proposal.

COST

The enactment of this measure will not involve the expenditure of any Federal funds.

DEPARTMENTAL DATA

This measure is a part of the legislative program of the Department of Defense.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H. R. 11700) was ordered to a third reading, read the third time, and passed.

TRANSFER TO FLEET RESERVE AND FLEET MARINE CORPS RESERVE OF ENLISTED MEMBERS OF NAVAL RESERVE AND MARINE CORPS RESERVE

Mr. CHURCH. Mr. President, I ask unanimous consent that the Senate temporarily lay aside the unfinished business and proceed to the consideration of Order No. 1892, H. R. 11504.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H. R. 11504) to amend title 10 of the United States Code to permit enlisted members of the Naval Reserve and Marine Corps Reserve to transfer to the Fleet Reserve and the Fleet Marine Corps Reserve on the same basis as members of the Regular components.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. CHURCH. Mr. President, the purpose of this bill is to extend to Naval and Marine Corps enlisted career reservists, who complete at least 20 years of active service the same retirement benefits for which regular enlisted personnel of these services are eligible.

The bill would authorize that after at least 20 years of active service Naval and Marine Corps reservists could be transferred to the Fleet Reserve or to the Fleet Marine Corps Reserve which is the form of retired status in which Regular Naval and Marine Corps enlisted personnel are placed when they retire with between 20 and 30 years of active service.

An enlisted member of the Regular Navy or Regular Marine Corps who completes 20 or more years of active service is eligible for transfer to the Fleet Reserve or Fleet Marine Corps Reserve at his own request. After transfer he is entitled, when not on active duty, to retainer pay at the rate of 2½ percent of his active-duty rate of pay multiplied by his years of active service. If he has completed only 20 years of active service, his retainer pay is 50 percent of his active-duty pay. If he has completed more than the minimum amount of active service, his retainer pay is increased proportionately. When his total service, including inactive service in the Fleet Reserve or Fleet Marine Corps Reserve, amounts to 30 years, he is transferred to the retired list with retired pay at the same rate as his retainer pay (unless he is entitled to higher retired pay under other law).

For enlisted members of the Naval Reserve or Marine Corps Reserve who were in the Reserve components on January 1, 1953, the maximum retirement benefits are 50 percent of their basic pay even though they may complete more than 20 years of active service. Current law provides that such members who retire before January 1, 1973, are entitled under title 10, United States Code, section 6327, to be retired with retired pay at the flat rate of 50 percent of his active-duty rate of pay if he completes (1) at least 30 years of active service or (2) at least 20 years of such service, 10 of which were completed in the 11-year period immediately preceding his retirement. Regardless of his length of service, his retired pay is never more than 50 percent of his active-duty pay. This provision of law, which had its origin in the Naval Reserve Act of 1938, was the first law providing any sort of retirement with pay for reservists. It was repealed by the Armed Forces Reserve Act of 1952 and reenacted, for a period of 20 years only, to preserve the accrued rights of persons who were in the Reserve on the effective date of the act.

Enlisted members who were in the Naval Reserve or the Marine Corps Reserve on January 1, 1953, can thus become eligible, by serving on active duty for at least 20 years, for retired pay at the minimum rate. But, unlike members of the regular components, they cannot become eligible for retired pay at a higher rate by continuing on active duty beyond their 20th year.

Young men who have entered the Navy or Marine Corps Reserve since January 1, 1953, do not have even the limited 20-year retirement privilege discussed above. They cannot look forward to receiving any retired pay whatsoever for their Reserve service until they reach the age of 60, no matter how long they serve on active duty. At age 60, if they have completed 20 years of satisfactory active and inactive service, they are eligible for retired pay under chapter 67 of title 10, United States Code. This chapter, enacted originally at title III of the Army and Air Force Vitalization and Retirement Equalization Act of 1948, was intended to encourage reservists, after release from active duty, to maintain their proficiency through attendance at drills, performance of training duty, and so forth. It was not intended to provide an inducement to reservists to serve on continuous active duty for 20 or more years and it does not do so.

The Navy has requirement for approximately 10,000 enlisted career reserves for service on active duty in a reserve status. The Marine Corps needs 500. These men are required for duty in the so-called TAR programs, that is, for the administration and training of the Naval and Marine Corps Reserve. The Navy and Marine Corps are experiencing increasing difficulty in retaining trained, experienced enlisted instructors on active duty. Turnover in personnel, with resulting increased costs of training replacements, is rising at an alarming rate. While the increases in pay provided by Public Law 85-422 will doubtless stem the tide to some extent, the Department of the Navy has reported that many enlisted reservists are unwilling to serve for long periods on active duty chiefly because of the disparity between the retirement rights and benefits that are available to Reserves and those that are available to members of the regular components.

The Navy had apparently not planned to retain Reserve enlisted personnel on active duty for 20 years which accounts for the lack of legislation on this matter.

Costs will be negligible until 1973, because until then reservists who become eligible for transfer to the Fleet Reserve under this legislation will be also eligible for retirement under the temporary Reserve retirement provisions which expire the first of that year. Costs after January 1, 1973, cannot be estimated as it is not known how many enlisted reservists will be encouraged by this legislation to make a full career of their service affiliation.

The Department of the Navy, on behalf of the Department of Defense, strongly recommends enactment, and the Bureau of the Budget interposes no objection to the pending bill.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H. R. 11504) was ordered to a third reading, read the third time, and passed.

ADDRESS BY ALFRED J. SCHWEPPE BEFORE GEORGIA STATE BAR ASSOCIATION

Mr. RUSSELL. Mr. President, since the decisions by the Supreme Court of the United States in the school cases in May of 1954, followed by the decrees in May of 1955, a great deal of discussion has ensued as to the propriety of those decisions. The action of the President of the United States in sending Federal troops to Little Rock, Ark., to enforce a judicial decree of course accentuated the debate.

I have from time to time undertaken to point out, Mr. President, that not only has the constitutionality of these decisions been challenged by lawyers in the Southern States, but also that eminent lawyers throughout the Nation have been highly critical of the decisions and the validity of the President's action.

An eminent lawyer of Seattle, Wash., who has practiced there for many years, and who was born and reared in the State of Minnesota, has done as much detailed research into this entire issue as perhaps any other lawyer in the Nation. I refer to the Honorable Alfred J. Schweppe, of the Seattle bar. Mr. Schweppe is recognized throughout the Nation in legal circles as being an eminent lawyer. He is well qualified by ability, experience, and certainly on the grounds of objectivity to analyze all facets of this controversy.

Mr. Schweppe has done considerable writing for various legal periodicals which are published throughout the Nation.

On June 27 of this year he delivered a noteworthy address before the Georgia Bar Association at its annual meeting in Savannah, Ga. I wish to read one brief paragraph from Mr. Schweppe's address:

> My purpose today is not to discuss the merits of segregation or desegreation, but, without heat and perhaps some light, to discuss from a lawyer's point of view the legal processes by which a Federal program of desegregation in the public schools was arrived at, together with some comment on enforcement of court orders by the military.

I think this address is a notable contribution to the constitutional discussion, and I ask unanimous consent that it may be printed in the body of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

A JUDICIAL VOLCANO ERUPTS

(Address of Alfred J. Schweppe of Seattle, Wash., before Georgia State Bar Association, June 27, 1958, at Savannah)

When certain forces of nature get out of control, they result in bursting volcanoes that spew molten rock far and wide over the countryside. When certain judicial forces escape from the reasonable controls of settled constitutional precedent and from a proper sense of place in the constitutional scheme, there results a judicial volcano that spews rocks of consternation and resentment over large parts of the Nation.

At Little Rock, Ark., the troops have come and gone. The judicial decree which they were specifically sent to enforce was, just a week ago today, modified by another Federal judge in order to restore the educational processes at Central High School to normalcy and to remove them from the unwholesome area of military siege.

There has been no spectacle in history comparable to that of Little Rock from September of last year to May of this year: Federal and federalized troops stationed in an American high school to enforce a Federal court decree which was based on Federal court decrees rendered in the Supreme Court Building at Washington, D. C., in May of 1954 and 1955, which invalidated State and Federal statutes a century old, and which set aside constitutional doctrines that were thought to have been settled for at least 60 years.

My purpose today is not to discuss the merits of segregation or desegregation, but, without heat and perhaps some light, to discuss from a lawyer's point of view the legal processes by which a Federal program of desegregation in the public schools was arrived at, together with some comment on enforcement of court orders by the military.

Having been born and reared in Minnesota, I grew up in an atmosphere free of legal restrictions on race, and am in accord with the State policies of nonsegregation which prevailed in the schools and colleges I attended in the Middle West, though I have never felt that I should force my opinions on southerners who have a different viewpoint and a different experience. However, as a lawyer, I have been deeply concerned over the legal processes by which desegregation has been arrived at; namely, by the Supreme Court in the State and Federal segregation cases decided in May 1954 and 1955.

The classic precedent commonly referred to on racial segregation in *Plessy* v. *Ferguson* (163 U. S. 537 (1896)), sustaining State legislation which compulsorily required separate but equal accommodations in railway coaches, but recognizing in the course of the opinion the accepted validity of segregated school legislation. However, it is not generally remembered that, as late as 1927, in *Gong Lum* v. *Rice* (275 U. S. 78), the Supreme Court, then composed of Chief Justice Taft and Justices Holmes, Brandeis, Stone, Van Devanter, McReynolds, Sutherland, Butler, and Stanford, unanimously decided, citing many cases, that racial segregation in the public schools was "a question which has been many times decided to be within the constitutional power of the State legislature to settle without intervention of the Federal courts under the Federal Constitution."

In the Gong Lum case, as shown in the briefs even more clearly than in the opinion, the question of segregation per se as a denial of equal protection, in addition to the separate-but-equal question, was squarely raised. The questions were clearly understood by the able judges who constituted that Court in 1927. Indeed, Chief Justice Taft, writing the opinion of the unanimous Court, said:

"Were this a new question, it would call for very full argument and consideration, but we think that it is the same question which has been many times decided to be within the constitutional power of the State legislature to settle without intervention of the Federal courts under the Federal Constitution."

As shown in the briefs, the two principal points presented in the Gong Lum case in 1927 were:

"1. 'A child of school age and otherwise qualified and eligible to attend a public school in the school district wherein the child resides under statutes providing for a uniform system of free public schools, is denied the equal protection of the laws when she is excluded from such school solely on the ground that she is a Chinese child and not of the Caucasian race.' (R. p. 34; brief of plaintiff in error on p. 5.)

"2. 'A child of school age and otherwise qualified and eligible to attend a public school in the school district wherein the child resides under statutes providing for a uniform system of free public schools, is denied the equal protection of the laws when she is excluded from such school solely on the ground that she is a Chinese child and not of the Caucasian race, when no other school with accommodations equal to those of the school from which the child is excluded is maintained which the child might attend.' (Id.)"

The Attorney General of Mississippi said on page 2 of his answering brief:

"If it is a violation of the Constitution of the United States to segregate the races in the public schools of the various States, then section 207 of the constitution of Mississippi is repugnant thereto and should be stricken down."

When I first read Chief Justice Warren's summary disposition of the *Gong Lum* case in *Brown* v. *Board of Education* (347 U. S. 483, 491 (1954)), where he said "The validity of the doctrine itself (separate but equal) was not challenged," I was surprised. I was surprised because I did not see how any competent lawyer could have failed to raise it. I was surprised because, on reading the *Gong Lum* opinion, it seemed plain that the separate-but-equal question under the equal-protection clause had been raised. My surprise continued to the extent that on my next trip to Washington, D. C., I examined in the Supreme Court Library the records and the briefs in the *Gong Lum* case, and found the questions presented exactly as they have just been quoted.

The question of segregation per se as a violation of equal protection was clearly raised, and the cases cited by the Court with approval support its conclusion. Indeed, the unanimous Court, speaking in that case in 1927, through Mr. Chief Justice Taft, said:

"The case then reduces itself to the question whether a State can be said to afford to a child of Chinese ancestry born in this country, and a citizen of the United States, equal protection of the laws by giving her the opportunity for a common school education in a school which receives only colored children of the brown, yellow, or black races."

The foregoing is the per se question raised by the plaintiff in error.

Later on Chief Justice Taft takes up the "separate and equal" question as follows:

"The question here is whether a Chinese citizen of the United States is denied equal protection of the laws when he is classed among the colored races and furnished facilities for education equal to that offered to all, whether white, brown, yellow, or black."

The case appears to have raised and disposed of both questions unanimously in 1927.

Thus in 1954 the Supreme Court of the United States reversed a precedent, not written in 1896, although the Court was then much closer to the intent of the 14th amendment than it was 60 years later, but a precedent decided unanimously in 1927 by a great Court headed by a great Chief Justice, and including among its membership Justice Holmes, Brandeis, and Stone, whose names are commonly associated with a liberal view of the Constitution in the field of individual rights. It will be noted that the Court considered itself bound by the long established precedents, and that it was not within judicial competence to upset a constitutional interpretation so long settled.

There is no question that the decisions in the Brown and Bolling cases in May of 1954 and 1955, giving a completely new meaning to the Constitution, were a violent shock to those who believe in constitutional precedent and look upon the judges of the Supreme Court as declarers of law rather than

as social engineers, since changes in the social order, insofar as they fall within the Federal domain, seem clearly to have been left to Congress by those who made and amended the Constitution.

I disagree strongly with those who claim that the Brown and Bolling cases were foreshadowed in such cases as *Sipuel* v. *Board of Regents of the Univ. of Okla.* (332 U. S. 631 (1948)); *Sweatt* v. *Painter* (339 U. S. 629 (1950)); and *McLaurin* v. *Okla. State Regents* (339 U. S. 637 (1950)). The cases just cited were based squarely upon the separate and equal doctrine under the equal protection clause, in that in those cases equal facilities in certain institutions of higher education had not been provided at the time the Negro students applied for entrance to exclusively white State-supported universities. One need not quarrel with those decisions if the facts on which they were based are accepted as correct; namely, the inequality of the relative facilities. Those decisions, dealing with equal facilities at the college level, can hardly be said to be a precedent for the radical change in constitutional doctrine contained in the Brown and Bolling cases in 1954, dealing with elementary and secondary educational systems which had been set up over many decades in reliance upon what appeared to be a constitutional pattern that was thoroughly settled at the Federal level as late as the Gong Lum case in 1927.

Without any implementing act of Congress, such as is envisioned under the express terms of the 14th amendment and by orders unprecedented in judicial history, the Supreme Court has assumed the power under the 14th amendment to enforce commingling of the white and colored races in State-supported schools, thus rendering null and void State and Federal laws providing for separate but equal educational facilities—an anomalous assumption of power that constitutes a further encroachment by the Federal Government upon rights deemed clearly reserved to the States and to the people, and so adjudicated in prior decisions. In rendering its decisions in the Brown and Bolling cases, the Supreme Court rejected settled rules of constitutional construction and substituted the intent of the present Court for the intent of the makers of the Constitution and its amendments. John Marshall said in *Marbury* v. *Madison* (1 Cranch 137, 177 (1803)):

"It is emphatically the province and duty of the judicial department to say what the law is."

There is no doubt what the law was at 11:59 on May 17, 1954. It had been settled in Gong Lum in 1927. In 1938, Mr. Chief Justice Hughes speaking for a majority of himself and Justices Brandeis, Stone, Black, Reed, and Roberts, had said (*Missouri ex rel Gaines* v. *Canada* (305 U. S. 337, 344)):

"The State has sought to fulfill that obligation by furnishing equal facilities in separate schools, a method the validity of which has been sustained by our decisions. *Plessy* v. *Ferguson* (163 U. S. 527, 544); *McCabe* v. *Atcheson, Topeka and Santa Fe Railway Co.* (235 U. S. 151, 160); *Gong Lum* v. *Rice* (275 U. S 78, 85, 86). Compare *Cumming* v. *Board of Education* (175 U. S. 528, 544, 545)."

In fact, in *Sweatt* v. *Painter* (339 U. S. 629 (1950)) the identical court that decided Brown (substituting only Chief Justice Vinson for Chief Justice Warren); namely, Justices Black, Reed, Frankfurter, Douglas, Jackson, Burton, Clark, and Minton, rested the decision squarely on the separate but equal doctrine.

But on May 17, 1954, at 1 p. m., all this was changed—changed by a judicial amendment of the Constitution—by a Court that instead of declaring "what the law is" declared what, in the personal opinion of the then incumbent judges, the law ought to be, in spite of a hundred years of Federal and State legislation to the contrary, and judicial decisions long accepted by the Court itself as conclusive.

But not only that. The Court in the Brown case went even further into the realm of the unpredictable and substituted psychological knowledge for established legal precedent. The Court said, in Brown:

"Whatever may have been the psychological knowledge at the time of *Plessy* v. *Ferguson*, this finding is amply supported by modern authority. Any language in *Plessy* v. *Ferguson*, contrary to this finding, is rejected."

And this is the same court which only 2 years earlier, in 1952, had said in *Beauharnais* v. *Illinois* (343 U. S. 250, 263):

"It is not within our competence to confirm or deny claims of social scientists as to the dependence of the individual on the position of his racial or religious group in the community."

In *Goesaert* v. *Clary* (335 U. S. 464, 466 (1948)), the same court in sustaining a Michigan law which discriminated between wives and daughters of tavern owners and wives and daughters of nonowners, had said:

"The Constitution does not require legislators to reflect sociological insight or shifting social standards, any more than it requires them to keep abreast of the latest scientific standards."

The use of nonlegal materials in support of the Court's judgment in the Brown and Bolling cases is in manifest conflict with the recent decisions of the Court.

In *Pinkus* v. *Reilly* (338 U. S. 269 (1949)), the Court held that the use of nonlegal materials was illegal, illogical and unfair.

In *National Council of American-Soviet Friendship, Inc.*, v. *McGrath* (341 U. S. 123 (1951)), the Supreme Court held that nonlegal materials could not be used by the Attorney General for the purpose of listing an organization as subversive.

In *Ohio Bell Telephone Co.* v. *Public Utilities Commission* (301 U. S. 292 (1937)), the Court said that the use of nonlegal material in the adjudication process was a denial of "the rudiments of fair play."

The vice of the Court's approach is well demonstrated by a recent writer, Edmond Cahn, who approves the result of the Brown case but nevertheless sharply criticizes the Court's use of sociological authorities and emphasizes the great danger in so doing, as follows:

"The word 'danger' is used advisedly, because I would not have the constitutional rights of Negroes—or of other Americans—rest on such flimsy foundations as some of the scientific demonstrations in these records."

It is for legislatures, State and Federal, and not for the courts, as the Supreme Court itself had previously correctly ruled, to take into account sociological changes in the formulation of laws.

The legislative situation at both the State and Federal level was, of course, entirely clear at the time Brown and Bolling were decided. As your own Eugene Cook pointed out in the April 1956 issue of the American Bar Association Journal, the same 39th Congress that submitted the 14th amendment passed two bills dealing with separate schools for white and colored children in the District of Columbia. In addition, of the 37 States in the Union at that time, only five abolished segregation contemporaneously with ratification of the 14th amendment, and three restored segregated schools after the removal of Federal troops. As late as 1946 Congress, in the national grants-in-aid legislation for school lunches, recognized the existence of separate school systems for minority and majority races, and provided that the funds should be distributed on the basis of equal treatment.

But if the Brown case was startling, the companion Bolling case, dealing with segregated schools in the District of Columbia, was even more startling.

The court decided the Brown case under the equal-protection clause of the 14th amendment, saying, page 495:

"We hold that the plaintiffs and others similarly situated, for whom the actions have been brought, are, by reason of the segregation complaint, deprived of the equal protection of the laws guaranteed by the 14th amendment. This disposition makes unnecessary any discussion, whether such segregation also violates the due-process clause of the 14th amendment."

But in the companion case of *Bolling* v. *Sharp*, decided the same day with reference to the District of Columbia's segregated schools, the Court faced the dilemma that the Federal Constitution contains no equal protection clause as a limitation on the Federal Government. The fourteenth amendment contains both a due process and an equal protection clause, the due process clause having been taken over verbatim from the fifth amendment, and adds purposefully an equal protection clause, because that concept was deemed and construed not to be embraced in due process. See *Hurtado* v. *California* (110 U. S. 516, 534–5). But the fifth amendment, applicable to the Federal Government, contains only a due process clause.

However, the court that had made the psychological ruling in Brown was equal to the dilemma that it faced in Bolling. It held that the due process clause of the fifth amendment should be deemed also an equal protection clause as respects the Federal Government—a clear case of judicial amendment of the Constitution.

When the fifth amendment was adopted in 1791, at the instance of the very first Congress, importation of slaves was expressly protected in the Federal Constitution until 1808 (art. 1, sec. 9), and slaves were then considered property protected by the due process clause of the fifth amendment.

Thus a provision of the Federal Constitution which when adopted in 1791 did not prohibit but protected slavery, is now construed in 1954 to prohibit segregation in the public schools of the District of Columbia. See Ralph T. Catterall, "Judicial Self-Restraint," American Bar Association Journal, September 1956, page 829. The present Court no longer concerns itself with the intent of the Founding Fathers, but substitutes its own. As one of the present judges said quite frankly some years ago, in defending the wholesale disregard of constitutional precedents: "The process of constitutional amendment is too slow."

The result in the Bolling case was arrived at under what may well be called the unthinkable doctrine of constitutional construction. The Chief Justice concluded his opinion in the Bolling case with the following statement, which would be unbelievable if it did not appear in print in the Supreme Court reports:

"In view of our decision that the Constitution prohibits the States from maintaining racially segregated public schools, it would be unthinkable that the same Constitution would impose a lesser duty on the Federal Government. We hold that racial segregation in the public schools of the District of Columbia is a denial of the due process of law guaranteed by the fifth amendment to the Constitution."

One can hardly conceive of a more illogical statement. Because the Federal Constitution is said to prohibit certain action by the States, therefore it would be unthinkable if the same Constitution imposed a lesser duty on the Federal Government. By the same token, it would be argued that, since the Federal Constitution denies any State the right to impair the obligation of contracts, therefore it would be unthinkable if the same Constitution imposed a lesser duty on the Federal Government. Yet the Court has held many times that the Federal Government

may impair the obligation of contracts because there is no restriction on the Federal Government in that regard comparable to the restriction on State governments. The illogical parallels could be extended indefinitely.

To put it bluntly, the Court decided by might and main to distort the fifth amendment in order to justify the preconceived result arrived at by the Court. In my judgment, the Court, departing from its constitutional function of declaring the law, entered the field of governmental policy. It had mentally decided that Congress was not doing its duty, but that, as a matter of public policy, segregation in the public schools, State and Federal, must go. It then shaped its decision to accomplish that policy result, regardless of the tortures that needed to be inflicted upon the Constitution and the established judicial precedents construing it. One cannot but agree with the distinguished Judge Learned Hand that the present Supreme Court has wandered afield from being a judicial body into making itself a third house of the Federal Legislature and an unelected constitutional convention, without need of ratification.

This brings us to the second phase of our subject; namely, the implementation of the Brown decision at the State level: The carrying into effect, under judicial supervision by local Federal district courts, of the Supreme Court's judicial program for abolishing segregation in the public schools.

In the second Brown case, in May of 1955 (349 U. S. 294), the Court, after further argument, announced that its own program of eliminating segregation should be carried on by local school authorities under the supervision of the Federal district courts, under a unique extension of the accepted doctrines of equity jurisdiction. Since the courts of course can rule only in specific cases and controversies, its directions in the second Brown case ran only to the district courts below in the particular cases arising before it in individual school districts in Kansas, South Carolina, Virginia, Delaware, and the District of Columbia. As to other school districts not involved in those specific cases, the Brown case of course constitutes merely a precedent to be followed by district judges in other school districts in other areas. The Court ordered that admission to public schools on a racially nondiscriminatory basis should proceed "with all deliberate speed" in the cases before the Court. The Court laid down criteria for effecting the transition that look definitely like the provisions of an act of Congress, for which they are indeed a substitute.

The curious phrase "with all deliberate speed," manufactured by the court—involving as it does at first blush a virtual contradiction in terms—was probably intended to mean that the determination should be reached with careful deliberation but as speedily as the circumstances in particular local situations would permit.

This process is now going on, and is climaxed by the amazing episode of Little Rock, Ark., in which the President of the United States ordered Federal troops and, later, federalized national guardsmen to patrol Central High School in Little Rock and to escort nine Negro children back and forth to their classrooms, for approximately 8 months.

My invitation to appear here today is undoubtedly directly ascribable to my articles in the November 1 issue of U. S. News & World Report and in the February 1958 issue of the American Bar Association Journal, undertaking to demonstrate that the use of troops by the President of the United States to enforce desegregation decrees of district courts in particular cases is beyond the constitutional power of the President. There is no point in repeating here what has been said there, but one or two aspects should perhaps be highlighted.

While the Constitution in article 2 makes the President the Commander in Chief of the Army and Navy of the United States and of the militia of the several States when called into actual service of the United States, and imposes upon him the duty to take care that the laws of the United States be faithfully executed, the Founding Fathers were careful to provide that Congress should have power to provide for calling forth the militia to execute the laws of the Union and power to make rules for the Government and regulation of the land and naval forces. These subjects were advisedly delegated to Congress under article 1, and not to the President under article 2 (see the Federalist, No. 24). Hence, Congress alone was empowered to determine how, when, and in what circumstances the President may call forth the militia to execute the laws of the Union within the United States.

Thus the President can only use force to execute the laws of the Union in the manner and to the extent authorized by Congress. He has no power to use force except as authorized by Congress. The Founding Fathers saw to that.

It has been pointed out that in September 1957, with the President's expressed approval, there was repealed the only statute in the United States Code giving the President power to use military force "to aid in the execution of judicial process." Congress, in 1957, when the matter became a direct issue, clearly intended that the President should have no power in respect of Federal court decrees in civil rights cases. The repeal of a statute specifically dealing with the enforcement of court decrees would in any event control over any general statute, if any is applicable, on executing the "laws of the United States." Hence, under present Congressional legislation, only the United States marshal has power to enforce court decrees rendered under article 3 of the Constitution, with the aid of a posse comitatus if need be.

Notwithstanding the foregoing rather simple answer on the power of the President to use troops, three cases are generally put forward by the proponents of the use of military force to implement desegregation decrees. The first of these is *In re Neagle* (135 U. S. 1 (1889)). That case involved a habeas corpus proceeding by a deputy United States Marshal who had shot and killed one David S. Terry while acting as a bodyguard to Mr. Justice Field. Actually, the Court held that the Marshal was authorized by an act of Congress, but in the course of the decision the court delivered itself of a sweeping dictum which is argued by some as broad enough to include judicial decrees within the concept of laws of the United States instead of only acts of Congress. The dictum in this case, relied on by the dissenters in the *Steel Seizure Cases* (343 U. S. 579 (1952)), was nevertheless rejected by the Court in that case, in language most succinctly put by Mr. Justice Douglas at p. 663, in the following words:

"But, as Mr. Justice Black and Mr. Justice Frankfurter point out, the power to execute the laws starts and ends with the laws Congress has enacted."

Judicial decrees are in no sense "laws of the United States" within the meaning of the Federal Constitution.

The next case commonly brought forward is *In re Debs* (158 U. S. 664 (1895), affirming 64 Fed. 724). That case also is not applicable. That was a contempt proceeding arising out of the violation of an injunction granted against a union and union officers in the Pullman strike of 1894. The officers and the union violated the injunction. The defendants were arrested by the United States marshal on a court order and found guilty of contempt in the court below, the Supreme Court affirming. The injunction suit was filed July 2, 1894, and the injunction issued the same day. A strong effort was made by the United States marshal to enforce the injunction, 64 Fed. 724, 760–1. President Cleveland, as his proclamations of July 8 and 9 show, on July 5 ordered troops into Chicago, not to enforce the injunction, but to protect Federal property and to enforce the postal and commerce laws. His July 9 proclamation extended to the Dakotas, Montana, Idaho, Washington, California and other western States where no injunctions had been asked.

President Eisenhower based his Little Rock proclamation specifically on obstructing a Federal district court order. There was no act of Congress on segregation involved—only the district court order. See Proclamation, February 1958, American Bar Association, page 115. In the Debs case, the troops were called out to enforce acts of Congress, not court decrees, just as President Washington had called out Federal troops to suppress the Whiskey Rebellion in order to enforce the Internal Revenue laws—not a court decree.

The third case, sometimes referred to in this context, is *Erie Railroad* v. *Tompkins* (304 U. S. 64 (1938)), in which the majority of the court construed the words "laws of the several States" as including State judicial decisions as well as statutes, contrary to Justice Story's views, frequently followed by the Supreme Court and accepted by Congress in the Revised Statutes, that the word "laws" meant only "statutes". The Tompkins decision is inapplicable here, where the context and the Supreme Court's decisions have determined indisputably that the laws which the President under the Constitution is faithfully to execute are not court decisions (which are not laws of the United States), nor the Constitution itself unimplemented by legislation, but only acts of Congress.

The argument most commonly advanced in support of the President's use of troops to enforce district court desegregation decrees, is that the President has the right to use troops to enforce the Constitution of the United States as now interpreted by the Supreme Court, even without any implementing law of Congress, because it is said that the Constitution itself is a law of the United States.

The answer to this argument is severalfold. First, the Constitution of the United States itself (art. 6) distinguishes between the Constitution and laws of the United States passed in pursuance thereof (see also art. 3). Article 2 imposes on the President the duty to take care that the laws shall be faithfully executed. The Supreme Court has many times held—last in the steel-seizure cases—that the laws of the United States which the President is faithfully to execute starts and ends with the laws Congress has enacted. Thus the executive power conferred on the President in article 2 to execute the laws, as ruled by the Supreme Court in the Steel Seizure cases and in other cases, is not self-executing, and requires Congressional legislation in any case.

Second, the Constitution specifically provides that Congress should have power to provide for calling forth the militia to execute the laws of the Union and power to make rules for the government and regulation of the land and naval forces. Under these constitutional provisions it is clear that the use of military force to execute the laws of the Union was to be solely determined by Congress. Unless the President can point to an act of Congress that authorizes him to use troops in the circumstances, the constitutional power does not exist. Hence, the argument that the President in school-integration cases is merely enforcing, by the use of troops, the Constitution of the United States as construed by the Supreme Court, is without valid constitutional sanction.

The argument that the President is merely enforcing the Constitution as a law of the

United States, as construed by the Supreme Court, is reiterated in the June 1958 issue of the American Bar Association Journal at page 512. The argument itself was fully anticipated in the February issue of the American Bar Association Journal and is now again answered above.

The fact is that the statutory sections on which the President relied in his proclamation of September 23, 1957, entitled "Obstructions of Justice in the State of Arkansas"; namely, sections 332, 333, and 334 of title 10, relating to the Armed Forces, as revised in 1956, cannot by any fair construction be made to give him, under the guise of enforcing the "laws of the United States," the power to enforce Federal court decrees in civil rights cases, a power of which Congress with his own consent had stripped him exactly 2 weeks before.

If it is claimed that section 332 (2) empowers the President by the military generally to enforce the Federal statutes relating to the Judicial Department created by Article 3 of the Constitution, including the enforcement of court decrees, it will be remembered (1) that, under the principle of separation of powers embodied in the Constitution, the laws of Congress relating to the judiciary are for operation by the judiciary, and (2) that whenever Congress determined to invest the President with power to enforce such decree, Congress in 1866 and 1870, in civil rights legislation specifically conferred such power, later incorporated in section 1989 of the Revised Statutes and repealed in 1957. In addition, Congress has carefully spelled out that the United States marshal shall execute such decrees with the aid of a posse comitatus. It would seem manifest that the specific should definitely control over the general, and that repeal of the specific power is Congressional action indicating that the power to enforce Federal court decrees by use of military power should not exist. To hold otherwise would charge Congress with useless duplication in sections 1989 and 5299 of the Revised Statutes, notwithstanding one of the purposes of Revised Statutes was to eliminate "redundant" provisions. Act of June 27, 1866 (14 Stat. 74, 75). If Congress in 1957 had construed section 33 as susceptible of a construction authorizing military enforcement of a court decree, a repeal of that section would doubtless have been included also.

The purpose manifested by the repeal is unequivocal that no such power should exist. Congress has not left its express or implied intent in doubt. To reach a contrary conclusion, the court would have to conclude that not only were the Revised Statutes redundant but that the 1957 repeal was a useless act.

In spite of all the arguments advanced, I am unable to find any constitutional or statutory basis for the President's use of troops in civil-rights cases. This view was fortified only on Monday in Washington, D. C., by statements on the part of interested persons that Congress should reenact provisions which were repealed in 1957, and to substitute some provisions that were proposed but not enacted.

In the current discussion of the problem of the Presidential use of troops at Little Rock, reference has been made by some persons, including the President, to section 15 of the act of June 18, 1878 (20 Stat. 152) repealed in 1956 as section 15 of title 10 and reenacted in the same bill as section 1385 of title 18, the Criminal Code, which reads as follows:

"Whoever, except in cases and under circumstances expressly authorized by the Constitution or act of Congress, willfully uses any part of the Army or Air Force as a posse comitatus or otherwise, to execute the laws, shall be fined not more than $10,000 or imprisoned more than 2 years, or both."

This statute in which the Air Force was included in 1956, was first passed in 1878 by a Democratic Congress to prevent Republican President Hayes from using troops to enforce election laws in the South, either directly or through the United States marshal. The law was also said to be enacted in part of overcome an opinion rendered by Attorney General Caleb Cushing (6 Op. Atty. Gen. 466 (1854)) to the effect that United States marshals could use, as a posse comitatus, not only bystanders and citizens in the community, but Federal Armed Forces within their precinct.

When this measure was passed in 1878, it was hailed by its proponents as a great victory in the struggle for a "government of laws." One spokesman said:

"We have this day secured to the people of this county the same great protection against a standing army which caused a struggle of 200 years for the Commons of England to secure for the British people."

It was thought by its sponsors that henceforth the power to execute the laws by military force no longer existed in the President but that the laws were to be enforced solely by the United States marshal, with a posse comitatus if necessary, not including troops.

A recent vigorous comment on this statute is that of Mr. Justice Jackson, concurring in the Steel Seizure case (343 U. S. 579, 645):

"It was also left to Congress to 'provide for calling forth the militia to execute the laws of the Union, suppress insurrections, and repel invasions * * *.' Such a limitation on the command power, written at a time when the militia rather than the standing army was contemplated as the military weapon of the Republic, underscores the Constitution's policy that Congress, not the Executive, should control utilization of the war power as an instrument of domestic policy. Congress, fulfilling that function, has authorized the President to use the Army to enforce certain civil rights [citing the statute since repealed]. On the other hand, Congress has forbidden him to use the Army for the purpose of executing general laws except when expressly authorized by the Constitution or by an act of Congress [citing the Posse Comitatus Act]."

It will be noted parenthetically that Mr. Justice Jackson refers to the use of "the Army for the purpose of executing general laws." He does not envision the inclusion of court decrees.

Prior to 1956, I believe that a proper construction of the 1878 statute (commonly referred to as the Posse Comitatus Act) clearly forbade the President's using any part of the Army as a posse comitatus or otherwise to execute the laws. I say this notwithstanding the opinions of the Attorney General (16 Op. Atty. Gen. 162 (1878) and 10 Op. Atty. Gen. 570 (1890)). These Attorney General opinions express the view that the act of 1878 (now sec. 1385 of title 18), which expressly recognizes any exceptions made by Congress, therefore had expected sections 5298 and 5299 of the Revised Statutes of 1873, which are now sections 332 and 333 of title 10 under which the President purported to act at Little Rock. These opinions of the Attorney General held, in substance, that the United States marshal cannot use troops as a posse comitatus, but that the President himself can act under sections 5298 and 5299 of the Revised Statutes of 1873.

Of these opinions of the Attorney General it may be observed that if the bill was passed in 1878 for the purpose advocated by its sponsors, namely, to prohibit the President's use of troops in domestic affairs unless expressly authorized by Congress, the express authorization must have been intended to mean subsequent, and not past, legislation, the 1878 act operating in that respect prospectively. Actually, the exception in the act of 1878 of authorization in the Constitution must also have been intended to be prospective, the Attorney General to the contrary, notwithstanding because the Constitution did not then, nor does it now, authorize the President to use force to execute the laws in domestic affairs, but only empowers Congress to "provide for calling forth the militia to execute the laws of the Union." If the act of 1878 is construed, as it was by the Attorney General in the two opinions referred to, to except the earlier provisions of sections 5298 and 5299 of the Revised Statutes of 1873, then Congress in passing the act of 1878 did a useless thing so far as concerns restricting the President's use of troops to execute the laws.

Mr. Justice Jackson's statement quoted above is by far the most authoritative interpretation given to the Posse Comitatus Act. Opinions of the Attorney General are not adjudications, and because they are not based on adversary briefs and arguments, have relatively little weight and are often partisan to support executive desire. Unlike judicial opinions, they can be discounted in legal debate. It will be noted, again, that Mr. Justice Jackson says "that Congress, not the executive, should control the utilization of the war power as an instrument of domestic policy." This accords exactly with the view heretofore expressed, namely, that in the absence of Congressional enabling legislation the President has no power to use troops in domestic affairs.

Referring further to the Posse Comitatus Act of 1878, we note next that sections 5298 and 5299 of the Revised Statutes, and the act of 1878, were all reenacted in the same recodification act passed in 1956.

What is the legal effect of this recodification? Does the act of 1878, thus recodified in the same bill with the 1873 provisions of the Revised Statutes, still speak in futuro, looking toward future Congressional or constitutional authorizations for the use of troops, or does the 1878 statute, now being reenacted simultaneously in the same bill with the provisions of the Revised Statutes of 1873 just referred to, give the act of 1878 a different meaning from that which it had before?

If the act of 1878 (now sec. 1385 of title 18) still speaks in futuro, we would still have an express prohibition of Presidential use of troops. If the simultaneous enactment in 1956 of the 1873 Revised Statutes provisions as sections 332 and 333 of title 10 are held to be simultaneous express exceptions to section 1385 of title 18, then we are remitted to the correct construction of sections 332 and 333 of title 10 as to Presidential powers in the use of troops.

If the former view is adopted, the 1878 act as reenacted in 1956 is still an absolute bar to the Presidential use of the Army. If the latter view is adopted, we are remitted to the question of the correct construction of sections 332 and 333 of title 10, which, as pointed out above, do not permit Presidential use of troops to enforce district court decrees in civil-rights cases. Normally, a recodification of statutory sections does not change their original meaning and intent, in the absence of some clear expression to that effect. However, it cannot be gainsaid that the inclusion of the two 1873 sections in the same act with the 1878 section does throw the solution of the effect of the recodification somewhat in doubt.

In any event, however, we end up with the conclusion that military force cannot be used by the President either (1) to enforce Federal court decrees, because the only specific statute was repealed in 1957, or (2) to execute the laws, because court decrees are not "laws of the United States" within the meaning of sections 332 and 333 of title 10; (3) to enforce the Constitution of the United States, as construed by the Supreme Court, without more, unless he can point to an

authorizing Congressional act because Congress has sole control over the use of military force in domestic affairs, and there is no such authorizing act.

Is the President's action in using troops subject to judicial review? The answer should be "Yes," as in the Steel Seizure cases, the review being directed to the action of the subordinate officer carrying out the President's order.

The Supreme Court of Arkansas declined on March 17, 1958, to pass on the legality of the Presidential use of troops at Little Rock, stating that determination of the question was not essential to a disposition of the case.

The Court of Appeals of the Eighth Circuit in *Jackson* v. *Kuhn* on April 28, 1958, avoided the question by stating that the lower court was without jurisdiction for lack of jurisdictional amount, and that the State court is the appropriate forum. The Court of Appeals did not pass on the substantiality of the Federal question, which was the sole basis of the trial court's decision.

What of the future? Of course, Congress could strip the Supreme Court of jurisdiction in civil-rights cases and also the district courts, which, it can be argued, Congress should do because the court has unconditionally invaded an area left to Congress by the 14th amendment, but until then we are remitted to the Brown and Bolling cases.

Violent departures from settled constitutional doctrine as were the Brown and Bolling cases, I do not expect them to be changed. The lower Federal courts will doubtless feel constrained to follow Brown instead of Gong Lum, and Gaines, because Brown is later in time, although far less well founded. The second Brown decision in State cases contemplates adjustment to local conditions under the supervision of local Federal district courts. The findings of the lower Federal court judges in such cases are entitled to great weight, and if affirmed by the respective circuit courts of appeal, bring into play the rule that the Supreme Court will not normally disturb findings of fact agreed upon by both courts below.

The tempo of integration, therefore, is in the hands largely of the lower Federal judiciary, to the extent it can gain support for its findings in the appropriate circuit court.

Since the Supreme Court has placed the whole problem of integration in the public schools within the equity jurisdiction, the normal rules relating to Federal equity findings and review thereof will doubtless control. In most cases where both lower courts have agreed, the review of such findings in the Supreme Court under accepted principles is virtually nil. Perhaps the equity procedure, carefully administered in the lower courts, will provide that adjustability to local conditions and that "deliberate speed" of which the Supreme Court so enigmatically spoke. Fairly administered, the "deliberate speed" may become less speedy and more deliberate.

It will not be forgotten, however, that judicial volcanoes, like volcanoes in the state of nature, sometimes continue to erupt.

EXTENSION OF TRADE AGREEMENTS ACT

The Senate resumed the consideration of the bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

Mr. DOUGLAS. Mr. President, before the Senate takes up specific amendments to the Reciprocal Trade Act, I believe that it would be helpful if we pinpointed where a major portion of the difficulty lies.

The Eisenhower administration is now working on the Senate to protect itself from probable protective tariff findings and rulings by its own appointed Tariff Commission. It is therefore asking that the so-called Kerr-Thurmond amendment be eliminated from the bill.

I opposed the adoption of this amendment in committee, and will, of course, vote against it on the floor. At the same time, I think it is appropriate to point out that the troubles of the administration in this respect are largely of its own making. One reason why both we and the administration should be afraid of the findings of the Tariff Commission is that the administration itself has persistently throughout its entire life packed the Commission with confirmed protectionists. Thus the President appointed as its chairman Edgar Brossard, a disciple of Reed Smoot with a 40-year record as a firm believer in protection. Then there was appointed as vice chairman Joseph E. Talbot, a professional lobbyist for protection. The other appointments, with one exception, have been of the same kind. If the administration is afraid of what these men will do, it has only itself to blame.

And now they are coming to the liberal Democrats of the North and West to ask for protection against their own misdeeds. The whole situation reminds me of a chapter in the Peterkin Papers—a book which delighted young readers a half century ago.

The Peterkin family were a blundering lot, who got themselves into all kinds of messes, and then had to call for help on the lady from Philadelphia who lived across the street. The Peterkin family disliked this lady, but again and again were forced to ask her for aid.

One morning Mrs. Peterkin made the mistake of putting salt in the coffee instead of sugar. Everyone made a wry face and Mrs. Peterkin, to counteract the taste, then poured in a lot of sugar. But this made the coffee far too sweet, and so to offset this she dumped in more salt. This, however, was an overdose and things got worse when Mr. Peterkin emptied the sugar bowl into the coffee pot in a vain effort to set things right.

Then the whole family, young and old, began to wring their hands and to set up cries of distress. Finally, they called across the street to the lady from Philadelphia to come and save them.

Remembering the shabby treatment she had previously received, she came somewhat reluctantly, but when they asked her what to do, she replied in a common sense manner, "Throw out the whole batch of coffee and make a new one."

That is my advice to this administration, "Throw out the whole Tariff Commission and appoint a new and better one. Unless you do, you are going to get into more trouble."

I really fear, however, that the administration will not take this common sense advice. It is even possible that there is method in its apparent foolishness. By appointing high tariff commissioners they may think they can win the support of the big contributors from textiles, chemicals, coal, oil, and so forth, while by asking for legislation such as they now are doing, they can win the support of consumers, importers and the export industries. By doubletalk, they may think they can run with the hare and hunt with the hounds.

Perhaps they may also think that they have devised a smart gimmick with which they can belabor us liberal Democrats, whom above all others they dislike. If we do not respond to the piteous appeals of the President, the White House attacks us as obstructionists. If we do help him out, then the Republican National Committee and local Republican leaders attack us bitterly for not protecting local industry. With their strong hold on the press, the leaders of the Republican Party may believe that they can win both groups by contradictory policies and smear us no matter what we do.

Under these circumstances, we could not be blamed if we denied the administration's pleas. But I do not want to let natural and human resentment sway my actions. I shall vote for what I believe to be the best interests of the Nation and trust to simple truth to defeat the guile of men.

GRADE, PROCUREMENT AND TRANSFER OF AVIATION CADETS

Mr. CHURCH. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 1893, House bill 11626.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 11626) to amend section 6911 of title 10, United States Code, to provide for the grade, procurement, and transfer of aviation cadets.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. CHURCH. Mr. President, the purpose of the proposed legislation is to eliminate the present requirement that a naval aviation cadet sign an agreement to serve on active duty for a continuous period, including time required for training, of not more than 4 years and to replace it with a requirement that the cadet sign an agreement to serve on active duty as a commissioned officer for at least 3 years after completion of the course of training as an aviation cadet.

EFFECT OF THE BILL

The effect of the bill is to repeal the present provision of law which provides a maximum of 4 years of active duty for naval aviation cadets, including the required period of cadet training now totaling 18 months. The bill would require a minimum period of 3 years of service as a commissioned officer, which would exclude the period of cadet training. The committee was advised that the Secretary of the Navy plans in future cadet agreements to require 3½ years of active service as a commissioned officer following cadet training.

REASON FOR LEGISLATION

This legislation is considered necessary in order to improve the combat efficiency of our fleet aviation units and effect considerable savings in our flight-training program, by requiring increased tours of obligated service for persons completing flight training under the aviation cadet program.

The cost of training an aviation cadet is now about $100,000. Modern aircraft are so complex and expensive that an extremely high level of proficiency is required of a pilot before he can participate in fleet operational flight activities. The new pilot must spend a considerable part of his first tour of duty in the fleet becoming seasoned and acquiring the state of combat readiness and operational proficiency necessary to make him the finished product that is so essential in the success of modern flight operational concepts.

Under existing law, the naval aviation cadet acquires an obligation to serve on active duty for not more than 4 years, which includes the flight training time. As a result, naval aviators who were initially procured and trained as aviation cadets, in most cases are not able to complete more than one normal tour of training and deployment with the fleet within their period of obligated service. Under existing conditions, this creates a tremendous turnover of aviation personnel and instability in fleet operating squadrons and places a continuous strain on our procurement of new replacements and on our flight training facilities. It is an extremely costly process, but one the Navy has had to face to meet the overall requirements of the Navy.

This bill, by changing the active duty requirement to a period of at least 3 years after completion of training, will provide a degree of flexibility in the service obligation so as to permit the employment of the new aviators on at least two normal tours of deployed duty with the fleet. This additional requirement will increase the efficiency, combat readiness, and safety of the fleet flight operations since a greater percentage of the pilots will be second-tour pilots. Experience has shown that the second-tour pilot is the more capable pilot and has a much lower accident rate than the relatively inexperienced first-tour pilot. It will improve the stability of aviation personnel and will result in considerable savings in the cost of flight training by permitting a reduction in the rate of flight training—each student pilot reduced would result in a savings of about $100,000.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

EMPLOYMENT OF REGULAR NAVY OFFICERS ON SHORE DUTY

Mr. CHURCH. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar 1894, House bill 11636.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 11636) to repeal section 6018 of title 10, United States Code, requiring the Secretary of the Navy to determine that the employment of officers of the Regular Navy on shore duty is required by the public interest.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Armed Services with an amendment, to strike out all after the enacting clause and insert:

That section 6018 (2) of title 10, United States Code, is amended by striking "and his determination to that effect is stated in the officer's orders to shore duty."

Mr. CHURCH. Mr. President, the pending bill as referred to the committee provided for the repeal entirely of section 6018, title 10, United States Code.

This section prohibits the assignment of certain officers of the Regular Navy to shore duty unless—

First, the shore duty is specifically provided for by law—assignments of officers to duty as chiefs of bureaus or assistants to chiefs of bureaus within the Department of the Navy are specifically provided for by law—or

Second, the Secretary of the Navy determines that the employment of the officer on shore duty is required by the public interest and his determination to that effect is stated in the officer's orders to shore duty.

The committee was of the opinion that the principal objective of the bill could be met by striking the words above written than by repealing the entire section. The bill, as amended, repeals the requirement that the determination of shore duty must be stated in the officer's orders. The departmental witness testified that it was just that part of section 6018 which required the necessity for writing the shore-duty requirement in an officer's orders, from which the Navy desired relief.

It was the view of the Navy that the statement in each officer's orders imposed a substantial administrative requirement which served no useful purpose.

COST DATA

Enactment of this proposed legislation would result in no additional cost to the Government.

DEPARTMENTAL DATA

The Department of the Navy, for the Department of Defense, recommends enactment of the proposed legislation.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to amend section 6018 of title 10, United States Code, requiring the Secretary of the Navy to determine that the employment of officers of the Regular Navy on shore duty is required by the public interest."

Mr. CHURCH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Texas will state it.

Mr. JOHNSON of Texas. Do I correctly understand that an order has been previously entered under which the Senate will convene at 10 o'clock on Tuesday morning?

The PRESIDING OFFICER. The Senator is correct.

Mr. JOHNSON of Texas. And that following the morning business on Tuesday the Senate will operate under an agreement for limitation of debate, 1 hour on each amendment and 4 hours on the reciprocal trade bill?

The PRESIDING OFFICER. The Senator is correct.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. I should like all Senators to be informed that it is planned to have the Senate consider the conference report on the atomic energy authorization bill when it is available for consideration; that is, after the House has acted. The report is a privileged matter, and the Senate will act on it, provided it does not require lengthy discussion. I shall rely upon the distinguished and able Senator from New Mexico [Mr. ANDERSON] to call up the conference report when it is available.

Do I correctly understand that the report may be called up even though the Senate is operating under a time limitation, since the report is a privileged matter?

The PRESIDING OFFICER. Conference reports are privileged matters. The report could be considered without disturbing the status of the unfinished business.

Mr. JOHNSON of Texas. I thank the Chair. I desire all Senators to be on notice that the report will be considered when it has come over from the House. If lengthy discussion will be required, I shall ask that further consideration of the report be withheld until the Senate has completed its consideration of the reciprocal-trade bill.

Following the completion of action on those two measures, it is planned to have the Senate consider the pay bills for the police and fire departments of the District of Columbia, the United States Park Police, the White House Police, and

the schoolteachers of the District of Columbia.

Also, we expect to have considered Calendar No. 1687, Senate Resolution 264, favoring the establishment of an International Development Association in cooperation with the International Bank of Reconstruction and Development, and Calendar No. 1866, H. R. 7576, to further amend the Federal Civil Defense Act of 1950.

I shall report to the Senate in the next day or two the progress which is being made on the appropriations bills, but I expect to have the Senate consider next week both the Department of Defense and the mutual aid appropriation bills.

We also hope to have available the military-public works bill, which now is being marked up by a subcommittee of the Armed Services Committee.

I shall give the Senate as much advance notice as possible in regard to those measures.

I also expect to bring up the agricultural bill, from the Committee on Agriculture and Forestry. I wish to have that bill considered probably later in the week, after the policy committee has cleared it.

SOVIET RUSSIA AND THE DOMESTIC ALUMINUM INDUSTRY

Mr. MARTIN of Iowa. Mr. President, on Monday, July 14, I discussed some recent aspects of the Soviet trade offensive which seriously affect the availability of strategic materials in any future war. As many of my colleagues know, for many years, I have been interested in the mobilization base afforded by our domestic economy.

At the very time that I was addressing the Senate, representatives of the 6 domestic aluminum companies were presenting the same problem to the executive branch of the government, at a meeting with the State Department's Bureau of Economic Affairs.

I have received a copy of the memorandum which was submitted by the 6 domestic producers to the State Department. It further confirms the statements which appeared in a feature article entitled "Reds Aim Economic Guns at United States," published in the June issue of Nation's Business. Excerpts from the article were printed at the conclusion of my remarks in the CONGRESSIONAL RECORD of July 14.

The aluminum industry said:

> There is no secret as to the purpose of this Soviet activity. In November of 1957, Mr. Khrushchev stated specifically:
>
> "We declare war upon you—excuse me for using such an expression—in the peaceful field of trade.
>
> "We declare war. We will win over the United States. The threat to the United States is not the ICBM, but in the field of peaceful production. We are relentless in this, and it will prove the superiority of our system."
>
> Three times in two generations a "hot" war has caught this Nation unprepared. It should not be caught unprepared by this form of economic warfare, which can be no less deadly to the future of our country. Russian activities to date are only the beginning—a preliminary trial of the effect on normal trade and the Free World's economy of an influx of Soviet products, marketed at artificial price levels, for the purpose not of normal economic advantage but of weakening and even destroying other industry—particularly, United States industry. This country has not even a skeleton defense, not even an agreed procedure to follow, in the event of a full-scale Russian economic offensive in the United States domestic market.

Mr. President, I regard the memorandum by the domestic aluminum industry of such importance that I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

CAUSES AND EFFECTS OF IMPORTS OF ALUMINUM THE NEED FOR GOVERNMENT ACTION

(Memorandum submitted by representatives from the Primary Aluminum Industry of the United States to the United States State Department in Washington, D. C., on Monday, July 14, 1958)

PRELIMINARY STATEMENT—THE EXTENT OF THE PROBLEM

The aluminum industry has been one of those most seriously affected by the recession. Thirty percent of the existing domestic facilities for producing primary aluminum are now idle—605,450 tons out of the existing installed capacity of 2,026,500 tons. There is also under construction additional capacity of 578,000 tons, and the present depressed condition of the industry has already compelled 170,00 tons of this program to be indefinitely postponed.

In this situation, continued heavy shipments of foreign aluminum into the United States market are causing widespread distress. It is estimated that there are now 20,000 workers unemployed in the aluminum production and fabricating industries. If the penetration of the domestic market by foreign producers continues to grow, as it seems likely to do with the growing use of subsidies and other export supports by those foreign governments anxious to obtain dollar exchange, both the number of unemployed and the percentage of unused capacity are likely to increase.

At this juncture the sudden emergence on the world market of Communist-bloc aluminum offered at artificially low prices has seriously weakened both the world market and the United States domestic market. Prices have been forced down to a point at which United States producers and fabricators find great difficulty in competing against foreign suppliers, whose manufacturing facilities are often as efficient as any existing in this country but who enjoy the advantage of labor costs which are only a fraction of those existing in the United States.

The impact of these events is best understood in the light of the history of the last 20 years. Twice in that period, first in World War II and then during the Korean war, the United States has found that its national security imperatively required a greatly increased domestic supply of aluminum. In each case, the Government necessarily initiated and pressed forward urgently a major expansion program. The domestic aluminum industry rose to the occasion. Then and since, it has conclusively established both its ability and its willingness to expand sufficiently to meet—at reasonable prices—all of the Nation's aluminum needs.

The measure of this willingness is in the statistics of capacity. United States capacity for the production of primary aluminum increased from 164,000 tons in 1939 to the present figure of over 2 million tons as of July 1, 1958, with enough more capacity under construction to total 2,604,500 tons a year. Over $2½ billion of private funds have been invested in aluminum-producing and fabricating facilities since the end of World War II alone.

The major national effort involved in these expansion programs, public and private, was directed toward establishing a healthy, dynamic aluminum industry as one of the keys to United States leadership of the Free World. This is as necessary in the economic struggle in which we are now engaged as it ever was in the hot wars.

Today, however, the situation is deteriorating, and it is not completely within the industry's own power to supply either a long-range cure or the necessary immediate remedies. The long-term cure will be the creation of markets for the world's surplus aluminum; the industry considers that this should be one part of our program of assistance to the less-developed areas of the Free World. The immediate problem of the industry is to stem the current flow of surplus aluminum and aluminum products from the other producing countries to the already unbalanced United States market. In both cases, governmental action is necessary.

I. A principal lesson of both World War II and Korea was that a strong domestic aluminum industry is essential for national survival

(A) The challenge of war: At the outset of World War II, Germany and its allies controlled over half the world's aluminum capacity. Facilities available to the United States were grossly inadequate for the minimum needs of our own Armed Forces, and we were required to support the forces of all our principal allies as well. As a result, a huge emergency aluminum expansion program throughout the early years of World War II was given one of the highest priorities of our war effort. Only in this way could we overcome the military advantage which Germany held through prewar leadership in aluminum production.

The more limited Korean emergency again pointed up the need for having immediately available, here in the United States, enough aluminum capacity to meet the requirements of war. As the amount of aluminum needed by the Nation's Armed Forces increased, the amount offered for importation declined, and a system of allocation again became necessary. Accordingly, the Government once again pressed the industry to undertake a sharp expansion of domestic capacity.

(B) The industry's response: In order to meet the national need and to supply the civilian markets for aluminum which the industry had developed in the peacetime years, the United States aluminum industry has expanded its capacity from 164,000 tons in 1939 to 2,026,500 tons by July 1958—a growth of over a thousand percent. Fabricating facilities to convert this enormous volume of raw material into useful shapes and forms for industry and the public also had to be provided. Expansion since World War II has required private investment in excess of two and a half billion dollars, with heavy additional investments committed for in connection with the plants now in various stages of construction.

(C) The industry's commitment to the future: The United States aluminum industry is determined to do everything in its power to assure that never again will the national interest demand domestic aluminum production and find the means wanting. The industry's huge construction program since Korea—now set back temporarily—has been planned to meet not just the immediate needs of the United States, but the demands of its future growth—both as the most prosperous and expansive economy the world has yet seen, and as an indispensable supplier for the less developed areas of the Free World.

The industry is committed to meeting these demands by constructing the necessary facilities in advance, so that aluminum

will be available in quantity at reasonable prices, when it is needed.

Such a program necessarily must envisage temporarily periods of surplus supply, which the current recession makes more difficult. The aluminum industry, however, should not have to contend with exploitation of a temporarily unbalanced domestic market by foreign suppliers channeling into it their own surplus products, often at subsidized prices.

II. Importation of unneeded aluminum and aluminum products from low wage nations has intensified a severe recession in the domestic aluminum industry

At present, the United States aluminum industry has 1,421,050 tons of primary aluminum capacity operating, and 605,450 tons idle. With the addition of new facilities now under construction, the aluminum producing capacity of the United States will be nearly double the capacity now in use to meet current demands.

Yet, foreign aluminum is continuing to enter the United States market in undiminished amounts, as some foreign governments—anxious for dollar exchange—assist their own producers with excess capacity to unload aluminum in the United States. Imports have actually risen from 177,652 tons in the aluminum shortage year of 1955, to 216,401 tons in 1956, and 222,158 tons in 1957.

Without exception, the consumption of aluminum in every country which is now on balance a net aluminum exporter to the United States is substantially less per capita than the consumption of aluminum in this country. Yet, the all too common reaction of many foreign aluminum producers and fabricators to the problem of surplus appears to be not to develop further their own domestic markets or to penetrate the huge still undeveloped markets existing elsewhere in the Free World, but instead to unload their surpluses in the United States market which has been the most fully developed in the world and is today the most adequately supplied by its own domestic industry. The result of this determined effort to sell surplus aluminum in the United States market is a completely unjust distribution of the worldwide surplus of aluminum capacity. One-third of installed United States primary aluminum capacity is now idle as against only about 10 percent idle capacity in the remainder of the Free World. Today, the United States presents the anomaly of a country which is the world's largest producer of both primary aluminum and of fabricated aluminum products, which has three-quarters of the world's unused aluminum capacity, and yet is at the same time a substantial net importer of both primary and fabricated aluminum.

Moreover, price cuts by foreign producers have forced general price reductions in the United States market which domestic producers are less able to bear, since most foreign producers pay wages far lower than those which are paid to United States workers, although their operations and facilities are generally as efficient as those in the United States. Average hourly wages in manufacturing industries in 1957, for example, were $2.07 in the United States (in the aluminum industry they were nearly $2.50), while they were $0.62 in the United Kingdom, $0.39 in France, $0.48 in West Germany, and even in Canada they were only $1.63.

While the immediate effects of this aluminum importation from low wage countries have been intensification of unemployment and indefinite postponement of construction, the long-range effects of continued imports at the present level will be even more serious: lack of growth by the United States aluminum industry; rebirth of dependence on foreign aluminum to meet essential American needs; and inability of the weakened domestic industry to create and expand into potential markets here and abroad.

III. The dangers to the United States economy of reliance on foreign sources of aluminum

Foreign aluminum producers have been an extremely undependable source of supply, increasing sales to United States market at times of worldwide aluminum surplus but decreasing shipments during some of the very times when aluminum has been most badly needed here. During the most critical Korean war years, for example, aluminum importation dropped from 176,778 tons in 1950, to 122,422 tons in 1951, and 128,233 tons in 1952. Again, during 1955, a year of aluminum shortage, importation declined to 177,652 tons from 215,250 tons during the previous year. During those years of worldwide aluminum shortages, foreign producers diverted a portion of their supply to other, more attractive, foreign markets.

The reduced availability in the United States of foreign aluminum and aluminum products during the times when they are most needed in the United States flows naturally from the fact that offers of such goods at low prices in the United States market during times of surplus are frequently the result of economic policies consciously adopted by foreign governments to earn additional dollars. Many of the foreign countries from which aluminum and aluminum products are presently coming to the United States market grant subsidies, tax rebates, and exemptions, and other benefits to companies exporting aluminum. West Germany, Belgium, France, the Netherlands, Italy, Switzerland, the United Kingdom, and Japan are among the countries which grant significant tax advantages or subsidies to exporters.

The price of many foreign aluminum products has been as unstable as their availability, undercutting the prices of United States producers and fabricators during years of excess capacity, but rising to all the traffic would bear during shortage years. For instance, the United States Government recently purchased about 1¼ million pounds of aluminum plate on a competitive-bid basis. The lowest bid, by a New York importer, was about 20 percent below the average of all domestic bids. His source of supply is a Belgian mill which is a heavy purchaser of Russian aluminum. The United States Government nevertheless awarded its order to this importer. In contrast, European producers and fabricators were charging premium prices far above domestic prices in the shortage year of 1955.

Most foreign governments have not only encouraged exports, often at an artificial level, but have imposed rules and regulations designed to protect their local economies against the importation from the United States of goods available in soft currency areas. As a result, the aluminum industry is not confronted simply by the ordinary competitive problems of Free World trade. It instead must meet the opposition of governments which prevent or discourage the importation of United States aluminum but which take whatever steps are necessary to cause foreign aluminum to be imported into the United States in order to build up dollar reserves regardless of conditions in the United States market.

IV. The Soviet challenge to United States superiority in aluminum

United States leadership in world production of aluminum, established as a result of the national effort of World War II, is again endangered, this time by the Soviet Union. Soviet bloc production has increased from 25 percent of United States production in 1946, to 57 percent in 1958, with 1,200,000 tons of capacity planned by 1961. A vigorous and growing United States aluminum industry is essential if this challenge is to be met in the world's undeveloped areas.

Even the price of aluminum offered in the United States market by foreign producers has been drastically affected by the Soviet Union's arbitrary pricing of aluminum for export. During 1955, with a shortage affecting Free World markets, Russian aluminum appeared in Western Europan markets at premium prices. Russian aluminum sold at a 28-percent premium in the United Kingdom.

During the last half of 1957, though world aluminum markets were weakening rapidly, Russian aluminum was again offered in British, German, and Belgian markets. No effort was made to get the best prices possible as had been done in 1955. Instead, the aluminum was offered at a discount of about 2 cents per pound below the price the principal aluminum suppliers, Aluminium Ltd., was then charging, although Soviet domestic aluminum prices were 139 percent higher than these Soviet export prices.

No action was taken by the British Government, and this Soviet dumping of perhaps less than 20,000 tons of aluminum in the British market at arbitrarily low prices weakened the world price for aluminum. In March of 1958, Aluminium Ltd. announced a 2 cents per pound cut in its world price, matching a discount then being given by the Russians. The new price became effective on April 1, throughout the Free World, including the United States, and affected about 3 million tons of annual production. Despite this price cut, the Soviet Union continued its economic offensive against the Free World's aluminum trade, cutting its British offering price by another 2 cents and even more. The most recent aluminum to be offered at this artificially low price is reported to come from Hungary.

There is no secret as to the purpose of this Soviet activity. In November of 1957, Mr. Khrushchev stated specifically:

"We declare war upon you—excuse me for using such an expression—in the peaceful field of trade.

"We declare war. We will win over the United States. The threat to the United States is not the ICBM, but in the field of peaceful production. We are relentless in this and it will prove the superiority of our system."

Three times in 2 generations a "hot" war has caught this Nation unprepared. It should not be caught unprepared by this form of economic warfare, which can be no less deadly to the future of our country. Russian activities to date are only the beginning—a preliminary trial of the effect on normal trade and the Free World's economy of an influx of Soviet products, marketed at artificial price levels, for the purpose not of normal economic advantage but of weakening and even destroying other industry—particularly, United States industry. This country has not even a skeleton defense, not even an agreed procedure to follow in the event of a full scale Russian economic offensive in the United States domestic market.

AN IMAGINATIVE GOVERNMENT PROGRAM IS NEEDED, BOTH TO END THE EXISTING SURPLUS OF ALUMINUM THROUGHOUT THE FREE WORLD, AND TO STEM THE PRESENT FLOW OF SURPLUS ALUMINUM TO THE UNITED STATES MARKET

A. Our surplus aluminum can be turned into a source of strength for the Free World. At the heart of the present situation is a great surplus of aluminum capacity and production in the aluminum producing countries of the Free World. This has tended to result in a constant and increasing pressure of aluminum offered for import in the one most fully developed market for aluminum and aluminum products—the United States.

This surplus need not be viewed only as a problem however; as from another point of view, it can be a great advantage to the

Free World—an important tool in the effort of the United States Government to help the less-developed areas of the world toward full participation in the modern industrial economy.

United States per capita aluminum consumption is 21 pounds per year. Consumption in Western Europe and Canada is at the annual per capita rate of 6.2 pounds. For all the rest of the world, annual aluminum consumption is 0.7 pounds per capita.

The world's surplus aluminum should be channeled not to the United States, but to those areas where it is needed most. A clue to how this can be done may be found in our present surplus wheat program, which President Eisenhower recently described to the Canadian Parliament in the following terms:

"Simply stated, our wheat disposal program has three aspects.

"In times of local famine or disaster, we give wheat away. We have also bartered it for strategic materials. Finally, we sell wheat for local currency to countries which cannot afford to purchase commercially. In these cases our policy is to lend back to the government in question most of the proceeds for local economic development. Our intent is not to damage normal commercial markets and in this I think we have been generally successful."

A similar program for aluminum could have extraordinary and far-reaching effects. It would make available an additional primary industrial material in areas of the world where the lack of primary industrial materials has been the great obstacle to all industrial development, without requiring a heavy capital investment in building new facilities. An entire cycle of industrial development could be substantially shortened.

This is a program which might well appeal to our principal allies. Canada, for example, might collaborate with the United States in setting up an international agency dedicated to the wise use of the common aluminum surplus of these two countries, in such a way as to benefit rather than to injure the economies of the Free World.

B. Emergency action on imports is needed to check the weakening of the United States industry: The problem does not exist only in the long run. Immediate Government action is needed if foreign producers are not to obtain an inequitable share of the present depressed domestic market.

The advantage which foreign producers have in the United States market is twofold. Their costs are so much less because of wage differences as to give them an unreasonable competitive advantage. Not being a part of the United States economy or subject to its controls, they can in times of scarcity withhold their aluminum and sell it elsewhere or at premium prices, while funneling maximum supplies at low prices into the United States market in times of surplus.

To limit the great advantage which foreign producers have because of low wage costs, the aluminum industry believes that the present tariff is entirely inadequate. It recognizes, however, that in the present international situation legislation to increase tariffs might have unfortunate international repercussions, and may seem undesirable, however sound economically. If a tariff increase is not now feasible, however, other means must be found to normalize imports.

This requires the establishment of controls which will effectively limit the imports from foreign suppliers in times of surplus. Such imports should bear some reasonable relationship to imports which have been customarily made from the same suppliers in normal times and in times of scarcity. Control could be established in terms of absolute tonnages, or in terms of percentages of past shipments made in a base period.

It is suggested that a reasonable approach would be to take in times of aluminum surplus the percentage of capacity at which the domestic industry is then operating as the standard. Each foreign producer should then be limited to the corresponding percentage of his actual sales in the United States market in the last previous year of full capacity operation (at the time 1955 would be the base year). Variations could be provided for in special instances where this formula seemed inappropriate.

Such controls might be imposed by legislation, but it is believed that they could first be sought though negotiation by the United States Government with foreign governments for a system of controls. Foreign producers are aware that their own governments are not prepared to permit increased imports of aluminum in times of surplus. They should accept the need for similar action by the United States.

C. Antidumping legislation:

An advantageous field of study would be the possibility of enactment of antidumping legislation which would be as practical and as effective as the provisions of the current Canadian law. Under its law, Canada has been able to give its manufacturers effective protection against foreign competition.

Finally, the entire problem of combating the Soviet economic offensive demands collaboration between Government and industry. It is recognized that preparation for a military war requires military leaders; it should be equally recognized that the participation of business is necessary in preparing to fight a war of trade.

Respectfully submitted,
ALUMINUM COMPANY OF AMERICA.
ANACONDA ALUMINUM CO.
KAISER ALUMINUM & CHEMICAL CORP.
OLIN MATHIESON CHEMICAL CORP.
REVERE COPPER & BRASS, INC.
REYNOLDS METALS CO.

EXTENSION OF TRADE AGREEMENTS ACT

The Senate resumed the consideration of the bill (H. R. 12591) to extend the authority fo the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

PROPOSED EXTENSION OF 1934 TRADE AGREEMENTS ACT IF NOT EXTENDED REVERTS TO TARIFF ACT EQUALIZATION OF COSTS PRINCIPLE

Mr. MALONE. Mr. President, the press reports since Friday's debate on the extension of the 1934 Trade Agreements Act would indicate very little understanding of the subject which is now under consideration by the Senate. The Senate Finance Committee proposed a reduction of the 5-year extension and 25 percent reduction of tariffs proposed by the House to 3 years and 15 percent. Most of the press reports imply that those of us who oppose extension of the act wish a return to the legislation method of adjusting duties or tariffs. Mr. President, nothing could be further from the truth.

The fact is, Mr. President, that if Congress does not extend the 1934 Trade Agreements Act, and if 60 days' notice is given to the Secretary General of the United Nations then, in the case of the nations with which the United States has multilateral trade agreements, prepared in Geneva, by the 36 foreign competing nations, equally among them, the determination of the tariffs or duties on all products covered by such agreements will revert to the Tariff Commission, an agency of the Congress on the statutory note under the 1930 Tariff Act. That act provides that the Tariff Commission shall proceed to determine the reasonable cost of production of an article in the United States and the reasonable cost of production of the same article or similar articles in the chief competitive foreign nations, and shall recommend the difference as the tariff, and it becomes the tariff.

The Congress set down the principle of equalization of costs in the 1930 Tariff Act—such flexible tariff or duty to be automatically adjusted continually by the Tariff Commission.

DEATH OF TRADE AGREEMENTS ACT WILL RESTORE ORDERLY PROCESS OF ADJUSTING TARIFFS

So, Mr. President, if the 1934 Trade Agreements Act, as extended to June 30, 1958 is now dead, there is no reversion to the legislative method of determining tariffs.

The Congress could of course deal with with the tariff in the case of any particular product, or products, as it might wish to do. But the Congress laid down the principle in section 336 of the 1930 Tariff Act of determination of the tariff by the Tariff Commission, an agency of the Congress.

TARIFFS UNDER 1930 PLAN WOULD MAINTAIN AMERICAN STANDARD OF LIVING

So, Mr. President, those of us who object to extension of the 1934 Trade Agreements Act wish to have our Nation return to the principle established by Congress in 1930, the best free trade law ever passed by the Congress, and under which the standard of living in the United States will be maintained while other nations raise their standards of living.

TARIFFS WOULD DROP AS OTHER NATIONS RAISED WAGE LIVING STANDARDS

In the case of any product, if the chief competing nation raises its standard of wages, standard of living, then the Tariff Commission, on its own motion, or at the request of the President or of a Congressional committee or a producer or a consumer, can again consider the tariff as a product either in 1 month or in 1 year or in 10 years—and can reduce the flexible tariff, to continually represent the difference between the reasonable cost of producing that article in the United States and the cost of producing it or a like product in the chief competing nation. By existing law, that would be done by the Tariff Commission, an agent of Congress, under the "equalization of costs of production" principle established by Congress.

TARIFFS PRIOR TO TRADE AGREEMENTS ACT REPRESENTED DIFFERENCE BETWEEN UNITED STATES AND FOREIGN COSTS ON EACH PRODUCT

The objective has always been to have the tariff or duty, under article I, section 8 of the Constitution, represent the difference between the wages and taxes and cost of doing business in the United States and the corresponding costs in the chief competing nation, in the case of each product.

So, where those who write the newspaper dispatches get the idea that those

of us who are opposed to an extension of the 1934 Trade Agreements Act, as extended, wish to have a return made to the old legislative system of adjusting tariffs, is beyond my comprehension. I would not say the distortion is deliberate, but it seems impossible to misunderstand.

FOREIGN NATIONS EXPERT ON USING TARIFFS TO LURE INDUSTRIES

Mr. President, the foreign nations understand what the shading of tariffs or duties mean in connection with the location of industries.

The European colonial nations which lived by their wits for 300 years—although the colonial system died when the airplane dominated the British Fleet at the end of World War II—understand how to get industries located in their own countries. That is done by shading tariffs.

In addition, they have exchange permits and import permits, with the result that the only way to have access to their markets is to locate manufacturing plants in those countries. Then, through the continual lowering of tariffs in this country, such a producer or manufacturer not only has access to the American market, through his American plant, but also has access to the market in the other country. The result is to utterly destroy the American workingmen and investors; and that is what the system was designed to do.

ULTIMATE FREE TRADE WITHOUT DESTROYING NATION'S ECONOMY, OBJECTIVE OF 1930 TARIFF ACT

The objective of the 1930 Tariff Act was to have free trade; but in that connection the Congress said, in effect, to the foreign nations, "You must not destroy our country, with the result that the standard of living of all countries will go down to the standard of living in your country, and all of them will come up together, if at all. Instead, our Tariff Commission will adjust our tariff downward as you raise your standard of living; and when the standard of living in the other countries is about the same as the standard of living in our country, then, in the case of each competing nation, there will automatically and immediately be free trade for each product."

Mr. President, I favor free trade by means of that system.

FIFTY BILLION DOLLARS INVESTED BY AMERICAN FIRMS IN FOREIGN COUNTRIES TO COMPETE WITH PLANTS HERE FOR UNITED STATES MARKET

Of course, every country favors free trade if its standard of living can be maintained while free trade is being reached. That is why more than $50 billion has been invested by American corporations and individuals in foreign nations, for the construction of industrial plants, the products of which compete with the products of plants operated by American workingmen and investors.

Once the plants are established abroad, the products of those plants have access to the American market, by means of our free trade arrangements. Of course, since the end of World War II, the American taxpayers have provided $70 billion with which to construct plants abroad, in order to pay off dictators and to create dollar balances against our gold.

FOREIGN COUNTRIES HOLD POWER TO DRAIN OFF TWO-THIRDS OF UNITED STATES GOLD

Mr. President, without going further into that subject, which should be explored by the Senate let me say that, in the case of the Marshall plan and the other plans—and, of course, when those countries use our folding money, they can buy gold with it, although citizens of the United States are not permitted to buy gold—if all the dollar balances of both foreign companies and individuals were added to the national dollar balances and were to be demanded in gold, the United States would have left only approximately $7,500,000,000 of the $22,400,000,000 of gold it has in storage. That is an allied subject.

WORLD MARKETS LOST THROUGH INFLATION; HOME MARKET THROUGH 1934 TRADE ACT

When we went off the gold standard we priced ourselves out of the world trade market through inflation. Now we have given our own markets away and divided them among foreign nations through the 1934 Trade Agreements Act, laughingly called reciprocal.

As I have said many times on the Senate floor, those countries do not keep their share of the agreement; therefore it is a one-way street.

EUROPEAN COMMON MARKET MEANS COMMON TARIFF WALL AGAINST UNITED STATES PRODUCTS

There was an interesting dispatch in the New York Times of July 11 under the headline "Free Trade Area in Europe Balked."

I read from a part of the dispatch:

Britain had hoped the free trade area she suggested would come into being January 1 when the European Economic Community, or common market, began to operate.

It is thought now that the French uprising, and the more recent Middle East uprising, may postpone it.

Reading further from the dispatch:

The community consists of France, Italy, West Germany, Belgium, the Netherlands, and Luxembourg. Its members are to begin reducing tariffs against each other in January, and eventually they will eliminate them. But they are to maintain a common tariff wall against outsiders.

EUROPEAN "INSIDERS" VS. AMERICAN "OUTSIDERS"

Who are the outsiders, Mr. President? The United States of America is one of them. Never mind about the others; that is all we need to be interested in. We are one of the outsiders.

Reading further from this interesting dispatch from the New York Times, which supports free trade, the 1934 Trade Agreements Extension, billions to Europe, and all other movements that tend toward a world government:

The proposed free trade area was to include the six, Britain and other West European nations that wished to join. They were to maintain their own national tariff restrictions against outsiders.

Therefore, the provisions in the rules of the agreement under which they operate, the General Agreements on Tariffs and Trade, were not to be justified; they would keep their tariff against outsiders.

OLD WORLD POWERS RETAIN IMPERIAL PREFERENCE SYSTEMS

Reading further from the dispatch:

They were to maintain their own national tariff restrictions against outsiders. This was regarded as necessary for Britain since she has special tariff arrangements with members of the Commonwealth.

What do they call that? They have a name for it. I shall supply it for the RECORD. It slips my mind at the moment. But any member of the Commonwealth can trade with Britain, and Britain can trade with the members of the Commonwealth, to our disadvantage.

There are many things in this arrangement that do not meet the eye.

I shall now supply for the RECORD the name I could not think of before. The name is Commonwealth imperial preference system. Perhaps no one ever heard of it on the floor of the Senate or the House of Representatives, but it is what enables the Commonwealth nations to trade with each other to our disadvantage.

Reading further from the dispatch:

Some quarters have suggested as a sort of compromise that all the countries that would have been in the free trade area cut their tariffs by 10 percent in January—

Meaning with each other, not with us—

This suggestion has not been welcomed here—

In London that is; London, July 10, is the date of the dispatch—

But it might be received more favorably if it were specified that it was simply a first step toward a free trade area—

COMMONWEALTH OBJECTIONS TO EUROPEAN COMMON MARKET SEEN

Free trade among themselves and tariffs against us—

Even at that, it would present many difficulties. If the cut were to apply only to goods from member countries, it would undermine the Commonwealth's imperial preference system and Commonwealth countries undoubtedly would strongly object.

Mr. President, Great Britain—meaning the entire commonwealth—is headquartered in London. God bless them; I admire them for their sagacity. They know the importance of exchange permits, import permits, and the regulation of their own currencies in terms of dollars for trade advantages.

The people of Great Britain have lived in that little country, which is not much bigger than Ireland, for centuries, and they have run the rest of the world. They controlled the rest of the world with their fleet until the end of World War I, when the airplane dominated the British fleet. That may or may not have been good for the world. That is not the subject under discussion today. But when a Britisher sits in conference, he knows what he is talking about. We have little understanding of the subject, or, if those participating have an understanding, they do what is worse—they

trade the United States of America down the river.

EUROPEAN NATIONS FOUGHT 132 WARS IN 121 YEARS TO CONTROL MARKETS

I simply wish to call attention to a statement I made which appears in the RECORD of last week, Friday, July 18. I made a talk before the Senate, and at the end of my discussion I inserted in the RECORD a list—not counting World War I, but up to World War I—of 132 trade wars, from 1792, shortly after our Declaration of Independence, to 1913. From 1792 to 1797 was the war of the first coalition against France. It was a war with Austria, Prussia, Great Britain, Holland, Spain, Sardinia, and the Holy Roman Empire against France. The last one before World War I, the 132d trade war, was in 1913, the Serbian invasion of Albania.

Mr. President, these wars were trade wars. They were to control the markets of lesser countries, and in order to determine which was the lesser country, a war was fought, and the loser lost its markets. That was the colonial system which lasted almost 300 years.

WORLD WAR I CULMINATION OF 40-YEAR TRADE WAR BETWEEN BRITAIN AND GERMANY

These trade wars are discussed by Thorold Rogers in his An Economic Interpretation of History. The world war really started in 1914. An Austrian archduke was assassinated, just as a king was recently assassinated in Iraq. It was an excuse to go to war. It was a trade war. In 1917 we got into the war. What it was, Mr. President, was a 40-year trade war between England and Germany.

We proceeded to utterly destroy the only nation which ever held Russia in check. We have destroyed that nation twice.

This is not the place to discuss whether we should have entered the war. I am saying we did enter the war. And for what?

CONSTITUTION SEPARATED NATION'S ECONOMY, COMMERCE, FROM FOREIGN POLITICS

Mr. President, as I said before on the floor of the Senate, the Constitution of the United States pointedly separates the regulation of the national economy and the regulation of foreign commerce, through the adjustment of the duties, imposts, and excises which we call taxes, from foreign policy. The legislative branch is given the foreign commerce function. The fixing of foreign policy was put in the executive branch in article II, section 2 of the Constitution. The first power, to regulate the economy and foreign commerce, was put in the legislative branch in article I, section 8.

NATION'S FOUNDERS WEARY OF FIGHTING COLONIAL WARS FOR DISTANT KINGS

Why was that done, Mr. President? It was done because those old hedgehogs who went through the Revolutionary War in the days of the Declaration of Independence—George Washington, Thomas Jefferson, Ben Franklin, and others—had been pushed around by experts, by the kings and queens and dictators who had both of those powers in their little hands—the power to fix foreign policy and to trade any way in the economic field and to regulate the economy of the country by Executive order.

They were tired of that situation. They had been pushed into those colonial wars, when there was no way to win because they were taxed for the war and made to fight the war. So when they got tired of all that business and tired of the Executive having the power to regulate the economic structure of the Nation and to fix the foreign policy—with all that power in one man, the Executive, be it a queen, king, dictator, or whatever—what did they do? They adopted the Declaration of Independence; they fought a long and bloody war until victory was won, and they wrote the Constitution of the United States. Under the Constitution they set up a new government in 1789.

A REPUBLIC—IF YOU CAN KEEP IT

What did Ben Franklin say about the Constitution when he was called out of Independence Hall in Philadephia, when the Constitution was drafted in 1787? A Mrs. Powel asked Ben Franklin, "Well, Doctor, what have we got, a republic or a monarchy?" and Ben, with his characteristic frankness and straightforward talk, said, "A republic, if you can keep it." He did not seem too encouraged. No nation on earth had ever kept a representative republic form of government.

We did pretty well for the first 145 years, but in 1933 and 1934 we broke through, and the Congress of the United States amended the Constitution of the United States without submitting the amendment to the people. They did that by tying together the regulation of the national economy and the regulation of foreign trade, through the adjustment of duties, imposts, and excises, with the foreign policy under the Executive, as it had been before the Declaration of Independence. That is the situation as it was in England and under all the other kings and dictators.

WASHINGTON'S WARNING AGAINST USURPATION OF POWERS IGNORED IN 1933 AND 1934

George Washington warned this Nation in his farewell address:

> The necessity of reciprocal checks in the exercise of political power, by dividing and distributing it into different depositories, and constituting each the guardian of the public weal against invasion of the others, has been evinced by experiments ancient and modern; some of them in our country and under our own eyes. To preserve them must be as necessary as to institute them. If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the Constitution designates. But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed.

That is what George Washington said, Mr. President, and that is what we are doing. Apparently we are doing it without any knowledge of what we are doing.

ABRAHAM LINCOLN WARNED AGAINST DESTRUCTION OF NATION FROM WITHIN

Mr. Lincoln, another former President of the United States, had another word for it. Mr. Lincoln foresaw that such a thing might happen, and that other things which are happening might happen, and he said that if this Nation were ever to be destroyed it would not be from without but it would be from within. Mr. President, that is where we are doing the job, right from within. No outside nation can do it.

I say, Mr. President, if it be right, and if there are men in the Senate or in the House of Representatives who believe that it is right for the economy of this country, the foreign trade and the adjustment of duties, imposts, and excises, in addition to the fixing of foreign policy, to be regulated by the President, then they should offer an amendment to the Constitution and take it to the people for a decision. I do not think there is anyone on the Senate floor who has "guts" enough to offer such an amendment. The people would know what was being done.

CONGRESS, PEOPLE EXCLUDED FROM TRADE AGREEMENT PARLEYS

Mr. President, we know, of course, that these trade agreements are made in Geneva—the multilateral trade agreements and bilateral trade agreements—by the State Department without the knowledge of any Member of Congress. They are not only made without the knowledge of any Member of Congress, but without the knowledge of any industrialist or any workingman whose job is endangered by them.

So the President of the United States under the power given to him by Congress—which is, of course, patently unconstitutional—has the power to remake, is remaking, and has remade the industrial map of the United States of America.

TRADE AGREEMENTS MADE ABROAD WHILE WORKERS IN 259 DISTRESSED AREAS IN UNITED STATES WALK STREETS

These are 259 depressed areas where the workingmen are walking the streets. The workingmen are on relief, or are being paid unemployment compensation. Why is that? It is because the President of the United States, directed by the State Department—that is a fair statement, considering the testimony of Mr. Dulles—and with the advice of the State Department has traded these industries down the river, through imports.

SENATE REPORTS SHOW FALLACY OF FIGHTING FOREIGN WARS FOR RAW MATERIAL

Mr. President, I want to say again on the floor of the Senate that we have fought two or three foreign wars on the assumption that we were fighting for raw materials. The President of the United States used to say, "We must get these raw materials from Asia or Europe; therefore, we must protect those areas."

Mr. President, two reports have been made by a very fine committee of the Congress, the Committee on Interior and Insular Affairs.

One of them is Senate report 1627, published by the Senate in 1954, relating to the accessibility of critical materials to this Nation in time of war and for industrial expansion in times of peace.

The second is Senate Document 83 of the following year, which covered the

entire 42 nations and entities of the Western Hemisphere and their economic relationship to the United States of America. Those reports are both textbooks, Mr. President, and no one has ever disputed a line in them.

WESTERN HEMISPHERE POTENTIALLY SELF-SUFFICIENT IN STRATEGIC, CRITICAL MATERIALS

I should like to tell Senators what is in the reports. The reports state that we can make the Western Hemisphere self-sufficient for everything we need for war or peace. There are 87 so-called strategic and critical materials. And the reports state we can defend the Western Hemisphere from North America.

Mr. President, it may be that we have to protect the oil in the Middle East for Europe. This is not the time to comment on whether we should do so, because our Marines are there, and I do not intend to embarrass the President by any such talk at this time. I have my own ideas about it, however.

In 1947 I was in the Ruhr, in Germany, in France, and in England in the coal and iron areas. I saw what was happening even then. Those industries were built on the coal mines. The industries were converting from coal to oil, which it was necessary to ship 1,500 or 2,000 or 2,500 miles. And no one could protect it. So we now observe that those industries are dependent upon oil and we have to furnish the oil. Senators will remember the Suez Canal episode, when we shipped the oil from America—we furnished the money, the oil, and the shipping.

MORE INFLATION, HIGHER DEBT LIMIT LOOMS UNDER PRESENT POLICIES

There are many things the United States can do, but there may be some with respect to which we might be overreaching a little.

As I showed last Friday, we are paying interest in this Nation on more than $850 billion—much more than three-quarters of a trillion dollars. The American people are paying interest on that amount of money.

The first thing we know, there will be another suggestion for a debt-limit rise, and more inflation. There may be a limit to some of these things.

UNITED STATES PROTECTING COLONIAL EMPIRES THROUGH INTERNATIONAL PACTS

It is very convenient to have all our friends retain their colonial areas. I remember that I stood on the floor of the Senate and urged the question with the late distinguished Senator from Michigan, Senator Vandenberg, in connection with the NATO pact. I said to Senator Vandenberg, who was one of the senior Senators at that time, "If we sign the Atlantic Pact, we shall be guaranteeing the integrity of the colonial nations throughout the world."

He said, "Oh, no."

I said, "Let me explain it. We are guaranteeing to go to war when they are at war. How are they to get into a war? They will get into a war through protection of their colonial areas."

I think that is a very clear statement. It must be clear to everyone why we are getting into this war. All the press dispatches state—and, of course, it is true—that the French troops in Africa are using American material and guns.

It has never been successfully disputed that the Western Hemisphere can be self-sufficient and produce everything it needs for war or peace. We do not need to have anything cross a major ocean. We are in a trading position; but do we use it?

AMERICAN MARKETS DIVIDED, THROUGH GATT WITH 36 FOREIGN NATIONS

Under the 1930 Tariff Act, the flexible tariff always represents the difference between the reasonable cost of production in this country and the reasonable cost of production of the same or a similar article in the chief competing nation. Under the flexible tariff, the tariff goes down as the chief competing nation raises its standard of living. That takes place automatically, without any action by Congress. Free trade is automatic and immediate whenever the other nation reaches our standard of living. That is the kind of free trade act under which this nation can maintain its position without sacrificing the economic structure.

We priced ourselves out of all foreign markets. The only way we can sell anything is to make up the difference by an appropriation of cash of American citizens. We have divided the market with 36 nations sitting at Geneva, and some others in connection with bilateral trade agreements. They do not have to keep, and do not keep, their part of the trade agreements.

INTERROGATION OF SECRETARY WEEKS DURING FINANCE COMMITTEE HEARINGS

On June 21, 1958, before the Senate Finance Committee, under my questioning, this is what Secretary Weeks said:

Senator MALONE. He (the President) does not need to consult Congress or the Tariff Commission or anybody else.

Secretary WEEKS. So long as he conforms to the rules and regulations and the statute.

Senator MALONE. That is right, and that means first within 50 percent and then another 50 percent, and now it is an additional 15 percent at 5 percent a year, and you are currently asking for a 25 percent further reduction, and that would be within the limits, would it not?

Secretary WEEKS. Yes, sir.

Senator MALONE. And he could do that regardless, could he not, without consulting anybody except his own Cabinet?

Secretary WEEKS. He has to first go to the Tariff Commission for their peril point recommendation.

Senator MALONE. Is that in the law now?

Secretary WEEKS. Yes, sir, and in the proposed law.

Senator MALONE. That he cannot make a trade agreement until he has the advice from the Tariff Commission?

Secretary WEEKS. That is right.

Senator MALONE. But if he wanted to make the trade agreement regardless, he could make it, could he not?

Secretary WEEKS. No; I do not think he could.

Senator MALONE. I think you had better look that up. Are you telling me that he could not do it, regardless of the Tariff Commission recommendation?

Secretary WEEKS. The peril point procedure is established in the legislation.

Senator MALONE. But it does not say that he has to conform to it, does it? This is what it says, and I guess I will have to look up the wording, but you are simply making this a little longer cross examination. What he has to do when he does not conform to it, he has to explain to Congress why he did not.

Secretray WEEKS. Senator, he has to get the peril point finding.

Senator MALONE. Yes.

Secretary WEEKS. But he does not have to conform to what the finding is.

Senator MALONE. That is what I asked you in the first place.

Secretary WEEKS. Yes, that is correct, but as I said, he has always——

Senator MALONE. * * * Let's go on to the next question. I do not care about that and I do not think he always has. But he does not need to. That is the purpose of this question.

Secretary WEEKS. He has to get the information but he does not need to conform.

Senator MALONE. He does not have to go by it.

Secretary WEEKS. That is right.

Senator MALONE. * * * Then in effect, what he can do if he thinks it will further his foreign policy, he can sacrifice all or part of any industry under consideration, can he not?

Secretary WEEKS. He can go beyond the peril point if he sees fit.

PRESIDENT CAN IGNORE SO-CALLED PERIL POINT PROVISION IN TRADE ACT

It required about 20 minutes each time to get a direct answer, but what he said in the final analysis was that the President did not have to take into consideration the peril point at all. Of course, that is true.

I said to Mr. Weeks again, on cross-examination:

Senator MALONE. * * * Are they (the GATT nations) bound to keep their agreements, the trade agreements, that they sign with us if they can show that they are short dollar balance payments?

Secretary WEEKS. No, they are not.

* * * * * *

Secretary WEEKS. May I say this, Senator. Where quota restrictions are imposed, they are not violating any agreement.

Senator MALONE. I understand that.

Secretary WEEKS. Because it is a part of the agreement that they can do it until they can get themselves on a basis where they can keep up to the level.

Senator MALONE. Why of course. Until they are living just like we are, we fully divide the wealth and the taxes, the money of the taxpayers and the markets of the United States with all the 36 of them so they can live like we do or we live like they do.

Then they would be bound, wouldn't they? You say yes to that. Now that is the end of that.

TESTIMONY OF SECRETARY DULLES AT FINANCE COMMITTEE HEARING CITED

On the same day Secretary Dulles testified as follows regarding the proposed extension of the Trade Agreements Act:

Senator MALONE. * * * In other words, if it causes serious injury. It is not a question of making any money but the peril point would be at a point where there would be serious injury done the industry.

Secretary DULLES. That is what the act provides.

Senator MALONE. Now as a matter of fact, is the President bound by the peril point?

Secretary DULLES. No.

* * * * * *

Senator MALONE. * * * Could you answer it yes or no, that if by manipulation of the value of a competitive nation's money it can change the cost of its product?

Secretary DULLES. Yes, it can.

INDUSTRIES DEAD BEFORE INQUIRY TEST COMPLETED UNDER PRESENT SYSTEM

Mr. President, if we wait until there is serious injury to an industry, the industry is gone. No stock can be sold and no money can be raised.

By this time I had gotten Mr. Dulles trained, so there were no further speeches.

Secretary Dulles testified further:

Senator MALONE. * * * The escape clause can be invoked by the President if he wants to invoke it.

Secretary DULLES. Yes, sir.

Senator MALONE. And if he thinks his foreign policy demands that he keeps the trade agreement the way it is, he can do that, can't he?

Secretary DULLES. Yes, sir.

Senator MALONE. Now then, what the President can do is that he can sacrifice a part of any industry that he may think is necessary to carry out and make effective his foreign policy, can he not?

Secretary DULLES. Yes, sir.

We had reached the point where we were not making speeches.

PRESIDENT SOLE ARBITER UNDER PRESENT TRADE ACT PROVISIONS

Both Secretary Weeks and Secretary Dulles say that under the present Trade Agreements Act the President of the United States does not have to consult anyone. Under the Senate committee amendment to the bill it would be necessary for him to consult Congress and obtain the approval of the majority of both Houses. Otherwise, he could proceed without any check whatever. The House provision was to the effect that a two-thirds' vote of both Houses of Congress would be required to refuse the President permission to proceed. It would be almost impossible to obtain a two-thirds vote of both Houses of Congress on any proposition.

The Senate Committee on Finance made sense by providing that if the President wanted to trade a part or all of an industry to further his foreign policy, he must get the approval of both Houses.

CONSTITUTION REFLECTS CLAIM AMENDMENT AND TRADE ACT AFFECTS PRESIDENT'S AUTHORITY

I read articles and statements in papers and editorials and various dispatches to the effect that an attempt is being made to take from the White House certain authority which the President has.

What authority, Mr. President? The Constitution puts all the authority in the legislative branch. It puts the foreign policy in a separate part of the Constitution, in article II, section 2. It provides that the Executive shall fix the foreign policy of this Nation. However, the legislative branch is given the authority to regulate the economy. It is given the authority to adjust duties, imposts and excises, and to regulate foreign trade. In the 1930 Trade Act we put the authority in the Tariff Commission. We established the best free trade act ever passed by Congress. Every rise in the living standard of the chief competing nation on any product is recognized by a compensatory lowering of the tariff. It is a flexible matter. When the living standard in the chief competing nation is about even with ours, free trade is automatic, and no one has been injured in the interim.

SECRETARY DULLES CONCEDES FOREIGN NATIONS CAN EASILY VOID GATT AGREEMENTS

I asked Secretary Dulles the question:

Senator MALONE. My meaning is that they (GATT nations) do not have to keep the agreement if they can show that they are short of dollars balance or that they are not up to par in the trading and exchange payments.

Secretary Dulles answered:

That is substantially correct.

The following colloquy then ensued:

Senator MALONE. What happens to the (Tariff Commission's) recommendations?

Secretary DULLES. What happens to them?

Senator MALONE. Yes.

Secretary DULLES. Sometimes they are followed, sometimes they are not.

It ought to be clear what is happening. No one is proposing to go back to the legislative method of fixing tariffs or duties. Section 336 of the Tariff Act of 1930 laid down a principle. Congress made the Tariff Commission an agent of Congress to carry out that principle. It makes no difference who is on the Tariff Commission. If they violate that principle, the Senate Committee on Finance and the House Ways and Means Committee can have those members of the Tariff Commission up here the next day. They would not like to come if they have violated a principle.

FIVE AND A HALF MILLION JOBLESS IN UNITED STATES; 380,000 IN BRITAIN

Mr. President, presently I shall ask to have printed in the RECORD a list of the 243 distressed areas in the United States listed by the bureau of employment security in its May issue of "Area Labor Market Trends," and 16 additional areas it added in June.

But before I do that shall refer to a report on unemployment in Great Britain, as published in "British Affairs," issue of July, 1958, and is quite official, "British Affairs" being a publication of the British Government.

This publication gives the total working population of Great Britain, as of the end of December, as 24,148,000; total unemployment as 380,000. That works out to 1.5 percent. Steel output had increased a million tons over the previous year. Coal output had increased a million six hundred thousand tons, and automobile output from 708,000 to 861,000 cars. England protects her domestic industries.

NATION'S DISTRESSED AREAS LISTED BY LABOR BUREAU AS AREAS OF "LABOR SURPLUS"

Mr. President, in case Senators have not heard what it costs to get an American automobile into Great Britain, I should like to inform them that it costs 55 percent of the American cost; 25 percent is taxes and 30 percent is tariff. That is the reciprocity we get.

Now we turn to the list of distressed areas in the May issue of our own Department of Labor's "Area Market Trends." The Department of Labor does not use the term "distressed areas." It prefers to call them areas of "substantial labor surplus."

MINES CLOSED IN NEVADA; DISTRESSED AREAS NOT INCLUDED IN LABOR DEPARTMENT TABULATION

There are three or four areas in the State of Nevada of substantial labor surplus, and they are not listed among the 243 areas, plus the 16 distressed areas listed in this publication. Lincoln County in Nevada is a mining county in which the working men had over the years bought their houses through the Federal housing organization. The Government is getting the houses back, because the people cannot sell their houses. The mines are closed.

In Humboldt County, where about 50 percent of the taxes came from the mines. The mines are closed. The same condition prevails to a lesser extent in that county because there are other ways in that county of creating tax revenues.

In Ely, Nevada, there are a great many unemployed miners from the copper mines, because of the importation of copper over the years from foreign countries.

TRADE AGREEMENTS ACT MAKES RELIEF BILL FOR MINING INDUSTRY NECESSARY

Last week we passed a bill, which is now in the House of Representatives, which would relieve the situation to a certain extent by buying 150,000 tons of copper during this fiscal year, in order to take some of the surpluses off the market. That condition has been brought about by those imports. The bill also includes tungsten, lead, zinc, and fluorspar.

Any of that would not be necessary if we would but revert to the Constitution of the United States. No legislation would be necessary if we did that.

Now we turn to the distressed areas or, as the Department of Labor calls them, "areas of labor surplus"—as though a labor surplus is something that might be welcomed. What a substantial labor surplus does mean, however, is that a great many people in the area are out of work.

NATION'S 259 DISTRESSED AREAS LISTED ALPHABETICALLY BY STATES

The Department of Labor also divides its areas of substantial labor surplus or distressed areas into two categories, major areas and smaller areas.

I do not know why this distinction is made. To me unemployment is just as tragic in Butte, Mont.; Laredo, Tex., or Muncie, Ind., which are among the smaller areas, as it is in New York City; Chicago, Ill.; or Chattanooga, Tenn., which are listed among the larger areas.

I shall therefore make no such distinction, but will list the areas by States.

Mr. President, I ask unanimous consent to have included in the RECORD at this point a list of the States, showing the distressed areas.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Alabama: Anniston, Florence-Sheffield, Gadsden, Jasper, Mobile, and Talladega.

Alaska: Anchorage.

California: Eureka, Ukiah.

Connecticut: Ansonia, Bridgeport, Bristol, Danbury, Danielson, Meriden, Middletown, New Britain, New Haven, Norwich, Thomp-

sonville, Torrington, Waterbury, and Willimantic.

Georgia: Columbus, Toccoa.

Illinois: Canton, Centralia, Chicago, Decatur, Harrisburg, Herrin-Murphysboro-West Frankfort, Joliet, La Salle, Litchfield, Mount Carmel-Olney, Mount Vernon, Peoria, Springfield, and Woodstock.

Indiana: Anderson, Connersville, Evansville, Fort Wayne, Indianapolis, New Castle, Richmond, South Bend, Terre Haute, and Vincennes.

Iowa: Ottumwa.

Kansas: Coffeyville-Independence-Parsons, Pittsburg.

Kentucky: Corbin, Frankfort, Hazard, Louisville, Madisonville, Middlesboro-Harlan, Morehead-Grayson, Owensboro, Paintsville-Prestonburg, Pikeville-Williamson.

Maine: Biddeford-Sanford, Lewiston, Portland.

Maryland: Baltimore, Cumberland.

Massachusetts, Mr. Weeks' home State and the State where Henry Wallace felt some milltowns might be hurt temporarily by the Trade Agreements Act: Brockton, Fall River, Fitchburg, Greenfield, Haverhill, Lawrence, Lowell, Marlboro, Milford, New Bedford, Newburyport, North Adams, Pittsfield, Springfield-Holyoke, Southbridge-Webster, Taunton, Ware, Worcester.

Michigan: Adrian, Ann Arbor-Ypsilanti, Battle Creek, Bay City, Benton Harbor, Detroit, Escanaba, Flint, Grand Rapids, Ionia-Belding-Greenville, Iron Mountain, Jackson, Lansing, Marquette, Monroe, Muskegon, Owosso, Port Huron, Saginaw.

Minnesota: Duluth-Superior, Minneapolis-St. Paul.

Mississippi: Greenville.

Missouri: Flat River-De Sota-Festus, Joplin, Kansas City, St. Louis.

Montana: Butte, Great Falls, Kalispell.

New Jersey, home State of our Secretary of Labor, under whose direction the lists of distressed areas are compiled: Atlantic City, Bridgeton, Long Branch, Morristown-Dover, Newark, Paterson, Perth Amboy, Trenton.

New York, home State of our distinguished Secretary of State, who negotiates trade agreements with foreign countries: Albany-Schenectady-Troy, Amsterdam, Auburn, Batavia, Buffalo, Elmira, Gloversville, Jamestown-Dunkirk, New York City, Oneonta, Syracuse, Utica-Rome, Watertown.

North Carolina: Asheville, Durham, Fayetteville, Greensboro-High Point, Kinston, Morganton, Mount Airy, Rockingham-Hamlet, Rocky Mount, Rutherfordton-Forest City, Shelby-Kings Mountain, Waynesville.

Ohio: Akron, Athens-Logan-Nelsonville, Cambridge, Canton, Cleveland, Dayton, Defiance, East Liverpool-Salem, Hamilton-Middletown, Kenton, Lima, Lorain-Elyria, Mansfield, Marietta, Marion, New Philadelphia-Dover, Portsmouth-Chillicothe, St. Marys, Springfield, Toledo, Youngstown.

Oklahoma: McAlester, Okmulgee-Henryetta.

Oregon: Albany, Coos Bay, Eugene, Portland, Roseburg.

Pennsylvania: Allentown-Bethlehem, Altoona, Berwick-Bloomsburg, Butler, Clearfield-DuBois, Erie, Johnstown, Lewistown, Lock Haven, New Castle, Philadelphia, Pittsburgh, Pottsville, Reading, Scranton, Sunbury-Shamokin-Mount Carmel, Uniontown-Connellsville, Wilkes-Barre-Hazleton, York.

Rhode Island: Newport, Providence.

Tennessee: Bristol-Johnson City-Kingsport, Chattanooga, Knoxville, LaFollette-Jellico-Tazewell, Memphis.

Texas: Beaumont-Port Arthur, Corpus Christi, Fort Worth, Houston, Laredo, Texarkana.

Utah: Provo.

Vermont: Burlington, Springfield.

Virginia: Big Stone Gap-Appalachia, Radford-Pulaski, Roanoke.

Washington: Aberdeen, Anacortes, Bellingham, Bremerton, Everett, Olympia, Port Angeles, Spokane, Tacoma.

West Virginia: Beckley, Bluefield, Charleston, Clarksburg, Fairmont, Huntington-Ashland, Logan, Martinsburg, Morgantown, Parkersburg, Point Pleasant-Gallipolis, Ronceverte-White Sulphur Springs, Welch, Wheeling-Stubenville.

Wisconsin: Beaver Dam, Beloit, Kenosha, La Crosse, Lake Geneva-Whitewater, Racine.

NUMBER OF DISTRESSED AREAS DOUBLE THAT OF JANUARY; TRIPLE NUMBER A YEAR AGO

Mr. MALONE. Mr. President, this totals up to 34 States of the 49 if we include Alaska, and there is now a total of 243 distressed areas.

In March there were 187 distressed areas.

In January there were 114 distressed areas, distributed among 26 States.

In March a year ago there were 78 distressed areas.

In March 1953, 5 years ago, there were 37 distressed areas.

The free-imports policy has brought a progressive paralysis to our economy, as it has done each time in our history when we embarked on a destructive low tariff policy.

When the January list of distressed areas was issued, Mr. President, I wrote to the Secretary of Labor and asked him to state the three principal industries in each area in their proper order as pertained to employment, if there were three such industries in the area.

He did so.

LABOR SECRETARY CITES HIT INDUSTRIES IN JANUARY DISTRESS AREA LISTING

Mr. President, I ask unanimous consent to have this list of distressed areas as of January of this year, and the principal industries of each, printed in the RECORD

There being no objection, the list, entitled "Distressed Areas, January 1958" was ordered printed in the RECORD, as follows:

DISTRESSED AREAS—JANUARY 1958

ALABAMA

Jasper, mining, textiles.

Talladega, textiles, paper.

CONNECTICUT

Bridgeport, aircraft, machinery, electrical equipment.

Danielson, textiles, lumber, furniture.

Waterbury, fabricated metals, primary metals (brass), instruments.

ILLINOIS

Canton, machinery (excluding electrical), bituminous coal mining.

Harrisburg, mining (bituminous coal), nonmetallic minerals, petrol, and gas.

Herrin-Murphysboro-West Frankfort, bituminous coal mining, machinery (electrical and nonelectrical), apparel.

La Salle, instruments, stone-clay-glass, primary metals.

Litchfield, bituminous coal mining, transportation equipment.

Mount Carmel-Olney, mining (oil), petroleum refining.

Mount Vernon, bituminous coal mining, transportation equipment.

Springfield, machinery (excluding electrical), electrical machinery, food processing.

INDIANA

Evansville, refrigerators, motor vehicles, food processing.

Michigan City-La Porte, lumber and wood (including furniture and fixtures), fabricated metals, stone-clay-glass.

Muncie, motor vehicles, stone-clay-glass, primary metals.

Richmond, machinery (excluding electrical), primary metals, fabricated metals.

South Bend, motor vehicles, aircraft, nonelectrical machinery.

Terre Haute, food processing, chemicals, bituminous coal mining.

Vincennes, bituminous coal mining, fabricated metals, electrical machinery.

KANSAS

Coffeeville-Independence-Parsons: aircraft, machinery (including electrical), food processing.

Pittsburg, chemicals, mining (lead and zinc), machinery (excluding electrical).

KENTUCKY

Corbin, bituminous coal mining, lumber, wood.

Frankfort, food processing (distilleries), textiles-apparel.

Hazard, bituminous coal mining.

Louisville, nonelectrical machinery, food processing, tobacco.

Madisonville, bituminous coal mining.

Middlesboro-Harlan, bituminous coal mining, lumber and wood products.

Morehead-Grayson, stone-clay-glass.

Owensboro, metals and machinery, food processing, bituminous coal mining.

Paintsville-Prestonburg, bituminous coal mining.

Pikeville-Williamson, bituminous coal mining.

MAINE

Biddeford-Sanford, textiles, machinery (textile), leather.

MARYLAND

Cumberland, textiles, paper, rubber.

MASSACHUSETTS

Fall Rivers, apparel, textiles.

Lawrence, electrical machinery, leather, textiles.

Lowell, textiles, electrical machinery, leather.

Marlboro, leather, electrical products.

Milford, textile machinery.

New Bedford, apparel, textiles, electrical machinery.

North Adams, electrical machinery, textiles.

Pittsfield, electrical machinery, paper, ordnance.

Southbridge-Webster, instruments, textiles, leather.

MICHIGAN

Battle Creek, food processing, machinery (excluding electrical), motor vehicles.

Bay City, motor vehicles, food processing, machinery (excluding electrical).

Benton Harbor machinery (excluding electrical), primary metals, transportation, equipment.

Detroit, motor vehicles.

Grand Rapids, fabricated metals, machinery (except electrical), furniture.

Jackson, motor vheicles, machinery (excluding electrical), primary metals, transportation equipment.

Marquette, lumber, textiles, chemicals.

Monroe, paper, fabricated metals, transportation equipment.

Muskegon, machinery (excluding electrical), motor vehicles, primary metals.

Port Huron, primary metals, motor vehicles.

MISSOURI

Kansas City, food processing, paper (including printing and publishing), motor vehicles.

St. Louis, food processing, aircraft, primary metals.

NEW JERSEY

Atlantic City, apparel.

Bridgeton, stone-clay-glass, food processing, apparel.

Long Branch, electrical machinery, machinery (excluding electrical).
Newark, electrical machinery, machinery (excluding electrical), chemicals.
Paterson, apparel, textiles, electrical machinery.
Trenton, fabricated metals, primary metals, rubber.

NEW YORK

Utica-Rome, machinery (excluding electrical), electrical machinery, primary metals.

NORTH CAROLINA

Asheville, textiles, chemicals.
Durham, tobacco, textiles.
Fayetteville, textiles, lumber and wood, food processing.
Kinston, chemicals.
Mount Airy, textiles, furniture.
Rocky Mount, textiles, tobacco, lumber and wood.
Rutherfordton-Forest City, textiles.
Shelby-Kings Mountain, textiles.
Waynesville, paper, rubber.

OHIO

Canton, primary metals, machinery (excluding electrical).
Lorain-Elyria, primary metals, motor vehicles, fabricated metals.
Portsmouth-Chillicothe, primary metals, leather, paper.
New Philadelphia-Dover, stone-clay-glass, mining, fabricated metals.
Springfield, transportation equipment, machinery (excluding electrical), fabricated metals.
Youngstown, primary metals, electrical machinery, fabricated metals.

OREGON

Portland, food processing, lumber and wood, paper.

OKLAHOMA

McAlester, ordnance, apparel, mining.

PENNSYLVANIA

Altoona, railway equipment, paper, leather.
Berwick-Bloomsbury, textiles, transportation equipment, apparel.
Clearfield-DuBois, stone, clay, glass, bituminous coal mining, electrical machinery.
Erie, railroad equipment, electrical machinery, primary metals.
Lewistown, primary metals, chemicals, apparel.
Loch Haven, paper, transportation equipment, electrical machinery.
Johnstown, primary metals, electrical machinery, fabricated metals.
Philadelphia, apparel, paper (including printing and publishing), excluding machinery.
Pittsburgh, primary metals, electrical machinery, fabricated metals.
Pottsville, apparel, anthracite coal mining, textiles.
Scranton, apparel, anthracite coal mining, textiles.
Sunbury-Shamokin-Mt. Carmel, apparel, bituminous coal mining, lumber, and furniture.
Uniontown-Connelsville, bituminous coal mining, stone, clay, glass, apparel.
Wilkes-Barre-Hazelton, apparel, anthracite coal mining, textiles.

RHODE ISLAND

Newport, electrical machinery, food processing.
Providence, jewelry, textiles, machinery (excluding electrical).

TENNESSEE

Knoxville, chemicals, primary metals (aluminum), textiles.
LaFollette-Jellico-Tazewell, apparel, mining, lumber.

TEXAS

Texarkana, lumber and wood, ordnance, food processing.

VERMONT

Burlington, aircraft, food processing.
Springfield, machinery (excluding electrical).

VIRGINIA

Big Stone Gap-Appalachia, bituminous coal mining.
Radford-Pulaski, chemicals, apparel, textiles.

WASHINGTON

Spokane, primary metals (aluminum), food processing, lumber and wood.

WEST VIRGINIA

Beckley, bituminous coal mining.
Charleston, chemicals, bituminous coal mining, stone, clay, glass.
Fairmont, bituminous coal mining, stone, clay, glass, electrical equipment.
Huntington-Ashland, primary metals, stone, clay, glass, chemicals.
Logan, bituminous coal mining.
Point Pleasant-Gallipolis, chemicals, primary metals, bituminous coal mining.
Ronceverte-White Sulphur Springs, bituminous coal mining.
Welch, bituminous coal mining.
Wheeling-Steubenville, primary metals, stone, clay, glass, fabricated metals.

WISCONSIN

Kenosha, motor vehicles, furniture and fixtures, primary metals.
Racine, machinery (excluding electrical), electrical machinery, fabricated metals.

MAJOR INDUSTRIES IN DISTRESSED AREAS COLLAPSING UNDER IMPORT DELUGE

Mr. MALONE. Mr. President, in 33 of these 114 areas, a major industry is mining. Mining, both for coal and metals, has been wrecked by imports. Foreign residual oil competes against coal. Foreign metals compete against American metals. Foreign working men receiving foreign subsistance wages compete against American working men receiving American standard wages.

In 28 of the 114 distressed areas, a dominant industry is textiles.

Mr. President, all that the tariff in the United States was ever intended to do was to equal the difference between the wages, the taxes, and the cost of doing business in this Nation and in the chief competing nation on each product.

As I have already explained, the tariff goes down as a nation raises its living standards; and whenever it is living about as we are on that product, there is free trade. That is the best free trade law ever passed by Congress.

If any industry that can operate in this country with such a tariff or such a duty, as it is called in article I, section 8 of the Constitution, merely making up the difference in wages and taxes and the cost of doing business here and abroad, that is not a subsidy; that is simply our way of raising our standard of living above the nations of the world. We did that for 150 years.

UNITED STATES TARIFF NEVER A BARRIER DUE TO HIGHER WAGE RATES; LIVING STANDARDS

Mr. President, it is our market which the nations of the world are dividing. It is the greatest market in the world. It is a greater market than that in all of Europe, which has twice as many people but only one-half the area. But we are the only Nation in which Congress, when it regulated our commerce, merely used the tariff to make up the difference in wages and the cost of doing business. The foreign nations do not need a tariff for that purpose, because they are all paying lower wages than are paid in the United States, and their cost of doing business is lower than ours. They use the tariff to keep our products out of their countries. We do not do that. All our tariff has ever been has been an equalization of costs. It is not a barrier.

The eastern seaboard States and principally their great port cities, have sold our just and equitable tariff system to the American people as a tariff barrier. They have done that in three administrations, I am sorry to say, beginning with that of President Franklin Roosevelt, then that of President Truman, and now the administration of President Eisenhower.

LOWERING WAGES, LIVING STANDARDS ONLY FREE TRADE OBJECTIVES

There can be no objective if we want to lower the tariff or duty below the difference in wages and the cost of doing business here and in the chief competing nation on any product. If we want to lower the tariff below that difference, there can be no objective, except a division of the markets or a lowering of wages and a lowering of the standard of living. Because the only way for a person to stay in business is to lower wages and costs, in order to meet foreign competition. It is either of two things: Either it is a deliberate division, or it is a deliberate effort or objective to lower our standard of living and wages. We can take our choice.

TEXTILES FROM EVERY LOW-WAGE NATION IN WORLD COMPETING AGAINST AMERICAN TEXTILE WORKERS

European textiles, Japanese textiles, textiles from India, and textiles from many other parts of the world, where labor works for a few cents a day—I repeat: a few cents a day—compete against American textiles, American workers, and American wages.

Mr. President, all the professors say we can compete with any nation because of our know-how and our machinery. What kind of machinery is installed in those textile plants? It is American capital which goes into Japan or Scotland or England, together with the latest machinery in the whole world. An engineer who built a plant without the latest American machinery would be fired.

Then a small percentage—3 or 5 or 7 percent—of well-trained American workingmen are taken into those plants, and the Americans train the native labor.

Mr. President, can you visualize a well-trained Scotsman, Englishman, or Japanese, having our know-how and our machinery, working for a few cents a day—in England and Scotland, about 40 cents an hour; in Japan, about 20 cents an hour or less? Can you visualize how far the American workingman, earning $1.80 or $2 an hour, will get?

FOREIGN WORKERS DRAW BARE SUBSISTENCE PAY; NO FRINGE BENEFITS

Mr. President, in most of those countries there is no social security or industrial insurance. The industrial insurance, social security, and other such benefits which are paid in this country mort

than equal the wages paid in the foreign nations.

This is a deliberate attempt to wreck the American economy. It did not start yesterday. It started with the Harry Dexter White crowd; with the Alger Hiss crowd; and with their predecessors, such as Coe and others in the Treasury or State Department. Yet we, with our eyes wide open, are following their policy.

We are following the Karl Marx policy: "From him according to his ability; to him according to his needs." I will correct the quotation, if necessary, but that is what it meant. We are taking from our Nation according to our ability, and are giving to the other nations according to their need. We are giving to them our trade, our American markets. We have already priced ourselves out of their markets.

MACHINERY, METAL IMPORTS MULTIPLY DISTRESSED AREAS

In 25 distressed areas one of the key industries is the manufacture of nonelectrical machinery, and in 24 distressed areas it is the manufacture of electrical machinery, which we are now receiving in great quantity from Britain and other countries financed by foreign aid and subsidized indirectly by the State Department's free import policy.

A major industry in 25 distressed areas is that of primary metals, and in 16 distressed areas that of fabricating metals.

Foreign metal producers and foreign metal fabricators are competing against these industries for the home market.

Eighteen distressed areas depend in measure for their employment and prosperity on the manufacture of apparel.

The sweat shops of Asia and Europe are competing against these workers, thousands of whom are jobless.

Twelve distressed areas rely on the pottery and glass manufacturing industries for much of their payrolls. Employment in these industries and areas has been progressively cut down in recent years by the flood of imports from low-wage nations—including Soviet satellites—which have been swamping the American markets.

INEFFICIENT INDUSTRY THEORY PROPAGATED BY HENRY WALLACE IN 1934

Mr. Henry Wallace, a former Secretary of Agriculture and a former Secretary of Commerce, in the days of the early 1930's, and his followers and disciples, were they active today, would say that these industries were inefficient because they have permitted themselves to become distressed by the inflow of cheap imports. I do not agree.

Mr. President, Mr. Wallace was one of the most aggressive proponents of free trade back in 1934. He wrote several books on free trade and in one of them he said:

> As the tariffs are gradually reduced, may it not be wise to work out a plan for liquidating definitely, yet slowly, these inefficient industries.

Mr. President, many persons say, "If American producers cannot compete with foreign producers, the American producers should go out of business, because they are inefficient."

Mr. President, our workingmen are living in houses with carpets on the floors and curtains at the windows, and many of their houses have electric stoves and telephones—or, at least, many of our workingmen have been living in such houses. But the homes of the Japanese working people I saw were far different from that. So we are talking about differences in the standard of living.

CONGRESS BASICALLY RESPONSIBLE FOR DISTRESSED AREAS BY PREVIOUS TRADE ACT EXTENSIONS

Under the 1930 Tariff Act, the tariff represented the difference between the standard of living and the cost of doing business in the United States and in the chief competitive country, in the case of each product. But under the 1934 Trade Agreements Act, the tariff could be—and in many cases it has been—lowered, with the result that the American working man and investors have been destroyed. If anyone has been inefficient, I think it has been the membership of Congress, who up to now have permitted the Trade Agreements Act, the act that is responsible for this distress, to continue in effect.

In 12 of the distressed areas on the January list, lumber is a major industry. The free import policy of the State Department has been, and is, inducing foreign countries to invade our lumber market. Japan has no lumber, but she imports lumber from Canada, the East Indies, Russia, and other areas, converts it into plywood, and ships the plywood to the United States. The labor costs in Japan are so low that she can well afford to ship twice across the ocean before undercutting our markets, industries, producers, and communities.

FOREIGN COMPETITION AGAINST UNITED STATES PRODUCTS FINANCED BY FOREIGN AID

Mr. President, in passing, I may say that quite a sizable iron-ore industry has been developed in the western part of the United States. The iron ore produced there has been shipped largely to Japan. Last year, I believe, India and Japan proposed that the United States give India $50 million or more with which to open up her iron mines and finance the transportation of the iron ore to Japan. Of course, if that were done, it would leave the Western States iron-ore producers high and dry—although, according to our State Department, that would be only a detail.

Mr. President, I have no objection to having another country beat out the United States in any market; but I do object to the use of the taxes paid by the American people, including the taxes paid by the companies which produce iron ore in the Western States, to finance another nation to such an extent that it can commence iron-ore production which will take away that market from our American citizens. To that, I do object. But, of course, that is part of the plan; that is the purpose of the policy.

MIDEAST CRISIS TO TEST WHAT NATIONS ARE OUR TRUE FRIENDS

We are told that we must support these nations, in order to keep our friends. But some day in the not far distant future I believe the United States will have some reason to find out just who its friends are. We did not seem to be overwhelmed with friends during the Korean war, when no other countries helped us very much. Now we shall see what happens in the case of the Middle East disturbances. If we have a war, the countries of Europe will be neutral; we can count on that much. They have to be neutral, or else they will be destroyed.

UNITED STATES CHEMICAL INDUSTRY VITAL TO DEFENSE THREATENED BY IMPORTS

So what are we doing? All I know is that we are causing ourselves a great deal of trouble.

The manufacture of chemicals is a dominant industry in 12 distressed areas included in the January 1958 list. Before World War I, this Nation manufactured few chemicals. For many chemicals we depended on Germany, and our lack of chemical manufactures created grave concern to our Government during that conflict.

In self-defense, a tremendous effort was made to build up going-concern chemical industries in the United States. Now foreign chemicals are again pouring into the United States, and the industry so carefully built up between the two world wars is progressively being cut down by the State Department's free-import policy.

SOME CHEMICAL INDUSTRIES FORCED BY COMPETITION TO MOVE BEHIND LOW-WAGE CURTAIN

Mr. President, the heads of many of the chemical producing companies in the United States, which includes some of the strongest companies our Nation has, have told me that they do not wish to invest in plants in Germany, Scotland, or other foreign countries, where low wages are paid. But last year and the year before they said it would be necessary for them to do so, if they were to remain in business, if there were a continuation of the policies under the 1934 Trade Agreements Act, as administered in Geneva. Several of our companies have already invested in plants in foreign nations, such as Germany. So we may be sure that these companies will survive. But it is equally certain that we are driving them out of business in the United States.

Here, again, the foreign nations understand the shading of tariffs and the use of import permits and exchange permits and the manipulation of their currencies in terms of the dollar, for trade advantage. One would think that our State Department did not understand those things at all. Mr. President, if I thought the State Department did understand exactly the effect of what it is doing and the effect its policies are having on the workingmen and investors of the United States, I would, right here on the floor of the Senate, say that those in the State Department who are responsible for that situation are traitors.

FOREIGN AUTOS ROLL IN WHILE AMERICAN AUTO WORKERS IDLE

The Labor Department listed motor vehicles as a major industry in 12 of the cities included in the January 1958 list of areas in distress.

Some of our major automobile manufacturers are importing foreign cars, for sale on the American market, while they are laying off workers in their own automobile factories in the United States—while in the meantime Walter Reuther extols the blessings of free trade. That is his privilege; but the Ford Motor Co. and the other large automobile manufacturing companies in the United States control most of the foreign plants which produce the automobiles which are being imported into our country. I am sure the Department of Labor is very unhappy about the unemployment which now exists in the automobile industry in the United States. The Department of Labor, I am sure, is very unhappy about this unemployment, despite all its claims that the Trade Agreements Act is a boon to 4½ million jobs—a statement which I have already demonstrated is a monstrous error. In fact, Mr. President, that is a very mild term to use in that connection. I could use a much stronger term than that, and it would still be correctly applied.

STATE DEPARTMENT PROMOTES FOREIGN PROSPERITY AT EXPENSE OF UNITED STATES ECONOMY

The rank and file of officials and employees in the Department of Labor, I am sure, would very much prefer that employment of American citizens in American industries be encouraged, so that prosperity in this country might be restored. That is what the Labor Department was set up for.

The State Department, on the other hand, is interested in increasing prosperity abroad, and it seems to hold a whip over some of the other departments.

TRADING AWAY NATION'S PROSPERITY TO FURTHER FOREIGN POLICY UNCONSTITUTIONAL

Mr. President, the State Department was set up to handle our foreign policy and to work with the President, to whom was given the responsibility of regulating the foreign policy, under article II, section 2, of the Constitution. But nowhere in the Constitution can we find any indication that part or all of any American industry is supposed to be traded away in order to further the foreign policy of our country. In fact, such a thing is prohibited, under the Constitution, and could not be done until the Congress transferred to the Executive—a transfer which patently was unconstitutional—the constitutional responsibility of Congress to regulate foreign trade and the national economy, through the adjustment of the duties which we call tariffs.

It would be just as constitutional—or, rather, just as unconstitutional—if today the Congress were to pass an act—which it could do—to transfer to the legislative branch the responsibility for the fixing of the foreign policy under article II, section 2. The President probably would veto such a bill, if Congress passed it. But, by means of a two-thirds vote, Congress could pass the bill over the President's veto; and, in that event, the bill would become law, although, of course, it would be an unconstitutional law—in fact, just as unconstitutional as the law passed in 1934, by means of which Congress transferred to the Executive one of its constitutional responsibilities.

DISTRESSED AREAS ADDED TO LIST BETWEEN JANUARY AND MARCH

Between January and March this year, Mr. President, 73 more distressed areas were added to the January list I gave above.

I did not repeat my request to the Secretary of Labor when the March list came out to list the three principal industries in each area from the standpoint of employment because I did not wish to unduly burden his Department at a time when it should be devoting its energies to attempting to relieve the existing unemployment.

However, the March 1958, Labor Market Trends gives an indication of where the trouble lies in areas added to the list in that month.

First it lists major areas which slipped into the distressed bracket between January and March, with the industries primarily responsible for employment declines; then smaller areas classified in March, and industries primarily responsible for employment declines, and last, smaller areas classified in February, with industries primarily responsible for employment declines.

I list the areas classified in February first, Mr. President, for the reason that they became distressed earlier than those first classified in March.

ADDITIONAL DISTRESSED AREAS AND INDUSTRIES AFFECTED LISTED

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the list of such labor market areas and industries primarily responsible for employment decline.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

LABOR MARKET AREA AND INDUSTRIES PRIMARILY RESPONSIBLE FOR EMPLOYMENT DECLINE

ALABAMA

Florence-Sheffield: Chemicals.
Gadsden: Primary metals.

CONNECTICUT

Ansonia: Machinery, rubber products.
Torrington: Primary metals (brass).

MASSACHUSETTS

Greenfield: Nonelectrical machinery (machine-tool accessories), fabricated metals (hand tools).
Newburyport: Leather, textiles, electrical machinery, transportation equipment.
Taunton: Electrical machinery, fabricated metals, plastic products; out-of-area layoffs of local residents.

MICHIGAN

Escanaba: Lumber and wood products (plywood); nonelectrical machinery.
Iron Mountain: Iron-ore mining, nonelectrical machinery, lumber, furniture.

MISSISSIPPI

Greenville: Agriculture, farm-related trade, textiles.

MISSOURI

Joplin: Mining, chemicals cutbacks, out-of-area layoffs.

OHIO

Defiance: Ordnance, auto foundry, and appliance cutbacks.

WEST VIRGINIA

Bluefield: Bituminous coal mining, transportation (railways).
Parkersburg: Fabricated metals, nonelectrical machinery, chemicals.

WISCONSIN

Beaver Dam: Lumber, metals, electrical machinery, leather.
Beloit: Nonelectrical machinery, other durable goods.
La Crosse: Fabricated metals, automotive parts, instruments, rubber footwear.

Mr. MALONE. Now, Mr. President, we turn to the March classifications of distressed smaller areas:

LABOR MARKET AREA AND INDUSTRIES PRIMARILY RESPONSIBLE FOR EMPLOYMENT DECLINES

ALASKA

Anchorage: Government, construction.

CALIFORNIA

Eureka: Lumber and construction cutbacks.
Ukiah: Lumber.

CONNECTICUT

Bristol: Nonelectrical machinery, instruments-watches-clocks.
Danbury: Textiles (hats), nonelectrical machinery.
Meriden: Nonelectrical machinery, transportation equipment, silverware.
Middletown: Fabricated metals, transportation equipment.
Norwich: Textiles, fabricated metals.
Thompsonville: Textiles (carpets, rugs).
Willimantic: Electrical equipment.

MAINE

Lewiston: Textiles, shoes.

MASSACHUSETTS

Fitchburg: Fabricated metals, nonelectrical machinery, textiles.
Ware: Textiles, paper products.

MICHIGAN

Adrian: Cutbacks in auto related fabricated metals, other durable goods.
Ionia-Belding-Greenville: Autos, nonelectrical machinery.

MISSOURI

Flat River-De Soto-Festus: Lead mining, glass, railroad shops.

NEW JERSEY

Dover: Ordnance, primary metals, nonelectrical machinery, apparel.

NEW YORK

Amsterdam: Textiles (chiefly carpet industry), layoffs of local residents by plants in nearby areas.
Batavia: Machinery, primary metals, out-of-area layoffs of local residents.

NORTH CAROLINA

Hamlet: Textiles.

OHIO

Cambridge: Electrical machinery, fabricated metals.

OREGON

Albany: Forest products and construction.
Coos Bay: Forest products and construction.
Eugene: Forest products and construction.

PENNSYLVANIA

Butler: Steel, cement, railroad equipment, limestone products.

TEXAS

Laredo: Primary metals (antimony), trade, Government (Federal).

WASHINGTON

Aberdeen: Logging, lumbering, wood products.
Anacortes: Logging, lumbering, food processing, metal fabrication.
Bellingham: Logging, lumbering, wood products.
Everett: Lumber and wood products, paper and pulp, nonelectrical machinery.

Olympia: Pulp and paper products, logging and lumbering, construction.

Port Angeles: Logging and wood products, pulp and paper, construction.

HOW LABOR DEPARTMENT CLASSIFIES MAJOR DISTRESSED LABOR-MARKET AREAS

Mr. President, this leaves us the major labor-market areas, according to the Department of Labor, which slipped from January to March into which it calls its "D" classification.

Major areas are classified A, B, C, D, E, and F. In group A there is supposed to be a shortage, not a surplus of labor. There are no cities in the A group, and there were no cities in the A group in January, either. In group B are listed cities "where job opportunities for local workers are slightly in excess of job openings." There are no cities in the B group. In group C, job seekers are slightly in excess of job openings. There were 91 areas in group C in January, 79 in March, and 63 in May.

D areas are those in which from 6 to 8.9 percent are unemployed; E those in which 9 to 11.9 percent are unemployed; and F those in which 12 percent or more are unemployed. The D, E, and F areas are those commonly designated as distressed areas.

In March the cities which dropped from C to D follow, with the industries primarily responsible for employment declines listed:

LABOR MARKET AREA AND INDUSTRIES PRIMARILY RESPONSIBLE FOR EMPLOYMENT DECLINES

CONNECTICUT

New Britain: Nonelectrical machinery, electrical equipment, fabricated metals.

ILLINOIS

Joliet: Machinery, ordnance, chemicals (explosives), electrical equipment.

Peoria: Sharp cutback in dominant nonelectrical machinery (agricultural machinery and tractors).

INDIANA

Fort Wayne: Losses in electrical machinery, motor vehicles, primary metals.

Indianapolis: Autos, aircraft, machinery, metals.

MAINE

Declines in most manufacturing industries, including fabricated metals, textiles, leather, paper, lumber, food processing.

MARYLAND

Baltimore: Virtually all industries down. Losses since year ago heaviest in durable goods.

MASSACHUSETTS

Brockton: Scattered factory losses, led by textiles, apparel; out-of-area layoffs of local residents also boosts unemployment.

Springfield-Holyoke: Both durables and nondurables down. Losses heaviest in electrical machinery, ordnance, textiles, transportation equipment, rubber.

Worcester: Primary metals, nonelectrical machinery.

MICHIGAN

Lansing: Autos.

Saginaw: Autos, auto foundries, nonelectrical machinery.

MINNESOTA

Duluth-Superior: Transportation (ore shipping), primary metals, electrical equipment.

Minneapolis-St. Paul: Machinery, instruments, lead general factory decline.

NEW JERSEY

Perth Amboy: Motor vehicles, apparel, chemicals.

NEW YORK

Syracuse: Nonelectrical, electrical machinery; primary, fabricated metals.

OHIO

Toledo: Sharp cutbacks in metals, machinery, autos, transportation.

PENNSYLVANIA

Reading: Primary metals, textiles.

York: Machinery, textiles, furniture.

TENNESSEE

Chattanooga: Primary metals (plant closed), textiles, chemicals.

TEXAS

Beaumont-Port Arthur: Shipbuilding, offshore oil activities, chemicals.

Corpus Christi: Construction, Government (Federal).

Fort Worth: Aircraft, food processing, nonelectrical machinery, apparel.

MICHIGAN

Flint: Autos, auto components. (Reclassified from group C to group E.)

NEW YORK

Buffalo: Chiefly durable goods, primary metals (steel), aircraft, autos. (Reclassified from group C to group E.)

Now, Mr. President, we come to the May 1958 report, and we will first list the smaller areas classified labor surplus in April:

ALABAMA

Anniston: Textiles, electrical equipment, primary metals.

GEORGIA

Toccoa: Nonelectrical (construction) machinery.

INDIANA

Connersville: Furniture and fixtures, fabricated metals.

IOWA

Ottumwa: Food processing (meat packing).

MICHIGAN

Ann Arbor-Ypsilanti: Auto-related electrical equipment, auto parts.

Owosso: Electrical equipment, auto-related textiles (upholstery).

MONTANA

Butte: Copper mining.

Kalispell: Logging, lumbering.

NEW YORK

Auburn: Electrical machinery, shoes, plastics.

Elmira: Nonelectrical machinery, electrical equipment.

Gloversville: Gloves (knitted, fabric, and leather).

Jamestown-Dunkirk: Primary metals, furniture, machinery.

Watertown: Nonelectrical machinery, paper.

OHIO

Athens-Logan-Nelsonville: Declines in mining; scattered factory reduction—stone, clay-glass, printing-publishing. Shoe plants on reduced workweek.

East Liverpool-Salem: Clay products, nonelectrical machinery, fabricated metals, furniture.

Mansfield: Most durables (household appliances, electrical equipment; primary metals, autos) down; cutbacks on local military installation.

OREGON

Roseburg: Lumber and wood products.

TENNESSEE

Bristol-Johnson City-Kingsport: Chemicals, furniture, textiles, return of workers laid off in out-of-area auto cutbacks.

UTAH

Provo: Cutbacks in dominant iron and steel industry.

SMALL AREAS AND CRIPPLED INDUSTRIES LISTED

Smaller areas of substantial labor surplus classified in May and the industries primarily responsible for employment declines are:

LABOR MARKET AREA AND INDUSTRIES PRIMARILY RESPONSIBLE FOR EMPLOYMENT DECLINES

ILLINOIS

Centralia: Railroads, shoes, nonferrous metals.

Decatur: Nonelectrical (farm) machinery, primary metals.

Woodstock: Electrical machinery, primary metals.

INDIANA

Anderson: Heaviest losses in auto-related electrical machinery, fabricated metals, aircraft also down.

New Castle: Autos and auto components; auto cutbacks in adjacent areas contribute to unemployment rise.

MASSACHUSETTS

Haverhill: Cutbacks centered in dominant shoe industry, electrical machinery.

MONTANA

Great Falls: Copper smelting.

NEW YORK

Oneonta: Long-term decline in railroad shops; small scattered manufacturing losses.

NORTH CAROLINA

Morganton: Furniture, apparel, electrical machinery.

OHIO

Kenton: Electrical, nonelectrical machinery, stone-clay-glass.

Lima: Durable goods cutbacks (machinery, metals, autos); Government (Federal), railroads also down.

Marietta: Chemicals, primary metals, furniture.

Marion: Nearly all factory industries down over last year; nonelectrical, electrical machinery, primary metals show largest losses.

St. Marys: Rubber nonelectrical machinery.

OKLAHOMA

Okmulgee-Henryetta: Glass, lead, and zinc smelting, mining (coal and oil-gas drilling).

PENNSYLVANIA

New Castle: Heavy cutbacks in primary metals, smaller losses in machinery, pottery.

WASHINGTON

Bremerton: Layoffs at naval shipyard, other Federal installations.

WEST VIRGINIA

Clarksburg: Glass products, coal mining, electrical equipment.

Martinsburg: Stone-clay-glass products, textiles.

Morgantown: Coal mining, chemicals.

WISCONSIN

Lake Geneva-Whitewater: Auto components, primary metals.

Mr. President, this leaves us the major labor market areas, as the Department of Labor terms them, who have slipped into the "D" or distressed areas class since March. They are:

LABOR MARKET AREA AND INDUSTRIES PRIMARILY RESPONSIBLE FOR EMPLOYMENT DECLINES

ALABAMA

Mobile: Shipbuilding, construction.

CONNECTICUT

New Haven: Aircraft, ordnance, metals.

GEORGIA

Columbus: Long-term downtrend in textiles, decline in construction (completion of military housing project).

ILLINOIS

Chicago: Virtually all industries down since year ago; heaviest losses in durable goods manufacturing (metals, machinery, aircraft).

NEW YORK

Albany-Schenectady-Troy: Electrical machinery, ordnance, primary metals.

New York: Nearly all factory industries down since year ago; dominant apparel industry, aircraft experienced largest reduction.

NORTH CAROLINA

Greensboro-High Point: Losses in textiles, electrical machinery, furniture.

OHIO

Akron: Tires, fabricated metals, aircraft.

Cleveland: Durable goods layoffs (primary and fabricated metals, machinery, autos, aircraft).

Dayton: Auto parts and components, rubber products, household appliances, office machinery.

Hamilton-Middleton: Primary and fabricated metals, nonelectrical machinery.

PENNSYLVANIA

Allentown-Bethlehem: Steel leads decline since last year. Electrical machinery, stone-clay-glass, transportation equipment, textiles-apparel also down.

TENNESSEE

Memphis: Tires, transportation equipment (autos and trailers), farm machinery.

TEXAS

Houston: Oilfield machinery, primary metals (pipeline items), construction, petroleum extraction.

VIRGINIA

Roanoke: Layoffs in transportation (railroad shops), chemicals (rayon), electrical equipment.

WASHINGTON

Tacoma: Lumber and wood products, primary metals (aluminum, copper), government installations.

IMPORTS SINCE GATT CREATED MORE THAN DOUBLE

Mr. President, since 1947, when the United States first became a "contracting party" to GATT, the General Agreement on Tariffs and Trade, in which 36 foreign nations participate, each, like the United States, having 1 vote, our imports have risen from $5,666,321,000 to $12,920,984,594.

I ask unanimous consent, Mr. President, to have printed in the RECORD a table showing the value of imports each year since the United States entered GATT and commenced participating in multilateral agreements in which the 36 foreign "contracting parties" proceed to divide up American markets like a juicy steak. For purposes of indicating those imports which are considered noncompetitive and enter duty free, and those which are competitive and dutiable, thus adversely affecting industry, investments, and employment, I shall list the total imports, the value of imports that enter duty free, the value of imports on which duties, most of them merely token duties under the Trade Agreements Act, and the percentage of imports which enter duty free.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Duties entered for consumption and duties thereon

Year	Total value	Duty free	Dutiable	Percent free	Duties	Percent total imports	Percent dutiable imports
	Thousands	*Thousands*	*Thousands*		*Thousands*		
1946	$4,824,902	$2,934,955	$1,899,946	60.83	$477,854	9.90	25.28
1947	5,666,321	3,454,647	2,211,674	60.97	427,679	7.55	19.34
1948	7,092,032	4,174,523	2,917,509	58.86	404,778	5.71	13.87
1949	6,591,640	3,883,186	2,708,454	58.91	364,618	5.53	13.46
1950	8,743,082	4,766,778	3,976,304	54.52	522,337	5.97	13.14
1951	10,817,341	5,993,442	4,823,900	55.41	591,261	5.47	12.26
1952	10,747,497	6,256,950	4,490,546	58.22	570,062	5.30	12.69
1953	10,778,905	5,919,501	4,859,403	54.9	584,350	5.42	12.02
1954	10,239,517	5,667,904	4,571,613	55.3	529,109	5.17	11.57
1955	11,336,787	6,036,634	5,300,153	53.2	633,313	5.59	11.95
1956	12,490,240	6,219,836	6,270,404	49.8	709,690	5.68	11.32
1957	12,920,984	6,458,604	6,462,380	49.9	761,284	5.97	11.78

HALF OF IMPORTS NONCOMPETITIVE ENTER UNITED STATES DUTY FREE

Mr. MALONE. Mr. President, I want to say again that more than 50 percent, on dollar value of all imports come into this country duty-free. They come in duty free either because the products were not produced commercially in this country, or because they are not considered a risk, and that has been the principal ever since the protective tariff was established. So what we have been talking about is one-half, or a little more than one-half, of the industries producing commercially in this country, whose labor costs and cost of doing business are so much greater than they are in foreign nations that without a duty or tariff to even the cost there would be no chance for those industries to stay in business.

Let me say no one has ever suggested that a tariff be greater than the difference in the effective wages, taxes, and cost of doing business in this country and those in the chief competing nation on each product. If it were found necessary to produce a product in this country where such a duty would not allow the industry to survive, then there could be enacted a special act of Congress, if Congress decided that industry should be continued. But under the principle laid down for the Tariff Commission, as an agent of Congress, no such tariff should or could be imposed.

COMPETITIVE IMPORTS INCREASE DOUBLE RATE OF DUTY-FREE GOODS SINCE GATT CREATED

Mr. President, there are some very significant facts brought out by this table. For example, it shows that total imports have increased from $5,666,321,000 in 1947, the year GATT was created, to $12,920,984,000 in 1957, an increase of 128 percent.

But the increase of duty-free imports, the imports which are noncompetitive, or relatively noncompetitive, with American products—which is why the 1930 Tariff Act and previous tariffs acts made them duty free—increased from $3,454,647,000 in 1947 to $6,458,604,000 in 1957, or only 87 percent.

In contrast, imports of dutiable foreign goods and products increased from $2,211,674,000 in 1947 to $6,462,380,000 in 1957, or 192 percent.

What the free trade Trade Agreements Act has done is to make duties on competitive foreign goods so negligible that they no longer represent any differential between American wages and costs of production and the wages and costs of production in the chief competing foreign nation.

TARIFF REDUCTIONS UNDER TRADE ACT REVIEWED

At this point I should like to point out that not only was there a 50 percent reduction allowed in the 1934 Trade Agreements Act, but there was an additional 50 percent reduction in a subsequent extension of the act, and then a 15 percent reduction over a period of 3 years—5 percent per year, by an act passed by Congress in 1955—and now with the 25 percent additional reduction which is proposed, there would be very little tariff left.

In addition to that, Mr. President, a fixed duty or a tariff is lowered in accordance with inflation. Ad valorem or percentage duties keep pace with inflation, of course; but when there is a fixed duty, the practical effect is that the duty is lowered in accordance with inflation.

In other words, Mr. President, it is said that the dollar last year was worth 48 cents. Let us say there has been a 50 percent inflation, and a 50 percent reduction in the value of the dollar. Perhaps the 1934 dollar is worth 33 cents or less. However, let us assume it is worth 50 cents. If one considers a 5-cent duty per pound on an article selling for 20 cents, it amounts to a 25 percent duty. But if there is 50 percent inflation and that article sells for 40 cents, the duty becomes only 12½ percent. So the duty is lowered just as effectively through inflation as if it had been part of the plan.

TRADE AGREEMENTS COVER THOUSANDS OF PRODUCTS

Under the 1930 Tariff Act the duties and tariffs, upon proper notice of 60 days to the Secretary General for the nations which are parties to the multilateral trade agreements, as to all of the products covered by those agreements—there are about 4,000 or 5,000 of such products—would revert to the control of the Tariff Commission. In 180 days the duties and relationships for the bilateral trade agreements with other nations, which have been made by the State Department, would revert to the control of the Tariff Commission.

What would be the process for consideration, Mr. President? It would be the statutory rates as of 1930, not the rates to which the tariffs have been reduced. The Tariff Commission would be instructed, as I have explained before, to determine the reasonable cost of an article produced in this Nation, compared to the reasonable cost of producing that article or a similar article in the

chief competing country, and the Tariff Commission would then recommend the difference as the tariff. It would be an adjustment up or down to follow the economic relationship between this Nation and the chief competing nation, for each product.

That would all lead, Mr. President, to one objective. The objective we all have is free trade, but it should be free trade on our standard and not on the standard of living of Japan.

FOREIGN NATIONS GIVEN AMERICAN MARKET WITHOUT COMPETITION

Mr. President, the Trade Agreements Act has destroyed competition. In other words, Mr. President, the Trade Agreements Act has destroyed competition of the foreign nations for the American market, handing them that market on a silver platter.

The tariff, as I have explained, would make the difference. The tariff would be an evener, so that the American workingman and investor would have equal access to his own market, and could compete for the American market with others.

If there is a shortage as to any product under such a tariff, the product would come in without question, in whatever amount was necessary. Then, under the American system, when the American market is saturated, the less efficient American industries would go out of business in the process of the economic system. That is the way we built the standard of living up for 150 years, until along came the change in policy in 1934, when we welcomed the cheap labor products into this market without any evener or compensation whatever.

UNITED STATES WORLD'S DUMPING GROUND FOR LOW-WAGE FOREIGN PRODUCTS

Mr. President, the Trade Agreements Act has made the United States the world's greatest dumping ground for low-wage, low-taxed foreign products which are identical, like, similar, or copies and imitations of goods and manufactures that formerly gave employment to millions of Americans.

Mr. President, in discussing the table I previously inserted in the RECORD, I have first gone back to the year 1947, and I have done that for two reasons.

One is that 1947 was the year when GATT, on our invitation, was created, and when we departed from the bilateral trade agreements contemplated and authorized in the 1934 Trade Agreements Act, and proceeded to enter into multilateral agreements, which were never contemplated in the 1934 act by any Government officials in their testimony before Congressional committees, or by any officials in their public utterances outside of the committee rooms, except Henry Wallace.

TRADE ACT HAS ACHIEVED OBJECTIVE OF DIVIDING UNITED STATES WEALTH MARKETS, JOBS WITH WORLD

Mr. President, I believe that the whole thing was thought out in advance, and that the Harry Dexter Whites and the Alger Hisses and all the rest of that "mess of great traders," which we bred here on our own shores, knew what was going to happen when the Congress of the United States adopted the 1934 Trade Agreements Act and amended the Constitution without referring the matter to the people, thereby putting into the hands of the Executive the regulation of the national economy and foreign trade, as well as the fixing of foreign policy, making it possible for the Executive to trade any industry or any part of an industry, according to the testimony of Secretary Dulles and Secretary Weeks, on his own prerogative, without discussing it with anyone, and least of all with the Members of the Senate and of the House of Representatives.

I think it was known what would happen. It has happened. It has been indicated on the Senate floor that the act has not worked. In my opinion, Mr. President, the act has worked exactly as it was proposed to work; that is, it is destroying the American workingmen and the American investor. When I refer to the American investor, I refer to the investor who has no outside investments in foreign nations. We have utterly destroyed him and small business, through the cheap-labor imports and taxes.

STATE DEPARTMENT OFFERS EXPLANATION WHY FOREIGN CONTROLS MORE RIGID, DRASTIC

Mr. President, the second reason I have gone back to 1947 in discussing the table above is that the State Department contends that it was not until after World War II and when it "sponsored the multilateral approach to international trade problems" that its objectives began to be substantially realized, which again takes us back to 1947 and GATT.

From 1934 until World War II, the State Department contends, the world was much upset and disturbed by authoritarian governments, so not a great deal could be accomplished. Even less could be accomplished during World War II, the State Department implies, in saying:

> All countries engaged in World War II, in mobilizing their economies for war, were forced to abandon normal trade methods and resort to rigid control of exports and imports. The indirect effects of the war obliged most other countries to follow suit to a greater or lesser extent. In the immediate postwar period acute exchange difficulties and material shortages resulting from the war required continuance of, or even more rigid, trade controls.

Mr. President, the "even more rigid controls" continue today, as I pointed out early in my remarks. Through manipulation of currencies and multiple exchange foreign countries still are maintaining that they are experiencing "acute exchange difficulties." By making this claim they are able to utilize all the various exemptions which GATT provides for avoiding any lessening of their restriction and controls over imports and exports.

NATIONS MANUFACTURE OWN DOLLAR SHORTAGES

Mr. President those nations can always show they are short of dollar balance payments, until all of our wealth and markets are equally distributed among them. Then, Mr. President, we will be living as they are living, rather than having them live as we do.

Under the 1930 Tariff Act, we could bring about free trade and bring the standard of living of other nations up to ours. Or we could do that under a similar act which related to equalization of costs. That is what section 336 of the Tariff Act of 1930 provides, an equalization of costs. As the other nations raised their standards of living, the tariff would go down. When the people of the other nations were living about the same as our citizens, free trade would be automatic. That is what we all want. That is our objective. But we want to hold our standard.

STATE DEPARTMENT ASKS 5 YEARS TO MAKE GOOD PROMISES NOT KEPT IN PAST 24 YEARS

Mr. President, new totalitarian forces have risen in the world which are as disturbing to normal trade, or more so, than those from 1934 to the beginning of World War II.

But now comes the State Department and tells us that if Congress will just vote it 5 more years of power over our commerce and our national economy, everything will be dandy, being careful to disclaim any of the effects of the 1934 Trade Agreements Act for the first 13 years of its operation.

It should also disclaim any effects the act has had during the past 10 years, because all of the effects have been bad.

The principal effect has been to almost triple the imports of competitive products from low wage foreign countries, liquidate industries, create mass unemployment and cause 243 American cities and their metropolitan areas to become grievously distressed.

Five years more of multilateral trade agreements, of "planned redistribution of our national income," as Henry Wallace put it, around the world, and our national economy will sink as it did in Turkey, Egypt, China, Iran, India, Spain, Portugal and Thailand, all once rich nations, after adoption of free import or free trade policies.

COMMERCE CHIEF SAYS ACT HAD NO CHANCE TO WORK UNTIL 1953

Mr. Weeks does not even want to go back as far as 1947 as a base year when he thinks the 1934 Trade Agreements Act began to achieve its object. He stated:

> I have said many times that trade was not normal until we finished the Korean war. You had a preparatory period in 1934–39 and then you had 6 or 7 years of war and then you had the reconstruction and the Korean war. We really never had a chance to develop our trade until 1953.

Representative SIMPSON asked the Secretary:

> And all that happened in the twenties, thirties, and forties had nothing to do with where we are today except creating the abnormal circumstances under which we had abnormal trade, Mr. Secretary?

Mr. WEEKS. Mr. SIMPSON, you had no normal conditions in that period. You had two wars, you had reconstruction, devastation. There was no normal trade in the world in that period.

Those of my colleagues who championed free trade and the 1934 Trade Agreements Act during the years from 1934 to 1953, may wish to note Mr.

Weeks' appraisal of their accomplishments.

I now turn again to the table which I last asked to have inserted in the RECORD, giving the value of imports, those entering duty free and therefore noncompetitive, and those which are competitive or dutiable.

In 1952, when, as Mr. Weeks contends, we did not have normal trade, our imports totaled $10,747,497,000, of which $6,256,950,000, or 58.22 percent, entered duty free, or, in other words noncompetitive. The value of our dutiable or competitive imports was $4,490,546,000, or 41.78 percent.

WAR ECONOMY CONTINUES AS TAXPAYERS' MONEY SQUANDERED OVERSEAS

Let me say at this point, so that there may be no misunderstanding, that we are living on a war economy today. Our American markets are gone, and we are priced out of the foreign markets.

Everything we send abroad costs the American taxpayers money. We make up the difference between our cost here and the world market, with the taxpayers' money. Now the $40 billion we have been spending each fiscal year is increased to about $50 billion. It will probably be $60 billion for the coming year. It might be that we could revive the economy for a little while; but if we back off and take a look, what do we see? The American people are paying interest on $852 billion—more than three-quarters of a trillion dollars. Soon the figure will reach a trillion dollars; and there is certain to come before the Congress before it adjourns, or early in the next Congress, a request to raise the debt limit again.

DEBT MOUNTS AS POLITICAL AND ECONOMIC PINCERS TIGHTEN

With all this prosperity we have increased the debt limit steadily. We have steadily increased the cost of doing business by inflation. We are living under an economy that was established for 150 years, and is difficult to destroy. But those who seek to destroy it are nearer their objective today than they have ever been.

There is under way a pincers movement to destroy this Government. It is both political and economic. The Status of Forces Treaty and other like impositions are a part of that movement, as was the action in going off the gold standard and deliberately starting inflation.

TRADE AGREEMENTS ACT INTENDED TO REDUCE UNITED STATES ECONOMY TO WORLD LEVEL

The Free Trade Act of 1934 was not a trade act directed toward free trade by means of holding our standard of living while the other nations raised theirs, but based upon the principle of bringing ours down to their level—down to the least common denominator on earth.

Not content with bilateral trade agreements, in 1947, according to the testimony of the Secretary of the Interior, in 1945, when the act was extended for 3 years, he said that under the 1934 Trade Agreements Act, the Executive had the authority to establish, in 1947, the organization in Geneva working under GATT—General Agreement on Tariffs and Trade; and we are now operating under that policy or principle.

Not content with 1 State Department, we have 36 nations working at the program, under multilateral trade agreements. No Member of Congress, no investor in American industry, and no workingman whose job is dependent upon American industry, can even be informed as to what is going on, until the deal is closed.

NONCOMPETITIVE IMPORTS DROP: COMPETITIVE IMPORTS RISE

In 1953, the year that Mr. Weeks contends we did resume normal trade, our imports totaled $10,778,905,000, or only $31,408,000 more than the previous year, but our noncompetitive imports dropped to $5,919,501,000, or 55.3 percent and our competitive imports increased $368,857,000 to $4,859,403,000.

Mr. Weeks was entirely correct when he said that we had not had a normal period. We have been operating under emergencies ever since 1933. We have never let the water settle. We are afraid to let it settle now.

IMPORT COMPETITION INCREASES AT RATE OF $400,000,000 ANNUALLY

By 1957, as the table shows, imports had increased to $12,920,984,000 and our dutiable or competitive imports to $6,462,380,000 or $1,971,834,000 more than 1952 and $1,602,977,000 more than in 1953.

In other words, Mr. President, we have been increasing import competition at the expense of American workingmen, investors, and taxpayers at an average rate of $400 million a year.

This is what the Secretary refers to as normal trade. Imports of duty-free or noncompetitive goods in 1957 were only $201,654,000 greater than in 1952, which, under Mr. Weeks' premise, was not a normal trade year.

The purpose of the trade agreements act is not to increase normal trade as it is called; the purpose is to increase competitive imports.

That I have said on the floor of the Senate many times. This act has been a success in doing what its creators thought it would do, not what the Congress thought it would do. Members of Congress did not understand it then; and much of the debate indicates that they do not understand what is now happening.

FAILURE RATE AT POSTWAR PEAK AS IMPORTS INCREASE

The result of increased competitive imports is unemployment and commercial failures.

In this connection, Mr. President, the New York Journal of Commerce on May 5, 1958, published a page 1, 3-column article under the heading: "Failure Rate at Postwar Peak."

"During March, on the basis of preliminary data, the seasonally adjusted annual rate of business failures was 62.5 per 10,000 concerns," the article read in part. "The rate continued high during April."

The March rate of 62.5 compared with the 1939 average rate of 69.8 and the 1940 rate 63. During the recession years of 1949 and 1954 the rates averaged 34.4 and 42.0 respectively.

The March seasonally adjusted annual failure rate of 62.5 per 10,000 concerns is equivalent to 1 failure for every 160 firms on an annual basis.

GATT ABILITY TO DESTROY ANY UNITED STATES INDUSTRY FREEZING VENTURE CAPITAL

Such a high rate of failures in itself is deleterious and constituted a drag on business. With the risk so great, venture capital tends to become cautious.

This, Mr. President, is an understatement if I ever heard one. What investor can be willing to risk or venture capital in an enterprise or business that delegates to GATT, meeting in Geneva, can destroy at its next session with the acquiescence of our own State Department?

I might add that it would be done without the knowledge of the workingmen or the investors, and without the knowledge of any Representative or Senator of that deal being made.

NEWS ARTICLE ON BUSINESS FAILURES CONTINUED

I continue my quotation from the New York Journal of Commerce article of May 5, 1958:

Significantly, the rise in the business failure rate has been accompanied by a decline in new incorporations. During March the number of new incorporations totaled 11,670, the smallest number for that month since 1954.

Mr. President, I regret that the graphic charts showing the failure rate over a period of years cannot be duplicated in the RECORD, but below this chart is an interesting and explanatory chart, which reads in part:

The business failure rate has risen substantially since the postwar period, reflecting mounting competition and the cost-price squeeze.

DURING RECESSION MOUNTING COMPETITION CAN ONLY COME FROM IMPORTS

That is a very interesting observation, Mr. President.

With fewer domestic concerns, where is this mounting competition coming from? Why, from the increasing imports, of course.

Where is the cost-price squeeze coming from when the number of enterprises is shrinking? Where only can it come from but from imports of competitive products from low-wage, low-tax countries.

I shall only quote one other sentence from the New York Journal article of May 5, 1958, and it is this:

The present rate (of business failures) is only moderately below that in the late thirties.

EFFECTIVENESS OF TRADE AGREEMENTS ACT PRIMARILY IN LIQUIDATING INDUSTRIES

But it has only been in recent years, according to the Cabinet members who testified before our committees, that the Trade Agreements Act has been truly effective.

It is effective, as Henry Wallace recommended and prognosticated, in "liquidating" industries. "Liquidating" is Henry Wallace's term.

In the same issue of the New York Journal of Commerce from which I have quoted appears an Associated Press dis-

patch, which means that it was given wide circulation. It reads:

Federal officials expect a record total of about 85,000 business bankruptcies this fiscar year. And during the coming bookkeeping year, starting July 1, they anticipate an even bigger total, 95,000 cases.

A record total. What a price American business is having to pay for the free import policy.

Now let us turn back to 1953 again, the year that we are told our foreign trade, for the first time since 1934, when the Trade Agreements Act was passed, returned to normal.

Earlier in my remarks I submitted tables showing the numbers of distressed areas in our Nation and the industries in these areas which were particularly distressed and subject to unemployment.

INCREASED IMPORTS OF MANY COMPETITIVE PRODUCTS LISTED

Among them were many areas where one of the principal afflicted industries was that of manufacturing automobiles or automobile parts and components.

In 1953 there were 27,000 passenger cars imported from foreign countries, totaling in value $52 million. In 1957 264,296 were imported valued at $307,527,941.

In 1953 a total of $43,798,363 worth of electrical machinery was imported: while in 1957 or last year the imports had increased to $143,230,590.

In 1953 imports of other machinery including agricultural totaled $199,924,776; in 1957 their total value was $275,466,097.

In 1953 imports of toys, athletic and sporting goods amounted to $17,014,648; in 1957 to $44,484,074.

In 1953 imports of photographic goods were valued at $25,418,134; in 1957 at $41,075,534.

In 1953 imports of cotton manufactures were valued at $72,631,279; in 1957 at $136,163,818.

In 1953 the value of wool manufactures imported into the United States was $98,121,958; in 1957 it was $143,069,942.

In 1953 we imported $85,236,250 in tobacco and tobacco manufactures; in 1957 the imports reached in value $101,068,959.

In 1953 we imported iron ore and concentrates in the value of $96,951,155; in 1957 imports of iron ore and concentrates had increased to $285,091,782.

In 1953 we imported $157,982,623 worth of alcoholic beverages from foreign countries; in 1957 $217,073,656 worth.

In 1953 we imported sewing machines valued at $23,410,401; in 1957 at $31,062,680.

OIL IMPORTS SOAR WHILE UNITED STATES INDUSTRY STAGNATES

In 1953 our imports of petroleum and products, which compete against both our domestic oil and coal, were valued at $76,584,161. In 1957 we imported petroleum and products in the value of $1,548,070,772, more than double the imports only 4 years earlier.

Mr. President, in view of the interest of the distinguished majority leader in this legislation to extend the trade agreements act I should perhaps amplify my reference to imports of petroleum and products.

The independent oil companies in Texas have been cut down to as low as 8 days out of every month. That production cutback is due to the oil imports from abroad.

Because of the heavy imports of crude petroleum and residual fuel oil from foreign countries, particularly from Venezuela where Vice President NIXON last month received an unpleasant reception, the Texas Railroad Commission, which regulates Texas oil production, has been obliged in recent months to limit production to 8 days per month. This month the railroad commission was very generous and permitted production to be increased to 9 days.

INDEPENDENT OIL COMPANIES CAUGHT IN SQUEEZE

What is that doing? It is breaking the independent oil companies. Every once in a while one of them sells out to a larger company. How long it will take to rid the country of independent producers is conjectural. The largest independent copper company in the United States sold out to one of the major copper companies early this year. It stood for the lower copper price, due to imports, as long as it could, and finally turned up its toes.

That is not the worst of it. No new independent companies can be created, because it is impossible to secure any investors who will put their money into new companies in an industry producing a product if that industry can be destroyed by the Executive, through the State Department, by means of a bilateral agreement, or in Geneva by means of multilateral treaties. That can be done on any day of the year, and the producer will not find out about it until he wakes up in the morning and reads about it in the paper. That is the only way he can find out about it. He will not be notified by the State Department or by GATT.

STATE DEPARTMENT VIOLATED PLEDGE TO CONGRESS IN CUTTING IMPORT TAX ON PETROLEUM PRODUCTS, COPPER

Now the importation of petroleum is a very special case, and I shall take a moment of the Senate's time to go into it in some detail, because in lowering the import tax on petroleum products from foreign countries, the State Department has not only used the procedures permitted under the Trade Agreements Act but in doing so has violated the specific intent of the act itself, and has set itself up as an arbitrary and absolute dictator of the trade agreements program.

Senators will note that in my reference to petroleum imports I used the words "import tax" instead of the word "duty." The distinction is important but somewhat technical.

In 1932 Congress in its wisdom placed an import tax on imports of crude petroleum and all its products. The tax placed on crude and fuel oil was 21 cents a barrel or one-half cent a gallon, a barrel containing 42 gallons.

When Congress passed the 1934 Trade Agreements Act it specifically contemplated that it apply only to what it had technically referred to as duties and not to the levies on imports that it called import taxes.

PRESIDENT DENIED POWER IN 1934 TRADE ACT TO LOWER EXCESS DUTIES BUT LOWERED ANYHOW

In the majority report of the House Ways and Means Committee on the 1934 trade agreements bill, which has been written for the committee not in Congress but in the executive branch, it was specifically stated as follows:

In order that the necessary reciprocity may be accorded, the President is empowered to promise that existing excise duties which affect imported goods will not be increased during the term of any particular agreement. It should be carefully noted, however, that the President is given no right to reduce or increase any excise duty. His power of reduction of duties is limited to those which are in fact customs duties.

I repeat, "The President is given no power to reduce or increase any excise duty."

The import tax on petroleum and products was an excise duty.

HOW IMPORT TAX WAS LOWERED IN DEFIANCE OF INTENT OF CONGRESS

The President had no power to reduce it. The import tax was 21 cents per barrel. Crude oil was then being imported at $1 a barrel or less. The import tax worked out to about 20 percent ad valorem. Crude oil is now being imported at around $3 per barrel. Had the import tax remained at 21 cents a barrel as the Ways and Means Committee specifically stated in the 1934 Trade Agreements Act, the import tax would have automatically been reduced to the equivalent of 7 percent ad valorem, as the result of inflation.

But even this did not satisfy the State Department in its anxiety to increase competitive imports against our domestic oil producers and oil workers and against our domestic coal producers and coal miners.

In 1939 they negotiated a trade agreement with Venezuela in violation of the 1934 commitment and the clear intent of the Trade Agreements Act, and in defiance of the Congress which passed it. Import taxes on petroleum products from Venezuela were slashed and under the unconditional most-favored-nation policy of the State Department were applicable to petroleum imports from all other countries.

MOST-FAVORED-NATION CLAUSE SPREADS INJURY THROUGHOUT WORLD

The most-favored-nation clause means that the United States can make a trade agreement with one country, and automatically any tariff reduction on any product is available to all other countries. It may be said that that does not make much sense. It does not. But that is the way it is. The other country need give nothing, but the advantage is available to it.

Further reductions were written into other agreements, including the GATT Agreement of 1947 and the renegotiated agreement with Venezuela in 1951. The State Department appears to delight in negotiating agreements with dictatorial governments, and in advancing the economy of nations ruled by dictatorships or military juntas.

INFLATION MADE REDUCED IMPORT TAXES NEGLIGIBLE

Today the import tax on heavy crude is 5¼ cents per barrel or one-eighth of

a cent per gallon, and that on light crude it is 10½ cents per barrel or one-fourth of a cent per gallon.

In 1957 there were 93,411,696 barrels of heavy crude valued at $194,761,034 imported, and 292,744,361 barrels of light crude valued at $787,819,025 imported.

Imports of residual fuel oil on which an import tax of 5¼ cents a barrel or one-eighth of a cent per gallon totaled 127,412,203 barrels in 1957 and were valued at $342,684,374.

Residual oil for Government use or to supply ships engaged in foreign trade is not subject to an import tax, but this in 1957 amounted to only 47,471,030 barrels valued at $118,824,057.

Import taxes were set by Congress on gasoline and motor fuel at $1.05 per barrel, but reduced by the State Department to 52.5 cents per barrel and imports are divided into 2 categories, 1 that under 100 octane and the other that over 100 octane.

Imports of the low octane gasoline in 1957 were 1,400,000 barrels valued at $6 million, and that of high octane, 57,000 barrels valued at $422,000.

No authority was given the State Department, the President, or anyone else under the Trade Agreements Act to reduce any of these import taxes, as the report on the 1934 bill expressly and emphatically states, but the State Department has done it anyway.

GOAL OF STATE DEPARTMENT IS TO INCREASE IMPORT COMPETITION AGAINST UNITED STATES INDUSTRIES

The State Department is dedicated to foreign interests and to increasing import competition.

Mr. President, there are several other commodities on which Congress imposed import taxes instead of duties, and on which the President was given no right to reduce or increase under the Trade Agreements Act, but which his State Department reduced anyway.

These include copper-bearing ores and concentrates and lumber. Under the Trade Agreements Act the State Department assumes that it can do anything, regardless of any previous commitments or stipulations by the Congress.

I now return, Mr. President, to imports of products which are subject to duties instead of import taxes and which therefore do come within the province of the State Department under the Trade Agreements Act, and on which they have reduced duties year after year and now wish to reduce duties further for 5 more years.

INCREASE IN OTHER COMPETITIVE IMPORTS SINCE 1953 LISTED

In 1953 imports of zinc and manufactures were valued at $100,796,164; in 1957 at $153,767,791.

In 1953 imports of lead and manufactures were valued at $115,804,813; in 1957 at $156,988,165.

In 1953 imports of fish and shellfish products were valued at $193,850,688; in 1957 at $254,395,109.

In 1953 imports of glass and glass products were valued at $30,242,874; in 1957 at $54,236,847.

In 1953 imports of clay products were valued at $46,109,803; in 1957 at $77,608,567.

In 1953 imports of leather and leather manufactures were valued at $46,343,847; in 1957 at $85,887,613.

In 1953 imports of scientific instruments were valued at $12,682,469; in 1957 at $29,445,434.

In 1953 we imported chemicals, pigments, paints and varnishes valued at $79,562,182; in 1957 we imported these competitive commodities in the value of $97,220,146.

In 1953 we imported 73,676 typewriters valued at $4,586,467; in 1957 we imported 337,682; typewriters valued at $16,954,903.

In 1953 we imported 700,970 sewing machines, most of them from Japan, valued at $10,819,185; in 1957 we imported 1,125,507 sewing machines, again mostly from Japan, valued at $31,329,635.

Mr. President, I could continue reciting these statistics indefinitely. They are accurate statistics and not estimates. They are statistics from the foreign trade reports of the Bureau of the Census of the Department of Commerce.

IMPORT INCREASES REFLECTED IN OUR 259 DISTRESSED AREAS

All of these imports are competitive against American products, American industries, and American labor.

The effect of these imports is spelled out in the list of 259 distressed areas which I have inserted in the RECORD, together with what the Labor Department chooses to term industries primarily responsible for employment decline.

What are these industries which the Labor Department states are primarily responsible for employment decline?

Why, they are the very same industries which have been subjected to ever-increasing import competition under the Trade Agreements Act during the years when Mr. Weeks assures us that the act is working very effectively under conditions of normal trade.

TRADE AGREEMENTS ACT RESPONSIBLE FOR EMPLOYMENT DROP

Of course the Labor Department is in error when it states that these industries are primarily responsible for employment decline. It is a calumny on these American industries to say that they are primarily responsible or responsible at all for the employment decline. They are not responsible.

What is responsible for the employment decline is the Trade Agreements Act and the imports flooding into our country as a result of the concessions made to foreign nations under the Trade Agreements Act.

Not only is the Trade Agreements Act primarily responsible for the great employment decline, with respect to many of our industries it is solely responsible.

Yet the Labor Department chooses to attempt to put the responsibility on our stricken American industries, progressively being destroyed by the Trade Agreements Act. It is an excellent illustration, Mr. President, of the exercises in semantics our executive branch has employed in its efforts to continue its suicidal increased imports policy.

HENRY WALLACE'S COUNSEL OF LIQUIDATING INDUSTRIES SLOWLY STILL BEING FOLLOWED

Mr. President, early in my remarks I quoted Henry Wallace and his suggestions, made back in 1934, for "liquidating, definitely, yet slowly," certain industries which the Government itself would select for liquidation.

This is being done and has been done under the Trade Agreements Act, and it has been done precisely as Mr. Wallace advised—"definitely, yet slowly." The records show it.

Until 1947 it was being done too slowly to suit the international free traders, and so a decision was made to accelerate the program of liquidation through the creation of GATT, where international planning could be carried on and arrangements to sell out American industries, wage earners, and investors could be made multilaterally, which were other Wallace recommendations.

FIVE MORE YEARS OF LIQUIDATING PROCESS COULD COMPLETE IT

Mr. Wallace evisioned a maximum of 30 years as the time required for a planned redistribution of our national income. The pending bill would continue the program of liquidation for 5 more years or to within 1 year of Mr. Wallace's deadline. Actually it would or could continue it for 5 more years because the bill contains a gimmick that means that up to the final day of the 5-year period the State Department can negotiate agreements progressively lowering tariffs 5 percent a year for the next 5 years.

By that time, Mr. President, if the bill is enacted, liquidation should be complete, all of our wealth redistributed, and foreign countries given a monopoly of our markets with respect to those products with which we formerly competed.

FOREIGN RESTRICTIONS AGAINST UNITED STATES PRODUCTS INCREASE

Mr. President, for 24 years Secretaries of State have been telling Congress that foreign nations will reduce their trade barriers against American products if Congress will only extend the Trade Agreements Act a few more years.

Today more foreign countries impose more restrictions against American products than ever before.

Thirty-six foreign nations during the past 12 months have increased tariffs on some or many American products, and many more have tightened quotas or exchange restrictions.

INTERNATIONAL SOCIALISM FOSTERED BY TRADE AGREEMENTS ACT

I have previously said that no foreign nations under the multilateral arrangements, or the GATT arrangements, are compelled to keep their part of the trade agreement so long as they can show they are short a dollar balance in trade; and they can do that until our wealth and markets are evenly divided. Therefore, the only objective there can be under the bill is a complete redistribution of the wealth internationally—an international Socialist arrangement. Each year the barriers to American goods which foreign countries have to pay for is raised higher, and every year we lower our low tariffs lower to bring in more foreign goods made by foreign labor.

As I have previously said, no nation on earth needs a tariff against our goods to equal any difference in wages or cost

of doing business. Our costs are higher than those of any other nation on earth, and 10 times as high as those of many of the nations, countries like Japan, with which we are competing on important products—with instruments, textiles, minerals, titanium, plywood, and many others.

IMPORT LICENSE, EXCHANGE RESTRICTIONS OF 93 COUNTRIES SHOWN

Mr. President, Foreign Commerce Weekly, the publication which the Department of Commerce issues weekly for the information and guidance of importers, waterfront brokers, and foreign investors, on June 2, 1958, published a list of foreign countries with which we trade that impose import license restrictions or exchange restrictions against American imports.

It lists 93 foreign countries, a British protectorate, two sultanates, and two sheikdoms.

Eighty-nine of the countries, the protectorate, two sultanates, and one sheikdom impose controls over some or all United States products entering their markets, or over the money that can be paid for them.

WORLD'S ONLY FREE TRADE NATIONS WEAK, IMPOVERISHED

The countries which do not, according to the Department of Commerce are Bolivia, French Somaliland, Paraguay, and Yemen. The sultanate of Oman, of which Muscat is the capital, also does not employ these barriers. It will be noted that these are very small, unimportant nations.

The prosperity and strength of these areas, Mr. President, should indicate the benefits and advantages that accrue to a country through free trade. When the United States is reduced to the economic status of Bolivia, or Paraguay, or Arab Yemen and Arab Oman, the free-import policy so vigorously advocated by the State Department will be achieved.

EUROPEAN COMMON MARKET TO RAISE BARRIERS AGAINST OTHER NATIONS

Mr. President, earlier in my remarks I referred to a dispatch from London which states that six of the European Common Market nations are getting together to remove tariffs as between themselves. But they are very careful to maintain all individual tariffs against other nations, all outsiders. Why? Not because the living standards of those six nations are higher or because their costs of manufacturing are greater, but in order to keep out of their countries the products of the industrial plants located in other countries.

IMPORT, EXCHANGE BARRIERS OF FOREIGN NATIONS

Mr. President, I ask unanimous consent to have printed in the RECORD a summary—from the Department of Commerce's Foreign Commerce Weekly of June 2, 1958—entitled "Summary of Foreign Control Regulations Applying to Imports From the United States." The Department, of course, presents the rosiest possible picture of the application of these restrictions; and it will be noted that in stating whether import licenses are necessary, or whether exchange permits are required, the Department will frequently state "no, but," or "no, except for." When these answers are given, they mean that import licenses or exchange permits are required for some goods of United States origin, but not on other goods of United States origin.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF FOREIGN CONTROL REGULATIONS APPLYING TO IMPORTS FROM THE UNITED STATES

The following tabulation of the import and exchange permit requirements of foreign countries, prepared by the Bureau of Foreign Commerce as an aid to exporters, has been revised as of May 12, 1958.

The regulations apply primarily to goods of United States origin and to other goods payable in United States dollars.

Many countries do not permit foreign goods to be imported unless covered by import licenses, which must be obtained by the importer. In some cases an import license must be granted before the order for goods is placed, and some countries also require the importer to obtain an exchange permit before he may make payment for the import.

United States exporters therefore are urged to make certain before shipping that the foreign importer has obtained the required permit, and they should insist on being furnished the identifying number or symbol of the permit.

More detailed information on licensing and exchange controls may be obtained from the field offices of the United States Department of Commerce. Publications covering licensing and exchange controls of individual countries also are available from the field offices at a nominal charge.

Country	Is import license necessary?	Is exchange permit required?
Afghanistan	No, for most imports; but a declaration or customs permit must be obtained from Afghan border officials or trade agents abroad.	No; but permission to remit foreign exchange to exporters abroad must be obtained from Da Afghanistan Bank.
Arabian Peninsula areas:		
Saudi Arabia	Yes	No.
Aden, Bahrein, Qatar, Trucial Oman	do	Yes.
Muscat and Oman, Yemen	No	No.
Argentina	No; except for certain products subject to import quota	Yes, for goods contained in lists of imports granted official rate of exchange. No, for goods contained in free-market lists.
Australia	Yes	No; import license carries right to foreign exchange.
Austria	Yes, except for specially exempted items	Yes, but cannot be refused for items on dollar-import free list.
Belgian Congo	Yes; combination import license and exchange authorization is required for all imports except shipments valued at $100 or less provided the goods are not intended for resale. License is usually granted as formality.	Yes.
Belgium-Luxembourg	No, except for specific items. Licenses usually freely granted if still required.	No separate permit required.
Bolivia	No	No.
Brazil	No, except for nonessential or luxury goods; for all other goods a certificate of exchange cover is required.	No; exchange for most imports is sold at auction.
British Colonies not specified elsewhere [1]	Yes, except for certain items under open general license	Yes; import license generally assures release of foreign exchange.
Bulgaria	Yes	Import license automatically assures foreign exchange.
Burma	Yes; except for Government imports	Yes.
Cambodia	Yes	Yes; import license carries right to foreign exchange.
Canada	No, except for butter; butter oil and butterfat; cheddar cheese; dried skim milk; wheat, oats, and barley and certain processed products of these grains; turkeys and fowl; natural gas; radioactive and fissionable materials, isotopes, and equipment for production, use, or application of atomic energy. Import of alcoholic beverages requires provincial licenses. Secondhand automobiles manufactured before year in which importation is sought, secondhand aircraft, oleomargarine, and butter substitutes and spreads are prohibited importation.	No.
Ceylon	Yes; unless the commodity is under open general license	Yes.
Chile	No; but items permitted import are listed, and items not on the list are prohibited import. Importers of merchandise permitted import must place a deposit with the central bank, and the foreign exporter must present a copy of the deposit certificate to a Chilean consulate.	No.
Colombia	Yes. All imports require an import registration certificate, which is issued upon payment of an ad valorem deposit of 100 percent, except for a few commodities which require a 20-percent deposit. Imports included in the "prior license" list also require a specific license from the import-control authorities. A large group of commodities is prohibited importation.	No. Importer purchases foreign exchange from the bank concerned upon submission of import registration and evidence (customs manifests) that the goods have entered Colombia.

[1] Includes Bahamas; Bermuda; the West Indies (Barbados, Jamaica, Trinidad, Leeward Islands, and Windward Islands); British East Africa; Gambia; Nigeria; Sierra Leone; British Guiana; British Honduras; and minor colonies, protectorates, and trusteeship territories.

Country	Is import license necessary?	Is exchange permit required?
Costa Rica	No; except for live animals	Yes, for imports with official exchange. No permit required for imports with free market exchange.
Cuba	No; except for wheat and wheat flour, rice, tires and tubes, red and pink beans, potatoes, condensed milk, and butter. Imports of butter, cheese, powdered skim milk, and cream or fats obtained from milk are subject to special requirements involving registration of purchase contracts and prior authorization for customs clearance.	No.
Czechoslovakia	Yes	Import license automatically provides for allocation of necessary foreign exchange.
Denmark	Yes; but no license required for dollar goods on extensive general free list.	Yes; copy of license or importer's declaration with customs certification of import takes place of exchange license.
Dominican Republic	No. Except for wheat and wheat flour, rice, fertilizer, radio transmission apparatus, treated wood posts, barbed wire, wire staples, fruit, vegetables, seed, tubers, empty bags and sacks, lard and rendered pork fat, and confectionery and other edible products in which sugar or chocolate constitutes the principal ingredient.	No; but all applications for foreign exchange require Government approval which is granted automatically for bona fide commercial transactions.
Ecuador	Yes; one copy must be presented to obtain consular legalization of prescribed documents. Some items considered nonessential are prohibited. Import quotas are imposed on certain items to stimulate local production.	No; import license carries right to foreign exchange.
Egypt (United Arab Republic)	Yes; unlicensed imports are subject to confiscation	Yes.
El Salvador	No; except for a few items such as chemical and pharmaceutical products, strong liquors, essences for making liquor, and cotton.	No.
Ethiopia	No	Yes.
Finland	Yes, but automatic licenses issued for a limited list of dollar goods.	No separate permit required; import license carries right to foreign exchange.
France	Yes, with a few exceptions	Do.
French overseas territories not elsewhere specified, except French Somaliland.	Yes	Yes; import license carries right to foreign exchange.
French Somaliland	No	No.
Germany, Federal Republic, including Western Berlin.	Yes; except for items on dollar import free list. At present over 90 percent of imports except State-traded goods are liberalized for the dollar area.	Yes; import and payments license combined in 1 document.
Germany Soviet zone, including Soviet sector of Berlin.	Yes; Government monopolies for foreign trade are the only importers.	Yes.
Greece	No; except for certain machinery and a few luxury items	No; but applications for foreign exchange must be registered with the authorities; for imports financed by International Cooperation Administration procurement authorization and for purchases amounting to $1,000 and $10,000 by Government agencies and public utilities, respectively. Bank of Greece approval is required.
Ghana	Yes	Yes; import license generally assures release of foreign exchange.
Guatemala	No; except for wheat and wheat flour, maps of Guatemala, ceramic tile, paperboard, coarse-fiber bags, explosives, and some iron and steel products, such as structural shapes, doors, and window frames.	No.
Haiti	No; except for wheat-quota imports and tobacco products	No.
Honduras	No; except for firearms, gunpowder, munitions, explosives, alcohol, narcotics, pharmaceutical specialties, animals, plants, and plant and animal products.	No.
Hong Kong	Yes; for dutiable, strategic, or short-supply goods	No; except for few transactions financed at official rate of exchange.
Hungary	Yes	Yes.
Iceland	Yes; except for items on special conditional free list and a limited number of staples.	Yes; except for special conditional free list imports.
India	Yes; except for trade samples, or free replacements of defective articles previously imported.	Yes; foreign exchange is automatically released, however, upon presentation of validated import license to exchange bank.
Indonesia	Yes	No.
Iran	Yes; but only to release goods from customs	Exchange granted automatically for authorized imports.
Iraq	Yes	Yes; permits are obtained through licensed dealers unless specifically authorized by national bank.
Ireland	For a few products only	Yes.
Israel	Yes	Yes, import license carries authority (exchange permit) to obtain foreign exchange.
Italy	Yes; from Italian Exchange Office except for list A goods—mostly industrial raw materials and certain types of machines.	No separate permit required.
Japan	Yes	Some commodities, announced by Japanese Government from time to time, require allocation certificate; for others, import license carries right to foreign exchange.
Jordan	Yes, except for imports from nearby Arab States	Yes.
Korea, Republic of	No. A limited number of commodities require approval from certain Government agencies.	No. Items on Government's ordinary (essential) import list may be imported with foreign exchange deposited in an import account in the Bank of Korea, purchased from the bank, or purchased at Government dollar sales. Items on the special (less essential) list are importable only with exchange earned from exports.
Kuwait	No, except for firearms, munitions, poisonous substances, pork, pork products, and alcoholic beverages.	No.
Laos	Yes	Yes; import license carries right to foreign exchange.
Lebanon	do	No.
Liberia	No; except for arms, ammunition, used clothing, pharmaceuticals, and rice.	Do.
Libya	Yes	Yes; exchange permit issued automatically if import license has been issued.
Malaya, Federation of	Yes; only certain items may be imported directly from hard-currency sources. Licenses to import non-sterling-area goods via Hong Kong are issued provided certain exchange regulations are observed.	Yes; for direct imports. For imports from hard-currency areas via Hong Kong no permit is necessary but payment must be made in a sterling-area currency and shipment effected on a bill of lading issued in Hong Kong.
Mexico	Yes, for an extensive list of articles	No.
Morocco, Kingdom of (the 3 former zones of Morocco—French, Spanish, and International Zone of Tangier—were united in 1956. Tangier is the only 1 of the 3 zones which does not maintain import or exchange controls.)	Yes, with exception of goods imported sans devise, i. e., shipments financed by importer with his own funds held abroad. An import-quota system requires special permit for import of used clothing, certain textiles, readymade men's and boys' clothing, and electric cable and wire. This requirement covers all such imports regardless of means of financing or country of origin and includes imports sans devise.	Yes; except for goods imported sans devise.
Netherlands	Yes, but automatically granted for most commodities	No separate permit required.
Netherlands West Indies	No, except for certain items	Yes.
New Zealand	Yes	No; import license carries right to foreign exchange.
Nicaragua	do	No; import permit authorizes purchase of exchange.
Norway	Yes, but issued automatically for wide range of products	No; foreign exchange is automatically made available in currency specified in import license.
Pakistan	Yes	Yes; foreign exchange is automatically released, however, upon presentation of validated import license to exchange bank.

Country	Is import license necessary?	Is exchange permit required?
Panama	No; except for a limited list of agricultural commodities	No.
Paraguay	No	Do.
Peru	No; except for plants, roots, seeds, cuttings, animals, medicinal cigarettes, explosives, firearms and other weapons, alcoholic beverages, salt, tobacco, chemical and pharmaceutical products, matches, hatching eggs, and duplicating machines. A quota limitation is placed on import of automobiles.	Do.
Philippines	No permit as such, but most imports subject to exchange controls.	No permit as such, but letter of credit opened against exchange allocation considered as exchange license. Exchange generally allocated to importers semiannually for 1 or more of 6 classes of imports. A limited number of decontrolled commodities may be imported without quota limitations.
Poland	Yes	Yes.
Portugal, including the Azores and Madeira	Yes, but granted automatically for certain items	Do.
Portuguese Colonies	Yes	Yes. In Angola, however, import license carries with it authorization to obtain foreign exchange needed for payment of goods to which license pertains.
Rhodesia and Nyasaland, Federation of	Yes; for goods under quota. Many goods are prohibited, but goods not under quota and not prohibited are freely importable under open general license.	Yes; import license carries right to foreign exchange.
Rumania	Yes	Yes.
Singapore [1]	Yes; only certain items may be imported directly from hard-currency sources. Licenses to import non-sterling-area goods via Hong Kong are issued provided certain exchange regulations are observed.	Yes, for direct imports. For imports from hard-currency areas via Hong Kong no permit is necessary, but payment must be made in a sterling-area currency and shipment effected on bill of lading issued in Hong Kong.
Spain, including Canary Islands	Yes; obtainable mainly for essential raw materials	Yes; special exchange rates fixed for many import products.
Spanish Africa	Yes	Yes; import license carries right to foreign exchange.
Sudan	Yes for hard-currency imports	Yes.
Surinam	Yes, except for certain goooods paid for by a confirmed bank credit against documents valid for a term not greater than 6 months, or by documentary drafts to be collected through a bank with a term not greater than 90 days.	No; import license carries right to foreign exchange.
Sweden	No, for most goods imported from United States; import license still required for such commodities as automobiles, coal, and certain agricultural products.	No separate permit required. Foreign exchange, including dollar exchange, is automatically made available if import license specifies payment in such currency and if license is registered with a foreign exchange bank within 2 months after issuance.
Switzerland	Import license required for certain agricultural products and some types of vehicles and machinery. Also, special import authorizations must be obtained for most animals and fowl, shellfish, bees, beeswax, and honeycomb.	No.
Syria (United Arab Republic)	Yes	Do.
Taiwan (Formosa)	do	Yes; automatically granted with issuance of import license.
Thailand	No; except for 28 categories of specified goods	No; but a certificate of payment issued by Bank of Thailand or authorized bank or company is required.
Turkey	Yes	1 application suffices for both import license and exchange-control purposes.
Union of South Africa	Yes; but some goods, chiefly certain textile piece goods, gasoline and oil, and accessories for the clothing industry, are exempt.	Most consumer goods are licensed on basis of periodic exchange quotas established by Government. Luxury motor vehicles of an f. o. b. value of over £800 are prohibited. Other goods, including capital and industrial raw materials, are licensed on basis of importers' current needs; policy is to grant license applications freely for reasonable requirements. Licenses are valid for purchases in any country, including the United States.
United Kingdom	Yes; except some foodstuffs, raw materials, fertilizers, etc.	Yes; granted automatically following issuance of import license.
Uruguay	Yes	No; import license carries right to foreign exchange.
U. S. S. R.	Yes; importing government agencies are responsible for securing own permit.	Yes; all exchange is allocated by U. S. S. R. State Bank upon receipt of import license.
Venezuela	No; except for approximately 25 tariff items	No.
Vietnam	Yes	Yes; import license carries right to foreign exchange.
Yugoslavia	No; individual import license abolished July 1, 1952; since that time only licensed import firms are permitted to carry on import operations.	No; but Government maintains strict control over foreign exchange allocations.

[1] British Borneo (Brunei, North Borneo, and Sarawak) regulations are the same as Singapore's.

BRITISH TOKEN IMPORT PLAN IN 12TH YEAR

Mr. MALONE. Mr. President, on January 6, 1958, the Department of Commerce announced:

British token import plan extended.

Then followed a statement which I shall read in part:

The British token import plan is to be extended through 1958 on the same basis as for 1957.

The British token import plan, established with the United States in 1946, enables eligible United States manufacturers or other eligible United States firms to export to the United Kingdom token shipments or specified commodities whose importation from other dollar sources is otherwise generally prohibited by the British Government.

As in 1957, eligible participants will be permitted to make shipments under the plan in 1958 in an amount not exceeding 30 percent of the individual certified firm's average annual exports of specified commodities to the United Kingdom in the base years 1936, 1937, and 1938.

DEPRESSION YEARS OF 1936–38 USED AS TOKEN IMPORT BASE

Mr. President, the years 1936–38 were depression years. Total exports of the United States to all countries in those years averaged less than $3 billion, or only 14 percent of what they were in 1957. The "grandfather clause" in the British token plan permits slightly over 500 American firms which were exporting to Britain in those depression years to export, this year, 30 percent of what they did then.

In addition to the British token import plan, Britain imposes import licenses, exchange permits, a general tariff, and a key industry tariff, the latter enacted by Parliament in 1921, under the Safeguarding of Industries Act.

Less than five and one-half million dollars' worth of American products are permitted to compete against the long list of British manufactures listed under the British token import plan.

BARRIERS USED TO LURE AMERICAN FIRMS TO BRITAIN

The Foreign Commerce Weekly, in its issue of April 7, 1958, applauded the British barriers to American products as an added incentive for American firms to invest their dollars in British plants and industries. I quote from that issue:

The maintenance of import controls on a wide range of manufactures will continue to provide one of the principal reasons for American firms to seek to establish branch plants or to conclude patent-licensing agreements with United Kingdom firms.

Manufacturing in the United Kingdom affords such American manufacturers access not only to the British market, but to sterling area and certain other western European markets which might otherwise be closed to him.

Mr. President, let us analyze this remarkable statement by a Department of Commerce official in a Department of Commerce publication.

Britain maintans rigid import controls. She maintains them on a wide range of industries. She will continue to maintain these controls on a wide range of manufactures. By continuing to maintain them, she will continue to provide one of the principal reasons for American firms to establish branch plants in England.

PROTECTION PLEDGED UNITED STATES FIRMS INVESTING IN BRITAIN; RECEIVE NONE HERE

If the American firms invest their capital in Britain, they are assured of continued protection, which, incidentally, they will never receive in the United States, so long as we have a Trade Agreements Act. If they do not invest their capital in Britain, they receive no protection. If they invest their capital in Britain, they will have access to Britain's market. If they invest their capital in the United States, they will have no access, or only token access, to Britain's market.

High general tariffs, key industry tariffs, import license controls, exchange controls, and token quota systems will keep the American firms out of Britain's markets if they invest their capital in America, instead of investing it in Britain.

If American firms invest their capital in Britain they will have access both to the British market and to the entire sterling area market.

ACCESS TO BRITISH, STERLING, EUROPEAN MARKETS ASSURED

That is what the Department of Commerce says.

If American firms invest their capital in Britain, they will have access both to Britain's market and to the sterling area market and also to certain European markets.

That is what the Department of Commerce also says. It is not specific or explicit about the other European markets, but the statement made, which I have quoted, implies that Britain has power to keep American goods out of other European markets, but can get goods manufactured by American firms in Britain into these European markets.

SCHEME TO LURE UNITED STATES INVESTMENTS IN INTERNATIONAL ECONOMIC BLACKMAIL

Mr. President, that is the European Economic Community. It was created for Europe, as it should be. But the United States is the sucker; the United States is the one who does not understand the effect of the shading of a tariff or an import quota or exchange permit, thus forcing American firms to locate factories in those countries, to supply that market, and then to supply the United States market with the products of that cheap labor.

Mr. President, if this is true it verges on international economic blackmail.

It is one thing for a country to threaten: "Invest your American dollars in our country, or we will keep you out of our market."

It is quite another thing for a country to say: "Invest your American dollars in our country or we will keep you out of other European countries."

UNITED STATES FREE IMPORT POLICY OPENS DOORS OF AMERICAN MARKET TO FOREIGN-MADE PRODUCTS

Omitted from the Department of Commerce report is this important fact: while an American firm which invests its capital in England has access to the British market, the sterling area market, and certain European markets, it also, under our free import policy, has access to the entire American market.

American firms can invest American dollars, earned by the sweat of American workers, in any foreign country, hire the cheap labor in those foreign countries, manufacture products, and send them back to this country duty free, or almost duty free, to flood our markets, close American factories, mills, and farms, and throw thousands or tens of thousands of American citizens out of work.

Britain is not the only country that has token imports systems. France and Italy are among others.

BRITISH TOKEN IMPORT PLAN DESCRIBED IN MEMORANDUM

Mr. President, I ask unanimous consent to have printed in the RECORD a memorandum—prepared for me by the Department of Commerce—on the British token import plan.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM WITH RESPECT TO THE BRITISH TOKEN IMPORT PLAN

The British Government controls the import of goods from dollar sources because they consider it necessary to conserve their dollar exchange for what they believe to be the most important needs of the British economy. Their import licensing authorities generally permit the import of only those goods from the United States and other dollar countries which they consider to be essential and for which adequate substitutes are not alternatively available at home or from some other nondollar source of supply. Under this procedure, United Kingdom imports which have to be paid for in dollars have consisted mainly of basic foods and feedstuffs, raw materials, and machinery and other producers' goods. The token plan was therefore set up by the British Government in 1946 to afford an opportunity to firms which had established a prewar market, built up good will and trade contacts in the United Kingdom for products on an approved list of commodities, principally consumer goods, which would not ordinarily be licensed for import from this country or Canada under the operation of these controls, to maintain token quantities of their products before the British public until such time as they could again be imported freely.

1. Section 361.13 of the attached copy of the Department of Commerce regulations governing the operation of the British token import plan lists the commodity groups which may be imported into the United Kingdom under the token plan arrangements. On the basis of statistics of trade during the prewar base period years 1936–38 quotas have been established for import from the United States for about 200 of these commodity groups.

More that 500 United States firms have participated in the British token import plan arrangements. In this connection, it should be noted that Section 361.12 of the token plan regulations attached, make such information available to private persons or firms provided they comply with certain conditions. Lists of firms certified to participate in the token plan may be made available to certain types of United States traders, upon application and appropriate justification, and the payment of a $5 fee for each list by commodity group. The regulation further provides that such lists, when made available by the Bureau of Foreign Commerce, must not be published or circulated in any form.

2. There are no other arrangements between the United States and the United Kingdom comparable to the British token import plan. However, the British Government has in the past 3 years either increased or established quotas for additional commodities of interest to United States traders. These include, among others, the arrangements providing for the import of 600 motor cars from North America; of $8.4 million of hardwood from the dollar area; and, of $850,000 of United States periodicals for newsstand sale.

3. There is no list of United States products which are excluded entirely by Britain from importation into that country. The British Government import licensing regulations show only those items which can be imported freely or for which a quota has been established for import from the United States or the dollar area. The regulations state that applications by British importers to import other products not covered by these lists will be considered individually on their own merits.

Items are generally licensed for import from the United States only when they are considered by the United Kingdom import licensing authorities to be essential to the British economy and a suitable substitute is not alternatively available from a nondollar source of supply. These criteria would presumably exclude most consumer goods and many types of general purpose machinery and other capital goods. However, the British Token Import Plan covers many categories of consumer goods which would otherwise be excluded.

Special licenses apparently are granted from time to time for some other consumer goods not included under the Token Plan. Moreover, especially in the producers goods field, while some particular item of equipment may not meet the import licensing criteria, many other types of special purpose equipment in the same category are licensed for import.

All these factors tend to decrease the number of categories of American products entirely excluded from the British market by the operation of the United Kingdom's import licensing controls. While there are relatively few categories of goods, entirely excluded from the British market, there doubtless are a number of individual American products ranging from luxury type consumer goods such as "fur coats" to producers goods such as "twist drills" which, according to our information, may not have been licensed for import from the United States in any quantity over the last few years.

(Prepared by British Commonwealth Division Bureau of Foreign Commerce, OEA January 25, 1957.)

DRASTIC LIMIT, HIGH TARIFF PUT ON AMERICAN CARS BY BRITAIN WHILE UNITED STATES LOWERS DUTIES ON BRITISH VEHICLES

Mr. MALONE. Mr. President, I find it very interesting that under the British token import plan 600 motorcars may be imported into the United Kingdom from North America. North America would, of course, include Canada, so I do not know how many cars may be imported from the United States.

I do know that on motorcars imported from the United States the British tariff duty is 30 percent, and on top of that is a 25-percent tax. On motorcars imported from Canada the duty is 20 percent, under the British tariff differential which Britain gives to all her Commonwealths. So I would assume that most of these motorcars, 600 in number, were imported from Canada, where American manufacturers produce motorcars for export to foreign countries, including Red China.

Duties on British motorcars imported into the United States have been low-

ered to 8½ percent ad valorem, or 22½ percent less than the duty Britain charges. It is also 1½ percent less than the excise tax our Government imposes on American cars manufactured in America.

NINETY-FIVE THOUSAND FIVE HUNDRED AND TEN BRITISH CARS MARKETED IN UNITED STATES IN 1957

Recently we read in press dispatches that American firms manufacturing goods in Canada have been precluded, or at least they thought they had been, by our own rules and regulations, with reference to exporting to Communist China. However, Canada exports to Red China. Recently I read that there is to be a ruling which will release the American manufacturers doing business in Canada so they may also export to Red China. We have many ways of getting around what we are telling our own people we are doing.

During 1957, while Britain was limiting imports of motor cars—we call them automobiles—from North America to 600 vehicles, the United States was importing from Great Britain 95,510 new automobiles valued at $122,599,163.

BRITISH TOKEN IMPORT PLAN REGULATIONS

Mr. President, I ask unanimous consent to have printed in the RECORD "Regulations Relating to the British Token Import Plan," prepared by the Department of Commerce and supplied me by the Department.

There being no objection, the regulations were ordered to be printed in the RECORD, as follows:

REGULATIONS RELATING TO THE BRITISH TOKEN IMPORT PLAN

TITLE 15—COMMERCE AND FOREIGN TRADE

Chapter III—Bureau of Foreign Commerce, Department of Commerce

Part 361—British Token Import Plan

Section

361.2 What the plan is.
361.3 Procedure for obtaining certification for prewar exports.
361.4 Issuance of token quota vouchers.
361.5 Use and transfer of token quota vouchers.
361.6 Validity period of token quota vouchers.
361.7 Procedure for distribution of quota balances not issued by June 30.
361.8 Additional information and reports.
361.9 Effect on United States export restrictions.
361.10 How to obtain information.
361.11 Denial of token plan privileges.
361.12 Inquiries on British token import plan participants.
361.13 Commodities subject to the plan.

Authority: Sections 361.2 to 361.13 issued under Revised Statutes 161; title 5, United States Code 22.

SEC. 361.2. What the plan is: (a) The British token import plan is an arrangement with the British Government which permits the United States manufacturers, their authorized agents, or other qualified exporters with established prewar trade connections in the United Kingdom (England, Scotland, Wales, and Northern Ireland) to export to that area token shipments of the specified commodities listed in section 361.13, the importation of which the British Government generally prohibits from dollar sources of supply under United Kingdom licensing procedure.

(b) Under the plan, the British Government will permit imports in a yearly amount not to exceed 30 percent of the value of the average annual shipments of the specified commodities of each qualified exporter during a base period consisting of the years 1936, 1937, and 1938. The British Government requires appropriate evidence, issued under authority of the United States Government, that manufacturers wishing to take advantage of opportunities under the arrangement did in fact make shipments of the commodities to the United Kingdom during the base period. The Bureau of Foreign Commerce has agreed to act as certifying agent and issue appropriate certificates, in the form of token quota vouchers, which the exporter forwards to the British importer for presentation to the British Board of Trade as a basis for obtaining an import license. The procedure for obtaining certification for prewar exports is set forth in section 361.3.

(c) An overall national quota, mutually accepted by the Department of Commerce and the British Board of Trade, has been computed for each commodity group from official trade statistics for the base period years 1936, 1937, and 1938. Priority in the distribution of this overall national quota will continue to be given (as in prior years) until June 30 to those individuals and firms (hereinafter referred to as "firms") which are able to furnish appropriate evidence substantiating the value of their prewar trade with the United Kingdom during the base period in the specified commodities. However, such priority is subject to the conditions set forth in section 361.4.

(d) In addition, the procedures make possible a limited participation by individuals and firms (hereinafter referred to as "firms") not having a prewar export base under certain conditions, as hereinafter more fully explained in section 361.7.

SEC. 361.3. Procedure for obtaining certification for prewar exports—(a) Eligibility for certification: (1) Manufacturers who exported items on the commodity list (sec. 361.13) to the United Kingdam (England, Scotland, Wales, and Northern Ireland) during the base period 1936, 1937, and 1938, are eligible for certification under the plan, in respect to those items. "Manufacturer" means an individual, firm, or corporation that manufactures products sold through established markets. Such manufacturers must themselves request certification under the plan and not through any agent. However, manufacturers may, under the procedure set forth in section 361.4 (b), authorize an agent to make application for and to receive their token quota vouchers, and to handle the distribution and sale of their products under the token plan.

(2) Firms, other than manufacturers, having an established export trade from the United States to the United Kingdom during the years 1936, 1937, and 1938 in items on the commodity list (sec. 361.13), may be eligible for certification in respect to those items if they can demonstrate clearly that such trade was developed by them and not by a manufacturer. Firms, not manufacturers, which believe that they are eligible to participate in the token plan may request a determination of eligibility from the British Token Import Plan Unit, British Commonwealth Division, Bureau of Foreign Commerce, Department of Commerce, Washington, D. C. Such a request must fully identify their export connections with the United Kingdom during the years 1936, 1937, and 1938, and must contain a detailed description of the manner in which such trade was developed. Such firms must themselves and not through any agent request certification under the plan. Moreover, it is expected that such firms will themselves actively participate in the distribution and sale to United Kingdom importers of the commodities for which certification is required.

(b) Requests for certification: All applicants requesting certification under the British Token Import Plan are required to submit a "Request for Certification of Prewar Exports to the United Kingdom," Form FC 558.[1] Requests for certification need be submitted only one time for each commodity group, unless otherwise required by the Bureau of Foreign Commerce. A separate request for certification (1 copy only) must be submitted on Form FC 558 [1] for each commodity group covered by the plan. Requests for certification must be submitted to the British Token Import Plan Unit, British Commonwealth Division, Bureau of Foreign Commerce, Department of Commerce, Washington, D. C., prior to June 30; no applications will be considered after that time. Requests for certification must be signed by one of the following persons: In the case of an individual owner, by that individual applicant; in the case of a partnership, by a partner; in the case of a corporation, by an officer. The quantity and value of exports listed on Form FC 558 [1] by the applicant must cover only the permitted items of each commodity group shown on the commodity list (sec. 361.13). The applicant must also certify that the statements contained in its request are correct and complete and that the data supplied are information taken from verifiable records and other documentary evidence which are available for inspection by any duly authorized representative of the United States Department of Commerce. The name and title of the responsible official(s) designated to sign applications, on behalf of the applicant, for token quota vouchers must also be stated on the form. All applications should be filed as early in the year as possible.

(c) Certificates of eligibility: (1) Firms certified as eligible to participate in the token plan on the basis of their prewar exports to the United Kingdom of items on the commodity list (sec. 361.13) will be issued by the Bureau of Foreign Commerce at the beginning of the plan year a certificate of eligibility, Form FC 926.[1] This certificate will inform certified firms of the amount of quota in each commodity group(s) which has been reserved for them until June 30 of the plan year. The quota specified on the certificate will amount to 30 percent of the average annual value (to the nearest $25) of the certified firm's exports to the United Kingdom during the years 1936, 1937, and 1938 as shown by the verifiable figures listed in its Request for Certification of Prewar Exports to the United Kingdom, Form FC 588.[1] In all cases the certificates of eligibility when issued will be forwarded by the British Token Import Plan Unit directly to the certified firms named on them. Those certified firms which have appointed duly authorized agents in accordance with the provisions of section 361.4 (b) may transmit their certificates of eligibility to such agents if necessary to enable the agencies to carry out their functions under the token plan. A duplicate of the certificate of eligibility will be forwarded through the United States Embassy in London to the British Board of Trade and a triplicate retained by the British Token Import Plan Unit.

(2) Certificates of eligibility serve only as a notice of the token plan quotas which will be made available to the eligible firm named on the certificates (or in the case of manufacturers only, to their duly authorized agents), providing that such firms meet the conditions specified in section 361.4. These certificates, by themselves, do not entitle the firms named on them to make any shipments under the token plan. Certificates of

[1] Filed as part of the original document. Copies may be obtained upon request from the British Token Import Plan Unit, British Commonwealth Division, Bureau of Foreign Commerce, Department of Commerce, Washington 25, D. C.

eligibility are neither transferable nor negotiable; they apply only to the certified firms named on them.

SEC. 361.4. Issuance of token quota vouchers—(a) to certified firms. (1) A certificate of eligibility entitles the United States firm named on the certificate to apply prior to June 30, for one or more token quota vouchers to the amount of the quota specified on the certificate. Token quota vouchers serve the same purpose as token scrip issued in previous years by the Office of International Trade (now the Bureau of Foreign Commerce) under the token plan. The British Board of Trade will issue import licenses to British importers on the basis of these token quota vouchers.

As an alternative, BFC will consider requests from a certified firm for permission to utilize its quota, in accordance with provisions of this section and sections 361.5 and 361.6, to ship other closely related items on the approved list of token plan commodities (sec. 361.13), instead of those items which it shipped during the base period as specified on its certificate of eligibility. Since, as provided in section 361.5, token quota vouchers issued by the Bureau of Foreign Commerce must be used only to ship the items specified on the vouchers, applications to ship items not specified on the applicant's certificate of eligibility must be accompanied by a letter of explanation with complete details of the proposed transaction including the following information: Whether item is manufactured in own plant(s) or is purchased for resale; and to whom payment is to be made direct by the United Kingdom importer named on the voucher.

(2) Token quota vouchers will be issued (to the nearest $5) by the Bureau of Foreign Commerce to firms which have received Certificates of Eligibility, providing that such firms have in their possession at the time they apply for the vouchers an accepted order(s) from their British customer(s) for the amount of quota for which application is made. "Accepted order" means a contract with a British buyer involving the sale and purchase of the certified firm's products. In the case of a certified manufacturer or his authorized agent the products involved must be those produced by the certified manufacturer and by no other person or firm. Accepted orders may be conditioned upon the issuance of a token quota voucher, or, a validated export license by the Department of Commerce (if such an export license is required for the commodity) or the issuance to the British importer of an import license by the British Board of Trade, or such other government document as may be required in connection with the transaction. Evidence of an accepted order must be in writing and consist of documents which set forth in definite terms the offer of the British buyer to buy and the United States seller's acceptance, or the acceptance by the British buyer of the United States seller's offer. Such documents may take the form of an original or photostatic copy of either the contract signed by both the United States seller and the British buyer, or of letters, telegrams, cables, or other documents resulting in a contract between the parties. Such evidence must be kept available for production and inspection upon demand by any duly authorized representative of the Department of Commerce, and must be retained by the applicant for 3 years from the date of receipt by the Department of the application for token quota vouchers covering the accepted orders. Where the export transaction does not involve a normal purchase and sale contract in the customary form or where for other stated reasons the term "accepted order" as used herein does not apply, the applicant must attach to its application a full description of the nature of the transaction.

(3) A separate application for a token quota voucher must be submitted for each British customer. An application may be submitted for the full amount of the accepted order or any part thereof. In addition, one application may list a number of accepted orders for items in the same commodity group placed by the same British customer. If applicant is certified in more than one commodity group, a separate application for a token quota voucher must be made for each such commodity group and for each customer.

(4) Applications for token quota vouchers must be made on FC Form 927,[1] "Application for token quota voucher (Form A.—Firms Certified on Basis of Prewar Exports)" and must be signed by one of the following persons: the individual owner; a partner; a corporate officer; or other designated responsible official. Such applications must be submitted in duplicate to the British Token Import Plan Unit, British Commonwealth Division, Bureau of Foreign Commerce, Department of Commerce, Washington, D. C., prior to June 30. In exceptional circumstances, the Bureau of Foreign Commerce will consider written requests from certified firms for a reasonable extension of the June 30th time limit on submission of Form FC 927,[1] "Application for Token Quota Voucher (Form A.—Firms Certified on Basis of Prewar Exports)." Such requests must be received by the British Token Import Plan Unit not later than June 15, and must contain a full and detailed explanation of the circumstances requiring the extension. The request, if granted, will apply only to that firm and for the current token plan year. The June 30 time limit on submission of token quota voucher applications, Form FC 927[1] may also be extended by the Bureau of Foreign Commerce with respect to any specific commodity group, where in its opinion such extension is warranted by the nature of the commodity or the general situation as to trade in that commodity. If such a general extension is made, notice thereof will be published promptly in the Foreign Commerce Weekly.

(5) The application for a token quota voucher becomes the token quota voucher only after it has been stamped with the Bureau of Foreign Commerce validation stamp, and returned to the applicant by the Bureau of Foreign Commerce. Any application form not so stamped, is not valid and will not be honored by the British Board of Trade. A validated copy of the application will be returned to the applicant to be forwarded by it to the British importer who has placed the accepted order, for attachment to the latter's application for import license.

(b) To duly authorized agents: (1) A manufacturer who has been certified under the token plan and who has been issued a certificate of eligibility may authorize an agent to make application for and to receive token quota vouchers against the manufacturer's certificate of eligibility on the same basis as described in paragraph (a) of this section. "Authorized agent" means an export merchant, export commissioner, or any other person who has been authorized by the manufacturer to handle products produced by that manufacturer.

(2) Such a certified manufacturer must submit a single copy of Form FC 929[1] "Authorization of Agent To Act for Manufacturer" for each commodity group in which he elects to authorize an agent to act for him under the token plan. Such authorization will be considered valid for only one plan year unless sooner modified or revoked by the manufacturer. Such forms must be submitted by the certified manufacturer to the British Token Import Plan Unit, British Commonwealth Division, Bureau of Foreign Commerce, Washington 25, D. C.

(3) Certified firms, other than manufacturers, may not authorize an agent to make application for and to receive any token quota vouchers available to them.

Section 361.5. Use and transfer of token quota vouchers—(a) by certified manufacturers: Token quota vouchers are neither transferable nor negotiable. Vouchers are issued to a certified manufacturer or to his duly authorized agent on the basis of accepted orders from his British customer for products produced by that manufacturer. This means that token quota vouchers issued by the Bureau of Foreign Commerce to a manufacturer certified to participate in the British token import plan must be used only to ship to the United Kingdom those products specified on the voucher which are produced by that manufacturer and by no other person or firm.

(b) By authorized agents of certified manufacturers: Under the token plan an agent can only be authorized by a certified manufacturer to handle products produced by that manufacturer and by no other person or firm. This means that a token quota voucher issued to an agent must be used only to ship to the United Kingdom those products specified on the voucher which are produced by the certified manufacturer who has authorized him to act as his agent and not those produced by any other person or firm.

(c) By certified firms other than manufacturers: The Bureau of Foreign Commerce will certify as eligible to participate as principals in the token plan those firms other than manufacturers which have been able to demonstrate clearly that they and not the manufacturer whose products were shipped, developed an established export trade in an item on the commodity list (section 361.13) from the United States to the United Kingdom during the years 1936, 1937, and 1938. Such firms may use the token quota vouchers which have been issued to them, to ship to the United Kingdom products which may be purchased on the open market from any supplier in the United States, up to the amount specified on the voucher. However, token quota vouchers are neither transferable nor negotiable. This means that firms other than manufacturers, which have been issued vouchers, must use such vouchers themselves and must not permit any other person or firm to use such vouchers.

(d) Responsibility: Manufacturers, their authorized agents, and those firms other than manufacturers which have been issued token quota vouchers by the Bureau of Foreign Commerce under the token plan shall take every reasonable precaution to assure that those vouchers are used in conformity with the provisions and conditions of this part (British token import plan regulations); the terms of the token quota vouchers; and any other specific instructions issued by Bureau of Foreign Commerce relating thereto.

SEC. 361.6. Validity period of token quota vouchers: Token quota vouchers issued during any calendar year (whether before or after June 30) for which the British token import plan is operative will be valid through February of the following year. In no event will import licenses granted by the board of trade against token quota vouchers issued under any calendar year program be valid beyond March 31 of the following year. Accordingly, all shipments must be landed in the United Kingdom by that date.

[1] Filed as part of the original document. Copies may be obtained upon request from the British Token Import Plan Unit, British Commonwealth Division, Bureau of Foreign Commerce, Department of Commerce, Washington 25, D. C.

SEC. 361.7. Procedure for distribution of quota balances not issued by June 30—(a) (1) Announcement of quota balances available for distribution: Announcements of the amount of quota balances available for issue in each specified commodity group after June 30 will be published in the Foreign Commerce Weekly starting with the issue published during the second week of July. Announcements will also be made in press releases which will be available to trade journals.

(2) "Quota balances" means the balance of quota in any specified commodity group not issued by the Bureau of Foreign Commerce in the form of Token Quota Vouchers under the conditions set forth in § 361.4 to firms certified on the basis of their prewar exports to the United Kingdom, as announced in the Foreign Commerce Weekly after June 30.

If circumstances permit, the unsubscribed for, unissued quota balances for any commodity group will be made available for the shipment of other closely related items shown on the approved list of Token Plan commodities (§ 361.13).

(b) *Eligibility for participation.* (1) In addition to firms certified on the basis of their prewar exports as provided in § 361.3, U. S. manufacturers of a commodity for which a quota balance is available (or their duly authorized agents), whether or not such manufacturers had an established prewar trade with the United Kingdom during 1936, 1937 and 1938 or had been issued Token Quota Vouchers in that commodity group prior to June 30, will be considered eligible to share in the distribution of that quota balance subject to the conditions set forth in this section. Firms other than manufacturers are eligible to share in the distribution of quota balances only if they have been certified on the basis of their prewar exports. (See definitions of "Manufacturer" in § 361.3 (a) and of "Authorized Agent" in § 361.4 (b).)

(2) Any quota balance so distributed during any one year of Token Plan operations is no way establishes a precedent or a claim to a quota for that applicant in any future Token Plan arrangements.

(c) Application for quota balance; Token Quota Vouchers:

(1) Time and manner. To share in the initial distribution of quota balances, application for Token Quota Vouchers may be made by the eligible firms described in paragraph (b) of this section. Such applications together with any supporting documents required by the Bureau of Foreign Commerce must be received in the British Token Import Plan unit not later than August 31; no applications will be considered after that date unless with respect to a specific commodity group, an announcement is published in the Foreign Commerce Weekly extending the time limit for that commodity group. Applications received after August 31 but not later than December 31 will be considered to the extent indicated in paragraph (d) (1) of this section. Applications must be made on Form FC 928.[1] "Application for a Token Quota Voucher (form B: Share in Distribution of Quota Balances)," and submitted in triplicate to the British Token Import Plan Unit, British Commonwealth Division, Bureau of Foreign Commerce, Department of Commerce, Washington 25, D. C. A separate "Application for a Token Quota Voucher," form FC 928,[1] must be submitted for each British customer in each commodity group. One application may list a number of accepted orders for items in the same commodity group placed by the same British customer. Applications must be signed by one of the following persons: The individual owner; a partner; or a corporate officer. At the time that they apply for Token Quota Vouchers, all applicants must have in their possession an accepted order(s) (as defined and described in § 361.4 (a)) from their British customer(s) for the amount of quota balance for which application is made. Evidence of such accepted orders must be kept available for production and inspection upon demand by any duly authorized representative of the Department of Commerce, and must be retained by the applicant for 3 years from the date of receipt by the Department of the application for Token Quota Vouchers covering the accepted orders. Where the export transaction does not involve a normal purchase and sale contract in the customary form or where for other stated reasons the term accepted order as used herein does not apply, the applicant must attach to its application a full description of the nature of the transaction.

(2) Evidence of agent's authority: If an application for a token quota voucher (form B: Share in distribution of quota balances), form FC 928 is made by an agent, evidence of the agent's authority must be submitted to the British token import plan unit as provided in section 361.4 (b).

(d) Apportionment of quota balances by Bureau of Foreign Commerce: (1) The balance of quota available for initial distribution in any specified commodity group after June 30 will be distributed, as provided in subparagraph (2) of this paragraph, among eligible applicants who have submitted, prior to September 1 (except where time limit is extended as provided in paragraph (c) (1) of this section), their "Application for a token quota voucher (form B.—Share in distribution of quota balances)", form FC–928. However, if any quota is still available after such initial distribution is made, consideration will also be given to applications received between September 1 and December 31, in the order of their receipt, insofar as practicable.

(2) In the initial distribution of the total quota balance in any specified commodity group consideration will be given to the amount of the accepted order supporting the application; the number of applicants who have applied of the quota balance available in that commodity group; the total amount applied for against that quota balance; the total amount of the available quota balance; the minimum amount of quota balance which applicant has stated that he is willing to accept; and, such other factors as may aid to assure, insofar as practicable, a fair and equitable distribution among all eligible applicants.

(e) Token quota voucher: (1) Upon determination by the Bureau of Foreign Commerce of the distribution which can be made of the quota balances, token quota vouchers will be issued against approved applications. The original copy of such approved applications becomes a token quota voucher, only after it has been stamped with the Bureau of Foreign Commerce validation stamp and returned to the applicant by the Bureau of Foreign Commerce. A duplicate copy of the voucher will be forwarded through the United States Embassy in London to the British Board of Trade and triplicate retained by the British Token Import Plan Unit.

(2) The provisions of section 361.5 with respect to the permissible use and transfer of token quota vouchers, and of section 361.6 with respect to their validity period are also applicable to token quota vouchers issued by the Bureau of Foreign Commerce under the procedure for distribution of quota balances set forth in this section.

SEC. 361.8. Additional information and reports—(a) Concerning changes in information submitted to the Bureau of Foreign Commerce: All information submitted in any request for certification, from FM 558[1] in any applications for token quota vouchers, form FC 927[1] or form FC 928,[1] or other information submitted in connection therewith, shall be deemed to be continuing representations of the existing facts and circumstances. Any material or substantive change in the information submitted, including the terms of the accepted orders or contracts whether the request or application has been granted or is still under consideration, shall be reported promptly to the British Token Import Plan Unit, British Commonwealth Division, Bureau of Foreign Commerce, Department of Commerce, Washington 25, D. C.

(b) Concerning requests and applications: Every person or firm which has filed a Request for Certification, Form FC 558,[1] or an application for a token quota voucher, Form FC 927[1] or Form FC 928[1] shall (in addition to the information called for in this part in connection therewith) furnish such information with respect to such request or application, including accepted orders, as may be required from time to time by the Bureau of Foreign Commerce.

(c) Concerning certificates of eligibility and token quota vouchers: Every person or firm to which a certificate of eligibility or a token quota voucher has been issued shall also furnish such other information as may be required from time to time by the Bureau of Foreign Commerce including a report as to the use of the token quota vouchers issued or to be issued to them and the submission of bills of lading, shipper's export declarations, and other related documents.

SEC. 361.9. Effect on United States export restrictions: The issuance of certificates of eligibility or token quota vouchers in no way affects United States export restrictions which may be applicable to commodities coming under the token plan. A validated export license must be obtained where required.

SEC. 361.10. How to obtain information: Announcements regarding the British token import plan will be published in the Foreign Commerce Weekly. Announcements also will be made in press releases which will be available to trade journals. Copies of announcements and copies of all forms needed in connection with the token plan may be obtained from the British token import plan unit, British Commonwealth Division, Bureau of Foreign Commerce, Department of Commerce, Washington 25, D. C., or from field offices of the Department of Commerce.

SEC. 361.11. Denial of token plan privileges. (a) Upon notice and opportunity to be heard, the privilege of participating, directly, or indirectly, under the British Token Import Plan of any manufacturer, agent, or any other person or firm may be modified, suspended, or revoked at any time by the Bureau of Foreign Commerce upon a determination that the public health, interest, or safety requires such action, or that the person or firm has willfully violated any provisions of this part (British Token Import Plan regulations), including the terms and conditions of token quota vouchers, or has willfully furnished false information or concealed any

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material fact in the course of operation under the regulations. Where appropriate, a temporary order may be issued without notice, pending the making of a final order.

(b) In the absence of such a determination, no modification, suspension, or revocation order will be made unless prior to the institution of such action facts or conduct warranting such action have been called to the attention of the person or firm involved, in writing, and such person or firm has been accorded opportunity to demonstrate or achieve compliance with all lawful requirements.

(c) Appeals from orders issued under this section may be taken to the Appeals Board, Department of Commerce, Washington 25, D. C.

SEC. 361.12. Inquiries on British Token Import Plan participants: (a) The Bureau of Foreign Commerce will consider requests from firms in the United States, such as resident buyers, interested in obtaining the names and addresses of firms which have been certified to participate in the British Token Import Plan on the basis of their prewar exports to the United Kingdom. Complete lists of such participants are generally not available until after June 30, which is the closing date for requesting such certification. The list which is made available will be comprised of those firms certified in the preceding Token Plan year plus any other participants certified in the current plan as of the date of the request.

(b) To receive consideration, such requests must be made in writing, addressed to the British Token Import Plan Unit, British Commonwealth Division, Bureau of Foreign Commerce, United States Department of Commerce, Washington, D. C., and must contain information showing the requisite legitimate interest, including the following items:

(1) Name of the applicant.

(2) Nature of his business.

(3) Commodity in which he is interested.

(4) Purpose for which the applicant requests a list of names and addresses of firms dealing in that commodity under the British Token Import Plan.

(c) Such lists, when made available by the Bureau of Foreign Commerce, must not be published or circulated in any form.

(d) An application charge of $5 will be made for each list (by commodity group). The charge should accompany the request and is not refundable. Check or money order payable to the Treasurer of the United States will be accepted.

SEC. 361.13. Commodities subject to the plan: The commodities listed below have been approved by the British Board of Trade as those to which the British Token Import Plan shall apply. The number preceding each commodity is the "commodity group number," which must be entered on all forms which require this information.

FOOD AND DRINK

156. Bottled fruits, processed for serving with ice cream.
85. Canned lobster.
75. Canned macaroni and spaghetti.
76. Canned pork and beans.
74. Canned soups.
84. Canned vegetables, including tomato juice, but excluding tomatoes and tomato puree.
87. Cheese rennet.
118. Glace cherries.
1. Jelly powder.
120. Marshmallow (cooking ingredient).
82. Mustard.
83. Olives preserved in salt or brine.
188. Onion and garlic salt.
219. Pectin, domestic pack.
157. Pickles.
185. Quick-frozen fruits.
119. Quick-frozen peas.
73. Rolled or flaked oats.
178. Sugar confectionery of all kinds, excluding cocoa preparations.
86. Vegetable butter coloring.
77. Whisky.

TOBACCO MANUFACTURES

186. Cigarettes.
187. Manufactured smoking tobacco and plug tobacco.

LEATHER PRODUCTS

151. Fancy leather goods, excluding trunks, traveling bags, handbags, wallets, and pochettes.
221. Leather footwear.
138. Leather gloves, including industrial gloves.

RUBBER MANUFACTURES

142. Elastic braid.
91. Household rubber gloves.
68. Rubber bands.
67. Rubber bathing caps.
47. Rubber belting, other than conveyor belting.
69. Rubber erasers.
152. Rubber garden hose.
15. Rubber heels and soles.
80. Rubber hot-water bottles.
94. Rubber soling slabs.
16. Surgeon's rubber gloves.
10. Waterproof rubber footwear of all types, including leather footwear with rubber soles.

COTTON FABRICS AND MANUFACTURES

168. Bed ticking.
141. Cotton boot and shoe and corset laces and braid.
143. Cotton ribbon and tapes; trimmings of cotton and cotton-rayon mixtures.
79. Embroidery and embroidered articles (other than apparel) of descriptions currently manufactured in the United Kingdom for the home market, or which the base fabric is wholly or mainly of cotton.
170. Finished cotton sewing thread.
167. Furnishing fabrics of cotton and cotton-rayon mixtures.
169. Quilts, counterpanes, and other bed coverings of cotton and cotton-rayon mixtures.
166. Woven cotton piece goods of all kinds.

WOOLEN FABRICS

147. Wool and mohair plushes and other wool pile fabrics.
146. Woolen damasks, tapestries, and brocades.
145. Woolen tissues.

SYNTHETIC FIBER MANUFACTURES

63. Artificial silk woven fabric of a width not exceeding 12 inches.
7. Woven fabric of a width exceeding 12 inches of artificial silk or of artificial silk mixed with other materials except silk. (Furnishing fabrics of cotton-rayon mixtures under group 167.)

LINEN MANUFACTURES

162. Damask table linen.
164. Finished linen thread.
163. Linen canvas not under 12 ounces per square yard.
161. Printed or dyed linen piece goods.

APPAREL

6. Artificial silk clothing, excluding hose. (Women's hose under group 179.)
64. Athletes' supporters.
108. Children's outer garments, knitted, netted, or crocheted, excluding hose. (Artificial silk clothing under group 6; cotton and woolen stockings under group 200.)
203. Corsets, girdles, and brassieres.
202. Garter and sanitary belts.
107. Men's and boys' outer garments of material other than artificial silk, excluding knitted, netted, or crocheted. (Artificial silk clothing under group 6; men's shirts under group 139.)
140. Men's felt hats, lined or unlined.
139. Men's shirts.
201. Men's socks.
106. Underwear of material other than artificial silk, excluding corsets, girdles, and brassieres. (Artificial silk clothing under group 6.)
92. Proofed clothing of all kinds (including blankets, baby pants, crib sheets, and neoprene-coated gloves).
200. Women's and children's cotton and woolen stockings.
199. Women's dresses other than of silk or artificial silk. (Women's dresses of artificial silk under group 6.)
5. Women's felt hats.
179. Women's full-fashioned stockings of silk and artificial silk.

WOOD MANUFACTURES

81. Domestic woodware (clothes pegs, etc.).
149. Furniture of bamboo, cane, wickerwork or similar material.
222. Manufactures of mulga wood.
158. Wood wool (excelsior).
62. Wooden mouldings for picture and mirror frames.
61. Wooden picture and mirror frames.
70. Wooden spring blind or shade rollers.

PAPER AND RELATED PRODUCTS

210. Adhesive labels.
112. Blotting paper.
117. Bristol boards.
116. Duplicating paper.
115. Greeting cards.
211. Indexing or filing cards.
65. Paper dress patterns, including incomplete tissue sheets.
208. Paper towels and napkins.
114. Printing paper of the following types: Book, text, cover, litho, offset.
209. Snapshot mounting corners.
113. Stationery paper in uncut form and writing paper in large sheets (bond ledger).
66. Wallpaper.
123. Yellow varnished paper for bottle-cap linings.

GLASS, CLAY, AND MANUFACTURES

148. Bottles other than ornamental, pharmaceutical, medicine, wine, and spirit bottles.
171. Colored sheet and plate window glass.
122. Glazed wall tiles.
154. Illuminating glassware of the following: Oil-lamp chimneys, hurricane-lamp glasses, globes, and shades.
4. Industrial porcelain insulators.
177. Mirrors conforming in shape and size to those in current use for utility furniture.
78. Table glassware as follows: Plain stemware, tumblers, tableware, and heat-resisting glassware.

IRON AND STEEL MANUFACTURES

49. Axes and ax handles.
197. Belt fasteners for conveyor belts and hand tools for conveyor-belt fasteners.
56. Bolts and nuts of all kinds, other than precision bolts and nuts.
99. Carpet sweepers and repair parts.
23. Domestic cutlery (includes only knives, forks, and spoons).
127. Domestic hand-operated meat mincers, coffee and spice mills.
217. Furniture casters and parts thereof.
20. Furniture of metal (other than domestic furniture).
89. Gasoline and kerosene pressing irons.
96. Hard haberdashery, such as eyelets and hooks for boots and shoes, hooks and eyes, safety and other pins, snap fasteners, studs, steel fasteners, etc. (excluding hair combs).
218. Ladies' handbag and purse frames.
21. Locks, padlocks, keys, and key blanks.
124. Machine knives.

55. Nails and staples of all kinds except for decorative purposes (including hobnails and boot and shoe studs and spikes).
125. Paper machine wires.
134. Pipe joints of iron and steel excluding malleable cast iron and nonmalleable cast iron.
133. Pipe joints of nonmalleable cast iron.
184. Precision screws and other precision turned parts of metal.
57. Rivets of iron and steel.
190. Safety razors.
25. Slide fasteners.
194. Spectacle frames other than of gold or gold filled.
189. Stropping machines, razor grinders, and razor sharpeners, all hand operated.
172. Weighing apparatus of less than 5-hundredweight capacity, and sold at a retail price not exceeding 50 pounds sterling.
126. Woven wire cloth, gauze, fabric, or meshing.

ALUMINUM AND MANUFACTURES

174. Aluminum and aluminum alloys in sheets, disks, wire, tubes, rods, angles, shapes, and sections.
54. Aluminum cooking utensils.
175. Aluminum kitchen utensils other than cooking utensils.
173. Beer barrels, made of aluminum or aluminum alloys.

ELECTRICAL MACHINERY, SUPPLIES, AND APPARATUS

2. Carbon electrodes.
29. Dry batteries (high tension).
28. Dry batteries (torch).
104. Electrical equipment for cycles and motorcycles.
130. Electric fans complete with motors for domestic use.
132. Electric-light bulbs.
103. Electric-light fixtures.
102. Electric meters.
153. Electric switches.
101. Electric refrigerators and parts for domestic purposes.
131. Electrically operated domestic washing machines, including domestic electric dishwashing machines. (An ironer or drier also may be shipped with each washing machine under this commodity group. Not more than one-third of the quota available for this group may be used for shipment of ironers or driers independently of washing machines.)
195. Portable electric generators.
27. Vacuum cleaners and parts.

INDUSTRIAL MACHINERY AND APPARATUS

129. Gear transmissions and gears.
24. Mechanical valves.
128. Pulley blocks.

AGRICULTURAL AND GARDEN MACHINERY AND EQUIPMENT

46. Beehives and frames, bee veils, bee smokers, and other beekeeper's accessories.
53. Hand cultivators for garden and farm use.
50. Forks for garden and farm use; fork handles.
51. Hoes for garden and farm use; hoe handles.
52. Rakes for garden and farm use; rake handles.
191. Hand seeders for garden and farm use.
17. Lawn mowers.
100. Milk churns, cans, pails, and strainers.

AUTOMOTIVE EQUIPMENT

19. Antiskid chains.
212. Automotive cables.
216. Chemical maintenance products for motorcars except oils and polishes (includes valve-grinding compounds; radiator leak stop, weather sealer, gasket cement, radiator flush, hydraulic-brake fluid, rubbing compound, mechanics' blue for marking valves, bearings, etc., and tar remover).
30. Spark plugs.
213. Windshield wipers and parts.

CHEMICALS AND RELATED PRODUCTS

204. Bone black.
136. Fuses and detonators.
206. Medicinal preparations packed ready for retail sale under proprietary or trade names (excluding veterinary medicinals).
110. Meta fuel (solidified mentholated spirits).
3. Paints and varnishes.
37. Petroleum-jelly preparations.
205. Porcelain enamel frit.
72. Powder for sporting cartridges.
155. Shampoos, nonliquid, in containers holding no more than 1 ounce.
182. Toilet preparations, including toothpaste and powder, but excluding perfumery and soap.

PHOTOGRAPHIC AND PROJECTION GOODS

105. Cinematographic cameras and projectors (for 16-mm. film or lens).
26. Film for photographers' use.
60. Photographic coated paper (not sensitized).
59. Photographic paper and cloth, unexposed, sensitized.
58. Photographers' plates.

OFFICE SUPPLIES

176. Carbon paper.
198. Filing boxes or filing trays (of wood or cardboard).
42. Fountain pens and parts.
215. Miscellaneous office supplies: telephone indexes, numbering machines, staplers and stapler refills, eyeletting machines and eyelets.
43. Propelling pencils and parts.
137. Typewriter ribbons.

SPORTING GOODS

41. Ice skates, roller skates, ice hockey equipment, and other sports equipment.
214. Loaded sporting cartridges, and loaded shotgun shells.
71. Sporting cartridges, primed empty.
135. Sporting guns, sporting rifles, and spare parts thereof.[2]

MISCELLANEOUS

196. Acquarium equipment (includes aquarium pumps).
193. Artificial teeth.
183. Baskets and basketware.
32. Brushes.
44. Buttons of all kinds other than vegetable-ivory and dum buttons.
18. Cooking and heating appliances and parts.
192. Dental equipment and instruments.
95. Goldsmiths' and silversmiths' wares.
160. Granite pavement kerbs and setts.
88. Ice-cream cabinets.
33. Imitation jewelry (excluding jewelry findings, cigarette cases, cigarette lighters, hair ornaments, insignia, lipstick cases, match boxes, military ornaments, rhinestone buckles, Ronson repeaters, shoulder devices, and watch containers).
144. Jute webbing.
207. Laundry soap.
45. Lighter flints.
90. Manufactured abrasive cloths, papers, and disks.
97. Musical boxes.
22. Oil lamps and lanterns for illumination.
98. Outboard motors.
8. Papermakers' felts.
220. Pocket watches, except watches in cases made of gold or other precious metals.
165. Saddlers' thread.
150. Sun goggles and sun glasses.
40. Toilet requisites (includes only powder bowls or boxes, powder puffs, nail polishes, nail clippers, nail files, denture bowls, manicure sets, compacts, vanity cases, and pancake cases).
9. Toys, dolls, and parts, of all kinds except those made of hemp.
93. Varnished cambric insulating material.

[2] Imported sporting guns and sporting rifles will be subject to the provisions of the British 1937 Firearms Act, except smooth-bore guns having a barrel not less than 20 inches in length.

LOWEST VALUATION MADE BY UNITED STATES ON IMPORTS

Mr. MALONE. Mr. President, one of the greatest hoaxes perpetrated on the American people, our taxpayers, and our wage earners, in the matter of foreign trade is the valuation of imports from foreign countries.

Both our trade acts and the data prepared in departments of our Government seek to minimize the value of our imports.

Duties based on the value of imported merchandise are collected on the lowest possible basis at which they can be assessed, which is the presumed value in the country of origin.

This, of course, means that we collect the lowest possible duty we can on dutiable products and with the duty rates that remain after the State Department has whittled them down nearly 75 percent in the past 24 years.

IMF SETS UNITED STATES IMPORT FIGURE AT $14,174,000,000

There was a bill before Congress 2 or 3 years ago called the customs simplification bill, which the Senator from Nevada denounced on the Senate floor as nothing more or less than simply lowering tariffs on imports. That was the simplification; and this proposal is part of that plan. It all comes out in the wash.

It also means that a distorted picture is presented to our taxpayers and wage earners of the true impact of imports on the American economy. Here is what happens:

The Department of Commerce reports that the total value of foreign goods imported into the United States in 1957 was $12,920,984,394, or, in round numbers, $12,921,000,000.

The International Monetary Fund reports that the total value of foreign goods imported into the United States in 1957 was $14,174,000,000.

That is a difference of $1,253,000,000, a sizable amount.

WORLD'S LEADING FOREIGN NATIONS VALUE IMPORTS ON HIGHER BASIS THAN UNITED STATES

The definition of value used by the International Monetary Fund is the definition used by all the leading trading nations of the world except the United States and Canada.

The definition used by the Department of Commerce is one that Congress fixed before the Trade Agreements Act was enacted and Congress turned the adjustment of duty rates over to the State Department.

Imports are valued by the United States on an f. o. b. basis, that is, the value of freight on board in a foreign port.

Imports are valued by 99 other nations and trading areas on a c. i. f. basis—c. i. f. means cost, insurance, freight.

That is the true and honest value of an imported article because that is the value passed on to the American consumer, plus the importer's profit, when he buys the imported product. It is the value at which the foreign product hits the American market.

VALUE AT TIME IMPORT REACHES COUNTRY USED BY 99 NATIONS

But that is not how our executive branch values imports.

Freight and insurance are eliminated so that customs collectors for duty collection purposes use the foreign value while it still is in a foreign country.

Ninety-nine countries use the value at which the imported product reaches the importing country, and fix their ad valorem duties accordingly.

Here are the countries that accept whatever foreign value the foreign country puts on it, and thus minimize the total value of imports: the United States, Canada, Cuba, Dominican Republic, Panama, Paraguay, Philippines, Australia, New Zealand, Rhodesia, Union of South Africa.

UNITED STATES GREATEST IMPORTING NATION IN THE WORLD

Mr. President, the International Monetary Fund, which was the creation of a former administration, in its 284-page publication, "International Financial Statistics," lists the imports in recent years of 110 countries and dependencies, outside the Iron Curtain.

United States imports last year, and for every year since 1937 reported, have been greater than those in any country in the world.

Last year's imports of $14,174,000,000 were 13 percent of the world's total. They exceeded the imports of France and Germany put together, and those of the United Kingdom and all her overseas territories, not including the Commonwealths. They exceeded all of Britain's Commonwealths excluding Canada.

Under our free-import policy of the past 24 years, Mr. President, we have become the greatest importing nation in the world.

IMPORTS OF WORLD'S TRADING NATIONS TABULATED BY MONETARY FUND

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table showing imports (c. i. f.), quarterly data expressed as annual rates.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Imports (c. i. f.)

[In millions of U. S. dollars]

	1937	1950	1951	1952	1953	1954	1955	1956	1957	Quarterly data expressed as annual rates					
										1956, 4th	1957				1958, 1st
											1st	2d	3d	4th	
Sterling area	8,842	16,290	23,781	22,009	20,062	20,699	23,533	24,308	25,980	24,502	26,005	26,538	26,000	25,615	
United Kingdom	5,082	7,305	10,934	9,738	9,361	9,447	10,867	10,881	11,412	10,928	11,862	11,780	11,240	11,060	10,462
UK OT's	1,075	2,746	3,875	3,628	3,393	3,374	3,972	4,359		4,452	4,601	4,665	4,655		
Barbados	11	23	30	32	27	28	32	36	40	40	34	40	39	47	
British Guiana	12	33	39	48	42	47	55	58	69	62	61	72	70	73	
Jamaica	80	63	86	102	99	105	128	163	186	180	166	182	181	215	
Trinidad	87	98	128	142	138	146	172	176	208	197	187	215	210	219	[3] 229
Malta	20	47	55	57	58	57	59	74		94	79	72	71		
Aden	30	117	141	158	171	187	210	200	201	175	152	215	237	200	
Cyprus	11	38	54	57	59	66	85	109	126	118	129	128	122	124	[3] 110
Brunei	2	18	15	23	40	33	34	37		41	42	35	34		
Hong Kong	278	665	856	663	678	661	851	799	901	810	976	913	843	873	[3] 767
Malaya	388	952	1,554	1,265	1,058	1,026	1,249	1,357	1,431	1,360	1,508	1,400	1,505	1,312	
North Borneo	4	15	23	23	23	24	29	38		42	40	38	38		
Sarawak	13	95	125	125	129	130	144	151		150	148	148	158		
Fiji	8	18	24	30	27	29	40	46	[3] 38	47	38	37	35	[3] 43	
Kenya [7]	40	95	151	166	145	169	200	237	[3] 241	228	246	274	225	[3] 217	
Uganda [7]		43	62	68	72	71	95	45	[3] 48	43	51	48	42	[3] 49	
Mauritius	13	37	43	48	53	45	53	48	54	59	52	54	55	56	
Nigeria	86	173	237	317	303	319	361	423	[3] 424	456	394	384	420	[3] 497	
Sierra Leone	9	19	23	29	31	37	48	65	79	67	78	83	75	81	
Tanganyika [7]	19	67	79	105	80	89	122	92	97	77	85	107	94	100	
Other	55	130	150	170	160	165	185	200	[3] 220	215	225	220	200	[3] 240	
Other sterling	2,685	6,239	8,972	8,643	7,308	7,878	8,694	9,068	9,900	9,122	9,482	10,134	10,105	9,910	
Australia	526	1,622	2,422	1,979	1,471	1,869	2,160	1,964	1,932	1,763	1,799	1,940	1,981	2,006	2,023
Burma	91	111	137	192	178	204	181	198	297	230	220	308	321	309	
Ceylon	90	245	327	358	338	293	307	342	370	382	388	394	398	339	[3] 367
Ghana	61	134	177	187	207	199	246	249	[3] 272	274	273	283	257	[3] 279	
Iceland	12	38	57	56	68	69	78	90	83	134	51	99	74	109	[3] 65
India	[3] 671	1,165	1,793	1,696	1,208	1,297	1,413	1,711	2,023	1,764	1,979	2,196	2,083	1,633	
Pakistan		403	549	630	350	334	290	417	430	587	463	441	403	448	
Iraq	48	105	143	173	192	204	273	321	[3] 344	334	332	355	339	[3] 350	
Ireland	219	446	573	482	511	504	582	512	517	477	532	502	466	541	
Jordan	5	30	44	49	62	56	76	78		70	79	[3] 87	[3] 87		
Libya	31	20	28	32	31	32	40	46		54	69				
New Zealand	253	455	596	773	538	688	802	752	830	740	757	804	919	861	
Rhodesia-Nyasaland	22	84	111	134	163	393	435	490	557	507	498	545	597	630	
	4	31	20	25	21										
	46	184	269	277	244										
Union of South Africa	18	41	56	62	76	70	1,481	1,524	1,696	1,436	1,532	1,695	1,731	1,734	[2] 1,927
Other [10]	559	945	1,445	1,288	1,310	1,368	230	365	445	370	370	485	450	425	
	35	190	225	250	350	300									
Rest of world	2,209	4,051	6,089	6,240	6,428	6,273	6,870	7,988	9,360	8,091	8,978	10,443	9,494	8,550	
China, Taiwan		120	145	187	192	211	201	194	212	209	170	201	226	243	
Egypt	194	576	609	680	540	463	1525	534	524	545	494	567	496	610	[3] 629
Ethiopia		27	40	43	53	61	68	63		51	61	78			
Indonesia	283	440	573	948	765	629	631	856	[3] 787	742	782	925	754	[3] 689	
Iran	84	262	211	124	156	230	[3] 296	[3] 335	[3] 375	[3] 370	[3] 300	[3] 345	[3] 380	[3] 410	
Israel	79	299	389	321	281	287	325	304	407	356	417	386	415	398	[3] 403
Japan	1,168	974	1,995	2,028	2,410	2,399	2,471	3,230	4,284	3,620	4,261	5,114	4,284	3,476	3,210
Korea					347	241	326	309	432	353	290	606	513	320	
Lebanon	41	211	133	138	144	174	218	237	252	253	206	250	243	305	
Syria			133	138	133	174	179	187	171	170	134	178	182	191	
Liberia	2	11	17	18	19	23	26	27		28	36				
Philippines	125	384	550	484	534	545	641	597	727	630	666	783	747	705	
Saudi Arabia	15	[3] 115	[3] 175	[3] 205	[3] 220	[3] 180	[3] 205	[3] 270		[3] 245	[3] 310	[3] 235			
Sudan	31	78	121	177	146	139	140	130	151	123	141	171	224	187	
Thailand	49	209	272	304	330	312	334	365	[3] 404	396	414	409	400	[3] 392	
Other	145	345	375	435	190	205	225								

See footnotes at end of table.

Imports (c. i. f.)—Continued

[In millions of U. S. dollars]

	1937	1950	1951	1952	1953	1954	1955	1956	1957	Quarterly data expressed as annual rates					1958, 1st
										1956, 4th	1957				
											1st	2d	3d	4th	
World total	27,270	59,331	81,390	80,186	[4] 76,563	[4] 79,596	88,968	98,122	107,010	102,535	106,405	110,043	105,608	106,185	
United States	3,573	9,601	11,882	11,662	11,792	11,047	12,369	13,751	14,174	13,806	14,100	13,953	13,976	14,667	[2] 13,516
Canada	939	3,202	4,194	4,480	4,824	4,551	5,156	6,270	6,346	6,556	6,137	6,992	6,341	5,915	[2] 5,057
Latin America	1,717	5,630	7,831	7,683	6,541	7,411	7,550	7,940	9,130	8,538	8,220	9,057	9,339	9,930	
Argentina	493	1,187	1,480	1,179	795	979	1,173	1,128	1,310	1,137	1,222	1,334	1,315	1,370	
Bolivia	24	64	99	107	78	73	81	84		[3] 106	[3] 96	[3] 84	[3] 74		
Brazil	335	1,098	2,011	2,010	1,319	1,630	1,306	1,234	1,489	1,479	1,292	1,520	1,603	1,536	
Chile	89	247	328	370	335	343	376	354	[3] 441	353	426	422	450	[3] 465	
Colombia	96	365	419	415	547	672	669	657	477	533	366	393	553	592	
Costa Rica	12	46	56	68	74	80	87	91	103	100	87	110	104	110	
Cuba	146	608	754	745	591	599	633	714	721	853	732	720	659	772	
Dominican Republic	13	50	86	111	99	94	114	126	139	140	130	130	127	168	
Ecuador	14	49	62	70	75	120	112	108		93	97	103	112		
El Salvador	10	48	63	69	72	87	92	105		114	120	115	113		
Guatemala	21	71	81	76	80	86	104	138	149	133	152	152	157	135	
Haiti	9	38	44	53	44	48	46	50		53	46	35	[3] 32		
Honduras	12	39	53	66	62	59	62	67		78	75	81			
Mexico	175	556	822	807	807	800	885	1,072	1,155	1,131	1,082	1,198	1,184	1,157	
Nicaragua	7	29	35	47	51	68	70	69	81	64	66	75	103	81	
Panama	24	70	76	84	82	83	88	98	116	104	105	114	107	139	[2] 93
Paraguay	10	[3] 22	[3] 29	[3] 36	28	37	34	29	32	24	24	35	40	29	
Peru	59	176	262	288	293	250	300	361	400	400	348	454	394	405	[2] 361
Uruguay	66	200	310	237	193	274	226	206	226	218	234	240	225	207	
Venezuela	102	667	761	845	916	1,029	1,092	1,249	[2] 1,877	1,420	1,520	1,742	1,914	[2] 2,333	
Europe	9,183	17,621	23,614	23,630	22,816	25,310	29,027	33,247	36,820	36,078	37,759	37,736	35,387	36,399	
Austria	209	477	653	652	546	653	887	974	1,128	1,066	1,144	1,073	1,112	1,184	[2] 1,037
Belgium-Luxembourg	928	1,942	2,535	2,444	2,413	2,536	2,830	3,272	3,432	3,612	3,559	3,473	3,271	3,399	[2] 3,062
Denmark	869	853	1,013	962	1,000	1,170	1,178	1,311	1,359	1,455	1,508	1,289	1,249	1,391	[2] 1,369
Finland	199	388	676	792	530	656	769	885	900	957	944	882	864	909	[2] 728
France	1,689	3,030	4,457	4,326	3,942	4,221	4,739	5,553	6,170	5,940	6,771	6,736	5,721	5,450	[2] 5,861
Germany	2,196	2,697	3,491	3,814	3,771	4,571	5,793	6,617	7,499	7,316	7,262	7,254	7,493	7,988	[2] 7,261
Greece	140	428	398	346	296	330	382	464	525	550	416	588	563	532	
Italy	784	1,488	2,167	2,336	2,420	2,439	2,711	3,169	3,627	3,337	3,693	3,763	3,392	3,661	
Netherlands	883	2,056	2,553	2,224	2,376	2,858	3,208	3,725	4,105	3,946	4,336	4,173	4,025	3,886	[2] 3,215
Norway	320	679	878	874	912	1,019	1,090	1,211	1,274	1,261	1,338	1,346	1,179	1,234	[2] 1,225
Portugal	105	274	330	347	332	351	398	443	501	526	476	528	465	534	
Spain		890	384	518	596	614	617	767	862	820	867	1,000	718	864	
		134	137	128											
Sweden	541	1,182	1,776	1,730	1,579	1,776	1,997	2,209	2,424	2,469	2,506	2,438	2,314	2,426	[2] 2,526
Switzerland	414	1,056	1,375	1,208	1,176	1,300	1,439	1,766	1,964	1,996	2,038	2,010	1,921	1,890	1,706
Turkey	91	311	407	556	532	478	498	407	397	346	362	393	405	428	[2] 304
Yugoslavia	119	236	384	373	395	339	441	474	662	471	539	790	695	623	
Related areas	807	2,986	3,999	4,482	4,100	4,305	4,463	4,618		4,964	5,206	5,324	5,071		
Belgian Congo [4]	41	193	310	404	363	371	379	413	436	412	424	444	416	432	
Algeria	163	434	581	638	578	621	697	778	1,066	958	1,090	1,070	970	1,134	[2] 977
French Cameroons	10	60	94	107	80	93	104	95	100	100	98	114	100	88	
French Equatorial Africa	10	77	104	115	85	95	105	117	144	112	130	151	164	131	
French West Africa	61	241	350	350	316	380	384	381	[2] 409	396	413	454	400	[2] 372	
Guadeloupe	8	21	26	36	34	36	37	36		40	48	52	47		
Cambodia, Laos, Viet-Nam	64	210	304	450	396	351	50	57	58	55	36	52	69	76	
							19	35		39	34	39			
							263	218	289	243	246	290	320	298	
Madagascar	19	85	131	134	129	137	122	132	145	128	125	162	165	128	
Martinique	9	21	31	38	35	36	30	37		47	27	41	73		
Morocco	70	329	456	516	489	480	496	459	411	464	474	422	371	374	
Reunion	8	26	33	39	37	37	41	46	50	45	43	55	57	45	
Tunisia	53	147	182	185	172	159	181	194		217	199	186	186		
Angola	10	58	76	91	85	90	93	110		157	93	110	125		
Mozambique	19	58	71	76	83	89	95	95	[2] 104	94	90	94	116	[2] 116	
Netherlands Antilles	193	710	906	953	909	966	999	1,062	[2] 1,160	1,093	1,268	1,199	1,116	[2] 1,058	
Surinam	4	21	24	30	29	28	27	33	39	34	33	39	44	40	
Other	65	245	320	320	320	320	335	320		330	335	350			

Exports (f. o. b.)

Sterling area [5]	6,603	15,635	20,055	18,620	18,450	18,890	20,503	21,787	22,635	22,613	23,284	22,856	21,759	22,625	
United Kingdom	2,949	6,325	7,585	7,640	7,525	7,770	8,468	9,290	9,684	9,847	9,801	9,873	9,261	9,804	9,653
United Kingdom overseas territories	1,150	3,130	4,293	3,399	3,004	3,106	3,547	3,811		3,845	3,899	3,938	3,938		
Barbados	8	16	21	23	24	24	23	21	29	12	16	49	40	11	
British Guiana	13	29	34	47	48	49	53	55	63	74	49	78	47	78	
Jamaica	25	43	48	59	71	86	94	107	136	105	110	186	127	129	
Trinidad	31	104	125	134	150	153	167	193	229	191	249	253	212	202	[2] 229
Malta	2	5	6	9	8	8	7	11		12	10	10	10		
Aden	18	109	134	128	116	125	176	180	183	179	111	196	226	199	
Cyprus	11	31	43	51	43	48	52	63	55	62	50	68	53	49	[2] 51
Brunei	3	67	91	94	92	89	99	108		112	107	110	118		
Hong Kong	253	457	780	510	480	424	444	553	529	558	585	522	482	526	[2] 496
Malaya	320	1,311	1,984	1,280	987	1,014	1,358	1,361	1,363	1,393	1,407	1,309	1,365	1,374	
North Borneo	8	30	37	21	20	25	34	39		42	40	38	40		
Sarawak	18	122	166	143	139	139	156	159		161	157	167	170		
Fiji	9	16	15	24	31	28	33	29	[2] 37	32	17	20	57	[2] 54	
Kenya [7]	54	57	76	83	64	64	78	92	[2] 88	102	110	72	66	[2] 102	
Uganda [7]		81	133	134	94	115	118	116	[2] 131	74	135	163	120	[2] 107	
Mauritius	14	32	50	53	56	56	53	63	71	118	59	7	79	138	
Nigeria	96	253	336	362	348	419	371	377		348	411	399	299		
Sierra Leone	13	19	28	30	33	32	29	37	51	32	41	85	39	42	
Tanganyika [7]	24	68	111	132	98	103	102	127	113	153	116	71	113	153	
Other	30	80	85	90	100	105	100	110	[2] 120	95	130	135	105	[2] 100	

See footnotes at end of table.

Exports (f. o. b.)—Continued

[In millions of U. S. dollars]

	1937	1950	1951	1952	1953	1954	1955	1956	1957	Quarterly data expressed as annual rates					
										1956, 4th	1957				1958, 1st
											1st	2d	3d	4th	
Other sterling	2,504	6,180	8,177	7,581	7,021	8,014	8,488	8,686	9,070	8,921	9,584	9,045	8,730	8,905	
Australia	595	1,668	2,038	1,689	1,977	1,656	1,748	1,887	2,206	2,380	2,464	2,299	1,837	2,222	1,691
Burma	193	158	212	264	238	251	227	246	213	232	250	249	225	129	
Ceylon	124	328	400	315	329	380	407	364	353	366	432	313	362	366	[3] 350
Ghana	60	189	232	216	226	294	244	222	[3] 217	195	296	263	156	[2] 152	
Iceland	13	31	45	39	43	52	52	63	61	85	58	57	58	70	[3] 41
India	712	1,146	1,611	1,295	1,116	1,182	1,276	1,269	1,383	1,393	1,384	1,251	1,492	1,404	
Pakistan		489	763	532	439	359	401	340	337	311	547	247	196	357	
Iraq	56	141	183	278	302	488	519	477	[3] 357	298	177	339	416	[2] 498	
Ireland	114	203	228	284	319	323	311	303	307	339	366	349	300	359	
Jordan	3	4	4	4	6	8	8	14		16	18	[2] 16	[2] 16		
Kuwait		[2] 260	[2] 425	[2] 565	[2] 650	[2] 720	[2] 830	[2] 840	[2] 865	[2] 655	[2] 690	[2] 865	[2] 980	[2] 920	
Libya	6	10	13	13	10	11	13	12		17	13				
New Zealand	260	511	602	671	659	683	724	770	772	642	904	815	765	604	
Northern Rhodesia	59	140	188	231	266	411	484	509	437	479	432	508	437	372	
Nyasaland	5	14	17	18	20										
Southern Rhodesia	31	117	128	163	165										
South-West Africa	18	60	88	99	97	103	1,059	1,185	1,289	1,348	1,341	1,290	1,216	1,308	[2] 1,100
Union of South Africa	214	611	795	780	824	923									
Other	40	100	115	135	145	170	185	185		165					
Rest of world	2,331	4,362	5,921	4,690	4,715	5,253	6,043	6,776	7,300	7,114	7,004	7,195	7,578	7,485	
China, Taiwan		79	102	130	128	93	123	118	148	124	202	162	114	116	
Egypt	201	504	583	417	394	397	397	409	493	328	525	550	360	526	[2] 462
Ethiopia		31	50	46	72	67	68	63		41	127	90			
Indonesia	548	800	1,292	934	840	867	946	882	[2] 908	1,000	782	848	1,078	[2] 925	
Iran	156	672	528	61	84										
Israel	32	37	47	44	60	88	90	107	139	90	218	127	94	118	[2] 228
Japan	956	820	1,355	1,278	1,275	1,629	2,011	2,501	2,858	2,888	2,625	2,685	3,070	3,082	2,846
Korea					40	24	18	25	22	28	24	22	20	30	[3] 13
Lebanon	20	82	24	21	25	29	33	40	42	49	44	33	29	60	
Syria			88	98	116	148	144	158	152	205	138	128	125	220	
Liberia	2	28	52	37	31	26	43	45		42	48				
Philippines	153	337	436	352	404	306	389	437	429	470	468	500	400	350	
Saudi Arabia	14	[3] 460	[2] 640	[3] 695	[2] 710	[2] 800	[2] 811	[2] 835	[2] 830	[2] 690	[2] 615	[2] 880	[2] 955	[2] 870	
Sudan	44	103	227	133	128	116	145	192	138	159	132	113	201	112	
Thailand	73	304	367	329	323	283	335	334	365	391	406	357	343	386	
Other	125	105	130	120	85	130	140								

[1] See Country Notes regarding comparability of data.

[2] It will be noted that the excess of imports (cif) over exports (fob) as reported here fell in 1953 and 1954. The explanation is not known.

[3] Partly estimated, or based on 2 months' data.

[4] Year ending September.

[5] Includes Ruanda-Urundi.

[6] Year ending June.

[7] The sterling area totals shown here differ from those published by the UK Board of Trade principally because those published here include the value of petroleum exports of Iraq and the British protected states in the Persian Gulf area (estimated, where not published, from reported quantities of petroleum exports), and estimates of imports of the Persian Gulf States based on export data of partner countries. Under imports, another appreciable part of the difference arises from the inclusion here of estimates of freight and insurance for countries reporting fob.

[8] Beginning 1949, exclusive of trade with other British East African territories. Through 1955, imports are general imports plus or minus British East African intraterritorial transfers. Beginning 1956, imports are exclusive of any intraterritorial transfers of goods from outside East Africa.

[9] Year beginning April.

[10] Year beginning June 21.

[11] Includes estimate for imports of Kuwait; exports are shown separately.

Imports (c. i. f.)

[In millions of U. S. dollars]

	Percent distribution of—											
	Exports						Imports					
	1937	1953	1954	1955	1956	1957 through	1937	1953	1954	1955	1956	1957 through
The world:												
United States and Canada	16	20	18	19	19		17	23	22	23	24	
Latin America	6	8	9	8	8		9	11	10	10	10	
Continental EPU	29	26	29	30	30		25	26	27	28	28	
Continental EPU OTs	3	5	5	5	4		4	4	4	4	4	
Sterling area	30	21	24	24	23		26	25	24	24	23	
United Kingdom	17	11	11	11	10		11	10	10	10	9	
Rest of world	17	12	12	13	13		19	11	11	12	12	
Undistributed [1]		6	4	2	3							
Petroleum	3.47	4.80	5.35	5.65								
Coffee	1.21	2.93	2.97	2.48								
Wheat	2.20	2.39	1.76	1.66								
Wool	1.84	2.33	1.89	1.73								
Cotton	3.16	2.24	2.53	1.80								
Pulp and paper	1.84	2.14	2.29	2.28								
Timber, lumber	1.29	1.59	1.70	1.83								
Sugar	1.35	1.45	1.24	1.29								
Coal	1.99	1.14	1.11	1.03								
Copper	1.24	1.08	1.06	1.25								
Rubber	1.84	1.04	.98	1.50								
Rice	1.01	.92	.72	.62								
Tobacco	1.09	.86	.81	.83								
Cocoa	.41	.61	.88	.60								
Tea	.78	.58	.74	.65								
Jute, bagging	.70	.54	.54	.54								
Butter	.91	.54	.50	.48								
Fish	.43	.52	.54	.51								
Tin	.74	.48	.41	.39								

[1] United States military aid and other United States exports not distributed by country are the largest part.

Imports (c. i. f.)—Continued

[In millions of U. S. dollars]

	—In millions of dollars—						Percent distribution of—					
	Exports						Imports					
	1937	1953	1954	1955	1956	1957 through	1937	1953	1954	1955	1956	1957 through
The world—Continued												
Iron ore	.38	.48	.44	.55								
Bananas	.41	.44	.41	.36								
Corn	.83	.41	.35	.23								
Coconuts and products	.46	.39	.37	.30								
Hides and skins	.62	.39	.38	.32								
Barley	.10	.35	.27	.19								
Lead	.36	.26	.27	.23								
Wine	.60	.27	.30	.31								
Citrus fruits	.30	.25	.25	.26								
Bacon	.37	.23	.21	.22								
Zinc	.21	.17	.16	.15								
Total [1]	32.15	31.82	31.44	30.15								
United States and Canada:												
United States and Canada	22	28	27	29	29		23	37	36	36	39	
Latin America	14	16	18	17	16		18	25	25	23	22	
Continental EPU	17	12	14	16	18		14	12	11	11	12	
Continental EPU OTs	2	2	2	1	2		1	3	3	3	3	
Sterling area	30	12	13	15	14		24	15	15	15	15	
United Kingdom	21	6	7	9	7		9	7	6	6	7	
Rest of world	15	11	11	12	12		19	9	9	10	9	
United States military aid, etc		21	15	10	10							
Wheat	5	9	6	5	6							
Cotton	8	5	3	2	3							
Newsprint and pulp	4	5	4		2							
Petroleum	9	4	3	3	4							
Wood and lumber	3	3	2		2							
United States:						*4th quarter*						*4th quarter*
Canada	15	10	13	21	21	19	13	23	23	23	23	22
Latin America	17	19	21	20	19	21	22	32	32	29	29	29
Continental EPU	21	13	16	18	20	20	17	15	14	14	16	17
Continental EPU OTs	2	2	2	2	2	2	2	4	4	4	4	4
Sterling area	23	10	11	13	12	13	24	16	15	16	16	16
United Kingdom	16	4	5	6	5	5	17	5	5	5	6	6
Rest of world	22	12	13	14	14	15	22	12	12	13	13	12
Military aid, etc		26	19	12	13	11						
Wheat	2	4	3	3	4							
Cotton	11	3	5	3	4							
Petroleum	11	4	4	4	4							
Canada:						*4th quarter*						*4th quarter*
United States	43	59	60	60	60	60	61	74	73	73	73	71
Latin America	2	5	5	4	4	5	3	7	7	7	6	7
Continental EPU	6	9	9	8	9	11	5	4	4	4	5	5
Sterling area	45	22	22	24	23	20	29	14	14	13	12	14
United Kingdom	36	16	17	18	17	15	18	10	10	9	8	9
Rest of world	4	5	4	4	5	5	2	2	2	3	3	3
Wheat	15	15	11	9	12	9						
Newsprint	12	14	15	15	14	14						
Wood and lumber	8	9	11	12	10	9						
Woodpulp	4	6	7	7	6	6						
Latin America: [2]												
United States and Canada	30	42	45	46	47		36	53	51	49	52	
Latin America	6	10	9	9	8		8	13	11	12	10	
Continental EPU	30	17	20	18	20		34	20	22	22	21	
Continental EPU and OTs	8	8	9	10	9		2	3	3	3	3	
Sterling area	19	10	9	9	10		15	8	7	7	7	
United Kingdom	19	8	8	7	8		13	5	5	5	5	
Rest of world	6	5	8	8	7		5	3	6	8	7	
Coffee	11	25	26									
Petroleum	13	21	20									
Sugar	7	9										
Wool	4	3										
Cotton	4	4										
Argentina:						*2d quarter*						*2d quarter*
United States and Canada	16	16	12	13	12	12	18	15	16	14	21	27
Latin America	8	21	17	19	11	11	9	26	24	21	19	20
Continental EPU	42	29	35	25	37	35	37	27	25	23	26	22
Continental EPU OTs							2	6	4	4	6	3
Sterling area	30	24	20	22	22	25	26	21	17	14	10	14
United Kingdom	20	21	19	22	21	25	21	6	8	7	5	7
Rest of world	4	10	17	21	17	16	9	5	14	24	18	13
Wheat	21	17		27	17	17						
Wool	7	16	12	13	13	17						
Beef	10	13		17	21	19						
Hides	6	6	6	6	7	6						
Corn	20	5		3	7	3						
Quebracho	2	5		3	3	2						
Oilcake		4		1	3	2						
Linseed oil		2		3	2	2						
Bolivia:						*3d quarter*						
United States and Canada	7	55	59	60	55	38	20	40	43	43	47	
Latin America	3	3	2	1	2	2	31	35	29	23	25	
Continental EPU	30	—	3	4	2	4	24	15	17	25	21	
Sterling area	60	41	36	33	40	57	8	8	7	8	6	
United Kingdom	60	41	36	33	40	57	8	7	7	8	6	
Rest of world	—	—	—	3	—	—	8	2	3	3	1	
Tin	64	64	65	58	59	63						
Tungsten	4	12	15	16	14	9						
Lead	6	6	6	6	8	10						
Zinc	4	5	5	6	5	7						
Silver	11	5	5	5	7	5						

[1] Total of commodities listed.

[2] 1937 area distribution refers to 1938.

Imports (c. i. f.)—Continued

[In millions of U. S. dollars]

	Percent distribution of—											
	Exports						Imports					
	1937	1953	1954	1955	1956	1957 through	1937	1953	1954	1955	1956	1957 through
Brazil:						3d quarter						3d quarter
United States and Canada	37	50	38	43	51	47	25	31	36	25	30	38
Latin America	7	7	9	10	7	11	16	23	14	22	19	16
Continental EPU	37	30	35	28	26	23	39	30	30	30	23	26
Continental EPU OTs	1	1				1	3	8	8	6	5	4
Sterling area	10	6	6	6	5	6	14	5	2	4	7	7
United Kingdom	9	5	5	4	4	5	12	4	1	1	3	3
Rest of world	8	6	11	13	11	12	3	3	10	13	15	10
Coffee	43	71	61	59	70	61						
Cotton	19	7	14	9	6	4						
Cacao	5	5	9	6	5	3						
Chile:						3d quarter						3d quarter
United States and Canada	23	64	46	43	45	43	30	55	42	44	47	53
Latin America	4	18	15	13	9	7	16	20	31	24	18	15
Continental EPU	29	11	20	25	25	32	35	14	18	21	23	22
Sterling area	20	4	14	18	17	16	12	7	5	6	6	6
United Kingdom	20	4	14	17	17	16	11	6	5	6	5	6
Rest of world	24	4	5	2	4	3	7	4	4	4	6	3
Copper	56	60	60	68	72							
Nitrates	19	13	17	12	9							
Colombia:						3d quarter						3d quarter
United States and Canada	63	83	81	75	74	72	49	63	65	66	65	63
Latin America	1	1	1	1	1	1	3	5	3	4	3	4
Continental EPU	22	10	11	15	15	15	25	22	22	22	24	23
Continental EPU OTs	12	6	5	4	5	6	1	4	3	2	2	3
Sterling area		1	1	2	2	3	19	5	5	5	4	4
United Kingdom				1	1	2	17	4	5	4	4	4
Rest of world	2	1	1	2	2	2	3	2	2	2	3	2
Coffee	63	83	84	84	70	74						
Petroleum	23	13	12	11	12	14						
Costa Rica:						3d quarter						3d quarter
United States and Canada	44	75	68	59	53	57	42	63	61	63	57	59
Latin America	3	5	5	5	5	5	6	4	4	4	7	5
Continental EPU	29	19	25	34	40	37	31	18	19	19	21	22
Continental EPU OTs								4	5	3	4	5
Sterling area	20	1		1	1		9	8	8	7	7	5
United Kingdom	20			1	1		8	8	7	7	6	5
Rest of world	4						12	3	3	3	3	4
Bananas	54	45	42	41	38	37						
Coffee	36	42	41	46	50	53						
Cacao	8	5	10	7	4	4						

GATT SEQUESTERED FAR FROM EYES OF CONGRESS, AMERICAN PUBLIC INDUSTRIES

Mr. MALONE. Mr. President, under the bilateral trade agreements program enacted by Congress in 1934, we were not able to sacrifice our jobs, industries, and markets fast enough to satisfy the Henry Wallaces, Alger Hisses, Harry Dexter Whites, Harold Glassers, and V. Frank Coes in our Government, and so GATT was created.

In my opinion, GATT was created by the State Department in 1947, not only so it could speed the destruction of our economy, but also so it could carry on this conspiracy far from the scrutiny of an American Congress, the American people, and the American industries they intended to destroy.

To prevent any contacts with GATT by Members of Congress, afflicted industries, or the American people, they further contrived that GATT be headed by foreigners, who, being foreigners, would thus be completely removed from contact with Americans other than a selected delegation from the State Department.

PREPARATORY MEETING HELD IN LONDON

It was for this purpose also that the preparatory meetings were held in London and were held there very quietly while other and well-publicized international conferences were going on, in one of which we agreed to finance Britain's trade expansion with $3,750,000,000 of American taxpayers' money.

At the quite subdued preparatory meetings in London it was planned to set up both GATT and an International Trade Organization, both of which would operate in Geneva, Switzerland, under a foreign secretariat and far from the scrutiny of the American public and American newspapers.

In that way American markets and American wealth could be more readily distributed around the world.

GATT A STOPGAP FOR ITO

GATT was set up first, in Geneva, and has never been submitted to Congress. Our State Department contends that its authority to participate in GATT and sell our industries and wage earners down the river derives from the 1934 Trade Agreements Act.

ITO, or the International Trade Organization, was set up second, in Habana, Cuba. ITO was submitted to Congress, where it immediately died.

GATT SECRETARIAT TELLS OWN STORY

I now quote, Mr. President, from an official GATT brochure, published by the GATT secretariat at the Palais des Nations, Geneva, in April of this year, and only this week arrived on my desk.

GATT was intended as a stopgap arrangement, pending entry into force of the Habana Charter and the creation of the International Trade Organization. But, as events worked out, GATT has stood alone during 10 years as the only accepted international instrument which lays down rules of conduct for trade on a worldwide basis, and which has been accepted by a high proportion of the leading trading nations.

So GATT is a substitute for the ITO, and GATT admits it.

GATT states:

The starting point of the story is in the Atlantic Charter and in the lend-lease agreements in which the wartime allies bound themselves to seek together a world trading system based on nondiscrimination and aimed at higher standards of living to be achieved through fair, full, and free exchange of goods and services.

I may state here, Mr. President, that the trade provision in the Atlantic Charter, according to Mr. Winston Churchill in his books on the war, was drafted by Mr. Churchill, always alert to British interests. GATT is still dominated by British interests.

I resume quoting from GATT's own explanation of what it is.

Long before the end of the war the United States, the United Kingdom, and other important trading countries in the United Nations discussed the establishment of international organizations to tackle the postwar problems of currency, investment, and trade.

The International Monetary Fund and the International Bank for Reconstruction and Development were established at Bretton Woods Conference before the end of the war.

GATT FUNCTIONING AT GENEVA IN 1947 WHILE ITO YET UNBORN

I may say, Mr. President, that Mr. Harry Dexter White, the Assistant Secretary of the Treasury, was our representative at that great conference. I

refer to the great patriot we developed, along with Alger Hiss and the Coes and all the rest.

I continue to quote:

But for various reasons, including its wide range and its complexity, the charter for the International Trade Organization (ITO), which was intended to be the third agency to operate in the specialized field of economic affairs, was not completed until March 1948.

While the charter for the ITO was being worked out, the governments that formed the preparatory committee (appointed by the Economic and Social Council of the United Nations to draft the charter) agreed to sponsor negotiations aimed at lowering customs tariffs and reducing other trade restrictions among themselves, without waiting for the International Trade Organization itself to come into being.

This was encouraging evidence of the seriousness of purpose of the countries engaged in drafting the ITO charter and a constructive step toward carrying out one of its main purposes. Thus the first tariff negotiations were held at Geneva in 1947, side by side with the labors of the committee which was preparing the ITO charter.

It will be remembered that the ITO, the International Trade Organization, was submitted to Congress and died. Even Congress sensed something was wrong. If Congress had ever approved the ITO, that would have been the last of the United States.

STATE DEPARTMENT CLAIMS 1934 TRADE ACT PERMITS GATT COMPACTS

While perhaps not completely understanding that there is a continuance of the policy of destroying the United States of America under the 1934 Trade Agreements Act, it was stated in testimony by Mr. Dulles that the State Department contends it has full authority to operate under the GATT principle. GATT is located in Geneva. The contention is that the President has the authority to operate under GATT, under the 1934 Trade Agreements Act. If the ITO or the Office of Trade Cooperation are never approved, the State Department will continue under the 1934 Trade Agreements Act unless Congress wakes up sometime and simply does not extend this nefarious act.

ITO SECRETARIAT SHIFTS TO GATT WHEN ITO DIES

I quote further:

The tariff concessions resulting from these negotiations were embodied in the multilateral trade agreement which is called the General Agreement on Tariffs and Trade or GATT. It was signed on October 30, 1947 at Geneva and came into force on January 1, 1948. Originally the GATT was accepted by 23 countries. At the end of 1957 there were 37 contracting parties.

It soon became evident that no acceptances of the charter for the ITO—the Havana charter—could be expected until the position of the United States toward the establishment of the ITO was made clear. With the indication in December 1950, that the charter would not be submitted again to the United States Congress, the attempt to establish the International Trade Organization was abandoned.

Then follows the paragraph about GATT being a stopgap arrangement until the climate is better for creation of ITO.

GATT CHIEFS ALL FOREIGNERS

GATT continues:

Today, the GATT is administered by a small group of experts under an Executive Secretary, Mr. Eric Wyndham White. This Secretariat was originally established in 1948 after the Havana Conference, to prepare for the International Trade Organization, but for a number of years it has been wholly engaged on work for the contracting parties to the general agreement.

Mr. Eric Wyndham White, incidentally, Mr. President, was the Executive Secretary at the Havana Conference. After this Conference he merely exchanged his ITO hat for his GATT hat and went on with his work.

Mr. White, the former ITO Executive Secretary, is now the GATT Executive Secretary, and he has held that post throughout the lifetime of GATT.

Mr. White represents the United Kingdom.

The Chairman of GATT is Mr. Shri L. K. Jha, of India, which is a Commonwealth of the British Empire.

There are two Vice Chairman, Mr. Fernando Garcia-Oldini, of Chile, and Dr. Heinz Standenat, of Austria. An Alternate Vice Chairman is Dr. Emanuel Treu, also of Austria.

SENATOR RECALLS LUNCH WITH GATT SECRETARY IN GENEVA

Mr. President, while I was in Geneva, Switzerland, in 1945, attending the International Power Conference, with respect to the new uranium fuel for power, with all the nations represented, I took the Secretary to lunch and had a very fine conversation with him. He said that no one had ever asked the United States to sign anything that was not good for the United States, but that we voluntarily entered into all these trade agreements. He represented, of course, the GATT organization, the General Agreement on Tariffs and Trade; that is to say, the organization which uses that principle of making multilateral trade agreements. Of course, he is a British subject and is very desirous of taking care of that nation, which of course he should.

The only difficulty is that we have no one there taking care of the United States of America.

The Deputy Executive Secretary is Mr. Jean Royer, of France.

There is no citizen or representative of the United States in this GATT hierarchy.

Every 6 months, we are told by GATT, a group of Government officials, holding fellowships granted by the United Nations Technical Assistance Administration, joins the GATT secretariat for a period of training, and up to January 1958 some 28 persons from 19 countries had undertaken this training.

GATT GIVES ALL FOREIGN NATIONS "OUT" ON SUPPOSED RULES

GATT tells us that article XI "formally outlaws quantitative restrictions."

The way that GATT outlaws quantitative restrictions, it turns out, is not at all.

The reason is that GATT exceptions to its rule of outlawing quantitative restrictions occupy more space in the GATT agreement, and more prominence, than the rule itself.

Says GATT about one exception:

While seeking to reduce tariffs and to abolish quantitative import restrictions and similar barriers to international trade, the agreement recognizes the exceptional conditions and requirements of the underdeveloped countries: There are special provisions to meet the needs of such countries.

UNDERDEVELOPED AREAS IN UNITED STATES IGNORED; THOSE IN REST OF WORLD PAMPERED

I said on the floor of the Senate when it was about to adjourn in 1957, and I say again at this moment, that if some distinguished Members of Congress would like to see some underdeveloped areas, if they will accompany me west of the Rockies to Nevada and other States in the intermountain area, I will show them some real underdeveloped areas. I will also show them some areas which have been developed by private capital, and which have gone back to the brush, because of the votes of this body.

Quoting further from the GATT statement:

Under the revised provisions * * * underdeveloped countries have the right to apply quantitative restrictions on their imports for balance-of-payment reasons on less stringent terms in a manner which takes full account of the continued high level of demands for imports likely to be generated by their programs of economic development.

Further, whenever a country finds that governmental assistance is required to promote the establishment of a particular industry with a view to raising the general standard of living of its people, it will, notwithstanding its general obligation to avoid the use of such restrictions, have the right to resort to such measures. During recent years, a number of countries, including Ceylon, Cuba, and India, have taken advantage of these special GATT provisions for the purpose of promoting the establishment or development of industries.

MORE GATT EXCEPTIONS

GATT says that the general prohibition on the use of quantitative restrictions is one of the basic principles of the general agreement, and adds:

The main exception is the use of quantitative restrictions to safeguard the balance of payments and monetary reserves, and in certain circumstances, the use of such restrictions in a discriminatory way.

This gives all contracting parties to GATT except the United States an "out" because they can manipulate their currencies, or apply multiple exchange rates in such a way as to make it appear that they are unable to maintain a balance of payments or that their monetary reserves are being threatened.

NO OTHER COUNTRIES REQUIRED TO KEEP GATT AGREEMENTS

After all the flowery language is brushed aside and we examine the subject, the agreement means that the other countries do not have to keep their part of the trade agreements so long as they can show that they are short of dollar balance payments in international exchange; and they can show that, of course, as Mr. Dulles admitted, until all our wealth and markets are equally divided among them. Then it will be too late.

The monetary reserves of the United States which are represented by our gold supply is constantly being depleted

and is perhaps jeopardized more today than that of any other nation, but the United States has never sought to avail itself of this exception in the GATT agreement which has many times more weight than the rule itself.

Some of the nations, GATT reports, have had considerable difficulty in making it appear that they were experiencing balance of payments difficulties, and some have been unable to do so at all.

GATT ALTERS OWN RULES AT WILL

So in 1955 GATT altered the rule to permit continuance of restrictions even when contracting parties to GATT were in a favorable balance of payments position and had adequate monetary reserves. Said GATT:

It was recognized that some countries may have difficulty in dismantling the so-called "hard core" of these restrictions, and it was agreed that subject to the concurrence of the contracting parties in each case, a country will be allowed to retain for a limited period restrictions originally imposed for balance-of-payment purposes but no longer justified on that account.

In other words, no country has to remove any restrictions or lower any trade barriers unless it wants to do so itself; all the altruistic language of the GATT agreement is nullified by its own exceptions. If there apparently is no exception to cover a particular case of a country which is influential or popular in GATT, GATT will invent one.

STATE DEPARTMENT PREFERS GATT DICTATION TO INDEPENDENCE

GATT realizes its own inability to do anything unless countries which are contracting parties to GATT voluntarily agree to accept GATT's mandates. This, however, the United States invariably does, because our State Department prefers dictation by GATT to independence, and prefers to serve GATT's purpose of one-economic-world to serving the American people.

UNITED STATES HONORS AGREEMENT WITH JAPAN; 15 OTHER NATIONS RENEGE

Rather wistfully GATT in its brochure observes:

Japan has been a contracting party for over 3 years, but up to the beginning of 1958, 15 contracting parties invoked article XXXV with respect to Japan thereby refraining from undertaking GATT obligations toward that country.

Article XXXV provides that obligations of a contracting party shall not apply if:

First. The two contracting parties have not entered into tariff negotiations with each other.

Second. Either of the contracting parties, at the time either becomes a contracting party, does not consent to such application. No contracting party does anything it does not want to do except the United States. We are bound.

The reason the United States lowered its tariffs on imports from Japan was because the State Department wanted to.

The reason 15 other nations refused to lower their duties on imports from Japan was because they did not want to.

The reason the State Department prefers to lower its tariffs through negotiations conducted at Geneva instead of conducting them directly with Japan, is apparently to avoid observation and possible objection by the American people.

UNITED STATES TEXTILE INDUSTRY INJURED BY JAPANESE IMPORTS

We have the spectacle of an administration saying that, while Japan is destroying the textile industry of this country, it very kindly refrains from sending so many textiles into the United States for a certain period. It so happens that that period was the period preceding the proposed extension of the 1934 Trade Agreements Act. Could anyone a few years ago picture the United States of America at the mercy of Japan? Would anyone have said that Japan had to consent not to bring in competitive materials in order to avoid entirely wiping out an industry?

GENEVA CHOICE HIDEAWAY FOR GATT NEGOTIATORS

I think I can understand that attitude of the State Department. The State Department has built up this very formidable conception of trade. I remember that in 1955 many witnesses appeared before the Senate Finance Committee. I questioned them at some length.

Among them was the president of the Standard Oil Company of New Jersey. In his testimony he was very specific in saying that the Standard Oil Company wanted to import oil from the Middle East, Venezuela, and other places, regardless of any effect it might have on the industry. I asked the president of that company, whose name I do not remember at the moment, but who is a fine man, and a very competent official of one of the best operated companies in the world, "Are you telling us in this committee that you ought to be the judge of how much oil should be imported into this country from Arab countries, from Venezuela, and other parts of the world?" He said he meant exactly that. He thought he ought to be the judge. That was the final answer.

GATT SESSIONS SECRET

GATT affords a splendid cover-up and hide-away in an attractive foreign resort city to which diplomats may repair and do what they have planned to do anyway, but do it far from the prying eyes or intent ears of the people of their country, including Members of the Congress of the United States, to say nothing of the producers and working men of this country, who are dependent upon the production of products in this country for their livelihood and for the safeguarding their jobs.

GATT sessions are secret.

Each of the 37 so-called contracting parties, who may contract or not contract as they choose, has one vote.

The secretariat is foreign.

UNITED STATES HAS ONE VOTE IN GATT

It is headed by a Britain and the chairman is a gentleman from India. Not only does the British empire dominate the permanent organization but the United Kingdom with its commonwealths and federations which are parties to GATT have a total of 11 votes.

The United States has one vote.

Mr. President, we are always "behind the 8-ball," and we will remain behind it if Congress extends the Trade Agreements Act.

REPORTS OF COMMITTEES ON PERSONNEL AND FUNDS

Pursuant to Senate Resolution 123, 80th Congress, 1st session, the following reports were received by the Secretary of the Senate:

JUNE 30, 1958.

COMMITTEE ON AGRICULTURE AND FORESTRY

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1958, to June 30, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Harker T. Stanton	Professional staff member	$7,399.98
Henry J. Casso	do	6,214.32
Cotys M. Mouser	Chief clerk	5,723.88
James M. Kendall	Assistant chief clerk	5,590.08
Betty M. Mason	Clerical assistant	2,867.28
Blanche M. O'Berg	do	3,483.84
Helen A. Miller	do	2,815.92

Funds available for expenditure at beginning of period	$15,222.94
Additional funds authorized during period	
Total available for expenditure during period	15,222.94
Expended during period	3,952.25
Balance available for expenditure at end of period	11,270.69

ALLEN J. ELLENDER,
Chairman.

JULY 1, 1958.

COMMITTEE ON APPROPRIATIONS

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1958, to June 30, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Everard H. Smith	Chief clerk	$7,399.98
Thomas J. Scott	Assistant clerk	7,150.62
Francis S. Hewitt	do	6,704.76
Edmund T. King	do	6,348.06
Kenneth J. Bousquet	Professional staff member.	6,704.76
Earl W. Cooper	do	6,806.80
William J. Deachman	Professional staff member (from Jan. 16).	5,532.99
Herman E. Downey	Professional staff member.	6,704.76
Leonard E. Edwards	do	6,348.06
Joe E. Gonzales	do	6,258.90
William J. Kennedy, Jr.	do	6,348.06
Cecil C. McDaniel	do	6,704.76
Harold E. Merrick	do	6,704.76
Vorley M. Rexroad	Professional staff member (from Mar. 18).	3,561.48
Raymond L. Schafer	Professional staff member.	6,348.06
Thomas F. Shannon	Professional staff member (to Jan. 15).	402.99

Name	Profession	Total salary received
John M. Witeck	Professional staff member.	$6,214.32
William W. Woodruff	do	6,704.76
Gloria S. Butland	Clerical assistant	2,713.14
Virginia D. Carroll	do	2,713.14
Leon DeVille	do	2,610.42
Mildred L. Fowlkes	do	2,713.14
Ruby C. Huthinson	Clerical assistant (to Mar. 31).	
Do	Assistant clerk (from Apr. 2)	2,727.41
Sally L. Heath	Clerical assistant	2,507.64
Mamie L. Mizen	Assistant clerk	4,646.16
Rebul H. Nichols	Clerical assistant	2,713.14
Gardner C. Turner	Staff member	6,704.76
Alonzo B. Gonzales	do	4,049.04
Maurice P. Pujol	do	5,500.92
Franklin B. Dryden	Staff member (to Mar. 15).	2,514.99
Paul J. Cotter	Staff member (from Apr. 16 to May 31).	1,702.20

CARL HAYDEN,
Chairman.

JULY 1, 1958.

COMMITTEE ON APPROPRIATIONS

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report on miscellaneous expenses during the period from January 1, 1958, to June 30, 1958, together with the funds available to and expended by it and its subcommittees:

MISCELLANEOUS EXPENSES

Unexpended balance of amount authorized by Legislative Appropriation Act, 1957, as of December 31, 1957	$350,301.39
Amount expended January 1 to June 30, 1958	
Balance unexpended as of June 30, 1958	350,301.39
Unexpended balance of amount authorized by Legislative Appropriation Act, 1958, as of Dec. 31, 1957	356,872.23
Amount expended Jan. 1, to June 30, 1958	21,287.03
Balance unexpended as of June 30, 1958	335,585.20
Unexpended balance of amount authorized by Reorganization Act and S. Res. 154 and 187 as of Dec. 31, 1957	10,662.81
Amount expended Jan. 1 to June 30, 1958	2,422.21
Balance unexpended as of June 30, 1958	8,240.60
Unexpended balance of amount authorized by S. Res. 129, June 26, 1947, as of Dec. 31, 1957	24,151.49
Amount repealed by S. Res. 269, approved March 6, 1958	24,151.49

CARL HAYDEN,
Chairman.

JULY 1, 1958.

COMMITTEE ON ARMED SERVICES

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1958, to June 30, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Atkinson, Herbert S.	Assistant chief clerk	$4,400.97
BeLieu, Kenneth E.	Professional staff member.	6,808.85
Braswell, T. Edward Jr.	do	6,808.85
Dantzic, Maurine E.	Clerical assistant	2,807.33
Darden, William H.	Professional staff member.	7,321.30
Francovitch, Virginia C.	Clerical assistant	$2,404.90
Johnson, Edna E.	do	2,909.17
Welker, Mary M.	do	2,764.56
Wingate, Harry L., Jr.	Chief clerk	6,808.85

Funds available for expenditure at beginning of period	$11,404.19
Additional funds authorized during period	
Total available for expenditure during period	11,404.19
Expended during period	4,707.10
Balance available for expenditure at end of period	6,697.09

RICHARD B. RUSSELL,
Chairman.

JULY 1, 1958.

COMMITTEE ON ARMED SERVICES

PREPAREDNESS INVESTIGATING SUBCOMMITTEE

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1958, to June 30, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Busby, Horace W.	Consultant [1]	$1,233.32
Bush, Morris W.	Investigator	4,049.04
Canaday, Alyce D.	Clerical assistant	2,353.50
Cooper, Genevieve	Secretary	2,661.78
French, Stuart P.	Special counsel	4,982.64
Friedenberg, Ronald	Attorney	4,351.92
Gee, Phoebe A.	Stenographer [2]	1,375.44
Gilless, Ben J.	Attorney	4,742.94
Horwitz, Solis	Counsel	6,660.18
Jeffries, Jo Ann V.	Clerk-typist	2,096.58
McGillicuddy, Daniel F., Jr.	Attorney	5,055.06
Miller, Mary M.	Stenographer	2,250.72
Neal, Robert M.	Attorney	3,381.12
Shepard, Don E.	Research assistant [3]	2,148.56
Stewart, Dr. Homer J.	Consultant [4]	575.54
Toskes, Philip J.	Investigator [5]	1,630.14
Wallace, Thomas R.	do [6]	256.59
Wheeler, Shirley H.	Stenographer [7]	1,661.86
Wilson, Glen P.	Assistant clerk [8]	1,443.57

[1] From January.
[2] From Feb. 1 to May 20.
[3] To May 8.
[4] From January.
[5] To Mar. 23.
[6] From June 10.
[7] To June 4.
[8] To Mar. 26.

Funds available under S. Res. 48 for expenditure at beginning of period	$106,522.10
Funds expended during period under S. Res. 48	$24,738.95
Balance returned to contingent fund of Senate	81,783.15
Funds authorized under S. Res. 212, agreed to Jan. 23, 1958	190,000.00
Funds expended during period	51,029.96
Balance available for expenditure at end of period	138,970.04

RICHARD B. RUSSELL,
Chairman.

LYNDON B. JOHNSON,
Chairman, Preparedness Investigating Subcommittee.

JULY 15, 1958.

COMMITTEE ON BANKING AND CURRENCY

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1958, to June 30, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
John H. Yingling	Chief clerk	$7,400.00
Robert A. Wallace	Staff director	7,150.67
Paul Cyr	Assistant clerk	6,808.85
James B. Cash, Jr.	Professional staff member.	6,808.85
Donald L. Rogers	Counsel	6,808.85
Matthew Hale, from Feb. 1.	do	5,674.05
Henrietta S. Chase	Clerical assistant	3,432.52
Florence Barr	do	3,175.61
Pauline C. Beam	do	3,124.23
Caro M. Pugh	do	3,124.23

Funds available for expenditure at beginning of period	$7,760.17
Additional funds authorized during period	0
Total available for expenditure during period	7,760.17
Expended during period	5,659.28
Balance available for expenditure at end of period	2,100.89

J. W. FULBRIGHT,
Chairman.

JULY 15, 1958.

COMMITTEE ON BANKING AND CURRENCY

SUBCOMMITTEE ON HOUSING

(S. Res. 207, agreed to February 5, 1958)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from February 1, 1958, to June 30, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Jack Carter	Staff director	$5,674.00
Milton P. Semer	Chief counsel	5,674.00
Dean F. Cromer	Staff assistant	4,435.50
Carl A. S. Coan	Research director	4,361.20
Dudley L. O'Neal, Jr.	Assistant counsel	3,751.23
Clarence R. Jacobs	Staff assistant	2,774.75
Mildred Mitchel	Clerical assistant	2,218.15
Doris I. Thomas	do	2,089.70

Funds available for expenditure at beginning of period	$90,000.00
Additional funds authorized during period	0
Total available for expenditure during period	90,000.00
Expended during period	33,416.31
Balance available for expenditure at end of period	56,583.69

J. W. FULBRIGHT,
Chairman.

JULY 15, 1958.

COMMITTEE ON BANKING AND CURRENCY

(S. Res. 214, agreed to February 5, 1958)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from February 1, 1958, to June 30, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Arthur J. Wilson	Staff assistant	$3,871.80
Olin Cavness	do	3,585.70
William Field	do	1,856.40

Funds available for expenditure at beginning of period	$70,000.00

Additional funds authorized during period	0
Total available for expenditure during period	$70,000.00
Expended during period	10,448.53
Balance available for expenditure at end of period	59,551.47

J. W. FULBRIGHT,
Chairman.

JULY 15, 1958.

COMMITTEE ON BANKING AND CURRENCY

SUBCOMMITTEE ON HOUSING

(S. Res. 44, agreed to January 30, 1957)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1958, to January 31, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Jack Carter	Staff director	$1,134.80
Milton P. Semer	Chief counsel	1,134.80
Dean F. Cromer	Staff assistant	887.10
Carl A. S. Coan	Research director	872.24
Dudley L. O'Neal, Jr.	Assistant counsel	674.84
Clarence R. Jacobs	Investigator	554.95
Mildred Mitchel	Clerical assistant	443.63
Doris L Thomas	do	417.94

Funds available for expenditure at beginning of period	$12,000.30
Additional funds authorized during period	0
Total available for expenditure during period	12,000.30
Expended during period	7,315.36
Balance available for expenditure at end of period	5,384.03

J. W. FULBRIGHT,
Chairman.

JULY 15, 1958.

COMMITTEE ON BANKING AND CURRENCY

(S. Res. 45, agreed to January 30, 1957)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1958, to January 31, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Matthew Hale	Assistant counsel	$1,134.80
Arthur J. Wilson	Staff assistant	774.36
Olin Cayness	do	717.14
William Field	do	371.28

Funds available for expenditure at beginning of period	$56,853.32
Additional funds authorized during period	0
Total available for expenditure during period	56,853.32
Expended during period	11,981.79
Balance available for expenditure at end of period	44,871.53

J. W. FULBRIGHT,
Chairman.

JULY 14, 1958.

COMMITTEE ON THE DISTRICT OF COLUMBIA

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1958, to June 30, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Leo A. Casey	Chief clerk	$7,399.98
Charles W. Lee	Assistant chief clerk	3,740.76
William P. Gulledge	Professional staff member.	7,150.62
Donald P. Feldman	do	5,188.80
Ruth W. Bryant	Clerical assistant	3,483.84
Arlene B. Williams	do	3,483.84

Funds available for expenditure at beginning of period	$6,509.70
Additional funds authorized during period	
Total available for expenditure during period	6,509.70
Expended during period	1,004.17
Balance available for expenditure at end of period	5,505.53

ALAN BIBLE,
Chairman.

JULY 8, 1958.

COMMITTEE ON FINANCE

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1958, to June 30, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Elizabeth B. Springer	Chief Clerk	$6,258.90
Evelyn R. Thompson	Clerical Assistant	3,483.84
Betty Mae Tapy	do	3,483.84
Sandra Everly	do	2,507.64
Jesse R. Nichols	Document clerk	2,918.70
Serge N. Benson	Professional staff member.	6,808.80
Samuel D. McIlwain	do	7,150.62
Reginald Barnes	do	4,597.14

Funds available for expenditure at beginning of period	$5,038.60
Additional funds authorized during period (S. Res. 245)	10,000.00
Total available for expenditure during period	15,038.60
Expended during period	4,915.19
Balance available for expenditure at end of period	10,122.81

HARRY F. BYRD,
Chairman.

JULY 17, 1958.

COMMITTEE ON FOREIGN RELATIONS

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1958, to June 30, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Carl M. Marcy	Professional staff member.	$7,399.99
Pat M. Holt	do	7,150.62
Julius N. Cahn	do	6,808.80
George C. Denney, Jr.	do	6,808.80
Mosella B. Hansen	Professional staff member from Feb. 1.[1]	3,820.95
Millrae E. Jensen	Professional staff member.[2]	$3,421.23
Darrell St. Claire	Chief clerk, from Feb. 19.	4,993.12
Francis R. Valeo	Assistant chief clerk from Feb. 6.	5,484.87
Mary A. Sames	Clerical assistant	3,388.53
Theresa Bowen	Clerical assistant from Feb. 1.	2,363.80
Lois H. Fleischhacker	Clerical assistant from June 1.	432.19
Judith Lund	Clerical assistant [1]	2,096.88
Robert E. Cole	Clerical assistant from Jan. 16.	2,362.88
Alwyn V. Freeman	Professional staff member to Mar. 18.	2,959.48
C. C. O'Day	Chief clerk to Feb. 18.	1,815.68
Betty A. Burroughs	Clerical assistant from Feb. 1 to May 31.	1,671.76

[1] Under authority of S. Res. 240, Jan. 29, 1958.
[2] Under authority of S. Res. 259, Mar. 6, 1958, from June 18.

Funds available for expenditure at beginning of period	$1,421.75
Additional funds authorized during period by S. Res. 272, Mar. 17, 1958	10,000.00
Total available for expenditure during period	11,421.75
Expended during period	3,549.76
Balance available for expenditure at end of period	7,871.99

THEODORE FRANCIS GREEN,
Chairman.

Funds available to the Committee on Foreign Relations for actual and necessary expenses incurred in connection with activities and responsibilities and participation in various interparliamentary institutions under authority of S. Res. 259, agreed to Mar. 6, 1958:

Funds available for expenditure at beginning of period (Feb. 1, 1958)	$5,000.00
Expended during period	108.97
Balance available for expenditure at end of period	4,891.03

THEODORE FRANCIS GREEN,
Chairman.

JULY 17, 1958.

COMMITTEE ON FOREIGN RELATIONS

SUBCOMMITTEE ON DISARMAMENT

(Under authorization of S. Res. 151, agreed to June 26, 1957, as amended, and S. Res. 241, agreed to January 29, 1958)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1958, to June 30, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Betty Goetz	Staff director	$5,010.48
Carolyn F. Smith	Assistant clerk	2,559.60
Paula L. Underwood	do	2,507.64
Carolyn W. Welsh	Assistant clerk to Feb. 28.	1,548.72
Cyril E. King	Assistant clerk from Jan. 6.	3,187.27
Helen R. Kettendorf	Assistant clerk from May 1.	647.48
Agnes S. Sullivan	Assistant clerk from Mar. 14.	1,490.65

(S. Res. 151, agreed to June 26, 1957 and S. Res. 192, agreed to Aug. 26, 1957)

Funds available for expenditure at beginning of period	$25,000.00
Expended during period	13,845.19
Balance unexpended at end of period (authority expired Jan. 31, 1958)	12,154.80

(S. Res. 241, agreed to Jan. 29, 1958)

Funds available for expenditure at beginning of period	$34,000.00
Additional funds authorized during period	
Total available for expenditure during period	34,000.00
Expended during period	24,896.20
Balance available for expenditure at end of period	9,103.80

THEODORE FRANCIS GREEN,
Chairman.

JULY 17, 1958.

SPECIAL COMMITTEE TO STUDY FOREIGN AID PROGRAM

(Under authority of S. Res. 35, agreed to January 30, 1957, as amended)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1958, to January 31, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Theresa Bowen	Assistant clerk	$460.76
Betty A. Burroughs	do	417.94
Morella A. Hansen	Research assistant	674.84
Arthur M. Kuhl	Chief clerk	1,134.80

Funds available for expenditure at beginning of period	$15,489.23
Additional funds authorized during period	
Total available for expenditure during period	15,489.23
Expended during period	8,589.03
Balance	6,900.20

THEODORE FRANCIS GREEN,
Chairman.

JULY 11, 1958.

COMMITTEE ON GOVERNMENT OPERATIONS

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1958, to June 30, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Walter L. Reynolds	Chief clerk	$7,150.62
Glenn K. Shriver	Professional staff member.	6,808.80
Eli E. Nobleman	do	6,808.80
Miles Scull, Jr.	do	6,808.80
W. E. O'Brien	do	6,036.00
Ann M. Grickis	Assistant chief clerk	3,907.68
Ray Barnett	Clerical assistant	3,175.56
Vivien I. McConnell	do	3,072.84
Kathryn Keeney (Mrs.)	do	2,918.70
Esther M. Hutchinson (Mrs.)	Clerical assistant (to Apr. 30).	1,877.28
Yvonne Scott	Clerical assistant (from May 1).	938.64

Funds available for expenditure at beginning of period	$8,544.55
Additional funds authorized during period	
Total available for expenditure during period	8,544.55
Expended during period	817.24
Balance available for expenditure at end of period	7,727.31

JOHN L. MCCLELLAN,
Chairman.

JULY 15, 1958.

COMMITTEE ON GOVERNMENT OPERATIONS
SENATE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1958, to June 30, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Buffalohide, Maxine B.	Assistant clerk	$2,815.94
Calabrese, Alphonse F.	Investigator	6,214.34
Dearborn, Alice S.	Assistant clerk	3,098.50
Duckett, Margaret W.	Acting chief clerk	2,918.71
Duffy, LaVern J.	Investigator	5,471.22
Dunne, Robert E.	Assistant counsel	5,471.22
Egan, Thomas G.	Investigator	5,367.18
Healey, John S.	do	5,367.18
Juliana, James N.	Chief counsel to the minority.	6,808.84
Kamerick, Paul E.	Assistant counsel	6,808.84
Kennedy, Rosemary	Assistant clerk (from June 9).	337.88
Maher, Joseph F.	Investigator	5,367.18
Nulty, Leo C.	do	5,827.92
O'Donnell, Donald F.	Acting chief counsel to the majority.	7,106.08
Switzer, Mildred L.	Assistant clerk	2,764.56
Tierney, Paul J.	Assistant counsel	6,214.34

Funds available for expenditure at beginning of period	$26,618.70
Additional funds authorized during period	200,000.00
Total available for expenditure during period	226,618.70
Expended during period	109,611.41
Balance available for expenditure at end of period	117,007.29

JOHN L. MCCLELLAN,
Chairman.

JULY 15, 1958.

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1958, to June 30, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Callaghan, Richard L.	Chief clerk	$7,400.00
French, Stewart	General counsel	7,150.67
Gamble, James H.	Professional staff member.	6,080.87
Lineweaver, Goodrich L.	do	6,008.87
Stong, Benton J.	do	6,008.87
Callaghan, Marcia M.	Clerical assistant	2,867.33
Davis, Dorothy A.	do	2,713.20
Donnelley, Rosemary	do	3,072.87
McSherry, Nellie D.	Assistant chief clerk	5,545.55
Todd, Pauline B.	Clerical assistant	2,867.33

Funds available for expenditure at beginning of period	$1,668.97
Additional funds authorized during period (S. Res. 277, Apr. 3, 1958)	10,000.00
Total available for expenditure during period	11,668.97
Expended during period	5,225.60
Balance available for expenditure at end of period	6,443.37

JAMES E. MURRAY,
Chairman.

JULY 15, 1958.

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

(Under authority of S. Res. 46, agreed to January 30, 1957)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittee during the period from January 1, 1958, to January 31, 1958, together with the funds available to and expended by it and its subcommittee:

Name	Profession	Total salary received
Culp, Gordon C.	Professional staff member.	$797.92
Curtis, Dorothy S.	Clerical assistant	452.19
Eaton, Eugene D.	Professional staff member.	968.84
Edwards, Cecilia A.	Clerk-stenographer	469.32
Florence, Katherine S.	Clerical assistant (to Jan. 9).	125.38
Harrington, Joan M.	Clerical assistant	452.19
Holderer, Geo. B.	Professional staff member.	1,043.15
Lahr, Mary C.	Clerical assistant	443.63
Mann, Jerry E.	do	357.99
Mapes, Milton C., Jr.	Professional staff member.	901.13
McDonald, Joseph F., Jr.	do	1,008.00
Nelson, Elmer K.	do	1,134.80
O'Connor, Adele	Stenographer	443.63
O'Toole, Richard F.	Professional staff member.	1,072.88
Redwine, Robert W.	do	1,043.15

Funds available for expenditure at beginning of period	$17,916.42
Additional funds authorized during period	
Total available for expenditure during period	17,916.42
Expended during period	15,661.28
Balance available for expenditure at end of period	2,255.14

JAMES E. MURRAY,
Chairman, Subcommittee.

JULY 15, 1958.

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

(Under S. Res. 229, agreed to January 29, 1958)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittee during the period from February 1, 1958, to June 30, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Culp, Gordon C.	Professional staff member.	$4,792.20
Curtis, Dorothy S.	Clerical assistant	2,260.95
Dickerson, Denver	Professional staff member (from June 2).	972.46
Eaton, Eugene D.	Professional staff member.	5,017.58
Edwards, Cecelia A.	Clerk-stenographer (to June 20).	2,190.16
Harrington, Joan M.	Clerical assistant	2,260.95
Holderer, Geo. B.	Professional staff member.	5,215.75
Lahr, Mary C.	Clerical assistant	2,218.15
Leahin, Geraldine	Professional staff member (from June 1).	835.06
Mann, Jerry E.	Clerical assistant	2,046.87
Mapes, Milton C., Jr.	Professional staff member.	4,955.65
McDonald, Joseph F., Jr.	Professional staff member (to May 15).	3,520.99
Masters, James M., Jr.	Research assistant (from June 2).	276.54

Name	Profession	Total salary received
Nelson, Elmer K.	Professional staff member.	$5,674.00
O'Connor, Adele	Stenographer	2,218.15
O'Toole, Richard F.	Professional staff member.	5,364.40
Redwine, Robert W.	do	5,215.75
Strong, Michael J.	Research assistant (from June 16-30).	133.46
Sutton, Betty M.	Clerical assistant (from May 12).	710.61
Wong, Donna J.	Clerical assistant (from June 9).	231.13

Funds available for expenditure at beginning of period	$180,000.00
Additional funds authorized during period	
Total available for expenditure during period	180,000.00
Expended during period	67,528.97
Balance available for expenditure at end of period	112,471.03

JAMES E. MURRAY,
Chairman, Subcommittee.

JULY 11, 1958.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1958, to June 30, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Bailey, James E.	Assistant chief counsel.	$6,808.80
Barton, Frank L.	Professional staff member.	6,808.80
Baynton, Harold I.	Chief counsel	7,399.98
Cooper, Grace R.	Clerical assistant (from Mar. 28).	1,162.87
Jarrett, Edward	Chief clerk	7,150.62
Moore, Jeanne C.	Clerical assistant (to Jan. 7).	103.51
Rudolph, Vera B.	Clerical assistant	3,483.84
Shaffer, Martha P.	do	3,072.84
Smigen, Cecelia M.	do	3,072.84
Wissman, Bertram O.	Assistant chief clerk	6,770.98
Zapple, Nicholas	Professional staff member.	6,808.80

Funds available for expenditure at beginning of period	$6,984.58
Additional funds authorized during period	0
Repayment of funds advanced to committee (statutory receipt)	500.00
Total available for expenditure during period	7,484.58
Expended during period	508.75
Balance available for expenditure at end of period	6,975.83

WARREN G. MAGNUSON,
Chairman.

JULY 11, 1958.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(S. Res. 26, agreed to January 30, 1957, to investigate certain problems relating to interstate and foreign commerce)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1958, to January 31, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Black, John W.	Professional staff member.	$632.03
Bourbon, August J.	do	924.25
Bowers, Joan A.	Clerical assistant	417.94
Busby, David	Professional staff member.	887.10
Butz, John R.	Clerical assistant	537.83
Fadely, Catherine E.	do	400.32
Huse, Harry C.	Professional staff member.	887.10
Kohler, William L.	do	717.14
Luckey, Albert B., Jr.	do	924.25
Monk, Jane E.	Clerical assistant	417.94
Murphy, Robert T.	Professional staff member.	1,134.80
Rogers, Kathryn B.	Clerical assistant	400.81
Stern, Edward A.	Professional staff member.	827.65
Torre, Catherine C.	Clerical assistant	435.07
Watkins, Charles D.	Professional staff member.	649.15

Funds available for expenditure at beginning of period	$72,376.86
Additional funds authorized during period	0
Total available for expenditure during period	72,376.86
Expended during period	24,904.29
Balance available for expenditure at end of period	47,472.57

WARREN G. MAGNUSON,
Chairman.

JULY 11, 1958.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(S. Res. 224, agreed to February 5, 1958, authorizing the Committee on Interstate and Foreign Commerce to investigate certain matters under its jurisdiction)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from February 1, 1958, to June 30, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Adkisson, Sandra L.	Clerical assistant (from Apr. 1).	$1,048.20
Black, John W.	Professional staff member.	3,160.15
Bourbon, August J.	do	5,358.17
Bowers, Joan A.	Clerical assistant	2,089.70
Bromson, Barbara E.	Clerical assistant (from June 23).	73.19
Busby, David	Professional staff member.	4,435.50
Butz, John R.	Clerical assistant	2,789.33
Cox, Kenneth A.	Special counsel (from May 22).	1,475.24
Fadely, Catherine E.	Clerical assistant	2,346.60
Grinstein, Gerald B.	Professional staff member (from Apr. 24).	1,563.36
Huse, Harry C.	Professional staff member.	4,435.50
Kohler, William L.	do	3,535.70
Lewis, Willie L.	Clerical assistant (from Apr. 1).	971.22
Luckey, Albert B., Jr.	Professional staff member.	4,621.25
Monk, Jane E.	Clerical assistant	2,089.70
Murphy, Robert T.	Professional staff member.	5,674.00
Rogers, Kathryn B.	Clerical assistant	2,004.05
Stern, Edward A.	Professional staff member.	4,138.25
Torre, Catherine C.	Clerical assistant	2,209.17
Watkins, Charles D.	Professional staff member.	3,245.75

Funds available for expenditure at beginning of period	$225,000.00
Additional funds authorized during period	
Total available for expenditure during period	$225,000.00
Expended during period	67,777.27
Balance available for expenditure at end of period	157,222.73

WARREN G. MAGNUSON,
Chairman.

JULY 11, 1958.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(S. Res. 287, agreed to May 6, 1958, authorizing a study of the textile industry of the United States)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from May 6, 1958 to June 30, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Miernyk, William H.	Consultant (W. A. E.).	None

Funds available for expenditure at beginning of period	$25,000.00
Additional funds authorized during period	
Total available for expenditure during period	25,000.00
Expended during period	
Balance available for expenditure at end of period	25,000.00

WARREN G. MAGNUSON,
Chairman.

JULY 11, 1958.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(S. Res. 62, agreed to January 30, 1957, authorizing the Committee on Interstate and Foreign Commerce to investigate certain matters relating to petroleum and petroleum products)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1958, to January 31, 1958, together with the funds available to and expended by it and its subcommittees:

None.

Funds available for expenditure at beginning of period	$50,000
Additional funds authorized during period	0
Total available for expenditure during period	50,000
Expended during period	0
Balance available for expenditure at end of period	50,000

WARREN G. MAGNUSON,
Chairman.

JULY 11, 1958.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(S. Res. 303, agreed to June 23, 1958, providing for a study of transportation policies in the United States)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees

during the period from June 23, 1958, to June 30, 1958, together with the funds available to and expended by it and its subcommittees:

None.

Funds available for expenditure at beginning of period	$100,000.00
Additional funds authorized during period	----------
Total available for expenditure during period	100,000.00
Expended during period	----------
Balance available for expenditure at end of period	100,000.00

WARREN G. MAGNUSON,
Chairman.

JULY 10, 1958.

COMMITTEE ON THE JUDICIARY

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1958, to June 30, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Joseph A. Davis	Chief clerk	$7,122.13
Francis C. Rosenberger	Assistant chief clerk	6,808.80
Thomas B. Collins	Professional staff member	6,808.80
George S. Green	do	6,808.80
Robert M. Kilgore	do	6,808.80
J. Carlisle Ruddy	do	6,336.52
Wayne H. Smithey	do	7,122.13
Robert B. Young	do	6,808.80
Mary I. Rogers	Clerical assistant	3,278.34
Mildred E. Canon	do	3,278.34
Carrie Lee Conner	do	3,278.34
Katharine M. Ellis	do	3,278.34
Costas C. Chrissos	do	3,278.34
Richard F. Wambach	do	3,278.34
Beatrice M. Gray	do	2,815.92

Funds available for expenditure at beginning of period	$6,295.22
Additional funds authorized during period (S. Res. 300 agreed to May 21, 1958)	10,000.00
Total available for expenditure during period	16,295.22
Expended during period	2,377.04
Balance available for expenditure at end of period	13,918.18

JAMES O. EASTLAND,
Chairman.

JULY 1, 1958.

COMMITTEE ON THE JUDICIARY

SUBCOMMITTEE ON PENITENTIARIES

(S. Res. 56, agreed to January 30, 1957; S. Res. 230, agreed to January 29, 1958)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1958, to June 30, 1958, together with the funds available to, and expended by, it and its subcommittees:

No employees.

Funds available for expenditure at beginning of period (S. Res. 56)	$4,329.85
Funds expended from S. Res. 56	3.94
Balance on Jan. 31, 1958 (at which time S. Res. 56 expired)	4,325.91
Additional funds authorized during period (S. Res. 230 agreed to Jan. 29, 1958)	5,000.00
Funds expended from S. Res. 230	161.86
Balance available for expenditure at end of period	4,838.14

JAMES O. EASTLAND,
Chairman.
THOMAS C. HENNINGS, Jr.,
Subcommittee Chairman.

JUNE 30, 1958.

COMMITTEE ON THE JUDICIARY

SENATE ANTITRUST AND MONOPOLY SUBCOMMITTEE

(Under authority of S. Res. 231, agreed to February 5, 1958)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1958, to June 30, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Arnett, Lucy V.	Stenographer	$2,815.92
Beaton, Adele V.	Secretary to counsel for minority.	2,747.42
Blair, John M.	Chief economist	6,808.80
Bolton-Smith, Carlile	Attorney	6,808.80
Browne, E. Wayles, Jr.	Economist	5,891.06
Bryant, Lucile	Stenographer (from Mar. 9).	1,560.31
Chaney, Katherine Ford.	Stenographer	2,404.86
Chumbris, Peter N.	Counsel for the minority.	6,808.80
Clifford, George E.	Assistant counsel	5,188.80
Cole, Raymond C., Jr.	Investigator	4,646.16
Dixon, Paul Rand	Counsel and staff director.	6,808.80
Flurry, Horace L.	Assistant counsel	6,348.06
Graffam, O. Marie	Telephone operator (from Apr. 5).	745.50
Green, Paul S.	Hearing editor	4,988.19
Hamilton, Irene Till [1]	Economist	2,839.62
Heins, Dr. Richard M.[1]	Attorney (from Apr. 9).	313.86
Holloman, Jere L.	Messenger (from June 9).	185.72
Laycock, L. Graden, III.	Mail clerk (from June 18).	45.27
Layton, Philip R.	Assistant counsel	5,768.46
Measday, Walter S.[2]	Economist	2,143.41
McHugh, Donald P.	Counsel	6,808.80
Montier, Gladys E.	Clerk	3,381.12
More, Carolyn A.	Research stenographer (to Jan. 31).	357.99
Nerlove, Lt. Marc L.[3]	Economist (from Mar. 5 through June 15).	----------
Neville, Gareth M.	Assistant counsel	6,808.80
Oliver, Mae	Records clerk	3,381.12
Oishine, Lucille L.	Research assistant	2,764.56
Peck, Theodore T.	Attorney (from Feb. 19).	4,903.12
Posmantur, Peter T.	Attorney	3,124.20
Read, Arlone	Stenographer	2,653.21
Rice, Downey [1]	Assistant counsel	123.33
Rosenman, Louis	Attorney	3,381.12
Sparks, Wilbur D.	do	4,619.07
Waltman, Vera M.	Stenographer	2,507.64
Williams, Thomas C.	Research employee	2,970.06
Zalany, Emily W.	Stenographer	2,607.55

[1] W. a. e. employees (when actually employed).
[2] W. a. e. until June 9; regular employee from June 10.
[3] On reimbursable basis from U. S. Army.

Funds available for expenditure at beginning of period (S. Res. 57)	$56,006.38
Funds expended from S. Res. 57	23,510.74
Balance on Jan. 31, 1958, at which time S. Res. 57 expired	32,495.64
Additional funds authorized during period (S. Res. 231 agreed to Feb. 5, 1958)	365,000.00
Funds expended from S. Res. 231	119,048.96
Balance available for expenditure at end of period	345,951.04

JAMES O. EASTLAND,
Chairman.
ESTES KEFAUVER,
Subcommittee Chairman.

JULY 1, 1958.

COMMITTEE ON THE JUDICIARY

SUBCOMMITTEE ON TRADING WITH THE ENEMY ACT

(Under authority of S. Res. 232, agreed to January 30, 1957)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1958, to June 30, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Downey, Mabel A.	Clerk	$3,021.42
Hensley, Kathryn E.	Clerk-typist (from Mar. 15).	1,174.40
Johnson, Richard E.	Clerical assistant (from June 16).	153.30
McElroy, Marcia L.	Stenographer (to Jan. 19).	221.30
Wood, Harlan	Counsel	6,808.80

Funds available for expenditure at beginning of period (S. Res. 50)	$24,574.59
Funds expended from S. Res. 50	2,211.23
Balance on Jan. 31, 1958, at which time S. Res. 50 expired	22,363.36
Additional funds authorized during period (S. Res. 232 agreed to Jan. 29, 1958)	50,000.00
Funds expended from S. Res. 232	10,451.40
Balance available for expenditure at end of period	39,548.60

JAMES O. EASTLAND,
Chairman.

JULY 2, 1958.

COMMITTEE ON THE JUDICIARY

(S. Res. 233 agreed to January 29, 1958)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1958, to June 30, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Baker, Dorothy C.	Records manager	$4,646.16
Barber, Frank D.	Investigator	3,740.76
Betts, Mary E.	Secretary	2,507.64
Buckley, Wilburn	Investigator	5,857.62
Dua, Bernice E.	Secretary	2,507.64
Duffy, Edward R.	Investigator	5,144.22
Fox, Miriam O.	Confidential secretary.	3,483.84
Frank, Nelson	Investigator (through Jan. 31).	640.59
Garcia, Roy	Clerk (through Feb. 15).	755.35
Hutto, Ralph H., Jr.	Assistant editorial director.	5,055.06
Lowell, William E.	Editorial director	5,133.20
Maloney, Elinor L.	Confidential secretary (to Mar. 15).	1,451.60
Maloney, Ethel A.	Stenographer (to Mar. 15).	1,151.89
Mandel, Benjamin	Research director	6,303.48
McManus, Robert C.	Investigations analyst.	6,125.16
McManus, William F.	Research assistant	3,792.18
McShan, Antoinette M.	do	3,124.20
Morris, Robert	Chief counsel (through Jan. 31).	1,134.80
Pierce, Clarence A.	Investigator (from May 15).	955.97
Richards, Ann E.	Stenographer	2,970.06
Schedler, Dean	Investigator (Jan. 1-7; Mar. 15-31).	464.55
Schroeder, Frank W.	Chief investigator	6,125.16
Sisson, W. D.	Clerk	2,404.86
Sourwine, J. G.	Chief counsel	6,808.80
Stavropulos, Mary	Clerk	2,610.42
Tonnar, Helen H.	Secretary	2,764.56
Kerekes, Gabriel T.	W. A. E. consultant	205.55

Funds available for expenditure at beginning of period (S. Res. 58)	$53,852.51
Funds expended from S. Res. 58	21,797.36
Balance on Jan. 31, 1958 (at which time S. Res. 58 expired)	32,055.15

Additional funds authorized during period (S. Res. 233 agreed to Jan. 29, 1958)	$200,000.00
Funds expended from S. Res. 233	70,041.29
Balance available for expenditure at end of period	129,958.71

JAMES O. EASTLAND,
Chairman, Committee and Subcommittee.

JULY 2, 1958.

COMMITTEE ON THE JUDICIARY

SUBCOMMITTEE ON CONSTITUTIONAL RIGHTS

(Under authority of S. Res. 234, agreed to January 29, 1958)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1958, to June 30, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Bevan, Robert L.	Assistant counsel (from Apr. 7).	$1,640.78
Escoe, J. Delmas	Assistant counsel	4,302.84
Gowen, Mary A.	Secretary (from Jan. 15).	2,786.42
Grieg, Lydia S.	Secretary	2,989.45
Irwin, Mary A.	Legislative consultant.	4,302.84
MacNaughton, Marcia J.	Research assistant	2,302.11
Maloney, Walter H., Jr.	Assistant counsel	3,149.88
McCandless, Sue H.	Research assistant	2,225.04
Patton, William D.	First assistant counsel.	4,656.66
Simmons, Belva T.	Research assistant	2,507.64
Slayman, Charles H., Jr.	Chief counsel and staff director.	6,808.80

Funds available for expenditure at beginning of period (S. Res. 49)	$30,902.92
Funds expended from S. Res. 49	7,235.29
Balance on Jan. 31, 1958 (at which time S. Res. 49 expired)	23,667.63
Additional funds authorized during period (S. Res. 234 agreed to Jan. 29, 1958)	115,000.00
Funds expended from S. Res. 234	35,552.89
Balance available for expenditure at end of period	79,447.11

JAMES O. EASTLAND,
Chairman.

THOMAS C. HENNINGS, Jr.,
Subcommittee Chairman.

JULY 7, 1958.

COMMITTEE ON THE JUDICIARY

IMMIGRATION AND NATURALIZATION

(S. Res. 51, agreed to January 30, 1957, and S. Res. 235, agreed to January 29, 1958)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1958, to June 30, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Ashcraft, Ann	Clerk	$2,302.08
Blair, Drury H.	Staff member	6,808.80
Brown, James M.	Legal assistant	5,188.80
Buckner, Catlett L.	Staff member	5,144.22
Burton, Robert R.	do	5,723.88
DeGooyer, Franzetta R.	Clerk	2,970.06
McCarthy, Mary C.	Clerical assistant (to C. O. B. Jan. 5, 1958).	62.52
McCloskey, Mary J.	Clerk	$2,970.06
Mesmer, Fred M.	Staff member	6,808.80

Funds available for expenditure at beginning of period (S. Res. 51)	$14,935.38
Funds expended from S. Res. 51	6,705.73
Balance on Jan. 31, 1958 (at which time S. Res. 51 expired)	8,229.65
Additional funds authorized during period (S. Res. 235 agreed to Jan. 29, 1958)	90,000.00
Funds expended from S. Res. 235	32,938.47
Balance available for expenditure at end of period	57,061.53

JAMES O. EASTLAND,
Chairman, Committee and Subcommittee.

JULY 10, 1958.

COMMITTEE ON THE JUDICIARY

SUBCOMMITTEE ON PATENTS, TRADEMARKS, AND COPYRIGHTS

(Pursuant to S. Res. 236 agreed to February 5, 1958)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1958, to June 30, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Clesner, Herschel F.	Investigator	$4,203.18
Dinkins, Clarence M.	Investigator (from Apr. 15).	1,774.67
Ercegovich, Ann M.	Secretary	2,867.28
Friedman, Murray N.	Consultant w. a. e. (S. Res. 167).	842.76
Gibbons, Richard M.	Secretary-typist	2,147.94
Haaser, Stephen G.	Chief clerk	4,787.52
Hadley, Laura M.	Clerk-typist (from Jan 10).	2,040.54
Hollabaugh, Marcus A.	Counsel (to Feb. 15).	1,702.20
Hollabaugh, Marcus A.	Consultant (from Apr. 10) w. a. e.	123.33
Hoy, Ann S.	Secretary	3,175.56
Huber, Walter B.	Investigator (to Apr. 30).	3,191.68
Melman, Seymour	Consultant w. a. e. (S. Res. 167).	506.10
Stedman, John C.	Associate counsel (to Jan. 31).	1,134.80
Stedman, John C.	Associate counsel (from Feb. 4) w. a. e.	1,356.65
Wright, Robert L.	Chief counsel (from May 1, 1958).	2,269.60

Funds available for expenditure at beginning of period (S. Res. 55)	$13,014.73
Funds expended from S. Res. 55	6,976.39
Balance on Jan. 31, 1958 (at which time S. Res. 55 expired)	6,038.34
Additional funds authorized during period (S. Res. 236 agreed to Feb. 5, 1958)	135,000.00
Funds expended from S. Res. 236	29,014.94
Balance available for expenditure at end of period	105,985.06

JAMES O. EASTLAND,
Chairman.

JOSEPH C. O'MAHONEY,
Subcommittee Chairman.

JULY 2, 1958.

COMMITTEE ON THE JUDICIARY

SUBCOMMITTEE TO INVESTIGATE JUVENILE DELINQUENCY

(Under authority of S. Res. 52, agreed to January 30, 1957, as amended, and S. Res. 237, agreed to January 29, 1958)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1 to June 30, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Bernstone, Arthur H.	Chief counsel (from May 2, 1958).	$2,231.78
Blair, Dorothy C.	Stenographer (from Feb. 1, 1958).	2,004.05
Fullmer, Marvin R.	Investigator (Feb. 5, to Mar. 5, 1958).	688.48
Holland, Cecil F., Jr.	Clerical assistant (from June 19, 1958).	84.17
Louis, Margaret M.	Stenographer	2,362.04
McGill, Elizabeth T.	Chief clerk	3,402.44
Mitler, Ernest A.	Special counsel (to Feb. 15, and Mar. 4, 1958).	1,104.56
Perlan, Carl L.	Research director	4,251.96
Sullivan, James L.	Chief counsel (to Mar. 15, 1958).	2,210.31

Funds available for expenditure at beginning of period—	
S. Res. 52	$15,274.32
S. Res. 126	41.31
Total	15,315.63
Funds expended from—	
S. Res. 52	4,430.42
S. Res. 126	0
Total	4,430.42
Balance on Jan. 31, 1958, at which time the resolutions expired:	
S. Res. 52	10,843.90
S. Res. 126	41.31
Total	10,885.21
Additional funds authorized during period (S. Res. 237 agreed to Jan. 21, 1958)	75,000.00
Funds expended from S. Res. 237	18,511.01
Balance available for expenditure at end of period	56,488.99

JAMES O. EASTLAND,
Chairman.

THOMAS C. HENNINGS, Jr.,
Subcommittee Chairman.

JULY 1, 1958.

COMMITTEE ON THE JUDICIARY

SUBCOMMITTEE ON IMPROVEMENTS IN THE FEDERAL CRIMINAL CODE

(S. Res. 54, agreed to January 30, 1957, and S. Res. 238, agreed to January 29, 1958)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1 to June 30, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Gasque, Cecil A.	General counsel (to May 31, 1958).	$5,674.00
Culotta, Samuel A.	Associate counsel	4,533.75
Amidon, Robert H.	Attorney (to Jan. 31, 1958).	812.79
Langer, Jennie J.	Administrative secretary.	3,638.04

Funds available for expenditure at beginning of period (S. Res. 54)	$9,403.88
Funds expended from S. Res. 54	4,444.58
Balance on Jan. 31, 1958, at which time S. Res. 54 expired	4,959.30

Additional funds authorized during period (S. Res. 238 agreed to Jan. 29, 1958)	$40,000.00
Funds expended from S. Res. 238	12,277.01
Balance available for expenditure at end of period	27,722.99

JAMES O. EASTLAND,
Chairman.
JOSEPH C. O'MAHONEY,
Subcommittee Chairman.

JULY 11, 1958.

COMMITTEE ON THE JUDICIARY

SUBCOMMITTEE TO INVESTIGATE PROBLEMS CONNECTED WITH EMIGRATION OF REFUGEES FROM WESTERN EUROPEAN NATIONS

(Under authority of S. Res. 53, agreed to January 30, 1957, and S. Res. 239, agreed to January 29, 1958)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1 to June 30, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Guthridge, Eleanor C.	General counsel	$6,808.80
Zisler, Lucille M.	Secretary (from Mar. 10, 1958).	1,609.75
Harness, Margaret	Stenographer (from Apr. 18 to May 7, 1958).	267.20
Riley, Louise	Stenographer from May 29, 1958.	427.53

Funds available for expenditure at beginning of period (S. Res. 53)	$26,632.76
Funds expended from S. Res. 53	2,857.13
Balance on Jan. 31, 1958 (at which time S. Res. 53 expired)	23,765.63
Additional funds authorized during period (S. Res. 239 agreed to Jan. 29, 1958)	35,000.00
Funds expended from S. Res. 239	8,699.34
Balance available for expenditure at end of period	26,300.66

JAMES O. EASTLAND,
Chairman.
WILLIAM LANGER,
Subcommittee Chairman.

JULY 10, 1958.

COMMITTEE ON LABOR AND PUBLIC WELFARE

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1958, to June 30, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Stewart E. McClure	Chief clerk	$6,808.80
Roy E. James	Assistant chief clerk	6,808.80
Crawford C. Heerlein	Clerical assistant	3,483.84
Vivien T. Harman [1]	do	3,381.12
Thelma W. Blankenship.	do	3,124.20
Marjorie M. Whittaker. [1]	do	3,072.84
Helen H. Papps	do	3,072.84
Alice H. Price	do	2,867.28
Helyn Eagle [1]	do	2,867.28
Lucille Gould [1]	do	2,661.78
Nina Fountain [2]	Clerical assistant (from May 26).	487.50
John S. Forsythe	General counsel	6,808.80

See footnotes at end of table.

Name	Profession	Total salary received
William G. Reidy	Professional staff member.	$6,808.80
Michael J. Bernstein	do	6,808.80
Merton Bernstein [2]	do	6,808.80
Frederick Blackwell [2]	do	6,590.82
Paul Cotter [2]	Professional staff member (to Apr. 15).	3,971.80
Raymond D. Hurley [2]	Professional staff member (from Feb. 26).	4,728.33
Ralph A. Dungan [2]	Professional staff member (from Apr. 16).	2,837.00

[1] Under authority of S. Res. 254, Feb. 5, 1958.
[2] Under authority of S. Res. 253, Feb. 10, 1958.

Funds available for expenditure at beginning of period	$3,491.77
Additional funds authorized during period (S. Res. 252, Feb. 5, 1958)	10,000.00
Total available for expenditure during period	13,491.77
Expended during period	6,891.20
Balance available for expenditure at end of period	6,600.57

LISTER HILL,
Chairman.

JULY 10, 1958.

COMMITTEE ON POST OFFICE AND CIVIL SERVICE

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1 to June 30, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Brawley, H. W.	Chief clerk	$7,399.98
Kerlin, J. Don	Professional staff member.	6,808.80
Paschal, Frank A.	do	7,150.62
Faucette, Andrew McC.	do	6,808.80
Finzel, Hubert H.	do	6,808.80
Perrott, Virginia E.	Assistant chief clerk	3,586.62
Sisk, Elizabeth R.	Clerical assistant	3,483.84
Thornton, Peggy L.	do	2,713.14
Gooselaw, Jay E.	do [1]	2,713.14
McDonald, Innis E.	do	2,970.06
Finney, Joan M.	do	3,072.84

[1] Under authority of S. Res. 20, agreed to Jan. 30, 1957, and S. Res. 210, agreed to Jan. 29, 1958.

Funds available for expenditure at beginning of period	$2,967.61
Additional funds authorized during period (S. Res. 273, agreed to Apr. 3, 1958)	10,000.00
Total available for expenditure during period	12,967.61
Expended during period	3,458.97
Balance available for expenditure at end of period	9,508.64

OLIN D. JOHNSTON,
Chairman.

JULY 10, 1958.

COMMITTEE ON POST OFFICE AND CIVIL SERVICE

(Investigation of the administration of the Federal Employee Group Life Insurance program, the Civil Service System, and the Postal Service; S. Res. 25, agreed to January 30, 1957.)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1958, to January 31, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Alexander, Betty C.	Clerical assistant	$383.68
Gandal, Gabriele	do	426.50
Johnston, Nannette G.	do	512.14
McEnroe, Louella C.	do	503.57
Miller, William W.	Investigator	812.79

Funds available for expenditure at beginning of period	$20,604.47
Additional funds authorized during period	
Total available for expenditure during period	20,604.47
Expended during period	3,867.72
Balance available for expenditure at end of period	16,736.75

OLIN D. JOHNSTON,
Chairman.

JULY 10, 1958.

COMMITTEE ON POST OFFICE AND CIVIL SERVICE

(Investigation of the administration of the Federal Employee Group Life Insurance program, the Civil Service System, and the Postal Service; S. Res. 208, agreed to January 29, 1958.)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from February 1, 1958, to June 30, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Alexander, Betty C.	Clerical assistant	$1,918.40
Gandal, Gabriele	do	2,132.50
Huss, John D.	Clerical assistant (from June 9).	281.37
Johnston, Nannette G.	Clerical assistant	2,560.70
McEnroe, Louella C.	do	2,517.85
Miller, William W.	Investigator	4,063.95
Connor, Thomas F.	Consultant (per diem from Mar. 20).	2,096.65
Seastrunk, F. Jack	Consultant (per diem).	15.17

Funds available for expenditure at beginning of period	$50,000.00
Additional funds authorized during period	
Total available for expenditure during period	50,000.00
Expended during period	16,861.09
Balance available for expenditure at end of period	33,138.91

OLIN D. JOHNSTON,
Chairman.

JULY 1, 1958.

COMMITTEE ON PUBLIC WORKS

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1958, to June 30, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Theo W. Sneed	Professional staff member.	$6,793.92
John L. Mutz	do	6,793.92
Frances Ortiz	do	6,303.48
Irving E. Moore	Chief clerk	7,399.98

Name	Profession	Total salary received
Charles N. Kapnic	Assistant chief clerk.	$6,793.92
Eloise Porter	Clerical assistant	3,483.84
Frances T. Clark	do	3,483.84
Ercilia E. Martinez	do	2,918.70
Lorenzo E. Tapia	do	3,021.42

Funds available for expenditure at beginning of period	$9,475.00
Additional funds authorized during period	
Total available for expenditure during period	9,475.00
Expended during period	
Balance available for expenditure at end of period	9,475.00

DENNIS CHAVEZ,
Chairman.

JULY 1, 1958.

COMMITTEE ON PUBLIC WORKS

SUBCOMMITTEE ON INVESTIGATIONS

(Under authority of Senate Resolution 213, agreed to January 29, 1958.)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1958, to June 30, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Fernandez, Cruz S	Clerical assistant	$3,483.84
McBride, Paul	Clerk	4,548.06
Mollica, D. F	do	3,483.84
Moulton, Rodney F	do	5,278.02
Stephens, Margaret A	Clerical assistant (from Apr. 1).	1,253.82

Funds available for expenditure at beginning of period (S. Res. 34, agreed to Jan. 30, 1957)	$32,309.10
Expended during period (authority expired Jan. 31, 1958)	4,110.74
Balance unexpended at end of period	28,198.36
Funds available for expenditure at beginning of period	$75,000.00
Additional funds authorized during period	
Total available for expenditure during period	75,000.00
Expended during period	21,316.13
Balance available for expenditure at end of period	53,683.87

DENNIS CHAVEZ,
Chairman.

JULY 10, 1958.

COMMITTEE ON RULES AND ADMINISTRATION

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submit the following report showing the name, profession, and total salary of each person employed by it and its subcommittes during the period from January 1, 1958, to June 30, 1958, together with the funds available to and expended by its and its subcommittes:

Name	Profession	Total salary received
Harrison, Gordon F	Chief clerk	$7,399.98
Moore, Marian G	Assistant chief clerk	5,894.90
Dryden, Franklin B	Professional staff member (from Mar. 16).	4,171.19
West, Langdon C	Professional staff member.	$6,808.80
Mote, Walter L	Professional staff member (from Mar. 16).	2,922.78
St. Claire, Darrell	Professional staff member (to Feb. 19).	1,906.89
McCain, Robert S	Professional staff member (to Mar. 15).	2,514.99
Hanlon, Joseph	Professional staff member (to Apr. 9).	2,755.76
Gavin, B. Floye	Clerical assistant	3,483.84
Mitchell, Elizabeth S	do	3,072.84
Sharp, Hildreth T	do	3,021.42
Downs, Eleanor L	do	2,713.14
Coder, John P	Printing and editorial assistant.	1,017.90

Funds available for expenditure at beginning of period	$8,345.85
Additional funds authorized during period	
Total available for expenditure during period	8,345.85
Expended during period	445.29
Balance available for expenditure at end of period	7,900.56

THOS. C. HENNINGS, Jr.,
Chairman.

JULY 10, 1958.

COMMITTEE ON RULES AND ADMINISTRATION

SUBCOMMITTEE ON PRIVILEGES AND ELECTIONS

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1958, to June 30, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Clark, Alice	Special assistant	$4,253.82
Daly, Mary G	Clerical assistant	585.11
Duffy, James H	Chief counsel	6,808.80
Gale, Clara R	Research assistant	3,535.26
Humphrey, David J	Investigator	4,049.04
Kath, Norma H	Clerical assistant	2,361.46
Mase, Sadi J	Associate chief counsel.	6,808.80

Funds available for expenditure at beginning of period Jan. 1, 1958–Jan. 31, 1958 (balance S. Res. 73)	$19,176.62
Additional funds authorized during period (S. Res. 250, authorized Feb. 5, 1958)	150,000.00
Total available for expenditure during period	169,176.62
Expended during period, plus balance of S. Res. 73 returned to Senate	44,624.66
Balance available for expenditure at end of period	124,551.96

THOMAS C. HENNINGS, Jr.,
Chairman.

JULY 15, 1958.

SELECT COMMITTEE ON IMPROPER ACTIVITIES IN THE LABOR AND MANAGEMENT FIELD

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1958, to June 30, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Adlerman, Jerome S	Assistant chief counsel.	$7,150.07
Aporta, John A	Investigator	5,619.82
Beck, Margaret K	Assistant clerk (May 1 to 10).	110.76
Brown, Dolores I	Assistant clerk (to June 15).	2,392.83
Brucas, Marie	Assistant clerk	2,336.36
Cheasty, John Cye	Investigator (to April 30; May 14 to 27).	1,828.52
Constandy, John P	Assistant counsel (from May 5).	1,586.53
Davies, Dorothy H	Assistant clerk	2,815.04
DeBearn, Gaston	Research assistant (from June 17).	124.56
Douglas, Evelyn M	Assistant clerk (from Feb. 3).	1,850.09
Frey, Dorothy E	Assistant clerk (from Jan. 21).	1,896.71
Heck, Lena K	Assistant clerk (from May 1).	870.14
Johnson, Vernon J	Investigator (to Apr. 30).	3,161.96
Jones, Edward M	Investigator	4,945.94
Joy, James H	Research assistant (from Feb. 10).	1,441.07
Kaplan, Arthur G	Assistant counsel	5,441.50
Kelly, James P	Investigator	4,400.96
Kennedy, Robert F	Chief counsel	7,400.00
Kenney, Mary F	Assistant clerk	2,764.56
Kilburn, Jeanne F	do	2,610.42
Kopecky, George M	Assistant counsel	5,649.54
Kuhn, Mary	Assistant clerk (from June 17).	118.00
Langenbacher, Irwin	Assistant counsel	5,649.54
Lynch, Mary A	Assistant clerk	2,807.65
Martin, George H	Investigator	5,382.04
Mates, Lillian L	Assistant clerk	2,764.56
Maxwell, Barbara L	do	2,220.75
May, Walter R	Investigator	5,709.00
McGovern, John J	Assistant counsel	6,808.84
McInerney, Michael J	Research assistant	1,925.30
McShane, James J. P	Investigator	4,400.96
Mills, Ralph W	Assistant counsel	6,214.34
Novello, Angela M	Assistant clerk	3,261.23
O'Donnell, Philip K	Assistant counsel	5,530.66
O'Hara, Eleanor D	Assistant clerk (from June 9).	190.73
Oselin, Catherine F	Assistant clerk	2,250.75
Ranstad, Harold	Assistant counsel	3,507.18
Ricciutti, Angeline M	Assistant clerk (from Jan. 1–31).	375.12
Rowlett, Rita D	Assistant clerk	2,764.56
Salinger, Pierre E. G	Investigator	6,808.84
Scott, Yvonne	Assistant clerk (to Apr. 30).	1,843.04
Shea, Mary D	Assistant clerk (to Apr. 15).	1,612.65
Sheridan, Walter J	Investigator	5,709.00
Sloan, Susan	Assistant clerk	2,807.65
Sullivan, Elizabeth K	do	2,764.56
Terry, John A	Research assistant (from Jan. 2).	2,034.41
Uhlmann, Martin S	Investigator (from Feb. 1).	5,178.60
Von Derau, Ines M	Assistant clerk (to Jan. 31).	375.12
Watt, Ruth Young	Chief clerk	4,151.84
Wilber, Georgia H	Assistant clerk	2,764.56
Wilse, Sherman S	Investigator	4,400.96
Yost, Nicholas G	Research assistant (from June 18).	115.65
Young, Ruth B	Assistant clerk	2,657.49

Funds available for expenditure at beginning of period	$446,643.72
Additional funds authorized during period	440,000.00
Total available for expenditure during period	886,643.72
Expended during period	353,903.72
Balance available for expenditure at end of period	232,740.00

JOHN L. MCCLELLAN,
Chairman.

JULY 15, 1958.

SELECT COMMITTEE ON SMALL BUSINESS

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1958, to

June 30, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Amis, William D	Professional staff member.	$6,348.06
Byrne, Elizabeth A	Assistant chief clerk.	3,483.84
Jehle, Philip F	Professional staff member.	5,902.20
Messick, Wiley S	do	5,411.76
Novak, Gertrude C	Clerical assistant	2,610.42
O'Connor, Blake	Professional staff member.	6,348.06
Ruppert, Minna L	Chief clerk	5,322.60
Ryan, Nell F	Clerical assistant	2,404.86
Smith, Don W	Clerk-messenger	2,045.22
Stults, Walter B	Staff director	7,399.98

Funds available for expenditure at beginning of period	$2,667.52
Additional funds authorized during period	None
Total available for expenditure during period	2,667.52
Expended during period	857.65
Balance available for expenditure at end of period	1,809.87

JOHN SPARKMAN,
Chairman.

JULY 15, 1958.

SELECT COMMITTEE ON SMALL BUSINESS

(Pursuant to S. Res. 42, agreed to January 30, 1957)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 128, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from January 1, 1958, to January 31, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Burwell, Rose M	Clerical assistant	$357.99
Chaternuck, Pauline	do	357.99
Creech, William A	Professional staff member.	766.19
Dye, Elaine C	Clerical assistant	383.68
Erickson, William J	Professional staff member.	961.41
Flynn, John J	do	766.19
Weadock, Robert L	do	774.36
White, Lee C	do	458.41

Funds available for expenditure at beginning of period	$13,185.93
Additional funds authorized during period	None
Total available for expenditure during period	13,185.93
Expended during period	13,185.11
Balance available for expenditure at end of period	.82

JOHN SPARKMAN,
Chairman.

JULY 15, 1958.

SELECT COMMITTEE ON SMALL BUSINESS

(Pursuant to S. Res. 200, agreed to January 29, 1958)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from February 1, 1958, to June 30, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Burwell, Rose	Clerical assistant	$1,789.95
Chaternuck, Pauline	do	1,789.95
Creech, William A	Professional staff member (Feb. 1 to Mar. 20, and Mar. 22 to June 30).	4,073.75
Dye, Elaine C	Clerical assistant	1,918.40
Erickson, William J	Professional staff member.	4,807.05
Flynn, John J	do	4,101.10
Gordon, Benjamin	Professional staff member (from Mar. 1).	3,280.88
Hall, Edwin P., Jr	Clerk-messenger (from June 14).	193.15
McInarnay, William T.	Professional staff member (from May 15).	1,223.48
Watts, Raymond D	Professional staff member (from Mar. 3).	2,553.32
Weadock, Robert L	Professional staff member.	4,398.35

Funds available for expenditure at beginning of period	$90,000.00
Additional funds authorized during period	None
Total available for expenditure during period	90,000.00
Expended during period	34,565.13
Balance available for expenditure at end of period	55,434.87

JOHN SPARKMAN,
Chairman.

JULY 1, 1958.

COMMITTEE ON SPACE AND ASTRONAUTICS

(Under authority of S. Res. 256 agreed to February 6, 1958)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, 80th Congress, 1st session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees during the period from February 6, 1958, to June 30, 1958, together with the funds available to and expended by it and its subcommittees:

Name	Profession	Total salary received
Dr. Glen P. Wilson	Coordinator of technical information (from Mar. 27).	$1,846.19
Mary Rita Guilfoyle	Assistant clerk (from Apr. 7).	1,194.20
Janie E. Mason	Research assistant (Apr. 1 to June 30).	578.61
Dr. H. J. Stewart (w. a. e.).	Scientific consultant (May 8, 9, 10)	123.33

Funds available for expenditure at beginning of period Feb. 6, 1958	$50,000.00
Additional funds authorized during period	
Total available for expenditure during period	50,000.00
Expended during period	9,523.46
Balance available for expenditure at end of period	40,476.54

LYNDON B. JOHNSON,
Chairman.

ADJOURNMENT TO 10 A. M. TOMORROW

The PRESIDING OFFICER (Mr. CLARK in the chair). Pursuant to the order entered on last Friday, July 18, 1958, the Senate stands adjourned until 10 o'clock tomorrow morning.

Thereupon (at 7 o'clock and 40 minutes p. m.), the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Tuesday, July 22, 1958, at 10 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate July 21, 1958:

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Bertha S. Adkins, of Maryland, to be Under Secretary of Health, Education, and Welfare, vice John Alanson Perkins resigned.

COMPTROLLER OF CUSTOMS

Russell E. Atkinson, of New Jersey, to be Comptroller of Customs at Philadelphia, Pa. (Reappointment.)

COLLECTOR OF CUSTOMS

Emile A. Pepin, of Rhode Island, to be collector of customs for customs collection district No. 5, with headquarters at Providence, R. I. (Reappointment.)

BOARD OF PAROLE

George J. Reed, of Minnesota, to be a member of the Board of Parole for the term expiring September 30, 1964. He is now serving in this office under an appointment which expires September 30, 1958.

CALIFORNIA DEBRIS COMMISSION

Brig. Gen. Robert G. MacDonnell, United States Army (lieutenant colonel, Corps of Engineers) to be president and senior member of the California Debris Commission, under the provisions of section 1 of the act of Congress approved March 1, 1893 (27 Stat. 507) (33 U. S. C. 661), vice Brig. Gen. William F. Cassidy, United States Army, to be reassigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 21, 1958:

UNITED STATES DISTRICT JUDGE

Lloyd H. Burke, of California, to be United States district judge for the northern district of California.

UNITED STATES ATTORNEYS

Wilfred C. Varn, of Florida, to be United States attorney for the northern district of Florida for the term of 4 years.

Lester Shields Parsons, Jr., of Virginia, to be United States attorney for the eastern district of Virginia for a term of 4 years.

UNITED STATES MARSHALS

William C. Littlefield, of Georgia, to be United States marshal for the northern district of Georgia for a term of 4 years.

Frank Quarles, of Tennessee, to be United States marshal for the eastern district of Tennessee for the term of 4 years.

Peter Auburn Richmond, of Virginia, to be United States marshal for the western district of Virginia for a term of 4 years.

HOUSE OF REPRESENTATIVES

MONDAY, JULY 21, 1958

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

II Corinthians 4: 8: *We are troubled on every side, yet not distressed; we are perplexed, but not in despair.*

Eternal God, our Father, who art always willing and ready to reveal Thyself unto the humble spirit and the contrite heart, inspire us in these days of crisis and emergency to put our trust by Thy divine providence.

We pray that great wisdom and understanding may be given to the United Nations and the councils and conferences which are seeking to promote the spirit of amity and concord among the people of the earth.

Grant that our President, our Speaker, the Members of Congress, and all our statesmen and soldiers may be filled with an indomitable faith and courage as they strive to establish peace and righteousness.

May every citizen, the least as well as the greatest, the weakest as well as the strongest, have a share in strengthening and maintaining the morale of freedom-loving nations everywhere.

Hear us in the name of the Prince of Peace. Amen.

The Journal of the proceedings of Friday, July 18, 1958, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 12541. An act to promote the national defense by providing for reorganization of the Department of Defense, and for other purposes.

The message also announced that the Senate insists upon its amendment to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. RUSSELL, Mr. BYRD, Mr. JOHNSON of Texas, Mr. SALTONSTALL, and Mr. BRIDGES to be the conferees on the part of the Senate.

REORGANIZATION OF THE DEPARTMENT OF DEFENSE

Mr. VINSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 12541) to promote the national defense by providing for reorganization of the Department of Defense, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Georgia? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. VINSON, BROOKS of Louisiana, KILDAY, DURHAM, RIVERS, ARENDS, GAVIN, VAN ZANDT, and BRAY.

RECESS TO RECEIVE THE PRIME MINISTER OF GHANA

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it may be in order at any time on Friday, July 25, 1958, for the Speaker to declare a recess for the purpose of receiving the Prime Minister of Ghana.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CONFERENCE REPORT ON H. R. 11574

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that the conferees on the disagreeing votes of the two Houses on H. R. 11574 may have until midnight tonight to file a conference report.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PENALTY ON THE WRONG PARTY

Mr. JONES of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. JONES of Missouri. Mr. Speaker, I want to call attention to a regulation recently announced by the Post Office Department, which has not been given wide publicity but which has already caused such a furor that the Post Office Department is delaying for 90 days from August 1 until November 1 the effective date of the new regulation.

An official of the Department told me today that Congress had directed the Post Office Department to collect a 5-cent penalty fee, in addition to the amount of underpaid postage, from the recipient of mail on which there is postage due. Now few Members will recall having voted to do this; in fact Congress did not do it. However, in the passage of H. R. 7910 which was passed by the Congress and became Public Law 371 on April 9, 1958, the Postmaster General was given the authority, among other things, to "prescribe by regulation from time to time the charges to be collected on delivery for any matter mailed without prepayment of any lawfully required postage or without prepayment of the full amount of the lawfully required postage. Such charges (1) shall be in addition to the payment of lawfully required postage, (2) shall not be adjusted more frequently than once every 2 years, and so forth."

Now, on the basis of this authority it was announced that effective August 1, at the same time that the new postage rates go into effect, that where a letter is mailed with insufficient postage, the recipient shall be required to pay not only the amount of postage due, but in addition shall be required to pay a penalty of 5 cents on each such piece of mail. As stated above, the Department has already realized the confusion that would come from putting this into effect on August 1, and has already moved the date up 90 days to November 1, but I contend Mr. Speaker that it was not the intent of Congress that such an imposition be placed upon the recipient of mail. I could go into a long exposition of the inequities and confusion which will arise if this is put into effect. However, I hope other Members will join me in protesting the implementation of this ill-conceived regulation.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

DEPARTMENT OF NATURAL RESOURCES, STATE OF WASHINGTON

The Clerk called the bill (H. R. 11694) to provide for the conveyance of certain real property of the United States situated in Clallam County, Wash., to the Department of Natural Resources, State of Washington.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Administrator of General Services shall convey on or before August 31, 1959, to the Department of Natural Resources of the State of Washington all right, title, and interest of the United States in and to the real property described in section 2 of this act, said conveyance to be made in consideration of an amount equal to 75 percent of the fair market value of said property as determined by the Administrator of General Services, a 25-percent public benefit allowance being hereby authorized inasmuch as such property administered by the said department is used extensively for park and recreational purposes. Payment of said amount shall be made in accordance with terms and conditions as shall be prescribed by said Administrator: *Provided*, That total payments shall be made not later than 8 years from the date of the conveyance herein authorized.

SEC. 2. The real property referred to in the first section of this act, all of which is situated in the county of Clallam, State of Washington, is more particularly described as follows:

Government lots 1, 2, and 3, including the second-class tidelands, and the adjacent tideland in front of Government lot 4; the southeast quarter southwest quarter and southwest quarter of southeast quarter of section 22, the northwest quarter northwest quarter of section 26; the north half northeast quarter, west half southeast quarter northeast quarter, northwest quarter northeast quarter southeast quarter northeast quarter, southwest quarter northeast quarter, north half northwest quarter of section 27, all in township 31 north, range 8 west, Willamette meridian, containing 430.9 acres, more or less.

Government lot 5, section 22, township 31 north, range 8 west, Willamette meridian.

All that portion of the following described land north and easterly of the east bank of Salt Creek: the south half northwest quarter and the north half northeast quarter southwest quarter of section 27, township 31 north, range 8 west, Willamette meridian, including all right, title, and interest of the United States in and to any alleys, ways, streets, strips, or gores, abutting or adjoining said land.

Those portions of north half northeast quarter northwest quarter southwest quarter of section 27, township 31 north, range 8 west, Willamette meridian, lying north and northeasterly of Salt Creek.

SEC. 3. In the event that the conveyance authorized herein is not executed on or before August 31, 1959, the Administrator of General Services shall dispose of the property described in section 2 in accordance with the provisions of the Federal Property

and Administrative Services Act of 1949, as amended.

With the following committee amendment:

Strike all of section 2 of the bill and substitute in lieu thereof the following:

"SEC. 2. The real property referred to in the first section of this act consists of 518 acres, more or less, in the county of Clallam, State of Washington, comprising a portion of the Camp Hayden site, the exact description of which shall be determined by the Administrator of General Services. The cost of any surveys necessary as an incident of the conveyance authorized in this act shall be borne by the grantee."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MEMORIAL MARKERS

The Clerk called the bill (H. R. 4381) to authorize the Secretary of the Army to furnish memorial markers commemorating certain deceased members of the Armed Forces, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the first section of the act entitled "An act to provide for the procurement and supply of Government headstones or markers for unmarked graves of members of the Armed Forces dying in the service or after honorable discharge therefrom, and other persons, and for other purposes", approved July 1, 1948 (24 U. S. C., sec. 279a) is amended by inserting "(a)" immediately after "That" and by adding at the end thereof the following:

"(b) The Secretary of the Army, upon application by the next of kin, shall furnish an appropriate Government headstone or marker for erection in any private or public cemetery (other than a national cemetery or other cemetery operated by an agency of the Federal Government) to commemorate any deceased member of the Armed Forces of the United States (1) whose death has been found to have occurred while he was serving in such forces of the United States during the period beginning April 6, 1917, and ending November 11, 1918, both dates inclusive, or during the period beginning September 3, 1939, and ending January 31, 1955, both dates inclusive, and (2) whose remains have not been recovered or identified, or have been buried at sea."

SEC. 2. Section 3 of such act is amended by inserting immediately after "places of burial" the following: "when known."

With the following committee amendment:

Strike all after the enacting clause and insert the following: "That the act of July 1, 1948 (62 Stat. 1215; 24 U. S. C. 279a) is amended:

"(1) By adding the following sentence after the first sentence of section 1 thereof: 'The Secretary of the Army is authorized and directed to furnish, when requested, an appropriate memorial headstone or marker to commemorate any member of the Armed Forces of the United States dying in the service, whose remains have not been recovered or identified or were buried at sea, for placement by the applicant in a national cemetery or in any private or local cemetery.'

"(2) By amending section 2 thereof to read as follows:

" 'The Secretary of the Army is authorized to prescribe such rules and regulations with respect to the submission of applications for all Government headstones and markers and other pertinent matters as may be necessary to carry out the provisions of this act.' "

Mr. BROOKS of Louisiana. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BROOKS of Louisiana. Mr. Speaker, the purpose of H. R. 4381 is to authorize the Secretary of the Army to furnish an appropriate Government headstone or marker for erection in any public or private cemetery to commemorate certain deceased members of the Armed Forces.

I would like to emphasize when speaking about the provisions of this bill that I have reference to providing a suitable memorial marker for those whose remains have not been recovered or identified or were buried at sea.

There is no problem—insofar as the furnishing of markers or headstones is concerned—for our deceased servicemen whose remains have been recovered or identified. Strangely enough, however, when a serviceman dies and his remains cannot be identified, or are lost, the law does not permit the families of these servicemen to make application for a suitable marker.

In August 1954, the Congress enacted legislation which would authorize the military departments to memorialize those whose remains were not recovered, but this statute only authorizes the setting aside of plots in national cemeteries to honor those missing in action or who died and whose remains could not be identified. Heretofore these deceased servicemen have been memorialized by having their names inscribed on a plaque or in a chapel along with all others who may have lost their lives in the same manner. Although there is authority, as I have said, to authorize setting aside suitable plots in national cemeteries to honor those who are missing in action or whose remains cannot be identified, if any type of marker is placed over the empty grave the family of the serviceman must pay for the markers, inasmuch as the law does not authorize the expenditure of appropriated funds for this purpose.

Mr. Speaker, this simply means that what we have done in the past is authorize a free marker for a deceased serviceman if his body can be recovered or identified; but if it cannot, the family is not entitled to a memorial marker at Government expense. I submit to you that this is wrong. Surely the families who have lost their loved ones in the service of their country, whose remains are not identified, have even a heavier cross to bear than those unfortunate families who have lost their sons and whose remains are identifiable. I am sure that the Congress will wish to provide statutory authority to furnish a memorial marker to the families of servicemen who may die in the service of their country so that the lost son or relative can be commemorated by placing a memorial headstone or marker in a national or private cemetery. I know that everyone will agree that if these families can find solace for the loss of a loved one by having a marker in the cemetery, the Government should meet the expense of this marker.

Now, the committee amended the bill by inserting new language at the suggestion of the Department of the Army. The amendment does not substantially change the purpose of the bill, but it does make it sufficiently broad to cover all members of the Armed Forces of the United States who die at any time while serving their country, and it eliminates reference to next of kin so that the military departments will not have the costly administrative burden of determining that an applicant, in fact, is the next of kin. It permits the furnishing of memorial markers or plaques for erection in national cemeteries as well as other public or private cemeteries, and it authorizes the Secretary of the Army to prescribe appropriate rules and regulations for administration of the law.

Now, Mr. Speaker, there was some question about the cost of this bill when it was called on the Consent Calendar recently. I have had this matter thoroughly explored by the Department of Defense, and the cost is as follows: The current total average cost to the Government of each headstone or marker furnished, f. o. b. destination, is estimated to be $23.40.

The nonrecoverables in World War I were 4,429; in World War II, 79,042; in the Korean war, 8,184; and outside combat areas since World War II, 1,400. As a result, the total nonrecoverables during and since World War I total 93,055.

The only way that we can arrive at the cost of this legislation is to estimate the number of survivors who will apply for the memorial markers authorized in this legislation. This estimation has been made as follows:

One-fourth of World War I nonrecoverables for a total of 1,107; one-third of World War II nonrecoverables for a total of 26,347; one-half of the Korean war nonrecoverables for a total of 4,092; and one-half of those who lost their lives and were not recovered outside combat areas since World War II for a total of 700.

As a result we find that the total estimated applications which will be made if this bill becomes law is 32,246. If we apply the cost of each marker, that is, $23.40, to this total number of estimated applications we have the estimated cost of the bill which figures out to be $754,556.40.

These estimated figures on the number of applications for memorial markers expected to be received by the Department of the Army were compiled with the thought in mind that the interest of survivors in memorial markers diminishes with the passage of time; that is, widows remarry, parents die, and so forth. As a consequence, fewer applications should be received each year in the cases of decedents of the earlier wars. As to the future, it is estimated that there will be approximately 115 annual peacetime nonrecoverables, and therefore the future annual peacetime cost of this legislation will be approximately $2,691 per year.

Now, I am frank to say that the Bureau of the Budget does not concur in this legislation. It is the position of the Bureau of the Budget that the survivors of those who have died in the past should not be entitled to a memorial marker at Government expense. However, the Bureau of the Budget has no objection to legislation which will provide memorial markers for those who may die in the future and whose remains are nonrecoverable.

I submit to you, however, that it is little enough for this country to do for the mothers, fathers, and wives of those who have lost their lives in the service of their country to furnish to those close relatives a $23.40 memorial marker. Surely we are not so callous as to say because a serviceman has died in the past his survivors are not entitled to this memorial marker but the survivors of those who die in the future are entitled to the memorial markers.

Mr. Speaker, I urge all my colleagues to join with me in approving this very worthwhile bill.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to amend the act of July 1, 1948 (62 Stat. 1215) to authorize the furnishing of headstones or markers in memory of members of the Armed Forces dying in the service, whose remains have not been recovered or identified or were buried at sea."

A motion to reconsider was laid on the table.

VETERANS REGULATIONS REGARDING MULTIPLE SCLEROSIS

The Clerk called the bill (H. R. 1143) to amend the Veterans Regulations to provide that arthritis, psychoses, or multiple sclerosis developing a 10 percent or more degree of disability within 3 years after separation from active service shall be presumed to be service connected.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the second last proviso of subparagraph (c) of paragraph I, part I, Veterans Regulation No. 1 (a), as amended, is hereby amended to read as follows: "*Provided further*, That active tuberculosis, arthritis, psychoses, or multiple sclerosis developing a 10 percent degree of disability or more within 3 years from the date of separation from active service, shall, in the absence of affirmative evidence to the contrary, be deemed to have been incurred in or aggravated by active service:".

SEC 2. The third last proviso of subparagraph (c) of paragraph I, part I, Veterans Regulation No. 1 (a), as amended, is hereby amended by deleting therefrom the word "arthritis," and the words "tuberculosis, active (other than pulmonary);".

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That section 313 (4) of the Veterans' Benefit Act of 1957 (38 U. S. C. 2313 (4) is amended by striking out 'two' and inserting in lieu thereof 'three'."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to amend the Veterans' Benefits Act of 1957 to provide that multiple sclerosis developing a 10 percent or more degree of disability within 3 years after separation from active service shall be presumed to be service connected."

A motion to reconsider was laid on the table.

Mr. AVERY. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. HENDERSON] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. HENDERSON. Mr. Speaker, several years ago I introduced H. R. 1143, which we are considering today, to assist disabled veterans suffering from certain diseases to obtain recognition of the service origin or aggravation of their disabilities and receive the benefits to which this recognition would entitle them. In my original bill, a service-connected presumption would be granted to veterans developing arthritis, psychosis, or multiple sclerosis within 3 years after their discharge from military service.

I recognize that justification for the passage of a bill of this kind rests solely upon scientific and medical evidence. Since I introduced the bill, I have contacted a great many eminent medical authorities and private physicians to obtain their views on the bill. Many of their replies indicated that the terms "arthritis" and "psychosis" are too general from a medical standpoint to justify the action the bill proposed. However, a sufficient number of medical authorities endorsed the bill to indicate that there is considerable controversy within the profession itself on this point.

In the amended version of the bill, as reported by the Committee on Veterans' Affairs, the 3-year presumption would be granted only for veterans suffering multiple sclerosis. The justification for this action hardly seems a matter for argument. In fact, a 3-year presumption may not be a sufficient period. On this point, I should like to include in these remarks a letter which I received from the National Multiple Sclerosis Society. The letter, from Dr. Thomas L. Willmon, the Society's Medical and Scientific Director, is as follows:

NATIONAL MULTIPLE SCLEROSIS SOCIETY,
New York, N. Y., March 14, 1957.

Hon. JOHN E. HENDERSON,
Congress of the United States,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN HENDERSON: Your letter of February 14 to Miss Sylvia Lawry was awaiting my return from a trip to the west coast and Midwest on matters having to do with the activities of this society.

I have read your proposal with care and consider it most commendable. However, may I respectfully suggest that many cases of multiple sclerosis which develop during military service may not be covered by the requested 3-year period.

The medical literature on multiple sclerosis makes many references to the fact that the diagnosis of this disease is a difficult one and subject to delays until it has progressed to the point that the physician may be certain that he is dealing with multiple sclerosis and not one of the many other conditions which may have to be considered in the differential diagnosis.

I believe the best reference which you may make is the excellent study made by MacLean, A. R., and Berkson, J., which appeared in the Journal of the American Medical Association, 1951, 146, 1367. I am sorry that I do not have a copy of this article to furnish you but I am certain that you will have no difficulty in securing it. I am, however, enclosing a copy of another paper which makes reference to this study and have marked the pertinent point beginning on the first page. In their study of 418 cases they found that an average of 7.2 years had elapsed between the onset of the symptoms and the time the actual diagnosis was made.

Your interest in the problem of multiple sclerosis is greatly appreciated and if I can be of further service to you, please do not hesitate to call on me.

Sincerely yours,

THOS. L. WILLMON, M. D.,
Medical and Scientific Director.

In considering this bill, I believe our action here should be motivated by what we believe is fair for those veterans suffering multiple sclerosis. We must also consider that the Congress has traditionally dealt with the question of the presumption of service connection for various diseases.

My bill proposes that the presumptive period for veterans developing multiple sclerosis be increased from 2 to 3 years. This is, in my opinion, a most conservative increase. From the information I have obtained from the National Multiple Sclerosis Society and which I have quoted above indicates that sound studies of actual case histories show that an average period of 7 years elapses between the first indications of the onset of the disease and its actual diagnosis. If this information were used as a basis of legislation, the presumptive period would be 7 years rather than the 3 years proposed here.

Published reports of studies by the National Institutes of Health show a lapse of 5 years between first symptoms and diagnosis. It is obvious that although there are varying results in the reputable medical case studies, there is no argument about the long period common in the diagnosis of the disease and that the 3-year presumptive period recommended here falls below the findings of reputable medical studies. For this reason, I repeat, this is conservative legislation.

A question has arisen about the cost of this legislation to the Government. I have been able to obtain some information which I believe should lead to certain answers in this regard.

The National Multiple Sclerosis Society has advised me that it estimates that there are approximately 250,000 cases of this disease in the country. Of these something slightly less than 50 percent are in the male population.

Estimates in published studies conducted by the research personnel of the National Institutes of Health are in the order of 80,000. The differences in the

two estimates may be attributable to the fact that the greater figure includes instances where the disease is in mild form and not clinically identifiable—in other words cases where the attacks are transient and no permanent handicap results. The figure of 80,000 reflects those cases where serious disability results.

Statistically, approximately 70 cases per million men per year occur, according to the National Institutes of Health studies. Depending upon the size of our armed services, we can estimate how many cases at a maximum would occur. I say a maximum figure since the 50 percent point in the case study record falls about age 30 for individuals with the disease. Thus, approximately 50 percent of the cases would affect persons beyond age 30 when most men have completed their active military service for some years and would be beyond the terms of this legislation.

One can see that we are talking about a very small number of veterans who would be affected by the passage of this bill. However, the economic hardship these men and women experience is disastrous. They are deserving of our sympathetic consideration here.

I believe all medical factors point to the soundness and fairness of this legislation. There may be objections to it. However, these objections are directed toward the whole philosophy of recognizing presumptive periods for purposes of granting service connection, the traditional procedure Congress has used for almost four decades. This is not the issue in this bill. If the propriety of presumptive periods is to be questioned it must involve a reevaluation of the entire underlying philosophy of all such legislation. This is not proposed here and should not affect Congressional action on this bill.

I urge that the House pass this bill and offer the help it provides to those veterans who are in such critical need of assistance.

INTERNATIONAL COUNCIL OF SCIENTIFIC UNIONS AND CERTAIN ASSOCIATED UNIONS

The Clerk called the joint resolution (S. J. Res. 85) to amend the act of Congress approved August 7, 1935 (Public Law 253), concerning United States contributions to the International Council of Scientific Unions and certain associated unions.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

Mr. GROSS. Reserving the right to object, Mr. Speaker, I discussed this joint resolution with the gentleman from Illinois [Mr. O'HARA] and was constrained to let the bill go through. It provides for an increase from $9,000 to $65,000 in the amount available for contribution to the International Council of Scientific Unions and certain associated unions.

Over the weekend I read the hearings on the supplemental appropriation bill, and in those hearings I find that the State Department last year apparently spent $180,000 for much the same purpose and asked the Appropriations Subcommittee dealing with the matter for more than $600,000 for much the same purpose.

It seems to me we are going hog-wild on this international representation business, therefore, Mr. Speaker, I ask unanimous consent that this resolution be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

SENDING H. R. 9392 TO UNITED STATES COURT OF CLAIMS

The Clerk called the resolution (H. Res. 600) providing for sending the bill H. R. 9392 and accompanying papers to the United States Court of Claims.

There being no objection the Clerk read the resolution, as follows:

Resolved, That the bill (H. R. 9392) entitled "A bill for the relief of the borough of Ringwood in the county of Passaic, N. J., together with all accompanying papers, is hereby referred to the United States Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code; and said court shall proceed expeditiously with the same in accordance with the provisions of said sections and report to the House of Representatives, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand, as a claim legal or equitable, against the United States, and the amount, if any, legally or equitably due from the United States to the claimant.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CONVEYANCE OF PROPERTY TO CITY OF VALPARAISO, FLA.

The Clerk called the bill (H. R. 11125) to provide for the conveyance of certain real property of the United States to the city of Valparaiso, Fla.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That, subject to section 3 of this act, the Secretary of the Air Force shall convey to the city of Valparaiso, Fla., all right, title, and interest of the United States in and to the real property described in section 2 of this act for use as a public cemetery.

SEC. 2. The real property referred to in the first section of this act is more particularly described as follows:

"Lots 1 through 8, 10 through 14, 16, and 17, block 16, plat 3, Valparaiso, Okaloosa County, Fla., all lying within the northwest quarter, section 13, township 1 south, range 23 west, Tallahassee meridian, comprising a total of 3.67 acres, more or less."

SEC. 3. The conveyance authorized by the first section of this act, shall be subject to the condition that the real property so conveyed shall be used by the city of Valparaiso, Fla., for public cemetery purposes only, and if such city shall ever cease to use such real property for cemetery purposes the title thereto shall revert to the United States, which shall have the right of immediate entry thereon.

With the following committee amendment:

On page 2, lines 6 and 7, delete the words "ever cease to use such real property for" and insert in lieu thereof the words "not use such real property, or shall use it for other than."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WALDO LAKE TUNNEL, WILLAMETTE RIVER, OREG.

The Clerk called the bill (H. R. 8652) to rescind the authorization for the Waldo Lake Tunnel and regulating works, Willamette River, Oreg.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That the authorization for the Waldo Lake Tunnel and regulating works, Middle Fork-North Fork, Willamette River, Oreg., contained in the Flood Control Act of 1950 (64 Stat. 163) under the heading "Columbia River Basin", is hereby rescinded.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALBENI FALLS RESERVOIR PROJECT, IDAHO

The Clerk called the bill (H. R. 13209) to provide for adjustments in the lands or interests therein acquired for the Albeni Falls Reservoir project, Idaho, by the reconveyance of certain lands or interests therein to the former owners thereof.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That (a), in order to provide for adjustments in the lands or interests in land heretofore acquired for the Albeni Falls Reserve project to conform such acquisition to a lesser estate in lands now being acquired to complete the real estate requirements of the project, the Secretary of the Army is authorized to reconvey any such land or interests in land heretofore acquired to the former owners thereof whenever (1) he shall determine that such land or interest is not required for public purposes, (2) he shall have received a written statement from such agency or person as may be designated by the Governor of the State of Idaho that the reconveyance of such property is in the best interest of the State, and (3) he shall have received an application for reconveyance as hereinafter provided.

(b) Any such reconveyance of any such land or interest shall be made only after the Secretary (1) has given notice in such manner (including publication) as he shall by regulation prescribe, to the former owner of such land or interest, and (2) has received an application for the reconveyance of such land or interest from such former owner, in such form as he shall by regulation prescribe, within a period of 90 days following the date of issuance of such notice.

(c) Any reconveyance of land or interest therein made under this act shall be subject to such exceptions, restrictions, and reservations (including a reservation to the United States of flowage rights) as the Secretary may determine are in the public interest.

(d) Any land or interest therein reconveyed under this act shall be sold for an amount determined by the Secretary to be equal to the price for which the land was acquired by the United States, adjusted to reflect (1) any increase in the value thereof resulting from improvements to the land made by the United States, and (2) any decrease in the value thereof resulting from (A) any reservation, exception, restriction,

and condition to which the reconveyance is made subject, and (B) any damage to the land or interest therein caused by the United States. In addition, the cost of any surveys necessary as an incident of such reconveyance shall be borne by the grantee.

(e) The requirements of this section shall not be applicable with respect to the disposition of any land, or interest therein, described in subsection (a) if the Secretary shall certify (1) that notice has been given the former owner of such land or interest as provided in subsection (b), and that no qualified applicant has made timely application for the reconveyance of such land or interest, or (2) that within a reasonable time after receipt of a proper application for reconveyance of such land or interest the parties have been unable to reach a satisfactory agreement with respect to the reconveyance of such land or interest.

(f) As used in this section, the term "former owner" means the person for whom any land, or interest therein, was acquired by the United States, or if such person is deceased, his spouse, or if such spouse is deceased, his children.

SEC. 2. The Secretary of the Army may delegate any authority conferred upon him by this act to any officer or employee of the Department of the Army. Any such officer or employee shall exercise the authority so delegated under rules and regulations approved by the Secretary.

SEC. 3. Any proceeds from reconveyances made under this act shall be covered into the Treasury of the United States as miscellaneous receipts.

SEC. 4. This act shall terminate 3 years after the date of its enactment.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LAKE TSCHIDA, GRANT COUNTY, N. DAK.

The Clerk called the bill (S. 1785) designating the reservoir located above Heart-Butte Dam in Grant County, N. Dak., as Lake Tschida, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the reservoir located above the Heart-Butte Dam in Grant County, N. Dak., shall hereafter be known as Lake Tschida, and any law, regulation, document, or record of the United States in which such reservoir is designated or referred to shall be held to refer to such reservoir under and by the name of Lake Tschida.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RESEARCH ON FOOT-AND-MOUTH DISEASE AND OTHER ANIMAL DISEASES

The Clerk called the bill (S. 3076) to amend section 12 of the act of May 29, 1884, relating to research on foot-and-mouth disease and other animal diseases.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 12 of the act of May 29, 1884, as amended (62 Stat. 198, as amended; 21 U. S. C. 113a), is hereby further amended by inserting after the word "tunnel" in the proviso in the first sentence of the section the following clause: ", and except that the Secretary of Agriculture may transport said virus in the original package across the mainland under adequate safeguards."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONVEYANCE OF CERTAIN LANDS TO DAYTON, WYO.

The Clerk called the bill (H. R. 6542) to authorize the Secretary of Agriculture to convey certain lands in the State of Wyoming to the town of Dayton, Wyo.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of Agriculture is authorized and directed to convey by quitclaim deed, without consideration, to the town of Dayton, Wyo., all the right, title, and interest of the United States in and to the following described lands located in said town of Dayton, Wyo.: Beginning at the northwest corner of block 9 of the original town of Dayton, Wyo.; thence northerly along the east line of said Main Street 60 feet; thence easterly paralleling the north line of said block 9 a distance of 210 feet to the east limits of the original town of Dayton, Wyo.; thence southerly along the east line of the original town of Dayton, Wyo., 60 feet to the northeast corner of the said block 9; thence westerly along the north line of said block 9 210 feet to the point of beginning.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING AGRICULTURAL ADJUSTMENT ACT OF 1938

The Clerk called the bill (H. R. 12840) to amend the Agricultural Adjustment Act of 1938.

The SPEAKER. Is there objection to the present consideration of the bill?

Mrs. SULLIVAN. Mr. Speaker, reserving the right to object, may I have an explanation of this bill?

Mr. ABBITT. Mr. Speaker, this bill simply amends the Agricultural Adjustment Act as it relates to Virginia fire-cured tobacco and Virginia sun-cured tobacco.

These two types are grown in Virginia exclusively. The bill was introduced by me at the request of the Department of Agriculture to give the Department a better opportunity to administer the tobacco program. It so happens there are about 8 thousand acres of fire-cured tobacco and 4 to 5 thousand acres of sun-cured tobacco. They were under different programs. From 1946 to 1949 there were no allotments for the control of sun-cured tobacco. As a result, in the fire-cured area they started to raise sun-cured tobacco. As a matter of practice they are grown as one type of tobacco. It is exceedingly difficult for the Department to administer them separately. This bill would simply provide for a referendum whereby the growers of the two types of tobacco will vote as to whether or not they will be allowed to convert the acreage into one type only. If two-thirds of the growers vote that it should be so consolidated then the grower who has both types of allotment chooses which type he desires to grow. The bill was requested by the Department. The tobacco industry agrees to it, and I know of no objection to it whatever. The Bureau of the Budget tells us that there is no cost to the Government and it will facilitate the administration of the program. The bill, if enacted into law, will be of tremendous help to these farmers who have allotments of both types. This bill is supported by all segments of the tobacco industry, all of the affected farm organizations, and I hope it will pass.

Mrs. SULLIVAN. Mr. Speaker, I thank the gentleman for his explanation and withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Agricultural Adjustment Act of 1938, as amended, is amended by inserting immediately after section 314 of title III thereof the following new section:

"SEC. 315. (a) The provisions of this section shall be effective, where applicable, notwithstanding any other provision of this act. Within 30 days after the date this section is enacted into law, the Secretary shall conduct a special referendum of farmers who were engaged in the production of the crops of type 21 (Virginia) fire-cured tobacco or type 37 Virginia sun-cured tobacco which was harvested immediately prior to the referendum. The provisions of the regulations issued by the Secretary governing the holding of referendums on marketing quotas authorized under section 312 of this act shall apply, insofar as applicable, to the holding of the special referendum provided for in this section. The purpose of such special referendum is to determine whether those persons eligible to vote therein favor the establishment, as hereinafter provided in this section, of a single combined tobacco acreage allotment for the 1958–59 and subsequent marketing years for any farm for which both a type 21 (Virginia) fire-cured tobacco acreage allotment and a type 37 Virginia sun-cured tobacco acreage allotment have been established for the 1958–59 marketing year.

"(b) If two-thirds or more of the persons voting in the special referendum provided for in this section favor the establishment for the 1958–1959 and subsequent marketing years of a single combined tobacco acreage allotment for any farm having both a type 21 (Virginia) fire-cured tobacco acreage allotment and a type 37 Virginia sun-cured tobacco acreage allotment for the 1958–59 marketing year, the Secretary, through local committees, shall establish for each of such farms a single combined tobacco acreage allotment for the 1958–59 marketing year and subsequent marketing years applicable to one kind of tobacco, either type 21 (Virginia) fire-cured tobacco or type 37 Virginia sun-cured tobacco, whichever kind of tobacco the owner of such farm or his representative designates with respect to the 1958–59 marketing year and notifies the local committee of such designation within a period of time as determined and fixed by the Secretary. In the absence of such a designation and notification by the owner or his representative of any farm for which a single combined tobacco acreage allotment shall be established as provided in this section, the Secretary shall designate such combined allotment for such farm as either a type 21 (Virgina) fire-cured tobacco acreage allotment or a type 37 Virginia sun-cured tobacco acreage allotment after taking into consideration the prevalent kind of tobacco grown in the area in which such farm is located, the curing facilities on such farm,

and the proximity and nature of marketing outlets. The single combined tobacco acreage allotment determined as heretofore provided for each farm for the 1958–59 marketing year shall be in lieu of and shall equal the total of the acreage of the type 21 (Virginia) fire-cured tobacco allotment and the acreage of the type 37 Virginia sun-cured tobacco allotment for the 1958–59 marketing year established for such farm. No contract entered into under the acreage reserve program for the 1958 crop of type 21 (Virginia) fire-cured tobacco or of type 37 Virginia sun-cured tobacco shall be affected by the establishment of a single combined tobacco acreage allotment for a farm as provided in this section. If the establishment of farm acreage allotments as provided in this section are approved in the special referendum as heretofore provided in this section, and thereafter 2 or more farms, of which 1 or more has a type 21 (Virginia) fire-cured tobacco allotment and another or more has a type 37 Virginia sun-cured tobacco allotment, are combined and operated as a single farm, a single combined tobacco acreage allotment designated for either type 21 (Virginia) fire-cured tobacco or type 37 Virginia sun-cured tobacco as heretofore provided, shall be established for the combined farm in lieu of and shall equal the total acreage of the allotments for type 21 (Virginia) fire-cured tobacco and type 37 Virginia sun-cured tobacco established for the farms comprising the combined farm for the marketing year for which such single combined tobacco acreage allotment is established. For marketing years subsequent to the marketing year for which a single combined tobacco acreage allotment is first established for a farm as provided in this section, the history of past marketing or of past harvested acreage from such farm of both type 21 (Virginia) fire-cured tobacco and type 37 Virginia sun-cured tobacco shall constitute the past marketing of tobacco or the past harvested acreage of tobacco of such farm in determining a single combined tobacco acreage allotment therefor.

"(c) Notwithstanding the national marketing quotas for the marketing year beginning October 1, 1958, announced by the Secretary for each of the two kinds of tobacco described as type 21 (Virginia) fire-cured tobacco and type 37 Virginia sun-cured tobacco, each of the State acreage allotments for such kinds of tobacco apportioned by the Secretary to the State of Virginia for the marketing year beginning October 1, 1958, shall be increased or decreased respectively by the amount of acreage equivalent to the corresponding net total change in farm acreage allotments for each of such kinds of tobacco for such marketing year which result from the establishment of single combined tobacco farm acreage allotments as provided in this section. In determining and announcing the amount of the national marketing quotas for type 21 (Virginia) fire-cured tobacco, and type 37 Virginia sun-cured tobacco in terms of the total quantity of each of such kinds of tobacco which may be marketed during the marketing year beginning October 1, 1959, and during each of the 4 succeeding marketing years thereafter, the Secretary shall increase or decrease such national marketing quotas determined as provided in section 312 (b) and the Virginia State acreage allotments for type 21 (Virginia) fire-cured tobacco and type 37 Virginia sun-cured tobacco to reflect correspondingly the changes which previously have occurred in the total acreage allotted for each of such kinds of tobacco pursuant to this section. Notwithstanding any marketing quotas determined and announced for type 21 (Virginia) fire-cured tobacco and type 37 Virginia sun-cured tobacco for the marketing year beginning October 1, 1959, and for each marketing year thereafter, each of the State acreage allotments for such kinds of tobacco apportioned to the State of Virginia for any such marketing year shall be increased or decreased respectively by the amount of acreage equivalent to the corresponding net total change in farm acreage allotments for each of such kinds of tobacco for such marketing year which results from the combination of farms and the establishment of single combined tobacco farm acreage allotments as provided in this section. The sum of the State acreage allotments for type 21 (Virginia) fire-cured tobacco and type 37 Virginia sun-cured tobacco determined for any marketing year as provided in section 313 shall not be increased or decreased by reason of any increase or decrease in the State acreage allotment for each of such kinds of tobacco previously provided for in this paragraph to reflect net changes occurring in acreage allotted."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING PROVISIONS OF LAW CODIFIED AS SECTION 500, TITLE 16, UNITED STATES CODE

The Clerk called the bill (H. R. 12704) to amend the provisions of law codified as section 500, title 16, United States Code.

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ANTI-HOG-CHOLERA SERUM AND HOG-CHOLERA VIRUS

The Clerk called the bill (S. 3478) to insure the maintenance of an adequate supply of anti-hog-cholera serum and hog-cholera virus.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 58 (b) of the act of August 24, 1935 (7 U. S. C. 853 (b)), is amended to read as follows:

"(b) Terms and conditions requiring each manufacturer to have in inventory in his own possession on April 1 of each year a reserve supply of completed serum equivalent to not less than 40 percent of his previous year's sales of all serum, except that any marketing agreement may provide that upon written application by a manufacturer filed before September 1 of the preceding year, the Secretary may fix another date between January 1 and May 1 on which such manufacturer shall have such inventory if the Secretary finds that such action will tend to effectuate the purposes of this act. The Secretary may impose such terms and conditions upon granting any such application as he finds necessary to effectuate the purposes of this act. Serum used in computing the required reserve supply of any manufacturer shall not again be used in computing the required reserve supply of any other manufacturer."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRANSFER OF CASES BETWEEN DISTRICT COURTS AND THE COURT OF CLAIMS

The Clerk called the bill (H. R. 3046) to amend title 28 of the United States Code to provide for transfer of cases between the district courts and the Court of Claims.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 1406 of title 28 of the United States Code is amended by adding at the end thereof the following new subsection:

"(c) If a case within the exclusive jurisdiction of the Court of Claims is filed in a district court, the district court shall, unless the parties consent to dismissal, transfer such case to the Court of Claims."

SEC. 2. (a) Chapter 91 of title 28 of the United States Code is amended by adding at the end thereof the following new section:

"§ 1506. Transfer to cure defect of jurisdiction.

"If a case within the exclusive jurisdiction of the district courts is filed in the Court of Claims, the Court of Claims shall, unless the parties consent to dismissal, transfer such case to any district court in which it could have been brought at the time such case was filed."

(b) The analysis of chapter 91 of title 28 of the United States Code is amended by adding at the end thereof the following:

"SEC. 1506. Transfer to cure defect of jurisdiction.

SEC. 3. The amendments made by this act shall apply to any case or proceeding pending on, or brought after, the date of enactment of this act in the district courts or the Court of Claims.

Mr. NIMTZ. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. KEATING] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. KEATING. Mr. Speaker, this is a simple yet very effective bill which has been recommended by the Judicial Conference of the United States. It is another one of those measures designed to remove technical procedures which have hampered and often prevented just decisions of cases on their merits.

Cases involving maritime matters are now covered by any 1 of 3 separate acts. It is often difficult for even the most experienced admiralty lawyer to determine with any degree of certainty under which of these acts his claim falls. Each act prescribes the court in which the claim should be filed and each has its own statute of limitations.

This has meant that lawyers engaged in maritime practice must often choose at their peril the proper forum for certain claims against the Government. They must sue either in the Court of Claims or the United States District Courts in Admiralty, depending upon which statute their claim falls under. Unfortunately, if one chooses the wrong forum, his client in many instances will have no further recourse, because by the time his case is dismissed the statute of limitations governing suits in the proper forum has already run.

This bill would remove that technicality by providing that if a case is within the exclusive jurisdiction of the Court of Claims and is inadvertently filed in a district court, the district court can transfer the case to the Court of Claims. The same thing would apply to cases filed

in the first instance in the Court of Claims. They could be transferred to the district court if that were the proper forum.

Mr. Speaker, this is a bill to which there should be no opposition. It will cost the Government nothing, yet will greatly improve our Federal Rules of Civil Procedure.

Mr. NIMTZ. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. NIMTZ. Mr. Speaker, as a member of the subcommittee that conducted the hearings concerning this legislation and recommended favorable consideration by the members of the Committee on the Judiciary, I urge favorable consideration of this legislation today.

The purpose of this bill is to authorize the transfer of cases between the district courts and the Court of Claims, and vice versa, in order to cure jurisdictional defects.

Contract suits against the United States involving certain maritime transactions may be brought either in the Court of Claims or in the United States district courts in admiralty depending upon the statutory authority involved. Thus, suits under the Suits in Admiralty Act (41 Stat. 526, 46 U. S. C. 741) and the Public Vessels Act (43 Stat. 112, 46 U. S. C. 781) lie exclusively in admiralty in the United States district courts, while under the Tucker Act (28 U. S. C. 1346) there is concurrent jurisdiction in the district courts and the Court of Claims for claims not exceeding $10,000 and exclusive jurisdiction in the Court of Claims for claims in excess of $10,000. In addition to jurisdictional differences under these statutes, there are also differences in the applicable statutes of limitations. Under the Tucker Act the statute of limitations is 6 years, while under the Suits in Admiralty Act and the Public Vessels Act it is 2 years.

Since the applicability of these acts to a given factual situation is frequently exceedingly difficult to determine and a question on which reasonable men may differ, lawyers in maritime practice occasionally and unavoidably bring suit in the wrong forum. This presents no problem in claims under $10,000 brought in the district courts. If improperly brought in admiralty, the case may be transferred to the law side of the court—*The Everett Fowler* (151 F. 2d 662 (2d Cir. 1945), certiorari denied, 327 U. S. 804 (1945)). It would seem that the converse would also be held proper where a case filed on the law side is held to be properly under the Suits in Admiralty Act.

The serious problem, and the one to which this bill is directed, arises in claims exceeding $10,000 where there is uncertainty as to whether a suit is properly brought under the Tucker Act on the one hand or the Suits in Admiralty or Public Vessels Act on the other. Since, under existing law, cases are not transferrable between the district courts and the Court of Claims, an inappropriate choice of jurisdiction may result in the statute of limitations having run against a claim by the time the issue of appropriate jurisdiction is finally adjudicated.

A substantial portion of the jurisdictional uncertainty in this area is attributable to confusion in establishing whether a vessel is a merchant vessel or a public vessel. If a merchant vessel, under the Suits in Admiralty Act exclusive jurisdiction as in the District Courts in Admiralty. If a public vessel, jurisdiction may be either in admiralty under the Public Vessels Act or under the Tucker Act, depending on the nature of the claim. It will be recalled that a claim under the Tucker Act exceeding $10,000 must be brought in the Court of Claims.

Some indication of the difficulties confronting maritime lawyers in choosing a proper forum where the merchant vessel-public vessel issue arises can be seen from the following cases:

First. In *Calmar Steamship Corp.* v. *U. S.* (103 F. Supp. 243 (1951)), the district court held that a suit involving a privately owned vessel which was operated for the United States and carrying military supplies was properly in admiralty because the ship was a merchant vessel within the meaning of the Suits in Admiralty Act. The court of appeals reversed on the ground that the ship was not a merchant vessel, since it was carrying war materiel—volume 197, Federal Reporter, second series, page 795, 1952. On appeal to the Supreme Court, it was held that the ship was a merchant vessel and the court of appeals was reversed—in Three Hundred and Forty-fifth United States Reports, page 446, 1953.

Second. In *Aliotti* v. *U. S.* (221 F. 2d 593 (1955)) the Court of Appeals for the Ninth Circuit held that a suit by the owner of a vessel bareboat chartered to the United States, to recover the cost of restoration to its original condition, came exclusively under the Public Vessels Act, whether or not the vessel was a merchant vessel or a public vessel. In direct conflict was the decision of the first circuit in *Eastern Steamship Lines* v. *U. S.* (187 F. 2d 957 (1951)) which held that a similar suit involving a public vessel came exclusively within the Tucker Act and not the Public Vessels Act.

Conflicting decisions as to jurisdiction also have been rendered in general average claim suits against the United States. The Court of Claims, in *Lykes Bros. Steamship Co., Inc.* v. *U. S.* (124 F. Supp. 622 (1954)) held that such suits lay in admiralty. On the other hand, the District Court for the Southern District of New York held that jurisdiction lay at law under the Tucker Act (*States Marine Corp. of Delaware* v. *U. S.*, 120 F. Supp. 585 (1954)). However, the Court of Appeals for the Second Circuit reversed and held that admiralty was the proper forum.

Uncertainties of this kind have arisen in charter accounting suits for the recovery of alleged overpayments to the United States Maritime Commission. In *Smith-Johnson Steamship Corp.* v. *U. S.* (139 F. Supp. 298 (1956)) the Court of Claims held that it had jurisdiction. In a similar suit the Court of Appeals for the Second Circuit held that jurisdiction lay exclusively in admiralty (*Sword Line, Inc.* v. *U. S.*, 228 F. 2d 344 (1955), 230 F. 2d 75 (1956)). Upon affirmance of the second circuit decision by the Supreme Court at 351st United States Statutes at Large, page 976, 1956, the Court of Claims reversed its earlier holding and dismissed a large number of suits which had been filed in that court.

The possibility of counsel unavoidably choosing the inappropriate forum is thus apparent. In order to prevent dismissal of suits which would become time-barred when the appropriate forum had finally been determined, this bill would permit the transfer of cases to the appropriate court. Since under transfer procedure the statute of limitations is tolled with the filing of the original suit, an action would not be dismissed because a subsequent decision that the plaintiff had chosen the wrong forum came at a time when the statute of limitations precluded filing a new action in the appropriate court. In dealing with the analogous problem of erroneously chosen venue, section 1406 (a) of title 28 authorizes a district court, where it is in the interest of justice, to transfer rather than dismiss a suit brought with improper venue.

The reform of existing practice embodied in this bill is another expression of the underlying philosophy of the Federal Rules of Civil Procedure and of modern legal practice generally, that the decisive question in a lawsuit should, as far as possible, be its merits and not esoteric, technical problems of procedure.

The Judicial Conference of the United States has recommended approval of this legislation at its sessions of September 1954, March 1955, and September 1957. The United States Court of Claims, through its chief judge, has also approved the legislation.

Mr. Speaker, I urge favorable consideration of this measure.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HIGHWAY BRIDGE BETWEEN LUBEC, MAINE, AND CAMPOBELLO ISLAND, NEW BRUNSWICK

The Clerk called the bill (S. 3608) to revive and reenact the act authorizing the State Highway Commission of the State of Maine to construct, maintain, and operate a free highway bridge between Lubec, Maine, and Campobello Island, New Brunswick, Canada.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act authorizing the State Highway Commission of the State of Maine to construct, maintain, and operate a free highway bridge between Lubec, Maine, and Campobello Island, New Brunswick, Canada," approved July 11, 1956 (70 Stat. 522), is revived and reenacted except that this act shall be null and void unless the actual construction of the bridge authorized in such act of July 11, 1956, is commenced

not later than December 31, 1960, and is completed not later than December 31, 1961.

SEC. 2. The right to alter, amend, or repeal this act is expressly reserved.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HALL OF FAME FOR AGRICULTURE

The Clerk called the resolution (H. Con. Res. 295) favoring the establishment of a Hall of Fame for Agriculture.

There being no objection, the Clerk read the resolution, as follows:

Whereas many of our bravest men and most valiant soldiers were of an agricultural background; and

Whereas the Founding Fathers of this Republic and many of its most eminent leaders were farmers; and

Whereas agriculture has played a dominant role in the rise of our country to greatness; and

Whereas there now exist halls of fame recognizing the glorious past for the baseball player, the cowboy, and others; and

Whereas the ox yoke, the bull-tongue plow, the hand-forged iron kettle, and the sod house represent the evolution of agricultural technology in this country and the difficulties which a determined people faced and successfully overcame in improving their way of life; and

Whereas our American heritage should be preserved and tribute should be paid to the great men and women who over the years have helped to make American agriculture the most productive in the world: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that there be established and maintained, as a memorial to the important role played by agriculture in the development of our Nation, a Hall of Fame for Agriculture, wherein there will be collected and preserved for posterity, relics, artifacts, and other evidence and data relating to agriculture and the great contributions it has made and continues to make in the rise to greatness of our country; and the Congress does hereby commend, encourage, and sanction the efforts of any organization which undertakes to establish such a hall of fame.

With the following committee amendment:

Page 2, line 10, after the word "efforts", strike out "of any organization which undertakes."

The committee amendment was agreed to.

The resolution was agreed to. A motion to reconsider was laid on the table.

BRIDGE ACROSS THE RAINY RIVER AT INTERNATIONAL FALLS, MINN.

The Clerk called the bill (S. 3437) authorizing the Department of Highways of the State of Minnesota to construct, maintain, and operate a free highway bridge between International Falls, Minn., and Fort Frances, Ontario, Canada.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Department of Highways of the State of Minnesota is authorized to construct, maintain, and operate a free highway bridge and approaches thereto, at a point suitable to the interests of navigation, across the Rainy River between International Falls, Minn., and Fort Frances, Ontario, Canada, so far as the United States has jurisdiction over the waters of such river. Such construction, maintenance, and operation shall be in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and shall be subject to the conditions and limitations contained in this act and to the approval of the proper authorities of the Government of Canada.

SEC. 2. The authority granted by this act shall terminate if the actual construction of the bridge herein authorized is not commenced within 3 years and completed within 5 years from the date of the enactment of this act.

SEC. 3. The right to alter, amend, or repeal this act is expressly reserved.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING TITLE 10, U. S. CODE

The Clerk called the bill (H. R. 9673) to amend title 10, United States Code, to provide the condition under which retired pay may be paid in the case of retired officers dropped from the rolls, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That sections 1161 and 1163 of title 10 of the United States Code are each amended by adding the following new terminal subsection which shall be lettered "(c)" in section 1161 and "(d)" in section 1163:

"After December 31, 1956, a former retired officer shall not be deprived of retired pay, retirement pay, or retainer pay by reason of having been dropped from the rolls pursuant to the authority contained in subsection (b) (2), except as provided in (1) and (2) below and subject to the conditions set forth in (3), (4), (5), and (6) below:

"(1) No retired pay, retirement pay, or retainer pay shall be paid to or on behalf of a former retired officer for any period after the date on which he is dropped from the rolls if the offense for which he was dropped from the rolls was one committed by him while he was on active duty.

"(2) Under regulations prescribed by the Secretary concerned, no retired pay, retirement pay, or retainer pay shall be paid to any person dropped from the rolls under this section during any period, subsequent to the dropping from the rolls, that such person is determined to be in actual confinement in a Federal or State penitentiary or correctional institution.

"(3) Where any former retired officer who is dropped from the rolls under this section is deprived of his retired pay, retirement pay, or retainer pay by reason of his actual confinement, then, under regulations prescribed by the Secretary concerned, payments of such pay or any portion thereof may be made, notwithstanding such confinement, for the actual support of any person or persons determined to be dependent upon the former retired officer. Findings, determinations, and payments made under this subsection shall be binding, and conclusive upon all courts, departments, administrative agencies and accounting agencies of the United States.

"(4) Any former retired officer who has been dropped from the rolls under subsection (b) (2), but to whom or on whose account any pay is continued under this subsection, shall nevertheless continue to be subject to the penal, prohibitory, and restrictive statutes relating generally to the pay and civil employment of officers of the Armed Forces.

"(5) Former retired officers who have been dropped from the rolls under subsection (b) (2), but who retain entitlement to retired pay, retirement pay, or retainer pay, will, by virtue of such termination of their military status on the rolls of the Armed Forces, be ineligible for any of the other benefits, including increases in retired pay, for which members or other former members of the uniformed services entitled to retired pay, retirement pay, or equivalent pay may be eligible.

"(6) No person who has been deprived of his retired pay, retirement pay, or retainer pay under the provisions of the act of September 1, 1954, c. 1214, 68 Stat. 1142 (5 U. S. C. 740 b 1), shall be dropped from the rolls under this section."

SEC. 2. Section 1161 of title 10, United States Code, is further amended as follows:

(1) by amending the catchline to read as follows: "Officers: limitations on dismissal;"

(2) by striking out the word "commissioned" in subsection (b) thereof.

SEC. 3. The analysis of chapter 59 of title 10, United States Code, is amended by striking out the following item:

"1161. Commissioned officers: limitations on dismissal."

and inserting the following item in lieu thereof:

"1161. Officers: limitations on dismissal."

SEC. 4. Section 3633 of title 10, United States Code, is amended:

(1) by amending the catchline to read as follows: "Officers: forfeiture of pay when dropped from rolls"; and

(2) by striking out the words "A commissioned" and inserting the word "An" in place thereof.

SEC. 5. The analysis of chapter 349 of title 10, United States Code, is amended by striking out the following item:

"3633. Commissioned officers: forfeiture of pay when dropped from rolls."

and inserting the following item in lieu thereof:

"3633. Officers: forfeiture of pay when dropped from rolls."

SEC. 6. Section 6408 of title 10, United States Code, is amended—

(1) by striking out the designation "(a)"; and

(2) by repealing subsection (b).

SEC. 7. Section 8633 of title 10, United States Code, is amended—

(1) by amending the catchline to read as follows: "Officers: forfeiture of pay when dropped from rolls"; and

(2) by striking out the words "A commissioned" and inserting the words "An" in place thereof.

SEC. 8. The analysis of chapter 849 of title 10, United States Code, is amended by striking out the following item:

"8633. Commissioned officers: forfeiture of pay when dropped from rolls."

and inserting the following item in place thereof:

"8633. Officers: forfeiture of pay when dropped from rolls."

With the following committee amendment:

Strike out all after the enacting clause and insert "That title 10, United States Code, is amended as follows:

"(1) Section 1161 is amended—

"(A) by amending the catchline to read as follows:

"'§ 1161. Officers: limitations on dismissal';

"(B) by striking out the word 'commissioned' in subsection (b) thereof; and

"(C) by adding the following new subsections at the end thereof:

"'(c) A person dropped from the rolls after December 31, 1954, under subsection (b) (2), who, on the day before the date

he was dropped from the rolls, was entitled to retired pay or retirement pay, continues to be entitled to that pay—

"'(1) unless the offense for which he was dropped from the rolls was committed by him while he was on active duty; or

"'(2) except while confined in a Federal or State penitentiary or correctional institution, after having been found guilty of an offense, and the sentence has become final. However, under regulations to be prescribed by the Secretary concerned, any part of the retired pay or retirement pay of a person covered by clause (2) may be paid, during the period he is so confined, to his dependents. Determinations and findings made under this subsection are final and conclusive and may not be reviewed by any court or any officer of the United States.

"'(d) A person who has been dropped from the rolls under subsection (b) (2), but whose pay is continued under subsection (c), is subject to the penal, prohibitory, and restrictive provisions of law applicable to the pay and civil employment of officers of the Armed Forces. In addition, he is not eligible for any other benefit, including any increase in retired pay, or retirement pay, for which an officer or former officer of the Armed Forces entitled to retired pay, or retirement pay, may be eligible.

"'(e) A person whose retired pay or retirement pay is withheld under sections 740b–7401 of title 5 is not eligible for the benefits provided by subsection (c).'

"(2) The analysis of chapter 59 is amended by striking out the following item:

"'1161. Commissioned officers: limitations on dismissal.'

and inserting the following item in place thereof:

"1161. Officers: limitations on dismissal."

"(3) Section 1163 is amended—

"(A) by striking out the word 'Reserve' in subsection (b) thereof and inserting the words, 'officer of a Reserve component' in place thereof; and

"(B) by adding the following new subsections at the end thereof:

"'(d) A person dropped from the rolls after December 31, 1954, under subsection (b) (2), who, on the day before the date he was dropped from the rolls, was entitled to retired pay or retirement pay continues to be entitled to that pay—

"'(1) unless the offense for which he was dropped from the rolls was committed by him while he was on active duty; or

"'(2) except while confined in a Federal or State penitentiary or correctional institution, after having been found guilty of an offense, and the sentence has become final. However, under regulations to be prescribed by the Secretary concerned, any part of the retired pay or retirement pay of a person, covered by clause (2) may be paid, during the period he is so confined, to his dependents. Determinations and findings made under this subsection are final and conclusive and may not be reviewed by any court or any officer of the United States.

"'(e) A person who has been dropped from the rolls under subsection (b) (2), but whose pay is continued under subsection (d), is subject to the penal, prohibitory, and restrictive provisions of law applicable to the pay and civil employment of members of the Armed Forces. In addition, he is not eligible for any other benefit, including any increase in retired pay or retirement pay, for which a member or former member of the Armed Forces entitled to retired pay or retirement pay, may be eligible.

"'(f) A person whose retired pay or retirement pay is withheld under sections 740b–7401 of title 5 is not eligible for the benefits provided by subsection (d).'

"(4) Section 3633 is amended—

"(A) by amending the catchline to read as follows:

"'§ 3633. Officers: forfeiture of pay when dropped from rolls'; and

"(B) by striking out the words 'A commissioned' and inserting the word 'An' in place thereof.

"(5) The analysis of chapter 349 is amended by striking out the following item:

"'3633. Commissioned officers: forfeiture of pay when dropped from rolls.'

and inserting the following item in place thereof:

"'3633. Officers: forfeiture of pay when dropped from rolls.'

"(6) Section 6408 is amended—

"(A) by striking out the designation '(a)' at the beginning thereof; and

"(B) by repealing subsection (b).

"(7) Section 8633 is amended—

"(A) by amending the catchline to read as follows:

"'§ 8633. Officers: forfeiture of pay when dropped from rolls'; and

"(B) by striking out the words 'A commissioned' and inserting the word 'An' in place thereof.

"(8) The analysis of chapter 849 is amended by striking out the following item:

"'8633. Commissioned officers: forfeiture of pay when dropped from rolls.'

and inserting the following item in place thereof:

"'8633. Officers: forfeiture of pay when dropped from rolls.'"

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NEWINGTON SCHOOL DISTRICT, NEW HAMPSHIRE

The Clerk called the bill (H. R. 4804) for the relief of the Newington School District, New Hampshire.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BYRNES of Wisconsin. Mr. Speaker, reserving the rights to object, there is a departmental report in opposition to this bill from the Department of Defense, promoted basically by the Air Force. Under ordinary circumstances the objectors would request that the bill go over without prejudice. After going over the basic reports on this bill, which I understand was reported unanimously by the Committee on the Judiciary, it does seem that the equities of the case are such that it is impossible to understand how the Air Force can be objecting to the proper treatment of this community.

Mr. ASPINALL. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield.

Mr. ASPINALL. I wish to join my colleague, the gentleman from Wisconsin, and state in support of my position that it seems to me this is one instance where we should not let the position of the Department of Defense keep us from doing the fair and equitable thing, provided in this legislation.

Mr. BYRNES of Wisconsin. I think it is about time the Air Force gave some consideration to these matters, both in the location of the air bases and in the acquisition of land, to the rights of other people.

Mr. ASPINALL. I agree with my colleague.

Mr. BYRNES of Wisconsin. Mr. Speaker, I withdraw my reservation of objection, and urge the bill be passed.

The SPEAKER. Is there objection?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay out of any money in the Treasury not otherwise appropriated, to the Newington School District, New Hampshire, the sum of $90,000. The payment of such sum shall be in full satisfaction of all claims of such school district against the United States for costs to be incurred by such school district in relocating a school which has been made necessary because of the noise and danger from aircraft of the Department of the Air Force using Portsmouth Air Force Base: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out "$90,000" and insert "$73,248."

Page 1, line 11, strike out the word "Portsmouth" and insert "Pease."

Page 2, line 2, after the word "act" strike out "in excess of 10 percent thereof."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FEDERAL SEED ACT IMPROVEMENTS

The Clerk called the bill (S. 1939) to amend the Federal Seed Act of August 9, 1939 (53 Stat. 1275), as amended.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 101 (a) (7) (A) of the Federal Seed Act of August 9, 1939 (53 Stat. 1275), as amended (7 U. S. C. 1561 (a) (7) (A)) is amended by deleting from the list of agricultural seeds the phrase "Beta vulgaris L.—Field beet, excluding sugar beet." and substituting therefor the phrase "Beta vulgaris L.—Field beet."

SEC. 2. Section 101 (a) of said act (7 U. S. C. 1561 (a)) is further amended by adding at the end thereof a new paragraph (24) to read as follows:

"(24) The term 'treated' means given an application of a substance or subjected to a process designed to reduce, control, or repel disease organisms, insects, or other pests which attack seeds or seedlings growing therefrom."

SEC. 3. Section 101 (a) of said act (7 U. S. C. 1561 (a)) is further amended by adding at the end thereof, after new paragraph (24), a new paragraph (25) to read as follows:

"(25) The term 'seed certifying agency' means (A) an agency authorized under the laws of a State, Territory, or possession, to

officially certify seed, or (B) an agency of a foreign country determined by the Secretary of Agriculture to adhere to procedure and standards for seed certification comparable to those adhered to generally by seed certifying agencies under (A)."

SEC. 4. Title I of said act (7 U. S. C. 1561) is amended by adding at the end thereof a new section 102 to read as follows:

"SEC. 102. Any labeling, advertisement, or other representation subject to this Act which represents that any seed is certified or registered seed shall be deemed to be false in this respect unless (a) it has been determined by a seed certifying agency that such seed was produced, processed, and packaged, and conformed to standards of purity as to kind or variety, in compliance with the rules and regulations of such agency pertaining to such seed; and (b) the seed bears an official label issued for such seed by a seed-certifying agency stating that the seed is certified or registered."

SEC. 5. Section 201 (a) (8) of said act (7 U. S. C. 1571 (a) (8)) is amended to read as follows:

"(8) For each agricultural seed, in excess of 5 per centum of the whole, stated in accordance with paragraph (a) (1) of this section, and each kind or variety or type of agricultural seed shown in the labeling to be present in a proportion of 5 per centum or less of the whole, (A) percentage of germination, exclusive of hard seed, (B) percentage of hard seed, if present, and (C) the calendar month and year the test was completed to determine such percentages;"

SEC. 6. Section 201 (b) (1) of said act (7 U. S. C. 1571 (b) (1)) is amended to read as follows:

"(1) Name of each kind and variety of seed and if two or more kinds or varieties are present, the percentage of each;"

SEC. 7. That part of section 201 (b) (2) of said act (7 U. S. C. 1571 (b) (2)) which precedes clause (i) is amended to read as follows:

"(2) For each variety of vegetable seed which germinates less than the standard last established by the Secretary of Agriculture, as provided under section 403 (c) of this act—."

SEC. 8. Section 201 of said act (7 U. S. C. 1571) is further amended by adding at the end thereof a new subsection (i) to read as follows:

"(i) Any agricultural seeds or any mixture thereof or any vegetable seeds or any mixture thereof, for seeding purposes, that have been treated, unless each container thereof bears a label giving the following information and statements in accordance with rules and regulations prescribed under section 402 of this act:

"(1) A word or statement indicating that the seeds have been treated;

"(2) The commonly accepted coined, chemical (generic), or abbreviated chemical name of any substance used in such treatment;

"(3) If the substance used in such treatment in the amount remaining with the seeds is harmful to humans or other vertebrate animals, an appropriate caution statement approved by the Secretary of Agriculture as adequate for the protection of the public, such as 'Do not use for food or feed or oil purposes': *Provided*, That the caution statement for mercurials and similarly toxic substances, as defined in said rules and regulations, shall be a representation of a skull and crossbones and a statement such as 'This seed has been treated with poison', in red letters on a background of distinctly contrasting color; and

"(4) A description of any process used in such treatment, approved by the Secretary of Agriculture as adequate for the protection of the public."

SEC. 9. Section 202 of said act (7 U. S. C. 1572) is amended to read as follows:

"SEC. 202. All persons transporting, or delivering for transportation, in interstate commerce, agricultural seeds shall keep for a period of 3 years a complete record of origin, germination, and purity of each lot of such agricultural seeds, and all persons transporting, or delivering for transportation, in interstate commerce, vegetable seeds shall keep for a period of 3 years a complete record of germination and variety of such vegetable seeds. The Secretary of Agriculture, or his duly authorized agents, shall have the right to inspect such records for the purpose of the effective administration of this act."

SEC. 10. (a) That part of section 203 (b) of said act (7 U. S. C. 1573 (b)) which precedes clause (1) is amended to read as follows:

"(b) The provisions of section 201 (a), (b), or (i) shall not apply—"

(b) Clause (2) of such section 203 (b) is amended to read as follows:

"(2) to seed intended for seeding purposes when transported or offered for transportation in interstate commerce—

"(A) if in bulk, in which case, however, the invoice or other records accompanying and pertaining to such seed shall bear the various statements required for the respective seeds under sections 201 (a), (b), and (i); or

"(B) if in containers and in quantities of 20,000 pounds or more: *Provided*, That (i) the omission from each container of the information required under sections 201 (a), (b), and (i) is with the knowledge and consent of the consignee prior to the transportation or delivery for transportation of such seed in interstate commerce, (ii) each container shall have stenciled upon it or bear a label containing a lot designation, and (iii) the invoice or other records accompanying and pertaining to such seed shall bear the various statements required for the respective seeds under sections 201 (a), (b), and (i); or

"(C) if consigned to a seed-cleaning or processing establishment, to be cleaned or processed for seeding purposes: *Provided*, That (i) this fact is so stated in the invoice or other records accompanying and pertaining to such seed if the seed is in bulk or if the seed is in containers and in quantities of 20,000 pounds or more, (ii) this fact is so stated on attached labels if the seed is in containers and in quantities less than 20,000 pounds, and (iii) any such seed later to be labeled as to origin and/or variety shall be labeled as to origin and/or variety in accordance with rules and regulations prescribed under section 402 of this act."

SEC. 11. Section 204 of said act (7 U. S. C. 1574) is amended to read:

"SEC. 204. The use of a disclaimer, limited warranty, or nonwarranty clause in any invoice, advertising, labeling, or written, printed, or graphic matter, pertaining to any seed shall not constitute a defense, or be used as a defense in any way, in any prosecution or other proceeding brought under the provisions of this act, or the rules and regulations made and promulgated thereunder. Nothing in this section is intended to preclude the use of a disclaimer, limited warranty, or nonwarranty clause as a defense in any proceeding not brought under this act."

SEC. 12. Section 301 (a) of said act (7 U. S. C. 1581 (a)) is amended by adding at the end thereof a new paragraph (4) to read as follows:

"(4) any seed containing 10 percent or more of any vegetable seeds unless the invoice pertaining to such seed and any other labeling of such seed bear the name of each kind and variety of vegetable seed present."

SEC. 13. Section 302 (a) of said act (7 U. S. C. 1582 (a)) is amended by inserting the words "owner or" before the word "consignee" wherever the latter appears except in the two provisos therein; and by deleting said provisos and substituting therefor, respectively, the following: "*Provided*, That the Secretary of the Treasury may authorize the delivery of seed or screenings which are being imported or offered for import to the owner or consignee thereof, pending decision as to the admission of such seed or screenings and for staining, cleaning, labeling, or other reconditioning if required to bring such seed or screenings into compliance with the provisions of this act, upon the execution by such owner or consignee of a good and sufficient bond conditioned upon redelivery of the seed or screenings upon demand unless redelivery is waived because the seed is reconditioned to bring it into compliance with this act or is destroyed under Government supervision under this act, and providing for the payment of such liquidated damages in the event of default as may be required pursuant to regulations of the Secretary of the Treasury: *And provided further*, That all expenses incurred by the United States (including travel, per diem or subsistence, and salaries of officers or employees of the United States) in connection with the supervision of staining, cleaning, labeling, other reconditioning, or destruction, of seed or screenings under this title shall be reimbursed to the United States by the owner or consignee of the seed or screenings, and such reimbursements shall be recredited to the appropriation from which the expenses were paid, the amount of such expenses to be determined in accordance with joint regulations under section 402 of this act, and all expenses in connection with the storage, cartage, and labor on the seed or screenings which are refused admission or delivery shall be paid by the owner or consignee, and in default of such payment shall constitute a lien against future importations made by such owner or consignee."

SEC. 14. Section 302 of said act (7 U. S. C. 1582) is further amended by adding at the end thereof a new subsection (d) to read as follows:

"(d) The provisions of this title prohibiting the importation of seed that is adulterated or unfit for seeding purposes shall not apply—

"(1) when seed grown in the United States is returned from a foreign country without having been admitted into the commerce of any foreign country: *Provided*, That there is satisfactory proof as provided for in the joint rules and regulations prescribed under section 402 of this act that the seed was grown in the United States and was not admitted into the commerce of a foreign country and was not commingled with other seed, or

"(2) when seed is imported for sowing for experimental or breeding purposes and not for sale: *Provided*, That declarations are filed, and importations are limited in quantity, as provided for in the rules and regulations prescribed under section 402 of this act, to assure that the importations are for experimental or breeding purposes."

SEC. 15. Section 306 of said act (7 U. S. C. 1586) is amended by adding at the end thereof a new subsection (c) to read as follows:

"(c) To make any false or misleading representation with respect to any seed subject to this title being imported into the United States or offered for import: *Provided*, That this subsection shall not be deemed violated by any person if the false or misleading representation is the name of a variety indistinguishable in appearance from the seed being imported or offered for import and the records and other pertinent facts reveal that such person relied in good faith upon representations with respect to the name of the indistinguishable variety made by the shipper of the seed."

SEC. 16. This act, and the amendments made hereby, shall take effect upon the date of enactment.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FACILITATING NATURALIZATION OF ADOPTED CHILDREN AND SPOUSES OF CERTAIN UNITED STATES CITIZENS PERFORMING RELIGIOUS DUTIES ABROAD

The Clerk called the bill (H. R. 13378) to facilitate the naturalization of adopted children and spouses of certain United States citizens performing religious duties abroad.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, reserving the right to object, I wish to commend the committee on bringing this legislation to the floor. I happen to have several cases, one in particular, that are most meritorious, which will be adequately and properly handled by this legislation. It seems to me the committee deserves commendation for bringing this legislation to the House. I certainly hope the other body acts quickly so that these kinds of cases which are most meritorious can be handled.

The SPEAKER. Is there objection?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 11 of the act of September 11, 1957 (71 Stat. 642) be amended by adding the following immediately after the words "by treaty or statute"; "or is authorized to perform the ministerial or priestly functions of a religious denomination having a bona fide organization within the United States, or is engaged solely as a missionary by a religious denomination or by an interdenominational mission organization having a bona fide organization within the United States."

SEC. 2. Subsection (b) of section 319 of the Immigration and Nationality Act is hereby amended by adding the following immediately after the words "by treaty or statute,": or is authorized to perform the ministerial or priestly functions of a religious denomination having a bona fide organization within the United States, or is engaged solely as a missionary by a religious denomination or by an interdenominational mission organization having a bona fide organization within the United States,".

Mr. NIMTZ. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. KEATING] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. KEATING. Mr. Speaker, H. R. 13378 is a measure worthy of the support of every Member of this body. It was introduced by my good friend and colleague the gentleman from Minnesota [Mr. JUDD]. It is designed to permit the expeditious naturalization of alien spouses and certain adopted children of United States clergymen and missionaries, who are pursuing their religious calling in other countries of the world.

The Immigration and Nationality Act now permits naturalization of certain adopted children and spouses of citizens regularly stationed abroad in the Armed Forces, or who are employed by the Government, as well as those employed by certain American firms, corporations, or international organizations to which the United States belongs. Through some oversight alien spouses and adopted children of missionaries were omitted from the provisions of the present law.

This bill would eliminate the residence requirements so far as naturalization is concerned for those alien spouses and adopted children of missionaries who are otherwise qualified to become naturalized citizens.

Without this bill an adopted child or wife of a missionary must establish 2 years of residence in the case of the child and 3 years residence in the case of the wife. This bill would eliminate that requirement. They would, of course, first have to return to the United States to qualify for naturalization.

Certainly these men who are devoting their lives to religious and humanitarian endeavors deserve every consideratiton we can give them. By enacting this legislation we can help to remove at least one of the many difficulties that face them in their tasks. I hope every Member will give this bill his support.

Mr. NIMTZ. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. NIMTZ. Mr. Speaker, this is meritorious legislation, and I urge its favorable consideration. The necessity for this legislation has recently been brought to my attention by a situation within my own Congressional District. A husband and wife, who are constituents of mine, have recently returned from Japan, where they have been serving as missionaries. They will be in this country approximately 14 months on a sabbatical leave. They expect to return to Japan in July or August of 1959.

During their last tour of duty in Japan they adopted a child, in conformity with Japanese law, and have brought this child with them to the United States. They would like for this child to become a naturalized citizen, but, of course, they cannot begin the necessary procedures until the customary residence and physical-presence requirements have been complied with. It is impossible for them to comply with these requirements because of their missionary duties in other lands for long periods of time, and with only occasional sabbatical leaves here in the continental United States, which normally run only 12 or 14 months at a time.

Under existing law certain adopted children may be naturalized without compliance with these customary residence and physical-presence requirements if the adoptive parents are regularly stationed abroad in the Armed Forces, or in the employ of the Government of the United States, or of certain firms, corporations, or organizations. This bill would make these special benefits also available to missionaries, if the adoptive parent is engaged as a missionary by a religious denomination or by an interdenominational mission organization having a bona fide organization within the United States.

I urge favorable consideration of this legislation.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAYMENT OF TRANSPORTATION EXPENSES TO ATTEND GROUP BURIALS

The Clerk called the bill (H. R. 9721) to amend section 1482 of title 10 of the United States Code to provide for the payment of transportation expenses of certain survivors of deceased servicemen to attend group burials in national cemeteries.

There being no objection the Clerk read the bill, as follows:

Be it enacted etc., That section 1482 of title 10 of the United States Code is amended by adding at the end thereof the following new subsection:

"(d) When, as a result of a disaster involving the multiple deaths of persons covered by section 1481 of this title, the Secretary concerned has possession of commingled remains that cannot be individually identified, and burial of those remains in a common grave in a national cemetery is considered necessary, he may, for the interment services of each known decedent, pay the expenses of round-trip transportation to the cemetery of (1) the person who would have been designated under subsection (c) to direct disposition of the remains if individual identification had been made, and (2) two additional persons selected by that person who are closely related to the decedent. The transportation expenses authorized to be paid under this subsection may not exceed the transportation allowances authorized for members of the Armed Forces for travel on official business, but no per diem allowance may be paid."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHANGE OF MEMBERSHIP IN A RESERVE COMPONENT

The Clerk called the bill (H. R. 13374) to provide for the retention of deferment or exemption upon change of membership in a reserve component, Army National Guard, or Air National Guard.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 6 (c) (2) of the Universal Military Training and Service Act (62 Stat. 610), as amended (50 U. S. C. App. 456 (c) (2)), is amended by adding the following new clause after clause (E):

"(F) A person who, under any provision of law, is exempt or deferred from training and service under this act by reason of membership in a reserve component, the Army National Guard, or the Air National Guard, as the case may be, shall, if he becomes a member of another reserve component, the Army National Guard, or the Air National Guard, as the case may be, continue to be exempt or deferred to the same extent as if

he had not become a member of another reserve component, the Army National Guard, or the Air National Guard, as the case may be, so long as he continues to serve satisfactorily."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING RESEARCH ON INSECTICIDES

The Clerk called the bill (S. 2447) to authorize and direct the Secretary of the Interior to undertake continuing studies of the effects of insecticides, herbicides, fungicides, and other pesticides, upon fish and wildlife for the purpose of preventing losses of those invaluable natural resources following application of these materials and to provide basic data on the various chemical controls so that forests, croplands, wetlands, rangelands, and other lands can be sprayed with minimum losses of fish and wildlife.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to undertake comprehensive continuing studies on the effects of insecticides, herbicides, fungicides and pesticides, upon the fish and wildlife resources of the United States, for the purpose of determining the amounts, percentages, and formulations of such chemicals that are lethal to or injurious to fish and wildlife and the amounts, percentages, mixtures, or formulations that can be used safely, and thereby prevent losses of fish and wildlife from such spraying, dusting, or other treatment.

With the following committee amendment:

On page 2, after line 8, add another section, reading as follows:

"SEC. 2. The sum of $280,000 per annum is hereby authorized to be appropriated to carry out the objectives of this act."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MIGRATORY BIRD HUNTING STAMPS

The Clerk called the bill (S. 2617) to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, as amended.

Mr. CUNNINGHAM of Iowa. Mr. Speaker, reserving the right to object, I wish to ask a few questions of the chairman of the committee or someone in charge of this bill. I notice from the report that over the years $54 million have been collected under the stamp act. It was supposed to be used for the preservation of wildfowl, and so forth, the acquisition of refuges, but only 13.7 percent of that money has been spent for that purpose. I do not know where the money has gone.

There is a provision in this bill which if it stays in the bill raising the cost of the hunting stamp which originally was $1 but which is now at $2. This provision would raise it to $3. I would like to know where the money is being diverted and for what purposes, and how in any sense of the word it can be considered fair to the poor boy on the farm who wants to shoot a duck or two. Even if he hunts on his own premises he cannot shoot even one duck unless he takes out a stamp. It is proposed to raise the fee from $2 to $3. Probably the next bill will raise it to $5 and then to $10. What is the reason? Is it to keep the poor farm boy from hunting? Is it to allow only those to hunt who can afford to pay the high fee? What is the theory behind it? What has the money been used for and what is it going to be used for?

Certainly it seems to be unfair to the poor farm boy who wants to go out and shoot maybe one duck on his own land. What justice is there in making the fee so high that only those who can afford to pay the price will be permitted to hunt?

Mr. DINGELL. Mr. Speaker, I reserve the right to object for the purpose of answering the gentleman.

Mr. CUNNINGHAM of Iowa. I have already reserved the right to object. I yield to the gentleman.

Mr. DINGELL. I might say to the gentleman that the very point he raises is the reason for the bill before us. If the gentleman reads the report and the bill he will find that the bill is vitally necessary to halt the abuses the gentleman discusses. It absolutely earmarks the revenue derived from the sale of duck stamps for the acquisition of wildlife refuges and waterfowl habitat.

As the gentleman has pointed out only 13.7 percent of the revenue from the sale of duck stamps has been spent for the purchase of refuge sites, the balance has been diverted.

Mr. CUNNINGHAM of Iowa. That is my point. Why raise it from $2 to $3?

Mr. DINGELL. Let me assure the gentleman there will be no more dribbling off of the proceeds from the sale of the duck stamps if this bill is passed.

This bill is supported by the national conservation associations. All agencies of the Government, and all State game and fish commissions approve the bill. This bill absolutely prohibits dribbling this money off and commands and compels it to be spent for the purpose of land acquisition.

By the year 1975, if the present land use in the United States continues, all available waterfowl habitats will have vanished within the borders of the United States with the exception of such lands as are used for Federal and State refuges. This earmarks the proceeds of the duck stamps absolutely.

Mr. CUNNINGHAM of Iowa. I am glad to know that, but I wonder why we have to punish the lad of a few years, the lad in his teens, who maybe wants to shoot one duck a year. Why should we punish him and then not use the money for the purposes for which it is intended?

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. CUNNINGHAM of Iowa. I yield.

Mr. GROSS. There is no question but what some of this money has been diverted in the past, and it has been a disgrace that the money was diverted from the purposes for which it was intended. This bill is designed to cure that situation. Unless the Federal Government moves in and acquires necessary land there will not be migratory waterfowl for the farm boy and others to shoot pretty soon.

Mr. CUNNINGHAM of Iowa. Does the gentleman think there should be an increase in the price of the duck stamps?

Mr. GROSS. Very reluctantly I go along with the increase in the license fee. It can be justified only for the particular and specific purpose of developing wildlife refuges and habitats to propagate migratory waterfowl.

Mr. CUNNINGHAM of Iowa. May I ask the gentleman one more question?

Mr. DINGELL. Certainly.

Mr. CUNNINGHAM of Iowa. Does the gentleman feel that there is sufficient wording in this bill and sufficient information in the report that the money will not be diverted in the future?

Mr. DINGELL. I can offer the gentleman that assurance and I do give him that assurance absolutely I personally put in the report clear language which would make absolutely plain the intent of Congress that this money be not diverted. I offer the gentleman the further assurance that I will continue to watch the expenditure of these duck stamp funds so there will be no diverting. I offer the further assurance to the gentleman that we have two fine Members of this Congress who are members of the Migratory Bird Commission which has the responsibility of watching this operation, I refer to the gentleman from Pennsylvania [Mr. GAVIN] who is a duck hunter, an able sincere Member of this House and a good conservationist, and the other is the very capable gentleman from Missouri [Mr. KARSTEN]. Both of these fine men have been most interested and extremely helpful in getting action on this bill.

Mr. CUNNINGHAM of Iowa. The people who can afford the $3 instead of the $2 are the ones who will benefit by it. I am thinking of the poor man who needs to hunt.

Mr. DINGELL. Let me say to the gentleman one other thing. This opens up to 40 percent of any refuge instead of 25 percent. It will open substantially more shooting grounds in the United States. Instead of purchasing hunting lands at the rate of about $1 million a year we will be spending about $6½ million to buy these same lands for nesting purposes and also for hunting purposes for the kind of folks the gentleman speaks about. Unless this bill passes there will not be any ducks to shoot in the foreseeable future.

Mr. CUNNINGHAM of Iowa. Mr. speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 2 of the Migratory Bird Hunting Stamp Act of March 16, 1934, as amended (48 Stat. 451; 16 U. S. C. 718b), is amended by striking out "$2" and inserting in lieu thereof "$3."

SEC. 2. Subsections (a) and (b) of section 4 of such act (16 U. S. C. 718d) are amended to read as follows:

"(a) So much as may be necessary shall be used by the Secretary of the Interior to make advance allotments to the Post Office Department at such times and in such amounts as may be mutually agreed upon by the Secretary of the Interior and the Postmaster General for direct expenditure by the Post Office Department for engraving, printing, issuing, selling, and accounting for migratory bird hunting stamps and moneys received from the sale thereof, in addition to expenses for personal services in the District of Columbia and elsewhere, and such other expenses as may be necessary in executing the duties and functions required of the postal service.

"(b) Except as authorized in subsection (c) of this section, the remainder shall be available for the location, ascertainment, and acquisition of suitable areas for migratory bird refuges under the provision of the Migratory Bird Conservation Act and for the administrative costs incurred in the acquisition of such areas: *Provided*, That not to exceed 40 percent at any one time of any area which heretofore has been or which hereafter may be acquired, reserved, or set apart for the use of the Department of the Interior as an inviolate sanctuary for migratory birds under any law, proclamation, or Executive order may be administered by the Secretary of the Interior, in his discretion, as a wildlife management area within which the taking of migratory game birds may be permitted under such regulations as he may prescribe: *Provided further*, That notwithstanding the fact that such lands constitute public property, the Secretary of the Interior shall comply with the requirements of section 4 of the Administrative Procedure Act (60 Stat. 238) in issuing regulations pursuant to the preceding proviso."

SEC. 3. Section 4 of such act is further amended by adding at the end thereof a new subsection as follows:

"(c) The Secretary of the Interior is authorized to utilize funds made available under subsection (b) of this section for the purposes of such subsection, and such other funds as may be appropriated for the purposes of such subsection, or of this subsection, to acquire, or defray the expenses incident to the acquisition by gift, devise, lease, purchase, or exchange of, small wetland and pothole areas, interests therein, and rights-of-way to provide access thereto. Such small areas, to be designated as 'Waterfowl Production Areas,' may be acquired without regard to the limitations and requirements of the Migratory Bird Conservation Act, but all of the provisions of such act which govern the administration and protection of lands acquired thereunder, except the inviolate sanctuary provisions of such act, shall be applicable to areas acquired pursuant to this subsection."

SEC. 4. The amendment made by the first section of this act shall become effective on July 1, 1959. The amendment made by section 2 of this act making available the net proceeds of all moneys received in the migratory bird conservation fund for the location, ascertainment, and acquisition of waterfowl production areas and suitable areas for migratory bird refuges shall become effective on July 1, 1960. The remaining amendments made by this act shall become effective on the date of the enactment of this act. Any unobligated balance remaining in the migratory bird conservation fund on June 30, 1960, shall thereafter be available for expenditure only for the purposes specified in the Migratory Bird Hunting Stamp Act of March 16, 1934, as amended by this act.

With the following committee amendment:

On page 2, line 23, after the word "birds" insert "or resident species."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. JOHNSON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. JOHNSON. Mr. Speaker, I am greatly pleased to have the opportunity today to speak in support of an amendment to the Duck Stamp Act, in the form of S. 2617, which will provide real substance to the efforts of conservationists and sportsmen to provide waterfowl refuges and management areas for migratory birds.

I share the interest of my colleague from Iowa who just noted that the increased cost of the duck stamp might keep some farm boys from hunting. In fact I was so concerned over just that issue that I conducted a survey last year among duck hunters in my District. Since the Ninth District of Wisconsin is heavily agricultural in nature it goes without saying that a large number of the hunters surveyed are farm residents. It can be said to their credit, I believe, that they voted overwhelmingly in favor of spending another dollar or even two for guaranteed waterfowl refuge acquisition. It should be pointed out that the cost of the stamp at $3 is still less than many hunters pay for a box of shells. The clinching argument in favor of this bill is that duck hunters ought to have ducks to fire at and if we do not begin setting aside refuges the farm boys will not have much duck hunting at any price.

In my poll I asked them if they would accept an increase in the duck stamp fee if funds were specifically earmarked for refuge acquisition. Seventy-seven percent of the hunters said they would accept an increase if they could be assured the funds would actually go to that worthy purpose. I then introduced legislation to earmark duck stamp revenues. The measure under consideration today so admirably fulfills the intent of my legislation that I support it without hesitation and urge all fairminded Members of Congress to fulfill a longstanding obligation to sportsmen to live up to the intent of the original legislation and begin acquiring refuges for our waterfowl before it is too late.

During the 84th Congress I presented a report to the Congress on May 27, 1955, as to what was actually happening to money duck hunters provided through fees for hunting stamps. I made a detailed study of the progress of migratory bird legislation culminating in the passage in 1934 of the Federal Migratory Bird Hunting Stamp Act. Some excellent advances were made under that act but after 1940 it became clear that more and more money provided by sportsmen for refuge acquisition was actually going for administrative and operational costs. The sportsmen even came to Congress with a request that the duck stamp price be increased from $1 to $2 so that the original purpose could be met. The fee increased but their money largely continued to be used for purposes other than what they had intended.

In my 1955 report I said:

Raising the price of duck stamps is not the answer to this problem, unless we specifically write into law a provision to earmark funds for the purpose of acquiring waterfowl refuges.

This, I am very happy to say, has been done in the law under consideration today.

I understand that the Senate bill has been amended to provide for payment of expenses to the Post Office Department for the stamps themselves. I hope that this does not mean we are letting the camel get his nose in the tent and that a loophole has been provided for additional raids upon funds obtained in a worthwhile cause. Post Office charges in connection with this act quadrupled from 1953 to 1954 and I certainly hope we will not find history repeating itself in that regard.

At the time I made my report I called for earmarking funds for acquisition of wildlife refuges. I am very pleased that administrative objections to this procedure were overcome this year and this legislation was brought to the floor.

AMENDING THE COORDINATION ACT

The Clerk called the bill (H. R. 13138) to amend the act of March 10, 1934, to provide for more effective integration of a fish and wildlife conservation program with Federal water-resource developments, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That this act may be cited as the "Wildlife Coordination Act."

SEC. 2. The first four sections of the act entitled "An act to promote the conservation of wildlife, fish, and game, and for other purposes," approved March 10, 1934 (16 U. S. C., secs. 661–664, inclusive) are amended to read as follows:

"For the purpose of recognizing the vital contribution of our wildlife resources to the Nation, the increasing public interest and significance thereof due to expansion of our national economy and other factors, and to provide that wildlife conservation shall receive equal consideration and be coordinated with other features of water-resource development programs through the effectual and harmonious planning, development, maintenance, and coordination of wildlife conservation and rehabilitation for the purposes of this act in the United States, its Territories and possessions, the Secretary of the Interior is authorized (1) to provide assistance to, and cooperate with, Federal, State, and public or private agencies and organizations in the development, protection, rearing, and stocking of all species of wildlife, resources thereof, and their habitat, in controlling losses of the same from disease or other causes, in minimizing damages from overabundant species, in providing public shooting and fishing areas, including easements across public lands for access thereto, and in carrying out other measures necessary to effectuate the purposes of this act; (2) to make surveys and investigations of the wildlife of the public domain, including lands and waters or interests therein acquired or controlled by any agency of the United States; and (3) to accept donations of land and contributions of

funds in furtherance of the purposes of this act.

"SEC. 2. (a) Except as hereafter stated in subsection (b) of this section, whenever the waters of any stream or other body of water are proposed or authorized to be impounded, diverted, the channel deepened, or the stream or other body of water otherwise controlled or modified for any purpose whatever, including navigation and drainage, by any department or agency of the United States, or by any public or private agency under Federal permit or license, such department or agency first shall consult with the United States Fish and Wildlife Service, Department of the Interior, and with the head of the agency exercising administration over the wildlife resources of the particular State wherein the impoundment, diversion, or other control facility is to be constructed, with a view to the conservation of wildlife resources by preventing loss of and damage to such resources as well as providing for the development and improvement thereof in connection with such water-resource development.

"(b) In furtherance of such purposes, the reports and recommendations of the Secretary of the Interior on the wildlife aspects of such projects, and any report of the head of the State agency exercising administration over the wildlife resources of the State, based on surveys and investigations conducted by the United States Fish and Wildlife Service and such State agency for the purpose of determining the possible damage to wildlife resources and for the purpose of determining means and measures that should be adopted to prevent the loss of or damage to such wildlife resources, as well as to provide concurrently for the development and improvement of such resources, shall be made an integral part of any report prepared or submitted by any agency of the Federal Government responsible for engineering surveys and construction of such projects when such reports are presented to the Congress or to any agency or person having the authority or the power, by administrative action or otherwise, (1) to authorize the construction of water-resource development projects or (2) to approve a report on the modification or supplementation of plans for previously authorized projects, to which this act applies. Recommendations of the Secretary of the Interior shall be as specific as is practicable with respect to features recommended for wildlife conservation and development, lands to be utilized or acquired for such purposes, the results expected, and shall describe the damage to wildlife attributable to the project and the measures proposed for mitigating or compensating for these damages. The reporting officers in project reports of the Federal agencies shall give full consideration to the report and recommendations of the Secretary of the Interior and to any report of the State agency on the wildlife aspects of such projects, and the project plan shall include such justifiable means and measures for wildlife purposes as the reporting agency finds should be adopted to obtain maximum overall project benefits.

"(c) Federal agencies authorized to construct or operate water-control projects are hereby authorized to modify or add to the structures and operations of such projects, the construction of which has not been substantially completed on the date of enactment of the Wildlife Coordination Act, and to acquire lands in accordance with section 3 of this act, in order to accommodate the means and measures for such conservation of wildlife resources as an integral part of such projects: *Provided*, That for projects authorized by a specific act of Congress before the date of enactment of the Wildlife Coordination Act (1) such modification or land acquisition shall be compatible with the purposes for which the project was authorized; (2) the cost of such modifications or land acquisition, as means and measures to prevent loss of and damage to wildlife resources to the extent justifiable, shall be an integral part of the cost of such projects; and (3) the cost of such modifications or land acquisition for the development or improvement of wildlife resources may be included to the extent justifiable, and an appropriate share of the cost of any project may be allocated for this purpose with a finding as to the part of such allocated cost, if any, to be reimbursed by non-Federal interests.

"(d) The cost of planning for and the construction or installation and maintenance of such means and measures adopted to carry out the conservation purposes of this section shall constitute an integral part of the cost of such projects: *Provided*, That such cost attributable to the development and improvement of wildlife shall not extend beyond those necessary for (1) land acquisition, (2) modification of the project, and (3) modification of project operations; but shall not include the operation of wildlife facilities nor the construction of such facilities beyond those herein described: *And provided further*, That, in the case of projects authorized to be constructed, operated, and maintained in accordance with the Federal reclamation laws (act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto), the Secretary of the Interior, in addition to allocations made under section 9 of the Reclamation Project Act of 1939 (53 Stat. 1187), shall make findings on the part of the estimated cost of the project which can properly be allocated to means and measures to prevent loss of and damage to wildlife resources, which costs shall not be reimbursable, and an appropriate share of the project costs may be allocated to development and improvement of wildlife resources, with a finding as to the part of such allocated costs, if any, to be reimbursed by non-Federal fish and wildlife agencies or interests.

"(e) In the case of construction by a Federal agency, that agency is authorized to transfer to the United States Fish and Wildlife Service, out of appropriations or other funds made available for investigations, engineering, or construction, such funds as may be necessary to conduct all or part of the investigations required to carry out the purposes of this section.

"(f) In addition to other requirements, there shall be included in any report submitted to Congress supporting a recommendation for authorization of any new project for the control or use of water as described herein (including any new division of such project or new supplemental works on such project) an estimation of the wildlife benefits or losses to be derived therefrom including benefits to be derived from measures recommended specifically for the development and improvement of wildlife resources, the cost of providing wildlife benefits (including the cost of additional facilities to be installed or lands to be acquired specifically for that particular phase of wildlife conservation relating to the development and improvement of wildlife), the part of the cost of joint-use facilities allocated to wildlife, and the part of such costs, if any, to be reimbursed by non-Federal interests.

"(g) The provisions of this section shall be applicable with respect to any project for the control or use of water as prescribed herein, or any unit of such project authorized before or after the date of enactment of the Wildlife Coordination Act for planning or construction, but shall not be applicable to any project or unit thereof authorized before the date of enactment of the Wildlife Coordination Act if the construction of the particular project or unit thereof has been substantially completed. A project or unit thereof shall be considered to be substantially completed when 60 percent or more of the estimated construction cost has been obligated for expenditure.

"(h) The provisions of this act shall not be applicable to those projects for the impoundment of water where the maximum surface area of such impoundments is less than 10 acres, nor to activities for or in connection with programs primarily for land management and use carried out by Federal agencies with respect to Federal lands under their jurisdiction.

"SEC. 3. (a) Subject to the exceptions prescribed in section 2 (h) of this act, whenever the waters of any stream or other body of water are impounded, diverted, the channel deepened, or the stream or other body of water otherwise controlled or modified for any purpose whatever, including navigation and drainage, by any department or agency of the United States, adequate provision, consistent with the primary purposes of such impoundment, diversion, or other control, shall be made for the use thereof, together with any areas of land, water, or interests therein, acquired or administered by a Federal agency in connection therewith, for the conservation, maintenance, and management of wildlife resources thereof, and its habitat thereon, including the development and improvement of such wildlife resources pursuant to the provisions of section 2 of this act.

"(b) The use of such waters, land, or interests therein for wildlife conservation purposes shall be in accordance with general plans approved jointly (1) by the head of the particular department or agency exercising primary administration in each instance, (2) by the Secretary of the Interior, and (3) by the head of the agency exercising the administration of the wildlife resources of the particular State wherein the waters and areas lie. Such waters and other interests shall be made available, without cost for administration, by such State agency, if the management of the properties relate to the conservation of wildlife other than migratory birds, or by the Secretary of the Interior, for administration in such manner as he may deem advisable, where the particular properties have value in carrying out the national migratory bird management program: *Provided*, That nothing in this section shall be construed as affecting the authority of the Secretary of Agriculture to cooperate with the States or in making lands available to the States with respect to the management of wildlife and wildlife habitat on lands administered by him.

"(c) When consistent with the purposes of this act and the reports and findings of the Secretary of the Interior prepared in accordance with section 2, land, waters, and interests therein may be acquired by Federal construction agencies for the wildlife conservation and development purposes of this act in connection with a project as reasonably needed to preserve and assure for the public benefit the wildlife potentials of the particular project area: *Provided*, That before properties are acquired for this purpose, the probable extent of such acquisition shall be set forth, along with other data necessary for project authorization, in a report submitted to the Congress, or in the case of a project previously authorized, no such properties shall be acquired unless specifically authorized by Congress, if specific authority for such acquisition is recommended by the construction agency.

"(d) Properties acquired for the purposes of this section shall continue to be used for such purposes, and shall not become the subject of exchange or other transactions if such exchange or other transaction would defeat the initial purpose of their acquisition.

"(e) Federal lands acquired or withdrawn for Federal water-resource purposes and

made available to the States or to the Secretary of the Interior for wildlife management purposes, shall be made available for such purposes in accordance with this act, notwithstanding other provisions of law.

"(f) Any lands acquired pursuant to this section by any Federal agency within the exterior boundaries of a national forest shall, upon acquisition, be added to and become national forest lands, and shall be administered as a part of the forest within which they are situated, subject to all laws applicable to lands acquired under the provisions of the act of March 1, 1911 (36 Stat. 961), unless such lands are acquired to carry out the National Migratory Bird Management Program.

"SEC. 4. Such areas as are made available to the Secretary of the Interior for the purposes of this act, pursuant to sections 1 and 3 or pursuant to any other authorization, shall be administered by him directly or in accordance with cooperative agreements entered into pursuant to the provisions of the first section of this act and in accordance with such rules and regulations for the conservation, maintenance, and management of wildlife, resources thereof, and its habitat thereon, as may be adopted by the Secretary in accordance with general plans approved jointly by the Secretary of the Interior and the head of the department or agency exercising primary administration of such areas: *Provided*, That such rules and regulations shall not be inconsistent with the laws for the protection of fish and game of the States in which such area is situated (16 U. S. C., sec. 664): *Provided further*, That lands having value to the National Migratory Bird Management Program may, pursuant to general plans, be made available without cost directly to the State agency having control over wildlife resources, if it is jointly determined by the Secretary of the Interior and such State agency that this would be in the public interest: *And provided further*, That the Secretary of the Interior shall have the right to assume the management and administration of such lands in behalf of the National Migratory Bird Management Program if the Secretary finds that the State agency has withdrawn from or otherwise relinquished such management and administration."

SEC. 2. The Watershed Protection and Flood Prevention Act, as amended (16 U. S. C., secs. 1001–1007, inclusive), is amended by adding at the end thereof the following new section:

"SEC. 12. When the Secretary approves the furnishing of assistance to a local organization in preparing a plan for works of improvement as provided for in section 3:

"(1) The Secretary shall so notify the Secretary of the Interior in order that the latter, as he desires, may make surveys and investigations and prepare a report with recommendations concerning the conservation and development of wildlife resources and participate, under arrangements satisfactory to the Secretary of Agriculture, in the preparation of a plan for works of improvement that is acceptable to the local organization and the Secretary of Agriculture.

"(2) Full consideration shall be given to the recommendations contained in any such report of the Secretary of the Interior as he may submit to the Secretary of Agriculture prior to the time the local organization and the Secretary of Agriculture have agreed on a plan for works of improvement. The plan shall include such of the technically and economically feasible works of improvement for wildlife purposes recommended in the report by the Secretary of the Interior as are acceptable to, and agreed to by, the local organization and the Secretary of Agriculture, and such report of the Secretary of the Interior shall, if requested by the Secretary of the Interior, accompany the plan for works of improvement when it is submitted to the Secretary of Agriculture for approval or transmitted to the Congress through the President.

"(3) The cost of making surveys and investigations and of preparing reports concerning the conservation and development of wildlife resources shall be borne by the Secretary of the Interior out of funds appropriated to his Department."

With the following committee amendments:

On page 1, lines 3 and 4, after the word "That", delete the words "this act may be cited as the 'Wildlife Coordination Act'." and insert in lieu thereof the following: "the act of March 10, 1934, as amended, and as further amended by this act, may be cited as the 'Fish and Wildlife Coordination Act'."

On page 5, line 7, after the words "on the date of enactment of the", insert the words "Fish and."

On page 5, line 13, after the words "of the", insert the words "Fish and."

On page 7, line 18, delete the word "consevation" and insert in lieu thereof the word "conservation."

On page 8, line 1, after the words "before or after the date of enactment of the", insert the words "Fish and."

On page 8, line 4, after the words "the date of enactment of the", insert the words "Fish and."

On page 12, line 15, after the word "SEC.", delete "2." and insert in lieu thereof "3."

On page 13, after line 24, add the following new section:

"SEC. 4. There is authorized to be appropriated and expended such funds as may be necessary to carry out the purposes of this act."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LAND CONVEYANCE TO CITY OF CLIFTON, N. J.

The Clerk called the bill (H. R. 11800) to authorize the Secretary of Agriculture to convey a certain parcel of land and buildings thereon to the city of Clifton, N. J.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of Agriculture is authorized and directed to convey by quitclaim deed to the city of Clifton, N. J., all of the rights, title, and interest of the United States in and to 7 acres, more or less, of the land of the United States Animal Quarantine Station, Clifton, N. J., more particularly described as a parcel of land comprising the westerly portion of the United States Animal Quarantine Station, Clifton, N. J., lying along the southerly side of Colfax Avenue, together with all buildings, facilities, and improvements thereon, upon payment by said city of 75 percent of the appraised fair market value of such land, buildings, facilities, and improvements as determined by the Secretary of Agriculture: *Provided*, That in addition the city of Clifton shall deposit at time of conveyance $30,000 to the Treasury of the United States into a special account for the use of the Secretary of Agriculture in making alterations of buildings, facilities, and improvements situated upon the remaining portion of said quarantine station. The conveyance hereunder shall be subject to the reservations, conditions, and restrictions contained in this act. The cost of any survey required in connection with the conveyance of this property shall be at the expense of the city of Clifton.

SEC. 2. Said quitclaim deed shall also contain a reservation to the United States of all gas, oil, coal and all source materials essential to the production of fissionable material and all other mineral deposits and the right to the use of the land for extracting and removing same.

SEC. 3. The city of Clifton shall, prior to the actual use of the tract of land conveyed to such city by the first section of this act and prior to the alteration or removal of any fences now upon such tract of land, provide a suitable fence on the boundary line between such parcel of land and the remaining land of the United States animal quarantine station. If the city of Clifton fails to provide such fence prior to the actual use of such tract of land and prior to the alteration or removal of the existing fences, all the right, title, and interest in and to the land conveyed by the first section of this act shall revert to, and become the property of, the United States, which shall have the immediate right of entry thereon.

With the following committee amendment:

On page 3, line 4, after the word "fences" insert "or if the city of Clifton uses or conveys any part of such land for other than public purposes."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LONG-STAPLE COTTONSEED

The Clerk called the bill (H. R. 12531) to amend the Agricultural Adjustment Act of 1938, as amended, to permit the State committee to allocate from the acreage of extra long staple cotton reserved under section 344 (e) of the act an amount not to exceed 1½ percent of the State acreage allotment to farms for the production of high quality extra long staple cotton seed and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 347 of title III of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof a new subsection (f) reading as follows:

"(f) Notwithstanding any other provision of this act, the State committee may allocate from the acreage of extra long staple cotton reserved by the State committee pursuant to section 344 (e) of this act an amount not to exceed 1½ percent of the State acreage allotment to farms for the production of high quality extra long staple cotton seed pursuant to an agreement establishing standards for such production approved by the State committee. Any acreage of cotton planted as a result of any such agreement shall not be considered as acreage planted to cotton on the farm or in the county in which such farm is located for the purpose of future allotment determinations for such farm or such county."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROVIDING MORE FLEXIBILITY IN MAKING ADDITIONAL APPOINTMENTS AT THE UNITED STATES MILITARY ACADEMY AND THE UNITED STATES AIR FORCE ACADEMY

The Clerk called the bill (H. R. 13226) to amend title 10, United States Code, to provide more flexibility in making additional appointments to bring the number of cadets at the United States Military Academy and the United States Air Force Academy up to full strength.

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. BROOKS of Louisiana. Mr. Speaker, reserving the right to object, I would like to ask that at this point in the RECORD, I may be permitted to file an academic list of selections showing how the act is working, as given to me by the United States Military Academy for the year 1958. I think it is perhaps wise for the Members to study this list.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The matter referred to follows:

Academic board selections—U. S. Military Academy, 1958

Name	Designation—Alternate	Nominated
Abbott, Thomas C.	1st	Texas, 6th.
Adams, Keith E.	1st	New York, 40th.
Beccaccio, Livio A.	2d	New York, 28th.
Bennett, Dennis R.	3d	Ohio, 16th.
Bergman, Todd L.	1st	New York, 2d.
Biddison, Alan M.	3d	Maryland, 7th.
Blynn, David M.	2d	Pennsylvania, 18th.
Brown, Charles E.	2d	Texas, 6th.
Butzer, Charles B.	3d	New York, 4th.
Casp, Michael A.	3d	Pennsylvania, 25th.
Chisholm, Ronald J.	3d	Louisiana, 7th.
Cross, William M.	2d	Illinois, 1st.
Culver, Thomas R.	1st	Indiana, at large.
Dargie, John W.	3d	New York, 34th.
Darrell, Charles C.	1st	Maryland, 2d.
DeJardin, Alan R.	2d	New York, 6th.
DeRose, Richard G.	2d	Louisiana, 1st.
DeVries, Robert K.	2d	Louisiana, 6th.
DeVries, Russel	1st	Louisiana, 6th.
Dobbins, Paul J.	3d	Massachusetts, 8th.
Druse, Stanley A.	1st	Nebraska, 1st.
Eccleston, Thomas F.	2d	Massachusetts, 6th.
Finn, Bertram P.	3d	Louisiana, 3d.
Foote, Warren S.	1st	Nebraska, 1st.
Fox, Ralph	3d	Ohio, 6th.
Fuellhart, Robert H., Jr.	3d	Pennsylvania, 23d.
Gleichman, Edward A.	3d	Pennsylvania, 22d.
Gorman, James	2d	Massachusetts at large.
Hameister, Herbert H.	3d	Ohio, 11th.
Handy, George W.	2d	Massachusetts at large.
Hartnett, Terrence M.	2d	New York, 41st.
Hufschmid, Robert G.	2d	New York, 3d.
Kaner, Donald Fred	3d	Pennsylvania, 24th.
King, Peter G.	1st	New York, 9th.
Kirschenbauer, George	3d	New Jersey, 7th.
Kuhns, Dale H.	1st	Pennsylvania at large.
Learish, Dean L.	3d	Pennsylvania, 18th.
LoPresto, Raymond J.	1st	Louisiana, 1st.
Lynch, Albert F., Jr.	1st	Louisiana, 7th.
McElhose, Alan	3d	Iowa, at large.
McRae, Wilton D.	2d	Louisiana, 1st.
Malley, George T.	2d	Pennsylvania, 26th.
Martin, Bernard M.	3d	Pennsylvania, 30th.
Martinak, Joseph F.	1st	Illinois, 1st.
Meehan, John F.	1st	Maryland, at large.
Mengel, Larry L.	3d	Pennsylvania, 15th.
Middaugh, Thomas R.	2d	Maryland, 2d.
Morin, Carl R., Jr.	3d	Florida, 5th.
Murphy, Vincent E.	3d	Massachusetts, 6th.
Museler, William J.	1st	New York, 6th.

Academic board selections—U. S. Military Academy, 1958—Continued

Name	Designation—Alternate	Nominated
Needs, Lawrence R.	2d	Pennsylvania, 25th.
Ord, Robert L., III	2d	New York, 9th.
Pappas, George	3d	Louisiana, 7th.
Parsons, Bruce B.	1st	New York, 28th.
Peterson, James C.	3d	Florida, 6th.
Renshaw, Clarence, II	3d	Pennsylvania, at large.
Richison, Walter R.	1st	Kansas, 6th.
Rushatz, Alfred S.	3d	Pennsylvania, 8th.
Ryer, Richard T.	2d	New York, 21st.
Schein, George, II	2d	Pennsylvania, 27th.
Seay, Jerry J.	1st	Texas, at large.
Sloan, John N.	3d	West Virginia, 6th.
Stanat, Christopher W. J.	3d	Illinois, 1st.
Storat, Richard E.	1st	Pennsylvania, 8th.
Symes, Albert R.	2d	Massachusetts, 8th.
Thomas, Robert B.	1st	Louisiana, 3d.
Thompson, Stanley E.	1st	Massachusetts, 1st.
Welper, Francis E., Jr.	2d	Michigan, 2d.
Whitehead, William C., Jr.	3d	Pennsylvania, 15th.
Zmuida, Paul T.	3d	North Carolina, 3d.

Mr. FORD. Mr. Speaker, reserving the right to object, I think this legislation is good and sound, but I do believe we could improve the laws as they relate to the service academies if we extended the mandatory period of time that the cadets must serve after their graduation in order that the Federal Government might get a better return on its investment from those who get a free education at the Air Force Academy, the Naval Academy at Annapolis, and other points. I understood that the Committee on Armed Services was going to bring out legislation extending that from 4 to 6 years. Can the gentleman tell me what the status of that legislation is?

Mr. BROOKS of Louisiana. The Pentagon is working on a general overall bill that would cover the whole field. I do not know just what the terms of that bill will be. We have been making inquiries about it, and I believe there will be something coming out within the not too distant future.

Mr. KILDAY. Mr. Speaker, will the gentleman yield?

Mr. McMILLAN. I yield to the gentleman from Texas.

Mr. KILDAY. I might say to the gentleman from Michigan it is my understanding that as to the class entering West Point this year there has been an additional year of obligated service imposed. Heretofore it has been 3 years, and the class entering this year, upon graduation, will be required to serve 4 years. So, we are moving in the direction the gentleman has referred to.

Mr. BROOKS of Louisiana. In addition to what the gentleman said, the Pentagon is working on a bill which will make the whole field more or less uniform. I think perhaps that will cover what the gentleman has in mind.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The SPEAKER. That completes the call of the eligible bills on the Consent Calendar.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 9369. An act to authorize refunds by the Veterans' Administration of amounts collected from former servicemen by the Government pursuant to guaranty of life insurance premiums under the original Soldiers' and Sailors' Civil Relief Act of 1940.

H. R. 11518. An act to authorize the construction of modern naval vessels; and

H. R. 12694. An act to authorize loans for the construction of hospitals and other facilities under title VI of the Public Health Service Act, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 376) entitled "An act to amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ELLENDER, Mr. JOHNSTON of South Carolina, Mr. EASTLAND, Mr. AIKEN, and Mr. YOUNG to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 2069) entitled "An act to amend section 27 of the Mineral Leasing Act of February 25, 1920, as amended, in order to promote the development of coal on the public domain," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. O'MAHONEY, Mr. CARROLL, and Mr. BARRETT to be the conferees on the part of the Senate.

AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

Mr. COOLEY. Mr. Speaker, I move to suspend the rules and pass the bill (S. 3420) to extend and amend the Agricultural Trade Development and Assistance Act of 1954, as amended.

The Clerk read as follows:

Be it enacted, etc., That the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended as follows:

(a) Sections 109 and 204 of such act are amended by striking out "1958" and substituting in lieu thereof "1959."

(b) Section 103 (b) of such act is amended by striking out "$4,000,000,000" and inserting in lieu thereof "$5,500,000,000."

SEC. 2. Section 303 of the Agricultural Trade Development and Assistance Act of 1954 is amended to read as follows:

"SEC. 303. The Secretary is directed, to the maximum extent practicable within the limit permitted by this section, to barter or exchange agricultural commodities owned by the Commodity Credit Corporation for (a) strategic materials or other materials of which the United States does not domestically produce its requirements and which entail less risk of loss through deterioration or substantially less storage charges, or (b) materials, goods, or equipment required in connection with foreign economic and military aid and assistance programs, or (c) materials or equipment required in substantial

quantities for offshore construction programs. He is hereby directed to use every practicable means, in cooperation with other Government agencies, to arrange and make, through private channels, such barters or exchanges or to utilize the authority conferred on him by section 4 (h) of the Commodity Credit Corporation Charter Act, as amended, to make such barters or exchanges: *Provided*, That the total volume of the transactions directed by this section shall not exceed $500,000,000 annually, unless specifically authorized by the Congress. In carrying out barters or exchanges authorized by this section, no restrictions shall be placed on the countries of the free world into which surplus agricultural commodities may be sold, except where the Secretary has made a specific finding as to a particular transaction that such transaction will replace a cash sale for dollars. The authorities contained in this section shall, in addition to other types of transactions, permit the domestic processing of raw materials of foreign origin or of domestic origin where the domestic processor agrees to import an equivalent amount of similar foreign material. Agencies of the United States Government procuring such materials, goods, or equipment are hereby directed to cooperate with the Secretary in the disposal of surplus agricultural commodities by means of barter or exchange. The Secretary is also directed to assist, through such means as are available to him, farmers' cooperatives in effecting exchange of agricultural commodities in their possession for strategic materials."

SEC. 3. Section 104 of the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended by substituting a semicolon for the period at the end of paragraph (j) and adding the following new paragraph:

"(k) For the acquisition by purchase, lease, rental or otherwise, of sites and buildings and grounds abroad, for United States Government use including offices, residence quarters, community and other facilities, and for construction, repair, alteration, and furnishing of such buildings and facilities: *Provided*, That foreign currencies shall be available for the purposes of this subsection (in addition to funds otherwise made available for such purposes) in such amounts as may be specified from time to time in appropriation acts;".

SEC. 4. Section 104 of such act is amended by adding thereto the following new paragraph:

"(l) For financing, in such amounts as may be specified from time to time in appropriation acts, trade fair participation and related activities authorized by section 3 of the International Cultural Exchange and Trade Fair Participation Act of 1956 (22 U. S. C. 1992)."

SEC. 5. Section 104 of such act is amended by adding the following new paragraph:

"(m) For financing under the direction of the Librarian of Congress, in consultation with the National Science Foundation and other interested agencies, in such amounts as may be specified from time to time in appropriation acts, (1) programs outside the United States for the analysis and evaluation of foreign books, periodicals, and other materials to determine whether they would provide information of technical or scientific significance in the United States and whether such books, periodicals, and other materials are of cultural or educational significance; (2) the registry, indexing, binding, reproduction, cataloging, abstracting, translating, and dissemination of books, periodicals, and related materials determined to have such significance; and (3) the acquisition of such books, periodicals, and other materials and the deposit thereof in libraries and research centers in the United States specializing in the areas to which they relate."

SEC. 6. Such act is amended by adding thereto the following new section:

"SEC. 306. Any provision of this act or of section 32 of the act of August 24, 1935, as amended (7 U. S. C. 612c), may be extended by the President to any area under the jurisdiction or administration of the United States."

SEC. 7. Section 104 of such act is amended by inserting in the first proviso after the lettered paragraphs thereof, after "(d) and (e)", in lieu of the word "and", the following: "except when used in such amounts as may be specified from time to time in appropriation acts for cooperative non-self-liquidating projects for the development of human resources and skills."

SEC. 8. (a) Section 104 of such act is amended by inserting before the period at the end of the first sentence of paragraph (h) thereof the following: "and for the financing in such amounts as may be specified from time to time in appropriation acts of programs for the interchange of persons under title II of the United States Information and Educational Exchange Act of 1948, as amended (22 U. S. C. 1446)."

(b) Such section is further amended by adding the following new paragraph:

"(n) For providing assistance, in such amounts as may be specified from time to time in appropriation acts, by grant or otherwise, in the expansion or operation in foreign countries of established schools, colleges, or universities founded or sponsored by citizens of the United States, for the purpose of enabling such educational institutions to carry on programs of vocational, professional, scientific, technological, or general education; and in the supporting of workshops in American studies or American educational techniques, and supporting chairs in American studies."

SEC. 9. Section 101 of such act is amended by striking out the semicolon at the end of paragraph (a) thereof and adding "or normal patterns of commercial trade with friendly countries."

The SPEAKER. Is a second demanded?

Mr. JUDD. Mr. Speaker, I demand a second.

Mr. HILL. Mr. Speaker, I demand a second.

Mr. JUDD. Mr. Speaker, I am opposed to the bill. I demand a second.

The SPEAKER. Is the gentleman from Colorado opposed to the bill?

Mr. HILL. I am opposed to sections of it, but not the entire bill, and neither is the gentleman from Minnesota, if I read his mind correctly.

The SPEAKER. The gentleman from Colorado hardly qualifies. The gentleman from Minnesota demands a second.

Without objection, a second will be considered as ordered.

There was no objection.

CALL OF THE HOUSE

Mr. CURTIS of Missouri. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 137]

Addonizio	Bass, N. H.	Bosch
Ashley	Bass, Tenn.	Bray
Barrett	Blitch	Brooks, Tex.
Buckley	Gregory	Pillion
Burdick	Gwinn	Poage
Byrne, Ill.	Healey	Powell
Byrne, Pa.	Hoffman	Preston
Carnahan	Holt	Prouty
Chamberlain	Holtzman	Radwan
Christopher	Horan	Rivers
Clark	James	Robeson, Va.
Collier	Jarman	Robison, N. Y.
Corbett	Jenkins	Robsion, Ky.
Coudert	Jensen	Rodino
Cretella	Johansen	Rooney
Delaney	Kean	Sadlak
Dellay	Kearney	Santangelo
Dies	Kelly, N. Y.	St. George
Diggs	Keogh	Scherer
Dollinger	Lankford	Scott, N. C.
Dowdy	Latham	Shuford
Eberharter	LeCompte	Sieminski
Edmondson	Lesinski	Smith, Kans.
Engle	McCarthy	Stauffer
Fallon	McGovern	Taylor
Farbstein	Machrowicz	Teague, Tex.
Fogarty	Michel	Teller
Friedel	Minshall	Tollefson
Fulton	Mitchell	Trimble
Garmatz	Morris	Vinson
Gary	Moulder	Wharton
Gordon	Multer	Wigglesworth
Granahan	Nix	Williams, N. Y.
Green, Oreg.	Oamers	Willis
Green, Pa.	Philbin	

The SPEAKER pro tempore. Three hundred and eight Members have answered. A quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

AGRICULTURAL DEVELOPMENT AND ASSISTANCE ACT OF 1954

The SPEAKER pro tempore. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, time is very important and very precious at the moment. I am sure that all of you will understand it is not possible for me to discuss adequately all the programs involved in the pending measure.

The bill involves $1,500,000,000 additional authority for the Secretary of Agriculture in administering the programs under the legislation, which has become generally known as Public Law 480.

The original legislation was passed I think in July, 1954, and the program has been in operation continuously since that time.

Under the general provisions of Public Law 480 the Secretary of Agriculture has disposed of approximately $4 billion worth of agricultural surplus commodities. In addition to that amount, he has bartered away approximately $1 billion in exchange for strategic materials, which have increased substantially in value since the time of acquisition, I think, to the extent of perhaps $45 million.

Up until recently this program has been free from criticism, free from any charge of corruption or fraud. In May of this year the State Department appeared before our committee and the testimony of Mr. Thomas Mann, followed by a letter, categorically endorsed and supported the continuation of this program.

He did not offer a single criticism.

The Secretary of Agriculture has administered this program free from criticism except from the mouth of one of the officials of his own department.

Under the barter provisions, although the transactions amounted to almost a billion dollars, nobody ever suggested that there was anything at all improper about the manner in which the law had been administered or the effect it had had at home or abroad.

Up until the time this bill was reported, no criticism came to us. In discussing the barter provisions, the barter programs, we had businessmen from all parts of America representing dozens of corporations and organizations. During the hearings I repeatedly asked the question: Is there anyone here who is here for the purpose of criticizing the operation of this program? Or for the purpose of asserting that any of the transactions under Public Law 480 have in any way interfered with our normal trade and commerce? Not a single human being appeared in opposition, so we reported the bill with the barter provision in it.

After the bill had been reported the Secretary of Agriculture wrote the majority leader of the House of Representatives, and I think a similar letter to the Speaker, suggesting that the barter provisions were mandatory and objectionable, and he thought that the legislation was bad with these provisions in the bill.

Now, be mindful of the fact that barter is in the law, regardless of the provision in this measure. In the law it is the duty and the responsibility of the Secretary to use the barter authority and exchange our commodities for strategic materials. But one man in his Department objected, and on May 27, 1957, abruptly ended barter. Then we summoned him before our committee, in June or July, and we pressed him for information to substantiate the charge that these transactions were interfering with our trade and commerce, and not one scintilla of evidence could he submit.

After the bill had been reported the State Department sent up another letter to me, signed by Thomas C. Mann, an Assistant Secretary, in which he contended that the programs under 480 had interfered with the commerce of some of our friendly nations, but he offered no positive evidence of probative force.

The SPEAKER pro tempore. The gentleman from North Carolina has consumed 5 minutes.

Mr. COOLEY. Mr. Speaker, I yield myself 2 additional minutes.

The SPEAKER pro tempore. The gentleman is recognized for 2 additional minutes.

Mr. COOLEY. He referred to a speech made by the Minister of Agriculture to the Parliament of Canada in which he attributed the loss of foreign trade to some of the United States programs; but the record belies the assertion. Canadian exports of wheat have increased; Mexican exports of cotton have increased; dollar sales have increased as barter transactions have increased. Dollar sales have decreased as barter transactions have decreased.

Under the barter provisions we have received dollar for dollar in value for these surplus commodities, and we have in storage these vital commodities which may very well be useful to our own domestic economy.

On the question of mandatory barter I want to make that perfectly clear, as far as I can, that this is not a mandatory direction to the Secretary to barter in helter-skelter fashion for things we do not need. We direct him to resume to exercise the authority that is now in the law and to use every practical means of exchanging surplus commodities for strategic materials.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Illinois.

Mr. ARENDS. The gentleman said it is not mandatory, yet he states we direct them to do this very thing. Does the Department agree with your interpretation that it is not mandatory?

Mr. COOLEY. The Department by the original act is authorized and directed to carry on barter transactions. We do not tell him he has to trade cotton for industrial diamonds, we do not tell him he has to make any particular barter transaction. We say, "Here, Mr. Secretary, in good faith we want you to carry on barter" and we leave it in his own sound discretion within the framework of this policy as to the contracts that he will make and as to the nature of the materials for which he will trade and barter.

Mr. REUSS. I am concerned that the use of Public Law 480 be consistent with a constructive foreign policy. In the past there has been some criticism of the administration of Public Law 480 because of its alleged affect on the trade pattern of certain foreign countries. Public Law 480 requires reasonable precautions so as not to interfere with the normal pattern of recipient countries.

Mr. COOLEY. Let me interrupt the gentleman by saying that we have taken care of the situation the gentleman has in mind. I appreciate his coming before our committee and calling the matter to our attention. In all frankness to the House, I should say that the proposition you have before you now is exactly the provision that was written in our committee and reported by a voice vote, so far as I recollect without objection, except in regard to the matter the gentleman has just mentioned. In this connection we insert a provision to the effect that the Secretary shall take into consideration the ordinary trade and commerce patterns of our friendly governments with the idea that he will not unduly interfere with the normal trade of our friendly relations.

Mr. REUSS. I think that is a most salutary amendment. I should like to ask the chairman of the Committee on Agriculture whether my understanding is correct that the protection we have been discussing applies equally to the barter provision?

Mr. COOLEY. The gentleman is exactly correct.

Let me conclude by saying every argument that can be directed against barter may be directed at the entire operations under Public Law 480. If we are going to let other countries tell us that we cannot trade in world markets, so long as they want to trade in world markets, we will never get rid of the abundant surpluses we have. I am surprised that anybody in this Congress is opposed to the law. I am particularly surprised that they would be opposed to the barter provision through which we have received dollar for dollar strategic and other materials that are badly needed in America. When the Secretary says we are directing him to barter for something we do not need and we do not want, he is deliberately putting a misinterpretation upon the intention of our committee.

EXPLANATION OF COOLEY AMENDMENT

Mr. Speaker, the amendment I have offered is the exact language of title I of the omnibus farm bill—H. R. 12954—plus two amendments which I will describe. Title I of that bill deals exclusively with the extension and amendment of Public Law 480. One of the amendments appears in five different sections of the bill. This is the amendment which had been agreed upon by the Committee on Agriculture after discussions with the Committee on Appropriations and would have been offered as committee amendments to the farm bill had it been permitted to come to a vote in the House. The other amendment is a modification of language suggested by the gentleman from Wisconsin [Mr. REUSS] designed to assure friendly countries that our sales of surplus for foreign currencies will be carried out with every practicable consideration of the exports of other countries.

COMPARISON WITH SENATE BILL

There are three major differences between the amendment I have offered—which I will hereafter refer to as the House bill—and the Senate bill—S. 3420. The first difference is in the length of time the act is extended. Titles I and II of Public Law 480 expired on June 30, 1958. The Senate bill would extend both of these titles for 2 years, while the House bill extends them for only 1 year. The amount of the authorization involved is at the same annual rate—$1.5 billion—in both bills.

The second major difference is that the Senate bill contains no provision with respect to barter. The Senate Committee on Agriculture and Forestry reported to the Senate a provision relating to barter which would have been considerably more mandatory than the provision contained in the House bill. On the floor of the Senate this provision was defeated by a narrow margin. The House bill contains a provision with respect to barter which tells the Secretary of Agriculture, in effect, that the Congress has determined as a matter of Congressional policy that barter is a beneficial program and that the Congress wants and intends that the Secretary shall carry on a barter program. It does not tell him how much he must barter nor what contracts he is to sign. It assumes that he will use ordinary good business prudence in making barter contracts. But it also assumes, Mr. Speaker, that he will in good faith carry on a barter program such as is intended by Congress.

The third major difference is that the House bill contains a number of additional uses to which the foreign currencies accruing from the sale of agricultural surpluses under Public Law 480 may be put. We are discovering, Mr. Speaker, as these foreign currencies accrue to the credit of the United States

that they can become a major instrument of our foreign policy. With these currencies, we have an opportunity to do many wonderfully constructive things in the countries which have purchased our agricultural surpluses. It is my conviction, and that of the Committee on Agriculture, that we should constantly seek better ways of using these currencies so that they will not only assist the countries which have bought our agricultural surpluses but fill a major roll in carrying out our foreign policy.

At the same time, we should seek to get value received for the use of these currencies. We should use them in place of dollars, wherever we can, in expenditures which we need to make in foreign countries. We should use them for building up the physical plant which it is necessary for us to maintain in many foreign countries. I refer not only to the construction, lease, and furnishing of buildings and facilities abroad for our diplomatic missions—which is provided in section 3 of the House bill—but to the use of these funds for the construction of military housing and other similar purposes.

The House bill contains authority for several such uses of these foreign currencies which are not contained in the Senate bill.

The fourth major difference between the House bill and the Senate bill, Mr. Speaker, is that the Senate bill contains a section having to do with the disposal of cotton and cotton products which is not in the House bill. This provision would make it possible to export cotton textiles and other cotton products under title I of Public Law 480. The Department of Agriculture is strenuously opposed to this provision and it seemed to our committee that such a step was inadvisable at the present time. Therefore, this provision has been omitted from our bill.

COMMITTEE AMENDMENTS

Committee amendments which would have been offered to title I of H. R. 12954, had it been permitted to come to debate in the House, have been included in the amendment which I have offered. These amendments were agreed to by the Committee on Agriculture after discussion with members of the Committee on Appropriations. The effect of the amendments is to require action by the Committee on Appropriations and the Congress before local currencies may be used for the new purposes provided in this bill.

In accepting these amendments and including them in the House bill, the Committee on Agriculture is fully aware that they are inconsistent with the spirit and purpose and the legal principles of Public Law 480. Section 104 of Public Law 480 is the section which authorizes the President to make and carry out agreements with foreign countries as to the use to which the local currencies accruing from the sale of agricultural surpluses are to be put. It is quite clear, Mr. Speaker, that any provision which gives the Committee on Appropriations and the Congress an overriding authority to determine how these currencies are to be used is a limitation on the authority of the President to make and carry out agreements with foreign countries as to these currencies and is inconsistent with the actual legal principles and the spirit of Public Law 480. We realize that henceforth in making agreements with foreign countries, the President can only make such agreements subject to the later will of the Committee on Appropriations and the Congress.

We are opposed to this in principle, Mr. Speaker. But, on the other hand, we realize that Public Law 480 and—even more certainly—the foreign currencies accruing from the sale of surpluses under that law, are going to be with us for some time. These foreign currencies will extend over a period of years. They will doubtless be used for a number of purposes which were not possible of detailed enumeration in the agreements the President makes with foreign countries. Therefore, as a practical matter, with respect to certain of these uses—particularly where they relate to programmed operations of our own governmental agencies which are considered in detail in the annual budgets—we have no objection to the Committee on Appropriations considering also the use of foreign currencies for these purposes and making their use for these limited purposes subject to action by the Appropriations Committee and the Congress.

Use of these currencies is already subject to the scrutiny of the Committee on Appropriations and it has been able to make full adjustment for their use by adjusting the amount of dollars appropriated to the various agencies for similar purposes. In thus turning over to the Appropriations Committee the right and the responsibility of also stipulating the amount of foreign currency which may be used for these purposes, may we express the hope—which I am sure is shared by every member of the Committee on Agriculture—that the Committee on Appropriations will be generous in its allocation of foreign currencies for the purposes stipulated in Public Law 480. These currencies are accumulating in quantity and certainly no better use can be made of them than to assist and implement our foreign policy in the various ways permitted by section 104 of the act.

REUSS AMENDMENT

The other amendment to which I referred is a modification of an amendment to the act which has been proposed by the gentleman from Wisconsin [Mr. REUSS]. It has not been acted upon formally by the Committee on Agriculture but I have discussed it with many Members on both sides of the aisle and I believe that there is no objection to it.

The amendment adds some language to paragraph (a) of section 101 of Public Law 480. At the present time paragraph (a) reads as follows:

In negotiating such agreements the President shall take reasonable precautions to safeguard usual marketings of the United States and to assure that sales under this act will not unduly disrupt world prices of agricultural commodities.

The language which has been included in the amendment I have sent to the desk will strike out the semicolon at the end of paragraph (a) and add the following language: "or normal patterns of commercial trade with friendly countries."

The language reexpresses the intent of Congress that sales for foreign currencies under Public Law 480 shall be made with every practicable consideration of the normal patterns of commercial trade of other friendly countries. This means that when the United States is negotiating a sale of surplus commodities under title I, we will take into consideration the normal patterns of commercial trade with friendly countries of the country which is buying our surplus. It is not intended to tell the purchasing country that we will not sell our surplus to it unless it maintains the exact pattern of imports it has followed at some previous time, but is intended as an additional guide to assure that our surplus disposal will be carried out in a fair and equitable manner.

It is my personal belief that our programs have been carried out in a manner that is fair and equitable to other friendly countries. Personally, I do not anticipate that the language we are proposing will make any substantial change in the policies which now apply to our surplus-disposal programs nor the manner in which they are carried out, but it is a clear reexpression of the policy of Congress that these programs should be carried out in this manner.

COMMITTEE REPORT

Mr. Speaker, the report of the Committee on Agriculture on H. R. 12954 contained a detailed and understandable explanation of the purpose of the various provisions in title I relating to Public Law 480. In order that that report may be clearly a part of the legislative history of the amendment I am offering here today, under unanimous consent to revise and extend my remarks, I include herein the relevant portion of House Report No. 1939 revised to conform to the paragraph and section numbers of the amendment I have offered to S. 3420:

COMMITTEE REPORT ON EXTENSION AND AMENDMENT OF PUBLIC LAW 480

This title amends and extends the Agricultural Trade Development and Assistance Act of 1954, commonly referred to as Public Law 480. In the somewhat less than 4 years since its enactment, Public Law 480 has developed into a measure which is not only of substantial importance to American agriculture but has become a major factor in the implementation of this Nation's foreign policy. The amendments herein are of three general types: (1) extension of titles I and II of the act, (2) further refinement and some extension of the purposes for which foreign currencies accruing under the act may be used, and (3) a restatement of the barter provision of the act in an effort to convince the Department of Agriculture that it is, indeed, the policy of Congress that a barter program should be carried on.

EXTENSION OF TITLES I AND II—ADDITIONAL AUTHORIZATION

Section 1 extends titles I and II of the act for 1 additional year (through June 30, 1959). It also authorizes sale of an additional $1.5 billion of agricultural surpluses for foreign currencies under title I. Title II of Public Law 480 authorizes the donation of surplus commodities to friendly nations and friendly

peoples in order to provide emergency assistance under various conditions. Since this authority is to be used strictly for emergency and extraordinary relief purposes, the committee considers that the present authorization of $800 million is sufficient for the coming year and no increase in this amount is authorized.

BARTER

Section 2 amends section 303 of Public Law 480, the section establishing a policy for the barter or exchange of agricultural surpluses for strategic and other materials. Amendment of this section would not be necessary except for the fact that the Department of Agriculture has made certain administrative determinations which have virtually nullified the intent of Congress as expressed in section 303. These administrative determinations were announced on May 28, 1957, were intended to bring an end to the barter program as it had been carried on since the enactment of Public Law 480, and have had that effect. It is the intention of Congress that a barter program substantially similar to that in operation prior to May 28, 1957 should be carried on by the Secretary of Agriculture and this section 2 is a reassertion of that intent and of the constitutional right of the Congress to direct the manner in which surplus agricultural commodities are to be disposed of and establish the general policies of such operations.

Following are the major changes to section 303 made by the provisions of section 2 of this bill:

1. Under the present wording of section 303, the Secretary is directed to barter whenever he has reason to believe that * * * there may be opportunity to protect the funds and assets of the Commodity Credit Corporation by barter or exchange of surplus agricultural commodities. The intent of Congress in using this language was to direct the Secretary of Agriculture to enter into barter transactions whenever he found that surplus agricultural commodities could be traded on a businesslike basis for materials or services described in section 303. In making its administrative changes of May 1957, however, the Department interpreted this language to leave this policy determination up to the Secretary. Section 2 would remove the necessity for any such policy determination by the Secretary and direct him to barter to the maximum extent practicable within the annual limit of $500 million prescribed by the section. By this amendment Congress takes the responsibility for the determination that the barter program itself does provide a method of reducing costs through increasing surplus disposals. The materials taken are transferred to the supplemental stockpile and CCC is reimbursed for the value of the commodities given in exchange, thereby protecting its assets. While the Secretary is not required to make any determination with respect to the program itself, he is, of course, required to exercise ordinary good business judgment in making trades totaling, if at all practicable, $500 million. He would still be required to obtain value with respect to each transaction and to acquire materials of eventual value to the United States.

2. The direction of section 303 to barter for materials entailing less risk of loss or substantially less storage charges is at present limited to strategic materials. The amendment would extend this direction to any materials of which the United States does not produce its requirements and which meet the qualifications as to less risk of loss or less storage charges—for example, precious metals and industrial diamonds. This change would provide additional opportunities for barter and assist the Department to expand the program to the full level permitted by this section. The committee also suggests that resumption of barter for lead and zinc might assist in solving the problems facing the domestic lead and zinc industry today.

3. Section 2 limits the value of the surplus agricultural commodities covered by barter agreements entered into in any fiscal year under section 303 to $500 million. At present there is no limit on the volume of transactions which may be undertaken, it being left to the Secretary's discretion. Since this section now directs the Secretary to undertake a larger program than is provided for by his May 1957 regulations, the section also specified a limit for such expanded program.

4. Action of the Department placing upon potential barter contractors the burden of proving that surplus agricultural commodities disposed of by them under the program would not interfere with dollar sales is a major device used by the Department to curtail the barter program. By its regulations, the Department has limited the areas of the Free World into which these surpluses may be moved and has required certificates of additionality before it would consider a proposed barter transaction. It is a clear commentary on the Department's attitude toward the whole program that only three such certificates of additionality have been accepted by it since May 1957. The language in section 2 is designed to remove this roadblock to the barter program. It will prevent the Secretary from limiting the areas of the Free World into which surplus commodities may be sold under the barter program except where he makes a specific finding as to a particular transaction that that transaction will replace a specific cash sale for dollars. In this connection, the committee means United States dollars. The committee is not unaware that our export programs necessarily involve our relationships with other friendly countries. It has seen no convincing evidence, however, that the barter program involves any unfair advantage over other exporting countries and sees no reason why it, as well as other aspects of our surplus disposal program, cannot be carried out in a fair and friendly manner.

5. Section 2 also amends the existing provisions of section 303 to prescribe that no material shall be excluded from barter under that section by reason of the fact that it has been domestically processed, if provision is made for the importation of an equivalent amount of similar raw material. Convincing evidence was presented to the committee that exclusion of domestically processed materials from the barter program by the Department has resulted in the diverting of processing operations to other countries with resulting unemployment in the United States. There is also evidence that many barter transactions which would have disposed of very substantial quantities of agricultural surpluses have not been made primarily because of the Department's insistence that the material to be received in exchange could not be processed in the United States.

Section 3: This section authorizes the use of foreign currencies received from the sale of surplus agricultural commodities for acquisition of sites and buildings and grounds abroad for United States Government use. It would include offices, residence quarters, community and other facilities, and construction, repair, alteration, and furnishing of such buildings and facilities. The section provides that such funds would be available for these purposes only in such amounts as may be specified from time to time in appropriation acts, and would be in addition to funds otherwise made available for such purposes. This section was recommended by the Department of Agriculture in an Executive communication of June 3, 1958, with the approval of the Bureau of the Budget. The acquisition and management of the property acquired thereunder would be the responsibility of the Department of State along with its existing responsibilities in this area.

Section 4: This section, also, was recommended for inclusion in the bill by the Department of Agriculture in its Executive communication of June 3, 1958. It authorizes the use of foreign currencies received from the sale of surplus agricultural commodities for financing trade fair participation and other activities authorized by section 3 of the International Cultural Exchange and Trade Fair Participation Act of 1956. Use of foreign currencies for this purpose will not only permit more effective exhibits and displays to promote sale of United States commodities in countries where foreign currencies are available for this use, but will release, for the purpose of promoting agricultural trade through trade fair exhibits in other countries, some of the dollar appropriations for these purposes. Under Executive order, the Commerce Department is primarily responsible for the trade and industrial fair participation activity.

Section 5: This section authorizes the use of foreign currencies accruing under title I of the act to be used for financing an intensified and expanded program of locating, evaluating, translating, and obtaining foreign books, periodicals, and other publications outside the United States which are of scientific, technical, and cultural significance in this country. Such programs have been carried on rather intensively by the Library of Congress since World War II and substantial dollar appropriations have been used for this purpose. This section would not only permit the expansion of this valuable work but would very possibly permit the use of some foreign currencies in place of appropriated dollars.

Section 6: Under existing provisions of law, certain areas of the world which are the responsibility of the United States are not fully eligible to receive or use our surplus agricultural commodities because they are neither foreign countries nor a part of the United States. These areas include specifically the Trust Islands of the Pacific and the Ryukyu Islands. The purpose of this section is to permit the President to make such areas eligible to participate in the surplus agricultural commodities disposal and distribution programs.

Section 7: The purpose of this section is to permit the President to enter into agreements to use foreign currencies from sale of surplus commodities for health programs, literacy and technical training programs, and similar programs not specifically covered by other provisions in this act. The committee intends that these should be cooperative programs, with the United States cooperating with the local government and in some instances other agencies in carrying out these programs. As a general objective, the committee believes that the local government or other interested parties should make an equal amount of funds available for such programs but it is aware that there are certain areas—probably those in the most urgent need of programs of this type—where direct matching of funds on the part of local governments will not be possible. In such instances, the President in his discretion may authorize the use of local currencies by the United States in excess of the amounts contributed to the same projects from other sources.

Section 8: This section authorizes foreign currencies generated under title I of the act to be used to a greater extent in our international educational exchange effort.

Subsection (a) amends section 104 (h) to permit the use of such currencies in financing exchanges of persons as authorized in the United States Information and Educational Exchange Act of 1948 (Smith-Mundt Act). These include urban and farm youth and leaders and specialists in such fields as

agriculture, labor, education, and industry. The present use of these currencies under section 104 (h) is restricted to exchanges under Public Law 584, 79th Congress (Fulbright Act), which confines itself to exchanges of an academic nature.

Subsection (b) adds a new paragraph to section 104 of the act authorizing the use of these currencies to assist in the expansion and operation of American-sponsored schools and educational institutions abroad. The assistance is limited to established schools, sponsored by Americans, that help to create a better understanding abroad of the United States and at the same time develop and train foreign nationals to help themselves. Such schools play an important role in furthering our foreign policy objectives. Assistance that will enable them to improve and expand their facilities and increase their foreign student enrollment will enhance their effectiveness in these areas.

This section provides also for use of these currencies in supporting workshops and chairs in American studies. The workshops would be of relatively short duration, such as the training of a group of teachers in American history or American educational techniques, and the chairs would be of longer duration. Use would be made of selected educational institutions abroad for these purposes.

USE OF FOREIGN CURRENCIES FOR EDUCATIONAL, TECHNICAL TRAINING, AND PUBLIC HEALTH PURPOSES

The committee has noted with approval the testimony of Under Secretary of State Herter, and of the Assistant Secretary for Economic Affairs, Mr. Mann, supported by Dr. Elliott for the Department of State and Mr. Smith for the International Cooperation Administration, which emphasized the importance of expanding certain types of training programs on a selected basis, emphasizing particularly those dealing with administrative, vocational, and technical education, which are essential to the economic development and the political objectives of the United States to increase the stability of these less-developed countries. The State Department's testimony on the value of Public Law 480 funds for assistance in such programs under paragraphs (e) and (g) of section 104 of the act, both for grants and loans administered through the International Cooperation Administration, leads the committee to urge that the situation admitted in the testimony of Mr. Mann be further amplified. It takes note of the Assistant Secretary, Mr. Mann's, assurance that the large backlog of foreign currencies which for various reasons have not been put to use are now going to be in greater measure employed to the ends that are emphasized both in the act and in the State Department's own testimony. The Department and the International Cooperation Administration agree on the view that larger amounts of currency can be used effectively to help these countries help themselves under the general economic development powers granted by paragraph (e) of 104 of the basic act. The committee would, therefore, expect a fuller use of the funds generated and a greater emphasis on the self-help through education and training which would promote economic development, and increase the powers of these less-developed countries to resist Communist incursions upon them.

The committee takes note of the fact that the State Department, the International Cooperation Administration, and the agencies which are pursuing technical training programs and cultural objectives under the provisions of Public Law 480, acknowledge their duty to account to the Congress for the uses supporting our foreign policy to which these funds are put. The President's budget annually informs Congress of the uses to which local currency derived from Public Law 480 programs are put. It should contain tables which explain fully that share of sales proceeds that is used to substitute for dollar expenditures and to what extent these local currencies may be used to supplement programs for which dollar appropriations are needed for uses abroad. To this extent they should be taken into account by the Appropriations Committee in considering dollar appropriations and where foreign currencies from sales of farm surpluses are available they may make it unnecessary to appropriate dollars for necessary and basic objectives in the military, political, and economic struggle forced upon us by Soviet imperialism. The Congress of the United States and the people should be aware of this valuable aspect of Public Law 480. It serves through the funds it creates in foreign countries, the uses not only of a United States foreign policy but of our national security, so long as the sales under the act are protected, as the act itself aims to insure, against the damaging of normal agricultural markets, world prices, and commercial procedures.

While by no means all the proceeds from title I sales may (or should) be wholly used for the objectives emphasized in the testimony of the Department of State, it is still the case that, by this testimony, an increased amount of the local currencies secured in payment for such surplus agricultural commodity sales should serve essential needs of the United States in its struggle against Communist domination of the world, in some of the most vulnerable areas.

USE OF PUBLIC LAW 480 FOR DEFENSE HOUSING

During our hearings on Public Law 480 extension, the committee heard much testimony in connection with the desirability of financing family housing programs for United States military personnel in foreign countries out of proceeds realized from the disposal of surplus agricultural commodities. Detailed testimony was given by Mr. John H. Arrington, Chief of the Family Housing Division, Office of the Assistant Secretary of Defense, in connection with this housing.

We note with approval that a total of 8,896 dwelling units have been built under the surplus-commodity program. These are units that otherwise would have had to be paid for with dollars, would have meant paying dollars in quarters allowances to owners in some foreign country, or would have remained unbuilt.

In connection with the French program of some 2,700 units of family housing, the committee noted particularly Mr. Arrington's statement: "Since it was not possible to obtain any sizable quantity of French francs through a direct sale to France under title I of Public Law 480, efforts were made to develop a barter-type transaction as a source of the required funds for housing in that country." Such a barter transaction was arranged and the entire cost of the French housing development—some $50 million—is being paid out of a barter of our surplus agricultural commodities.

The committee would like to encourage this kind of use of our surplus commodities and the types of transactions which are necessary to make these commodities and the proceeds therefrom available to pay for defense housing in other countries. We do not believe that any additional stipulation in the law is necessary in order to provide authority for such transactions, therefore we have not included any specific provision to that effect. The committee does feel, however, that serious efforts should be made to use surplus agricultural commodities, either under title I of Public Law 480 or by means of barter, to pay for our defense housing wherever it is needed in other countries throughout the world.

The committee also wants to encourage the use of so-called triangular transactions, where one free nation acquiring agricultural commodities under the act barters or exchanges such commodities with another free country eligible to receive such agricultural commodities under this act. We strongly endorse the use of Public Law 480 for these triangular transactions in those specific cases where the ultimate recipient of the agricultural commodities would be otherwise eligible under the act, where the manufactured goods being exchange for the surplus commodities do not interfere with potential American export of such goods, where the country through which the triangular is being carried out is in need of United States economic aid or defense support, and where the two participating countries themselves will support and endorse the proposed transaction. We recognize that under these limitations perhaps only 2 or 3 such transactions might be undertaken in any fiscal year, but we feel that such transactions are so beneficial where they comply with the limitations suggested that they are well worth the effort necessary to provide for their orderly consummation.

Mr. Speaker, I hope that this bill will be passed.

Mr. JUDD. Mr. Speaker, I yield myself 5 minutes.

Mr. Spcaker, I must oppose as strongly as I can the passage of this bill under this procedure which denies us time to point out the almost unlimited and unbelievable extension of Federal funds and power into fields that the Congress of the United States from the foundation of the Republic has never previously been willing to enter. I oppose it also because it does not give us opportunity to amend the bill in order to extend Public Law 480 without all the additional new powers which this bill grants.

I think I can claim to be as interested in Public Law 480 as any Member of this Congress. I introduced in 1953 the bill which in 1954 became title I of Public Law 480, authorizing the sale of surplus commodities abroad for foreign currencies. I introduced it but could not get the Committee on Agriculture interested. I went before it and testified in behalf of it—in vain. So we put the essence of it into section 550 of the foreign aid bill of 1953. I had a dual concern: Our good relations with other countries and our agricultural surpluses. The former was intended to be primary. Section 550 established a means of using, in furthering our foreign policy, the farm surpluses which had already been bought and paid for by the Government, in lieu of new appropriations of dollars for foreign aid. It was not primarily to get rid of surpluses, but to promote our foreign policy more economically.

So strict limitations were provided. The sales were to be only additional sales; they were not to disrupt normal marketings; they were not to disrupt world market prices. The program was not to become a dumping operation. The program was sound and it worked. So, the next year the Committee on Agriculture took it up, incorporated the section 550 program as title I of Public Law 480, which in title II authorized grants of surpluses for emergency situations and in title III authorized barter of surpluses under prescribed conditions.

As the gentleman from North Carolina said, it worked well. But the emphasis is being shifted so that now, to many people, the program's primary purpose is not to promote our foreign

policy but just to get rid of surpluses. In fact, the program is becoming of such a size and character that it threatens to disrupt the friendly relations around the world that the program was designed to foster.

I certainly would favor a straight extension of Public Law 480. But this bill goes far beyond that. It authorizes uses of foreign currencies completely different from any previously authorized.

I oppose these changes in Public Law 480 on several grounds. First, I do not think we ought to direct the appropriate agencies of our Government to barter under circumstances that those agencies, including our State Department, and others responsible for the conduct of our foreign affairs feel will be inimical to our own country's best interests. Permissive authority is one thing; direction is another.

In addition to its undesirable foreign-policy features, I oppose it because of the implications it has for our domestic policy in the field of education. It expands the use of foreign currencies in other countries to include educational purposes for which we have never been willing to use Federal funds here at home. In my opinion, it is very nearly a violation of the first amendment to the Constitution. It certainly disturbs our historic separation of church and state in the authority it grants for aid to private and religious schools. I served as a missionary and we always needed and wanted more money for our schools. But the Federal Treasury is not the place to get it, if we want our schools to be genuinely free.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from North Carolina.

Mr. COOLEY. I would like to just ask the gentleman if he does not realize that your own Secretary of State, Mr. Dulles, came before the committee last year and supported this bill, and he came this year and support the bill.

Mr. JUDD. An awful lot has happened since last year, and there are a good many things in this bill that many folks, including, perhaps, the Secretary, do not quite realize.

Let me develop for a moment the point that the bill authorizes use of these foreign currencies for all types of education in the various countries—with almost no limitations. No text of this amendment is available, but if you will take the original bill and look at section 108 (b), what does it say? It says that this assistance is for the expansion and operation in foreign countries of established schools, colleges, and universities. Never in the history of this Nation has a bill been passed by the Congress authorizing in such broad terms the use of public moneys for the operation of schools, colleges, and universities.

Then it says "founded or sponsored by citizens of the United States." That means that a school may have been founded by anybody, but if it has been sponsored by any American citizen, if any American has ever given $100, or any other amount, to the school, whether it is a vocational school or a public elementary school or a private theological seminary, then the bill authorizes Federal-owned foreign currencies to be used for the support of that institution. If that is not in violation of the first amendment, I hardly know what would be.

Mr. SIMPSON of Illinois. Mr. Speaker, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Illinois.

Mr. SIMPSON of Illinois. I will say to the gentleman he is definitely right about the educational provision. It calls for a 1-year college course. You are only extending the law for 1 year.

Mr. JUDD. It is not limited to colleges. It can include kindergartens. It authorizes grants of foreign currencies to any existing school anywhere in the countries being helped, if only any citizen of the United States makes a contribution to the school and thereby sponsors it.

Grants for what purpose? "Expansion or operation" of the school. Did any Member ever see such an authorization in any bill ever before passed by the Congress? Down below it adds "for the purpose of enabling such educational institutions"—but it is not limited to that purpose—"to carry on" what kind of programs? "Vocational, professional, scientific, technological, and," believe it or not, "general education." That is the language of the bill. Are we going into general education all around the world? Do we want to embark on such a program?

I know it will be said that an amendment has been accepted to the effect that the assistance shall be in such amounts as may be specified from time to time in appropriation acts. That is an improvement. It means that the Committee on Appropriations can hold down the amounts and exercise some supervision. But no such authorization should ever be given for any amount at all, whether in pennies or liras or yen of foreign currency.

It will be said that the State Department has no intention to use the currencies for such broad purposes. I have here a list of the criteria that the State Department says it intends to follow, and if these were in the bill, I would not have objected. But the language of the bill does not restrict them to these criteria. They are not a legal limitation; they can be changed tomorrow. Why should the Congress grant authority far beyond what they say they want?

Mr. Speaker, I am going to ask permission to include these criteria at this point in my remarks, so that in the future it can be shown that the Congress, if it should pass this bill, did so with the understanding that the currencies are to be used only in accordance with these criteria. They should provide some brake.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CRITERIA USED IN DEPARTMENT OF STATE TO DETERMINE THE ELIGIBILITY OF SCHOOLS ABROAD FOUNDED OR SPONSORED BY UNITED STATES CITIZENS

(a) Financial aid will be given only to already established schools.

(b) A school most be a nongovernmental, nonprofit school.

(c) There must be evidence that the school is located physically so that it can be influential in the community and region.

(d) The school must have been established by United States citizens.

(e) The school must operate with the approval of the national government of the host country and must be nonpolitical in character.

(f) The board of directors must include United States citizens.

(g) The director or principal of the school should be a United States citizen.

(h) Depending on the size of the student body, there should be a sufficient number of teachers from the United States to assure adequate contact for the students with United States teaching methods and ideals.

(i) The curriculum and instruction of the school should reflect United States theory and practice in education to the greatest extent possible within the framework of local laws and regulations.

(j) The school should offer courses of study in the language, literature, geography and history of the country in which the school is located and also of the United States.

(k) The school should supplement rather than compete with the work and activities of national schools.

(l) High educational standards and practices must be employed by the school.

(m) The student body should include a substantial number of foreign nationals.

(n) The financial condition of the school must be such that there is reason to believe that it will be able to continue operations without substantial continuing United States Government aid.

(o) Financial aid will not be given to church-connected schools or to company or private profit-earning schools.

Mr. JUDD. Mr. Speaker, this bill is like the public health education bill we had up the other day under the same suspension procedure; and we sent it back for revision. It provided grants-in-aid "for the support of public or nonprofit educational institutions which provide comprehensive professional training in the field of public health." We sent it back, and the committee brought it out so amended that the grants would be for "provision in public or nonprofit educational institutions of comprehensive professional training in the field of public health." There is a world of difference between those two.

Why doesn't the Committee on Agriculture amend this bill so that it will say what they say they mean? Who drafts language which includes such far-reaching powers, beyond what they say they have in mind?

If this section 108 were to say, "assistance by grant or otherwise, for the provision in established schools of programs of vocational, scientific, and technological education"—dropping out "general education"—it would be another thing. I would support that. But that is not what the bill says.

So, in summary, what schools can be given aid in United States-owned currencies? Any established schools to which any United States citizens make any contributions.

What activities within such schools? Any activity; it says for operation of the schools. You could pay off the debts of the school. And it specifically includes general education.

Mr. Speaker, this bill authorizes too much money and too much power. It can pervert a good program into a bad one. Its operations are already endangering good relations with such old and good friends as Canada. This bill makes new grants of power that are beyond defining at this time. In fact, there is a grant even broader than what I have already read. Look at page 5. It authorizes use of the foreign currencies "for non-self-liquidating projects for the development of human resources and skills." Has anyone ever seen in any legislation in all their time in this Congress a grant of power to use Federal funds, in foreign currencies, for anything as all-inclusive as the development of human resources and skills? What is there that could not be done under that language?

Mr. Speaker, we ought to vote this bill down, send it back to committee, and have them come out with a simple extension of Public Law 480. This proposed legislation can make a monster of what was previously a healthy child.

To vote down the bill today will not kill the Public Law 480 program. The Agriculture Committee can bring the bill back promptly without these new modifications, and it will be passed overwhelmingly. That is the sound and sensible thing to do.

Mr. Speaker, I yield 5 minutes to the gentleman from Colorado [Mr. HILL].

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. HILL. I yield to my chairman.

Mr. COOLEY. Mr. Speaker, I should like to point out to the gentleman who just addressed the House that his remarks are calculated to mislead the Members of this body, because this bill we are now voting on only authorizes the use of currencies generated by the sale of surplus commodities and only after the Committee on Appropriations of this House appropriates the money or recommends the appropriation of the money and the House approves the appriation.

Mr. JUDD. I think it is even more dangerous to use our foreign currencies for such purposes abroad, where we cannot keep close watch of them, than it is to use our own dollars for unlimited Federal aid to education here at home.

Mr. COOLEY. That is under the provision of the committee amendment.

Mr. JUDD. No such grant of power for such a purpose ought to be made for even 1 rupee or peso anywhere.

Mr. HILL. Mr. Speaker, I should like to say just a word or two on the bill. I think our colleague from Minnesota [Mr. JUDD] is much exercised over something that is exaggerated out of all importance. If we send food to an area where the children are hungry or people are starving, or if we send clothing, I ask you in all good conscience if we are not sending money? There is no use of anyone misleading the Members, because we know that when we send food and clothing to any nation in the world, it may be used by the schools—and I hope more of it will be used by the churches; I do not go along with the idea expressed in opposition to such use. Frankly, one of the biggest mistakes that has been made in Public Law 480 is the fact that we have not used every kind and type of social organization in the giving away of surplus food. That is what we are voting on today. They are not voting on any particular section of this bill. I do oppose a section of this bill, but I do not oppose the entire bill. But that is what we are voting on this afternoon, the entire bill.

Mr. Speaker, the other body has already passed this section affecting schools and the churches and the organizations in foreign countries where by our action we would be giving away our surplus farm crops instead of piling surpluses into storage costing millions of dollars.

Mr. ABERNETHY. Mr. Speaker, will the gentleman yield?

Mr. HILL. I yield to the gentleman for a question.

Mr. ABERNETHY. Is it not a fact that the Department of State has approved of the very proposal about which the gentleman from Minnesota complains? Is it not also the fact that the gentleman from Utah, Dr. DIXON, a well-known educator, who is a member of our committee, is also in thorough agreement with the proposal?

Mr. HILL. Certainly.

I cannot yield any further, because this is really a discussion of what you call money. The money we are giving to these countries is not Federal funds as such, it is the currency we have received from the assistance we are giving the countries that are our friends.

Mr. DIXON. Mr. Speaker, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Utah.

Mr. DIXON. Dr. Elliott, of the Department of State, appeared in favor of this section and pleaded for it.

Mr. HILL. Absolutely.

I am sure I should bear up the hands of my chairman. Not one single person appeared in our committee in opposition to this bill. Time and time again we said, "Who is opposed to this extension, anyway?" Our hearings will show that we had no one appear in opposition. I think we should support this measure.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. There is one important thing I should like to know. I agree with the gentleman on that provision and I cannot agree with the gentleman from Minnesota [Mr. JUDD]. If we vote for this bill, will the charter provisions be mandatory on the Department, or discretionary?

Mr. HILL. The gentleman is asking for my opinion?

Mr. McCORMACK. Yes.

Mr. HILL. I certainly agree it will not be mandatory in any sense whatsoever. It states in the very first line, as fas as it is practicable, and it certainly would not be practicable if you are going to make an enemy out of a country by letting it use counterpart funds that would depress their economy.

Let me go one step further now, before I yield again. I have in my hand, and I will put it in the RECORD at this point, where the Secretary of Agriculture gives a news release on the situation in regard to surplus farm crops. We must keep in mind what brought about the origination of Public Law 480. We should not have to tell you that the origination of Public Law 480 was because of surplus farm crops.

The SPEAKER. The time of the gentleman from Colorado has expired.

Mr. COOLEY. Mr. Speaker, I yield 1 additional minute to the gentleman from Colorado.

Mr. HILL. To close my remarks, Mr. Speaker, let me say this. Truly, really and truly, the farmers of the United States, the producers of agricultural products, producing the greatest percentage of our real, natural, new wealth, are absolutely 100 percent behind this legislation, when you understand what it does not only for the farmers but for the markets for surplus crops, getting these surpluses in the hands of our friends. We should support it.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. I am in full agreement with the gentleman. I think he is absolutely correct.

Mr. HILL. I thank the gentleman.

I should like to discuss the export situation and some of the implications favoring the extension of Public Law 480.

As we face today's grave decisions growing out of the crisis in the Middle East, we can be thankful that our position is one of strength, not weakness. This is true of our military, of our industry, and of our agriculture that supports both.

In times of crisis, supplies of food and feed that only a short time ago may have been labeled surpluses suddenly take on new importance as valuable reserves. Certainly this was true at the time of World War II and Korea. No one can prophesy the outcome of this new crisis that confronts us, but I do want to express my appreciation to the farmers of the United States for the substantial contribution that they are making to our ability to meet our international challenges, whatever they may turn out to be.

Wheat, of course, is one of the commodities that immediately comes to mind at a time of crisis.

The farmers of Colorado and the other great winter-wheat growing States have been industriously harvesting a big crop. The July crop report of the Department of Agriculture says that the Nation's total wheat crop this year, including both winter and spring, is expected to be 1,343 million bushels. This would be the second largest crop in history, exceeded only by 1947.

Through Public Law 480 we have been able to expand greatly the consumption of wheat from United States farms. We have been able to move great quantities to friendly countries where it is badly needed, thus performing the double service of giving an expanded market to our wheat growers and strengthening our relationships with foreign friends at a time when such friends are very much needed.

We recall that in the 1957 fiscal year our wheat industry achieved an alltime high record of exports of wheat and flour equivalent, totaling 550 million bushels valued at nearly $1 billion. These exports were equal to 55 percent of the national wheat production for the year. They made it possible, for the first time in 5 years, to reduce the national wheat surplus by over 100 million bushels.

A large share of the credit for this accomplishment goes to Public Law 480, particularly title I which provides for selling surplus commodities to friendly countries for their own currencies. In fiscal year 1955, wheat exports under foreign currency sales came to 24 million bushels. In fiscal year 1956 they came to 94 million bushels. In fiscal year 1957 they came to 200 million bushels. In the 1958 fiscal year that ended June 30, wheat exports under title I came to 175 million bushels—which, I might add, represented 44 percent of our total wheat exports for the year.

As a result of Public Law 480 activity, we had a further cut in the surplus wheat stockpile during the past season.

Furthermore, this additional export movement of wheat means larger purchases of free market supplies by private traders and it means more money in the pockets of farmers. We have all noted recently that with a general recession facing the business community of the United States, agriculture was probably the least affected of any of our major industries. The marketing and income benefits that accrued from Public Law 480—not only to our wheat growers but to a wide variety of agricultural producers—probably have been responsible more than any other contributing factors for this favorable situation.

The Department of Agriculture estimates that because of the wheat export disposals made under the Public Law 480 program, farmers received on the average 9 cents more per bushel for all the wheat they marketed in 1956–57. This meant that farm income from wheat during the current season is up about $90 million because of the Public Law 480 program.

The benefits to our agriculture from Public Law 480 are tangible, and with our own eyes we can see them—in terms of more products moving from farms, more activity in the agricultural business community, and more income for farmers. From where we stand it may be a little more difficult to see the tangible benefits that accrue overseas in the friendly countries where our products finally are consumed. Colombia in South America is one of these countries, and I noted how our Ambassador, Mr. John M. Cabot, once described the usefulness of the program:

> It may not mean much to you to say that we have shipped 130,000 tons of wheat and flour in 1955–57, and over 30,000 tons of cotton. Perhaps you can judge the quantities better if I say that the wheat and flour will make 800 million half-pound loaves of bread and that the cotton is sufficient to make 1 suit of clothes for every man, woman, and child in Colombia.

Public Law 480 is a program that reaches directly from our American farms to millions of friendly people overseas. When we multiply the loaves of bread and the suits of clothes in Colombia by the very wide array of products exported under Public Law 480, and multiply it again by the 37 countries with whom we have title I agreements, we find here a program in support both of our domestic agriculture and of our foreign policy whose impact is of the highest magnitude.

The authorization for Public Law 480 came to an end on June 30. That was 21 days ago. Today we are in a period of vacuum, insofar as being able to go ahead and make plans for future activity. This is a program that cannot wait.

Yesterday the Secretary of Agriculture, Mr. Benson, announced that the Department of Agriculture is holding a $600 million backlog of requests from friendly countries to purchase surplus agricultural commodities under title I of Public Law 480. Involved in these requests are tremendous quantities of wheat, feed grains, cotton, soybean oil, tobacco, rice and dairy products. The greatest help can be given farmers if purchasers are in the market when the crops are being harvested. This timing of sales is extremely important in terms of income to farmers. The longer we are without authority the more serious our surplus situation becomes. We are not only losing exports but we are losing opportunities to promote good will in friendly countries. Certainly in the current critical situation this is an extremely important factor to consider.

To those of my friends on both sides of the aisle who are or should be concerned about the implications of our failure to extend title I of Public Law 480 I wish to make the following additional points:

First. Immediately after the August Cotton Crop Report is released the Department of Agriculture will have to make a final decision with respect to the support level of cotton for this marketing year, 1958. If Public Law 480 is not on the books by then, necessarily the Department of Agriculture will have to assume that the exports during the 1958–59 marketing year will be reduced below the level which would otherwise prevail. In other words, the USDA would have to reduce the estimates of exports by the estimated amount of exports resulting from new Public Law 480 commitments. This failure will have the immediate effect of resulting in a lower cotton support price for the 1958 crop than would prevail if Public Law 480 were in operation. This will mean substantially less income to every cotton farmer.

Second. Failure to pass legislation for Public Law 480 may mean that the 1959 acreage allotments for cotton, rice, corn and tobacco will be substantially less than would otherwise be in effect. This is due to the fact that the Department of Agriculture will not be able to include additional Public Law 480 exports in the export estimates. This will reduce the normal supply levels and will cause severe acreage allotment cuts to farmers and distress in their communities. Local farm-related businesses such as gins, cottonseed mills, rice mills, transportation and shipping, fertilizer and pesticide sales will be affected. Labor will suffer.

There is one section in this proposed extension of Public Law 480 which is not acceptable. I am referring to section 303 of the mandatory barter section.

This bill has in it mandatory barter provisions which are entirely unacceptable. They would work at cross purposes to the rest of P. L. 480 in that they would damage our international relations and lower prices to farmers. This, I cannot in good conscience support.

As presently conducted, the barter program to exchange our agricultural surpluses for commodities owned by the Commodity Credit Corporation is helping the American farmer. This is true, even though exports by barter have been reduced over previous years. The Secretary of Agriculture now has the authority to decide whether or not proposed barter transactions protect the funds and assets of the Commodity Credit Corporation. This discretion on his part means that all programs authorized under Public Law 480 are handled in the same manner. For example, foreign currency sales under title I are sales in addition to the usual marketings of the United States products. I believe it would be a serious mistake to give preference to the barter program by removing its discretionary aspects and setting it out for special treatment.

The proposed amendment of section 303 of Public Law 480 goes farther than to delete the discretionary power of the Secretary of Agriculture. It directs the Secretary to the maximum extent practicable to barter for strategic or other materials of which the United States does not domestically produce its requirements and which entail less risk of loss in deterioration or substantially less storage charges. It also directs him to conclude these barter transactions with a ceiling of $500 million annually. It provides that he shall place no restriction or barter transactions in the countries of the Free World except where he makes specific finding that the transaction will replace a cash sale for dollars.

Let us examine the effect of these provisions. It is true that the amendment is in accordance with the present policy of the Department of Agriculture to approve barter transactions only when they do not replace dollar sales. However, it unwisely places the burden upon the Secretary to make a specific finding for each transaction that it will replace a cash sale. Barter deals are approved now only where there is proof by the contractor that the transaction will result in the exportation of additional quantities of the commodities involved. It would be extremely difficult for the Secretary to be able to make a finding that a particular barter transaction will replace a particular cash sale.

Under the barter program there is a contract between a private United States firm and the Commodity Credit Corporation in which the firm agrees to export agricultural commodities as payment for materials to be supplied to the Government. The burden of proof as to the additional trade aspects of the barter rests with the private trade where it should

be. After all, these transactions are carried on through regular commercial trade channels. A barter, even under present regulations, is considered a profitable and attractive transaction. It appears to me, therefore, that the people who stand to gain, that is, private traders, should prove the additionality that will result in profits to them.

It is obvious that the proposal places the Secretary and the Department of Agriculture in a completely untenable position. As I said, it would be extremely difficult, if not impossible, to make a finding that a proposed transaction would replace a cash sale for dollars. Agricultural commodities move in international trade in a manner that precludes anyone having full information of all transactions that might be made for dollars. I can only conclude, therefore, that the proposal appears to give protection to regular United States dollar sales. As a practical matter, however, no such protection is afforded by the amendment.

Very briefly, therefore, the barter amendment would take away the Secretary's discretionary authority in running the program, yet urge him to barter up to $500 million annually. It would impose a very large administrative burden on the Department of Agriculture and shift the responsibility for proving the additionality from the private trader, where it belongs, to the Department.

The amendment also directs the Secretary to barter for materials of which the United States does not domestically produce its requirements. This language seems mandatory. If enacted it would mean that the United States would have to take materials offered to it and put them into supplemental stockpiles even though they may not be suitable for any Government program. Among such items of questionable suitability might be precious stones, pepper, kapok, fuller's earth, iron ore, rhodium, zirconium, and so forth. Also, we may have large stocks of these materials already accumulated. This part of the amendment is also ill-advised.

Another barter provision in these proposals that is odious is one that no material shall be excluded by reason of the fact that it has been domestically processed. There have been barter transactions proposed under which 80 percent of the cost represents domestic processing. What kind of barter program is this when we exchange agricultural commodities with domestic industries for resale abroad for dollars? This sets up a horrible fiction.

I believe the whole concept of the proposed amendment is contrary to the interests of the United States and the American farmer. The barter program is sufficiently attractive now. Barter companies are offering as much as a 10 percent discount on the agricultural commodities obtained under the program. The Department of Agriculture is attempting now to conclude barter transactions which will result in additional trade, protect normal exports, and generally be of profit to American producers.

In addition, it should be noted that a mandatory barter program of this size will result in lower—note I said lower—prices to wheat, cotton, and feed grain producers. At present, the subsidy in kind program takes the commodities to be exported out of the free market and gives a price lift to the market. Under this mandatory barter program, the commodities will come out of CCC stocks with a resultant weakening of the free market. That is the effect—that is, to lower market prices.

In view of the delays which have already occurred and which are costing the farmer dearly, I will vote for this amendment under the assumption that this undesirable and unacceptable barter section will be eliminated in conference. The burden and results of the delays are manifest and manifold. Let us get this legislation to conference, clean it up and get it signed into law.

Farmers are harvesting and marketing crops now. They need export outlets now. Markets are being lost now. Thus, income to farmers is being hurt now. Let us get on the job.

SECRETARY BENSON ANNOUNCES LARGE BACKLOG OF REQUESTS FOR PUBLIC LAW 480 PROGRAMS

Secretary of Agriculture Ezra Taft Benson today announced that the Department is holding a large backlog of requests from friendly countries to purchase surplus agricultural commodities for foreign currencies under title I, Public Law 480.

The requests at this time total over $600 million at cost to the Commodity Credit Corporation and include substantial quantities of wheat, feed grains, cotton, soybean oil, tobacco, rice, and dairy products.

The Secretary pointed out that the development of programs in response to these requests cannot be started because the authority to conclude title I agreements expired June 30, 1958. On July 2 USDA announced that the balance of $30 million remaining under title I was being held for contingency use in connection with agreements already negotiated.

"On January 16, 1958, the Department requested the Congress for an additional authorization of $1.5 billion under title I and as yet this authority has not been received," the Secretary said. "It is important," the Secretary added, "that we negotiate large programs now in order to maintain agricultural export shipments at high levels."

He said that greater help could be given to farmers if purchasers are in the market when crops are being harvested and this timing of sales would result in more orderly programing of commodities and more efficient use of shipping facilities.

The Secretary stated that the need to export farm surpluses has become more urgent in view of the forecast of large agricultural production this season, particularly with respect to wheat, corn, and soybean oil. He said negotiation of agreements under title I takes time and the longer we are without authority the more serious our surplus situation becomes.

"Last year, when Public Law 480 was not extended until the middle of August, it took several months before substantial agreements were concluded," the Secretary said. "This delay caused a sharp reduction in agricultural exports for the last half of calendar year 1957.

"While we will be able to export some commodities during this summer from agreements concluded earlier this year, we should be negotiating new agreements now to prevent a slump in shipments this fall."

The Secretary emphasized that action should be taken on some program requests now. The expiration of Public Law 480 will not only result in the loss of exports but loss of opportunities to promote good will in friendly countries.

"During the past 4 years," he said, "we have programed $4 billion worth of surpluses to friendly countries under title I. Besides contributing to the reduction of surplus stocks, the program has proved valuable through the use of the foreign currencies abroad to promote agricultural market development, pay United States expenses, make loans to foreign governments and to private United States and foreign business firms for economic development projects, and expand other United States programs."

The Secretary also said, "immediately after the August Cotton Crop Report is released the Department of Agriculture will have to make a final decision with respect to the support level of cotton for this marketing year, 1958. If Public Law 480 is not on the books by then, necessarily the Department of Agriculture will have to assume that the exports during the 1958–59 marketing year will be reduced below the level which would otherwise prevail. In other words, USDA would have to reduce the estimates of exports by the estimated amount of exports resulting from new Public Law 480 commitments.

"This failure will have the immediate effect of resulting in a lower cotton support price for the 1958 crop than would prevail if Public Law 480 were in operation. This will mean substantially less income to every cotton farmer.

"Expiration of legislation for Public Law 480 may mean that the 1959 acreage allotments for cotton, rice, corn, and tobacco will be substantially less than would otherwise be in effect. This is due to the fact that the Department of Agriculture will not be able to include additional Public Law 480 exports in the export estimates and the carryover will be affected. This will reduce the normal supply levels and will cause severe acreage allotment cuts to farmers."

Mr. H. CARL ANDERSEN. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. QUIE] may extend his remarks at this point in RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. QUIE. Mr. Speaker, I rise in support of extension of Public Law 480. Not long ago, in a message to this House, I pointed out that a great humanitarian need exists for continuance of this program. I would like to discuss this ever-present need in my remarks today.

The value of Public Law 480 is rooted, of course, in the good it does to our people here at home. Public Law 480 is invaluable for a healthy agriculture—because it is responsible for the easing of heavy surpluses which do so much to depress our farm economy. Public Law 480 is a necessary part of our farm economics—and of the health of our towns and villages and cities which depend on a prosperous agriculture for their well-being. Public Law 480 is good legislation for taxpayers—of which all of us are. The law eases the burden of storage which taxpayers carry.

In short, Public Law 480 is good economics and good business. It is good for our country.

Even above this, it is a humanitarian act. Through this legislation, we feed hungry people of the world with our own surplus which would otherwise be glutting our storehouses.

Unfortunately Public Law 480 is still in the stage of lapse. It is not able to do good for our economy at home—or for the needy people of the world who depend on our surplus for their very survival.

The need now is acute. On very good authority, Mr. Speaker, I understand that the nation of India—which we need as a friend in our cold war battle against aggression—stands in the hope that we will send surplus food to its people through the agency of Public Law 480.

I understand that India has requested for millions of tons of additional grain, wheat, rice, dairy products and cotton.

As of now, Mr. Speaker, we cannot grant their request, because Public Law 480 is not operative. This situation makes even more dramatic the words I used when I described what can happen to our international program as a result of this lapse. I say again that every day we neglect to extend this much-needed program, our country is losing—losing opportunities for new markets, and losing opportunities to feed people, losing touch with the uncommitted peoples of the world.

The failure to extend this law on its deadline date of June 30 is responsible for the inability of this country now to extend food to India under Public Law 480.

I realize that there has been difficulty in securing an agreement on this program due to the mandatory barter provision in the bill—but as the House version now reads, it is not a great enough disagreement for us to hesitate in passing the legislation.

If we had merely added these words to section 303 at the end of the first sentence—"Whenever he (the Secretary of Agriculture) finds it possible to protect the funds and assets of the Commodity Credit Corporation thereby"—I believe that most of our difficulty regarding the barter provision could have been settled.

Mr. Speaker, I urge that the Public Law 480 program be extended. The nation of India has provided the most telling argument of all. Our Nation needs Public Law 480—for its own economic strength and as a valuable program in its international dealings.

Mr. COOLEY. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. ANFUSO].

Mr. ANFUSO. Mr. Speaker, first of all I should like to congratulate the gentleman from Colorado [Mr. HILL] on the very fine statement he has made here before the House. Certainly I think we ought to do a lot more, and we can, through the aid of voluntary agencies in helping humanity.

I was indeed surprised at the remarks of the gentleman from Minnesota [Dr. JUDD] because I think his record here in Congress is not consistent with what he has said here today.

I congratulate all the Members of the House, and particularly the leadership on both sides, for bringing up this legislation under suspension of the rules, because it is in my opinion one of the most important measures that we needed at this period in our history. The amendment offered by the gentleman from North Carolina, the distinguished chairman of the House Committee on Agriculture, covers the subject of barter as to which the testimony before the Senate committee and the House committee was overwhelmingly favorable. I found that to be true in almost every question and answer I received from Members of the Congress with whom I have spoken. Now this is important. Under the basic authority of the 1948 act the Department of Agriculture did do a barter business amounting only to about $20 million. In enacting Public Law 480, however, in 1954, Congress included the barter section which is amended by the bill which has been favorably reported by the Committee on Agriculture.

This section of Public Law 480 added little to the basic barter authority of the Commodity Credit Corporation but established the Congressional policy that the Secretary should protect the funds and the assets of the Commodity Credit Corporation by barter. Pursuant to this statement of policy the Department of Agriculture entered with enthusiasm upon a barter program, and through it we have been able to dispose of close to $1 billion in agricultural surpluses which otherwise would have rotted in warehouses. We have disposed of them for good, hard cash.

Through this program also we have acquired strategic and other important materials which our State Department says we need. We have acquired these strategic materials from friendly nations which otherwise would have gone to unfriendly hands. The strategic materials we have acquired otherwise would have gone into Communist hands were it not for this barter program.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. ANFUSO. I yield.

Mr. H. CARL ANDERSEN. Does the gentleman know of any better place to send our surplus food than into the hands of people who need it?

Mr. ANFUSO. I certainly do not.

Mr. H. CARL ANDERSEN. Mr. Speaker, I appreciate the gentleman from New York [Mr. ANFUSO] yielding in order that I might associate myself with him in defense of the Public Law 480 program.

If time permitted, I would like to go into some detail regarding my own personal observations of the good our food surpluses have accomplished among the hungry and underprivileged people of the world.

Let me just describe two such experiences in the Middle East, an area with which we are painfully familiar these days. The other year, the gentleman from Iowa [Mr. JENSEN] and I were in that area on some official inspections and we saw firsthand what our American food meant to those hungry people.

Just outside Jerusalem, for example, we saw refugee camps containing thousands upon thousands of Arabs who had been displaced from Israel. They were located in a barren and arid region where little or nothing could be produced, and American food meant the difference between life and death.

We know what a trouble spot that is, but I wonder if we have given proper consideration to the difficulties we might have been in long ago if we had not had the foresight to make our surplus food available to them. There can be no doubt about it—our food has made a tremendous difference in that troubled area and I personally believe it has been of far greater significance than any other form of aid. I do not think we have done nearly enough, but at least we have kept people from starving to death and that means a lot to hungry people.

Then, we went into the interior of Pakistan and watched the distribution of American wheat by the local officials. There, under big banners showing the American and Pakistani flags and hands clasped between them in friendship between our nations, we saw village elders doling out the wheat. Never, in all my travels, have I seen people more friendly nor more appreciative of our Nation. We went into areas where the United States was spending millions of dollars on foreign aid, but nowhere did we receive anything like the welcome we got in Pakistan.

Frankly, Mr. Speaker, I believe the Public Law 480 program one of the best we have ever devised. I can think of no better use to make of our blessings of abundance than to share them with less fortunate people—both at home and abroad. I personally believe we can win more lasting friendships with our surplus food than we could ever hope to win with all of our dollars, atom bombs, and armaments. We do need to provide military and economic assistance in some places, but as long as we have the surplus food I personally believe we should make it available wherever hungry people exist on our side of the Iron Curtain.

The Communists may compete with us economically and militarily, but they cannot even get into the race with us when it comes to food for hungry people.

Mr. ANFUSO. There is no question about that. The thing is as simple as this. We have agricultural surpluses which are bulging and rotting in warehouses. Through this barter program we have been able to buy these agricultural surpluses for good, hard cash. In addition thereto we have been able to get almost $1 billion worth of strategic materials from nations such as Africa, the Belgian Congo, Mexico, Northern Rhodesia, and southwest Africa and nations whose friendship we need in this world of ours today.

Mr. SIMPSON of Illinois. Mr. Speaker, will the gentleman yield?

Mr. ANFUSO. I yield.

Mr. SIMPSON of Illinois. Mr. Speaker, I hope the gentleman from New York will explain to us if he has the time the provision of the Certificate of Essentiality that is being bartered around New York City today.

Mr. ANFUSO. I wish I could explain that but it would take entirely too long. But in addition to obtaining the strategic materials, according to the Department of Defense and according to all of our departments, these strategic materials

have increased in value to the extent of almost $45 million. May I say that by disposing of this $1 billion worth of surpluses we have saved warehouse costs to the extent of almost $100 million.

Mr. DIXON. Mr. Speaker, will the gentleman yield?

Mr. ANFUSO. I yield.

Mr. DIXON. How does the gentleman interpret this statement, that the Secretary is directed to the maximum extent practical to barter not to exceed $500 million. Does that require him to barter $500 million?

Mr. ANFUSO. I will be glad to answer the gentleman's question. We had in the barter program which we passed in 1954 a direction to barter, to have the Secretary of Agriculture barter, and the Secretary of Agriculture did barter, and over a period of 3 years he was able to dispose of through the barter system close to $1 billion.

The SPEAKER. The time of the gentleman from New York has again expired.

Mr. JUDD. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. ZABLOCKI].

Mr. ZABLOCKI. Mr. Speaker, I am not opposed to the continuation of the program under Public Law 480. I am wholeheartedly in favor of the extension of Public Law 480—the Agricultural Trade Development and Assistance Act of 1954.

As I stated previously when the omnibus agricultural bill was considered, I cannot go along with a bill, which, in addition to extending the program, delves deeply into foreign policies and infringes on the jurisdiction of the Committee on Foreign Affairs, the Interstate and Foreign Commerce Committee, and Appropriations Committee, by authorizing the disposal of foreign currencies generated under this program for various and sundry purposes.

The bill before us specifically states that foreign currencies generated under Public Law 480 are to be used, first of all, for the acquisition by purchase, lease, rental or otherwise, of sites and buildings and grounds abroad, for United States Government use.

Second, for the financing of United States participation in trade fairs and in related activities authorized by section 3 of the International Cultural Exchange and Trade Fair Participation Act.

Third, for scientific and technical research programs, acquisition of foreign technical and scientific books and periodicals, for reproduction, translating, dissemination of books, and for other purposes.

Fourth, for the financing of programs for the interchange of persons under title II of the United States Information and Educational Exchange Act.

Fifth, for providing assistance in the expansion or operation in foreign countries of established schools, colleges, or universities founded or sponsored by citizens of the United States. This, in effect, is Federal aid to schools abroad whether they be public or private.

Clearly, these various programs do not fall under the jurisdiction of the Committee on Agriculture, which reported the bill before us.

I fully acknowledge the authority of the Committee on Agriculture to determine the amount of surplus farm commodities to be disposed of under the Public Law 480 program. This determination is entirely within their jurisdiction.

However, the disbursal of foreign currencies generated by this program is an entirely different matter. The utilization of these funds involves foreign policy considerations. The decision as to how these funds are to be used must be made by the proper committee—in this case, by the Committee on Foreign Affairs.

It is for these reasons that I must object to the bill before us. I am ready to support legislation providing for a simple extension of Public Law 480. I have made my position on this issue clear some time ago, when I expressed the hope that the Committee on Agriculture would report such a simple extension measure. This, unfortunately, was not done. The rules should not be suspended. The proposals in this measure should be fully debated and the House be given an opportunity to work its will by considering amendments. Under the present legislative procedure on a take-it-or-leave-it basis is undemocratic, and unwise. I hope the far-reaching proposals contained in this legislation will not be accepted as riders to a sound and tried program as authorized under Public Law 480. I hope the motion will not prevail.

Mr. JUDD. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. BENTLEY].

Mr. BENTLEY. Mr. Speaker, it has been my purpose to support Public Law 480. Coming from an agricultural district, I agree with the basic units, but when it has been pointed out the uses authorized by this legislation, even though covered by an appropriation act, for the use of foreign countries, to provide grants and assistance for the operation and expansion of those schools, vocational, professional, scientific, and technological, having in the past as I have constantly voted against Federal aid for education in this country, I cannot vote for legislation to provide the use of Federal funds abroad if we are not going to do it in this country.

Mr. ANFUSO. Mr. Speaker, will the gentleman yield?

Mr. BENTLEY. I yield.

Mr. ANFUSO. Both Senators FULBRIGHT and HUMPHREY have asked for this sort of legislation. We are not concerned with what language you take. You can take the Senate version, if you like.

Mr. BENTLEY. It is practically the same thing.

The SPEAKER. The time of the gentleman from Michigan [Mr. BENTLEY] has expired.

Mr. JUDD. Mr. Speaker, I yield 2 minutes to the gentleman from Iowa [Mr. HOEVEN].

Mr. HOEVEN. Mr. Speaker, Public Law 480 expired on the 30th day of June 1958. It should have been extended long ago. You will recall it was part of the omnibus bill on which a rule failed a few weeks ago. Many of us urged at that time that the extension of Public Law 480 be considered separately and that it be taken out of the omnibus bill.

Public Law 480 is now before you. It is not entirely to our liking but it is the best we can do under the parliamentary situation. I prefer the Senate version which does not contain the barter provision. However, the bill will go to conference and we hope to iron out our difficulties there.

Public Law 480 for the orderly disposal of surplus agricultural commodities is legislation which has proven to be of great benefit to the American farmers. It permits the United States to sell agricultural surpluses to friendly countries with payment being received in the currency of the importing country. In a nutshell, the program bridges the gap between agricultural abundance in our own country and a shortage of dollars in foreign lands.

Public Law 480 is one of the best methods we have devised for the disposal of our surplus agricultural commodities. It is a successful program which has proved to be useful far beyond our original expectations. From the beginning of the title I program in July 1954 through May 31, 1958, more than 100 agreements have been signed with 35 friendly countries. The value of agricultural commodities provided for in the agreements totals well over $3.8 billion. The increase in title I shipments from year to year have been one of the major factors leading to the rise in our total agricultural exports. For instance, in 1954–55, our agricultural exports had a market value of $3.1 billion. Title I shipments accounted for 3 percent of that total. In 1955–56, agricultural exports rose to $3.5 billion, title I accounting for 12 percent of the total. In 1956–57, agricultural exports rose to an all-time high of $4.7 billion with title I shipments making up about 20 percent of the total, or approximately $900 million. This year our farm exports are expected to reach at least $4 billion of which about 16 percent will move under title I.

Public Law 480 has accomplished many things. It has been the major reason for the increase in United States agricultural exports and the resultant decrease in our agricultural surpluses. It has increased incomes of our farmers by hundreds of millions of dollars. It has improved the relations of the United States with many countries of the world. It is making a significant contribution to the economic development of many countries through the use of foreign currency proceeds. It has resulted in the exportation of many millions of dollars' worth of surplus commodities at a relatively small additional cost. Furthermore, it has pointed out the superiority of the West over the East in ability to produce food; this is a tremendous advantage to the West in the cold-hot war in which we are now engaged.

It is highly essential that Public Law 480 be extended without further delay. In fact, it has already been too long delayed. Each day's delay in extending the program hurts the export markets of the American farmer. A balance of only $30 million remains under title I, which sum is being held for contingency use in connection with agreements already ne-

gotiated and, hence, is not available for new commitments. On the other hand, there is a backlog of requests from friendly countries which total over $600 million, including wheat, feed grains, cotton, soybean oil, tobacco, rice, and dairy products.

Time is of the essence and this legislation should be enacted without delay.

Mr. COOLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. SPRINGER].

Mr. SPRINGER. Mr. Speaker, Public Law 480, the Agricultural Trade Development and Assistance Act of 1954, or, as more popularly known, The Surplus Agricultural Disposal Act, is the most far-reaching and helpful legislation that has been devised in my time in this Congress for real assistance to the farmer. In 1954 when this act was passed, I, together with the gentlemen from Texas [Mr. POAGE and Mr. BURLESON], the gentleman from Minnesota [Mr. JUDD], and the gentleman from Nebraska [Mr. HARRISON], introduced identical bills. The passage of this law resulted in what is now popularly known as Public Law 480.

I am happy to have been an instrument in the passage of such important legislation for the farm population of this country. For many years we had been burdened with unparalleled surpluses. We devised this legislation to sell these surpluses overseas to foreign countries and to take in return therefor native currencies.

This was pioneer legislation in the field of foreign agricultural exports. Never before in our history had there been a plan to sell American agricultural produce and take other than American dollars. Most of the countries which wanted to buy our surplus agricultural products did not have dollars. This plan took that into consideration and today we are selling our agricultural produce to over 20 nations and taking in return currency of that country.

Now that the program has had 4 years in which to operate, what have been the practical results of this law over a 4-year period?

During these years we have sold over $4 billion worth of surpluses to friendly countries under the provisions I have just mentioned. Besides contributing to the reduction of surplus stocks in this country, the program has proved valuable in promoting agricultural market development, making loans to private United States and foreign business firms for economic development projects, and expanding other United States surplus agricultural disposal programs.

Also, as a result of this program, our investment in price-supported commodities declined almost a billion dollars with the principal reductions being in wheat, cotton, corn, and rice—and also nonsupported soybeans and soybean oil.

WHEAT

Last year we exported almost as much wheat as we consumed domestically in an entire year. About 200 million bushels of this total was disposed of under Public Law 480. These record shipments resulted in a reduction of more than 100 million bushels in Commodity Credit surplus.

SOYBEAN OIL AND COTTONSEED OIL

Exports of soybean oil and cottonseed oil have established new record levels during the past 3 years. In each of the past 3 years the major reason for the increase was shipments under this law. Last year, for example, we exported nearly 1.4 billion pounds of these oils. Almost 50 percent of this total moved under Public Law 480. This program can certainly be given credit for keeping soybeans out of price-support trouble.

HOW FARMERS BENEFIT—$600 MILLION ADDED TO INCOME

National farm income has been increased by more than $600 million in the last 3 years as a result of greater exports through the Public Law 480 program.

At the request of the committee, the Department of Agriculture put a task force to work to determine the effects of the program on farm prices and income. The analysis was based on the effects of moving a little more than $2 billion worth of commodities under title I. Major findings were:

The 1956 average farm price of wheat was increased by about 9 cents a bushel. The increase in 1957 may be about the same.

Title I exports raised the farm price for the 1955 crop of rice by 19 cents a hundredweight. The 1957 crop should move at prices at least 27 cents a hundredweight higher than with no program. There was little price effect in 1954 or 1956.

The program raised the average farm price of corn by 1 cent a bushel in both 1956 and 1957, says USDA. The barley crops for the same 2 years were 1 to 2 cents a bushel higher.

The farm price for cotton from the 1957 crop was estimated to be about three-fourths of a cent a pound higher than it would have been without a program. This was based on 1957 price support being three-fourths cent above 75 percent of parity. Actual 1957 cotton support is a little more than 1 cent higher. There were no price effects on cotton in 1955 or 1956.

Prices of lard and edible tallow were increased by 1 cent a pound in 1955, and 2 cents in 1956.

The prices of cottonseed and soybean oils were raised by 1½ to 2 cents a pound in 1955, and by about 2 cents a pound in 1956.

With no program, the 1955 and 1956 crops of soybeans would have been marketed at support levels. Because of the program, soybeans were 15 cents a bushel higher than support in 1955, and 7 cents a bushel higher in 1956.

Prices to farmers for the 1955 and 1956 crops of cottonseed were about $2.60 and $9.50 per ton above support. With no program they would have been at support level in 1955, and somewhat above support in 1956.

The task force estimated that cash receipts from the sale of farm products "may have been increased by around $170 million in 1955–56, by around $245 million in 1956–57, and by around $230 million in 1957–58, as the result of exports under title I."

And if I may be pardoned for citing the farmers of my own Congressional District as examples, I would like to point out how Public Law 480 benefits them individually.

First of all, we are one of the richest commercial grain producing areas in the United States, if not the world. We produce 5½ percent of all the soybeans grown in the United States, 1.7 percent of all the commercial corn grown. Now, using these figures as a base, and projecting them into the field of Public Law 480 exports, we find that 5½ percent of all soybean exports amounted to some $10,780,000 last year, and 1.7 percent of corn sold under this program amounted to nearly $6 million. On this basis, combined income for the farmers of the eight counties I represent from Public Law 480 shipments abroad amounted to nearly $17 million. If you'll pardon the pun—"that ain't hay."

Translated into per-family income, it amounts to about 8 percent, or just about $800 a year per family for the 22,000 farmers in the area.

Although this is the purely narrow, or selfish approach, it is an approach without which I am sure Public Law 480 would never have been passed originally and could not be passed today.

But as I have indicated, Public Law 480 is more than a purely selfish approach to the farm problem. It places farmers in the forefront of our fight for world freedom and our fight for world peace.

It must be emphasized here, and it must be drummed home everywhere, that although the United States today is the abundant producer of farm commodities, it does not stand alone in this field. The Soviet Union is fast approaching us; the Russians have massive areas of land as yet untouched, but capable of producing great quantities of food and fiber.

And lest any here doubt that the Russians feel competition in this field is important, let me recall for them the emphasis Khrushchev placed on it during his now-famous television interview. "The Soviet Union," he said, "will not only outproduce the United States in its total farm output, but on a per capita basis as well. That," he said, "is the goal."

Now, with half the world's people lying down at night with empty stomachs, it becomes obvious why Khrushchev so desperately wishes to compete with the United States in the field of agricultural production.

It is part of the overall Soviet foreign policy.

In fact, Soviet success in this area would be of vastly greater importance to the Communist world than any number of sputniks or any reaching into space. A man whose stomach is empty is not very interested in Mars, whether it be the planet or the god of war. Marx, when accompanied by bread and meat, becomes much more palatable to the peoples of Asia and Africa who hunger less for ideas than they do for food.

The United States now stands far in the lead in this all-important area of farm production. We are one of the few nations in the world capable of producing more than we eat or wear. We also

have developed the method and techniques of moving these goods to the world's markets. And this, without endangering our own food supply or our own standard of living.

The extension of Public Law 480 has the unique advantage of being of benefit to our farmers at home, to the Nation as a whole in that it is an integral part of our foreign policy, and to those abroad who are making use of our abundance which otherwise would rot or decay.

These, then, are the reasons why I support the extension of Public Law 480. These, I believe, are sound reasons, and reasons why each Member of the House should also support the legislation, whether there are farmers in his District or not.

Mr. JUDD. Mr. Speaker, I yield 1 minute to the gentlewoman from Missouri [Mrs. SULLIVAN].

PUBLIC LAW 480 IS A FOOD STAMP PLAN FOR THE REST OF THE WORLD—WHY NOT ONE FOR UNITED STATES NEEDY?

Mrs. SULLIVAN. Mr. Speaker, there is no crisis, no emergency, that justifies calling up this bill under suspension of the rules—under very unusual procedures forcing the House to accept this bill or reject it as is without any opportunity to amend it. This bill is incomplete. It fails to include any provision directing the Secretary of Agriculture to institute and operate a food stamp plan for the distribution of surplus commodities to needy persons in the United States.

A majority of the members of the Committee on Agriculture voted for such a food stamp proposal several weeks ago. They voted to make it a part of the omnibus agriculture bill. I think it is only fair to point out that when the food stamp amendment was subsequently dropped out of the omnibus bill, many Democratic Members from urban districts voted against the rule to take up the agriculture bill. They provided the margin by which the agriculture bill rule was rejected.

OMNIBUS FARM BILL LOST BECAUSE OF URBAN DISSATISFACTION

I voted for the rule on the omnibus bill and urged other members to do the same. But I am frank to say that it was my intention to vote against passage of the agriculture bill if we did not amend it on the floor to include a workable and effective food stamp plan. And as many of the members on the Committee on Agriculture know, I had in my possession pledges from a sizable number of Democratic Members from city districts—from urban areas of substantial unemployment—that they would go along with me on this strategy.

From all this, it is obvious that the absence of a food-stamp plan was one of the major causes for the failure of the catch-all farm bill to pass the House last month.

Now, just one part of that omnibus bill is before the House for consideration—that one part of the bill desperately desired by Secretary of Agriculture Benson. It is brought before us under these unusual circumstances with no amendments permitted. I cannot go along with this procedure. I want to make my position clear—make it completely clear that we on the Democratic side of the aisle who recognize the urgent and desperate need for a better method of distribution of surplus food to our needy have been made in this instance the victims of a parliamentary strategy which is unfair to the people we represent.

FOOD-STAMP PLAN URGENTLY NEEDED IN THIS COUNTRY

I am not against the Agricultural Trade Development and Assistance Act of 1954 which this bill now before us would extend for another year. Back on June 15, 1954, when the original act came before us in the House I endorsed the idea of using our surpluses to help other nations and to help their economies as a form of foreign aid, and I also approved, as far as they went, the provisions of the bill for permitting donation of surplus foods to the needy in this country. But as I pointed out 4 years ago when this act was originally passed, and as I have been pointing out year by year each time this act is renewed, if we are to make sure the people in this country who really need this surplus food are to get some of it, then we must direct the Secretary of Agriculture to institute a food-stamp plan.

He has the authority to put such a plan in operation any time he should decide to do so. There is no doubt as to the existence of such authority. But Mr. Benson refuses to exercise it. That is why it is necessary for the Congress not merely to authorize the establishment of a food-stamp plan but to direct the establishment of such plan. The majority of the members on the Committee on Agriculture went on record not so long ago as agreeing with that principle. The Republican members of the Committee on Agriculture, echoing the views of the Secretary of Agriculture, have bitterly and unanimously opposed a food-stamp plan even to the point of walking out of a committee meeting to try to prevent the taking of a vote on this issue.

MR. BENSON GETS LEGISLATION HE DEMANDS

Brave words were heard here in the House not so long ago that the Committee on Agriculture was not going to be panicked into hasty action in extending Public Law 480—the Trade Development and Assistance Act—merely because Secretary Benson was wringing his hands over the fact that some of the foreign giveaway provisions of the bill would be suspended temporarily unless the act were extended by July 1. Why then this sudden rush to reenact it under suspension of the rules? What about the other provisions of the omnibus agriculture bill which were supposed to be so vital to farm prosperity?

I have been struck, Mr. Speaker, by the fact that time after time Democratic Members of the House familiar with agricultural problems denounce Secretary Benson for having ruined agriculture in the United States, for bankrupting the farmer, for causing unmanageable surpluses, for forcing so many farm families to give up their farms, for liquidating the family-sized farm—all these things we hear time after time from our colleagues from the farm areas—but it seems to me that every time Mr. Benson cries hard enough about the need for some bill, the Congress falls all over itself giving him what he asks for. Oh, not in every detail, of course. But by and large Mr. Benson does exceptionally well in getting the legislation he requests.

Now I am not against the farmer. I have voted for nearly every bill brought before us in the past 6 years intended really to help the farmer. We in the cities know that the farms constitute one of our most important markets for industrial products. We know that full employment in the cities requires prosperity on the farms as well. I am not trying to make an antifarm speech. I am even willing to see Mr. Benson work overtime at dumping surplus commodities overseas either as giveaways to the poor of other countries or as a special form of aid to friendly governments. Recently he was going to go into the Soviet Union to see how much of our surplus food he can give away there.

COST OF SURPLUS DISPOSAL TO UNITED STATES NEEDY SMALL COMPARED TO FOREIGN DISPOSAL COSTS

Why is he so absolutely and uncompromisingly opposed to distributing some of this food to all of the millions of Americans on old-age assistance, on aid to dependent children, or aid to the blind, or aid to the disabled, or to the great number of Americans on State or local public welfare? Does he not realize that these people are truly not getting enough to eat? He says a food stamp plan is costly and burdensome on the Department of Agriculture. This is nonsense. We spend hundreds of millions, and billions of dollars, to give this food away abroad. We can well afford the modest cost of establishing an intelligent method of distributing it in the United States in place of the hit-and-miss program now in effect in many of our cities.

I realize there is no sense in calling upon Mr. Benson to change his mind. But I cannot understand why the Congress continues to permit this tragic situation to continue. Let the Republicans continue to oppose a food-stamp plan—let every one of them vote against it. But I say give the Democrats a chance to vote for this plan. We do not need it as a political issue and I do not put it forward as a political issue even though it is a plank in our platform. I put it forward because I think our country needs it.

INFLATION IN LIVING COSTS TRAGIC FOR PEOPLE ON WELFARE

We all know what has happened to the cost of living since 1953 when this administration took office. Representatives from farm areas complain bitterly that prices to the farmers have fallen drastically causing widespread distress among farm operators. But while prices to the farmers fell, prices to the city consumers rose just as drastically. Prices rose over 3 percent in the past year alone. Think of that. Just think of what that does to the people on public assistance

trying to keep body and soul together on so little.

I think it is a terrible mistake to give Mr. Benson Public Law 480 which he wants so desperately without at the same time insisting that he institute a food-stamp plan for our own needy. Public Law 480 is, in effect, a food-stamp plan for the needy of the whole world—except for the old-age pensioner in Missouri, or the dependent child in North Carolina, or the disabled man or woman in Nebraska, or the blind person in South Carolina, or the family on public assistance in Louisiana. The needy of Ceylon or Thailand or Italy or Yugoslavia or Spain, or any other country it seems, become of more concern to Secretary Benson and to this administration than the needy of our own country. And this I object to.

COSTS OF PUBLIC LAW 480, FOREIGN CHARITY

By no stretch of the imagination, Mr. Speaker, am I against the programs in Public Law 480 to help feed the needy of other countries. I applaud the religious groups and other humanitarian groups which have joined in helping to operate the programs under Title III of Public Law 480, under which we have been spending from $200 million to $300 million of United States Government funds a year to help feed the needy in 84 or 85 different countries, plus $50 million in ocean transportation costs.

Also, I can see the good sense in the huge donations of food we have made to various foreign governments under title II of the act—donations of food to be used for famine relief or flood relief or in other disaster situations. We have spent a half-billion dollars of United States Government funds on that program. These are outright gifts of food to the countries which have had disasters of various kinds, to help them feed the victims.

In addition, there is the tremendous title I program under Public Law 480, under which we have given altogether about $4 billion in surplus agricultural commodities to foreign nations in return for their currency—most of which has then been lent back to them for their own economic development.

I repeat, Mr. Speaker, there is nothing wicked about any of these programs—they help to feed the hungry out of our own superabundance of food. They have helped to defeat the ambitions of the Communists in many free nations, as well as bringing better diets to the children of those lands. Why, then, is it considered wicked by Mr. Benson and the President to provide a real supplementary food program for the nearly 7 million persons in this country on various forms of public assistance—persons we know definitely are not getting enough of the right foods?

MOST AMERICANS ON RELIEF DO NOT RECEIVE SURPLUS FOOD

For instance, Mr. Speaker, although Mr. Benson makes much of the fact in his propaganda against a food stamp plan that about four and a half million Americans are now receiving periodic donations of surplus food, he does not point out that about five million persons on various forms of public assistance in the United States are not getting any of this food.

In other words, among the people who do receive occasional gifts of surplus food, the individuals on various forms of public assistance make up a distinct minority—less than 2 million. In St. Louis, for example, although we now have a program for distribution of surplus food parcels to those in desperate need because of the recession, our city has not been able to afford to include so far any persons receiving public assistance. Yet we all know that the relief grants these people receive are far from adequate to assure even a minimum diet.

ALABAMA, FLORIDA, CALIFORNIA GOOD EXAMPLES

Let us look at some of the States in this respect:

Alabama has 207,000 on various forms of public assistance; less than a fourth of them receive any surplus food.

California has more than 600,000 on various forms of public assistance; the latest figures I have show less than 5,000 of these were receiving surplus food.

Florida has 185,000 on public assistance—that is, old age assistance, aid to dependent children, aid to the blind, aid to the disabled, plus those on general assistance. Not a single one of the 185,000 obviously needy persons receives any surplus food.

GEORGIA, ILLINOIS, LOUISIANA, OREGON, THE CAROLINAS

Let us look at a few similar examples:

Georgia has 180,000 persons on public assistance—most of them, I am sure, not enjoying an adequate diet. Of these 180,000, about 1,500 have been receiving free food—surplus food—under Mr. Benson's distribution program.

Illinois has 333,000 on the relief roles, of whom only 65,000 get surplus food—they happen to be located in those areas of the State where localities have undertaken the burden of distribution. In Missouri, we have 244,000 on relief, but not 1 of our relief people gets any of this food—or did not at the time the latest figures were compiled by the Department of Agriculture.

Louisiana has a situation similar to ours in Missouri—they have 250,000 on public assistance, but no surplus food goes to relief beneficiaries in Louisiana. Nebraska, with 35,000 on public assistance, has no surplus food distribution program for those particular people.

Oregon, with 58,000 on public assistance, is not getting any surplus food for its people on relief.

Of the 178,000 on public assistance in North Carolina, none gets surplus food. Of the 85,000 on public assistance in South Carolina, none gets surplus food.

TEXAS, WISCONSIN, VIRGINIA SHOW SIMILAR SITUATIONS

Thus, the present distribution program is no substitute for a food-stamp plan. It is not reaching the majority of those who desperately need the help of a supplementary food program.

Mr. Speaker, I could take almost all of the States in turn and show a glaring difference between the number of those on various forms of public assistance and the number of such persons benefiting under the present surplus food distribution program.

In Texas, with 367,000 on various forms of public assistance, only 31,000 of these poor people are getting any of the surplus food. In Wisconsin, there are 107,000 on relief; only 3,000 of them get surplus food. In Virginia, there are 66,000 on relief; less than a tenth of them receive free food under the distribution program operated by the present administration.

These figures are a shocking indictment of the inadequacy of the present program. They prove the need for a food stamp plan.

FIGURES ARE LATEST BREAKDOWNS

Because of the significance of these figures, Mr. Speaker, I am including a detailed breakdown as exhibit I at the end of my remarks. It shows the number of persons in each State on old-age assistance, aid to dependent children, aid to the blind, aid to the permanently and totally disabled—the four programs operated by the States with matching funds from the Social Security Administration—and also those on general assistance, for which no Federal money is provided. These figures on public assistance—the latest available—came from the Department of Health, Education, and Welfare and represents exact totals for many of the States as of the most recent count, and in the case of some States, figures which include merely estimates of the number on general assistance.

Alongside of that tabulation, and as a part of it, I have prepared a column based on the latest figures from the Department of Agriculture showing the number of persons on public assistance in each State who are, or have recently been, receiving donations of some of the surplus food.

DISPARITY IS AMAZING

The totals show:

Nearly 2½ million persons on old-age assistance; more than 2½ million persons on aid to dependent children; more than 100,000 on aid to the blind; more than 300,000 on aid to the permanently and totally disabled; and an estimated 1,313,000 on general assistance. Thus, the total of all persons on various forms of public assistance is 6,873,737, of whom only 1,881,655 receive surplus food. Is this not an amazing disparity?

Does that indicate we do not need a food-stamp plan? Or does it prove we do? I am convinced it proves we do need one. I know that the Committee on Agriculture of this House—the Democratic Members of it, at least—was so convinced and so voted just a few weeks ago. Such a food-stamp plan belongs as part of this bill before us—the bill to extend Public Law 480 which I have characterized as a food-stamp plan for the rest of the world. But because this bill does not include a food-stamp plan for our needy Americans, I cannot support it, and I certainly cannot accept the manner in which it has been brought before us today—under suspension of the

rules, with no amendments or changes permitted, on a take-it-or-leave-it basis. I believe fairness dictates giving us an opportunity to vote on a food-stamp plan as part of this bill.

CITY NEEDS MUST BE CONSIDERED IN FARM LEGISLATION

Mr. Speaker, I feel justified in making my position clear that we in the cities have millions of constituents who desperately need the kind of help which a food-stamp plan would provide. We are not going to vote for farm legislation that does not recognize the close relationship between the needs of the farmers and the needs of the city consumers. They are interdependent. The farmers are not doing well largely because consumers cannot afford to buy in sufficient quantity—particularly the consumers on public assistance, the unemployed, the very poor, millions of them.

If we can use some of our vast stores of food to help these people to eat better and thus to live better, the farmer will certainly benefit. This should be obvious even to Mr. Benson and to the Republican Members of the House who have echoed his views on this issue.

In conclusion, Mr. Speaker, I want to say that when it comes to agricultural legislation—particularly as it might help the city consumer as well as the farmer—it is hard for me to realize this is supposed to be a Democratic Congress, for on farm matters, as often as he is criticized and denounced for his policies here in the Congress, Mr. Benson continues to get his way—as witness the frantic manner in which we are now being asked to pass his beloved Public Law 480.

EXHIBIT 1.—*Number of persons on various forms of public assistance in each State, and number of such persons receiving donations of surplus food under present distribution program*

	On old-age assistance	On aid to dependent children	On aid to blind	On aid to disabled	On general assistance	Total on various forms of assistance	Total on public assistance receiving surplus food
Total	2,460,035	2,687,930	107,900	304,872	[1][2]1,313,000	[1][2]6,873,737	1,881,655
Alabama	102,233	90,232	1,683	12,630	350	207,128	46,780
Alaska	1,542	4,322	90	----------	456	6,410	----------
Arizona	14,075	22,731	802	----------	8,616	46,224	2,135
Arkansas	55,569	39,295	2,011	6,772	1,222	97,869	90,713
California	266,166	221,366	13,752	2,481	117,761	621,526	4,388
Colorado	52,253	25,801	327	5,449	8,950	92,780	6,089
Connecticut	16,120	20,089	307	2,073	20,519	58,108	830
Delaware	1,544	6,155	205	205	5,097	13,356	----------
District of Columbia	3,109	13,049	237	2,432	1,164	19,991	17,088
Florida	69,158	88,421	2,507	6,268	[1]18,750	[1]185,101	----------
Georgia	97,895	58,363	3,485	14,945	6,916	181,604	1,434
Hawaii	1,535	10,702	82	1,119	2,821	16,319	----------
Idaho	8,059	6,946	177	934	(3)	[3]16,116	----------
Illinois	82,309	118,771	3,240	15,689	113,819	333,828	64,502
Indiana	30,759	36,935	1,819	----------	91,292	160,805	36,363
Iowa	37,307	29,000	1,457	----------	11,749	79,513	36,112
Kansas	31,038	20,037	624	4,302	[1]6,028	[1]62,029	9,640
Kentucky	57,538	73,140	3,258	7,150	8,791	149,877	59,585
Louisiana	124,117	98,270	2,454	14,830	11,071	250,743	----------
Maine	12,220	18,094	439	1,313	12,190	44,286	18,475
Maryland	9,689	30,355	458	5,035	4,467	50,004	23,169
Massachusetts	85,086	45,615	2,015	9,486	25,851	168,053	1,774
Michigan	67,003	82,918	1,777	3,388	161,569	316,655	174,600
Minnesota	48,620	29,917	1,122	1,857	27,916	109,432	13,888
Mississippi	80,937	61,740	5,318	6,252	1,281	155,528	141,766
Missouri	123,442	89,706	5,093	14,942	11,230	244,413	----------
Montana	7,981	7,730	399	1,453	6,262	23,825	57
Nebraska	16,496	11,189	967	1,405	4,904	34,941	----------
Nevada	2,588	2,830	146	----------	[1]2,000	[1]7,564	790
New Hampshire	5,328	3,876	242	329	5,317	15,092	3,921
New Jersey	19,206	29,058	899	5,040	42,009	96,212	11,534
New Mexico	10,228	25,620	391	1,989	994	39,222	24,223
New York	89,298	246,601	4,214	38,831	129,602	508,636	186,810
North Carolina	50,760	97,109	4,945	15,929	9,962	178,705	----------
North Dakota	7,609	6,350	111	1,032	2,577	17,679	997
Ohio	90,863	80,801	3,668	9,272	160,461	345,180	41,389
Oklahoma	93,516	57,200	1,893	8,158	[1]19,918	[1]180,685	101,581
Oregon	17,994	18,448	304	4,210	[1]17,175	[1]58,071	----------
Pennsylvania	49,127	150,670	17,476	14,984	69,763	302,020	191,474
Puerto Rico	41,612	173,214	1,834	20,842	1,620	239,222	369,138
Rhode Island	7,237	16,095	132	2,284	10,174	35,922	8,417
South Carolina	35,675	37,054	1,776	7,738	3,035	85,278	----------
South Dakota	9,766	10,405	179	975	2,620	23,945	8,101
Tennessee	57,026	73,046	2,908	5,259	8,741	146,980	41,515
Texas	224,826	108,253	6,004	2,150	[1]26,500	[1]367,733	31,135
Utah	8,712	11,289	223	1,916	6,242	28,382	16,448
Vermont	6,157	3,875	136	679	[1]5,875	[1]14,722	3,468
Virgin Islands	619	536	23	100	140	1,717	----------
Virginia	15,587	36,756	1,212	5,553	[1]7,003	[1]66,111	6,453
Washington	55,287	30,720	767	5,761	37,076	138,611	4,335
West Virginia	21,456	72,322	1,094	7,571	6,468	108,911	73,067
Wisconsin	38,147	29,816	1,039	1,255	36,873	107,130	3,205
Wyoming	3,674	2,577	65	515	1,951	8,782	3,666

[1] Includes estimated number of persons on general assistance based on number of cases reported.
[2] Excludes any estimate of number of persons on general assistance in Idaho.
[3] No estimate.

Mr. JUDD. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their remarks at this point in the RECORD on the bill we are now considering.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. LAIRD. Mr. Speaker, Public Law 480, the Agricultural Trade Development and Assistance Act of 1954, was enacted by the 83d Republican Congress in July of 1954 with strong bipartisan support. The bill which was aimed at putting our mounting agricultural surpluses to constructive use abroad had four major purposes:

First. It authorized the sale of commodities to friendly countries for their own currencies. This enabled us to open up markets in many countries of the world, particularly underdeveloped nations, which desired to buy our commodities but which were short of the necessary foreign exchange.

Second. It authorized the use of Commodity Credit Corporation surpluses in meeting emergency relief needs abroad such as the victims of floods and earthquakes.

Third. It gave emphasis to the barter program under which surpluses are exchanged for strategic materials. In other words, it provided for the exchange of farm surpluses for foreign-produced critical materials which would be useful in the event of international emergency.

Fourth. It encouraged the use of surpluses by American private relief and church agencies to help feed needy persons abroad on a continuing basis.

OVERALL RESULTS OF TITLE I, PUBLIC LAW 480

Operations under the law have grown rapidly in volume. Agreements were signed during the first year the law was effective, 1954–55, totaling $475 million at CCC cost and $357 million at export market value. In 1955–56, new agreements were signed in the amount of $976 million at CCC cost and $683 million at export value. In 1956–57, agreements totaled $1.5 billion at CCC cost and over $1 billion market value. In 1957–58, with a reduced authorization, agreements totaled over $1 billion at CCC cost and $748 million market value.

Included in signed agreements are: Wheat, 616 million bushels; feed grains, 162 million bushels; rice, 28 million hundredweight; tobacco, 202 million pounds; cotton, 3.2 million bales; fats and oils, 2.4 billion pounds.

Mr. Speaker, I think it would be useful to clarify one point—that is, the difference between CCC costs and export-market value. As you know, the fund limitation in the law is in terms of CCC costs. This means that the authorization is charged the full cost of any commodities supplied under the program. Such costs include the cost of acquisition and carrying charges of price-support commodities, processing, transportation, and handling charges. Thus, during 1955–56 a bushel of wheat delivered to port resulted in an average charge of about $3.30 to the authorization. The foreign buyer paid about $1.65 a bushel which was the prevailing export price and this was the amount he was required to pay in his own currency. In general, to date the authorization has been charged $4 for every $3 worth of commodities purchased by foreign buyers.

Looking at results another way, exports in 1954–55 were small, totaling about $73 million at export value or about 2 percent of total agricultural exports. In 1955–56, title I shipments

jumped to $440 million which was 12 percent of agricultural exports. In 1956–57, title I exports totaled $900 million or nearly 20 percent of the record year for United States farm exports of $4.7 billion. This is solid evidence of the contribution the title I program has made and is continuing to make to the export outlook.

The authorization expired June 30, 1958. Agreements have been signed for $4 billion at CCC cost. That is why action should be taken promptly on the administration's request for additional funds. I understand that new requests have been received which cannot be considered until new funds are made available.

Very briefly, it appears that the title I program has had the following major commodity effects:

Dairy products: Dairy products sales for foreign currency under Title I of Public Law 480, are helping us keep the commodities—butter, cheese, nonfat dried milk—under the price-support program down to a current basis. During the first 11 months of the 1957–58 year, exports under title I included about 45 million pounds of nonfat dry milk, 20 million pounds of butter, and 7 million pounds of cheese. And the outlook for next year is much more promising than this year. USDA is now able to take care of the surpluses on a seasonal basis so that it can dispose of practically everything acquired by CCC under the price-support program.

Wheat: Wheat has been one of our greatest surplus problems. Stocks in Government hands increased in each of the 5 years prior to last year; last year, however, wheat exports reached the record high of 550 million bushels. In other words, last year we exported almost as much wheat as we consume domestically in an entire year. About 200 million bushels of this total moved against sales for foreign currencies under the title I program. The record shipment resulted in a reduction of about 125 million bushels in the carryover of wheat. It is expected that exports this year will be about 400 million bushels; in order to achieve this total more than 40 percent is being moved under title I.

Soybean oil and cottonseed oil: Exports of soybean oil and cottonseed oil have established new record levels during the past 3 years and will continue high this season. In each of the 3 years the major reason for the increase was shipments made under the title I foreign currency program. Last year, for example, we exported nearly 1.4 billion pounds of these oils. Almost 50 percent of the total moved under the title I program. The title I program has been helpful in keeping soybeans out of price support trouble. Despite a record harvest this year, the impact on the market has been relatively mild. Although the carryover of soybeans by CCC is expected to be larger than last year, the carryover will be only a small percentage of the crop.

Cotton: The major reason that our cotton exports expanded so markedly in 1956–57 was the stability and confidence given to world markets by the CCC export program. Exports last year reached 7.6 million bales, the highest total in a quarter of a century; nearly 20 percent moved under the title I program. The expanded exports have made possible a reduction in CCC cotton stocks for the first time in 6 years. Instead of adding to the existing surplus carryover, stocks this past season were reduced by more than 3 million bales. Additional reductions will be made this year with total cotton exports expected to remain relatively high at about 5.7 million bales. About 15 percent will be moved under title I.

Rice: A substantial reduction in surplus stocks of rice resulted from a record export year in 1956–57 which totaled about 26 million bags, of which 18 million bags moved under foreign currency sales. The title I shipments went to India, Korea, Pakistan, and Indonesia where increases in consumption would be obtained without affecting world markets. These movements have disposed of surpluses which had accumulated since the 1953 crop and have greatly improved domestic marketing conditions.

HOW TITLE I, PUBLIC LAW 480, FOREIGN CURRENCIES ARE USED

Commodities are sold under title I of Public Law 480 for foreign currencies. The $4 billion current authorization will result in payments of nearly $3 billion. The $1 billion difference reflects the cost of commodities to the Government under the price support program and the lower world market prices at which commodities are sold for foreign currency.

In round figures, about one-fourth of the $3 billion total will be used to meet United States expenses abroad. This use will return dollars to the Commodity Credit Corporation. Examples of such use are the construction of United States military bases in Spain and Turkey, and the construction of housing for United States military personnel and their dependents in the United Kingdom. About one-tenth will be given to our allies as defense support to strengthen their military forces. These funds are being used in the same way as foreign aid defense support funds, and certainly they should cut down on the amount of foreign aid dollars that have to be appropriated for this purpose.

About 6 percent of the $3 billion will be used for a variety of purposes including the purchase of strategic materials for the United States national stockpile; the purchase of goods for other friendly countries; grants for economic development; the international educational exchange program; translation and publication of books and other literature; and for help to American-sponsored schools abroad.

Somewhat less than 2 percent of the total will be used by the Department of Agriculture to develop longer time commercial markets for agricultural commodities abroad. This program clearly supplements the regular market development work carried on by the Department. These activities are conducted in cooperation with United States trade associations and they give promise of helping boost commercial exports long after the Public Law 480 program has ended.

The largest part of the currency, half the total, will be loaned to participating countries for economic development. There is no question that these loans should help to reduce the amount that the Congress appropriates for the foreign-aid program. And certainly it makes sense to use our surpluses as capital to help in the development of other friendly countries. As their economies expand, they will be better commercial customers for our farm products.

Mr. Speaker, I would like to point out that many people have referred to title I as a giveaway program. This is not true. Many of the countries receiving loans of foreign currency under title I are also receiving loans, primarily for the import of American industrial materials, from either the Export-Import Bank or the World Bank. If Public Law 480 loans are not regarded as a sound investment, then none of the loans made directly or indirectly with United States funds are a sound investment to these countries. Furthermore, it should be pointed out that the loans are to be repaid, and as repayments take place, they may be used to meet the dollar expenses of the United States in the participating countries.

The extension of Public Law 480 granted in August 1957 provided for relending of foreign currencies, largely to United States firms and their affiliates, to assist in the development and expansion of private business in foreign countries. The equivalent of nearly $90 million will be reserved for these purposes in agreements negotiated this year. These funds will be made available to private business firms through the Export-Import Bank of Washington when commodities under these agreements are shipped and paid for and proceeds assigned to the bank.

With all the good the title I program is doing from a commodity standpoint, from a foreign policy standpoint, and its aid to Government programs, I urge that we enact legislation at once to continue this program. There is no excuse for further delay.

Mr. McINTIRE. Mr. Speaker, I have read with interest the remarks of the distinguished chairman of the Committee on Agriculture on fair and friendly barter means value for our surpluses, appearing on page 14168 of the CONGRESSIONAL RECORD for Thursday, July 17, 1958. I believe misunderstandings in this statement may follow from this statement which prompts me to take this opportunity of stating my thoughts about the barter program as it was administered prior to May 1957.

In the first place, Mr. Speaker, the former barter program, which legislation pending before the House would restore, is not barter in any usual sense of that term. The Commodity Credit Corporation would not send its agricultural surpluses into the same country which supplied the strategic materials delivered in payment for them. On the contrary, in the whole history of the barter program, before the rules were changed a year ago, there were less than a half dozen true barter transactions. Analysis of barter contracts shows that the origin of the

materials delivered under barter has no connection at all with the destination of the agricultural commodities exchanged for the materials. Normally, barter commodities have been sold by barter contractors in traditional dollar markets for United States farm products. In the fiscal year ending June 30, 1957, the last full year of barter, some 73 percent of the wheat moving under barter contracts was sold in these dollar markets. It is self-evident that such sales of barter commodities complete directly with sales that would otherwise be made for dollars.

The net effect of this kind of barter is that Commodity Credit Corporation is paid in minerals and metals instead of dollars. The distinguished chairman has placed emphasis on the allegedly vast savings in storage charges resulting from the exchange of farm products which deteriorate for minerals and metals which do not deteriorate and which admittedly cost much less to store. However, if dollars are received for agricultural commodities instead of minerals and metals, no storage charges need be paid at all.

I would like to turn for a moment to the matter of so-called discounts, or slight reductions in price, offered to foreign buyers by barter contractors to move the commodities which they must export under their barter contracts. It is suggested that such slight discounts are made possible by the 1 or 2 percent commission paid by the barter contractor to an agent, usually a grain or cotton exporter, to sell the agricultural products abroad. I am informed that the Department of Agriculture has been notified of numerous cases in the last year where barter commodities have been offered to foreign buyers at prices 5 to 10 percent below the prices at which cash exporters could offer the identical commodities. In my opinion, these are not slight discounts. Also, in my opinion, such a two-price system for United States agricultural commodities in the world market inevitably and inexorably forces the exporters on a cash basis to lower their prices so that they can compete with the barter exporters. Thus, the whole commodity price structure, at first foreign and then domestic, is forced downward.

The distinguished chairman submitted a list of countries of origin of the materials delivered by barter contractors in exchange for agricultural commodities. He reasons that through barter acquisitions hundreds of millions of dollars have been made available to underdeveloped countries. Referring to the list supplied by Mr. Cooley, it is difficult for me to think of Canada which supplied over $61 million in barter materials—as an undeveloped country. Likewise, it is somewhat surprising to find West Germany—which supplied almost $30 millions in materials—to be classed as an undeveloped country. Barter contractors buy materials wherever they can get them at the cheaper price, and not infrequently this happens to be in highly developed, highly industrialized countries. By accident, barter may have helped underdeveloped countries, not by design. In this connection, it is interesting to note that press release USDA 2911-57 dated September 27, 1957 shows not one dollar in barter agricultural commodities was exported to Canada, and only $787,000 in barter commodities were exported to Africa, although Africa is represented as having furnished almost $214 million in barter materials.

The distinguished chairman in his remarks, ascribes the reduction in our cotton and wheat exports to the decrease in the volume of barter activity beginning in May a year ago. Such a burden of guilt is too much for the revised barter program to bear. In fiscal year 1957 wheat exports under barter represented about 16 percent of total United States wheat exports. According to the chairman's own statistics, total United States wheat exports in fiscal year 1958 were about 27.5 percent lower than in fiscal year 1957. Even if no wheat were exported under barter during fiscal year 1958—actually, some 5 million bushels of wheat were exported under barter contracts from July 1, 1957 through March 31, 1958—the decrease in barter wheat exports would not account for all of the decrease in total wheat exports. Were complete statistics on barter cotton exports available, I am sure they would show that the reduction in barter activity was not a significant factor in our decreased exports of cotton.

Mr. Speaker, what the distinguished chairman does not point out is that the real reasons for the falling off in our agricultural commodity exports have little, if any connection, with the full throttle barter which he so vigorously defends. Many causes combined to make 1956 an extraordinary year for agricultural exports, and if comparisons with 1956 commodity exports are to be valid, these causes must not be concealed. For example, in 1955 cotton importing countries consumed their inventories and withheld purchasing more cotton in the expectation that we would price our cotton at the world level. When we did so, United States cotton exports soared in 1956 to fill up the depleted stocks abroad. Thus, it is unrealistic to expect that we can maintain the same export level in 1957 and 1958 that was reached in 1956. Likewise, to cite only one example, and there are many more, a net difference of more than 90 million bushels of wheat resulted from French importation of wheat in 1956 and exportation of wheat in 1957. In a period of good crop production abroad, our commodity exports go down. When foreign crops are poor our commodity exports increase. Barter has nothing to do with these changes.

Mr. Speaker, the distinguished chairman would have us believe that the Department of Agriculture terminated the barter program in May 1957 by requiring that barter exports must not displace our cash exports of commodities. Nothing can be further from the truth. Under the revised barter program, over $61.2 million in agricultural commodities under 50 contracts in 19 countries will be exported with some degree of assurance that these exports will not replace cash sales. Most of the new barter contracts covering this business were negotiated since January 1, 1958. If concrete evidence were needed to show the good faith of the Department of Agriculture in carrying out a sensible and realistic barter program, I am sure this record of new barter contracts provides it.

It is my firm conviction that the volume of barter business will increase as the trade becomes more familiar with the current barter regulations. Barter contractors should understand that the Department of Agriculture cannot and will not become a dumping ground for surplus minerals and metals which have no other markets. When they become reconciled to this fact, I am confident barter contractors and their commodity agents will turn their energies to developing new and expanded markets for agricultural commodities. The barter program will then serve the function it was designed to fill, namely, to increase total exports of farm products rather than substitute barter exports for cash exports.

I shall support this bill but it would be more constructive legislation if section 102 were stricken from the bill.

Mr. HARVEY. Mr. Speaker, the so-called Farm Surplus Disposal Act, or Public Law 480, has been one of the most effective pieces of legislation passed by the House Committee on Agriculture. It was first passed 4 years ago and so has been given ample trial to determine its effectiveness. Since its continuance was a section of the composite farm bill defeated some weeks ago, this particular title has been drawn from the bill and is before us for individual action.

This piece of legislatiton probably will receive very little, if any, criticism. If I wanted to be on the controversial side of this question, which I do not, I could point out to the Members of the House that the general acceptance of this policy does have some warnings for all of us.

We have been fortunate as a Nation to be able to produce not only enough food and fiber for our own needs, but to produce more than we need. For this reason we are in the position of being able to use our surplus to an advantage both domestically and abroad. It does carry a note of warning with it, however, for in my judgment we ought not to look upon a program of this kind as a permanent solution for the surplus problems of our Nation. The program was not originally conceived on that basis, but rather was planned as an emergency proposition until such time as we could bring production into line with demand.

During the 4 years this act has been on the books we have used it to dispose of many types of surplus commodities, the chief being cotton. The act has given us an opportunity—one of the finest we have had in recent years—to acquaint the public abroad with our products. Other nations have thus been encouraged to buy them, or trade for them and to use them. The reports that have come to us, as well as my personal observation, lead me to believe that if this bill were not renewed at all—and I am sure it will be—benefits would persist long after the act expired. Therefore, through the provisions of this bill, we are not only helping to dispose of what otherwise would be burdensome

and costly surpluses, but we are using these surpluses to build better trade relations and to enhance our entire export economy.

We have been criticized because we do not buy more of the products of the friendly nations of the world. They have said to us quite frequently—reminded us—that they cannot buy from us unless we buy from them. But it works both ways, and these people are now learning that in order that we may buy from them, they must buy from us. The most common complaint, of course, is that they do not have the money, the dollar exchange to buy from us to the extent they would prefer. Public Law 480 gives an advantage in this respect. It enables them to barter or trade commodities that they may have for our surplus commodities. We also are enabled under provisions of the act to buy or to take credit for the surplus commodities and then use them in the purchasing country itself for purposes for which we otherwise would have to use our own tax dollars. In my judgment this legislation has not only helped develop and build a better foreign trade policy, but it can and will if we follow it patiently and persistently, build for us a friendlier relationship with the other free countries of the world. It can honestly be said that we have been using our surplus commodities as a strong weapon for the defense of the Free World.

I would like to devote my comments at this time to one particular item. As I stated, we have used the provisions of this law to dispose of many surplus commodities, but we have not used it in most instances except where we were burdened with surpluses. I think as we progress, however, it should be looked upon as a device to help introduce to the other nations of the world, products that we have which while they may not be in surplus certainly are in a position where we could produce more of them and thereby relieve some of the present surplus problems by diverting the acres to this new use. In this I am referring particularly to our livestock products—our beef and pork.

These sound like very prosaic items and certainly, I know, some of you will wonder why we should attempt to introduce either beef or pork to other nations. It is an indisputable fact, however, that while commonly accepted as a definite part of our daily diet, meat is absent from that of much of the world's population.

I do not think that we can expect a program of this kind to immediately or even in the near future fulfill the protein needs of millions of undernourished people. I think most specialists in the field of human nutrition, however, would state that the problem is not entirely one of economics—that many of the peoples of the world because they have not produced these protein-rich foods on their own economy just have not been accustomed to eating them, and we would here have a wonderful opportunity to create among these peoples of the world where malnutrition is prevalent a knowledge of, and an encouragement to use, these products that are so advantageous to human health.

We in this country are moving inevitably into a period of surplus meat products—whether it will come in 1959, 1960, or 1961 is impossible to predict, but I must warn my colleagues that it is coming. So when this situation does arise I am suggesting that we ought to have the policy for trading of these products already in being in order that we might not only stabilize our own economy, but serve a very useful purpose with our surplus production. I know some people will immediately suggest that it would be impossible in many of the nations where these nutritious meat products should go, to handle them for they have no refrigeration. I would say in reply to that it is possible with modern curing methods to preserve most of our meat products in such a way that they will not have to be refrigerated in order to be shipped and distributed. True enough, the cured product may not be as desirable or as delicious as we think of the fresh product being, but we must remember that here again it is a question of introducing a product new to a people and it will become acceptable only very slowly and then in terms of consumption per family on a modest basis.

Again, I would humbly suggest to the Secretary of Agriculture and our State Department that every effort be made in the months ahead to prepare for the inevitable surplus of beef and pork by starting a policy of foreign trade under the provisions of Public Law 480 in the near future. I need not touch upon the fine benefits that have accrued from Public Law 480 so far as our domestic uses are concerned. As most of you know, the Secretary has authority under the law to donate surplus products to needy families and to public institutions for the benefit of the general public. This has enabled many of our people to be better fed with a better balanced diet than would otherwise have been possible. Particularly has it brought into the diet of our people, dairy products which are not only nutritious but also important in balancing the diet of all of us.

I commend Public Law 480 for your consideration and suggest that it be extended without delay.

Mr. HARRISON of Nebraska. Mr. Speaker, as one of the original authors of this legislation I have had a profound interest in its success. The underlying thought of this legislation as it was originally conceived was to create some new markets for our ever increasing surpluses. We of the United States were not the only people of the world that were producing surpluses of the so-called basic commodities. How to sell in competition with other friendly countries without creating a price war was our problem. We could ill afford to undersell our friendly countries in the world market for we were dependent on many of them for sales of many of our products other than the so-called basic commodities.

The lack of a stable exchange of money values between countries was a serious barrier for trade. The provision of Public Law 480 to accept the foreign currency of a country for a sale of farm products was the key to its success. Many countries have been willing to buy our products and have become firm customers since we were willing to accept their currencies.

It has not been the thought expressed in Public Law 480 to sell for soft currencies to replace those sales for dollars but to supplement those sales. I want to make it clear that our major emphasis in Public Law 480 is on sales for dollars, not for foreign currencies. Last year 60 percent of our exports of agriculture products was sold for dollars.

The current $4 billion authorization to make foreign currency sales under title I of Public Law 480 is virtually exhausted. January 1, the Department asked for extension and an authorization of $1.5 billion. The authorization was for all practical purposes exhausted at that time and it was thought that had the extension been granted we could have consummated agreements for an additional $200 million of sales up to this date. Signed agreements have committed over $3.8 billion and the small remaining balance is being used to meet emergency situations. I urge, therefore, that prompt consideration be given to the extension.

The agreements already signed provide for the shipment of 586 million bushels of wheat, 3.2 million bales of cotton, 26 million bags of rice, 1.9 billion pounds of vegetable oils, 146 million bushels of feedgrains, 192 million pounds of tobacco, 150 million pounds of meat, 220 million pounds of lard, 212 million pounds of dairy products, 186 million pounds of fruit and vegetables, as well as other commodities.

In 1955–56, the first full year of operation of title I, foreign-currency shipments totaled $440 million at export market value. During 1956–57, title I shipments amounted to $900 million.

Agreements signed to date will result in foreign-currency payments of about $2.7 billion. About 55 percent of the total will be used for economic-development purposes in importing countries, 10 percent will be used to support the defense forces of our allies and the remaining 35 percent is planned for meeting United States expenses overseas and expanding certain United States programs. Currency uses will be discussed in more detail later in this statement.

When the Public Law 480 act was passed, the Commodity Credit Corporation's investment in agricultural commodities was valued at $6 billion. This investment continued to rise in the next 2 years and totaled $8.2 billion on June 30, 1956. As disposal programs, including CCC exports for dollars at world prices, began to have full effect, this rise in investment was arrested and a downward trend was started. CCC's investment in agricultural commodities on June 30, 1957, was $7.3 billion. It is estimated that CCC's investment in commodities as of June 30, 1958, will be reduced to about $6.8 billion. These reductions, resulting mainly from disposals of wheat and cotton, would have been greater except for the extremely large harvest of feed grains last year. It seems likely that United States agricultural production will continue at a high level

and CCC will continue to take over production in excess of domestic use and commercial export outlets. Emphasis has been given to export sales for dollars and these sales have reached extremely high levels in the last 2 years. But, under any foreseeable circumstances, dollar sales will not be sufficient to move the surplus which may accumulate in CCC hands.

We have run into periods when title I programing has come to a standstill; for example, the development of new agreements virtually ceased in January 1957 when our authorization was almost exhausted. The availability of funds during the following months would have avoided a backlog of program requests from interested countries. This backlog resulted in the necessity to scale down, delay, or exclude country programs, and in erratic shipment performance. Shipments were running about 800,000 tons a month last spring; these dropped off to less than 400,000 tons and increased to about 600,000 tons in January as shipments were being made against fiscal year 1958 country programs.

The increase in title I shipments from year to year has been one of the major factors leading to the rise in our total agricultural exports. In 1954–55 our agricultural exports had a market value of $3.1 billion. Title I shipments were small that year accounting for 3 percent of the total. In 1955–56 our agricultural exports rose to $3.5 billion. Title I accounted for 12 percent of the total. In 1956–57, the year ending last June 30, agricultural exports rose to an alltime high of $4.7 billion. Title I shipments made up almost 20 percent of the total, or about $900 million.

The rise in total exports was the principal reason that the direction of surplus accumulations was reversed last year. During 1956–57, CCC investment in price-support commodities declined almost $1 billion with the principal reductions being in wheat, cotton, and rice, commodities for which there were heavy movements under the title I program. I would like to mention some of the individual commodity performances.

Wheat: Wheat has been one of our greatest surplus problems. Stocks in Government hands increased in each of the 5 years prior to last year; last year, however, wheat exports reached the record high of 550 million bushels. In other words, last year we exported almost as much wheat as we consume domestically in an entire year. About 200 million bushels of this total moved against sales for foreign currencies under the title I program. The record shipment resulted in a reduction of about 125 million bushels in the carryover of wheat. It is expected that exports this year will be about 400 million bushels; in order to achieve this total more than 40 percent is being moved under title I.

Soybean oil and cottonseed oil: Exports of soybean oil and cottonseed oil have established new record levels during the past 3 years and will continue high this season. In each of the 3 years the major reason for the increase was shipments made under the title I foreign-currency program. Last year, for example, we exported nearly 1.4 billion pounds of these oils. Almost 50 percent of the total moved under the title I program. The title I program has been helpful in keeping soybeans out of price support trouble. Despite a record harvest this year, the impact on the market has been relatively mild. Although the carryover of soybeans by CCC is expected to be larger than last year, the carryover will be only a small percentage of the crop.

Cotton: The major reason that our cotton exports expanded so markedly in 1956–57 was the stability and confidence given to world markets by the CCC export program. Exports last year reached 7.6 million bales, the highest total in a quarter of a century; nearly 20 percent moved under the title I program. The expanded exports have made possible a reduction in CCC cotton stocks for the first time in 6 years. Instead of adding to the existing surplus carryover, stocks this past season were reduced by more than 3 million bales. Additional reductions will be made this year with total cotton exports expected to remain relatively high at about 5.7 million bales. About 15 percent will be moved under title I.

Rice: A substantial reduction in surplus stocks of rice resulted from a record export year in 1956–57 which totaled about 26 million bags, of which 18 million bags moved under foreign currency sales. The title I shipments went to India, Korea, Pakistan, and Indonesia where increases in consumption would be obtained without affecting world markets. These movements have disposed of surpluses which had accumulated since the 1953 crop and have greatly improved domestic marketing conditions.

Foreign currencies received in payment for commodities are deposited to the account of the United States overseas and are used for purposes authorized in section 104 of Public Law 480 and specified in the sales agreement. Several departments and agencies have responsibility for administering the expenditure of these currencies. For example, the Department of Agriculture is concerned with the use of currencies for agricultural market development purposes; the International Cooperation Administration for currencies loaned back to importing countries for economic development purposes; and the Export-Import Bank of Washington for currencies loaned to private business firms.

About $45 million in currencies has been tentatively earmarked for agricultural market development under existing agreements. To date, approximately $10 million of this is being obligated for approved projects together with contributions by private trade organizations cooperating in these projects of over $3 million. Results of these promotion efforts are already evident. Cotton promotion projects undertaken in 21 countries have been a factor in the free movement of cotton overseas and should continue to encourage exports for some time to come. The title I poultry sale to the Republic of Germany plus a promotion project resulted in dollar purchases by that country of more than 4 million pounds of poultry in 1957. Thus far in 1958, West Germany has allocated dollars for an additional 3 million pounds of poultry. Particularly good results have been obtained in Japan in maintaining United State wheat and tallow exports, and increasing the use of United States leaf tobacco. Commercial supermarkets have been opened up in Italy and other countries following a supermarket exhibit held in Rome in June 1956. We believe that as more projects are undertaken and more products exhibited at trade fairs our export markets for many commodities will widen considerably.

About half the foreign currencies expected to accrue under existing agreements will be loaned back to importing countries for use in economic-development projects agreed upon with the International Cooperation Administration. Considerable emphasis is placed upon coordinating plans for the use of these funds with the overall development programs of these countries. In approving loan projects for agricultural purposes care is exercised to avoid encouragement of production, which would result in reduced outlets for United States agricultural commodities.

The extension of Public Law 480 granted in August 1957 provided for relending of foreign currencies, largely to United States firms and their affiliates, to assist in the development and expansion of private business in foreign countries. The equivalent of about $65 million will be reserved for these purposes in agreements negotiated this fiscal year with Colombia, Finland, Formosa, France, Greece, Israel, Italy, Korea, Mexico, Pakistan, Peru, and Turkey. These funds will be made available to private business firms through the Export-Import Bank of Washington when commodities under these agreements are shipped and paid for and proceeds assigned to the Bank.

Currencies are also being used for the payment of United States expenses abroad; for the procurement of military services and equipment for military assistance; for education exchange programs; for assistance to American-sponsored schools, libraries, and community centers; for the translation, publication, and distribution of books and periodicals; and for the purchase of goods for other friendly countries.

I am greatly concerned about the proposal to change the barter provisions of Public Law 480. As presently conducted, this program to exchange our agricultural surpluses for commodities owned by the Commodity Credit Corporation is helping the American farmer. This is true, even though exports by barter have been reduced over previous years. The Secretary of Agriculture now has the authority to decide whether or not proposed barter transactions protect the funds and assets of the Commodity Credit Corporation. This discretion on his part means that all programs authorized under Public Law 480 are handled in the same manner. For example, foreign currency sales under title I are sales in addition to the usual marketings of the United States. Therefore, they result in increased exports

and expanded outlets for United States products. I believe it would be a serious mistake to give preference to the barter program by removing its discretionary aspects and setting it out for special treatment.

The proposed amendment of section 303 of Public Law 480 goes further than to delete the discretionary power of the Secretary of Agriculture. It directs the Secretary to the maximum extent practicable to barter for strategic or other materials of which the United States does not domestically produce its requirements and which entail less risk of loss in deterioration or substantially less storage charges. It also directs him to conclude these barter transactions with a ceiling of $500 million annually. It provides that he shall place no restriction on barter transactions in the countries of the Free World except where he makes specific finding that the transaction will replace a cash sale for dollars.

Let us examine the effect of these provisions. It is true that the amendment is in accordance with the present policy of the Department of Agriculture to approve barter transactions only when they do not replace dollar sales. However, it unwisely places the burden upon the Secretary to make a specific finding for each transaction that it will replace a cash sale. Barter deals are approved now only where there is proof by the contractor that the transaction will result in the exportation of additional quantities of the commodities involved. I cannot see how the Department would be able to make a finding that a particular barter transaction will replace a particular cash sale.

Under the barter program there is a contract between a private United States firm and the Commodity Credit Corporation in which the firm agrees to export agricultural commodities as payment for materials to be supplied to the Government. The burden of proof as to the additional trade aspects of the barter rests with the private trade where it should be. After all, these transactions are carried on through regular commercial trade channels. A barter, even under present regulations, is considered a profitable and attractive transaction. It appears to me, therefore, that the people who stand to gain, that is, private traders, should prove the additionality that will result in profits to him.

It is obvious that the proposal places the Secretary and the Department of Agriculture in a completely untenable position. As I said, it would be extremely difficult, if not impossible, to make a finding that a proposed transaction would replace a cash sale for dollars. Agricultural commodities move in international trade in a manner that precludes anyone having full information of all transactions that might be made for dollars. I can only conclude, therefore, that the proposal appears to give protection to regular United States dollar sales. As a practical matter, however, no such protection is afforded by the amendment.

Very briefly, therefore, the barter amendment would take away the Secretary's discretionary authority in running the program, yet urge him to barter up to $500 million annually. It would impose a very large administrative burden on the Department of Agriculture and shift the responsibility for proving the additionality from the private trader, where it belongs, to the Department.

The amendment also directs the Secretary to barter for materials of which the United States does not domestically produce its requirements. This language is mandatory. If enacted it would mean that the United States would have to take materials offered to it and put them into supplemental stockpiles even though they may not be suitable for any Government program. Among such items of questionable suitability might be precious stones, pepper, kapok, fuller's earth, iron ore, rhodium, zirconium, and so forth. Also, we may have large stocks of these materials already accumulated. This part of the amendment is also ill-advised.

Another barter provision in these proposals that is odious is one that no material shall be excluded by reason of the fact that it has been domestically processed. There have been barter transactions proposed under which 80 percent of the cost represents domestic processing. What kind of barter program is this when we exchange agricultural commodities with domestic industries for resale abroad for dollars. This sets up a horrible fiction.

I believe the whole concept of the proposed amendment is contrary to the interests of the United States and the American farmer. The barter program is sufficiently attractive now. Barter companies are offering as much as a 10 percent discount on the agricultural commodities obtained under the program. The Department of Agriculture is attempting now to conclude barter transactions which will result in additional trade, protect normal exports, and generally be of profit to American producers.

In addition, it should be noted that a mandatory barter program of this size will result in lower—note I said lower—prices to wheat, cotton, and feed grain producers. At present, the subsidy in kind program takes the commodities to be exported out of the free market and gives a price lift to the market. Under this mandatory barter program, the commodities will come out of CCC stocks with a resultant weakening of the free market. If that is the design—that is, to lower market prices—retain this provision. If not, eliminate it in the interests of farmers and good government.

I believe enactment of the amendment would be a serious mistake. It should be defeated.

It is most important that Public Law 480 be extended at this session of Congress.

SECRETARY BENSON ANNOUNCES LARGE BACKLOG OF REQUESTS FOR PUBLIC LAW 480 PROGRAMS

Secretary of Agriculture Ezra Taft Benson today announced that the Department is holding a large backlog of requests from friendly countries to purchase surplus agricultural commodities for foreign currencies under title I, Public Law 480.

The requests at this time total over $600 million at cost to the Commodity Credit Corporation, and include substantial quantities of wheat, feed grains, cotton, soybean oil, tobacco, rice, and dairy products.

The Secretary pointed out that the development of programs in response to these requests cannot be started because the authority to conclude title I agreements expired June 30, 1958. On July 2 USDA announced that the balance of $30 million remaining under title I was being held for contingency use in connection with agreements already negotiated.

"On January 16, 1958, the Department requested the Congress for an additional authorization of $1.5 billion under title I and, as yet, this authority has not been received," the Secretary said. "It is important," the Secretary added, "that we negotiate large programs now in order to maintain agricultural export shipments at high levels."

He said that greater help could be given to farmers if purchasers are in the market when crops are being harvested and this timing of sales would result in more orderly programing of commodities and more efficient use of shipping facilities.

The Secretary stated that the need to export farm surpluses has become more urgent in view of the forecast of large agricultural production this season, particularly with respect to wheat, corn, and soybean oil. He said negotiation of agreements under title I takes time, and the longer we are without authority, the more serious our surplus situation becomes.

"Last year, when Public Law 480 was not extended until the middle of August, it took several months before substantial agreements were concluded," the Secretary said. "This delay caused a sharp reduction in agricultural exports for the last half of calendar year 1957.

"While we will be able to export some commodities during this summer from agreements concluded earlier this year, we should be negotiating new agreements now to prevent a slump in shipments this fall."

The Secretary emphasized that action should be taken on some program requests now. The expiration of Public Law 480 will not only result in the loss of exports but loss of opportunities to promote good will in friendly countries.

"During the past 4 years," he said, "we have programed $4 billion worth of surpluses to friendly countries under title I. Besides contributing to the reduction of surplus stocks, the program has proved valuable through the use of the foreign currencies abroad to promote agricultural market development, pay United States expenses, make loans to foreign governments, and to private United States and foreign business firms for economic development projects, and expand other United States programs."

The Secretary also said, "immediately after the August Cotton Crop Report is released the Department of Agriculture will have to make a final decision with respect to the support level of cotton for this marketing year, 1958. If Public Law 480 is not on the books by then, necessarily the Department of Agriculture will have to assume that the exports during the 1958–59 marketing year will be reduced below the level which would otherwise prevail. In other words, USDA would have to reduce the estimates of exports by the estimated amount of exports resulting from new Public Law 480 commitments.

"This failure will have the immediate effect of resulting in a lower cotton support price for the 1958 crop than would prevail if Public Law 480 were in operation. This will mean substantially less income to every cotton farmer.

"Expiration of legislation for Public Law 480 may mean that the 1959 acreage allotments for cotton, rice, corn, and tobacco will be substantially less than would otherwise be in effect. This is due to the fact that the Department of Agriculture will not be able to include additional Public Law 480 exports

in the export estimates and the carryover will be affected. This will reduce the normal supply levels and will cause severe acreage allotment cuts to farmers."

Mr. AVERY. Mr. Speaker, the Agricultural Trade Development and Assistance Act of 1954, which now has become generally described as Public Law 480 was originally passed by the 83d Congress as an additional outlet for surplus agricultural commodities. At the time the law was passed the Commodity Credit Corporation held commodities in the approximate amount of $6 billion. Since the economic effect of the end of the Korean war was felt by farmers in 1954 the accumulation of surplus commodities by the Commodity Credit Corporation rose sharply, as was expected, to $8.2 billion by 1956. These factors made the authorization of this program highly desirable by making it possible to place our surplus commodities in markets where they would not otherwise have been available. This public law has continued to be a source of disposal of our agricultural commodities, but in recent years it has also become an important part of our foreign relations. This authorization permits the Secretary of Agriculture to make available to certain nations our surplus agricultural commodities, and to take in payment the native currency in lieu of dollar credits that are necessary in the commercial export trade.

We do have the problem of reconciling this program with free western nations that also have these same commodities for sale but are not able to accept native currency in lieu of the conventionel rate of exchange between the affected countries. For example, our best friend the Dominion of Canada feels that we have preempted or at least encroached upon some of her export wheat markets under this program. Although the welfare of American agriculture must remain in top priority, we cannot turn our backs on the economy of neighboring free western nations in the operation of this program.

The principal agricultural commodities exported under this program affecting Kansas are wheat, feed grains, fats and oils, and dairy products. In addition to these products are rice, tobacco, and cotton. Wheat, of course, has been exported in greater dollar volume than any other commodity. Since the inception of the program in 1954 and up until May 31, 1958, nearly $1 billion worth of wheat has been disposed of. This represents 587 million bushels, or about one-half of a normal year's production of wheat. India, Brazil, and Yugoslavia have been the principal recipients of this cereal grain. The next largest category of surplus commodities under the program is fats and oils. This category includes beef tallow and pork lard, two commodities that are difficult to place in the domestic American market; $365½ million worth of these products have been disposed of through the program, the bulk of which has been sold to Spain and Italy. Dairy products account for $43,800,000 worth of commodities, of which the largest amount has been sold to Israel. Feed grains represent a smaller amount, $174,700,000, flowing primarily to Korea and Mexico.

These are just a few illustrations of the great impact of this program on our agricultural economy. The previous authorization under this program was $4 billion, that could be sold under title I of the bill, or in other words exchanged for foreign currency. This bill provides that that amount be increased by $1½ billion, and that increase is needed.

There are two reasons why the extension of Public Law 480, which has now expired, be immediately enacted. The food stores of America represent a great bargaining power in our continuing effort for world peace. The countries largely participating in this program are the countries that are not able to buy similar commodities in world trade. Some of them are underdeveloped countries and are making a tremendous effort to develop their meager natural resources, and also to raise the standard of living of their people.

From a Kansan's viewpoint there is probably an even more significant reason. It is estimated that the 1958 wheat crop may exceed 1¼ billion bushels. This will be one of the largest wheat crops on record, and we are going to need every possible outlet to dispose, not only of the currently harvested 1958 crop, but also a sizable accumulated carryover from the last few years. This program is expensive to the extent of the authorization in the bill, now $5½ billion for the 5-year period. The foreign currency received from the sale of these commodities offsets to a considerable degree the costs of the program, inasmuch as a part of these funds are used for certain continuing military expenses assessed to the United States in certain participating countries.

Mr. Speaker, I urge the immediate passage of this meritorious legislation.

Mr. ALGER. Mr. Speaker, I must register my protest over this consideration of the extension of the Agricultural Trade Development and Assistance Act, Public Law 480. Under suspension of the rules the allowance of a total of 40 minutes' debate is not enough. The bill cannot properly be studied, questioned, and corrected. In fact, I am among those not granted time to speak. This $1½ billion distribution of food at home and abroad is important enough to deserve deliberate, not hurried, attention. First, there are no bills or committee reports available. Under the foreign disposal of food, we have not correlated this program with our foreign-aid program, and, of course, it is foreign aid. There is no policy to guide this hodge-podge giveaway. Sure, we get foreign currency, but it must be spent in the recipient country. So we continue to manipulate or mastermind other nations or attempt to do so. And without an overall policy. It is not enough to just get rid of our surpluses. It is a question of the best way to do so. Faulty programs should not be continued. By what right do we engage in Federal expenditures and programs overseas in which, constitutionally, we cannot engage within our own country, as for example the aid to education we extend under this bill. No doubt the teaching of ideologies completely foreign to our American ideals will be subsidized. Our improper handling of foreign currency within the respective foreign nations can gain us enemies, not win friends.

Here in the United States we do not believe in socialism, the Government's feeding, clothing, or housing us. Yet, in this bill last year the Federal Government gave away 621 million pounds of food. I am confident, further, that others than the needy got this food. Besides, we have local and State means to provide for our needy. The heavy income taxes from all States, if part were kept at home, could provide the necessary funds. What we are doing, and it is readily recognizable, is providing a permanent, not temporary, program for surplus disposal. We are assuring the continuance of agricultural surpluses, with the resultant heavy drain on the taxpayers, who must support high farm prices, and pay higher prices in the stores as food consumers. It is not just incipient socialism, it is self-perpetuating socialism, and we in Congress are forced into silence and acceptance by this hurried consideration, when some of us feel this program is wrong.

If this is meritorious legislation it should be presented properly for our careful floor consideration, not ramrodded through in 40 minutes. Some say the administration of the law is bad. I say what else can you expect from such all-comprehensive, socialistic, foreign-benevolent legislative wording? At a time of deficit financing, at a time of world crisis, it is a blot on the record of this Congress to consider such controversial legislation so hastily. The leadership should bring this bill before us under a rule permitting debate and amendment.

Finally, how proud can we be of helping atheistic Yugoslavia, our dedicated enemy. Yugoslavia has received $432 million of our food under this program. What do we do with the local currency paid for our products? We arm them with our best military weapons. We arm our enemy—according to the charts on page 50 of the report.

It is time we had a policy study of Public Law 480. How does it relate to the foreign aid program? Should United States objectives in this bill be reevaluated as to their affects on friends and foes? We should do this before continuing the program.

Mr. DIXON. Mr. Speaker, the extension of Public Law 480 is legislation that is long overdue, and I hope that nothing will arise to delay action any longer. The delay occasioned by the maneuver to tie it into unrelated and unsound legislation has cost the farmer dearly, as I have pointed out repeatedly.

Some estimates of the loss can be gained from the July 17 release of the United States Department of Agriculture which says:

Secretary of Agriculture Ezra Taft Benson today announced that the Department is holding a large backlog of requests from friendly countries to purchase surplus agricultural commodities for foreign currencies under title I, Public Law 480.

The requests at this time total over $600 million at cost to the Commodity Credit Corporation and include substantial quantities of wheat, feed grains, cotton, soybean oil, tobacco, rice, and dairy products.

The Secretary pointed out that the development of programs is response to these requests cannot be started because the authority to conclude title I agreements expired June 30, 1958. * * *

While we will be able to export some commodities during this summer from agreements concluded earlier this year, we should be negotiating new agreements now to prevent a slump in shipments this fall.

In spite of the statements by the chairman and committee members that the barter section of the bill is not mandatory on the Secretary, I still think that the measure would be better without this barter section and I hope that it will be removed in conference. The section commences as follows:

The Secretary is directed to the maximum extent practicable within the limit permitted by this section to barter or exchange agricultural commodities—

With the delicate relations already existing between the United States and some of our friendly neighbors over barter, it is unwise to further disturb them by such unnecessary gestures as this barter section. It is my understanding, as discussed in committee, that the Secretary in spite of this section has the authority to decide to what extent barter is practicable, feasible, and advisable, and to restrict contracts of barter which, in his opinion, replace or negatively affect cash sales.

And again I certainly do not want any meaning read into this measure which would require the Secretary to be a party to any objectionable sale and hocking around of certificates of eligibility and bartering once or twice removed from a direct transaction between the CCC and the foreign country. Neither do I want to see him forced to barter when the amount of agricultural commodities involved is seriously reduced through the loading of processing and packaging costs.

The people-to-people contact provided in the bill through the use of idle foreign currencies to finance the exchange of experts in the fields of government, agriculture, health, and other important careers, through the exchange of farm and business groups, through the assistance to the Library of Congress, through establishing chairs in friendly countries for American professors will go a long way toward friendlier relations and establishing peace.

The Appropriations Committee of House should have supervision over the expenditures of foreign currencies. It is my hope, however, that if this function interferes with the financing of the international education exchange activities for the immediate future that the effective date be postponed or some other arrangement made in order not to disrupt the ordinary operation of the educational-exchange program.

Mr. NEAL. Mr. Speaker, I desire to associate myself with the gentleman from Minnesota [Mr. JUDD] in objecting to additional authority for the Secretary of Agriculture in the conduct of his barter program.

Public Law 480, designed for the purpose of unloading some of our agricultural commodities in surplus and stored at great expense has served us and many underdeveloped countries well. It has enabled our Government to trade for much needed strategic materials. It has done much to relieve food shortages in many parts of the world. Even though our Government has had to accept foreign currencies instead of strategic materials in return for our surplus foods this program has enabled us to demonstrate a humane interest in the peoples of poor nations.

But this bill goes too far in that it would authorize our Government to engage in activities in foreign lands that we are not yet ready to provide for our own citizens. What right have we to extend educational privileges to people abroad that we persist in denying to our own people especially when to implement this program would entail additional expense to our taxpayers by adding to our Government payrolls the cost of personnel to implement the program?

Then again, Mr. Speaker, the Secretary has not always administered this barter program to the advantage of our own economy. On May 8, 1957, he issued a directive prohibiting delivery under barter controls of materials processed or produced in the United States. This directive said no materials processed or produced domestically would be considered for barter.

Under this directive only processing industries located in foreign countries are now permitted to participate in such processing.

Now, Mr. Speaker, when we barter our commodities for rare metals, we do not, ourselves, produce, we really get value received, but when we trade our products for local countries' money we may as well make outright gifts.

One of industry's greatest needs is ores for the processing of ferroalloys. Without them the steel industry cannot operate. Surpluses bartered for these ores is good business. The United States is abundantly supplied with plants capable of processing these ores. Even though these plants are manned and equipped to take care of all the strategic ores we could import through barter, they are not permitted to process ores secured through the barter program.

The barter program, like many phases of our foreign trade policies, needs to be reviewed and revised with the objective of preserving home industry.

Mr. JUDD. Mr. Speaker, the American Farm Bureau Federation was the original sponsor of the proposal to sell our surplus agricultural commodities abroad for foreign currencies, the program that became Public Law 480.

On the whole, the program has worked well. But this year the Committee on Agriculture, instead of bringing out a bill to extend a good program for another year, presented us yesterday with a bill that makes far-reaching changes in the program, including mandatory barter and broad new purposes for which the foreign currencies acquired may be used. These changes are so undesirable that the American Farm Bureau Federation has had to come out publicly in opposition to the mutilations of its own brainchild.

The Farm Bureau, like all the rest of us, wants a continuation of Public Law 480, substantially as is. Why tinker with it? Especially when the changes are opposed by those who have been closest to it from the beginning and by those who will have to administer it?

Tomorrow, the vote will come on this bill. Why not vote it down—and have the committee bring back here within 48 hours, as it easily can, a simple bill to extend Public Law 480 so that we can go ahead with what is fundamentally sound in the program and not get it all mixed up with new proposals whose ultimate results no one can foresee, but which at the very least will be confusion and uncertainty, and at the worst, bad both for the program itself and for our relations with other countries. No harm will be done by voting this bill down, and a lot of trouble avoided.

Mr. Speaker, under unanimous consent, I include with my remarks a letter received today from the American Farm Bureau Federation opposing the new barter provisions and the authorizations for entirely new and, in some instances, unwise uses of the foreign currencies such as putting the United States Government into practically unlimited operation of all types of educational institutions in foreign countries:

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., July 22, 1958.

Hon. WALTER JUDD,
House of Representatives,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN JUDD: Public Law 480, the Agricultural Trade Development Act, was passed by Congress and signed by the President in July 1954. It was designed as a 3-year program and $700 million was authorized for sales for foreign currency.

The three main objectives of the Public Law 480 program were: (1) to reduce surpluses by making possible sales of farm products in addition to the normal dollar sales; (2) to establish private trade channels for sales of farm products which could be continued with dollar sales after the termination of the program; and (3) to use part of the currency received from such sales to develop new markets or expand old markets for farm products. In our opinion these objectives are still sound.

In 1955 and 1956, authorization was increased from $700 million for foreign currency sales to $3 billion. In 1957, Congress extended the act for 1 year and authorized $1 billion for fiscal year 1958.

Public Law 480 has been successful in moving substantial quantities of agriculture products into export markets. However, when Public Law 480 was passed on July 10, 1954, CCC had title or held loans on $6 billion worth of agriculture surpluses. Today our surpluses amount to approximately $7.3 billion. We have not been successful in making substantial reductions in the amount of our surpluses, but we have been able to halt the rapid accumulation which would have taken place had it not been for this effective export program. These facts, together with the prospects of large production this year—especially of wheat—make it necessary to again extend this program. It is unfortunate that we have delayed the extension in the manner that we have. The Senate passed a bill extending the act last March. It is now July and the program expired on June 30. This delay has caused

a serious breakdown in negotiations of title I, foreign currency sales. As of March 30, 1958, approximately $840 million of the $1 billion Public Law 480 authorization was obligated. Since March 30 the program has been operating on a small reserve. This has made it impossible to begin negotiations on a number of large programs. It is important that negotiations be concluded on these large programs in time to allow orderly shipping. These exports should be scheduled over the entire year, rather than attempting to move them in a 3- to 4-month period.

If the fiscal year 1959 authorization had been known by the Department of Agriculture it would have been possible to have concluded the agreement early in the year and perhaps we could have prevented heavy accumulations of surpluses in the fall. It should be borne in mind that extension of Public Law 480 also was delayed last year for over 4 months. Very few important agreements were signed between June and October of 1957 due partially to the delay in enacting such an extension.

The sharp decline in foreign exports during this period had a drastic effect upon American shipping and was very disruptive to the normal commercial trading facilities. As long as this program operates, it is essential that it operate with proper continuity and careful programming, rather than extreme peaks of activity for a short period and then a virtual cessation of operation. Valuable time has already been lost due to the delay in enacting an extension bill. If we are to have proper administration of this program, it is important that we take prompt action.

We do not mean to indicate that we should change the nature of the Public Law 480 program. It is a temporary program. Throughout its legislative history it has been emphasized that these sales for foreign currency are an emergency measure and not a permanent part of our agriculture exports. For example, the report from the Committee on Agriculture of the House of Representatives (Rept. No. 432, dated May 9, 1957) stated, "This committee would remind those in charge of administering this law that it is not intended as a permanent part of either our agricultural or our foreign-trade program. It is an emergency law designed for the sole purpose of making the best of a bad situation by providing for the disposal of agricultural surpluses in a manner which will return some benefit—if possible, a permanent benefit—to the United States."

A program of sales for foreign currency can benefit American agriculture only a limited length of time before markets start orienting to this way of doing business. The trade becomes acclimated, as it were, to such sales. In short, customer nations start to consider unconsciously or consciously, the Public Law 480 operations as a normal part of commercial trade. There are indications that just this already has happened in some instances. We view with serious concern evidence that some countries are adjusting their dollar exchange so that very little of it is used for the purchase of American farm products. They are taking for granted that they will be able to purchase a substantial portion of their food and fiber needs from the United States with local currency. This places United States farm products in a very vulnerable position and jeopardizes future dollar markets.

S. 3420 has been amended by substituting the language of H. R. 12954. Section 101 of H. R. 12954 extends authorization for foreign currency sales for 1 year and provides a $1.5 billion authorization. This is an improvement over the Senate bill which provided an open-ended authorization. This type of authorization for Public Law 480 would tend to destroy the temporary nature of the program.

Sections 103, 104, 105, 106, 107, and 108 of H. R. 12954 expands authorized uses for foreign currency generated under Public Law 480. This multiplicity of possible uses could greatly complicate the proper administration of the program. We must not forget that Public Law 480 is a trade development act and foreign currency should be used efficiently and effectively to accomplish this primary purpose.

We are opposed to section 102 of H. R. 12954 and feel that this section should be deleted. It represents an effort to tie the Secretary of Agriculture's hands in administering the barter program. We are for a barter program vigorously implemented; however, it must be conducted with proper safeguards. Section 102 of this bill amends section 303 of Public Law 480 and directs the Secretary of Agriculture to barter farm products for strategic and other materials up to $500 million annually. This section forbids the Secretary to restrict countries into which surplus-agriculture commodities may be sold under the program, except when the Secretary makes a specific finding as to a particular transaction, that such transaction will replace a cash sale for dollars. This places a burden of proof responsibility on the Secretary which, in our opinion, would make proper administration of the program impossible. Such a provision could cause an unrealistic barter program which could tend to displace substantial amounts of dollar sales. This would have the effect of channeling an even greater proportion of our agricultural exports into government programs.

We must recognize the danger signs. Over 40 percent of our agricultural exports moved under Government programs in fiscal year 1957. Farmers' position in normal commercial trade must not be jeopardized. We must work toward expanded sales for dollars through private commercial channels. A barter program which merely displaces sales for dollars achieves no benefits for American farmers. It does not expand exports; it simply diverts them from private trade to government programs.

However, a properly administered, properly implemented barter program can expand agricultural exports. The Secretary has this authority. We are assured that he will use it.

Section 303 adds no new authority, but merely makes proper administration more difficult, if not impossible. Section 102 of H. R. 12954 should be deleted in the long-run interest of the American farmers.

Respectfully,

GEORGE J. DIETZ.

Mr. BREEDING. Mr. Speaker, as Representative of the Fifth District, Kansas, one of the largest wheat-producing districts in the United States, I am very concerned with the surpluses in our Nation today. Therefore, I would like to take this opportunity to make known my full support of Public Law 480 for the following reasons:

This law has helped to reduce the surplus of farm products in our country for both public and private interests. Storage space is at a premium in my area. We must dispose of a great portion of our present surplus to make room for this year's crops. This is the first good crop that my District has had in 6 years. Under Public Law 430 we are exchanging wheat and other surplus farm products to friendly countries. We are taking foreign currency and using it to improve the living standards of these countries and also to bear the expense of maintaining our own Government officials and military in those countries.

I feel that if this program can be maintained, it will not only tend to make better understanding of countries throughout the world but will pave the way for peace and good will throughout the world.

Mr. Speaker, under this law the United States has exported nearly $4 billion in farm products since its enactment in 1954. This amount is nearly one-fourth of all our farm exports during that time.

Donations of these surplus products of ours has been a life source in countries who have been hit by famine, drought, and other disasters; thereby creating good will in many depressed areas of the world.

By putting a great portion of our surpluses into this program we have been able to moderately reduce our surplus at home and to save millions of dollars in storage and loss.

Also, under the barter system, which is a part of this law, we have been able to trade for many strategic materials necessary for our security and welfare. Nearly $900 million of the total amount of this program has gone into this barter transaction.

Also, for the needy people here in our own country, over 3 million Americans received commodities under this program last year.

Our school lunch program is also included in Public Law 480 and has received many supplies.

Mr. Speaker, an amazing thing to me and one that all our farmers are proud of is the fact that we farmers of America, with modern methods, producing from 280 million acres of tillable land with approximately 6 million farmers, can produce more than 170 million American people can consume and dispose of. Yet Russia with nearly 430 million productive acres and over 50 million farmers can hardly feed herself. It proves to me that our ability to produce agriculturally is perhaps our greatest asset for the security of the Free World.

In short, it may be said that Public Law 480 has made it possible to utilize surplus farm products to pay a part of the cost of diplomatic and military missions in friendly countries; to pay a part of the cost of military and economic aid; to acquire additional strategic materials through a barter system to create economic development loan funds in friendly countries through sales for foreign currencies; to utilize American food surpluses for famine relief; and donations of food to religious and other charitable relief agencies.

As a result of exports under Public Law 480, we have exported 664 million bushels of wheat since its enactment; this is two-thirds of a normal year's crop in our country. A moderate reduction in our surpluses has been achieved.

In conclusion, Mr. Speaker, I would like to say again that I concur heartily with the provisions of Public Law 480 and recommend its passage.

Mr. DAWSON of Utah. Mr. Speaker, again today as has been the case with farm legislation since 1955 we are confronted with legislation that—in my opinion—is almost a 50–50 mixture of good and bad.

This bill today incorporates an extension of our very successful foreign disposal program under Public Law 480 as it was inaugurated in 1954 and as it has been so successfully administered by Secretary of Agriculture Ezra Taft Benson. Under this program we have been able to reduce the national wheat surplus by over 100 million bushels. This program has served to build up our foreign markets without affecting the domestic price of our own farm produce.

A simple extension of this act is all that is required.

Yet—what are we presented with today? Much more than a simple extension. Under the provisions ordering the Secretary to barter away up to $500 million of our farm surpluses, we grant him an extension of power that would permit this country to do for schools in foreign nations what we have not allowed for our own schools. As I read this bill, the Secretary under this program is authorized to expend foreign currencies paid for our produce for the construction and support of private, nonprofit schools abroad sponsored by or founded by American citizens. How can we justify this program? How can we go back to our people and say that we feel our own public schools should be supported locally by local taxes and at the same time admit that we voted for a program that would give their taxes to schools in foreign countries for the education of foreign nationals?

I say we cannot. The section that embarks the Secretary of Agriculture on the foreign school financing spree should be eliminated.

The Secretary of Agriculture already has limited power to barter for disposal of farm surpluses. He opposes the expansion of authority this bill gives him. We are forcing upon him a program he does not want. And, I repeat, this Federal aid for foreign schools will be mighty hard to defend in the little red schoolhouses back home.

Mr. JUDD. Mr. Speaker, I yield the balance of the time on this side to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Speaker, this is not a question of the extension of Public Law 480. If it were a straight extension I do not think there would be any opposition. This is an extension with some rather far reaching amendments. These amendments are not before the House for consideration because the bill in which they are printed was not available, nor was the report. Furthermore, even if it was the bill which contained them, H. R. 12954, you would find there have been some very basic amendments made by the committee, the language of which is not before the House.

This is a complaint involving procedure. If this is voted down we can do 1 of 2 things: First, extend Public Law 480 as is, and I do not think there will be any trouble about that; or, second, bring this out under a rule so we can properly consider these amendments and see what their effect may be.

The gentleman from Minnesota is a friend of Public Law 480. He has pointed out that these amendments are very far reaching.

Mr. Speaker, I am concerned about another aspect and that is to be sure that our Appropriation Committee has control over these funds. That committee has not had control in the past. The committee says they have amended H. R. 12954 so that it has that language in it, but the language is not here for us to consider. So it is impossible under this procedure, suspension of the rules, to adequately consider what we would be doing by passing this bill at the present time.

This is not an extension of Public Law 480. It is an extension of Public Law 480 with some very basic and far reaching amendments, which amendments this House should deeply consider.

Mr. SIMPSON of Illinois. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from Illinois.

Mr. SIMPSON of Illinois. I may say to the gentleman that what the House is being asked to do here today is to pass a section of an agricultural omnibus bill that was defeated 2 weeks ago under a rule.

Mr. CURTIS of Missouri. Well, it is not Public Law 480.

Mr. COOLEY. Mr. Speaker, I yield such time as he may desire to the gentleman from Texas [Mr. THOMPSON].

Mr. THOMPSON of Texas. Mr. Speaker, I would like to make some comments regarding the operation of Public Law 480. It is my opinion that the purposes of the act are not being carried out in its administration as fully as it was intended by the Congress. The act set out as principles which it was sought to attain, the following:

To increase the consumption of United States agricultural commodities in foreign countries, to improve the foreign relations of the United States, and for other purposes.

SEC. 2. It is hereby declared to be the policy of Congress to expand international trade among the United States and friendly nations, to facilitate the convertibility of currency, to promote the economic stability of American agriculture and the national welfare, to make maximum efficient use of surplus agricultural commodities in furtherance of the foreign policy of the United States, and to stimulate and facilitate the expansion of foreign trade in agricultural commodities produced in the United States by providing a means whereby surplus agricultural commodities in excess of the usual marketings of such commodities may be sold through private trade channels, and foreign currencies accepted in payment therefor. It is further the policy to use foreign currencies which accrue to the United States under this act to expand international trade, to encourage economic development, to purchase materials, to pay United States obligations abroad, to promote collective strength, and to foster in other ways the foreign policy of the United States.

I desire to cite four other sections from title I of the act. The President is authorized to—

SEC. 101. (b) Take appropriate steps to assure that private trade channels are used to the maximum extent practicable both with respect to sales from privately owned stocks and from stocks owned by the Commodity Credit Corporation.

SEC. 101. (e) Afford any friendly nation the maximum opportunity to purchase surplus agricultural commodities from the United States, taking into consideration the opportunities to achieve the declared policy of this act and to make effective use of foreign currencies received to carry out the purposes of this act.

SEC. 102. (a) (2) Shall make funds available to finance the sale and exportation of surplus agricultural commodities, whether from private stocks or from stocks of the Commodity Credit Corporation.

SEC. 103. (b) * * * This limitation shall not be apportioned by year or by country, but shall be considered as an objective as well as a limitation, to be reached as rapidly as possible so long as the purposes of the act can be achieved within safeguards established.

I wish to cite Executive Order 10560, dated September 9, 1954, issued of the administration of the Agricultural Trade Development and Assistance Act of 1954:

Section 1. Department of Agriculture. Except as otherwise provided in this order, the functions conferred upon the President by title I of the Agricultural Trade Development and Assistance Act of 1954 are hereby delegated to the Secretary of Agriculture.

As chairman of the Subcommittee for Rice of the House Agriculture Committee, our hearings and investigations have disclosed that the Secretary of Agriculture and the officials of the Department of Agriculture have in their administration of Public Law 480, Agricultural Trade Development and Assistance Act of 1954, deliberately and intentionally ignored the purposes of the act and particularly the provisions of the aforementioned sections that I have cited.

It appears that a system allocating the authorizations under this act by commodities and by countries has been made. The allocation of funds by commodities are on the basis of the relationship of the commodity investment to the total investment of Commodity Credit Corporation in all commodities. Under this system from 75 to 80 percent of the Public Law 480 authorization would be earmarked for wheat and corn. Tobacco which because of an accounting technicality is considered to be under loan is practically eliminated from the Public Law 480 program. Dried beans though is surplus supply but under price-support loans are likewise ignored. The Department of Agriculture and/or the interagency staff committee have established a policy contrary to the intent of Congress and the act itself, providing that only commodities in Commodity Credit Corporation are eligible for Public Law 480 financing.

Last November, the Secretary of Agriculture reduced the allocation of rice for export under Public Law 480 by 4,900,000 hundredweight. Had the reduction not have been made it would have been necessary to announce a level of price support for the 1958 crop of 83 percent. The reduction in the allocation, by a very strange coincidence, reduced the level of price support to 75 percent the minimum permitted by law. Not only were the purposes of the act ignored but the Secretary has seen fit to utilize it as a tool in his campaign to wreck the price support program.

It is difficult to follow the reasoning that the foreign policy of the United States is helped by a system that denies surplus rice to people, the mainstay of whose diet has been traditionally rice.

In effect the people of India, Korea, and Ceylon have been ordered to eat wheat.

There is reason to believe that under the present policy, which ignores the intent of Congress and the specific provisions of the act itself, with unwarranted emphasis on grains, is in effect discouraging the growth and development of foreign trade by normal trade channels in favor of the international grain traders of which there are four or five dominant firms, of whom only two are American owned or controlled.

It is apparent that the interests of American agriculture are being ignored or circumvented in the administration of Public Law 480. I therefore strongly urge the Chairman of the House Agriculture Committee to name a special subcommittee on operations of the Agricultural Trade Development and Assistance Act. The subcommittee to investigate and report on the compliance of the Administration with the act and the intent of Congress. The subcommittee to report to the whole committee not later than January 31, 1959.

Mr. COOLEY. Mr. Speaker, I yield such time as he may desire to the gentleman from Virginia [Mr. JENNINGS].

Mr. JENNINGS. Mr. Speaker, although I have some misgivings about the barter provisions of the bill under consideration, I support its passage.

In carrying out the program, we must make certain that it is true barter rather than a vehicle whereby commissions are paid in usual trading activities. While the bill directs the Secretary of Agriculture to barter to the maximum extent possible under the $500 million limitation, I hope the Secretary will protect the assets of the Commodity Credit Corporation by the exercise of good business judgment.

I agree with the gentleman from Texas [Mr. THOMPSON], that a subcommittee should be appointed, or an existing subcommittee designated, to go into the details of the operations conducted under Public Law 480. A comprehensive report should be submitted to the Congress at the earliest practicable date giving the results of the subcommittee's investigation. Also, we should utilize this report in a complete review of Public Law 480's operations before Congress is again called upon to consider such vital legislation.

Mr. Speaker, the bill we are considering today does not disturb the existing programs to make use of our surpluses here at home through donation to the school-lunch program, needy persons, and to charitable institutions.

By way of explanation, our domestic donation program was expanded after the authority was approved by Congress in 1955 to permit processing of surplus Government stocks into a form suitable for home or institutional use. I had the privilege of sponsoring H. R. 2851 in the 84th Congress, which became Public Law 311 and established a 2-year program for processing surplus grain into wheat flour and cornmeal. In 1956, we made the processing authority permanent by approving section 212 of Public Law 540.

Domestic donation of this processed grain has been made in all 48 States, Alaska, Hawaii, and Guam, and, of course, to the nonprofit voluntary agencies for overseas relief programs. As an illustration of this use of our surplus grain, I am informed that in the 12-month period from November 1956, to October 1957, an average of 85 million pounds of flour and 34 million pounds of cornmeal were processed by the Commodity Credit Corporation for donation purposes.

Mr. Speaker, we should definitely continue the donation of these processed commodities to the programs here at home. Not only do I favor the continuation of the flour and cornmeal processing donation program, but I support the efforts to put to good use the other products that have been utilized, such as butter, cheese, nonfat dry milk, rice, beans. These products have all been extremely helpful and should continue to be utilized as provided in present law.

Mr. COOLEY. Mr. Speaker, I yield such time as he may desire to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Speaker, I am interested in one inquiry of the chairman of the Committee on Agriculture. In view of the fact that 254,000 of the 2 million people in West Virginia are living off surplus Government food, is there provision in here to provide for the processing of wheat into flour and corn into meal for those people?

Mr. COOLEY. I am glad to assure the gentleman that the so-called Bailey amendment and the so-called Jennings amendment are both carried in this bill.

I would like to say to the gentleman who just addressed the House and stated that this bill was substantially the provisions contained in the omnibus bill that he just does not know what he is talking about.

We amended this bill so as to meet all of the objections that came to us from members of the Committee on Appropriations, and if there is any doubt about those provisions being in the bill, all you have to do is to familiarize yourselves with the proposition you are voting on.

The SPEAKER. The question is on suspending the rules and passing the bill.

Mrs. GRIFFITHS. Mr. Speaker, on that I ask for a division.

Mr. JUDD. Mr. Speaker, I demand the yeas and nays.

The SPEAKER. The gentleman knows that we cannot have the yeas and nays today.

Mr. JUDD. I regret that that is the situation.

The SPEAKER. Does the gentleman want to delay the bill for 2 days in order to have a vote?

Mr. JUDD. I have no choice in the matter, because I want to defeat the bill.

The SPEAKER. The Chair will count. [After counting.] Twenty-five Members, not a sufficient number.

So the yeas and nays are refused.

The question was taken; and on a division (demanded by Mrs. GRIFFITHS) there were—ayes 152, noes 24.

Mrs. GRIFFITHS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the further consideration of the bill be postponed until Wednesday.

Mr. COOLEY. Mr. Speaker, reserving the right to object——

The SPEAKER. Now, there has already been a division.

Mr. COOLEY. I am not trying to have a rollcall, but I would like to have the Speaker determine whether we have a quorum, and I think we will have on tellers. That is the reason I demand the vote be taken by tellers rather than on a standing vote.

Mr. McCORMACK. I withdraw my request, Mr. Speaker.

The SPEAKER. Well, now, a point of no quorum has been raised.

Mr. McCORMACK. Mr. Speaker, I renew my unanimous-consent request that the further consideration of the bill be postponed until Wednesday.

Mr. COOLEY. Mr. Speaker, I withdraw my request.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SMALL BUSINESS TAX REVISION ACT OF 1958

Mr. MILLS. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 13382) to amend the Internal Revenue Code of 1954 to provide tax revision for small business, as amended.

The Clerk read as follows:

Be it enacted, etc.—

SECTION 1. Short title.

This act may be cited as the "Small Business Tax Revision Act of 1958."

SEC. 2. Losses on small business stock.

(a) Cross reference: Section 165 of the Internal Revenue Code of 1954 (relating to deduction for losses) is amended by adding at the end of subsection (h) the following new paragraph—

"(3) For special rule for losses on small business stock, see section 1242."

(b) Treatment as ordinary loss: Part IV of subchapter P of the Internal Revenue Code of 1954 (relating to special rules for determining capital gains and losses) is amended by adding at the end thereof the following new section:

"SEC. 1242. Losses on small business stock.

"(a) General rule: In the case of an individual, a loss on section 1242 stock issued to such individual which would (but for this section) be treated as a loss from the sale or exchange of a capital asset shall, to the extent provided in this section, be treated as a loss from the sale or exchange of an asset which is not a capital asset.

"(b) Maximum amount for any taxable year: For any taxable year the aggregate amount treated by the taxpayer by reason of this section as a loss from the sale or exchange of an asset which is not a capital asset shall not exceed—

"(1) $25,000, or

"(2) $50,000, in the case of a husband and wife filing a joint return for such year under section 6013.

"(c) Section 1242 stock defined:

"(1) In general: For purposes of this section, the term 'section 1242 stock' means common stock in a domestic corporation if—

"(A) such corporation adopted a plan after June 30, 1958, to offer such stock for a period (ending not later than 2 years after

the date such plan was adopted) specified in the plan,

"(B) at the time such plan was adopted, such corporation was a small business corporation,

"(C) at the time such plan was adopted, no portion of a prior offering was outstanding,

"(D) such stock was issued by such corporation to the taxpayer, pursuant to such plan, for money or other property (other than stock and securities), and

"(E) such corporation, during the period of its 5 most recent taxable years ending before the date the taxpayer sustains the loss on such stock, derived more than 50 percent of its aggregate gross receipts from sources other than royalties, rents, dividends, interest, annuities, and sales or exchanges of stock or securities (gross receipts from such sales or exchanges being taken into account for purposes of this subparagraph only to the extent of gains therefrom).

Such term does not include stock if issued (pursuant to the plan referred to in subparagraph (A)) after a subsequent offering of stock has been made by the corporation.

"(2) Small business corporation defined: For purposes of this section, a corporation shall be treated as a small business corporation if at the time of the adoption of the plan—

"(A) the sum of—

"(i) the aggregate amount which may be offered under the plan, plus

"(ii) the aggregate amount of money and other property (taken into account in an amount, as of the time received by the corporation, equal to the adjusted basis to the corporation of such property for determining gain, reduced by any liabilities to which the property was subject or which were assumed by the corporation at such time) received by the corporation after June 30, 1958, for stock, or as a contribution to capital or as paid-in surplus,

does not exceed $500,000; and

"(B) the sum of—

"(i) the aggregate amount which may be offered under the plan, plus

"(ii) the equity capital of the corporation (determined on the date of the adoption of the plan),

does not exceed $1 million.

For purposes of subparagraph (B), the equity capital of a corporation is the sum of its money and other property (in an amount equal to the adjusted basis of such property for determining gain), less the amount of its indebtedness (other than indebtedness to shareholders).

"(d) Special rules:

"(1) Limitations on amount of ordinary loss:

"(A) Contributions of property having basis in excess of value: If—

"(i) section 1242 stock was issued in exchange for property,

"(ii) the basis of such stock in the hands of the taxpayer is determined by reference to the basis in his hands of such property, and

"(iii) the adjusted basis (for determining loss) of such property immediately before the exchange exceeded its fair market value at such time,

then in computing the amount of the loss on such stock for purposes of this section the basis of such stock shall be reduced by an amount equal to the excess described in clause (iii).

"(B) Increases in basis: In computing the amount of the loss on stock for purposes of this section, any increase in the basis of such stock (through contributions to the capital of the corporation, or otherwise) shall be treated as allocable to stock which is not section 1242 stock.

"(2) Recapitalizations, changes in name, etc: To the extent provided in regulations prescribed by the Secretary or his delegate, common stock in a corporation, the basis of which (in the hands of a taxpayer) is determined in whole or in part by reference to the basis in his hands of stock in such corporation which meets the requirements of subsection (c) (1) (other than subparagraph (E) thereof), or which is received in a reorganization described in section 368 (a) (1) (F) in exchange for stock which meets such requirements, shall be treated as meeting such requirements. For purposes of paragraphs (1) (E) and (2) (A) of subsection (c), a successor corporation in a reorganization described in section 368 (a) (1) (F) shall be treated as the same corporation as its predecessor.

"(3) Relationship to net operating loss deduction: For purposes of section 172 (relating to the net operating loss deduction), any amount of loss treated by reason of this section as a loss from the sale or exchange of an asset which is not a capital asset shall be treated as attributable to a trade or business of the taxpayer.

"(4) Individual defined: For purposes of this section, the term 'individual' does not include a partnership, trust, or estate.

"(e) Regulations: The Secretary or his delegate shall prescribe such regulations as may be necessary to carry out the purposes of this section."

(c) Technical amendment: The table of sections for such part IV is amended by adding at the end thereof the following new item:

"Sec. 1242. Losses on small-business stock."

SEC. 3. Three-year net operating loss carryback.

(a) Allowance: Paragraph (1), and so much of paragraph (2) as precedes the third sentence thereof, of section 172 (b) of the Internal Revenue Code of 1954 (relating to net operating loss deduction) are amended to read as follows:

"(1) Years to which loss may be carried: A net operating loss for any taxable year ending after December 31, 1957, shall be—

"(A) a net operating loss carryback to each of the 3 taxable years preceding the taxable year of such loss, and

"(B) a net operating loss carryover to each of the 5 taxable years following the taxable year of such loss.

"(2) Amount of carrybacks and carryovers: Except as provided in subsection (h), the entire amount of the net operating loss for any taxable year (hereinafter in this section referred to as the 'loss year') shall be carried to the earliest of the 8 taxable years to which (by reason of subparagraphs (A) and (B) of paragraph (1)) such loss may be carried. The portion of such loss which shall be carried to each of the other 7 taxable years shall be the excess, if any, of the amount of such loss over the sum of the taxable income for each of the prior taxable years to which such loss may be carried."

(b) Taxable years beginning in 1957 and ending in 1958: Section 172 of such code is amended by relettering subsection (h) as subsection (i), and by inserting after subsection (g) the following new subsection:

"(h) Carryback of net operating loss for taxable years beginning in 1957 and ending in 1958: In the case of a taxable year beginning in 1957 and ending in 1958, the amount of any net operating loss for such year which shall be carried to the third preceding taxable year is the amount which bears the same ratio to such net operating loss as the number of days in the loss year after December 31, 1957, bears to the total number of days in such year. In determining the amount carried to any other taxable year, the reduction for the third taxable year preceding the loss year shall not exceed the portion of the net operating loss which is carried to the third preceding taxable year."

(c) Limitation on assessment of deficiency attributable to carryback: Section 6501 of such code (relating to limitations on assessment and collection) is amended by relettering subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

"(h) Net operating loss carrybacks: In the case of a deficiency attributable to the application to the taxpayer of a net operating loss carryback (including deficiencies which may be assessed pursuant to the provisions of section 6213 (b) (2)), such deficiency may be assessed at any time before the expiration of the period within which a deficiency for the taxable year of the net operating loss which results in such carryback may be assessed."

(d) Effective dates:

(1) The amendments made by subsections (a) and (b) shall apply in respect of net operating losses for taxable years ending after December 31, 1957.

(2) The amendment made by subsection (c) shall take effect as of August 17, 1954, and shall apply as provided in section 7851 of the Internal Revenue Code of 1954.

SEC. 4. Additional first-year depreciation allowance for small business.

(a) In general: Part VI of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to itemized deductions for individuals and corporations) is amended by adding at the end thereof the following new section:

"SEC. 178. Additional first-year depreciation allowance for small business.

"(a) General rule: In the case of section 178 property, the term 'reasonable allowance' as used in section 167 (a) may, at the election of the taxpayer, include an allowance, for the first taxable year for which a deduction is allowable under section 167 to the taxpayer with respect to such property, of 20 percent of the cost of such property.

"(b) Dollar limitation: If in any one taxable year the cost of section 178 property with respect to which the taxpayer may elect an allowance under subsection (a) for such taxable year exceeds $10,000, then subsection (a) shall apply with respect to those items selected by the taxpayer, but only to the extent of an aggregate cost of $10,000. In the case of a husband and wife who file a joint return under section 6013 for the taxable year, the limitation under the preceding sentence shall be $20,000 in lieu of $10,000.

"(c) Election:

"(1) In general: The election under this section for any taxable year shall be made within the time prescribed by law (including extensions thereof) for filing the return for such taxable year. The election shall be made in such manner as the Secretary or his delegate may by regulations prescribe.

"(2) Election irrevocable: Any election made under this section may not be revoked except with the consent of the Secretary or his delegate. Any selection of items under this section, as shown in the election, may not be modified by the person making the election except with the consent of the Secretary or his delegate.

"(d) Definitions and special rules:

"(1) Section 178 property: For purposes of this section, the term 'section 178 property' means tangible personal property—

"(A) of a character subject to the allowance for depreciation under section 167,

"(B) acquired by purchase after December 31, 1957, for use in a trade or business or for holding for production of income, and

"(C) with a useful life (determined at the time of such acquisition) of 6 years or more.

"(2) Purchase defined: For purposes of paragraph (1), the term 'purchase' means any acquisition of property, but only if—

"(A) the property is not acquired from a person whose relationship to the person acquiring it would result in the disallowance of losses under section 267 or 707 (b)

(but, in applying section 267 (b) and (c) for purposes of this section, paragraph (4) of section 267 (c) shall be treated as providing that the family of an individual shall include only his spouse, ancestors, and lineal descendants),

"(B) the property is not acquired from a person who controls, is controlled by, or is under common control with, the person acquiring such property, and

"(C) the basis of the property in the hands of the person acquiring it is not determined—

"(i) in whole or in part by reference to the adjusted basis of such property in the hands of the person from whom acquired, or

"(ii) under section 1014 (a) (relating to property acquired from a decedent).

"(3) Cost: For purposes of this section, the cost of property does not include so much of the basis of such property as is determined by reference to the basis of other property held at any time by the person acquiring such property.

"(4) Section not to apply to trusts: This section shall not apply to trusts.

"(5) Estates: In the case of an estate, any amount apportioned to an heir, legatee, or devisee under section 167 (g) shall not be taken into account in applying subsection (b) of this section to section 178 property of such heir, legatee, or devisee not held by such estate.

"(6) Dollar limitation where common control: In any case in which any person controls, is controlled by, or is under common control with, any other person or persons—

"(A) subsection (b) of this section shall be applied to the section 178 property acquired by all such persons, and

"(B) the Secretary or his delegate shall apportion the dollar limitation contained in such subsection (b) among such persons in such manner as he shall by regulations prescribe.

"(e) Regulations: The Secretary or his delegate shall prescribe such regulations as may be necessary to carry out the purposes of this section."

(b) Technical amendment: The table of sections for such part VI is amended by adding at the end thereof the following new item:

"Sec. 178. Additional first-year depreciation allowance for small business."

(c) Effective date: The amendments made by this section shall apply with respect to taxable years ending after June 30, 1958.

SEC. 5. Increase of minimum accumulated earnings credit.

(a) Increase: Paragraphs (2) (relating to minimum accumulated earnings credit) and (3) (relating to accumulated earnings credit for holding and investment companies) of section 535 (c), and section 1551 (relating to disallowance of surtax exemption and accumulated earnings credit), of the Internal Revenue Code of 1954 are each amended by striking out "$60,000" and inserting in lieu thereof "$100,000."

(b) Effective date: The amendments made by subsection (a) shall apply with respect to taxable years beginning after December 31, 1957.

SEC. 6. Installment payments of estate tax attributable to investments in closely held business enterprise.

(a) Installment payments permitted: Subchapter B of chapter 62 of the Internal Revenue Code of 1954 (relating to extensions of time for payment) is amended by adding at the end thereof the following new section:

"SEC. 6166. Extension of time for payment of estate tax where estate consists largely of interest in closely held business.

"(a) Extension permitted: If the value of an interest in a closely held business which is included in determining the gross estate of a decedent who was (at the date of his death) a citizen or resident of the United States exceeds either—

"(1) 35 percent of the value of the gross estate of such decedent, or

"(2) 50 percent of the taxable estate of such decedent,

the executor may elect to pay part or all of the tax imposed by section 2001 in two or more (but not exceeding 10) equal installments. Any such election shall be made not later than the time prescribed by section 6075 (a) for filing the return of such tax (including extensions thereof), and shall be made in such manner as the Secretary or his delegate shall by regulations prescribe. If an election under this section is made, the provisions of this subtitle shall apply as though the Secretary or his delegate were extending the time for payment of the tax. For purposes of this section, value shall be value determined for Federal estate tax purposes.

"(b) Limitation: The maximum amount of tax which may be paid in installments as provided in this section shall be an amount which bears the same ratio to the tax imposed by section 2001 (reduced by the credits against such tax) as the value of the interest in a closely held business which qualifies under subsection (a) bears to the value of the gross estate.

"(c) Closely held business: For purposes of this section, the term 'interest in a closely held business' means—

"(1) an interest as a proprietor in a trade or business carried on as a proprietorship.

"(2) an interest as a partner in a partnership carrying on a trade or business, if—

"(A) the decedent owned 20 percent or more of the total capital interest in such partnership, or

"(B) such partnership had 10 or less partners,

"(3) ownership of any stock in a corporation carrying on a trade or business, if—

"(A) the decedent owned 20 percent or more in value of the voting stock of such corporation, or

"(B) such corporation had 10 or less shareholders.

For purposes of this subsection, determinations shall be made as of the time immediately before the decedent's death.

"(d) Special rule for interests in two or more closely held businesses: For purposes of subsections (a), (b), and (h) (1), interests in two or more closely held businesses, with respect to each of which there is included in determining the value of the decedent's gross estate more than 50 percent of the total value of each such business, shall be treated as an interest in a single closely held business. For purposes of the 50 percent requirement of the preceding sentence, an interest in a closely held business which represents the surviving spouse's interest in property held by the decedent and the surviving spouse as community property shall be treated as having been included in determining the value of the decedent's gross estate.

"(e) Date for payment of installments: If an election is made under subsection (a), the first installment shall be paid on or before the date prescribed by section 6151 (a) for payment of the tax, and each succeeding installment shall be paid on or before the date which is one year after the date prescribed by this subsection for payment of the preceding installment.

"(f) Proration of deficiency to installments: If an election is made under subsection (a) to pay any part of the tax imposed by section 2001 in installments and a deficiency has been assessed, the deficiency shall (subject to the limitation provided by subsection (b)) be prorated to such installments. The part of the deficiency so prorated to any installment the date for payment of which has not arrived shall be collected at the same time as, and as a part of, such installment. The part of the deficiency so prorated to any installment the date for payment of which has arrived shall be paid upon notice and demand from the Secretary or his delegate. This subsection shall not apply if the deficiency is due to negligence, to intentional disregard of rules and regulations, or to fraud with intent to evade tax.

"(g) Time for payment of interest: If the time for payment of any amount of tax has been extended under this section, interest payable under section 6601 on any unpaid portion of such amount shall be paid annually at the same time as, and as a part of, each installment payment of the tax. Interest, on that part of a deficiency prorated under this section to any installment the date for payment of which has not arrived, for the period before the date fixed for the last installment preceding the assessment of the deficiency, shall be paid upon notice and demand from the Secretary or his delegate. In applying section 6601 (b) (relating to the application of the 4-percent rate of interest in the case of certain extensions of time to pay estate tax) in the case of a deficiency, the entire amount which is prorated to installments under this section shall be treated as an amount of tax the payment of which is extended under this section.

"(h) Acceleration of payment:

"(1) Withdrawal of funds from business; disposition of interest: If—

"(A) aggregate withdrawals of money and other property from the trade or business, an interest in which qualifies under subsection (a), equal or exceed 50 percent of the value of such trade or business, or

"(B) 50 percent or more of an interest in a closely held business which qualifies under subsection (a) is distributed, sold, exchanged, or otherwise disposed of,

then the extension of time for payment of tax provided in this section shall cease to apply, and any unpaid portion of the tax payable in installments shall be paid upon notice and demand from the Secretary or his delegate. Subparagraph (B) does not apply to an exchange of stock pursuant to a plan of reorganization described in subparagraph (D), (E), or (F) of section 368 (a) (1), nor to an exchange to which section 355 (or so much of section 356 as relates to section 355) applies; but any stock received in such an exchange shall be treated for purposes of subparagraph (B) as an interest qualifying under subsection (a).

"(2) Undistributed income of estate:

"(A) If an election is made under this section and the estate has undistributed net income for any taxable year after its fourth taxable year, the executor shall, on or before the date prescribed by law for filing the income tax return for such taxable year (including extensions thereof), pay an amount equal to such undistributed net income in liquidation of the unpaid portion of the tax payable in installments.

"(B) For purposes of subparagraph (A), the undistributed net income of the estate for any taxable year is the amount by which the distributable net income of the estate for such taxable year (as defined in section 643) exceeds the sum of—

"(i) the amounts for such taxable year specified in paragraphs (1) and (2) of section 661 (a) (relating to deduction for distributions, etc.);

"(ii) the amount of tax imposed for the taxable year on the estate under chapter 1; and

"(iii) the amount of the Federal estate tax (including interest) paid by the executor during the taxable year (other than any amount paid pursuant to this paragraph).

"(3) Failure to pay installment: If any installment under this section is not paid on

or before the date fixed for its payment by this section (including any extension of time for the payment of such installment), the unpaid portion of the tax payable in installments shall be paid upon notice and demand from the Secretary or his delegate.

"(1) Transitional rules:

"(1) In general: If—

"(A) a deficiency in the tax imposed by section 2001 is assessed after the date of the enactment of this section, and

"(B) the estate qualifies under paragraph (1) or (2) of subsection (a),

the executor may elect to pay the deficiency in installments. This subsection shall not apply if the deficiency is due to negligence, to intentional disregard of rules and regulations, or to fraud with intent to evade tax.

"(2) Time of election: An election under this subsection shall be made not later than 60 days after issuance of notice and demand by the Secretary or his delegate for the payment of the deficiency, and shall be made in such manner as the Secretary or his delegate shall by regulations prescribe.

"(3) Effect of election on payment: If an election is made under this subsection, the deficiency shall (subject to the limitation provided by subsection (b)) be prorated to the installments which would have been due if an election had been timely made under this section at the time the estate tax return was filed. The part of the deficiency so prorated to any installment the date for payment of which would have arrived shall be paid at the time of the making of the election under this subsection. The portion of the deficiency so prorated to installments the date for payment of which would not have so arrived shall be paid at the time such installments would have been due if such an election had been made.

"(4) Application of subsection (h) (2): In the case of an election under this subsection, subsection (h) (2) shall not apply with respect to undistributed net income for any taxable year ending before January 1, 1960.

"(j) Regulations: The Secretary or his delegate shall prescribe such regulations as may be necessary to the application of this section.

"(k) Cross references:

"(1) Interest:

"For provisions requiring the payment of interest at the rate of 4 percent per annum for the period of an extension, see section 6601 (b).

"(2) Security:

"For authority of the Secretary or his delegate to require security in the case of an extension under this section, see section 6165.

"(3) Period of limitation:

"For extension of the period of limitation in the case of an extension under this section, see section 6503 (d)."

(b) Clerical amendment: The table of sections for subchapter B of chapter 62 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following:

"Sec. 6166. Extension of time for payment of estate tax where estate consists largely of interest in closely held business."

(c) Hardship extension: Section 6161 (a) (2) of such Code (relating to extension of time for paying estate tax in the case of undue hardship) is amended to read as follows:

"(2) Estate tax: If the Secretary or his delegate finds—

"(A) that the payment, on the due date, of any part of the amount determined by the executor as the tax imposed by chapter 11,

"(B) that the payment, on the date fixed for the payment of any installment under section 6166, of any part of such installment (including any part of a deficiency prorated to an installment the date for payment of which had not arrived), or

"(C) that the payment upon notice and demand of any part of a deficiency prorated under the provisions of section 6166 to installments the date for payment of which had arrived,

would result in undue hardship to the estate, he may extend the time for payment for a reasonable period not in excess of 10 years from the date prescribed by section 6151 (a) for payment of the tax."

(d) Period of limitation for collection of tax: Section 6503 (d) of the Internal Revenue Code of 1954 (relating to suspension of running of period of limitations when there is an extension of time for payment of estate tax) is amended by striking out "assessment or" and by adding before the period at the end thereof the following: "or under the provisions of section 6166."

(e) Interest: Section 6601 (b) of the Internal Revenue Code of 1954 (relating to interest at the rate of 4 percent per annum in the case of extension of time for payment of estate tax) is amended by striking out "section 6161 (a) (2)" and inserting in lieu thereof "section 6161 (a) (2) or 6166."

(f) Effective date: The amendments made by this section shall apply to estates of decedents with respect to which the date for the filing of the estate tax return (including extensions thereof) prescribed by section 6075 (a) of the Internal Revenue Code of 1954 is after the date of the enactment of this act; except that (1) section 6166 (i) of such code as added by this section shall apply to estates of decedents dying after August 16, 1954, but only if the date for the filing of the estate tax return (including extensions thereof) expired on or before the date of the enactment of this act, and (2) notwithstanding section 6166 (a) of such code, if an election under such section is required to be made before the 60th day after the date of the enactment of this act such an election shall be considered timely if made on or before such 60th day.

The SPEAKER. Is a second demanded?

Mr. REED. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. MILLS. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, section 1 of H. R. 13382 which is now under consideration provides that the act may be cited as the "Small Business Tax Revision Act of 1958." This title is highly significant because the bill has as its primary purpose tax revision for small business, not tax relief for small business. I draw attention to this fact, not to minimize in any way what I believe to be the highly significant tax relief aspects of the bill, but to point out to the Members of the House and to the many small-business men of the United States that this bill does not represent any purported ultimate resolution of the tax problems of small business or any Christmas-in-July gift of a tax bonanza.

There is, I believe, a sound basis for emphasizing and perpetuating the importance of small business in our economy. Small businesses are the concrete expressions of the creativeness and the entrepreneur imagination which are basic resources for economic progress. By fostering a flow of new businesses, which means a flow of new ideas, techniques, and methods, we provide our best assurance that established, old-line companies will continue to face the challenges of creating new products and new and better production methods, with the result that the economy will maintain the vitality necessary to maintain our position in the world. In addition, by pursuing policies which assure the existence of a large number of small businesses, we do much to see to it that control over the use of resources and capital is widely diffused, that prices are reasonable, and that our economic resources will be most efficiently used.

This bill does not go as far as any one of us would have it go. It does not meet more than the minimum requirements of small businesses with respect to taxation. However, I am sure that all of us realize that the undertaking of the Committee on Ways and Means with respect to small business has been limited by the harsh realities of the fiscal position of the Federal Government. We of the membership of the Committee on Ways and Means look forward to the time when tax relief can be provided not only for small business but for the entire tax-paying public. Until that time arrives, we can only put forth our best efforts to meet the more pressing problems of small business and the public as a whole.

Perhaps the greatest problem confronting small and medium sized businesses today is the acquisition of sufficient capital with which to modernize and maintain a rate of expansion which will permit them to contribute their full value to the well-being of the economy as a whole. The bill attempts to deal with this problem and attempts to remove some of the pressures which tend to the breakup of small businesses once they are established and to prevent their consolidation into larger businesses by merger.

The bill attacks the capital acquisition problem of small business on two fronts. That is, it will make capital more readily available for expansion from both external and internal sources. Externally the bill will increase the volume of funds made available for the financing of small and medium sized businesses and provide an incentive to investors through the medium of more favorable loss treatment. Thus section 2 of the bill provides ordinary loss, rather than capital loss, treatment on the sale or exchange of small business stock in an amount up to $25,000 a year or $50,000 a year in the case of a husband or wife filing a joint return. This treatment is provided only with respect to original holders of small business stock issued after June 30, 1958. A particular corporation may not issue more than $500,000 of ordinary loss stock and the issuance of such stock may not increase the equity capital of the corporation to more than $1 million.

Internally, capital will be made more readily available by three provisions of the bill which aid in the retention of earnings. Section 3 provides, for the first time, a 3-year net operating loss carryback. Existing law provides that a loss can be carried back and offset against income for the 2 years previous

to a loss year, and then if any loss remained, may be carried forward and offset against the income in the 5 years following the loss year. By providing a 3-year loss carryback, funds will be provided through the medium of tax refunds in the year when the small-business taxpayer most needs funds for purposes of survival.

A further internal source of funds is provided by section 4, which permits businesses to write off 20 percent of the cost of their depreciable tangible personal property, whether new or used, in the year of acquisition. This fast writeoff is limited to acquisitions of up to $10,000 a year or $20,000 in the case of a husband and wife filing a joint return. As so limited, it will be of primary importance to small business. The effect of the section is to permit the taxpayer to get back his capital at a faster rate.

Section 5 of the bill, which increases the minimum accumulated earnings credit from $60,000 to $100,000, while it does not make funds more readily available to small businesses, does permit accumulation of retained earnings up to $100,000 without the imposition of an accumulated-earnings tax, and thereby permits more flexibility to small businesses in considering plans for expansion.

The bill attempts to prevent the breakup of small businesses and to prevent their being taken over by larger businesses by modification of the manner in which the Federal estate tax can be paid. Thus section 6 provides that where the value of an interest in a closely held business represents a significant portion of the Federal estate tax at the option of the estate may be paid in 10 or less annual installments. This treatment will be available only if the value of the small-business interest represents 35 percent of the gross estate or 50 percent of the taxable estate of the decedent and only to the extent of the portion of the estate tax attributable to the value of the closely held business interest.

It is estimated that the provisions of the bill will result in a revenue loss of approximately $260 million in the first full year of operation. The loss breaks down as follows: The 3-year net operating loss carryback provided by section 3 will result in a possible loss of as much as $50,000. The 20 percent fast writeoff provided by section 4 will decrease revenues by $175 million. The installment payment of estate taxes provided by section 6 will result in a revenue loss of about $35 million. No immediate revenue loss is expected to result from the ordinary loss treatment provided by section 2 and the increase in the accumulated earnings credit provided by section 5 is expected to be negligible.

In reporting this bill the Committee on Ways and Means has investigated thoroughly the many proposals advanced to postpone or reduce taxes of small businesses. Many of the proposals advanced for inclusion in the bill have merit. Undeniably, many of them would grant far more in tax relief than will the provisions of the bill. However, an estimated deficit of approximately $11 billion for the fiscal year 1959 does not provide a setting in which tax relief for any segment of the taxpaying public can be considered without severe limitations. I am sure that I speak for the Committee on Ways and Means as a whole when I state that it is our hope that conditions will permit us to consider in the near future significant tax reduction for all American taxpayers. I assure you that we will do everything in our power to work toward that end.

Mr. Speaker, five methods of relief are provided by the bill. We think each one of them is meritorious. We think each and every one of them will make some contribution to small business and eliminate some of the problems which small business faces. But mind you the great problem that small business faces, in fact, the great problems which every taxpayer faces is one of tax rates. If you are to give to small business that degree of relief which it needs in order to grow and in order to enjoy economic prosperity in the future, it will be necessary for us to bring our fiscal situation under control to the point where we may bring about some reduction in taxes for the benefit of small business as well as for the benefit of our people who are wage earners or who are not engaged in business. We should be thinking in terms, as we proceed in the future, not only of the priority to be given between expenditures of the Government but also of priority between expenditures and tax reduction. Which one, let us ask ourselves, in the future will go to the furthest extend in promoting economic growth and economic development. I think in many instances if we measure a given expenditure against a comparable tax reduction, we will reach the conclusion that tax reduction will permit greater economic growth. But remember this. We cannot continue to enjoy expenditures by the Government of 78 or 80 billion dollars and at the same time provide for the type of relief for small business and our other taxpayers that they desire and want and must have if we are to continue to grow in the future.

Mr. Speaker, I urge that the rules be suspended and that the bill be passed.

Mr. REED. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Speaker, there is nothing in this bill to which any Member of the Congress could voice objection. The bill, although extremely limited in scope does make some constructive changes in our internal revenue code in an attempt to meet some of the problems of small business. There is, I agree, and as our chairman has said, much more that should be done in the field of tax relief for small business and, in fact, for all of our citizens. If we would look at some of the problems Congress tries to solve through legislation coming out of other committees, I think we would find that a more proper solution of these problems would be the enactment of tax relief and tax adjustments instead of more Federal spending. Let me suggest, Mr. Speaker, there is going to be no tax revision or tax adjustments that will be worthy of the name as long as this Congress or any Congress continues on this spending spree. We are facing a budget deficit next year in excess of 10 or 11 billion dollars. You are not setting the stage for any tax reduction. I would call your attention, Mr. Speaker, to certain words in the committee report. This language was put in at my suggestion but with the full concurrence of the Committee on Ways and Means. Let me call your attention to the bottom of page 4 where we explain to the House the dilemma and the impossible situation in which this committee has been placed by reason of expenditure policies.

> Because of its revenue-raising function, your committee must be mindful of the fiscal implications of any of its recommendations, and must give particular attention to their effect on the Federal budget. This has been made more difficult by the fact that Congress generally has accorded a higher priority to expenditures than to tax reductions. As a result your committee has been foreclosed from recommending worthwhile and needed tax reductions.

Yes; we are just stopped from recommending worthwhile and needed tax reduction and tax revision.

I continue to quote:

> Your committee believes, for example, that rate reductions are needed by small business as well as others, but that the high level of current expenditures makes significant tax reductions, under present conditions, inconsistent with sound financial management. In view of these limitations, your committee of necessity has had to limit this bill to an extremely small revenue loss and has had to select a few areas of high sensitivity from the standpoint of small business and concentrate the relief in these limited areas.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield.

Mr. BAILEY. Does your provision No. 2 make that applicable to all business or is it simply small business?

Mr. BYRNES of Wisconsin. It extends the carryback for all business, but as a problem among business, it is concentrated among the smaller businesses. We do not try to differentiate or define small business, but the problem of the carryback is more distinctly a problem of the small business than the larger businesses.

Mr. BAILEY. If you include those larger corporations, you are not going to protect the revenues of the Government very much.

Mr. MILLS. Will the gentleman yield further?

Mr. BYRNES of Wisconsin. I yield.

Mr. MILLS. It is estimated that this provision of the bill will affect the revenues by about $50 million in the first year. The bulk of that, if not all, is attributable to use by small business. There may be an occasional large or medium-sized business that would utilize it, but this is primarily for small business.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

Mr. REED. I yield the gentleman 1 additional minute.

Mr. BYRNES of Wisconsin. Let me make this point, and it is the only point that I want to make, because we all hear

talk about not having tax reduction, and everybody recognizes the need for tax relief and tax reduction. We cannot have it and will not have it if we are also at the same time going to spend additional funds and create additional obligations. Remember—someone must pay the bill.

I call attention to just one piece of legislation that is to be voted upon this week, which will increase the cost of government by $2 billion. You all know what it is. It is the Community Facilities Act. We must start recognizing the fact that when we are voting expenditures we are postponing or eliminating the day for tax revision or tax reduction for anybody in this country.

Mr. MILLS. Mr. Speaker, I yield such time as he may desire to the gentleman from Florida [Mr. SIKES].

Mr. SIKES. Mr. Speaker, I have felt that this is must legislation. I congratulate the Committee on Ways and Means for its work in this field.

Mr. MILLS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their remarks in the RECORD immediately preceding the vote on this measure.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Speaker, I regret to state that under the circumstances I am opposed to this measure on two bases: First, on procedure—and probably my primary opposition lies in this area—and, second, to the bill itself.

This is a very complicated bill, and I do not believe that any adequate discussion can take place on the floor of the House under suspension of the rules where the time is limited to 20 minutes a side. Having knowledge, however, that the bill was going to be handled in this fashion, I wrote minority views which any Member interested may find on page 45 of the report. In the matter of points of variance I regret to say that one of the statements just made by the gentleman from Wisconsin with reference to loss carrybacks benefiting small business is one. I personally have a different view with regard to that matter, but it is impractical on the floor of the House or any other place to argue this out in 20 minutes. This is one statement with which I am in disagreement. This measure is not coming to the floor of the House with any real unanimity on the part of the members of the Ways and Means Committee. There was considerable difference of opinion on each one of these measures.

I further disagree with the gentleman from Wisconsin when he says there is nothing in this bill to which there can be any objection. I raised objections in the committee and in the minority views to one particular provision I am convinced is going to be a loophole. It might do a certain amount of good, but essentially it is not going to meet the problem which faces small business, which is really the problem of being able to finance its operations.

Furthermore, one of my basic disagreements lies in this area: This is not a small-business bill. This very feature makes it of less value to small business. As a matter of fact the bill has to do with corporate business. Eighty-five percent of small business is not corporate; therefore, you are not doing anything for the 85 percent; and only 15 percent happens to be in the corporate form.

Furthermore, there is great emphasis in this bill on those businesses which are engaged in manufacture as opposed to those that are in the service and distribution industries in which about 80 percent of our small firms are engaged. There again you are going to help only about 20 percent.

Furthermore there is no philosophy in this bill. Some measures which are passed to help small business—and one which received quite a bit of attention from our committee and at one time was voted on favorably by the majority of the Ways and Means Committee members followed a philosophy; it was a philosophy based on the fact that we needed tax revision; that is, that the tax load on small business was an economic barrier to growth, and if we could remove that economic barrier to the growth of the business we would gain more revenue from the growth of the business than we would lose in tax revenue granted in the relief measure. That was a philosophy which was later to be considered on the floor of the House.

Under conditions such as face us today this is no place to consider a bill of this nature about which many of the House Members know so much because we all have small business in our district, a procedure under which, as I say, there is only 20 minutes for each side and that time taken up almost wholly by those who support the bill.

Mr. POFF. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield.

Mr. POFF. Do I understand the gentleman to say with reference to carryback and depreciation and estate taxes that they will not affect proprietorships or partnerships.

Mr. CURTIS of Missouri. Carryback will affect both of them. What I said was—I was contesting the contention that this was peculiar to small business. My point was that this is a business-relief bill and not peculiar to small business. Section 1 applies only to corporations, and there are other sections that apply only to corporations.

There is no philosophy in this; this is just another patch on a crazy quilt if we are talking about tax relief and not tax revision. I think everyone in this House agrees that if we are going to talk about relief we ought to be talking in terms of individuals as well as business, and I do not know on what basis we can justify bringing out a bill that would pick out one particular segment of our people for relief. On the other hand, if we come before the House and ask for revision, that is, to remove these economic barriers to growth, let us not argue on the basis that we are losing revenue. I am satisfied that the bill I proposed would not have lost revenue through the device of eliminating this economic barrier which has brought about the acquisition by large corporations of their smaller competitors. That would be eliminated and, as a result of the growth of small business, we would add to the Federal revenue.

Mr. REED. Mr. Speaker, I yield 1 minute to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Speaker, I am taking this time to pay tribute to the chairman of the Committee on Ways and Means and to point out to this House the great ability he has and that he has just demonstrated in analyzing this bill accurately, perfectly and honestly. In doing so he showed his great ability by painting a lovely picture of what will be the effect of the bill. That picture that he has painted I characterized in committee as a mirage. You know what that means, a beautiful picture with very little substance in it. That is this bill, in my opinion.

But if I could possibly do the job that he did for you in that 10 minutes, after having been a student of taxation for nearing 50 years, I would feel very proud of myself.

Mr. REED. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Tennessee [Mr. BAKER].

Mr. BAKER. Mr. Speaker, I rise in support of the pending bill and urge that the rules be suspended and the bill be passed. It is a big step in the right direction. I wish we could grant tax relief and tax revision to all of our taxpayers, but, due to the budgetary situation, we cannot.

Mr. Speaker, there are two provisions in this bill that I am especially interested in and that I have given a great deal of time and attention to. First, section 4, providing for an additional 20 percent depreciation allowance the first year on newly acquired new or used tangible personal property, and section 6, which permits payment of the Federal estate tax over a period of 10 years with 4 percent interest, as an optional method. The first one does not go far enough, but it will stimulate the manufacturing industries and will do a great deal of good to our economy in general. This section costs $125 million and gives relief in that amount which applies all the way across the board to individuals, proprietorships, partnerships, and corporations. The same thing is certainly true as to the estate-tax provision. That is, to individuals. So the portions of the bill which give money relief do apply across the board to individuals, proprietorships, partnerships, and corporations.

It is very important to have this option to pay the estate tax over a period of 10 years rather than in 15 months after death under existing law. When one has to pay a tax of three or four hundred thousand dollars, say, on a $750,000 or a million-dollar estate in 15 months, it means the survivors have to sell that property or merge with a large corporation or liquidate the business. It will help all estates, small, medium, and large, to keep their businesses intact.

This is excellent legislation and should be enacted.

The SPEAKER. The time of the gentleman from Tennessee has expired.

Mr. REED. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, I think you all know my position on the question of taxation. This country needs tax relief. I realize that, and so do you. But, as the chairman has pointed out, and as some of the other speakers have pointed out, with our debt the size it is, and the expenditures that are being made, the Committee on Ways and Means has striven hard to stabilize the revenue which is needed to keep this country solvent. I think you know my position because of my past work in tax reduction. I have believed over the past 40 years now that the way to raise revenues is to have a reasonable tax rate. We tried that, and it worked. We tried it back in the days of Andrew Mellon. We reduced taxes something like 5 times in a period of 10 years and raised enough revenue to pay $1 billion a year on the national debt every year for 10 years. Not only that, but during the time that I had the honor and the pleasure of being chairman of the committee, we reduced taxes $7.4 billion and we raised more revenue. I only mention that to show that while this bill may not go as far as some would like to see it go, nevertheless I believe that it is a good bill.

Mr. Speaker, as the distinguished chairman of the House Committee on Ways and Means has described to you, the bill, H. R. 13382, would provide five modest but nevertheless beneficial tax changes with respect to small business. Briefly summarized these changes would provide, first, authorization to write off as an ordinary loss amounts up to $50,000 a year when the original holder of small-business stock sells such stock at a loss; second, extension of the existing 2-year net operating loss carryback to an additional year so that a total carryback of 3 years would be allowed; third, liberalization of the depreciation provisions of the code so that business would be allowed to write off 20 percent of depreciable personal property in the year of acquisition; fourth, an increase from $60,000 to $100,000 in the exemption from the accumulated earnings tax; and, fifth, authorization for estates largely comprised of small-business holdings to pay the estate tax in installments over a period of up to 10 years.

Mr. Speaker, each of these changes represents an effective improvement in our Federal tax structure as it applies to small business including our American farm operators. I believe that the benefit that flows from these tax changes will serve to strengthen the vitality of our Nation's economy. It need not be stressed that these modest changes are not the panacea for all the tax ills besetting the members of the small-business community. I do believe that they represent the best results obtainable from very diligent and conscientious efforts of the Committee on Ways and Means to provide effective improvement within regrettably stringent revenue loss limitations.

The most meaningful tax change that could be made for the benefit of small business and, for that matter, for all our taxpayers is a significant reduction in the Federal tax-rate structure. That taxes are too high goes without saying. Equally self-evident is the fact that Federal expenditures are too high and that Congress forecloses itself from providing long overdue tax reduction when it continues to vote authorizations for nonessential expenditure programs.

This legislation had its genesis in recommendations submitted to the Congress by the President of the United States as a result of a study of the problems of small business by the President's Commission on Small Business. The Republican members of the Committee on Ways and Means joined together in urging the enactment of substantially similar legislation in July 1957. My distinguished Republican committee colleague, the gentleman from Wisconsin [Mr. BYRNES] was the first to introduce legislation embodying the principles of those tax changes recommended by the President. Mr. BYRNES introduced H. R. 10815 in February of this year and he is to be commended for the contribution he has made to the development of the legislation alleviating the tax problems confronting small business that is before this body today. I believe that the membership of the Committee on Ways and Means is unanimous in the belief that it is regrettable that the fiscal facts of our Federal budgetary situation preclude more substantial improvement in the tax law as it affects small business. I am sure we would have preferred to be unanimous in presenting to the House real tax-reduction legislation instead of the admittedly modest changes represented by this bill. Speaking with respect to the other members of the committee on both sides of the aisle, I believe that the committee membership deserves the commendation of the House for coming forth with the best bill that was possible under the circumstances.

I urge my colleagues in the House to support the passage of H. R. 13382 by voting to suspend the rule and pass this legislation.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. REED. I yield to the gentleman.

Mr. MAY. Mr. Speaker, I want to commend the gentleman from New York [Mr. REED] and the Ways and Means Committee for reporting out this bill. I believe H. R. 13382 will provide some measure of tax relief very much needed by the small-business man. I have long advocated needed assistance for small businesses as well as a tax study to rearrange the crazy patchwork quilt of our tax laws affecting individuals as well as businesses.

I am happy to support this bill since it embodies some of the provisions of my bill introduced in 1957 and offers a start in the right direction.

Mr. REED. I thank the gentleman.

Mr. MILLS. Mr. Speaker, I yield 4 minutes to the gentleman from California [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Speaker, may I first congratulate the committee and especially the chairman of the committee, the distinguished gentleman from Arkansas [Mr. MILLS] for his very frank and I think very apt description of the bill. I think it is particularly gratifying to see that he recognizes that the decision must be made in the future as to whether or not we will go forward with the item which is left out of the bill, that is, direct tax reduction. However, I think there are a number of things in this bill which are going to be of definite help to small business, and as the business year moves on I hope that the small-business community will make reports both to the Committee on Ways and Means and to the Committee on Small Business of the House as to their experiences under these bills in order that we may present at the appropriate time either next year or the year after what their experience has been, how it has helped and how further revision may be needed.

In particular I would like to ask the chairman of the committee at this time whether in section 4—the discussion of which is found at page 5—includes also something which will be of particular help to small business and which has not heretofore been available to them. In other words, does not this also include the accelerated depreciation of used personal property as well as new personal property which may be purchased?

Mr. MILLS. This section does apply to purchases of either new or used equipment after December 31, 1957. So the gentleman is correct. It applies to both used and new equipment—this additional depreciation allowance.

Mr. ROOSEVELT. I thank the gentleman. I think that is a most important matter for the small-business community to note.

I would also like to ask the chairman of the committee to consider one other matter which I think is of the greatest importance to small business, and that is the consideration by the Treasury Department of a short form of reporting on their annual tax returns in order that the paperwork of small business may be cut down. I should like to know whether the committee has any hopes or prospects that this may be accomplished.

Mr. MILLS. I do not want to say that we have immediate hopes of this prospect's being accomplished, but let me advise my friend from California that the members of our committee are very deeply concerned about the matter of simplification of the return and of the law itself. I have had sufficient conversations with the Secretary of the Treasury to know that he and the Treasury are equally concerned and most anxious that we can develop a joint program that leads in this direction some time during the next session of the Congress.

Mr. ROOSEVELT. I thank the chairman.

Mr. Speaker, I would like to comment briefly on several aspects of the bill which I have previously touched on in testimony before the committee, and some of which I am most happy to see are included in principle in the bill.

At that time I suggested that unincorporated firms and corporations alike be given a plow-back provision whereby a firm may take a deduction for investments in both new and used capital equipment or inventories up to a specified amount. Specifically, I saw a deduction for new investment being one up to $5,000, whether or not the firm enjoys a profit within the taxable year; and a further deduction for new investments in excess of $5,000 up to 20 percent of the firm net profits or $30,000, whichever is the lesser. This would provide the most benefits to the very small firms.

A second recommendation, that to give the taxpayer the option of paying the estate tax over a period of 10 years in cases where the estate consists largely of investments in a closely held business concern, has in essence also been adopted in the committee bill. It will rectify a gross hardship which has been imposed on the heirs of an owner of a small business who are in practice prevented from carrying on the enterprise since in practice the tax can too frequently be paid only from funds resulting from the liquidation of the business. The failure of many small, essentially family operations can be directly attributed to the tax provision which this bill would very properly change.

However, the report on the bill points out that this measure is actually but one step toward solving the problems of small business, as opposed to the giant steps which must necessarily be taken to provide real, practical, effective relief for small business today.

Again, during my testimony, I strongly urged that the corporate income-tax rate for the very small corporations be reduced. As a minimum reduction, my specific recommendation was that the normal rate for a corporation having no more than $25,000 of net income be reduced from 30 percent to 20 percent. Even this proposal would, in my eyes, constitute minimal relief.

Mr. Speaker, my recommendations and the Ways and Means Committee bill which we are considering today will cost some money. Any small-business tax bill that actually accomplishes anything worthwhile will result initially in some loss in revenue. I note that this loss will amount to $260 million in the first full year of operation if this bill is passed. The broader, more courageous proposals which I, frankly, feel must be enacted for the relief of small business would cost even more initially. However, I submit that the question of what the revenue loss will be is a narrow one and must be considered in light of the eventual practical economic consequences. It is entirely unrealistic to take account only of the costs of such measures and not of the benefits. The recommendations which I made would have practical results. They would be to stimulate business and the growth of business which will bring about much larger incomes. These larger incomes will increase tax revenues in the long run even beyond what the total revenue would be if no change were made.

No one can dispute the great, and even the essential, contribution of small business to our economy. It makes poor sense to stand by and watch several thousand efficient small businesses fail each year. The wasted economic effort that is involved in the essentials of organizing a going enterprise is certainly not consistent with either good business or economic practices, to say nothing of the human values that are involved in each small business failure.

Worthwhile as this bill is, it is not the final answer. The relief which it will afford must not preclude a vigorous attempt to meet the problems of small business realistically and courageously, and to cope with the trend toward the further squeezing out of large numbers of vigorous and independent enterprises in what is fast becoming an economy of bigness.

May I say in conclusion that I sincerely hope that the rules will be suspended and that this important bill for small business will be passed.

Mr. ROGERS of Florida. Mr. Speaker, thank you for this opportunity to speak in favor of this legislation, H. R. 13382, providing for tax relief for our small business.

I have long felt the need for general tax relief, and had hoped that we would soon see the day when this would be possible, so that the great tax burden on every citizen could be reduced. That does not now seem likely at this time, and so specific tax relief to those areas of our economy that are in particular need is vital.

This present bill will give some much-needed relief to the small-business men of the country in several ways. It provides for individual investors in the stock of a small business to take an ordinary-loss deduction for losses on the stock. It provides that a new operating loss for any taxable year may be carried back to be deducted against income in the third preceding taxable year. In addition, the bill allows a special depreciation for small business, a writeoff of 20 percent in the cost of property the first year. The law would also provide for an increase of minimum accumulated earnings credit, from $60,000 to $100,000, in determining the special surtax on accumulated earnings. Estate taxes are also eased by a provision that these could be spread over a 10-year period in certain cases.

It can be seen that these provisions help the small-business man in several different aspects of his operations. The total loss of revenue to the Federal Government during the first year will only be around $250 million. The total gain to the small business will be great.

This is the kind of legislation that we need desperately to keep alive the small-business enterprises that have made our country what it is today. This bill will give the local paint dealer, hardware and grocery store owner, and all other small businesses a better chance to survive during our present-day competition of giant companies, and this relief comes none too soon.

It is estimated that small-business men represent over 95 percent of the business units of our country. This bill, H. R. 13382, will therefore reach into every community, and its beneficial effects will be felt by almost all of our citizens. I am happy to join with the many supporters of this bill, and urge its adoption by the House of Representatives.

Mr. BROWN of Missouri. Mr. Speaker, business tax revision and overhauling are long overdue. This Small Business Tax Revision Act of 1958 is good as far as it goes, but it doesn't go far enough. It is not a bold attack on the problem, but it is something, and something is better than nothing.

Obviously, the red ink on the Federal Government books in fiscal year 1958 and predicted budget imbalance for 1959 have prompted the Treasury Department and the distinguished members of the Ways and Means Committee to exercise extreme caution.

In all sincerity and with profound respect for the sincerity and capabilities of every individual who has dealt with this problem, I suggest that we now find ourselves on a discouraging treadmill.

In these critical cold war times, the Federal budget cannot be balanced until Federal revenues increase. Federal revenues will not increase until America's economy grows and expands. In my opinion, America's economy will not grow and expand until businesses and individuals do more business, create more jobs, and produce and purchase more goods.

I suggest that there is a vast opportunity for additional business volume and more jobs in the small businesses of this country. Think of the main street stores that could be and should be remodeling store fronts, air-conditioning the premises, modernizing fixtures. Think of the small manufacturing plants that could be and should be replacing wornout machinery with new up-to-date equipment.

The potential growth that could come from modernization of small businesses could turn a lot of factory wheels and put a lot of men to work in equipment factories and in the construction trade.

To get this growth, you have to go after it, to encourage it. And the source of that growth is capital. Small businesses do not have adequate sources for capital. And I am talking about equity capital, capital that stays in a business and keeps working. This Government has a vital interest in seeing to it that small business gets capital to modernize and grow.

The average small business is a proprietorship or partnership. There are many thousands of small corporations; but there are millions of proprietorships. And their main source of growth capital is earnings. If they do business and make money, they take some of the money they have earned and expand.

In the past 25 years, as tax rates have steadily increased largely to pay for past and future wars, the Federal tax structure has stunted small-business growth because much of the money that a businessman used to use for plant and equipment expansion has gone instead to the Department of Internal Revenue.

The Nation has suffered a tremendous cumulative loss in economic activity and

in Government tax revenues because of this stunting process.

For 2 years, the Small Business Committee has urged constructive tax revision for small business to generate more activity.

We Small Business Committee members recommended to the Ways and Means Committee a tax-revision program involving basically these points: First, any person engaged in a trade or business should be allowed to invest 20 percent of his net income tax-free each year in additional new or used equipment, or any other depreciable asset as well as additional inventory; second, a business should be permitted to depreciate used equipment on the same basis as new equipment; third, installment payments of estate taxes; fourth, lower tax rates on small corporations earning $25,000 a year or less.

The 1958 Small Business Tax Revision Act we are now considering follows 2 of the 4 recommendations. It lets a business depreciate used equipment in the same manner as new equipment. It provides for installment payments of estate taxes.

The bill does not reduce the small corporation normal tax rate, nor does it provide a plow-back of earnings for expansion. This I regret very much.

The proponents of this bill did include a section providing for an additional 20 percent depreciation allowance on new or used equipment during the first year of purchase.

This will help some small businesses. For example, if a man bought $5,000 worth of new fixtures or equipment, such equipment expected to last 10 years, he would perhaps depreciate the equipment at the rate of $500 per year.

If this bill becomes law, the business could show a book depreciation of $1,400 the first year on the $5,000 worth of equipment and $400 each year thereafter.

In other words, an extra $900 of earnings could be retained in the business tax-free the first year to pay off the mortgage or bank note on the equipment or for further expansion.

In my opinion, this provision is not as good as the plow-back of 20 percent of earnings up to $30,000 in any 1 year. But I will not look a gift horse in the mouth. If this is the best that can be done at this time, let us be grateful for it.

I think it important to point out, though, that this additional 20 percent depreciation allowance in this bill applies only to assets expected to have a useful life of 6 years or more.

It will not apply to a company automobile or delivery truck or any other piece of equipment normally depreciated over 3, 4, or 5 years.

Further, there is a limitation of additional depreciation allowable to any one proprietorship. The maximum is $2,000 unless a man and wife file a joint return and then the limitation is $4,000.

Now there are some other provisions in this bill that are good. I am glad to see the language that lets a stockholder who invests in a small corporation and loses money treat that loss as an ordinary loss instead of a capital loss.

I am glad to see a tax bill spell out clearly that a company can retain up to $100,000 of cumulative earnings without being penalized or forced to pay dividends it should not pay, lest it be taxed.

All this helps. Maybe the carryback and carryforward provisions of this bill may help some businesses. To me, this provision is not a small-business tax aid. It will probably help big business more than small.

But, all in all, this small-business tax-revision bill is less than I hoped for but more than some people wanted small business to have at this time.

It is nothing to beat the drums about. It will not help a lot in getting the Nation's economy growing and expanding. But it might help some.

I shall vote for it; but I wish we had more courage. I wish we had the nerve to run the risk of a temporary loss in tax revenue in order to generate growth and expansion.

Only if the wheels of the economy turn faster will tax receipts once again balance expenditures.

Mr. SPRINGER. Mr. Speaker, this is a bill to aid and encourage small business. All of us realize it will not settle all of the small-business problems. However, it is a step to deal with a few of the more important tax problems of small business.

The goals of this bill are summarized as follows—and I quote from the report of the Committee on Ways and Means on this bill:

1. The bill is designed to increase the volume of outside funds which will be made available for the financing of small business. Encouragement for external financing is provided by the ordinary loss treatment accorded investments in small business which do not prove to be successful. In this manner the risk element in small-business investments will be decreased for all such investments, including the enterprises which ultimately succeed, as well as those which fail.

2. The bill also is designed to increase the volume of internal funds which will be made available for the financing of small business. Three of the provisions in the bill will aid small business in supplying its own investment funds. Included in this category is the provision to permit small business to write-off 20 percent of the cost of equipment in the year of acquisition. This will free funds for reinvestment at an earlier date than would otherwise be possible. Also, the carryback of losses to the third prior year will result in refunds of taxes in the year of the loss when the taxpayer most needs the funds, rather than in a subsequent profit year. A third means of internal financing is provided by an increase in the minimum accumulated earnings credit from $60,000 to $100,000. This will permit the retention of up to $100,000 in a small business without any fear that the accumulated earnings tax will be imposed.

3. The third goal of the bill is to prevent the breakup of small businesses once they are established, and to prevent their consolidation into larger businesses. To aid in this respect your committee has provided up to 10 years for the payment of estate taxes where investments are in a closely held business. This should make it unnecessary to sell a decedent's business in order to finance his estate tax."

In view of some limitations, it has been necessary to limit this bill to certain revenue losses, and to select a few areas of high sensitivity from the standpoint of small business and concentrate the relief in these limited areas. At this point a summary of the bill is in order:

1. The bill provides ordinary loss treatment (up to $25,000 a year or $50,000 a year in the case of a husband and wife filing a joint return) where the original holder of small business stock sells it at a loss. The stock must be issued after June 30, 1958, and the total amount of this stock may not exceed $500,000 per corporation. In addition, this stock is not to increase the equity capital of the corporation to more than $1 million. This provision is not expected to result in any immediate revenue loss.

2. The 2-year net operating loss carryback is extended under the bill to a 3-year carryback. Thus, businesses will have a 3-year carryback and a 5-year carryforward for losses. It is expected that this may result in a revenue loss of as much as $50 million in the first year.

3. The bill permits businesses to write off 20 percent of the cost of their depreciable, tangible personal property (both new and used) in the year of acquisition. This fast writeoff will be of primary importance to small business since it is limited to acquisitions of up to $10,000 a year ($20,000 in the case of a husband and wife filing a joint return). The remaining cost will be depreciated under present rules. It is estimated that this special first-year allowance will decrease revenues by $175 million in the first year of operation.

4. The minimum accumulated earnings credit representing amounts which a business can accumulate over a period of years without the possibility of the imposition of any accumulated earnings tax (formerly called the sec. 102 tax) is increased from $60,000 to $100,000. It is believed that the revenue effect of this change will be negligible.

5. The bill also provides that where the estate of a decedent consists largely of an interest in a closely held business, the estate is to have up to 10 years for payment of the Federal estate tax. This postponement of tax is to be available only for the portion of the estate tax attributable to the closely held business. Where this postponement is granted, interest at 4 percent is payable with respect to the unpaid installments. This treatment is available where the closely held business accounts for 35 percent of the value of the gross estate or 50 percent of the value of the taxable estate. It is believed that the annual revenue loss from this provision will be about $35 million.

It appears to me that all of what the Committee on Ways and Means has done on this bill deserves our approval and should be voted on favorably today. However, I trust the committee will give further consideration to support schedule reductions in both personal and corporate taxes resulting in a new and moderate rate schedule designed to eliminate the tax impediment to a healthy growing economy. We could thereby provide the Free World with a dramatic example of our belief in the principles of free economic enterprise which has sustained this country for so long.

The record is clear. The need is urgent. It is important that this committee act to reform our income-tax-rate structure if we are to solve our major tax problems—the high and punitive rates—not only for the benefit of small business, but for all of our citizens.

Mr. HARVEY. Mr. Speaker, I am happy for the opportunity to vote for the Small Business Tax Revision Act of 1958 which was reported by the Ways

and Means Committee of the House of Representatives last week. It is gratifying to me to note that some provisions of this legislation are similar to provisions of the legislation I have been sponsoring, H. R. 6889, for the tax relief of small business and persons engaged in small business.

One of the provisions of this proposal which I believe will be especially beneficial to small business is the amendment of the Internal Revenue Code of 1954 relating to the special rules for determining capital gains and losses. This provision provides that in the case of an individual, losses on small-business stock which but for this section would be treated as a loss from the sale or exchange of a capital asset, shall, to the extent provided in this section, be treated as a loss from the sale or exchange of an asset which is not a capital asset. The limitation on the aggregate amount which an individual can treat as a loss from the sale or exchange of an asset which is not a capital asset cannot exceed $25,000 annually, or in the case of a husband and wife filing a joint return, $50,000.

This measure also provides a net operating loss deduction to be spread over an 8-year period instead of the 7-year period previously allowed.

An additional first year depreciation allowance is made for small business in the case of tangible personal property of a character subject to the allowance for depreciation and acquired by purchase after December 31, 1957, for use in a trade or business, or for holding for production of income, and with a useful life of 6 years or more. In the case of this property, the term "reasonable allowance," may, at the election of the taxpayer, include an allowance for the first taxable year for which a deduction is allowable to the taxpayer with respect to such property, of 20 percent of the cost of such property. This allowance is limited to $10,000 for a taxable year for an individual or $20,000 in the case of a husband and wife filing a joint return.

This measure also provides for an increase in the minimum accumulated earnings credit of a corporation from $60,000 to $100,000.

Finally, this measure provides for the extension of time for payment of the estate tax where an estate consists largely of interest in a closely held business. The executor may elect to pay part or all of the tax imposed in two or more, but not exceeding 10, equal annual installments. This should be especially beneficial to a small business where a death involving ownership might otherwise force liquidation of the business.

Mr. SCHWENGEL. Mr. Speaker, I want to commend the Ways and Means Committee for giving consideration to the problems of small business.

Through my study of small businesses I have come to realize a fact that all students of the small business have been cognizant of for a long time and that is that the backbone of the United States economy is made up of small businesses. Small businesses account for some 4 million of the 4,250,000 firms in the United States.

This would seem to remove any doubt that small business is a very important sector of the American economy that it deserves legislative attention to create an atmosphere where it can have a better opportunity to grow, be successful, and prosper.

I should like to discuss with you the definition of a small business, the inequitable tax situation of the independent oil jobbers, and finally the advisability of making the Small Business Administration a permanent agency.

When we speak of small businesses we immediately run into the problem of definition. What is a small business? There are many tests that can be used, that is, number of employees, amount of retail business, and amount of wholesale business. The Small Business Administration defines a small business as a retailer with annual sales of not more than $1 million or a wholesaler with sales of $5 million or less. They also define a small business as a manufacturing firm—including affiliates and subsidiaries—employing 250 or fewer persons. For a manufacturing firm which has more than 250 but not more than 1,000 employees, it may be either small or large, depending upon the size standard which the Small Business Administration has set for its particular industry.

Possibly some of our Washington correspondents have described small business more accurately when they describe it as one that cannot afford to keep a lobbyist in the capital.

Actually, the facts speak more eloquently on behalf of the troubled small-business man than any lobbyist could. More small concerns went out of business last year than in any year since 1940; bankruptcies are running higher than in 1957. Small business' share of total manufacturing sales slipped from 18.9 percent in 1947 to around 12 percent in 1957.

True, the mortality rate for new businesses has always been high—largely because of mismanagement and inexperience. But the fact that business failures since 1947 have doubled among firms 10 years old and older indicates that taxes may now be the real trouble. After paying the Government 30 percent of earnings under $25,000 and 52 percent over it, small firms have proportionately far less than bigger companies to use for expansion. To escape extinction, more and more smaller firms are forced to merge with bigger companies, thus accelerating the trend toward monopoly.

During the past months many groups and individuals have appeared before this committee to express views on the situation of the small businesses. Ranging from a report by the Cabinet Committee appointed by the President to such individuals as Joseph D. Nonnam, executive secretary, Smaller Business Association of New England, and Robert B. Anderson, Secretary of the Treasury, they have all been consistent with respect to one thought—small-business men deserve a break. A break in the sense that they need and deserve a more equitable tax structure.

My study of this subject indicates many examples of tax inequities which are adversely affecting the small-business man in our district.

I do not want to elaborate on these any further. Nor do I want to elaborate on any additional tax cuts as I am sure that you gentlemen have heard all the possible new ideas for tax cuts and their arguments pro and con.

There is, however, one tax problem that I have just recently completed my research on and I think the results might be of interest to you.

The problem concerns generally the manufacturers' excise taxes on petroleum products and specifically concerns the situation of the independent oil jobber with respect to the payment of this tax.

In February of 1957, my staff interviewed Mr. James Herriot of the Jones-Herriot Oil Co. in Iowa City, Iowa. Mr. Herriot is president of the Iowa State Independent Jobbers Association. During the interview, Mr. Herriot pointed out the inequity of having the independent oil jobber on a different level than the blender or refiner as to the payment of the Federal excise tax on gasoline.

You gentlemen of the Ways and Means Committee of course are aware of the fact that presently we are operating under substantially the same requirements as established by the 1939 code, section 3412 (b) (c). Reading from section 4081 of the present code, it states:

> There is hereby imposed on gasoline sold by the producer or importer thereof, or by any producer of gasoline, a tax of 3 cents a gallon.

It goes on to state that:

> As used in this subpart, the term "producer" includes a refiner, compounder, or blender, and a dealer selling gasoline exclusively to producers of gasoline, as well as a producer. Any person to whom gasoline is sold tax free under this subpart shall be considered the producer of such gasoline.

This definition of "producer" does not include the independent oil jobber. This wouldn't really make any difference if the blender did not require the independent jobber to pay this Federal tax until the gas was sold to the consumer. However, the practice of the blenders today is to sell the gasoline to the independent oil jobber plus the 3 cents Federal tax. Therefore, the jobber must pay this Federal gasoline tax when the gasoline is received instead of after the gas is sold to the consumer. In effect then the jobber is paying a pre-paid Federal tax.

Mr. Herriot pointed out two injustices resulting from such practice:

First. It forced the independent jobber to give up working capital to pay this tax and Mr. Herriot felt that this practice even forced many jobbers to borrow money so as to be able to pay this tax.

Second. It gave the major oil companies a decided advantage over the independent jobbers. The blender or major oil company does not have to pay this gasoline tax to the Government until the following month, and therefore, they have the use of this money for 1

month. What do they do with this money? As was pointed out by Mr. Herriot, most of the major oil companies are in direct competition with the independent jobbers in selling gasoline because they have their own gas stations which distribute gasoline to the public.

To point out this second injustice more clearly, we will use an illustration—major oil company "A" and independent jobber "B."

"A" sells 200,000 gallons of gasoline to "B" in 1 month and collects the $6,000 Federal excise tax. "B" then distributes the gas to his gasoline station customers and gets his money back, eventually.

However, let us look at "A" now. He has, as is the common practice of most major oil companies, decided to establish a new gasoline station. "A" not only has the $6,000, which "B" paid him, but he also has $6,000 which he would have had to pay if he were in the same position as the independent jobber "B". Therefore, "A" company has $12,000 capital to directly compete against the independent jobber "B." What this really amounts to is that the independent jobber "B" is loaning money to the major oil companies so that the major oil companies can turn right around and enter into direct competition against the independent jobber.

Now we are not condemning the major oil companies for this practice as it is a matter of hard business for them. It is a source of profit to them and they cannot be expected to give this practice up. The only logical relief must come from Congress.

After receiving this preliminary report, I became very much concerned over the situation of the independent oil jobber and proceeded to introduce legislation which would alleviate this inequity. H. R. 2501 was introduced in the House of Representatives on January 10, 1957. The purpose of this bill was to include wholesale distributors within the definition of "producers" of gasoline, and, as used in this subpart, the term "wholesale distributor," includes a jobber, consignee, distributor, or commission agent, or any person selling gasoline to retailers or users who purchase in bulk quantities for delivery into bulk storage tanks. This bill was referred to the Committee on Ways and Means but has not been acted upon as of yet.

To determine more exactly the effect of such collection practices by the blenders and to provide a stronger factual case for H. R. 2501, we sent out a post card questionnaire to each independent oil jobber in Iowa, and I should like to point out the results.

Question 1: Have you, at any time, been forced to borrow funds to pay this Federal gasoline tax? Yes, 175; no, 93; 65 percent.

Question 2: Do you presently plan an expansion program which could be financed wholly, or in part, with funds which H. R. 2501 would make available to you? Yes, 190; no, 73; 72 percent.

Question 3: Do you have any outstanding bank loans which could be repaid with funds made available by H. R. 2501—thus freeing these funds for loans to other businesses? Yes, 177; no, 81; 68 percent.

Question 4: Do you feel that these funds could be used by oil jobbers for expansion of services which would result in increased employment? Yes, 241; no, 19; 93 percent.

As is noted, we attempted to find out what some of these jobbers would do with the money if they didn't have to pay it over immediately to the blender. But the main fact which we determined more exactly from this questionnaire was that many independent oil jobbers are forced to borrow money to pay this Federal gasoline tax. I, along with Mr. Herriot, and others of the independent oil business, feel that this is an injustice to the independent oil jobber.

It should be noted here that the tax upon diesel fuel is not required to be paid until it is sold to the consumer. Fuel oil is non-taxable. However, when it is sold for highway purposes, it changes to diesel fuel and it is not taxed until it goes into the vehicle. At the present time, the form provided for the sale of diesel fuel must be submitted quarterly.

The Treasury Department has been adamant in its opposition to any changes in the collection of such Federal gasoline taxes. There might be several possible reasons for this. One is that it would involve more accounts. At the present time, the Federal Government collects all Federal gasoline taxes from the blenders. If H. R. 2501 was passed, this would mean that the taxes would be paid by the independent oil jobbers. Of course, this would involve more accounts. This problem could be handled by 1 of 2 methods. First, it was felt by Mr. Herriot that two additional men with the help of IBM machines could handle this increased account work very well. The second method which Mr. Herriot suggests and which we as a committee suggest to you gentlemen as the most feasible plan, is to have the Federal Government authorize the State to collect this tax. For example, in Iowa there is a 6-cent State tax on a gallon of gas which is payable 1 month after the sale to the independent jobber, thereby giving the jobber an opportunity to collect his money before paying the tax. Therefore, there is an existing collection agency in the tax division of every State. I feel that this would not only benefit the jobber in that he would only have to send returns to one agency after he has sold the gasoline to the station operators, but also, that in the long run this plan would be just as cheap or cheaper than the existing method of collecting the gasoline tax.

Another possible argument of the Treasury is that if they allow this change of payment of excise taxes for the petroleum products, there will immediately be pressure to change the method of payment of excise taxes on rubber goods, leather goods, and so forth. But in the case of, for example, leather goods, we do not have the same situation as exists for the petroleum products. As was pointed out before, the major oil companies enter into direct competition with the independent jobbers. This is not the case with manufacturers of leather goods. Therefore, with leather goods, we do not have the situation as exists with the independent jobber, where the jobber is loaning money to the blender so that the blender can turn right around and enter into direct competition with the independent jobber. Consequently, we feel that this argument of the Treasury is not a valid one.

Summing up this discussion of the independent oil jobber, I should like to point out some figures and percentages as compiled by Mr. Lyle W. Munson, secretary of the Iowa Independent Oil Jobbers Association. He indicates that there is a permanent inventory of 24 million gallons of gasoline in the storage tanks of the independent jobbers in Iowa. This means that there is "tied up" capital of $720,000 at all times in Iowa. When we break this down on an average basis, this amounts to about $7,200 for each of the 1,000 independent oil jobbers in Iowa. We feel that this money distributed among the level of independent oil jobbers would be of much more benefit to the economy than is the present situation where it is distributed among the major oil companies. Also, no additional burden on the Treasury Department would be imposed by the inclusion of gasoline-tax collection in the manner set forth in H. R. 2501, and we feel, in all sincerity, that the passage of such bill would remove the inequitable situation of the blender or major oil companies having a decided advantage over the independent jobber.

There is no one who today argues that small business does not constitute a vital and integral part of our competitive free-enterprise system. We all recognize that to a large degree the future success of our economic system depends upon the existence of a healthy and vigorous small-business community in the United States. With the pressures upon business increasing every year, there is a definite need for an agency to devote all of its time to helping small-business firms financially, technically, and in times of disaster. The Small Business Administration is proving that it is capable of meeting this challenge. The effectiveness and efficiency of this agency will be greatly improved now that it is a permanent agency.

Mr. AVERY. Mr. Speaker, we are all in agreement a tax revision for small business is most desirable. I am pleased the Ways and Means Committee has favorably reported H. R. 13382, the Small Business Tax Revision Act of 1958, and I urge its passage. The changes in the Federal tax structure provided for small business by this legislation are meritorious and for that reason I support the measure. However, I believe the bill fails to adequately meet the needs of small business.

The bill consists of six sections, one of which merely indicates the title of the bill. Two of the sections provide special treatment for losses on small-business stock and the increase of minimum accumulated earnings credit. These sections apply only to a corporation. Eighty-five percent of small business does not operate under the corporate

form of doing business. Therefore, at best these sections can only help 15 percent of the small businesses.

The section which provides for a 3-year net operating loss carryback is not restricted in its application to solely small business.

It must be remembered that over 80 percent of small business is in the distributive and service fields, not the field of manufacture. Therefore, the section of the bill providing for an additional first-year depreciation allowance for small business would apply only to a small segment of small business. This is because the distributive and service businesses have the bulk of their investment in inventory and accounts receivable and not in depreciable assets.

Generally speaking I believe the bill does little for 85 percent of small business. It does nothing for growth businesses. In the area of service and distribution enterprises the greatest need for additional investment capital is found.

I hope that next year the Congress will undertake the job of revising our tax laws so that we will stimulate economic growth. The bulk of our economic growth in Kansas will always stem from our smaller firms.

Mr. HILL. Mr. Speaker, this statement is made in behalf of the Republican members of the Select Committee on Small Business who are: Hon. R. WALTER RIEHLMAN, of New York; Hon. HORACE SEELY-BROWN, Jr., of Connecticut; Hon. WILLIAM M. MCCULLOCH, of Ohio; Hon. TIMOTHY P. SHEEHAN, of Illinois; Hon. ARCH A. MOORE, Jr., of West Virginia; and myself. The Honorable CRAIG HOSMER, of California, who was a valued member of our committee until his appointment a short time ago to the Joint Committee on Atomic Energy, shares in these views.

We shall vote for the pending bill, H. R. 13382, because it is the only tax measure which will be presented to us in the 85th Congress in the name of small business. If we were to say that we are disappointed in the bill before us, it would only be a very mild expression of our opinion. The tax reform is so inadequate that we can only classify the provisions of H. R. 13382 as fringe benefits. Moreover, it is extremely doubtful that more than a small percentage of the four million small-business concerns in our country will benefit at all.

The bill, H. R. 13382, does not go to the heart of the small-business tax problem: and that is, the ability to plow back earnings into the business. This legislation is based on a token principle: something to talk about as if it had substance and something that is deficient in objectives but which, nevertheless will be cataloged as an accomplishment of the 85th Congress.

REALISTIC PLOW-BACK PROVISIONS

Hundreds of tax bills have been introduced in this Congress specifically directed toward equalizing the tax burden of small business and toward revising inequitable provisions of the Internal Revenue Code. The bulk of these bills embodied realistic plow-back provisions as well as technical provisions relating to fringe benefits. Taken as a whole, the plow-back and fringe benefits which have been proposed in many bills are complementary and when appropriately combined would provide a tax structure which would enable small business to grow, expand and modernize in a way comparable to which big business has done under the present Internal Revenue Code. We insist that a tax measure for small business providing a definite proportion of earnings to be plowed back into the business for growth, expansion and modernization would have a most salutary effect on our economy. This, we believe, can best be accomplished by permitting a deduction from taxable income within certain defined limitations. This or similarly devised plow-back provisions would broaden the tax base in a sector of our business economy on which rests the future of our free competitive society—small businesses.

Credit and equity capital are necessary collateral requirements for business health and prosperity, but the ability of a business once established to plow back earnings is the one component which is absolutely necessary for a well-balanced financial business structure. Unless we can remove the impediments which prevent earnings from being plowed back into the business and which are basically responsible for lack of credit and capital, for increased mergers, for failures and which retard small business growth and expansion, we shall have failed in our objectives.

SMALL BUSINESS TAX POLICY

There is no doubt in our minds that adequate plow-back provisions, by broadening the tax base, would in a short period of time not only recover any revenue loss but would actually increase revenue by giving small business greater earning power. The Republican members of the Select Committee on Small Business, on March 6, 1957—85th Congress, 1st session—upon the introduction of comprehensive and identical business tax bills—H. R. 5631, Mr. HILL; H. R. 5632, Mr. RIEHLMAN; H. R. 5633, Mr. MCCULLOCH; H. R. 5634, Mr. SEELY-BROWN; H. R. 5635, Mr. SHEEHAN; and H. R. 5636, Mr. HOSMER—said that:

It is sometimes alleged that the loss of revenue, which immediate tax reductions might cause, would weaken the fiscal program of the Nation. We believe, however, that the encouragement of opportunity and expansion for small business, which carefully considered tax reductions would bring about, would have beneficial ramifications throughout our economy. We believe the result would create sufficient new wealth through increased productivity and employment and that a generally broadened tax base would inevitably follow. Thus, in approving needed tax reduction, we would be insulting our free enterprise system against the corrosive damage of this mobilization era and, at the same time, creating a climate for increased employment and productivity, which are the conditions essential to the functioning of our system of taxation and our fiscal policy.

We are glad to see that certain provisions included in our bills of March 6, 1957, have been incorporated at least in principle in H. R. 13382. We refer particularly to section 2 of H. R. 13382 covering losses on small-business stock by individual investors and section 6 which provides for installment payments of estate tax attributable to investment in closely held businesses.

The bills which we introduced on March 6, 1957 embodied the essentials for adequate tax relief for small business. Many other Members of the House joined us in introducing identical bills, and we find portions of our bills in many others which have since been introduced by members of both parties. We devoted a great deal of time to the study of small business tax problems before our bills were introduced, and we cannot but derive some satisfaction that the provisions in our bills have been generally accepted as sound, constructive and forward-looking recommendations. At this point I desire to include a statement released on March 6, 1957, which includes a résumé of the provisions of our bills which, as indicated, would have given both the small businessmen and small farmers of our Nation a framework of tax reform and would have provided incentives which they so much need and desire. The statement of March 6, 1957, follows:

EXPLANATION OF THE BILL "TO AMEND THE INTERNAL REVENUE CODE TO ASSIST SMALL AND INDEPENDENT BUSINESS, AND FOR OTHER PURPOSES"

To enable small business firms to grow and modernize in pace with the Nation's expanding economy, the six Republican members of the House Small Business Committee have introduced legislation calling for substantial tax relief for small firms with incomes under $150,000 a year.

The bill, designed to continue the recognition and protection Congress has historically afforded small business, was introduced by Representative WILLIAM S. HILL, of Colorado, ranking Republican member of the House Small Business Committee, together with Congressmen R. WALTER RIEHLMAN, of New York; HORACE SEELY-BROWN, of Connecticut; WILLIAM M. MCCULLOCH, of Ohio; TIMOTHY P. SHEEHAN, of Illinois; and CRAIG HOSMER, of California.

Since 1890, when a Republican Congress passed the Sherman Antitrust Act, our laws have recognized the importance of small business to our economic livelihood and to our American way of life. In virtually every field of economic activity, Congress has enacted laws to protect small firms, curb monopolies, prevent the restraint of trade, give small companies a better break in competing for Government contracts, and provide financial assistance when such assistance was not available through private sources.

Despite the assistance from Congress, however, small business concerns continue to face problems in their operations. It has been demonstrated that small firms usually start off life undercapitalized and even after a few successful years are still unable to attract sufficient capital from local markets or utilize organized securities markets for funds. Even more important perhaps, because of the large amount of funds siphoned off by the Federal Government through corporate and personal income taxes, the growing company has insufficient retained earnings to improve its competitive position.

It is also historically true that the profits of small firms are subject to more frequent and violent fluctuations over a period of years than those of larger concerns. The inability of small business to retain earnings, both because of fluctuations and high

taxes, prevents the use of such earnings for growth and expansion.

The Republican-sponsored legislation is aimed at overcoming these problems by providing small firms with badly needed tax relief. In brief, the purposes of the bill are spelled out in section I as follows:

"To provide for growth, expansion and modernization for small and independent business enterprises engaged in trade and commerce;

"To provide an election for filing income-tax returns for small and independent businesses engaged in trade or commerce whether or not such businesses operate as individuals, partnerships or corporations;

"To provide a normal tax rate of 20 percent for taxable years after March 31, 1957, and to increase the surtax exemptions;

"To provide a growth, expansion, and modernization exemption on net taxable earnings for small and independent businesses engaged in trade and commerce;

"To provide credits for losses incurred through investment or loans to small and independent business enterprises engaged in trade or commerce;

"To provide for rapid amortization of property utilized for the production of profit by small and independent businesses engaged in trade or commerce;

"To provide small and independent business an exemption for goodwill in the determination of the value of an estate;

"To provide family-sized farmers and others engaged in agricultural pursuits an exemption for the improvement, modernization and renewal of buildings or equipment used in the production, care, and marketing of farm products; and,

"To provide family-sized farms, whether or not such farms are owned in fee or occupied by renters or tenants, an exemption for the improvement, modernization, and renewal of buildings or equipment used in the production, care and marketing of the products of such farms."

Section II, probably the most important section of the bill, would permit small firms to take varying exemptions on their taxable income for plant expansion, modernization and improvement. This section would permit the small operator earnings less than $150,000 a year to treat expenditures which are paid or incurred by him during the taxable year for the construction, reconstruction, erection, installation, improvement, or acquisition of any facility, land building, machinery or equipment, or any part thereof, used in the trade or business as expenses which are not chargeable to capital account.

Designed to provide the greatest incentive to small firms with relatively low taxable income, this section provides for the following table of deductions:

If the small firm's taxable income is not over $10,000, it may deduct for modernization and expansion purposes up to 50 percent of its taxable income; from $10,000 to $25,000, it may deduct $5,000 plus 40 percent of the excess of taxable income over $10,000; from $25,000 to $50,000, it may deduct $11,000 plus 30 percent of the excess over $25,000; from $50,000 to $100,000, it may deduct $18,500 plus 20 percent of the excess over $50,000; from $10,000 to $150,000, it may deduct $28,500 plus 10 percent of the excess over $100,000.

Section III would reduce the normal corporate tax rate from the present 30 percent to 20 percent for firms earning up to $150,000 a year. Based on the premise that the corporate normal tax should be low, this section aims at increasing the resistance of small firms to sell out or to merge with their larger competitors, encouraging them to adopt the corporate form of doing business, and lessening their burden of obtaining working capital.

Section IV would exempt firms earning up to $150,000 a year from the 22 percent corporate surtaxes now applicable to companies earning above $25,000. To offset the loss of revenue from this increased exemption, additional revenue could be obtained by increasing surtax rates at levels above $150,000.

Section V would permit small firms to elect to be taxed either as a small business or as a corporation so that decisions whether to incorporate will be made on factors other than taxes. This section would particularly benefit small firms having stockholders with modest incomes.

Section VI would permit small closely held corporations to elect to be treated as partnerships or proprietorships for tax purposes. This section applies only to corporations with 10 or less shareholders who are actively engaged in the business.

Section VII would provide an incentive for persons to invest in small firms by providing them with more liberal treatment for losses and bad debts than the law presently allows. This section would stimulate the flow of venture capital into small firms by permitting persons to write off a loss from the disposal of securities on the same basis as a loss from the sale or exchange of capital asset and to charge off a bad debt against ordinary income.

Section VIII would provide firms earning less than $50,000 a year over the preceding 5-year period with tax amortization certificates enabling them to write off over a 5-year period the cost of expanding and modernizing their facilities. The law at present provides for such rapid tax writeoffs, but in practice they have geen granted mainly to big firms. This section is designed mainly to aid the thousands of small defense plants to keep pace with the everchanging scientific and technological developments on which the country may have to rely in the event of a national emergency.

Section IX would provide small firms with accelerated depreciation on their purchases of used equipment or property. This section would particularly aid small firms which are often forced to start in business by buying an old building, used machinery, or used display equipment.

Section X would provide an exemption from estate taxes for the so-called goodwill of a firm as an incentive to its owners to continue the business after the death of one of its leading figures. The law at present allows the Internal Revenue Service to include the value of goodwill in computing estate taxes.

Section XI would provide for the installment payments of estate taxes over a 10-year period to prevent the disruption of the management, control, and operations of a small business in the event of the death of one of its leading figures. The law at present allows the Internal Revenue Commissioner to defer such payments only in hardship cases.

Mr. DIXON. Mr. Speaker, the Small Business Tax Revision Act of 1958 is definitely a significant step in the right direction and it has not only my support but my commendation. For the last 3 years we have recognized the need of help for small business and have been talking about it. But now is our chance to do something.

The measure includes five major reforms, as follows:

First. Permits business firms to reduce their taxable income by deducting for depreciation in the first year a larger percentage of the cost of machinery and equipment.

Second. Permits estate taxes from closely held businesses to be paid in ten annual installments.

Third. Aids investment in small businesses by providing liberal deductions for losses.

Fourth. Permits retroactive tax refunds for 3 previous years as a result of net operating losses.

Fifth. Boosts to $100,000 the present $60,000 credit offset against penalty taxes for accumulating earnings.

By passing H. R. 13382 we fully realize that actual reduction in tax rates would contribute more to placing small business on its feet than any of the five provisions in this bill and we must work toward that end. Furthermore, the loss in tax revenue through future tax reduction and the $260 million loss in revenue to the budget under this bill must be offset by reduced Government budgets and expenditures in other less rewarding and needy fields—not through deficits. The time has come when we must face up to this reality.

Mr. ALGER. Mr. Speaker, no less than any Member of Congress, I would like to give tax relief to the small-business man. But all our citizens need relief from the present backbreaking load of Federal taxes. Since the burden is so heavy on everyone, it seems to me we should try to be fair to everyone in granting tax relief.

Therefore, to the extent that H. R. 13382 grants tax relief rather than tax revision, as the gentleman from Missouri [Mr. CURTIS] and the gentleman from Wisconsin [Mr. BYRNES] point out, it is subject to proper criticism. This is no time for tax relief without equitable distribution. Further, a time of Federal deficit financing is not the time for tax cuts, and this fiscal year is running a big deficit. What this country and our taxpayers really need is for this Congress to stop spending money so freely. This hurried consideration of H. R. 13382 with only 40 minutes under suspension of the rules is no way to solve the plight of the small-business man and of other related taxpayers. We cannot even question and amend the bill. The taxpayers and the small-business man deserves better of us than this.

Mr. DENNISON. Mr. Speaker, I rise in support of H. R. 13382, the Small Business Tax Revision Act of 1958.

I believe that small business is the core of the American free enterprise system. The small-business man embodies the principles which have made America a great industrial Nation. He stands for competition, for good will, for enterprise. It is the Main Street entrepreneur who has played such a vital part in shaping and maintaining our ideological and economic order.

The number of small-business men is on the rise. Today there are 4,300,000 business units in the United States, 95 percent of which employ 100 or fewer persons. A recent business survey shows that there are more business establishments in the United States today than at any time during the preceding 20 years—a third more than a decade ago. New incorporations, new partnerships, and new firms operated by small-business men have grown and prospered with intelligent encouragement by government.

The records shows that more has been done for small business in the past 5 years than in the previous 20 years.

The chief Federal agency helping this development is the Small Business Administration.

Last Friday, the President signed into law the Small Business Act of 1958 which is the culmination of 2 years of work by the Congress. It deals directly with the most pressing problem facing small business—the shortage of funds for investment purposes.

The bill which we have before us today would supplement this act by making more funds available for investment purposes, both from private sources and small business savings.

Today small businesses are faced by a credit squeeze. In general, it is difficult for the small businesses to procure investment funds. Banks would much prefer lending to corporations with large assets than to the corner proprietor who has all his assets tied up in his store and its inventory. Small business, thus, finds itself in a less-favored position.

The problem is aggravated by the fact that under present tax laws small businesses, unlike larger corporations, are unable to amass savings in order to finance their investment themselves. They then are forced to borrow externally in order to expand. Timing is important. Small businesses usually wish to expand in periods of prosperity, when sales are up and there is a healthy backlog of orders. However, in a period of sustained prosperity such as we have experienced in the last 15 years, prices are also climbing. This inflation has required the placing of limitations by the Federal Reserve bank upon bank reserves and the rationing of loanable bank funds. Many small businesses thus find themselves unable to attain funds at a time when they wish to expand.

The Small Business Administration meets this problem by making funds available for investment purposes to those small businesses which are unable to obtain bank loans. This agency performs an excellent service and is certainly necessary. However, it is most desirable that small businesses find private and internal sources from which to finance their projects and that the Government get out of this banking operation.

This is the general purpose of H. R. 13382. The bill is designed to increase the volume of both outside and internal funds which will be made available for small business. Outside investment sources are encouraged to lend to small business because of a reduction of the risk element in small business loans. This benefit is provided by the ordinary loss rather than capital loss treatment on the sale or exchange of small business stock. People investing in those small enterprises which fail, as well as those which succeed, will thus be faced with a reduced initial investment risk.

Section 4 of this bill will increase the volume of internal funds available for the financing of small businesses. It provides for a writeoff of 20 percent of the cost up to $10,000 of new equipment in the year it was acquired. Thus, funds are released for an earlier reinvestment instead of being tied up under the present slower depreciation schedules.

Section 5 also accomplishes this by permitting companies an increase in the minimum accumulated earnings credit from $60,000 to $100,000. A small business could retain up to $100,000 without any fear that the tax on improperly accumulated earnings will be imposed.

Mr. Speaker, the Small Business Tax Revision Act of 1958 is a worthy and much needed piece of legislation. It lays the groundwork for greater tax relief to a sector of our economy which represents the core of the American economic system.

The average small-business man believes in the free enterprise system. He wants to be independent and able to finance his enterprise either internally or from private sources and to continue to be an example of the virtue of our system. This bill before us today is a step toward this goal.

For this reason, I cast my vote in favor of the Small Business Tax Revision Act of 1958.

Mr. HENDERSON. Mr. Speaker, I support the legislation now before the House which has as its general purpose the revision of certain revenue laws affecting small business. I would much prefer to see this body considering legislation to revise and reduce taxation for the benefit of all taxpayers rather than a mere revision but such a course seems impossible at this time. Frankly, I am not sure that such measure can be considered at any time in the foreseeable future.

Mr. Speaker, the reason that we cannot consider a general tax reduction is that we as Members of Congress just do not have the gumption to say "No" to the thousand and one requests that come to us to institute new and expensive Government programs. There is no hope for reduced taxes for a Government that increases its spending year after year after year. We face a deficit, and we face the very real possibility of having to increase the debt limit again. When the deficit appears, when legislation authorizing an increase in the debt ceiling is considered there will be a great wave of condemnation on the part of the spenders in Congress. They, who have advocated every free-wheeling, free-spending type of program will take the floor to condemn the present administration for an economic mess that they themselves have advocated and largely created.

I quite freely admit that I have disapproved of many programs advanced by the administration as being too costly at a time when we can ill afford the expense, but I wish to point out that the proposals of the administration have been pure economy measures when compared with some of the extravagant legislative dreams of our Democrat colleagues.

Their extravagances and excesses in Government are part of the reason that today we are considering a mere tax revision rather than a tax reduction.

The bill before us is intended to change the revenue code in five respects. First, it provides for ordinary loss treatment up to $50,000 a year where the holder of small business stock sells it at a loss. Second, the 2-year net operating loss carryback is extended to a 3-year carryback. Third, businesses will be able to write off 20 percent of the cost of their depreciable property in the first year up to a maximum acquisition limit of $10,000 per year. Fourth, accumulated earnings credit is increased from $60,000 to $100,000. Finally, estate taxes of a decedent which consists largely of interest in a closely held business may be paid on an installment basis rather than necessitating the liquidation of the business in order to pay the estate tax, as has been so often the case.

I regard this bill as less than half-a-loaf to meet the economic situation confronting the small businesses of the Nation. The bill provides a faltering step in the right direction and seemingly represents about all the Congress can do when it insists on maintaining the present high level of Government spending activity. Several of the aspects of this legislation were contained in a bill which I introduced some time ago to equalize the tax burdens to which small business is subjected. My bill would have taken the next and most desirable step and provided a measure of tax relief as well. Such earnestly hoped-for legislation is inconsistent with a philosophy of spending and it therefore appears doomed.

Mr. VANIK. Mr. Speaker, it is extremely difficult for me to generate enthusiasm for the Small Business Tax Revision Act of 1958. I doubt that it will provide much support for the sadly deteriorating plight of small business. My fear is that bigger business will come in for more benefits than the small business this bill purports to help.

The quarter billion dollars in Federal tax revenues which this legislation will lose will probably not be reflected in higher tax collections from other sources. The tax loss will be total and unrecoverable.

At a time when all other individual taxpayers in America are denied any form of tax relief, it seems inequitable for a special group of taxpayers to receive advantages not accorded the general taxpaying public, particularly when red ink threatens to drown the Nation. A tax cut for individuals of the low-income group would be more justifiable and more likely to reflect itself in increased consumer spending which would positively redound to the lasting benefit of business, particularly small business.

It is my opinion that this tax bill is being used as a fulcrum to provide avenues of tax escape for big business at an early date. After this bill becomes law, a struggle will be made to make its principles of uniform application to all business. The individual taxpaying citizen will be the loser—his share of tax payment will rise as well as the cost of his existence which will be boosted by the inflationary effect of this tax cut on the Federal debt.

Mr. BENNETT of Florida. Mr. Speaker, I am glad to support this legislation. On the first day of this Congress I introduced a similar bill, H. R. 559, and was allowed to be the first witness in the extensive hearings held on this type of legislation this year. I think that this

legislation is meritorious and should be promptly passed. I would like to add, however, that it is my belief that the main benefit that small business requires, and that the economy generally needs, is a revision downward of heavy taxes that all businesses encounter.

The fiscal situation in the country has made it difficult to bring about the reductions which are needed, but I sincerely hope that before the elapsing of too great a period of time we may find it possible to make substantial reductions in taxes for all individuals and for all businesses generally. This would greatly strengthen the economic picture of America in these perilous times.

Mr. JUDD. Mr. Speaker, I shall vote for H. R. 13382 as a means of granting a limited first step tax adjustment for small business. However, I regret that under the suspension procedure no amendments to the measure may be offered.

The scope of this bill, while admittedly very limited, should nevertheless be of assistance to small business in certain areas. I fully approve of those provisions which provide ordinary loss treatment for certain investments in small business which do not prove successful and which extend by 3 instead of 2 years the net operating loss carryback. Likewise of real benefit are the provisions which increase the minimum accumulated earnings credit from $60,000 to $100,000 and which provide for installment payments of estate taxes attributable to investments in closely held business concerns. In fact substantially the same provisions as these latter two are contained in H. R. 10617 which I introduced in February of this year in an effort to establish an initial program of tax adjustment for small business.

The provision approving an additional first year depreciation earnings is not a complete answer to the problems which small business concerns have in accumulating necessary capital for expansion but it is at least a step in the right direction. While I would prefer the enactment of a limited reinvestment allowance along the lines set forth in my bill, H. R. 10617, I respect the conclusions of the Ways and Means Committee that such a proposal should be postponed in view of budgetary limitations occasioned by current revenue needs particularly in connection with the national defense program.

In my judgment, two amendments would considerably strengthen the bill. If House rules had permitted I would have offered amendments to (1) permit purchasers of used equipment or facilities the advantages of alternative methods of depreciation provided by section 167 of the Internal Revenue Code of 1954 to purchasers of new equipment, and (2) grant to certain corporations the election to be taxed as partnerships. Neither of these amendments would result in any significant loss of tax revenue and in each case an existing tax inequity to small business would be remedied. It is small business concerns which most often purchase used equipment since frequently they cannot afford new machinery. There is no sound reason why the same methods of depreciation should not be available to purchasers of used equipment as are available to purchasers of new. Likewise numerous small business concerns have chosen for a variety of reasons other than tax considerations to incorporate rather than operate as an individual proprietorship or partnership. If such incorporated business concerns were given the election of being taxed as partnerships the influence of the Federal Tax System in determining the type of business organization to employ would diminish and at the same time such an option would equalize the treatment for small corporations with individual proprietorships and partnerships which under the present law may in certain instances choose to be taxed as corporations.

Mr. Speaker, after passage of this bill today, I hope the next Congress will press on for additional sound measures to give small business a more equitable opportunity to compete, and in fact, to survive.

Mr. SIKES. Mr. Speaker, I want to congratulate the members of the Committee on Ways and Means for their work in behalf of small business and to aline myself solidly behind H. R. 13382. The problems of small business are becoming increasingly magnified as big business becomes more and more monopolistic. The measure before us today is not an all-inclusive one. It lacks a great deal of providing a cure-all. Nevertheless, it is helpful in meeting some of the problems which confront small business today.

House Report No. 2198 which accompanies H. R. 13382 provides a very good explanation of the provisions of the bill and I suggest its careful reading by the Members of the House.

H. R. 13382, among other things, provides for ordinary loss treatment where the original holder of small business stocks sells it at a loss, extends the 2-year net operating loss carryback to a 3-year carryback; thus, businesses will have a 3-year carryback and a 5-year carryforward for losses. Permits businesses to write off 20 percent of the cost of their depreciable, tangible personal property. Increases from $60,000 to $100,000 the minimum accumulated earnings credit representing amounts which a business can accumulate over a period of years without the possibility of the imposition of any accumulated earnings tax. Provides that where the estate of a decedent consists largely of an interest in a closely held business, the estate is to have up to 10 years for payment of the Federal estate tax.

In the great State of Florida, which I have the pleasure of representing, I have been profoundly disturbed by the number of small businesses, once a thriving part of the communities' economy, which have closed their doors because it has become impossible for them to operate at a profit. It is a serious thing indeed when more and more firms which are representative of small business are forced to the wall, and we see that taking place every day. As a result, the small family business, once the very foundation of community economic stability, is fast fading from the scene. Replacing these small firms everywhere are the huge corporations, the chainstores, the mammoth combines, which prosper at the expense of small business. I feel that we must take positive action in the Congress to provide some measure of relief to try to insure that small business will not be wiped out in our time.

Mr. Speaker, I am firmly convinced that these provisions are necessary to provide a "shot in the arm" for small business. These provisions will help to eliminate the fears that have strangled so many small business ventures in the past.

Once again, I want to commend the distinguished members of the House Committee on Ways and Means for their efforts to correct the serious plight facing our small businesses. And, I also urge each of my colleagues to remember that America was founded on the great principle of opportunity for the individual; therefore, I sincerely urge that in the interest of maintaining our economic system of fair competition that they vote in favor of H. R. 13382.

The SPEAKER. The question is, Will the House suspend the rules and pass the bill H. R. 13382, as amended?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

STANDARD NEWSPRINT PAPER

Mr. MILLS. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 10277) to reduce from 15 to 13 inches the minimum width of paper in rolls which may be imported into the United States free of duty as standard newsprint paper.

The Clerk read as follows:

Be it enacted, etc., That paragraph 1772 of section 201 of the Tariff Act of 1930, as amended (19 U. S. C. 1201, par. 1772), is amended by striking out the last sentence and inserting in lieu thereof the following: "For the purposes of this paragraph, paper which is in rolls not less than 13 inches in width shall be deemed to be standard newsprint paper insofar as width of rolls is concerned."

SEC. 2. The amendment made by the first section of this act shall apply with respect to paper entered, or withdrawn from warehouse, for consumption, after the date of the enactment of this act.

The SPEAKER. Is a second demanded?

Mr. REED. I demand a second, Mr. Speaker.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. MILLS. Mr. Speaker, I yield 10 minutes to the gentleman from Texas [Mr. IKARD], the author of the bill.

Mr. IKARD. Mr. Speaker, I rise to urge the House to suspend the rules and pass the bill, H. R. 10277. I have the honor to be one of the sponsors of this legislation which was reported by the Committee on Ways and Means by an overwhelming vote. This is bipartisan legislation. In addition to the bill which

I introduced which is now before the House, the distinguished chairman of our committee, the Honorable WILBUR D. MILLS, and our distinguished colleague, the Honorable CLARENCE J. BROWN, introduced similar bills.

The purpose of this legislation is simple: The bill proposes to amend paragraph 1772, of the free list of the Tariff Act of 1930, to reduce the minimum width specification for standard newsprint paper in rolls. Paragraph 1772 now specifies a minimum width of 15 inches. This bill would simply reduce the minimum width specification to 13 inches.

Mr. Speaker, I will take only a moment to outline for the benefit of the Members of the House the legislative background of the present provision of law relating to this subject. Paragraph 1772 of the Tariff Act of 1930 originally provided for the duty-free entry of standard newsprint paper without specifying the definition of that term. The provision for standard newsprint paper was held to be limited to the class of paper which was chiefly used for printing newspapers on or before June 17, 1930, the date of the enactment of the Smoot-Hawley Tariff Act. The Treasury Department, in establishing specifications for standard newsprint paper to guide customs officials in determining the kind of paper entitled to duty-free treatment under paragraph 1772, established a minimum width specification for newsprint paper in rolls. Prior to February 26, 1944, the minimum width specification was 16 inches. This was changed by the Revenue Act of 1943 to 15 inches on a temporary basis as a wartime measure. On July 1, 1946, the 16-inch minimum width specification was restored. However, effective August 1, 1947, a minimum width of 9 inches was temporarily established by legislation with provision that the minimum width specification be increased to 15 inches on July 1, 1948. Thus, since that date the minimum width of this paper which was accorded duty-free treatment has been 15 inches.

It should be emphasized that the traditional policy of the United States for at least 45 years has been to give newsprint paper duty-free status. The legislation which is now before you would simply continue that policy and adjust its application to the changing requirements for newsprint by the newspaper industry of the United States. There has been a trend during the past several years toward the use of narrower width paper for printing newspapers. The bill will simply adjust our traditional policy to meet the present situations now existing in the newspaper industry as a result of this trend.

Impressive testimony was received by the Committee on Ways and Means during the course of the hearings which were conducted on this legislation that the costs of publishing newspapers have risen sharply in the past several years and that this legislation would be of material benefit to the newspaper industry. We were advised that since 1949 a number of things have happened to the daily-newspaper business which like other businesses is faced with spiraling upward costs, but unlike most businesses cannot automatically pass those increased costs on to the consumer within a short time. A major expense for newspapers is newsprint. This bill should decrease the cost for this item and also make available without additional penalty newsprint if we should get into a tight supply situation as has happened on occasion in the past.

The American Newspaper Publishers Association strongly supports this legislation, and I might point out that our information was that the American Newspaper Publishers Association represents approximately 91 percent of the total United States daily newspaper circulation. They estimated that those newspapers alone consume approximately 90 percent of the total annual newsprint in the United States, and the vast majority of newspapers represented by that association are in the smaller towns and cities.

This legislation, I am confident, will be of particular assistance to the small newspapers throughout the Nation. This was pointed out not only in testimony before our committee, but also by the United States Tariff Commission in its report on this legislation, and in a number of letters received from particular newspapers.

Mr. Speaker, it is unnecessary for me to state that a free press with broad circulation throughout the Nation is one of the most important bulwarks of our liberties. Anything which we can do to make it possible or make it easier for newspapers, and I might add here particularly the smaller newspapers, to meet the sharp upward trend of costs and continue their operations will be in the public interest and, in my opinion, will be highly meritorious legislation.

Mr. Speaker, I cannot emphasize too strongly that this legislation merely provides an adjustment in, or an extension of a traditional policy which has been followed by the Congress for a period of at least 45 years. This legislation does not depart in any respect, in my opinion, from our traditional policy of according newsprint paper duty-free entry. We all are aware that as times and circumstances change adjustments have to be made in our various legislative enactments in order to bring those enactments in line with the practices of the industries involved.

Mr. Speaker, I do not wish to burden the House with an extended discussion of this matter. The legislation in my opinion and in the opinion of the Committee on Ways and Means is meritorious legislation. It will assist our newspapers to continue to provide the public with the news at a price which the public can afford to pay. There are sound reasons why we should extend our traditional policy for duty-free entry of newsprint to take into account the changing times and the modern practices of the newspaper industry. I strongly urge the House to suspend the rules and pass the bill.

Mr. REED. Mr. Speaker, I yield such time as he may desire to the distinguished gentleman from Ohio [Mr. BROWN] who heretofore introduced a similar bill.

Mr. BROWN of Ohio. Mr. Speaker, as the gentleman from Texas [Mr. IKARD] has said, I was the author of a bill exactly identical to the Ikard bill, to lower the minimum width of newsprint rolls from the present 15-inch limitation to 13 inches for free import into the United States.

This legislation is needed because of the fact that during the years of newsprint shortage, and under rapidly increased costs of publication of newspapers in this country the standard width of newspaper rolls, used for the single-page size, has dropped below the 15-inch limit of the present law. The reduction and change in the limitation to 13 inches, as to the width of the roll, will result in a great saving of newsprint, not only for the benefit of the publishers, but will save newsprint which quite often is in short supply. Of course, in time of war American publishers also find it very difficult to obtain sufficient newsprint to carry necessary news and information to the American public. So, Mr. Speaker, I hope this bill will receive the unanimous support of the House today. It will involve no particular expense to the Government but it will be of great benefit to our national economy as well as to the publishing industry.

Mr. MILLS. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. MILLS. Mr. Speaker, I want to thank the gentleman from Ohio for the help that he, along with the members of the Committee on Ways and Means, and particularly Mr. IKARD, the author of the bill before us, have been in bringing this matter to this point. The gentleman from Ohio has introduced a bill on the subject and as a newspaper publisher he has been most helpful to the members of the committee in bringing this legislation to this point.

Mr. BROWN of Ohio. I appreciate very much the comment of Mr. MILLS, the Chairman of the Committee on Ways and Means. I in turn wish to compliment him and his committee for the attention that they have given to this very important subject.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mrs. ROGERS of Massachusetts. I thank the distinguished statesman for yielding and for his splendid work in this measure. I am delighted that this bill is about to be passed. I have had a great many requests that this bill be passed and I want to congratulate everyone who has helped to bring this bill to the floor of the House and to bring about its passage. I have tried to be helpful, for the legislation is so necessary to strengthen small business.

Mr. BROWN of Ohio. I thank the gentlewoman very much and am very happy to have her support.

Mr. MILLS. Mr. Speaker, I ask unanimous consent that I and all Members desiring to do so may extend our remarks at this point in the RECORD.

The SPEAKER. Without objection it is so ordered.

There was no objection.

Mr. KARSTEN. Mr. Speaker, I am pleased that the Committee on Ways and Means has by an overwhelming vote favorably reported H. R. 10277, the legislation presently before the House to reduce from 15 inches to 13 inches, the minimum width specifications of standard newsprint in rolls which may be imported into the United States free of duty. Newsprint paper has been given duty-free status by the Congress for 45 years. The present bill would continue that policy and extend its application in the light of changing requirements for newsprint on the part of the newspaper industry of the United States. Everyone is aware of the spiraling costs of publishing newspapers. Passage of this bill would help to meet this problem and, therefore, should be tangible benefit to newspapers throughout the United States.

As I have indicated, enactment of this bill would be in accordance with a traditional policy of the United States that has been in effect since 1913. Even the Tariff Act of 1930, the Smoot-Hawley Tariff, which set the highest tariff rates in our history, continued the principle that standard newsprint paper should come into the United States free of any duty. In administering this provision of the tariff law—contained in paragraph 1772—the Treasury Department established specifications for standard newsprint paper to guide customs officials in determining the kind of paper which was entitled to duty-free treatment by establishing a minimum width specification for newsprint paper in rolls. Before February 6, 1944 the minimum width specification was 16 inches. By a special act in 1943 this specification was reduced to 15 inches as a wartime measure and the 16-inch specification was restored on July 1, 1946. Again by special legislation effective August 1, 1947, the minimum width specification was set at 9 inches with a provision that it be increased to 15 inches on July 1, 1948. Thus at present the minimum width specification is 15 inches and newsprint paper in rolls of less than this width is subject to a tariff of 18 cents per pound plus 4½ percent ad valorem. The Congress has, therefore, recognized that in the past the 15-inch specification was subject to modification. By reporting this bill favorably, the Committee on Ways and Means recognizes that it is appropriate to reduce the specification further to 13 inches.

Reduction to a specification of 13 inches reflects a trend in newspaper publication toward the use of narrower width rolls of paper. In particular, narrower width rolls are used by small newspapers and in the printing of inserts, as well as Sunday supplement sections. They are also used for the printing of single sheets. Because of this trend, it was considered desirable to extend the duty-free privilege to narrower width rolls so that American newspapers can avail themselves of such newsprint without the need to pay a duty in accordance with our traditional policy on this matter.

I hope the House will give approval to this legislation.

Mr. MILLS. Mr. Speaker, the purpose of H. R. 10277, which was introduced by my colleague on the Committee on Ways and Means, the Honorable FRANK IKARD, is to amend paragraph 1772 of the Tariff Act of 1930 to reduce the minimum width specification for standard newsprint paper in rolls. That paragraph now specifies a minimum width of 15 inches; this bill would merely reduce the minimum width specification to 13 inches.

The author if this bill, the gentleman from Texas [Mr. IKARD], will discuss more broadly and in more detail the background and the reasons why the Committee on Ways and Means considered this legislation desirable. I do wish to state at this point that our colleague, the Honorable CLARENCE BROWN of Ohio, and I each have bills on this subject which are similar to the bill now before you. I will merely very briefly allude here to the provisions of law and the history of those provisions which are involved.

Paragraph 1772 of the Tariff Act of 1930 originally provided that "standard newsprint paper" shall be entered free of duty, but that provision did not lay down any further specifications for defining "standard newsprint paper." The Treasury Department established specifications for standard newsprint paper to guide customs officials in determining the kind of paper which was entitled to duty-free treatment under the law, and pursuant to that procedure established a minimum width specification for newsprint paper in rolls. Prior to February 6, 1944, the minimum width was 16 inches; this was reduced by legislation to 15 inches, as a wartime measure in 1943; in 1946 the 16-inch specification was restored; in 1947, a specification of 9 inches was temporarily established by legislation, with the provision that the minimum width specification be increased to 15 inches effective July 1, 1948. Thus, at the present time, paragraph 1772 specifies a minimum width of 15 inches. Newsprint paper of a width less than 15 inches is dutiable under paragraph 1401 of the Tariff Act of 1930 as uncoated printing paper, not specifically provided for, at 0.18 cents per pound and 4½ percent ad valorem.

The Committee on Ways and Means conducted hearings on this legislation and concluded it desirable and appropriate to recommend the narrower width specification embodied in this bill in view of, among other things, the trend toward the use of such narrower paper in the printing of newspapers.

Mr. Speaker, I urge that the House suspend the rules and pass this bill.

Mr. REED. Mr. Speaker, I yield such time as he may desire to the gentleman from Indiana [Mr. BEAMER]

Mr. BEAMER. Mr. Speaker, I merely want to add my comments to congratulate the Committee on Ways and Means on this particular piece of legislation. Our Committee on Interstate and Foreign Commerce has been quite concerned for many years with reference to the rising cost of newsprint. We made numerous studies and I have been privileged, with a subcommittee, to study this particular problem in various parts of the country and in various parts of the world. We have become aware through information that has come to us and the urgent requests that have come to us from publishers from our Districts and our States that this legislation is necessary. I have urged the Committee on Ways and Means to give early consideration to this legislation and I now hope that the rules will be suspended and that the bill will be passed.

Mr. REED. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, I join with my distinguished chairman and esteemed friend, the gentleman from Arkansas [Mr. MILLS] in urging the membership of the House to vote to suspend the rules and pass H. R. 10277. This legislation has as its purpose a change in the tariff status of newsprint so as to facilitate the domestic acquisition of newsprint paper.

Under present law newsprint paper less than 15 inches in width is dutiable at a combined ad valorem and specific rate under paragraph 1401 of the Tariff Act of 1930 as amended. Paragraph 1772 provides that newsprint paper of a minimum width of 15 inches may be imported into the United States duty free. The legislation before this distinguished body today would reduce from 15 inches to 13 inches the minimum width prescribed in the tariff act for duty-free entry.

The Committee on Ways and Means held public hearings on this legislation on March 27, 1958. Mr. Speaker, I support the favorable consideration of this legislation.

The SPEAKER. The question is, Will the House suspend the rules and pass the bill?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

WAGE RATES, PORTSMOUTH, N. H., NAVAL SHIPYARD

Mr. KILDAY. Mr. Speaker, I move to suspend the rules and pass the bill (S. 2266) to provide a method for regulating and fixing wage rates for employees of Portsmouth, N. H., Naval Shipyard.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy shall establish the hourly rates of pay for all per diem employees employed at the Portsmouth, N. H., Naval Shipyard at the same hourly rates as are paid to employees of similar classification resulting from area wage survey applicable to employees of the Boston, Mass., Naval Shipyard.

SEC. 2. This act shall take effect on the first day of the first pay period which begins after the date of enactment of this act.

THE SPEAKER. Is a second demanded?

Mr. BATES. Mr. Speaker, I demand a second.

Mr. KILDAY. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection?

There was no objection.

Mr. KILDAY. Mr. Speaker, the bill, S. 2266, provides a method for regulating and fixing wage rates for employees of the Portsmouth, N. H., Naval Shipyard.

In effect, the bill provides that the hourly rates of pay for all per-diem employees at Portsmouth Naval Shipyard will be the same as those paid to employees of similar classification at the Boston, Mass., Naval Shipyard.

The Committee on Armed Services reported this bill favorably for two specific reasons:

First of all, Portsmouth and Boston for many years were not treated separately for wage-fixing purposes. As a matter of fact, from 1924 to 1943 they were not treated as separate wage areas, and from 1943 to 1946 the Navy's pay rates were the same for Portsmouth as they were for Boston under the wage-stabilization program in effect for World War II.

Secondly, the committee was impressed with the fact that the Portsmouth Naval Shipyard employees and the Boston Naval Shipyard employees frequently come from the same towns and areas with some going to Portsmouth and others going to Boston. There seems to be little justification for next-door neighbors drawing wages that have as much as a 31-cent-per-hour differential simply because one works at Portsmouth and the other at Boston.

I do not think we are establishing any kind of a precedent here. It seems to me that Portsmouth and Boston are close enough so that the wage scale should be the same.

As it is today, it appears that the Naval Shipyard at Portsmouth establishes the wage rates for that yard rather than those wage scales being established by surveys of comparable industries in that area. I see no reason why the Boston and Portsmouth Naval Shipyards should not be controlled by the same wage surveys.

Mr. Speaker, I yield 5 minutes to the gentleman from New Hampshire [Mr. MERROW].

Mr. MERROW. Mr. Speaker, S. 2266 has been very carefully analyzed and the major provisions presented by our able colleague the gentleman from Texas [Mr. KILDAY].

Mr. Speaker, this bill passed the other body some time ago without any dissenting votes. The chairman of the subcommittee No. 2 of the Armed Services Committee of the House held an excellent hearing on the measure only recently. I appeared before the committee, and the various points which have been emphasized here today were made at that time. I said to the committee it is not asked that the employees of the Portsmouth Yard be granted special privileges but that they be given justice and receive the same compensation for the same type of work as is being given to employees of the shipyard approximately 60 miles away. Over the years I, along with my colleagues from New Hampshire, from Maine and from Massachusetts, have been very much concerned about the disparity in wages such as exists between the Boston and Portsmouth Yards. We have introduced legislation and appeared before various committees. We have conducted hearings with the Department of the Navy. Passage of this legislation seems to be about the only way in which this problem can be solved.

I further pointed out at the hearing that for the same type of work skilled employees at the Portsmouth Yard are receiving a much lower rate than at the Boston Yard. This is also shown in the report accompanying this bill and I quote from the report, "Illustrative of the difference in rates is the fact that machinists currently receive $2.50 per hour at Boston, and $2.19 per hour at Portsmouth. The 2 shipyards are less than 60 miles apart."

In my opinion, Mr. Speaker, the wage surveys that have been conducted in Portsmouth do not comprise industries that are comparable, and further the wages at the shipyard set the wages for the area. As a matter of fact—and this was pointed out by the chairman in his statement only a moment ago—Portsmouth and Boston were considered one area for wage fixing purposes over a long period of time. We now have a situation where employees at the Portsmouth Naval Shipyard receive 31 cents an hour less than they receive at another shipyard about 60 miles away for performing identical work. This is an injustice, and I hope the House will adopt this measure so that the injustice may be corrected.

Mr. BATES. Mr. Speaker, I yield 5 minutes to the gentleman from Maine [Mr. HALE].

Mr. HALE. Mr. Speaker, this is a bill about which I feel very strongly. It rights an injustice under which the employees of the largest industry have suffered for many years. It equalizes the pay rates of the Portsmouth Naval Shipyard, which is located in Kittery, Maine, and the Boston, Mass., Naval Shipyard.

The Portsmouth Naval Shipyard is located at Kittery, Maine, in the Congressional District I have the honor to represent. It is the No. 1 Navy shipyard in the country for the construction, overhaul, and repair of submarines. It provides work for more than 7,000 people, making it the largest employer in my State.

The purpose of this bill is to give the employees at the Portsmouth Shipyard wages equal to those of workers in similar classifications at the Boston yard. These 2 yards are only 60 miles apart, yet the disparity in pay rates is as high as 31 cents an hour for machinists.

The employees at Portsmouth cannot understand why they should receive such a low wage in comparison with the Boston workers. Frankly, I cannot understand it, either.

We have tried to correct this situation for a long time both through legislation and proposed administrative action by the Navy. But the Navy refuses to budge from its unfair interpretation of section 7474 of title 10, United States Code, which provides that—

> The Secretary of the Navy shall establish rates of wages for employees of each naval activity where the rates are not established by other provisions of law to conform, as nearly as is consistent with the public interest, with those of private establishments in the immediate vicinity.

The Navy has interpreted immediate vicinity to mean the area surrounding a naval activity within which the predominant number of employees reside, and within which employees could change employers without changing their residence.

This is an unrealistic interpretation as applied to the Portsmouth-Boston area. It is unrealistic for two reasons:

First, as the Committee on Armed Services noted, employees who work in the Portsmouth Shipyard, and employees who work in the Boston Yard, frequently come from the same areas. But those who go to Portsmouth must be satisfied with wages up to 31 cents per hour lower.

Second, as the Committee on Armed Services found, wages at Portsmouth are not determined by prevailing rates in private industry within that immediate area. To the contrary, wages in the Portsmouth area are determined by those paid in the shipyard. This is so because the number of workers engaged in comparable trades in that area is too small to permit a representative number of wage samples.

The Navy points out in its opposition to this bill that 913 samples were used in the last wage survey for the Portsmouth Shipyard. But the Navy does not tell us that 5,955, or more than 5 times as many, samples were used in the 1956 wage survey for the Boston Yard.

I submit that, contrary to its contention, the Navy is not following the intent of the law in this specific situation. The law never intended that the Navy wages should determine the wages for private industry within that area. The Navy's interpretation is entirely unrealistic.

In fact, the Department of Defense, in its report on this bill, stressed that—

> The basic theory in the laws is that the Government should not be a leader in establishing wage rates for its employees, but should follow the pattern set by private industry within a labor-market area.

But in this case the Government has become the leader and private industry has become the follower.

Whenever an executive agency fails to interpret a law according to the intent of Congress, then Congress should force it to do so. That is the situaton in this case, and I urge the House to approve this legislation, which has been unanimously passed by the Senate.

Mr. McINTIRE. Mr. Speaker, will the gentleman yield?

Mr. HALE. I yield.

Mr. McINTIRE. Mr. Speaker, I rise to commend the very diligent work of the gentleman from Maine, and also of the gentleman from New Hampshire, to whom this subject matter is of such very great interest. Over the years I have been familiar with the study which has resulted in the preparation and presentation of this bill. I shall join in support of it.

Mr. HALE. I thank the gentleman for his support. I believe the gentleman knows that the gentleman from New Hampshire [Mr. MERROW] and I have

been working on this for many many years.

Mr. BATES. Mr. Speaker, I yield such time as she may desire to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Speaker, I shall take only a moment of time. The disparity of wage rates between the Portsmouth Navy Yard and the Boston Navy Yard is most unfair. People of my District work in the Portsmouth Navy Yard. I believe this bill should be passed and this adjustment in wage rates made and a new system of computing wages be used. What is more, it is merely a matter of simple justice that this be done. I am entirely familiar with the marvelous work that is done at the Portsmouth Navy Yard and I am deeply grateful to all concerned.

Mr. BATES. Mr. Speaker, this is a meritorious bill which has already passed the Senate. It was screened very carefully by our committee. It merely restores to the Portsmouth area a program which has been in effect for 22 years.

Mr. Speaker, I have no further requests for time.

GENERAL LEAVE TO EXTEND

Mr. KILDAY. Mr. Speaker, I ask unanimous consent that all Members who so desire may extend their remarks on this bill at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. COFFIN. Mr. Speaker, I rise in support of S. 2266. This legislation is designed to correct a situation where, under the Navy's present basic wage-fixing statute, employees at the Portsmouth Naval Shipyard in Kittery, Maine, are being paid a wage scale considerably below that of the Boston Navy Yard, only 60 miles away. At the present time the differential between rates at Boston and Portsmouth range as high as 49 cents an hour, despite the fact that living costs are practically identical in the two areas and that many of the workers in both yards come from the same living areas.

I have joined with other colleagues in protesting Navy policy which has discriminated against workers in the Portsmouth Navy Yard. Each protest has been met by the same reply: The system in use is determined by the statutes now on the books, and there is no administrative remedy. Although the Department of Defense, in its letter to the Committee on Armed Services, insists that "existing law provides sufficient flexibility" to meet the objectives of fair and equitable wages, there is ample evidence that its policy has been anything but flexible in relation to Portsmouth.

As the committee has noted in its report, the workers at the Portsmouth Shipyard are caught in a vicious circle where their own wages have determined local private wages, which in turn are used as arguments against increasing shipyard wages. Since 1947, and particularly since 1953, the wage differential between Boston and Portsmouth has been growing in an alarming fashion. At the same time, the cost of living has risen, squeezing workers in the Portsmouth Yard between higher prices and sluggish wages.

In March of this year the Chief of Industrial Relations of the Navy wrote me that "the fact that living costs in the Portsmouth area are as high as, if not higher than, living costs in the Boston area cannot, under the above-cited statute, be considered in fixing the Navy's wage rates for the Portsmouth area." The "above-cited statute" was enacted in 1862, almost a century ago. I think it is high time we bring the application of this wage-scale program up to date, and I urge the passage of S. 2266.

Mr. KILDAY. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Speaker, you have now heard from the Members from the State of Maine, and New Hampshire, of course, because of the fact that the Portsmouth Navy Yard is located in that section of New England on the boundary line of States of Maine and New Hampshire. It has already been stated by my colleague from Massachusetts that we have a particular interest in this bill because of the fact that many of our constituents while residing in Massachusetts are employed in the Portsmouth, N. H., Shipyard.

Americans are motivated by a strong desire for fair play.

We believe that people doing the same kind of work should receive the same wages or salary.

But the Government of the United States which is pledged to these objectives, sometimes finds itself in the contradictory position of denying the application of this just rule to its Federal employees.

Not by intent, of course.

In the administration of our Government, those laws governing its operations which may have been reasonable when enacted, tend to become obsolete and injurious as circumstances change. Unless re-examined, and amended, they perpetuate customs which arouse resentment. The original law, giving an agency discretionary power, fails to keep up with present realities. It thus defeats itself. Underpaid Federal employees could not be blamed if, in their reaction to economic discrimination and in silent protest against it, they decide to produce only that which is required of them, and not a bit more.

Under these conditions they have a valid complaint.

A serious morale-problem of this nature, inevitably leads to inefficiency, unless the law is changed so that it will require equal pay for equal work, in the same general area.

As appeals to the Navy for a correction of this discrimination have not produced results, we have no recourse but to change the law so that this economic injustice will be remedied.

Consider these facts.

The Boston, Mass., and the Portsmouth, N. H., Naval Shipyards are less than 60 miles apart.

Machinists at Boston currently receive $2.50 per hour, while machinists at Portsmouth are paid only $2.19 per hour for the same type of work.

How did this discrepancy between the wages paid to unclassified employees at Boston, and the unclassified employees at Portsmouth come about?

Under the present law—

The Secretary of the Navy shall establish rates of wages for employees of each naval activity where the rates are not established by other provisions of law to conform, as nearly as is consistent with the public interest, with those of private establishments in the immediate vicinity.

Under the determination of "immediate vicinity" separate labor-market areas were established for the neighborhoods of Boston and Portsmouth. It was intended that surveys of wages paid by private industry in those areas would serve as a guide for the wages paid in the respective navy yards. This was on the premise that there would be enough "job samples" from private industry covering the same skills—in each area—that would offer a comprehensive basis for determining the rates to be paid to navy yard workers.

In the case of metropolitan Boston, with its varied complex of industrial activity, this is a sound and equitable method for regulating and fixing wage rates.

However, the absence of such objective comparisons, or enough of them, in the Portsmouth, N. H., area, resulted in a down-grading of the Portsmouth average.

In order to document the manner in which the Portsmouth workers have lost equality in pay due to this unrealistic method, I quote the following figures. In the Portsmouth survey of 1957, a total of 316 job samples from private industry determined the wage rates for 5,351 employees at the United States naval shipyard located in that community. Of these meager 316 samples, only 179 represented skilled craft jobs. The average, obviously, was too narrow.

The Boston survey of 1956 provided a startling contrast: 5,955 samples from private industry determined the rates for 9,325 board employees. Of these 5,955 samples, 3,253 represented skilled craft jobs.

The ratios are so far out of line as to make averaging as a yardstick for determining rates at Portsmouth utterly useless.

Five thousand three hundred and fifty-one employees at Portsmouth whose wages depend upon 179 skilled craft jobs in the vicinity.

Nine thousand three hundred and twenty-five employees at Boston whose higher wages are soundly based on the average of 3,253 skilled craft jobs in the area.

Again, there is no other shipbuilding activity in the Portsmouth area, as there is in Boston, as a standard for establishing a fair rate of wages for naval shipyard workers.

There was a time, up until 1947, when Portsmouth and Boston were considered as one, for the purpose of wage determination.

The disparity in rates for the same skills has grown steadily since that time, and is the cause of much dissatisfaction.

Furthermore, as there is interchange of workers between these two yards,

from time to time, the difference in wage rates becomes all the more irritating.

Conclusive is the fact that the Portsmouth yard, to fill its own critical trades needs, has to recruit employees from outside its so-called area. Well over a thousand of its employees commute to their work at Portsmouth, N. H., from communities in Massachusetts. It is ironic that some of them live much closer to Boston than Portsmouth.

Mrs. SMITH of Maine is the author of S. 2266, which would require that the Secretary of the Navy establish the hourly rates of pay for all per diem employees at the Portsmouth, N. H., Shipyard at the same hourly rates paid to employees of similar classification at the Boston, Mass., Naval Shipyard.

This makes sense.

Members of Congress from Maine, New Hampshire, and Massachusetts, have repeatedly asked the Department of the Navy for relief through administrative adjustment of the rates under the flexibility provided in existing law, but we have received no cooperation in this matter.

So that the intent of Congress shall be clear and decisive, and in the interests of employees at both naval establishments, I believe that we should give prompt approval to S. 2266.

It will correct a glaring inequity.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

ARMY NATIONAL GUARD

Mr. BROOKS of Louisiana. Mr. Speaker, I move to suspend the rules and pass the resolution (H. Con. Res. 333) to express the sense of the Congress with respect to the size of the Army National Guard.

The Clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress, in order to adequately provide for the national defense, the Army National Guard shall be maintained at a strength not less than 400,000 members.

The SPEAKER. Is a second demanded?

Mr. BATES. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. BROOKS of Louisiana. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, this resolution is short and it is very simple in its form, but very definite in its substance. It has for its purpose the maintenance of a National Guard of 400,000 members, and it expresses the sense of this Congress that the National Guard should be maintained at the minimum level of 400,000.

This matter came before the House Armed Services Subcommittee on Reserves almost a year and a half ago in acute form. At that time they came before the subcommittee with a plea that the National Guard, each member of it, should have field training of at least 6 months. Now, the guard at that time felt that it would be difficult to maintain a strength of 400,000 with the requirement that every member of the guard must have at least 6 months field training. But, we worked out an agreement between the Department of the Army, the National Guard, and the Committee on Armed Services, under the terms of which the guard would be maintained at a minimum of 400,000 persons, and the stipulation of the memorandum of understanding stated, if necessary to maintain a guard of 400,000, we were prepared to use the draft to do that.

In return, the guard accepted the proposition of field training for every member of the guard, and that was put into effect, and that is in effect at the present time. Right after that conditions immediately changed. The guard not only received the personnel which it needed voluntarily to fill up its strength of 400,000, but actually the guard expanded beyond the 400,000 limit. The personnel were literally running out of the ears of the guard. They got up to a point where the guard had a strength of 437,000. Then quickly everything changed, and the Department then began to talk of reducing the size of the guard and the Reserves. They established the so-called RIF program and riffed thousands of very fine officers of the guard and the Reserves shortly after that.

Now, in spite of the memorandum of understanding, the guard has been reduced from 437,000 down to 407,000 members as of today. The objective seems to be to reduce the guard from 400,000, which was the minimum strength provided for in this memorandum of understanding, down to 360,000, and throughout the country there is an effort now to sell the governors and the State adjutants general and others upon the matter of reducing the guard to 360,000 persons and reorganizing the guard.

We who believe that the guard is a very fine military establishment think that that is going too far and the time has come to pass a resolution providing that it is the sense of the Congress that the guard shall not be reduced below the minimum of 400,000 persons.

I want to say, in addition to this, some of us went before the House Committee on Appropriations urging a minimum guard strength of 400,000.

The Committee on Appropriations was very understanding on this point and brought in a bill this year which the House has ratified, has affirmed, has passed, which provides money for 400,000 guardsmen. And yet, in the face of that, there is a program to reduce the guard from 400,000 to 360,000 persons. You do not build up an organization like this overnight. The guard is composed of 5,400 units established in 2,600 communities throughout the United States.

I do not think we have a single Member of Congress who does not have a National Guard unit located in his community. If the time ever comes when this Nation is visited by atomic bombing, or that sort of attack, there will be no finer force anywhere than the National Guard, spread as it is throughout the length and breadth of the country in all these communities, to rise up and protect the people locally and defend this Nation against that sort of reign of terror.

So naturally we come before you and urge you to adopt this resolution saying that the guard shall be maintained at a minimum strength of not less than 400,000.

Mr. NICHOLSON. Mr. Speaker, will the gentleman yield?

Mr. BROOKS of Louisiana. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. I was just going to ask the question, What is the number now allowed by law?

Mr. BROOKS of Louisiana. The appropriation provides for not less than 400,000 guardsmen. But in the face of that the program is to reduce the guard to 360,000. That represents a reduction from a high figure of 437,000, or a reduction of almost 80,000, or almost 20-percent reduction in the size of the guard, which we think is too much.

Mr. NICHOLSON. If the gentleman will yield further, this means that we will have at least 400,000?

Mr. BROOKS of Louisiana. That is correct.

Mr. NICHOLSON. We can have 450,000 if we get the money for it.

Mr. BROOKS of Louisiana. It means that Congress intends to have at least 400,000 and does not want to see the guard reduced below that figure.

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. BROOKS of Louisiana. I yield to the distinguished gentleman.

Mr. COLMER. As I understand the gentleman, this resolution would serve notice upon the Department of Defense that it is the will of the Congress—in fact, more than that, it is the direction of the Congress—that the guard shall not be cut as anticipated.

Mr. BROOKS of Louisiana. It is the direction of the Congress insofar as Congress may direct, that the guard shall have a minimum strength of 400,000.

Mr. COLMER. The gentleman says so far as Congress may direct. I think I know what the gentleman has in mind. Does it not also follow that, after all, as the Congress, the representatives of the people furnish the sinews of warfare, as it were, to the Department of Defense, therefore they have no right to disregard the will of Congress?

Mr. BROOKS of Louisiana. The gentleman is distinctly correct.

Mr. COLMER. Mr. Speaker, I want to congratulate the gentleman upon the splendid work he has done in this field.

Mr. BROOKS of Louisiana. I thank the gentleman.

Mr. ROGERS of Florida. Mr. Speaker, will the gentleman yield?

Mr. BROOKS of Louisiana. I yield to the gentleman.

Mr. ROGERS of Florida. Mr. Speaker, I want to commend the gentleman and his committee for bringing out this legislation, which I think is necessary. I am happy to support it.

Mr. ROGERS of Florida. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS of Florida. Mr. Speaker, I am glad to have an opportunity to speak in behalf of House Concurrent Resolution 333, which provides that it is the sense of the Congress, in order to adequately provide for the national defense, that the Army National Guard shall be maintained at a strength not less than 400,000 members.

The House Armed Services Committee held hearings on the proposed reduction of the National Guard as called for in the President's budget submitted to the Congress, and I testified before the House Armed Services Committee in protest of the proposed reduction called for by the administration. The committee subsequently went on record as opposing any reduction in the strength of the Army National Guard, and to that end the members of the House Armed Services Committee appeared before the House Appropriations Committee urging that additional funds be appropriated to keep these Reserve components at their present strength. The House Appropriations Committee restored the amount of the appropriations to keep the National Guard at the strength of 400,000 members.

Mr. Speaker, I addressed the House some time ago regarding the administration's plan for a reduction in the guard, and I feel very strongly that it should not be cut. Recent events have certainly brought to the fore the necessity for a strong national defense program. While the administration did relax the original guidance for reorganizing the Reserve components, after the House committees and various Members had protested the cut, it is my understanding that it is still the plan of the administration while maintaining the same number of Army National Guard divisions, that they would be skeleton forces.

The National Guard provides the United States with an ever-present force ready to defend the home front. American history and tradition are built on the fact that our Nation depends on the citizen-soldier for defense. With small regular forces, only by having strong, well-trained Reserves can we maintain the military power necessary to assure that we will be safe from attack.

I urge the adoption of House Concurrent Resolution 333 which places the Congress on record supporting the strength of the National Guard at 400,000, provision for which has already been made in the defense appropriation bill.

Mr. BROOKS of Louisiana. I thank the distinguished gentleman.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. BROOKS of Louisiana. I yield to the gentleman from West Virginia.

Mr. BAILEY. Mr. Speaker, I, too, want to express my appreciation of the prompt action of the Committee on Armed Services in halting the plan of the Pentagon for emasculating our guard service. While a cut of 40,000, from 400,000 to 360,000, would only take 350 guardsmen out of the State of West Virginia, it would deactivate several of the battalions, and it could take out 20 of the 31 guard units in the State of West Virginia. It would just destroy the guard in our State. I thank the gentleman for letting them know that Congress does not think they are doing the right thing.

Mr. BROOKS of Louisiana. I thank the gentleman.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. BROOKS of Louisiana. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. Mr. Speaker, I should like to associate myself with the distinguished gentleman from Louisiana in this legislation and congratulate and thank his committee for bringing it to the House so we may support it today.

Mr. BROOKS of Louisiana. I thank the gentleman.

Mr. Speaker, a part of our traditional military policy is expressed in section 102 of title 32 of the United States Code, because it provides for the maintenance and assures the strength and organization of the National Guard as an integral part of the first line of defense of the United States.

I know that all of my colleagues have joined me in striving for policies and programs which would develop a National Guard capable of performing its historic mission at the outset of hostilities.

As a matter of fact, the outstanding record of the National Guard is full and complete justification of the support the Congress has rendered to this distinguished component in the past.

I do not have to recount this afternoon the history of the National Guard in performing its tasks in defense of our country. Units and personnel of the National Guard, and its predecessor, the old militia, have been in the front lines of every war which has been fought by the Republic. The record of the National Guard, in our lifetime, in World War II and Korea is an enviable one.

But the past is prologue, and today it is the future of the National Guard, in this age of nuclear warfare and possible all-out atomic onslaught, which now must concern every Member of Congress.

Today the National Guard is confronted with a grave threat to its very existence—to its continuance in the defense structure of the Nation.

Permit me to detail the facts and circumstances which lead up to this situation.

Immediately following World War II, the States and Territories accepted from the Federal Government a troop unit basis for the Army National Guard consisting of 27 divisions, plus hundreds of individual nondivisional combat and combat-support units.

Despite the obvious difficulties in building a voluntary reserve military organization during time of peace, the Army National Guard attained, just about a year ago, the unprecedented voluntary strength of 437,000 officers and enlisted men—a strength which has since been reduced by Department of Defense directives to approximately 407,000 as of today.

Mr. Speaker, this vast reservoir of trained men is not just a list of names on a roster. On the contrary, it is contained in over 5,400 federally recognized, organized, armed, equipped, and trained units located in over 2,600 separate communities throughout these United States, the Territories of Hawaii and Alaska, and the Commonwealth of Puerto Rico. I venture to state that every Member of this Congress has at least one, and probably many more than that number, of National Guard units within his home District.

Now, it is a sobering thought and a matter of great comfort to know that, in the event our enemies rain nuclear destruction upon us, each State and Territory has at his instant disposal such trained organizations and men which may be called upon to restore order out of chaos and provide much-needed assistance to civilian authorities.

Such a force, distributed as it is, could very well prove the difference between life and death for millions of our fellow Americans in the event of such an attack. Truthfully, it may be said that never was such a force so well organized and so well dispersed to soften the devastating effect of nuclear bombardment.

Mr. Speaker, an organization of this size and scope does not come about automatically through the issuance of high level policies and directives. It has taken years of great personal sacrifice in time and effort, by countless thousands of dedicated officers, warrant officers, and enlisted men of the guard, performing the required multitude of drab, peacetime, organizing, recruiting, training, and administrative tasks, to erect this formidable force. It has required the efforts of community and civic leaders, tradesmen, industrialists, bankers, professional men, church leaders, and many others, who are convinced that the National Guard is a distinct part of our heritage and our way of life, and an integral part of the pride of each and every community. It has taken the splendid support of the States and Territories, which have furnished hundreds of millions of dollars in concert with the Federal Government, and the overall responsible control and administrative direction.

Now that we have expended our time, our energies, and our money to establish and build this great organization, what does the Department of Defense plan to do? Well, we have already seen that by Department of Defense directives the Guard was reduced from 437,000 to its present strength of 407,000.

Mark you, that is a reduction of 30,000. When this came about the subcommittee of the Armed Services Committee, of which I have the honor to be chairman, called the Department of the Army and its representatives before it. We spent many days and held extensive hearings in order to determine the need for a strong and effective National Guard, insofar as the security of the United States is concerned. We concluded that the Army National Guard should not be con-

stituted at a strength less than 400,000 and, to that end, the committee entered into a memorandum of understanding with the Department of the Army to the effect that the guard would be maintained at no less than 400,000.

Then what happened? When the budget for fiscal year 1959 was presented to the Congress we found that only enough funds were requested by the Army to maintain a guard of 360,000. This was a 10 percent cut. This would be a loss of 40,000 men, and remember we had just experienced a loss of 30,000 men last year.

Again, I called my subcommittee together and again I asked representatives of the Department of the Army and the National Guard to appear before the subcommittee, and following further extensive hearings on this matter we again concluded that the security and safety of the United States of America was being jeopardized by further reductions in the strength of the National Guard. The Secretary of the Army admitted that he favored retention of the Army National Guard at a size not less than 400,000. The Chief of Staff, United States Army, stated that in his considered military judgment the Army National Guard should be maintained at a strength of not less than 400,000. Despite all this, plans are progressing to cut the Army National Guard to 360,000. Obviously, these directives, if placed into effect, will have the effect of starting the Army National Guard on its way to oblivion.

What has happened in the past 2 years which leads our planners in the Department of Defense to believe that we can reduce the Army National Guard by 70,000 and still not jeopardize the security of the Nation? Seventy thousand men, Mr. Speaker. That is more than five Pentomic divisions. What has happened which has caused this complacency to set in in the Department of Defense? No one can answer that question, and still the affairs of the world worsen. Now, we have marines in Lebanon, we have Army paratroopers standing by in Turkey, British paratroopers are on the alert in Jordan, and the Sixth Fleet sails at the ready in the eastern Mediterranean. Is this any time to further reduce the size of the Army National Guard?

Mr. Speaker, we must put an end to this. I cannot stand idly by and see the defense structure of our Nation weakened by these Department of Defense directives to further reduce the strength of our Armed Forces. I do not think the citizens of this great country want their National Guard further reduced. I believe they are willing to support a National Guard of 400,000 members with their tax dollars.

I urge every member of the House to cast his vote in favor of House Concurrent Resolution 333, which will maintain the National Guard at a strength of not less than 400,000 and thus help assure the safety of our country.

Mr. BATES. Mr. Speaker, as the gentleman from Louisiana [Mr. BROOKS] has indicated, Congress has already appropriated money for this purpose, so this merely reiterates the intent of the Congress.

I now yield such time as he may desire to the gentleman from Florida [Mr. CRAMER].

Mr. CRAMER. I join the gentleman from Louisiana [Mr. BROOKS] and wish to congratulate him on bringing this resolution to the floor of the House. This resolution, of course, is consistent with and supplemental to the appropriation previously passed setting 400,000 as the minimum for the National Guard in this Nation.

I think at this time in particular, with Lebanon and Jordan and the situation as it is, this is no time for us to be reducing our defense at home.

I say that advisedly as far as our defense at home is concerned, because as far as I can see when it comes to defense at home, when it comes to preparedness and protection in the local communities and the States, there is no other solitary unit that is more ready to defend our Nation as a whole and local communities in particular and help in the field of civil defense and otherwise than our National Guard. That is clearly pointed out in the committee report. I think it is absolutely essential, as far as I am concerned, that 400,000 be retained an essential bare minimum for our national defense in this country.

I should like to ask the distinguished gentleman from Louisiana, who has taken such a great deal of interest in this, has he considered in addition to this question of the minimum National Guard strength the further question that has recently been injected into this situation and I think affects this question of a reduction which would result, and possibly with an even greater reduction, in connection with the question of the Pentomic reorganization of the National Guard? And would the gentleman mind advising the House—I think his information is consistent with mine—as to what the effect of that would be in addition to this 40,000 cut the gentleman is attempting to prevent by this resolution?

Mr. BROOKS of Louisiana. The gentleman is right on his toes, I will say. We have considered it, and this is the arrangement we arrived at in the committee. We instructed the Adjutant of the Defense Department to communicate the draft of a reorganization of the Pentomic concept to all the States in order to get the approval of the State governors; and after they had submitted their plan to the States, to obtain the approvals of the 48 governors of the States and also the governors of the Territory of Hawaii and the new State of Alaska, and come back and fully explain the plan and get the approval of the subcommittee at that time.

Mr. CRAMER. Do I understand the gentleman correctly, then, that the gentleman refers to the present proposal being considered by the Government, which as I understand it would retain the 16 divisions other than the armored divisions as combat divisions, but would reduce them in the Pentomic reorganization to 3 battle groups rather than 5 battle groups? That obviously would result in a substantial reduction of personnel far below this 40,000 reduction.

That matter recently having been objected to by the Governors Committee appointed in the conference in Florida under the chairmanship of Governor Foss of South Dakota, is it the gentleman's understanding that before that can become effective it will have to be submitted to the Congress for Congressional consideration and approval?

Mr. BROOKS of Louisiana. That is correct. It will have to be submitted to us for approval.

Mr. CRAMER. Does not the gentleman feel, particularly in view of the proposals that have been made to date, it would result in a substantial additional reduction, in some instances as much as 40 to 50 percent, of the present National Guard units? Does not the gentleman understand further that it is necessary for the governors first to approve that reorganization, even before it will be submitted to the Congress?

Mr. BROOKS of Louisiana. That was the understanding and arrangement we worked out with them. We have inquiries now from some of the governors and the adjutants general. They were up here last week. They had a big meeting. We heard from them. But we have to get at this thing right and get this resolution through, carrying a strength of not less than 400,000, before we get before us the program for the reorganization, which we can pass on at that time.

Mr. CRAMER. I agree with the gentleman wholeheartedly. The latest proposal for Pentomic reorganization that was refused by the committee of governors obviously needs reconsideration in that I am advised by personnel of the 51st Guard Division in Florida that a 3 battle-group division is wholly inadequate as a ready, easily integrated, capable fighting unit. I am further advised that such a reorganization would result in some 40 percent reduction even beyond the 10 percent reduction being considered in this resolution. It is obvious to me that such a program would substantially cripple the guard as an essential reserve component of our Army, as well as the only available State force with which to combat insurrection and defend its borders, and to provide immediate forces for restoring law and order if needed or serve as civil defense and State disaster relief forces.

Do I understand the gentleman correctly that one of the justifications, then, for this resolution, in addition to the maintenance of the personnel as such, is also to prevent a substantial reduction in the form of this reorganization until the reorganization that is submitted to the Congress is approved? Is that correct?

Mr. BROOKS of Louisiana. It is the Pentomic organization. The guard wants it. The guard should have it.

Mr. CRAMER. I agree with the gentleman.

Mr. BROOKS of Louisiana. The guard should be modernized. But we talk of a reorganization that is hurtful to the organizational strength the guard

has given to this Nation ever since the birth of this Republic.

Mr. CRAMER. I thank the gentleman. I think he has expressed succinctly my position in this matter, and that is obviously that we want the guard to reorganize on the modern Pentomic concept, but in so doing we at the same time want to maintain an effective National Guard with fighting capabilities which involve certain minimal trained and essential personnel standards even under Pentomic reorganization as one of the essential phases of our armed strength.

So far as the guard as a part of the Army Reserve strength is concerned, I believe this resolution is a step in that direction and I wholeheartedly support it.

Mr. BROOKS of Louisiana. I thank the gentleman for his support.

Mr. BROOKS of Louisiana. Mr. Speaker, I yield 5 minutes to the gentleman from Montana [Mr. ANDERSON.]

Mr. ANDERSON of Montana. Mr. Speaker, first I would like to congratulate the distinguished gentleman from Louisiana for his alertness in protecting the National Guard in this instance with this concurrent resolution. There is one matter of some little concern that I would like to refer to, and that is the fact that in all previous similar legislation we have treated the National Guard and the Reserve concurrently. In this resolution we are restating what we have already said twice before. Previously we have included both the Reserve and the National Guard in our legislation. Does the gentleman from Louisiana feel that by treating the National Guard separately in this case we are in any way weakening our previous position that the Reserve must be maintained at 300,000 in a pay-drill status?

Mr. BROOKS of Louisiana. I think not. You know our subcommittee and our Committee on Armed Services is on record in favor of 300,000 Reserves as well as 400,000 National Guard men, and generally over the period of years we have tried to carry one program along with the other. The Reserve and the Guard program are both a part of the great Reserve program which this country has organized and which we are supporting. There is nothing in this legislation to indicate any weakness on our part or toward the Reserve. We still are firmly in favor of a Reserve of not less than 300,000.

Mr. ANDERSON of Montana. If it were possible at this time, and I understand it is not under the rules, of course, but if it were possible I would offer an amendment which would provide also that the Reserve should be maintained at a pay-drill strength of 300,000 as provided for in previous action of this House and its Committee on Appropriations, as well as by the committee of the distinguished gentleman from Louisiana.

Mr. BROOKS of Louisiana. If the amendment were before us, I could say to the distinguished gentleman from Montana that I would support it. I am in favor of it. This came up differently, however, because this came up at a time when the governors of the 48 States were meeting here in Washington with the adjutants general of the 48 States when they were presenting a program of reorganization and reduction of the guard personnel. The committee wanted some action on it, and they brought out this resolution.

There is also this little difference between the two. The guard has built up to a total strength of 437,000 persons. They have been reduced down to 400,000. They have already lost 37,000 persons. This would reduce them 40,000 more, making a total reduction of almost 80,000 persons in the National Guard, which is a terrific reduction. The Reserves have not taken that sort of reduction. The Reserves are building up their personnel to reach a goal of 300,000, but they were not actually cut down from a goal above 300,000 to a lower figure as was the guard. Nevertheless, I am just as strong as I can be in favor of building up that Reserve to a total Reserve of 300,000.

Mr. ANDERSON of Montana. Before speaking to the figures that the gentleman from Louisiana has mentioned might I ask if he has in mind the introduction or passage of any similar legislation with respect to the 300,000?

Mr. BROOKS of Louisiana. I will answer the gentleman this way. We have a very important Reserve bill coming up next. We want to get that out—first things first. We certainly will give attention to the support of a 300,000 Reserve organization.

There is another thing about it also, so far as the guard is concerned. We had a memorandum of understanding with the Department of the Army, the National Guard and the committee that the guard should not be cut down below 400,000. It is a matter of good faith in addition to a matter of judgment on our part that we maintain the guard at 400,000.

Mr. ANDERSON of Montana. I thank the distinguished gentleman, the chairman of the Reserve Components Subcommittee of the House Armed Services Committee.

May I point out that there are 2.3 million reservists. Of those over 1 million are active reservists, immediately available for call. The last figures that I have for the strength of the Reserve was at the end of May when there were 285,000 on pay-drill status in the Reserves. But may I call to the attention of the distinguished gentleman that the Reserves had already taken off the rolls some 9,000 mobilization designees available for immediate recall to critical jobs in the case of national emergency and some 13,000 other reservists who were previously on the payrolls, or a total of 22,000. Had these reductions not already been made in the Reserves, the Reserves last May would have been at a figure of 307,000. So that the Reserves has already taken a reduction of 22,000 in payroll status and recruiting and assignment of personnel has ground to a halt. Unless we restore the 300,000 figure, the Reserve will be taking a reduction from previously attained strengths comparable to that which the Department of Defense is seeking to enforce on the National Guard.

Mr. BROOKS of Louisiana. I know the gentleman is commanding officer of a great division, and I know of his deep and abiding interest in the development of the Reserve program. I join with him in the enthusiasm which he shares for the Reserves, and I am going to do my best to help.

Mr. ANDERSON of Montana. I thank the gentleman.

I returned a few minutes before this House went into session today, from a tour of active duty at Yakima Firing Center in Washington State. There the officers and enlisted men of my command, the 96th Infantry Division worked hard and long to increase the military skills we will need should the Lebanon incident or some other explosive situation balloon into an emergency requiring general mobilization. We have combat-trained officers and men, and we have a fine body of young men who have been trained under the 6-month training program of RFA '55. We are self-sufficient; we run all our own messes, we run our vehicles and repair them, we do our own training with the best military equipment available. We do not want to be cut back by the proposals of the administration to cut the Reserve strength, and we feel that maintenance of that strength is essential to the national defense.

The situation reminds me of the game warden who tapped a fisherman on the shoulder and said, "Don't you see that sign? It says 'No Fishing'." The fisherman said, "Yes, I see it, but it does not say 'Positively'." This Congress has twice said, "We will not cut the National Guard below 400,000 nor will we cut the Reserves below 300,000." We approved these figures when the committee of the distinguished gentleman authorized these figures and we approved them again when the Committee on Appropriations of this House passed appropriation bills appropriating money to support a 400,000-man National Guard and 300,000 in units of the Reserve on a pay-drill status. This bill says to the Department of Defense, "Positively you will not cut the guard below 400,000."

I am sure we will shortly pass a similar bill which will say to the Department of Defense, "You will positively not cut the Reserves below 300,000." I thank the distinguished chairman, the gentleman from Louisiana [Mr. BROOKS], for his support of this position.

The SPEAKER. The time of the gentleman from Montana has expired.

Mr. BATES. Mr. Speaker, I yield such time as he may use to the gentleman from South Dakota [Mr. BERRY].

Mr. BERRY. Mr. Speaker, I want to commend the committee on bringing this resolution to the House today.

As the gentleman from Florida has already said, the Governor of South Dakota did form an organization of the governors at their meeting in Florida last month to protest this reduction. Governor Foss last week was in Washington working with the Pentagon in an effort to stop this reduction which would very seriously affect the South Dakota division of the corps, and the corps in every State.

Mr. BROOKS of Louisiana. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Speaker, I want to congratulate the distinguished gentleman from Louisiana and his committee for bringing this resolution before us.

It seems to me that it is ridiculous to think about reducing the National Guard at a time of international crisis. I think if anything is done we should increase the guard, which is the Nation's first line of defense and trained, equipped and ready to go into action.

Mr. BROOKS of Louisiana. Mr. Speaker, I yield such time as he may require to the gentleman from Mississippi [Mr. WINSTEAD].

Mr. WINSTEAD. Mr. Speaker, I rise in support of the bill and to commend our Chairman for his wonderful work. I believe this Congress should be 100 percent behind this program. I hope that the Pentagon, now that Congress has spoken for the third time, will believe what we say and that we mean that the National Guard is not to be reduced below 400,000.

The governors of the States, the adjutants general of the States, and every other responsible official are unanimous in their support of a National Guard of not less than 400,000.

GENERAL LEAVE TO EXTEND

Mr. BATES. Mr. Speaker, I ask unanimous consent that all Members who wish to do so may have the privilege of extending their remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. DORN of New York. Mr. Speaker, I rise in favor of the pending concurrent resolution. The Army has stated that it desired to modernize its Reserve components in light of changing concepts of warfare and the development of new weapons systems. This statement infers that the present organization of the Reserve components is archaic and antiquated. It might better have been stated that the structure of the National Guard units is precisely as directed by the Regular Army and follows the same organizational tables as the Regular Army. It is only recently that the active professional Army has been reorganized to cope with the changing concepts of warfare and now desires its Reserve components to reflect that organization.

Under the guise of "modernization," the Nation is being told that we are to attain greater strength and combat capability by destroying our existing units —the men and organizations which constitute our shield of survival now.

It has been stated by those in authority that the Army National Guard is the largest, best-trained, best-equipped, and best-housed of the Reserve components of the Army. Why, then, does the Army propose to eliminate these units and troops?

In the interest of efficiency, economy, and security, any reorganization of the Reserve components should be accomplished with due consideration to the strength, capability, equipment, and facilities of existing units. It is neither logical nor economical to write off, in these times of international tension, a large segment of our reserve military strength—particularly that portion which gives body to the term "balanced forces."

The States and Territories have recommended that they be authorized to reorganize, convert, and redesignate their existing units to those required to support the Active Army upon mobilization, and thereafter to mutually determine with the Army units and facilities which may no longer be required in the defense of the country. This would appear to be the logical and reasonable approach to the problem and one which is certainly in the best interests of the United States.

Many of the men and officers of the New York National Guard have brought to my attention the effect upon them and their families of the proposed reduction. For instance the 715th Field Artillery Battalion consists of over 300 men and officers and is stationed in Brooklyn. It is commanded by Maj. Rupert V. Frazier, a qualified veteran, who is a graduate of both the Army's Advanced Field Artillery School and Command and General Staff College. Many of the members are veterans who have served our country well in time of war. Since World War II and the Korean conflict, these men have put in many years of service as civilian soldiers. This service is rendered with a great deal of individual sacrifice. The same is true elsewhere. As an incentive to further sacrifice, a retirement program was instituted. The proposed cut will shatter this promise completely for those affected. The Government's promise, based upon long, loyal, and faithful service, will be broken.

Nationwide, the proposed unit reduction will require that some 1,700 full-time Army National Guard employees be discharged from employment. Moreover it will require the elimination of 5,000 officers and warrant officers, the great majority of them highly trained in military skills. Their contributions to the national defense in times of war and peace have been outstanding. Loss of these officers constitutes a write-off of a valuable resource of military skills. It is to prevent this that I favor the passage of this resolution.

Mr. VORYS. Mr. Speaker, I support this resolution for stabilizing the strength of the National Guard in the face of attempts to reduce it. My own service was in naval aviation. I have no personal sentimental interest in the preservation of the guard. On the other hand, I have noted through the years the efforts of the Regular Army and the Army Reserve to downgrade the National Guard. I support the maintaining of the guard for two reasons: First, under our American system I believe an adequate Reserve for our ground forces can only be maintained under the traditions and community organization of the National Guard, not through an enlisted reserve; second, under the conditions of modern warfare, the National Guard, especially the Air Guard, is once more becoming the first line of home defense, as were the militiamen in colonial days. With the threat of aerial attack, by bombers and airborne forces, each community, each region, must have its antiaircraft, its air defense units, ready nearby. Forces must be dispersed to cope with the devastating effects of nuclear bombardment. Old community customs and new scientific developments both call for reliance on the National Guard as a first source of ground reserves, as a first line of home defense.

I do not believe that Congress should dictate the precise numbers and components of our Armed Forces. This resolution does not attempt to do this. It is a sense resolution, requiring consideration. It is not a law requiring compliance.

I believe, however, that our military experts, in determining the size of our various forces, should give very careful consideration to this resolution, for it comes from those who are aware of prejudices and predilections in some of our military leaders which they themselves may not realize.

Mr. BROWN of Missouri. Mr. Speaker, for 2 years now it has been quite obvious that a strong and well-organized movement was under way to whittle away, hack, and sabotage the National Guard under the guise of modernizing defense forces.

I thought for a while that the anti-guard forces had been stopped at the 400,000 line. A memorandum of understanding was entered into between the Armed Services Committee of the House and the Department of the Army which, among other things, pegged the size of the National Guard at not less than 400,000 members.

But the President's budget for 1959 requested only funds for a National Guard of 360,000 members. The House then unanimously adopted a resolution recommending that the size be maintained at not less than 400,000. We also included additional funds in the Defense Appropriation bill for fiscal 1959 to keep the Army National Guard at not less than 400,000.

I thought, and many others thought, that the battle was over. But now it appears that the Defense Department may still be determined to cut the guard by 10 percent.

Now, with the passage of this resolution, it should be clear that the Congress means what it says. We are telling the Defense Department that the Army National Guard is not to be reduced below 400,000 members. We are asking them to put aside petty bickering, lifelong jealousies and hatreds and animosities and keep the guard at not less than 400,000 men.

It is unfortunate to have to do things this way. I regret tremendously that grown men have to write official resolutions to each other. We should be able to sit down as sensible, public-spirited men and work out practical solutions to problems. But if we can't, if it has to be done by official resolutions bearing the official seal, we will do it that way.

Too many times in recent history, American military forces have been demobilized or curtailed under the guise of a bigger bang for a buck. Then, too late, we find out that we have neither the bigger bang nor did we save the bucks.

Right now, American troops are trying to prop up a shaky government in Lebanon. In the Far East, American troops are still trying to prop up a shaky government in Korea.

Now, if our troops are going to try to prop up shaky governments all over the world, if that is the policy, it's silly to disband or curtail any segment of our Armed Forces, National Guard, Reserves, or what have you.

There are those who say the guard does not fit into modern military planning. But what they really mean is that no one in the Defense Department has yet figured out what the National Guard's mission is or should be in our modern Military Establishment. That is not unusual. No one really knows what the Army's mission should be these days. No one can define it. No one has really faced up to the problem. Even worse, no one seems to know what the Nation's mission will be internationally tomorrow or next year. We drift from day to day, patching here and repatching there.

I hope the Defense Reorganization Act will clarify certain missions in the Pentagon. I hope, too, that the State Department will spell out a longer-range foreign policy one of these days soon.

But until some basic decisions are made as to overall goals and programs, and until the Defense Department shows the Congress where the National Guard and other forces fit into the overall picture, it's sheer folly to disarm one armed man. We might need every person who knows the manual of arms one of these days.

Let's pass this resolution unanimously. Let us send it on to the Department of the Army and hope they heed our message.

Mr. BYRD. Mr. Speaker, it seems to me that the discussion of House Concurrent Resolution 333, calling as it does for maintaining the National Guard at present strength, has been rendered largely academic by world conditions.

This resolution should be passed with such speed and unanimity that the forces of the world that would make aggression an instrument of national policy will be put on adequate notice as to America's intention to muster its maximum strength for peace and justice.

Today I would restrict my comments on this vital question mainly to proferring my sincere congratulations to the author of the said resolution and to the Armed Services and Rules Committees for giving the House the opportunity to make its views known on this pertinent matter.

Certainly the wisdom and the foresight of the author of this resolution have been confirmed by recent events in the Middle East. Each passing day brings confirmation of the necessity of the United States being poised and ready in all departments of our military for any contingency.

At no time in our history has a full strength, readied National Guard been more important to the well-being and defense of our country than at present. It would be foolhardy indeed to effect any cutbacks in National Guard strength at this time. If anything, ways should be found to strengthen the guard.

Mr. Speaker, just over a week ago, on July 13, I gave by views on this matter in the form of a protest telegram to President Eisenhower and Secretary of Defense McElroy in which I urged retention of the present units at present strength for National Guard in West Virginia.

In that protest I pointed out that the citizen soldier has been the backbone of our military strength since the days of Bunker Hill, Concord, and Lexington. I stressed that with the prospect of Main Street being the battleground in the next major war, the mission of the National Guard is more important than ever.

I wish to express emphatically my support of this resolution to maintain the National Guard at present strength and I request permission to include in the RECORD my recent telegram to the President and to Secretary McElroy, as follows:

I vigorously protest the Pentagon order reorganizing the National Guard which in effect virtually scuttles the guard in West Virginia.

The so-called reorganization order deactivates 20 West Virginia companies seriously and adversely affecting guard strength in 31 West Virginia communities.

The citizen soldier has been the backbone of our national defense since the days of Bunker Hill. The grim prospect that Main Street will be the battleground in the event of another major war makes it imperative that the guard be maintained at full strength and that its mission and its overall organization be expanded, not whittled away.

The repeated efforts of the Pentagon to reduce the National Guard to a skeleton force are as dangerous as they are ill advised. To attempt to justify such an unwarranted emasculation of the guard in the name of Pentomic reorganization or economy is ridiculously puerile in view of the combat records of the 1092d Engineer Battalion and other units deactivated and in view of the prodigal waste of American dollars through faulty administration and mismanagement of the foreign aid program.

Every consideration of public interest, national defense, and the Nation's morale warrants a full strength National Guard. I strongly urge immediate suspension of the guard reorganization order and a full, prompt, and impartial review of the same. The Mountaineer Minute Men of 1958 are needed as much today as were the first guardsmen at Concord and Lexington. Keep America strong, poised, and ready for any emergency by keeping the National Guard at full strength.

ROBERT C. BYRD,
Member of Congress,
Sixth District of West Virginia.

Mr. DOOLEY. I rise in support of the legislation brought before the House by the gentleman from Louisiana [Mr. BROOKS] that would assure us of a minimum of 400,000 members in the National Guard.

This segment of our defense is more important today than ever before in light of the situation throughout the world, particularly with reference to the Middle East.

The National Guard has distinguished itself over the decades as a stalwart and effective arm of our defense and it would be sheer folly to diminish its numbers.

I stand firmly with the gentleman from Florida [Mr. CRAMER], and with General ANDERSON of Montana in advocating the passage of this legislation. I trust the rules will be suspended and the bill passed.

Mr. AVERY. Mr. Speaker, an excellent example of the outstanding contribution the National Guard has made is the record of the famous 35th Division. The division came into existence in World War I when Missouri and Kansas National Guard units entered Federal service August 5, 1917. The division served with the American Expeditionary Force in England, France and German Alsace until the Armistice, returning home with three battle stars including Meuse-Argonne offensive.

The 35th was reactivated in 1920–21 from the National Guard of Missouri, Kansas, Nebraska, and an Arkansas field artillery regiment and entered Federal service December 23, 1940. After declaration of World War II several regimental and battalion units were sent to Alaska, Hawaii, the South Pacific and eventually to the Philippines. In 1943 it moved eastward for intensive training and in the spring of 1944 was shipped to England. Landing on Omaha Beach early in July, it took part in the breakthrough at St. Lo, swept across France with spearhead of Patton's Third Army, served in the Battle of the Bulge, cracked the Seigfried Line, crossed the Rhine, and at war's end was at the Elbe River, the United States division nearest Berlin. Returning to the United States in the fall of 1945, the 35th was deactivated in December, with 5 battle stars and 5 years of service to our country.

We in Kansas are proud of this fine record. As I have stated in time of emergency the National Guard has been of untold service and assistance. The guard is on the alert and is keeping pace with the modern change in weapons. I am sure we will always need well-trained infantrymen—it is the footsoldier who was called upon to protect our interests in the Middle East crisis.

Mr. FOUNTAIN. Mr. Speaker, I rise in support of House Concurrent Resolution 333. I want to commend the gentleman from Louisiana [Mr. BROOKS] and the other members of the Armed Services Committee for bringing this concurrent resolution to the floor of the House so that all of us might have an opportunity to express our feelings to the Defense Department.

I hope this resolution will be construed by the Defense Establishment as strongly as we intend it, as both the sense and the intent of the Congress that the National Guard shall be maintained at a strength of not less than 400,000 members. It is difficult for me to understand how the Defense Department, knowing that Congress has appropriated funds to enable it to maintain our National Guard strength at not less than 400,000, would even think of doing otherwise. All of those in my State of North Carolina with whom I have had an opportunity to consult, including the State Administration, are strongly opposed to a ceiling of less than 400,000 men. In fact, I am told that to conform to this ceiling the guard had to drop from a ceiling of 434,000 men.

Maj. Gen. Capus Waynick, the adjutant general of the North Carolina Na-

tional Guard, in opposition to a reduction of the guard below a strength of 400,000, recently had this to say:

A ready militia in each of the States to be available for defense of the Nation was the original concept of our country. Under this system we can have well trained citizen soldiers while avoiding the concentration of military power. A strong National Guard is important for the preservation of what remains of States rights.

We recognize that some of the weapons with which we train are obsolescent as far as full-scale modern warfare is concerned. While this is true with respect to the punch that would have to be delivered, there would remain in event of war a greater need of trained citizen soldiers spread over the country than at any time in the past. The role of the National Guard situated in hamlets, villages, towns, and cities, and scattered throughout the Nation might be vital to the restoration of order and the prevention of chaos should war come. There are many critical targets and in the event of war they, or many of them, will be under immediate assault. The presence in communities so attacked of well trained militia could be of the greatest importance.

It is not necessary * * * to emphasize the value of the National Guard as a fighting force in time of emergency. The combat records speak for the guard. We have in North Carolina the 30th Infantry Division. It was credited with breaking the Hindenburg Line in the First World War; and the German general staff listed 8 outstanding American divisions in the Second World War and 6 of the 8 were National Guard divisions, including the 30th.

On the basis of what I have heard thus far, it appears conclusively to me that House Concurrent Resolution 333 will pass this House by an overwhelming majority. As one who believes in the National Guard and the security it affords the people of our respective States, both in times of peace and in times of war, I certainly trust that when this resolution is passed, those who make this important decision will take due notice of it and govern themselves in keeping therewith.

Mr. NEAL. Mr. Speaker, I do not pretend to possess expertness in military organization.

I do know that the recent ruling of the Pentagon to reduce the numerical strength of the National Guard has aroused considerable controversy. Coming as it did after the expenditure of large sums of money to prepare armories adequate for the training of local units, it is not surprising that local reaction was critical.

If the National Guard is the basic unit of our defense system, one would think it inadvisable to reduce its normal strength at this particular time when world conditions might suddenly draw us into armed conflict.

Of course, we must trust our defense leaders to provide us with the most effective and easiest maneuverable protective forces organized and equipped to meet the needs of rapidly changing conditions of warfare.

Let us hope whatever is done will prove to be for our best interests.

Mr. BATES. Mr. Speaker, I yield such time as she may desire to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Speaker, I congratulate everybody who has had a hand in bringing this bill to the floor. We in Massachusetts are extremely delighted and very proud to have General Harrison as the head of the National Guard. Massachusetts has, of course, always been a great National Guard State. It would be regrettable to my mind should anything happen to weaken the National Guard which means so much to our national defense. The National Guard is of the greatest assistance in any emergency, floods, forest fires, droughts. It is always first to help in all civil problems. The strength of the National Guard may have been reduced inadvertently by the will of a few, but I am sure it will be maintained at the strength Congress designates. There is not time to discuss the National Guard's great deeds but they are there for all to read. The maintenance of the National Guard is especially important in view of developments in the Near East. The Arab countries are at present a tinderbox—a match could fire it, and we would be in a hot war. It is a very grave situation.

Russia would not deliberately attack us, for it would be an act that would bring annihilation to her, and it might bring annihilation to much of the rest of the world. I do not think Russia will dare attack us. The recent show of our naval and marine strength has made Russia pause.

Mr. BATES. Mr. Speaker, I yield such time as he may desire to the gentleman from Kansas [Mr. AVERY].

Mr. AVERY. Mr. Speaker, I rise in support of this legislation.

Mr. Speaker, I would like to point out briefly that not only does the National Guard perform a residual service in the area of national defense, but also in some States, as they have in Kansas, they have been of great service in times of disaster such as the storms and floods that have visited the Middle West from time to time.

Mr. BATES. Mr. Speaker, I yield such time as he may desire to the gentleman from Kansas [Mr. SCRIVNER].

Mr. SCRIVNER. "Keep Your Guard Up," Mr. Speaker, might well be the slogan of the day.

I have read this resolution; I know the reasoning behind it; I know the feeling of the Members of the House, and I am sure the other body will have the same feeling.

I do not know how, in this day or age, you can speak any louder than you do when you back up your words with dollars, as the Appropriations Committee did just a few days ago when it appropriated funds to bring the guard's strength up to 400,000. We have said as firmly as we could that that is what we expected the Defense Department to give us.

It is true that there is some difference between the Reserve and the National Guard, and there are added obligations which the National Guard must carry inasmuch as they must be instantly ready to act within a State's boundaries at the outbreak of any emergency. They have been called upon in recent days in my home State to go out, because we have again been inflicted with floods, as have the people in neighboring States. The National Guard has rendered a fine emergency service, as it always has.

Now, if the House will permit a personal reference, I went back into the National Guard right after World War I. We struggled through some days and conditions then that makes the National Guard look pretty plush today. The thing that really is needed so that the National Guard can really plan on what it can do not just for today, or next month or next year, but as a continuing policy, is to have a stable strength. We go up and we go down, up and down. They have been encouraged to go up to 475,000. They have planned their organizations and equipment on that size and then they find themselves dropped clear down below 400,000.

If this resolution does nothing more than cause the Defense Department to see the importance of keeping the National Guard at a fixed, regular, steady strength, it will have accomplished a very fine purpose.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from Kansas.

Mr. GROSS. Is it not true that they sold the 6 months' training program in part upon a substantial increase in the National Guard?

Mr. SCRIVNER. That was one of the fundamental reasons given for it.

The other end of it is that, these things having come to pass, it has meant a tremendous change in the program as far as the 6 months' training is concerned. It has to be reshuffled. In my home State they are telling them that in view of the cut it means disbanding antiaircraft missiles. That may be all right, but in a year and a half at the most they will be requesting the National Guard of Kansas to furnish troops to man these Nike installations. It just does not make sense to breathe hot and breathe cold at the same time.

Mr. BATES. Mr. Speaker, I yield such time as he may desire to the gentleman from Maryland [Mr. DEVEREUX].

Mr. DEVEREUX. Mr. Speaker, I rise in support of this legislation. I may say I was one of those who appeared before the Appropriations Committee and urged that funds be provided for a minimum of 400,000. I believe everyone in this body understands what the situation is.

I strongly urge support and passage of this legislation.

Mr. BROOKS of Louisiana. Mr. Speaker, I yield such time as he may desire to the gentleman from North Carolina [Mr. LENNON].

Mr. LENNON. Mr. Speaker, I rise in support of this legislation. I honestly believe that every Member of this House is extremely grateful to the Committee on Armed Services and to this distinguished gentleman from Louisiana for bringing this resolution to the floor for consideration at this time. I hope all of us can now be reassured in spite of what

has been said by the Department of Defense twice in 1 year that it had no intention of reducing the personnel of the National Guard to less than 400,000, that we can by this resolution be absolutely and definitely reassured that will not take place in the future.

Mr. BROOKS of Louisiana. Mr. Speaker, I yield such time as he may desire to the gentleman from Minnesota [Mr. WIER].

Mr. WIER. Mr. Speaker, I see 3 or 4 members of the Minnesota delegation here. I can assume, I am sure, that the great State of Minnesota joins with all of the other States in the maintenance of our great military institution, our own National Guard, in our local communities.

Minnesota is might proud of the part that our guard played in World War I as a part of the Rainbow Division and again in World War II as a part of the Red Bull Division; likewise, our National Guard played an important role in the Korean fighting and I would feel remiss in my duty if I failed to rise here today in defense of the maintenance of the present Minnesota National Guard strength and membership.

I hope that the Pentagon obeys this time.

Mr. BATES. Mr. Speaker, I yield such time as he may desire to the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. H. CARL ANDERSEN. Mr. Speaker, I want to join with my colleague from Minnesota [Mr. WIER] in support of this legislation. We are all proud of our National Guard in the State of Minnesota.

May I say also that we of the delegation of the State of Minnesota are holding a half-hour observance of our centennial in a special order this afternoon. I hope and trust our friends will stay after the legislative work of the day is finished. We will consider it an honor if you will do so.

Mr. BATES. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. DOOLEY].

Mr. DOOLEY. Mr. Speaker, I rise to commend the gentleman from Louisiana on advocating this measure. I support it very strongly. I think our National Guard should be kept up to the full strength of 400,000 men. I therefore compliment the gentleman on his advocacy of this measure.

The SPEAKER pro tempore. The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

LUMP-SUM READJUSTMENT PAYMENTS FOR RESERVE FORCES

Mr. BROOKS of Louisiana. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 13373) to increase the rate on which lump-sum readjustment payments are computed for Reserves of the Armed Forces.

The Clerk read as follows:

Be it enacted, etc., That the first sentence of section 265 (a) of the Armed Forces Reserve Act of 1952, as amended (50 U. S. C. 1016), is amended to read as follows: "A member of a reserve component who is involuntarily released from active duty after the enactment of this amended sentence and after having completed immediately prior to such release at least 5 years of continuous active duty, except for breaks in service of not more than 30 days, as either an officer, warrant officer, or enlisted person, is entitled to a lump-sum readjustment payment computed on the basis of—

"(1) two months' basic pay in the grade in which he is serving at the time of release from active duty for each year of active service ending at the close of the 18th year not to exceed a total of 2 years' basic pay in that grade, unless he is discharged from his reserve appointment because of failure to achieve the standards of performance prescribed by the Secretary concerned; and

"(2) one month's basic pay in that grade for each year of such service not to exceed a total of 1 year's basic pay in that grade, if he is so discharged because of failure to achieve those standards."

The SPEAKER pro tempore. Is a second demanded?

Mr. BATES. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. BROOKS of Louisiana. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, in a sense this bill, H. R. 13373, is a corollary of the bill that we just passed. However, this bill deals purely with the Federal Reserves as contrasted with the guard.

Mr. Speaker, in the last year, during the week when Congress adjourned, we learned for the first time that there was a plan to RIF, that is, a program of eliminating certain Reserve officers on active duty which they called the RIF program, and during the course of the fall that program welled up until, when we came back here in January, we found 5,000 efficient, well-trained Reserve officers, a majority of whom had long years of active experience in the establishment, were being released to inactive duty with hardly as much as a "thank you" for the service that they had rendered.

Now, there was nothing wrong with these Reserve officers. They were men with fine records. They were men that had served faithfully and conscientiously and with great ability. I can remember that one of the Reserve officers was riffed out of the office of the Secretary of the Navy himself, and the Secretary had selected what he thought were some of the best officers in the service. But, they were riffed out because officials said they were not needed on active duty, and 5,000 of them were put back into civilian life.

Under the law, we provide a program where they can get one-half of 1 month's pay for every year that they have served on active duty if they are riffed out because the service does not need them. That enables them to go back to civilian life and to reestablish themselves. But, on the other hand, we find that the regular establishment pays its officers not one-half of 1 month's pay but 2 months' pay for every year that the regular serves. Yet, we find with the Reserve establishment that often these Reserve officers had recently been promoted in rank, showing that they had actually had the approval of their records, whereas the regular establishment in many instances were releasing men that had been passed over twice in the promotion list, and under the law they were required to be released. Now, those men were getting 4 times as much money when they were released from the service as the reservist was getting. Many of the reservists had 14, 16, and 17½ years' service. This bill, to put it simply and very briefly, simply equalizes the treatment.

Where a Reserve officer has been on active duty and he is riffed—that is, taken out against his own will and not because of inefficient service—that Reserve officer will then receive in payment the same amount as a Regular officer would have received under the same circumstances. We think it is a good bill. We think it is a fair bill. It is a bill that ought to be passed. The reason we bring it up at this time is that we have a feeling—I do not know whether it is justified, but we certainly get rumors from sources across the river—that there may be a RIF this fall. In the event that occurs, we want the reservist who has been on active duty for long years treated just as the Regular officer who has been on active duty and who is released to the Reserves.

You may ask, How much will it cost? If there are no RIF's in the Reserve program—and there should not be—it will not cost anything. If there are RIFs in the Reserve program, it will cost in proportion to the number of officers released from the service.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BROOKS of Louisiana. I yield to the distinguished gentleman.

Mr. GROSS. This is projected into the future. This is not designed to take care of those who were caught in the reduction in force last year?

Mr. BROOKS of Louisiana. No. This has no retroactive effect. It is, in a sense, stopgap legislation, temporary legislation. Today I put in the hopper a bill providing for contract retentions. In the future we hope that a reservist, when called from civilian life to active duty, will be given a contract for, we will say, 6 years. He will be in a sense "employed" by the Military Establishment as an officer for 6 years. If that contract arrangement goes through—and we think it will—it will take the place of this legislation which is merely stopgap legislation.

Mr. GROSS. In other words, this anticipates a reduction in force of 2,358 reservists; is that correct?

Mr. BROOKS of Louisiana. The Department said this:

It is estimated that the bill, if enacted, will cost $22.5 million for the fiscal year 1959 based on the involuntary release of 2,358 reservists. This is approximately $15 million in excess of the cost which has been provided in the fiscal year 1959 budget to pay readjustment allowances for reservists involuntarily released from active duty under the provisions of Public Law 676.

It would cost that much provided they riffed 2,358 officers.

Mr. GROSS. This does not do anything for the reservists who went off last year?

Mr. BROOKS of Louisiana. No; it is not retroactive.

Mr. GROSS. This bill has the approval neither of the Department of Defense nor the Bureau of the Budget, is that correct?

Mr. BROOKS of Louisiana. That is correct. It does not have their approval because we have been here every month since January urging that they bring in this contract-retention bill that would take care of reservists. But the months have gone by and now we are facing adjournment. The Pentagon has not been able to work out a bill which they would approve, and the Bureau of the Budget has not approved a bill. We are faced with adjournment with the possibility of another RIF program in front of us, such as we had last year. So, the committee submits this to the House for its approval. We think it should be passed.

Mr. GROSS. But how consistent would we be to vote this legislation today without doing anything for those who were caught last year?

Mr. BROOKS of Louisiana. Of course, the gentleman has a good deal of logic on his side. But the moment you begin to make bills retroactive, the question is, How far will you go to make them retroactive? We had 5,000 riffed last year and some the year before. At the end of World War II we had a great many officers released to inactive duty. Would you go back that far? So the committee felt that the best thing to do was to stand on a program of this kind, which is stopgap legislation, to try to take care of a RIF program which may come up this fall.

Mr. GROSS. I thoroughly agree with the gentleman as to the danger of retroactivity—that is, to go back and take care of those who were affected last year or the year before. But the fault lies somewhere along the line in the Pentagon's failing to honor contracts, if they can be called contracts, or failing to regard the reservist coming in as a permanent part of the Military Establishment.

Mr. BROOKS of Louisiana. That is the thing we have been working on. I think we are working out a very salutary measure. I think it should go through. I give the gentleman my word that the committee has called in witnesses every few weeks and demanded that we get some recommendations that they would support, but they have not come through. The committee then decided the only thing to do was to put through this stopgap legislation and protect those for the future until we can get the type of bill we need.

Mr. FORAND. Mr. Speaker, will the gentleman yield?

Mr. BROOKS of Louisiana. I yield to the gentleman from Rhode Island.

Mr. FORAND. I am wondering if the gentleman's committee has had an opportunity to study the case of so many of these among the 5,000 to whom the gentleman has just referred that have been riffed, the Reserve officers who have completed 18 or 19 years of service and were just looking forward to their retirement at the end of 20 years of service.

I had a case of a man who was overseas and who had 18 years and 10 months of service. He had hoped to complete the 20 years, but he was riffed with no further consideration given to him and, as the gentleman has already said, not even a thank you. Has the committee had a chance to look into that?

Mr. BROOKS of Louisiana. Yes. That is what many of the members of the committee felt deeply about. We found officers who had been riffed after up to 17¾ years of active duty. Those men were really regulars in the sense that they had intended to stay with the service for the rest of their active lives. The contract bill we are working on would take care of that, would provide that a member who has been in service 14 years may continue to serve until 20 years.

Mr. BATES. Mr. Speaker, I yield 1 minute to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Speaker, I wish very much that this bill were retroactive. I know the tremendous work the Reserves have done. We have always felt that the Reserves have never been given a fair chance. The Navy has never given them a chance to become admirals. They do a large majority of the fighting when the battle comes. I am glad that this bill has come up. It should be passed.

Mr. BATES. Mr. Speaker, this bill passed the Committee on Armed Services without a dissenting vote. It is fair and just, and should be enacted.

The SPEAKER pro tempore. The question is, Will the House suspend the rules and pass the bill H. R. 13373?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

CORREGIDOR-BATAAN MEMORIAL COMMISSION

Mr. BROOKS of Louisiana. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 13265) to authorize the appropriation to the Corregidor-Bataan Memorial Commission of an amount equal to amounts, not in excess of $7,500,000, which may be received by the Secretary of the Navy from the sale of vessels stricken from the Naval Vessel Register, to be expended for the purpose of carrying out the provisions of the act of August 5, 1953.

The Clerk read as follows:

Be it enacted, etc., That, in order to perpetuate the memory of all those who, serving under the American flag in the Pacific area during World War II, paid their part of the price which purchased victory in the Pacific in World War II, there is hereby authorized to be appropriated to the Corregidor-Bataan Memorial Commission, to be expended for the purpose of carrying out the provisions of the act entitled "An act to create a commission to be known as the Corregidor-Bataan Memorial Commission," approved August 5, 1953, as amended, an amount equal to amounts, not in excess of $7,500,000 which may be received by the Secretary of the Navy from the sale of vessels stricken from the Naval Vessel Register. The amount authorized by this act to be appropriated shall be in addition to any amounts otherwise authorized by law to be appropriated for expenditure by the Corregidor-Bataan Memorial Commission.

The SPEAKER pro tempore. Is a second demanded?

Mr. VAN ZANDT. I demand a second, Mr. Speaker.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. BROOKS of Louisiana. Mr. Speaker, the purpose of the bill is to authorize the appropriation to the Corregidor-Bataan Memorial Commission of an amount equal to amounts, not in excess of $7,500,000, which may be received by the Secretary of the Navy from the sale of vessels stricken from the Naval Vessel Register.

Mr. Speaker, this is a good bill, an excellent bill. I am going to refer it to the author of the bill for an explanation, the gentleman from Maryland [Mr. DEVEREUX].

Mr. VAN ZANDT. Mr. Speaker, I yield 5 minutes to the gentleman from Maryland [Mr. DEVEREUX].

Mr. DEVEREUX. Mr. Speaker, and my colleagues, this bill provides for the authorization for an appropriation of $7½ million for a memorial to be erected at Corregidor to commemorate the war in the Pacific. Despite the language of the bill I would not try to fool you people by saying it is not a straight authorization bill. In the language of the bill we say to authorize the appropriation to the Corregidor-Bataan Memorial Commission of an amount equal to amounts not in excess of $7½ million which may be received by the Secretary of the Navy from the sale of vessels stricken from the naval vessel register to be expended for the purpose of carrying out the provisions of the act of August 5, 1953. I do not wish to confuse you in any way. It is a straight authorization bill for $7½ million. I might say that this bill has been cleared by the leadership on both sides of the aisle. It was unanimously passed by the Committee on the Armed Services.

The purpose of the memorial is as follows, and I will give you just a few words on that. The basic concept of the memorial is to recognize by an appropriate form of memorial the sacrifice of the Americans and Filipino patriots who gave their lives that freedom and democracy might again be restored to the Pacific area. It honors all men and women who fought under the American flag in the Pacific area during World War II, particularly those who died in defeating the forces of aggression.

I would like further to say what the memorial will accomplish. It is expected that this memorial will accomplish three highly important and significant purposes. First, it will be a symbol to every survivor of the Pacific of the months and years of his participation in beating back

an aggressor bent on conquest and tyranny. To such veterans and to families of those who did not survive it will be a well-deserved recognition of each man's contribution, be it large or small, to the war in the Pacific, one of the greatest feats of arms in all recorded history.

Second, it will be a symbol to every Filipino who sees it, and they will be numbered by the hundreds of thousands, of the understanding and appreciation of the United States of the Gethsemane that they endured during the 4 long years in order to stand bravely and fearlessly by the side of an occidental nation.

Third, and the most significant point of all, the memorial will become a strong symbol of the power of free peoples bonded together against despotism and tyranny, and it will inspire all people to struggle against those enemies of democracy consistently seeking to enslave the body and mind of the individual. As such a fount of inspiration it will become a living memorial to encourage the Filipinos and other oriental nations to work unceasingly in the cause of democracy and freedom.

Now, Mr. Speaker, why do we refer to the vessels that are stricken from the naval register? I would like to point out as an example one category of vessels which, if they were stricken and sold, would save us many millions of dollars. For example, for 29 ships suggested if stricken, they would release some 16,000 feet of berthing at our various shipyards. The scrap alone from the sale of these vessels would mean $13½ million. The recoverable parts from those vessels would give us $2.2 million, and also, but very importantly, it would relieve us of the upkeep of those vessels to the extent of some $9.1 million.

The reason for bringing in the question of these vessels is because of the fact that we may use some of the steel from thoses vessels in the erection of the memorial. I believe it is more fitting to use those vessels than to simply have them sold as scrap.

I yield back the remainder of my time, Mr. Speaker.

Mr. VAN ZANDT. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, I may be the only one opposing this bill. I do not know. I am not opposed to memorials, but I am opposed to going into the United States Treasury for $7,500,000, with the condition the Treasury is in today, and people being taxed as they are, to build a memorial in the Philippines, or wherever at such cost. This commission has already spent $80,000 to $100,000 and has no firm plans or specifications.

Mr. VAN ZANDT. Mr. Speaker, will the gentleman yield?

Mr. GROSS. Yes, I yield.

Mr. VAN ZANDT. I must advise the gentleman from Iowa that the Commission very definitely has firm plans. We have selected a plan for a memorial to be located on the Island of Corregidor. Then I would like to add that the Philippine Government has a commission working very closely with the United States Corregidor-Bataan Commission.

Mr. GROSS. Does the gentleman have any plans he could show us? A picture of this memorial, or anything?

Mr. VAN ZANDT. Very definitely so.

Mr. GROSS. I did not see them when you had the bill before the House not so long ago.

Mr. VAN ZANDT. The Commission has a blown up photograph of the plan, and if the gentleman from Iowa wishes to see it I will arrange to have it brought to his office.

Mr. GROSS. So with the $80,000 to $100,000 already expended, you have a blown up picture of it. Is that it?

Mr. VAN ZANDT. That is not exactly correct. The Commission had certain expenses necessary in connection with organizing the Commission, and administering its affairs. Then also the Commission conducted a nationwide competition among architects of the country and a jury, composed of prominent Americans, made a selection; and it was their selection the Commission approved.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield.

Mr. JUDD. Just to confirm what the gentleman from Pennsylvania [Mr. VAN ZANDT] said, this legislation originally came before the Committee on Foreign Affairs, and we examined the designs that had been submitted and the ones considered to have the most merit. The design that seems to me would be of the greatest value is if the architects could get together.

Mr. GROSS. That is just fine. I wish we could build a monument in every country of the world. I wish we could do it, but I do not know how you are going to answer the people back home when you tell them how you spend more than $7,500,000 for a monument in the Philippines. Apparently, this bill will expedite the scrapping of ships, and I wonder what kind of a precedent we are setting when we take the money that comes from the scrapping of vessels and use it for the purpose of building monuments instead of putting it in the Treasury? How long before we will be taking the money from scrapping military trucks and artillery and using it for the building of memorials, or something else?

I cannot think of a better memorial in the Pacific than the battleship that was lost at Pearl Harbor in Hawaii with some 900 to 1,000 men still entombed below her deck. If that is not symbolic of the price we paid for war in the Pacific I do not know what is, and what more fitting type of memorial could we select to remind us of the sacrifice such war entails.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. GROSS. Briefly, yes.

Mr. JUDD. I agree that there is no Pacific memorial that could be as impressive as the battleship sunk at Pearl Harbor, but that is a long long way from these parts where this memorial is to be erected. This is a very peculiar situation.

Mr. GROSS. Does the gentleman think we ought to spend $7½ million for one memorial?

Mr. JUDD. I do not think any such amount will be required in the circumstances.

Mr. GROSS. It is all right to make that statement now, but my experience has been that none of these things has ever been built for less, and usually more, than the authorization.

I doubt that if many of the veterans, for whom memorial would be provided, knew the condition of the United States Treasury today and the tax burden being carried by the people; I doubt very much if they would want $7,500,000 spent on a memorial at this time. I suggest to the gentleman that those veterans if they could be heard today would not want any such thing to take place.

I say again that what is proposed here is to use the proceeds from the scrapping of naval vessels, and if you pass this bill today you will be setting a precedent that will cost many more millions of dollars.

Mr. Speaker, I am opposed to this bill.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER. The gentleman yields back 1 minute.

Mr. VAN ZANDT. Mr. Speaker, as one who served in the Pacific theater in World War II and in the vicinity of Corregidor, I know something about the tortures our boys were subjected to by the enemy, especially in the march on the Bataan Peninsula. In addition I have knowledge of the sacrifices that were made by those who recaptured Corregidor. Therefore, I can think of no greater tribute the American people can pay to our boys than the erecting of a monument on Corregidor.

We should also think of the Filipinos who were part of our Armed Forces at that time, and now nationals of the Government of the Philippines. We are conscious of the great sacrifice they made and the honor to which they are entitled.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. VAN ZANDT. I yield.

Mr. McCORMACK. Bearing on that question, I think all Americans view the people of the Philippines as much closer than even friends. The people of the Philippines were part of our country for decades. We kept our promise to them in giving them independence, which is to the glory of America. So I consider the relationship between the people of the Philippines and the people of the United States as much closer than that of friends. In a sense they are Americans, and looking at it from the other angle, we are Filipinos. We have been one for so many years, and they certainly have evidenced their loyalty to the American flag on many occasions.

I am sure my friend from Iowa, for whom I have a profound respect, will realize the intrinsic value, the intangibles, involved in a memorial of this kind; and they speak much louder than words and much louder than dollars, or money. The intangibles involved are of such nature as to constitute an outward manifestation of the close relationship that exists between the people of the Philippines and the people of the United States and which will continue to exist for countless generations to come.

Mr. VAN ZANDT. I thank the gentleman from Massachusetts.

Gen. Douglas MacArthur, who earned the everlasting gratitude of the American people for the manner in which he led our forces in the Pacific during the course of World War II, had this to say concerning this project:

It is indeed a most worthy purpose. For no soil on earth is more deeply consecrated to the cause of human liberty than is that of the island of Corregidor and adjacent Bataan Peninsula. There, American and Filipino blood is intermingled to immortalize that gallant stand taken to resist against desperately overwhelming odds the onrush of the forces of despotism which sought to blot the concept of freedom from the face of the earth.

I am quite confident that you will find among our countrymen few who will hesitate to support the erection upon that hallowed ground of so suitable a memorial to those who there fought and bled and died in desperate resolve that liberty should live.

Admiral Nimitz, commander of the naval forces in the Pacific during the course of World War II, gives his wholehearted support to this proposition in the following letter to our colleague, Hon. CLARENCE CANNON, of Missouri:

JUNE 11, 1958.

Hon. CLARENCE CANNON,
House of Representatives,
Washington, D. C.

MY DEAR MR. CANNON: Last year I was privileged to serve on the jury of award which selected the winning design for a Pacific war memorial to be erected by the Corregidor-Bataan Memorial Commission. As you know, the Congress created that commission in 1953.

A recent letter from the chairman, the Honorable Emmet O'Neal, states that legislation is being introduced to authorize the construction of the memorial from funds realized from the sale of obsolete war vessels. This proposal merits favorable consideration by the Congress and, as the legislation has been referred to your committee, I would be grateful if you would acquaint the members with my views.

The memorial proposed by the Corregidor-Bataan Memorial Commission is the only one which will commemorate the successful efforts of over four million servicemen in the Pacific in winning a war of great magnitude and importance.

The love of a man-of-war's man for his ship is proverbial. The loss of a gallant warship in battle evokes the unashamed grief of its brave crew. Because of this relationship I, as a veteran of the Pacific war, feel that the proposal to use metal taken from the old war vessels in the actual construction of the memorial is appropriate and inspirational. Additionally, to use funds obtained from their sale makes their final disposition more meaningful because of our knowledge that the Corregidor memorial will perpetuate their part in the final victory over Japan.

Very sincerely yours,

C. W. NIMITZ,
Fleet Admiral, USN.

Mr. Speaker, that is simply an authorization bill which if enacted will permit the sale of obsolete Navy ships with the proceeds being used to finance the construction of the monument on the Island of Corregidor.

These ships all had service in the Pacific theater and while they will be sold as scrap, certain parts of them will be enshrined in the museum of the memorial. There will also be equipment from other branches of the service so it will truly be a memorial to all those who served in the Pacific area and especially in the Philippines.

Mr. Speaker, in converting these ships into dollars and cents to be used in covering the cost of construction of this memorial it is truly beating the swords of war into plowshares.

Mr. Speaker, I now yield 3 minutes to the gentleman from New Jersey [Mr. CANFIELD].

Mr. CANFIELD. Mr. Speaker, as we review this bill before us today, two pictures come to my mind, one that of a joint session of our American Congress in September 1945, when Lt. Gen. Jonathan Wainwright addressed this body. There he stood before us, tall, gaunt, emaciated, tears running down his cheeks. What in essence was his plea that day? He was saying to Members of the American Congress: "Please never again let our defenses grow weak." This from the hero of Corregidor and Bataan who had just returned after many months in a Japanese prison camp.

The other picture is that of January 6, 1946, when the gentleman from New Jersey now addressing you, saw Corregidor. I had always thought that Corregidor was an impregnable American Gibraltar. But what did I see on that day? Anything but an American Gibraltar. How disillusioned I was to find that the best guns, the biggest guns we had on Corregidor, were of the vintage of 1898. There were no modern antiaircraft batteries. I went into that smelly, leaking, Malinta tunnel, and I could not get out fast enough.

Oh, yes, we were adhering to the terms of the 1922 Disarmament Conference while the enemy was sneaking big guns, modern aircraft, and other military hardware into the islands of the Pacific.

So, having in mind the suffering of our American soldiers and the Philippine soldiers at Corregidor, most certainly I must vote for the pending bill.

I recall not so many years ago that General Romulo, MacArthur's aide in those trying days, who later became head of the United Nations General Assembly, was a resident commissioner representing the Philippines in this body. Would that you could have heard the general describe the courage, the bravery, and the agonies of the heroes—those who made their stand on Corregidor, and Bataan.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. CANFIELD. I yield to the distinguished gentleman from Iowa.

Mr. GROSS. The gentleman is a member of the Appropriations Committee, is he not?

Mr. CANFIELD. Yes.

Mr. GROSS. This bill bypasses the Appropriations Committee, does it not?

Mr. VAN ZANDT. This is an authorization bill.

Mr. CANFIELD. That is exactly what it is.

Mr. VAN ZANDT. A request will have to be made to the Appropriations Committee for the funds. The Appropriations Committee will consider it as it does many other bills.

Mr. CANFIELD. It will have to be considered by the Appropriations Committee, which committee I feel certain will provide necessary funds for a memorial to stand at Corregidor in the shadow of Bataan where commingled the blood of Filipinos and Americans. Its meaning will be clear to Asiatics and it will be understood as a dedication of democratic peoples to the cause of peace and freedom. I like the phrasing in the committee report which emphasizes that "those who travel by air will see it, and all the ships going to or from Manila must pass close by, and at night a shaft of light will carry its message far out across the China Sea."

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and the Speaker announced that two-thirds had voted in favor of suspending the rules.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground a quorum is not present, and make the point of order that a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that further consideration of this bill be postponed until Wednesday.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. GROSS. Mr. Speaker, reserving the right to object, we come to this proposition of no votes on today, and I do not know why there was an agreement that there should be no rollcall votes. I can understand about tomorrow with a primary election in Oklahoma, but why we should protect Members who are not here today, I do not know.

Mr. McCORMACK. Is the gentleman undertaking to chastise me or does he want information?

Mr. GROSS. I am not chastising anybody.

Mr. McCORMACK. I will give information, but I will never take chastisement from anyone. There are only 1 or 2 persons in the world I will take that from.

Mr. GROSS. I will be glad to hear the gentleman.

Mr. McCORMACK. There is a primary today in Oklahoma.

Mr. GROSS. Today or tomorrow?

Mr. McCORMACK. Tomorrow. Suppose the gentleman came from Oklahoma and had a fight on his hands, would he expect me to have a rollcall today? Would the gentleman not appreciate it if I put that over until Wednesday?

Mr. GROSS. Of course, then there will be rollcalls Wednesday. I wonder if all of the Members from Oklahoma will be able to get back.

Mr. McCORMACK. Well, that is up to them, but certainly the day before a primary, where a man has a fight, is just as vitally important to him as primary day itself. He is home over the weekend campaigning. Now, I do not think I have to argue much to appeal to the logic and the reason of my fairminded friend from Iowa.

Mr. GROSS. Just so we do not start another club. We have had the Thursday to Tuesday Club.

Mr. McCORMACK. Now, do not get into that, and again I do not apologize.

Mr. GROSS. Just a moment. I know the distinguished minority leader will

not tell me what I can say and what I cannot say as long as I conform to the rules of the House.

Mr. McCORMACK. I did not tell you what you could or could not say.

Mr. GROSS. All right.

Mr. McCORMACK. I am just saying what I can say myself.

Mr. GROSS. Let me say this to you. The T and T Club, the Thursday to Tuesday Club, has received very kind treatment all during this session, and I hope we are not now starting a Friday to Wednesday Club.

Mr. McCORMACK. That may sound very good in the newspapers, but it is not consistent with the facts.

Mr. GROSS. I am not talking for the newspapers, and I do not appreciate the gentleman's implication that I am standing here talking for the benefit of the newspapers.

Mr. McCORMACK. Well, the newspapers take it up. The fact is that the House has given me a complete week's work, and if they complete a week's program on Thursday, I apologize to no one for going over until Monday.

Mr. GROSS. I withdraw my reservation of objection, Mr. Speaker.

REVISION OF LAWS RELATING TO DEPOSITORY LIBRARIES

Mr. HAYS of Ohio. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 13140) to revise the laws relating to depository libraries.

The Clerk read as follows:

Be it enacted, etc., That this act shall be known as the "Depository Library Act of 1958."

The term "Government publication" as used in this act and the amendments made by it means informational matter which is published as an individual document at Government expense, or as required by law.

Government publications, except those determined by their issuing components to be required for official use only or those required for strictly administrative or operational purposes which have no public interest or educational value and publications classified for reasons of national security, shall be made available to depository libraries through the facilities of the Superintendent of Documents for public information. Each component of the Government shall furnish the Superintendent of Documents a list of publications, except those required for official use only or those required for strictly administrative or operational purposes which have no public interest or educational value and publications classified for reasons of national security, which it issued during the previous month that were obtained from sources other than the Government Printing Office.

SEC. 2. That section 501 of the Revised Statutes, as amended (March 1, 1907, ch. 2284, sec. 4, 34 Stat. 1014; 44 U. S. C. 82), is hereby amended to read as follows:

"SEC. 501. The Government publications, which may be selected from lists prepared by the Superintendent of Documents and when requested from him, shall be distributed to depository libraries specifically designated by law and to such libraries as may have been designated by each of the Senators from the several States, respectively, and as have been or shall be designated by the Representatives in Congress from each Congressional District and at large, and by the Delegate from each Territory, or the Resident Commissioner from each Commonwealth: *Provided*, That additional libraries within areas served by Representatives, Delegates, or Resident Commissioners may be designated by them to receive Government publications to the extent that a total of not more than two such libraries, other than those specifically designated by law, which are qualified to fulfill minimum requirements as provided by law for depository libraries, may be designated within each area; however, before any additional library within a Congressional District, Territory, or Commonwealth shall be designated as a depository for Government publications, the head of that library shall furnish his Representative, Delegate, or Resident Commissioner with justification of the necessity for the additional designation. This justification, which shall also include a certification as to the need for the additional depository library designation, shall be signed by the head of every existing depository library within the Congressional District, Territory, or Commonwealth or by the head of the library authority of the State, Territory, or Commonwealth within which the additional depository library is to be located. The justification for additional depository library designations shall be transmitted to the Superintendent of Documents by the Representative, Delegate, or Resident Commissioner."

SEC. 3. That section 502 of the Revised Statutes, as amended (January 12, 1895, ch. 23, secs. 53 and 61, 28 Stat. 608 and 610; 44 U. S. C. 83), is hereby amended to read as follows:

"SEC. 502. The Superintendent of Documents shall currently issue a classified list of Government publications in suitable form, containing annotations of contents and listed by item identification numbers in such manner as to facilitate the selection of only those publications which may be needed by designated depository libraries. The selected publications shall be distributed to depository libraries in accordance with regulations issued by the Superintendent of Documents, so long as they fulfill the conditions provided by law."

SEC. 4. That section 5 of the act of June 23, 1913 (38 Stat. 75, ch. 3; 44 U. S. C. 84), is hereby amended to read as follows:

"SEC. 5. The designation of a library to replace any one of not more than two depository libraries, other than those specifically designated by law, within a Congressional District, Territory, or Commonwealth may be made only when the library to be replaced shall cease to exist, when the library voluntarily relinquishes its depository status, or when the Superintendent of Documents determines that it no longer fulfills the conditions provided by law for depository libraries."

SEC. 5. That section 4 of the act of March 1, 1907, as amended (34 Stat. 1014, ch. 2284, and 52 Stat. 1206, ch. 708; 44 U. S. C. 85), is hereby amended to read as follows:

"SEC. 4. Upon request of the Superintendent of Documents, the components of the Government which order the printing of publications shall either increase or decrease the number of copies of publications furnished for distribution to designated depository libraries and State and Territorial libraries so that the number of copies delivered to the Superintendent of Documents shall be equal to the number of libraries on the list: *Provided*, That the number thus delivered shall at no time exceed the number authorized under existing statute: *Provided further*, That such copies of publications which are furnished the Superintendent of Documents for distribution to designated depository libraries shall include the journals of the Senate and House of Representatives; all publications, not confidential in character, printed upon the requisition of any Congressional committee; all Senate and House public bills and resolutions; and all reports on private bills, concurrent or simple resolutions; but shall not include so-called cooperative publications which must necessarily be sold in order to be self-sustaining.

"The Superintendent of Documents shall currently inform the components of the Government which order the printing of publications as to the number of copies of their publications required for distribution to depository libraries. The cost of printing and binding those publications which are distributed to depository libraries, when obtained elsewhere than from the Government Printing Office, shall be borne by components of the Government responsible for their issuance; those requisitioned from the Government Printing Office shall be charged to appropriations provided the Superintendent of Documents for that purpose.

"All land-grant colleges shall be constituted as depositories to receive Government publications subject to the provisions and limitations of the depository laws."

SEC. 6. That section 70 of the act of January 12, 1895 (28 Stat. 612, ch. 23; 44 U. S. C. 86), is hereby amended to read as follows:

"SEC. 70. Each library which may hereafter be designated by Representatives, Delegates, or Resident Commissioners as a depository of Government publications shall be able to provide custody and service for depository materials and be located in an area where it can best serve the public need, and shall be located within an area not already adequately served by existing depository libraries. The Superintendent of Documents shall receive reports from designated depository libraries at least every 2 years concerning the condition of each and shall make firsthand investigation of conditions for which need is indicated; the results of such investigations shall be included in his annual report. Whenever he shall ascertain that the number of books in any such library is below 10,000, other than Government publications, or it has ceased to be maintained so as to be accessible to the public, or that the Government publications which have been furnished the library have not been properly maintained, he shall delete the library from the list of depository libraries if the library fails to correct the unsatisfactory conditions within 6 months. The Representative, Delegate, or Resident Commissioner in whos area the library is located shall be notified and shall then be authorized to designate another library within the area served by him, which shall meet the conditions herein required, but which shall not be in excess of the number of depository libraries authorized by law within each District, Territory, or Commonwealth."

SEC. 7. That section 98 of the act of January 12, 1895 (28 Stat. 624, ch. 23; 44 U. S. C. 87), is hereby amended to read as follows:

"SEC. 98. The libraries of the executive departments, of the United States Military Academy, and United States Naval Academy are constituted designated depositories of Government publications. A depository library within each independent agency may be designated upon certification of need by the head of the independent agency to the Superintendent of Documents. Additional depository libraries within executive departments and independent agencies may be designated to receive Government publications to the extent that the number so designated shall not exceed the number of major bureaus or divisions of such departments and independent agencies. These designations shall be made only after certification by the head of each executive department or independent agency to the Superintendent of Documents as to the justifiable need for additional depository libraries. Depository libraries within executive departments and independent agencies are authorized to dispose of unwanted Government publications after first offering them to the Library of Congress and the National Archives."

SEC. 8. That section 74 of the act of January 12, 1895, as amended (28 Stat. 620, ch. 23; and sec. 11, 49 Stat. 1552, ch. 630; 44 U. S. C. 92), is hereby amended to read as follows:

"SEC. 74. All Government publications of a permanent nature which are furnished by authority of law to officers (except Members of Congress) of the United States Government, for their official use, shall be stamped 'Property of the United States Government,' and shall be preserved by such officers and by them delivered to their successors in office as a part of the property appertaining to the office. Government publications which are furnished to depository libraries shall be made available for the free use of the general public, and may be disposed of by depository libraries after retention for a minimum period of 5 years, and in accordance with the provisions of section 9 of this act, if the depository library is served by a regional depository library. When the depository libraries are not served by a regional depository library, or if they are regional depository libraries themselves, the Government publications, except superseded publications or those issued later in bound form which may be discarded as authorized by the Superintendent of Documents, shall be retained permanently in either printed form or in microfacsimile form."

SEC. 9. Not to exceed two depository libraries in each State, Territory, and Commonwealth, may be designated as herein provided to be regional depositories, and as such shall receive from the Superintendent of Documents copies of all new and revised Government publications authorized for distribution to depository libraries; and in addition shall be entitled to receive a microfacsimile copy of these Government publications which the Superintendent of Documents determines to be suitable for such form of reproduction and which can be furnished by him within the limit of available appropriations. Designation of regional depository libraries may be made by a Senator, Delegate, or the Resident Commissioner within the areas served by them, after approval by the head of the library authority of the State, Territory, or Commonwealth, who shall first ascertain from the head of the library to be so designated that the library will, in addition to fulfilling the requirements for depository libraries, retain at least one copy of all Government publications, either in printed or microfacsimile form (except those authorized to be discarded by the Superintendent of Documents); and within the region served will provide interlibrary loan, reference service, and assistance for depository libraries in the disposal of unwanted Government publications as herein provided. The agreement to function as a regional depository library shall be transmitted to the Superintendent of Documents by the Senator, Delegate, or Resident Commissioner when designation is made.

The libraries designated as regional depositories shall be authorized to permit depository libraries, within the areas served by them, to dispose of Government publications which they have retained for at least 5 years after first offering them to other depository libraries within their area, then to other libraries, and then if not wanted to discard.

The SPEAKER. Is a second demanded?

Mr. SCHENCK. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. HAYS of Ohio. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, the purpose of this bill is to amend the laws relating to depository libraries so as to provide for needed expansion in their number within stipulated limits and to improve the procedures and conditions relating to the selection, supply, retention, and disposal of Government publications furnished depository libraries for public information.

Mr. Speaker, this matter first came to my attention about 2 years ago, and upon investigation I found that the law governing depository libraries had been passed more than 60 years ago when the population of this Nation was about 70 million people. Notwithstanding the tremendous increase in our country's population, there has been no sizable increase in the number of depository libraries since that time.

This measure does not concern me personally; as a matter of fact, I have no requests from anyone in my District to designate an additional depository library and I anticipate none. But, I found this situation existed in other constituencies and in various parts of the United States. The particular one that aroused my interest was a university which has an enrollment of 9,000 students and was not a depository. Forty miles away was another college with an enrollment of 600 students which was a depository, and there was no way under existing law to get the larger one designated a depository library.

Now, this bill does not take away the depository designation from any library which has already been so designated, but it does provide ways and means for additional libraries to be designated as depositories, and it also provides—and this part to my mind is very important—an improved means for selecting, as well as provision for preserving documents at regional depositories. These regional depositories will then relieve the designated depositories from the provision of having to keep on hand for all eternity those publications which they get under this designation.

We have pointed out what we estimate the additional costs will be. They are very modest and will depend on the number of designations. We have made no attempt because of the uncertainty of it to point out what we think this bill would save by its provisions which permit better selection and consequently fewer items selected, or how much it would save various universities, colleges, and libraries in being able to dispose of obsolete material. I think I would be safe in saying that if this bill becomes law, the net result will be an overall saving rather than a cost.

Mr. HARVEY. Mr. Speaker, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from Indiana.

Mr. HARVEY. Mr. Speaker, I want to commend the gentleman for bringing in this bill. I should like to say also that I have in my District a case similar to the one the gentleman described, where one of the leading State universities, because of the rather ancient restrictions concerning depositories, is unable to take advantage of this, and for that reason is hampered in its ability to offer higher educational degrees.

Mr. HAYS of Ohio. I thank the distinguished gentleman. I am sure that that situation exists in many other areas of the United States. As I say again, I have no personal interest in this. It does not affect my District in any way whatsoever. But there are places where this arrangement has worked a hardship, especially with colleges and universities.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from Iowa.

Mr. GROSS. What effect would this bill have upon the Truman Library in Independence, Mo., or wherever it is?

Mr. HAYS of Ohio. I would say that it shall have no effect upon it, for various reasons. First, the Truman Library would have to apply. Then there would be a screening process as contained in this bill which would determine justification of such a designation. Then the Member from that District, if he did not already have two designated depository libraries within his District, could designate it as a depository. However, knowing what the Truman Library was set up for—it being similar to the Rayburn Library at Bonham, Tex.—I doubt that it would seek to be designated as a depository. This designation simply provides the right to receive Government publications from the Superintendent of Documents without cost. I do not think either of those libraries was set up to maintain that kind of a program. It is inconceivable to me that the Truman Library would want to be designated a depository library.

Mr. GROSS. What would be the cost of this bill, if the gentleman can tell us?

Mr. HAYS of Ohio. The probable costs are set forth on page 2 of the report. The best estimate we can determine would be something over $200,000 annually. But there is the advantage of depository libraries being able to make a more concise selection by having an improved classified list from which to make their selections. So that I think there would be but little overall cost, because I think the items selected by the librarians, if they had a better description of those items, would be only those which they wanted. As it is now, they select some items without knowing, for fear that they should have them, and then when they get them they learn that they are not what they want at all.

Mr. GROSS. Is the estimate of $200,000 an annual estimate?

Mr. HAYS of Ohio. It is an annual maximum. But I think actually there may be an annual saving instead of an annual cost to the Government.

Mr. Speaker, I yield back the balance of my time.

Mr. SCHENCK. Mr. Speaker, this bill is the result of rather extensive hearings, research and study by our Subcommittee to Study Federal Printing and Paperwork. Some of the most outstanding library authorities in the country who testified during the extensive hearings in the fall of 1957 and in June of this year said that broader use may be made of our Government publications by the provisions of this bill by students and the general public, through better

distribution. The availability of such information to libraries would not only furnish sound public service, but should assist in reducing the many demands for personal copies, with which we are all familiar.

Under this bill also, Mr. Speaker, the libraries will not be required to keep this material for such a long time. Consequently, it may be possible to effect savings not only from the beginning in documents which are provided through the facilities of the Superintendent of Public Documents, but the libraries themselves should save money by better use of shelf space and personnel required to maintain the documents.

The SPEAKER. The question is, Will the House suspend the rules and pass the bill H. R. 13140?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

COMPACT BETWEEN OREGON AND WASHINGTON

Mr. McCORMACK, on behalf of Mr. CELLER, submitted a conference report and statement on the bill (H. R. 7153) giving the consent of Congress to a compact between the State of Oregon and the State of Washintgon establishing a boundary between those States.

CORREGIDOR BATAAN MEMORIAL COMMISSION

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the unanimous consent request I heretofore made postponing the consideration of the bill H. R. 13265 be revoked.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is, Will the House suspend the rules and pass the bill H. R. 13265?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

MEDAL FOR DISTINGUISHED CIVILIAN ACHIEVEMENT

Mr. ELLIOTT. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 488) to provide for the conferring of an award to be known as the Medal for Distinguished Civilian Achievement, with committee amendments.

The Clerk read as follows:

Be it enacted, etc., That it is the purpose of the Congress, by providing public recognition for outstanding accomplishments in public affairs, social betterment, science, health and medicine, education, letters, arts, law, engineering agriculture, labor, industry, and other fields to foster those cultural qualities essential to the development of a high civilization and conducive to the maintenance of peace and the national sovereignty of the United States, which are of paramount importance to humanity at all times.

MEDAL FOR DISTINGUISHED CIVILIAN ACHIEVEMENT

SEC. 2. There is hereby established the Medal for Distinguished Civilian Achievement, with accompanying appurtenances and devices, which the President may award to persons recommended to him as provided herein as having distinguished themselves by outstanding accomplishments in the fields listed in section 1.

MEDAL FOR DISTINGUISHED CIVILIAN ACHIEVEMENT BOARD

SEC. 3. (a) There is hereby established a Medal for Distinguished Civilian Achievement Board (hereinafter referred to as the "Board") to be composed of five members to be appointed by the President from among persons of recognized competence in the fields listed in section 1. Each member shall hold office for a term of 5 years, except that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, and (2) the terms of the members first taking office shall expire as follows: one shall expire with the close of the first calendar year which begins after the enactment of this act, one with the close of the second such calendar year, one with the close of the third such calendar year, one with the close of the fourth such calendar year, and one with the close of the fifth such calendar year, as designated by the President at the time of appointment. The President shall from time to time designate a member of the Board to serve as its Chairman.

(b) The members of the Board, while attending meetings of the Board, shall be paid travel expenses, including per diem in lieu of subsistence, as authorized by law (5 U. S. C. 73b–2) for persons in the Government service employed intermittently.

DUTIES OF THE BOARD

SEC. 4. (a) The Board is authorized to recommend each year to the President not more than 5 citizens of the United States who shall in the judgment of the Board have made the most notable contributions (not necessarily in the year any such recommendation is made) in any of the various fields such as public affairs, social betterment, science, health and medicine, education, letters, arts, law, engineering, agriculture, labor, industry, and other fields, to receive the Medal for Distinguished Civilian Achievement. In considering potential candidates for awards, the Board shall weigh carefully the relative merit of contributions in the public interest of great potential effect but not yet widely acclaimed, as well as contributions already well known and appreciated.

(b) The Board is also authorized to make recommendations to the President for the conferring of the Medal for Distinguished Civilian Achievement posthumously upon citizens of the United States in belated recognition of outstanding accomplishments during their lives. Persons so honored posthumously shall include only those deceased during the previous 25 years.

(c) The Board shall select the design of the Medal for Distinguished Civilian Achievement and of accompanying appurtenances and devices, and the design of a parchment testimonial to accompany the medal, and may contract for the designing and making of the medal and the testimonial in such manner as it deems advisable.

ORGANIZATION OF THE BOARD

SEC. 5. (a) The chief administrative officer of the Board shall be the Secretary of Health, Education, and Welfare, or anyone he may designate from within the Department; in addition, the Secretary shall assign such other personnel as may be necessary to perform such duties as may be directed by the Board.

(b) The principal office of the Board shall be in the District of Columbia. Whenever the Board deems that the convenience of the public or of the parties may be promoted, or delay or expense may be minimized, it may hold hearings or conduct other proceedings at any other place within the continental limits of the United States.

(c) There are authorized to be appropriated such sums as may be necessary to carry out this act.

CONFERRING OF HONORS

SEC. 6. The President personally, or through a representative designated by him, shall confer the Medal for Distinguished Civilian Achievement in a suitable ceremony, and shall present to each person so honored an engrossed parchment testimonial recording the conferring of the award and the accomplishment or contributions for which the award is made. In the case of a posthumous award, the medal and testimonial shall be presented to a representative of the deceased person so honored, to be designated by the Board.

The SPEAKER. Is a second demanded?

Mr. NICHOLSON. I demand a second, Mr. Speaker.

Mr. GROSS. Mr. Speaker, I am opposed to the bill, and I demand a second.

The SPEAKER. Is the gentleman from Massachusetts opposed to the bill?

Mr. NICHOLSON. No, Mr. Speaker.

The SPEAKER. The gentleman from Iowa states he is opposed to the bill and demands a second.

Without objection, a second will be considered as ordered.

There was no objection.

Mr. ELLIOTT. Mr. Speaker, H. R. 488 is a bill to provide for the conferring of an award to be known as the Medal for Distinguished Civilian Achievement. The bill was favorably reported by the Subcommittee on Special Education of which I am chairman. The bill was approved by the full Committee on Education and Labor as amended.

My colleagues may remember that in 1956 there was passed a similar bill, as I recall on the Consent Calendar. The legislation did not pass the Senate that year. This legislation was recommended by the Department of Health, Education, and Welfare in 1955. The President of the United States recommended its passage on several occasions. On January 6, 1955, he said:

> I propose that awards of merit be established whereby we can honor our fellow citizens who make great contributions to the advancement of our civilization and of this country.

Mr. Speaker, as we all know, America has developed a very fine system of presenting awards to those who earn them in the military service of our country. Unfortunately there is no similar system for making awards for distinguished civilian achievement, except that on occasion when the Congress has felt strongly enough about the subject to pass a special bill.

To those who may be interested, I should like to refer to the committee report. Pages 3, 4, and 5 list some of

the special acts which Congress has passed for that purpose.

This bill, Mr. Speaker, will cost very little. There is a board of five. The board, presumably, will meet once or twice a year or at whatever time is necessary. The people who serve on the board will receive no salary. The only compensation of any form or nature that they will get will be the same per diem allowance which I believe is $12 a day that any other employee of the executive branch of the Government might get. In addition to that per diem allowance the only cost that this bill could have or that I can envision it having is the cost of the medals plus the scroll that will be given to those who are selected.

At any rate there can be no more than 5 persons selected in any 1 year. Therefore the cost will be very, very small. This bill is sponsored by the gentleman from New Jersey [Mr. THOMPSON] who introduced the bill and who testified in its behalf. The gentleman from New Jersey has been most active and interested in getting this bill through the Congress. He has done a good job and his colleagues on the Committee on Education and Labor recognized it as such. I do not see how there can be much objection to this bill. It seeks to do something that should be done. It gives high recognition to those who deserve it.

I bring the bill to you for the entire Committee on Education and Labor.

Mr. Speaker, at this time I yield to the gentleman from New Jersey [Mr. THOMPSON] to discuss his bill.

Mr. THOMPSON of New Jersey. Mr. Speaker, for almost a century, since 1861 in fact, the Congress of the United States has awarded the Congressional Medal of Honor to those members of the Armed Forces who have shown the highest expressions of courage on the battlefield in behalf of their country and their fellow soldiers. Very justly, the conferral of such a medal has drawn upon the recipient the esteem of all citizens. My proposal is to confer a medal, similar in distinction, upon citizens who have made outstanding contributions to the civilian well-being of our country. This proposal is incorporated in H. R. 488 and the medal is termed the "Medal for Distinguished Civilian Achievement." This type of medal is long overdue. The greatness of our country has a twofold base, the glory of its military exploits, and the magnificent contributions of all citizens to its civil well-being which in a little over 150 years has transformed it from an agricultural nation, practically isolated from the rest of the world, into the greatest industrial nation on the earth, one bearing a leading role in the spheres of arts, science, law, education, technology, and international intercourse.

Napoleon Bonaparte, no mean psychologist, recognized the unity of the civil and military in a nation, when, in proposing the establishment of the famous French Legion of Honor as an award for both civil and military accomplishments, he said:

> We are 30 million men brought together by education, property, and commerce; three or four hundred thousand soldiers are nothing compared with this mass. The soldiers are but the sons of the citizens. The army is the nation. If we were to distinguish between soldiers and civilians, we would be establishing two orders, whereas there is but one nation; and if we were to award honors to soldiers only, this preference would be an injustice and the nation would no longer be anything.

Our great country, the United States of America, has always lived within the nexus of a civilian concept of history. Our soldiers were always citizens before they were soldiers; they return to full citizen status when their military service is accomplished. Yet, today, the only systematic recognition the Nation gives those who serve it well is in the sphere of military valor. We are, however, a single Nation. Our greatness is based on the contributions of those in civilian status as well as those in military status. A proper recognition of the contributions of these citizens is what I propose.

In order better to accord this recognition where it is due, my bill, H. R. 488, systematizes the choice of recipients of the Medal for Distinguished Civilian Achievement and makes the medal an act of recognition by the Government itself of the extraordinary contributions of the citizens. H. R. 488 sets up a Medal for Distinguished Achievement Board composed of 5 members appointed by the President for terms of 5 years who shall recommend to the President citizens of the United States, both living and dead, for reception of the Medal for Distinguished Civilian Achievement. The citation shall be conferred by the President for accomplishments in fields of public affairs, social betterment, science, health and medicine, education, letters, arts, law, engineering, agriculture, labor, industry, and other fields. The conferral of the medal shall be ceremonious and conducted by the President or a representative designated by him.

UNITED STATES PRECEDENTS

Since the act of March 3, 1805, the Congress of the United States has voted its thanks, or that of the people of the United States whom it represents, to a variety of people for a variety of reasons. From 1805 to 1864, all of these votes of thanks went to military personnel for various heroic exploits in the War of 1812, the Mexican War, and the Civil War. The act of January 28, 1864, was to the civilian Cornelius Vanderbilt for the gift of the steamship *Vanderbilt*. Increasingly after that the Congress voted its thanks to civilians, both citizens of the United States or of other countries, for their services or gifts to the United States. The larger number of these acts was for heroic civilian rescues at sea; some for gifts of statues or money to the United States for special purposes. The Congress has also provided for the presentation of medals to persons not in military service, the first of which was passed March 3, 1857, in order to reward Dr. Kane, his officers and men, by expressing the high estimation in which Congress held their respective merits and services, chiefly in Arctic explorations. One of the latest of these medals was authorized by act of Congress of July 16, 1954, which provided that the President should present a gold medal to Irving Berlin for his many patriotic songs, including God Bless America. All of these acts authorizing the conferring of medals to civilians, with the exception of the act of December 14, 1927, authorizing a medal of honor in the name of Congress to be given Charles A. Lindberg for his nonstop flight from New York to Paris, have either been for medals of lesser esteem than a medal of honor, or have specifically stated that such medal should not be given in the name of Congress. This provision was to preclude confusion with the Congressional Medal of Honor given to military personnel for risk of life in behalf of the common welfare. There are also a number of awards made by the Government for distinguished public service but these are made only to Federal officers and employees. No special recognition is given by the Government to other types of civilian services.

All these previous awards would be stabilized and consolidated in the Medal for Distinguished Civilian Achievement and would give their recipients an equivalent to the Medal of Honor and put them on a par with the citizens of many foreign countries who have received the grateful tribute of their respective nations, and have, in the eyes of the world, an international distinction consequent thereto.

The Members of the House may be interested in the following summary of awards made by other nations to their distinguished civilians.

GREAT BRITAIN

In Great Britain, the conferring of honors represents the approval of the Crown—as representative of all subjects and members of the Kingdom and the Commonwealth—upon the actions or contributions of the person so honored. The system of honors is extensive and complex, and may roughly be said to embrace the following classes—titles of peerage, orders of chivalry, knighthood, and other awards and medals. The creation of peerages is a prerogative of the Crown from the earliest times and continues to be exercised to this day. The orders of chivalry have usually been specially created and eventually confirmed by statute. Knighthoods are a lesser exercise of the prerogative of creating titles. Other awards and medals have been provided for by statute or by royal creation. So far as the person receiving such honors is concerned the lines may cross and recross, as for instance, an order of chivalry may be conferred upon someone who is already a peer, or someone may become a knight by reason of membership in such order of chivalry.

The Queen makes know her nomination to these honors in her birthday and New Year's lists. Many of the persons receiving the honors are recommended by the Prime Minister who has the right to nominate recipients, principally from among those who have served in the government under him; others are recommended by the Privy Council; and others are the Crown's own choice for recognition of services rendered to the nation and the Crown.

The only limitation on the conferral of a peerage for outstanding political public service, is that the recipient no longer may sit in Commons. It is said of Sir Winston Churchill that he has consistently refused to accept a dukedom, the first that would have been created since that of Westminster in 1874, because he would thereby lose his right to sit in Commons.

Instead, he has been a member of one of the most exclusive of the Orders of Knighthood among the Orders of Chivalry, that of the Order of the Garter. There are approximately 10 Orders of Knighthood among the Orders of Chivalry, to 7 of which new members are nominated from time to time. In order of precedence, and with some note on the types of persons who may have received these honors, these seven are: The Most Noble Order of the Garter, founded in 1348 and limited to 25 members of which the Queen is the head and to which, with a few important exceptions, only the highest peers of the realm are nominated. Over the last 50 years, 4 commoners have been made members, 2 of whom afterward accepted peerages. They were A. J. Balfour, Austen Chamberlain, Stanley Baldwin, and Winston Churchill. The Most Ancient and Most Noble Order of the Thistle, founded in 1687 by the King of Scotland, and restricted to the sovereign and 16 Scottish knights of high rank. The Most Illustrious Order of St. Patrick, founded in 1783 and last given in 1922. The Most Honorable Order of the Bath founded in 1725. In 1815 it was revised to admit 3 classes, Knights Grand Cross, Knights Commanders, and Knights Companions and divided into 2 types, the Military and Civil orders. The Most Distinguished Order of St. Michael and St. George, founded in 1818 and again containing three classes. The Royal Victorian Order, founded in 1896 to reward important and personal services to the Crown. It contains five classes. And last, but not least, one of the best known, the Order of the British Empire, founded in 1917, which has five classes and was the first to admit women.

In addition to these there are orders of distinction which give no title nor order of precedence to the recipient. One is the Order of Merit, founded in 1902, and limited to 24 persons who have shown distinction in art, literature, science, or military activities. It has both civil and military classes and numbers among its members Winston Churchill, Augustus John, and Walter de la Mare. The Order of Companions of Honor was founded in 1917 and is limited to 65 members and is open to both sexes. It includes such people as Somerset Maugham and Lady Nancy Astor.

Together with the above, the Queen has at her command a great many other medals and marks of recognition. In her honors list she is able very easily to render recognition for a multiplicity of services. And Great Britain is very cognizant of the contributions of all its citizens. All glory accorded to the citizens redounds to the greater glory of the nation. This, strangely, if we view the situation carefully, is particularly true of civilian accomplishments, representing the humbler virtues of fidelity to duty or creative inspiration in the arts, all done under the impetus of civic duty, or necessity for expression, rather than under the highly charged stimulus of civic danger. Hence, liberal awards are made for civil services of all classes—outstanding work in art or literature which expresses the spirit of the nation; fidelity to the position in which one serves the nation; or long continued and honorable political service to the nation.

FRANCE

The primary decoration in France is the Legion of Honor, founded by Napoleon in 1802. It always takes the place of precedence over all other French decorations which are considerable in number. Those immediately following the Legion of Honor in order of precedence are medals specifically for military valor and after them follow medals given in recognition for outstanding maritime, agricultural, social, educational, and other services.

It is stated that the preeminence of the Legion of Honor does not derive solely from its great history and the high place which all laws and customs accord it, but rather from the unique concept which constitutes one of the foundations of its institution: that its cross is awarded without distinction between military and civil accomplishments.

There are five grades and dignities in the Legion of Honor. Nomination must be made to the first grade, and thereafter, promotions to the other grades are provided for on basis both of tenure and further important service. One other unique characteristic of the Legion of Honor is that it is awarded not only to individuals but to groups of individuals, such as regiments, cities, and so forth.

The Legion of Honor is also bestowed on those who are not citizens of France for any of the reasons for which natives of France may receive the decoration. However, there are two major differences. As stated in the rules, "Strangers are admitted but not received." This implies that they receive the decoration, but it is not formally conferred by the Chancellor of the Legion or the Chief of State, and they do not take the oath taken by the citizen members of the legion. Furthermore, noncitizens may be nominated to any grade of the legion, and their number is not fixed, as is the number of French citizens who may be made members of the legion. A noncitizen becomes entitled to the honor from the date of publication of his citation in the Journal Officiel and the Bulletin des Lois.

All wearers of the Legion of Honor, whether native or foreign, who are at the time wearing their decoration in a form other than the bouttoniere, are entitled to full military recognition. Daughters of members of the Legion of Honor who have died are entitled to an education, either on full scholarship or part scholarship, in a special school maintained by the government for their education. And all members of the Legion of Honor, whether civil or military, are entitled to military rites at their funerals.

The Legion of Honor is bound by very close and emotional ties to the French State. Its whole spirit is embodied in its motto "Honor and Country" and its members constitute a guard of honor for the nation composed of its most distinguished citizens. Noncitizens who become members are given the feeling of a singular recognition for their accomplishments, usually activities closely related to the welfare of France or the promotion of its cultural glory abroad, by admission to comradeship with the most honored citizens of the country which has recognized them.

THE NOBEL PRIZES

Few awards have awakened such worldwide respect as the series of awards provided for in the will of Alfred Nobel in the fields of physics, chemistry, physiology and medicine, literature, and peace, and administered under the aegis of the Governments of Sweden and Norway, so that they have a quasi-governmental status. Candidates for these awards must be recommended in writing by a duly qualified authority. Final decisions are made for physics and chemistry by the Royal Academy of Science in Stockholm; for medicine by the Caroline Institute in Stockholm; for literature by the Swedish Academy in Stockholm; and for peace, by a committee from the Norwegian Storking or Parliament. The awards usually are presented in Stockholm, with the King of Sweden officiating, annually, on December 10, the anniversary of Alfred Nobel's death.

The Nobel prizes are uniquely awards of merit, not tied in with national recognition of any sort. In the realm of literature, because of the extremely subjective nature of the expression and of the choice, there have been criticisms of the awards; but with respect to the other awards it has been said that these "reflect in remarkable manner the developments of the intellectual culture of mankind, a development which makes its advance practically unnoticed in the passing current of events."

And this economium sheds its luster not only on those who have received these awards, but also on the groups which have chosen the prize winners. Thus any honest award of recognition to a foreigner would shed a reflected luster on the nation bestowing it.

THE SOVIET UNION

Even in the U. S. S. R., that monolith of economic effort, the need for individuation as a causative factor in successful production has been felt. As in revolutionary France, honest awards for valor in battle given under the prerevolutionary regime could not be denied their esteem; and a whole new series of awards for valor in battle and outstanding accomplishments in the economic sphere have been established.

The Soviet Union which was not only egalitarian in a political sense but also in an economical sense—at least when it launched its career, and still is in theory—had to find a way to provide labor incentives in a state which then believed in equal pay and prohibited the accumulation of private property. As Trotsky put it:

The Soviet system is confronted with the task * * * of developing its own methods designed to raise the intensity and efficiency

of labor on the basis of a socialized economy and in the interests of the whole people. * * * On a par with the propaganda of ideas, and with repressive measures * * * emulation is the most powerful means toward raising productivity of labor.

SUMMARY

The enactment of H. R. 488 and the establishment thereby of a medal for distinguished civilian achievement would bring about many important results.

First. It would provide a reward for citizens who bring renown to their country and serve civilization itself by their endeavors in behalf of better living and the ultimate cause of peace and prosperity among the peoples of the world.

Second. The honor itself, though abstract in a sense, is durable and visible, something that confers prestige during one's lifetime and could be left to succeeding generations as a symbol of glory of which they too must be worthy.

Third. A republic cannot, by the nature of its political construction make gifts with what is termed the "largesse of a king," but it owes and it should pay the same honor to its citizenship that a kingdom can pay, and such a medal would be received by a citizen as something great and redounding to his honor.

Fourth. It is very true that these honors ennoble the recipient, not only in the eyes of his fellow citizens, but of the world. As so many other nations have some official way of honoring their citizens, it is only just that the United States should establish a method of conferring similar honors on its citizens. Our Congressional Medal of Honor ranks with such rewards as the Victoria Cross. But we have not as yet any civil honor which can rank with those bestowed by practically every other government of the world. It is high time we had.

The American citizen has never required any impetus toward his great achievements other than his God-given conscience, his educated curiosity, and his constitutionally guaranteed right to enjoy the fruits of his labor. This magnificent independence, however, appreciated though it may be by the country at large, should not imply that the Government is unmindful of the contributions of its outstanding citizens to the greatness of the United States of America both at home and abroad, in all the varied fields where men's interests lead them, whether science, agriculture, labor, literature, art, politics, or other types of endeavor. I earnestly commend to your consideration the proper rewarding of American citizens for such accomplishments with a Medal for Distinguished Civilian Service, as proposed in my bill H. R. 488. We can but honor the Nation and ourselves in bestowing this honor on all who merit it.

Mr. Speaker, this bill, except in two minor ways, is identical to the bill which passed on the Consent Calendar in the 84th Congress. It had at that time 16 cosponsors in the other body, including the senior Senator from my State, Mr. SMITH, Mr. KNOWLAND, Mr. SALTONSTALL, Mr. DIRKSEN, Mr. BRICKER, Mr. ALLOTT, Mr. POTTER, Mr. BENDER, Mr. BENNETT, Mr. KUCHEL, Mr. PAYNE, Mr. WATKINS, Mr. GEORGE, Mr. BYRD, Mr. DOUGLAS, Mr. THURMOND, Mr. ANDERSON, and Mr. BIBLE.

The two major respects in which it differs are simply that in the first instance the $50 per diem which was allowed in the bill which passed in the 84th Congress has been eliminated. In the second instance rather than have a secretary who would have to be paid, the entire housekeeping procedure and the secretariat is in charge of the Secretary of Health, Education, and Welfare, an existing person and an existing facility. So that in that respect it will save what little money the other arrangement would have cost.

The bill has a favorable report from the Department of Health, Education, and Welfare, signed by Assistant Secretary Elliot L. Richardson. Essentially the bill seeks to do one thing, Mr. Speaker. It seeks to tell the world that the United States for the first time in its history will have a uniform plan under which its most distinguished contributors to the civil life of the United States can be recognized. Heretofore it has been necessary for our great writers and physicists and scientists and other people to go to Denmark or to Sweden to receive the Nobel awards. This is something which the President has expressed frequent desire for. It is something which will add vastly to the nonmilitary interests of the Nation.

Mr. Speaker, the essential and overriding factor of importance in this matter is that we have entered into an age where despite current difficulties we hope there are prospects of a more permanent peace in the world.

Our writers, our musicians, our scientists, our people engaged in civilian endeavor are making worldwide contributions, which heretofore have not been recognized by our Government. I am referring, for instance, to such contributions as that of Dr. Jonas Salk, which has already about eradicated the terrible disease of polio. I am referring to our great writers and scientists.

Mr. O'HARA of Illinois. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield.

Mr. O'HARA of Illinois. May I ask the gentleman from New Jersey who will make the appraisement of merits, and make the selection?

Mr. THOMPSON of New Jersey. A board of five will be appointed by the President, who will make recommendations—no more than five each year—to award decorations either by the President or the board.

Mr. O'HARA of Illinois. This board of five is selected by the President?

Mr. THOMPSON of New Jersey. Yes, each on a 5-year basis, one term expiring each year.

Mr. O'HARA of Illinois. May the President make nominations from any group, or are they stagnant?

Mr. THOMPSON of New Jersey. They are stagnant, from various fields mentioned in the legislation.

Mr. ROGERS of Florida. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield?

Mr. ROGERS of Florida. Mr. Speaker, I rise in support of this legislation. I commend the gentleman for bringing this bill to the House.

Mr. Speaker, I am happy to have this opportunity to urge the House of Representatives to adopt this measure, H. R. 488, providing for the conferring of an award to be known as the Medal for Distinguished Civilian Achievement.

This bill is similar to one which I have introduced in the House, H. R. 9929. My bill would provide for a medal to be known as the Congressional medal of achievement. After reading and studying this present bill, I find that all the essential parts of my bill are present, and the 2 bills meet the same great need: To award recognition to scientific and other outstanding accomplishments.

This bill before us will reward those outstanding in public affairs, social betterment, science, health and medicine, education, letters, arts, law, engineering, agriculture, labor, industry, and other fields.

That there is a need to reward outstanding achievement has long been felt by many Members of the Congress. This fact is borne out by the several bills that Members have introduced to bring this award about. The Committee on Education and Labor has presented this bill as the one representing the ideas of the different Members who introduced bills on this subject.

This award is to be limited in number so as to enhance the prestige value of the medal, and build up, over the years, the honor to the person receiving the award.

At the same time, by pointing up worthy achievement, the United States may reap the benefit of increased interest and progress in the fields of endeavor encouraged by this award.

I sincerely hope that adoption of this award will aid in maintaining and strengthening the world leadership of the United States by giving national recognition to significant achievements. I urge my fellow Congressmen to give this bill their speedy approval and support, and hope that it will soon be enacted into law.

The SPEAKER. The gentleman from Iowa is recognized.

Mr. GROSS. Mr. Speaker, I yield myself 5 minutes.

I should like to ask the gentleman in charge of this bill just exactly what the purpose of it is. To award medals for what purpose? I have read the bill and I have read the hearings of 1956, and I read the so-called hearing which you held this year, at which the gentleman from New Jersey [Mr. THOMPSON] was apparently the only witness. I have read it all and I am still unable to find out what this is all about.

Mr. ELLIOTT. Mr. Speaker, will the gentleman yield?

Mr. GROSS. Yes, certainly.

Mr. ELLIOTT. The purpose of this bill is to set up a board to make awards in the name of the people of the United States, to civilians, not more than five a year, who distinguish themselves in the civilian fields, all of them as suggested in the bill.

Mr. GROSS. Awards for what purpose? What are the awards for? What would determine the awards?

Mr. THOMPSON of New Jersey. Mr. Speaker, will the gentleman yield?

Mr. GROSS. Certainly. I am trying to get information.

Mr. THOMPSON of New Jersey. The determination of the award would be on the basis of notable achievement or outstanding accomplishment in public affairs, social betterment, science, health, and medicine, education, letters, arts, law, engineering, agriculture, labor, and industry, and other fields.

Mr. GROSS. The bill also says the maintenance of peace and national sovereignty of the United States? They may be awarded a medal for having espoused national sovereignty of the United States. Is that correct?

Mr. THOMPSON of New Jersey. Conceivably.

Mr. GROSS. It must be conceivably, because when I read the hearings I never found a reference to national sovereignty.

Now let us get down to brass tacks. I would expect this medal to go to Eric Johnston or Paul Hoffman or some of those people who are willing to sell this country completely down the river through foreign aid and free trade. I would expect the medals to go to individuals of that stripe.

Mr. THOMPSON of New Jersey. Well, I do not know that they are trying to sell the country down the river.

Mr. GROSS. I cannot conceive that anyone would ever win an award for having stood for the sovereignty of the United States, at the rate we are now going international. Certainly not in any bill sponsored by the gentleman from New Jersey.

Mr. THOMPSON of New Jersey. I do not know what the gentleman means by his last remark.

Mr. GROSS. I cannot think of the United States losing its national sovereignty any faster than it has lost it through this Tower of Babel in New York known as the United Nations, for one thing.

Mr. THOMPSON of New Jersey. I am referring specifically, if the gentleman will remember, to such achievements as that of Dr. Salk. Would the gentleman not agree that is worthy of national recognition?

Mr. GROSS. Your hearings deal with art and with culture. I do not find much else in the hearings.

Mr. METCALF. Mr. Speaker, will the gentleman yield?

Mr. GROSS. Very briefly.

Mr. METCALF. Mr. Speaker, I was chairman of a special committee in the last Congress which held hearings not only on this bill but also on several other bills, and the hearings were concerned with distinguished civilian awards. The hearings were held on a half dozen bills. They are printed in the same volume. Many of the witnesses testified on several bills, but the hearings on the distinguished civilian awards are centered on awards for things such as the gentleman from New Jersey has talked about. The full Committee on Education and Labor last year and again this year put in this provision that we have an award for national sovereignty and the language the gentleman read and mentioned, because we wanted to emphasize that part of the bill.

Mr. GROSS. You had Mr. Rockefeller before your committee, Nelson Rockefeller, who was Special Assistant to the President. I do not know whether he is still at the White House or campaigning for the governorship of New York. But when you had Mr. Rockefeller before your committee this is what he said among other things:

> I think it is overdue in the sense that official recognition of the importance of culture in our national life—we have lagged, perhaps, behind as a nation, and this would constitute very importantly that official recognition of the importance of culture, and the arts, to the Nation as a whole.

The SPEAKER. The time of the gentleman from Iowa has expired.

Mr. GROSS. Mr. Speaker, I yield myself 5 additional minutes.

Mr. METCALF. Mr. Rockefeller when he gave that testimony was talking about an entirely different bill. He was testifying about a bill to establish a program of cultural interchange with foreign countries, and so forth. That bill was not reported by the subcommittee nor has it been reported by the subcommittee or the full committee this year.

Mr. GROSS. Just what hearings apply to this bill?

Mr. METCALF. If you go through the hearings you can read them, the statements of Mr. Rockefeller, Mr. Richardson, the Secretary of Health, Education, and Welfare. They are talking about this bill, and when they are talking about the other bills that were before the committee that is made plain.

Mr. GROSS. All right, all right; please leave a little of my time to me. Let us get back to Mr. Rockefeller. I gather that he and others suggested we ought to have something on the order of the Legion of Honor in France, the Order of the Bath, or the Order of the Garter in England, and so on and so forth. When Mr. Rockefeller appeared before your committee he said:

> I had an interesting illustration of the impact of this—

That is, art and culture in France and the award of the Legion of Honor for it. Of course, in France, they still do not have a republic. The have a military dictatorship. I have no doubt that if we follow France and the rest of these foreign countries in the award of medals to civilians for one thing and another that we, too, can expect to go down the drain with them.

But to get back to Mr. Rockefeller's testimony about the impact of the award of these medals:

> I had an interesting illustration last week of the impact of this. I happened to be in Paris, and I was having breakfast with the Ambassador, and he was going over to meet the President to visit an exhibition of paintings by French impressionistic painters which are now owned by American collectors, which were taken back to France for exhibit there. I went over there at 9:30, at the Museum of Painting, and went around with the President of France and heard his comments on that exhibition and the impact of it on the people of France.

Mr. ELLIOTT. Mr. Speaker, will the gentleman yield at that point?

Mr. GROSS. No; in just a minute I will yield. I remember that one of the patrons of art and culture in this country was Sam Insull. When they finally caught up with him after his financial empire collapsed they found him dressed in a woman's garb in the coal bunker of a freighter out on the Atlantic.

Mr. ELLIOTT. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Alabama.

Mr. ELLIOTT. I will say to the gentleman that it is apparent he is very much opposed to this legislation, but I think in a spirit of fairness he might talk about those parts of the hearings that deal with the bill now before the House and not with something completely foreign, something that is not before the House at this time and something that has no relation whatsoever to the legislation before the House.

Mr. GROSS. Does the gentleman deny he would be hanging one of these medals around the neck of someone who says we are short on art and culture in this country?

Mr. ELLIOTT. Let me say to the gentleman I would not be hanging one of these medals around the neck of anybody. That is not what the bill says.

Mr. GROSS. What does it say if it does not say that?

Mr. ELLIOTT. The bill says that a commission will be set up of 5 people who will recommend to the President of the United States not more than 5 people in any 1 year for the medal for distinguished civilian achievement, people like Dr. Salk. Let us talk about Dr. Salk for a while.

Mr. GROSS. When the gentleman supports this legislation he has a hand in hanging medals around their necks. The gentleman a while ago referred to $12 a day for members of this Board. I do not know of any per diem that goes to a board of this kind that is not $50 a day, plus transportation. Here you are, with this country in debt head over heels, creating another board to further add to the load on the taxpayers and to no real purpose. The distinguished Speaker made a speech not long ago up in Maine at which time he told his audience the debt limit would have to be raised again, either in this session of Congress or early in the next session.

The SPEAKER. The time of the gentleman from Iowa has expired.

Mr. GROSS. Mr. Speaker, I yield myself 5 additional minutes.

Mr. Speaker, yes this bill will create another board that will simply be another burden upon the taxpayers. Did you have any witness before your committee this year besides the gentleman from New Jersey [Mr. THOMPSON]?

Mr. ELLIOTT. Mr. THOMPSON was a witness this year. The gentleman from New York [Mr. WAINWRIGHT], as I recall, submitted a statement. The gentleman from Montana [Mr. METCALF], as I recall, submitted a statement at the time of the hearing this year. My recollection is that the gentleman from New Jersey [Mr. FRELINGHUYSEN] introduced one of the bills and expressed an interest in it.

Mr. GROSS. Yes. About a half or at least one-third of the hearing record is devoted to insertions from the CONGRESSIONAL RECORD, from newspapers and other sources. It is not testimony that was taken before the gentleman's committee.

Mr. ELLIOTT. Let me say to the gentleman, I am sure he will be interested in knowing that section (b) on page 3 says, referring to the expenses of the members of the Board:

> The members of the Board, while attending meetings of the Board, shall be paid travel expenses, including per diem in lieu of subsistence, as authorized by law (5 U. S. C. 73 (b-2)) for persons in the Government service employed intermittently.

Mr. GROSS. Of course Board members are going to be paid a per diem, and their transportation. If any of them live on the Pacific coast we will have the pleasure of paying their transportation and day-by-day upkeep. So it is going to become another yoke around the necks of the taxpayers, is that not correct?

Mr. Speaker, I can see no reason at all for the enactment of this legislation. Why single out a few people by Congressional edict to hang medals around the necks of a few individuals? If we have outstanding citizens who should be honored, there is no reason why you cannot come to Congress with a resolution to recognize his or her ability, Dr. Salk or anybody else. We have done it in the past and we can do it in the future. We do not have to spend money out of the Treasury of the United States and leave to a hand-picked board the ability to set somebody up as an unusual, uncrowned Poobah of this country.

I am opposed to this legislation, Mr. Speaker, for it is wholly unnecessary.

Mr. O'HARA of Illinois. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Illinois.

Mr. O'HARA of Illinois. The gentleman from Iowa mentioned the name of a man who has been dead for a good many years, Sam Insull, and the gentleman mentioned him in a manner not complimentary. Sam Insull had his good side.

Mr. GROSS. I am glad to hear that.

Mr. O'HARA of Illinois. He was tried and acquitted by a jury in Chicago.

Mr. GROSS. Did I misstate any facts, let me ask the gentleman?

Mr. O'HARA of Illinois. I am not quarreling with the gentleman. I know the gentleman is fair, and I have warm affection for him, but I thought as the gentleman mentioned a man who had been dead for many years I should make these observations.

Mr. GROSS. I appreciate that.

Mr. O'HARA of Illinois. In his remarks the gentleman from Iowa mentioned a Chicagoan who played a large part in building the public utilities facilities of the Middle West, went down with many others in the crash of the late twenties, and died impoverished. It is true that when the banks closed in on him, Mr. Insull left for Greece, but he returned to Chicago to face his accusers, went to trial before a jury of his peers at a time when feeling was running high, and was acquitted. It was Mr. Insull's defense that the crash of his public utilities empire had been caused by Wall Street's ganging upon him.

He was an outstanding patron of the arts in the period of the ascendancy of his career, and did more for grand opera in the second city in America than any other person in Chicago's history. The credit for the good things that a man does in his lifetime should not be erased.

Illinois was one of the first States in the Union to adopt legislation regulating public utilities. As Lieutenant Governor and president of the Senate I played an active part with Governor Edward F. Dunne in the passage of the measure creating a public utilities commission and giving Illinois the distinction of pioneering in that field, and setting a pattern for the Nation. Mr. Insull was recognized as the power behind the opposition to the bill.

We were on opposite sides, as regarded legislation, and in a general way in political matters and philosophies. Nevertheless, I recognized in Sam Insull many sterling qualities, a warm humanness and an unaffected love of art, music, and the cultural things of life that found expression in his leadership in and patronage of Chicago's large cultural undertakings. In making appraisement of any man's life the good, as some see it, should be measured with the bad, as others may view it, and in this I know none will agree with me more completely than my dear friend, the distinguished gentleman from Iowa.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and the Speaker announced that in his opinion two-thirds had voted in favor thereof.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the further consideration of this bill be put over until Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PAYMENTS IN LIEU OF TAXES

Mr. FASCELL. Mr. Speaker, I move to suspend the rules and pass the bill (S. 3677) to extend for 2 years the period for which payments in lieu of taxes may be made with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments.

The Clerk read as follows:

> *Be it enacted, etc.*, That (a) section 703 of the Federal Property and Administrative Services Act of 1949 (69 Stat. 722) is amended by striking out the figures "1959", and inserting in lieu thereof the figures "1961."
>
> (b) Section 704 of such act (69 Stat. 723) is amended by striking out the figures "1958", and inserting in lieu thereof the figures "1960."

The SPEAKER. Is a second demanded?

Mr. BALDWIN. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. FASCELL. Mr. Speaker, I yield myself such time as I may desire.

S. 3677 is identical to H. R. 12165, introduced by the gentleman from Massachusetts [Mr. LANE], which was reported unanimously by the Committee on Government Operations. It will extend for 2 years, until December 31, 1960, the period for which payments in lieu of taxes to local taxing bodies may be made with respect to certain real property transferred by the Reconstruction Finance Corporation to various Government departments. These are payments currently being made under Public Law 388, passed by the 84th Congress, which expires on December 31 of this year.

The purpose of Public Law 388 was to give temporary relief to communities where properties formerly owned by the RFC, which had been on the local tax rolls were taken off the tax rolls by the mere act of transferring them to a regular Government department. You will recall that the RFC by act of Congress was given authority to pay taxes for these properties so long as they were under its control. Properties under ownership or control of the Federal Government are, of course, immune from State or local taxation.

Public Law 388 requires that these payments be equal to the amount of the real property tax which would be payable if legal title to such real property had been held by a private citizen during the dates specified by the act. Experience during the past 2 years has shown that the amount of the payment has been subject to negotiation between the Government department and the local taxing body and no cases of impasse have resulted. The committee felt the bill had worked very well.

In the committee's report on Public Law 388, we stated:

> Thus real property which has been on the State and local tax rolls by specific provisions of an act of Congress has been taken off such tax rolls by a transfer to another Government department without any break in the chain of title being held by the United States. In the view of your committee this has resulted in the imposition of an unjustifiable financial burden upon communities. The nature and use of the commercial or industrial facilities involved has not changed. The Congress has already provided that these properties should be taxed when they are held by and under the exclusive control of the Reconstruction Finance Corporation. It, therefore, appeared just and necessary that provisions be made, as in this bill, at least on a temporary basis, to make payments in lieu of taxes until a comprehensive policy with regard to payments in lieu of taxes shall have been enacted by the Congress.

To date there has been no change in the situation and comprehensive legislation is still being considered by the Congress which has reached no decision. It would, therefore, be inequitable to permit this law to lapse at the end of 1958. The Bureau of the Budget favors the temporary extension here proposed.

You will find in the committee report a list of the payments made on the bill by the Department of Defense and the General Services Administration which

hold the properties involved. They total $11,200,059 to date.

I urge passage of the bill.

Mr. BALDWIN. Mr. Speaker, I yield 10 minutes to the gentleman from Michigan [Mr. MEADER].

Mr. MEADER. Mr. Speaker, S. 3677, and the companion bill H. R. 12165 will extend for 2 years, until December 31, 1960, Public Law 388 of the 84th Congress under which payments in lieu of taxes have been made on industrial property owned by the Federal Government which formerly belonged to the Reconstruction Finance Corporation.

Public Law 388, which took effect August 12, 1955, originated from H. R. 6182 which I introduced in the 84th Congress. Under its terms in the past 3 years payments have been made to cities, counties, townships, and school districts on over 80 industrial plants in 24 States. According to the committee report, by June 1958, a total of $11,200,059 had been paid to local governmental units by the Department of Defense and the General Services Administration.

My interest in this question stemmed from the fact that the city of Adrian in Lenawee County, Mich., in my Congressional District, is the site of an aluminum plant built during World War II by the Defense Plants Corporation, a subsidiary of the Reconstruction Finance Corporation. Originally, it was operated by the Bohn Aluminum & Brass Co. and now is operated by the Bridgeport Brass Co. The plant cost in excess of $25 million to build.

For 10 years, between 1942 and 1952, local taxes were paid on this plant, accounting for approximately 10 percent of the total revenue for local units of government.

Abruptly and without warning in 1952 those payments ceased because of a Court of Claims' decision and a Comptroller General's ruling that as the plant became excess to the needs of the Reconstruction Finance Corporation the sovereign immunity of the Federal Government from local taxes attached.

Thus, for 1952, 1953, and 1954, the city of Adrian, Lenawee County, Madison Township, and the Adrian and Madison School Districts were deprived of revenues sorely needed to defray the costs of the services they provided, which were the same for the federally owned plant as for a privately owned factory across the street.

With the assistance and the valuable testimony—as well as the determination—of the late Claude Porter, then mayor of Adrian—and with the cooperation of many of my colleagues, we were able to draft and secure passage of Public Law 388 under which payments have been made on the aluminum plant in Adrian, as follows:

Payments in lieu of taxes

CITY OF ADRIAN

Tax year	City	School	County	Total
1955	$35,288.90	$40,819.25	$11,087.04	$87,195.19
1956	35,025.55	63,783.37	10,876.36	109,685.28
1957	38,712.45	75,028.42	15,326.97	129,067.84
Total				325,948.31

Payments in lieu of taxes—Continued

MADISON TOWNSHIP

	Township	School	County	Total
1955	$1,350.00	$27,949.00	$7,276.50	$36,575.50
1956	1,892.25	42,512.55	6,635.49	51,040.29
1957	4,415.25	44,051.58	9,347.72	57,814.55
Total				145,430.34
Grand total				471,378.65

Mr. MEADER. Public Law 388, by its terms, is confined to properties previously owned by the Reconstruction Finance Corporation or its subsidiaries, the title to which had remained continuously in the United States Government. During the hearings of our Committee on Government Operations 3 years ago it developed there were other industrial plants owned by the Federal Government which were essentially in the same class as Reconstruction Finance Corporation properties but because of the rather narrow and arbitrary restrictions of the language of the bill before us at that time they were not included within its terms. Payments in lieu of taxes have not been made on those plants the 3 years Public Law 388 has been in effect.

Mr. Speaker, on August 29, 1957, I introduced H. R. 9525, which would broaden and make permanent the provisions of Public Law 388. H. R. 9525 has been so drafted as to include manufacturing plants owned by the Federal Government whether they were formerly Reconstruction Finance Corporation properties or not and will remove the inequity and discrimination which we all recognized existed when the earlier, temporary bill was confined to RFC properties alone. Public Law 388 was made temporary because many of us felt it was necessary to have legislation enacted immediately, even temporary legislation, rather than to wait until a formula could be worked out for permanent legislation.

My staff and I have worked diligently with the Office of the Legislative Counsel of the House and with legal talent in the executive branch of the Government particularly in the agencies most concerned. They include, of course, the Department of Defense and the General Services Administration. I am confident the language contained in H. R. 9525 will give us permanent legislation requiring the Federal Government to pay to local units of government its fair share of the cost of services rendered with respect to industrial property owned by the Federal Government.

Notwithstanding the adverse reports received from executive agencies—and I note similar adverse reports were likewise received on the bill before us 3 years ago—it seems to me the adoption and successful operation of Public Law 388 has established both for the Congress, which acted unanimously, and for the executive branch through the President's approval of the bill, some fundamental principles of policy.

First, the Federal Government recognizes the importance of the governmental services rendered by local units of government and is committed to preserving and strengthening their vigor and financial vitality.

Second, the Federal Government recognizes that when it owns industrial property, usually operated by a contractor or lessee, it is morally obligated to pay to the local units of government its fair share of the cost of services rendered by them such as police and fire protection, water, sewage treatment, streets, schools, and other benefits.

This is not a policy which commenced with the adoption of Public Law 388 in 1955. It was the policy of the Congress, approved by the President, when the Reconstruction Finance Corporation, largely through its subsidiary the Defense Plants Corporation, constructed a vast number of manufacturing plants during World War II. Those plants, as you know, were placed on local tax rolls.

Thus, the essential purpose and philosophy of H. R. 9525 can be said to have been clearly and strongly established as a policy of the Federal Government a long time ago. Therefore, it is not necessary to dwell at length on the reasoning involved in this legislation since that was fully covered in the hearings held by this committee 3 years ago and has received the official approval of both the legislative and executive branches of our Government.

I wish only to comment briefly, however, on the approach to payments in lieu of taxes indicated by some of the Federal agencies who have filed adverse reports with the committee. They seem to favor the creation of a board which on a basis of need would receive applications from local units of government and make awards or grants as the board sees fit. I resent the philosophy of that approach to payment in lieu of taxes legislation. We do not ask for a handout from the Federal Government to local units of government. It is a matter of simple equity to insure that the all-powerful Federal Government does not take unfair advantage of its sovereign immunity from taxation to enrich itself unjustly at the expense of local governments with whose difficulties in raising the revenues to provide needed services we are all fully familiar.

The most dramatic illustration of such unjust enrichment was described by representatives of the General Services Administration in our hearings 3 years ago. They told the committee that the GSA had adopted the practice of adding to rentals charged their lessees an amount equivalent to the local taxes which would have been paid on the property if it had been privately owned so that those lessees would not have an unfair competitive advantage over others in the same industry. Those amounts received by General Services Administration, however, were not turned over to the municipality or school district rendering the service but were covered into the Treasury of the United States.

In other words, local governments were performing the services but the Federal Government was collecting the money for them. The Federal Government not only was not paying what it equitably owed but was getting money the local governments had earned.

I do not like the approach recommended by executive agencies because I

am opposed in general to the creation of new boards and commissions unless there is no alternative way to accomplish a public purpose. I am also opposed to the concept of local officials having to come down to Washington every year with hat in hand begging Federal officials on a basis of poverty for money to which the local units of government are rightfully entitled because of the services they have rendered.

Mr. Speaker, I believe Congress should pass H. R. 9525, the permanent legislation, without further delay, because industrial properties to be affected by the bill ought to be contributing right now to the cost of the services from which those plants benefit. However, at the request of the committee, the Defense Department and the General Services Administration submitted tentative lists of properties they believe might be subject to payments in lieu of taxes if H. R. 9525 becomes law. It must be recognized that the lists are tentative, subject to change. They were based on a preliminary study made by the departments.

The Defense Department estimates some 93 plants will be covered under H. R. 9525, in addition to the 46 on which the Department of Defense is now making payments under Public Law 388. The General Services Administration estimates 19 plants will be covered by H. R. 9525, in addition to the 37 on which it now is making payments.

For the information of Members of Congress who may be interested, as well as the local governments involved, I am inserting at this point in my remarks the tentative lists prepared by the Defense Department and the General Services Administration of those additional properties:

TABLE A.—*Tentative list of defense facilities subject to payments in lieu of taxes under H. R. 9525, acquired after Dec. 31, 1945*

Facility	Location, city or county	Owning department	Acquisition cost to owning department
Alabama: Phosphate Development Works.	Colbert County	Army	$51,411,750
Arizona:			
AiResearch	Phoenix	Air Force	2,225,000
Douglas	Tucson	do	3,500,000
Hughes Aircraft	do	do	13,058,000
California:			
Lockheed Aircraft Co	Burbank	do	9,900,000
North American Aviation	Canoga Park	do	2,785,000
Palmdale	Palmdale	do	20,500,000
Convair	Pomona	Navy	18,377,688
Food Machinery	Riverside	do	118,000
Aerojet-General	Sacramento	do	6,350,000
Do	do	Air Force	297,000
Air Products	do	do	675,000
Convair	San Diego	do	7,026,000
Do	Sycamore Canyon, San Diego.	do	5,650,000
San Francisco Naval Shipyard	San Francisco	Navy	1,279,301
Air Products	Santa Susana	Air Force	1,500,000
North American Aviation	do	do	10,400,000
Douglas Aircraft	Torrance	Navy	18,811,717
Colorado: Martin Aircraft Corp	Denver	Air Force	13,000,000
Connecticut:			
Kayman plant	Bloomfield	Navy	2,474,488
General Dynamics	Groton	do	923,000
Delaware:			
Lenape Ordnance Modification Center.	Newark	Army	4,201,731
National Industrial Reserve Shipyard.	Wilmington	Navy	83,000
Illinois:			
Chicago ordnance plant	Chicago	Army	3,955,539
Webcor (maintenance contract only).	Midway Airport, Chicago.	Air Force	5,971,000
East Chicago Ordnance Steel Foundry.	East Chicago	Army	13,625,299
Macon Arms	Decatur	Navy	40,000
Green River ordnance plant	Lee County	Army	8,816,851
Willow Springs Engine Test	Willow Springs	Air Force	8,800,000
Indiana:			
Chicago ordnance district firing range.	Gary	Army	153,796
Bendix	Mishawaka	Navy	2,546,500
Kansas: Atchison industrial storage activity.	Atchison County	Army	4,051,167
Louisiana: Michoud ordnance plant.	New Orleans	do	37,447,461
Maryland:			
Martin Aircraft Co	Bengies	Navy	13,643,536
Kaiser Aluminum and Chemical Corp.	Halethorpe	Air Force	5,977,000
Martin Aircraft Co	Strawberry Point	Navy	2,436,665
Massachusetts: Raytheon	Bedford	do	2,381,789
Michigan:			
Borg-Warner	Detroit	do	674,500
Do	Kalamazoo	do	205,000
Melvindale forge plant	Melvindale	Army	1,629,773
Ford Motor Co	Romulus	Navy	15,185,107
Auto Spec. Mfg. shell plant	St. Joseph	Army	209,225
Utica Bend	Utica	Navy	764,000
Do	do	Air Force	8,210,000
Minnesota: Gopher ordnance works.	Dakota County	Army	8,329,341
Mississippi: Gulf ordnance plant	Monroe County	do	12,384,524
Missouri:			
North American Aviation	Neosho	Air Force	4,252,000
Weldon Springs ordnance works.	St. Louis	Army	21,923,223
Nebraska: Cornhusker ordnance plant.	Grand Island	do	20,495,025
Nevada: American Potash Chemical.	Henderson	Navy	$2,713,073
New Jersey:			
Reaction Motors	Danville	do	2,050,206
National Industrial Reserve Shipyard.	Kearney	do	1,425,000
Tube Reducing	Wallington	do	2,850,000
New York:			
Grumman Aircraft	Bethpage, Long Island.	do	15,056,746
Farrand Optical	Bronx	do	616,730
Food Machinery	Buffalo	do	440,194
Curtiss-Wright	do	Air Force	1,975,000
Grumman Aircraft	Calverton, Long Island.	Navy	26,187,313
Cold Spring battery plant	Cold Spring	Army	1,491,927
E. I. du Pont Co	Dresden	Navy	6,630,000
Republic	Farmingdale, Long Island.	Air Force	1,650,000
American Machine and Foundry.	Greece	do	9,759,000
Olin-Mathieson	Modeltown	do	500,000
Niskayuna ordnance modification plant.	Niskayuna	Army	3,540,963
Ohio:			
Goodyear Aircraft	Akron	Navy	7,712,805
Alcoa	Cleveland	Air Force	9,646,000
Cleveland ordnance plant	do	Army	14,150,169
Plum Brook ordnance works	Erie County	do	16,721,919
Thompson Products	North Perry	Navy	1,220,493
Oklahoma: Oklahoma ordnance works.	Pryor	Army	16,047,017
Pennsylvania:			
Birdsboro ordnance steel foundry.	Berks County	do	10,811,217
Lukens steel	Coatesville	Navy	3,186,000
Coraopolis ordnance steel foundry.	Coraopolis	Army	555,700
Alcoa	Glassmire	Navy	513,000
Keystone ordnance works	Meadville	Army	20,790,591
Marine Corps clothing factory	Philadelphia	Navy	2,260,361
National Industrial Reserve Shipyard.	do	do	750,000
Zell (maintenance contract only).	Pittsburgh (Hays)	do	2,313,476
Scranton ordnance plant	Scranton	Army	860,000
South Carolina: National Industrial Reserve Shipyard.	Charleston	Navy	595,000
Tennessee: Raytheon	Bristol	do	13,302,539
Texas:			
Pantex ordnance plant	Carson County	Army	24,244,000
Cactus ordnance plant	Dumas	do	11,213,898
Utah: Marquardt Aircraft	Ogden	Air Force	400,000
Virginia:			
Newport News Shipbuilding & Drydock.	Newport News	Navy	598,000
Norfolk Naval Shipyard	Portsmouth	do	17,500
Washington:			
Puget Sound Naval Shipyard	Bremerton	do	1
Boeing	Larson, Moses Lake.	Air Force	9,759,000
Pacific Car	Renton	Navy	128,000
National Industrial Reserve Shipyard.	Seattle	do	115,000
Do	Tacoma	do	646,000
West Virginia: West Virginia ordnance works.	Mason County	Army	2,399,831
Wisconsin: Badger ordnance works.	Baraboo	do	101,713,266
Total			2,115,266,153

Additional industrial plants in GSA excess and surplus inventory upon which no payments in lieu of taxes have been made

D-Cal-607: Owl 4X plant, Azusa, Calif.
N-Conn-421: Naval industrial reserve aircraft plant (portion), Southington, Conn.
D-Mass-504: Cambridge Electronics Research Laboratory, Cambridge, Mass.
N-Mass-485: Naval annex, South Boston, Mass.
R-NY-281: Allied Chemical & Dye (Pl. 2156), Buffalo, N. Y.
D-NY-367: Bell Aircraft, Buffalo, N. Y.
R-NY-40: Grumman Aircraft (Pl. 809), Port Washington, N. Y.
N-Pa-67: Portable Products, Philadelphia, Pa.
N-Ill-73: Miehle Printing Press, Chicago, Ill.
N-Mich-462: Naval ordnance, Centerline, Mich.
D-Mich-482: Melvindale ordnance forge plant, Melvindale, Mich.
N-NC-456: Naval Ammunition Depot, Charlotte, N. C.
R-Ill-61: Pullman Standard (Pl. 104), Chicago, Ill.
GB-Ohio-403B: Scioto Laboratory, Marion, Ohio.
D-Ind-422: Vigo ordnance, Terre Haute, Ind.
G-Tenn: Cramet titanium plant, Chattanooga, Tenn.
D-WVa-426: Morgantown ordnance, Morgantown, W. Va.
W-Wisc-17: Vilter Manufacturing, Milwaukee, Wis.
N-Mo-40: American Can, St. Louis, Mo.

Mr. MEADER. Officials of the departments estimated that these additional plants might require the Federal Government to pay in excess of $40 million a year over and above the amounts now being paid under Public Law 388. Because of the magnitude of the annual payments and because of the time required in studying federally owned industrial properties which might become subject to payments in lieu of taxes, the majority of the committee believed it was preferable to extend Public Law 388 for 2 additional years and to instruct the staff of the committee to study thoroughly broader, permanent legislation. Although I believe that permanent legislation should be adopted now, I did not strenuously oppose the approach the majority of the committee took.

But I do say to my colleagues in whose Congressional Districts the plants are located that in my judgment their communities are being deprived right now of revenue from the Federal Government to which they are rightfully entitled by reason of the services they are performing. I hope the staff of the Government Operations Committee and the appropriate officials in the departments will give intensive study and close attention to this vital problem and that the next Congress will adopt permanent legislation.

Mr. Speaker, this legislation does two things:

1. It enhances the financial vitality of local governments not on the basis of a handout with Federal strings attached, but by paying them what is rightfully theirs.

2. It curbs the tendency of executive bureaus and departments to hoard property and to engage either directly or as a landlord in the processes of manufacturing.

I hope the bill will be adopted unanimously.

Mr. JONAS. Mr. Speaker, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from North Carolina.

Mr. JONAS. I am glad to hear the gentleman from Michigan make the statement with respect to a possible study. I have a property in the District I represent that is not covered by the pending legislation, but I think it is as equally entitled to be covered as those that are covered by the pending legislation. I certainly would join in the hope this study is completed at the earliest possible date.

Mr. VORYS. Mr. Speaker, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Ohio.

Mr. VORYS. I commend the gentleman on his far-reaching statesmanship in this complex field, which many of us have neglected or overlooked. In my District, the city of Columbus, Ohio, has received a measure of justice under his original legislation and under the extension, but I can see that to other cities and communities similarly situated a similar measure of justice should be accorded. The gentleman by taking one case in his own District has done a great job not only for his own District but for the people of the country in this legislation.

Mr. MEADER. I thank the gentleman.

I yield to my colleague, the gentleman from Michigan.

Mr. GRIFFIN. I wish to commend my distinguished colleague from Michigan for the excellent work he has done on this bill. The gentleman has become a real expert in this field. Public Law 388 is benefiting my District, and I want to join with the others in congratulating and commending the distinguished gentleman.

Mr. MEADER. I thank the gentleman.

Mr. MEADER. Mr. Speaker, I ask unanimous consent to extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MEADER. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may have 5 legislative days to extend their remarks on the pending legislation.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. FASCELL. Mr. Speaker, I yield 10 minutes to the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Speaker, I, too, like the others, rise at this time in support of this measure and, of course, to urge that the rules be suspended and the bill be passed. I support the bill S. 3677 which, of course, is identical to the bill H. R. 12165 that is on the calendar for today's consideration.

First, Mr. Speaker, I want to compliment and congratulate the Committee on Government Operations for bringing this matter to the attention of the Congress and for bringing it to the floor of the House with the unanimous support of the committee. Especially do I join with the other Members of the House in complimenting the gentleman from Michigan [Mr. MEADER] and to express our grateful appreciation to him. He has put a great deal of time and effort and work into this piece of legislation, and it has not been since today or yesterday, Mr. Speaker, but for the past few years. We all owe to him a debt of gratitude for the research that he has performed on this particular subject matter. He has brought it to the attention of many of us and it has inured to our benefit.

Mr. Speaker, January 1, 1959, is the present deadline.

Public Law 388, will expire on that date, unless H. R. 12165, which will extend the applicability of Public Law 388 for a period of 2 years, is passed.

Public Law 388 provides for payments in lieu of taxes to State or local taxing authorities where real property having a taxable status under the Reconstruction Finance Corporation or any of its subsidiaries had been transferred to a Government department and thus had been removed from State and local tax rolls.

What made this law necessary in the first place?

Since the founding of our Nation, the Federal Government has been immune from State and local taxation.

The present situation developed in the following manner.

During the emergency of World War II, the Government initiated a $15 billion crash program to expand the Nation's industrial capacity. As a result, numerous plants were built by the Defense Plants subsidiary of the Reconstruction Finance Corporation.

These were primarily industrial plants and facilities.

The Congress clearly stated that the real property of the RFC and its subsidiaries would be subject to State, Territorial, and local taxation to the same extent according to its value as other real property in the hands of private citizens, and also subject to special assessments for local improvements.

In 1952, however, the United States Court of Claims, and the Comptroller General both ruled that certain real properties which, in the course of events, had been transferred from the RFC to other Government departments, were rendered nontaxable by local authorities.

This caused a sudden tax loss, and a dislocation in the revenue systems of the municipalities where such commercial or industrial facilities are located, and where the nature and use of these facilities has not changed.

Even when there was no break in the chain of title being held by the United States.

This was a manifest injustice.

The Congress took steps to remedy this defect, and, in Public Law 388, authorized payment in lieu of taxes, at least on a temporary basis, until a comprehensive policy could be enacted by the Congress.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. LANE. I yield.

Mr. GROSS. The communities had the benefit of those plants, did they not, that the RFC built during the war and operated during the war?

Mr. LANE. In what way does the gentleman say the communities have had the benefit of the plants? They were occupied by the RFC and transferred over, one turned over to the Air Force and the other to the Navy.

Mr. GROSS. But originally did they not employ people and were not those people in the communities?

Mr. LANE. Some of them were and some were not.

Mr. GROSS. And provided payrolls?

Mr. LANE. Some of them came from there and some came from long distances.

Mr. GROSS. But the community had the benefit of the plant that was built by the RFC then?

Mr. LANE. They had the benefit to a certain extent only.

That solution has not been worked out through legislation.

Meanwhile, the January 1, 1959, deadline approaches. Congress is due to adjourn next month, and unless the provisions of Public Law 388 are extended temporarily, for a period of 2 years, the communities involved will find these payments suddenly termi-

nated, which would add to the local tax burdens of many communities.

The Bureau of the Budget, in its approval of H. R. 12165, states that:

> The situation is affected, moreover, by recent Supreme Court decisions in a number of tax cases where the Court's rulings appear to alter the well-established doctrine of intergovernmental tax immunity.
>
> In view of the total situation, therefore, the Bureau is of the opinion that an extension of a temporary nature for a period of 2 years for these particular properties can be justified as a matter of equity. In favoring this temporary extension, however, we wish to make it clear that we do not favor adding any additional properties nor making changes in the conditions covering the payments.

There are over 100 plants covered by this legislation, and they are located in 24 different States.

As an example of this bill's importance to many municipalities, I quote the experience of Lynn, Mass. During the year of 1957, Lynn was paid $22,830.08 for payments in lieu of taxes on Air Force plant No. 29, and $100,000.94 on the naval industrial gear plant No. 2.

The possible loss of this revenue, in the face of increasing costs of local government, would be most doubly harmful. The loss would have to be compensated for through higher tax rates for the individual and industrial taxpayers of the community.

Time is running out. Unless we extend the provisions of Public Law 388, for at least another 2 years, Lynn and other communities will be deprived of those revenues which properly belong to them.

I reiterate that this legislation provides only for payments in lieu of taxes on real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments.

It does not apply to other real property owned by the Government.

And it is temporary in nature so that the Congress will have the opportunity to devise a permanent policy.

Industrial or commercial type plants or facilities constructed by or under the RFC for purposes connected with the emergency period surrounding World War II, and since transferred to other Government departments, should pay their share of the cost of local services.

To make sure that we do not default on this obligation, I urge approval of H. R. 12165 for a 2-year extension of these payments in fairness to the State or local taxing authorities that otherwise would be cut off from a legitimate and substantial source of local revenue.

I yield back the balance of my time, Mr. Speaker.

Mr. BALDWIN. Mr. Speaker, I yield such time as he may desire to the gentleman from Indiana [Mr. BROWNSON].

Mr. BROWNSON. Mr. Speaker, S. 3677, an extension of H. R. 12165, means a great deal to the 11th District of Indiana, which I represent. The continuation of the "in lieu of taxes" payments by the Federal Government on the sizable Air Force plant leased by Allison Engineering and located in Marion County—which comprises the 11th District—will be materially helpful in offsetting the tax loss this installation represents to the taxpayers of Marion County.

Since the beginning of 1955, when the law went into effect, these payments have totaled $484,037.60. They have reduced the local tax rate by approximately 2 cents.

It has been my pleasure to work on such legislation from the very outset with my very able colleague and fellow Government Operations Committee member, GEORGE MEADER. His efforts in behalf of correcting the unjust situation by which the Federal Government was exempt from State and local taxation has been invaluable. I hope to continue working with him to make Public Law 388 permanent, an object which has been our mutual goal. When the Government Operations Committee was considering legislation to continue in lieu of taxes payments, we both testified in favor of making the law permanent.

I worked for enactment of Public Law 388 in the 84th Congress. I felt a tremendous burden had been placed on our State and local taxing authorities by the Congress which had exempted the personal property of the Reconstruction Finance Corporation and its subsidiaries from State and local taxation.

The bill we today consider continues for a period of 2 years these payments in lieu of taxes as required under the law. This law requires that the payments be made in an amount equal to the amount of the real property tax which would be payable if legal title to the property had been held by a private citizen. Public Law 388 would die on December 31 of this year were we not to act on this legislation.

I have always favored permanent enactment of H. R. 388. Last August 30, I introduced H. R. 9571, to make it the policy of the Congress to permanently relieve the State and local taxing authorities of the burden placed on them due to the tax-exempt status of industrial manufacturing plants owned by the Federal Government. I still think this legislation is necessary and I shall continue to work with my good friend, Mr. MEADER, as I have in past, for its enactment.

I am deeply grateful for a 2-year extension of the law. This will continue in lieu of tax payments through 1960, which will mean relief amounting to $319,888.12 to the taxpayers of the 11th District from the present date until the law again expires. I hope by that time to have been successful in helping make these just payments permanent to all State and local taxing authorities.

Mr. BALDWIN. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I would like to join with the others who have commended the gentleman from Michigan [Mr. MEADER] for his foresight in introducing this legislation and pursuing it here so consistently. One of these plants is located in my District in California, the steel plant at Pittsburgh. Under recent bills of Congress and Public Law 380, the community and local school district have received material help through in-lieu taxes provided by this legislation. I think it is desirable and necessary. I hope the House will pass the bill.

The SPEAKER. The question is on the motion to suspend the rules and pass the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider and a similar House bill (H. R. 12165) were laid on the table.

ACQUISITION OF CERTAIN LAND ON THE ISLAND OF GUAM

Mr. O'BRIEN of New York. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 12018) to authorize the Secretary of the Navy to acquire certain land on the island of Guam, as amended.

The Clerk read as follows:

> *Be it enacted, etc.*, That the Secretary of of the Navy is authorized to acquire, by purchase or otherwise, fee simple title to any land situated on the island of Guam on which the Department of the Navy has constructed roads since January 1, 1945.
>
> SEC. 2. There are authorized to be appropriated such sums, not to exceed $2 million, as may be necessary to carry out the provisions of this act.

The SPEAKER. Is a second demanded?

Mr. SAYLOR. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. O'BRIEN of New York. Mr. Speaker, I yield myself such time as I may require.

The SPEAKER. The gentleman from New York is recognized.

Mr. O'BRIEN of New York. Mr. Speaker, this bill is to authorize the Secretary of the Navy to acquire fee title or easements to approximately 300 parcels of land on Guam, upon which the Navy has constructed highways since July 1, 1944.

There is not any question but what the money is owed. We have had bills covering this matter for years, in some instances, 14 years. Because of what seems to the committee to be a jurisdictional dispute between two departments of the Government as to which is going to be charged with the cost of paying what is owed, this bill is necessary. As a result it is going to cost considerably more than it would have cost had the matter been taken care of several years ago.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. O'BRIEN of New York. I yield.

Mr. GROSS. This bill provides $2 million to be paid to the Government of Gaum for land which has been put into highways. Is that correct?

Mr. O'BRIEN of New York. No; it is not to be paid to the Government of Guam. It is to be paid to the individual owners of that land, the same as the owners of property in your State or mine whose land might have been taken for a highway.

Mr. GROSS. Could not the Government of Guam have provided the land for building these highways? Have we not done a pretty good job in building these highways to serve the people of Guam?

Mr. O'BRIEN of New York. I might say that these were military highways built by the Navy. We took the land which was owned by individuals.

Mr. GROSS. Could not the Government of Guam reimburse their own people?

Mr. SAYLOR. Mr. Speaker, will the gentleman yield?

Mr. O'BRIEN of New York. I yield.

Mr. SAYLOR. The situation with regard to this property, I may say to the gentleman from Iowa, is that during World War II for the purpose of building military highways it was taken from private individuals, taken by the Navy. The Navy admits that they should have in their budget when they handled Guam taken care of it a long time ago, but they did not. Then the jurisdiction of Guam was turned over to the Department of the Interior, and there has been a fight ever since that time as to whether the Department of the Interior or the Department of the Navy should pay these people for taking their property.

This is a bill which should have been passed many years ago. If it is not passed now it will continue to cost the Government more money when it is passed.

Mr. GROSS. Mr. Speaker, will the gentleman yield further?

Mr. O'BRIEN of New York. I yield.

Mr. GROSS. The building of these highways has enhanced the value of the property, has it not?

Mr. O'BRIEN of New York. There is no doubt about it.

Mr. GROSS. Then we are paying on the enhanced value of the property?

Mr. O'BRIEN of New York. I might say that the property that is in the roads, the enhancement of that value is not particularly important to the people unless they get something for it. The adjacent property undoubtedly is enhanced in value.

The point is, Mr. Speaker, this was an obligation which we had recognized from the beginning. We did not take care of it because of some juggling of responsibility between the Department of the Interior and the Navy Department. We find now as a result of this delay it is costing us a lot more, and I might say if we postpone it further and land values continue to rise, ultimately we are going to have to pay considerably more than the $1,820,000 estimated to be needed to pay these costs. It is a just debt, we owe it. It is simply a question of when we are going to pay it. We have waited 14 years now. If we wait any longer it is going to cost considerably more money.

Mr. GROSS. I do not know that I am opposed to the bill, but I do not want the taxpayers of the United States to put out any more money than they reasonably should for this purpose.

Mr. O'BRIEN of New York. I agree with the gentleman and if we pass this now we will be actually saving money.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

COMPENSATION TO THE CROW TRIBE OF INDIANS FOR CERTAIN CEDED LANDS

Mr. ASPINALL. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 11722) to provide compensation to the Crow Tribe of Indians for certain ceded lands embraced within and otherwise required in connection with the Huntley reclamation project, Montana, and for other purposes.

The Clerk read as follows:

Be it enacted, etc., That (a) there is hereby authorized to be transferred in the Treasury of the United States from funds now or hereafter made available to the Bureau of Reclamation and to be placed to the credit of the Crow Tribe of Indians, Montana, and expended for its benefit and the benefit of its members, pursuant to existing law, a sum of money determined as provided in this section for terminating and extinguishing all of the right, title, estate, and interest except minerals including oil and gas, of said Indian tribe in and to the lands of that part of the former Crow Indian Reservation lying within the boundaries described below. The Secretary of the Interior shall appraise the fair market value of the interest in the lands taken by this act within 90 days after passage of this act and offer that sum to the Crow Tribe. The Crow Tribe may also appraise the fair market value of the interest in the lands taken by this act and determine whether the appraisal of the Secretary of the Interior is acceptable to the Crow Tribe. If the offer of the Secretary of the Interior is not accepted within 60 days, the Secretary or the Crow Tribe is authorized to commence in a court of competent jurisdiction an action for determining the just compensation payable for such taking. The fair market value of, and the just compensation payable for, the Indian interest in the lands taken by this act shall not include any value attributable to the construction and development by the United States of the Huntley reclamation project.

The perimeter boundaries of the tract of land, dealt with hereinabove, they being also the proposed exterior boundaries of the Huntley reclamation project, Montana, are described as follows:

Beginning at a point where the midchannel of the Yellowstone River intersects the west sixteenth line of section 1, township 3 north, range 31 east, principal meridian, Montana;

Thence south along said west sixteenth line to the southwest sixteenth corner; which is the southeast corner of lot 2 of said section 1;

Thence west along the south sixteenth line to the south sixteenth corner between sections 1 and 2;

Thence south along the section line to the south sixteenth corner between sections 11 and 12;

Thence west along the south sixteenth line to the southwest sixteenth corner of section 11;

Thence north along the west sixteenth line to the west sixteenth corner of section 11;

Thence west along the quarter line to the east sixteenth corner of section 10;

Thence south along the east sixteenth line to the southeast sixteenth corner of section 10;

Thence west along the south sixteenth line to the southwest sixteenth corner of section 10;

Thence south along the west sixteenth line to the west sixteenth corner between sections 10 and 15;

Thence west along the section line to the corner common to sections 9, 10, 15, and 16;

Thence south along the section line to the quarter corner between sections 15 and 16;

Thence west along the quarter line to the C quarter corner of section 16;

Thence north along the quarter line to the north sixteenth corner of section 16;

Thence west along the north sixteenth line to the northeast sixteenth corner of section 17;

Thence south along the east sixteenth line to the C–N–SE sixty-fourth corner, which is the southeast corner of the north half of the northwest quarter of the southeast quarter of section 17;

Thence west along the sixty-fourth line to the C–N–S sixty-fourth corner, which is the southwest corner of the north half of the northwest quarter of the southeast quarter of section 17;

Thence north along the quarter line to the north sixteenth corner of section 17; thence west along the north sixteenth line to the northwest sixteenth corner of section 17;

Thence south along the west sixteenth line to the southwest sixteenth corner of section 17;

Thence west along the south sixteenth line to the south sixteenth corner of section 18;

Thence south along the quarter line to the C quarter corner of section 19;

Thence west along the quarter line to the west quarter corner of section 19, said quarter corner lying on the range line between ranges 30 and 31 east of the principal meridian, Montana;

Thence south along the range line to the east quarter corner of section 25, township 3 north, range 30 east, principal meridian, Montana;

Thence west along the quarter line to the east sixteenth corner of section 25;

Thence south along the east sixteenth line to the southeast sixteenth corner of section 25;

Thence west along the south sixteenth line to the south sixteenth corner of section 25;

Thence south along the quarter line to the quarter corner between sections 25 and 36;

Thence west along the section line to the corner common to sections 25, 26, 35, and 36;

Thence south along the section line to the quarter corner between sections 35 and 36;

Thence west along the quarter line to the C quarter corner of section 35;

Thence north along the quarter line to the north sixteenth corner of section 35;

Thence west along the north sixteenth line to the northwest sixteenth corner of section 35;

Thence south along the west sixteenth line to the west sixteenth corner of section 35;

Thence west along the quarter line to the quarter corner between sections 34 and 35;

Thence south along the section line to the south sixteenth corner between sections 34 and 35;

Thence east along the south sixteenth line to the southwest sixteenth corner of section 35;

Thence south along the west sixteenth line to the west sixteenth corner between section 35, township 3 north, range 30 east, and section 2, township 2 north, range 30 east, principal meridian, Montana;

Thence west along the township line to the corner common to sections 34 and 35, township 3 north, range 30 east, and sections 2 and 3, township 2 north, range 30 east;

Thence north along the section line to the south sixteenth corner between sections 34 and 35;

Thence west along the south sixteenth line to the southeast sixteenth corner of section 34;

Thence south along the east sixteenth line to the east sixteenth corner between section 34, township 3 north, range 30 east, and section 3, township 2 north, range 30 east;

Thence west along the township line to the west sixteenth corner between section 34, township 3 north, range 30 east, and section 3, township 2 north, range 30 east, principal meridian, Montana;

Thence south along the west sixteenth line to the C–N–NW sixty-fourth corner of section 3, which is the southeast corner of the northeast quarter of lot 5, section 3, township 2 north, range 30 east, principal meridian, Montana;

Thence west along the sixty-fourth line to the NW–NW sixty-fourth corner, which is the northwest corner of the southeast quarter of lot 5, section 3;

Thence south along the sixty-fourth line to the C–W–NW sixty-fourth corner, which is the southwest corner of the southeast quarter of lot 5, section 3;

Thence east along the north sixteenth line to the C–W–NE sixty-fourth corner, which is the northeast corner of the west half of the southwest quarter of the northeast quarter of section 3;

Thence south along the sixty-fourth line to the C–W–E sixty-fourth corner, which is the southeast corner of the west half of the southwest quarter of the northeast quarter of section 3;

Thence east along the quarter line to the C–E–E sixty-fourth corner, which is the northeast corner of the west half of the northeast quarter of the southeast quarter of section 3;

Thence south along the sixty-fourth line to the C–E–SE sixty-fourth corner, which is the southeast corner of the west half of the northeast quarter of the southeast quarter of section 3;

Thence west along the south sixteenth line to the southeast sixteenth corner of section 3;

Thence south along the east sixteenth line to the east sixteenth corner of section 10;

Thence east along the quarter line to the C–E–E sixty-fourth corner, which is the northeast corner of the west half of the northeast quarter of the southeast quarter of section 10;

Thence south along the sixty-fourth line to the C–E–SE sixty-fourth corner, which is the southeast corner of the west half of the northeast quarter of the southeast quarter of section 10;

Thence east along the south sixteenth line to the south sixteenth corner between sections 10 and 11;

Thence south along the section line to the quarter corner between sections 14 and 15;

Thence east along the quarter line to the C–W–W–W two-hundred-fifty-sixth corner, which is the northeast corner of the west half of the west half of the northwest quarter of the southwest quarter of section 14;

Thence south along the two-hundred-fifty-sixth line to the C–W–W southwest two-hundred-fifty-sixth corner, which is the southeast corner of the west half of the west half of the northwest quarter of the southwest quarter of section 14;

Thence east along the south sixteenth line to the C–W–SW sixty-fourth corner, which is the northeast corner of the west half of the southwest quarter of the southwest quarter of section 14;

Thence south along the sixty-fourth line to the W–W sixty-fourth corner between sections 14 and 23, which is the southeast corner of the west half of the southwest quarter of the southwest quarter of section 14;

Thence east along the section line to the E–W sixty-fourth corner between sections 14 and 23, which is the northeast corner of the west half of the northeast quarter of the northwest quarter of section 23;

Thence south along the sixty-fourth line to the C–E–NW sixty-fourth corner, which is the southeast corner of the west half of the northeast quarter of the northwest quarter of section 23;

Thence west along the north sixteenth line to the north sixteenth corner between sections 22 and 23;

Thence south along the section line to the north sixteenth corner between sections 26 and 27;

Thence west along the north sixteenth line to the north sixteenth corner between sections 27 and 28;

Thence north along the section line to the south sixteenth corner between sections 21 and 22;

Thence west along the south sixteenth line to the south sixteenth corner of section 21;

Thence north along the quarter line to the quarter corner between sections 16 and 21;

Thence west along the section line to the west sixteenth corner between sections 16 and 21;

Thence south along the west sixteenth line to the northwest sixteenth corner of section 21;

Thence west along the north sixteenth line to the north sixteenth corner between sections 20 and 21;

Thence north along the section line to the corner common to sections 16, 17, 20, and 21;

Thence east along the section line to the W–W sixty-fourth corner between sections 16 and 21, which is the southeast corner of the west half of the southwest quarter of the southwest quarter of section 16;

Thence north along the sixty-fourth line to the C–W–SW sixty-fourth corner, which is the northeast corner of the west half of the southwest quarter of the southwest quarter of section 16;

Thence west along the south sixteenth line to the C–W–W–SW two-hundred-fifty-sixth corner, which is the southeast corner of the west half of the west half of the northwest quarter of the southwest quarter of section 16;

Thence north along the two-hundred-fifty-sixth line to the C–W–W–W two-hundred-fifty-sixth corner, which is the northeast corner of the west half of the west half of the northwest quarter of the southwest quarter of section 16;

Thence west along the quarter line to the quarter corner between sections 16 and 17;

Thence north along the section line to the quarter corner between sections 8 and 9;

Thence west along the quarter line to the quarter corner between sections 7 and 8; thence north along the section line to the corner common to sections 5, 6, 7, and 8;

Thence west along the section line to the quarter corner between sections 6 and 7;

Thence north along the quarter line to the C–S–S sixty-fourth corner, which is the northeast corner of the south half of the southeast quarter of the southwest quarter of section 6;

Thence west along the sixty-fourth line to the C–S–SW sixty-fourth corner which is the northwest corner of the south half of the southeast quarter of the southwest quarter of section 6;

Thence north along the west sixteenth line to the southwest sixteenth corner of section 6;

Thence west along the south sixteenth line to the south sixteenth corner between section 1, township 2 north, range 29 east, and section 6, township 2 north, range 30 east, principal meridian, Montana;

Thence south along the range line to the S–S sixty-fourth corner between said sections 1 and 6, which is the southeast corner of the north half of the southeast quarter of the southeast quarter of section 1;

Thence west along the sixty-fourth line to the C–S–SW sixty-fourth corner of section 2, which is the northwest corner of the south half of the southeast quarter of the southwest quarter of section 2;

Thence south along the west sixteenth line to the west sixteenth corner between sections 2 and 11;

Thence west along the section line to the corner common to sections 3, 4, 9, and 10;

Thence south along the section line to the north sixteenth corner between sections 9 and 10;

Thence west along the north sixteenth line to the northeast sixteenth corner of section 9;

Thence north along the east sixteenth line to the east sixteenth corner between sections 4 and 9;

Thence west along the section line to the corner common to sections 5, 6, 7, and 8;

Thence south along the section line to the south sixteenth corner between sections 7 and 8;

Thence west along the south sixteenth line to the south sixteenth corner of section 7;

Thence south along the quarter line to the quarter corner between sections 7 and 18;

Thence west along the section line to the west sixteenth corner between sections 7 and 18;

Thence north along the west sixteenth line to the C–S–SW sixty-fourth corner, which is the northeast corner of the southeast quarter of lot 11, section 7;

Thence west along the sixty-fourth line to the SW–SW sixty-fourth corner, which is the northwest corner of the southeast quarter of lot 11, section 7;

Thence south along the sixty-fourth line to the W–W sixty-fourth corner between sections 7 and 18, which is the southwest corner of the southeast quarter of lot 11, section 7;

Thence west along the section line to the corner common to sections 7 and 18, township 2 north, range 29 east, and sections 12 and 13, township 2 north, range 28 east, principal meridan, Montana;

Thence south along the section line to the north sixteenth corner between sections 13 and 18;

Thence west along the north sixteenth line to the northeast sixteenth corner of section 14, township 2 north, range 28 east;

Thence south along the east sixteenth line to the east sixteenth corner of section 14;

Thence west along the quarter line to the west sixteenth corner of section 14;

Thence south along the west sixteenth line to the southwest sixteenth corner of section 14;

Thence west along the south sixteenth line to the south sixteenth corner between sections 14 and 15;

Thence south along the section line to the S–S sixty-fourth corner between sections 14 and 15, which is the southeast corner of the north half of the southeast quarter of the southeast quarter of section 15;

Thence west along the sixty-fourth line to the C–S–SE sixty-fourth corner, which is the southwest corner of the north half of the southeast quarter of the southeast quarter of section 15;

Thence north along the east sixteenth line to the southeast sixteenth corner of section 15;

Thence west along the south sixteenth line to the south sixteenth corner of section 15;

Thence north along the quarter line to the C fourth corner of section 15;

Thence west along the quarter line to the west sixteenth corner of section 15;

Thence south along the west sixteenth line to the southwest sixteenth corner of section 15;

Thence west along the south sixteenth line to the south sixteenth corner between sections 15 and 16;

Thence south along the section line to the corner common to sections 15, 16, 21, and 22;

Thence west along the section line to the east sixteenth corner between sections 16 and 21;

Thence south along the east sixteenth line to the northeast sixteenth corner of section 21;

Thence west along the north sixteenth line to the north sixteenth corner of section 21;

Thence south along the quarter line to the C–S–N sixty-fourth corner, which is the southeast corner of the north half of the southeast quarter of the northwest quarter of section 21;

Thence west along the sixty-fourth line to the C–S–NW sixty-fourth corner, which is the southwest corner of the north half of the southeast quarter of the northwest quarter of section 21;

Thence south along the west sixteenth line to the C–N–SW sixty-fourth corner, which is the southeast corner of the north half of the northwest quarter of the southwest quarter of section 21;

Thence west along the sixty-fourth line to the N–S sixty-fourth corner between sections 20 and 21, which is the southwest corner of the north half of the northwest quarter of the southwest quarter of section 21;

Thence south along the section line to the south sixteenth corner between sections 20 and 21;

Thence west along the south sixteenth line to the southeast sixteenth corner of section 20;

Thence south along the east sixteenth line to the C–S–SE sixty-fourth corner, which is the southeast corner of the north half of the southwest quarter of the southeast quarter of section 20;

Thence west along the sixty-fourth line to the C–S–S sixty-fourth corner, which is the southwest corner of the north half of the southwest quarter of the southeast quarter of section 20;

Thence south along the quarter line to the quarter corner between sections 20 and 29;

Thence west along the section line to the west sixteenth corner between sections 20 and 29;

Thence south along the west sixteenth line to the northwest sixteenth corner of section 29;

Thence west along the north sixteenth line to the north sixteenth corner between sections 29 and 30;

Thence north along the section line to the corner common to sections 19, 20, 29, and 30;

Thence west along the section line to the quarter corner between sections 19 and 30;

Thence south along the quarter line to the C quarter corner of section 30;

Thence west along the quarter line to the west sixteenth corner of section 30;

Thence south along the west sixteenth line to the southwest sixteenth corner of section 30;

Thence west along the south sixteenth line to the south sixteenth corner between section 30, township 2 north, range 28 east, and section 25, township 2 north, range 27 east, principal meridian, Montana;

Thence south along the range line to the corner common to sections 30 and 31, township 2 north, range 28 east, and sections 25 and 36, township 2 north, range 27 east;

Thence west along the section line to the E–W sixty-fourth corner between sections 25 and 36, which is the northeast corner of the northwest quarter of the northeast quarter of the northwest quarter of section 36;

Thence south along the sixty-fourth line to the NE–NW sixty-fourth corner, which is the southeast corner of the northwest quarter of the northeast quarter of the northwest quarter of section 36;

Thence west along the sixty-fourth line to the C–N–NW sixty-fourth corner, which is the southwest corner of the northwest quarter of the northeast quarter of the northwest quarter of section 36;

Thence south along the west sixteenth line to the northwest sixteenth corner of section 36;

Thence west along the north sixteenth line to the C–W–NW sixty-fourth corner, which is the northeast corner of the west half of the southwest quarter of the northwest quarter of section 36;

Thence south along the sixty-fourth line to the C–W–W sixty-fourth corner, which is the southeast corner of the west half of the southwest quarter of the northwest quarter of section 36;

Thence west along the quarter line to the quarter corner between sections 35 and 36;

Thence south along the section line to the N–S sixty-fourth corner between sections 35 and 36, which is the southeast corner of the northeast quarter of the northeast quarter of the southeast quarter of section 35;

Thence west along the sixty-fourth line to the NE–SE sixty-fourth corner, which is the southwest corner of the northeast quarter of the northeast quarter of the southeast quarter of section 35;

Thence south along the sixty-fourth line to the C–E–SE sixty-fourth corner, which is the southeast corner of the southwest quarter of the northeast quarter of the southeast quarter of section 35;

Thence west along the south sixteenth line to the southwest sixteenth corner of section 35;

Thence south along the west sixteenth line to the C–S–SW sixty-fourth corner, which is the southeast corner of the north half of the southwest quarter of the southwest quarter of section 35;

Thence west along the sixty-fourth line to the S–S sixty-fourth corner between sections 34 and 35, which is the southwest corner of the north half of the southwest quarter of the southwest quarter of section 35;

Thence south along the section line to the corner of the township line common to sections 34 and 35;

Thence west along the township line between townships 1 and 2 north, range 27 east, to the midchannel of the Yellowstone River;

Thence downstream along the midchannel of the Yellowstone River to the point of beginning.

(b) There is hereby authorized to be transferred in the Treasury of the United States from funds now or hereafter made available to the Bureau of Reclamation and to be placed to the credit of the Crow Tribe of Indians a sum equal to all net revenues collected by the United States from grazing and agricultural leases on and other uses of the undisposed of ceded Crow lands referred to in subsection (a) of this section between 1904 and the date of this act: *Provided*, That such transfer shall not affect the credit of any part of such revenues to the repayment obligation of the Huntley Irrigation District as provided in its contract with the United States dated January 2, 1927.

SEC. 2. All unentered and vacant lands within the area described in section 1 hereof, are hereby restored to the public domain for administration, use, occupancy, and disposal under the reclamation and public-land laws of the United States, and shall not be subject to any other law with respect to Indian ceded lands: *Provided*, That the minerals reserved for the benefit of the Crow Tribe pursuant to section 1 hereof shall be leased or otherwise disposed of under the laws and regulations relating to Indian trust lands.

SEC. 3. The sum transferred to the credit of the Crow Tribe of Indians as aforesaid and the expenses of carrying out the provisions of this act shall be nonreimbursable and nonreturnable under the reclamation laws of the United States. The net proceeds derived from the disposal of said lands shall be covered into the general fund of the Treasury or into the reclamation fund as the Secretary of the Interior shall find appropriate in the light of the source from which the funds transferred or expended in carrying out this act are derived.

SEC. 4. The Secretary of the Interior is authorized to perform any and all acts to carry out the provisions of this act.

Mr. ANDERSON of Montana. Mr. Speaker, I introduced H. R. 11722 as a clean bill in lieu of my bill H. R. 9617 which had been drastically amended in committee. Some of the amendments I proposed myself, such as the section authorizing the Crow Tribe to either accept the offer of the Interior Department in settlement of the Indian claims for lands ceded but as yet undisposed of or, on the other hand, determining fair value in the courts. There are two amendments which were written into the bill against my protests and over my objections. The first of these was elimination of the provision that the Crow Tribe shall be paid interest on impounded funds turned over to them. I think their right to interest payment is as valid as is their claim to the principal sum itself. I know the report on the bill states that the language does not preclude a judicial determination that such interest is due. Nevertheless I hope that the other body will amend the bill to expressly provide for the payment of interest to the Crow Tribe, and that the House will concur in that amendment.

Another amendment with which I do not agree is the provision that settlement shall be on the basis of naked value rather than present value. I hope that here, too, the Senate will make an appropriate amendment.

Despite my disagreement with these two features of the bill I urge that it be passed now so that this long standing and knotty problem may be finally resolved. I am most hopeful that the two unfair provisions will be corrected before the bill goes to the President for signature.

The SPEAKER. Is a second demanded?

If not, the question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

GENERAL LEAVE TO EXTEND REMARKS

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that any Member who wishes to do so may have 5 legislative days in which to extend his remarks in the RECORD prior to the passage of H. R. 11722.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

RESIGNATIONS FROM COMMITTEES

The SPEAKER laid before the House the following resignation from a committee:

JULY 11, 1958.

Hon. SAM RAYBURN,
Speaker of the House,
Washington, D. C.

DEAR MR. SPEAKER: I herewith tender my resignation as a member of the Committee

on Interstate and Foreign Commerce, effective immediately.

Sincerely yours,

MARTIN DIES.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

The SPEAKER laid before the House the following resignation from a committee:

JULY 21, 1958.

Hon. SAM RAYBURN,
Speaker, United States House of Representatives, Washington, D. C.

DEAR MR. SPEAKER: I herewith respectfully submit my resignation from the House Committee on Public Works.

Very truly yours,

JOE M. KILGORE,
Member of Congress.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

The SPEAKER laid before the House the following resignation from committees:

JULY 21, 1958.

Hon. SAM RAYBURN,
Speaker of the House of Representatives.

DEAR MR. SPEAKER: I hereby tender to you my resignation as a Member of the following Standing Committees:

House Committee on Post Office and Civil Service.

House Committee on Merchant Marine and Fisheries.

Respectfully submitted.

JOHN YOUNG.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

ELECTION OF MEMBERS TO STANDING COMMITTEES

Mr. MILLS. Mr. Speaker, I offer a resolution and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 643

Resolved, That the following-named Members be, and they are hereby, elected members of the following standing committees of the House of Representatives:

Committee on Interstate and Foreign Commerce: JOE M. KILGORE, Texas.

Committee on Merchant Marine and Fisheries: ROBERT N. C. NIX, Pennsylvania.

Committee on Public Works: JOHN YOUNG, Texas.

Committee on Veterans' Affairs: ROBERT N. C. NIX, Pennsylvania.

The resolution was agreed to and a motion to reconsider was laid on the table.

ATOMIC ENERGY COMMISSION APPROPRIATION BILL

Mr. DURHAM submitted a conference report and statement on the bill (H. R. 13121) to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

AMENDING RULES OF THE HOUSE TO PROVIDE FOR COMMITTEE ON SCIENCE AND ASTRONAUTICS

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 580 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That the Rules of the House of Representatives are hereby amended as follows:

Rule X, clause 1, is hereby amended by inserting after (p) the following:

"(q) Committee on Science and Astronautics, to consist of 25 members."

and by renumbering subsection (q) as "(r)"; (r) as "(s)"; and (s) as "(t)".

Rule XI, clause 11, is hereby amended to read as follows:

"11. Committee on Interstate and Foreign Commerce.

"(a) Interstate and foreign commerce generally.

"(b) Civil aeronautics.

"(c) Inland waterways.

"(d) Interstate oil compacts and petroleum and natural gas, except on the public lands.

"(e) Public health and quarantine.

"(f) Railroad labor and railroad retirement and unemployment, except revenue measures relating thereto.

"(g) Regulation of interstate and foreign communications.

"(h) Regulation of interstate and foreign transportation, except transportation by water not subject to the jurisdiction of the Interstate Commerce Commission.

"(i) Regulation of interstate transmission of power, except the installation of connections between Government waterpower projects.

"(j) Securities and exchanges.

"(k) Weather Bureau."

Rule XI is further amended by inserting after clause 16 the following:

"17. Committee on Science and Astronautics.

"(a) Astronautical research and development, including resources, personnel, equipment, and facilities.

"(b) Bureau of Standards, standardization of weights and measures, and the metric system.

"(c) National Advisory Committee for Aeronautics.

"(d) National Science Foundation.

"(e) Outer space, including exploration and control thereof.

"(f) Science scholarships.

"(g) Scientific research and development."

and by renumbering section 17 as "18"; 18 as "19"; 19 as "20"; 20 as "21"; 21 as "22"; 22 as "23"; 23 as "24"; 24 as "25"; 25 as "26"; 26 as "27"; 27 as "28"; 28 as "29"; and 29 as "30."

Mr. BOLLING. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BOLLING: On page 2, line 24, strike out line 24 through the remainder of the resolution and in lieu thereof insert the following:

"(c) National Aeronautics and Space Administration.

"(d) National Aeronautics and Space Council.

"(e) National Science Foundation.

"(f) Outer space, including exploration and control thereof.

"(g) Science Scholarships.

"(h) Scientific research and development,", and by renumbering section 17 as "18"; 18 as "19"; 19 as "20"; 20 as "21"; 21 as "22"; 22 as "23"; 23 as "24"; 24 as "25"; 25 as "26"; 26 as "27"; 27 as "28"; 28 as "29"; and 29 as "30."

Mr. BOLLING. Mr. Speaker, the amendment is in effect a perfecting amendment so that the language of the resolution which establishes the new committee will conform to the act which is to become law, which was passed by both the House and the other body last week establishing this National Administration on Aeronautics and Science. This is to make the rules of the House conform to this act which is about to become law.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Massachusetts.

Mr. MARTIN. Will the gentleman explain the resolution?

Mr. BOLLING. With pleasure.

Mr. Speaker, House Resolution 580, reported from the Committee on Rules, amends the rules of the House to provide for the establishment of a new standing legislative committee to be known as the Committee on Science and Astronautics. The committee will consist of 25 members and will have jurisdiction over the exploration and control of outer space and astronautic research and development, including resources, personnel, equipment, and facilities.

The standing committee will take over, and continue, the work started by the House Select Committee on Astronautics and Space Exploration. Certain functions of the Committee on Interstate and Foreign Commerce and the Armed Services Commitee will be transferred to this committee; namely legislation relating to the scientific agencies—the Bureau of Standards, the National Advisory Committee for Aeronautics and the National Science Foundation. The chairmen of the Interstate and Foreign Commerce Committee and the Armed Services Committee agree with these proposed transfers. The committee will also cooperate with the Executive in the operation of the Space Agency.

To prevent duplication of effort it is important that scientific research and development in the field of outer space, and the problems pertaining to the same, be closely coordinated. This can best be done through the establishment of a standing committee having across-the-board jurisdiction in this area which has, in the last few years, assumed great significance. I urge the adoption of House Resolution 580.

Mr. Speaker, to the best of my knowledge, there is no opposition to this resolution.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I might say that I consider this to be very important. It is a recognition on the part of the House of the importance of basic research and development in the world of today and tomorrow. We all realize how important research, both basic and applied, is in the world of today and tomorrow, and this is a recognition on the part of the House of the importance of that field and a reassessment of our own organizational setup in the House to establish a committee that will go across the board, so to speak, in connection with basic research.

The committee will have jurisdiction over what might be termed for descriptive purposes outer space legislation. You will remember that the select committee of which I am chairman, and of

which the distinguished gentleman from Massachusetts [Mr. MARTIN], is vice chairman, sat for weeks and reported out a bill which has passed both branches and is now on the President's desk and will be signed because he is exceedingly pleased with the bill and the provisions in it and with the rapidity of its passage. This is a clear recognition on the part of the House of the importance of basic and applied research and the establishment of this committee as a standing committee to which legislation of that nature will be referred. It includes not only outer space legislation but it takes over other activities, and it is going to be, in my opinion, one of the most important committees of both branches of the Congress.

Mr. SCHENCK. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Ohio.

Mr. SCHENCK. I thank the gentleman for yielding. I asked him to yield for this purpose: Does the establishment of this new standing committee in any way change the legislative jurisdiction, the purposes, duties, or responsibilities of the very important Committee on Interstate and Foreign Commerce of which I am pleased to be a member?

Mr. McCORMACK. Yes. There are certain jurisdictions held by several committees. Some of them will be transferred to this new committee, but I can assure the gentleman that before the resolution was introduced the matter was screened very carefully and gone over with the chairmen of the Committee on Interstate and Foreign Commerce, the Committee on Armed Services, and every other committee that will be affected as a result of the passage of this resolution and the establishment of this new committee.

Mr. SCHENCK. Mr. Speaker, will the gentleman yield further?

Mr. McCORMACK. I am glad to yield.

Mr. SCHENCK. As I understand it, the gentleman has discussed this not only with the distinguished chairman of our committee but also the ranking minority members of our committee, and they are in agreement with the changes in jurisdiction?

Mr. McCORMACK. I have not personallly discussed it with the ranking members of the various committees, but it is my understanding that the chairmen of the committees affected in turn did discuss it with members of their committees. This matter has been very carefully worked out. It is considered by the leadership to be a matter of paramount importance. From the angle of the jurisdiction of the committees being relinquished and coming within the jurisdiction of this new committee, I can assure the gentlemaan as reliably as possible that there is no difficulty.

Mr. SCHENCK. I thank the majority leader.

Mr. BROOKS of Louisiana. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Louisiana.

Mr. BROOKS of Louisiana. Mr. Speaker, I should like to ask the distinguished majority leader this question. And I want to say this parenthetically, as a member of the committee, that he did a magnificent job in handling the legislation that is now on the President's desk for his signature. And he did it with the unanimous support of the members of the committee from both sides of the aisle. But I wanted to ask this question, Mr. Speaker, in reference to the amendment. As I understand, the amendment deletes the National Advisory Committee for Aeronautics from House Resolution 580 and inserts what is tantamount to a jurisdiction to include the measure which is on the President's desk; is that right?

Mr. McCORMACK. That is correct. The National Advisory Committee for Aeronautics has been in existence for about 40 years and when the bill is signed by the President, within 90 days as the gentleman from Louisiana knows, that agency terminates and will be superseded by the new agency, the National Aeronautics and Space Administration. That is why we strike out the NACA and insert therein the name of the new Administration. Then we also insert the National Aeronautics and Space Council because the gentleman will remember that is a council of 5 members of the Cabinet and 3 outsiders, with the President as Chairman; it is within the President's Office and is on a comparable level to that of the National Security Council. They would also have to be included. That is the reason for the amendment.

Mr. MARTIN. Mr. Speaker, as one who has been privileged to serve on this special committee, I want to say that I am heartily in favor of making this committee a permanent part of the House legislative system. I know from my studies the importance of the subject to the country and how very necessary it is to have particular attention paid to this field of work. A permanent committee may well be the means of keeping the United States out front in the race for space supremacy.

Mr. Speaker, I want to pay my tribute to the nonpartisan way in which the committee has worked under Congressman McCORMACK. There was never the slightest semblance of partisanship shown at any of our hearings or in our committee vote. We reported a measure approved by the administration and one that was real constructive.

I hope the resolution will be adopted. It will be giving deserved recognition to a field that will command great attention in the future.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

NATIONAL OUTDOOR RECREATION RESOURCES REVIEW COMMISSION

The SPEAKER. Pursuant to the provisions of Public Law 85-470, the Chair appoints as members of the National Outdoor Recreation Resources Review Commission the following Members on the part of the House: Mrs. PFOST, Mr. ULLMAN, Mr. SAYLOR, and Mr. RHODES of Arizona.

MINNESOTA'S CENTENNIAL

The SPEAKER. Under previous order of the House, the gentleman from Minnesota [Mr. H. CARL ANDERSEN] is recognized for 60 minutes.

Mr. H. CARL ANDERSEN. Mr. Speaker, it was the privilege of the Minnesota delegation to have delivered to our Speaker and to each of our colleagues this morning his or her specially inscribed Order of the North Star. We did this in behalf of Gov. Orville L. Freeman, the Minnesota Statehood Centennial Commission, and all the people of our State.

This distinctive award was created in connection with the celebration this year of Minnesota's centennial. As an honored member of the Order of the North Star, an individual is entitled to all privileges and rights of Minnesotans, including full enjoyment of her 10,000 lakes, theater of seasons, scenic and vacation wonderland, and the warm hospitality of her superlative people. It is an appropriate award given to our distinguished friends by the North Star State.

Members of Congress today join a distinguished company of famous people who have received a like honor. Orders of the North Star have been awarded to outstanding men and women such as Ed Sullivan, former President Harry Truman, Gov. Goodwin Knight of California, Vice President Richard Nixon, Premier W. A. C. Bennet of British Columbia, and other famous people.

We of the Minnesota delegation are proud of the opportunity to extend this honor to our colleagues and to add our word of welcome in inviting each and every one of you and your families to come to Minnesota during our centennial.

As members of the Order of the North Star you will be entitled to many special and unusual privileges. We have, for example, reserved our biggest and best fish for your pleasure. The sky blue waters of our lakes beckon to you. Our abundant pheasants and other game await the nimrods. All the people of Minnesota bid you welcome and assure you a memorable visit with us.

Surely, there could be no more refreshing and rewarding experience after a long, hard session of Congress than a sojourn in Minnesota. Come relax with us in our paradise of water and woodlands, and we know you will come back again and again.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. H. CARL ANDERSEN. I will be delighted to yield to my good friend from Massachusetts [Mr. MARTIN].

Mr. MARTIN. I join in expressing my sincere congratulations to the people of Minnesota in observing their hundredth anniversary. As one who has often gone to the North Star State, I am glad to testify you will find the celebration one that will appeal. The charms and beauty of the State with 10,000 lakes is of great appeal. Minnesota can well be proud of its progress in 100 years.

Settled in the early days by immigrants who came from a similar climate in Europe, they have built a great State of tremendous resources and a population of hearty Americans. A visit to Minnesota this year will be well worth while.

Mr. H. CARL ANDERSEN. I thank the gentleman very much.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the majority leader, the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. I congratulate the delegation from Minnesota on having us pause today to reflect upon the glory of the great State of Minnesota, which is celebrating this year the hundredth anniversary of its admission into the Union, and on the great contribution that has been made by the people of Minnesota to the stability, strength, and progress of our beloved country.

The 100th anniversary of the admission of any State into the Union is a very important time not only for the State itself but for the people of our entire country. As we sit here today commemorating the 100th anniversary we can let our minds travel back to the time 100 years ago and we can visualize the stamina, the will, the determination, the strength, and the character of the people who lived in Minnesota then. We can visualize their hope and expectation of Minnesota being admitted as a State and their happiness and joy when Minnesota did become a State. We can visualize Minnesota then with its comparatively small population. Today we see it with a population of over 3 million human beings; good, stalwart, sound, liberty-loving Americans. We today can see what Minnesota has contributed and what the State of Minnesota is today. And what Minnesota is today is what the people of 100 years ago visualized and hoped and prayed for in their time. Their hopes and prayers and their vision have more than materialized because the State of Minnesota today is truly one of the great States of our great Nation. We can see the sturdy people who pioneered in that Territory prior to statehood. We realize the hardships of their journey to that Territory and the difficulties they underwent. We can visualize their pioneering spirit, their deep faith, their love of God, and their love of neighbor. Coming from the State of Massachusetts as I do and as my dear friend, the minority leader [Mr. MARTIN] does, too, we of the State of Massachusetts join with the people of Minnesota on this their 100th anniversary. We congratulate the people of Minnesota. We are proud of the great history of the State of Minnesota and the great contributions made by the people of Minnesota today and in past decades and past generations of Minnesotans. As we stand here, let us hope that this great legislative body will still be in existence 100 years from today when the 200th anniversary of the State of Minnesota will be commemorated.

Mr. H. CARL ANDERSEN. I thank the gentleman very much.

Now, Mr. Speaker, I yield to my colleague, the gentleman from Minnesota [Mr. BLATNIK].

Mr. BLATNIK. Mr. Speaker, I am privileged to join our Minnesota delegation from both sides of the aisle in paying tribute this afternoon on the floor of Congress on the centennial observance of our great North Star State of Minnesota. I express, at the outset, my personal appreciation for the very considerate, sincere, and genuine remarks just made by our able, respected, and beloved majority leader, the gentleman from Massachusetts [Mr. McCORMACK]. As we look back through the years of the past century, I think uppermost and first in our minds and in our hearts there comes the realization that we are paying tribute to the memory of the pioneers who, as the gentleman from Minnesota has said, first moved into the southeastern part of the State, then moved northward opening up and developing the fertile, rolling plains that make up the great bread basket and indeed the bread and butter producing area of the world. I come from a little farther north, where the agricultural area begins to mingle in with the trees, and the trees finally yield to the forests, and the rugged northland lake country, sometimes called the land of Paul Bunyan; sometimes called the land of the Seven Iron Men, the Merritt brothers, who at the turn of the 19th century, following in the footsteps of the timber cruisers, discovered this red dirt which they learned to be iron ore. They discovered and opened the great iron range, which was called the Mesabi Iron Range. Mesabi means sleeping giant. So Paul Bunyan, the Seven Iron Men, characterized the hardy and sturdy character of those pioneers. Diverse in nationality, Scotch, Irish, English, Swedes, Norwegians, Finns, Germans, Poles, Austrians, Yugoslavs, Italians, Greeks—what a mixture; but all of them bound together by their common determination to make in this rugged land their future homes.

With bare hands they opened up and developed this rugged wilderness; a mixture of nationalities that gives us one of the most stirring, heartwarming areas in the country. Truly a united nations, even in those early days. The animosities which characterized their homelands were forgotten as they lived in friendliness and neighborliness. They made great sacrifices and we dedicate ourselves, we pledge ourselves, we who were given by them and because of their sacrifices, an opportunity for a way of life which they never could have; that we in our way and with greater means at our disposal, shall in some measure, whatever it may be, make our contribution to the posterity and strength and greatness of this country, and for a better life for the generations to follow, as have these forefathers of ours who made it possible for us to live this life of ours.

Many of the early settlers came to northern Minnesota to escape the tyranny and poverty of their former homes. Germans and Slavs from central Europe, Greeks and Italians from the Mediterranean area, Scandinavians and peoples from many other lands came together with a common goal—a common dream. And out of a wilderness that was northern Minnesota just a half century ago they have done wonders.

The schools of my District were the envy of the Nation. These hardy folks knew the value of an education they had been denied, but they made certain that their children would not be so denied. Even today the activities of many of the small towns in the area center around the schools of which the people are justly and rightfully proud. They have accomplished, in a large measure, what they set out to do and that is provide their children with a better way of life than they themselves had known as children.

These people have played an immensely important role in the growth of America. From their sweat and toil in the mines came the great bulk of iron ore needed to feed the Nation's steel industry in times of peace and in war. At one time the area furnished up to 80 percent of the Nation's iron-ore needs.

The great iron ore fields are being rapidly depleted, however, and more and more we must turn to lower grade ores for our domestic ore supplies. In the past 6 years over $600 million has been invested in the gigantic taconite industry which extracts iron ore from the great masses of taconite rock which literally extends throughout the entire area. In the next 10 years it is estimated that another $600 million will be invested by private industry making it one of the largest private capital investments in modern times. The development of the taconite industry in the Eighth District marks the beginning of the second phase in the area's development. Sixty-four years ago next week the first iron ore was shipped from the Vermilion Range. Eight years later the ore began trickling out of the great Mesabi Range. It has never stopped flowing, nor will it for the foreseeable future now that the technique to extract iron from taconite rock has been developed.

In addition to iron ore tremendous amounts of grain, barley, and wheat are shipped out of the area's Great Lakes port of Duluth-Superior where the world's largest grain elevator can be found. Only New York surpasses this port, located 1,500 miles from the sea, in terms of total tonnage shipped. With the completion of the St. Lawrence Seaway scheduled for next year this activity is bound to increase. With the deepening of the Great Lakes connecting channels due for completion by 1962 or 1963 Duluth will actually become the Nation's westernmost Atlantic seaport—the terminal port of the world's "eighth ocean"—the Great Lakes-St. Lawrence Waterway.

The development of taconite and the seaway open whole new vistas for the future of northeastern Minnesota. Progress undreamed of before is now fast becoming real. Whole new towns where just 5 years ago there was but wilderness have sprung up. Thousands of new, year-round jobs are now possible where before employment was seasonal to a large degree.

In addition to mining and shipping, a new timber industry is growing, pulp and paper manufacturing is carried on and considerable farming—especially dairy—is carried on. And in the midst of this highly industrialized section of the country there exists one of the Nation's most scenic and wonderous vacation resort areas.

The resort business is itself an industry in northern Minnesota where one of the last remaining wilderness areas in the country can be found. Up in the northeastern tip of the State—the Arrowhead Country—is a real wilderness area comprising part of the vast Superior National Forest. Over one million acres—bigger than the entire State of Rhode Island—situated there barely touched by civilization. By Presidential edict, no planes can fly in, no roads built in an effort to preserve the true wilderness character of the area. The area is considered the best canoe country in the world, and there are facilities for the less hardy as well in modern, efficient resorts and camp sites.

The area is steeped in history. Here were the water trials of the early voyageurs. Up to 1804, as a matter of fact, Grand Portage on the North Shore of Lake Superior was the greatest fur depot in the world—the headquarters of the North West Company of British fur traders. The season's fur catch was gathered there from as far away as the Columbia River to the West. In 1937 the wooden stockade and fort the fur traders used was restored and a museum erected to retain a part of the historical significance of the area. Just today the House Interior and Insular Affairs Committee favorably reported my bill establishing this monument as a national monument and I hope it can be enacted before adjournment as part of the Nation's recognition of the importance of the area in our growth and history.

This then is the Eighth District and I hope that each and all of you some day have the opportunity to visit us, and enjoy its granduers as much as we do.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield again to me?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Mr. Speaker, as further evidence of the great respect that I have for Minnesota and her people, I have specially designated the distinguished gentleman from Minnesota [Mr. MARSHALL] as acting majority leader for the rest of the afternoon session, and also in congratulations to Minnesota on its 100th anniversary, to appoint the gentleman from Minnesota [Mr. MARSHALL] to adjourn the House.

Mr. H. CARL ANDERSEN. I appreciate that.

Mr. Speaker, I would like now to yield to our distinguished colleague from the Second District [Mr. O'HARA].

Mr. O'HARA of Minnesota. Mr. Speaker, on the occasion of the 100th birthday of the State of Minnesota, it is well to review the hundred years since Minnesota was recognized as a State.

In reviewing this 100 years of progress, every honor is due to the pioneers who initiated and molded the development of our State. These pioneers, in an area rich in valuable natural resources and advantages, from the timberland and the iron ore in the northern part of the State to the fruitful agricultural region of the southern part of the State, developed both industry and agriculture.

These pioneers were typical Americans—God-fearing men and women, gifted with unlimited courage and tireless industry—who created our way of life for us today and left to succeeding generations a precious heritage of spiritual and cultural fiber and inspiration.

It has been my great privilege to serve the 14 counties that make up the Second Congressional District in Minnesota. They are: Blue Earth, Brown, Carver, Cottonwood, Dakota, Faribault, Jackson, Le Sueur, McLeod, Martin, Nicollet, Scott, Sibley, and Watonwan.

The Second District has made a continuing contribution to the development of our State. History records the names of many men and women of the district who were outstanding in public, professional, business and agricultural life of our State and our Nation, and the civic and industrial enterprises have added much to our national development and our national defense. The intelligence, initiative and enterprise of the citizens of the Second District assure a continuing contribution to the welfare of our Nation.

My very cordial congratulations to the citizens of Minnesota and particularly to those of the Second Congressional District on the occasion of this centennial anniversary observance.

Mr. H. CARL ANDERSEN. Mr. Speaker, I yield to the gentleman from Minnesota [Mr. MARSHALL].

Mr. MARSHALL. Mr. Speaker, it is a great privilege to join with all of the Members of the Congress today who are paying tribute to the great State of Minnesota on its 100th anniversary. Perhaps over the years, 100 years is not a very long time, but to the people of Minnesota it is an important time, because it is the first milestone for years of progress which we hope will come in the future.

Minnesota, the land of the sky-blue water, is a beautiful State. We in Minnesota take pride in our State.

We do hope that all Members of Congress and others who can possibly do so come to our State to take advantage of some of the recreational opportunities it affords and to help us celebrate and enjoy this 100th anniversary of the State. When you come to Minnesota you will come to a place that is beautiful, a State in which we are sure you will find good fishing, a State where you will enjoy the forest, the scenery, our roads and the clear, clean air. You will also see a great agricultural State; you will enjoy visiting our iron mines, the head of the lakes; our city areas; our schools and our churches. We have beautiful granite. Minnesota is truly God's country.

When you come to Minnesota you realize that it is a State that has been settled by people who desired to make their homes there. Much of the settlement of Minnesota was by people who came from the far corners of the earth and from many parts of the United States in order that they might build homes for their families and in order that they might raise their families in the Christian faith. We have strong family ties. These church groups came there and established their roots in that State because of their desire for religious freedom. One of the grandest examples of church work in the State was that done by the great patriotic Archbishop Ireland, by encouraging people to come there from the Old World to settle in Minnesota in order that they could establish their homes in a land where they could raise their families in a way that would reflect the dignity of God. These settlements are a firm base for strength of our State. No less in devotion to family life were those of other faiths and national origin. I think I should also call attention to the fact that while we think in terms of a hundred years as being a comparatively short time, yet in the lifetime of many of us we have seen much of that progress take place. My predecessor in Congress, the Honorable Harold Knutson, served our district for approximately one-third of a hundred years. It was his privilege to see a lot of that progress.

It has been my privilege to associate with the pioneers and the people who have played a great part in the State's progress and the building of the State of Minnesota. Minnesota stands there as a great monument to their efforts and holds forth the promise of a great future.

Again let me say that I hope all who possibly can do so will come to Minnesota and enjoy our hospitality and help us celebrate. I would like to say to those who come expecting to do a little fishing, bring your own bait with you because our fish are just too big for good bait.

Mr. BLATNIK. Mr. Speaker, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Minnesota.

Mr. BLATNIK. Mr. Speaker, I know the sincerity and modesty of the gentleman from the Sixth Congressional District of Minnesota, but for the record I would like to point out that no one in the Minnesota delegation, as far as I know, has roots established more deeply and more firmly in the history and traditions of Minnesota than the gentleman who just spoke [Mr. MARSHALL]. He was born and raised on the farm established by his grandfather, a farm on which he and his gracious wife and fine sons still live, in the heart of Minnesota's farm belt.

Mr. MARSHALL's father was one of the very early agricultural agents in the area, one of the agricultural leaders. Almost half a century ago he was urging the development of an extension program to help the pioneers in their work of clearing the land and breaking the soil to become a great agricultural area.

I say to the gentleman from Minnesota [Mr. MARSHALL], that because of his modesty I know he would not refer to the important place his family had in the development of the State, but I want the RECORD to show these facts.

Mr. H. CARL ANDERSEN. I thank the gentlemen from the Sixth and Eighth Congressional Districts of Minnesota for their remarks. I might add to the remarks of the gentleman from the Eighth District that Mr. MARSHALL's father was the first agricultural county agent in the State of Minnesota. He served faithfully and well over in my Congressional District, the Seventh, in the county of Traverse.

Mr. MARSHALL. Mr. Speaker, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Minnesota.

Mr. MARSHALL. I wish to thank my colleagues for their comments and without seeming to be more than just humble, all of the blood in my veins and in the veins of my wife came from people who have lived in Minnesota for the length of time we are celebrating the 100th anniversary.

Mr. H. CARL ANDERSEN. The gentleman is illustrative of the sturdy stock which has taken part in making Minnesota the great State it is.

Mr. Speaker, I ask unanimous consent that the gentlewoman and gentleman from Minnesota [Mrs. KNUTSON and Mr. MCCARTHY] may extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. MCCARTHY. Mr. Speaker, I am pleased to join my colleagues in extending to all Members of the House an invitation to visit Minnesota's Theater of the Seasons during this our centennial year. Vice President NIXON blazed the trail last Saturday when he journeyed to the land of 11,007 lakes to open Minneapolis' annual celebration of its world-famed aquatennial. Members who may find themselves a little too busy just now to follow the Vice President's example and take part in that summer festival may perhaps be able to make amends for this inadvertent slight to our great State by visiting Minneapolis' sister city, St. Paul, during Minnesota's invigorating winter season and joining in its exuberant tribute to King Boreas Rex during the week of its winter carnival. Members who may be afflicted with ochlophobia and may wish to avoid the vast crowds which frequent both of these celebrations can find many a green and secluded spot within the State where they may rest from the heavy burdens of statesmanship and devote themselves to swimming, boating, hunting, fishing, or merely passively contemplating the natural beauty of the North Star State. Wherever they may go they will be sure to encounter that characteristic hospitality of her citizens to which Mr. Fernós-Isern, the Commissioner of Puerto Rico, has so graciously paid tribute. The warm friendliness of which Mr. Fernós-Isern spoke arises not merely from compassion on the part of Minnesota's citizens for the inhabitants of lands less delightful to behold, but betokens in many cases a feeling of identification with the visitor, for Minnesota, as I have remarked before on the floor of the House, is a miniature United Nations. Members of many races, who have come from many other parts of the United States and from many foreign lands have played a part in her hundred-year saga, and their descendants today have at least a latent racial memory of what life was like before they or their forbears moved to what we in Minnesota regard as a land only "This Side of Paradise" to borrow the title of a novel by one of Minnesota's most famous sons, F. Scott Fitzgerald.

Many a casual visitor to our State has later returned to become a permanent inhabitant. Those who, while grateful for the solace afforded to mind and heart by Minnesota's natural beauty, may be unwilling or unable to devote full time to the contemplation of that beauty can find ample opportunity within our progressive State for the exercise of their commercial or professional talents. Minnesota has long been considered one of our Nation's great agricultural States. It has been such in the past and is so today, with some 180,000 farms, 4 out of 5 of which are owner-operated. Yet industry is by no means a minor factor in the economy of the State. In 1948, for the first time in the history of the State, the dollar value of manufactured products exceeded cash farm receipts. Sauk Centre, Minn., was the setting of Sinclair Lewis' famous novel, Main Street, and there are many main streets throughout the State whose small-business men did nearly $4 billion of retail sales in the calendar year 1957.

Physicians know Minnesota as the home of the Mayo Medical Center and of the University of Minnesota hospitals. The famous Sister Kenney, it will be remembered, when she came to this country to advance her great crusade against crippling polio, established herself in the city of Minneapolis. Intellectuals need not fear that they must abandon their books and scholarly interests and immerse themselves wholly in nature when they settle in our green and rustic land. They can turn for intellectual stimulus to the University of Minnesota with its many extension and community-service programs to 1 of our 5 State colleges, or to 1 of 14 excellent private colleges. The musically inclined can look to the performances of Minneapolis' world-famous symphony orchestra, and to many college and civic music groups throughout the State. The art lover will find a number of first-rate art galleries and abundant evidence of creative activity in painting, sculpture, and architecture. St. Johns University, one of our fine private colleges, has recently embarked upon a 100-year building program, employing the services of the eminent architect, Marcel Breur, which has won international recognition.

In short, Mr. Speaker, Minnesota is not only one of our country's finest vacation lands but offers many advantages—economic, social, cultural, climatic—to him who would make his home among us. He will find even in our largest cities much of that unassuming friendliness and concern for the welfare of one's neighbor which is habitually associated with the small midwestern town. In 1858, when Minnesota was admitted to the Union, it had a scant 150,000 inhabitants. Today it has over 3 million, but its dynamic and expanding economy, based upon a rich endowment of natural resources, can accommodate many more. Minnesota's territorial seal bore the motto, "Quo sursum volo videre"—"I wish to see what lies beyond." This is a fine emblem, I think, of the habits of thought which have characterized Minnesota's ambitious and forward-looking citizenry during the first 100 years of the State's existence, and which will continue to mark its unflinching acceptance of the role it is called to play in the century to come.

Mrs. KNUTSON. Mr. Speaker, on behalf of the people of my District, and of all Minnesota, I wish to extend you a warm invitation to visit us. As honored members of the Order of the North Star, you honor us, but you can really do us no greater honor than to spend some time with us to give us a chance to show you our Minnesota hospitality. We, of Minnesota's Ninth District share with Congressman MARSHALL's good constituents the great Itasca State Park area which is the birthplace of the Mississippi River. Our District has for 100 years enjoyed the claim to the northernmost point in the United States, the North Star of the North Star State. We are proud this year to relinquish that claim to the new State of Alaska. The citizens of Bemidji have always felt that our neck of the woods was Paul Bunyan's famous playground and homeplace. From him we inherited a profitable lumber industry, and in Bemidji we have huge statues in his honor. The Red River Valley of the North runs through my District—and there is good fishing and hunting—and the Red River is one of the few rivers in these 49 States of ours which flows due north.

The Ninth District is the newest in settlement but it contributes its share to the importance of Minnesota. Many of our 10,000 lakes are in our District. The people of the Ninth District are proud to have the unfortified border along Canada. We are proud of our Indians and that the Red Lake Indians have one of the best treaties any tribe ever negotiated with the United States Government.

Come to Minnesota and experience some of the warmest handshakes in the world.

Mr. RAY. Mr. Speaker, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from New York.

Mr. RAY. Mr. Speaker, it gives me much satisfaction to be able to take part in this celebration of Minnesota's centennial. My father went to Minnesota about 1858 and my mother's family moved there some years later. I was born and grew up in that State, and it is still home to me after 35 years' absence.

I know its lakes and rivers, its farms, its cities and, most important, its people. There are none finer.

Mr. Speaker, when I count my blessings, I place near the head of the list my good fortune in having been born in Minnesota and in having the chance to grow up among its people.

Mr. H. CARL ANDERSEN. I thank the gentleman.

Mr. Speaker, I inadvertently left out a gentleman who I think will make the greatest mark of us all here. I refer to our latest addition from Minnesota [Mr. QUIE]. I yield to Mr. QUIE at this time.

Mr. QUIE. Mr. Speaker, I come from the southern corner of Minnesota, representing the area that was so capably represented before by the late August Andresen for so many years. This is the area into which the people moved first in Minnesota.

My grandfather came out there before the Civil War. Because of the circumstance of people marrying late in life, I was able to hear some of the stories of the old days when I was a child, about how the pioneers of those days worked the soil and took their wagon loads of wheat down to the river ports of Red Wing, Lake City, Wabasha, and Winona. The history of this area runs older than the United States.

This Congressional District in which I live did not belong to Britain before it became a part of the United States. As late as 1803 this area belonged to Spain, who earlier had secured it from France. As the years unfolded the people came up the Mississippi River and a great many of them settled in the southeastern part of the State of Minnesota. It is a fabulous part of Minnesota as you might observe if you flew as I did this morning across that area and saw the rich farm country. This is the time of the year when the corn is up to one's shoulders, the grain is ripe and lying in the swath, and the second crop of hay is being grown. These rolling hills are a beautiful sight.

The people who live in the First District of Minnesota are the backbone of America from the wilderness that existed more than 100 years ago, they have formed the farms, villages and cities which truly depict modern-day America.

The pioneers erected the foundation for great industrial and business growth in this area. The area has not even today realized the fullest extent of development, and a bright future extends ahead.

The District holds even more than fast-growing industries, thriving communities and productive farms. It contains the great medical center of the United States—the Mayo Clinic at Rochester. And, too, the area is a cultural and spiritual treasure house, with opportunities for intellectual and religious training springing from institutions such as St. Theresa's, St. Olaf, St. Mary's, Carleton, and Winona State. These schools were nurtured by many people who had not enjoyed the benefits of much formal education themselves—but who were determined that those who followed them would have these advantages.

The First District is a tourist's mecca, rich in trout streams, pheasants and natural beauty. A great hardwood area, it provides a symphony of color when the leaves turn. It is a tremendously vivid section at any time of year—spring, summer, fall or winter.

I do not think you will ever be able to find a more beautiful spot in the United States than down there in the southeastern corner of Minnesota.

Mr. Speaker, it is a great honor for me to represent the people in that section here in the Congress of the United States, and I do not believe they could choose a better place in which to live. I realize the great history that we have, but also the great future we have in Minnesota, with our people of vision and courage, with our water and land resources. If anybody wants a home that will be a true home for them, they can come to Minnesota and we will welcome them with open arms to live or visit or any way they choose.

I thank the gentleman from Minnesota [Mr. H. CARL ANDERSEN] who so capably represents the Seventh Congressional District for this opportunity.

Mr. H. CARL ANDERSEN. I appreciate very much the splendid remarks made by my colleague from Minnesota. He has made a wonderful contribution to the program here today.

Mr. LIBONATI. Mr. Speaker, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Illinois.

Mr. LIBONATI. Mr. Speaker, I hunt and fish in Minnesota. I notice that our orators in discussing the progress of each State of the Union that its development in a cosmopolitan sense was the work of the pioneers of various extractions; that factor is fundamental and resulted in focusing the attention and activity of the populace toward promoting the welfare and the future progress of its people. So, as to Minnesota, blessed by God with its beautiful waters and scenic grandeur as though touched by God; its woodlands, of profound quietness, and solitude, seems to be almost a religious acceptance of having at least a feeling that God is touching one; and certainly in your valiant efforts to establish yourselves have contributed much to the future and hopes of this Nation. Your courageous and brave men in all the wars have stood out in bold, heroic action from the Civil War to the Second World War and the Korean conflict. But, one nice thing about these groups that are made up of various extractions, they have a high sense of gratitude for those who served in the Armed Forces. The Legislature of Minnesota bears out what I say because of its legislation that has in some way always contributed to the welfare of its service men and women. In the patriotic contribution of a State to its own in gratitude you will find solidarity of citizenship and loyalty to family; and in the extractions that comprised the pioneer groups that were enumerated here by our distinguished colleague Congressman FRED MARSHALL; I know that these same solid family groups also gave sinew and fortitude to this Nation, because of the fact that in their every religious precept they have a keenness for social justice toward one another and a fraternity that calls for patriotic sacrifice, even life itself to the strength of a State in its contribution to the safety of a great Republic.

Thus, Minnesota the brilliant State—star of the north-central border States of the United States—now enters upon its centennial celebration of its statehood. We join with our colleagues from Minnesota in proclaiming the great achievements and contributions made by the loyal citizens of our sister State to the Nation. In every crisis confronting our Nation, Minnesota has been in the forefront carrying its responsibilities with a loyalty and honor equal to any of her sister States.

The wars have taken their toll of her brave and heroic sons and daughters. Her patriotic devotion has added luster and decorations to her State standard. Her legislature has ever reflected the true appreciation of her people for the men and women of the services. The hospitality of her people toward the thousands of vacationers that enjoy the wonderful recreational areas and beautiful scenery of her expansive woodlands and sparkling streams and lakes—fishing and hunting—a fairyland in the expressive sacred silence of nature's bosom—knowing that, man feels closer to God.

Minnesota sometimes translated from the French word, mini—water and the Greek term ending sote, meaning sweet is certainly true to its name with its 10,000 lakes of sweet water teeming with fish and animal life in a scenic land of the beauties of nature.

Of course there is the industrial, agricultural, cultural, and welfare considerations that serve to emphasize the functional importance of Minnesota's activity among the operational life of the States—establishing its prominence among the States of the Nation. The role she has played in American life has been a steady pioneeric progress through the years. Meeting every sacrifice and problem with the fierce persistency of its Nordic, Mexican, Spanish, Italian, Greek, Polish, Scotch, Irish, German, Hungarian, Jewish, French, and all new citizen-pioneers. Today there are old family strains with roots deep in the history of Minnesota, but the offspring are only following through on the sweat-sopped paths of their predecessors who wrote the history and progress of Minnesota with prayers, blood, and tears. Its progress through the years can best be studied through the following data:

Minnesota was admitted to the Union May 11, 1858. The Gopher State ranks 12th in area and 18th in population—1956—among the 49 States. Its 84,068 square miles of which 4,059 square miles are inland waters comprising almost 10,000 lakes. Its population was estimated in 1956 as 3,260,000.

The progressive attitudes of its people are best indicated by the modernistic advancement of its laws affecting the fields of education, social welfare, mining, transportation, and communications. In 1955 and for some years previous Minnesota was first among the States producing iron ore, and stood eighth in the total value of its mineral output, which accounted for 3.18 percent of the national total.

There are upwards of 330,876 family and hired workers engaged in farm-

ing—1954—some 165,000 farms covering 32,285,000 acres, including 19,493,000 acres in harvested cropland. Livestock—4 million cattle, 3.2 million hogs, three-quarter million sheep, and 24 million poultry.

The labor force of 1,456,000—1957—including 332,000 agricultural workers and nonagricultural employment, numbered 939,400.

There are 5,100 manufacturing plants employing 220,000 persons who received over $1.01 billion in wages averaging $83.50 per week.

The grateful American people are happy to call to the attention of the Nation the great record of achievement made by our fellow Americans of the State of Minnesota. And it is with the glory of God and prayers for the strength and maintenance of the Republic that the freedom of freedom loving nations might live that we salute the State of Minnesota on its steadfast and undying strength and progress to sustain the life and power of the Republic.

I received my appointment to the Order of the North Star and humbly thank the delegation of Minnesota for their great kindness to me. I hope to be of service toward realizing your aims and ambitions in furthering the success and programs of the great State of Minnesota. We again thank the loyal, the proud, the brave, and the beautiful Minnesota.

Mr. H. CARL ANDERSEN. I thank the gentleman from Illinois.

Mr. AVERY. Mr. Speaker, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Kansas.

Mr. AVERY. Mr. Speaker, I wanted to make this observation. Those of who are not well versed on Minnesota history had assumed that in order to accomplish as much as Minnesota had accomplished, it must have been a member of the Union for perhaps 150 years or possibly 200 years. It would ordinarily take that long to have developed the great statesmen they have had. However, when I stop to think about the fine record made by the gentleman from Minnesota representing the First Congressional District in his relatively short time in Congress, I can understand it. If one new Member can advance as fast as he has in a few months' time, then it is easy to comprehend why Minnesota could accomplish so much in 100 years.

Mr. Speaker, I should like to say that the gentleman from Minnesota, Mr. QUIE, has been among us now for some 5 or 6 months. He has become acquainted and well established with Members on both sides of the aisle, let me add. Further than that, he has become, as it appears to me, perhaps the spokesman for the great dairy industry in Minnesota.

I thank the gentleman for this opportunity.

Mr. H. CARL ANDERSEN. Mr. Speaker, I might say to the gentleman from Kansas that, in my opinion, the gentleman from Minnesota [Mr. QUIE] will make a very worthy successor to our late departed and very much respected former colleague, the Honorable August Andresen.

Mr. LAIRD. Mr. Speaker, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Wisconsin.

Mr. LAIRD. Mr. Speaker, as a Representative in Congress from the neighboring State of Wisconsin I should like to pay special tribute to the great State of Minnesota, a fine neighbor and a great friend of Wisconsin. On this, your 100th anniversary, you are to be commended for your great contributions to good government and for the activity which Minnesota has engaged in not only in the field of dairy legislation, but in the great interest that the farmer in the field, the worker in the factory, and the housewife in the home have shown in our great country.

Minnesota in 100 years has made a great contribution to the United States. We in Wisconsin, although but a few brief years older than Minnesota, as far as statehood is concerned, appreciate Minnesota as a good neighbor and a real friend.

I happen to have had the privilege and the opportunity to attend school in Minnesota, at Carleton College. I know Minnesota well, and on behalf of the entire Wisconsin delegation I wish to congratulate our neighboring State of Minnesota on this, her 100th anniversary.

Mr. H. CARL ANDERSEN. Mr. Speaker, I thank the gentleman from Wisconsin very much.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from West Virginia.

Mr. BAILEY. Mr. Speaker, it is refreshing indeed to see the vigor with which the Minnesota delegation in the Congress is taking advantage of the 100th anniversary of her statehood to get before the Congress and the Nation as a whole, the many fine qualities of this land of the North Star. I was agreeably surprised this morning to find on my desk membership in the Society of the North Star. I deeply appreciate it.

On my limited visits to the State of Minnesota, when I have seen its blue lakes and the fine flow of its rivers of unpolluted waters, I have always had a yen to go fishing. I have noted particularly the qualities of Minnesota's people, somewhat like us Virginians, kindly and courteous to strangers. It reminds me that we have something in common.

May I say, too, in addition to being the so-called breadbasket of the world, Minnesota might well be considered the melting pot of the Nation, in that her great conglomeration of nationalities has been welded into a fine citizenry. I congratulate her.

Mr. H. CARL ANDERSEN. I thank the gentleman.

Mr. HOSMER. Mr. Speaker, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from California.

Mr. HOSMER. Mr. Speaker, I, too, would like to join in offering congratulations to the State of Minnesota on the wonderful occasion of her 100th anniversary. I well know the loveliness of that State. I want to take this occasion to express my gratitude to the State of Minnesota for what I believe has been one of its loveliest products, namely, one Marian Swanson, born and reared in Minneapolis, whom I persuaded to come to my own lovely State of California and become my wife.

Mr. H. CARL ANDERSEN. I can well see that the gentleman from California is proud of Minnesota and I thank him for his statement.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the distinguished Speaker of the House, the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. This morning the Minnesota delegation came to my office and conferred upon me the Order of the North Star, signed by the Governor. It states that it bestows upon me all the privileges and rights of Minnesotans, including full enjoyment of her 10,000 lakes, theater of seasons, scenic and vacation wonderland, and the warm hospitality of her superlative people.

May I ask the gentleman from Minnesota if that confers upon me the right to fish in Minnesota without buying a license?

Mr. H. CARL ANDERSEN. I will see to it, Mr. Speaker, that if you will come up there we will permit you to fish without a license.

Mr. JUDD. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. ZABLOCKI] and the Commissioner of Puerto Rico [Mr. FERNÓS-ISERN], be permitted to extend their remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, I am honored to have been made a member of the Order of the North Star by the people of the State of Minnesota on the observance of their State centennial.

I have had the privilege of visiting the fine State of Minnesota several times, and I agree with the many nice things my colleagues from Minnesota have said about it—particularly its beautiful scenery, and its many lakes. I can also attest to the hospitality of its fine people. I want to urge those colleagues of ours who have never visited the Middle West to partake of the hospitality of the State of Minnesota during the observance of the centennial.

While they are in the Middle West, however, they should stop in the neighboring State of Wisconsin, whose wonderful vacation facilities, and the friendly spirit of its residents, are yet to be excelled.

Mr. FERNÓS-ISERN. Mr. Speaker, it is with pleasure that I rise to salute the people of the North Star State of Minnesota on the occasion of its 1958 centennial.

This is a great occasion for the North Star State, whose scenic wonders are known well by all Americans. The productive energies of the people of Minnesota are likewise a matter of knowledge throughout the Nation. The pioneers who first battled nature in this north country and who struggled in the

face of great odds have set a pattern of courage and the will to do, which has been followed by Minnesotans ever since.

Minnesota is more than a land of lakes, or a place of scenic beauty, or a setting of wintry whitenesses, or of summer greenery, or of rich dairy farming, or agricultural wealth. There is a solidness about Minnesota and a spirit of warm friendliness in its people.

I had the pleasure to visit Minnesota 3 years ago to attend the Aquatennial. I, a Puerto Rican, from a tropical island, found myself perfectly at home in this northern scenic beauty. Of course, some of this feeling was inspired by the fact that Puerto Rico's Carnival Queen was being especially honored in this occasion. She came all the way from Puerto Rico for the festival.

But more than anything, it was the Minnesota people whom I met, through their characteristic hospitality, who made me feel I was no stranger there. I was inspired on this short visit to feel that this great State is a place where I must return to spend more time.

Now, I say congratulations to Minnesota and all her wonderful people and to her statesmen in Congress, who represent her so skillfully and with great devotion in national affairs. Today is a day of history for Minnesota and the entire Nation.

Mr. H. CARL ANDERSEN. Mr. Speaker, I now yield to the gentleman from the Fifth District of Minnesota, Dr. JUDD.

Mr. JUDD. Mr. Speaker, some people love and appreciate a State because they were born in it; a person always is attached to the place of his birth and the familiar surroundings of his youth. But perhaps to as great an extent as almost any State in the Union, most of the people in Minnesota until quite recently were not born there, they came there. I am one of those many persons who are not Minnesotans by birth, something beyond our own choice. We voluntarily chose the States as ours. I was born and educated in Nebraska and got into Minnesota when I went to the Mayo Clinic years ago to work there as a young doctor. We liked the State and its people so much that Mrs. Judd and I decided it was the place where we wanted to live and work and bring up our children. We have never regretted that choice. The worst thing about serving in the Congress these 16 years, a change of occupation we never thought of at that time, is that we are not able to spend more time in Minnesota—its lakes in the summer, its snows in the winter, its warm-hearted friendly people the whole year round.

People of about 36 nationalities have participated in the building of the State of Minnesota, but there has been no racial or cultural friction in the history of the State. The early settlers had some trouble with the Indians a few times, due to difficulties usually brought on more by the white men than by the Indians.

A few years ago at the annual dinner of the Minneapolis Junior Chamber of Commerce to which the young businessmen invite their bosses, the older generation of leading executives, I was reminded how recently so many of us had come to Minnesota. It included all the leaders who participated in the program. The mayor of the city was born in Sweden. The Governor of the State was the son of an immigrant from Sweden. The man who responded for the bosses, was the son of an immigrant from Norway. The president of the junior chamber of commerce was born in Greece. The program chairman was born in England. There was, of course, one from Canada. The man who was honored as the Young Man of the Year in Minneapolis was a Negro, grandson of a slave. Yet no one of them thought of himself or of any of the others except as fellow Minnesotans.

It seemed to me that this was typical of our country and of our State at their best. The only thing that counts is what the individual is himself.

The people who came to Minnesota were not driven there; they were drawn there. They were not refugees or displaced persons. They deliberately chose to leave lovely places in home countries that were at peace to come to Minnesota. The opportunities there, of all sorts, were so attractive that they were willing voluntarily to pull up their roots in their native lands in order to come to this goodly land and sink down here new roots and build their homes and their families and their churches and their schools and their farms and their highways and their industries and all the things that we are proud of there today.

Minnesota has been under four different flags. First she was under the French. St. Anthony Falls, where my own city of Minneapolis was started because of the waterpower there, was discovered by Father Hennepin. He and Father Marquette, Father Nicollet, and others were the pioneering French fathers who first explored the rivers and the land. Then for a time it was under the British flag, then under the Spanish flag until the Louisiana Purchase, when it came under the United States flag.

People in other States have come to think of Minnesota as Scandinavian, and it is true that the Scandinavians—that is, people from Sweden, Norway, Denmark, Iceland, and Finland—make up the largest ethnic and cultural group in our State. It is not generally realized that there are more people of German ancestry than any other single nationality.

By and large the predominant groups of immigrants were people skilled in forestry, agriculture, and the mechanical arts. Minneapolis, St. Paul, and our other cities have relatively few large mass production industries, such as the great flour mills, Minneapolis-Honeywell, Minneapolis-Moline, and so on. But there are literally hundreds of industries which employ 50 to 500 workers manufacturing articles that require precision work with metals and machines. The attention to detail and superior skills and proficiency required in their work carry over into their citizenship. They are generous supporters of causes and programs that build good communities.

Among the earliest attractions of the State, of course, were its waters and its woods. "This is the forest primeval, the murmuring pines and the hemlock," as Longfellow immortalized them, mostly in the northern half of the State. The people who were especially drawn there came largely from northern Europe, because the woods and the climate of Minnesota were so much like the lands from which they came. Unfortunately, a great many of those forests were slashed before scientific forestry was understood. Only now is a second crop beginning to mature, and a few sawmills are being set up here and there for the new crop of pine.

Agriculture developed in the southern half; not great fields of wheat and small grains as in States farther west and south, but family-size and family-operated farms. Specialized agriculture, particular dairy farms with milk, butter, and cheese, chickens, and eggs, and turkeys, thrived, because of the combination of climatic, soil, feed grains, and other conditions which are most favorable for those products.

Then the great Mesabi Range of iron ore deposits in the region from which our colleague [Mr. BLATNIK] comes, was discovered at the head of the Great Lakes. Minnesota added another string to her bow—mining. Most of the steel in the buildings of the whole United States and most of its bridges were constructed from iron ore out of the soil of northern Minnesota. And how many of the cities along the Great Lakes from Duluth through Detroit, Toledo, Cleveland, Erie, and Buffalo—cities from which so many of our colleagues come, owe their growth and prosperity to iron ore from Minnesota.

Then, of course, in the most recent years, perhaps the fastest growing industry has been recreation. As has been said, we have sports all year round. We have 11,300 lakes—a few hundred more after 2 years of good rains. When I went to England one fall during the war and had opportunity to sit in on a briefing after a group of bombers came back from a raid over Germany, the first question one of the Minnesota boys asked me was, "How was the fishing this year?" The second boy asked, "What is the matter with our Minnesota football team this year?" I suppose that was not unique. If there is any family in Minnesota some of whose members do not go fishing a few times during the year and talk about it all the rest of the year, I have seldom run across that family. We not only fish in the spring, summer, and fall, but thousands sit hour after hour in little shacks fishing through the ice in the wintertime. We have other sports for every season—duck, pheasant, and deer hunting, canoeing, camping, sail boating, skiing—all of the great outdoor sports. More and more people in other States are discovering how good it is to spend the summers in Minnesota, even if they spend the winters in California, Arizona, Texas, or Florida. I think there will be an increasing semiannual migration of people, just as the birds do each spring and fall, going south for the winter and coming to Minnesota for the summer.

The great progress the State of Minnesota has made in the field of education

has been mentioned. We have the third largest university in the Nation and some of its schools have worldwide recognition for the quality of their scholars and their instruction. We have several extraordinarily good colleges, standing at the very top in our Nation. To public life, Minnesota has contributed many outstanding leaders. Two of its present day sons occupy unique places in the hearts of our people, Charles Lindberg and Lauris Norstad, the commander in chief of NATO.

In politics Minnesota and her neighbors to the east and west, Wisconsin and North Dakota, have tended to experiment a little. We have almost always had a third, and sometimes a fourth sizable political party. We do not stick to tradition and party lines as do most people south of the Mason-Dixon line, for example. Therefore, you can never be quite sure what is going to happen in Minnesota politics. That is a part of the nonconformist spirit and the creative pioneering of the peoples who have helped to develop this State to such a wonderful extent in just 100 years.

Our human resources in the end are our greatest resource, our most valued wealth. Concern for its people has been the primary concern through all the years since the first pioneers came.

Mr. Speaker, we are grateful for the nice things that have been said about our State here today. We shall try to be worthy of a splendid past, and demonstrate that worthiness by making the second century even better than the first.

May I close with the opening line of our State song: "Minnesota, Hail to Thee."

Mr. H. CARL ANDERSEN. Mr. Speaker, the members of the Minnesota delegation appreciate more than we can say the fine remarks made about our great State late this afternoon and the fact that so many Members at the end of a long hard day have stayed here to visit with us and listen to us. I personally express for that my double appreciation.

PERMISSION TO REVISE AND EXTEND

Mr. Speaker, I ask unanimous consent that all Members who have spoken on this subject may have the privilege of revising and extending their remarks and that all Members who so desire may extend their remarks at this point in the RECORD.

The SPEAKER pro tempore (Mr. O'BRIEN of New York). Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. KILBURN. Mr. Speaker, I appreciate receiving the Order of the North Star from the members of the Minnesota delegation.

My own Adirondacks in northern New York is somewhat similar to the Minnesota country so this means much to me. I hope to visit Minnesota and take advantage of the privileges and rights included in this Order. I hope the Minnesota delegation will visit us in northern New York where the country will make them feel at home and we will welcome them with open arms.

BRIEFING ON MID-EASTERN SITUATION

Mr. MORGAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MORGAN. Mr. Speaker, to assist members of the Committee on Foreign Affairs, as well as other interested Members of the House in keeping themselves informed of developments in the Middle East, arrangements have been made for Members to be given a situation report at 4 p. m. daily—beginning Tuesday, July 22—in the Foreign Affairs Committee room in the Capitol. These situation reports, which will be in executive session, will be given by Under Secretary of State Herter and by Assistant Secretary of State Macomber. This will provide Members of the House an opportunity to receive official information on current developments concerning the Middle East.

AMERICANS FOR DEMOCRATIC ACTION

The SPEAKER pro tempore. Under the previous order of the House the gentleman from New York [Mr. DEROUNIAN] is recognized for 49 minutes.

Mr. DEROUNIAN. Mr. Speaker, of the many groups that form our political climate, one of the most controversial and nebulous is the group known as the Americans for Democratic Action.

Those who object to its principles speak out against it. Strangely, though, those who foster its beliefs do not come forward to protect it, but defend it by claiming to disown it and by ridiculing those who attack it.

Mr. Speaker, I think it time that those who are on the side of the ADA be forthright in their stand. Also, I think it time that the ADA shed its doubletalk and state its program clearly and concisely so that we may recognize it for what it is.

Once known as the New Deal, then as the Fair Deal, the ADA readily sheds a wrapper as it loses popularity, but its principles remain the same—nothing new, nothing changed.

The ADA promises, through its program, guaranteed full and steady employment and production. Such words as security, freedom, rights, liberal, justice, equality—all, of course, guaranteed—are generously used in the ADA's description of its principles.

It supports the adoption of compulsory Federal health insurance, price and wage controls, repeal of the Taft-Hartley Act, compulsory union membership, unilateral cessation of nuclear-bomb testing, Federal financing of education in preference to local and State, the principles of the Brannan plan wherein the Government accepts responsibility for maintaining the income of the farmers while at the same time inducing the production of an adequate supply of farm products to assure reasonable prices for the consumer. All this, presumably, without Government control over industry or the individual. Also, it recommends aid to Communist China and recognition of its government as well as its admission to the U. N.

And speaking of the Chinese Communist Government which this group wants us to aid and dignify, I read a dispatch from the United Press dated today at 3:13 p. m.:

SAN FRANCISCO.—Father Joseph P. McCormack arrived here today after 5 years imprisonment by the Red Chinese with tales of Communist brutality.

McCormack, 65, of New York City and Ireland, was accompanied by Father Cyril Wagner, 51, of Pittsburgh, Pa., who was a fellow prisoner. Wagner was suffering from asthma and fatigue and said nothing to the press.

McCormack said much of his imprisonment was in a cell 6 feet by 4½ feet which he shared with 4 other prisoners.

Guards kept lights shining on the prisoners, he said. Because they were not allowed to move their lips, they communicated by writing symbols on the cell's dirt floor, McCormack said.

It was the first time since he was released at Hong Kong that McCormack told of his treatment.

"There is a skull in China of a Chinese Catholic priest with a bullet hole in it as proof of what they do," he said. "I know also that they beat five Chinese Catholics to death."

He said he was not accused of being a spy but of being "a tool of what they called imperialists."

McCormack told reporters, "We are so glad to be back we can hardly talk."

Most of us know these Chinese Communist gangsters for what they are, and for what they do. The ADA would have us help them, recognize them, and admit them to the United Nations as a civilized nation.

Right now, the ADA seeks a tax cut of not less than $8 billion a year, a large-scale Federal spending program, and Government influence to seek price reductions and avoid price increases, in industry.

It seems to me that what the ADA offers is complete freedom under complete governmental control. How this miracle is to be accomplished has not yet been explained.

Mr. LAIRD. Mr. Speaker, will the the gentleman yield?

Mr. DEROUNIAN. I yield to the gentleman from Wisconsin.

Mr. LAIRD. I was very much interested in the gentleman's remarks concerning the tax cuts which the ADA is presently advocating. In your earlier remarks you enumerated a costly program which the ADA offered in many fields. This would lead anyone to believe that this organization advocates complete fiscal irresponsibility. Any head of a family realizes that to spend more money one must have more income or simply go in debt. In Government deficit financing only means more inflation. Are these increased spending programs and the tax cut advocated by the ADA documented by any statement we can put our hands on?

Mr. DEROUNIAN. I have here a release from the ADA dated Monday, July 7, 1958, and I read verbatim from the text wherein they state:

Specifically, we propose:

1. A temporary cut of at least $8 billion a year in personal income taxes and excises,

designed to augment the purchasing power of middle- and low-income taxpayers.

2. A large-scale program to begin to catch up as rapidly as possible on our acute accumulated needs such as schools, hospitals, housing, highways, and resource development. Such a program would be both a necessary investment in the Nation's economic future and a means of promoting economic recovery.

3. Further action to make available plentiful low-cost credit to homeowners, businesses, States, and localities.

4. Early action to strengthen the social-security system in all its aspects. The recently improvised unemployment compensation law is entirely inadequate, even as an emergency measure; and other social insurance and assistance programs need drastic strengthening, not only as defenses against the recession but for the long run.

5. In addition, we believe the Government should use every influence it can bring to bear to seek price reductions and avoid price increases. It is a matter of particular concern that the manufacturers of automobiles have refused to lower their prices, in the face of a bad selling season whose effects have spread widely through the economy, and that the steel companies are reported planning large price increases even while they are operating far below capacity. These are examples of private irresponsibility with serious public effects, which the Government ought to try to avert.

This was signed by such people as David Dubinsky, James B. Carey, India Edwards, Thomas K. Finletter, Mrs. Eleanor Roosevelt, Robert R. Nathan, national chairman, ADA, and about 25 others of the same philosophy.

I presume the money needed for the ADA program would be borrowed for as long as our credit would hold out. We are burdened almost to the breaking point, today, with the debts incurred from the New Deal-Fair Deal era, and the ADA recommends that this be our legacy to our children—the lavish spending of their money on ourselves, today.

I should like to point out here, Mr. Speaker, that this approach to national problems is identical to that of the Democratic Advisory Council. The Advisory Council's statement of February 2, 1958, and its followup statement of April 30 beat just about the same drums that the ADA is thumping. Effectively, one is a carbon copy of the other. The standard approach for both these groups is to find something in the current situation, whatever the conditions may actually be, which gives them an excuse to announce that we are in the midst of a crisis, and on this basis to call for emergency action which involves irresponsible slashing of the Federal taxes, which are no more than adequate to meet present Government budgets, and at the same time call for freewheeling addition of millions and millions of dollars to Government spending in every area of activity where they are able to dream up some excuse for getting the Government into the act. This program does not, on its face, destroy or even attack the essentials of our private-enterprise economy. It does not, on its face, destroy our system of individual freedom and responsibility. It does not, on its face, destroy our Federal system of government. But, if these indefatigable sponsors of governmental expansion and inflationary spending had their way, we would soon find that the America we once knew had disappeared.

The ADAers are morbidly fascinated by the U. S. S. R. and anything accomplished by the Communists is acclaimed by the ADA as superior to anything accomplished by the United States of America. They are saying, right now, that the Russian economy is superior to ours—a Communist economy, completely government controlled, in which the people are stifled by their leaders, in which there is no room for opportunity, no stimulus for individual development, is considered by the ADA to be superior to our economy in which the individual is all important, in which the government seeks only to create a favorable atmosphere for the development of the individual, his wants, his desires, his ability to grow.

It is time we recognized that there are now two well-defined sides in this world struggle. Those on either side should be forthright in their stand and true to their convictions. If they are, in truth, opposed to communism—not merely the word but the ideology—then let them stand up for the way of life that communism is trying to destroy. You cannot love God while trying to enslave the world under a single, authority of man.

Mr. Speaker, if it is right to advocate the one-world community, under one positive authority, then, it is right to advocate communism because this, Mr. Speaker, is communism. It should be told to our gullible ADAers, who pretend to hate communism, that we could better accept their pronouncements against it if they would take a stand by the side of those who oppose it.

A careful reading of the record makes it clear that the doctrinaire extremists of the ADA now dominate the policy-forming councils of the Democratic Party. Operating primarily behind the scenes these devotees of welfare statism have succeeded in wresting control of this great party which has for years provided the reasonable alternative to my own Republican party. This is an appalling situation. It is time that the American political scene be cleansed and it once again be made possible for the American voter to see what he is choosing between. There are still many Democrats among our Nation's voters and in our legislative halls who reject the principles and pronouncements of the ADA.

In view of this situation I believe it is high time that in justice to the American people the ADA's manipulations be brought into the open. I call upon those Democrats who reject the ADA doctrine to stand up and be counted in a last ditch attempt to rescue control of their party from these extremists. As the only honorable alternative to this I would suggest that the surrender of the Democrats to the ADA be formally admitted and the American people be told in straightforward terms that from now on a vote for the Democrat Party is a vote for ADA.

NEED FOR PASSPORT LEGISLATION

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Florida [Mr. MATTHEWS] is recognized for 45 minutes.

Mr. MATTHEWS. Mr. Speaker, I appreciate the large number of my colleagues who have waited through a long and busy day to hear me talk this afternoon, and in deep appreciation of their loyalty I pledge myself to take up only 5 minutes.

Mr. Speaker, I was very pleased when President Eisenhower recently asked for new passport legislation. I think we are all familiar with the difficulty which has arisen when we have what we might call the principle of national security balanced off against either real or imagined rights of certain people in the United States. In my opinion the State Department has proceeded properly and has endeavored to deny passport privileges to those in our country who would take advantage of these privileges to aid the Communist conspiracy. Since the Communist conspiracy has long been established as a subversive movement directed from Moscow for the benefit of Moscow and to the detriment of our own beloved Republic, it does not seem to me to require much intelligence to understand that so-called fellow traveler Americans armed with passport privileges and preaching anti-Americanism throughout the Communist world, can do this Nation irreparable harm.

Some months ago, Rockwell Kent, an artist, and Walter Briehl, a psychiatrist, asked for passports. They were denied passports after they refused to tell the State Department whether they had ever been Communists. The excuse for such a refusal was to maintain that this question was an irrelevant intrusion into political beliefs and associations of the individual. Now the Supreme Court in a decision—and by the way it should be stressed that it was a 5-to-4 decision—agreed with Kent and Briehl, and writing the majority opinion, Justice William O. Douglas concluded:

> To repeat, we deal here with a constitutional right of the citizen, a right which we must assume Congress will be faithful to respect. We would be faced with important constitutional questions were we to hold that Congress * * * had given the Secretary (of State) authority to withhold passports to citizens because of their beliefs or associations. Congress has made no such provision in explicit terms; and absent one, the Secretary may not employ that standard to restrict the citizen's right of free movement.

It would seem to me that this certainly is an open invitation for the Congress to state in clear and specific terms that the security of the Nation should supersede the questionable rights of a citizen in refusing to talk of any Communist association.

This whole thought is very intriguing to me, Mr. Speaker, because it emphasizes so well the great problem we have in America of the national security versus the rights of the individuals. There are many of us in Congress, including myself, who are very fearful that the Supreme Court, in several of its recent

decisions, forces us inevitably to the conclusion that unless we have some Congressional legislation to contravene these decisions, that the Nation is in peril.

What is the good, for example, of spending millions—yes, hundreds of millions of dollars—on propaganda efforts through the Voice of America and many, many other agencies when now the Supreme Court of the United States has said we must give passports to individuals who refuse to tell us of their Communist affiliations? Imagine the tremendous propaganda value of Moscow using an American Communist to go into many places about which we shall never know to preach the Communist doctrine and by so doing to preach against the survival of America as a free nation?

The right of a citizen not involved in crime to travel in peacetime where he will is basic in Anglo-Saxon law. In the Magna Carta we find these words:

It shall be lawful to any person, for the future, to go out of our kingdom and to return, safely and securely, by land or by water, saving his allegiance to us, unless it be in time of war, for some short space, for the common good of the kingdom; excepting prisoners and outlaws, according to the laws of the land, and of the people of the nation at war against us.

Now it should be emphasized that there is this reservation in the Magna Carta for travel in peacetime, and I quote:

Saving his allegiance to us.

The provisions of the Magna Carta insofar as peaceful travel is concerned, did not apply to so-called citizens who did not reserve their allegiance to the King. How then can we depart from this basic conception of our law? What right does any citizen have to travel in a Communist nation without being willing to state specifically and very definitely his allegiance to America and as proof of that allegiance being willing to talk freely about his associations with the Communist Party in the past and present?

I am indebted to Mr. Joseph Paull for much of the information that I am using in this brief talk, but of course, that does not mean to say that Mr. Paull has the same opinion of the matter as I do. Frankly, I do not know what his opinion is, but I do want to give credit to his very excellent article in the Sunday, July 13, 1958, issue of the Washington Post and Times Herald. In explaining the bill which the administration has sent to the Congress to deal with the passport problem, I quote from Mr. Paull's article:

The bill which the administration drafted and sent to the House and Senate is designed to validate the principles behind the regulations and procedures which the State Department has used largely in the absence of statute. After setting forth the power to deny passports to those involved in criminal cases, the bill declares ineligible those as to whom it is determined upon substantial grounds that their activities abroad would impair our foreign relations or security.

The bill makes a finding that the international Communist movement seeks everywhere to thwart United States policy and is a grave peril. Eligibility may be denied to anyone, Communist or not, who knowingly engages in or has engaged, within 10 years within filing the passport application and activities, in furtherance of the international Communist movement.

If there is evidence warranting the conclusion of knowing engagement in these activities, the burden is on the applicant to disprove it.

The applicant must state whether he has been a Communist Party member within the past 10 years or a supporter of the international Communist movement.

A disappointed applicant has the right of review before the Passport Hearing Board. But he cannot require the State Department to produce any information which is deemed likely to have a substantially adverse effect upon national security or foreign affairs. He gets what the Board certifies is a fair résumé of the evidence. The Secretary of State makes the final departmental determination.

There is provision for a review by the United States District Court for the District of Columbia, but the reviewing judge there will not be given any secret information and must rely on the fair résumé of the Board.

The basic principles of this bill, Mr. Speaker, seem to me to be sound. We should pass a bill of this nature immediately. I know of no more important legislation facing us than this passport legislation.

Mr. AVERY. Mr. Speaker, will the gentleman yield?

Mr. MATTHEWS. I yield to the gentleman from Kansas.

Mr. AVERY. May I observe that those who waited this late in the evening feel compensated by having the benefit of the gentleman's remarks. As is usually the case, he is very interesting as a speaker and brings out, too, some very important information. I especially would like to compliment the gentleman on the remarks he has just made on the floor of the House this evening. I think this is a subject that is passed off too lightly by a number of our citizens. The gentleman is to be commended for bringing it to the attention of the Members of the House. I should like to associate myself with his point of view.

Mr. MATTHEWS. I thank the gentleman very much for his remarks.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. STAUFFER (at the request of Mr. DAGUE) for Monday and Tuesday, July 21 and 22, 1958, on account of death in the family.

Mr. BOGGS until August 4, on account of official business, to attend Interparliamentary Union meeting as official delegate.

Mrs. ST. GEORGE (at the request of Mr. ARENDS), for 2 weeks, on account of official business.

SPECIAL ORDER GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to Mr. DINGELL (at the request of Mr. MARSHALL), for 20 minutes, on Tuesday, July 22, and to revise and extend his remarks and include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. LANE in four instances and to include extraneous matter.

Mr. PORTER and to include extraneous matter.

Mr. MCGREGOR to include excerpts and speeches he has made in the 85th Congress.

Mrs. BOLTON and to include extraneous matter.

Mr. HENDERSON and to include extraneous matter.

Mr. UDALL and to include extraneous matter.

Mr. NEAL (at the request of Mr. AVERY) in two instances.

Mr. ALGER.

Mr. CUNNINGHAM of Nebraska (at the request of Mr. AVERY).

Mr. BOLAND and Mr. DINGELL (at the request of Mr. MARSHALL) and to include extraneous matter.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 11645. An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1959, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on July 18, 1958, present to the President, for his approval, bills of the House of the following titles:

H. R. 4229. An act for the relief of Continental Hosiery Mills, Inc., of Henderson, N. C., successor to Continental Hosiery Co., of Henderson, N. C.;

H. R. 12575. An act to provide for research into problems of flight within and outside the earth's atmosphere, and for other purposes; and

H. R. 13366. An act to provide for the advancement of Maj. Gen. Claire L. Chennault, United States Air Force, retired, to the grade of lieutenant general on the retired list.

ADJOURNMENT

Mr. MARSHALL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 30 minutes p. m.) the House adjourned until Tuesday, July 22, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2145. A letter from the Deputy Secretary of Defense, transmitting a draft of proposed

legislation entitled "A bill to amend title 10, United States Code, with respect to active duty agreements for Reserve officers, and for other purposes"; to the Committee on Armed Services.

2146. A letter from the Comptroller General of the United States, transmitting a report on the review of the program of the Corps of Engineers (civil functions), Department of the Army, to reduce the backlog of deferred maintenance on civil works projects, pursuant to the Budget and Accounting Act, 1921 (31 U. S. C. 53), and the Accounting and Auditing Act of 1950 (31 U. S. C. 67); to the Committee on Government Operations.

2147. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated February 24, 1958, submitting a report, together with accompanying papers and illustrations, on an interim report on Trinity River and tributaries, Texas, covering Richland, Chambers, and Cedar Creeks (Waxahachie Creek watershed), requested by resolutions of the Committee on Rivers and Harbors, House of Representatives, adopted March 31, 1944, and February 28, 1945 (H. Doc. No. 424); and ordered to be printed with illustrations; to the Committee on Public Works.

2148. A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting plans for works of improvement for the lower Willow Creek watershed, Montana, Whitegrass-Waterhole Creek watershed, Oklahoma, and Little Schuylkill River watershed, Pennsylvania, pursuant to the Watershed Protection and Flood Prevention Act, as amended (16 U. S. C. 1005), and Executive Order No. 10654 of January 20, 1956; to the Committee on Public Works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, pursuant to the order of the House of July 18, 1958, the following bill was reported on July 19, 1958:

Mr. GROSS: Committee on Post Office and Civil Service. Part 2, minority views on S. 607. An act to provide retirement, clerical assistants, and free mailing privileges to former Presidents of the United States, and for other purposes; without amendment (Rept. No. 2200). Referred to the Committee of the Whole House on the State of the Union.

[*Submitted July 21, 1958*]

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BLATNIK: Committee on Public Works. H. R. 11697. A bill to amend the act of June 29, 1888, relating to the prevention of obstructive and injurious deposits in the harbor of New York, to extend the application of that act to the harbor of Hampton Roads; without amendment (Rept. No. 2233). Referred to the Committee of the Whole House on the State of the Union.

Mr. CELLER: Committee of conference. H. R. 7153. A bill giving the consent of Congress to a compact between the State of Oregon and the State of Washington establishing a boundary between those States (Rept. No. 2234). Ordered to be printed.

Mr. BARDEN: Committee on Education and Labor. H. R. 12967. A bill to amend the Fair Labor Standards Act of 1938 with respect to the frequency of review of minimum wage rates established for Puerto Rico and the Virgin Islands; with amendment (Rept. No. 2235). Referred to the Committee of the Whole House on the State of the Union.

Mr. DURHAM: Committee of conference. H. R. 13121. A bill to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes (Rept. No. 2236). Ordered to be printed.

Mr. THOMAS: Committee of conference. H. R. 11574. A bill making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1959, and for other purposes (Rept. No. 2237). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARING:

H. R. 13471. A bill providing for payments as incentives for the production of certain strategic and critical minerals, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BROOKS of Louisiana:

H. R. 13472. A bill to amend title 10, United States Code, with respect to active duty agreements for Reserve officers, and for other purposes; to the Committee on Armed Services.

By Mr. COFFIN:

H. R. 13473. A bill to amend section 24 of the Federal Reserve Act to provide that the existing restrictions on the amount and maturity of real estate loans made by national banks shall not apply to certain loans which are guaranteed or insured by a State or a State authority; to the Committee on Banking and Currency.

By Mr. FORAND:

H. R. 13474. A bill to amend the Federal Employees' Compensation Act with respect to employment preferences for disabled employees; to the Committee on Education and Labor.

By Mr. HALLECK:

H. R. 13475. A bill to authorize an exchange of lands at the Rochester Fish-Cultural Station, Indiana; to the Committee on Merchant Marine and Fisheries.

By Mr. IKARD:

H. R. 13476. A bill to authorize the Secretary of the Army to make certain changes in the road at Whites Branch, Grapevine Reservoir, Tex.; to the Committee on Public Works.

By Mr. KEATING:

H. R. 13477. A bill to amend section 9 (h) of the Civil Service Retirement Act to eliminate the requirement of good health with respect to unmarried employees or Members electing to provide survivor annuities to certain persons; to the Committee on Post Office and Civil Service.

By Mr. PELLY:

H. R. 13478. A bill to provide for the payment of bounties on dogfish sharks to control the depredations of this species on the fisheries of the Pacific coast; to the Committee on Merchant Marine and Fisheries.

By Mr. PRICE:

H. R. 13479. A bill authorizing the city of Madison, Ill., to maintain, operate and construct toll bridges across the Mississippi River; to the Committee on Public Works.

By Mr. TEAGUE of Texas:

H. R. 13480. A bill to authorize the construction of Bardwell Reservoir; to the Committee on Public Works.

By Mr. WALTER:

H. R. 13481. A bill to amend section 12 of Public Law 85-316; to the Committee on the Judiciary.

By Mr. DURHAM:

H. R. 13482. A bill to amend the Atomic Energy Act of 1954, as amended; to the Joint Committee on Atomic Energy.

By Mr. McDONOUGH:

H. J. Res. 658. Joint resolution authorizing and requesting the President to invite the countries of the Free World to participate in the California International Trade Fair and Industrial Exposition to be held in Los Angeles, Calif., from April 1 to 12, 1959; to the Committee on Foreign Affairs.

By Mr. ALEXANDER:

H. Res. 644. Resolution providing for the basic compensation of the assistant to property custodian (electrical and mechanical equipment No. 2); to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BALDWIN:

H. R. 13483. A bill for the relief of Manda Wilkinson; to the Committee on the Judiciary.

By Mr. FRELINGHUYSEN:

H. R. 13484. A bill for the relief of Mrs. Marion A. Cramer; to the Committee on the Judiciary.

By Mr. LIPSCOMB:

H. R. 13485. A bill for the relief of Zinaida Zakanowa; to the Committee on the Judiciary.

By Mr. MADDEN:

H. R. 13486. A bill for the relief of Olga Vasilatos; to the Committee on the Judiciary.

H. R. 13487. A bill for the relief of Spyridon Cappony; to the Committee on the Judiciary.

By Mr. ROGERS of Florida:

H. R. 13488. A bill for the relief of Clarence T. Tolpo; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

712. By the SPEAKER: Petition of the department adjutant, Veterans of World War I of the U. S. A., Department of California, Inc., relative to extending full and sincere appreciation for the honor conferred on the Veterans of the First World War relating to the enactment of H. R. 11077; to the Committee on the Judiciary.

713. Also, petition of the commander, American Legion, Post No. 58, Hurley, Wis., requesting enactment of H. R. 2201 and H. R. 5406, pertaining to veterans of World War I; to the Committee on Veterans' Affairs.

EXTENSIONS OF REMARKS

Enemy Assets Seizure During World War II

EXTENSION OF REMARKS
OF
HON. GLENN CUNNINGHAM
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES
Monday, July 21, 1958

Mr. CUNNINGHAM of Nebraska. Mr. Speaker, it is time for Congress to act in the matter of enemy assets seized during World War II. The administration has proposed action by Congress giving primary attention to the small assets. There are many German nationals who are living on relief because this Nation has failed to act—in 13 years since the end of World War II—on this basic question.

It is time for this Nation to set the record straight and let the world know that we do not condone seizure of foreign assets by this Nation or any other nation. We are joined now in our efforts to contain communism by the people of Western Germany yet we continue to hold the assets of many of these people who desperately need what income they might get from these holdings.

We can note that it has been a year since West German Chancellor Konrad Adenauer had discussions at the White House on this and other subjects. Following that conference, the White House issued a statement expressing deep concern over this problem of disposal of enemy assets seized during World War II. The statement pointed to the historic American policy of maintaining the sanctity of private property even in wartime.

There are many proposals before Congress for the return of these seized assets. This matter is a strain on our relations with the people of West Germany, who stand with us now in fighting communism and in opposing those nations who espouse seizure of private property.

Indicative of the feeling of the people of West Germany toward this problem is the following resolution, which was passed by the Bundestag on an appropriate day—July 4, 1958.

This resolution urges the Federal—Adenauer—Government as follows:

First. In the settlement of the problem of restoration of German private property confiscated in the United States of America, to continue emphatically to aim at the preservation of the principles of the White House declaration of July 31, 1957, according to which private property should be inviolable even in time of war.

Second. Bearing this point in mind, to turn its special attention to the bill announced on July 3, 1958, under which the confiscated German assets should be used only to satisfy American claims for war damages. The passage of such a bill by the American Congress would constitute a complete breach of the promise made on July 31, 1957, of a just and fair compensation of German property owners.

Old-Age Security

EXTENSION OF REMARKS
OF
HON. THOMAS J. LANE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Monday, July 21, 1958

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include part of my statement at the annual outing of the Senior Citizens and Associates of America, at Salem Willows, Mass., on Sunday, July 20, 1958:

When people are tired, they must relax, as we are doing on this Sunday afternoon.

Nature not only requires these periodic days of rest during our working years, but insists that we take it easy after we pass a certain age, when the wear and tear of life catches up with us.

Relaxation means far more than doing nothing. To sit in a chair for most of the day, or to sleep a few hours longer than we did in our youth, may be necessary to conserve our physical energy.

But what about our peace of mind?

How can we relax when we reach the age of retirement and still have to worry about paying the landlord, the grocer, and the doctor?

In the unstable world of today there is a great longing for security.

It was only in the last century that insurance companies were organized on the principle of sharing the cost and spreading the risk. Disaster can happen to any of us. However, it only strikes a few at any one time. If a small amount could be collected from the many who are subject to the risk, a fund could be built for payment of benefits to the few whom misfortune or disaster has struck.

By paying premiums on a voluntary basis, people acquired protection against loss of life, against accidents, sickness, fires, theft, and other hazards. But there was no protection against unemployment, or cessation of earnings in old age.

The Social Security Act came into being as a result of the painful lessons we learned during the severe depression of the 1930's. For generations the United States had evaded this problem. But when 10 million workers became unemployed, and some 18 million people were dependent for subsistence on relief, the emergency forced us to develop bold, new programs to save our Nation and its people from economic collapse.

President Roosevelt set up a Committee on Economic Security to study the problem of destitution and to make recommendations.

At last we were facing up to the central problem.

The Committee found that, whenever earnings are cut off, destitution is near. The Committee searched for an answer to this question: How to spread earnings over a lifetime, over periods when the breadwinner is working and periods when he is not, how to provide an income throughout the whole cycle of life—in childhood, youth, middle, and old age.

They discovered that few people, as individuals, can save enough out of their income to take care of emergency needs. They were too busy trying to pay for their day-to-day obligations to set aside enough for a rainy day.

The only protection that people had was life insurance, which eased the burden for their survivors, but this was of no help to the insured themselves during the declining years of their lives. It provided no income for retirement.

The only possible answer to this problem was through savings on a social or group basis, called social insurance.

Of course, it is not possible to establish social security on the basis of social insurance alone. These programs apply only to workers and their families. Many persons can't work. There are those who were too young, and those who were physically handicapped, and those who were already old when the program of social insurance began. Although they had not contributed to the system, or had not contributed enough, they must be assured the basic needs of life. For this reason the Committee recommended also a program of noncontributory payments to needy persons.

It is this last factor that your organization is concentrating on.

We cannot have a genuine social security program of varying benefits, and depending exclusively on a person's contributions to the fund, matched by that of his employer.

If one person is getting $78.50 a month as old-age retirement and his next-door neighbor is getting $108.50, it seems to me that there is too much of a gap between the two.

Of course the person who worked longer and paid more in social security taxes is entitled to larger benefits, but not by such a margin.

There must be a higher minimum for all.

I never heard a person complain because he has paid into Blue Cross-Blue Shield, or any other form of contributory insurance for years without getting his money back, as it were; while some other person had his hospital and surgical bills amounting to hundreds of dollars paid for even though he has paid in only a fraction of that sum in premiums.

As this is a group effort, we must share the responsibilities and not quibble over the benefits paid to those who are more unfortunate than ourselves.

Congress passed the Social Security Act in 1935 and has amended it in 1939, 1950, 1952, 1954, and 1956.

Gradually we are broadening the coverage and increasing the benefits.

To pay for this program it is necessary to increase the social-security taxes as well, until, by 1975, they will rise to 4¼ percent for employer and employee alike.

This schedule is designed to meet the future obligations of the program and to keep it on a self-supporting basis.

There has been much criticism that the Old-Age and Survivors Insurance System has not kept up with the times. Whether a person is getting old-age insurance or old-age assistance, the benefits he receives fail to pay for the creeping inflation in the cost of living.

Your representatives in Congress are aware of your need.

At the moment it is hard to predict for sure to what degree they will be able to improve the social-security system before Congress adjourns.

Last Tuesday the House Democratic leaders decided to try for an 8- to 10-percent

across-the-board increase in social-security benefits.

It is likely that the House will pass this measure. If it manages to get through the Senate, and it is not vetoed by the White House, it would benefit more than 11 million people.

There would be a minimum boost of $5 per month, with an increase of $10.85 for those who are now getting $108.50 each month.

Although I shall vote for these increases because I believe in them, I cannot guarantee what the Congress as a whole will do. It is well to bear in mind, however, that Congress has liberalized social-security benefits in every election year since 1948.

For some time now I have been convinced that it would be better to provide a direct national pension of at least $150 per month to all Americans who reach the qualifying age to be financed through Federal taxes.

It would provide equal benefits, and it would eliminate redtape and overhead expenses in the administration of such a program.

We in the United States got a late start on social legislation.

There is much more work to be done before we achieve a complete social-security program that will be worthy of the name.

In addition to monthly cash benefits to cover rent, food, clothing, and incidentals, we should make provision for the health care of the aged.

As the American Public Welfare Association, in its 1957 Federal legislative objectives, stated, and I quote: "Study should be given to ways of meeting the medical and hospital care costs of old-age, survivors, and disability insurance beneficiaries, through the insurance program."

Most of the younger people are covered by this type of group insurance, but we have neglected to provide similar protection for the aged.

Either we credit retired people with paid-up hospital, nursing-home, and surgical-service benefits or we must legislate a national pension of at least $150 per month so that they can afford such care.

In any event, our present program for the aged cannot stand still.

Most of our older people have contributed more to the progress of the United States than we can ever repay.

It is the duty of the Nation to build a social-security program that will honor the aged in the harvest time of their lives by providing for their physical needs and contributing to their happiness and peace of mind.

The senior citizens and associates of America deserve this and more from a grateful Nation.

False Economy

EXTENSION OF REMARKS
OF
HON. WILL E. NEAL
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Monday, July 21, 1958

Mr. NEAL. Mr. Speaker, why should the Army convert heating plants at Fort Eustis, Va., for use of oil in preference to coal at a cost of $800,000 or more when available coal is abundant at reasonable cost, when American miners and transportation employees are losing their jobs, and when a great part of the fuel oil has to be imported from abroad?

The unfortunate impact of imported residual fuel oil in the amount of 93,822,000 barrels during the first half of 1958 has displaced the equivalent of 22,514,900 tons of American coal.

Without coal, World Wars I and II would have been lost. Without markets to keep mines in condition to produce America's fuel supply in case of national emergency, the country will suffer.

Federal agencies and the Defense Department, by converting coal burners to oil, are encouraging the risk of fuel shortages that may result at any time from unpredicted developments abroad. The Nation's security dictates that coal mines be kept in condition to meet emergencies.

The Federal Government should cease to tolerate excessive imports of fuel oil to compete dangerously with coal. When the coal industry is hanging by a thread, it is obvious that further inroads on coal's markets should be avoided. Conversion of defense plants to fuel oil is not only unjustified but untimely.

Washington Report

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Monday, July 21, 1958

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following newsletter of July 19, 1958:

WASHINGTON REPORT
(By Congressman BRUCE ALGER, Fifth District, Texas)

JULY 19, 1958.

A simple bill, H. R. 3, "To establish rules of interpretation governing questions of the effect of acts of Congress on State laws," provoked one of the year's longest, most controversial debates. The bill's one single sentence is: "No act of Congress shall be construed as indicating an intent on the part of Congress to occupy the field in which such act operates, to the exclusion of all State laws on the same subject matter, unless such act contains an express provision to that effect, or unless there is a direct and positive conflict between such act and a State law so that the two cannot be reconciled or consistently stand together."

This brief statement to many Members represents a rephrasing of the 10th amendment to the Constitution, which says:

"The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

This act is intended to prevent Federal preemption of legislative fields from the States wherein there is concurrent jurisdiction. Some fields are solely Federal—such as foreign affairs, war, coinage, postal, etc. In others, there is concurrent jurisdiction, both Federal and State, such as tax, transportation, health, sedition, and many others.

The Supreme Court in the Nelson case ruled that the Smith Act, a Federal law on sedition, preempted the field from State law, that of Pennsylvania, simply because the Federal Government had a law in this field. When the Smith Act was passed, Congress did not intend to preempt this field, as the Supreme Court ruled. In the hue and cry of debate, the opponents of the act proclaimed mainly their concern over: (1) the clash of Federal and State law that would be provoked; and (2) the retroactive nature, wherein earlier Federal laws would be upset in favor of State jurisdiction. To the first argument, proponents answered that the language of the bill by its nature prevented confusion and would force evaluation and expression of jurisdiction; and, to the second, that no retroactivity would follow, since this was a yardstick for the Court to use in the future.

In 3 days' debate I heard no arguments damaging the good sense of the bill's objectives. In fact, I felt that any retroactive effect of this bill would be most healthy. The arguments against, to me, were powerful arguments for. The AFL–CIO was opposed to this bill. The votes were quite significant. On the earlier rule to take up the bill for consideration, of the 114 against, 105 were Democrat, 9 Republican. On final passage (241 to 155) of the 155 Members voting against, 132 were Democrats and 23 Republicans.

Educational TV legislation with Federal grants to States, is before the Interstate Commerce Committee for public hearings. Testimony established the peculiar advantage of TV teaching, each student having the illusion the teacher is talking directly to him, possibly improving students' concentration. One unanswered question for me is this. Should we start new spending programs when we're running up a heavy Federal deficit?

The Mid-East situation is recognized by all as in a most dangerous and precarious balance. The United States was obliged to make good the earlier Mid-East resolution offering help to those seeking it, when Lebanon appealed to us for help. Force and firmness are understood by Russia. This we know. Communist weapons of infiltration, subversion, and duplicity, are not United States weapons. True, we chance outright war with Russia. Unanswered questions, however, include: (1) Will Russia be deterred and delayed in Mid-East advances through subversion by our action? (2) How dangerous is the quickened choosing of sides—the Nasser United Arab Republic backed by Russia, against Lebanon and Jordan backed by the United States and Britain? (3) How will the many neutrals line up? (4) Is Arab nationalism too strong a force to be contained in view of the artificial boundaries of many of the Mid-East nations? (5) Will a U. N. majority support us?

This is sure. We need our best effort, our clearest thinking, our combined devout prayers for guidance. It's time the nations of the world recognize the terrible menace of worldwide communism masterminded by the Kremlin, as have we. If the United States fails in the role of leadership for peace and freedom, through economic collapse or conquest, the world's people would all become Communist slaves.

Postmaster General Needs Greater Authority To Control Obscene Literature Disseminated Through Mails

EXTENSION OF REMARKS
OF
HON. JOHN E. HENDERSON
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Monday, July 21, 1958

Mr. HENDERSON. Mr. Speaker, I wish to call the attention of the Congress to a resolution passed by the Ohio Rural Letter Carriers' Association at the organization's annual State convention in Columbus, July 13–16. This resolu-

tion, pertaining to the need for providing the Postmaster General with greater authority to control the dissemination through the mails of obscene literature, is as follows:

Resolved, That the Ohio Rural Letter Carriers' Association strongly support the valiant efforts of Postmaster General Arthur E. Summerfield to prevent the distribution of obscene matter through the United States mails; and

Whereas we, by the very nature of our duties, realize the demoralizing effect such material has had on the morals of the people of this country, and particularly the young people who will be the leaders of tomorrow: Therefore be it

Resolved, That we urge the Congress of the United States to enact legislation which will prohibit the distribution of such matter through the United States mails, and which will penalize violators of this prohibition with fine or imprisonment, or both; be it further

Resolved, That copies of this resolution be sent to both United States Senators from this State and to all Members of the Congress from this State with the strongest possible recommendation that they support the fight against the dissemination of filth through the United States mails.

CHARLES FISHER,
Chairman.
LOWELL LEPP.
HOMER DEWEY.
DEWEY GIBBS.
GEORGE M. SHELLY.

Residents of southeastern Ohio have furnished me with shocking examples of the filth that is being sent to unsuspecting families, often addressed to schoolchildren. I have been impressed with the speed and earnestness of the Post Office Department in acting against the purveyors of such trash.

The House of Representatives took an important step in the right direction recently when it passed H. R. 6239 to strengthen the hand of the Postmaster General in matters of this kind. This legislation, allowing for criminal prosecution of offenders either at the point of mailing or at the point where the mail is received should eliminate much of the frustration the Department has experienced in the past. I am pleased that this bill is on the Senate Calendar and it is my hope that consideration and passage will be forthcoming soon.

Democracy in Venezuela

EXTENSION OF REMARKS
OF
HON. CHARLES O. PORTER
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Monday, July 21, 1958

Mr. PORTER. Mr. Speaker, under a consent previously granted, I include remarks I made on Radio Caracas TV, in Caracas, Venezuela, on July 6, 1958:

Friends, my wife and I have greatly enjoyed celebrating with you our Independence Day and your independence day. I apologize for not knowing your language. Our tongues are different but our hearts are the same.

I congratulate you on having overthrown the tyrant Perez Jimenez. You are on the road to greatly improved economic and social conditions on a democratic basis.

Your junta has pledged free elections soon. I commend Admiral Larrazabal and his colleagues on the junta. They deserve much credit.

Will you succeed in establishing democracy in Venezuela? Hope and enthusiasm are high, both here and elsewhere in the hemisphere.

Of course hope and enthusiasm are not enough. Brains and patience are needed also.

Your great national parties have great leaders. I have had the honor to meet them all. Along with you I like and respect them. They would be great leaders wherever they lived—Betancourt, Caldera, and Villalba.

AD, COPEI, URD, honorable and dedicated parties, determined to improve the economic conditions of Venezuela, determined to guarantee equal justice under law.

AD, COPEI, URD, all dedicated to government deriving its just powers from the consent of the governed.

Infinitely preferable to the tyranny of Perez Jimenez or to the rule of the Communists who are the tools of a tyranny.

Perez Jimenez is overthrown. Trujillo is tottering, Batista's days are numbered. Stroessner and Somoza will soon be engulfed by the strong tide of liberty and justice.

Tyranny is tyranny, be it allegedly anti-Communist, Communist, or neither. Tito, Ibn Saud, Khrushchev, Mao, Chiang Kai-shek, or Franco—chiefs of vile police states, just like Trujillo, Batista, Stroessner, and Somoza.

All are enemies of the free man, of justice, of God.

My country's Government is not perfect. Nor is yours. We have made mistakes. We will make more mistakes. So will you. But we are committed to freedom under law and against tyranny of whatever name. We are not Yankee imperialists.

Our own mistakes of policy have been of technique, not of intent; of the head, not of the heart.

Certainly our mutual love of freedom and hatred of tyranny binds us close. I fully endorse my Government's declared policies toward Venezuela.

These policies are:

1. Nurture friendship between our governments and our peoples.

2. Encourage the development of democratic institutions and constitutional government.

Ask yourselves, my friends, do the Communists want democratic institutions and constitutional governments? No Communist country today has these features, so the answer is no, of course not.

I have been shocked to have it alleged to me that a number of educated Venezuelans, even including journalists, are sympathetic to communism.

Or they proclaim their neutrality and profess to be disgusted with both the United States and the Soviet Union.

As for me, I agree with Betancourt, Caldera, and Villalba that Venezuela needs parties that put Venezuela first, not the Soviet Union, not the United States.

Our mutual love of democracy will bring Venezuela and the United States together, in spite of disagreements between us.

There are quarrels in the happiest families.

Misery and fear are formidable foes. We need all our strength to win over them.

We need political parties, more than one, to translate the will of the people into the laws of the land.

We need armed forces who know that their duty is to keep order and to defend their country, not to try to govern it.

We need labor unions to insure better working conditions and fair wages.

We need a press that will tell the truth fearlessly.

We need the church, businessmen, lawyers, doctors, farmers, everyone to work together.

Only in a democracy can this be done to mobilize most powerfully against misery and fear. The fancy facade of the tyrant hides much misery and much fear, whether this tyrant be in this hemisphere or the other hemisphere.

Friends, now you have a great opportunity, great leaders, great national parties. We in the United States admire your courage. We sympathize with your suffering.

We pray for your success in your struggle for democracy.

McGregor Reports to His District, 85th Congress

EXTENSION OF REMARKS
OF
HON. J. HARRY McGREGOR
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Monday, July 21, 1958

Mr. McGREGOR. Mr. Speaker, I have always believed that the people I am privileged to represent in the Congress of the United States should have an opportunity to know of my activities and my position on various issues. For this reason, I am today including in the RECORD excerpts of my remarks during the 85th Congress on some of the issues in which our people are most vitally interested.

DON'T FORGET OUR ROTATION-CROP FARMERS, MARCH 6, 1957

Mr. Speaker, regardless of who is the author of a bill, regardless of whether he is a Democrat, New Dealer, or a Republican, certainly the time has arrived that we recognize the serious predicament in which the farmer finds himself. It is time that we give some consideration to the rotation crop farmer.

We must recognize, and at once, that we cannot allow the product which a farmer has to buy to continue to increase in cost and allow the product that the farmer sells to go lower and lower. Mr. Speaker, there is just too wide a spread between what the farmer receives and what he has to pay out.

I sincerely hope that the membership of Congress will not delay in giving recognition to the rotation-crop farmer and give him the much needed assistance he needs so that he might again enjoy the freedoms that once were his.

TRUTH ABOUT TAX REDUCTION, MARCH 17, 1958

Mr. Speaker, I have noted with a great deal of interest that some New Deal orators have been telling the public with the usual extravagant political claims of being the party of the "little man" in tax-reduction measures.

Let us look at the record. It is factual, it will speak for itself and it will show that under New Deal philosophies the so-called "little fellow" has had to pay higher taxes. The records will show it has been the Republican Party which has cut taxes for the lower income groups. Let us not forget that it was a Democrat Congress in 1913 that put on the statute books the first income tax law. Since that time there have been 15

income tax increases. Democrat Congresses voted all but one of these increases.

The New Dealers put the low income people and wage earners on the tax roll. In 1932 there were 1,900,000 taxable Federal returns. In 1952 there were 46,800,000 such returns. Republicans did the cutting 7 out of the 10 times that income taxes have been reduced since 1913.

In 1954, during the 80th Congress, when the Republicans were in the majority, taxes were reduced by a total of $7.4 billion—the largest cut in any 1 year in history. The Republicans reduced taxes on electric-light bulbs, stoves, refrigerators, electric toasters, telephone and telegraph bills, pharmaceutical supplies, and many other excise taxes. This cut benefited all taxpayers.

During the Republican controlled Congress legislation was put into law which gave 62 cents out of each dollar of tax reduction to individuals with approximately 25 cents of this going to taxpayers with incomes under $5,000.

The New Dealers have been endeavoring to play politics with tax legislation, claiming that they want to decrease income tax exemptions. Again, I say, let's look at the record. The following chart shows the exemptions from 1931 to 1954:

	Republican	Democratic					Republican
	1925–31	1932–39	1940	1941	1942	1944	1948
Single	$1,500	$1,000	$800	$750	$500	$500	$600
Married	3,500	2,500	1,500	1,500	1,200	1,000	1,200
Dependent	400	400	400	400	350	500	600

INTERNATIONAL TRADE—LET'S KEEP IT RECIPROCAL, JUNE 10, 1958

Mr. Speaker, for several days I have listened very attentively to the debate on the so-called reciprocal trade agreements legislation. I am sure my record in Congress will justify the statement that I believe in world trade. I favor world trade and all domestic trade possible but I do not believe it is fair to our citizens of this country to create a condition of unemployment in any part of the United States and ship goods to any Member's District to provide employment to some men working in foreign countries and force local citizens to be unemployed.

I do not want unemployment anywhere in the world. I deplore it, but I am going to be honest and say that if there must be unemployment somewhere I would prefer it in some other country rather than in the United States. It is unfair to force our American people out of jobs and to increase our taxes to pay unemployment insurance when the unemployment is caused by bringing in products from foreign countries produced by low-wage-rate labor. Our American farmers, labor, and industry are certainly at least entitled to equal recognition and should not be forced to go on unemployment because of imports of products into this country far below the price at which they can be produced here.

I believe in reciprocal trade, but let us make it reciprocal.

OUR FARMERS WANT FREEDOM, JUNE 27, 1958

Mr. Speaker, fortunately for the American farmer, the House of Representatives has defeated the attempt to force through the passage of a bill which Secretary of Agriculture Ezra Benson himself called a political hodgepodge, and which Charles B. Shuman, president of the American Farm Bureau, branded as a complete monstrosity.

If there is anything that the farmers in my 17th Ohio District do not want, Mr. Speaker, it is more quotas, more controls, more Government regulation. In my 1958 questionnaire poll on national issues, 64 percent of all the farmers who responded voted for the removal of all Federal controls on farm products. Since then, many individual farmers have written or spoken to me about this problem of excessive Federal controls, and just this week I have received a wire from the vice president of the Ohio Farm Bureau, who farms in our District, urging that I oppose this so-called omnibus farm bill as unsound farm legislation.

I did oppose it, Mr. Speaker, as I will continue to oppose all legislation in the future which attempts to tie the hands of our farmers who have always been the strong, independent backbone of our economy. To attempt to solve the problems of the freedom-loving farmer by heaping upon him more and more Government controls will never work, Mr. Speaker. We have found that out the hard way, and I hope we have learned the lesson well.

I sincerely hope that steps will be taken immediately to get our farm program rolling in the right direction—away from Federal controls and toward freedom and prosperity for our farmers. I will certainly lend every possible support to this kind of program.

EQUAL TREATMENT FOR OUR VETERANS, JUNE 27, 1958

Mr. Speaker, the Nation's veterans, together with their families, comprise more than 40 percent of the total population of the United States. The 85th Congress has enacted legislation which, taken as a whole, will vitally affect these 22,700,000 living American veterans.

By a vote of 389 to 2, the House passed H. R. 11077 to incorporate the Veterans of World War I. Previous legislation had already incorporated Civil War veterans and Spanish-American War veterans' organizations, and under this bill, we men who fought in World War I to preserve and defend our country will be able to keep alive our own identity. The friendships that have sprung from a common experience will be strengthened. Of even greater importance, however, is the fact that we will now be represented by an organization exclusively our own in all legislation concerning veterans of 1917 and 1918, their dependents and widows. A national charter will not only bind us together, but will offer a channel through which our problems and needs can be made known and remedied.

To date, American veterans have, due to Congressional legislation, received many richly deserved benefits. Approximately 6 million veterans hold GI insurance policies valued at nearly $44 billion. VA operates 173 hospitals for the care of ill and disabled veterans. On any average day, VA's patient load approached 115,000 with the yearly average running to nearly half a million. More than 10 million veterans so far have been trained under the 4 educational programs, 4 times the total enrollments in every college and university in the United States. Through this additional education, veterans have become better prepared to exercise their civic responsibility and have added to our stockpile of trained manpower.

SOCIAL SECURITY NEEDS AN OVERHAULING, JUNE 27, 1958

Mr. Speaker, for many years it has been my belief that the Congress has a solemn responsibility to see that none of our elderly citizens are forced to live out their lives in poverty, hardship, or deprivation. Yet a look at the record of our present social-security program clearly reveals that we are not facing up to the needs of millions of our citizens, and that a comprehensive and far-reaching revision of that program is long overdue.

To my way of thinking, there is absolutely no excuse for citizens of this great land to live in misery and poverty, most of which results from illness, constant decreases in purchasing power caused by inflation, and other such circumstances over which our elderly people have little or no control. Justice requires the elimination of this sorry situation. Sound economics likewise demands the raising of these substandard living conditions.

But the challenge to us is more than justice alone, and more than sound economics. We live in a critical moment in history, when our system is being totally challenged on every front. As a great freedom-loving Republic, we are championing the cause of democracy as a way of life, and during the course of the next few years, the one-third of the world's people who are as yet uncommitted will make their choice between our democratic way of life and the way of life of the totalitarians. Our fate as a Nation will depend in no small measure on the choice they make. We must, therefore, present a crystal-clear picture of a society not only able but willing to face up to the needs of all of our people, and I sincerely hope that action can be taken, and now, to remedy some of the most pressing problems of our elderly citizens.

M'GREGOR OPPOSES SOCIALIZED MEDICINE SCHEMES, JULY 16, 1958

Mr. Speaker, the hearings just completed by the Ways and Means Committee on all titles of the Social Security Act have once again focused attention on the many problems of our wage earners and retired citizens. Of all of our problems, however, none deserves more careful attention than that of adequate medical care for our people, and no one is more eager than I am to see that such medical care is available.

However, I am at the same time deeply alarmed by some of the proposals now being offered in the Congress, which, I am afraid, could easily lead to a complete socialization of medicine throughout the entire country, with a resulting deterioration in standards of medical care.

If some of this legislation is enacted, we all will become, in effect, wards of a gigantic bureaucracy which is already far too big for its own good. I am extremely fearful that under this legislation we will lose our freedom of choice in selecting doctors and dentists, and I will do everything within my power to prevent such an outcome.

Furthermore, I am just as afraid that should some of these programs be accepted, our doctors and dentists will find that their income depends on which political candidates they support, and not on their medical skill. For under these programs, not all doctors—and hospitals—would be allowed to participate, and even those who were allowed to take part in the program would have to depend on some bureaucratic Government agency for their fees.

In my opinion, Mr. Speaker, we cannot expect to find political solutions to serious health problems. We only create more serious difficulties by trying to do so. I am convinced that we can solve our medical problems, but not by imposing compulsory Government programs. Such programs, if enacted, will deprive all people, and especially the aged, of their independence, will force our doctors to rely on the whims of some bureaucratic agency for their livelihood, and will eventually result in inferior health facilities for us all. Mr. Speaker, I have always fought such programs, and I will continue to fight against socialized medicine.

M'GREGOR RECOGNIZES HIGHWAY PROBLEMS

Mr. Speaker, it has been my privilege to be a member of the Public Works Committee ever since I came to Congress. These years of service on that committee have now served to make me senior minority member on the full commitee, which handles legislation relative to public roads, public buildings and grounds, rivers and harbors, and flood control.

The records will show that I was especially active and took the initiative in provisions which will give additional Federal assistance to city streets and the farm-to-market roads. This legislation permits the State highway departments and local authorities to use Federal funds on city, county, and township roads. The specifications covering these roads can be drawn by the local county engineers, with the approval of the highway department, and need only meet the requirements of the local communities.

This means that Federal highway funds can be used on city streets and farm-to-market roads without rigid adherence to Federal specifications which often in the past, because of the exorbitant cost, have prevented the construction of needed streets and roads in many sections of our cities and rural areas.

I greatly appreciate the many letters and words of commendation I have received because of my activities on this legislation.

M'GREGOR URGES MAIL SERVICE TO ALL

Mr. Speaker, I am again calling attention to the proper committee of Congress and am asking for action on H. R. 766, a bill which I introduced that would give rural mail delivery as nearly as practicable to the entire rural population of the United States.

I am in receipt of a letter from the Post Office Department in which they advise that they have no objections to the bill and in reality favor its passage. I have long believed that all citizens are entitled to mail service either by rural carrier or door-to-door delivery. With the Post Office Department in accord with this view, I respectfully urge that hearings be held immediately so that the legislation can be put into effect prior to the adjournment of Congress.

M'GREGOR URGES ALL TO EXERCISE RIGHT TO VOTE

Mr. Speaker, a day of decision will be election day, November 4, 1958. We have become a great Nation because our citizens are interested, and each and every one play an important part in our Government. We can continue to be a great Nation only if every qualified voter regards it as his duty to exercise his franchise and prove to the world that Americans value their right to take part directly in the election of Government officials and in the management and control of our Republic. The number of ballots cast will demonstrate to the world how much we value that privilege, and will emphasize that the American form of Government marches forward with determination, vigor, and strength. Everyone should carefully analyze the candidates to determine whether or not they believe in the philosophy of Government that has made America a great Nation. Every candidate should make known his position on the issues confronting us, and also make known his record. My record is public and I invite your investigation. The record will show that we are winning the greatest battle of all time in preserving our form of Government. The continuation of this program calls for outstanding leadership, honesty, integrity, careful planning, and judicial administration of the law. You will be assuming your proportionate share of this responsibility when you go to the polls on Tuesday, November 4, and vote for the candidate of your choice.

Be sure and vote Tuesday, November 4.

Spiraling Inflation and Social Security's Inadequacy

EXTENSION OF REMARKS
OF
HON. WILL E. NEAL
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Monday, July 21, 1958

Mr. NEAL. Mr. Speaker, immediate prospects for a turn in the inflationary trend are not apparent.

Labor demands for wage increases, Government's consent for more and higher paid employees, manufacturers' and producers' propensity to adjust prices in terms of production costs seem to have become accepted practice.

Individuals, business enterprises, and fiscal agencies at all levels tend to disregard ledger deficits. Increased national debt, requiring increasingly greater cuts in the dollar's purchasing power, provides the stimulus to resort to a greater profit motive as the only means to get ahead.

As this cycle of fiscal malignancy infiltrates the body politic, society automatically separates into two distinct classes: First, those who are in positions to demand periodic adjustments by seeking wage and salary raises and producers free to pass increased costs on to the taxpayer; and, second, those who lack organized power to compel wage and salary standards in keeping with living costs, plus that large group made up of retirees, pensioners, relief, and social security recipients.

The basic social-security legislation adopted when the dollar would buy its par value in goods and services has by no means kept pace with the dollar's decline in value. Citizens who purchased their social security with 100 percent dollars now face the impossible problem of making a 50-cent dollar meet their needs.

As organized groups are legally empowered to seek adjustments through collective bargaining, the problems arising out of inflation are promptly overcome by negotiation. To them inflation has little or no bearing on standards of living.

Now that governmental agencies have approved salary increases for both civil and military personnel, they, too, at least for the time being, are in a favorable position to battle inflation. While the financial status of industrial retirees varies considerably and railroad retirees feel the pinch, Federal employees are in position to look for a modicum of relief.

But the social-security retiree, especially those with no savings, are at this writing quite unable to live comfortably even when their payments are supplemented by public assistance.

The social-security legislation should be revised. Recipients on social-security rolls who have no other source of income should receive monthly payments in amount to meet the present-day cost of living. This might be possible with little or no increase in rates by setting an arbitrary limit on assured incomes of those who retire at 65, if instead of going on the social-security rolls they were given the right to withdraw the totals of their contributions with accrued interest at that age. Universal social security is not solving the problems of a sizable number of the aging population. If inflation is not curbed, the Nation will be confronted with an ever-increasing number of unfortunate citizens.

H. R. 9521

EXTENSION OF REMARKS
OF
HON. JOHN D. DINGELL
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Monday, July 21, 1958

Mr. DINGELL. Mr. Speaker, I speak about H. R. 9521, the bill which would

relieve produce of the soil, that is, fruits and vegetables, from the necessity of bearing a label declaration of added chemical preservative, and I would like to speak primarily of the fact that enactment of this bill would seriously curtail the public health protection that is presently available to the American public.

The Food and Drug Administration and its counterparts in the States have the obligation of determining that food is pure and wholesome. When a chemical preservative is used, it is important for them to know that it is permitted on food and that it is present in a safe quantity. If these officials know that a preservative is present, then they are able to proceed expeditiously to a determination of the quantity present without wasting valuable time examining stocks of fruits and vegetables that have never been treated with preservatives.

The need for conserving the time of our public health officials is acute. A few years ago a committee of outstanding citizens, representing various walks of life, studied the activities of the Food and Drug Administration and found that it needed a 3- to 4-fold increase in staff in order to perform an adequate job. The situation in most of our States is even more critical. We do not have sufficient manpower working on this important field of public health to allow 1 hour of time to be squandered. Yet this is a bill that would require the squandering of untold hours of time of those who must protect our public health.

Why is it so important to check fruits and vegetables for preservatives? Simply because growers and shippers are beginning to use more and more frequently the extremely toxic chemicals to reduce the losses in transit. The effects of some of the preservatives now permitted will curl your hair. While these substances have been shown to be safe when present only in approved concentration, they can be extremely unsafe if a little too much is used.

Captan is one of the preservatives permitted on a number of crops at this time. Too much Captan depresses growth, causes enlarged livers and kidneys, and actually brings about changes in the testicle of the male.

Another preservative, 2,4–D, which we think of primarily as a preparation to kill weeds in the front lawn, is used widely on citrus and excessive amounts damage the liver.

Another preservative for citrus, diphenyl, damages the kidney if too much is present.

Two preservatives coming into rather widespread use today on melon crops are Maneb and Zineb. They injure the thyroid gland and the liver when present in too large an amount. Other preservatives are nerve poisons and one developed just recently, which goes under the tongue-twisting name of tetraiodoethylene, has been shown to interfere with reproduction of test animals. The latter, I am glad to say, is permitted only on cantaloups and I have full confidence that the food and drug officials assured themselves either that it does not penetrate the skin into the edible portion of the melon or, if it does, that the quantity that reaches the edible portion is insignificant.

These examples illustrate the significance of the problem raised by this bill. I know you have been told that there is no public health problem involved. But that is not so. There is no public health problem so long as these preservatives are used exactly as they are supposed to be used. But people make mistakes and it is an easy thing to put a little too much chemical into a soaking tank at some shipping point, particularly during the rush season when fruits and vegetables are moving through there by the carload. Have you ever been to a vegetable packing shed at the peak of the season when they are operating around the clock to try to keep up with the incoming produce? Why, it is like a nightmare. There is utter confusion all over the place. How can anybody honestly expect that the application of these extreme poisons to our fruits and vegetables will be made under these confused conditions so that they are always applied in the proper manner. It is not reasonable to expect that. So we have got to leave with our food and drug officials all of the tools they need to permit adequate checking of fruits and vegetables bearing poisonous chemical residues.

I submit, Mr. Speaker, that the proposed bill would be bad legislation, would be a backward step in public health protection, and should not be enacted.

Statement of Letters Favoring S. 2119

EXTENSION OF REMARKS

OF

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1958

Mr. BOLAND. Mr. Speaker, under leave to extend my remarks, I would like to have printed in the RECORD my statement to the Communications Subcommittee, Interstate and Foreign Commerce Committee, favoring S. 2119. Also, letters received by me in support of this legislation and written by Mr. Ralph Lowell, of the Lowell Institute Cooperative Broadcasting Council, which operates educational television Channel 2, WGBH–TV, in Boston, and from Mr. Gilbert E. Mottla, of the University of Massachusetts, for the Western Massachusetts Broadcasting Council, Inc., board of directors:

JULY 17, 1958.

Hon. KENNETH A. ROBERTS,
Member of Congress, Acting Chairman, Communications Subcommittee, Interstate and Foreign Commerce Committee, House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: I appreciate this opportunity that members of the subcommittee have given me to express my views on S. 2119, the bill before you for consideration.

This legislation, which has passed the Senate, would expedite the utilization of television facilities in our public schools and colleges, and in adult training programs by granting funds to establish or improve television broadcasting facilities for educational purposes.

I wholeheartedly support this legislation. I feel the Federal Government should, and with considerable justification, give financial support to foster this very worthwhile use of television.

I am sure the members of this subcommittee are aware that the only noncommercial educational television broadcasting station on the eastern seaboard is located in Boston. It is WGBH–TV, Channel 2, operated by the Lowell Institute Cooperative Broadcasting Council. This station presents a wide variety of interesting and stimulating programs on a very modest budget, approximately $3 million a year, the cost of a 90-minute network color spectacular. As Mr. Jack Gould pointed out in the New York Times of January 5, 1957, Boston's Channel 2 presents low-cost brain waves and the WGBH–TV gets the top minds for its telecasts.

In his New York Times article of January 13, 1957, Mr. Gould wrote:

"But it is equally apparent that Madison Avenue has scratched only one side of the medium: Educational TV, despite its forbidding title, is one of the most hopeful remedies yet seen for what ails the electronic colossus. The lesson of WGBH–TV is that after a while a viewer can be entertained to death; there does come a time when it is refreshing to have the mind titillated with regularity and purpose."

While Channel 2 is telecasting to an audience of hundreds of thousands of persons in the eastern Massachusetts area, the citizens and educational institutions in western Massachusetts, where my Congressional District is located, have not had an opportunity to benefit from such programs because no educational station has gone on the air. The Federal Communications Commission has reserved Channels 80 and 82 in the ultra-high frequency bands for educational purposes in western Massachusetts. But, due to the tremendous costs in establishing a UHF station, the Western Massachusetts Broadcasting Council, Inc., has not been able to put these channels on the air.

This subcommittee will be interested to know that the special commission on educational television, in its second report to the Commonwealth of Massachusetts, estimated the costs of establishing Channels 80 and 82 at over $500,000. The directors of the Western Massachusetts Broadcasting Council, Inc., are from the various colleges and school systems in the area, including: Horace Hewlett, Amherst College; Roger Holmes, Mount Holyoke College; Donald Sheehan, Smith College; Gilbert E. Mottla, University of Massachusetts, and Edmond P. Garvey, council representative for the Springfield School Committee. The council urges that this legislation be enacted by the 85th Congress so that Channels 80 and 82 can be established and a tie-in made with the educational television network.

In conclusion, may I also ask members of this subcommittee to act favorably on S. 2119 so that the bill can go to the floor of the House soon for a vote.

Sincerely yours,

EDWARD P. BOLAND,
Member of Congress.

WGBH,
LOWELL INSTITUTE
COOPERATIVE BROADCASTING COUNCIL,
Cambridge, Mass., July 11, 1958.

Congressman EDWARD P. BOLAND,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN: I am interested to learn that the Senate bill (S. 2119) for the purpose of expediting the use of television facilities in schools, colleges, and adult-training programs has passed the Senate and has been referred to the House of Representa-

tives Committee on Interstate and Foreign Commerce.

As you know, while we have channel 2 here in Boston serving the educational needs of eastern Massachusetts, there are no educational facilities in the Connecticut Valley area, including Springfield, nor facilities to serve the Berkshires, including the Pittsfield area. WGBH is now programing not only a wide range of educational and cultural materials for adults, but is also presenting programs for in-school use at the elementary-grade level. (A copy of our school guide is enclosed.)

The New Hampshire Educational Broadcasting Council has just announced that it will activate the ETV channel in Durham, which will cover New Hampshire and southern Maine, and will carry a substantial amount of the WGBH program schedule over their station.

It is a great shame that the people who live in the Connecticut Valley and Berkshire areas cannot also benefit from this programing, and particularly that their children will not have an opportunity next fall to take advantage of the many excellent programs that the WGBH Educational Foundation will present to the public, private, and Catholic schools and colleges in the eastern part of the State. It would be so easy for educational stations in these two western areas to rebroadcast these programs that originate in Boston at WGBH–TV, as well as to present their own local programs. I think there is no question but that this bill supplying $1 million to each State would make it possible to establish a statewide educational television network, which would permit the entire State rather than just a portion of the eastern area to enjoy the benefits of this unique medium of communication.

In connection with this bill, I would have one suggestion, and that is that it include responsible agencies authorized to operate an education television station such as a nonprofit corporation similar to our own WGBH Educational Foundation. The bill as it comes from the Senate includes such authorization. In our case this would make it possible for public, Catholic, and private schools and colleges to engage in a joint undertaking with the aid of these funds to bring educational television to the western half of the Commonwealth.

It would be a tremendous step forward in education, not only for our own Massachusetts, but for the entire New England area, as it would undoubtedly become part of a larger network serving this region with educational benefits that are of tremendous importance in these days of rising educational costs and inadequate school staffs.

We are also sending a packet of materials about the WGBH operation that we hope will be of use to you.

Sincerely yours,

RALPH LOWELL.

WESTERN MASSACHUSETTS
BROADCASTING COUNCIL, INC.,
Amherst, July 7, 1958.

Congressman EDWARD P. BOLAND,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN BOLAND: The Western Massachusetts Broadcasting Council, Inc., is very much interested in the Magnuson-Udall bill (S. 2119), recently passed by the Senate and now before the House Interstate and Foreign Commerce Committee, where hearings are scheduled to begin on July 15. The act would grant funds to establish or improve television broadcasting facilities for educational purposes.

As you may know, while channel 2 is on the air in Boston serving eastern Massachusetts with educational television, some 600,000 citizens in western Massachusetts are deprived of the opportunity to view educational television. In 1953 the Western Massachusetts Broadcasting Council, Inc. was instrumental in having the FCC reserve UHF Channels 80 and 82 for educational purposes in western Massachusetts. The reason that these channels have not been utilized is due to the tremendous costs involved in establishing a UHF station. In its second report to the Commonwealth of Massachusetts, the special commission on educational television estimated the cost of establishing Channels 80 and 82 as over $500,000.

This year some 54 school systems in eastern Massachusetts are cooperating in in-school television programing over Channel 2 in Boston. Legislation has been passed to allow all Massachusetts school committees to vote money for in-school television. Unless facilities are established in western Massachusetts, primary and second school students in this area will not be able to share in the educational advancements now available in the eastern part of Massachusetts.

The council urges that the Magnuson-Udall bill be granted a favorable committee report and subsequent passage by the House before its expected August adjournment.

Passage of the Magnuson-Udall bill would make a statewide educational television network a reality in Massachusetts and would assure our continuing leadership in the whole field of education.

Sincerely yours,

GILBERT E. MOTTLA,
University of Massachusetts Representative for the Western Massachusetts Broadcasting Council, Inc.

(Directors: Horace Hewlett, Amherst College; Roger Holmes, Mount Holyoke College; Donald Sheehan, Smith College; Gilbert E. Mottla, University of Massachusetts; Edmund P. Garvey, council representative for Springfield School Committee.)

Testimonial Dinner Honoring Chester E. Merrow, of New Hampshire, June 16, 1958

EXTENSION OF REMARKS
OF
HON. FRANCES P. BOLTON
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Monday, July 21, 1958

Mrs. BOLTON. Mr. Speaker, on June 16 I had the pleasure of participating in a testimonial banquet given for our distinguished colleague from New Hampshire, the Honorable CHESTER E. MERROW. It was a standing-room-only affair and one of the most heartening evenings I have spent in a long time. Some 500 people had come to express their appreciation of Mr. MERROW's wonderful service to them through the years, and to wish him well. May I say, as an aside, that they were not all Republicans. I had the privilege and pleasure of giving the group gathered there a glimpse of what we here in the Congress think of CHESTER MERROW, especially those of us on the Committee on Foreign Affairs which he has served faithfully since 1945.

Miss Christine Perry, chairman of the Merrow for Congress Committee, gave a beautiful address which expressed so well the sense of those present. Mr. Speaker, under unanimous consent, I include Miss Perry's statement and my own talk in the RECORD as a part of my remarks, together with excerpts from an article appearing in Foster's Daily Democrat for June 17, 1958:

REMARKS BY MISS CHRISTINE PERRY AT TESTIMONIAL DINNER HONORING CHESTER E. MERROW, June 16, 1958

CHESTER E. MERROW, your life is the perfect denial of the old saying that a man cannot lift himself by his own bootstraps.

Born by the light of a kerosene lamp in your beloved town of Ossipee, by your own efforts you drove yourself through school and college.

Entering public life as a member of our New Hampshire general court, you quickly proved your ability in debate on the floor of the House and won wide respect and many friends.

When the time came for you to run for Congress, your lack of money and modest means were made up tenfold by a far more valuable asset—your sterling worth and your sincere desire to help your fellow citizens.

Although you have walked with kings you have never lost the common touch. You have never forgotten how much sweat there is in a $10 bill, nor what it means to walk the cold roads in threadbare clothing.

Today you strive, through travel, conference, and hearings to establish an international understanding and means of living together, so that the world we live in and all that we hold dear will not be wiped out overnight by the third and last world war.

You have been instrumental in deepening Portsmouth Harbor, aided our towns and cities from the dangers of flood, speeded our mail communications and gone beyond the normal call of duty to make sure that our veterans received their hard bought benefits. You have always had a ready and attentive ear for every one of your constituents.

CHESTER MERROW, you are the living example of the American tradition that no matter what a man's origin, if he but prove himself worthy, his fellow citizens will recognize his strength and place him in position to aid in the counseling of our Nation's destiny.

TESTIMONIAL DINNER HONORING CHESTER E. MERROW, MEMBER OF CONGRESS, NEW HAMPSHIRE

(Talk by Hon. FRANCES P. BOLTON, Member of Congress, Ohio, 22d District, Wentworth on the Sea, New Castle, N. H., June 16, 1958)

Friends, you cannot know what deep pleasure you have given me by your kind invitation to take part in this testimonial dinner tendered my colleague, the Honorable CHESTER E. MERROW. We have been together in the Congress for many years, and since the death of our greatly beloved comrade, Larry Smith, of Wisconsin, in January, we have sat side by side.

There is a curious bond between the men and women of the Congress—especially among those who are of the same party. We Republicans have many differences of opinion—too many once and again—but the bond is strongly felt by those who come back after some years in other fields. Warm welcome awaits them, and memories dance in the Chamber. Yes; it is a strangely friendly company, merciless in its criticism, seldom given to praise. One earns whatever reputation one builds.

This Representative of yours has built himself an enviable place in the greatest legislative body in the world. When he has spoken on the floor it has been to the point. Intelligently and simply he has presented us with his views. You can read his statements in the CONGRESSIONAL RECORD. All of them redound to your credit, as well as to his.

I could read you his record—I have it here—and I assure you it is an enviable one. Portsmouth Harbor — Farmington — your shipyards, your industries, are but a few places which are better for his service. All these, while he was giving himself also to special missions to Australia, Pakistan, India, Thailand and Indochina—to Europe, to Central America, and, not least, a fine contribution as 1 of the 2 United States Congressional delegates to the 10th General Assembly of the U. N. I know what this last means, for I was a delegate to the 8th Assembly in 1953.

So I say to you with great earnestness, that the value of this man who has served his District, his State, and his country increases with each year you send him back.

Yes; it is good that you take this evening to let him know how truly you recognize his value and honor him. I congratulate you all for your understanding and your wisdom.

My colleague suggested to me that you might be interested if I gave you a few thoughts on that great continent of Africa to which I went 3 years ago. But before I do, I want to give you another picture—about matters nearer home, matters that have to do with your security and mine, and the security of free men and women the world over—for in that picture your Representative in the Congress, the Honorable CHESTER E. MERROW, plays a unique and far-reaching role.

We on the House Committee on Foreign Affairs, pride ourselves that we are first of all Americans, without party. Yes; we Republicans sit on one side of the committee table and the Democrats sit on the other, but in all the 17 years I have sat on that committee, I could count the partisan votes on my fingers.

This year we have had a demonstration of truly American action unlike—and to my mind beyond—any so far known. One of the two members of the Committee on Foreign Affairs participating in this unpartisan action is your Representative; his companion—A. S. J. CARNAHAN, a Democrat from Missouri. The most important bill before our committee this year was the mutual security bill. Probably no bill has ever suffered more from misrepresentation, from half truths, from exaggerations. Certainly no bill was ever in greater need of an honest presentation to the people. Such a presentation these two men made—indeed they are still making it—when invitations reach them.

Only those who have presented serious matters to audiences can have any conception of the amount of preparation that has to be done before a word is spoken. With their charts set up between them they told their audiences the reasons for and the results from this program entered into by our Government. They showed it to be the most far-reaching and effective method of protecting the Free World in this all too little understood war that is being waged between those of us who believe in God, who consider the individual of first importance because He is part of the very essense of the infinite, and those who deny His very existence.

No two men ever assumed a more selfless service—not easy—not simple, but infinitely worthwhile. I am glad of this opportunity to say once again: Thank you, CHESTER MERROW, for the fine contribution you have made and are making.

[From the Foster's Daily Democrat, Dover, N. H., June 17, 1958]

FRIENDS HONOR CONGRESSMAN MERROW WITH TESTIMONIAL BANQUET—MRS. BOLTON, OHIO REPRESENTATIVE, PRAISES WORK OF MERROW IN CONGRESS—ACCOMPLISHMENTS OF CONGRESSMAN REVIEWED IN TALK BY MISS CHRISTINE PERRY

WENTWORTH-BY-THE-SEA.— Representative FRANCES P. BOLTON, of Ohio, said here last night that Congressman CHESTER E. MERROW and A. S. J. CARNAHAN, of Missouri, succeeded in getting the facts of the mutual-security program to the people in their recent tour of the United States.

The woman Congressman who serves on the House Foreign Affairs Committee with MERROW, said the program is "one of the most misunderstood" in the country. It provides 600,000 jobs in the United States, she explained.

Eighty percent of the money in the mutual-security program is spent here at home, she said.

Mrs. BOLTON, who has served in Congress since 1940, spoke to a capacity audience at an appreciation dinner for MERROW at this resort hotel. The affair was sponsored by Strafford and Rockingham County friends of Congressman MERROW. She commended MERROW and CARNAHAN for their recent cross-country tour in bringing the facts of the program to the country.

She described the mutual-security program as a death fight, with godless communism in aiding underprivileged sections of the world. Mrs. BOLTON said Americans must cease being "an arrogant lot" and come to understand other people.

"Our schools must teach languages—including Russian," she said. "The State Department is struggling to put languages back into our public schools."

Mrs. BOLTON spoke of her recent tour of Africa, the continent that God has held in reserve. We need the confidence and friendship of its peoples, said the Congresswoman, and you can't buy that. She spoke of the continent's bauxite, industrial diamonds, and iron which our industry and our economy must have.

"Africa has everything we need," she concluded.

TRIBUTE TO MERROW

Hugo Lindahl, of Manchester, presented Congressman MERROW with a citation for his work in behalf of the country and the First Congressional District. He described MERROW as the living example of American tradition.

Others paying tribute to MERROW included James Smith, toastmaster of the evening; Andrew Christie, an old friend and long-time MERROW supporter; Andrew Jarvis, the mayor of Portsmouth; Christine Perry, of Somersworth, whose enumeration of MERROW's accomplishments on behalf of the First Congressional District appear in an adjoining column; Samuel B. Blair, chairman of the dinner committee; Mrs. Norma Studley Currier, Rochester, national committeewoman; and State Senator Paul Karkavelas, who as acting mayor of Dover, brought the good wishes of our great, beautiful, and industrial city.

MERROW told the gathering that he was deeply moved by the confidence expressed here tonight and expressed great satisfaction with being able to carry on his work.

He said that he and CARNAHAN are convinced that the American people are being missold on the intent of the mutual security program. He added that they will speak in Concord July 7, and probably in other New Hampshire communities.

The Congressman said, "I will dedicate my efforts to trying to see if we can build a peace, for another war—a nuclear war—would be devastating."

Seated at the head table were: Mr. and Mrs. Samuel B. Blair, of Dover; Rev. and Mrs. Robert Dunn, of Portsmouth; Rev. David, of the Franciscan Order at Rye; Mayor and Mrs. Andrew Jarvis, of Portsmouth; Mr. and Mrs. James Smith, Mr. and Mrs. Hugo Lindahl, of Manchester; National Committeewoman Mrs. Norma Studley Currier, of Rochester; State Chairman William Treat, of Hampton; Congressman and Mrs. Merrow, Father Thomas Duffy, Portsmouth, and Miss Christine Perry.

Among those attending the dinner were several prominent labor leaders in the local area.

Speaking for the committee that sponsored the testimonial to Congressman CHESTER E. MERROW last evening, Miss Christine Perry, of Somersworth, reviewed some of the accomplishments of the New Hampshire Congressman. In particular she stressed some of his work for Strafford and Rockingham Counties during the past several years.

She spoke as follows:

"CHESTER E. MERROW, your life is the perfect denial of the old saying that a man cannot lift himself by his own bootstraps.

"Born by the light of a kerosene lamp in your beloved town of Ossipee, by your own efforts you drove yourself through school and college.

"Entering public life as a member of our New Hampshire general court you quickly proved your ability in debate on the floor of the house and won wide respect and many friends.

"When the time came for you to run for Congress, your lack of money and modest means were made up 10-fold by a far more valuable asset, your sterling worth and your sincere desire to help your fellow citizens.

"Although you have walked with kings you have never lost the common touch. You have never forgotten how much sweat there is in a $10 bill, nor what it means to walk the cold roads in threadbare clothing."

Neglected Areas of Education and the National Defense Education Act of 1958

EXTENSION OF REMARKS
OF
HON. STEWART L. UDALL
OF ARIZONA
IN THE HOUSE OF REPRESENTATIVES
Monday, July 21, 1958

Mr. UDALL. Mr. Speaker, the time has come for us to fully realize what it means to live during times of explosive scientific development. Now we know that man's entry into space is limited only by the boundaries of time needed for research. This scientific research is man's last barrier to new adventure and discovery in the universe. Only an educational system alerted and equipped for the times can trigger a projection capable of surmounting science research barriers.

In the interest of the national survival we must provide stimulus to the States for the improvement and the further development of their public school programs of education and training in the sciences and foreign languages. We have more than sufficient evidence of the immediate dire need for this type of assistance to our public schools. In fact, as the committee reports on H. R. 13247 stated:

There is no question as to the need for strengthening and expanding the teaching of mathematics, science and modern foreign languages in our elementary and secondary schools. The vital importance of these subjects to our natural defense and to the conduct of our foreign economic, cultural, and diplomatic relations is inescapable. Instruction in these subjects—utilizing modern techniques and equipment—must be ade-

quate at the elementary and secondary school level if we are to produce the educated people our Nation needs in the years ahead. The plain cold fact is that these subjects are neglected ones in all too many of our schools today.

Dr. Lawrence Derthick, United States Commissioner of Education, described the background of the situation when he testified before our committee that—

It scarcely needs to be said that we have entered a new era, an era unfolding as a result of new knowledge of the universe and the continued development of new sources of energy. In many respects what recently was in the future, as conceived in the minds of men, is already here. We have been startled by recent developments and the accelerated pace with which the doors to nature's secrets are being opened.

The relative recency of the entrance of the laboratory sciences into the curriculum undoubtedly is one factor limiting the character and degree of science offerings in the schools. Many of our schools never have had suitable laboratory facilities, and in school after school the few science courses that are taught are often of a very inadequate nature, with instruction by teachers with less than desirable qualifications for the task. In recent years even the more favored schools have suffered sharp limitations on their science programs, as we shall show. These and other conditions have contributed to a critical imbalance in the curriculum, instruction, and student enrollment. * * *

Today most of the States do not have the leadership needed to promote the necessary modernization and upgrading of instruction in mathematics and science.

Resulting in part from lack of personnel, most of the States have not developed modern mathematics and science courses of study and teachers' guides.

The need to improve the science curriculum in our public schools is described in an article by Mr. Elbert P. Little in the Science Teacher Magazine, as follows:

The teaching of science has changed, and changed substantially, in the half century, both in content and in technique. But on the whole, the changes have consisted in addition to the structure that existed 50 years ago, or in alterations to the existing structure. Lately there have been repeated intimations that this piecemeal reconstruction has long since failed in its purposes; that a new structure is now necessary; and that it must be designed from the ground up.

The expense of equipment for science laboratories has forced many schools to resort to nonlaboratory methods of teaching. In many instances, it was reported during our subcommittee hearings, it is not uncommon to find a complete absence of laboratory facilities in the required general science and biology courses, to say nothing of those sciences requiring more complicated and expensive laboratory equipment.

The cost of science laboratory facilities was outlined by Dr. John R. Ludington, of the United States Office of Education, during our hearings when he pointed out that—

A general science laboratory would run $6,000; a biology laboratory, $6,700; and physics labs tend to run about $9,600; chemistry laboratories a little higher—$12,600.

In addition to those figures, we have various items of student apparatus and teacher demonstration equipment, chemicals and consumable supplies.

These figures for a general science laboratory run about $1,200 to $4,300, depending upon the size and the desires of the school. A biology laboratory would run from about $3,200 to $8,200. A physics laboratory would run from $3,400 to $8,900; and a chemistry laboratory, $2,400 to $7,200.

The problem of the lack of adequate science facilities and equipment in many of the Nation's schools is further complicated by the most vitally important need of all—a shortage of science and mathematics teachers. This fact was underscored during the subcommittee hearings when it was pointed out that—

A number of factors contribute to the difficulties which school systems face in developing adequate programs of mathematics and science. However, let us consider the problem of the teacher. Certainly all of us would agree this is a prime factor. It applies in other fields, of course. But the shortage is considerably more severe in the fields of mathematics and science. Moreover, the preparation of those presently engaged in these fields is less adequate than in other subjects.

The competition for teachers qualified in mathematics and science is definitely more critical today than heretofore. Several States which have conducted studies of teacher supply in science and mathematics report that only about one-third of the science teachers are full-time teachers of science and two-thirds teach these subjects merely on a part-time basis. Information drawn from 32 States indicates that in 1956 less than half of both the science teachers and mathematics teachers were devoting full time to the subject. This situation is most common in small high schools.

There has been an alarming drop in the number of science teachers trained annually. In 1950, 9,096 qualified science teachers graduated from our colleges. In 1956, only 4,320 were graduated a decrease of more than 50 percent. A slight improvement over the latter figure was noted in 1957 when the number increased to around 5,000. Moreover, for a variety of reasons, of those graduates prepared to teach science only about 60 out of every 100 actually accept teaching positions. In contrast, more than 80 percent of those who prepare for elementary schoolteaching enter teaching immediately.

On the basis of these facts and additional evidence presented to our subcommittee it is my opinion that the provision in the proposed National Defense Education Act to provide Federal assistance to the States to strengthen science, mathematics, and modern foreign language instruction is urgently needed and fully warranted.

As outlined in the committee report on H. R. 13247:

This title authorizes grants to the States to assist over a period of 4 fiscal years in establishing and maintaining a 2-part program for strengthening science, mathematics, and modern foreign language instruction in public schools, both administered in accordance with a single State plan (as approved by the Commissioner of Education) for accomplishing the purposes of the program.

First, there is authorized the appropriation of $60 million for the fiscal year ending June 30, 1959, and for each of the three succeeding fiscal years for payments to State educational agencies for the acquisition of special equipment suitable for use in providing education in science, mathematics, and modern foreign languages in the public elementary, and secondary schools of the State, and for minor remodeling of laboratory or other space used for such equipment.

Secondly, there is authorized the appropriation of $5 million for each of the 4 years for payments to State educational agencies for the expansion or improvement of State supervision and related services in the fields of science, mathematics, and modern foreign language instruction, and for the administration of the State plan.

SENATE

TUESDAY, JULY 22, 1958

The Senate met at 10 o'clock a. m.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father, God, eternal, sure, and still omnipotent when the world seems falling to pieces around us, when so many hopes are being dashed to the ground, help us in the midst of the whelming flood to stay our minds in the strength of the everlasting values that nothing can destroy.

Amid all the distraction of the complicated modern life in which our lot is cast, keep our hearts childlike and trustful, free from corroding cynicism, so that the gates of the realm of wonder, closed to the merely clever and conceited, may be opened unto us as we turn to Thee, our God, in the simplicity as it is in Christ our Lord; and in His spirit dedicate all we have and are, to help heal the open sores of the stricken earth. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Monday, July 21, 1958, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting nominations was communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the

House had passed the following bills of the Senate, each with an amendment, in which it requested the concurrence of the Senate:

S. 2447. An act to authorize and direct the Secretary of the Interior to undertake continuing studies of the effects of insecticides, herbicides, fungicides and other pesticides, upon fish and wildlife for the purpose of preventing losses of those invaluable natural resources following application of these materials and to provide basic data on the various chemical controls so that forests, croplands, wetlands, rangelands and other lands can be sprayed with minimum losses of fish and wildlife; and

S. 2617. An act to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, as amended.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 1143. An act to amend the Veterans' Benefits Act of 1957 to provide that multiple sclerosis developing a 10 percent or more degree of disability within 3 years after separation from active service shall be presumed to be service connected;

H. R. 3046. An act to amend title 28 of the United States Code to provide for transfer of cases between the district courts and the Court of Claims;

H. R. 4381. An act to amend the act of July 1, 1948 (62 Stat. 1215), to authorize the furnishing of headstones or markers in memory of members of the Armed Forces dying in the service, whose remains have not been recovered or identified or were buried at sea;

H. R. 4804. An act for the relief of the Newington School District, New Hampshire;

H. R. 6542. An act to authorize the Secretary of Agriculture to convey certain lands in the State of Wyoming to the town of Dayton, Wyo.;

H. R. 8652. An act to rescind the authorization for the Waldo Lake tunnel and regulating works, Willamette River, Oreg.;

H. R. 9673. An act to amend title 10, United States Code, to provide the conditions under which retired pay may be paid in the case of retired officers dropped from the rolls, and for other purposes;

H. R. 9721. An act to amend section 1482 of title 10 of the United States Code to provide for the payment of transportation expenses of certain survivors of deceased servicemen to attend group burials in national cemeteries;

H. R. 10277. An act to reduce from 15 to 13 inches the minimum width of paper in rolls which may be imported into the United States free of duty as standard newsprint paper;

H. R. 11125. An act to provide for the conveyance of certain real property of the United States to the city of Valparaiso, Fla.

H. R. 11694. An act to provide for the conveyance of certain real property of the United States situated in Clallam County, Wash., to the Department of Natural Resources, State of Washington;

H. R. 11722. An act to provide compensation to the Crow Tribe of Indians for certain ceded lands embraced within and otherwise required in connection with the Huntley reclamation project, Montana, and for other purposes;

H. R. 11800. An act to authorize the Secretary of Agriculture to convey a certain parcel of land and buildings thereon to the city of Clifton, N. J.;

H. R. 12018. An act to authorize the Secretary of the Navy to acquire certain land on the island of Guam;

H. R. 12531. An act to amend the Agricultural Adjustment Act of 1938, as amended, to permit the State committee to allocate from the acreage of extra long staple cotton reserved under section 344 (e) of the act an amount not to exceed 1½ percent of the State acreage allotment to farms for the production of high quality extra long staple cotton seed, and for other purposes;

H. R. 12840. An act to amend the Agricultural Adjustment Act of 1938;

H. R. 13138. An act to amend the act of March 10, 1934, to provide for more effective integration of a fish and wildlife conservation program with Federal water-resource developments, and for other purposes;

H. R. 13140. An act to revise the laws relating to depository libraries;

H. R. 13209. An act to provide for adjustments in the lands or interests therein acquired for the Albeni Falls Reservoir project, Idaho, by the reconveyance of certain lands or interests therein to the former owners thereof;

H. R. 13265. An act to authorize the appropriation to the Corregidor-Bataan Memorial Commission of an amount equal to amounts, not in excess of $7,500,000, which may be received by the Secretary of the Navy from the sale of vessels stricken from the Naval Vessel Register, to be expended for the purpose of carrying out the provisions of the act of August 5, 1953;

H. R. 13373. An act to increase the rate on which lump-sum readjustment payments are computed for Reserves of the Armed Forces;

H. R. 13374. An act to provide for the retention of deferment or exemption upon change of membership in a Reserve component, Army National Guard or Air National Guard;

H. R. 13378. An act to facilitate the naturalization of adopted children and spouses of certain United States citizens performing religious duties abroad; and

H. R. 13382. An act to amend the Internal Revenue Code of 1954 to provide tax revision for small business.

The message also announced that the House had agreed to the following concurrent resolutions, in which it requested the concurrence of the Senate:

H. Con. Res. 295. Concurrent resolution favoring the establishment of a Hall of Fame for Agriculture; and

H. Con. Res. 333. Concurrent resolution to express the sense of the Congress with respect to the size of the Army National Guard.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H. R. 1143. An act to amend the Veterans' Benefits Act of 1957 to provide that multiple sclerosis developing a 10 percent or more degree of disability within 3 years after separation from active service shall be presumed to be service connected;

H. R. 10277. An act to reduce from 15 to 13 inches the minimum width of paper in rolls which may be imported into the United States free of duty as standard newsprint paper; and

H. R. 13382. An act to amend the Internal Revenue Code of 1954 to provide tax revision for small business; to the Committee on Finance.

H. R. 3046. An act to amend title 28 of the United States Code to provide for transfer of cases between the district courts and the Court of Claims;

H. R. 4804. An act for the relief of the Newington School District, New Hampshire; and

H. R. 13378. An act to facilitate the naturalization of adopted children and spouses of certain United States citizens performing religious duties abroad; to the Committee on the Judiciary.

H. R. 4381. An act to amend the act of July 1, 1948 (62 Stat. 1215) to authorize the furnishing of headstones or markers in memory of members of the Armed Forces dying in the service, whose remains have not been recovered or identified or were buried at sea;

H. R. 11722. An act to provide compensation to the Crow Tribe of Indians for certain ceded lands embraced within and otherwise required in connection with the Huntley reclamation project, Montana, and for other purposes; and

H. R. 12018. An act to authorize the Secretary of the Navy to acquire certain land on the island of Guam; to the Committee on Interior and Insular Affairs.

H. R. 6542. An act to authorize the Secretary of Agriculture to convey certain lands in the State of Wyoming to the town of Dayton, Wyo.;

H. R. 11800. An act to authorize the Secretary of Agriculture to convey a certain parcel of land and buildings thereon to the city of Clifton, N. J.;

H. R. 12531. An act to amend the Agricultural Adjustment Act of 1938, as amended, to permit the State committee to allocate from the acreage of extra long staple cotton reserved under section 344 (e) of the act an amount not to exceed 1½ percent of the State acreage allotment to farms for the production of high quality extra long staple cotton seed, and for other purposes; and

H. R. 12840. An act to amend the Agricultural Adjustment Act of 1938; to the Committee on Agriculture and Forestry.

H. R. 8652. An act to rescind the authorization for the Waldo Lake Tunnel and regulating works, Willamette River, Oreg.; to the Committee on Public Works.

H. R. 9673. An act to amend title 10, United States Code, to provide the conditions under which retired pay may be paid in the case of retired officers dropped from the rolls, and for other purposes;

H. R. 9721. An act to amend section 1482 of title 10 of the United States Code to provide for the payment of transportation expenses of certain survivors of deceased servicemen to attend group burials in national cemeteries;

H. R. 11125. An act to provide for the conveyance of certain real property of the United States to the city of Valparaiso, Fla.

H. R. 13265. An act to authorize the appropriation to the Corregidor-Bataan Memorial Commission of an amount equal to amounts, not in excess of $7,500,000, which may be received by the Secretary of the Navy from the sale of vessels stricken from the Naval Vessel Register, to be expended for the purpose of carrying out the provisions of the act of August 5, 1953;

H. R. 13373. An act to increase the rate on which lump-sum readjustment payments are computed for Reserves of the Armed Forces; and

H. R. 13374. An act to provide for the retention of deferment or exemption upon change of membership in a Reserve component, Army National Guard or Air National Guard, to the Committee on Armed Services.

H. R. 11694. An act to provide for the conveyance of certain real property of the United States situated in Clallam County, Wash., to the Department of Natural Resources, State of Washington; to the Committee on Government Operations.

H. R. 13138. An act to amend the act of March 10, 1934, to provide for more effective integration of a fish and wildlife conservation program with Federal water-resource developments, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H. R. 13140. An act to revise the laws relating to depository libraries; to the Committee on Rules and Administration.

HOUSE CONCURRENT RESOLUTIONS REFERRED

The concurrent resolution (H. Con. Res. 295) favoring the establishment of a Hall of Fame for Agriculture, was referred to the Committee on Agriculture and Forestry, as follows:

Whereas many of our bravest men and most valiant soldiers were of an agricultural background; and

Whereas the Founding Fathers of this Republic and many of its most eminent leaders were farmers; and

Whereas agriculture has played a dominant role in the rise of our country to greatness; and

Whereas there now exist halls of fame recognizing the glorious past for the baseball player, the cowboy, and others; and

Whereas the ox yoke, the bull-tongue plow, the hand-forged iron kettle, and the sod house represent the evolution of agricultural technology in this country and the difficulties which a determined people faced and successfully overcame in improving their way of life; and

Whereas our American heritage should be preserved and tribute should be paid to the great men and women who over the years have helped to make American agriculture the most productive in the world: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that there be established and maintained, as a memorial to the important role played by agriculture in the development of our Nation, a Hall of Fame for Agriculture, wherein there will be collected and preserved for posterity relics, artifacts, and other evidence and data relating to agriculture and the great contributions it has made and continues to make in the rise to greatness of our country; and the Congress does hereby commend, encourage, and sanction the efforts to establish such a hall of fame.

The concurrent resolution (H. Con. Res. 333) to express the sense of the Congress with respect to the size of the Army National Guard, was referred to the Committee on Armed Services, as follows:

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress, in order to adequately provide for the national defense, the Army National Guard shall be maintained at a strength not less than 400,000 members.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Committee on Interior and Insular Affairs and the Committee on Post Office and Civil Service were authorized to meet during the session of the Senate today.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following communication and letter, which were referred as indicated:

PROPOSED SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEARS 1958 AND 1959 (S. DOC. NO. 110)

A communication from the President of the United States, transmitting proposed supplemental appropriations in the amount of $197,500 for the fiscal year 1958 and $462,119,400 for the fiscal year 1959 for various agencies of the executive branch (with accompanying papers); to the Committee on Appropriations, and ordered to be printed.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Acting Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A resolution adopted by the Delaware River Port Authority, expressing its appreciation to the Members of the Congressional delegation for their efforts to continue operation of Piers 96, 98, and 100 South as a public marine terminal; to the Committee on Public Works.

ALASKAN STATEHOOD—CONCURRENT RESOLUTION OF LOUISIANA LEGISLATURE—NEWSPAPER ARTICLE

Mr. LONG. Mr. President, it is with special pleasure that I ask unanimous consent to include in the RECORD at this point a concurrent resolution adopted by the Louisiana Legislature. The resolution was adopted a very few days after enactment of the legislation to authorize the Territory of Alaska to become our 49th State.

By the adoption of this resolution, the members of both houses of the Louisiana State Legislature became the first to give official welcome to Alaska. As Members of the Senate know, I have strongly supported the admission of Alaska as a State of the Union, and I am proud to have the privilege today of placing this resolution before the Senate, on behalf of myself and the senior Senator from Louisiana [Mr. ELLENDER].

I ask unanimous consent that the concurrent resolution be printed in the RECORD, and appropriately referred.

There being no objection, the concurrent resolution was ordered to lie on the table, and to be printed in the RECORD, as follows:

House Concurrent Resolution 50

Whereas the Congress of the United States has recently passed and the President has signed an act admitting Alaska into the Union as the 49th State; and

Whereas Louisiana was also at one time a part of a large unexplored territory and experienced many of the trials and tribulations faced by the people of Alaska; and

Whereas a native son of Louisiana served as consultant to the drafters of the constitution of Alaska, and

Whereas, for these reasons, it is entirely appropriate that the State of Louisiana be the first to officially welcome Alaska into the Union of States: Therefore, be it

Resolved by the House of Representatives of the Legislature of the State of Louisiana (the Senate concurring), That the Legislature of Louisiana, on behalf of the people of Louisiana, does hereby welcome Alaska as the 49th State; be it further

Resolved, That a copy of this resolution be sent to the Governor and to the President of the Senate and Speaker of the House of Alaska and to the presiding officers of the Senate and House of Representatives of the Congress of the United States.

_____,
Speaker of the House of Representatives.

_____,
Lieutenant Governor and President of the Senate.

Mr. LONG. Mr. President, I should also like to take this occasion to give credit to a Louisianian who, in my judgment, has done more than any other person outside Alaska on behalf of Alaskan statehood.

I refer to an outstanding citizen of New Orleans, Mr. George Lehleitner. Senators will note that the concurrent resolution of the State legislature refers to the fact that "a native son of Louisiana served as a consultant to the drafters of the constitution of Alaska." He did this and much more.

In the New Orleans Times-Picayune for July 2, Mr. Lehleitner was given much-deserved praise for his contribution; and I ask unanimous consent that the text of the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ORLEANIAN PLAYS BIG ROLE IN MAKING ALASKA STATE—$60,000, MOST OF TIME SPENT IN CAMPAIGN

(By Arthur Edson)

WASHINGTON.—As soon as Alaska officially becomes a State, it should erect at least a small statue of George Lehleitner.

For Lehleitner, a New Orleans businessman, has carried on one of the most unusual civic love affairs of all time. Far away from his beloved territories, his faith unshaken by many a disheartening setback, Lehleitner worked steadily since World War II for both Alaska and Hawaii statehood.

Since Lehleitner isn't large, the statue needn't be either. A friendly sportsman of 52 with his sportshirt collar open over his wash suit, Lehleitner doesn't look like one who could move the mountains and valleys of Alaska to statehood.

DRUNKEN MARINE

Yet Alaskans credit him with playing a major role in the campaign. And his friends say he has spent up to two-thirds of his time and more than $60,000 of his money, trying to push Alaska and Hawaii into the Union.

Like most love affairs, the start of this one is fairly involved. It includes Lehleitner's hitch in the Navy; his service on a transport that took him to Hawaii; and, curiously, a drunken marine.

"I guess I had the average misconception of Hawaii," he said, "as a place where everyone went around barefooted, all bananas and coconuts. I had even a shallower conception of their form of government."

STATES RIGHTS

During World War II, martial law was declared on the islands, and Lehleitner is convinced it was kept on far longer than if Hawaii had had States rights.

Lehleitner seems particularly depressed by the memory of a marine who went into a small grocery store and had himself a ball by the simple process of buying soft drinks and vanilla extract and mixing same.

"He got plastered," Lehleitner said. "They hauled the poor woman who owned the store into a military court, and as well as I can recall, she got a 6-month jail sentence."

HAWAII FIRST

"It was a shocker to me."

His reaction was immediate.

"I resolved that when I went back into civil life I would make my civic project statehood for Hawaii—and eventually Alaska."

Lehleitner still believes Hawaii should have come in first, right after World War II. He thinks admission of the Hawaiians, with their close ties to Asia, would have been dramatic proof that this Nation truly believes in democracy for all peoples.

"We missed the boat," he says. "I really believe that if we had brought Hawaii in then, the history of the Far East might have been a little different."

TENNESSEE PLAN

Well, along the way Hawaii suffered setbacks, and Lehleitner switched his first allegiance to Alaska. He sold the Alaskans on the Tennessee plan, a scheme whereby a Territory elects pseudo Congressmen and Senators and sends them here to holler until full statehood is granted.

They've hollered, while Lehleitner has been busy whipping up cheers from the sidelines. And the Senate agreed with the House that Alaska should be in the Union.

One battle won, Lehleitner prepared to grab a plane for his often-neglected floor covering business in New Orleans.

"But I'll be back," he said. "Next time—Hawaii."

PLIGHT OF RAILROAD INDUSTRY—RESOLUTIONS

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD two resolutions adopted by the Town Board of the Town of Union, and Chamber of Commerce of Saratoga Springs, both of the State of New York, relating to the plight of the railroad industry.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTION BY TOWN BOARD OF THE TOWN OF UNION

Whereas the railroads have played an important role in the development of this community and the Nation, both in peacetime and in times of national emergency; and

Whereas the railroads are important in this community because they are big taxpayers and are among the biggest employers and purchasers of goods and services; and

Whereas in the event of a national emergency, they would be essential to the Nation's safety; and

Whereas during World War II they carried 90 percent of all military freight and about 97 percent of troop movements; and

Whereas because of declining revenues, many railroads, in the East are threatened with bankruptcy or possible Government operation; and

Whereas a Senate subcommittee which conducted an intensive 3 month investigation into the railroad situation, has reported that the railroads must be given assistance at once if they are to survive as a free enterprise; and

Whereas the committee has recommended legislation to give the railroads relief from obsolete regulations and excessive taxation: Therefore be it

Resolved, That this board urge the Congress of the United States to adopt the legislation recommended by the Senate committee, in order to help the railroads survive as a vital free interprise industry, without Government ownership or Federal subsidy; and be it further

Resolved, That the town clerk be and he hereby is directed to forward duly certified copies of this resolution to Hon. IRVING M. IVES and Hon. JACOB K. JAVITS, Senate Office Building, Washington, D. C., and to Hon. HOWARD W. ROBISON, New House Office Building, Washington, D. C.

RESOLUTION BY SARATOGA SPRINGS CHAMBER OF COMMERCE

Whereas the railroads are in serious financial straits, largely because of outmoded and inequitable Government regulations; and

Whereas these conditions have an adverse effect upon the employment, business, and general economy of Saratoga Springs, as well as of the Nation as a whole; and

Whereas, a healthy, competitive railroad industry is essential to our welfare and security both locally and nationally: Now, therefore, be it

Resolved, That the chamber of commerce strongly urges Congressman DEAN P. TAYLOR and Senators IVES and JAVITS to support corrective legislation introduced by the Senate Subcommittee on Surface Transportation of the Senate Committee on Interstate and Foreign Commerce; and be it further

Resolved, That copies of this resolution be forwarded to above-named gentlemen.

PAUL B. HILLEBOE,
President, Chamber of Commerce.

RESOLUTION OF ASSOCIATION OF COMMERCE, ELMIRA, N. Y.

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the Association of Commerce, of Elmira, N. Y., expressing opposition to enactment of the bill (S. 1267) to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of employers who are engaged in activities affecting interstate commerce, to eliminate certain exemptions, and for other purposes.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas it is believed that current legislative proposals to extend the basic coverage of the Fair Labor Standards Act and to narrow or remove certain exemptions in this act such as those for retail and service employees, would be extremely detrimental to small businesses and to its employees, and would be inflationary as well; and

Whereas New York State is operating under its own minimum wage laws which take into account economic needs and living conditions within the State: Now, therefore, be it

Resolved, That the Elmira Association of Commerce opposes the Morse-Kelley bill (S. 1267, H. R. 4575) and that its Representatives in the Congress and the chairmen of the Senate and House Labor Committees be so advised.

Your support of our association's position in this matter will be deeply appreciated.

Very truly yours,

RALPH H. ROBERTS,
Secretary-Manager.

EXECUTION OF GENERAL MALETER AND PREMIER NAGY—RESOLUTION

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the Diocesan Union of Holy Name Societies of the Diocese of Rockville Centre, Long Island, N. Y., relating to the execution of General Maleter and Premier Nagy.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

DIOCESAN UNION OF HOLY NAME SOCIETIES OF THE DIOCESE OF ROCKVILLE CENTRE,
Long Island, N. Y.

Whereas the aim of the rulers of Communist Russia for world domination and the aspiration of the people of the world for national political independence are incompatible; and

Whereas Gen. Pal Maleter, Premier Imre Nagy, and their two companions stood for a free and independent Hungary; and

Whereas their secret trial and execution make them the latest victims of the efforts of the rulers of Communist Russia to liquidate those who would frustrate their aim of world domination: Now, therefore, be it

Resolved by this Diocesan Union of Holy Name Societies of the Diocese of Rockville Centre, That the secret trial and execution of General Maleter, Premier Nagy, and their two companions are to be condemned and shall serve as a shocking reminder that the aim of the rulers of Communist Russia is world domination and the suppression of national political independence.

EDWARD V. MURTAUGH,
President.

LINDENHURST, N. Y., *July 13, 1958.*

SECTION 229 OF FEDERAL HOUSING ACT—LETTER

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter addressed to me by the Director of the Sioux County Welfare Board, Fort Yates, N. Dak., favoring the enactment of section 229 of the Federal Housing Act.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SIOUX COUNTY WELFARE BOARD,
Fort Yates, N. Dak., July 10, 1958.

Hon. WILLIAM LANGER,
United States Senate,
Washington, D. C.

DEAR SENATOR LANGER: The Sioux County Welfare Board at their regular meeting on July 7, 1958, recommended passage of section 229 of the Federal Housing Act.

Any support that you can give to aid the passage of section 229 will be appreciated by all the board members.

Very truly yours,

CARL OLSON, *Director.*

RESOLUTION OF STATE BAR ASSOCIATION OF NORTH DAKOTA

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in

the RECORD a resolution adopted by the State Bar Association of North Dakota, protesting against the enactment of the so-called Jenner bill to limit the jurisdiction of the Supreme Court in certain criminal cases.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

"Whereas the Supreme Court of the United States is the repository of the judicial power of the United States; and

"Whereas the judicial power is the final bulwark of our people against oppression from any source; and

"Whereas, any attempt by the legislative or executive branches of the United States to sieze, curb or usurp the judicial power is a threat to the liberty of the people and to our traditional and constitutionally provided system of checks and balances; and

"Whereas the so-called Jenner bill now pending in the Congress of the United States is an effort to usurp and restrict the judicial power and to deny our people the shield of judicial protection: Now, therefore, be it

"*Resolved*, That we the members of the State Bar Association of North Dakota in convention assembled do hereby protest and object to the Jenner bill now pending in the Congress of the United States in its present or any other form as a dire threat to the liberty of a free people and a calculated effort to destroy our historic and basic system of checks and balances, and we urge the immediate defeat of this bill or any other bill embodying the same idea or thesis and we urge the Congress to be ever vigilant; and to be mindful of its duty to maintain and support our constitutional division of power, that is legislative, executive and judicial; and be it further

"*Resolved*, That the executive secretary of this association be and hereby is authorized and directed to have this resolution reproduced, and to send copies of it to the President of the United States, the members of the Supreme Court of the United States, and to the Judiciary Committees of both Houses of Congress and to the North Dakota Congressional delegation, and to the president of the American Bar Association."

Dated June 28, 1958.

The above resolution adopted by the membership of the State Bar Association of North Dakota convened in annual meeting at Jamestown, N. Dak., on June 28, 1958.

LYNN G. GRIMSON,
Executive Director,
State Bar Association of North Dakota.
GRAFTON, N. DAK.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GOLDWATER, from the Committee on Interior and Insular Affairs, with amendments:

S. 3754. A bill to provide for the exchange of lands between the United States and the Navaho Tribe, and for other purposes (Rept. No. 1867).

By Mr. MALONE, from the Committee on Interior and Insular Affairs, without amendment:

S. 3949. A bill to add certain public domain lands in Nevada to the Summit Lake Indian Reservation (Rept. No. 1868).

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs, without amendment:

H. R. 12617. An act to amend sections 2 and 3 of the act of May 19, 1947 (ch. 80, 61 Stat. 102), as amended, relating to the trust funds of the Shoshone and Arapahoe Tribes, and for other purposes (Rept. No. 1869).

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs, with amendments:

S. 3780. A bill directing the Secretary of the Interior to convey certain property in the State of New Mexico to the pueblo of Santo Domingo (Rept. No. 1870).

By Mr. NEUBERGER, from the Committee on Interior and Insular Affairs, with amendments:

S. 2922. A bill to authorize a $100 per capita payment to members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation (Rept. No. 1871).

By Mr. NEUBERGER, from the Committee on Interior and Insular Affairs, without amendment:

H. R. 9139. An act to amend the law with respect to civil and criminal jurisdiction over Indian country in Alaska (Rept. No. 1872).

By Mr. MURRAY, from the Committee on Interior and Insular Affairs, without amendment:

H. R. 7241. An act to amend section 6 of the act of March 3, 1921 (41 Stat. 1355), entitled "An act providing for the allotment of lands within the Fort Belknap Indian Reservation, Mont., and for other purposes" (Rept. No. 1873).

By Mr. KUCHEL, from the Committee on Interior and Insular Affairs, with amendments:

H. R. 2824. An act to provide for the distribution of the land and assets of certain Indian rancherias and reservations in California, and for other purposes (Rept. No. 1874).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 3942. A bill for the relief of certain aliens distressed as the result of natural calamity in the Azores Islands, and for other purposes (Rept. No. 1875).

By Mr. MURRAY, from the Committee on Labor and Public Welfare, with an amendment.

S. 3694. A bill to amend the act of August 5, 1954 (68 Stat. 674), and for other purposes (Rept. No. 1876).

By Mr. CHAVEZ, from the Committee on Public Works, without amendment:

S. 2793. A bill to provide for the conveyance of a pumping station and related facilities of the Intracoastal Waterway System at Algiers, La., to the Jefferson-Plaquemines Drainage District, Louisiana (Rept. No. 1881);

S. 3712. A bill to authorize appropriations for continuing the construction of the Rama Road in Nicaragua (Rept. No. 1880);

H. R. 855. An act to designate the dam being constructed in connection with the Eagle Gorge Reservoir project on the Green River, Wash., as the "Howard A. Hanson Dam" (Rept. No. 1878);

H. R. 10426. An act to provide that the Federal-Aid Highway Act of 1956 (Public Law 627, 84th Congress, ch. 462, 2d sess.) shall be amended to increase the period in which actual construction shall commence on rights-of-way acquired in anticipation of such construction from 5 years to 7 years following the fiscal year in which such request is made (Rept. No. 1877); and

H. R. 11305. An act to authorize the appropriation of funds to finance the 1961 meeting of the Permanent International Association of Navigation Congresses (Rept. No. 1879).

By Mr. ANDERSON, from the Joint Committee on Atomic Energy, without amendment:

S. 4164. A bill to amend the Atomic Energy Act of 1954, as amended (Rept. No. 1882); and

S. 4165. A bill to amend the Atomic Energy Act of 1954, as amended (Rept. No. 1883).

By Mr. SPARKMAN, from the Committee on Foreign Relations, without amendment:

S. Con. Res. 109. Concurrent resolution to express the sense of the Congress on the establishment of the United Nations force (Rept. No. 1884).

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

One hundred and twenty-four postmaster nominations.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HAYDEN (for himself and Mr. GOLDWATER):

S. 4167. A bill to authorize the lease of Papago tribal land to the National Science Foundation and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. TALMADGE:

S. 4168. A bill for the relief of Henry K. Lee (Hyun Kui); to the Committee on the Judiciary.

By Mr. EASTLAND:

S. 4169. A bill to amend the act of June 10, 1938, relating to participation by the United States in the International Criminal Police Organization; to the Committee on the Judiciary.

By Mr. MANSFIELD (for Mr. KENNEDY):

S. 4170. A bill for the relief of Gaetano Ruisi; to the Committee on the Judiciary.

By Mr. McNAMARA:

S. 4171. A bill for the relief of Penelope Carnavas Kafos; to the Committee on the Judiciary.

By Mr. YARBOROUGH:

S. 4172. A bill for the relief of Wong Gar Wah; and

S. 4173. A bill for the relief of Dr. Josephine Shou-Chen Chu; to the Committee on the Judiciary.

By Mr. CURTIS (for himself, Mr. HENNINGS, Mr. GREEN, Mr. MANSFIELD, Mr. TALMADGE, Mr. COOPER, Mr. JAVITS, and Mr. CASE of New Jersey):

S. 4174. A bill to authorize the distribution of copies of the CONGRESSIONAL RECORD to former members of Congress requesting such copies; to the Committee on Rules and Administration.

RESOLUTIONS

The following resolutions were submitted and referred as indicated:

INVESTIGATION OF CENTRAL INTELLIGENCE AGENCY

Mr. LANGER. Mr. President, I submit, for appropriate reference, a resolution providing for an investigation of the Central Intelligence Agency. I ask unanimous consent that a statement, prepared by me, relating to the resolution, be printed in the RECORD.

The PRESIDENT pro tempore. The resolution will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The resolution (S. Res. 338) was referred to the Committee on Foreign Relations, as follows:

Resolved, That (a) the Committee on Foreign Relations, or any duly authorized subcommittee thereof, is authorized and directed under sections 134 (a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate, to make a full and complete study and investigation of the Central Intelligence Agency with a view to ascertaining whether that Agency is properly performing its functions and, particularly, whether it has failed to detect or to be aware of the circumstances which led to (1) the Suez crisis, (2) the difficulties encountered by Vice President NIXON during his recent visit to South America, and (3) the assassination of King Faisal of Iraq and the overthrow of his government.

(b) The committee shall report to the Senate at the earliest practicable date the results of its study and investigation, together with such recommendations as it may deem advisable.

SEC. 2. For the purpose of this resolution, the committee, from the date on which this resolution is agreed to, to January 31, 1959, inclusive, is authorized (1) to make such expenditures as it deems advisable, and (2) to employ on a temporary basis technical, clerical, and other assistants and consultants.

SEC. 3. The expenses of the committee under this resolution, which shall not exceed $———, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The statement presented by Mr. LANGER is as follows:

STATEMENT BY SENATOR LANGER

I am submitting today a resolution requesting the Foreign Relations Committee of the Senate to conduct a thorough investigation of the Central Intelligence Agency based on the failure of that Agency to properly warn and advise the leaders of our country of certain catastrophic dangers to the security of our Nation and the world.

The fact that the revolution in Iraq was completed without any inkling to the Central Intelligence Agency which left the United States and its allies in a most precarious position triggered my request for this investigation. The Iraq revolution is not the only major turn of events which gives the Senate basic reasons for this investigation.

We also recall that the problem of the Suez erupted without notice to us and without the knowledge of the Central Intelligence Agency. Also the grave dangers that faced the Vice President of the United States and his wife and his entourage in several countries in South America came as a distinct shock to the President of the United States and to the Members of Congress.

I believe it is imperative that the Foreign Relations Committee of the Senate be authorized to conduct an investigation of the Central Intelligence Agency immediately so that one day will not pass where even more devastating damage will be done to the security of our Nation and the world because of the fault of the Central Intelligence Agency in not detecting the difficulty in due time.

ADDITIONAL FUNDS FOR SELECT COMMITTEE ON IMPROPER ACTIVITIES IN LABOR AND MANAGEMENT FIELD

Mr. MCCLELLAN submitted the following resolution (S. Res. 339), which was referred to the Committee on Rules and Administration:

Resolved, That the amount authorized in Senate Resolution 221, agreed to January 29, 1958, 85th Congress, 2d session, authorizing and directing the committee to conduct an investigation and study of the extent to which criminal or other improper practices or activities are, or have been, engaged in in the field of labor-management relations or in groups or organizations of employees or employers to the detriment of the interests of the public, employers, or employees, and to determine whether any changes are required in the laws of the United States in order to protect such interests against the occurrence of such practices or activities, is hereby increased by the additional amount of $250,000.

HUMANE METHODS OF SLAUGHTER OF LIVESTOCK—AMENDMENT

Mr. HUMPHREY. Mr. President, as a Senator who has worked for effective humane-slaughter legislation for several years, I wish to inform the Senate that I shall move to amend the bill (H. R. 8308) as reported from the Senate Agriculture Committee on June 18, 1958, to substitute the original language of the House-passed bill.

I submit an amendment in the nature of a substitute. The following 17 distinguished Senators have agreed to cosponsor the amendment: the Senator from Oregon [Mr. NEUBERGER] and the Senator from Connecticut [Mr. PURTELL], the original cosponsors of the bill S. 1497, and the following additional Senators: Senators CHURCH, FLANDERS, GREEN, HENNINGS, HILL, KENNEDY, LANGER, MCNAMARA, MONRONEY, MORSE, MURRAY, PROXMIRE, REVERCOMB, SALTONSTALL, SMITH of Maine, and SPARKMAN.

We want our colleagues in the Senate to be on notice that we are going to seek a Senate floor test regarding effective humane-slaughter legislation, rather than permit passage of a weak bill professing to be for humane slaughter but which in fact is but a study proposal lending itself to delay.

All that the so-called study bill does is delay establishment of a public policy encouraging humane slaughter of animals. This question has been literally studied to death over the past two decades, with everybody giving lip service to the objective but finding reasons why it should not become an accomplished fact.

It is time the real issue is brought before Congress to decide, one way or another. If our proposed amendment were not offered, Congress would not have the opportunity of choosing between the public-interest appeal of millions of Americans and the entrenched economic resistance of major meatpackers.

Europe is far advanced over the United States in humane methods of slaughter—and it took legislation to accomplish it.

American slaughtering plants that have turned to humane methods have found it not only practical but profitable. Yet the vast majority of plants in the United States still resist any change from the old-fashioned methods of the knocking hammer still used to kill cattle. By establishing humane standards for the slaughter of meat purchased by our own Government, a powerful incentive will be provided for expediting general acceptance of modern, humane methods—and development of still more humane methods in the future. That is what our amendment proposes to do.

The PRESIDENT pro tempore. The amendment will be received, printed, and will lie on the table.

TECHNICAL CHANGES IN FEDERAL EXCISE-TAX LAWS—AMENDMENT

Mr. NEUBERGER submitted an amendment, intended to be proposed by him, to the bill (H. R. 7125) to make technical changes in the Federal excise-tax laws, and for other purposes, which was referred to the Committee on Finance, and ordered to be printed.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to printed in the RECORD as follows:

By Mr. COOPER:

Address delivered by him at annual convention of Leaf Tobacco Exporters Association, at White Sulphur Springs, W. Va., on June 24, 1958, on extension of the Trade Agreements Act.

AGREEMENTS FOR COOPERATION, JOINT COMMITTEE ON ATOMIC ENERGY

Mr. PASTORE. Mr. President, the current crisis in the Middle East has graphically demonstrated the vital dependence of the Free World, particularly Western Europe, on Middle East oil. It has also served to focus attention, once again, on the need for finding some means for providing Western Europe with alternative sources of energy to meet mounting power requirements. The answer, Mr. President, is nuclear power; and the ready built mechanism is to be found in the proposed Euratom agreements currently before Congress for consideration and action.

It has been pointed out repeatedly by experts who have given the matter sober consideration that Europe's energy imports will rise to heights intolerable without nuclear power. At the present time the six countries participating in the Euratom program, namely, Belgium, France, the German Federal Republic, Italy, Luxembourg, and the Netherlands, import about one-quarter of their energy supplies. This is mostly in the form of oil from the Middle East, and it is predicted that the import requirements will double in 10 years and triple in 20 years unless nuclear power is brought forth promptly. It is not an overstatement to say that the future of Europe's economic growth, and even of its political security in the world, depends on meeting its energy needs.

Present day events in the Middle East are reminiscent of events in the all too recent past when the Suez crisis brought

home to the people of Western Europe, and to the people of the rest of the world, for that matter, the precarious position of nations which have become dependent in large part on Middle East oil to provide energy for their electric power stations and their industry. It was the Suez crisis which gave the first great impetus to the formation of the European atomic-energy community, or Euratom we know it today. For the first time, our friends in Europe saw a promising means of liberating themselves from traditional dependence on Middle East oil, and, at the same time, they saw in the proposed Euratom program a major step forward in the formation of a united Europe.

The importance of this development to the strengthening of Western Europe as part of the Free World alliance cannot be overemphasized. And we have, at this very moment, Mr. President, the instrument for carrying out this noble cause which will contribute so much to Free World unity.

But beyond this, the United States itself has a major stake in the development of atomic power in Western Europe, under the Euratom program. The aim of the program is to bring into operation in Europe by 1963 about 1 million electric kilowatts of installed nuclear capacity, and to initiate immediately a joint research and development program centered around these reactors.

Make no mistake about it, Mr. President; this program represents a magnificent opportunity for American industry to acquire a substantial volume of new business in power-reactor-development work and the construction of American-type plants in Europe. With domestic needs for nuclear power still limited, the large market opening up in Europe under the Euratom program could spell the difference between the United States having a strong industrial base in atomic-power development and having a weak, ineffectual industrial effort which would not be geared to meet future needs both here and abroad.

The point I should like to make is this, Mr. President: We have in hand at this very moment the means of achieving two of our major national objectives. First, we promote the cause of European economic integration. Second, we provide a ready market abroad for American manufacturers of atomic equipment.

Let me indicate how the atomic trade is looking at this prospect. I quote now from Nucleonics, one of the leading magazines in that field:

> With 4 to 6 large power construction orders expected to be up for grabs in Euratom countries this year, American manufacturers have their eyes on Washington—watching to see if the Government can meet the challenge of implementing and ratifying the recently concluded Euratom agreement before Congress adjourns this summer. * * *
>
> Without such ratification it is generally conceded (that) the United States reactor people will continue to go begging in Europe—or reactor orders may well go to British manufacturing groups—almost by default.

What is needed, Mr. President, is action, and action now by the Congress on the proposed Euratom program.

I need not remind the Senate of the world wide attention which is focused on the Congress, to see what the United States answer to the Middle East crisis will be. Certainly, there are military measures which can and are being taken to prevent that area of the world from falling under Communist domination. The United States has the responsibility for taking such action, together with the other nations of the Free World. But it seems to me that we shall have to do more than this if we are to answer effectively the challenge which has been presented to us in the Middle East. We must take affirmative action to insure that regardless of what happens in that area of the world, our allies in Western Europe will not be left stranded and literally powerless in terms of unfulfilled energy requirements.

The Nation's press has been alert to the challenge which has been presented to the Congress with regard to Congressional action on the Euratom agreements and the losses the United States would sustain if such action is not taken promptly. In other words, action must be taken before adjournment of this session of Congress.

The New York Times, in a recent article, noted that "Congressional inaction this session, coming on top of weeks of delay by the administration, could result in a serious setback to the program."

From my own city of Providence, the Evening Bulletin of June 26 presented a well informed and forceful editorial under the title "The United States Should Assist Euratom."

I ask unanimous consent that the editorial in its entirety be printed as a part of the RECORD at the conclusion of my remarks, together with other editorial comment on this important matter; and at the moment I shall restrict myself to reading only part of the editorial.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit A.)

Mr. PASTORE. Mr. President, the editorial in the Providence Bulletin reads in part as follows:

> President Eisenhower's appeal for Congressional approval of the recently concluded Euratom agreement should receive the prompt consideration he asks.
>
> At a time when the West has been troubled by a series of incidents making for indecision and dissension, the European Atomic Energy Community represents a positive influence that deserves every encouragement.
>
> As a cornerstone of the new Europe being built to meet and withstand the pressures of the second half of the 20th century, Euratom should be made a vigorous reality with the least possible delay.

The proposed agreements to establish and carry out the Euratom program are scheduled to be discussed by the Joint Committee on Atomic Energy in public hearings beginning today, July 22. It is my sincere hope that in considering these agreements the committee and the rest of the Congress will keep clearly in mind the vital importance in our own national interest of getting on with this Euratom project.

There may well be important and, in some instances, complex details to be worked out. But we should never allow ourselves to become so bogged down in these details, important as they are, that we lose sight of the primary objective of strengthening our allies in Western Europe and providing new markets for American atomic industry.

At this stage of world affairs, failure on our part to act on the Euratom agreements, and act promptly, would be an abdication of our responsibilities to the Free World. We have it within our means to strike a major blow for Free World strength and security. Let us not, through inaction, fail to take advantage of the opportunity which has been presented to us.

EXHIBIT A

[From the Providence (R. I.) Evening Bulletin of June 26, 1958]

THE UNITED STATES SHOULD ASSIST EURATOM

President Eisenhower's appeal for Congressional approval of the recently concluded Euratom agreement should receive the prompt consideration he asks.

At a time when the West has been troubled by a series of incidents making for indecision and dissension, the European Atomic Energy Community represents a positive influence that deserves every encouragement.

Euratom is a supranational agency formed after 3 years of painstaking negotiation to create and administer a vast program of atomic power development for the industrial core of Europe—France, West Germany, Italy, Holland, Belgium, and Luxembourg, the same nations joined in the Coal and Steel Authority and the embryonic Common Market.

The cooperation of the United States, however, is central to the success of the ambitious program, which calls for the construction of 6 large atomic powerplants with a total capacity of 1 million kilowatts within 5 years.

For 6 months, the American Government and Euratom, which came into being on January 1, have been hammering out the conditions under which the United States would supply the necessary credits, nuclear fuels, and technological assistance.

Last week, an agreement was initialed balancing the inspection safeguards demanded by the United States with the autonomy requested by Euratom to enable it to develop as a truly European institution.

Congressional ratification of American cooperation in principle, the next step, is urgent for several reasons. First, there is considerable parliamentary tape to cut through before Euratom actually can start building toward the future of Europe. For example, this country and Euratom must still work out the details of cooperation, which also must receive approval of both the Atomic Energy Commission and Congress, before West Europe can begin to realize the rich promise of the peaceful atom.

Meanwhile, with the Common Market bogged down in long-range plans and immediate political differences, the movement toward European unity needs the lift that implementation of Euratom would give flagging spirits.

Beyond the question of European unity, there is the immediate problem of relieving West Europe from its dangerous reliance for industrial energy on coal, which is running low, and on oil, which the Suez crisis proved is a precarious source of power.

As a cornerstone of the new Europe being built to meet and withstand the pressures of the second half of the 20th century, Euratom should be made a vigorous reality with the least possible delay.

NEWS AND EDITORIAL COMMENT ON EURATOM

1. "Despite a Presidential plea of urgency, it appeared doubtful today (June 26) that Congress would complete action this year on a proposed agreement with Western Europe for cooperation in the development of atomic power. * * *

"Congressional inaction this session, coming on top of weeks of delay by the administration, could result in a serious setback to the ambitious European objective of constructing reactors with a total capacity of 1 million kilowatts of nuclear-power capacity by 1963." (New York Times, from Washington, June 26.)

2. "Vital new Atlantic ties should soon emerge from joint administration and Congressional efforts for American participation in western European atomic development. Both the peaceful and defense aspects of nuclear progress are involved. Both raise questions of what might be called purely American interest.

"In the development of nuclear power for industry the special American interest, in fact, can be served only by cooperation with Western Europe. The organization known as Euratom already has an extensive program of reactor production laid down. Through aid to Euratom, the United States may provide long-term relations for America with European businessmen and win a place for Americans in this field through cementing nuclear partnership. * * *

"For the building of reactors it (the proposed agreement) envisages the United States supplying credit through the Import-Export Bank to the tune of $135 million out of $350 million total cost of the program. This is the proposed money cost of a program that will free Western Europe to some extent from dependence on Middle East oil, and that will make it both a stronger and closer partner of the United States. * * *

"Now the key necessity is to get the legislation through Congress before summer adjournment. Further substantial delays could mean Euratom's going ahead on its own with a reactor program, with a consequent loss of European business for American producers and new stresses among allies.

"The reward of Congressional promptness will be the happy opposite. And a timely opposite it will be, too, as the cold war moves into a period of new tensions." (Atoms Across the Seas, editorial in Christian Science Monitor, June 25.)

3. "President Eisenhower has asked Congress for speedy approval of a program under which the United States would cooperate with the European Atomic Energy Community (Euratom) in translating his atoms-for-peace plan into the most ambitious atomic-power project envisaged thus far. * * *

"The program has a threefold purpose. One is to enhance the economic strength of Western Europe by reducing the crippling cost of its energy imports and abating its dependence on the precarious Middle Eastern oil. A second purpose is to facilitate European unification by engaging the six nations in Euratom in common projects that will make them completely interdependent and must ultimately lead to political unification. A third purpose is to provide the pattern and experience for making atomic power available to the whole world.

"This is no giveaway program. Euratom will provide most of the initial capital outlay and buy a guaranteed supply of atomic fuel from the American Atomic Energy Commission at regular prices, though on easy terms. Also, American and European industry will cooperate in building American-type reactors. A joint research and development program will give us the benefit of Europe's best scientific knowledge. * * *

"We hope that Congress will act on the President's request without delay." (Atomic Power for Europe, editorial in New York Times, June 25.)

4. "President Eisenhower called on Congress today for swift approval of a multimillion dollar international agreement providing for construction of six major nuclear power reactors in Europe by 1963.

"Terming the project urgent Mr. Eisenhower sent the lawmakers a special message asking for approval at this session. * * *

"Mr. Eisenhower said the Euratom program 'is the simple but profoundly important idea that through concentration of the scientific and industrial potentialities of the six countries it will be possible to develop a single major atomic-energy complex, larger than the sum of the parts, and designed to exploit the peaceful potential of atomic energy.' He added:

" 'One motivation which has therefore led to the creation of this new community is the growing sense of urgency on the part of Europeans that their destiny requires unity and that the road toward this unity is to be found in the development of major common programs such as Euratom makes possible.'

"The program, Mr. Eisenhower said, promises to be initially of great benefit to both the United States and the six European nations, and thereafter to nations everywhere that choose to profit from Euratom's experience." (AP story as run in St. Louis Post-Dispatch, June 23.)

5. "The United States now has the opportunity to hoist Western Europe—by atomic power—to a new plateau of economic unification and boosted living standards. * * *

"In the end, and after close scrutiny, Congress is expected to approve; whether Congress will get around to acting before summer adjournment, however, is a crucial question. * * *

"It (the agreement) would strengthen the economic ties now being forged within western Europe. * * *

"By the degree that Western Europe's economy is bolstered, the North Atlantic Treaty community is also strengthened, and better able to withstand the economic onslaughts of the Soviet Union. * * *

"President Eisenhower in his message to Congress June 23 urged swift approval. The agreement must be reviewed first by the Joint Congressional Committee on Atomic Energy.

"The factor which could hasten action is the awareness that American industry may be able to win contracts for the construction of several of the big European reactors—if the United States is quickly dealt into the program. But if new delays intervene the orders from Europe may go to Britain, with whom the agency has already begun negotiations toward cooperation." (William H. Stringer in the Christian Science Monitor, June 23.)

6. "The recent agreement for United States aid in developing nuclear power in Europe is regarded here (Paris) as supplying the much needed backing for the whole program of European union through a partial pooling of national economies. * * *

"It was noteworthy that Washington made this agreement not with single nations, as in the past, but with a community of nations pooling their nuclear resources. * * * This purpose has not been shared by Britain which has dealt with members of the community separately but not with the community as such. Now that the United States has taken the step, regrets have been expressed in London that Britain did not take the same course." (Harold Callander, New York Times, from Paris, June 24.)

FEDERAL INCOME TAX LOOPHOLES IN THE VIRGIN ISLANDS

Mr. WILLIAMS. Mr. President, today I wish to call to the attention of the United States Senate a major loophole in our Federal income tax laws as they relate to payments of Federal income taxes by American citizens who establish residence in the Virgin Islands, and also to call to the attention of the Senate a bill, H. R. 12303, which already has passed the House of Representatives, and now is pending before the Senate Committee on Interior and Insular Affairs, and under which bill it is proposed to legalize beyond all doubt this tax-avoidance scheme that is being developed in the islands under the guise of subsidies for new industries.

The Naval Appropriations Act of 1921 made the income tax laws of the United States applicable in the Virgin Islands as a separate territorial tax system. Until the enactment of section 28 of the Revised Organic Act in 1954, every person deriving income from both the United States and the Virgin Islands was required, under this dual tax system, to file a return with, and pay income tax to, each jurisdiction, with double taxation avoided through the use of the foreign tax credit.

In 1954, Congress passed what was described as the Revised Organic Act of 1954, and under section 28 of that act certain authority was conferred upon the government of the Virgin Islands to attract new industries. Under the islands' interpretation of the authority of that act, their legislature has been granting tax rebates by wholesale to any American citizen wishing to establish residence and do business in the islands.

To condone this, means that the legislature of the Virgin Islands will be able to do what no State legislature can; namely, reduce or even repeal our Federal income tax laws as they relate to American citizens who are residents of that area.

These income-tax reductions, under the guise of subsidies, are threatening to turn into a broad tax-avoidance racket; and unless this bill is defeated, they can cause serious loss of revenue to the United States Government. The Treasury Department is aware of, and very much concerned over, this situation.

The 1954 law enacted by Congress, from which this authority is claimed to stem, was never considered by either the House Ways and Means Committee or the Senate Finance Committee, nor was the language recognized as a tax loophole at the time when the law was passed by Congress.

At this point I ask unanimous consent to have incorporated in the RECORD section 28 of Public Law No. 517, as approved July 22, 1954.

There being no objection, the section was ordered to be printed in the RECORD, as follows:

SEC. 28. (a) The proceeds of customs duties, the proceeds of the United States income tax, the proceeds of any taxes levied by the Congress on the inhabitants of the Virgin Islands, and the proceeds of all quarantine, passport, immigration, and naturalization fees collected in the Virgin Islands, less the cost of collecting all of said duties, taxes, and fees, shall be covered into the treasury of the Virgin Islands, and shall be available for expenditure as the Legislature of the Virgin Islands may provide: *Provided*, That the term "inhabitants of the Virgin

Islands" as used in this section shall include all persons whose permanent residence is in the Virgin Islands, and such persons shall satisfy their income tax obligations under applicable taxing statutes of the United States by paying their tax on income derived from all sources both within and outside the Virgin Islands into the treasury of the Virgin Islands: *Provided further*, That nothing in this act shall be construed to apply to any tax specified in section 3811 of the Internal Revenue Code.

(b) Subchapter B of chapter 28 of the Internal Revenue Code is amended by adding to section 3350 thereof the following subsection:

"(c) Disposition of internal revenue collections: Beginning with the fiscal year ending June 30, 1954, and annually thereafter, the Secretary of the Treasury shall determine the amount of all taxes imposed by, and collected during the fiscal year under, the internal revenue laws of the United States on articles produced in the Virgin Islands and transported to the United States. The amount so determined less 1 percent and less the estimated amount of refunds or credits shall be subject to disposition as follows:

"(i) There shall be transferred and paid over to the government of the Virgin Islands from the amounts so determined a sum equal to the total amount of the revenue collected by the government of the Virgin Islands during the fiscal year, as certified by the government comptroller of the Virgin Islands. The moneys so transferred and paid over shall constitute a separate fund in the treasury of the Virgin Islands and may be expended as the legislature may determine: *Provided*, That the approval of the President or his designated representative shall be obtained before such moneys may be obligated or expended.

"(ii) There shall also be transferred and paid over to the government of the Virgin Islands during each of the fiscal years ending June 30, 1955, and June 30, 1956, the sum of $1 million, or the balance of the internal revenue collections available under this subsection (c) after the payments are made under the preceding paragraph (i), whichever amount is greater. The moneys so transferred and paid over shall be deposited in the separate fund established by the preceding paragraph (i), but shall be obligated or expended for emergency purposes and essential public projects only, with the prior approval of the President or his designated representative.

"(iii) Any amounts remaining shall be deposited in the Treasury of the United States as miscellaneous receipts.

"If at the end of any fiscal year the total of the Federal contribution made under (i) above at the beginning of that fiscal year has not been obligated or expended for an approved purpose, the balance shall continue available for expenditure during any succeeding fiscal year, but only for approved emergency relief purposes and essential public projects as provided in (ii) above. The aggregate amount of moneys available for expenditure for emergency relief purposes and essential public projects only, including payments under (ii) above, shall not exceed the sum of $5 million at the end of any fiscal year. Any unobligated or unexpended balance of the Federal contribution remaining at the end of a fiscal year which would cause the moneys available for emergency relief purposes and essential public projects only to exceed the sum of $5 million shall thereupon be transferred and paid over to the Treasury of the United States as miscellaneous receipts."

(c) Section 42 of the Trade Mark Act of 1946 (60 Stat. 440, 15 U. S. C., 1952 edition, sec. 1124), and section 526 of the Tariff Act of 1930 (46 Stat. 741, 19 U. S. C., 1952 edition, sec. 1526), shall not apply to importations into the Virgin Islands of genuine foreign merchandise bearing a genuine foreign trademark, but shall remain applicable to importations of such merchandise from the Virgin Islands into the United States or its possessions; and the dealing in or possession of any such merchandise in the Virgin Islands shall not constitute a violation of any registrant's right under said Trade Mark Act.

(d) There shall be levied, collected, and paid upon all articles coming into the United States or its possessions from the Virgin Islands the rates of duty which are required to be levied, collected, and paid upon like articles imported from foreign countries, and the internal revenue taxes imposed by section 3350 of title 26, United States Code: *Provided*, That all articles, the growth or product of, or manufactured in, such islands, from materials grown or produced in such islands or in the United States, or both, or which do not contain foreign materials to the value of more than 50 percent of their total value, upon which no drawback of custom duties has been allowed therein, coming into the United States from such islands shall be admitted free of duty. In determining whether such a Virgin Islands article contains foreign material to the value of more than 50 percent, no material shall be considered foreign which, at the time the Virgin Islands article is entered, or withdrawn from warehouse, for consumption, may be imported into the continental United States free of duty generally.

Mr. WILLIAMS. Mr. President, it is very clear that section 28 of this law was only intended to provide for the setting aside of the taxes collected from residents of the islands for a fund which would be spent for the benefit of the islands, as authorized by the legislature. The law does not indicate any intention to confer authority upon the Legislature of the Virgin Islands to reduce, rebate, or nullify the collection of these taxes.

Based upon its interpretation of its authority under the 1954 law, the Virgin Islands Legislature has been passing laws authorizing the reduction and rebate of Federal income taxes paid by residents of the islands.

The most drastic reductions of Federal income taxes, with the rebates ranging from 50 to 75 percent for new business and new residents of the islands, were authorized under act No. 224—bill No. 479—as passed by the Legislature of the Virgin Islands on June 4, 1957.

I list below five general types of tax rebates which were authorized under this law, which was passed by the Virgin Islands Legislature in 1957:

First. Seventy-five percent income tax rebate payable for 10 years to persons, firms, or corporations qualifying as "new industries" as provided in section 3.

Second. Seventy-five percent income tax rebate payable for 10 to 16 years to persons, firms, or corporations operating hotels and guest houses in the islands as provided in section 4.

Third. Seventy-five percent income tax rebate payable for 10 years to persons, firms, or corporations constructing or operating apartment houses, housing projects, or industrial or commercial buildings, in the islands as provided in section 5.

Fourth. Fifty percent income tax rebate for 10 years—but not to exceed $100,000 for any year—provided by section 7 payable to persons, firms, or corporations, on that portion of their income, including interest, dividends, and all other earnings, derived from the purchase, transfer, assignment, or sale of stocks and other securities purchased or sold through an investment company located and authorized to do business in the Virgin Islands.

Fifth. Fifty percent income tax rebate provided by section 6 (c) payable for 10 years to stockholders and partners of any firm or corporation which qualifies for any subsidy of any of the types described in sections 3, 4, 5, or 7 of act No. 224 on income derived by them from the operation of the business or industry so qualifying.

I ask unanimous consent to have incorporated at this point in my remarks the complete act No. 224, bill No. 479, as passed by the Legislature of the Virgin Islands on June 4, 1957. This is the law under which the most of these tax-avoidance schemes were authorized.

There being no objection, the act was ordered to be printed in the RECORD, as follows:

ACT No. 224 (BILL No. 479), SECOND LEGISLATURE OF THE VIRGIN ISLANDS OF THE UNITED STATES, REGULAR SESSION, 1957

TO ENCOURAGE THE ESTABLISHMENT OF NEW BUSINESS AND INDUSTRIES—TO ATTRACT INVESTMENT CAPITAL IN ORDER TO FURTHER THE ECONOMIC DEVELOPMENT OF THE ISLANDS—TO PROMOTE TOURISM AND THE BUILDING OF ADDITIONAL HOTELS, GUEST HOUSES, AND HOUSING PROJECTS—THROUGH THE GRANTING OF SPECIAL SUBSIDIES AND FOR OTHER PURPOSES

Whereas it is deemed of great benefit to the people of the Virgin Islands, as well as to the economy of the Virgin Islands, to establish as many self-sustaining enterprises in the Virgin Islands as is practical—to attract additional investment capital—to promote tourism—to promote the building of hotels, guest houses, and housing projects—to the end that the economic life of the Virgin Islands may be as diverse and stable as possible, and the people of the Virgin Islands trained and employed in investments, in finance, in modern techniques of production, mechanical skills, services, and trades; and

Whereas it is deemed to be in the public interest to extend such inducements and render such aid as will encourage persons, firms, and corporations to establish and develop new business enterprises; to make additional investment capital available to new and existing business; to promote tourism and the building of hotels, guest houses, and housing projects:

Be it enacted by the Legislature of the Virgin Islands,

DECLARATION OF POLICY

SECTION 1. (a) In order to provide steady employment to the people of the Virgin Islands and provide training in modern techniques of finance, investments, production, mechanical skills, services, and trades, it is hereby declared to be of great benefit to the people of the Virgin Islands to have established in the Virgin Islands self-sustaining business enterprises; to have investment capital made available to new and existing business; to develop tourism to the fullest extent possible and to have hotels, guests houses, and housing projects available for the many thousands of persons wishing to reside and to spend their vacations and holidays in the Virgin Islands.

(b) It is hereby declared to be of great benefit to the economy of the Virgin Islands to have such enterprises as are described in

section 1 (a), established in that thereby greater numbers of Virgin Islanders will be trained, developed, and employed.

(c) Through the establishment of such enterprises as declared in section 1 (a), the economy of the Virgin Islands will rest on a broader base.

(d) To achieve this objective, exemptions from payment of certain taxes or fees and the granting of special subsidies shall be allowed to new business enterprises and to such other persons and corporations as hereinafter provided, and

(e) In order that the encouragement tendered by this act in the form of subsidies for the promotion of the business and industrial development of the Islands may be an incentive, having a real and unmistakably sure basis, the Government of the Virgin Islands hereby declares that it considers all orders granting subsidies and tax exemptions made available under the provisions of this act as being in the nature of a contract or agreement between the Government of the Virgin Islands and the persons or corporations receiving the benefit of the subsidies or tax exemptions, and that it will not adopt any legislation which may impair or limit such subsidies or tax exemptions granted hereunder or which may defeat the purpose of this act.

DEFINITION OF NEW BUSINESSES

SEC. 2. For the purpose of this act, a person, firm or corporation shall be deemed to be engaged in a new industry if duly qualified to do any business in the Virgin Islands involving the manufacture, processing, creation or production of any articles or commodities, or the application thereof to a known unique process, which were not being manufactured, processed, created or produced within the said islands prior to January 1, 1947, and in which industry at the time of granting tax exemption there is an actual and demonstrable capital investment of at least $10,000. For the purpose of this act, an article or commodity shall be deemed as being manufactured, processed, created, or produced within the islands prior to January 1, 1947, if it was being manufactured, processed, created or produced by an enterprise having at said time an actual and demonstrable capital investment of at least $10,000: *Provided,* That such article continues at the time of application to be manufactured, processed, created, or produced in the Virgin Islands.

EXEMPTIONS AND SUBSIDIES

SEC. 3. New businesses: From and after the date of approval of this enactment, all persons, firms, or corporations shall, upon application thereof, as hereinafter provided, be granted exemption from the payment of taxes or fees and shall be eligible for industrial subsidies as specified in section 6 of this act, upon satisfactory proof that such person, firm or corporation is engaged in a new industry as hereinbefore defined, the said exemption and subsidies to last for a period of 10 years from the date of the order granting such exemption or subsidy: *Provided,* That application for taxes or fee exemption and the granting of subsidies under this act shall be made not later than December 31, 1960: *And provided, further,* That in the case of any enterprise engaged in the manufacture, creation, or production of more than one article or commodity, the exemption from payment of taxes or fees or granting of industrial subsidies shall be restricted and limited only to the portion of such enterprise as is not in competition with existing enterprises within the meaning and spirit of this act.

HOTELS AND GUEST HOUSES

SEC. 4. Each person, firm or corporation operating hotels and guest houses located in the Virgin Islands shall be eligible for tax or fee exemptions and the subsidies provided for in section 6 of this act; and for the purposes of this provision a hotel shall be considered any establishment for the accommodation of the public, including housing and feeding of paying guests and any cottage resort affording the above accommodations in which at the time of application for tax or fee exemption or for subsidy there is an actual and demonstrable capital investment of at least $100,000: *Provided,* That application for tax or fee exemption and the granting of subsidies hereunder shall be filed not later than December 31, 1960. And, as an added incentive, each person, firm or corporation now operating a hotel and receiving subsidies or tax exemption under this act or any previous tax exemption law shall, for each additional $100,000 invested by him or it in building additional accommodations and facilities to his or its hotel, receive tax exemptions and subsidies as provided for in section 6 of this act, for an additional three (3) years, but in no event for more than a total of six (6) additional years.

APARTMENTS—HOUSING PROJECTS

SEC. 5. Each person, firm or corporation engaged in the business of constructing or operating apartment houses, housing projects, industrial or commercial buildings, within the Virgin Islands, shall be eligible for the tax or fee exemptions and the subsidies provided for in section 6 of this act: *Provided,* That there is a demonstrable capital investment of at least $100,000: *Provided further,* That application for such subsidies and exemptions shall be made not later than December 31, 1960: *And it is provided further,* That no subsidies or exemptions shall be granted to any person for the construction of any home or dwelling to be occupied by himself or his family.

EXTENT OF SUBSIDIES AND EXEMPTIONS GRANTED

SEC. 6. (a) Each person, firm or corporation qualifying for tax exemption or subsidies under sections 3, 4 and 5 of this act shall be exempt from the payment of the following taxes and fees:

1. All property taxes.

2. All trade taxes or excise taxes on building materials, furnishings, and equipment necessary for the construction of any new business or industry.

3. All annual or specific license fees, except liquor license fees and automobile license fees.

4. All gross receipts taxes, except that this exemption shall not apply to businesses operated by concession or rental agreement on the premises of persons, firms or corporations, including hotels, eligible for tax or fee exemption or industrial subsidy, for which businesses separate licenses are required or which, as determined by the Tax Exemption Board, are not ordinarily related to, or do not constitute an essential part of, the operation of the exempt or subsidized new businesses or industry, and which businesses are not otherwise eligible for exemption or subsidies as a district enterprise.

(b) Each person, firm, or corporation qualifying under sections 3, 4, and 5, of this act shall also be entitled to receive a nontaxable subsidy in an amount equal to 75 percent of the income tax paid into the treasury of the Virgin Islands and 100 percent of the import duties and other taxes on raw material brought into the Islands for processing, actually paid into the treasury of the Virgin Islands by any such persons, firms, or corporations. This subsidy shall be granted over a period of 10 years, beginning with the establishment of the new business or enterprise.

(c) A nontaxable subsidy shall also be allowed for a period of 10 years as hereinabove set forth to all stockholders or partners of corporations and firms qualifying under sections 3, 4, 5, and 7 of this act in an amount equal to 50 percent of the income tax actually paid into the treasury of the government of the Virgin Islands on income derived by any such stockholders or partners from the operations of the business or industry covered under this law: *Provided,* That said stockholders or partners are bona fide residents of the Virgin Islands.

(d) The period of 10 years referred to in this section shall be deemed to operate retroactively to include new businesses, industries, and enterprises heretofore granted exemptions or subsidies in accordance with bill No. 293, the tax exemption ordinance of the Municipality of St. Thomas and St. John, approved January 25, 1954, as amended, or bill No. 39, the tax-exemption ordinance of the Municipality of St. Croix, approved January 7, 1952, as amended, or any other enactments antecedent of either: *Provided, however,* That nothing herein contained shall be construed to extend the period of any such tax exemption or subsidy heretofore granted beyond the original period of such exemption or subsidy.

SECURITIES

SEC. 7. (a) Each bona fide resident of the Virgin Islands and each firm or corporation organized and doing business in the Virgin Islands shall, for a period of 10 years from the enactment of this law, be entitled to a nontaxable subsidy each year in an amount equal to 50 percent of the income tax paid on that portion of his or its income, including interest, dividends, and all other earnings derived from the purchase, transfer, assignment or sale of stock, bonds, and all other kinds of securities or debentures of whatever character, purchased or sold each year through an investment company located and authorized under the laws of the Virgin Islands to engage in such a business; *Provided,* That no more than $100,000 shall be paid as such subsidy to any 1 taxpayer in any 1 year: *And, provided further,* That the commissioner of finance shall, within a reasonable period of time after the tax on said income is paid, pay a first installment of not more than 50 percent of said subsidy which may be due to the taxpayer; the remaining installment of 50 percent of the subsidy due to the said taxpayer shall be paid by the commissioner of finance within 1 year after the first installment is paid, upon proper certification and proof furnished to him by the taxpayer that an amount equal to 50 percent of the subsidy to which the taxpayer is entitled in said taxable year, has been invested in business ventures or projects located in the Virgin Islands whose objectives may further and enhance the economic development of the islands, such as: (a) bonds or other securities issued by the government of the Virgin Islands; (b) stocks, bonds and mortgages and other securities on property and businesses located in the Virgin Islands; (c) the construction, operation, purchase or financing of land, hotels, apartments, homes, offices, industrial, and all other types of buildings and structures in the Virgin Islands; and (d) the purchase, operation, establishment or financing of any existing or new businesses or projects which would further the economic development of the islands.

SALES OF SECURITIES

(b) No firm, company, or corporation shall, without first securing a license or authorization to engage in said business from the Government Secretary of the Virgin Islands, engage in an investment brokerage business for the purpose of buying and selling stocks, bonds, and other securities or debentures to and for others. No such license shall issue, unless the firm, company, or corporation deposits in a reserve account with a bank, designated by the Government Secretary, $50,000 in cash or in interest-bearing United States Government obligations.

(c) All persons, firms, and corporations entitled to nontaxable subsidies pursuant to

this section shall annually, within 60 days after payment of his or its income tax, make application for said subsidies upon such forms and pursuant to such rules and regulations as the Commissioner of Finance shall prescribe.

PAYMENT OF SUBSIDIES—REPORT

SEC. 8. The Commissioner of Finance shall compute and determine annually the specific amount of the subsidy to which each person, firm, or corporation granted a subsidy hereunder is entitled, and he is hereby authorized to make payment of said subsidy in each case to person, firm, or corporation entitled to receive same from funds available in the special fund in the Treasury of the Virgin Islands, and the Legislature of the Virgin Islands shall appropriate sufficient funds in each annual budget to carry out the provisions of the act.

TAX EXEMPTION BOARD—DUTIES AND POWERS

SEC. 9. (a) The provisions of this act shall be administered by the Board of Tax Review heretofore created, which shall, for the purposes of this act, constitute the Tax Exemption Board. Members of the Board shall be entitled to travel allowance and such other compensation as the legislature may provide.

All persons, firms, or corporations entitled to tax benefits pursuant to sections 3 and 5 of this act shall, within 60 days after payment of such taxes, make applications for tax or fee exemptions and for the granting of subsidies under this act to the said Board. In the performance of its duties hereunder the said Board shall exercise the following powers and authority.

1. Conduct preliminary hearings, after due notice to all interested parties, with respect to applications for tax or fee exemption and for the granting of subsidies hereunder. At such hearings the Board shall determine whether the proposed applicant is qualified under the provisions of this act. On the basis of its findings, and not later than 60 days after receipt of application, the Board shall recommend to the Governor that the application be approved or disapproved, and in the event approval is recommended that a temporary certificate of tax or fee exemption, or qualification for subsidy be issued to the applicant conditioned upon actual compliance with the provisions of the law within a stated period.

2. Upon application of any person granted a temporary certificate in accordance with the preceding paragraph, or upon the expiration of any time limit set in such a certificate, as the case may be, the Board shall recommend to the Governor the final approval or disapproval of applications made hereunder: *Provided*, That if the Governor shall fail to either approve or disapprove the applications within 30 days after receipt of the Board's recommendation the same shall at the end of such period be deemed approved.

3. Recommend to the Governor, after notice and hearing, the revocation of any tax or fee exemption or denial of any subsidy for the unexpired portion of the period for which granted in the event of the failure of a person, firm, or corporation to which such exemption or subsidy was granted to comply with the provisions of this act and the rules and regulations issued in accordance therewith.

4. Hold hearings and investigations, subpena witnesses, records, and books and inspect tax-exempt properties and facilities upon due notice and promulgate such rules and regulations as may be necessary to implement the operation of the program.

(b) Decisions of the Board, as to questions of fact, shall be deemed final in any proceedings in any court except in such cases as it shall be conclusively shown that any such decision was arrived at by arbitrary or fraudulent means.

(c) The said Tax Exemption Board hereby created shall operate as an agency within the Department of Tourism and Trade or its successor, and it shall be authorized to employ such personnel from time to time as may be required to effectively administer and enforce the provisions of this act.

(d) The Board shall prescribe the procedure for all applications for tax exemption and subsidies, and shall give public notice in all local newspapers published and of general circulation in the islands of all applications. Any person, firm, or corporation interested in the approval or disapproval of an application may file a written statement with the Board prior to the hearing on such application.

GENERAL PROVISIONS

SEC. 10. Upon the recommendations of the Board tax or fee exemptions and subsidies as herein provided for shall be granted in the name of the Government of the Virgin Islands by the Governor of the Virgin Islands.

SEC. 11. Not less than 75 percent of all persons employed in any new industry, subject to this law, shall be legal residents of the Virgin Islands: *Provided*, That the Board shall have the right to grant temporary permits to any new industry applying for or receiving benefits under this law to employ a greater percentage of nonresidents of the Virgin Islands, when it is conclusively proven to the Board that residents with the necessary ability to perform the services required are not available within the Virgin Islands and the industry is or will be greatly handicapped as a result thereof: *Provided further*, That the Board shall revoke or modify the permit whenever it appears that the necessary services have become available within the Virgin Islands.

SEC. 12. Any person, to be eligible to receive a nontaxable subsidy, pursuant to section 7 of this act, must be a registered voter and have his domicile in the Virgin Islands. Corporations, to be eligible to receive the benefits of the provisions of this act, must be organized and established under the laws of the Virgin Islands.

SEC. 13. Trade or excise taxes or import duties or income-tax payments made by persons qualifying under this act shall be covered into a special account in the Treasury of the Virgin Islands to be designated as the Tax Exemption Fund. The proper officers are hereby authorized, without further legislation, to make refunds of such taxes authorized under this act from moneys in such special account.

SEC. 14. No tax or fee exemption or subsidy granted hereunder shall be revoked, modified, or rescinded without notice and hearing and under such rules as may be promulgated by the Tax Exemption Board from time to time.

SEC. 15. If any provision of this act or the application thereof to any person or circumstance is held invalid, the remainder of the act and the application of such provisions to other persons or circumstances shall not be affected thereby.

SEC. 16. (a) The following laws and ordinances are hereby repealed: (1) Municipal Council of St. Thomas and St. John, approved September 11, 1945 (bill No. 99); November 11, 1948 (bill No. 291); June 25, 1949 (bill No. 8); August 17, 1951 (bill No. 67); July 7, 1953 (bill No. 198); January 25, 1954 (bill No. 293); February 16, 1954 (bill No. 334); April 1, 1954 (bill No. 349);

(2) Municipal Council of St. Croix, approved June 25, 1949 (bill No. 35); January 7, 1952 (bill No. 39); December 30, 1952 (bill No. 98); January 4, 1954 (bill No. 96); September 24, 1954 (bill No. 169);

(3) Act of the Legislature of the Virgin Islands, approved May 29, 1956 (act No. 90).

(b) There is also hereby repealed all other laws, ordinances or parts thereof as may be in conflict with any of the provisions of this act.

Mr. WILLIAMS. Mr. President, at the time when the Virgin Islands Legislature passed bill No. 479 in 1957, they were well aware that there was a serious question as to the authority of the islands legislature to pass any such law or to make any such changes in the rates of Federal income taxes.

As evidence of this statement, I call attention to a letter, dated July 5, 1957, signed by Hon. Walter A. Gordon, Governor of the Virgin Islands of the United States, and addressed to the president of the legislature. I quote one sentence from that letter.

Notwithstanding my view that bill 479 is short of being perfect, and my concern with the question whether the legislature has authority to enact it, I have signed bill 479 into law.

At that time the Governor warned the legislature that the Treasury Department, the Interior Department, and Congress would perhaps later be giving attention to these tax loopholes.

I ask unanimous consent that Governor Gordon's letter of July 25, 1957, be printed at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

GOVERNMENT HOUSE,
CHARLOTTE AMALIE, ST. THOMAS,
VIRGIN ISLANDS OF THE UNITED STATES,
July 5, 1957.

The honorable the PRESIDENT OF THE LEGISLATURE,
Charlotte Amalie, St. Thomas, Virgin Islands.

MY DEAR MR. PRESIDENT: I have today signed into law bill No. 479 of the second legislature of the Virgin Islands, a bill to encourage the establishment of new business and industries—to attract investment capital in order to further the economic development of the Islands—to promote tourism and the building of additional hotels, guest houses, and housing projects—through the granting of special subsidies, and for other purposes. This bill would repeal the existing tax exemption and subsidy laws of the Virgin Islands and would institute a new exemption and subsidy program differing from that which now exists in several important particulars.

Section 7 (a) limits the subsidy which any one individual may be paid in connection with the tax due on income from securities to $100,000. Under existing law, there is no limit. Section 7 (a) also requires that any person paid a subsidy with respect to income from securities must invest 50 percent of the total subsidy due in business ventures or projects located in the Virgin Islands whose objectives may further and enhance the economic development of the Islands, before he may receive the other 50 percent of the subsidy due him. Additionally, under section 12, subsidies with respect to income from securities may be paid only to corporations organized and established under the laws of the Virgin Islands or to individuals who are registered voters and have their domicile in the Virgin Islands. Moreover, section 6 (c) limits subsidy payments with respect to the dividend income of stockholders of corporations qualifying under certain sections of the act to bona fide residents of the Virgin Islands. These four provisions overcome some of the objections which have been raised with respect to the existing program by the Federal Government. Various loopholes remain, but, in balance, I am persuaded that bill No. 479 constitutes an improvement over the existing tax-exemption and subsidy laws.

For that reason, I have approved bill No. 479, notwithstanding the fact that it falls short of perfection. It is clear that bill 479 does not plug all the loopholes. Additionally, I have a serious question concerning the authority of the Virgin Islands Legislature to enact bill 479.

The income tax laws which apply to the Virgin Islands are in effect as a result of provisions of Federal law. In 1921 the Congress provided that the income tax laws in force in the United States shall likewise be in force in the Virgin Islands, except that the proceeds of such taxes should be covered into the Territorial treasury. The statute making these laws applicable is thus a Federal law. In addition, the laws applied as a result of that provision are Federal laws. There is, I believe, a question concerning the authority of the local legislature in effect to modify such laws by providing that, under certain circumstances, portions of the taxes paid pursuant to them may be returned. This question did not exist with respect to any of the predecessors of bill 479, for all except two were enacted at a time when, under the 1936 Organic Act, the Legislature of the Virgin Islands had authority to amend, alter, modify, or repeal Federal laws of local application only. The two most recent enactments on this subject were in the form of amendments to existing law and the legislature clearly has authority to amend its own laws. Bill 479, however, is a new law and neither of the above theories is available as an indication of the legislature's authority to enact it. On the other hand, the Virgin Islands income tax has been held to be, in effect, a separate Territorial income tax, and as such, it may be within the authority of the legislature to modify it by means of providing for the payment of subsidies.

Notwithstanding my view that bill 479 is short of being perfect, and my concern with the question whether the legislature has authority to enact it, I have signed bill 479 into law, because as stated above, it constitutes in my view an improvement over the program which it would replace. I am advised that because loopholes remain, particularly with reference to the provisions on securities, the Interior Department and the Treasury Department plan to call to the attention of the Congress the existence of these loopholes.

Sincerely yours,

WALTER A. GORDON, *Governor.*

Mr. WILLIAMS. Mr. President, it is important to note that there is no other geographic area in the world where a citizen of the United States can receive such favorable income tax treatment with respect to income from United States sources. For example, United States citizens residing in Alaska, Hawaii, Puerto Rico, and any foreign country are always subject to income tax on dividends from United States sources, as well as on all other types of income from such sources; and prior to 1954 this was true of citizens in the Virgin Islands also.

To clarify further how this tax-avoidance scheme can operate, I cite the following hypothetical cases:

An individual who establishes a residence in the Virgin Islands can buy stock in American corporations, and can receive a tax-free rebate of 50 percent of the computed tax on his dividends if the stock is bought through an investment company located there. This 50-percent tax-free subsidy arrangement can extend for 10 years, and is limited only in that it must not exceed $100,000 per year per taxpayer. Conceivably, $200,000 a year for a man and his wife could be remitted.

Another arrangement for tax-free subsidies has been authorized in the case of gains from the sale of stocks and securities when sold through a Virgin Island investment company. Although the capital-gains tax in this country is 25 percent, an American citizen with established residence in the Virgin Islands may be required to pay only 12½ percent.

Also, a 75-percent tax rebate payable for 10 to 16 years is offered to persons, firms, or corporations operating hotels and guest houses as provided in section 4 of the act. Not only does this authority grant a 75-percent tax rebate to this type of operation, but there is nothing to prevent those establishing such a guest house from incorporating the venture for $5 million or $10 million paid-in capital, even though the guest house itself may cost only $50,000 to $100,000. The remaining assets could then be invested in United States Government bonds or in stock of American corporations, and the income received thereon would be eligible for the 75-percent rebate of Federal income taxes.

An individual with large holdings of common stock in American corporations, and who has very large potential capital gains, could establish residence in the Virgin Islands, sell his stock through a Virgin Island brokerage company, and save one-half of his tax obligation. He could then repurchase the same stocks through the Virgin Island brokerage company, return to the United States mainland as a resident, and in any future sales use the established higher price for computation of future capital gains.

The Treasury Department fully recognizes the existence of this loophole, and also the dangerous possibilities of its expanding into an even more widespread tax-avoidance scheme. It is recognized by the Treasury Department and others studying this proposal that if section 11 of House bill 12303, now pending before the Senate Interior Committee, is enacted, not only will it legalize the present tax-avoidance schemes, but, what is worse, there would be nothing to prevent the Legislature of the Virgin Islands from extending these tax-avoidance gimmicks from 50 percent and 75 percent rebates to rebates of as much as 100 percent.

At this point I ask unanimous consent to have incorporated in the RECORD a letter from the Treasury Department, signed by Mr. Fred C. Scribner, Jr., Acting Secretary, dated June 30, 1958, and addressed to Hon. JAMES E. MURRAY, chairman, Committee on Interior and Insular Affairs. In the letter, Mr. Scribner confirms the existence of this loophole, and urges the elimination of these provisions of House bill 12303.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF THE TREASURY,
Washington, June 30, 1958.

Hon. JAMES E. MURRAY,
Chairman, Committee on Interior and Insular Affairs, United States Senate, Washington, D. C.

MY DEAR MR. CHAIRMAN: In response to your letter of June 9, 1958, we submit this report on the effect of the proposed repeal of section 36 of the 1936 Organic Act of the Virgin Islands by section 10 of H. R. 12303, "To amend the Revised Organic Act of the Virgin Islands." Your letter requests information about the effect of that repeal upon certain activities of this Department which you outlined.

Section 36 charges this Department with "the administration of the customs laws in the Virgin Island." (48 U. S. C. 1406l). H. R. 12303, as passed by the House on June 16, 1958, and referred to your committee, would terminate the authority of the Secretary of the Treasury conferred by that section, effective January 1, 1959.

Your letter outlines four broad categories of functions which Treasury exercises in the islands under present law; first, collection of the local 6 percent duty; second, administration of section 301 of the Tariff Act of 1930, as amended (19 U. S. C. 1301a) dealing with the conditions under which merchandise brought into the United States from its insular possessions (except Puerto Rico) are dutiable or free of duty; third, enforcement of such statutes as the Narcotic Control Act of 1956 and certain navigation and vessel inspection laws; and fourth, enforcement of laws which are the primary responsibility of other agencies. You request specific information about the effect of the proposed repeal on the second and third categories.

As to the first category, H. R. 12303 would terminate Treasury's function of collecting the existing 6 percent duty imposed by local law. Also, Treasury would have no responsibility in processing entry documents of goods arriving in the islands.

On the second category, if the bill were enacted Treasury would continue to have the responsibility of administering section 301 of the Tariff Act of 1930 which deals with the conditions under which goods brought into the United States from its insular possessions (except Puerto Rico) are dutiable or free of duty. Repeal of section 36 of the 1936 Organic Act would appear to have no substantive effect on section 301 of the Tariff Act. As for the details of performing our responsibilities under section 301, it is difficult to state precisely how these would be carried out. However, at this time we anticipate that a repeal of section 36 would require no significant procedural changes. We believe that to discharge those responsibilities adequately it would be necessary to station two agents of the Customs Agency Service and a secretary in the islands to perform appropriate services with respect to information furnished in a certificate of origin regarding the tariff status of goods shipped to the United States from the islands. It appears that footnotes 15 to 19 CFR 7.8 (a) may be somewhat misleading, because contrary to your impression certificates of origin are issued in the Virgin Islands now. The footnote lists insular possessions whose customs administration is under the jurisdiction of departments other than Treasury and lists the responsible agencies so that interested persons may know where to have a certificate of origin authenticated as required by 19 CFR 7.8 (a). If section 36 were repealed, the customs regulations would be amended as appropriate.

The third category covers the enforcement and administration of such statutes as the Narcotic Control Act of 1956 and certain navigation and vessel inspection laws. In our opinion, repeal of the Organic Act of 1936 would not appear to affect directly responsibilities for administering those statutes. With particular reference to the navigation and vessel inspection laws, we believe the proposed repeal of the 1936 Organic Act, as amended, would not disturb the present application of the navigation and vessel inspection laws of the United States to the Virgin Islands. Those laws were made applicable to the islands, pursuant to the 1936 Organic Act, by Executive Order 9170, dated May 21, 1942 (7 F. R. 384) and the 1954

Organic Act continues in effect all laws made applicable to the islands pursuant to the 1936 act and not inconsistent with the 1954 act, even though the 1936 act itself is repealed. Repeal of section 36 of the 1936 act, if H. R. 12303 were enacted, would not affect the United States Coast Guard and it would continue to carry out its responsibilities under the vessel inspection laws as it has in the past. As to responsibilities under the Narcotic Control Act of 1956 and the navigation laws which are being performed by the Bureau of Customs, we estimate that to discharge such responsibilities adequately after H. R. 12303 were enacted would require, in addition to the two customs agents mentioned above, four marine clerks to be stationed in the islands, two at Charlotte Amalie, one at Christiansted, and one at Fredericksted.

With respect to the fourth category regarding the enforcement of laws which are the primary responsibility of other agencies, we wish to invite your attention to this Department's report of July 8, 1957, to the House Committee on Interior and Insular Affairs on H. R. 2127, which points out such laws which are now presently enforced by the Customs Service and for the enforcement of which no provision is made in H. R. 12303. A copy of that report is attached for your convenience. We suggest that if your committee has not already done so, it may wish to obtain the views of those agencies with respect to the enforcement of such laws if this bill were enacted.

As you know, salaries and expenses for the customs operation in the islands are presently paid from the duty collections there, not from appropriated funds. Repeal of section 36 would require appropriated funds for the salaries and expenses, plus a 25-percent cost-of-living differential, for the force we anticipate would be needed in the islands if H. R. 12303 were enacted. This would include two customs agents, GS–11 (minimum salary $7,030), one secretary, GS–5 (minimum salary $4,040), and four marine clerks, GS–5 (minimum salary $4,040), or a minimum of approximately $42,825. That estimate is based on the assumptions that this Department would have no responsibility for processing entry documents on goods arriving in the islands or enforcing laws on behalf of other agencies as referred to in the fourth category, and that our functions will be limited to the areas as outlined broadly above.

This Department is also interested in section 11 of H. R. 12303. This section amends section 8 (c) of the Revised Organic Act of the Virgin Islands in order to ratify and approve Act No. 224 of the Legislature of the Virgin Islands, relating to tax exemptions and subsidies. Section 11 also empowers the Legislature of the Virgin Islands to alter, amend, modify, or repeal such act from time to time, in its discretion. Under certain circumstances Act No. 224 has the effect of reducing the tax burden of United States citizens and other taxpayers permanently residing in the Virgin Islands through the payment of subsidies ranging up to 75 percent of their income tax on all their income, including that derived from United States sources. Moreover, section 11 authorizes the Legislature of the Virgin Islands to expand the scope of the tax exemption and subsidy program without limitation as to the persons covered or the amount of subsidies to be granted.

The following comments are therefore submitted to explain this Department's objection to section 11.

The Naval Appropriations Act of 1921 made the income tax laws of the United States applicable in the Virgin Islands as a separate territorial tax system. Until the enactment of section 28 (a) of the Revised Organic Act in 1954, every person deriving income from both the United States and the Virgin Islands was required under this dual tax system to file a return with and pay income tax to each jurisdiction (with double taxation avoided through the use of the foreign tax credit).

The sweeping change made by section 28 (a) of the Revised Organic Act of 1954 was to single out "inhabitants of the Virgin Islands" as a special class of persons as far as the income tax laws are concerned. The term "inhabitants of the Virgin Islands" is defined as all persons whose permanent residence is in the Virgin Islands. Such persons now file a return with and pay taxes to the Virgin Islands and not to the United States, regardless of the source of their income. Under this system indeterminate amounts of taxes on income from sources within the United States are being, and will be in the future, collected by Territorial officials and covered into the Virgin Islands treasury.

It is thus apparent that any subsidy measured by income taxes paid into the treasury of the Virgin Islands may include taxes not only on Virgin Islands income but also on income derived from United States sources. For this reason, the subsidy program now operating in the Virgin Islands has already occasioned considerable concern to the Treasury Department.

The subsidies which are of serious concern to the Treasury Department are those which represent rebates of income tax paid into the treasury of the Virgin Islands as provided in sections 6 and 7 of the bill. These income tax subsidies are of five general types:

(1) Seventy-five percent income tax rebate payable for 10 years to persons, firms, or corporations qualifying as "new industries" as provided in section 3.

(2) Seventy-five percent income tax rebate payable for 10 to 16 years to persons, firms, or corporations operating hotels and guest houses in the islands as provided in section 4.

(3) Seventy-five percent income tax rebate payable for 10 years to persons, firms, or corporations constructing or operating apartment houses, housing projects, or industrial or commercial buildings, in the islands as provided in section 5.

(4) Fifty percent income tax rebate for 10 years (but not to exceed $100,000 for any year) provided by section 7 payable to persons, firms, or corporations, on that portion of their income, including interest, dividends and all other earnings, derived from the purchase, transfer, assignment or sale of stocks and other securities purchased or sold through an investment company located and authorized to do business in the Virgin Islands.

(5) Fifty percent income tax rebate provided by section 6 (c) payable for 10 years to stockholders and partners of any firm or corporation which qualifies for any subsidy of any of the types described in sections 3, 4, 5, or 7 of Act No. 224 on income derived by them from the operation of the business or industry so qualifying.

We believe that these subsidy laws will result in tax windfalls to certain persons with respect to income from activities which bear no relationship to the economic development of the islands. For example, each bona fide resident of the Virgin Islands qualified as provided in section 7 is entitled to a nontaxable subsidy each year for a period of 10 years in an amount equal to 50 percent of the income tax paid (but not to exceed $100,000 per year) on dividends paid by United States corporations if the stock was purchased through an investment company located in, and authorized under the laws of, the Virgin Islands to engage in such a business.

It is especially important to note that there is no other geographical area in the world where a citizen of the United States can receive such favorable income tax treatment with respect to income from United States sources. United States citizens residing in, for example, Alaska, Hawaii, Puerto Rico, and any foreign country are always subject to income tax on dividends from United States sources, as well as all other types of income from such sources.

While the Department recognizes the desirability of fostering the economic development of the Virgin Islands, it does not believe that this objective justifies the existence of a tax haven for the benefit of a small group of United States citizens.

Section 11 of H. R. 12303 would ratify the existing subsidy laws now contained in Act No. 224 of the Legislature of the Virgin Islands and also would grant the Legislature of the Virgin Islands power to alter, amend, modify, or repeal such act from time to time in its discretion. The Department assumes that this power granted to the legislature would permit a rebate of 100 percent of the taxes of any taxpayer qualifying under tests provided by the legislature under Act No. 224 or under any amendment thereof.

On July 5, 1957, the Governor of the Virgin Islands in approving the enactment of Act No. 224 advised the Legislature of the Virgin Islands that there was a question as to the authority of the local legislature to modify the income tax laws applicable in the Virgin Islands. At the same time he advised the legislature that both the Interior Department and the Treasury Department intended to call to the attention of the Congress the loopholes in Act No. 224.

The Department strongly opposes the grant of unlimited power to the Legislature of the Virgin Islands to enact subsidy programs which effect a reduction of taxes on United States income. The grant of such a broad power over income from sources within the United States emphasizes the need to examine further the effects of provisions enacted in 1954 permitting inhabitants of the Virgin Islands to file returns with and pay taxes on all their income to the Virgin Islands. It is, therefore, urged that section 11 be deleted from the bill. In addition, the Department believes that separate legislation similar to that proposed in H. R. 11665 (84th Cong., 2d Sess.) should be enacted without delay so as to limit subsidy payments to the tax attributable to certain income from Virgin Islands sources.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this report to your committee.

Very truly yours,

FRED C. SCRIBNER, Jr.,
Acting Secretary of the Treasury.

Mr. WILLIAMS. Mr. President, I strongly recommend that the Senate Committee on Interior and Insular Affairs eliminate strike section 11 from House bill 12303; and at the same time I am calling the attention of the Senate Finance Committee to the existence of this tax-avoidance scheme, with the thought that, in addition to defeating this proposed legislation, which already has passed the House of Representatives, there may even be need for further corrective legislation.

No one likes to pay Federal income taxes; but certainly the least Congress can do is to insure that all American citizens, regardless of where they live, are being taxed equally.

Not only must this act of the Legislature of the Virgin Islands be rejected, but Congress in specific terms should make clear that their legislature has no authority to amend or revise our Federal income tax laws.

I know of no stronger language to emphasize the dangerous potentiality of this

tax-avoidance scheme than several statements made by the Treasury Department itself:

The Department strongly opposes the grant of unlimited power to the Legislature of the Virgin Islands to enact subsidy programs which effect a reduction of taxes on United States income.

Section 11 of H. R. 12303 would ratify the existing subsidy laws now contained in Act No. 224 of the Legislature of the Virgin Islands and also would grant the Legislature of the Virgin Islands power to alter, amend, modify, or repeal such act from time to time in its discretion. The Department assumes that this power granted to the legislature would permit a rebate of 100 percent of the taxes of any taxpayer qualifying under tests provided by the legislature under Act No. 224 or under any amendment thereof.

At this point, I ask unanimous consent to have incorporated in the RECORD the section of H. R. 12303 to which I have been referring, namely, section 11, which has passed the House of Representatives and is a part of the bill now pending before the Senate Committee on Interior and Insular Affairs.

There being no objection, the section was ordered to be printed in the RECORD, as follows:

SEC. 11. Subsection (c) of section 8 of said act is amended by adding the following proviso: "*Provided further*, That Act No. 224 of the Legislature of the Virgin Islands, relating to tax exemptions and subsidies, approved July 5, 1957, is hereby ratified and approved and the Legislature of the Virgin Islands shall have the power to alter, amend, modify, or repeal such act from time to time, in its discretion.

FOREIGN AID EXPENDITURES—STATEMENT BY HON. SPRUILLE BRADEN

Mr. TALMADGE. Mr. President, on last Friday the Senate Committee on Appropriations heard a strong and convincing argument for the restoration of reason to American foreign aid expenditures. The presentation to which I refer was made by Hon. Spruille Braden, former ambassador and Assistant Secretary of State.

The significance and logic of his remarks recommend them to the attention of each Member of the Senate as it prepares to vote soon on the mutual-security appropriation.

I ask unanimous consent, therefore, Mr. President, that the text of Mr. Braden's statement be printed in the body of the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY THE HONORABLE SPRUILLE BRADEN, FORMER AMBASSADOR AND ASSISTANT SECRETARY OF STATE, BEFORE THE UNITED STATES SENATE COMMITTEE ON APPROPRIATIONS

The invitation, requested by Senator BRIDGES and courteously extended to me by Chairman HAYDEN, to appear before this distinguished Committee on Appropriations is an honor I appreciate.

On October 6, 1949, before the House Foreign Affairs Committee, I testified about the evils which I believed would result from what was then called the point 4 program. On June 3, 1957, before that same committee, I testified not only concerning those evils I had predicted in my previous testimony and which had come to pass, but about others that had arisen in connection with the United States foreign-aid or mutual-security programs.

I respectfully urge this committee to read my testimony on those two occasions.

That I am competent to testify on foreign aid is indicated by the fact that, following in my father's footsteps, I have dedicated most of my life to the development of underdeveloped areas in foreign lands. He and I engaged in and have been responsible for many important development enterprises abroad which greatly benefited everyone concerned. We endured hardships and risked our reputations, efforts, and our own and our friends' capital, to make a fair profit. I wish to underscore the fact that never did we seek nor need subsidies from any government.

Born in Montana in 1894, much of my boyhood and schooling was in Canada, Mexico, and Chile. After graduating in mining engineering from Yale, I became associated with my father in the exploration for and development of large copper and other mineral properties in South America.

After five and a half years in this work, I helped organize a Chilean company to bid, successfully, on the electrification of the Chilean state railroads. This undertaking was in association with the Westinghouse Electric Manufacturing Co.

I arranged financing for over $20 million for both the railroads and the Chilean Government, which subsequently was paid off in full, without loss to any bondholder. I understand that electrification project, even today, is probably one of the largest anywhere in the world, outside the United States.

I developed and was active in many other successful businesses, both at home and abroad, as for instance, (1) acquisition and sale of large South American oil properties; (2) export and import; this included the first importations of Chilean fresh fruit into to United States; (3) negotiation on other loans, such as for Bolivia and the municipality of Santiago, Chile; and (4) I was an officer and director in several important corporations and organized others.

In 1920 I served on the United States delegation to the Pan American Financial Conference at Washington. In 1933, President Roosevelt appointed me a delegate to the Seventh International Conference of American States at Montevideo, Uruguay, and later as chief delegate to the Pan American Commercial Conference in Buenos Aires.

In 1935, with rank of Ambassador, I took over as Chairman of the United States Delegation in the Chaco Peace Conference which, after 3½ years of grueling work, settled the war between Bolivia and Paraguay.

I am proud that so far as I know, I am the only living citizen of the United States who has negotiated and signed a peace treaty which has now endured for 20 years.

I next served as Ambassador to Colombia for over 3 years, 3 years as Ambassador to Cuba, and finally as Ambassador to Argentina. From late 1945 to June 30, 1947, I was Assistant Secretary of State, in charge of American Republics Affairs.

In all of my diplomatic work, I had to do intimately with financing and loans, the economic development of underdeveloped areas, mutual military security, and related matters. Also, I came to know the grave threat of communism, and that superior force is the only thing respected by the Soviet and its representatives.

For the last 11 years, I have been a consultant on the foreign investments and operations of a number of important corporations whose assets approximate $3 billion.

I am a director of, or serve on, committees of several organizations having to do with foreign affairs. For example, I am president of the Pan American Society of the United States. Finally, I am a trustee and a member of the executive and other committees of the Dry Dock Savings Bank.

I want it clearly understood that my testimony here today exclusively represents my own convictions.

I must confess to feelings of both frustration and sorrow when once again I am requested to testify on the Mutual Security Act. Frustration, because none of the questions which I raised in my aforementioned testimony before the Foreign Affairs Committee, as well as in many speeches I have given, ever have been answered by any individual or agency of our Government. Sorrow, as I contemplate the callous way in which the International Cooperation Administration (ICA) is permitted to waste and misspend billions upon billons of our citizens' earnings.

The State Department and our diplomatic missions, since World War II, have been inflated bureaucratically almost beyond recognition. This and the creation of appendages to it, such as ICA and USIA, have caused inefficiency, waste, and extravagance. In the field, not infrequently, this has irritated the people where our diplomatic missions are located and injured our relations generally.

Foreign or mutual aid, by reason of its mushroom growth during the last 16, and especially the last 10 years, has become so vast and complex a subject as to require hundreds, if not thousands of pages to criticize it adequately.

Therefore, to be brief and in order that you gentlemen may more readily question me on those aspects of the matter which most interest you, I shall limit my statement today to a few general propositions, which I respectfully submit as a chopping block for discussion.

For a more comprehensive exposition of some of my views, I should like to present for the record, and as an integral part of my testimony, copy of an address which I delivered in Washington on January 30, 1958, before the American Coalition of Patriotic Societies.

While I am convinced that the United States as rapidly as possible should do away with all foreign aid on a government-to-government basis, I realize the difficulties involved in accomplishing this at an early date. Therefore, for the immediate future, I only advocate the complete elimination of the excessive ICA bureaucracy and all of the extravagance, waste, and corruption involved in its operations.

The expansion of ICA personnel from 571 employees in 1948 to 12,586 in December 1957 (plus 7 or 8,000 more engaged on this same work in Defense and other Government agencies) proves how it is growing without control.

My feelings of frustration and sorrow, to which I refer, are augmented when I see the Congress, the administration, and the press ignore the documented criticisms and objections made by outstanding Senators and Congressmen, to the huge extravagance, waste, and corruption involved in these giveaway programs. It is pertinent to mention a few of those courageous leaders: Senators BRIDGES, DWORSHAK, BYRD, BUTLER, JENNER, RUSSELL, and TALMADGE.

In the House, there have been equally forceful presentations made by, amongst others, Congressmen PASSMAN, BYRD, MEADER, PORTER HARDY, JR., and the late lamented Lawrence H. Smith.

For example, Congressman BYRD, beginning on page 8753 of the CONGRESSIONAL RECORD, on May 14, gives a brief but devastating analysis of the maloperations of ICA. Yet, his, like Senator JENNER's June 3 speech, and all other opposition to or criticism of the Mutual Security Act, is snowed under and lost in the deluge of propaganda and obliterated by the pressures put forth by the

administration in favor of these foreign uncontrolled giveaways.

Similarly forgotten is the recommendation made by the Hoover Commission task force on overseas economic operations. It pointed out that the Congress had very little basic knowledge to go on in voting appropriations for foreign aid, other than the requests submitted by the interested executive agencies. There is nothing in the record to show that with the exception of a limited number of spot-check studies conducted by the General Accounting Office, anyone ever has carried out an impartial and comprehensive field survey to trace past appropriations to their final use, and thereby to establish a basis for future appropriations.

It is inexplicable to a layman why the Congress, for its own protection and as a simple matter of prudence under law, before granting any further appropriations for foreign aid, has not demanded the accounting recommended by the Hoover Commission.

Among the questions I raised in my January 30, 1958, address, I respectfully direct this committee's attention to the following:

1. My remarks about "overprograming," "illustrative budgeting" and "other costs." These procedures not only would not be tolerated in any business, but would subject company executives to criminal prosecutions.

Why, then, does Congress, as custodian of the citizens' hard earned taxes, permit these abuses?

Why does it continue to appropriate billions of dollars on the same generalized and inadequate data?

Why does it not insist on the constitutional provision that no money shall be drawn from the Treasury without a "regular statement and account of the receipts and expenditures of all public money," including counterpart funds?

2. On January 16, 1958, the House Committee on Government Operations,[1] in an official report, asks, "How much of the $24 billion appropriated by the Congress for this (military aid) program has been wasted?"

This question has never been answered. Moreover, it was revealed, in this connection, that neither the committee nor the General Accounting Office ever were allowed access by the State and Defense Departments to important information essential for the Congress intelligently to legislate and make appropriations.

That the Congress, year after year, thus should be stopped from carrying out its constitutional duties, raises grave fears for the future of the Republic.

3. A House committee of 13 Republicans and 17 Democrats in 1956 unanimously approved a 59-page report detailing: "Loose, slipshod, and unbusinesslike spending of more than $250 million—a quarter of a billion dollars—in Iran"—alone, just one country, and this report declares, "It is now impossible with any accuracy to tell what became of the funds."

This is an appalling statement. Surely the Congress is not so disinterested in economy, in accurate, detailed, and complete accounts, and in honest and efficient government, as to permit $250 million to be frittered away or lost in this disgraceful fashion?

How can one penny more be entrusted to ICA until a detailed accounting for this $250 million is made and ICA so reorganized as to insure that there will be no repetition of this terrible squandering of your and my money?

Did this quarter of a billion dollars buy us a grateful friend and trustworthy ally? I doubt it, because on January 5, 1958, the Iranian Ambassador criticized our aid as far from adequate and said that the Middle East and Asia, unless we did better, would have to throw in their lot with the Communist world.

Apparently, in this case, administration leaders are wrong when they declare that, "The mutual confidence that comes from working together on constructive projects creates an atmosphere in which real understanding and peace can flourish."

Perhaps the Iranians have learned the truth of the saying, which has freely circulated abroad for years: that the best way to get something from Uncle Sam is to kick him in the teeth, until one gets what they want because he'll be so grateful. I personally know two Latin American presidents to whom this advice was given in all seriousness by another Latin American ex-president.

In the face of bureaucratic arrogance and seizure of undue powers, Congressional investigating committees and the General Accounting Office are entitled to credit for doing so much as they have in uncovering the scandalous conditions existing throughout ICA operations. Even so, they barely have scratched the surface.

The ICA, by classifying so many of its operations and documents makes adequate investigation by Congress impossible. This condition should be stopped.

I should add that it is far more difficult for the ordinary citizen than for you, gentlemen, to arrive at the facts. It also is hard to get the facts abroad because the foreign recipients of our benefactions do not care publicly to look a gift horse in the mouth, or stop the flow of grants and loans. Nevertheless, I have received a large number of protests from leading statesmen, industrialists, and others from all over the hemisphere, who are just as opposed as I am to our foreign-aid programs as presently carried on. In particular, they resent the harm done to the morale and morals of their peoples. They object to the socialization, nationalization, and inflations wrought in their countries by our foreign aid. They rightly fear that if these trends are not arrested, the free economic order will die, which is precisely what the Communists and U. S. S. R. wish to accomplish. We are doing the job for them.

On the other hand, many leaders abroad like the resulting socialization or communization because it entrenches their political power. They are all ready to become totalitarians at our expense.

As a layman, I cannot understand the theory upon which further appropriations for billions of dollars on top of the billions already in the so-called pipelines are authorized, before all questions about ICA operations have been answered satisfactorily and in detail.

I have been unable to determine how much money is in the pipelines. But Senator JENNER, on June 3, 1958, declared on the floor of the Senate that: "The minority report of the House Foreign Affairs Committee estimates that if this authorization, for fiscal year 1959, is passed with its appropriation, the executive branch will have a total of $12,129,307,500 in its pipeline, from foreign aid and surplus commodities, to give away in foreign countries."

The vast amounts involved and the recklessness in spending the taxpayers' money, compel me to say, "Amen," to Senator JENNER's assertion that, "Congress has totally abdicated its constitutional responsibilities in dealing with foreign aid."

So long as Congress continues along this line of deficit spending, the economy of the United States never will be sound, and there can be no really enduring prosperity. Moreover, the horrible example set by ICA encourages other executive agencies, throughout our entire Government, to similar extravagance, waste, and dishonesty.

Parenthetically, we should not forget that 83 percent of all income taxes are collected at the 20-percent level, that is, from the poorest classes; 88 percent at or below the 34-percent level.

I pray that the Senate will support the House action in reducing mutual security appropriations $597,500,000 below the joint authorization. By so doing it will knock out at least a part of the waste and corruption, which ICA has sought to perpetuate.

In this connection, Under Secretary Dillon is reported to have told this committee on July 8 that the reduction of $325 million in the Development Loan Fund must be restored because: "In all gravity I say to you that the future of our country and the future of freedom in the world will be decisively influenced by your decision on this particular appropriation."

In reply to Mr. Dillion I say:

First. If all that stands between the future security of our country and the freedom of the world is the Development Loan Fund having $325 million more to disperse in soft loans, unacceptable to any other private or official banking organization; then, indeed, the United States of America and freedom have reached the end of the road. Mr. Dillon's alarm is false and should be stilled by you gentlemen rejecting his plea;

Second. The whole idea of the Development Loan Fund is contrary to proven economic (Greshams) law, that bad—soft or unsound—money and credits always drive out good—hard or sound—money and credits. To entrust this fund to ICA bureaucrats will do great harm wherever it is used and bring us enmity.

Now, with the recession, the new excuse for foreign giveaways frequently offered is that mutual security or foreign aid brings employment to this country. I should like to present for the record, and as an integral part of my testimony, copy of a speech which I made over the Manion Forum Network on March 16, 1958. In that speech, I said the following:

"Secretary Dulles insisted that, as a cure for the present recession still more billions be spent on mutual security, because it means 600,000 jobs. In effect, he suggests that mutual security is another PWA makework scheme, excepting that the production from these 600,000 jobs is shipped overseas. It disappears from the United States economy, just as arms and munitions do in wartime. In wartime, this always adds to inflation and raises the cost of living. It now is raising the cost of living in the midst of depression."

The money poured out by the bureaucrats, allegedly to make those 600,000 jobs, if it had been left in the peoples' hands, would have been used in this country to satisfy more of our own human needs and desires; in other words, to buy—the very thing we now seek to stimulate—and to invest. The products resulting would have remained in this country as an offset to inflation; our total national wealth would not have been depleted as it has by the foreign giveaways; and there well might have been a greater turnover of the money. All of which would have made for even more jobs than Mr. Dulles estimated.

Unquestionably, the approaching $70 billion dispersed all over the globe since 1946 in foreign aid has contributed very materially to the loss in purchasing power of our money (the wholesale commodity index is down 34 percent since 1946; 58 percent since 1939[2]).

By the extravagance, waste, and corruption of the mutual security program, it has been

[1] This same committee on June 26, 1958, exposed still other shocking conditions in ICA operations.

[2] This 58-percent loss on the average holdings of U. S. savings bonds, time deposits, and other savings during the last 18 years, amounts to $184,263,744,000. This is approximately 97 times the loss of $1.9 billion of depositors in our banks from 1921 through 1933; that is, in the great depression. Yet we recall that relatively minor loss with terror.

estimated that we are continuing to depreciate the value of the dollar at an annual rate of approaching $6 billion, exclusive of the carrying charges of about $2.5 billion per year on the indebtedness so far accumulated by the Government for foreign aid.

How long can or will the people endure unending deficits without realizing the cruel fraud that is being perpetrated against them? How much longer will they stand for this?

As a trustee of a savings bank having total assets approaching $600 million, I am worried gravely by what I see happening to the purchasing power of our depositors' savings. When these depositors awaken to what has been done and still is being done to them by their Government, their growing anxiety may change into bitter rage against those responsible for their plight.

I will not consume more of your time by repeating the multitude of arguments, spiritual and constitutional, economic and military, which have been raised against the extravagance, waste, and dishonesty of the Mutual Security Act, and against the so-called bipartisan policies which make this iniquitous foreign-aid program possible. I will not attempt to detail why each and every category of foreign aid can and should be cut radically now. Tomorrow could be too late.

Instead, as one who has been active throughout his life in the constructive development of the underdeveloped areas, as an American citizen who is profoundly alarmed by the course our country is following, and by my fears for what sort of life will have to be endured by my grandchildren because of our present follies, I make the most earnest appeal of which I am capable to this committee on one principal count:

The continuance of mutual security as presently operated may sound the death knell of this Nation. Foreign aid spent in fiscal 1958 would more than cancel out the deficit for that year. The Director of the Budget was reported on May 15, 1958, formally to have confirmed that the Government was expecting a budget deficit of $8 billion to $10 billion in the fiscal year that began July 1. I understand the estimates by Congressional experts run as high as $13 billion. Our national debt already exceeds the combined debt of all the other countries of the world by about $25 billion.

Under these circumstances, and especially in view of the serious charges made by its own committees and the Comptroller General, I repeat the question: How can the Congress of the United States possibly appropriate more billions to the foreign giveaway programs, without having (1) received full, accurate, and properly audited accounts of ICA expenditures to date; (2) made a meticulous and all-embracing study and analysis of ICA accounts and operations; and (3) forced ICA to establish an honest and efficient system of operations, including budgeting and accounting?

Neither the safety of the United States nor of its friends ever can be securd by the extravagance, waste, and corruption with which the American taxpayers' dollars have been and are being squandered all over the earth, frequently to the direct benefit of our sworn enemies, the Communists and the Soviet. The only way to cure these evils is to stop all our handouts until it is proven that they are cured.

The administration's intensive propaganda campaign and pressures have prevented the full truth about mutual security being known by the American electorate. I believe that once the people are alerted—and sooner or later they will be—as to what is going on, they will demand in no uncertain terms that the United States return, with all speed, to the system of checks and balances under which the Congress again would control expenditures by the Executive and not permit the scandalous extravagance, waste, and corruption of the ICA.

To sum up, gentlemen, unless this committee and the House Committee on Appropriations can bring to an end this mulcting by ICA of the American citizens of their hard-earned dollars, all I can say is, may the Lord have mercy on us and our progeny, even to the third and fourth generation.

MIDDLE EAST SITUATION—REMARKS BY THE VICE PRESIDENT

Mr. THYE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a news article which appeared in the Minneapolis Star and which contained the remarks of Vice President NIXON when he appeared recently in Minneapolis. He addressed the newspaper editors at the annual aquatennial luncheon for Minnesota editors. I was present at that luncheon. I noted the impression which the Vice President made upon all the editors who were present at the luncheon. The Vice President made a most impressive report on the Middle East situation.

I heard many comments from editors present that the Vice President's address was the clearest and most concise report on the Middle East situation they had been privileged to have presented to them. The Minneapolis Star has printed a very excellent comment on the address, and I ask unanimous consent that it be printed in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NIXON TEXT: IKE'S ACT MAY MARK TURNING POINT IN STRUGGLE WITH REDS

So much for the economy. Having reported on that, I now want to turn to the other issue, which I noted from the questions which were asked me when I arrived at the airport at 1:30 in the morning, are uppermost in the public mind.

I refer, of course, to the striking events, events which may have marked a turning point in the struggle between the forces of imperialistic communism and the forces of freedom—the events which began on Monday of this week when the President of the United States ordered American troops into Lebanon.

PRESIDENT HAD RIGHT

Now I think as far as this audience is concerned, we will begin always, all of us, by recognizing that the President had the constitutional power to do what he did, and by recognizing in addition to that that in moving these forces into Lebanon, we did so at the request of a constitutionally elected president with the unanimous approval of the cabinet of the country involved, for two purposes:

One, to strengthen that government in its efforts to resist forces within the country which were stimulated and materially assisted by forces outside the country who desired to overthrow the duly elected, duly chosen government.

And in addition to that, the traditional power of the President to send American forces abroad to protect American lives—the 2,500 or so Americans who are living in Lebanon.

This, of course, is the legal basis for the action.

But we are not concerned here, of course, with simply the legality of the situation. We are concerned about the merits, what will happen, what is the future, what are the prospects.

Was the judgment of the President of the United States, and of those of his advisers who support his judgment—was his judgment correct?

DECISION WAS DIFFICULT

I'd like to say at the outset as I said at the airport that this was a terribly difficult decision. It was not one that was black or white in all respects.

As is usual in the international field—and for that matter, in the domestic field—there were substantial gray areas in which decision makers had to take one course or another—either one of which had many elements which appeared to be detrimental.

Having made that obvious admission, I think it might be well to turn to some of the questions that have been raised by people who question that decision—questions that have been raised honestly, questions that I think should properly be raised by Members of the Senate and the House, opinion makers like yourself, whenever great decisions are made of the United States and the peace of the world.

The first question is this: Why is it that when President Chamoun asked for us to help him, that instead of moving United States troops in, we did not immediately take the case to the United Nations and ask them to send the necessary forces into Lebanon that would give that government the stability and the strength that it needed to resist these indigenous forces that were supported from forces outside the country?

The answer is a very practical one—we would have preferred to have submitted it to the United Nations. If we had thought that submitting it to the United Nations had a reasonable chance of meeting the situation, we would have done this.

WHY UNITED STATES MOVED

We decided on another course—of submitting it to the United Nations but at the same time moving our own forces in as the President had requested, and we did so for the practical reason that our intelligence information disclosed to us that there was a very substantial chance—much more than an even chance—that if we did not move quickly that Lebanon would go the way of Iraq.

And Jordan, in which the British have moved, would likewise go the way of Iraq.

It isn't necessary for me to recount here, and it wouldn't be proper for me to disclose the intelligence information which bore out this conclusion.

But I think it is perhaps worthwhile to suggest that when violence of the type that we saw in Iraq is indulged in, it is contagious. I can testify personally to that effect, because on the basis of my travels to South America I can tell you that once demonstrations begin, the idea is planted in the minds of other people and they become progressively worse as you go along.

SOUTH AMERICAN RIOTS

Many people have asked me after I returned whether or not there was a master plan for demonstrations against Mrs. Nixon and myself when we were in South America.

There were many elements which would indicate that there was some sort of overall control. The signs were all the same that the students and those who were controlling them were the same. The tactics were somewhat the same.

But on the other hand, I would imagine that what more likely happened is that the spontaneity of these demonstrations was an element which naturally developed once the news media carried the information of one demonstration to another country.

And incidentally, it's interesting to note that the Soviet radio carried in Latin America broadcasts constantly reiterating over and over again in each of the countries I was to visit that demonstrations had occurred in others. So much for that aside.

WAITING WAS PERILOUS

In any event, the reason we did not move in the United Nations alone, but decided to move simultaneously, was the practical one that if we had waited through the discussion which must necessarily take place in the United Nations before they can take action, it might have been too late.

The case of Lebanon, and I think too the case of Jordan, would have been moot.

Now a second point which was raised is this—and some of the reporters at the airport last night put the question very well when they said, "What really is the difference between our action in Lebanon, which this administration has undertaken, and the British and French and Israeli action in Suez which this administration condemned?"

I will give to you the same explanation, with a little elaboration, which I gave to them.

Most simply stated, the difference between the two situations is that the action in Suez was in contravention and violation of the United Nations Charter and our action in Lebanon, as well as the British action in Jordan, was in accordance with the United Nations Charter's article 51, providing for collective security.

In Suez we had a situation where the British, the French and the Israelis moved across the border with force and were using force as an instrument of national policy against the will of the nation which was invaded.

Here, the forces of the United States in the one instance and the forces of Great Britain in the other, were invited in by the duly-constituted government—invited in for the purpose of dealing with force—force which, it was alleged, might prospectively be used to overthrow the governments which issued the invitation.

So this difference, I think, is fairly clear. Turning to another one, many people have asked the question, how do you distinguish the situation in Hungary and the situation in Lebanon?

And when you look at these two cases there would appear to be considerable similarities—similarities that might be somewhat embarrassing to us. Because you remember that at the time of Hungary the Soviet Union said "We were invited in by the (Janes) Kadar government—invited in for the purpose of suppressing the revolt."

And, of course, we say we were invited in by the Lebanese Government. And the British claim, as they of course can, that they were invited in by the government of King Hussein.

UNITED STATES AIMS DIFFERENT

But this is a very great difference which should be pointed out. As we go into Lebanon we do not go there for the purpose of dominating or controlling the Government of Lebanon or the Lebanese people. We go in there for the purpose of helping them to maintain their independence and their integrity, rather than to destroy it.

The Soviet Union went into Hungary for the purpose of continuing to maintain the control from Moscow of the puppet government in Hungary. And there is another difference which bears this out. It is the fact that, in Hungary, the Soviet Union moved in and intends to stay.

As far as we are concerned, we have made it clear from the outset that once the United Nations is able to take the action and develop the forces which are necessary to maintain stability and protect the territorial and governmental integrity of the Government of Lebanon, we will get out. And so the difference in the two actions I think is rather clear.

Another question which has been raised by many people who are concerned with our action relates to the general overall question of whether we are getting ourselves into the position of intervening in what is strictly, in substance, a civil war.

Now, in examining this situation, we have to realize here that this is one of the more difficult aspects of the decision which we had to make. Because, as we look at the situation in Lebanon, for example, you cannot say that those who oppose the government of President Chamoun were all Communists.

You cannot say that they were all Nasserites. You cannot say that there were not, in the dissident forces in Lebanon, some people who were anti-Nasser, some who were anti-Communist, some who opposed the government on other grounds. All these factors we have to consider.

On the other hand, when we examine this complaint that here we have only a civil war, we again have to look at the facts as to how this civil war has been maintained, and how it became possible to reach the proportions where the President felt—President Chamoun—that he had to have outside help to deal with it.

And here we find a solid block of evidence—125 instances of intervention and more that cannot be disclosed because the intelligence sources from which we obtained the information cannot be revealed—but 125 instances which have been publicly revealed in which arms, other war materials were poured into Lebanon from across the Syrian border.

And also, of course, there is no question about the radio broadcasts—the propaganda broadcasts which took place both from Egypt and from Syria urging on the rebels in Lebanon to overthrow the government of President Chamoun.

CIVIL WAR FOMENTED

And so in this instance we would have to agree that there is a civil insurrection, a civil war. But it is a civil war which has been stimulated and fomented from forces outside the country.

And, putting it in another way, it is a civil war which could not have reached the proportions which required outside assistance to deal with it unless there had been support from the outside.

Now this relates also to another question. What then is the Soviet Union, what do the Communists have to do with this? Are we dealing here solely with the question of Arab nationalism, a force which could not effectively be resisted in the long run, if this were all that were involved and if the people felt it deeply, as many of them do.

Or is there any evidence that the Soviet Union and the Communists that they control had a substantial part in creating the power within the rebel forces with which we are attempting to deal?

Now in this connection we again can say that had it not been for the support militarily that the Soviet Union and the Soviet satellites provided for Syria and for Egypt—the United Arab Republic—they would not have been able to furnish the material support that they have furnished to the rebels.

Now we note a very interesting thing as I pointed out last night to the press. The arms that have flowed across the border into Lebanon have not been the Soviet arms, the new ones that they obtained from the Communist countries, but they have been the old arms from the French that they had previously.

But this, of course, is no real excuse because what happened was that having obtained the new arms they were thus able to give up the old. And had they not received the new, they could not have given up the old.

Another fact that should be mentioned is the great speed, almost simultaneous action, with which the Soviet Union and the Soviet satellites and the Communist Chinese Government acted in recognizing the Government of Iraq.

INFLUENCE INDIRECT

This is related to the problem. It certainly indicates that, as far as Soviet influence is concerned and Communist influence, that while it is indirect, while it cannot be directly pinpointed, it is there, and without that influence it is unlikely, and I think absolutely improbable, that the situations in these countries could have developed to the point that they did.

Another question, however, comes up at this point. I've had people ask me, well, how can you justify the statements that I have just made with regard to intervention from the outside in the light of the report from the United Nations Commission which went to Lebanon and just a few days ago reported that there was no evidence of substantial movements across the border from Syria into Lebanon of materials of war.

And the answer there is that the Commission that was sent by the United Nations to Lebanon was made up of an outstanding group of men, including Mr. Galo Plaza, the former President of Ecuador and one of the greatest statesmen in the Western Hemisphere.

U. N. GROUP IS SMALL

I don't question at all that as far as their findings were concerned they were honestly made, but I think that we have to recognize one: that they had a relatively small group to check the border to see what was happening. But what is more important, we also have to recognize that those who were moving material across the border naturally would have stopped the flow once the United Nations people moved in.

As President Eisenhower put it at the meeting with the legislative leaders when he was asked this question, it was somewhat like a small boy throwing a rock at a window. While the rock is in flight he folds his arms and says, "I'm not doing anything at all."

And it was at this point that the U. N. Commission moved in. After the arms had flowed in, the U. N. Commission moved in and reported that as of that time there was no substantial flow.

Well, so much for these questions that have been raised. I would like to turn now to a more fundamental consideration—fundamental because I think we all recognize in this room that our action and the British action in Lebanon and in Jordan, respectively, cannot be a solution of the problems of the Middle East.

It is at best a stopgap. It is at best going to give us the time that is needed to attack more basic problems which are responsible for the tremendously difficult problems with which we have had to deal during this past week.

And in that respect may I say that as far as the action of the United States was concerned in this instance we realized that it was fraught with great difficulties and that there were many strong reasons for not taking it, and because a case could be made for the fact that we were dealing here only or primarily with Arab nationalism, a force which is not going to be stopped simply by sending in armed forces to uphold the government.

We realized, too, that it is at best a temporary expedient to send forces from one country into another country to help sustain a government unless that government in the long run has popular support.

And this is a difficulty with which we are going to be confronted in the next few weeks unless the government of President Chamoun and his action in asking us to come in does develop the popular support that is needed.

We realize too that there were other factors of the Mid-East situation, the feeling of the Arab countries with regard to the problem of Arab refugees, the complication of the whole problem of Israel and many

others too numerous to mention on an occasion like this.

WHY DID WE ACT?

And so then we come to the key question that I referred to a moment ago. Why then did we act when there were so many other considerations?

And the answer is that there was no acceptable alternative. We've already disposed of the alternative of leaving it alone to the United Nations. Let us suppose that we did nothing.

In my opinion, had we done nothing when President Chamoun asked us to come in, our failure to come to the aid of a government that had been friendly to the United States, more friendly than most of the governments in that area to the United States, our failure to do so would have struck fear and consternation and probably panic into the hearts of the friends of the United States not only in that area, but all the way from Morocco on the Atlantic clear over to the Pacific area.

UNITED STATES BACKS FRIENDS

And it was necessary for the United States in this instance to show that when the chips were down even though there were risks, the risks of war, that we would stand by our friends.

Also we have to consider the fact that a chain reaction can set in. The Iraqi coup takes place. As I pointed out this type of violence is contagious.

If a coup would have taken place then, as we think it would have in Jordan and in Lebanon, Morocco, Tunisia, Libya, Saudi Arabia, Iran, even Pakistan, all of the governments in this vast complex, in these countries, would have been in very shaky position.

And the elements opposed to those governments might have developed the force, even though they were minorities within the countries, to bring about a coup. And so our alternative under these circumstances, we felt, was to respond to the request as we did.

OLD ARGUMENTS USED

There is something much more basic, too, in regard to our response. And this relates to the contention that this is a civil war, and the United States should not become involved in anything which is a civil war.

They said the same thing about Korea—this was a civil war, North Koreans fighting South Koreans. They said the same thing about China—Communist Chinese fighting Nationalist Chinese. They said the same thing about Vietnam—Communist Viet Minh fighting Vietnamese. They said the same thing about Czechoslovakia—when the coup d'etat overthrew the then free Government of Czechoslovakia.

What do I mean to point up by this analogy? Simply the fact that the enemies of freedom—the Communist international movement in the world—have developed a new and extremely effective way in carrying out their imperialistic designs and of taking over countries. They don't go over borders as the imperialists of the past did with their armies.

They go under them—under them with propaganda and over them, far over through the airways as well, under them with subversion, and they stimulate and foment in country after country the forces that will overthrow the existing government.

FREEDOM CAN BE LOST

And if a Free World is unable and, in addition, lacks the will to develop a method for meeting this indirect aggression in which governments are overthrown from within because of support from without, the United States will lose its freedom and its independence without ever having the opportunity—an opportunity we do not want, of course—but without ever having the necessity of using the great military power which is ours.

And so here is why I say this may be a turning point in history. Here the United States and Great Britain have, in effect, said a halt must be called, even if it means risking retaliation by the Soviet Union, to this insidious tactic of aggression through indirect means.

Now may I turn finally to more important, in the long run, considerations which we must have in mind as we try to work ourselves out of this dilemma.

I've already indicated that this is best a temporary solution, a stopgap. I think we have to realize that deep down in the hearts and minds of literally millions of people in the Near East and the Far East, in Africa and also even in Latin America, is a desire for change.

They are not satisfied with the status quo. And consequently those who come to them supporting their desire for change obtain tremendous support within the country—particularly in the intellectual areas and communities which can affect the overturn of a government and which can stimulate the mob violence such as we saw in Iraq.

REDS PLAY ON FEELINGS

The Soviet Union has played on this tremendous desire for change. They have associated themselves in nation after nation with those elements that want the change. Actually we know the Soviet Union would not bring the kind of change that these peoples want. But they do not know this.

And as far as the United States is concerned our major problem in the years ahead is to develop more effectively than we have the kind of programs in the information field, in the economic assistance field, and in other areas which will identify American policy with the aspiration of these peoples. What are those aspirations? In this order: First and above all, national independence, recognition of their dignity as nations and individuals, and their equality; and second, at a much lower level—but still important, economic progress; and third, at the lowest level, at this point, individual freedom.

I don't need to tell you that there is no question but this is what the people of the United States, and the Government of the United States, want for ourselves and what we believe our policy is designed to provide and encourage for others.

MESSAGE MISSES

But this message has not adequately been portrayed to the world. And I would say that in the months and years ahead a major problem that we have is to move in to this whole area of which I have spoken, to move in and deal with the causes of the revolts so that we will not be faced with the terrible dilemma with which we were faced this week.

And I think I can sum it up by tying up what I have said with your centennial celebration. Centennial is a great day in the history of the State. We think of many things, the beauty queens, the floats, all the other pleasant things that will happen during these 2 weeks.

But we also think of more serious things. The history of our State, the pride in our State. And we think of the traditions and culture of our State and our Nation.

UNITED STATES MUST PROJECT

We hear a great deal in the world today about the threat of the Communist revolution. And we talk about it, as we should. But I would suggest that in this world struggle it is necessary for us to project ourselves to the peoples of the world, particularly to these areas to which I have referred, more adequately by perhaps talking more about the promise of the American Revolution, rather than the threat of the Communist revolution. Because, I don't need to tell you that the American Revolution caught the imagination of the world a hundred-and-eighty-odd years ago.

Because we stood then for independence for nations no matter however small, for economic progress and for freedom. We stand for the same thing today.

And our problem in the world is to convince the masses of the people, the intellectuals in all the world, that the United States and those with whom we are associated, that we are the protagonists of the real, the true revolution, rather than the Soviet Union.

This is our problem and it is one that I can assure you that those of us who are in Washington who have responsibilities are going to dedicate ourselves in the months ahead. Thank you.

"STAGE COACH DAYS"—MINNESOTA CENTENNIAL CELEBRATION AT STEPHEN, MINN.

Mr. THYE. Mr. President, on Tuesday, July 8, it was my privilege to participate in a Minnesota centennial celebration at Stephen, Minn., known as Stage Coach Days. This celebration is typical of the hundreds of similar celebrations being held the length and breadth of our State this year.

At the Stephen festivities there was a special luncheon honoring the pioneers of the community and surrounding area. The featured speaker at this luncheon was Mr. Ira Burhans, of Guthrie, Minn., a retired attorney who practiced law for many years at Stephen. I think his address was one of the finest I have ever heard dramatizing the spirit of the pioneers and the indispensable role of small towns in building the America of today.

Mr. President, I ask unanimous consent that the address be printed in the body of the RECORD, because, in my opinion, it was one of the most timely statements on the early history of Minnesota, and more especially on the community center of Stephen. In the early days the railroad was extended to Stephen. From there stagecoaches would transport pioneers who came into the area to various locations, where they either homesteaded, or otherwise located themselves. For that reason I thought the statement was most timely.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Someone has said that the difference between classical music and other music was that it was classical music when you listened for the melody, and it never came.

Some towns and communities are founded, grow and develop, but never seem to develop an individuality, a personality, a soul. They do not seem to achieve a melody.

It seems to me that Stephen has a melody. When I look over the faces of this audience, and see some who have crossed the continent 2,000 miles or more, to be present at this Pioneer's Day I marvel. When I see more faces of those who have gone to the strange and unfriendly cities, and have there won distinction and honors for themselves in the fields of medicine, law, dentistry, the ministry, railroading, business, yes, all fields—I wonder what has caused them to drop their multitudinous duties and come back to this small town.

What draws them hence?

Is it the sight of the ripening wheat caressed by the south wind? Is it the quack of the mallard drake surprised in his hidden pothole? Is it the cheery song of the red

winged blackbird perched on the cattails in the ditch? Is it the unbroken sweep of horizon, blue, then bronze, then golden and softly fading into royal purple? Is it the heady perfume of the new mown sweet clover? Is it the gutty suck of gumbo on their car wheels? Is it more than the usual love of familiar scenes? Is it more than nostalgia for their youth? Is it longing for the once familiar chuff-chuff of the old steam thresher? No, for that admirable scene is gone forever from our fields. Is it longing for the sight of new plowed earth turned behind sturdy bay horses? No, that is gone. Would they witness the mating dance of the prairie chicken which once graced our fields? No. They are gone, with the carrier pigeon and the elk.

This gathering in of Stephenites to her bosom has deeper roots. It goes back to those admirable men and women who came here, in oxcarts, on tote wagons, in immigrant cars, and spread out upon the richlands of the prairie, dug in, and carved their shelter from the very sods of the earth, clung there stubbornly, through drought, grasshoppers, and floods, determined to create a farm home for themselves, where they might be free men, no matter what the cost. And cling they did. And the remarkable part of it is that they came from every part of the United States and nearly every foreign country. They stayed, suffered, wanted, hungered, thirsted, married, gave birth and died. They built roads across the buffalo pastures, bridges across the streams, schools to educate their children, churches in which to worship God. Their courage was monumental, their faith firm, their patriotism real. Among them, the melody that is Stephen began to form. How I envy them their victory. There was no time, no place, for sham. Reality was harsh, the victory dear.

How fortunate is Stephen to have so many of the sons and grandsons of these most heroic men and women still running its farms and businesses. Witness the Krokes, the McMillans, Hvidstens, Wolnarowiczes, Przybylskis, Ososkis, Budziszewskis, Banaszewskis, Pagnacs, Borowiczes, Gratzeks, Kuznias, the Schafers, the McGlynns, the Fays, the Bensons, the Ruds, the Nylands, the Andersons, the Johnsons, the Olsons, Petersons, Hansons, the Thibodos, the Beebees, the Jensens, the Sinnotts, the Whalens, and many many more. How can this community fail when blood like this runs in the veins of its men? How fortunate that they heard the melody that is Stephen, remained to labor, and to augment the contributions to this community so nobly commenced by their forebears.

The son of the pioneer farmer who lined up with 50 others beside his wagon tank and horses, waiting to unload his wheat, is riding in a nice car, and his wheat goes in 200-bushel truckloads to the elevator. Yet he is the same pioneer underneath. If there is new in agricultural equipment, he has it first upon his farm. Is there a better wheat? He raises it. Are sugar beets a good thing? He has them. Is television entertaining? He has it. Is there a worthy cause? He gives. Who was first when Liberty bonds were sold? Stephen community. Who was first when men were needed? Stephen. Who were the most physically fit for service? Stephen boys. Where did the first volunteers come from in World War I? Stephen. Where did they come from in World War II? Stephen.

When Roseau, Kittson, and Marshall Counties needed an honest man, a sensible man, a canny man to represent the farmers of these three counties in the State Senate of Minnesota, where did they come? The Stephen community. Who belongs to more important committees in the senate than any other? A Stephen man. Blood of the old blood, honored son of a revered father, our chairman, Senator Sinclair.

So the melody develops. Just what its haunting strains are I cannot tell. Yet I believe from experience, it is most plainly heard by those who leave Stephen. It tugs upon the heart.

Such a heritage is tremendous. Such an engendered love is beyond all price, more precious than gold and rubies. The Bible says "The only things that are, are the things that are not." The melody is one of the things that are not. It is more real than diamonds. And those of us who love Stephen, and the heritage it has received from its pioneers, pray that those who have and will succeed its founders—will cherish to their hearts the principles that moved the founders—and guided them through their trials and miseries. May they guide this community in Christian ways—American ways—American principles.

Will they carefully examine their own connections, to see if they are—through misinformation—subscribing to un-American philosophy? For there is abroad in this land an ugly thing called communism which takes the name and form of Americanism. Russian business goes on day and night. Let not this community be beguiled by the murderers of Moscow, the assassins of Hungary, the stranglers of Poland—lest the melody of Stephen, and of all America, become the weeping and wailing of slaves.

Let Stephen be strong, American, God-fearing now—as in the past—that the song of Stephen may ring on—throughout the corridors of the years—through all eternity.

AWARD TO SENATORS OF THE ORDER OF THE NORTH STAR

Mr. THYE. Mr. President, my colleague the junior Senator from Minnesota [Mr. HUMPHREY] and I have had placed on each Senator's desk a special certificate awarding each of our colleagues the Order of the North Star.

Nineteen hundred and fifty-eight is Minnesota's centennial year. Our State wishes to pay tribute to the United States Senators during this special year by conferring upon them the Order of the North Star.

At this point I should like to read the inscription on the certificate:

Minnesota, the North Star State, on the occasion of its centennial in the year 1958 salutes you. As an honored member of the North Star, you are entitled to all the privileges and rights of Minnesotans, including full enjoyment of her 10,000 lakes, theater of seasons, scenic and vacation wonderland, and the warm hospitality of her superlative people.

Although every year is a good time to vacation in Minnesota, I should like to take this occasion to say that this centennial year would be an especially good time for my colleagues to visit our State when Congress adjourns.

Congratulations to each of you upon your induction into the Order of the North Star.

Mr. HUMPHREY. Mr. President, it is with great pleasure that I join this morning with my senior colleague, and with the members of the Minnesota delegation in the United States House of Representatives, in presenting individual citations to membership in the Order of the North Star to each Member of the Congress.

On the desks of Senators will be found a citation signed by the Governor of the State of Minnesota, the Honorable Orville L. Freeman, and State Representative Peter S. Popovich, chairman of the Minnesota Statehood Centennial Commission.

I wish to take this opportunity, also, to join with the Governor and Representative Popovich in inviting my colleagues to visit Minnesota during the remainder of this great centennial year.

I might take just a moment to cite some of the highlights of the celebration this year, which began early in January, and which is embracing most of the communities of Minnesota.

Some of the largest and most spectacular developments during the year have been the St. Paul Winter Carnival at the end of January, the inauguration of the 9-car centennial train in mid-April, which has been traveling throughout 86 of the State's 87 counties presenting displays devoted to State history, agriculture and food products, industry, social progress, and general resources of the State. Since mid-June a centennial showboat—a real Mississippi paddle-wheeler—has been touring the State's navigable rivers and will continue throughout the navigation season. The undoubted highlight of the celebration was in the week of May 5 to 11, culminating in the celebration of Centennial Day itself on May 11 with the rededication ceremony and the issuance of a commemorative stamp by the Post Office Department. The Secretary of State made the major address at the May 11 centennial celebration.

A great international body met in Minneapolis between May 26 and July 14, when the World Health Organization held its 11th general assembly. Members will recall the legislation which authorized the invitation of this distinguished body to the United States.

This week another spectacular annual celebration is being integrated into the centennial celebration, with the Minneapolis Aquatennial, which began last Friday and continues through this Sunday. The Vice President, Mr. NIXON, spoke at the editors' luncheon of the aquatennial and presided as grand marshal of the aquatennial parade. Yesterday morning and this morning and Wednesday morning the National Broadcasting Co.'s television show Today—the Dave Garroway show—will originate in Minnesota and will serve to highlight the celebration of the centennial. Dave Garroway's presentation this morning made history for Minnesota. It was a splendid portrayal of Minnesota accomplishments. The fine ABC show of Don McNeil will also originate this week in Minneapolis, on Thursday.

Many, many celebrations are yet scheduled for the remainder of the centennial year, not the least of which is the great 10-day Minnesota State Fair and Centennial Exposition at St. Paul—the largest 10-day State fair in the world and a superlative exposition of Minnesota's agricultural, industrial, and social progress.

Once again, Mr. President, I wish to express my pleasure at the award of the Order of the North Star to my colleagues this morning. They are now all honorary Minnesotans, and fully qualified to

enjoy the marvelous benefits of our Minnesota climate and resources.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. JOHNSON of Texas. I was privileged this morning to observe on the very fine, entertaining, and educational show put on by Mr. Dave Garroway some of the events to which the Senator from Minnesota has made reference. I make no pretense of being a learned man, and there are many things I have not observed and have not had brought to my attention, but I did not realize until this morning what a great State Minnesota was, notwithstanding the fact that for many years I have served with some of her very able native sons.

After watching Mr. Garroway televise from Minnesota and after observing what that great State had done in the field of education, industry, medicine, and the general public welfare, I observed to my wife that if the time should ever come—and pray God it never will—that we should decide to pick up and leave Texas, I guess about the most inviting spot in the country to go to would be the State of Minnesota.

I commend the Senator for the statements he has made. I join him in applauding the people of his great State who are responsible for all these achievements. I want to take judicial notice of the very fine contribution which the National Broadcasting Co. and Mr. Garroway and his very able staff have made to enlighten the country, particularly to enlighten one Texan.

Mr. HUMPHREY. I thank the majority leader, Mr. President, for his generous comments concerning the State of Minnesota. I may say to him, while we have just completed our first 100 years and are now looking forward to the next 100 years, I can think of nothing which would be of greater reassurance to the State of Minnesota and the people of Minnesota as to a glorious, prosperous, and noble future than the residence and presence of the distinguished majority leader, because not only would he bring with him his own great resources and talent, his own personal charm and magnetism, and his wonderful family, but he would also bring the courageous and fighting tradition of the State of Texas. If he ever should at any time decide he would like to find a new home, we welcome the majority leader to Minnesota.

Mr. JOHNSON of Texas. I appreciate the Senator's comment. I find it necessary to frequently visit his State, at least once a year, and sometimes more often. Each time I am not only the recipient of the best qualified and most able medical consultation available in America, in my opinion, but I am received with a spirit of genuine friendliness, neighborliness, and hospitality, which I have rarely seen equaled and never excelled.

Mr. THYE. Mr. President, will my distinguished colleague yield to me?

Mr. HUMPHREY. I yield to the senior Senator.

Mr. THYE. Mr. President, I have been following the colloquy between my colleague and the majority leader, the distinguished Senator from Texas.

Back in 1917, Mr. President, I was privileged to serve as a soldier outside San Antonio, Tex. I went to Kelly Field where there were only two rows of tents in what is now the great aviation center located just southwest of San Antonio. That was my first introduction to the great Lone Star State of Texas. I have always carried the thought of the Star of Texas, because of the great impression which the State made upon me as a young serviceman stationed there. That was in the day of the beginning of the development of what is today the great Air Force we all know. At that time we did not have much of an Air Force, which had only been introduced to the services as the air wing.

I have always had a warm and overpowering feeling for the State of Texas, not only because our majority leader and the Speaker of the House hail from Texas, but because Texans, themselves, are a great people.

We in Minnesota know we have a great people. We are in the very northern tier of the States, in the most northern part of the United States until Alaska shall be admitted as a State, and we are proud of the fact that we are the North Star of the United States. We are also proud of our Southern Star, the great Star of Texas and the great State of Texas.

I was pleased to be present on the floor to hear the warm remarks of the majority leader referring to our great State. Minnesota does afford the beauties of a scenic pleasure ground for the summertime, as Texas affords a beautiful scenic place for the winter months.

Again I wish to express my happiness that the majority leader was on the floor and spoke so warmly of the State of Minnesota.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield with pleasure.

Mr. JOHNSON of Texas. I express my appreciation to the Senator from Minnesota [Mr. THYE] for his undeserved comments concerning me. I appreciate them nonetheless.

Mr. CURTIS. Mr. President, will the distinguished Senator from Minnesota yield?

Mr. HUMPHREY. I am happy to yield to the Senator.

Mr. CURTIS. I wish to extend my thanks to the two distinguished Senators from Minnesota for the Order of the North Star. I congratulate the State of Minnesota on its 100th birthday. Minnesota is a fine State. I hope for her the next 100 years will be even better than the first 100; that the great State of Minnesota will have continuous happiness and prosperity; that the fish will continue to bite, and that the football teams will be almost as good as they are now. [Laughter.]

Mr. JAVITS. Mr. President, I join with my colleagues in offering congratulations to the State of Minnesota on its centennial year. I have been in the State and have had the privilege of speaking there. Also, I have many good friends there including both the distinguished Senators from that State.

I consider Minnesota to be not only a great productive empire, as a part of our great country, but also a place of enlightenment, culture, and modern thinking, which are the pride of our whole country, and from which we have derived some of our leading citizens and finest ideas.

ALASKAN STATEHOOD

Mr. HUMPHREY. Mr. President, from all over our Nation come editorial plaudits and expressions of enthusiastic approval over the admission of Alaska to statehood. This is scarcely surprising, since the American press was almost unanimous in urging passage of the Alaskan statehood bill. Public opinion likewise overwhelmingly favored statehood for Alaska, as shown by numerous Congressional polls, all favorable, east, west, north, and south, and a 12 to 1 majority for statehood in the last Gallup poll. I am happy to have been a longtime supporter of statehood for our two incorporated Territories, Alaska and Hawaii, and to have taken a part in the final debate and vote that made Alaska the 49th State.

To me Alaska's admission to the Union is a great achievement.

It is victory for the people of Alaska who will thereby be enabled, through the beneficent effects of home rule, to build a great State.

It is even more a victory for all the people of America in whose behalf the immortal principle laid down by the fathers of our country—that governments derive their just powers from the consent of the governed—has been given renewed validity and vitality.

It is also a victory for the entire Free World, the leadership of which has been thrust upon us. Statehood for Alaska shows clearly that the United States does not intend to practice colonialism and makes clear that it wishes to give its dependent areas the maximum of self-government obtainable. In the case of an incorporated Territory such as Alaska that maximum of self-government can mean only statehood, according to the formula used 35 times since the Original Thirteen States formed our Union.

Mr. President, the struggle to include Alaska in our family of States has been a long one. It has been longer than that of any other Territory. Many have contributed to the attainment of that desired goal. The great figure of William Henry Seward is inseparable from any discussion of Alaska. It was his vision that led to the acquisition of what had been Russian-America. It was he who inserted in the Treaty of Cession with Russia the solemn promise that the inhabitants of that Territory would be granted the enjoyment of all the rights, advantages and immunities of citizens of the United States. That promise made 91 years ago has now been fulfilled. But it has taken nearly a century of effort to bring it about.

The first statehood bill was introduced in 1916 by Alaska's Delegate James Wickersham, who 42 years ago foresaw the necessity for it. A successor of his, the late Anthony J. Dimond, Alaska's Delegate from 1933 to 1944, a fervent advocate of statehood, introduced the

next statehood bill in his last session as Delegate to Congress. His successor, BOB BARTLETT, whom we all know and admire, has been fighting effectively for statehood ever since, during his 14 years of office. In addition to his other heavy duties of representing the people of Alaska and caring for their interests, he has driven unremittingly toward that statehood goal, and has been the wheelhorse in securing needed testimony in the repeated Congressional hearings which have been held during the last decade.

Another great citizen who has played a major part in securing statehood for Alaska is Ernest Gruening, Governor of Alaska from 1939 to 1953. We in the Senate have come to know him well during the years. I believe I may state without fear of contradiction that he is highly esteemed and respected by the Members of this body. Some of my colleagues who have served as governors of their States before coming to the Senate got to know him in their general governors' conferences and in the conferences of the governors of the Western States which include the Governors of Alaska and Hawaii. They have informed me that Ernest Gruening first sponsored—successfully—the resolution for Alaska statehood passed for 6 successive years by the governors' conferences, every time Governor Gruening of Alaska was there to plead for it.

Some 12 years ago the people of Alaska held a referendum on statehood which had been established by the 1945 Territorial legislature. Two previous bills to achieve that result had passed the Territorial house of representatives but failed of approval in the Territorial senate. But in 1945, the bill passed both houses. At the next general election the referendum showed a majority of voters desiring statehood. This was their first official expression on the subject.

From that time on Governor Gruening began working to build up statehood sentiment throughout the Nation. Devoting his vacations to lecturing in the States he spoke to scores of audiences on this one subject: statehood for Alaska. He was one of the principal speakers at the New York Herald Tribune forum in 1947. He met with the executive committees of national organizations and urged that they pass resolutions endorsing statehood. He was successful in securing the support of such diverse organizations as the United States Chamber of Commerce, the American Federation of Labor, the Veterans of Foreign Wars. Gradually nearly every important national organization was induced to endorse statehood for Alaska. In his trips around the country, Gruening, a newspaperman before his entry into government service, the editor of such metropolitan dailies as the Boston Traveler, the New York Tribune and the New York Post, made a practice of calling on the editors of the newspapers in every city he visited and giving them his views on the desirability of statehood. Time and time again he was able to convert the editorial policies of important dailies to the statehood cause. Among these was the influential Scripps-Howard chain of newspapers, which up to that time had not supported statehood for Alaska.

In 1948 Gruening organized a nationwide Committee of One Hundred favoring statehood for Alaska. It contained such top military leaders as Gen. Douglas MacArthur, five-star General of the Army; Gen. H. H. (Hap) Arnold, five-star general of the Air Force; Adm. Chester W. Nimitz, five-star fleet admiral; Maj. Gen. William J. Donovan, commander of the famed OSS in World War II; Rear Adm. Richard E. Byrd, pioneer in polar exploration; Vice Adm. Harry Hamlet, former commandant of the United States Goast Guard; and Sgt. Alvin C. York, of Tennessee, hero of World War I.

The committee included State Governors Earl Warren, of California; Alfred E. Driscoll, of New Jersey; Thomas J. Mabry, of New Mexico; Roy Turner, of Oklahoma; Herbert Lehman, of New York; Adlai Stevenson, of Illinois; John W. Bonner, of Montana; Ellis Arnall, of Georgia; Sidney S. McMath, of Arkansas. Gruening's statehood committee included such editors and publishers as Arthur Capper—also a distinguished Member of the United States Senate—Douglas Southall Freeman of the Richmond (Va.) News-Leader and the biographer of Robert E. Lee and George Washington; Jonathan Daniels, of the Raleigh (N. C.) News and Observer; Oveta Culp Hobby, of the Houston Post; Malcolm Muir, of Newsweek; James G. Stahlman, of the Nashville Banner; Palmer Hoyt, of the Denver Post; Hodding Carter, editor of the Delta Democrat-Times of Greenville, Miss., and best known as an author of books about the South; and such other authors as Rex Beach, Pearl Buck, Dorothy Canfield Fisher, Robert E. Sherwood, John Gunther, Kenneth Roberts, Rupert Hughes.

Joining the committee were educators such as Sarah Gibson Blanding, president of Vassar College; Henry M. Wriston, president of Brown University; William S. Carlson, president of the University of Delaware; Hamilton Holt, president of Rollins; Kenneth Sills, president of Bowdoin; Clarence Decker, president of the University of Kansas City; John W. Studebaker; and John Dewey. Likewise on the committee were noted clergymen such as Bishop Gerald G. Kennedy, Daniel A. Poling, Reinhold Niebuhr. Well-known figures in the world of entertainment were members of this Alaska statehood committee: Joe E. Brown, Al Jolson, James Cagney, Darryl F. Zanuck.

The committee included such nationally known public figures as John Nance Garner and Jesse H. Jones, two outstanding Texans; William Green and Philip Murray, then the Nation's foremost labor leaders; Homer Cummings; Eric Johnston; James A. Farley; Ward Canaday; Bartley Crum; Cyrus Eaton, Jr.; Adolf A. Berle; Francis Biddle; and others who had achieved great distinction in a variety of fields such as Morris Llewellyn Cooke; Michael Francis Doyle; Joseph C. Grew; Ira N. Gabrielson; Grantland Rice; Eddie Rickenbacker, Wilbur LaRoe, Jr.; Howard Odum; Vilhjalmur Stefansson, Herbert Bayard Swope; Bradford Washburn; Archibald MacLeish; Eleanor Roosevelt; and a former distinguished Member of this body, Wallace H. White, for many years a Senator from Maine.

I will not name all the rest, but I have named a sufficient number of these notable members of Ernest Gruening's nationwide committee to indicate how wide was his acquaintance, and fully he utilized it in behalf of statehood for Alaska. And is it not striking that as long as 10 years ago such a galaxy of preeminent Americans could be assembled in behalf of the cause of Alaskan statehood?

As soon as Gruening retired from the Governorship of Alaska in 1953 he started to write the history of Alaska, making clear factually the handicaps which burdened Alaskans under their Territorial status. This excellent book, entitled "The State of Alaska," was a powerful lever in bringing Alaskan statehood to public attention. Articles on Alaskan statehood by Gruening appeared in numerous magazines—Harpers, the Atlantic, the Progressive, and his letters to the editor in the metropolitan dailies. The cause of Alaskan statehood was blazoned by him from coast to coast.

Three years ago, in 1955, the Alaska Territorial Legislature, wearying of the long delay in the fulfillment of platform planks and of the specific pledge in the treaty with Russia, decided on more drastic action. It provided for a constitutional convention and appropriated $300,000 for it—an expense that the Federal Government would have borne had Alaskans been content to wait indefinitely and follow the customary routine for statehood. But instead they chose to follow instead the trail blazed by Tennessee way back in 1796 and thereafter followed by six other States, including my own State of Minnesota. Those States, which in chronological order were Tennessee, Michigan, Iowa, California, Minnesota, Oregon, and Kansas, all drafted their constitutions and in advance of action by Congress elected their Senators and sent them on to the National Capital to get statehood. All of them succeeded in their mission. Alaska did likewise—and its Alaska-Tennessee plan delegation likewise achieved victory.

Ernest Gruening was the keynoter of the constitutional convention held at the University of Alaska near Fairbanks. There he delivered a masterful address entitled "Let Us End American Colonialism." In this keynote speech, lasting for more than an hour, he cataloged the similarities in the grievances against which our colonial forefathers raised the standard of revolution and those which Alaskans have had to endure. While factual, it was an oration dramatic and startling in its deadly parallels, and I was glad to insert it in the CONGRESSIONAL RECORD on the day when the three members of the Alaska-Tennessee plan delegation were introduced to the Senate.

I think my colleagues and all informed persons will agree that those three, Ernest Gruening and William Egan,

Senators, and Ralph J. Rivers, Representative, have worked effectively, as the 64 to 20 Senate vote of June 30 and the previous House vote clearly demonstrate.

Moreover they have—I think we all agree—behaved with tact, with consideration of the commitments of Senators and Representatives, never intruding or obtruding themselves at inconvenient moments and qualifying themselves as fully worthy of the posts to which they were elected. That they will have to run again if they aspire to these offices, they early agreed to do, and the drafts of the statehood bills were adapted accordingly.

Of course, no account of how Alaskan statehood was won would be complete without according the fullest credit to Alaska's great Delegate, E. L. "BOB" BARTLETT. I am sure no one will disagree with my statement that he is universally liked and respected in both Houses of Congress, and that his great effectiveness in securing legislation needed for Alaska arises from the membership's affection for him and trust in him, plus his untiring devotion to his exacting job. While he was working here Ernest Gruening was carrying on the statehood fight throughout the Nation, as well as here, with pen, voice and unceasing effort on every front. We, in the Senate, have come to know him well through the years. He, too, has established himself in the respect and friendship of the members of this body. We would be happy to welcome him here.

For the fact is, that supplementing each other, Ernest Gruening and BOB BARTLETT have been the architects of Alaskan statehood—enlisted in that objective even before its official approval by the people of Alaska in October of 1946 and indefatigable in its pursuit ever since. My heartiest congratulations to them on the accomplishment of their great mission and to the people of Alaska whom they have served so well.

CRISIS IN THE MIDDLE EAST

Mr. MORSE. Mr. President, the Walter Lippmann column in this morning's Washington Post can best be described by saying, "Walter Lippmann has done it again." Walter Lippmann is doing one of the most able jobs of writing on foreign policy, particularly with regard to the Middle East crisis confronting the United States, of any American journalist today. He has a very keen mind, and he is a very forthright and courageous writer. He obviously does not follow the line of telling the American people what they may wish to hear. He has been telling the American people what, in his opinion, the facts are about which they should hear.

I ask unanimous consent that his column in today's Washington Post, entitled "Time for Diplomacy," be printed in full in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TIME FOR DIPLOMACY

(By Walter Lippmann)

For the moment, there appears to be a pause with something of the nature of a military standstill in the Middle East. It is precarious, and most certainly it is temporary. But it rests, so it would seem, on a recognition in both camps that the status quo cannot now be altered by military means without inordinate and incalculable risk.

The three Western powers have agreed that they will not invade Iraq in order to make a counterrevolution, and that they will not permit Turkey or Jordan to march against Baghdad. On the other hand, it is reasonably clear that Nasser and Khrushchev will not now move their military forces against the American marines and the British paratroopers.

During this momentary balance of power, it is the turn of the statesmen and the diplomats to take over.

A cool assessment of our position is the essential basis of a constructive diplomatic policy. What happened in Iraq, the keystone of the Baghdad Pact and supposedly the one firm and reliable pro-Western Arab country? Was King Faisal's government the victim of external aggression as were Czechoslovakia and Poland and Hungary? It was not. King Faisal's government was overthrown swiftly and totally by a conspiracy of Iraqi officers. What is most significant is that the Iraqi Army supported the revolution immediately and that this revolution is manifestly popular in the country. So we would be deluding ourselves if we believed that the friendly Government of Iraq was subverted by foreign agents acting contrary to the national sentiment of the country.

There is, therefore, no reason to hope that there will be a counterrevolution which restores the old Iraqi regime. It is plain that no kind of military intervention—for example, by King Hussein, of Jordan, backed by the British and the Americans—would have any chance of success. It has been said that what restrains us is the fear of Russian intervention in Iraq. That is not a bad reason for restraint. But it is not the only, or even the final reason. For even if Russian neutrality were guaranteed, which it is not, no Western military intervention in Iraq could succeed in establishing an independent Arab Government in Baghdad. There could be only a puppet government, dependent on the British and American forces, and doomed to destruction if they were ever withdrawn. This is another way of saying that the popular revolutionary movement of the Arabs cannot be overcome by western arms.

This same fundamental truth applies to our present position in Lebanon. We cannot successfully entrench ourselves there in hostile opposition to the Arab movement. In fact, we cannot assure the independence of Lebanon with the forces that are now at Beirut and on the beaches nearby. The independence of Lebanon can be assured only if the civil war is ended and the new Lebanese state is then guaranteed protection.

Now it is almost certainly true that while the marines can protect President Chamoun against a palace revolution like that in Baghdad, the marines are a liability when it comes to making a lasting settlement of the civil war. For any Lebanese government which owes its existence to the marines is doomed to destruction when the marines leave. Moreover, the longer the marines stay on, the greater will be the popular opposition to them in Lebanon.

This leads me to think that our Lebanese policy, as we have presented it to the U. N., is too thin, is lacking in diplomatic vitality, and may be quite sterile. We have said that the marines will go out when a U. N. force replaces them. As the chances are not good that the U. N. will set up a force to replace the marines, we are in danger of having to leave the marines in the Lebanon for the indefinite future, to leave them there not only without the hope of withdrawal but without the hope of accomplishing anything while they remain.

It seems to me that we should, therefore, come forward soon with a large proposal for the political future of the Lebanon. It would have to begin with the settlement of the civil war, perhaps by the good offices of Mr. Hammarskjold. The settlement would be followed by the neutralization of the Lebanon under the guaranty of the U. N., which would include the interested powers.

We must seek, I think, to give Russia and Nasser a political interest and a juridical reason for allowing the Lebanon to exist as an independent state. There is no other way, short of unconditional and unlimited war, to prevent indirect aggression while popular feeling is what it is in the Middle East.

A neutralized Lebanon would not be the end of the Middle Eastern problem. But it might be an auspicious beginning of a settlement. For it would establish the principle, which is essential to any settlement, that the Soviet Union and the Nasser confederation have interests in the Middle East and that we are prepared to work out an accommodation.

There will be some, perhaps many, who believe that an accommodation of interests is in the bad sense of the word, the Munich sense, appeasement. For myself, I do not think that it is appeasement, that Nasser's part in the Iraqi revolution is at all like the dismantlement of Czechoslovakia by Hitler.

Nasser is Nasser, not Hitler, and while he is difficult and unfriendly to the West, he is not the master of a great military machine, and while we deal with him, we can keep our composure. We must not become the victim of our old stereotypes, seeing all big international events in terms of Munich or Yalta or Pearl Harbor, and therefore never seeing clearly and freshly the events themselves as in fact they are.

Mr. MORSE. I should like to comment very briefly on 3 or 4 paragraphs in Walter Lippmann's column. He says:

The three Western Powers have agreed that they will not invade Iraq in order to make a counterrevolution, and that they will not permit Turkey or Jordan to march against Baghdad.

I pray that this is true. Some of us who opposed the Eisenhower doctrine felt—and that was one of the major arguments I used against it—that it created a grave danger that the head of some Middle East country could get us into a war through the back door without our prior consent. I believe that one of the greatest dangers facing the American people today is the danger that some hot-headed Middle East dictator may get us into a war through the back door by an attack on Iraq. Then the cry will arise, "We must go to the support of our friends," irrespective of whether or not their cause of military action is justified.

Later in the column Mr. Lippmann says:

There is, therefore, no reason to hope that there will be a counterrevolution which restores the old Iraq regime. It is plain that no kind of military intervention—for example, by King Hussein of Jordan backed by the British and the Americans—would have any chance of success. It has been said that what restrains us is the fear of Russian intervention in Iraq. That is not a bad reason for restraint. But it is not the only, or even the final, reason. For even if Russian neutrality were guaranteed, which it is not, no western military intervention in Iraq could succeed in establishing an independent Arab government in Bagh-

dad. There could be only a puppet government, dependent on the British and American forces, and doomed to destruction if they were ever withdrawn. This is another way of saying that the popular revolutionary movement of the Arabs cannot be overcome by Western arms.

It seems to me that the point which is being overlooked in many of the newspaper headlines and in American propaganda today is that a puppet government in the Middle East cannot be sustained. The moment American or British forces are removed, such a government will fall.

What we are faced with is a very deeply rooted Arab drive for nationalism. Of course, they will get support wherever they can get it. They will get it from Russia if we slam a diplomatic door in their faces. That is understood. That is why we must outflank Russia diplomatically, not militarily. We must think in terms of 100 years of history. We must think of America 100 years from today. We can send marines there and keep them there for decades, but that will not kill off the drive of the Arab people in the direction of nationalism, because in the long run after we have been greatly weakened economically by trying to police that area of the world, they will prevail.

I come now to another point of many which I might stress in the Lippmann article. Mr. Lippmann, speaking for himself, says:

It seems to me that we should, therefore, come forward soon with a large proposal for the political future of the Lebanon. It would have to begin with the settlement of the civil war, perhaps by the good offices of Mr. Hammarskjold. The settlement would be followed by the neutralization of the Lebanon under the guaranty of the U. N., which would include the interested powers.

That is what some of us have pleaded for on the floor of the Senate from the very beginning of the Lebanon crisis. That is not accomplished with troops. It is accomplished by diplomatic skill. It is accomplished through the peaceful procedures of the United Nations. We do not do it by maintaining American Marines in Lebanon. What a great mistake we are making so far as world opinion is concerned. We may win a vote in the United Nations, but that is not the strength which counts. What counts is the support we obtain in the underdeveloped areas of Africa and Asia. Those countries will be bitter toward the United States for years to come because of the horrendous mistake which has been made by the President with respect to Lebanon.

Lastly, Mr. Lippmann says:

A neutralized Lebanon would not be the end of the Middle Eastern problem. But it might be an auspicious beginning of a settlement. For it would establish the principle, which is essential to any settlement, that the Soviet Union and the Nasser confederation have interests in the Middle East and that we are prepared to work out an accommodation.

There will be some, perhaps many, who believe that an accommodation of interests is in the bad sense of the word, the Munich sense, appeasement. For myself, I do not think that it is appeasement, that Nasser's part in the Iraqi revolution is at all like the dismantlement of Czechoslovakia by Hitler. Nasser is Nasser, not Hitler, and while he is difficult and unfriendly to the West, he is not the master of a great military machine, and while we deal with him, we can keep our composure. We must not become the victim of our old stereotypes, seeing all big international events in terms of Munich, or Yalta, or Pearl Harbor, and therefore never seeing clearly and freshly the events themselves as in fact they are.

This is a statesmanlike article. In order to remain within the time limit, I now ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the lead editorial from the Washington Post of this morning. It is entitled "Insulating the Middle East." It too is an article which should be heeded by the Senate.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

INSULATING THE MIDDLE EAST

In any top-level talks with the Soviet Union, inside or outside the United Nations, the immediate task will be to focus the discussions. If the initial reports yesterday of the western response to Mr. Khrushchev's note were correct, the United States and its allies have taken a distantly favorable view of the Soviet request for a conference on the Middle East. A positive response, we think, would be wise, not only from the standpoint of encouraging world understanding of the peaceful purposes of the American and British forces in Lebanon and Jordan, but also from the standpoint of minimizing fears in the Soviet Union. Even if there should be an early meeting with Mr. Khrushchev limited to problems of this one area, however, there is no certainty that a genuine reduction of tensions would result.

Probably nothing would please the Soviet Union more than to frame some sort of declaration of noninterference in the Middle East based upon the amorphous principles of the Soviet draft of last January. Then, perhaps, the Soviet Union would call for withdrawal of all foreign troops and liquidation of foreign bases, possibly from Morocco to Pakistan. That might be a very appealing proposition to those naive enough to trust it; but it would leave the area wide open to subversion and indirect aggression from Nasser's United Arab Republic as well as from Moscow.

If there is to be any sort of accommodation, it will have to include two points: An unmistakable expression of the big power interests, and effective means for preventing or coping with indirect aggression. The Soviet Union knows very well what indirect aggression is; Mr. Molotov made a big point of it as long ago as 1939 in talks with British representatives on the Hitler menace. In this category, certainly, was the United Arab Republic incitement by radio yesterday aimed at the assassination of King Hussein of Jordan. The big powers had better understand each other clearly on this point. The Soviet Union cannot expect the West to be satisfied with the double standard the Kremlin so often applies.

It would be encouraging if the Soviet Union, with its new-found tactical interest in the United Nations, would agree genuinely to strengthen it; certainly the Soviet rejection of the Japanese resolution in the Security Council does not encourage confidence in this respect. The only feasible way in which American and British troops can be withdrawn quickly is for the U. N. itself to provide practical means for protecting the integrity of Lebanon and Jordan. This will necessitate a larger group than the Observation Commission presently in Lebanon, and instructions far less restrictive than those which led to the whitewash in the recent report.

Whether a meeting of the General Assembly will be required to provide such means for the U. N. is not yet clear. It might be useful for any talks with the Soviet Union to be held before an assembly session. In any event, the Western powers are going to be hard to put to it, in view of present attitudes, to muster a two-thirds majority of the Assembly for any U. N. action. That likelihood makes all the more important efforts now to reassure world opinion.

In this connection the United States could do two things which have not been done. The first would be to correct the negative and churlish impression it has created and instead welcome the participation of India's Nehru in the top-level talks. The second would be to recognize the new Government of Iraq. There is no practical possibility of undoing what has been done in Iraq; although the violence that attended the Iraqi revolution was deplorable, there is reason to think that the new government is more representative of popular feeling than the one it replaced. If the new government must be recognized eventually, would it not be more sensible to extend recognition now while the United States can exert some influence in urging it to observe its commitments? The alternative is to encourage the Baghdad Government to turn to Nasser and the Russians as its principal friends.

Mr. MORSE. I close by saying that the prayer is on my lips that our diplomats in the United Nations today will see to it, after Russia vetoes the Japanese proposal that the United States asks for a meeting of the General Assembly of the U. N. As I said on a telecast Sunday evening, I think the Japanese proposal is reasonable, and should be supported by the United States, as I believe it will be. We ought to beat Russia to the punch in asking for a General Assembly meeting. We ought to take the position that we want the entire Middle East subject to come before the General Assembly of the United Nations. Then we should come forward with a constructive proposal, as Mr. Lippmann points out in his column, for reaching a solution of the Lebanon situation. We should ask for the guaranteeing of the independence of Lebanon under a government to be established by the Lebanese people—not by the United States, not by Great Britain, not by Russia, not by the United Nations, but by the Lebanese people.

Let the United Nations make it clear that the independence of such a government will be guaranteed. Then let us bring Russia, Egypt, Israel, and the other powers face to face with the facts with which they must deal if we are to have peace in the Middle East. Let us press for the adoption of an American program—which I hope my Government will offer—which proposes to submit to the peaceful procedures of the United Nations Charter each of the issues which is a threat to the peace of the Middle East. We should start with the refugee issue.

There is nothing about the refugee issue which cannot be settled, if people want to settle it, by the mediation, arbitration, and adjudication procedures under the United Nations Charter. Why not try them once?

The fact is that in the field of submitting major issues which threaten the peace of the world to the peaceful procedures under the United Nations Charter, the United States has made a sorry

record since the United Nations Charter was adopted.

As I said the other day, we must learn to live with the decisions which go against us, as well as those which are in our favor. We are living in an hour when there is a great opportunity to apply statesmanship to issues which I believe can be settled by reason, rather than by the threat of military force on the part of either the United States, Russia, or Great Britain.

Mr. PROXMIRE. Mr. President, the distinguished senior Senator from Oregon has beaten me to the punch once again. He put the Lippmann article into the RECORD before I could get the floor. I agree that it is a brilliant article and an extremely perceptive analysis of the situation in Lebanon. Most important of all, though, is that it is a constructive proposal from a man who thoroughly understands the problems involved.

I now turn to another subject.

The PRESIDING OFFICER. The Senator from Wisconsin has the floor.

INCREASED SOCIAL SECURITY BENEFITS

Mr. PROXMIRE. Mr. President, as I have declared numerous times on this Senate floor, I believe it is urgent and imperative that Congress act at this session to increase social security benefits. I have said that it makes good economic sense and it makes good moral sense to do this, and to do it now.

Any proposal to increase social security benefits will raise the questions: How much does it cost? Can we afford it? These are, of course, legitimate and important questions. I believe very strongly that increases in social security must be made self-financing through an increase in contributions by both employer and employee. I have proposed increases from 2¼ percent to 3½ percent of wages in my own social security bill, and I have the opinion of the Chief Actuary of the Social Security Administration that these increases will completly pay for the increased benefits which I am proposing.

This increase which I am proposing in social security contributions would be modest in amount. It would be divided equally between employees and employers. Even at this higher rate, American wage-earners would not be paying nearly the percentage contribution paid by their counterparts in other nations of the Western World. Compare the present 2¼ percent contribution or my proposal for a 3½ percent contribution with the tax in West Germany of 7 percent on both employees and employers, or the tax in France of 6 percent on employees and 10 percent on employers, or the tax in Italy of 4 percent on employees and 8 percent on employers.

Mr. President, the final decision on whether our Nation can afford to make this modest increase in our social security rates should be made by the working people who will have to pay it. I am convinced that the overwhelming majority of our people want increases in social security benefits; they know that they will have to pay for them, and they are willing to pay the entire necessary cost.

I am convinced of these facts because I have talked to the people of Wisconsin—literally tens of thousands of them in every corner of my State. I know that the people of Wisconsin and the people of America are deeply concerned with the inadequacies of present social security benefits. I know that they are more deeply concerned with the need for increasing them than with any other economic issue before the Congress.

The people of America and Wisconsin know that their social security contributions are insurance contributions—they are funds which they will get back in their later years.

It takes no imagination for anyone to see that today's benefits simply aren't adequate to meet the barest necessities of life. It takes no actuary or statistician to understand that the average couple's social security check of $110 per month does not go far enough. Every American who has ever been inside a grocery store knows that $27.50 per week will not pay for an adequate standard of food, clothing, and shelter for an elderly couple.

Every American, realizing the total inadequacy of today's social security benefits for today's cost of living, will assuredly be willing—and even eager—to increase his social security contribution today so that his social security benefits tomorrow—will be sufficient to provide a decent standard of living—paid for by his own contributions over the years.

Mr. President, there is therefore a double reason why Americans today are willing to pay the cost for improved social security benefits. They know that their elder friends who depend on social security today are the victims of an inflation that is in no way their own fault. They are willing that these people should receive back in benefits, the full value of purchasing power that they made in contributions. Secondly, Americans who are contributing to social security today want their contributions to be sufficient to earn adequate benefits in their later years. If their contributions are not adequate for this, their contributions are little more than worthless.

Congress should respond now to the expressed desires of millions of American people, and vote to increase social security benefits to reasonable and adequate amounts, and increase social security contributions to a percentage adequate to pay the full cost of continuing our social security system on a self-financing basis.

I conclude by saying it has been reported in the newspapers that the House of Representatives is seriously considering and probably will pass increased social security benefit legislation. I shall make speeches on the subject every day until adjournment, if necessary, because it is immensely important that if and when the House acts, the Senate will live up to its responsibility. If not, it will have something serious on its conscience.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. MORSE. I commend the Senator from Wisconsin for his announcement that he will keep the social security issue alive in the Senate each day between now and adjournment. In 1956 one of the major issues in my campaign for reelection was my pledge to the people of Oregon that I would do everything I could to increase social security benefits and to eliminate the age requirement for disability benefits. There is pending before the Senate the Morse social security bill, which calls for a substantial increase in social security benefits. I am also proposing the elimination of the age requirement for disability benefits.

As I have said, I call on anyone to give me 1 moral reason—just 1 moral reason—as a justification for a 50-year age requirement before a disability benefit can be paid. As I have said so many times, speaking about my hypothetical man, let us assume a 36-year-old telephone worker falls from a telephone pole and breaks his back. As a result he is paralyzed for the rest of his life. He has a wife and four children. Why should he have to wait until he is 50 years old before he can draw a disability benefit check? It is immoral to force him to wait. It cannot be reconciled in conscience.

Therefore I wish to say to the Senator from Wisconsin that I enlist in the ranks of his group. He will always find me in the Senate trying to get the Senate to realize what I consider to be one of the great moral issues facing the Senate. I do not believe we ought to walk out on our duty to amend the social security law so that it provides the benefits which in good conscience it should provide.

Mr. LONG. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. LONG. I compliment the Senator from Wisconsin for the statement he has made in regard to social security. I am very hopeful that we may have an opportunity to act on social security legislation and also on public-welfare legislation at this session of Congress.

It is extremely unfortunate that, while we have provided pay raises for practically all Federal employees, we have not yet done anything to help the needy and the disabled. I salute the Senator from Wisconsin on his statement with reference to reducing the age requirement in connection with disability benefits. The disability-insurance program has proved to be entirely sound, contrary to the predictions of those who said it would not be sound. It has certainly carried its own weight. There is no reason for a 50-year-age requirement in the act.

Some years ago I proposed that we insure persons against disability. I did not propose any age limit. However, because there were some who feared grave consequences would occur—consequences completely at odds with the experience we have had—some of us felt we had to settle on age 50 as a cutoff age.

It is true, of course, that a disabled person is just as much disabled whether he is 25 or 30 or 50 years of age. He probably needs assistance more if he is

a young man because he will have more years in which he will need assistance.

Mr. PROXMIRE. Mr. President, I thank the distinguished Senators from Oregon and Louisiana for their remarks, especially with respect to the limitation on disability payments. My bill includes an elimination of that provision. It is a very regressive provision. The distinguished Senator from Louisiana has been the champion of all the old people, whether they are or are not covered by social security. He has made an extremely good point—and he has made it repeatedly—that we must not forget that there are millions of people who do not have social security coverage, and who also should be benefited. I am following his lead on that score.

PRESERVATION OF DUNES ALONG THE LAKE SHORE IN INDIANA

Mr. DOUGLAS. Mr. President, last Thursday I presented a petition to the junior Senator from Wyoming [Mr. O'MAHONEY] acting as chairman of the appropriate subcommittee of the Committee on Interior and Insular Affairs, which was signed by 100,000 residents of the United States, asking that the 4 miles of lake shore lying between Ogden Dunes, Ind., and Dune Acres, Ind., be made into a national monument and to include a total of approximately 3,500 acres in all.

It is necessary that this step be taken if this unique area is to be saved from destruction by the construction of one or more steel mills and the disappearance of the dunes under power shovels. I have received letters from three highly respected and famous naturalists and historians in support of this measure.

I shall read a letter from Carl Sandburg, the famous and beloved biographer of Lincoln, and certainly 1 of the 2 or 3 great living American poets, which reads as follows:

JUNE 27, 1958.

DEAR SENATOR DOUGLAS: You should know that I am one of the many who appreciate your toils and efforts in behalf of Indiana Dunes National Monument. I have known those dunes for more than 40 years and I give my blessing and speak earnest prayers for all who are striving for this project. Those dunes are to the Midwest what the Grand Canyon is to Arizona and the Yosemite to California. They constitute a signature of time and eternity: once lost, the loss would be irrevocable. Good going to you.

Faithfully yours.

I also have received a copy of a letter written by the naturalist, Donald Culross Peattie, the author of some 30 books on nature, which is addressed to the Chicago Daily News, and which I believe will be published in that newspaper in due course. Mr. Peattie is an authority on the flora of the Indiana dunes, and has written the best work upon this subject as well as a number of other classics including the famous An Almanac for Museums. He urges that the remaining dunes be made into a national monument.

Mr. President, I ask unanimous consent that Mr. Peattie's letter be printed at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE EDITOR, The CHICAGO DAILY NEWS,
Chicago, Ill.

DEAR SIR: To my desk here on the southern coast of California has come news of the valiant attempt of many clearheaded and apprehensive citizens of my native city of Chicago to save the nearby dune country from the inroads of commercialism. They are indeed fortunate to have gained the help of that great patriot, Senator PAUL DOUGLAS. In this, as in so many struggles in which he has upheld a difficult cause, he is dead right, and I am proud to add a word or two of my own in support.

My credentials for speaking are based on the fact that in 1930, through Field Museum of Natural History, I published the results of a long and ardent study of the flora of the Indiana dunes, and still in my mind glows the pleasure of that fieldwork and the sense of the riches of that little enclave of unique nature. It contains a flora remaining to us from the last interglacial epoch; on those shifting sands are rooted the essentials for their preservation, beach grass along the shore, pine on the landward side—if only the hand of greed can be stayed.

There spring, stepping tardily and shyly, brings hepaticas, anemones, violets, lupine, and phlox; after them troop buttercups, jack-in-the-pulpit, blueflag, and trailing arbutus. Crabapple and dogwood flower, and with the coming of early summer an abundance of wild roses bloom, and the strangely beautiful dune cactus appears. Autumn is a triumph of foxglove, of more than a dozen kinds of sunflower, of the stately purple blazing star, and of the wild asters that some call farewell summer.

Here, farther south than anywhere else on the continent, grow the jack pine, and the white pine rises nobly, to say nothing of the oaks that are tender green in spring, lush in summer, rustry bronze till late in the year. And all this splendor of leaf and bloom is accompanied by the thunder on the shore of lake waters so mighty as to have the very voice of ocean.

Surely, the good people of the great city so fortunate as to possess still this neighboring province of treasure will undertake to secure it, with the help of Senator DOUGLAS and his followers, for the generations to come.

Sincerely,

DONALD CULROSE PEATTIE.

SANTA BARBARA, CALIF.

Mr. DOUGLAS. Mr. President, I have also received a copy of a letter dated July 17, 1958, which was written by the famous naturalist, Edwin Way Teale, to the Chicago Tribune. Mr. Teale grew up in the Indiana Dunes. He has written a charming book entitled "Dune Boy." Together with Mr. Peattie, he has become, in a sense, a modern John Burroughs. This letter expresses the author's appreciation of the need for saving this last remnant of the dunes.

I ask unanimous consent that the letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

To the EDITOR:

As a boy on the edge of the Indiana Dunes I knew this area when it was still relatively wild and isolated. Since then I have traveled in every State in the Union and visited most of the national parks and monuments set aside by the Federal Government and many of the areas protected by the different States. The dune country of Indiana still seems one of the most fascinating regions in the whole United States.

So close to a great center of population, it is unique in many ways. It provides enjoyment for those of widely different interests. The broad, sandy beach and the gentle slope of the shore offer unexcelled bathing and recreational facilities. The hollows between the dunes produce rare plants. To the artist the pictorial beauty of the dunes is continually changing in shifting, flowing lines. To the scientist, the whole area, with its unusual conditions of life, is of great interest. When the famed European traveler and author, Harriet Martineau, visited these dunes a century ago she declared they stood second only to the Mammoth Cave among the natural wonders of the Midwest.

Even after an absence of more than 30 years I still return to the dunes whenever possible. Each time I find the Indiana Dunes State Park more widely used, more appreciated, more crowded. It will continue to be increasingly crowded in the future. Large as it seemed when it was first set aside, the area is rapidly becoming inadequate. The 4 miles of undestroyed dunes and shore just to the west represent the only remaining area that can be added to the land available for use by all the people. If present plans for a harbor and steel town in this area are carried through this last remaining dune area outside the park will be wiped out.

Because the sandhills are relatively unproductive, they remained almost untouched for generations. But it is possible to destroy such an area of dunes quickly. Modern bulldozers can level the hills in a short time. Dune country is easy to destroy and impossible to replace. Not only will the establishment of an industrial center here wipe out this remaining area of duneland, but it will, by the inevitable pollution of air and water that a steel center brings, lessen the attractiveness of the adjoining beach and dunes now preserved in the park.

Senator PAUL H. DOUGLAS, of Illinois, has introduced a bill in Congress that would set aside the area of the dunes as a National Monument under the direction of the United States Park Service. Such a proposal, creating a new monument within 40 miles of Chicago, serves best the long-range recreational, aesthetic and scientific values that are involved. It deserves the widest support. License plates at the Indiana Dunes State Park show that visitors come to enjoy this natural area from many parts of the country. What is needed is more dune country under protection, not less. The bill before Congress offers the only possible road to this result.

EDWIN WAY TEALE.

Mr. DOUGLAS. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter written by the Izaak Walton League of America, Inc., to Mr. Conrad L. Wirth, Director of the National Park Service.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE IZAAK WALTON LEAGUE
OF AMERICA, INC.,
Washington, D. C., July 14, 1958.

Mr. CONRAD L. WIRTH,
Director, National Park Service,
Washington, D. C.

DEAR MR. WIRTH: The Izaak Walton League of America is delighted to learn of the action of your advisory board in advocating preservation of the remaining dunes area of northern Indiana, and of your conviction that the area meets national monument standards and is worthy of preservation in public ownership.

The League has expressed substantially the same position over a period of many years. Its Indiana Division in 1951 approved a resolution favoring State park or national monument status for an area roughly approximating that now proposed as a national monument in bills sponsored by Senator DOUGLAS and others. That resolution still stands.

The National Izaak Walton League has not completed its on-the-ground study of the proposed monument boundaries, and shares your opinion that the specific areas covered by the pending bills should be studied carefully to determine feasibility.

The League intends to complete its study shortly. We would appreciate your cooperation in keeping us advised of your own feasibility studies (including any findings to date), and confidently expect that sponsors of the pending bills, the National Park Service, the League and other conservation organizations will reach final agreement on a proposal to save significant portions of the remaining dunes area.

We can agree now, I am sure, that prompt action will be necessary if the dunes are to be preserved, with all their unique qualities, for future citizens of this great and growing metropolitan area. The League will be pleased to offer its support to a national monument proposal which meets the standards of feasibility of the Service and of the League.

Sincerely yours,

R. C. O'HAIR,
National President.

VOTING IN NATIONAL ELECTIONS BY RESIDENTS OF DISTRICT OF COLUMBIA

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article published in last night's Washington Star relating to the conference of the Boys Nation Congressional meeting in Washington. The article states that some of the boys were astounded by the fact that neither the administration bill nor the Morse home rule for the District of Columbia bill contained any provision allowing the residents of the District of Columbia to vote in national elections.

As a former teacher, I am overcome this morning by the urge of instruction and of wanting to be helpful to these brilliant young men by pointing out to them that the home-rule bill deals only with local government. It is the best opinion of the constitutional lawyers that an amendment to the Constitution of the United States would be required in order to provide for the voting privilege to the residents of the District of Columbia in national elections. That is why neither the administration bill nor the Morse bill seeks to cover national elections. Obviously, it would not be possible to include a constitutional amendment in a legislative bill.

The first step is to have a legislative bill passed to provide local government for the residents of the District of Columbia. Then, I may make clear to the Boys Nation, the senior Senator from Oregon has for years in the Senate taken the position that whatever must be done—the submission of a constitutional amendment, if necessary—ought to be done in order to give the people of the District of Columbia the privilege of voting in national elections.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BOYS NATION DELEGATES HIT DISTRICT OF COLUMBIA HOME RULE

District delegates to Boys Nation took a Congress-be-damned attitude today when they discovered that proposed home rule legislation wouldn't allow local residents to vote in national elections.

Gian Caggiano, 16, of 139 12th Street NE., and Tom Lisi, 17, of 120 North Columbus Street, Arlington, Va., left a 15-minute interview with Senator BIBLE, Democrat, of Nevada, still determined to fight for their own brand of home rule.

"Our Senate is a little different from the real one," said Tom. "I think we could get a resolution through it which couldn't get through the real Senate."

TWO-POINT PROGRAM

The boys, both seniors at Gonzaga High School, favor a two-point program for home rule:

1. District Commissioners should be elected officials.

2. Local residents should be able to vote in national elections for President and Vice President.

Senator BIBLE, who is head of the Senate District Committee and the Joint Committee on Washington Metropolitan Problems, told the youths that neither Senator MORSE's home rule bill nor the administration's provide for participation in national elections.

The youths were dismayed. They felt even worse when Senator BIBLE told them the compromise administration bill, providing for a territorial type of government, was the only one that stood any chance of adoption in this session of Congress.

STICK TO THEIR GUNS

But they stuck to their guns. Both stated they would introduce their own legislation at their own senate session on Thursday at the University of Maryland.

The 98 delegates to Boys Nation, a program sponsored by the American Legion to give practical experience in government, spent today sightseeing, visiting their Congressmen as well as the Supreme Court, the Library of Congress, and the Smithsonian Institute.

Yesterday other Boys Nation delegates also showed a healthy disrespect for a proposal to establish a United States Science Academy.

At a special Senate committee hearing, they decided to report the bill unfavorably to the full Senate. The proposed legislation is sponsored in Congress by Representative ANFUSO, Democrat, of New York.

Gian and Tom, without any Congressional representation, visited Senator BIBLE instead.

FLOW OF IMMIGRATION INTO ISRAEL

Mr. JAVITS. Mr. President, some misunderstanding has been expressed in the Senate which arises from the fact that immigration into Israel is considered to be a major factor with respect to the increase of population in that country. We are greatly enlightened by an article entitled "Immigrant Flow to Israel Falls," published in the New York Times of July 20, 1958. The article indicates that rather than rising, immigration to Israel is falling in that by July 1 of this year only 8,534 newcomers had arrived in Israel.

The article tells us that a maximum of 16,000 immigrants are expected in Israel this year.

Mr. President, I ask unanimous consent that the article may be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IMMIGRANT FLOW TO ISRAEL FALLS IN FIRST 6 MONTHS OF 1958, ONLY 8,534 NEWCOMERS WERE ADMITTED TO STATE

(By Seth S. King)

JERUSALEM (Israeli Sector), July 10.—In the first half of 1958 the rate of Jewish immigration to Israel fell to one of the lowest levels in the 10 years since statehood.

By July 1, only 8,534 newcomers had arrived. If the projected average of 1,200 a month continues for the rest of this year, the total will reach only 16,000.

This would make 1958 second only to 1953, when immigration reached the low point of 11,000.

The immediate cause of the slowdown has been a new tightening of restrictions on the movement of Jews from areas that were expected to yield high numbers. These include Poland and Morocco, where there are still sizable Jewish populations wanting to come to Israel.

The secondary factor is Israel's desperate need for a quiet period in which to prop up her overstrained economy and complete the absorption of the 180,000 immigrants who have poured in since 1953.

IMMIGRATION DEFERRED

As a result there has been a postponement of immigration from areas where Jews are not under severe social or economic pressures.

Israel's doors are always open to any Jew, from anywhere in the world. But since the peak immigration years immediately after statehood, the majority of newcomers have not had the means to pay for their own travel.

Their immigration has been planned, organized and financed by the Jewish Agency for Israel, the independent Zionist organization that functions outside the government but in cooperation with it.

Earlier this year agency officials had expected to bring at least 40,000 Jews to Israel. Later this estimate was lowered to 24,000 and has now been adjusted downward again.

More than half of this year's arrivals have again come from North Africa and the Middle East, with the highest percentage from Iran. The rest, with the exception of a trickle from the United States and Britain, have come from Eastern Europe, principally Poland.

Although the current decline in immigration is a disappointment both to the Israeli Government and to world Zionists, it at least is giving the Jewish agency a chance to attend to a load of unfinished business.

BACK SMALL ENTERPRISES

Ever since Israel became a state, the agency has directed and financed the building of all new agricultural settlements for immigrants. It also offers, when funds are available, loans to immigrants for small business enterprises.

Since statehood the majority of the agency's settlements have not been able to produce enough to support themselves. So this year the agency expects to pump more than $44 million into these settlements to help them complete their consolidation. In addition, $11 million will be available for small business loans.

In all, the agency expects to spend $122 million in Israel this year. About $70 million of this is expected to come from United States Jews through the United Jewish Appeal.

Future immigration prospects, beyond 1958, are still highly speculatives.

Agency officials are nervously watching for effects of the new Soviet toughness toward the satellite states, where there are nearly 400,000 Jews. Many of these, the agency says, would probably come to Israel if they were permitted.

Mr. JAVITS. Mr. President, rather than a huge influx of immigrants serving as a population buildup, which, it has been alleged, would constitute a threat to Israel's neighbors, the fact is that Israel's immigration is at one of the lowest levels which that state has experienced since it first gained independence 10 years ago.

Second, a very important point is that these immigrants are not culled, as has been alleged, from lands where Jews do not live under social and economic pressures, but, rather, the overwhelming preponderance comes from within the Soviet-bloc satellite nations of Eastern Europe, where Jews are under tremendous pressure, and from countries around the Mediterranean and in north Africa, and also Iran, where the situation is made extremely difficult, indeed, for Jews.

On this basis, Israel remains the home for the oppressed and persecuted, the very purpose for which it was originally founded. I think the article is exceptionally important in respect of what is now taking place in that small country, which has proved to be one of the most dependable bastions of freedom in one of the most troubled and dangerous areas of the whole world.

EXTENSION OF TRADE AGREEMENTS ACT

Mr. FREAR. Mr. President, I have a definite interest in the recent comments made on the floor by the Senator from Indiana [Mr. CAPEHART] with respect to his amendment to House bill 12591, since the amendment is closely related to the purpose of Senate bill 808, of which I am a cosponsor.

My interest, like that of the Senator from Indiana, originated from our experiences during a trade-study tour of Latin American countries which we made together in 1953.

Since that time, other evidence which has come to our attention shows that competition difficulties for United States manufacturers, which were prevalent then, have been increasing.

The larger manufacturers in this country have been able to meet the competition of low-labor-cost countries more successfully than have our smaller manufacturers, partially because of the ability of the former to comply with the established requirements of the Western Hemisphere Trade Corporation Act.

Smaller manufactures have had less success in meeting the competition, because in so many instances the volume of their exports is not sufficient to warrant the cost of complying with the requirements of the act.

All the arguments supporting a change in the act to clarify the original intent of Congress and to eliminate the existing inequity were ably propounded by the Senator from Indiana [Mr. CAPEHART].

I should like to add a point pertinent to the discussions on the reciprocal trade bill: Our Western Hemisphere friends often would prefer United States products, but find that specialized machinery and tools made by smaller manufacturers are unavailable to them because of the great differential in price, as against the same products from certain other countries.

On our study tour, we witnessed many instances of this kind, and since then more cases of a like nature have come to my attention.

It strikes me, Mr. President, that Congress can hardly consider a reciprocal trade bill without taking into consideration, in that connection, the correction of any existing export-trade inequities.

I am sure Congress never intended there should be discrimination under the original act; and I am equally certain that if such inequities do exist, this Congress will eliminate them.

Mr. President——

The PRESIDING OFFICER (Mr. TALMADGE in the chair). The Senator from Delaware.

NOMINATION OF MISS BERTHA ADKINS TO BE UNDER SECRETARY OF HEALTH, EDUCATION, AND WELFARE

Mr. FREAR. Mr. President, let me say that I believe the President has made a very fine choice in his selection for the Under Secretary of Health, Education, and Welfare. I have known Miss Bertha Adkins for a number of years, and I have known her family. I believe she will be a great asset to the President's Cabinet.

AN ANALYSIS OF THE SOVIET CULTURAL OFFENSIVE

Mr. WILEY. Mr. President, I am always interested to read the bimonthly publication known as Problems of Communism.

It is issued by the United States Information Agency and contains a wide variety of expert analyses from various sources as regards trends in world communism.

In the July-August issue, there is an article by the author of the book Soviet Russian Nationalism, Prof. Frederick C. Barghoorn, of Yale University.

The article is entitled "The New Cultural Diplomacy." It is based upon another book which, I understand, is now in the process of preparation.

The article analyzes both the strengths and the weaknesses of the Soviet cultural offensive. It points out the internal contradictions of that offensive.

I believe that it will be illuminating to my colleagues; particularly in connection with authorizations and appropriations to our State Department and the United States Information Agency to combat Soviet cultural propaganda and exchange.

I ask unanimous consent that the text of the article be printed at this point in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE NEW CULTURAL DIPLOMACY

(By Frederick C. Barghoorn)[1]

Non-communist scholars and journalists have recently directed increasing attention to the Soviet policy of "trade and aid" as an important aspect of post-Stalin foreign policy. There is no doubt that economic inducements have been responsible in part for Moscow's considerable impact on political opinion in some of the underdeveloped countries since 1953. In the long run, however, Soviet foreign economic policy may be no more significant a factor in world politics than Moscow's foreign cultural policy—that is, its current concerted campaign to "win friends and influence people" through political-cultural appeals and contacts. As avenues of influence, the two approaches seem to be accorded approximately equal importance in the Kremlin's view, and they are usually coupled in major Soviet policy statements.

For example, the slogans issued by the central committee of the Soviet CP for the fortieth anniversary of the October revolution called for the "development of economic and cultural relations with all countries."[2] Similarly, Anastas I. Mikoyan, in his speech at the 20th CPSU Congress in February 1956 emphasized that the Soviet Union needed more experts in the economics and cultures as well as the languages of Eastern countries because of the rapid growth of Soviet contacts with the East.[3]

Keeping in mind the vital link between Moscow's economic and cultural offensives, the present paper will single out for examination those features of Soviet policy which underscore the Communists' cultural strategy vis-a-vis newly developing countries, and particularly certain key countries of Asia and Africa. In vastness of scope and subtlety of method the strategy is a new one. In its ultimate objective, however, it is as old as Leninism. The long-run purpose of Soviet cultural exchanges with underdeveloped countries is to smooth the path for the Communists' eventual accession to power. The short-run objectives of the strategy are several. Perhaps the most obvious is to present to the peoples, and particularly to the intellectuals, of these countries an appealing image of Soviet life and culture and of Soviet domestic and foreign policy. A closely related objective is to establish cultural and organizational links between Soviet scientific, technical, and academic institutions and corresponding groups or individuals in the target countries. An attempt is also made to use cultural exchanges to influence the policies and attitudes of political leaders. Finally, cultural diplomacy supports other Soviet efforts to reduce and, if possible, eliminate Western, especially United States, influence in Asia, Africa, and even in Latin America.

Since the death of Stalin, contacts of many kinds between the Soviet Union and non-Communist countries, both Eastern and Western, have increased substantially. An important index of Moscow's shifting attitude has been the great increase in foreign visitors to the U. S. S. R. According to Izvestia for April 29, 1955, only 4,000 guests had

[1] Mr. Barghoorn is professor of political science at Yale University (New Haven, Connecticut), and author, among other works, of Soviet Russian Nationalism (Oxford University Press, 1956). The article above is drawn from a book now in preparation.

[2] Slogan No. 40, Pravda, October 13, 1957, p. 1.

[3] XX sesd kommunisticheskoi partii sovetskovo soyusa (20th Congress of the Communist Party of the Soviet Union), Gospolitizdat, Moscow, 1956, vol. I, p. 324.

entered the Soviet Union in the decade after World War II, while 1,000 Soviet citizens had traveled abroad. The same newspaper for February 18, 1958, reported that members of cultural and other official delegations alone had amounted to 22,000 visitors in 1954–55 and 25,000 in 1956–57, not counting 34,000 visitors to the Sixth World Festival of Youth in the summer of 1957. Very much larger figures obtain if tourists, officials, businessmen, and other groups are included; in fact, Pravda for April 4, 1958, stated that over a half million foreigners had been in the Soviet Union during the previous year. The same period has seen a large, though by no means comparable, increase in the number of official Soviet delegations sent abroad.

Direct contacts through visits have been accompanied by growing attention in the press and other communications media to cultural relations with foreign countries. While in sheer numbers of exchanges, Soviet contacts with Western Europe and the United States have bulked much larger than those with Asia, Africa and Latin America, the Soviet press has devoted far more coverage to the latter in terms of percentage of newspaper space. For example, during the 4 years 1954–57, 196 India delegations visited the Soviet Union, compared to 348 from France and 368 from Great Britain; however, Pravda's reportage on exchanges with India got twice as much space as those with France and considerably more than those with Great Britain.[4]

In the case of the less industrialized countries—Khrushchev has called them the "weakly developed countries"—increased contacts and press attention were accompanied by a dramatic turn toward courtesy and correctness in relations with the bourgeois governments headed by such men as Prime Minister Nehru of India, President Sukarno of Indonesia and President Nasser of Egypt. This altered treatment of governments formerly denounced as lackeys of imperialism facilitated such events as the Nehru visit to the Soviet Union in 1955, the 1955 visit of Messrs. Khrushchev and Bulganin to India, Burma and Afghanistan, and—as the latest in a long line—Mr. Nasser's recent Russian trip.

CONTRADICTIONS IN OFFICIAL POLICY

The partial opening of Russia and the accompanying normalization of its relations with certain countries has not, however, brought any repudiation of Leninist world revolutionary concepts in Moscow. On the contrary, the period since the death of Stalin has been marked by a return to some of Lenin's most messianic and potentially explosive political concepts. Revolutionary expanionism is again the order of the day, only it is pursued by vastly more subtle tactics, combining high-level diplomacy and the advertisement of selected aspects of Soviet life and culture with an astute effort to exploit the ascendant forces of nationalism, anti-colonialism and social unrest in the underdeveloped countries.

The contrast between Moscow's long- and short-run aims—or perhaps more correctly, its real and professed aims—was aptly demonstrated in Nikita Khrushchev's public speech at the 20th CPSU Congress in February 1956.[5] In one section of the speech, entitled "The Collapse of the Colonial System of Imperialism," Khrushchev appealed to assorted sentiments through extended tributes hailing the "rebirth" of India, the Arab East and Southeast Asia, the "awakening" of the peoples of Africa, and the "intensification of the national liberation movement in Brazil, Chile and other countries of Latin America." In a seeming effort to prod racial and anti-Western sensibilities, he then contrasted Asia's position today to an earlier period in which, he emphasized, international relations had been determined "primarily by people of the white race." He went on to declare that there were "great opportunities" for the "countries of socialism" in the contemporary situation; specifically, the Soviet Union could assist former colonies in achieving "economic independence," in training a technical intelligentsia and in restoring and further developing their "ancient national cultures."

The sincerity—or at least the permanency—of this professed support for the independence of newly emergent nations ought to be judged, however, against other statements in the speech. Elsewhere Khrushchev bluntly reiterated Communist belief in the necessity of revolution, reminding his audience of Leninism's teaching that established authority does not give up its power voluntarily. To be sure, he added, it might be possible in some countries to elect "socialist" governments "legally." Once in power in any country, the "working class" could convert parliaments "from organ[s] of bourgeois democracy into real instrument[s] of the popular will."[6]

The theoretical and propaganda implications of Khrushchev's speech and its relationship to Communist international cultural policy were set forth with surprising frankness in subsequent articles in the most authoritative Soviet periodicals. One of the most significant of these articles was an 8-page piece by the leading Soviet expert on the Far East, E. Zhukov, who borrowed Khrushchev's title, "The Collapse of the Colonial System of Imperialism."[7] Zhukov clearly inferred that in the present stage of world history Moscow could make good use of Asian, African and Latin American nationalism and anti-colonialism toward its own ends. The national liberation movement, he stated, was weakening the world capitalist system. Thus the major task of Communist parties in countries such as India and Indonesia was to support measures to strengthen the economic independence and national sovereignty of their countries. In contrast to past directives urging militant subversion and revolutionary tactics, Communist parties were now advised to collaborate with all progressive social forces and to display tact toward representatives of bourgeois nationalist movements. In this connection, Zhukov praised Prime Minister Nehru, but took pains to stress an earlier statement made by Khrushchev (during his 1955 visit to India) noting that Nehru's proposed socialist path for India was different from the Soviet conception of socialism.

Zhukov also included in his article a quotation from Lenin to the effect that the countries of the East had entered a stormy path of development which must intensify the crisis of capitalism everywhere. Perhaps his most significant statement was a confident assertion that "* * * The active role of the working class and of its militant advance guard, the Communist Party, is increasing everywhere; it is natural, therefore, to expect that in the future the working class will achieve universal predominance in this struggle. This, however, is a long and complicated process."

THE CALL TO ARMS

Beginning in 1955 the Kremlin started issuing directives to Soviet experts on Asia and Africa to reorient their work in the light of the new political opportunities that were opening up for Soviet penetration of these continents. The scholars at first responded slowly, perhaps fearful of overcommitting themselves to what, in the light of previous purges, may have seemed like a risky and temporary new line. The regime attempted to spur confidence by sanctioning the reestablishment of Sovietskoe Vostokovedenie, a once noted periodical on Asian and African studies which had been suspended for almost 20 years; its publication was resumed in April 1955. In further exhortations, Soviet orientalists were chided for having denounced Turkish Kemalism and Indian Ghandhism, and for having failed to see the "progressive" aspects of the movement led by Colonel Nasser in Egypt.[8]

The initial lack of response to the new line was scored by Anastas Mikoyan in his speech at the 20th Congress. Specifically Mikoyan criticized the Institute for Oriental Studies of the Soviet Academy of Sciences for its alleged failure to understand its new tasks.[9] After Mikoyan's speech, the institute was drastically reorganized and expanded, and B. G. Gafurov, a prominent Tadjik politician and a member of the Central Committee of the Communist Party of the Soviet Union, was placed at its head.

Gafurov delivered a report in June 1957 at an All-Union Conference of Orientalists in Tashkent in which he demanded, in effect, that Soviet scholars produce material useful to the Kremlin in carrying out its policy of persuasion and penetration in Asia and Africa. Among other tasks, Soviet scholars were to explode theories, vaguely labeled "bourgeois," alleging "organic backwardness of the peoples of the East." They also were to demonstate how the "Republics of the Soviet East" had, with the active help of the great Russian people, overcome their former backwardness in the shortest possible time and had become "the lighthouse of communism in the East." While exposing the machinations of "imperialism" and vigorously resisting "any manifestation of bourgeois ideology," Soviet scholars should express their sympathy and understanding for the "anti-imperialist struggle of the workers," which would be headed "at a certain stage" by the "national bourgeoisie".[10]

READY SMILES AND RED CARPETS

Spurred by pressure from above, Soviet diplomats, scholars, artists, scientists, athletes, and engineers set out to smile their way into the hearts of Asians and Africans. Two major techniques have played a particularly prominent role in this many-sided effort. One combines the aforementioned exchange visits with the publicizing of those Soviet achievements most calculated to impress Asians, Africans, and Latin Americans in view of their own needs and aims. The other and closely related technique is the careful cultivation of the predispositions and susceptibilities of peoples whose traditions, aspirations, and grievances have been very thoroughly studied.

The reception accorded Prime Minister Nehru of India during his visit to the Soviet Union in May and June 1955 was a major and highly instructive exercise in the new cultural diplomacy. The path toward diplomatic correctness and even toward cordial cultural relations with India had been paved by a number of significant Soviet actions ex-

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[4] These ratios are the author's own calculations, based on available data on exchanges and a careful culling of Pravda.

[5] Twentieth Congress, loc. cit., pp. 24–25.

[6] Ibid., pp. 39–40.

[7] E. Zhukov, "Raspad kolonialnoi sistemy imperializma," Partiinaia Zhizn, No. 16, August 1956, pp. 41–48.

[8] For surveys of earlier phases in this development see Walter Z. Laqueur, "The Shifting Line in Soviet Orientalogy," Problems of Communism, vol. V, No. 2 (March-April), 1956; and a series of items in Soviet Culture (now Soviet Survey) published by the Congress for Cultural Freedom, Paris, esp. Nos. 4 and 5, May–June 1956.

[9] Twentieth Congress, loc. cit.

[10] B. B. Gafurov, "O perspektivakh razvilila sovetskovo vostokovedenila" (On the Perspectives of Development of Soviet Eastern Studies) Sovetskoe Vostokovedenie, No. 3, 1957, p. 7–17.

tending as far back as 1951. In that year an Indo-Soviet cultural society was established, following the return of a group of Indian intellectuals from a visit to the U. S. S. R.; though there was much suspicion of its Communist orientation—at least until the Moscow line toward Gandhi and Nehru changed—the society was quite successful in some of its activities, such as the showing of Soviet films. On another tack, a large-scale Russian translation program of works by Indian classical and modern authors got underway even before the death of Stalin, and was subsequently vastly expanded.

In connection with Mr. Nehru's visit, Kommunist (No. 9, 1955), the main theoretical organ of the Soviet Communist Party, published a very favorable review of the Prime Minister's book, The Discovery of India, entitling the commentary, "A Book on the Great Indian People." On May 31, a few days before Nehru's arrival, a monument was unveiled to the 15th-century Russian traveler to India, Afanasi Nikitin, in the presence of the Indian Ambassador and the Soviet Minister of Culture. The Soviet press emphasized that Nikitin had been the first European to visit India with a friendly purpose.[11]

While Mr. Nehru was in the Soviet Union, everything possible was done to impress him with the friendliness of the Soviet people and their leaders. No small detail was overlooked. For example, Indian songs were sung by Russian youngsters and Soviet interpreters were provided to translate Mr. Nehru's speeches from his native Hindustani.[12] As far as ordinary citizens were concerned, the cordiality displayed toward Nehru was undoubtedly sincere; as on many other occasions, the natural hospitality of the Russian people served their rulers to good political advantage.

Perhaps the greatest value of Mr. Nehru's visit to Russia, from the Soviet point of view, was that it paved the way for the resoundingly successful visit Messrs. Bulganin and Khrushchev paid to India in November and December of 1955. The B-K tour in turn created the climate for a vast acceleration of exchange trips and cultural contacts at lower levels; by October 1956 a travel service had been opened between the two countries, underscoring the new Soviet open door policy vis-a-vis tourists.

Moscow's elaborate reception of Nehru was duplicated for President Sukarno in August 1956. The Indonesian President was received by the highest officials. Like President Nasser more recently, he was given flowers by children and he was applauded by vast crowds in the streets and stadiums. He was granted the degree of doctor of juridical sciences by the Academy of Sciences of the U. S. S. R., and was elected an honorary professor at Moscow State University. First class motion picture and television films were made in connection with both Sukarno's and Nehru's visits, and later were widely shown in India and in Indonesia. The same kind of royal welcome was extended to the Crown Prince of Yemen on his trip to the Soviet Union in June 1956.

ALL THINGS TO ALL PEOPLE

The changed Soviet line toward bourgeois nationalist leaders such as Nehru, Nasser, and Sukarno—and even to a feudal ruler such as Yemen's prince—dramatizes the Kremlin's present abandonment, or at least soft-pedalling, of Communist concepts of inevitable and relentless class warfare; as often in the past when policy aims dictated, Moscow has jettisoned the slogans of militant isolationism and class struggle, and is trying instead to demonstrate its readiness for fruitful collaboration with persons and groups belonging to every social class and even to every religious group. Toward this end, representatives of various elements of what the Communists would call the national bourgeoisie in the developing countries have been included in invitations to visit the U. S. S. R. and have been accorded cordial treatment in the Soviet press. Typical of such press treatment was the homage paid by Pravda (of October 15, 1957) to a delegation of Lebanese visitors—in the U. S. S. R. at the invitation of the Soviet Committee for the Defense of Peace—consisting of lawyers, journalists, writers and other public figures, and headed by a prominent industrialist (no mention here of bourgeois capitalist).

Recently there has also been a steady flow of items in the Soviet press professing solicitude for the religious sentiments of Asian and African Moslems—a considerably bolder if no more surprising about-face, in view of communism's admitted hostility toward religion in general and Moscow's past ill-treatment of Soviet Moslem minorities in particular. Today an effort is made to blot out the record of the past by a show of tolerance, and much press publicity is given to such events as the 1954 visit of a group of Indonesian women to a Moslem seminary in Soviet Central Asia, and the more recent (1957) pilgrimage of "Soviet Moslems" to Mecca, Medina and Cairo.[13]

THE APPEAL TO NATIONALIST SENTIMENT

The same technique of what may be called group flattery, by which Moscow attempts to cultivate particular political, religious or other elements, is applied on a national level in its efforts to win over whole peoples or countries. The appeal to national pride is made in many ways. Perhaps the classic Soviet profession of respect for foreign nations and their cultures was formulated by Joseph Stalin at a dinner in honor of a Finnish governmental delegation in April 1948. Stalin said:

"Soviet people consider that each nation, whether large or small, has its special characteristics, which belong to it alone. These characteristics represent the contribution which each nation makes to the general treasure chest of world cultures, and adds to and enriches it. In this sense all nations, both great and small, are on the same footing and each nation is as significant as any other nation." [14]

Many peoples under Soviet control have learned by bitter experience what "equality of nations" can mean in Soviet practice. The mass deportation to the East of the Moslem Chechens and other small peoples during World War II for alleged collaboration with the Germans, the subjugation of the Baltic peoples in 1940, and the more recent brutal crushing of the Hungarians in 1956 serve as reminders of the gap between profession and practice in Soviet nationality policy. Nevertheless, a skilled application of Stalin's formula to peoples who have had little opportunity for first hand experience of Soviet reality, can, at least in the short run, pay big propaganda dividends.

The publicizing of Soviet appreciation for Asian, African, and Latin American cultural traditions has both a positive and negative aspect: while winning friends for the Soviet Union, it attempts to alienate the peoples of these areas from the West, and particularly the United States. The Communists allege that United States "imperialism" and "cosmopolitanism" threaten to destroy native cultures and to substitute for cherished folk values the "decadence of Hollywood" and the crassness of "American materialism."

A good example of this dual approach was an article by the well-known Soviet writer Ilya Ehrenburg which appeared in a Soviet literary magazine in the summer of 1956. After a month of travel in India, Ehrenburg published a detailed and highly appreciative discussion of India's culture aimed at pleasing Indian intellectuals. At the same time he accused the British and the Americans of seeking to create the impression that Indians were adverse to technical progress, that they were quaint but hopelessly backward. He attributed the poverty of India to decades of British economic exploitation. Pointing out that contemporary India seeks and is achieving material progress, he went on to stress that Indians, in contrast to Western Europeans, and in special contrast to Americans, would never be satisfied with mere physical comfort. Indians, he declared, felt that material progress was not sufficient, but must be accompanied by the advancement of human welfare and general spiritual development. In short, Ehrenburg made a calculated effort to interlard just praise for India's achievements and aspirations with half-truths or outright misrepresentation of Western attitudes, counting on the receptivity of his audience to the former remarks to make the latter believable.[15]

Ehrenburg, who has often been sent on important foreign cultural missions, was also the star performer in connection with the award of a Stalin Peace Prize to the Chilean poet Pablo Neruda in August 1954. On this occasion he couched an appeal to various shades of liberals and radical sentiment in terms calculated to stir antagonism to the United States: the due tribute he paid to Chile's national heroes, cultural heritage, and economic achievement was capped with the message that a people which, like all others in Latin American, had "defended" its national culture and its national independence against "heavy odds," was a great people.[16]

In a similar vein, Pravda for August 15, 1954, described the grandeurs of the pyramids of Egypt and praised the "work-loving" Egyptian people who had created them, but at the same time expressed indignation at the poverty to which "foreign exploitation" allegedly had subjected them.

A corollary and implicit aim of such statements is to convince foreign people that only in "socialist" countries are their national cultural traditions sincerely appreciated. Toward this end, many other devices are used by Moscow, among them exhibitions in honor of classical—or less frequently contemporary "progressive"—writers and artists of foreign lands, and public commemorative ceremonies in which prominent Soviet political leaders and intellectuals play a major role. These devices are often combined, as on the occasion of a public ceremony in Moscow in November 1956 honoring the Indian national poet, Kalidas.

LANGUAGE AND AREA SPECIALIZATION

The above-mentioned expansion of Soviet "area studies" similarly serves the end of impressing foreigners and increasing contacts, while at the same time training a future corps of Soviet "experts" on Asian and African affairs. In 1955 the party's

[11] See Pravda, June 1, 1955; Sovetskaia Kultura, June 2, 1955.

[12] Pravda, June 8, 1955; almost the whole front page of this issue was devoted to Nehru's arrival.

[13] See Pravda, August 13, 1945 and Izvestia, July 2, 1957. For a discussion of Soviet treatment of the Moslems, see Richard E. Pipes, The Soviet Impact on Central Asia, Problems of Communism, vol. VI, No. 2 (March-April), 1957.

[14] Vneshnaia politika sovetskovo soyuza (Foreign Policy of the Soviet Union), Moscow, 1950, pt. I, p. 24.

[15] I. Ehrenburg, "Indiiskie vpechatleniia" (Indian Impressions), Inostrannaia Literatura, Moscow, June 1956, pp. 196–222.

[16] Pravda, August 13, 1954; Ehrenburg's address and Neruda's reply dominated the front page of this issue.

theoretical organ Kommunist issued a directive in the form of an editorial urging that Oriental and African studies be integrated into secondary school and university curricula, so as to furnish all students with a necessary knowledge of eastern countries. Such studies, it said, must contribute to the "consolidation of friendship between the Soviet people and the peoples of the East." [17] Subsequently, many items appeared in the Soviet press indicating that this directive was being actively implemented, particularly in the area of language study. For example, Pravda for January 31, 1958, published an article describing a boarding school in Moscow in which 150 boys and girls are studying the Indian languages Hindi and Urdu. As in a number of other special Soviet schools, the regular classroom work is apparently conducted in the languages in which the school specializes. The establishment of such schools indicates the Kremlin's determination to carry its message effectively to the peoples of the East.

The accelerated program of linguistic and other studies has been accompanied by reestablishment of long-severed contacts between Soviet and foreign orientalists, particularly those of the eastern countries. Among other efforts toward this end, it was recently announced that a conference of writers of Asia and Africa would be held during 1958 at Tashkent. In a speech on December 27, 1957, Party Presidium member N. A. Mukhitdinov called upon Uzbekistan intellectuals to prepare for the conference by writing books on the life of the Soviet peoples of Asia, and by acquainting Soviet readers with the output of the progressive writers of Asia and Africa. Mr. Mukhitdinov, who had just achieved the honor of becoming the first Uzbek member of the Central Committee Secretariat, declared that the conference would play a major role in strengthening cultural relations between the Soviet East and the foreign East.[18]

THE SIGNPOSTS OF DUALITY

In a short article such as this it has been possible to deal with only a few aspects of the Kremlin's campaign to win friends among the peoples of the less industrialized countries. Yet even in a study of far greater scope and depth, the task of unmasking the essential duplicity of Moscow's cultural offensive would be a difficult one. For the professed aims of the campaign—and indeed, many of its effects in practice—are, in surface appearance, values and developments to which all thinking men must subscribe: the need for increasing contacts between peoples, for greater knowledge and understanding of other countries and cultures, is manifest in today's world. Nor can there be any doubt that many people participating in various phases of the cultural program—both Soviet citizens and those of the developing countries—are genuinely sincere in their desire to promote mutual understanding and friendship. This fact alone makes the real aims of the Communist leadership the more cynical and the more deceptive.

The signs of deception are there for any who will read them. They are present, first of all, in the statements of the Kremlin leaders themselves—more precisely, in the contrast between those statements made to audiences of Communist insiders and the more widely publicized statements made for foreign consumption. It is instructive, for example, to compare the speeches of Bulganin and Khrushchev in India with the aforementioned speeches they and other party leaders have made at such gatherings as the Twentieth CPSU Congress. While in India, the Soviet leaders assured Prime Minister Nehru and the Indian people that differences in ideologies or economic systems constituted no obstacle to the settlement of international problems. All that was necessary, B. and K. proclaimed, was good will and honorable intentions. They took particular pains to avow that Moscow had no intention and no desire to export Soviet communism to India or to other countries.[19]

As we have seen, Khrushchev's speech to the Twentieth Congress a few months later contained little to back up such soothing assurances; instead he proclaimed anew the need for social revolution and for the conversion to socialism of bourgeois democratic institutions in other countries. His assertion that this end might be accomplished legally and peacefully seems unimpressive in view of the vagaries of Kremlin semantics: at the same congress Mikoyan made the statement that Communist seizure of power in Czechoslovakia, Bulgaria, Hungary, Rumania, and Poland had taken place by peaceful means.[20]

In more recent pronouncements Khrushchev has revealed even more clearly his commitment to the Leninist tradition of ceaseless pressure for the extension of Communist power. In a speech of November 6, 1957, for example, he reaffirmed Lenin's prediction that international revolution would build socialism on the basis of Soviet experience; in the same speech he attacked party revisionists for believing in the possibility of "reconciliation of Communist and bourgeois ideology." [21]

Communism's specific cultural objective for the future has been made just as clear in presumably authoritative statements. In the grand plan, after the world proletarian revolution has taken place and the world Socialist system of economy has been firmly established, the cultures of all peoples are destined to be dissolved and to be replaced by one single universal human culture.[22] However ridiculous this idea may sound, it enjoys a sanctioned role in Communist theory, and as such belies the Kremlin's present professions of respect for bourgeois cultures.

The deceptiveness of Soviet cultural policy is revealed in other ways. Mention was made earlier, for example, of Moscow's current pretense of tolerance toward religious beliefs. Yet what has been said to, and about, Buddhist or Moslem visitors to the U. S. S. R. hardly jibes with statements regarding Buddhism or Islam in writings intended for Communist readers. In 1954, as Moscow was launching its campaign to woo Asians, the Kremlin also began a new domestic drive against religion. An article in the leading Soviet philosophical journal attacked Buddhism, Mohammedanism, and Christianity as instruments of social oppression and political reaction.[23] Numerous accounts in Soviet magazines reported the holding of scientific atheistic parties in houses of culture. Antireligious museums were reopened. This writer in 1956 personally visited the Leningrad antireligious museum, which is housed in a former cathedral and which boasts many exhibits and texts vilifying the Moslem and other religions.

It would be reasonable to assume that not many foreign Moslem visitors have been taken by their Soviet hosts to this or other antireligious museums. In the main, aspects of Soviet reality which might offend visitors are kept carefully concealed. Through advance scheduling of itineraries, the skillful performance of ever-present Intourist guides, and various devices to keep most visitors away from touchy areas such as penal colonies or slums, the authorities aim at showing the side of Soviet life they want seen.

In short, the Soviet leadership has shown two faces both in the aims and in the implementation of its cultural offensive. It should be obvious that men who have persistently pledged themselves to the goal of world communism are impelled by their convictions to regard cultural policy as a fair instrument and camouflage for expansionist efforts.

The intended impact of Moscow's offensive is, of course, not only cultural, but political, social, economic, and psychological. Moscow is engaged in one of the most ambitious missionary efforts in history, the object of which is to win over the world—and in the first instance, the peoples of the newly developing countries. Yet in the long run the very zeal with which the offensive is being conducted may have beneficial effects outweighing its subversive aims. Certainly the increase in intercountry exchanges and contacts offers a welcome contrast to the extreme Iron Curtain isolationism of the past and—attempts at camouflage notwithstanding—gives more people more opportunity to see for themselves what are the myths and what are the realities of other societies and systems. If such contacts continue to grow, cultural exchange may come increasingly to serve its proper aim—not the promotion of Soviet interests—but the encouragement of genuine international cooperation, along with growing respect for diverse cultures and for cultural diversity.

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[17] No. 8, May 1955, p. 83.

[18] Pravda Vostoka (Vladivostok), December 28, 1957.

[19] See, for example, Khrushchev's speech to the Indian Parliament, published in Pravda, November 22, 1955.

[20] Twentieth Congress, loc. cit., p. 317.

[21] Pravda, November 7, 1957.

[22] See, e. g., G. G. Karpov, O sovetskoi kulture i kulturnoi revoliutsii v SSSR (On Soviet Culture and Cultural Revolution in the U. S. S. R.), State Publishing House for Cultural Enlightenment Literature, Moscow, 1954, pp. 76–77.

[23] "Nauchnoe i religioznoe mirovozrenie" (Scientific and Religious World Outlook), unsigned article in Voprosy Filosofii, No. 5, 1954.

INDEPENDENT AFRICA—WELCOME TO DR. KWAME NKRUMAH, PRIME MINISTER OF GHANA

Mr. WILEY. Mr. President, our Nation is pleased to be host, commencing tomorrow, to one of the youngest Prime Ministers of one of the youngest nations of the world, and in particular, the youngest nation in the British Commonwealth.

I refer to His Excellency, Dr. Kwame Nkrumah, Prime Minister of Ghana, whom we are all happy to welcome to Washington.

I am sure that I reflect the sentiments of the American people when I state that their hopes and well-wishes are gladly extended to the Government of Ghana, in its successful quest of an ever more abundant life for the people of that land.

Ghana successfully evolved into independence on March 6, 1957.

We, as a former colonial people, rejoice in her successful evolution and in similar transition of other former colonial peoples to self government.

We hope that Ghana will continue to set a statesmanlike pattern for all of Africa. And what should that pattern be? Peaceful, orderly, well-timed emergence to independent states, responsive to the needs of their own people, and responsive as well to mankind's goal of freedom, peace, and well-being.

I say in all frankness—we recall, with pleasure, that Prime Minister Nkruma advised Vice President NIXON, at the time of the latter's March 1957, visit to Ghana's independence celebration, that Ghana would not be neutral so far as

East-West ideologies are concerned. Ghana unalterably believes in human freedom.

THE FRUITFUL CONFERENCE AT ACCRA

We were gratified, therefore, to note, as well, the fruitful conference of Independent African States, as held last April at Accra. There, the eight independent states met and discussed common problems. I refer to the assembly of spokesmen of Ghana, Liberia, Tunisia, Morocco, Libya, Ethiopia, Sudan, and Egypt—of what is now the United Arab Republic. Their resolutions merit the serious attention of the world.

With each of these countries, we desire nothing but harmony and friendship. Yes, that includes the United Arab Republic, notwithstanding certain obvious disagreements between us.

SENATOR WILEY'S YEARS OF INTEREST IN AFRICA

My interest in the independence of Africa is not a new interest.

The RECORD will show for example that on July 29, 1954, I introduced Senate Resolution 299, conveying the Senate's greetings to the first legislatures of what was then the Gold Coast, as well as to Nigeria.

I invite my colleagues' attention to the CONGRESSIONAL RECORD, volume 100, part 9, pages 12492–12493.

The RECORD will show my deep interest down through the years in what is now being successfully achieved—the creation of a separate Assistant Secretary of State for African Affairs—a long overdue step for American specialization with the problems of Africa.

SALUTE TO LIBERIA ON 111TH ANNIVERSARY OF INDEPENDENCE

There are few countries of Africa with which we have enjoyed longer friendship than with the oldest Republic of Africa, Liberia.

Our ties with her were renewed by the visit of President William V. S. Tubman here several years ago.

I am pleased to note that this coming Saturday, Liberia celebrates the 111th anniversary of her independence. We rejoice in that freedom.

I have in my hands the text of a very fine address which was delivered not so many nights ago at a dinner in honor of Secretary of State Dulles, as given by Ambassador Padmore at the Liberian Embassy.

Ambassador Padmore spoke graciously of the protection which we, in the United States, afforded his country in the early days of its struggle to maintain its independence.

A distinguished assembly heard the Ambassador's address; an assembly representing not only the diplomatic corps, but leaders of American private investment.

NEED FOR MORE PRIVATE INVESTMENT

Liberia needs more foreign private investment, and so does Ghana, and so do each of these other countries I have named.

Prime Minister Nkrumah is understandably especially anxious to see successful the bold plans for the giant Volta River project for hydroelectricity for the bauxite-aluminum industry of Ghana, yes, for irrigation and transportation as well.

Ghana wisely recognizes that she must diversify her economy, as must other African states.

Ghana depends heavily on her cocoa—of which she is the world's largest producer.

But she well knows that she, like other underdeveloped nations, can ill-afford to be overdependent on one commodity which may and does fluctuate widely in price.

Dr. Nkrumah has recently announced a second 5-year development plan of 100 million pounds.

Development projects are, or will be, the order of the day, as well in Tunisia, Morocco, Libya, Ethiopa, and the Sudan—all of which need foreign assistance and private investment.

We Americans have a high regard for the statesmen who have emerged from places like Ghana, Liberia, Tunisia, Morocco, Libya, Ethiopia, and the Sudan.

FRIENDLY RELATIONS BETWEEN WASHINGTON AND ADDIS ABABA

The ancient Kingdom of Ethiopia—independent since Biblical times—has a long and honored record of fighting for its freedom, a record with particularly valiant pages under the leadership of Emperor Haile Selassie.

We Americans do not forget the Ethiopian battalion which aided the United Nations' cause in Korea. Nor do we forget Ethiopia's Mutual Defense Assistance Agreement with us nor Ethiopia's need for more point 4 assistance.

The new nation of the Sudan, likewise, has shown its stanch ability to resist foreign aggression from anywhere and its determination to be truly free and independent whether it is making decisions on the vital Nile River or on any other issue.

Libya, although meager in resources, nevertheless has indicated its firm friendship with the West. Wheelus Field figures large in the defense of the Free World. But so will technical assistance to Libya if that country is to raise its standards of living.

FRENCH-TUNISIAN-MOROCCAN PROBLEMS IN ISLAMIC NORTH AFRICA

Elsewhere, in North Africa, Tunisia is fortunate to have so outstanding a statesman in President Habib Bourguiba. Termed the "Supreme Combatant," President Bourguiba gained triumph for his people in their zeal for independence. But he has achieved what is perhaps a still more difficult goal—remaining a successful moderating force, despite extremist tendencies so prevalent in our times.

At home, Tunisia is reducing the deficit in her trade balance, and is resolutely facing the many problems which she is determined to meet in a democratic manner. Hers is a young population, in age distribution; therefore employment projects are essential. Fortunately, some United Nations technical assistance is available, but it does not begin to supply the unmet needs of this young republic. A deep economic assistance vacuum exists, following France's departure—that assistance vacuum must be constructively filled.

The bitter struggle in Algeria has clouded the relations of our ally, France, with Tunisia, as with Morocco. But statesmanship is available to meet that and other problems.

Continuing this brief outline of nations and of problems, Morocco, under King Mohammed V, will, we are sure, continue to be alined with the forces of freedom and peace in the world.

This morning's New York Times in a dispatch from Rabat quotes Premier Ahmed Balafrej rather grimly with regard to a matter of very deep interest to us. The five key American bases established in 1950.

We earnestly hope for United States-Moroccan amity on this crucial problem. For this nation, whose friendship with us dates back to the days of George Washington, we bear utmost good will, particularly because of the democratic spirit which pervades her, as it does Tunisia and other lands.

For Morocco's 10 millions, for Tunisia's 3¾ millions, for Ghana's 5 millions, for Liberia's 1 million, for Ethiopia's 15 millions—for peoples everywhere in Africa, including the peoples of the 6 United Nations Trust Territories, we wish naught but good.

THE EMERGENCE OF AFRICA

Africa which constitutes 10 percent of the family of man is emerging into its own.

The voice of Africa—north Africa, sub-Sahara Africa, will be heard in the councils of the world.

The peoples of Africa, especially sub-Sahara Africa, need much.

They need better health; they need more schools, and better schools. They need more modern highways. They need better housing. They need more investment, higher wages, better living conditions, higher overall standards of living.

Africa needs greater unity but a voluntary unity, a unity which tolerates diversity, a unity of common consent, a unity of progress and not of reaction, of peace, and not of force.

Of Africa's 220 millions, only 87 million people now live in self-governing areas.

Only one-fourth of Africa lives in urban areas.

Widespread primitiveness of living conditions is serious, but more so is primitiveness of relationships and, yes, of viewpoints.

Man's age old enemy—superstition—is there. And so are man's other foes—disease, illiteracy, malnutrition, impoverished soil in many places.

Africa is in flux. Tribal customs are giving way to nationhood. Population is booming, up 13 percent since 1950.

Africa has problems, particularly problems of racialism and multiracialism.

But neither this nor any other problem, including colonialism, is insoluble before the inspired intelect of man.

COMMUNISTS SEEK TO EXPLOIT TENSIONS

Africa wants to get very far and very fast. As usual, the Communist enemies of human freedom are available to exploit Africa's discontent for Moscow's own evil imperialist ends.

But, fortunately, the forces of freedom and good will are at work as well. I refer to both spiritual forces and to material forces. I refer to statesmanship in particular, such as we see here on Embassy Row and among our visitors. Our guest, Dr. Nkrumah, I am delighted to say, is American educated. What a wonderful thing it would be if exchange programs with Africa could be multiplied manyfold.

But Africa must be made more self-supporting. That is why I time this particular statement on this very day, when the vital reciprocal trade agreements program is up for discussion.

Africa must sell more to the world. She will then buy more from the world. The International Bank, the Export-Import Bank should have few higher priority interests than in helping on a sound basis to provide the economic sinews for Africa's growth.

INTERDEPENDENCE WITH OTHER CONTINENTS

Europe's economy is interdependent with Africa's. America's economy vitally needs Africa's storehouse of strategic materials and agricultural commodities.

But snap generalizations will not work for Africa, neither north, nor central, nor south Africa. The independent-minded Afrikaan-speaking people of the proud and prosperous Union of South Africa, not only have different viewpoints from their English-speaking neighbors and from the Africans and Indians there, but are at least, in some respects, speaking quite frankly, poles apart from viewpoints elsewhere on the continent.

No off the cuff notions will not work. We must give to Africa our sympathetic study and understanding.

INSPIRATION OF JEFFERSON AND LINCOLN TO AFRICA

Africa needs much and has much to give.

But Africa needs, most of all, the friendship of the United States, the moral leader of free peoples. I mean the America of the universal message of Jefferson and Lincoln, the Constitution, and the Declaration of Independence.

Indicative of response to that moral leadership, I send to the desk the text of Ambassador Padmore's gracious address, as delivered on July 16.

I ask unanimous consent that it be printed in the body of the RECORD at this point; and to symbolize America's interest, that it be preceded by a list of the honored American and other guests at the dinner. I ask that it be followed by a list of the distinguished African delegates to the Accra conference in April of this year, symbolizing in turn the voices of Africa, 1958.

There being no objection, the material will be included in the RECORD, as follows:

DISTINGUISHED DINNER GUEST LIST HONORING UNITED STATES SECRETARY OF STATE, THE HONORABLE JOHN FOSTER DULLES, JULY 16, 1958

Ambassador George Padmore, host.

The Honorable John Foster Dulles, Secretary of State, guest of honor.

Mr. Harvey S. Firestone, Jr., chairman, Firestone Tire & Rubber Co.

Ambassador C. T. O. King, Liberian Permanent Delegate to the United Nations.

The Honorable Wiley T. Buchanan, Jr., Chief of Protocol, Department of State.

Senator Theodore Francis Green, chairman, Senate Foreign Relations Committee, United State Congress.

Dr. John W. Davis, educational consultant, National Association for the Advancement of Colored People.

The Honorable Joseph Palmer II, United States Deputy Assistant Secretary of State, South Asian and African Affairs.

Mr. Joseph Graham, Liberian consul, New York.

Col. Lansdell K. Christie, president, Liberian Mining Co.

Mr. John L. Collyer, president, the B. F. Goodrich Co.

Mr. Charles M. White, chairman of the board, Republic Steel Corp.

Mr. Thomas E. Patton, president, Republic Steel Corp.

The Honorable George V. Allen, Director, United States Information Agency.

Dr. Raphael O'Hara Lanier, Phelps-Stokes Fund.

Adm. George Wauchope, president, Monrovia Port Management Co., Ltd.

Mr. Val Washington, Republican National Committee man.

Mr. George A. Blowers, Director, Export-Import Bank.

Mr. Julius C. Holmes, Special Assistant to the Secretary of State.

Capt. John Clark, vice president, the Mississippi Delta Shipping Co.

The Honorable Lester A. Walton, former United States Minister to Liberia.

Mr. James E. Faulkner, vice president, Firestone Tire & Rubber Co.

Mr. Johnston Avery, president, Liberia American-Swedish Mining Co.

Mr. George S. Moore, president, First National City Bank of New York.

Mr. C. Vaughan Ferguson, Director, Office of Middle and Southern African Affairs.

Mr. Juan Trippe, president, Pan American World Airways.

Mr. John W. Grigsby, First Secretary and consul, Embassy of Liberia.

Mr. David M. Thomas, cultural counselor and student adviser, Embassy of Liberia.

Mr. Magnus A. Jones, financial attaché, Embassy of Liberia.

Mr. Abraham L. James, Second Secretary, Embassy of Liberia.

Mr. Frank Stewart, Liberian Foreign Service inspector.

REMARKS MADE BY AMBASSADOR GEORGE PADMORE AT DINNER HONORING UNITED STATES SECRETARY OF STATE, THE HONORABLE JOHN FOSTER DULLES, JULY 16, 1958

We count ourselves fortunate indeed to have Secretary Dulles here with us tonight. We know how heavy are his responsibilities at all times and how doubly burdensome they must be at this moment in the affairs of men, when somber issues are being debated and somber decisions made. We would not have ventured to distract him from his duties at so critical a period had we not felt that the good fellowship by which he has been surrounded this evening might serve to remind him that behind all the daunting uncertainties, all the inflamed passions of our contemporary world, there still gleams the hope that the wisdom of simple human comradeship will in the end prevail.

As I convey, through you, Secretary Dulles, greetings to the oldest republic in the Western Hemisphere from the oldest republic in Africa, two thoughts are uppermost in my mind. One is that my country did not come to birth—in the words of our Declaration of Independence—as "the offspring of grasping ambition" or "the tool of avaricious speculation." Rather, it was a child of providence, intended to survive without the shedding of blood. That it has so survived—that we have maintained our liberty without ever threatening, or even questioning, the right of others to enjoy the same liberty—is perhaps one of the miracles of modern times. Certainly the circumstances attending the founding and growth of Liberia make it a singular and unique country, for which there is no parallel in history.

My second thought is this. When the United States achieved independence, its example proved contagious. Within a few decades almost the whole of this hemisphere had completed its journey along the hard road to freedom. We in Liberia had always hoped that the same would be true in Africa. The process, I must own, was slower, but beneath the surface appearance of events the irrepressible yeast was silently at work.

A few months ago eight independent African states met in conference at Accra. That conference, I suggest, was evidence of the correctness of the eternal principles laid down in the Constitution of the United States—that all men are born equally free and independent. If the individual man is entitled to independence as an inherent right, then so are groups of men, and races of men, and continents of men.

We in Liberia are grateful to the United States for the support and assistance given to us in the bad old days of the past when there was no United Nations, or any forum to which countries, great or small, could take their complaints. Even today Liberians enjoy the fruits of American beneficence through United Nations agencies—the World Health Organization, UNESCO and so on—to which the United States is the greatest material contributor.

But we also derive further benefits from the American foreign aid program and from the liberal policies implemented through the Export-Import Bank and other money-lending institutions of the American Government. Of all this we are ever mindful. The government and people of Liberia are convinced that our friendship is too old, and too firmly based, for it to be easily shaken by the groundswell of philosophies which are foreign to our mutual heritage.

Our happy relations on the political level are reflected in the field of commerce and I am glad to welcome here tonight distinguished representatives of the Firestone Tire & Rubber Co., the Liberia Mining Co. and Republic Steel Corp., the B. F. Goodrich Co., the Liberia American-Swedish Mining Co., The Farrell Line, Mississippi Shipping Co., Panam, and the Liberia Co. We are all partners in that noble enterprise to which President Tubman has dedicated himself—the building of a free and proud and prosperous future for the people of Liberia.

You, Mr. Secretary, we salute as one of the most eminent and indefatigable statesmen of our age. You will be remembered as a modern Jason who has been untiring in the pursuit of that most golden, and most elusive, of all fleeces—peace on earth.

MEMBERS OF THE DELEGATIONS TO THE ACCRA TALKS

ETHIOPIA

Prince Sahle-Selassie Haile-Selassie, Governor-General of the Province of Gamu Goffa (leader).

H. E. Ato Abebe Reta, Minister of Commerce and Industry.

H. E. Lij Indalka-Tohew Mekonnen, Vice-Minister of Foreign Affairs.

Ato Araya Obagzy, Assistant Minister, Ministry of Commerce and Industry.

Dr. Teafa Gebre-Egzy, Director-General, Ministry of Foreign Affairs.

Ato Befikadu Tadesse.

Ato Ahadu Sabore, Press Attaché.

GHANA

Hon. Dr. Kwame Nkrumah, Prime Minister (leader).
Hon. K. A. Gbedemah, Minister of Finance.
Hon. Kojo Botsio, Minister of State.
Hon. Ako Adjei, Minister of Justice.
Hon. Aaron Ofori-Atta, Minister of Local Government.
Hon. E. K. Bensah, Minister of Works.
Hon. Kofi Baako, Minister of Information and Broadcasting.

LIBERIA

President W. V. S. Tubman (leader).
Hon. Charles B. Sherman, Secretary of the Treasury.
Hon. Joseph W. Garber, Attorney-General.
Hon. Nathaniel V. Massaquoi, Secretary of Public Instruction.
His Excellency C. L. Simpson, Liberian Ambassador to the Court of St. James.
His Excellency Henry F. Cooper, Liberian Ambassador at Large.
His Excellency Wilmot A. David, Liberian Ambassador to Ghana.
Mr. Reginald Townsend, Press Secretary to the President.
Mr. Ernest Eastman, Director of Africa and Asian Affairs of the Department of State.
Mr. Walter Moore, Private Secretary to the President.

LIBYA

Dr. Wahbi Elbury, Minister of Foreign Affairs (leader).
Essayed Aref Bennusa, Counsellor of the Libyan Embassy, Tunis.
Essayed Mansur Kikhia, Head of the Treaties Section, Ministry of Foreign Affairs, Benghazi.
Essayed Ali Ghanimi.
Essayed Muhsen Omaier, Head of Section, Ministry of Foreign Affairs, Benghazi.

MOROCCO

His Excellency Ahmed Balafredj, Minister of Foreign Affairs (leader).
Mr. M'Hamed Boucetta, Director of the Cabinet of the Minister of Foreign Affairs.
Mr. Abderrahman Ben Abdelali, Minister Plenipotentiary, Chargé d'Affaires at the Embassy of Morocco in London.
Mr. Mehdi Mrani Zentar, Minister Plenipotentiary, Head of the African Desk in the Ministry of Foreign Affairs and two others.

SUDAN

Sayed Mohamed Ahmed Mahjoub, Minister of Foreign Affairs (leader).
The Right Hon. Adbullahi Nugdalla, Minister without Portfolio.
Sayed Meccawi Akrat, Permanent Under-Secretary, Ministry of the Interior, Adviser.
Sayed Mustafa Medani, Secretary, Political Affairs, Ministry of Foreign Affairs, Adviser.
Sayed Taha Abdel Rahman—Public Relations Officer.
Sayed Hamid M. El Amin—Secretary.

TUNISIA

His Excellency Dr. Sadok Mokaddem, Secretary of State for Foreign Affairs (leader).
His Excellency Taieb Slim, Ambassador of the Republic of Tunisia to London.
Mr. Ahmed Tlili, Secretary-General of the General Union, of Tunisian Workers (U. G. T. T.)
Mr. Hassine Ghouayel, Counsellor.
Mr. Hamed Ammar, Secretary of Embassy and Delegate of the Secretariat of the Conference.
A Press Attaché.

UNITED ARAB REPUBLIC

Dr. Mahmoud Fawzy, Minister of Foreign Affairs.
H. E. Mr. Abdel Rahman El AZM, Ministry of Foreign Affairs.
H. E. Mr. Taha Fathel Dine, Chief of African Dept., Ministry of Foreign Affairs.
H. E. Elsayed Nabih Abdel Hamid, Ambassador of the U. A. R. in Ghana.

Mr. Neguib Hachem, Under-Secretary of State, Ministry of Education.
Mr. Abdel Mondib El Banna, Director-General, Ministry of Finance.
Mr. Mohamed Fayek, Mr. Ahmed Fawzy, Mr. Amin Samy, Mr. Samir Ahmed, Advisers.

VISIT TO THE SENATE BY MEMBERS OF THE COUNCIL OF STATE OF WESTERN SAMOA

Mr. YOUNG. Mr. President, I have the honor to introduce two distinguished persons, Hon. Malietoa T., II, and Hon. Tupua Tamasese, both of whom formerly were members of the Legislative Assembly of Western Samoa, and at present are members of the Council of State, and also are members of the Cabinet. [Applause].

THE AGRICULTURAL ACT OF 1958

Mr. LANGER. Mr. President, the Senate soon will be considering Senate bill 4071, the proposed Agricultural Act of 1958. I have received letters and telegrams which raise some serious issues concerning this proposed legislation. I ask unanimous consent that a telegram from the Walsh County Farmers Union, Henry Lundene, legislative secretary; a letter from James G. Patton, president of the National Farmers Union, with an enclosure prepared by J. A. Baker; and a telegram from Charles B. Shuman, president, American Farm Bureau Federation, be included at this point in the RECORD.

There being no objection, the telegrams and letter were ordered to be printed in the RECORD, as follows:

ADAMS, N. DAK., *July 7, 1958.*

Hon. WILLIAM LANGER,
United States Senator,
Washington, D. C.:

We believe the pending farm bill in the Senate Agriculture Committee inadequate. We urge you to amend this bill to include all basics in spite of the threat of a Presidential veto.

WALSH COUNTY FARMERS UNION,
HENRY LUNDENE,
Legislative Secretary.

NATIONAL FARMERS UNION,
Washington, D. C., July 8, 1958.

Hon. WILLIAM LANGER,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR LANGER: S. 4071, the proposed Agricultural Act of 1958, is unbelievably bad from the standpoint of family farmers.

In a fundamental sense, it abandons three basic principles of the farm program as we have known it.

1. For all intents and purposes, the bill abandons the parity concept and accepts in lieu thereof "10 percent less than the free market."

2. The bill is an entering wedge to abandon devices and machinery by which farmers may adjust market supply into reasonable balance with demand; and

3. The bill disregards needed improvements in the programs for not only the commodities covered but also for additional important commodities as well, such as manufacturing milk and butterfat, wheat, hogs and cattle, eggs, potatoes, turkeys, and wool.

I respectfully urge your initiation and support of efforts on the floor to correct these deeply significant weaknesses.

In the event your efforts fail to improve the bill and return to it the concepts of parity, market-supply management, and farm-income improvement, then I strongly urge you to do all you can to defeat the bill on final vote. No bill this year would be better than a bill that will strike a potentially fatal blow into the heart of the entire farm program.

I am enclosing a detailed analysis of the provisions of the bill which I hope you will study earnestly. S. 4071 is not merely a tinkering with support limits, formulas, and acreage allotments; this bill, if enacted, would make a fundamental, all-pervading change in the nature of the farm program.

Sincerely,

JAMES G. PATTON,
President.

REPORT ON LEGISLATIVE DEVELOPMENTS

JULY 2, 1958.

This bill is unbelievably bad. If enacted, it would represent a 180° turn away from kind of farm policy favored by Farmers Union. Specifically, it greatly weakens the existing price-support programs for corn, cotton, rice, sorghum grain, rye, oats, and barley.

But its long-term fundamental implications are even more threatening and disastrous than the rather sizable immediate cuts it makes in the support levels of these specific commodities. The very serious threat of this bill to family farming takes a little time to soak in. But when it hits, the impact is tremendous. This bill, if enacted, could well set into motion the economic and political process by which vertical integration by nonfarm corporations would replace family farming as the basic structure of American farming.

1. The bill adopts the reactionary concept that the so-called free market, rather than parity, should be the goal and measuring guide of farm programs. Price-support levels based on parity are replaced by (a) fixed dollar-and-cents floors and (b) the ever-falling support level of 10 percent below the average market price of preceding 3 years.

2. Bill abandons or seriously weakens the idea that market-supply management through marketing quotas and similar devices shall be used to enable farmers to acquire bargaining power. Acreage allotments for corn completely eliminated. Function of marketing quotas in cotton and rice programs completely changed.

3. If program is enacted for such politically important commodities as corn, cotton, and rice, it would probably be only a matter of a few years until the above two principles would be applied to wheat, tobacco, milk, and other commodity programs.

Bill is a suck-in subterfuge so designed as to sound relatively innocent, with provisions that hide or belie the real intent.

CORN

For example, the fundamental principles of the bill are applied immediately and fully only to corn. Corn is removed from the category of basic commodities. The acreage allotment program and price supports based upon a percentage of parity is repealed effective in 1959. Instead of making the existing corn program more workable, the whole program is abandoned and a new program with a built-in dual highway back to the completely free market is established in its place. Corn supports in the bill are set at (a) not less than the fixed dollar and cents figure of $1.10 or (b) 10 percent below the average market price of the preceding 3 years. With prices paid by farmers rising every year by 3 percent or more the fixed $1.10 would mean less and less as years go by. With 3 years of $1.10 support levels and market prices the support level under the other formula would drop to 90 percent of $1.10 or 99 cents per bushel.

OTHER FEED GRAINS

The support levels for grain sorghum, rye, oats, and barley are set at feed value equivalent to corn supports or 60 percent of parity. After a few years, if 60 percent of parity got secondary feed grain supports out of line with the dropping support price of corn, you can be sure that Congress would be pressured by the proponents of this approach to eliminate the 60 percent floor.

It should also be noted that the 60 percent floor for the secondary feed grains is 14½ percent below the 70 percent of parity support level established for 1958 by Secretary Benson. For grain sorghum, for example, this would mean a support level of $1.62 per hundredweight as compared with the 1958 support price of $1.83. Incidentally, the feed value equivalent of grain sorghum to 99-cent corn is $1.77 per hundredweight. The effect of the bill on rye, oats, and barley would be similar to that I have described on grain sorghum.

COTTON AND RICE

Bill puts off the free market pricing for cotton and rice by 2 years. That's the suck-in feature. A Farm Bureau witness frankly explained the reason to a House subcommittee recently. He said cotton and rice farmers weren't willing yet to accept price supports based on 90 percent of the free market. But with 2 years educational program, he thought they would be willing.

For all intents and purposes, the long-term program for cotton and rice is the same as for corn and the other feed grains. Prices would be supported at not less than 10 percent below the average market price during the immediately preceding 3 years. Marketing quotas and acreage allotments would be relaxed, considerably more than economic application of the price inelasticity of demand would indicate, and surpluses would continue to pile up in CCC forcing still further reductions in support levels.

COTTON

For cotton, in 1959 and 1960 each individual producer would be given the option of taking (B) his share of 16 million acres national allotment plus 40 percent more acres and 60 percent of parity supports; or program (A) his share of 16 million acres with supports at whatever the sliding scale calls for with the supply percentage calculated to include the additional cotton that would be produced in program B. (Thus the temporary support level for even program A would probably be no more than 75 percent of parity in 1959.) Note that the 16 million acreage allotment for 1959 is a rather severe cut from the 1958 national acreage allotment of 17.7 million acres. The program is thus loaded so that most producers will be forced to add 40 percent extra acres, take 60 percent supports and thus get in line to fit into the 10 percent below market price supports that are scheduled to go into effect in 1961. As an added feature to suck in the Southeastern cotton areas with attractive bait, acreage allotments of 10 acres or less would not have to be cut below the 1958 allotment.

The bill now provides that in no event shall the market price of cotton be allowed to drop below 30 cents per pound for middling 1 inch; that's about 26 cents a pound for seven-eighths inch middling which is currently the official grade for price-support purposes. The 26 cents compares with a 1958 support price of 31 cents.

RICE

Bill freezes 1958 rice acreage allotments permanently. And removes rice from category of basic commodities whose support level would be calculated according to the supply percentage table in the 1949 act. Thus even if rice supplies are reduced the floor support level would not be raised. Instead, for 1959 and 1960, the support floor for rice would be a simple 75 percent of parity. Beginning in 1961 the rice support level would be calculated as 10 percent below the average market price for the preceding 3 years. Sets $4 per hundredweight as minimum. (Which is subject to later change by Congress, of course.)

LONG-TERM PRICE IMPLICATIONS FOR COVERED COMMODITIES

This bill, which applies specifically to cotton, rice, corn, and the other feed grains is a highly dangerous entering wedge to making a reactionary reversion to the fully flexible free market farm price policy of the early 1920's.

The reversion to free market pricing without market supply management and without compensatory payments goes into effect for corn and other feed grains in 1959 and for cotton and rice in 1961. Thus, the support and market prices of these commodities would swiftly fall to the long-term equilibrium free market level as during the 1920's and in the early 1930's, after the Federal Farm Board went out of business. The United States price of cotton and rice would be the price established in European and Japanese markets in competition with cotton grown in other lands minus the cost of transportation across the Pacific or Atlantic Oceans. The United States price of feed grains would be established by the United States free market price of livestock which would be the Polish and Scandinavian price plus freight to the British Isles and France. Practically all economic statisticians who have studied the matter believe that corn would never rise above 95 cents in the Chicago market.

IMPLICATIONS OF BILL FOR COMMODITIES NOT SPECIFICALLY COVERED

More important to American agriculture as a whole, than even the destruction of the corn, cotton, and rice programs by enactment of the bill, would be the economic and political time bombs that its enactment would set up for future destruction of all the other farm income programs provided in existing law.

WHEAT, TOBACCO, AND PEANUTS

The implications of the bill for wheat, tobacco, and peanuts are practically obvious. If 10 percent below the free market and little or no market supply management is good enough for three of the basics (cotton, rice, and corn) it ought to be good enough for the other three. In addition, weakening the price support structure for cotton and corn will put added pressure on the wheat market in two ways. One, in the competition for land use and two, in the market. And even more importantly, Congress could not be expected indefinitely to maintain existing programs for wheat, tobacco, and peanuts, if the other three basics were operating on the 10 percent below market price formula.

If, as seems inevitable to me, the bill's principles were applied to these other basic commodities, then the wheat, tobacco, and peanut marketing quota programs would be repealed and price supports for those commodities would be placed on the basis of 10 percent below the average of the previous 3 years with unlimited production.

No one knows for sure how far the price of tobacco would fall, certainly to the figure below which Rhodesia could no longer raise tobacco with what amounts to practically slave labor. The support level for wheat would drop to 10 percent below the domestic United States market price for corn plus 4 or 5 cents. Wheat would be lucky to average $1 per bushel, year in and year out, with the price much below that in years of heavy world wheat supply in relation to the supply of corn and sorghum grain.

The support price for peanuts in this event would drop to 10 percent below the price the market would pay for their use for oil.

MILK AND DAIRY PRODUCTS

The bill has no provisions specifically for milk. As of now the existing 75 percent of parity floors for butterfat and manufacturing milk would remain in effect, as would the provisions under which Federal milk marketing orders are established.

But with feed grains and wheat on a 10 percent below market price support program, there would not be any lack of farm program wreckers who would spend a lot of time pointing to the "unusually favorable milk-feed ratio" and start raising cain. Moreover, they would have some economic facts to point to. With feed grains and wheat on the free market, with livestock prices dropping to fit free market feed grain prices, there would be a great incentive for everybody who could to go into the business of producing milk for sale to the Government at the then relatively favorable 75 percent of parity fixed floor. Government purchases of dairy products would greatly increase; the amount of costs recoverable in distribution outlets would fall, and the net Government costs of the dairy program would soar. This would set the stage for a great hue and cry to add butterfat and manufacturing milk to the list of commodities that had been placed on the 10 percent below market price support program.

BUTTERFAT

If butterfat were placed on the 10 percent below market price support floor, it would be only a matter of years until the support price for butterfat would drop to 10 percent below the wholesale price of oleomargarine; this would mean a drop from the 1957–58 support level of 58.6 per pound to less than 20 cents per pound.

MANUFACTURING MILK

If the support floor for manufacturing milk were placed upon a 10 percent below free market basis, the volume of consumption of ice cream would undoubtedly increase by more than the price fell. But the price of cheese, of dry milk solids, and of evaporated milk would probably drop to the Philippine or Venezuelan free market price minus freight. The price of dry milk solids would fall to feed value, or less than the cost of transporting skim milk from the farm to the drying factory. United States cheese prices would drop to the European price minus Atlantic Ocean freight.

CLASS I FLUID MILK UNDER FEDERAL MARKETING ORDERS

This type of milk, and the producers thereof, would be affected by this bill in three possible ways.

First, most of these producers bring to market a surplus of milk above that which goes into class I bottles for delivery to housewives. All of such surplus milk would drop in price as indicated above for manufacturing milk and butterfat. Consequently the blended average price of participating milk producers in Federal order areas would fall as a result of lower prices for class II milk.

Secondly, in most market order areas the price placed on class I milk is determined, at least in part, by the market prices of manufacturing milk and butterfat. Thus the class I price would be deflected downward.

But, the third implication of this bill is probably the most dangerous to milk order area producers. The Federal milk orders, under the Agricultural Marketing Agreements Act, have special criteria for pricing of class I milk. But is it reasonable to suppose, politically, that if all other farm commodities and all other kinds of milk and milk products are being priced and supported under the 10 percent below market price theory, that the Federal milk order legislation will not also be changed to use the 10 percent below market formula rather than the criteria now specified in the law.

Former Assistant Secretary Earl Butz and present Assistant Secretary of Agriculture Don Paarlberg have in various speeches both

pointed out that the same points made in favor of the Benson philosophy for manufacturing milk in relation to artificial supports were equally applicable to class I milk pricing under Federal orders. The implications of these statements, taken in relationship to the provisions of the Senate committee bill, seem clear and prophetic.

It would be just a matter of time until all milk was reduced to the uncontrolled free market level. Nobody now knows for sure how low that might be, but reliable estimates to put it in the neighborhood of $1.75 to $2 per hundreweight compared with a current average price of all milk wholesale of $4.11.

SUMMARY

As is relatively clear from the foregoing discussion, I feel that the hidden and long-term implications of S. 4071, the Senate committee farm bill, are more dangerous and sinister than even the injustices specifically done to corn, cotton, rice, sorghum grain, rye, oats, and barley.

As I understand the deals that have been made, the administration has agreed to sign the bill as passed out of the Senate committee.

Because it provides for freezing rice acres at the 1958 level, reduces the scheduled cut in cotton areas, and eliminates corn allotments entirely, the bill has a certain amount of surface attractiveness to someone who takes a quick look at its provisions.

Actually, the bill is a first step down a long road that ends in the kind of farm-price situation that came about in 1932 after the Federal Farm Board beginning was abandoned.

It will be extremely difficult to defeat the committee bill. Lots of people hate to vote against a farm bill. The offer of the administration to sign it and give cotton and rice producers some acreage relief in 1959 will be persuasive. Every possible effort is being made to prevent any widespread knowledge of the provisions of the bill from becoming widely known prior to Senate floor consideration. The first effort by its proponents was to rush the bill through to passage even before Alaska was admitted to the Union.

Senator HUMPHREY stopped that by putting up a flag in the Democratic Policy Committee that the bill was controversial. Now it would appear that the bill will not be debated prior to the middle of next week and probably not until July 11.

However, the committee report does not explain the true nature of the bill, but wraps the whole thing up in soothing sirup, as you can tell from reading it. Time was not adequate for HUMPHREY, PROXMIRE, and SYMINGTON to make a complete and comprehensive analysis of the bill in drafting their minority views.

This bill goes a long ways in the direction of adopting the major provisions that Benson and Eisenhower recommended at the beginning of the session. In fact, the bill differs only in minor particulars for the commodities to which the principles are applied in the bill.

Support levels of proposed bill compared with that which would otherwise be in effect for 1959 are shown in the following table:

	Existing program	Proposed for 1959 in Senate bill
Cotton.....per pound...	$0.35	$0.29
Rice.....per hundredweight...	4.72	4.33
Corn.....per bushel...	1.36	1.10
Sorghum grain per hundredweight...	1.83	1.60
Oats.....per bushel...	.61	.57
Rye.....do....	1.10	.98
Barley.....do....	.93	.90

In later years, of course, the prices of all these commodities would fall from year to year until the free-market price stabilized at the world price or whatever other level it might stabilize at. Serious as these specific weaknesses of the Senate bill are, they are outweighed by the long-term implications discussed above.

Since the Senate bill, if enacted into law, sets up the economic and political time bombs that could and probably would return all farmers to the unregulated, unaided free market, it seems to me that this would largely open the way to usher in the era of farming by vertically integrated nonfarm corporate management, probably most commonly chainstores.

Unless the trend in that direction were stemmed and changed, it would spell the doom of the family farm and family farm rural communities as we have known them. The agricultural producers then would not need farm organizations, but a specialized type of bargaining agency somewhat similar to industrial labor unions.

(Prepared by J. A. Baker.)

WASHINGTON, D. C., *July 14, 1958.*

Hon. WILLIAM LANGER,
United States Senate,
Washington, D. C.:

The American Farm Bureau Federation supports the principal provisions of S. 4071. We recommend that you oppose crippling amendments that would jeopardize final enactment of this urgently needed legislation. We fear that the provision of the bill establishing fixed permanent minimum price floors might prevent its successful operation; therefore, we favor an amendment terminating such artificially fixed-price floors for cotton and rice in 1962 and for corn and other feed grains in 1960. If wool bill, S. 2861, is offered as amendment to S. 4071, recommend support amendment by Senator BENNETT to provide that at least one-third of the sheep producers participate in the referendum to make results legally binding on every producer.

CHARLES B. SHUMAN,
President, American Farm Bureau Federation.

The PRESIDING OFFICER. Is there further morning business?

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there further morning business? If not, morning business is concluded, and the Chair lays before the Senate the unfinished business.

EXTENSION OF TRADE AGREEMENTS ACT

The Senate resumed the consideration of the bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Texas [Mr. JOHNSON], the Senator from California [Mr. KNOWLAND], and other Senators to strike out sections 6 and 7.

The unanimous-consent agreement is now in effect and controls the time.

Mr. KNOWLAND. Mr. President, I yield 10 minutes to the Senator from Nevada [Mr. MALONE].

Mr. KERR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KERR. Who has control of the time on this question?

Mr. JOHNSON of Texas. Mr. President, will the Senator from Oklahoma yield to me?

Mr. KERR. I just addressed a parliamentary inquiry to the Chair. I shall be glad to get the information anywhere I can.

Mr. JOHNSON of Texas. The unanimous-consent agreement appears on the front page of the Senate Calendar.

The PRESIDING OFFICER. Let the Chair read what the agreement provides:

Provided, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Under that agreement, it is the Chair's opinion that the time will be controlled by the majority leader and the minority leader.

Mr. KERR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KERR. Are both the majority leader and the minority leader joint authors of the motion to strike?

The PRESIDING OFFICER. The Chair is so informed.

Mr. KERR. And two of the movers control the time both in favor of and in opposition to the motion?

Mr. KNOWLAND. Mr. President, if the Senator will yield, I should like to say this is a customary unanimous-consent agreement. Certainly, so far as the majority and minority leaders are concerned, the time in opposition to the amendment will be yielded to those Senators who are opposed to the amendment; and acting on the only request I have had up to this time, I have just yielded 10 minutes to the Senator from Nevada [Mr. MALONE], who is opposed to the amendment. So far as we are concerned, additional time will be yielded to any other Senators who are in opposition to the amendment.

Mr. JOHNSON of Texas. Mr. President, I agree with what the Senator from California has said, and make this additional statement: As is known by Senators who have been present when unanimous-consent agreements have been entered into through the years, it is not particularly important who physically rises to yield time provided there is a fair distribution of time between the two sides.

The minority party for many years felt that unless they had control of the time for the minority, there were occasions when they could not voice their opposition. So we have a routine, formal, mimeographed consent agreement which for several years we have been using.

So far as I know, no Senator who has desired time has ever been deprived of any time because the majority and minority leaders controlled the time; but in case those who are opposed to the amendment do not have all the time they want under the unanimous-consent agreement, or in case some of them who are seeking time do not get the attention and approval of the minority leader in the allocation of the time, I am prepared to yield a part of the time, either on the bill or on the amendment, to the opposition, which we frequently do in order to see that each Senator is taken care of and has such time as he may desire.

Mr. KERR. I thank the majority leader and the minority leader for their frank and able and lucid statements. I wish to say that I was not seeking in any way to cast the slightest reflection on either of them, because if there are two Senators in whose integrity and fairness I have confidence, it is the majority and the minority leaders. I was just struck with the significance of the fact that the two leading Members of the Senate, being joint authors of the motion to strike, controlled the time both for and against the motion to strike; and I hoped that fact alone would not add to the already tremendous persuasiveness which they have in influencing the Members in their votes.

Mr. JOHNSON of Texas. I doubt that much prestige will flow from the authority to be recognized and yield time.

Mr. President, I ask unanimous consent that the time we have consumed thus far be charged to neither side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Nevada is recognized for 10 minutes.

THE JOHNSON-KNOWLAND AMENDMENT TO PREVENT CONGRESS FROM EXERCISING ANY AUTHORITY TO PREVENT AMERICAN JOBS TRANSFERRED TO FOREIGN NATIONS

Mr. MALONE. Mr. President, the amendment offered by the majority and minority leaders of the Senate Mr. JOHNSON, of Texas, and Mr. KNOWLAND should be rejected. Even with that amendment, the bill itself should be defeated.

This amendment proposes to strike out what is merely a gesture to Congress, inserted by the Senate Finance Committee asking it to approve the Executive's action in bypassing the Tariff Commission evading an escape-clause recommendation by the Tariff Commission in trading on industry to further his foreign policy.

He could not transfer American jobs and investments to foreign nations, unless he had a majority vote of the Members of Congress representing the working men and investors.

The Constitution of the United States pointedly separates the regulation of national economy from the fixing of foreign policy.

Article I, section 8 fixes the responsibility of regulating the national economy—the regulation of foreign trade in the legislative branch.

The fixing of foreign policy is put in the hands of the Executive, under article II, section 2.

The 1934 Trade Agreements Act was a violation of the Constitution in tying the two together, placing the regulation of foreign trade in the hands of the Executive, with no check whatsoever by Congress to prevent an industry from being destroyed.

The passage of that act by Congress was for an emergency period of 3 years. It has been extended 10 times for periods ranging from 1 to 3 years. It is proposed now, in the bill passed by the House, to extend the act for 5 years, and to permit a 25-percent further reduction of tariff, after 75- to 80-percent reductions have already been afforded.

DESTROYING THE AMERICAN WORKINGMEN AND INVESTORS

It is well known that the Congress has virtually abdicated its power over appropriations to the Executive—so the representatives of the people have very little constitutional responsibility left.

Mr. President, a vote for the extension of the 1934 Trade Agreements Act—the so-called Reciprocal Trade Agreements Act—will be a vote to destroy the American workingmen and investors.

Under the act, which expired on June 30 of this year, the President could and did trade a part or all of any industry to foreign nations, if he believed such action would further his foreign policy, without consulting the Congress or those whose jobs and investments he would be transferring to foreign low-wage nations.

EXPORT AMERICAN JOBS

Mr. President, the effect of trading an American industry to further his foreign policy is to export American jobs and investments.

We have lived on emergencies, wars, and preparations for war for 24 years, since 1933. This Nation is still living on a war economy.

The expenditure of some $40 billion to $50 billion a year is made in preparation for war.

REVERTS TO TARIFF COMMISSION

If the 1934 Trade Agreements Act which expired on June 30 is not extended, upon the passage of 60 days and 180 days' notice, respectively, the products covered by the multilateral and bilateral trade agreements will revert to the Tariff Commission, an agent of Congress of the statutory rate, and such duties or tariffs will be continually adjusted on the equalization of cost of production principle, which was adopted in the 1930 Tariff Act.

FLEXIBLE TARIFF

The 1930 Tariff Act, to which we will revert on the statutory rate if the 1934 Trade Agreements Act is not extended, is a common sense act, since it provides that the tariff shall be continually adjusted to equal the difference between the wages and cost of production in the United States and in the chief competing nation, on each product, such tariff be continually adjusted to credit such foreign nation with any rise in the standard of living.

Then when the foreign nation has reached or approached our living standard, free trade would be almost immediate and automatic.

AMERICAN STANDARD OF LIVING MAINTAINED

Mr. President, under this method our own standard of living would be maintained, while we would be encouraging foreign nations to raise their standards of living. This method would also take the profit out of the foreign sweatshop wages at the water's edge and would encourage foreign nations to allow the wages of their own workers to be increased, since there would be no profit in holding the wages down.

NO RECIPROCITY

Mr. President, it should be apparent to this body that there is no reciprocity in multilateral or bilateral trade agreements with low-wage foreign nations, since they do not need to keep their agreements with us so long as they can show that they are short of dollar-balance payments, and that condition will prevail until our markets and our wealth are equally divided among such nations.

Mr. Dulles, the Secretary of State, admitted that to be a fact, and Mr. Weeks also admitted it, in cross-examination before the Senate Committee on Finance.

The 36 foreign competitive nations are sitting at Geneva continuing the division of the American markets and jobs among them, using every device which has been developed during the past 300 years of colonial history, to prevent American access to their markets.

USE OF EVERY KNOWN DEVICE

The foreign nations use tariffs, import permits, export permits, and the manipulation of the value of their money in terms of the dollar for trade advantage.

FORCING AMERICAN INVESTMENTS ABROAD

European and Asiatic nations thoroughly understand the use of these devices to force the location of American industrial investments in their countries and thus to supply their own markets, and then, by use of our free trade policies, to supply the American market.

NO AMERICAN JOB OR INVESTMENT SAFE

Mr. President, no American job or private investment is safe so long as the President can trade American industries or products to foreign nations to further his foreign policy.

CONSTITUTION SEPARATES REGULATION OF FOREIGN TRADE FROM THE FIXING OF FOREIGN POLICY

The Constitution pointedly separates the regulation of the national economy and foreign trade through the adjustment of duties or tariffs, from the fixing of foreign policy.

Article I, section 8, puts the regulation of the foreign trade and the national economy in the hands of the legislative branch, and article II, section 2, puts the power to fix the foreign policy in the hands of the executive branch.

THE CONSTITUTION

The reason for that separation, of course, is evident. It is for the purpose of seeing to it that American jobs and investments cannot be traded for a for-

eign policy without the consent of the Congress directly representing the people.

Mr. President, the first suggestion that American jobs and investments should be traded for a foreign policy came from the V. Frank Coes, the Harold Glassers, the Victor Perlos, and later the Harry Dexter Whites, the Alger Hisses, and their kind, supported by the like of Henry Wallaces holding Cabinet jobs in the early thirties. These men were some of the finest traitors this Nation ever produced—but the Congress is still voting for their policy.

Then, in 1949, Mr. Acheson, the Secretary of State, gaining momentum toward internationalism—this was the first time it came directly from the Secretary of State—said that it was no longer possible to separate the regulation of the national economy from the fixing of foreign policy.

Then Mr. Thorp, his assistant, testifying before the Committee on Ways and Means of the House of Representatives in January 1949, said that the Marshall plan, that is, sending billions of dollars to Europe, trading American industries to foreign nations for the furtherance of foreign policy, as set up in the 1934 Trade Agreements Act as extended, and the International Trade Organization, which would approve the GATT—General Agreements on Tariffs and Trade—operation at Geneva, where 36 foreign competitive nations are dividing our remaining markets—was necessary for the Executive to further his foreign policy.

Mr. President, the amendment should be defeated, because even if the language as recommended by the Senate Committee on Finance is adopted it would be merely a gesture to Congress that it must approve the decisions of a President when and if he decides to sidetrack the recommendations of the Tariff Commission as to the matter of preserving an industry, American jobs, and investments, instead of trading the industry to a foreign nation.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the amendments and changes made in H. R. 12591 by the Senate Committee on Finance, reported July 10, 1958.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). Is there objection to the request of the Senator from Nevada?

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMENDMENTS AND CHANGES MADE IN H. R. 12591 BY THE SENATE COMMITTEE ON FINANCE REPORTED JULY 10, 1958

General authority: Authority of the President to enter into trade agreements is reduced to 3 years from June 30, 1958 to June 30, 1961, from the House bill which proposed 5 years.

Tariff reductions: Authority is granted to reduce tariffs by (1) reduction of rates existing on July 1, 1958 by 15 percent in stages of not more than 5 percent in any 12-month period up to June 30, 1961 and unused authority may not be carried over. (House bill proposed 25 percent with not more than 10 percent useable in any one year.) (No change made in other alternative reductions of House bill.)

Tariff increases: Same as in House bill.

Escape clause procedure: The Senate Finance Committee provided that the Tariff Commission's recommendation in escape clause procedure would become effective unless a disapproval by the President is confirmed by majority vote of the Congress.

Tie vote on Tariff Commission in escape clause procedure: In the case of a tie vote by the Tariff Commission as to injury, the affirmative findings would be considered the findings of the Commission. In the event of conflicting recommendations by the Tariff Commission as to remedy, the recommendation which in the opinion of the President provided the greatest relief to the industry would prevail.

Peril point procedure: Same as in House bill.

National security amendment: The Senate Finance Committee broadened the security amendment to provide that the President must take into consideration the effect on national security of a weakening of the country's economy by excessive imports of individual products.

Investigating committee: The Senate Finance Committee amended the bill to establish a nine-member bipartisan Commission to be composed of 3 members appointed by the President, none of whom may be members of the executive branch, 3 from the Senate Finance Committee and 3 from the House Committee on Ways and Means, to investigate and report on the international trade agreement policy of the United States and to recommend improvements in policies, measures, and practices. An interim report is to be filed on or before June 30, 1959, and a final report is to be filed not later than June 30, 1960.

EASTERN METROPOLITAN PRESS REPORTS

Mr. MALONE. Mr. President, we have noted in the metropolitan press throughout the eastern portion of the country that they have joined the State Department, the motion-picture industry of Hollywood, through Eric Johnston, to put pressure on the Congress, as well as the pressure from the White House, which adds up to the combination of the greatest lobbying activity the Congress has ever experienced to keep the constitutional responsibility of Congress to regulate foreign trade in the White House.

I have before me two editorials published this morning. The first is from the New York Times, with respect to the reciprocal trade bill. It says in part:

Yet some Senators support a reciprocal trade bill that would make a mockery of reciprocal trade. The changes the Finance Committee made in the House-approved bill would surely tend to drive tariffs up instead of down—so that it is no wonder the administration, which finally got into this fight with vigor, described them as "completely unacceptable."

The PRESIDING OFFICER. The Chair regrets to inform the Senator from Nevada that his time has expired.

Mr. KNOWLAND. Mr. President, I yield an additional 5 minutes to the Senator from Nevada.

Mr. MALONE. Mr. President, it is completely forgotten by the editors of these newspapers, or whoever writes the editorials, that the regulation of tariffs or duties is the constitutional responsibility of the Congress and not of the President of the United States. By the tying of the two functions together, the fixing of foreign policy and the regulation of foreign trade and the national economy through the adjustment of duties, excises, and imposts, which we call tariffs, the Constitution was amended without submitting such amendment to the States. That was clearly an unconstitutional procedure.

Mr. President, an editorial in the Washington Post of this morning, says in part:

For the Senate to place the parochial demands of small groups of constituents above the larger Free World interest would be simply to aggravate the problems with which this country will have to deal.

These editorials simply state absolutely that the President should have the authority to exercise the constitutional responsibility of Congress in the regulation of the national economy and foreign trade, thus tieing the regulation of foreign trade and the national economy to the fixing of foreign policy.

TRADE WARS

Mr. President, I emphasize again that the wars we are fighting and have been fighting, for 2,000 years, as a matter of fact, are trade wars. We are now getting closer to the biggest trade war in history.

WESTERN HEMISPHERE REPORTS

There have been two Western Hemisphere reports by the Senate Committee on Interior and Insular Affairs. The first of these reports is Senate Report No. 1627, of the 83d Congress in 1954, dealing with the accessibility of strategic and critical materials to the United States in time of war and an expanding economy.

In that report it is stated categorically that we could make the Western Hemisphere self-sufficient in everything we need for war or peace, and that we could defend it from North America.

A later report, an economic report on the 42 nations and entities of the Western Hemisphere, Senate Document 83 of the 84th Congress in 1955, on critical materials and the factors affecting self-sufficiency within nations of the Western Hemisphere with respect to the economic relationship of those countries.

For 200 years wars have been fought to control trade. We have fought three trade wars in our time, World War I, World War II, and the Korean war. We gave as our reason for the last three wars that it was necessary to obtain certain strategic materials from across major oceans. Nothing could be more fallacious. If we wish to continue to go to war to protect oil for Europe, or for any other reason, let us give the real reason, and stop talking about it being necessary for our national security or our accessibility to the critical materials we need in peace or war.

The amendment should be defeated.

Mr. President, I yield back the time remaining to me.

Mr. JOHNSON of Texas. Mr. President, I yield 5 minutes to the distinguished senior Senator from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. Mr. President, I support the amendment offered by the distinguished Senator from Texas [Mr. JOHNSON], which would strike out

sections 6 and 7 of the pending bill and thereby retain the President's primary authority for determinations in escape-clause cases.

There are several reasons, Mr. President, why I oppose the existing provisions in the bill.

First, the adoption of sections 6 and 7 would be equivalent to removing the President as an essential factor in the fixing of tariff rates. It would, in effect, delegate the Tariff Commission, instead of to the President, the authority to establish tariff rates in cases where escape-clause matters were involved.

Second, it is necessary to weigh factors other than injury to a domestic industry in escape-clause cases. The Tariff Commission is primarily concerned with the question of domestic injury. However, other factors include the effect of such a decision on American exports, its implications with respect to foreign policy, the protection of American consumers, and the problem of working out compensatory reductions with other nations for other industries.

Most particularly in this regard, I am concerned with the implications with respect to foreign policy. The President is charged with the constitutional authority to conduct foreign affairs. In the present-day world of cold war, he must take into account political, security, and diplomatic considerations as well as economic. No other organ of Government has the capability or the authority to consider all the possible ramifications. This is why it is essential that the President be given a decisive role in making such decisions.

Finally, Mr. President, I oppose the present sections because when all the members of the Tariff Commission appeared before the Ways and Means Committee in the House, they stated that they did not want the responsibility for making final decisions in escape clause cases; that in their opinion they were not qualified to carry out all this responsibility and cover the many other factors that are involved in such considerations, namely, the effects on our national interest, other domestic industries, our partners in the Free World, and our international obligations, and, that not only was the President qualified, but that it was inadvisable for the Commission to be given final determination in these matters.

The comments of the members of the Commission are to be found on pages 195 through 210 in the House hearings on the bill. Their unqualified opposition to the concept of placing final decision in escape clause cases in the Commission, lends great weight to the amendment of the Senator from Texas. For the several reasons I have listed, I urge its adoption.

Mr. LONG. Mr. President, as acting majority leader I yield 5 minutes to the senior Senator from Virginia [Mr. BYRD].

Mr. BYRD. Mr. President, the purpose of the escape clause is to provide a means by which industry that is damaged or threatened with damage from foreign imports can find relief. Its application applied to those cases where such imports have reached damaging proportions as a result of concessions that have been granted under the trade agreements legislation.

Under the conditions of H. R. 12591 as passed by the House of Representatives, the Tariff Commission upon petition from an industry, would, within a 6 month period, examine the factors involved and would submit to the President its finding, which may indicate damage or threatened damage, together with its recommendations for remedy. The President may then call upon the full facilities of the executive branch of the Government, specifically upon the newly established Trade Policy Committee, to provide him with full information regarding the impact of the Tariff Commission recommendations upon this country.

In consideration of such recommendation the full broad spectrum of the Nation's interest is considered. This can easily be seen from a recognition of the role and the composition of the membership found in the Cabinet members who make up the Trade Policy Committee—State Department, review of international political implications; Defense Department, review of application to our national security; Treasury, regarding the monetary aspects; Agriculture, a review of the effect upon our agricultural segment of the economy; Interior, the implications dealing with our minerals; Labor, the employment or threatened unemployment aspects; and Commerce, which would express its interest in all segments of business, large and small. It is particularly significant that the Secretary of Commerce is the Chairman of this Committee, pointing up the President's recognition that the effect of import competition upon our internal domestic economy is paramount.

The House-passed measure establishes a significant safeguard in addition to the usual interest in the Nation's well-being that can be assumed to be a part of the President's action. This additional safeguard is found in the responsive machinery for Congressional override by a two-thirds vote of the President's decision. Such machinery is effective inasmuch as the expression of Congressional will would be accomplished through a concurrent resolution with privileged status.

The action of the Senate Finance Committee in revising section 6 presents an entirely different result. Its principal features of the Kerr-Thurmond amendment are as follows:

First. It removes the authority and the responsibility of the President in making final determinations in escape clause cases.

Second. It provides that Tariff Commission determination becomes effective unless cumbersome action is taken by both the President and the two Houses of Congress. This in spite of well known limitations that make it impossible for the Tariff Commission to consider factors beyond the direct effect of specific imports upon a specific industry. The Tariff Commission has repeatedly recognized that it does not have the capability for determining effects upon our foreign policy, upon our national security posture, upon the retaliatory effect of reduced exports upon broad segments of our economy, upon the establishment of important trade patterns, or upon many other areas of national interest.

Third. The Kerr-Thurmond amendment provides that "recommendations of that group within the Commission which recommends the greatest measure of relief" becomes the remedy that must be applied by the President. This provision would make it possible for a minority of the Tariff Commission to then impose its decision upon all elements of the American economy.

It is clear that the provisions of H. R. 12591 as passed by the House of Representatives makes it possible for the Nation to enjoy the full benefits of the capability of (a) the Tariff Commission in finding the fact of injury, of (b) the executive branch in examining the effect of action upon our total economy, and of (c) the Congress which has readily accessible machinery to express its will over all other actions. The Kerr-Thurmond amendment would destroy this balance of interest and capability.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. KNOWLAND. From the parliamentary point of view, if the pending amendment is adopted—and I support the pending amendment—in effect, so far as the Senate is concerned, it would make the law the same as it is today. Is not that correct?

Mr. BYRD. The Senator is correct.

Mr. KNOWLAND. So that in striking the Kerr amendment, we strike both the language of the Kerr amendment, which had been placed in the bill by an 8-to-7 vote in the Committee on Finance and the House language. Is that correct?

Mr. BYRD. Yes; and we can then go to conference on it.

Mr. KNOWLAND. Then the matter will go to conference.

Mr. BYRD. Yes.

Mr. KNOWLAND. Therefore, the Senate position will stand as the law is at the present time, and the House provision will call for a two-thirds vote.

Mr. BYRD. Yes. There will be greater latitude for the conferees.

Mr. JOHNSON of Texas. Mr. President, Congress in its wisdom has for many years delegated to the President the very great responsibility of conducting the reciprocal trade agreements program. It has done this for a variety of reasons. I realize that the executive action has been very disappointing in some instances. However, as the great Senator from Georgia frequently used to say: What is our alternative?

I believe the alternative to the present act is for Congress to attempt to legislate tariff rates on individual commodities, which would be much more trying and would probably result in more inequities than would result from delegating the authority to the Executive.

Once we delegate the power to the President, we say to him: "It is your responsibility. We delegate this responsibility to you. We expect you to use it effectively. However, we are not going

to put you in chains or handcuffs or a straitjacket."

I appreciate the motives of those who sponsored the amendment now in the bill. They are trying earnestly to straighten out what they regard as inequities in the law.

But I believe they have gone much too far. They have set up machinery which for all practical purposes would place the power of administering the trade program of the United States in the hands of six nonelected officials of the Government.

In fact, they have gone even further than that. They have placed the power in the hands of 3 of those 6 members.

I believe we are all aware of the realities of our governmental institutions. The substance of this amendment is that a recommendation for a higher tariff made by three members of the Federal Tariff Commission could be overruled only through the joint action of the President and the Congress of the United States.

This does not strike me as being an exercise of legislative authority. It seems to me to be an abdication of both executive and legislative authority.

It would be incredibly clumsy machinery if the President had to go to the Congress of the United States every time he sought to overrule the Federal Tariff Commission. It would require the action of the House of Representatives. It would require the concurrence of the Senate of the United States.

I do not believe that Congress is the proper body for making decisions which properly belong to the President. If we try to make such decisions, the practical effect will be to turn executive power over to the bureaucrats.

Mr. President, I hope my amendment will be adopted. Without it, the reciprocal trade agreements program will be turned over to three nonelected officials who can do something that the Congress of the United States itself cannot do—change the law by less than a majority.

Mr. President, I support the senior Senator from Virginia in the statement he has made. He is a tower of strength in this fight. I hope the amendment will be adopted and that the bill will be passed substantially as written with the adoption of the pending amendment.

Mr. BYRD. I thank the Senator from Texas.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on the amendment.

Mr MARTIN of Pennsylvania. The yeas and nays have already been ordered.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). The yeas and nays have been ordered.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator yield me 1 minute?

Mr. JOHNSON of Texas. I yield to the Senator from Pennsylvania such time as he may desire to use.

Mr. MARTIN of Pennsylvania. Mr. President, I rise in support of the amendment. At the present time the people of the United States understand the serious situation which confronts us all over the world. I have studied this question for more than half a century. In fact, the first time I heard the words "reciprocal trade" used was by McKinley, when he was a candidate for President in 1896 and when I, as a small boy, went with my father to one of McKinley's front porch meetings.

There is no question in my mind that freer trade all over the world is one of the greatest helps in securing peace. It is more effective than anything else that might be done. For that reason I sincerely trust that the amendment will be adopted. Then, as I understand, the whole matter will go to conference.

Mr. JOHNSON of Texas. If no other Senators desire to speak, I am prepared to yield back the remainder of my time in support of the amendment. First I ask unanimous consent that I may suggest the absence of a quorum and that the time consumed in calling the quorum be charged equally to both sides.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KERR. Mr. President, will the Senator from California yield 30 minutes to me?

Mr. KNOWLAND. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from California has 15 minutes remaining.

Mr. KNOWLAND. I yield to the Senator from Oklahoma 13 minutes on the amendment. I yield the remainder of the time to make up the 30 minutes on the bill itself.

Mr. KERR. Mr. President, I think the Senate is about to take one of the most important votes which has ever been taken. In order that the record may be clear about what the case is and what the facts are, I shall make some brief remarks.

As an example of the confusion which exists, and of the erroneous impression which is being created, I shall read a few words from an editorial published in the New York Times of July 15, 1958, entitled "Protectionists at Work." The word "protectionists" is used in the editorial as if protectionists were identified as evil persons.

I feel that I am a protectionist of the welfare of the people of Oklahoma and, I hope, of the Nation, and I do not regard it as evil. I think the day has come when more protectionists should be at work, dedicated to the welfare, the industry, and the economy of our country.

The other night, when I was speaking, a very dear friend of mine rose, the senior Senator from Minnesota [Mr. THYE]. He asked a question or two which I tried to answer. He said:

> I am honestly disturbed by all these telegrams requesting me to vote against the Kerr amendment. I am still listening to the argument of the Senator why I should vote in support of his amendment in the bill.

I wish to give the Senator from Minnesota to reason for his voting in support of my amendment to the bill, and I shall do so in his own words. The very next morning I received a letter from the distinguished senior Senator from Minnesota. I shall read it.

> UNITED STATES SENATE,
> COMMITTEE ON APPROPRIATIONS,
> *Washington, D. C., July 18, 1958.*
>
> The Honorable ROBERT S. KERR,
> *Senate Committee on Finance,*
> *United States Senate.*
>
> DEAR SENATOR KERR: A very serious situation is now developing endangering the future of iron mining in the United States. Because the iron and steel industry is the most basic industry in the United States, this problem is one of national importance.
>
> I have had a study prepared by the Library of Congress on the question of iron-ore importation. The facts are very disturbing and I am sure you will agree with me that a national policy must be formulated with respect to the domestic iron-mining industry or we may well see domestic production seriously curtailed.
>
> The enclosed table shows how rapidly imports have risen in the last 12 years, increasing from 1.3 percent of the United States production to 33 percent in 1957. During the same period, domestic production has increased to a peak in 1953 and has been reduced thereafter, creating very serious unemployment problems on the iron range area in Minnesota.
>
> In view of the situation cited above, I would appreciate your committee's giving favorable consideration to a resolution requiring the Tariff Commission to initiate an investigation under section 332 of the Tariff Act of 1930 into the domestic iron-ore industry and the major suppliers of foreign iron-ore imports.
>
> With kindest regards.
>
> Sincerely yours,
>
> EDWARD J. THYE,
> *United States Senator.*

Attached to the letter from the senior Senator from Minnesota was a suggested resolution to be considered by the Committee on Finance and a tabulation of Union States iron production, imports, and exports.

I ask unanimous consent that the resolution and table be printed at this point in the RECORD.

There being no objection, the resolution and table were ordered to be printed in the RECORD, as follows:

SENATE FINANCE COMMITTEE RESOLUTION

Resolved, That the United States Tariff Commission is hereby directed, pursuant to section 332 of the Tariff Act of 1930, to make an investigation of the conditions of competition in the United States between iron ore produced in the United States and in foreign countries, and to report to the Committee on Finance of the Senate the results of the investigation on or before March 1, 1959.

SEC. 2. The report of the Commission shall set forth a summary of the facts obtained in the investigation, including a description of the domestic industry, domestic production, foreign production, imports (including sources of imports), consumption, channels of distribution, United States exports, prices of domestic and imported ore, and the United States customs treatment (including trade-agreement obligations with respect to such treatment) since 1930. In the course of its investigation the Commission shall hold such hearing or hearings as it deems necessary or desirable.

TABLE 1.—*Iron ore: United States production, imports and exports*

[In million gross tons]

Year	Production	Imports	Exports	Imports as percent of production
1940–44 average	94.9	1.3	----------	1.4
1945	89.8	1.2	----------	1.3
1946	72.0	2.8	----------	3.9
1947	95.6	4.9	----------	5.1
1948	102.6	6.1	----------	5.9
1949	86.3	7.4	----------	8.6
1950	99.6	8.2	----------	8.2
1951	116.5	10.1	[1] 3.0	8.7
1952	97.9	9.8	5.1	10.0
1953	118.0	11.1	4.3	9.4
1954	78.1	15.8	3.1	20.2
1955	103.0	23.5	4.5	22.8
1956	97.8	30.4	5.5	31.1
1957 [2]	105.0	34.6	(3)	33.0

[1] Annual average, 1947–51.
[2] Preliminary.
[3] Not available.

Mr. KERR. Mr. President, the distinguished senior Senator from Minnesota himself in his letter gave eloquent testimony in favor of retaining the so-called Kerr amendment or Thurmond amendment, or Thurmond-Kerr amendment as it was placed in the bill by the Committee on Finance.

If the Senator from Minnesota thinks that the iron ore industry of Minnesota can get relief from the Tariff Commission either by reason of the showing they make or a favorable recommendation by the Tariff Commission, he should read the record of the ill fate of those industries, whose prayers for relief, when reinforced by a favorable recommendation by the Tariff Commission, have been stricken down, one after another, by a failure on the part of the President of the United States to act.

The editorial in the New York Times of July 11, 1958, refers to the very bad provisions placed in the bill by the Committee on Finance. It says:

> The most offensive of these is an amendment introduced by Senator KERR under which the President would, for all practical purposes, be shorn of his authority to have the final say in granting tariff increases or quotas under the provisions of the escape clause.

Mr. President, apparently the writer of that editorial does not know that nothing which Congress could do would result in the President's being shorn of his power to fix tariff rates, because the Constitution takes care of that matter when it places that responsibility and duty in Congress.

The editorial continues:

> The President's decisions in such cases would be valid only if supported by majority votes in both houses. The term "national security," which is used in some cases as a basis for pleading tariff relief, would be widened to include virtually every industry in the country.

Would not that be a tragedy, Mr. President? Would it not be a tragedy if the term "national security" were used to include the economic welfare of the American people? I ask Senators how they can dissociate the economic welfare of the American people from the term "national security."

The Washington Post and Times Herald of July 11, 1958, in opposing the amendment under discussion, said:

> This would not only be cumbersome and greatly compound the terrible uncertainty which always overhangs American tariff policy when the Commission's findings support demand for higher duties. It would also transfer to the legislative branch a foreign policy function which can only be effectively administered in the executive branch.

That illustrates the existence in the minds even of honorable people of confusion regarding who has the responsibility, first, for foreign affairs and, second, for the regulation of foreign commerce.

Mr. President, the danger which exists today is not that the Congress will interfere in the handling of foreign affairs. The danger is that the Executive will destroy the effectiveness of the Congress in the regulation of foreign trade and commerce.

Again, I remind my colleagues that under the Trade Agreements Act, the tariffs in effect in 1934 have been reduced an average of 80 percent or more. Under the House version of this extension bill, authority would be granted to reduce them 25 percent of the remaining tariffs. If scores of American industries have been injured by the reductions already put into effect, is it not apparent to Senators that the danger of injury will be greatly increased each time additional reductions are made?

American industry is confronted with two elements in respect to its competitive position, as compared to that of foreign producers. The first is the continued lowering of the tariffs; the second is the continuing increase in domestic wages, as compared to those paid in foreign countries by competing industries. The squeeze which already has been going on, which has resulted in such devastation to so many American industries, is nothing compared to what it will be in the period of time that this act is about to be extended, as the President continues to lower the tariffs, on the one hand, and as the cost of production by American industries, as compared to the cost of production of foreign competitive industries, continues to rise, on the other.

Mr. President, why do we feel that this amendment must necessarily be added to the pending bill? This act was before the Congress for renewal 3 years ago, and at that time men were concerned about the welfare of American industry. When House bill 1, the last extension of the Trade Agreements Act, was before the Congress, the Honorable JOE MARTIN wrote to the President of the United States a letter in which Mr. MARTIN asked for the attitude of the President with reference to his policy under the escape-clause provisions of the law. The President replied, "You need have no worry. I want to give you my assurance."

Here is what the President said: I refer to page 1065 of part 2 of the hearings on the Trade Agreements Act extension bill; these hearings are on the desks of all Senators. From the President's letter, I read the following words:

> I wish to comment on the administration of this legislation if it is enacted into law * * *. This program must be, and will be, administered to the benefit of the Nation's economic strength and not to its detriment. No American industry will be placed in jeopardy by the administration of this measure * * *.

Those were the words of the President on February 17, 1955. Has that pledge been carried out?

Mr. President, just 1 week before, Representative PERKINS BASS wrote to the President, and stated that the textile leaders "fear their industry may be in serious jeopardy if textile tariffs are further lowered," and added:

> I am sure you are aware of this problem peculiar to textiles, and that should the Reciprocal Trade Act be extended by the Congress, as provided in H. R. 1, you will bear this in mind, and will take no action which will injure or jeopardize this important industry, or any other for that matter.

The President reassured Mr. BASS on February 17, 1955, as follows:

> I appreciate that legislation of this character has always aroused concern among industries that are fearful it may be administered so as to affect them adversely. Such fears are in fact groundless, for it would ill serve our Nation's interests to undermine American industry or to lower our high living standards. Our own economic strength is a pillar of freedom throughout the world, and it would be irresponsible to take any action that would weaken it. For this reason no American industry is going to be placed in jeopardy by the administration of this measure. Nor will any American industry be placed in jeopardy in the trade negotiations which are to begin next week at Geneva under the existing trade agreements law.

Those were the words of the President of the United States in reference to this legislation.

Mr. President, would that those words had been justified. If the record of the administration of the trade agreements extension, as enacted 3 years ago, substantiated the promises the President made in those words, the present controversy would not be before the Senate.

But in utter and complete contradiction of those assurances by the President, I remind my colleagues that Robert T. Stevens, who for some time was in the Cabinet of President Eisenhower, had this to say when he was a witness before the committee; the testimony I am about to quote is to be found on page 1103 of part 2 of the hearings:

> Wages paid to workers abroad, making all kinds of imported goods, range from 35 to 40 cents an hour down to to about 8 cents per hour. By comparison I am sure it is unnecessary for me to cite the hourly rates of the average worker in the United States.

Then he testified:

> There are many figures which can be cited about the industry, but I will mention only a few.

He was referring to the textile industry, the one the President said, "I will protect," the one about which the President said, "They need have no fear."

Then Mr. Stevens said:

Since World War II, this is what has happened:

(a) Employment in the textile industry has declined by 345,000 jobs.

(b) 717 textile mills have closed.

(c) The number of spindles in place in American cotton mills has declined by 2,375,000.

Mr. President, that has happened not only in New England; it has also happened in Virginia, in Georgia, in North Carolina, in South Carolina, in Oklahoma—in fact, I would say, in at least half of the States of the Union.

Despite the fact that in 1955 the President said, "Such fears are groundless"—and he was referring to fears with reference to the economic welfare of the textile industry—we find that Mr. Stevens testified:

(d) Imports of cotton textile yardage have increased from 15,962,000 in 1947 to 122,444,000 in 1957. The total value of all imported cotton manufactures increased from $24 million in 1947 to $136,163,818 in 1957.

(e) Imports of woolen goods increased from 4,635,000 square yards in 1947 to 32,313,000 square yards in 1957. The total value of all imported woolen manufacturers increased from $33,100,000 in 1947 to $143,069,942 in 1957.

Mr. Stevens went on to say:

The blight is on a vast variety of items: textiles, machinery, machine, and hand tools, chemicals, metals, cameras, appliances, ceramics, and countless others.

In spite of the fact that the President of the United States said he would administer the law so that no American industry would be damaged or destroyed, Mr. Gordon R. Connor, from the great State of Wisconsin, representing the American Hardwood Plywood Manufacturers—and I regret that neither of the Senators from Minnesota is present on the floor—told the committee, as shown at page 1307 of the hearings:

Plywood imports from Japan are the primary cause of our industry's condition. * * *

Japan has increased its plywood exports to the United States from 10 million square feet in 1951 to 670 million square feet in 1957.

He said further:

Today, Japan can produce 3.6 billion square feet of hardwood plywood a year, over four times the shipments of the American industry in 1957.

The Japanese can sell no more than 1.4 billion square feet in their home market, and the balance, 2.2 billion square feet can be produced for export.

I read an excerpt from the Tulsa Tribune of recent date:

Ten years ago there were five manufacturers that were making sewing machines. The old Republican Party, holding fast to its high tariff pledge to the people, would have kept those manufacturers of sewing machines in business. Today there is only one of these companies left to make sewing machines. * * *

Less than 1,300 foreign bicycles were sold in this country when Eisenhower became President. According to trade reports of 1956, more than 1,173,000 bicycles were imported to compete and to liquidate American bicycle makers.

The same disastrous story is found with our watchmakers, manufacturers of sporting goods, lenses, cutlery, typewriters, chinaware.

That in spite of the fact, Mr. President, that Mr. Eisenhower, as President, solemnly assured Congress just 3 years ago that this program must be and would be administered to the benefit of the Nation's economic strength, and that no American industry would be placed in jeopardy by the administration of the act.

In the face of those assurances from the Executive, would not Congress be derelict in its duty if it extended the act without placing some additional features of protection in it for American industry?

The amendment complained of does not cripple the bill. It implements it. It makes it workable. It fixes it so that Members of this body can have something to say about whether or not the industries in their States are being treated in such a way as to prevent their being destroyed.

Oh, the President said not one single American industry would be impaired. The velveteen industry has been extinguished. It no longer exists. A similar result has occurred in industry after industry. Today half the people in a great Oklahoma community are out of work, because industry there is devoted to the manufacture of glass and its products, and the products of lead and zinc, and imports have put them out of business—in spite of the President's assurance that he would not permit such a thing to happen.

The Governor of Oklahoma had this to say a few days ago:

In this tristate area of Oklahoma, Kansas, and Missouri, more than 2,600 lead and zinc workers have been laid off. This is a loss of about $200,000 every week taken out of the local economy.

The reason for this? Zinc imports have increased 111 percent over the past 11 years, and lead imports have increased a whopping 231 percent.

It is the same story with oil under our new Federal voluntary oil imports program. Even greater amounts of foreign oil are being shipped in for sale at your corner gas station.

During just the past 3 years, foreign oil imports have increased by more than half a million barrels per day. The ratio between imports and domestic production now stands at 24.2 percent.

That's why the number of active drilling rigs in Oklahoma has dropped from 406 in 1955 to only 106 today. It is the reason about $700,000 per month in gross production tax is being lost to the State of Oklahoma, where it is badly needed for higher education and many other purposes.

Yet the President said, in his words to the Congress, that no American industry would be placed in jeopardy by this administration as a result of this measure.

What is the amendment before the Senate? It provides, as is provided in existing law, that if an American industry feels it is injured, it can go to the Tariff Commission with a petition for relief. It must carry the burden of proof. It will be compelled to establish by the preponderance of the evidence that it is injured. The Tariff Commission then, finding it has been injured, recommends that the President make provisions to eliminate the cause of the injury lest the industry be destroyed.

Mr. President, under the spirit of the law as enacted in 1955, and under the solemn promise of the President of the United States, he would have acted affirmatively when the recommendation of the Commission went to him but, in the majority of cases, about 2 or 3 to 1, he did not. So this amendment would say, if he wants to overrule the recommendation of the Tariff Commission, he shall submit the matter to the Congress, and if a simple majority of the Congress votes to sustain the President's position, then he is authorized to overrule the Tariff Commission, even if by doing so another American industry is destroyed. But unless a majority of the Congress, in whom the Constitution places this responsibility, agrees with the President, under this proposed act he is directed to carry out the recommendation of the Tariff Commission.

Therein, Mr. President, is the simple guard and protection to prevent destruction of American industry, which those who seek to strike the amendment from the bill and which those who write about it in the press claim to be unworthy of legislative action. Is it unworthy, Mr. President, that Senators should seek to be effective in carrying out their responsibility of protecting the economies of their States and the Nation? Is it unworthy that the Congress should have the right to help decide whether recommendations made by the Tariff Commission should be put into effect?

The Tariff Commission is not recommending things to destroy the program, Mr. President. The Tariff Commission is recommending measures to prevent destruction of American industries.

If the President of the United States had been sincere when he said, "No American industry will be placed in jeopardy by the administration of this measure," this amendment would not have been necessary in the first place, nor would he now be asking the Senate to strike the amendment from the bill. Is the President afraid of the United States Senate, Mr. President?

I ask Senators, how many times has President Eisenhower asked the Senate for a favorable resolution on his foreign policy and failed to get it?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KERR. Mr. President, will the Senator yield an additional 5 minutes?

Mr. KNOWLAND. I yield 5 additional minutes to the Senator from Oklahoma.

Mr. KERR. How many times has President Eisenhower asked for favorable consideration by the Senate and failed to get it? Is the President afraid that in the future he cannot get a majority of the House of Representatives and the Senate to agree with him? Are Senators so dedicated to escaping their responsibilities and putting the welfare of the industries of their States so completely in the hands of one man that they refuse to keep a slight check on the use of this power they delegate so freely? Why, Mr. President, that is absurd.

The amendment does not harm the bill, it helps the bill. The amendment gives hope to the American people.

Senators talk about telegrams from injured industries. If the amendment shall be agreed to, it will protect American industry, prevent injury, prevent destruction, and implement the pledge President Eisenhower himself made in 1955, "No American industry will be placed in jeopardy by the administration of this measure."

If we keep in the bill the amendment inserted by the Finance Committee we implement that pledge of Eisenhower. We will make it possible for the President to become a man of his word, so that his solemn assurance to the Congress of the United States and the people of the United States will be carried out.

What has happened proves that if the amendment is stricken from the bill, the industries in the States will have no assurance against destruction from foreign low-cost, low-wage competitive industries.

Mr. LONG. Mr. President, will the Senator yield?

Mr. KERR. I yield to the Senator from Louisiana.

Mr. LONG. Much has been said to lead us to believe that we must let foreigners have the American markets so that they can earn dollars with which to trade with us. I refer the Senator to the chart furnished by the Secretary of Commerce himself, which appears in the record of the hearings, and which shows that the United States international payments and receipts reflect an unfavorable balance for the United States for every year since 1948. If that trend continues we will not have enough gold even to support our own currency. If we want to continue the sort of aid program we have had in the past, and the various other programs designed to support and assist foreign countries, I submit we will be very ineffectual indeed when we find our gold reserves gone.

Mr. KERR. The Senator is entirely correct.

Mr. President, if the act is extended without the benefit and protection of this amendment, it will not be 3 years before either the President of the United States will have to take action to freeze the gold reserves we have in this country or we will be faced with such a condition that neither will the Federal Reserve have the required gold back of its currency, nor will the United States have the gold to meet the commitments to foreign countries which can be put into effect in an unfavorable trade situation such as has prevailed and will prevail by a continuation of the present law and a continuation of the present administrative policy in the administration of the law.

Mr. MARTIN of Pennsylvania. Mr. President, I yield 15 minutes to the Senator from South Carolina [Mr. THURMOND].

The PRESIDING OFFICER. The Senator from South Carolina is recognized for 15 minutes.

Mr. THURMOND. Mr. President, there have been certain arguments made on the part of the proponents of the trade bill which I should like to answer.

One argument which has been made is that the committee's escape clause provision would open the gates for high tariffs and would nullify the whole trade program. Since 1951 the number of applications for relief under the escape clause have been 87. The number of cases in which the Tariff Commission found relief to be necessary was 30.

Those 30 cases can be broken down as follows: the number of cases where action was deferred by the President, two; the number of cases where the President took no action, one; the number of cases where the President declined to implement the Commission recommendations, 17; the number of cases where the President implemented the Commission recommendations, 10.

In other words, Mr. President, with respect to the 87 applications made, the President implemented the Tariff Commission recommendations in only 10 cases. This certainly could not harm our trade program. That is an average of less than 3 cases per year which would have been weighed by the Congress from 1951 through 1958. It would certainly be no burden for the Congress to pass upon an average of 3 cases a year, and that is the number we would have passed on if the amendment placed in the bill by the Finance Committee had been in effect during that period.

No one can say that the Tariff Commission is protectionist. Why, the Tariff Commission has been very reasonable, and it has acted in only 30 instances out of 87 cases. In only 30 instances has the Tariff Commission acted favorably out of the 87 cases.

Mr. President, another point which is being raised by the proponents of the bill is that the President would be handcuffed in his treaty-making powers if the amendment is kept in the bill. I should like to remind the Senate that the Constitution distinguishes between treaties and tariffs. The Constitution gives the power over treaties to the President in Article II, section 2 of the Constitution, but it gives the power to lay and collect tariffs not to the President, but to the Congress. Article I, section 8 of the Constitution provides that the Congress shall lay and collect tariffs.

The amendment placed in the bill by the Finance Committee would merely bring back to the Congress some of its constitutional authority, given to the Congress in the Constitution.

The committee's escape clause provision would only change the procedure and would not change United States policy as to its use.

Mr. President, I have been amazed, in talking with some of my colleagues in the Senate and some in the House, as well as with other people, to hear the statement, "We must not do anything to hurt the trade program. We must pass the bill just as the President wants it." Many people are confused about this issue. The bill which the Senate Finance Committee reported is a sound bill. It would not destroy or impair our trade program with other nations.

I believe in trade. I think trade is necessary; and the bill reported by the Finance Committee would promote trade. In the event an industry were about to be destroyed, and the Tariff Commission should so find, if the President were to disapprove such finding, a majority of both Houses would be required to sustain him. That is a very reasonable provision.

The purpose of the amendment inserted by the Finance Committee is not calculated to destroy our trade program. It is calculated to promote trade, and to save industries in certain instances in which this provision would be brought into play in order to prevent hazard to a particular industry.

Mr. President, I am of the opinion that if Members of the Senate will take the time and the care to study what the Finance Committee did, they will approve that action. Again I say that what the Finance Committee recommends would not destroy our trade program. It would merely provide for some relief in the event an industry had its back to the wall and was about to be put out of business. Would not the American people want that to be done?

I come from a State which has a large textile industry; 75 percent of all the industrial workers in my State are engaged in the textile industry. It brings in 80 percent of the industrial wages. If anything happens to the textile industry in South Carolina, my State will become practically a ghost State. And yet the textile industry today has its back to the wall. The distinguished Senator from Oklahoma read figures today which were presented to the Finance Committee by the able former Secretary of the Army, Mr. Robert Stevens, by which he brought out the fact that 717 textile mills have been closed since the end of World War II, and that 345,000 jobs of textile workers have been destroyed since World War II.

Mr. President, how long can the textile industry continue to operate when such a condition as this exists? The people of South Carolina, of Maine, New Hampshire, Vermont, Connecticut, Rhode Island, Virginia, North Carolina, Georgia, Oklahoma, Louisiana, and other States which have textile mills will see thousands more Americans thrown out of jobs unless some small degree of protection is given to our American workers.

The newspapers have played up this issue, and have confused the people. They have given erroneous impressions as to the effect of the Finance Committee's action. I say again that what the Finance Committee did would not harm our trade program. It would merely save an industry which is about to go under, in the event the Congress agrees with the Tariff Commission that action should be taken to save the industry.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. THURMOND. I am pleased to yield to my distinguished friend from Nevada.

Mr. MALONE. I am very much interested in the speech of the distinguished Senator from South Carolina. But is the Senator aware of the fact that the Secretary of State took the question up with Japanese producers—American mills in Japan, using American machinery—and they agreed not to export quite so much of this material to this country for a while? In other words, the Japa-

nese are allowed to determine how much is to be imported into this country under the trade agreement. Is the Senator aware of that negotiation between Japan and the United States?

Mr. THURMOND. I am aware of that negotiation; and I am aware of the voluntary agreement which grew out of that negotiation. Let me say to the distinguished Senator that that was purely a voluntary agreement on the part of the Japanese. It is my opinion that neither the Japanese nor the people of any other country should be permitted to determine the policies of this Nation when millions of jobs of workers in this country are so vitally affected.

Mr. MALONE. I merely wish to invite the Senator's attention to the fact that the administration did trade the textile industry away for foreign policy, as it has done in the case of other industries, and will continue to do if this amendment is adopted. Then we shall be in the power of foreign nations, and they can destroy us any time they wish to do so.

Mr. THURMOND. It is giving me grave concern. I think there is great merit in the statement which has just been made by the distinguished Senator from Nevada.

Mr. MALONE. Let me ask one further question. How can private industry—and we pride ourselves on private enterprise in this country—continue under such circumstances? How can we expect investment to be made in any industry if it is subject to destruction by the order of one man, or traded for a foreign policy?

Mr. THURMOND. I am coming to that point now; and I should like to have the distinguished Senator hear the few words I shall have to say on that subject.

The proponents of the program say that only the President can decide escape-clause cases by a consideration of the total national interest. My answer to that is that the Congress passes legislation which it represents as being in the total national interest. It can even override the veto of the President. Surely, Congress is not blind on this one issue.

How can we go wrong by bringing back to the representatives of the people of the Nation, the Congress of the Nation, the final power of decision. Especially after the Tariff Commission, composed of experts who work for weeks and months on some cases and go into great detail to determine how an industry has been injured, reaches a decision after very careful and thorough hearings have been held? If we uphold the Tariff Commission, are we not carrying out the will of the people?

If the President should disapprove the action of the Tariff Commission, is it anything but just that Congress, representing the people of the country, should have the right, by a simple majority vote, to say that the Tariff Commission in a particular instance is right, and has reached a sound conclusion, even though it should mean overriding the action of the President?

The proponents of the bill also argue that the procedure is unreasonably cumbersome. In answer to that argument I should like to say that if the President has even a fair case, he should have no trouble obtaining a majority in Congress. The President has partisans among the Members of Congress. He has powerful executive lobbying ability with Congress. That has been sufficiently demonstrated in connection with the bill we are now considering.

The PRESIDING OFFICER (Mr. JORDAN in the chair). The Senator's time has expired.

Mr. THURMOND. In conclusion I wish to say that the action of the Committee on Finance is so reasonable that any Member of Congress could certainly feel he is truly representing his constituents and protecting their interests when he supports the action of the Committee on Finance.

Mr. JOHNSON of Texas. Mr. President, I yield 10 minutes on the amendment to the Senator from Illinois.

Mr. DOUGLAS. Mr. President, I am well aware that no votes are changed in the closing minutes of debate. However, a decent respect for the opinions of the citizens of the United States requires that some light be thrown on what precise issues are involved in the so-called Kerr-Thurmond amendment.

Anyone who is as sincere a protectionist as the Senator from Oklahoma has said he is, of course, should vote for the Kerr-Thurmond amendment. It is a protectionist amendment. However, an attempt is being made to get votes for the amendment on the pretext that it will not hurt the reciprocal trade program itself. This is a mistake, and on this point I believe we should have some clarification.

It has not been mentioned in the debate that the Tariff Commission, whose powers are being greatly increased under the Kerr-Thurmond amendment, must operate, of necessity, under very restricted terms of reference.

RESTRICTED TERMS OF REFERENCE

When a complaint is made to it that an industry is suffering, or is likely to suffer, from the reduction of tariffs which have been effected, the Tariff Commission must address itself only to a series of very restricted issues. It cannot deal with the question as to what the effect of a recommendation will be upon the foreign policy of the United States. It may well be that an increase in the tariff will endanger our foreign relations with Great Britain or with France or with Japan. But the Tariff Commission has no authority or any power to consider such an issue.

It may well be that an increase in the tariff will cause a great increase in the cost of living to consumers. But the Tariff Commission has no power and no authority to consider that issue.

It may well be that an increase in the tariff will do damage to our exports, because, generally, when we restrict imports we automatically restrict exports. But the Tariff Commission cannot deal with that issue.

Nor can the Tariff Commission deal with what effect the increase in the tariff which it recomemnds will have upon the fortunes and prosperity of those who handle the imports from abroad.

No; the only issue with which the Tariff Commission can concern itself under existing law is whether or not it either does injury or threatens to do injury to a specific industry which is producing a product in competition with products from abroad.

Nor is that all. As a matter of fact, it must consider not merely an industry as a whole, but it can consider a segment or a small portion of that industry. The cotton manufacturing industry, for example, might be prosperous as a whole, but might be suffering in one particular line. Nevertheless, the Tariff Commission must consider that particular line in which some injury may or may not be occurring. Indeed, it may have to consider simply one product, out of a vast variety of products which the industry as a whole is producing. Further, by law, the Commission can deal with like or directly competitive products. Thus, by definition, an industry with which the Tariff Commission is concerned, is really a segment or particular product and not a whole industry, such as chemicals or textiles. Therefore, the protectionists start off with this great advantage.

In the second place, the injury need not be absolute, but may be only relative. For instance, an industry may claim an injury even though its total sales and total production are increasing, merely because its relative share of an expanding market is diminishing, even though it has suffered no actual injury itself, and merely because in the growth of the industry as a whole, its own product, though larger than before, forms a smaller percentage than it did originally.

Third, under the terms of reference of the law, this injury does not have to come solely from imports. The law merely requires that imports are to have contributed substantially to the injury. Thus, imports do not have to be the sole cause of injury or the predominant cause of injury, but must merely contribute substantially to the injury. In other words, if imports contribute even something to the so-called injury of the industry, they can be held to have contributed substantially, or more than nothing. This, too, favors the protectionists.

Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. DOUGLAS. Fourth, the question comes up, is this relative or theoretical or actual injury due to a concession on the part of the United States Government under the Trade Agreements Act? The answer to this question is that the imports causing the injury need to be the result either in whole or in part of the duty or other custom treatment reflecting the concession. In other words, if a relative injury to a particular product comes even in part from a concession—and even a concession for which we have gained an equally good bargain—the Tariff Commission may find that there is an injury. Therefore, the so-called injury need not come in any great degree from the concession provided it comes in part from the concession. Again, this language favors the protectionists.

Thus, the Tariff Commission by law is required only to inquire into the question of injury or threat of injury. It looks at no other factor such as our foreign relations or whether or not the industry as a whole is profitable, or whether or not much of the problem is due in large part to the backwardness of the industry, or whether or not it conceivably could be economical to produce the product in the United States. It merely asks the single question: Whether or not injury has occurred or whether there is the threat of an injury. And the definitions and terms of reference are so broad that in many cases the Tariff Commission would have a great problem in finding other than that injury, as defined, had occured.

Therefore it can be seen that by the terms of reference of the existing law, largely fastened into existing law by the Eisenhower administration itself in 1955, the Tariff Commission is greatly restricted in the findings which it can make. It is these restricted findings which the Kerr-Thurmond amendment would now make supreme.

WHAT THE TARIFF COMMISSION CAN RECOMMEND

What is it the Tariff Commission can recommend? If it finds a restricted injury of the type I have cited, it can recommend an increase in duties 50 percent above the 1934 level. Until the present time the power of the Commission to recommend an increase has been limited to 50 percent above the 1945 schedules.

However, the administration, in proposing this bill, surrendered on this point before a single shot was fired, and proposed, instead, that the increase could be 50 percent above the rates prevailing on June 30, 1934. The significance of this lies in the fact that this was before the Cordell Hull reciprocal trade program went into effect, and when the Smoot-Hawley-Grundy tariff was in effect. That was the highest tariff in the history of the United States. So the administration is willing to have the Tariff Commission recommend increases 50 percent above the highest tariff which has ever prevailed in the history of the United States. Furthermore, by the terms of the bill as it came over from the House, the Tariff Commission can take an item off the free list and raise it to 50 percent ad valorem. This power has never existed before.

It can recommend the imposition of quotas. So the Commission is given very broad and tremendous powers to recommend great increases in tariff rates and great restrictions upon the volume of trade.

The interesting point is that the relief which the Tariff Commission can recommend need not bear the slightest relationship to the amount of the concession which the United States has granted in return for a concession from another country. If it can be shown that even a 5-percent reduction in a 20-percent rate, say from 20 percent to 19 percent, played any part in the injury—even though the so-called injury is only relative and even though it affects only a specific product of an otherwise profitable industry—the Tariff Commission could raise rates as much as 50 percent above the 1934 levels, or to as much as 75 percent under the existing terms of the bill. In other words, the authority of the Commission to recommend increased rates bears little or no relationship to the injury or so-called injury which the concession itself has brought about. This is a case where "the punishment does not fit the crime."

Given the point that the Commission must look only at the most narrow issue of injury or threat of injury or relative injury, and given that the definition of these is wide enough to drive a truck through, and given the authority which the Commission has to recommend an increase in rates or the imposition of quotas all out of proportion to the actual injury which a concession has brought, the law as it would become under these provisions of the bill and the Act, would almost certainly result in a protectionist tariff policy.

THE PACKING OF THE TARIFF COMMISSION

Moreover, the present Tariff Commission is a bad Commission. It is a protectionist Commission by at least a 5 to 1 ratio. And, in all but one case the President, while making great pro-reciprocal trade statements has packed the Tariff Commission with high tariff men. He is now the victim of his own folly and much of the problem he faces on this bill is that the opponents of the trade bill, knowing that the Tariff Commission packed by President Eisenhower is protectionist, are trying to take authority away from the President and give it to the Tariff Commission which the President has made a protectionist agency. The chickens have come home to roost, and the President's attempt to have it both ways is now causing him much of the trouble he is having with this bill.

THE DIVIDED-OPINION SECTION

There is a further provision in the Senate version of the bill which ties the hands of the President even more. Under present law when the Commission splits evenly on a finding of injury or a recommendation, the President can choose which course of action he wishes to follow. He is not tied to accepting the recommendation of either group, but may choose which he may recommend or accept, or which to reject.

Under the Finance Committee provisions:

> In any case of a divided vote the findings and recommendations of the Commission shall be the findings and recommendations of that group within the Commission which recommends the greatest measure of relief.

What then would be the situation?

First, we have a Tariff Commission which is packed with protectionists and which by its very nature is in almost complete sympathy with the claims of the protectionists.

Second, we have a law under which injury or the threat of injury or relative injury is so defined that a finding of injury is almost a certain result.

Third, under the law the Tariff Commission can recommend relief which bears no conceivable relationship to the injury which a concession has brought about.

Finally, when the Tariff Commission is divided on whether or not there is injury and the recommended relief, the findings and recommendations of the Commission become those of that group which recommends the greatest measure of relief.

If there were ever a case where the rules of the game were one sided this is it. These various provisions of the law virtually turn the Reciprocal Trade Act into a protectionist's paradise. This would be the case even if the bill contained ample authority to reduce tariffs, but under the Finance Committee version, the tariff-reducing authority is so reduced and so burdened with restrictions that for all practical purposes the bill as it came from the Finance Committee is nothing more or less than a tariff-increase bill.

It is in this context that the Kerr-Thurmond amendment must be considered.

THE KERR-THURMOND ESCAPE-CLAUSE AMENDMENT

Under the present law the President has the authority to accept or reject the findings of the Tariff Commission. If he rejects them he must inform the Congress of this fact and must give his reasons.

The President, therefore, has at present a review of the findings of the Commission and, while he is restricted concerning the points he may review, he may, nonetheless, give consideration to a variety of issues such as what is in the best interest of the country, whether or not accepting the Commission finding may bring retaliation, whether or not the domestic industry as a whole is, in fact, prosperous, and numerous other issues which he, as President of all the people, consumers, and exporters and producers alike, should properly consider. It is not unusual, therefore, given the specific language of the law, that the President, on occasion, should reject the findings of the Tariff Commission.

The Kerr-Thurmond amendment would provide that this recommendation of the Tariff Commission is to hold even though the President disagrees with it, unless both Houses of Congress, by majority vote within 90 days, reject the recommendation. It is no longer to be within the power of the President to reject the finding if he considers that the recommendation is not in the public interest. Even if he thinks it is not in the public interest, then only if he is upheld by both Houses of Congress will the recommendation be turned down.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. DOUGLAS. Mr. President, I ask that I may have 7 minutes more on the bill.

Mr. JOHNSON of Texas. I yield 7 minutes to the Senator from Illinois.

Mr. DOUGLAS. Thus, it is very possible and in fact probable that in many cases the findings of an appointed Commission, and even as few as half of the Commission, would go into effect over the objections of an elected President and the elected Members of one House of the Congress. In fact, the President and the Senate, who have at least primary jurisdiction over foreign policy, could well upset the Tariff Commission only to find

that the House of Representatives, which does not have primary jurisdiction over foreign policy, would fail to support the President even though the President objected to the Tariff Commission findings on foreign policy grounds.

Second, I think we all know the difficulties which are involved in getting any bill or resolution through Congress. What the new provision means is that the burden of proof lies with the elected President and the proponents of reciprocal trade. All the weight of inertia, which is a powerful factor in legislative proceedings, lies with the protectionists.

Moreover, as any finding of the President which comes before Congress in the last 90 days of a session, or any finding which comes during a recess, can be put over until the first 90 days of a new session or a new Congress, the fact is that most of the action on these matters will have to take place during the first 90 days of a session. Consequently, although each Tariff Commission finding of injury may represent only a minor industry with minority support in Congress, a number of these minor but vocal producer groups banding together could easily form a majority to stop all Congressional action in support of the President.

Thus, in every way, under this provision, the advantage lies with the protectionists. We all know that the general interests of consumers are seldom adequately represented in Congress because they are diffused, although producer interests, which are narrow and powerful are strongly represented in Congress. It is the producer interests which appear before Congressional committees. It is they who have the funds to hire Washington representatives. It is they who send the telegrams and make phone calls and put the pressures on Members of Congress in support of their particular interests, without judging or being in a position to judge what is in the best national interest. Because of all this, it would be very difficult for Congress to take specific action to support the President in both Houses within 90 days when a specific powerful interest, or a group of specific interests, were in opposition to the President's action.

It is in this way that the cards would be stacked against the principals of reciprocal trade if the new escape-clause amendment were to become law. Thus the Kerr amendment adds insult to existing injury.

I am not one who believes that the President always knows best. On the contrary, I know that at times we have had unworthy Presidents, and that their advisers get frequently swollen with a little brief authority. In matters of national defense, for example, Congress, from the days of the Truman committee on, has had, on the whole, a better record than the Executive and the Department of Defense itself.

But we are at our worst in dealing with tariffs. The general interests of consumers are so diffused, while the pressures of industries which want protection are so strong and concentrated, that the latter are able to conquer the former as the small armed bands of Cortez and Pizarro overpowered the Indian masses under Montezuma and the Incas.

The Presidency, with all its faults—and I think I am aware of most of its faults—is in a better position to consider the interests of consumers and exporters and to adjust trade policies to the realities of international relations. Certainly this is a time, above all others, when the Western democracies should stand together. It is not a time to start a trade war with them or with the other nations which are allied in the common cause.

Mr. JOHNSON of Texas. Mr. President, I yield 5 minutes to the able Senator from New Mexico.

Mr. ANDERSON. Mr. President, I have been a little disappointed to hear the charge that Senators who voted in committee for the Kerr-Thurmond amendment might be regarded as protectionists. I can recognize that they are not to be termed "protectionists" so far as the tariff is concerned, but they might properly be regarded as protectionists of the original principles under which reciprocal trade was established.

Before the Senate votes upon the amendment I think it important to consider briefly how we got the reciprocal trade program and what those who were in charge of it believed. I say that because I think there has been a tendency or a trend to get away from what originally were regarded as its purposes.

The able Senator from South Carolina referred earlier today to the fact that 87 applications for relief had been filed with the Commission; that 74 investigations had been completed; that in 25 investigations the Commission had decided for escape action; and that in 17 cases the President had declined to invoke the escape clause.

The Tariff Commission is an arm of Congress. It was created on September 8, 1916—I am quoting from the act—"as an independent, nonpartisan body whose principal function is to ascertain facts upon the basis of which Congress may determine tariff policies, the rates of duty to make policies effective, and methods of customs administration, and on which the President may base certain administrative acts in relation to these matters."

In 1916 we still recognized that the provision placing upon Congress the right to fix tariffs was a part of the Constitution. Congress was empowered to determine tariff policies.

The House minority views accompanying the current reciprocal trade bill contains in this language:

> It is plain that the President should accept the Tariff Commission's findings of fact, particularly where they are unanimous. * * *
>
> The Tariff Commission, in arriving at its recommendations, has studied the problem over a period of up to 9 months. It has consulted with members of the industry, made field investigations, and collected detailed statistics. The President, on the other hand, has devoted through his staff, only 60 days to the study of the matter. The Tariff Commission, moreover, is a body whose expertise in the field of tariffs and trade matters is conceded. It is nothing short of incredible that the President should, in the absence of compelling national defense reasons, take issue with the Tariff Commission's findings.

Let us go back to the 1934 Reciprocal Trade Act. This proposal was submitted to Congress by Franklin D. Roosevelt. In transmitting the bill to Congress, President Roosevelt said that the authority he requested was proposed for use "within carefully guarded limits to modify existing duties and import restrictions in such a way as will benefit American agriculture and industry."

I call that to the attention of the able Senator from Oklahoma [Mr. KERR], who pointed out what has happened to American industry under the operation of the policy; and I say that such a result is a complete denial of the things President Roosevelt was trying to achieve.

I quote further from President Roosevelt's statement:

> You and I know, too, that it is important that the country possess within its borders a necessary diversity and balance to maintain a rounded national life, that it must sustain activities vital to national defense, and that such interests cannot be sacrificed for passing advantage. * * * The exercise of the authority which I propose must be carefully weighed in the light of the latest information, so as to give assurance that no sound and important American interest will be injuriously disturbed. The adjustment of our foreign-trade relations must rest on the premise of undertaking to benefit, and not to injure, such interests. In a time of difficulty and unemployment such as this, the highest consideration of the position of the different branches of American production is required.

That was the theme in 1934. Some may remember that at that time there were financial troubles all around the world, and particularly in the United States. At about that period, some of us were helping administer relief programs.

Mr. KERR. Mr. President, will the Senator from New Mexico yield to me?

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). Does the Senator from New Mexico yield to the Senator from Oklahoma?

Mr. ANDERSON. I am glad to yield.

Mr. KERR. Does the Senator from New Mexico recall that at about the time when President Roosevelt was recommending that careful consideration be given so as not to jeopardize American industry there was on the statute books, on the average, five times as much tariff protection as there is today, in view of the tariff reductions made since that time?

Mr. ANDERSON. Yes; I recognize that. And even when the tariffs were very much higher, President Roosevelt said it was necessary to be careful about how the power to reduce duties was used, for fear that some part of the American economy might be damaged.

The PRESIDING OFFICER. The time yielded to the Senator from New Mexico has expired.

Mr. ANDERSON. Mr. President, will the Senator from Texas yield 5 additional minutes to me?

Mr. JOHNSON of Texas. I yield 5 additional minutes to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 5 additional minutes.

Mr. ANDERSON. Mr. President, President Roosevelt was the one who helped devise the machine. I have found that the experience of most

Americans is that the man who makes a machine knows how to operate it.

The record shows that when President Roosevelt was in office and when these matters came to him for consideration, he did not upset the recommendations of the Tariff Commission. It is true that most of his actions in connection with this matter were taken under section 336 of the 1930 Tariff Act; but he concurred in each of 16 cases on which the Tariff Commission reported from 1934 to 1941. He knew what the program was, and he did not lightly toss aside the recommendations of the Tariff Commission, which was in possession of the facts.

Only a slight change occurred when President Truman took office. He concurred in the one case the Commission reported to him under section 336. It involved almonds. President Truman three times invoked the escape-clause provision—in cases which involved women's fur-felt hats and hat bodies, hatters' fur, and dried figs. He recognized that it was important to follow the recommendations of the Tariff Commission, and in only two instances did he upset the recommendations of the Commission.

When we consider the third period during which the same power has been delegated by Congress to the President, we find that in 15 instances President Eisenhower has upset the findings of the factfinding body which was set up by Congress for the purpose of determining what should be done. It is as a result of that situation that the Members of the Senate became worried, because if the recommendations made by the expert boards are continually rejected, then, of course, there will be trouble.

I was a member of the Ways and Means Committee of the House of Representatives when this matter came up in 1945. At that time we were not involved in any fight similar to the one the House had several years ago, because it was understood that the then President of the United States was trying to administer the law in the way Congress intended, namely, as a delegation to the Tariff Commission, first of all, and then to the President, of a power which he exercised only in case of an extremely serious situation.

I believe that the action taken the other day by the Senate Finance Committee, in which I participated, was very little more than a vote of no confidence in the way in which this matter has recently been handled. If the matter had been handled in the way President Roosevelt, who first made the recommendation to Congress, handled it, we would neither see nor need such a provision in the pending bill. It is in the bill only because of a complete lack of desire, on the part of President Eisenhower, to do what was originally intended by the escape clause. That is why this trouble has developed today.

Mr. President, what is the background of the escape clause? On February 25, 1947, President Truman issued Executive Order 9832, which provided for inclusion in every trade agreement thereafter entered into under the 1934 Reciprocal Trade Act of—

> a clause providing, in effect, that if, as a result of unforeseen developments and of the concession granted by the United States on any article in the trade agreement, such article is being imported in such increased quantities and under such conditions as to cause, or threaten, serious injury to domestic producers of like or similar articles, the United States shall be free to withdraw the concession, in whole or in part, or to modify it, to the extent and for such time as may be necessary to prevent such injury.

That is the meaning of the escape clause.

In issuing that order, President Truman stated:

> I wish to make clear that the provisions of the order do not deviate from the traditional Cordell Hull principles. They simply make assurances doubly sure that American interests will be properly safeguarded.

I believe that some of us need to bear in mind President Truman's statement that—

> I wish to make clear that the provisions of the order do not deviate from the traditional Cordell Hull principles.

If we wish to do this job in the way Cordell Hull envisioned it would be done, and as he clearly pointed out to the Congress was the proper way, we should not allow these recommendations to be lightly set aside.

Mr. President, what conclusion is to be drawn from the foregoing?

The escape clause was written into the law in 1951. Let us look at the case of lead and zinc. In that connection the Commission unanimously reported to the President on April 24 of this year that manufactured lead and manufactured zince imports were causing "serious injury to the respective domestic industries producing like or directly competitive products."

That report was made to the President by the Commission on April 24, 1958, but he declined to act on the ground that remedial legislation was pending before Congress.

Mr. President, does anyone have any idea about what would have happened under the previous administrations, following such a recommendation by the Tariff Commission? The previous administrations would have followed the recommendation of the Tariff Commission. It is only because President Eisenhower now declines to follow the Tariff Commission's recommendations that this trouble has developed at this time.

Mr. President, I hope the Congress will now take back the power it delegated to the President and never should have lost.

The PRESIDING OFFICER. The additional time yielded to the Senator from New Mexico has expired.

Mr. JOHNSON of Texas. Mr. President, I yield 5 minutes to the Senator from Wyoming [Mr. O'MAHONEY].

The PRESIDING OFFICER. The Senator from Wyoming is recognized for 5 minutes.

Mr. O'MAHONEY. Mr. President, the question today before the Senate is not one of tariffs. The question is one of the fundamental constitutional procedure of a government of, for, and by the people.

I notice that those who have moved to strike out the amendment of the Senator from Oklahoma [Mr. KERR] as approved by the Finance Committee, are recruited from both the Democratic and Republican sides. If I had time to do so, I could quote the declarations of both Democratic and Republican champions, such as Jefferson and Lincoln, in support of my contention that government of the people can be exercised only through the Congress.

The Congress is delegating away its constitutional power to make tariff laws and to lay imposts and the duties.

It is said that the Congress delegates this power to the President. However, the delegation to the President is in name only. In fact, it is not the President who will exercise this legislative power of Congress. Instead, it is the anonymous and unnamed persons appointed by him, who, in many cases, never have faced a ballot box in all their lives, who do not represent any State, who do not represent any Congressional District, who do not represent the people, but who represent only their own ideas about what is good for the people.

Mr. President, I am convinced that the Members of Congress, in thinking too much of this measure as a tariff bill, are forgetting that this generation is seeing a big change in governments occur throughout the world. I say to my colleagues here on the floor that they cannot hope that the United States of America will lead the world toward free government if the Congress of the United States continues to delegate to others its constitutional powers to those who are appointed by the President and those who are around him.

Yesterday afternoon the Secretary of the Treasury and the Director of the Bureau of the Budget issued a joint statement; and I ask unanimous consent to have it printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

JOINT STATEMENT OF ROBERT B. ANDERSON, SECRETARY OF THE TREASURY, AND MAURICE H. STANS, DIRECTOR OF THE BUREAU OF THE BUDGET

Both receipts and expenditures for the fiscal year 1958, which ended last June 30, were less than had been estimated in the budget last January, according to the preliminary year-end reports shown in the monthly budget statement for June.

Receipts were $69.1 billion, and expenditures were $71.9 billion, resulting in a budget deficit of $2.8 billion. In January, a deficit of $0.4 billion had been estimated.

The results for fiscal year 1958 as compared with January estimates and with results for 1956 and 1957 are shown in the following table. The figures are based on preliminary reports and are subject to later revision:

Budget totals

[Fiscal years. In billions]

	1956 actual	1957 actual	1958	
			January estimate	Actual
Receipts	$68.2	$71.0	$72.4	$69.1
Expenditures	66.5	69.4	72.8	71.9
Surplus or deficit	+1.6	+1.6	−.4	−2.8

Budget receipts and expenditures

[Fiscal years. In millions]

Descriptions	1957 actual	1958		
		January estimate	Actual	Change from January estimate
RECEIPTS BY SOURCE				
Individual income taxes	$39,030	$40,800	$38,569	−$2,231
Corporation income taxes	21,531	20,800	20,533	−267
Excise taxes (net)	9,159	9,072	8,698	−374
All other receipts and customs (net)	5,227	5,957	5,806	−151
Total	74,947	76,629	73,606	−3,023
Refunds of receipts (−)	3,917	4,229	4,523	+294
Net budget receipts	71,029	72,400	69,083	−3,317
EXPENDITURES BY MAJOR AGENCY				
Legislative branch and the Judiciary	135	159	143	−16
Executive Office of the President	10	12	11	−1
Funds appropriated to the President:				
Mutual security program	3,951	3,749	3,594	−155
Other	160	405	466	+61
Independent offices:				
Atomic Energy Commission	1,990	2,300	2,275	−25
Veterans' Administration	4,805	5,124	5,098	−26
Other	915	1,021	944	−77
General Services Administration	570	447	425	−22
Housing and Home Finance Agency	−23	207	197	−10
Department of Agriculture	5,006	5,327	4,887	−440
Department of Commerce	562	652	646	−6
Department of Defense:				
Military functions	38,439	38,861	39,010	+149
Civil functions	639	662	738	+76
Department of Health, Education, and Welfare	2,295	2,745	2,645	−100
Department of the Interior	572	647	666	+19
Department of Justice	214	223	229	+6
Department of Labor	418	463	567	+104
Post Office Department	518	686	675	−11
Department of State	179	228	203	−25
Treasury Department:				
Interest on the public debt	7,244	7,800	7,612	−188
Other	805	841	842	+1
District of Columbia	26	30	25	−5
Allowance for contingencies		200		−200
Budget expenditures	69,433	72,788	71,897	−891

Mr. O'MAHONEY. Mr. President, the statement shows that the deficit of the United States on the 30th of June 1958 was $2,800,000,000. The Secretary of the Treasury and the Director of the Bureau of the Budget say that both receipts and expenditures for the fiscal year 1958, which ended last June 30, were less than had been estimated by the Bureau of the Budget last January, according to the preliminary year-end reports shown in the monthly budget statement for June.

In other words, when the President submitted his budget he anticipated that the deficit for 1958 would be less than $500 million. It turns out to be $2,800,000,000. Now it is estimated that the budget deficit for 1959, the fiscal year in which we are at present, will be at least $10 billion.

Let me add to my statement that in the next 12 months the Treasury of the United States will have to refinance $74,718,660,692 of the public debt.

The PRESIDING OFFICER. The time of the Senator from Wyoming has expired.

Mr. O'MAHONEY. I ask for 2 additional minutes.

Mr. JOHNSON of Texas. I yield 2 additional minutes to the Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming is recognized for 2 additional minutes.

Mr. O'MAHONEY. As a matter of fact, between the 24th of July and the 25th of December it will be necessary for the Treasury Department to refinance, in terms of national debt, $36,600,000,000.

Do my colleagues know what that means? Do they know that the interest upon the national debt for the year 1958, amounting to $7,612,000,000, was the second largest expenditure made by our Government?

At this moment in the Appropriations Committee room there is before that committee the mutual aid or foreign aid bill, which calls for an expenditure of approximately $3,900,000,000. Our country is spending its income of the future, and in this situation it is proposed by the authors of the pending amendment to strike from the bill the Kerr amendment and to have the Congress of the United States surrender its power to unknown individuals in the Office of the President.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article entitled "One Year Maturities Are $74,718,666,692," which was published in the New York Times of yesterday.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times of July 21, 1958]

ONE-YEAR MATURITIES ARE $74,718,666,692

Direct obligations of the United States Government in the hands of the public that will mature within 12 months amount to $74,718,666,692. They consist of Treasury securities as follows:

July 24, discount bills	$1,699,865,000
July 31, discount bills	1,701,714,000
Aug. 1, 4-percent certificates of indebtedness	11,519,077,000
Aug. 1, serial E savings bonds [1]	2,231,613,495
Aug. 1, serial F savings bonds [1]	125,960,692
Aug. 1, serial G savings bonds [1]	869,751,100
Aug. 7, discount bills	1,700,410,000
Aug. 14, discount bills	1,700,027,000
Aug. 21, discount bills	1,800,750,000
Aug. 28, discount bills	1,800,230,000
Sept. 4, discount bills	1,800,204,000
Sept. 11, discount bills	1,700,209,000
Sept. 15, 2¼-percent Treasury bonds	3,818,002,500
Sept. 15, 2⅜-percent Treasury bonds	926,811,000
Sept. 18, discount bills	1,701,012,000
Sept. 25, discount bills	1,700,384,000
Oct. 1, 1½-percent Treasury notes	121,269,000
Oct. 2, discount bills	1,700,356,000
Oct. 9, discount bills	1,700,060,000
Oct. 16, discount bills	1,700,003,000
Dec. 1, 3¾-percent certificates of indebtedness	9,832,719,000
Dec. 15, 2½-percent Treasury bonds	2,368,365,500
1959	
Jan. 1, serial E savings bonds	2,264,464,636
Jan. 1, serial F savings bonds	201,882,669
Jan. 1, serial G savings bonds	1,244,254,100
Feb. 14, 2½-percent certificates of indebtedness	9,769,891,000
Feb. 15, 1⅞-percent Treasury bonds	5,102,277,000
Apr. 1, 1½-percent Treasury notes	118,847,000
May 15, 1¼-percent certificates of indebtedness	1,798,257,000
Total	74,718,666,692
Week ago	74,719,963,695
Year ago	81,408,480,124

[1] Maturing monthly within a year from this date forward.

Mr. O'MAHONEY. Mr. President, I also ask unanimous consent to have printed in the RECORD a memorandum on the public debt of the United States for selected years.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

The public debt of the United States, selected years, 1929–58

[In billions]

June 30:	
1929	$16.9
1939	40.4
1949	252.8
1954	271.3
1955	274.4
1956	272.8
1957	270.6
1958	276.4

(Annual Report of the Secretary of the Treasury on the State of the Finances, for the fiscal year ended June 30, 1956.)

Mr. O'MAHONEY. Mr. President, I also ask unanimous consent to have printed in the RECORD a memorandum on United States Treasury receipts for the years 1928 to 1937. It shows how the income of the Nation in a recession declines without any tax reduction.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

United States Treasury receipts, 1928–37

[In billions]

Year	Income and profits taxes	Total receipts
1928	$2.174	$4.042
1929	2.331	4.033
1930	2.411	4.178
1931	1.860	3.190
1932	1.057	2.006
1933	.746	2.080
1934	.818	3.116
1935	1.099	3.800
1936	1.427	4.116
1937	2.163	5.294

Source: Annual Report of the Secretary of the Treasury on the State of the Finances, for the fiscal year ended June 30, 1956.

Mr. KERR. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. KERR. If the pending amendment to strike shall be agreed to, will it not be a vote of confidence in appointees anonymous?

Mr. O'MAHONEY. Appointees anonymous. I congratulate the Senator. I wish I were the author of the phrase. It is perfectly correct.

Mr. KERR. A vote of confidence in appointees anonymous.

Mr. O'MAHONEY. And not in the elected representatives of the people.

Mr. KERR. That is correct.

Mr. O'MAHONEY. We ourselves are giving up free government.

The PRESIDING OFFICER. The time of the Senator from Wyoming has expired.

Mr. JOHNSON of Texas. Mr. President, is there any time remaining on the amendment?

The PRESIDING OFFICER. The Senator from Texas has 3 minutes remaining on the amendment.

Mr. JOHNSON of Texas. I had intended to use up the time on the amendment rather than on the bill. I hope the last 3 minutes will be considered as having been used on the amendment rather than on the bill.

The PRESIDING OFFICER. The time will be so transferred.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment offered by the Senator from Texas [Mr. JOHNSON] for himself and other Senators. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Missouri [Mr. HENNINGS], the Senator from Florida [Mr. HOLLAND], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

The Senator from Massachusetts [Mr. KENNEDY] is absent because of illness.

On this vote, the Senator from Florida [Mr. HOLLAND] is paired with the Senator from North Dakota [Mr. YOUNG]. If present and voting, the Senator from Florida would vote "yea" and the Senator from North Dakota would vote "nay."

I further announce that if present and voting, the Senator from Missouri [Mr. HENNINGS] and the Senator from Massachusetts [Mr. KENNEDY] would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from North Dakota [Mr. YOUNG] and the Senator from Ohio [Mr. BRICKER] are detained on official business.

The Senator from North Dakota [Mr. YOUNG] is paired with the Senator from Florida [Mr. HOLLAND]. If present and voting, the Senator from North Dakota would vote "nay" and the Senator from Florida would vote "yea."

The result was announced—yeas 63, nays 27, as follows:

YEAS—63

Aiken	Flanders	Monroney
Allott	Fulbright	Morse
Beall	Gore	Morton
Bennett	Green	Mundt
Bridges	Hickenlooper	Neuberger
Bush	Hill	Pastore
Butler	Hruska	Payne
Byrd	Humphrey	Potter
Capehart	Ives	Proxmire
Carlson	Jackson	Purtell
Carroll	Javits	Robertson
Case, N. J.	Johnson, Tex.	Saltonstall
Case, S. Dak.	Kefauver	Schoeppel
Church	Knowland	Smith, N. J.
Clark	Kuchel	Sparkman
Cooper	Langer	Stennis
Cotton	Lausche	Symington
Dirksen	Mansfield	Thye
Douglas	Martin, Iowa	Watkins
Eastland	Martin, Pa.	Wiley
Ellender	McNamara	Williams

NAYS—27

Anderson	Hayden	McClellan
Barrett	Hoblitzell	Murray
Bible	Jenner	O'Mahoney
Chavez	Johnston, S. C.	Revercomb
Curtis	Jordan	Russell
Dworshak	Kerr	Smathers
Ervin	Long	Smith, Maine
Frear	Magnuson	Talmadge
Goldwater	Malone	Thurmond

NOT VOTING—6

Bricker	Holland	Yarborough
Hennings	Kennedy	Young

So the amendment offered by Mr. JOHNSON of Texas, for himself and other Senators, was agreed to.

Mr. KNOWLAND. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The motion to reconsider was laid on the table.

Mr. PAYNE. Mr. President, I offer the amendment which I send to the desk. It is designated "7–21–58–A."

The PRESIDING OFFICER. Does the Senator from Maine desire to have the amendment read, or printed in the RECORD without reading?

Mr. PAYNE. I ask unanimous consent that the reading of the amendment be dispensed with, in view of the fact that a copy of the amendment is on the desk of each Senator.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

The amendment of Mr. PAYNE was, on page 15, after line 16, to insert the following new sections:

SEC. 6. Subsection (c) of section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U. S. C., sec. 1364 (c)), is amended to read as follows:

"(c) (1) Within 30 days after receipt of the Tariff Commission's recommendations, the President shall proclaim such adjustments in the rate or rates of duty, impose such quotas, or make such other modifications as are recommended by the Commission to be necessary to prevent or remedy serious injury to the respective domestic industry, unless prior to the expiration of such 30 days, the President shall have submitted a report to the Congress recommending that no such adjustments or modifications be made, or no such quotas be imposed, or recommending that alternative means of preventing or remedying serious injury to the respective domestic industry be adopted. Such recommendations by the President shall become effective, unless prior to the expiration of 60 days, or in the event the Congress is not in session at the time the recommendation is submitted, within 30 days after the Congress next convenes, both Houses of Congress shall have adopted a concurrent resolution stating in effect that the Senate and House of Representatives approve the recommendations made by the Tariff Commission, in which event the President shall take such action as may be necessary to carry out the recommendations so approved.

"(2) In any case of divided vote calling for the application of subsection (d) (1) of section 330 of the Tariff Act of 1930 (19 U. S. C., sec. 1330), as amended, the findings and recommendations of the Commission for the purposes of this subsection shall be the findings and recommendations of that group within the Commission which recommends the greatest measure of relief (as specified by the President in his report to the Congress pursuant to paragraph (1)), and which the President is authorized to consider as the findings and recommendations of the Commission under such section 330."

SEC. 7. (a) The following subsections of this section are enacted by the Congress:

(1) As an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in such House in the case of resolutions (as defined in subsection (b)); and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) With full recognition of the constitutional right of either House to change such rules (so far as relating to the procedure in such House) at any time, in the same manner and to the same extent as in the case of any other rule of such House.

(b) As used in this section, the term "resolution" means only a concurrent resolution of the two Houses of Congress, the matter after the resolving clause of which is as follows (with appropriate changes to cover the situation referred to in section 7 (c) (2) of the Trade Agreements Extension Act of 1951, as amended by the Trade Agreements Extension Act of 1958):

"That the Senate and House of Representatives approve the action—

"(1) found and reported by the United States Tariff Commission to be necessary to prevent or remedy serious injury to the respective domestic industry, in its report to the President dated , 19 , on its escape-clause investigation numbered under the provisions of section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U. S. C., sec. 1364), and

"(2) disapproved by the President in whole or in part in his report (dated , 19) pursuant to paragraph (1) of section 7 (c) of such act.",

the blank spaces therein being appropriately filled; and does not include a concurrent resolution which specifies more than one such investigation.

(c) A resolution with respect to an investigation shall be referred to the Committee on Finance of the Senate or to the Committee on Ways and Means of the House of Representatives by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

(d) (1) If the committee to which has been referred a resolution with respect to an investigation has not reported it before the expiration of 10 calendar days after its introduction (or, in the case of a resolution received from the other House, 10 calendar days after its receipt), it shall then (but not before) be in order to move either to discharge the committee from further consideration of such resolution, or to discharge the committee from further consideration of any other resolution with respect to such investigation which has been referred to the committee.

(2) Such motion may be made only by a person favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same investigation), and debate thereon shall be limited to not to exceed 1 hour, to be equally divided between those favoring and those opposing the resolution. No amendment to such motion shall be in order, and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

(3) If the motion to discharge is agreed to or disagreed to, such motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same investigation.

(e) (1) When the committee has reported, or has been discharged from further consideration of, a resolution with respect to an investigation it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of such resolution. Such motion shall be highly privileged and shall not be debatable. No amendment to such motion shall be in order and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

(2) Debate on the resolution shall be limited to not to exceed 10 hours, which shall be equally divided between those favoring and those opposing the resolution. A motion further to limit debate shall not be debatable. No amendment to, or motion to recommit, the resolution shall be in order, and it shall not be in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

(f) (1) All motion to postpone, made with respect to the discharge from committee, or the consideration of, a resolution with respect to an investigation, and all motions to proceed to the consideration of other business, shall be decided without debate.

(2) All appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution with respect to an investigation shall be decided without debate.

(g) If, prior to the passage by one House of a resolution of that House with respect to an investigation, such House receives from the other House a resolution with respect to the same investigation, then—

(1) If no resolution of the first House with respect to such investigation has been referred to committee, no other resolution with respect to the same investigation may be reported or (despite the provisions of subsection (d) (1)) be made the subject of a motion to discharge.

(2) If a resolution of the first House with respect to such investigation has been referred to committee—

(A) the procedure with respect to that or other resolutions of such House with respect to such investigation which have been referred to committee shall be the same as if no resolution from the other House with respect to such investigation had been received; but

(B) on any vote on final passage of a resolution of the first House with respect to such investigation the resolution from the other House with respect to such investigation shall be automatically substituted for the resolution of the first House.

Mr. PAYNE. Mr. President, I yield myself 10 minutes.

This amendment is offered in order to fill the void in the Reciprocal Trade Agreements Act which the adoption of the distinguished majority leader's amendment has just created. Essentially it is aimed at arriving at a compromise on this vital question affecting the escape-clause provision of the act.

A careful study of the escape-clause provisions adopted by the Committee on Finance and which have just been stricken from the bill as a result of the adoption of the Johnson amendment clearly shows that if they had been passed by the Senate they would have all but nullified the foreign trade program. The Finance Committee's provisions were extreme provisions which would have completely tied the hands of the President in an area often crucial to the Nation's foreign-policy goals and economic welfare and in an area where the President must be given some discretion to act in the best interests of the Nation. Even the most ardent opponents of foreign trade will admit that the nullification of this program is not their objective and not to the advantage of the United States. It was this extreme nature of the Finance Committee's escape-clause provisions which led me to cast my vote against them.

On the other hand, the amendment proposed by the distinguished majority leader, my good friend Mr. JOHNSON, and which we have just adopted, goes to the other extreme. It strikes out the entire escape-clause provision which had been adopted by the Committee on Finance and continues the escape-clause provisions now in effect in the law. These, as we all know so well, have proved ineffective in alleviating the plight of certain domestic industries which have had to bear the brunt of our foreign-trade concessions. The escape-clause provisions which are now in the law leave the full decision in each escape-clause case in the hands of the President. On numerous occasions the President has decided not to follow the recommendations of the Tariff Commission for reasons not always satisfactory to all concerned, thereby leaving many industries defenseless against the flood of cheap foreign commodities. To return to the present provisions, therefore, would be most unwise and would merely serve to develop even more opposition to the foreign-trade program—opposition which I am certain could at some point in the future grow strong enough to ruin it entirely. We must have a more reasonable approach to the program. We must not seek extremes. I believe, Mr. President, that my amendment would represent a fair compromise acceptable to both the proponents and opponents of foreign trade.

In essence my amendment would restore to the bill now before us the escape clause provisions of the House version with one major exception: the two-thirds vote required in the House version would be changed to a majority vote. It is apparent that a two-thirds vote would make the escape clause provision as ineffective as it now is. It would be almost impossible to obtain such a vote on any given escape clause case and would therefore make the escape clause provision most unrealistic. A majority vote, on the other hand, would be entirely in the realm of possibility and would be more in line with normal legislative practice.

Mr. President, another important change which my amendment would effect on both the House and Senate versions concerns the length of time Congress would be given to consider an escape clause case if the case had been referred to it while Congress was not in session. The House version provided that those days which transpire between the time the case is referred to the Congress and the time when Congress convenes are to be subtracted from the 60-day period allotted Congress to act on such cases. Should a case, therefore, be referred to Congress early in September it could be that Congress, upon reconvening, would find itself in the ridiculous position where it would have zero days to act.

The Senate version, on the other hand, provided that if a case is referred to Congress while Congress is not in session, Congress shall have the full 90 days allotted to it for such cases upon reconvening. This could mean, Mr. President, that as much as half a year could pass before Congress acted upon an escape clause case. This, along with the amount of time the Tariff Commission and the President have in which to handle such cases could mean the delay of months and months before an industry obtained any relief.

My amendment would provide a much more reasonable time factor by giving Congress 30 days after it convenes to act upon an escape clause case which had been referred to it while it was not in session.

Another important change which my amendment would make to the House version is that it would provide that in the case of a divided vote in the Tariff Commission, those findings and recommendations of that group within the Commission which recommend the greatest measure of relief would be the findings and recommendations which the Congress would be authorized to consider as the Commission's decision on any given escape clause case. This provision of my amendment, Mr. President, is the same as was included in the

Finance Committee's bill. The House bill made no provision whatsoever in the event of a divided vote in the Tariff Commission.

The amendment I have introduced makes no other changes in the House version other than those I have just mentioned. It provides that Congress shall have 60 days in which to act on an escape-clause case after it has been referred to Congress by the President. And what is more important, like the House version, my amendment also provides that the President's recommendations would become effective in the event of Congressional inaction. The Finance Committee's version had reversed this and had provided that the Tariff Commission's recommendations would be in effect in the event Congress had not taken action in the allotted time. In my estimation this was a negative approach. After all, the purpose of both the Senate escape-clause provisions and those of the House were to permit the Congress to retain some of its constitutional powers in the realm of foreign trade. Their purpose was to restore to Congress its traditional authority to delegate to the President only those powers in matters of foreign trade which the Congress wants him to have. For that reason, in escape-clause cases where the President differs from the Tariff Commission, the Congress should act upon the President's decision and not upon the Tariff Commission's recommendations. And if the Congress fails to act upon the President's decision, then his decision should stand as the final affirmative action based on careful consideration. Otherwise, Congress would be having its cake and eating it, too. It is for this reason that I believe it necessary to restore the House provision concerning this important point.

There is precedent, Mr. President, for my proposal. On July 2 of this year an amendment to the Atomic Energy Act of 1954 was enacted into law, giving the President the right to enter into agreements with our allies on nuclear matters. In approving an agreement, the President must send his findings to Congress where they are referred to the Joint Committee on Atomic Energy, where action must be taken within 60 days—except during this Congress, where 30 days are allotted. If during this period both Houses of Congress disapprove the agreement by concurrent resolution—exactly as my amendment provides—it cannot become effective. If, on the other hand, Congress does not act within that prescribed period of time, the President's agreement can be implemented. Thus my proposals, which are almost identical to those affecting the Atomic Energy Act of 1954, are indeed supported by precedent.

Mr. President, I truly believe that my amendment would avoid the extremes of either the Finance Committee's escape-clause provisions and the provisions now in the law which my good friend and colleague, the majority leader [Mr. JOHNSON], would seek to retain. My amendment would make the escape-clause provision much fairer than those passed by the House, because it would change the two-thirds vote provision which is most unreasonable and substitute therefore a majority vote. It would also make the time factor more realistic and it would force the Congress to act upon escape-clause provisions or otherwise make the President's recommendations effective.

In the interest of our domestic industries, which deserve a much more effective escape-clause provision than the one now in effect, and also in the interest of the foreign-trade program itself, which is being weakened by increasing opposition, I therefore urge my colleagues in the Senate to adopt my amendment which is now under consideration.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The time of the Senator has expired.

Mr. PAYNE. I yield myself 2 more minutes.

Finally, an argument has been made with reference to the constitutionality of this type of proposal. Let me say merely that the distinguished Senator from Ohio [Mr. BRICKER] answered that question, and answered it very well indeed. He definitely set to rest any question as to the constitutionality of this kind of legislation. As he pointed out, Congress is merely delegating certain powers to the President. All we are doing is establishing a guideline by which a disagreement of Congress with a decision reached by the President may be acted on by Congress.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Maine.

Mr. PAYNE. Mr. President, I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. SALTONSTALL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Massachusetts request time for that purpose?

Mr. PAYNE. Mr. President, I ask unanimous consent that the quorum may be called without the time being charged to either side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, on behalf of the majority leader, I yield 10 minutes to the Senator from Illinois.

Mr. DOUGLAS. Mr. President, I am very glad the Senate has rejected the Kerr-Thurmond amendment, which would have virtually wrecked, for all practical purposes, the reciprocal trade bill. I am very glad we have tried to hold onto the substance of the bill, and have not merely contented ourselves with the symbol. The vote was so decisive that I think it indicates the real opinion of the Senate on the question of reciprocal trade.

Our good friend, the Senator from Maine [Mr. PAYNE], has now come forward with another amendment, which is only slightly less objectionable, because it permits both Houses of Congress to overrule the President by a majority vote of each House.

Mr. PAYNE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. PAYNE. I shall ask a simple question. Was objection raised by any Senator, when the Senate acted upon the Atomic Energy Act of 1954 earlier this year, to placing the identical, same provisions and restrictions upon agreements entered into by the President of the United States, requiring Congress to take positive and affirmative action, by a majority vote as to whether Congress approved of those agreements?

Mr. DOUGLAS. I think the Senator from Maine has become a slave to parliamentary procedure, and that he does not recognize the difference, in substance, between passing on atomic energy matters and passing on tariffs.

Mr. KNOWLAND. Mr. President, will the Senator yield for a moment, so that I may ask for the yeas and nays on the amendment offered by the Senator from Maine?

Mr. DOUGLAS. I yield.

The PRESIDING OFFICER. The yeas and nays have been requested. Is there a sufficient second?

The yeas and nays were ordered.

Mr. ERVIN. In other words, as I interpret the answer of the distinguished Senator from Illinois, he does not distrust the intelligence of Congress; it is merely their character which he distrusts.

Mr. DOUGLAS. I distrust the ability of Congress to defend the general interests of the Nation when Congress is exposed to the pressure of a series of specific producer interests, all asking for tariffs. This is not a theoretical distrust; it is based upon the tariff history of the United States, from the Tariff of Abominations in, I believe, 1830, to the Smoot-Hawley-Grundy tariff of 1930. With the exception of the years from 1846 to 1861, and the Underwood tariff of 1913, those were years in which Congress was virtually helpless at the hands of the groups wanting protection.

Mr. ERVIN. In conformity with those views, does the able Senator from Illinois favor transferring the powers of Congress to some unknown John Does in the State Department?

Mr. DOUGLAS. No. In this particular instance when, after a century, Congress has shown itself unable to legislate for the general interest, with the exception of the 15 years from 1846 to 1861, and with the exception of the Underwood tariff of 1913, I favor delegating authority to the President.

But I remind my good friend that I am not a slave to the idea that Congress should turn everything over to the President and his administrative assistants, because last week I defended the ability of Congress to review the decision of the Department of Defense so far as roles and missions were concerned.

I think that in the field of atomic energy and the field of national defense, the opinions of Congress have, on the whole, been wiser than those of the administration.

Mr. ERVIN. Mr. President, will the distinguished Senator from Illinois yield for a further question?

Mr. DOUGLAS. I am always glad to yield to the Senator from North Carolina or to any other of my colleagues.

Mr. ERVIN. The Senator from Illinois has just stated to the Senator from Maine that there is a distinction between——

Mr. DOUGLAS. The atomic energy bill——

Mr. ERVIN. The atomic energy bill and the bill now pending. Is that distinction this: That the duly-elected representatives in Congress of the people of the United States have sufficient intelligence to understand the abstruse problems which arise in the atomic energy field, but do not possess sufficient intelligence to understand the problems which arise in the field of trade?

Mr. DOUGLAS. I have never doubted the intelligence of my good friend, the Senator from North Carolina, or the intelligence of any other of my colleagues. I think, on the whole, this is the ablest group of persons with whom I have ever had the privilege of being associated.

It is not the intelligence of the House and the Senate which I doubt; it is their ability to withstand the concentrated pressure of industries demanding protection, in view of the fact that the general interest is imperfectly represented, is diffused, and is, thereby, relatively weak.

But in the case of tariffs—and I may say also in the case of public works such as rivers and harbors—the pressure of local interests has swept Congress off its feet. It has been very difficult for Congress to resist those pressures, for the simple reason that concentrated local interests will put pressure on the Representatives, who must stand for reelection every 2 years. It is very hard for them to listen to the still, small voice of the consumer.

Senators come up for reelection every 6 years. It is only in the first 2 years of his term that a Senator feels secure. In the middle 2 years he begins to be apprehensive. In the last 2 years he becomes frightened, unless he comes from a safe State, such as that of the distinguished Senator from North Carolina, who does not have to worry about these matters. Therefore, it is very hard to maintain—for men to maintain their courage in the face of such pressures.

Mr. ERVIN. As I understand the Senator from Illinois, he is perfectly willing to have Congress retain its constitutional powers, within certain limits, in fields which do not present any temptation to the Members of Congress or place any great strain upon their intellect.

Mr. DOUGLAS. No. Our intellects are perfectly capable of dealing with these issues. But I should say that in the matter of tariffs and rivers and harbors, we are like Oscar Wilde, who said he could resist everything except temptation.

Mr. ERVIN. Mr. President, will the Senator yield for a further observation?

Mr. DOUGLAS. I yield.

Mr. ERVIN. It causes me great sorrow to be driven to the inevitable conclusion that the distinguished Senator from Illinois has more confidence, in the character and intelligence of some unidentified persons in the State Department, than he has in the character and intelligence of those with whom he works each day in the Senate Chamber and in the committees of the Senate.

Mr. DOUGLAS. The Senator from North Carolina is distorting the opinions of the Senator from Illinois. I said I had more confidence in the office of the presidency on tariff matters, and I should say also on matters dealing with rivers and harbors.

The best way the Senator from North Carolina can prove me wrong is for him to help our colleagues to develop more resistance to river and harbor bills and also be able to resist the pressure of particular industries which seek protection.

Mr. ERVIN. Mr. President, the Senator from Illinois has made his position very clear to me.

Mr. DOUGLAS. I hope so.

Mr. ERVIN. The Senator from Illinois has more confidence in the capacity of the President to exercise legislative powers than he does in the Members of Congress to do so; and I thank the Senator from Illinois for making his position so clear.

Mr. DOUGLAS. Mr. President, let me deal with the details of the Payne amendment, after the flurry of objections has subsided for the moment.

The Payne amendment has been offered as a substitute for the Kerr provision of the Finance Committee bill. The Kerr provision, for all practical purposes, delegates to the Tariff Commission authority for final decision to increase tariffs or impose quotas in escape-clause cases, subject only to overriding by a majority vote of both Houses of Congress in the event the President disagrees with the Tariff Commission findings or recommendations and reports to the Congress his disagreement.

The Payne amendment reverses this procedure and, while retaining to the President the essential delegation of authority for final decision in these cases, as in the present law, provides that the Congress may by concurrent resolution override the President's decision and may make the Tariff Commission recommendations final. This provision is analogous to the provision in the bill as passed by the House which permitted a two-thirds vote by both Houses to override a Presidential decision. However, while analogous, it is seriously different in effect and in practice.

The provision in the bill as passed by the House, while unfortunate in its implications that the Congress should reassume a direct responsibility in the fixing of individual tariff rates, has the merit at least of, first, retaining the 60-day period for Presidential consideration of all the factors, foreign policy and other, in a Tariff Commission recommendation, whereas the Payne amendment cuts this period to 30 days; second, approximating the constitutional right of Congress to override a Presidential veto by two-thirds vote; and, third, requiring a major effort to overturn a Presidential decision made in the national interest.

The PRESIDING OFFICER. The time yielded to the Senator from Illinois has expired.

Mr. BYRD. Mr. President, I yield 5 additional minutes to the Senator from Illinois.

Mr. DOUGLAS. I thank the Senator from Virginia.

Mr. President, in the face of cogent arguments by the President, and, presumably of the responsible Congressional leadership, it would be difficult for the logrolling process—with which my friend, the Senator from North Carolina [Mr. ERVIN], seems not to be familiar—to muster a two-thirds majority in both Houses to sustain the Tariff Commission in its narrow view—confined by law to questions of injury or threats of injury to individual industries or segments thereof, of the national interest. It would be far less difficult, however, to obtain a simple majority for this purpose, particularly as that majority might be merely a majority of a quorum or even less in the case of a voice vote, instead of a majority of the membership. It is that difference in degree which would make the difference between a law which would be workable and would retain the basic principle of the trade agreements program of delegation of individual ratemaking to the President under standards and guidelines set forth by the Congress, and one which would make a shambles of the whole program.

An individual case, however important, in which the President might be overridden by two-thirds majority of both Houses, could perhaps be accommodated to the national interest by means of other avenues which might be open. The first successful case, however, under the Payne amendment would open the floodgates. The success of the first case would be the result of the combination of special interests organized for the purpose of accomplishing precisely that objective.

It would not take long. Every special interest which had anything to gain from a high tariff would join in the mass assault on the Tariff Commission. That body, bound by a law which requires it to recommend the increase in tariffs or the establishment of quotas merely because increased imports, actual or relative, resulting in whole or in part from a tariff concession, contributed substantially toward causing or threatening serious injury to a portion or subdivision of a domestic industry, would have little latitude. It would, as it is required by law to do, disregard all consideration of, first, the effect of the decision on American exports; second, its implications with respect to foreign policy; third, the protection of American consumers; fourth, the effect on related American industries, fifth, compensatory reductions on products of other industries to maintain balance in trade agreements.

The influence and authority of the President, who is elected by all the people and who alone, under the Constitution, represents them in the conduct of foreign relations, although of course he should proceed with the advice and the

ultimate consent of the Senate—would be drastically reduced.

This is the direction of the Payne amendment. For all intents and purposes, it negates the purpose of the trade agreements program and the objective which Congress had in enacting the original Trade Agreements Act and its ten extensions—namely, to establish the tariff on the basis of the national interest, and to relieve itself of the impossible chore of voting on the level of every individual tariff rate without the time and the information necessary to know what it is doing.

Mr. President, I yield the floor.

Mr. BYRD. Mr. President, I yield 5 minutes to the Senator from New York [Mr. JAVITS].

Mr. JAVITS. Mr. President, I rise to oppose the Payne amendment, because I think it essential that I do so and that the amendment be rejected. I believe that all Members who believe in the trade-agreements law should oppose the Payne amendment.

Personally, I am very fond of the Senator from Maine [Mr. PAYNE]. No Member speaks with greater dedication to his country or greater patriotism, and I know the Senator from Maine offers the amendment in what he considers the best interests of the country. Similarly, I know that he respects my position as much as I respect his. I equally believe that I, too, am seeking to serve the best interests of the country.

I believe the Payne amendment must be opposed because, following the rejection of the Kerr amendment, the Payne amendment looks so mild, so palatable, and so reasonable, that it might have a better chance of adoption, just because it gives the appearance of being easy to take.

But, Mr. President, I think the Payne amendment goes to so fundamental an aspect of the reciprocal-trade policy that the amendment must be opposed and should be rejected. I shall state my reasons for taking that position.

The language written into the bill by the House of Representatives which provides for a two-thirds majority in the case of a "no" vote, was adopted as a compromise, in an effort to mollify the opponents of reciprocal trade; and it was conditioned on the fact that when the Congress reverses a decision of the President on a Tariff Commission recommendation, the Congress practically is trying to override a veto, because Congress has given this statutory power to the President.

So the same means provided by the Constitution for the overriding of the Presidential veto is included in the bill as passed by the House, in order to override such a proposed action by the President.

Even that—and in a moment I shall develop that point—changes the concept of the reciprocal trade program. But at least we could live with such a provision, because if the Congress can reverse the President and can make a law without the President's signature, then, by a similar procedure, it is at least arguable that it should be possible for Congress to reverse the President's decision in connection with the administration of a law regarding which Congress has given him plenary power for a particular period. But when we go beyond that, we really assail the policy which is involved in the bill.

Mr. President, this is the most important time, in terms of world policy, for us not to compromise the fundamental policy involved in the reciprocal trade agreement program, which we are now considering extending.

What is the fundamental principle? It is not only that Congress should not engage in the time-honored practice of logrolling, in the course of which Members trade off with each other individual economic interests, but also that even leaving that aside—although certainly it cannot be left aside; it remains a major argument—the modern world is so complex, the number of items involved is so great, and the individual economic determination so powerful, so almost overwhelming in their character, that Congress cannot intelligently—and I emphasize the word—based upon full information, deal with a multitude of questions of this kind.

By way of authority for those statements, Mr. President, I should like to quote from two widely divergent leaders in American legislative life. One is what Senator Vandenberg said on June 12, 1948, as it appears in the CONGRESSIONAL RECORD:

> Tariff rate making in Congress is an atrocity. It lacks any element of economic science or validity. I suspect the 10 Members of the Senate, including myself, who struggled through the 11 months it took to write the last Congressional tariff act, would join me in resigning before they would be willing to tackle another general Congressional tariff revision.

Senator Taft, in an interview over the Columbia Broadcasting System on May 27, 1948, said:

> I would be very much opposed to returning to the old method by which Congress passed on tariff rates.

My colleague from Maine would say, "I am not proposing that Congress pass on tariff rates. I am proposing only that Congress have the power, by majority vote, to override the President." But I respectfully submit, as the Senator from Illinois has truly said, that the minute there is the first overriding, the minute the forces which are seeking to overturn the determinations of the President made in the national interest, get their first taste of blood, we shall be overriding the Tariff Act. A smart parliamentarian could say that the language, which reads, "approves recommendations made by the Tariff Commission," which would be the language of the resolution which the Congress would pass by majority vote——

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. JAVITS. May I have 2 additional minutes?

Mr. BUSH. I yield 2 additional minutes to the Senator from New York.

Mr. JAVITS. A smart parliamentarian could say such a resolution could contain conditions; that it did not have to be unequivocal. Under the rules of the Senate, for example, it could be amended without restriction. So the Congress would be writing tariffs—which is exactly what the reciprocal trade agreements program is designed to prevent.

I believe a good many Senators of liberal views on trade policy voted against the well-motivated amendment of the Senator from Pennsylvania [Mr. CLARK] to make the Trade Agreements Act permanent. We refrained from voting for the amendment not because of any reservations about the policy, but because we knew Congress had to have some terminal point, at which time it could check the legislation and change the ground rules if it wished. Therefore, in the interest of passing this legislation, we felt we should go along with providing a term of years, so that at a given time we could amend the law and change the ground rules if it were so desired.

Mr. President, if we in the United States will use our great power to give other people a chance, if we will not act in a parochial way, we shall be truly a force for the betterment of the world.

On the whole, taking everything into consideration, this reciprocal trade program has worked well. It has increased our exports and our imports, and has helped to increase world trade. If we want to oppose the betterment of conditions for trade in the world, we shall be in danger of losing our influence, not only in the Middle East, but elsewhere; but if we want a world in which people have a fair chance, then this is a fair arrangement and ought to be permitted to continue, as it has functioned successfully up to now.

Mr. COOPER. Mr. President, will the Senator yield 3 minutes to me?

Mr. BUSH. I yield 3 minutes to the Senator from Kentucky.

The PRESIDING OFFICER. Does the Senator yield time on the bill or on the amendment?

Mr. BUSH. The Senator from Virginia controls the time on the amendment.

Mr. BYRD. Mr. President, how much time does the Senator desire?

Mr. COOPER. Three minutes.

Mr. BYRD. I yield 5 minutes to the Senator from Kentucky.

Mr. COOPER. I would prefer to defer discussion of the pending amendment to members of the Finance Committee who have considered the bill and amendments for many weeks; but I speak on it because it may be the only chance that some of us who favor the extension of the Trade Agreements Act—as recommended by the President and passed by the House—will have to speak against the committee amendments which would change the character of the act and make it ineffective.

I oppose the pending amendment because I believe it inherently contains the same defects as the Kerr amendment which the Senate struck from the bill today. The pending amendment would erode the Trade Agreements Act and, in fact, return to the Congress the tariffmaking function.

Why do I say that? The broad purpose of the Trade Agreements Act was

to give power to the President, within peril-point and escape-clause limitations—taking into consideration the impact on an affected industry and the interest of the Nation's industry as a whole, and taking into consideration broad questions of foreign policy—to make concessions which would allow imports into this country under conditions of reciprocity, and thereby enable us to increase our exports.

When, under the amendment which is offered by my good friend from Maine, the power to determine tariffs would, in effect, be returned to the Congress, we know that the Congress, broad as its powers are, adequate and comprehensive though its intelligence may be, patriotic as it is, could not actually consider technical tariff questions in the broad scope as can the President, the agencies of the executive branch. The Tariff Commission, acting within the purposes of the Reciprocal Trade Agreements Act.

So, although the amendment before us is much more limited than the Kerr amendment, it pursues the same path—that of making ineffective the powers given the President by the Trade Agreements Act and actually changing the character of that act.

Because I believe the act as a whole has worked satisfactorily for the country and, certainly much more satisfactorily than tariffmaking by the Congress in effect before its enactment 34 years ago, I oppose this amendment and the amendments to the House bill placed in the bill by the Senate Finance Committee. The act should be extended, also, to the 5-year period. If the committee amendments are maintained by the Senate, or in conference, they will be the first steps in a process of gradually making ineffective the powers of the President of the United States which Congress delegated to him through the Reciprocal Trade Act.

Mr. ERVIN. Will the Senator from Maine yield me 7 minutes?

Mr. PAYNE. I am happy to yield 7 minutes to the Senator from North Carolina.

Mr. ERVIN. Mr. President, I think the Senator from Maine has made a fine contribution to the debate on the bill and has submitted a proposal which ought to be incorporated in the bill.

I favor a reciprocal trade agreement program which is based upon the concept originally brought forth by Cordell Hull; that is, a reciprocal trade agreement program which contemplates that the United States shall export surplus products to other countries and shall import from them commodities which the United States either does not produce or cannot produce in sufficient quantities.

Mr. President, we hear the most disheartening arguments made on the floor of the Senate to defeat proposals which would allow the representatives of the American people, who are elected by the American people, who are responsible to the American people, and who can be removed from office by the American people, to have some voice in the affairs of our Government in dealing with trade agreements.

The Constitution of the United States says that the power to regulate foreign commerce belongs to the Congress. I do not oppose the delegation of the exercise of power in this field to the executive branch of the Government. Indeed, I favor it. As a Member of the Senate, however, I am not impressed by the argument that the representatives of the people should have no voice in the exercise of their constitutional power. We are told in the arguments against the Payne amendment, as we were told in the arguments against the Kerr amendment, that the representatives of the people will be subjected to temptation if they attempt to exercise any voice in the discharge of their constitutional powers, and for that reason it is said that the Congress must pass a bill which will preclude the Members of the Senate and the House from exercising any voice in the discharge of power conferred upon them by the Constitution.

Moreover, we are told, in substance, that we do not have sufficient intelligence to pass on such matters, but that, on the contrary, for some strange reason, some persons in the State Department, whose identities are unknown, are richly endowed with the intelligence which the Senate lacks. We do not know who those persons are, yet are told we should have complete confidence in them. And we say by our votes that we have no confidence in ourselves.

Mr. President, the employees of the State Department were not selected by the American people to discharge our duties. They cannot be held responsible to the American people, and their identities are concealed from the American people.

I never expect to cast a vote for a proposition which says, in effect, that the duly elected Representatives of the American people are either mentally or morally incapable of performing the duties which the Constitution of the United States imposes upon them.

I favor the delegation of authority to the executive department as provided in the bill. But I want the representatives of the American people in the Congress to retain in express language their power under the Constitution of the United States. I think such action wise. Moreover, I believe the Constitution contemplates that such action should be taken.

I, therefore, support the Payne amendment. All the amendment would do would be to give to the Congress of the United States a power, under limited conditions, to assert control over foreign commerce in conformity with its constitutional responsibility when a majority of both Houses deem the action of the executive inimical to the national interest.

I am not afraid to trust the Congress to exercise its constitutional powers wisely. And certainly the President, acting through the State Department ought not to be permitted to take action in what is essentially a legislative field under the Constitution if a majority of the legislative body created by that Constitution deem such action out of harmony with the best interests of our country.

The Payne amendment will not impede the administration of the act. The truth is the procedure it establishes will rarely be used.

Mr. KUCHEL. Mr. President, will my able friend from Connecticut [Mr. BUSH] yield me 4 or 5 minutes? I desire to ask a few questions.

Mr. BUSH. Mr. President, I am glad to yield the Senator 5 minutes on the bill.

Mr. KUCHEL. Mr. President, I should like to ask the author of the amendment, my able colleague from Maine [Mr. PAYNE] a few questions.

Under the proposed amendment, how many votes would be required to be cast in the United States Senate in order to give effect to the escape clause provision?

Mr. PAYNE. The exact number of votes any other piece of legislation requires, including the legislation I mentioned earlier, which was passed by the Congress without question at all, giving authority for the President to enter into agreements with foreign nations on the exchange of atomic energy information. The President would submit to the Congress the proposal or the agreement and the Congress would then, by not acting, acquiesce to the agreement entered into. If the Congress did not agree with that which the President had entered into, it would by a simple majority vote in a concurrent resolution set forth its objection.

Mr. KUCHEL. Translating that statement into arithmetic, I take it 49 Senators present in the Chamber constitute a quorum, under the Constitution, to do business?

Mr. PAYNE. The Senator is correct.

Mr. KUCHEL. Therefore, I take it that under the Senator's amendment it would be possible for 25 Senators to overrule effectively the position of the executive branch?

Mr. PAYNE. The Senator is correct, if only 49 Senators bothered to pay attention to the business of the Senate on the floor, on a vote to be taken. Then 25 Senators would be the majority, in such an instance.

Mr. KUCHEL. Let me ask my able friend another question. The bill as it came from the House of Representatives to the Senate prescribed the same procedure, generally, which the able Senator envisions in his amendment, to wit, that by a concurrent resolution the executive branch could be overruled. If I correctly understand the situation, however, the House of Representatives in sending the bill to the Senate provided for a two-thirds vote before such a resolution could become effective.

Mr. PAYNE. The Senator is correct.

Mr. KUCHEL. When the House of Representatives provided for a two-thirds vote, can the Senator enlighten some of us, as to whether the House provided for a constitutional two-thirds vote? That is to say, did the House provide that 64 Senators should vote, or did it provide for a simple two-thirds vote of those present and voting?

Mr. PAYNE. As I recall, the House bill provided for a vote of two-thirds of those present and voting. I am subject

to correction, but that is my recollection.

If the Senator will be good enough to yield, I see the distinguished chairman of the Senate Committee on Finance is on the floor. Perhaps the Senator from Virginia [Mr. BYRD] can enlighten us on the question.

Mr. BYRD. Mr. President, it is my understanding the House bill provided for a two-thirds vote of those present and voting.

Mr. KUCHEL. So it is fair to say that the question before the Senate now is whether 25 Senators, on the basis of a minimum vote, should vote to overrule effectively the executive branch in this field, or whether, as the House bill provides, 32 Senators, as a minimum, should vote to overrule the executive branch. Is that the question?

Mr. PAYNE. No. The argument is very simple. The question relates to the power which is conferred by the Constitution of the United States, article I, section 8. The question is whether we want to give up completely all rights and privileges we have in connection with any of these matters, and have no votes in the Congress on any question of tariffs, even though an independent agency of the Congress, created by Congress, which is the Tariff Commission, finds that a domestic industry is being injured. We are asked to say, "Regardless of that, whatever the President may say will be the decision." In other words, "We do not want the Congress to take any action whatsoever."

The amendment I have offered provides affirmatively that if the President does not agree with the Tariff Commission findings, he will then submit his views to the Congress. In the absence of any action by the Congress by concurrent resolution, or in the absence of any resolution at all, his findings will take effect.

The PRESIDING OFFICER. The 5 minutes of the Senator from California have expired.

Mr. KUCHEL. Mr. President, may we have 3 additional minutes?

Mr. BYRD. Mr. President, I yield 5 minutes on the bill to the Senator from California.

Mr. KUCHEL. Am I to understand the Senator to say that, procedurally, his amendment adds something to the bill, as to which the House is silent?

Mr. PAYNE. It adds to the bill the provision that if a majority of those present and voting believe that the economy of the country in some particular field needs greater protection than is being afforded, the duly-elected representatives of the people can say, by a majority vote of both bodies, what they believe in. They can do so by concurrent resolution.

Mr. KUCHEL. I understand that the difference is between a simple majority, under the Senator's amendment, and a simple two-thirds majority; and that means a simple two-thirds majority under the House provision. Aside from that, does the Senator's amendment add anything to the House bill?

Mr. PAYNE. It clarifies the situation with respect to the waiting period. The way the House bill was written, it could have meant that if action were taken, let us say, by the President in September, by the time the Congress reconvened it would have no days at all to give consideration to a very important issue. It would be acting almost entirely without knowledge of the particular subject matter under consideration. My amendment provides that within 30 days after convening, if Congress is not in session when the finding is sent to it, it must act.

Mr. KUCHEL. Let me ask the Senator whether this is a correct statement: Under the Senator's proposal it would be possible for 25 Senators to overrule the executive branch; and under the terms of the House bill, which is now before us, it would require 32 Senators to overrule the executive branch. Is that a correct statement?

Mr. PAYNE. That is correct.

Mr. ERVIN. Mr. President, will the Senator yield for a question?

Mr. KUCHEL. Certainly.

Mr. ERVIN. Does the Senator from California believe that 47 Members of the Senate would be so derelict in the performance of their public duties that they would abandon the performance of such duties and leave the Senate?

Mr. KUCHEL. Let me say by way of reply that, first, I am searching for information. Second, I will not try to look after the consciences of any of my brothers. I have difficulty with my own.

As one who is not a member of the Finance Committee, I wanted to know exactly and precisely what the arithmetical difference was between the amendment of the Senator from Maine and the provision of the House bill.

Apparently there is no dispute anywhere, either in the executive branch or in the Congress, as to the new procedure under which the Congress would be given an opportunity to reverse the executive branch. Never has such a provision been in our trade law. My understanding is that the proposed procedure is new. With respect to that procedure, no one apparently disagrees. The question is whether a two-thirds majority or a simple majority should be required.

Mr. ERVIN. Does the Senator fear that the consciences of 47 Members of the Senate would be in such a terrible state of disrepair as to permit them to forsake their public duties and go somewhere else, leaving 49 Senators to do the legislating?

Mr. KUCHEL. I observed at least one example of that kind of disrepair during my first year in the Senate. I think there were three Senators present upon one occasion when a bill was passed. It was not an important bill. I did not start screaming and shouting that no more Senators were present. Senators have multitudinous duties. Much of their labors are performed off the Senate floor. I am sure the Senator is correct in believing that there would be as many Senators present as could be present in the consideration of important problems. However, I simply have desired to find out succinctly what the difference is between the two proposals.

Mr. BARRETT. Mr. President, will the Senator from California yield to me in order that I may ask the Senator from Maine a question?

Mr. KUCHEL. I yield.

Mr. BARRETT. Is it not a fact that the provision in the Senator's amendment requiring a simple majority of the House and Senate is precisely what would have been required to perform the same act had not the power been delegated to the Executive?

The PRESIDING OFFICER. The time of the Senator from California has expired.

Mr. PAYNE. I will take 1 more minute.

The Senator from Wyoming is absolutely correct. Only a simple majority is required to enact any law we wish to enact. The President of the United States saw no objection when he signed into law the so-called Atomic Energy Act, which contained the provision with reference to agreements to which I referred earlier. It provides that the Congress, by concurrent resolution and by majority vote, may disapprove the agreements entered into.

Mr. BARRETT. The situation is simply this——

The PRESIDING OFFICER. The time of the Senator from Maine has expired.

Mr. PAYNE. I will take 1 more minute.

Mr. BARRETT. If the Congress had retained its powers under the Constitution to enact legislation in this field, it could have done so by a simple majority.

Mr. PAYNE. Absolutely.

Mr. BARRETT. The situation would not be a bit different under the Senator's amendment, would it?

Mr. PAYNE. It would not.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. PAYNE. I yield.

Mr. MALONE. The Senator's amendment is only a gesture back toward the constitutional responsibility of the Congress, is it not?

Mr. PAYNE. It gives the Congress a checkrein if it is found that there is need for it.

Mr. MALONE. I thank the Senator.

Mr. PAYNE. I now yield 3 minutes to my colleague, the Senator from Colorado [Mr. ALLOTT].

Mr. ALLOTT. Mr. President, as one of those who have always supported reciprocal trade in all its phases, I wish to make a few remarks with respect to the pending bill.

I am particularly happy to see the senior Senator from Ohio [Mr. BRICKER] in the Chamber. He made some very cogent remarks last week about the constitutionality of the various proposals which have been made. I agree with him entirely.

First, I would find it impossible in my mind, in the present world situation, to live with either the proposal of the House, requiring a two-thirds majority, which places an unconscionable burden upon Congress in reversing any policy, or with the proposal of the Senator from Oklahoma [Mr. KERR] and other Senators, which has just been defeated by the Senate. Such a proposal would place the President in the position of lobbying

Congress to reverse a decision of the Tariff Commission.

As I see the amendment of the Senator from Maine, it merely requires that the decision of the Tariff Commission shall become effective unless the Congress shall reverse it by a simple majority.

With respect to changing any policy which may be established by the Tariff Commission or the President, we could abolish the Tariff Commission by the same vote which would be required to reverse an action of the Commission which had just been vetoed or changed by the President.

In view of all the factors, I believe it is time for us to take a good look at the policy of reciprocal trade. I do not believe we can surrender the policies of this country completely and forever to the State Department, however conscientious, sincere, and able its members may be. Therefore, with the knowledge that the Congress of the United States will act with all the sincerity and integrity with which it has always acted, I shall support this amendment, with the view that, in the final analysis we shall vest in Congress the opportunity and the right to say what policy shall be followed in a given area.

The PRESIDING OFFICER. The time of the Senator from Colorado has expired.

Mr. HUMPHREY subsequently said: Mr. President, I ask unanimous consent to have printed in the RECORD, at the point where the Payne amendment was under consideration this afternoon, a statement by me on that amendment. I believe the statement more accurately explains my position.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUMPHREY

This amendment, by changing the requirement contained in the trade agreements bill passed by the House, from a two-thirds majority of both Houses for overriding a decision by the President in escape-clause cases, to a concurrent resolution by a simple majority of both Houses, would deal a crippling blow to the Trade Agreements Act if it were adopted.

This change is far more serious than it appears to be for reasons which I shall outline. In the first place, the provision in the House bill providing for a two-thirds override of the President is bad enough. While seeming merely to provide an avenue of action for the Congress, which is no more than the Congress already possesses by virtue of its constitutional right to overrule a Presidential veto in legislative matters, its enactment would in fact reverse the trade policy of a quarter century. In 1934, the Congress wisely decided to leave individual tariffmaking to the Executive under standards and criteria established by law. This decision was a direct result of the nightmare which in 1930 produced the Smoot-Hawley tariff about which the late Senator Barkley remarked that "the halls of Congress ran with blood from the mutual backscratching." Although the logical end of this reversal of policy would be an inevitable return within a measurable period of time, of individual ratemaking to the committees of Congress and to the floors of Congress, the saving grace of this provision in the House bill is the two-thirds majority which it requires. Even though the motion to override the President would be a privileged one, it is unlikely that it would carry very frequently. It would seem fairly certain that only when there was overwhelming sentiment in Congress, backed by widespread public opinion, against the President's decision could a two-thirds majority be mustered. Thus, while the implications of this House provision for the direction of tariff policy are serious, its practical effect would probably be of little importance.

The Payne amendment could drastically change that practical effect. By requiring only a joint resolution by simple majorities of both Houses, which in the case of voice votes could be less than a majority of a quorum, this amendment would make it relatively easy to override the President. It should be remembered that all the forces interested in higher tariff protection would join together on the first case which came from the Tariff Commission in an all-out effort to override the President and set a precedent for future cases. We can be sure there would be no dirth of future cases. Every industry or segment of an industry which had anything to gain at all from higher tariffs would descend upon the Tariff Commission with its claims of injury. And under the circumstances, it would be surprising if the Tariff Commission were not entirely responsive to these domestic industry demands. With this amendment the whole tenor and emphasis in the law would have been changed from the objective of expansion of exports and of world trade to protection of domestic industry. The flood of applications would create backlogs of work in the Tariff Commission and lead to further demands that action be taken directly by the Congress in the interest of greater speed. This would lead directly to demands for a thorough-going revision of the present Tariff Act and the Congress would face again the horrors of going through that atrocious process. It is worth noting that when the House Ways and Means Committee, back in 1928, authorized public notice of hearings on the tariff action revision which became the Smoot-Hawley Tariff Act, more than 1,100 persons sought to appear. They produced 11,000 pages of testimony in 43 days and 5 evenings through February 27, 1929. The Senate hearings began June 13, 1929, and continued till July 18 with a somewhat smaller number of witnesses and 9,000 pages of testimony.

Judgment as to how many items were involved in these hearings varied from the Tariff Commission 1930 statement that the dutiable items were about 3,000 which, with 264-basket clauses making up part of that count (articles not specially provided for), covers 25,000 articles of commerce; to the testimony of a former Ways and Means Committeeman and then member of the Tariff Commission, that the revision covered hundreds of thousands of items.

It was this process which led Senator Vandenberg to call tariffmaking by Congress an atrocity and which lacks any element of economic science or validity.

This is no idle danger. A trend which this Payne amendment, if adopted, would set would lead inexorably to higher tariffs across the board. The Trade Agreements Act would be a Trade Agreements Act in name only. Any tariff reductions that might be made by way of trade agreements would be more than offset by the rates which would be increased by the escape clause and the Congress.

Finally, quite aside from the question of the higher tariffs which this amendment would insure, is the effect it would have on our foreign policy and on our general national interest. Our tariff policy has become a part of our foreign policy in the years since 1934. Since we have actively bargained for reduction in our rates as well as for reduction in the rates of other countries, any action we take in increasing our tariffs must necessarily affect our foreign relations. The President is responsible for the conduct of foreign relations, and it is entirely wise and fitting that he should be responsible for final decisions in areas which touch upon foreign policy, subject, of course, to general policy guidelines established by law.

Only the President is in possession of all the information, confidential or otherwise, which can lead to a proper decision in the national interest. The Tariff Commissioners themselves in their testimony this year before the House Ways and Means Committee felt that it would be unwise to place responsibility for a final decision in escape clause cases in their hands. Too many factors outside the narrow criterion of injury to domestic industry must of necessity be taken into consideration in any final decision with respect to increasing a tariff rate or establishing a quota.

The Payne amendment is a long step in the wrong direction. I would urge the Senate not to adopt it.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Parliamentarian informs the Chair that a quorum call cannot be had at this time, except by unanimous consent, until all time on the amendment has been yielded back by both sides.

Mr. BYRD. I yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from Maine yield back the remainder of his time?

Mr. PAYNE. I yield back my time.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment offered by the Senator from Maine [Mr. PAYNE]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Missouri [Mr. HENNINGS], the Senator from Florida [Mr. HOLLAND], the Senator from Montana [Mr. MURRAY], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

The Senator from Massachusetts [Mr. KENNEDY] is absent because of illness.

I further announce that if present and voting, the Senator from Missouri [Mr. HENNINGS], the Senator from Florida [Mr. HOLLAND], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Montana [Mr. MURRAY] would each vote "nay."

The result was announced—yeas 34, nays 57, as follows:

YEAS—34

Aiken	Cotton	Payne
Allott	Curtis	Revercomb
Anderson	Dworshak	Russell
Barrett	Ervin	Schoeppel
Bennett	Goldwater	Smith, Maine
Bible	Hoblitzell	Talmadge
Bricker	Hruska	Watkins
Bridges	Jenner	Wiley
Butler	Johnston, S. C.	Williams
Capehart	Jordan	Young
Case, S. Dak.	Malone	
Chavez	Mundt	

NAYS—57

Beall	Hickenlooper	McNamara
Bush	Hill	Monroney
Byrd	Humphrey	Morse
Carlson	Ives	Morton
Carroll	Jackson	Neuberger
Case, N. J.	Javits	O'Mahoney
Church	Johnson, Tex.	Pastore
Clark	Kefauver	Potter
Cooper	Kerr	Proxmire
Dirksen	Knowland	Purtell
Douglas	Kuchel	Robertson
Eastland	Langer	Saltonstall
Ellender	Lausche	Smathers
Flanders	Long	Smith, N. J.
Frear	Magnuson	Sparkman
Fulbright	Mansfield	Stennis
Gore	Martin, Iowa	Symington
Green	Martin, Pa.	Thurmond
Hayden	McClellan	Thye

NOT VOTING—5

Hennings	Kennedy	Yarborough
Holland	Murray	

So Mr. PAYNE's amendment was rejected.

Mr. BYRD. Mr. President, I move that the vote by which the amendment was rejected by reconsidered.

Mr. KNOWLAND. Mr. President, I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum; and I ask unanimous consent that the time required therefor be charged equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered; and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ANDERSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13121) to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11574) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1959, and for other purposes; that the House receded from its disagreement to the amendment of the Senate numbered 80 to the bill, and concurred therein; that the House receded from its disagreement to the amendments of the Senate numbered 17, 20, and 58 to the bill, and concurred therein severally with an amendment, in which it requested the concurrence of the Senate, and that the House insisted on its disagreement to the amendment of the Senate numbered 1 to the bill.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 7902. An act to authorize travel and transportation allowances in the case of certain members of the uniformed services;

H. R. 9369. An act to authorize refunds by the Veterans' Administration of amounts collected from former servicemen by the Government pursuant to guaranty of life insurance premiums under the original Soldiers' and Sailors' Civil Relief Act of 1940;

H. R. 10321. An act to authorize the Secretary of Agriculture to exchange lands comprising a portion of the Estes Park Administrative Site, Roosevelt National Forest, Colo., and for other purposes;

H. R. 11253. An act to authorize the Secretary of Agriculture to exchange land and improvements with the city of Redding, Shasta County, Calif., and for other purposes;

H. R. 11504. An act to amend title 10 of the United States Code to permit enlisted members of the Naval Reserve and Marine Corps Reserve to transfer to the Fleet Reserve and the Fleet Marine Corps Reserve on the same basis as members of the regular components;

H. R. 11518. An act to authorize the construction of modern naval vessels;

H. R. 11626. An act to amend section 6911 of title 10, United States Code, to provide for the grade, procurement, and transfer of aviation cadets;

H. R. 11700. An act to authorize civilian personnel of the Department of Defense to carry firearms;

H. R. 12161. An act to provide for the establishment of townsites, and for other purposes; and

H. R. 12694. An act to authorize loans for the construction of hospitals and other facilities under title VI of the Public Health Service Act, and for other purposes.

ATOMIC ENERGY COMMISSION APPROPRIATION BILL, 1959—CONFERENCE REPORT

Mr. ANDERSON. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill, H. R. 13121, to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read, for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of July 21, 1958, pp. 14641–14643, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

The PRESIDING OFFICER. The question is on agreeing to the report.

Mr. SALTONSTALL. Mr. President, I should like to ask the Senator from New Mexico a question: Is the conference report unanimous on the part of all the conferees?

Mr. ANDERSON. Yes, except it does not bear the signature of the Senator from Ohio [Mr. BRICKER], who, I believe, had gone to Ohio.

Mr. SALTONSTALL. I understand that one of my amendments which was adopted by the Senate has been omitted from the conference report. It would have joined the Secretary of Defense with the Atomic Energy Commission in making certifications (a) and (b) provided in section 106 of the bill in connection with substitutions of new projects for projects specifically authorized in the bill.

Mr. ANDERSON. That proposal was submitted to the Defense Department and to the Atomic Energy Commission, for their comments.

The Defense Department still would like to be able to consider these matters when they come up. The Atomic Energy Commission was strongly opposed to the proposed language.

After full consideration, it was the opinion of the conferees that the position taken by the Atomic Energy Commission was the correct one.

The Department of Defense lays down its requirements, and says it needs so many weapons of certain sizes and capabilities. Thereafter, it is the responsibility of the Atomic Energy Commission to provide the weapons. We do not believe that then the Defense Department should again tell the Atomic Energy Commission how to set up the facilities with which to provide the weapons. The vote of the conferees against retention of the amendment was unanimous.

I wish to say to the able Senator from Massachusetts that we recognize his great interest in this matter, and we also recognize the propriety of permitting the Defense Department to have considerable to say about weapons.

But when it comes to deciding where the facilities will be built, how much plutonium will be developed, and where, and whether a certain amount or a larger amount of plutonium or other reactor products will be developed within overall requirements those matters are to be decided by the experts who work in the laboratories and plants which have been provided; and the Commission feels strongly that it would only complicate affairs to permit the Department of Defense then to have the right to say how much of one or another could be made, when the Department of Defense might not understand that there had been a change in the method by which the weapons were put together.

Mr. SALTONSTALL. I thank the Senator from New Mexico. I would point out that the certifications to which my amendment would have made the Secretary of Defense a party would not have involved any interference by the Defense Department in operations or activities of the Atomic Energy Commission.

Mr. President, although I do not agree with the provisions of the conference report in regard to these certifications by

the Secretary of Defense, I shall not oppose the report.

However, I ask unanimous consent to have printed at this point in the RECORD a letter signed by Mr. Herbert B. Loper, the Assistant to the Secretary of Defense, for Atomic Energy, and written to the chairman of the conferees.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF THE SECRETARY OF DEFENSE,
Washington, D. C.

Hon. CARL T. DURHAM,
Chairman, Joint Committee on Atomic Energy, the Capitol, Washington, D. C.

DEAR MR. CHAIRMAN: I am writing to express the views of the Department of Defense on the amendment to S. 4051 of the 85th Congress which the Senate adopted on July 15, 1958 (CONGRESSIONAL RECORD, p. 13803), identified as Senator SALTONSTALL'S amendment No. 1.

The amendment is to section 106 of the bill, which would, as amended, provide that funds authorized by the bill may be used to start any other new project for which an estimate was not included in the bill, if it be a substitute for a project authorized in subsection 101 (a), (b), or (c) and if the estimated cost of the new project is within the limit of cost of the project for which substitution is made, and providing that (1) the Commission and the Secretary of Defense certify that the project is essential to the common defense and security and (2) that the Commission and the Secretary of Defense certify that the new project is required by changes in weapon characteristics or weapon logistic operations, and (3) that the Commission certifies that it is unable to enter into a contract with any person on satisfactory terms to furnish from a privately owned plant or facility the product or services to be provided in the new project. Senator SALTONSTALL'S amendment No. 1 requires the Secretary of Defense to join with the Commission in certifying points (1) and (2) as indicated above.

The Department of Defense strongly supports Senator SALTONSTALL'S amendment No. 1. We feel that the authority which section 106 of the bill vests in the executive branch should be exercised only after careful deliberation by the officials of the executive branch who have the responsibility for and the wide information and experience necessary to the exercise of judgment with respect to defense needs and weapons needs. Any decision to substitute a new project for one already authorized because the new project is essential to the common defense and security and is required by changes in weapon characteristics or weapon logistic operations should be made only with the agreement of the Secretary of Defense, who is the chief official of the executive branch, under the President, charged with responsibility for the common defense and security and cognizant of changes in weapon characteristics and weapon logistic operations. It does not seem likely that any other official in the executive branch could be in a position to make any such decisions without the concurrence of the Secretary of Defense.

I appreciate the opportunity which you have accorded me to indicate the views of the Department of Defense in this matter.

Sincerely yours,

HERBERT B. LOPER,
Assistant to the Secretary of Defense (Atomic Energy).

Mr. ANDERSON. The other point in which the Senator from Massachusetts was interested, namely, that there should not be duplication in the construction of the gas-cooled reactor, has been, I believe, completely covered by the language of the report; and we appreciate the suggestion he made.

Mr. SALTONSTALL. I understand, and I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. JOHNSON of Texas. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from Texas is recognized for 1 minute.

Mr. JOHNSON of Texas. Mr. President, I wish to express my appreciation and admiration for the very fine job done by the Senator from New Mexico [Mr. ANDERSON] in connection with this extremely important report.

I am delighted that the Senate was able to take action so quickly, both when the bill was considered and when the conference report was considered. I believe that is largely due to the experience and knowledge of the able ranking member of the Joint Committee on Atomic Energy [Mr. ANDERSON]. I know of no Member of the Senate who has been more dedicated to public affairs than he, and I thank him for the fine job he has done in behalf of his country.

EXTENSION OF TRADE AGREEMENTS ACT

The Senate resumed the consideration of the bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

Mr. MAGNUSON. Mr. President, I call up my amendment which is identified as "7-16-58-F."

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). Does the Senator from Washington desire to have the amendment read?

Mr. MAGNUSON. No, Mr. President, I merely call it up.

The PRESIDING OFFICER. Without objection, the amendment will be printed in the RECORD, without being read.

The amendment submitted by Mr. MAGNUSON, for himself, Mr. BARRETT, Mr. BRICKER, Mr. BIBLE, Mr. CURTIS, Mr. JACKSON, Mr. MUNDT, Mr. MURRAY, Mr. PROXMIRE, and Mr. YOUNG, is as follows:

On page 32, after line 10, insert the following new section:

SEC. 12. (a) Subsections (a) and (b) of section 22 of the Agricultural Adjustment Act, as amended (7 U. S. C. 624), are amended to read as follows:

"(a) Whenever the Secretary of Agriculture has reason to believe that any article or articles are being or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with or materially increase the cost of, any program or operation undertaken under this title or the Soil Conservation and Domestic Allotment Act, as amended, or section 32, Public Law No. 320, 74th Congress, approved August 24, 1935, as amended, or any loan, purchase, or other program or operation undertaken by the Department of Agriculture, or any agency operating under its direction, with respect to any agricultural commodity or product thereof, or to reduce substantially the amount of any product processed in the United States from any agricultural commodity or product thereof with respect to which any such program or operation is being undertaken, he shall cause, on his own motion or upon application of any group of interested producers or processors, an immediate investigation to be made by the appropriate office or agency of the United States Department of Agriculture responsible for the administration of the affected program, which shall give precedence to investigations under this section to determine such facts. Such investigation shall be made after due notice and opportunity for hearing to interested parties, shall be conducted subject to such regulations as the Secretary of Agriculture shall specify, and shall be completed at the earliest possible date but in no event more than 6 months after the date of the initiating motion of the Secretary or the day on which the initiating application was filed with the Secretary.

"(b) If, on the basis of such investigation and report to him of findings and recommendations made in connection therewith, the Secretary of Agriculture finds the existence of such facts, he shall certify to the President such facts and the President shall by proclamation impose such fees not in excess of 50 percent ad valorem or such quantitative limitations on any article or articles which may be entered, or withdrawn from warehouse, for consumption as the Secretary of Agriculture has found and declared to be necessary in order that the entry of such article or articles will not render or tend to render ineffective, or materially interfere with or materially increase the cost of any program or operation referred to in subsection (a) of this section, or reduce substantially the amount of any product processed in the United States from any such agricultural commodity or product thereof with respect to which any such program or operation is being undertaken: *Provided*, That no proclamation under this section shall impose any limitation on the total quantity of any article or articles which may be entered, or withdrawn from warehouse, for consumption which reduces such permissible total quantity to proportionately less than 50 percent of the total quantity of such article or articles which was entered, or withdrawn from warehouse, for consumption during a representative period as determined by the Secretary of Agriculture; except that, whenever a condition exists requiring special treatment, the President upon recommendation of the Secretary of Agriculture may impose such further limitation or suspension of imports as he deems necessary upon a full consideration of the impact of imports of competitive commodities on (1) domestic production, (2) normal marketing and storing of domestic products, and (3) any Government support or other program: *And provided further*, That in designating any article or articles, the Secretary of Agriculture or the President, as the case may be, may describe them by physical qualities, value, or use, or upon such other bases as he shall determine. Such designations shall be sufficiently broad to prevent evasion and may include any form, combination, mixture, or source in which the article or articles may appear.

"In any case where the Secretary of Agriculture determines with regard to any article or articles that a condition exists requiring emergency treatment, he shall certify to the President the existence of such condition without awaiting the completion of the investigation and report herein provided for, and the President shall take immediate action under this section, such action to continue in effect pending the completion of such investigation and the report of findings and recommendations made in connection therewith, the certification by the Secretary of Agriculture, and action by the President thereon."

(b) Subsections (d) and (e) of such section 22 are amended to read as follows:

"(d) After investigation, report, finding, and declaration in the manner provided in the case of a proclamation issued pursuant to subsection (b) of this section, any proclamation or provision of such proclamation may be suspended or terminated by the President whenever the Secretary of Agriculture finds and certifies to the President that the circumstances requiring the proclamation or provision thereof no longer exist or may be modified by the President whenever the Secretary of Agriculture finds and certifies to the President that changed circumstances require such modification to carry out the purposes of this section.

"(e) Any decision, finding, or certification of facts and required fees or quantitative limitations of the Secretary of Agriculture under this section shall be final."

(c) The first sentence of subsection (a) of section 8 of the Trade Agreements Extension Act of 1951 (19 U. S. C. 1365) is amended by striking out "under the provisions of section 22 of the Agricultural Adjustment Act, as amended, or".

(d) The amendments made by this section shall not affect any action taken or determinations made before the date of the enactment of this act.

Mr. MAGNUSON. Mr. President, at the outset, let me say that after the amendment was submitted, four other Senators have asked to have their names included as sponsors. Therefore, I ask unanimous consent that the names of the Senator from North Dakota [Mr. LANGER], the Senator from Oregon [Mr. MORSE], the Senator from Kansas [Mr. SCHOEPPEL], and the Senator from Oklahoma [Mr. KERR] be added as cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, in order that there may be no misunderstanding about the motives of the Senators who sponsor the amendment—and, of course, in connection with this matter, I speak particularly for myself—I wish to say, first, that for 22 years, both in this body and in the House of Representatives, I have voted for reciprocal trade agreements. I am a strong believer in reciprocal trade agreements, as they have been worked out generally with the other nations of the world; and no one is more concerned than I with the trade with friendly nations and even in some cases nations which are politically unfriendly.

This amendment has often been misunderstood in the Senate as an attack upon the reciprocal trade program. It is not at all an attack upon it. The amendment merely deals with the procedure involved in seeking relief in some cases in which relief is justified and equitable to both countries involved and to our own citizens. The amendment has nothing whatever to do with the policy of the reciprocal trade agreements or the goals our country attempts to attain by means of trade with the other nations of the world.

Mr. President, on the question of agreeing to the amendment, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. PROXMIRE. Mr. President, will the Senator from Washington temporarily withhold his request?

Mr. MAGNUSON. Mr. President, I rise to a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Washington will state it.

Mr. MAGNUSON. After the yeas and nays are ordered on the question of agreeing to my amendment, will it be possible for the amendment to be amended?

The PRESIDING OFFICER. Yes, but not to be modified.

Mr. MAGNUSON. Then, Mr. President, I temporarily withdraw my request for the yeas and nays. Later, I shall renew it.

Mr. President, as I have stated, the amendment in a general way involves the procedure in many of the cases of application for relief and equitable treatment of the two countries involved, in cases affecting agricultural commodities, particularly subsidized domestic products.

The amendment has been adopted by the Senate on two occasions; I do not refer to the exact wording of the amendment as it is now before the Senate, but a generally similar amendment has been adopted by the Senate, and has been taken to conference.

This amendment to H. R. 12591—the trade agreements extension bill—would amend section 22 of the Agricultural Adjustment Act of 1933 as amended. Section 22 has been twice previously amended in trade agreements legislation—once in the Trade Agreements Extension Act of 1951 and once in the Trade Agreements Extension Act of 1953.

The proposal we have today is primarily a procedural amendment. A similar procedural amendment was unanimously approved by the Senate Agricultural Committee in 1950 and adopted without objection on the Senate floor. It was lost in conference with the House.

Section 22 of the Agricultural Adjustment Act was designed by its original authors in 1935 to provide a means, under certain circumstances, of protecting domestic agricultural producers and our domestic farm policies and programs laid down by Congress from ruinous imports.

When it is found as a fact that imports threaten or tend to interfere with any domestic farm program, section 22 makes it mandatory that the President shall impose a limitation on imports to prevent such interference. I refer to farm programs such as marketing agreements, price supports, school lunch programs, export subsidies, or similar efforts to assist domestic agriculture.

My amendment deals primarily with the fact finding functions presently provided in section 22. Because of the cumbersome, circuitous, and time-consuming procedure involved in the administration of section 22, as now written, it has never been the effective safety valve its authors intended it to be.

Under the present cumbersome procedure, no group of domestic agriculture producers, and not even the Secretary of Agriculture, can initiate an investigation upon their own motion. The current procedure runs in circles like this: The Department of Agriculture can—if it is of a mind to do so—conduct a preliminary investigation to make a preliminary determination as to whether imports may be interfering with one of the farm programs administered by the Department.

If the preliminary investigation indicates the possibility of some interference, the Secretary of Agriculture may informally recommend to the President that the President cause an investigation to be made by the Tariff Commission.

This preliminary recommendation to the President is forwarded by the White House for comment to the State Department.

If the State Department and the White House foreign-trade advisers disagree with the informal recommendation of the Secretary, it is returned to the Department of Agriculture and dies in the secret files of the Department—thus denying the domestic producers even their day in court.

If, on the other hand, the State Department and the White House foreign-trade advisers agree that an investigation is desirable, the President directs the Tariff Commission to make an investigation. Even up to this point the procedure is frequently so time-consuming that it is already too late to effectively protect the farm program involved.

The Tariff Commission takes the next step. It institutes an investigation, holds a public hearing, analyzes the record and other facts, and then reports to the President.

The report from the Tariff Commission to the President is then circulated to the State Department and other Cabinet agencies, through the Bureau of the Budget, for separate investigation and recommendation back to the White House.

If, based upon these multiple investigations, the foreign-trade advisers in the White House decide that there is interference with a farm program, then the President must finally impose a limitation upon imports. It has usually been the case, however, that the limitation imposed by the President is more liberal to the foreign producers than was the recommendation of either the Secretary of Agriculture or the Tariff Commission.

It is abundantly clear that this circuitous, cumbersome, and time consuming procedure provides no definite responsibility for the administration of section 22. The procedure thwarts any timely and effective protection of our farm programs. It makes for burdensome duplication of effort. It provides merely for various delays and buck-passing, with the end result that our farm programs are not adequately protected from interference from imports as Congress intended.

The amendment now before us makes no basic change in the substantive provisions of section 22. The amendment merely streamlines and simplifies the procedure and places in one place the fact finding functions, as well as the responsibility for effectively administering section 22. It places section 22 responsibility in the hands of the Secretary of Agriculture and the Department of Agriculture—in the same place where the full and final responsibility for administering our farm programs rests.

The Tariff Commission is a fine, impartial, expert, and respected arm of the Congress. However, the Commissioners certainly cannot be classified as experts on our farm programs.

I doubt that members of the Commission or the Commission staff would profess to be experts on our farm programs. I doubt they would even claim to possess a keen understanding of the purposes and operations of our various farm programs.

Certainly the State Department is not made up of experts on our farm programs, and usually they are not in sympathy with these programs as laid down by the Congress.

It is self-evident that the Tariff Commission and the State Department are not the best qualified agencies to determine whether imports are interfering with a domestic farm program or to what extent limitations on imports must be imposed to prevent such interference.

In the Department of Agriculture we have collected the best experts in the world on agricultural problems, and these experts are responsible for the successful operation of the various agriculture programs enacted by Congress. It is this group of farm experts who are best qualified to determine when imports interfere with the successful operation of a farm program which they are administering for the Congress.

This amendment would provide for a simple and prompt, factual determination by the Secretary of Agriculture as to the effect of imports on our farm programs. It will provide also for prompt action by the President in proclaiming the proper limitation when such determination has been made.

The procedure provided for in this amendment would be as follows:

Either upon motion of the Secretary or upon application of an interested group of domestic farm producers, the office or agency in the Department of Agriculture responsible for the operation of the affected program would conduct an investigation and make a report to the Secretary. If upon such investigation and report the Secretary determined that imports are interfering with the program, he would so certify to the President and certify the import limitation necessary to prevent such interference.

Under this amendment, after the factual determination has been made by the Secretary, the President would be required to proclaim the necessary import limitation—just as he does under the existing law once the factual determination has been made.

The amendment does not broaden the coverage of section 22, nor does it contain anything to increase the likelihood or necessity of a finding of interference from imports by the Secretary of Agriculture. The intent and substance of the law would remain the same.

In addition to these purely procedural changes, the amendment contains a few clarifying provisions.

First. The legislative history of section 22 makes it clear that when imports increase the cost of a domestic farm program, it should be interpreted as interference with such program, justifying an import limitation. The amendment, therefore, inserts in the existing language the words, "or materially increase the cost of."

This is merely to clarify the existing Congressional intent—namely, that imports which increase the cost of domestic farm programs do constitute interference with such programs within the intent of section 22.

Second. Under the existing language of section 22, there can be imposed no fee in excess of 50 percent ad valorem and no quantitative restriction limiting imports to less than 50 percent of imports during a representative period. Our amendment adds a provision under which the President, in his discretion and upon recommendation of the Secretary of Agriculture, may impose a further limitation if special circumstances justify.

Third. The amendment also adds some language to clarify the Secretary's authority to describe an agricultural commodity upon which an import limitation is to be placed in such a way as to avoid circumvention of such limitation as has recently occurred in the case of butter oil and butter substitutes such as exylone.

As I have already indicated, this amend is designed primarily to streamline and simplify the procedural and fact finding functions under section 22 of the Agricultural Adjustment Act. It places in the hands of the Secretary of Agriculture full authority over the import supply of an agricultural commodity, or product thereof, when he is operating a price support, marketing agreement, or other program affecting that commodity. This merely gives to the Secretary of Agriculture authority over the import supply parallel with the authority he has over the domestic supply under a price support, marketing agreement, or other farm program.

If we do not have a prompt and effective mechanism for preventing imports of agricultural commodities from interfering with our various agricultural price-support programs, we put ourselves in the ridiculous position of trying to support the world price of agricultural products. In that case, the program either falls of its own weight or we vastly multiply the cost of these programs.

Our farm programs usually hold the United States price above the world price. We cannot successfully operate these programs, within the bounds of reasonable costs, unless the Secretary has parallel and simultaneous authority over the import supply.

Under domestic farm programs, the Secretary's authority over domestic production and marketing is full and final. He should have parallel and simultaneous authority over the import supply.

Section 22 was designed as an integral part of our farm program. It was originally enacted in 1935 as an amendment to the Agricultural Adjustment Act. It was clearly intended to provide for a limitation on imports at any time imports threatened or tended to interfere with, or increase the cost of, our price support, marketing agreement, or other farm programs administered by the Secretary of Agriculture. The Congress has repeatedly amended section 22 to strengthen and broaden its coverage and to make it eminently clear that trade agreements, by the Executive, cannot supersede farm policies and programs enacted by the Congress.

In spite of these repeated amendments, the statute has been continuously honored by the State Department and the President only in its breach rather than in its enforcement.

For many years now—since 1949—both a majority of the Senate and I have been convinced that our trade agreements program must conform with domestic agricultural policy and programs formulated pursuant to the law of the land and administered by the Secretary of Agriculture. The time has come to write into this legislation an effective means of preventing the State Department from nullifying the intent of Congress.

The current administration came into power in January 1953. Shortly thereafter, Secretary of Agriculture Benson testified before the House Ways and Means Committee. He ably stated the argument I am making today when he said:

> I recently recommended to the Senate and the House Agricultural Committees that the Reciprocal Trade Agreements Act be extended.
>
> At the same time I indicated that import controls should be provided for those United States agricultural products which were under price support, and recommended that section 22 of the Agricultural Adjustment Act of 1933 be strengthened so as to make this possible. Let me review for you the conditions that made these recommendations advisable.
>
> We, in agriculture have in operation, as a consequence of Congressional action, various price-support programs. Many of the commodities included in these price-support and marketing order programs are subject to substantial import competition. In many cases the price-support level is substantially above the world market price, even after allowance for the customs duties assessed against imports. When that happens, imports are attracted to this country from all over the world, including areas where products would normally be exported in whole or in part to other countries where they may be badly needed. But the price-support level in this country acts like a powerful magnet to draw these commodities out of their normal flow in international trade. When we seek to limit the effect of this influence, we are simply seeking to diminish or avoid distortion of trade by the stimulus of an artificial influence, such as a price-support program.
>
> I am sure the Congress would not enact a statute making mandatory the support of the world price of agricultural commodities at 90 percent of American parity. Yet that is what the present mandatory supports mean if we do not have a readily available and effective method of controlling imports of those commodities or products whose prices are maintained here above world levels by price-support or marketing-order programs. Our price-support activities, already costly, would become much more expensive.
>
> In recognition of the fact that a stimulation of imports can impose an intolerable burden on a price-support program, the Congress enacted section 22 of the Agricultural Adjustment Act. This section provides for the imposition of import quotas or import fees whenever imports of any agricultural commodity or product thereof render

or tend to render ineffective or materially interfere with any price-support or marketing-order (or certain other) program. This is permanent legislation.

Although section 22 was originally enacted in 1935, it was very little used. It calls for investigation by the Tariff Commission after recommendation by the Secretary of Agriculture. Only 5 such investigations have been instituted in the past 17 years. Experience has shown that these investigations are usually long drawn out and this procedure has proved to be wholly ineffective to meet the problem.

I have been quoting from Secretary of Agriculture Benson. I agreed with what he said in 1953. On this subject, I agree with with him now.

As Senators know, I have always supported the trade-agreements program. I am convinced that this amendment is not inconsistent with that program.

The question before us is whether we are going to permit the Secretary of Agriculture to administer the farm policies and programs laid down by Congress, or whether we are going to permit the State Department, through foreign trade agreements, to control, circumvent, and undermine such policies and programs.

In the Trade Agreements Extension Act of 1951, Congress amended paragraph (f) of section 22 to read as follows:

(f) No trade agreement or other international agreement heretofore or hereafter entered into by the United States shall be applied in a manner inconsistent with the requirements of this section.

This amendment is the law of the land. Its intent is clear.

The provision states that section 22, and hence our domestic farm programs, shall be superior to and controlling over our trade agreements program.

It declares that any trade agreements negotiated shall not nullify our farm programs. In spite of this very clear mandate of Congress, the State Department and the President have continued to take the position that the executive agreement known as the General Agreement on Tariffs and Trade—GATT—is controlling over our farm programs in section 22. They even go so far as to contend that the existing restrictions on imports proclaimed under section 22—such as apply to dairy products—are permissible only by virtue of a gracious waiver which the State Department has obtained from the foreign contracting parties to GATT.

It is also clear that the State Department and the President have assured the other foreign countries who are members of GATT that the limitations on imports imposed under section 22 will be removed in the near future, and that domestic agricultural price support and other farm programs will be gradually amended to conform with the requirements of international trade and the provisions of GATT.

This presents a situation which I believe the Congress must correct. We cannot allow the State Department to ignore the Congressional mandate which was contained in the Trade Agreements Extension Act of 1951.

That the State Department intends to pursue its present course is made abundantly clear in a speech made before the Graduate Institute of International Studies at Geneva, Switzerland, in December 1956. I refer to a speech by Mr. Eric Windham White, who was executive secretary of the General Agreement on Tariffs and Trade, and a delegate thereto from the United Kingdom.

In this speech, published by GATT at Geneva, Switzerland, in March 1957, Mr. White attempts to justify the reluctant granting of the limited and temporary section 22 waiver to the United States in the following words:

The United States is, therefore, extremely sensitive to the political pressures which bear upon its policy in relation to agricultural imports. In order to take account of these difficulties and in order to put the United States in a position to go to Congress and seek the ratification of the agreement on the organization for trade cooperation, the contracting parties found it necessary to give the United States a waiver leaving the United States free, so far as GATT is concerned, to take measures affecting agricultural imports which are necessary to give effect to the domestic price support program. * * * It was recognized that the United States could be expected to act with moderation in the use of the waiver. * * * The United States administration has consistently striven to limit the area in which restrictions are applied. Moreover, the contracting parties were impressed by the expressed determination of the United States administration to attempt over a long period to adapt its agricultural policy to deal with a situation which is not only an external problem but an increasingly acute internal problem as well.

The above statement clearly reveals that the State Department obtained the GATT "waiver" only to pacify the Congress and only for a temporary period.

Unless we very clearly amend the law, it is apparent that the State Department and the President will forgo the temporary "waiver" which has been "so graciously granted on a limited basis by GATT—as expressed by Mr. White—and withdraw the balance of the agricultural import restrictions which now exist under section 22.

I submit to Senators that, in fairness to the foreign countries involved, we must amend the Trade Agreements Act to make it unmistakable to everyone that our domestic farm programs and section 22 must prevail over foreign trade agreements.

I urge the adoption of the amendment, first, because it will make section 22 the effective instrument it was intended to be, and second, because it will serve notice on all parties in interest that Congress does not propose to let executive trade agreements supersede legislative policy and programs enacted for the benefit of the American farmer.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. JACKSON. I wish to associate myself with the remarks of my distinguished senior colleague. I also desire to commend him for undertaking the sponsorship of this amendment. I am very happy to join with him in this undertaking.

Mr. MAGNUSON. I thank the Senator.

Mr. CURTIS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Chair wishes to ask the Senator from Washington if he desires to allocate to himself any particular amount of time.

Mr. MAGNUSON. I allocate 30 minutes to myself, and I now yield to the Senator from Nebraska.

Mr. CURTIS. I am happy to join as a cosponsor of the amendment. I think it should be pointed out that agriculture stands in a unique position in that, by law and regulation, the production of agricultural commodities is restricted in order to raise the price. The whole governmental program comes to naught if our surpluses are added to or our prices are depressed as a result of imports. It is necessary, in order to make an established governmental program work, that the proposed authority be granted.

Mr. MAGNUSON. Under the present procedure, if everybody moved swiftly, it would take from 18 to 23 months, even if it were decided that it was equitable and justifiable to do something, before action was taken. The result is that the barn door is locked after the horse is stolen. Reciprocal trade programs were intended to have escape clauses. The very provisions of General Agreements on Tariffs and Trade provide escape clauses for other nations. It is a little easier to measure what is to be done, in terms of world trade, when automobiles or machinery are considered, but farmers have to deal with the problem year after year.

Mr. CURTIS. The farmer is dependent on nature, and he cannot control his production, in spite of the fact that the law provides he must.

Mr. MAGNUSON. Yes; it was intended by the reciprocal trade program that the problem should be dealt with.

Mr. CURTIS. I think each country should have the right to carry on its programs in order to protect its own domestic price supports.

Mr. MAGNUSON. Yes; particularly because it costs a great deal of money to carry on such programs.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. COTTON. I wonder if the Senator is aware of the fact that a question has been raised, under section 22, as to whether such protection as is afforded—and the Senator has pointed out that the protection has been rather slow and unsatisfactory—is extended to agricultural products in manufactured form, for example, cotton and woolen textiles. Does the Senator's amendment clarify that situation?

Mr. MAGNUSON. If it does not, it is my intention that the amendment should be so clarified. We previously intended, and it is now intended, that there be an inclusion of products processed in the course of going to market. It might be a product put in brine, or the adding of something to make a product suitable for shipment. It deals with the agricultural process all along the line.

Mr. COTTON. I understand that attempts were made by the cotton textile interests to obtain some relief from the Secretary of Agriculure because of the fact that the imports of cotton textiles

were injuring not only the industry but also the cotton farmers. The cotton textile producers believed that could be done under section 22.

It is my understanding also, from the evidence given before the subcommittee of the Committee on Interstate and Foreign Commerce, that a ruling was made to the contrary. I believe the State Department strenuously opposed such an interpretation, and nothing was ever done. I had hoped that the Senator's amendment would clearly extend far enough to cover goods processed or manufactured from agricultural products. I expect to support the amendment, but I would be more enthusiastic if it extended to the point I have indicated. I understand the Senator from Washington to say it is his purpose to have the amendment cover that point.

Mr. MAGNUSON. Yes.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield to my friend from North Dakota.

Mr. LANGER. Mr. President, I had a personal experience in connection with rye, which caused me to be a cosponsor of the amendment. Some time ago Congress voted to provided for 1 year acreage for about 100 million bushels of rye, because under the Farm Program Administration the acreage for wheat had been cut down and down, until the farmers thought they had to seed some rye. Then the farmers suddenly discovered that Canada had sent into the United States 43 million bushels of rye, which was approximately one-half of all that could be produced in the United States. It took 7 months to get action by the President. The farmers of course could not seed any rye, because they did not know whether the President would do anything about the matter.

I think the amendment offered by the Senator from Washington, which I am happy to cosponsor, is, so far as farmers are concerned, one of the very best amendments offered to the measure presently under consideration.

Mr. MAGNUSON. I will say to the Senator from North Dakota that in many cases the situation was actually found to be wrong, unjust and inequitable, but when the matter finally got to the President for the purpose of making a finding it was too late.

Mr. LANGER. It was too late.

Mr. MAGNUSON. Yes. All we are asking is that the procedure be changed so that we will not have to lock the barn door after the horse is gone.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. YOUNG. Unless we have some provision of this kind, we render the price-support program ineffective and make them much more expensive. Therefore, a procedure which is workable, when imports become excessive and the trade knows some limitations may be imposed, causes an immediate stabilizing of the market. At present, with only a little bit of a surplus, particularly if the imports come from a country with a vast surplus, the market is completely broken. This provision is badly needed.

Mr. MAGNUSON. Yes.

Mr. YOUNG. All the other countries I know of have a procedure whereby they can invoke protection to their producers almost immediately.

Mr. MAGNUSON. I will say to my friend from North Dakota that if the Senator will read the constitution of GATT, which is the basis of all the trade agreements, he will find it is definitely provided there should be an escape clause and a reasonable procedure. Any other country which has the same problem will invoke the procedure, and I think will be right in so doing.

Mr. YOUNG. We cannot blame them.

Mr. MAGNUSON. Yes. We cannot blame them.

Mr. President, my time is running out. I want to have the rest of what I have to say in the RECORD.

I desire to state so that it will be abundantly clear that the amendment now before the Senate provides for no basic change in the substantive provisions of section 22. The amendment would merely streamline and simplify the procedure, placing in one spot the fact-finding functions as well as the responsibility for effectively administering section 22. The amendment would place section 22 responsibility in the hands of the Secretary of Agriculture, in the Department of Agriculture, the same place where the final and full responsibility for administering the farm programs rests.

The amendment should not be interpreted as a criticism of the Tariff Commission. It should not be interpreted as a criticism of the action of the President on the many occasions when he has found that certain situations were jeopardizing the domestic farm programs. However, by the time all the procedures had been gone through, it was too late for any good to be accomplished. The farm programs operate from year to year. They are sensitive as to what the costs are, what the value is, and how they are conducted.

This amendment is not to be interpreted as a criticism of the State Department, because usually when the State Department finds out what is going on it is too late, also. The State Department is not noted for moving very fast, to begin with.

This proposal is not intended to be a criticism of any department with respect to the program. The amendment would merely follow out the basic policies of the reciprocal trade program. The amendment would implement section 22 so as to make it effective, and would merely apply some streamlined procedure to domestic farm programs, which cost the taxpayers money.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. MAGNUSON. I shall be glad to yield to my friend from Wisconsin, but, first, I should like to say in the statement I have made Senators will find that the Secretary of Agriculture himself has recommended a streamlining of this procedure. He has said so on many occasions. Anyone who is familiar with farm program in the United States cannot fail to realize that there must be a faster way to present these cases. If the case is justifiable, no harm can be done, because all the other countries recognize the escape clauses in the reciprocal trade program.

Mr. WILEY. Mr. President, will the Senator yield for a question?

Mr. MAGNUSON. I yield.

Mr. WILEY. I am sorry I have not had time to go into this matter fully. I have listened to some of the remarks. I should like to ask whether, under the amendment proposed by the Senator from Washington, the President would be denied any discretion.

Mr. MAGNUSON. No; the President would not be denied discretion. The President would not have to act if he did not want to act. Nobody could make the President act.

Mr. WILEY. I understood my associate had an amendment to offer. I see my colleague, the junior Senator from Wisconsin [Mr. PROXMIRE], has risen. I felt perhaps he was going to offer an amendment to the amendment of the Senator from Washington.

Mr. MAGNUSON. Yes.

Mr. WILEY. I wonder if there is any denial of discretion in his amendment.

Mr. MAGNUSON. No. I am familiar with the amendment. I do not think it refers to that matter. We both say that the President shall act, but in many cases when the Tariff Commission has made a recommendation the President did not act. There is no way to make the President act or to refuse to act. However, in many cases he has found such justifiable.

The PRESIDING OFFICER. The Chair wishes to remind the Senator from Washington that he has 6 minutes remaining.

Mr. MAGNUSON. Mr. President, I yield those 6 minutes to the Senator from Wisconsin [Mr. PROXMIRE], who has a proposal which I think will strengthen my amendment.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized for 6 minutes.

Mr. PROXMIRE. Mr. President, I thank the distinguished Senator from Washington. I am delighted the Senator has offered the amendment. I think it is a good amendment.

I am in firm and strong accord with the principal objective of the amendment offered by the Senator from Washington [Mr. MAGNUSON], which is to avoid handicapping the effectiveness of the existing farm programs established by the Congress.

The amendment offered by the Senator from Washington [Mr. MAGNUSON] differs from the amendment I have at the table only in the respect that my amendment contains a proviso not contained in the amendment of the Senator from Washington. The proviso is printed and is readily available for every Senator's use. I offer the proviso as a modification of the amendment offered by the Senator from Washington in the interest of helping preserve the effectiveness of the price-support operations, while preserving the President's freedom to continue our trade policies in a constructive way.

Mr. President, this proviso is available to any Senator who wants to read the

text of it. I shall read it rather rapidly, because time is limited:

Provided, That the President may authorize imports of any articles in excess of the quantitative limitations found and declared to be necessary by the Secretary when such additional imports are deemed to be in the interest of the United States. Whenever additional imports of any article or articles shall be admitted by the President for consumption in excess of the quantitative limitations as herein provided, the Secretary, through the Commodity Credit Corporation or any other agency available to him, shall remove from the domestic market a corresponding quantity of articles the sales or other outlets for which are adversely affected by such imports. The Secretary shall promptly dispose of all articles acquired under this section in the same manner in which he is authorized by law to dispose of commodities acquired for price-support purposes, but no such articles shall be disposed of in the domestic market unless such articles can be disposed of in such market in such manner as not to affect adversely the agricultural programs, policies, or operations referred to in subsection (a) of this section. In removing such excess supplies from the market, the Secretary may acquire either imported articles or domestically produced articles. The cost of removing the domestic market excess supplies equal to additional imports so authorized by the President, as herein provided, shall be separately computed and shall be charged to appropriations relating to the program served by such additional imports.

As it now stands, the amendment might deprive the President of an important degree of discretion in administering trade policies concerning farm commodities. I feel that the President should have this discretion, consistent with the purposes and principles of the reciprocal trade program. My amendment would, without sacrificing the effectiveness of the farm price support programs, make this provision entirely consistent with the principles of the reciprocal trade program.

Under the provisions of the modification I am proposing, the President could, when conditions warrant it, admit additional quantities of farm commodities above the limits determined by the Secretary to be necessary in order to avoid interfering with price support programs. But when this is done, my amendment provides that the additional cost of operating price support programs should not be charged to the farm programs. Instead, this cost would be separately computed, and shall be charged against the appropriations relating to the program served by such additional imports.

My proviso added to the Magnuson amendment would in no way diminish the protection afforded the farmers from adverse effects upon the domestic prices for their products. The Secretary of Agriculture would be directed to withdraw from domestic markets a quantity of any commodity subject to price support provisions to balance the quantity of additional imports that are admitted, so that such imports would in no way serve to depress farm prices below the level established as a goal for price support operations. But the cost of any such diversions of commodities from the market would be charged where it properly belongs, to the appropriate governmental programs whose purposes are served by additional imports deemed in the national interest under the principles of the reciprocal trade program.

I ask the distinguished Senator from Washington if he will accept this proviso as a modification of his amendment.

Mr. MAGNUSON. Mr. President, I think the suggested proviso would strengthen my amendment and give some flexibility to the President. It follows exactly what the administration recommends. This is what Secretary Benson says:

In recognition of the fact that a stimulation of imports can impose an intolerable burden on a price-support program, the Congress enacted section 22 of the Agricultural Adjustment Act. This section provides for the imposition of import quotas or import fees whenever imports of any agricultural commodity or product thereof render or tend to render ineffective or materially interfere with any price-support or marketing order (or certain other) program. This is permanent legislation.

The Secretary concludes:

Although section 22 was originally enacted in 1935, it was very little used. It calls for investigation by the Tariff Commission after recommendation by the Secretary of Agriculture. Only 5 such investigations have been instituted in the past 17 years. Experience has shown that these investigations are usually long, drawn out and this procedure has proved to be wholly ineffective to meet the problem.

That is all that my amendment, as modified by the suggestion of the Senator from Wisconsin, would do.

The PRESIDING OFFICER. Is the Chair to understand that the Senator from Washington accepts the modification suggested by the Senator from Wisconsin?

Mr. MAGNUSON. Yes.

Mr. WILEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WILEY. What is the parliamentary situation?

Mr. MAGNUSON. The junior Senator from Wisconsin has submitted a modification to my amendment which I have accepted, so the question before the Senate is on agreeing to my amendment, as modified by the suggestion of the junior Senator from Wisconsin, which I think will strengthen it and give the President much more flexibility.

Mr. WILEY. Mr. President, may I have 1 minute?

Mr. MAGNUSON. I shall be glad to yield 1 minute to the senior Senator from Wisconsin if I have 1 minute left.

The PRESIDING OFFICER. The Senator from Washington has 1 minute remaining.

Mr. WILEY. Mr. President, my junior colleague [Mr. PROXMIRE] has submitted a proposed modification to the amendment of the Senator from Washington, which I have previously discussed with the National Milk Producers Federation. As I understand, its purpose is to give the President some discretionary power under the Trade Agreements Program with regard to foreign farm products which are subject to agricultural import quotas.

Under the Magnuson amendment, as now modified, the President would have been denied such discretion.

The thinking of the Senate is, apparently, that the President must, in accordance with his prerogatives as Chief Executive, have such a power.

The Senate, apparently, will therefore reject any amendment such as proposed under the Kerr or Payne amendment, which would impair the President's rights. This amendment, as modified, would not.

It soundly provides that, if the President does raise the amount of incoming foreign competitive farm products, he must make provision for an equal amount of domestic price-supported farm products to be withdrawn from the market.

As indicated yesterday, farm products are, in this respect, different entirely from an item like plywood since farm products, alone, are subject to price support programs.

I shall be happy to support the pending amendment, as modified.

Mr. MARTIN of Pennsylvania. Mr. President, I yield 4 minutes to the Senator from South Dakota [Mr. MUNDT].

Mr. MUNDT. Mr. President, I rise in support of the pending amendment, of which I am a coauthor. I should like to address a few comments and observations in support of the amendment offered by the distinguished senior Senator from Washington [Mr. MAGNUSON].

This amendment to H. R. 12591 is directed at section 22 of the Agricultural Adjustment Act of 1933, as amended, and it would seek to provide for some beneficial changes in the administration of this section by the executive branch of Government. In order to understand the full need for these changes in section 22 of the Agricultural Adjustment Act, it might be of benefit to make a brief review of the legislative history of section 22 and the conditions which compelled its original enactment.

Congress is now annually appropriating between $3 billion and $4 billion for domestic agriculture programs. These programs include price supports of certain agricultural commodities, crop loan programs, soil bank and conservation reserve programs, and programs providing for technical services to the American farmer. Our entire domestic agriculture program is dedicated to the stabilization of American farm income and to insuring that the American farmer will receive a fair price for his product and his labors in the market place. The domestic farm program sponsored and financed by the Federal Government from revenues collected from the American taxpayer has, when successfully operated, tended to establish a price level in this country for farm products which is often substantially above the level of the world market price. This higher American price level for farm commodities has, in turn, encouraged many foreign producers to export farm products into the United States. So the better our farm program works, the greater the hazard of having it destroyed by foreign imports.

Oftentimes foreign producers have strayed completely from their normal trade channels to export and produce to the United States to obtain the higher American price. This has had a two-fold effect. It has destroyed, in many

cases, the effectiveness of our domestic farm program to the detriment of the American farmer and has disrupted normal and traditional international trade channels for agricultural products.

Congress became cognizant of the detrimental effects that foreign agricultural imports could have on our domestic farm program and in 1935 enacted section 22 of the Agricultural Adjustment Act. Section 22 as originally enacted provided that whenever the Secretary of Agriculture determined that foreign imports of agricultural commodities were having a detrimental effect on our domestic farm prices and farm program, he would notify the President who would, in turn, direct the Federal Tariff Commission to institute an investigation of this matter. If the Tariff Commission then found that foreign imports were, in fact, destroying the effectiveness of our domestic program, the Commission would so notify the President and he would then issue a proclamation imposing such limitations on imports and such fees not in excess of 50 percent ad valoren, as will tend to return our domestic farm program to its intended effectiveness. Section 22, as originally enacted, became operative only after it had been determined that actual imports were working to the detriment of our domestic farm program. This was found to be not wholly adequate, for it was somewhat like closing the barn door after the horse had been stolen, so that in 1940 Congress broadened the provisions of section 22 to allow the Secretary of Agriculture to recommend that a Tariff Commission investigation be initiated whenever it appeared that foreign imports which were certain to be made in the future would have a detrimental effect on the American farm program.

Section 22, as originally enacted, related only to the effect on adjustment programs, but was later broadened to include all agriculture programs such as price supports, marketing quotas, conservation programs, and so forth. The enactment of section 22 and the amendments to broaden its coverage indicate clearly that it is the intent of Congress that there must be a protection by the Federal Government of our domestic farm program from the adverse effect of large foreign imports which are encouraged by the higher American farm prices which are artificially established by the federally sponsored domestic farm program.

Unless we have some kind of protection, we place the American taxpayers in the position not only of shoring up the American producers, but actually writing a price floor under the agricultural products of the world, and maintaining them from the largesse of the American Treasury.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MARTIN of Pennsylvania. I yield 2 additional minutes to the Senator from South Dakota.

Mr. MUNDT. Mr. President, Congress recognized that it made little sense to expend hundreds of millions of tax dollars in a program to insure good prices to the American farmer and at the same time engage in a foreign-trade policy that tended to destroy the beneficial effects of that program.

Unfortunately, the executive branch of Government, primarily the Department of State and the Tariff Commission, have consistently refused to carry forward the true intent of Congress. There is little doubt that the Constitution places in the Congress of the United States the primary responsibility for regulating commerce, both foreign and among the several States, and it is regrettable that the executive department has not carried out the intent of Congress in section 22 of the AAA, which related specifically to foreign commerce and its effect on commerce among the several States.

The Magnuson amendment would simply make some modifications in the administration of section 22 by the executive branch so that the clear intent of Congress on this issue can be more effectively carried out. The Magnuson amendment would eliminate the activities of the Tariff Commission with respect to the administration of section 22, and it would place in the Secretary of Agriculture the complete responsibility for conducting the investigations of the effects of foreign agricultural imports on our domestic farm program. It thus eliminates one step prior to the Presidential proclamation imposing import limitations. It makes good sense, for under section 22 as it currently exists on the books it will be necessary for the Secretary to conduct a preliminary investigation before he can recommend to the President that a full-scale investigation be initiated by the Tariff Commission. This amendment would simply allow the Secretary of Agriculture in the first instance to conduct a full-scale investigation of the effect of certain foreign imports on our American farm program and then move immediately to make his recommendation to the President. The Magnuson amendment is, in effect, nothing more than a perfecting amendment to improve the administration of section 22, so that the clear intent of Congress on the issue of foreign imports of agricultural products can be effectively implemented. This amendment is in no way a new or revolutionary proposal for it is nearly identical to an amendment which was favorably reported by the Senate Agriculture Committee in 1950. This amendment also received the approval of the Senate in that same year but was unfortunately lost in a conference with the House.

It is unfortunate that the section 22 administration was ever placed in the hands of the Tariff Commission, and this resulted from the misimpression that section 22 related primarily to our foreign-trade policy. This is in no way true, for although it affects foreign-trade decisions it most directly relates to our domestic-farm program and should therefore, logically, be administered by the Department of Agriculture.

Mr. MARTIN of Pennsylvania. Mr. President, I yield 5 minutes to the Senator from Minnesota.

Mr. THYE. Mr. President, I rise to oppose the amendment offered by the Senator from Washington [Mr. MAGNUSON]. There are other very sincere friends of mine who cosponsor the amendment. They are the Senator from Wyoming [Mr. BARRETT], the Senator from Ohio [Mr. BRICKER], the Senator from Nevada [Mr. BIBLE], the Senator from Nebraska [Mr. CURTIS], the Senator from Washington [Mr. JACKSON], the Senator from South Dakota [Mr. MUNDT], the Senator from Montana [Mr. MURRAY], the Senator from Wisconsin [Mr. PROXMIRE], and the Senator from North Dakota [Mr. YOUNG].

Mr. President, one might well ask why I oppose an amendment which is offered by these distinguished Senators, who represent agricultural States, and who are identified with farm legislation.

I oppose it, because it would bypass the Tariff Commission. That is my first objection. We should not have two agencies operating in the same field. It would bring about divided responsibility between the Tariff Commission and the Department of Agriculture.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. THYE. I had 5 minutes. If my 5 minutes have expired, then I have lost all conception of time.

The PRESIDING OFFICER. The Chair is informed by the Parliamentarian that the Senator from Minnesota has 2 minutes remaining.

Mr. MARTIN of Pennsylvania. I had yielded 5 minutes to the Senator.

The PRESIDING OFFICER. The Senator is correct.

Mr. THYE. We must not have divided responsibility. The Tariff Commission has administrative responsibility over tariffs. The Department of Agriculture has the responsibility of determining whether an injustice is being done to agriculture by imports under tariff agreements.

Section 22 comes into effect on imported perishable commodities. A fund is created from the imports of agricultural commodities. It is a credit which aids in the administrative functions connected with perishable commodities.

Therefore, I believe we must protect that function of the Department of Agriculture, as well as the responsibility of the Tariff Commission.

In the second place, I have made up my mind that I would resist all amendments to the bill. It is a highly controversial bill, as is the subject it deals with, the reciprocal trade policy. If we accepted one amendment to the bill, we would hardly be in a position to deny acceptance of other amendments. If we were to amend the bill on the floor of the Senate, we might place it in jeopardy, and thereby perhaps endanger the whole legislation. The reciprocal trade agreements are very important to our relations with other countries of the world. For that reason I have made up my mind that I would resist all amendments.

I represent, in part, the State of Minnesota, and I know that some very important farm organizations in my State are in favor of the amendment. That fact disturbs me quite a bit; namely, that I should not agree with the fine farm organizations that favor the

amendment. However, in order to make certain that we do not jeopardize the enactment of the Reciprocal Trade Act, I must oppose the pending amendment. If a yea-and-nay vote is taken on the amendment, I shall have to record my vote in opposition to the amendment.

Mr. MARTIN of Pennsylvania. Mr. President, I yield 2 minutes to the distinguished Senator from Vermont.

Mr. AIKEN. Mr. President, I wish to endorse the remarks of the Senator from Minnesota [Mr. THYE]. I realize that the slowness of the President, in meeting the threat of imported ice cream mix and butter oil is at least partly responsible for the offering of the pending amendment. However, those two imports have been brought under control. It was not an easy task to overcome the ingenuity of the importers of those commodities, but it has been done.

On the other hand, I am afraid it would be very harmful to adopt amendments of this kind at this time. We export hundreds of millions worth of citrus fruits and deciduous fruits and early vegetables every year. Canada is our best customer for those products. Canadian agriculture has been badly hurt from time to time by importations of fruits and early vegetables lapping over their season, and virtually wrecking their market. The Canadians have been very patient. I am afraid that they would feel obliged to retaliate if we undertook to handle the situation in the way it is proposed, by means of the pending amendment.

As the Senator from Minnesota has said, we have established a Tariff Commission to handle these problems. I do not see how the amendment would help to protect us in the field of perishables, which do not come under the price support program. Therefore I believe we had better not add this kind of amendment to the bill. We are dealing with a very complex problem, which is fraught with great possibility of disaster for us.

Mr. THYE. Mr. President, will the Senator from Pennsylvania yield so that I may comment on the remarks of the Senator from Vermont?

Mr. MARTIN of Pennsylvania. I yield 1 minute. I remind the Senator that we are operating under a limitation of time.

Mr. THYE. I appreciate the statement of the Senator from Vermont. I, too, have criticized the Department of Agriculture and the Tariff Commission with respect to the exercise of their authority and responsibility on butter oil. I recall how I went into the question of the blue moon cheese—a roquefort cheese which we call blue moon—which comes from foreign countries. I discussed that question and succeeded in having the imports of that product stopped.

We have clarified the butter-oil matter. We have clarified many of the other administrative functions under the present system.

Therefore, I feel that I must oppose the amendment. I fear that its adoption would jeopardize the passage of the reciprocal trade bill, which is so important at this time.

Mr. MAGNUSON. Mr. President, will the Senator from Pennsylvania yield 1 minute to me from his time?

Mr. MARTIN of Pennsylvania. I yield 1 minute to the Senator from Washington.

Mr. MAGNUSON. I cannot understand the reasoning of the Senator from Vermont. He must have no faith at all in the Secretary of Agriculture. The Department of Agriculture will not, willy-nilly, let the things he mentioned occur. All these matters will have to be justified. The Department will not let American products be shipped into Canada in such a manner as to wreck the Canadian market. If a proposal is justified, the Department will approve it. The Senator from Vermont predicated his remarks on the fact that American producers would flood the Canadian market.

Mr. AIKEN. It is being done. We might as well admit it. It is being done all the time now. I do not want to give Canada any excuse to put embargoes on vegetables shipped from the United States.

Mr. MAGNUSON. But that is frequently done now.

Mr. MARTIN of Pennsylvania. Mr. President, I yield to the distinguished Senator from Virginia as much time as he may require.

The PRESIDING OFFICER. The Senator from Virginia has 14 minutes.

Mr. BYRD. Mr. President, I oppose the amendment offered by the Senator from Washington [Mr. MAGNUSON] and other Senators. The effect of the amendment is to bypass the Tariff Commission in all matters relating to food importation under section 22.

As the Senator from Minnesota [Mr. THYE] has stated great confusion would result. The Federal Tariff Commission would be working along the same line as the Agricultural Department. The Secretary of Agriculture would make reports and recommendations with respect to the foods which come into this country under section 22.

I have been in close connection and association with the Tariff Commission for many years. I think it is one of the ablest and most energetic commissions in the Government. I see no reason whatever why an attempt should be made to bypass the Tariff Commission and to take this matter entirely out of its hands.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator yield for a question?

Mr. BYRD. I yield.

Mr. MARTIN of Pennsylvania. Is it not true that the matter of tariffs is a Congressional duty, and that Congress has delegated that duty to the Tariff Commission? Congress has not delegated any duty of this nature to the Secretary of Agriculture, has it?

Mr. BYRD. The Senator from Pennsylvania is entirely correct. The Tariff Commission has trained experts who are conducting investigations into this kind all the time. They are experienced in such matters. The amendment of the Senator from Washington would place a colossal burden on the Secretary of Agriculture.

It has been said that the amendment would help farmers. I should like to read a letter I received today from the American Farm Bureau Federation, the largest farm organization in the United States:

> The Farm Bureau supports a strong reciprocal trade agreements program. We consider this legislation fundamental to the development and maintenance of permanent foreign markets for our farm products.
>
> Attached is a brief analysis of the proposed Magnuson amendment to the Reciprocal Trade Agreements Act. It radically alters section 22 of the Agricultural Adjustment Act.
>
> The Farm Bureau supports passage of H. R. 12591 without crippling amendments. We oppose the Magnuson amendment.

I shall give the Senate the reasons why the American Farm Bureau Federation opposes the Magnuson amendment. They are clear, concise objections:

> The American Farm Bureau Federation believes that the proposed Magnuson amendment to H. R. 12591, Reciprocal Trade Agreements Act is not in the best interest of American agriculture.
>
> Section 22 of the Agricultural Adjustment Act was enacted in 1935. It prescribes definite procedures under which import quotas or fees can be applied to agricultural imports whenever increased imports threaten to materially interfere with the operation of Federal agricultural programs. Farm Bureau supports section 22 as necessary to prevent disruption of domestic agricultural programs.
>
> The Magnuson amendment would make fundamental and far-reaching changes in this law.
>
> Some of the effects of these changes are:
>
> 1. The Secretary of Agriculture would be subjected to tremendous pressure by producers or processors who wished to restrict imports.
>
> 2. The Department of Agriculture itself would be required to investigate and hold hearings to determine whether an agricultural program was being threatened. The impartial tribunal of the Tariff Commission would be circumvented and its investigation staff duplicated.
>
> 3. The Secretary of Agriculture would have total responsibility to decide whether increased imports were threatening a domestic program and to determine what additional fees or quotas were necessary. His decision would be final. The President would be required to follow the Secretary's decision.
>
> 4. There would be virtually no limitation to the import restricting power vested in the Secretary—to the degree that he would be authorized to impose a complete embargo in cases requiring "special treatment", a term which is not defined.
>
> 5. In designating articles on which quotas or increased fees are to apply, the Secretary is directed to use "broad designations" so as to include all possible forms, combinations, and mixtures in which an article might appear. This requirement would make proper investigations and hearings extremely complex and involved.
>
> To provide this type of broad authority in any department of the Government establishes a dangerous precedent that could mean the end of an effective trade agreements program.
>
> The inevitable effect of the Magnuson amendment would be to alienate important

foreign customers of our farm products. It would restrict rather than expand trade.

Export markets for our farm products must be maintained and expanded.

Mr. President, I talked this morning with one of the Assistant Secretaries of Agriculture. He said the Secretary of Agriculture was opposed to the amendment and had made no request for it. He said the Department stood with the administration in support of the bill as it now stands, without substantial amendment.

The pending amendment attempts to place upon the Secretary of Agriculture a large and very burdensome new duty. His organization is not qualified, equipped, or trained to undertake such difficult matters.

Furthermore, two agencies would be operating in the field of imports under foreign trade: first, the Secretary of Agriculture, handling agricultural products under section 22; the other, the Federal Tariff Commission. I have great confidence in the Federal Tariff Commission. I think it would be a great mistake to bypass it and give the duties of the Commission to the Secretary of Agriculture. To do so would result in great confusion.

I hope the amendment will be rejected.

Mr. MAGNUSON. Mr. President, the Senator from Virginia is correct. The American Farm Bureau Federation sent the letter to which the Senator referred. I do not agree with its conclusions at all. But the other two large farm organizations hold different views.

The American Farm Bureau Federation is consistent. It has opposed this kind of amendment since 1951, when I first offered it.

I call attention to the fact that I have quoted the Secretary of Agriculture at great length. He is somewhat inconsistent in his statements. I have quoted him directly——

Mr. BYRD. I will give the Senator the source of my authority. The statement I received was that of Assistant Secretary of Agriculture McLain, who told me in a telephone conversation this morning that the Secretary of Agriculture did not support the Magnuson amendment, but opposed it.

Mr. MAGNUSON. I do not question the fact that Mr. McLain made that statement to the Senator from Virginia.

Mr. BYRD. But the Senator from Washington said that he was inconsistent.

Mr. MAGNUSON. That the Secretary of Agriculture was inconsistent.

Mr. BYRD. My information came to me about 10 o'clock this morning, so it is later than that of the Senator from Washington.

Mr. MAGNUSON. I think I know why the Secretary has changed from his original position with respect to section 22. It is understandable.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. MARTIN of Pennsylvania. If the amendment were adopted, in order that the Secretary of Agriculture might intelligently comply with its provisions, would it not be necessary for him to employ a great number of experts, thus adding to the cost and probably causing confusion?

Mr. BYRD. I certainly agree with the view of the Senator from Pennsylvania.

Mr. MAGNUSON. If the Senator sat on the Committee on Appropriations and considered the Department of Agriculture appropriations—and this is only with respect to the domestic price support programs, with which the Department is dealing all the time—he would find that actually hundreds of economists, rate experts, tariff experts, and world trade experts are employed by the Department in connection with the domestic farm program. That is all the amendment would deal with. The Department of Agriculture has so many persons in its organization that it cannot even get them into the main building.

Mr. BYRD. There would not be about his proposal the simplicity of which the Senator speaks.

Mr. MAGNUSON. It would be simple if they were put to work.

Mr. BYRD. It would not be so simple as the Senator says, because there would be much routine redtape.

Mr. MAGNUSON. I mean that the Department has the necessary personnel. I agree with the Senator from Virginia that the Tariff Commission does excellent work. My only thought is that it is too late for it to go through this cumbersome procedure.

Mr. MANSFIELD. Mr. President, how must time remains on the amendment?

The PRESIDING OFFICER. The proponents of the amendment have used all the time available to them.

The opponents of the amendment have 5 minutes remaining.

Mr. NEUBERGER. Mr. President, will the Senator from Montana yield to me?

Mr. MANSFIELD. Mr. President, if any time remains under my control, I yield to the Senator from Oregon.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. NEUBERGER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter addressed by me to the Secretary of Agriculture; and a letter I have received, in reply, from Don Paarlberg, Assistant Secretary of Agriculture, in regard to the pending amendment to the Trade Agreements Act.

The reply was sent to me under date of July 22, in response to my request of the Department of Agriculture for an analysis of the pending amendment.

The concluding sentence of the letter from Assistant Secretary of Agriculture Paarlberg reads as follows:

The administration is taking an adverse position with respect to the amendment.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

JULY 11, 1958.

The Honorable EZRA TAFT BENSON,
Secretary of Agriculture,
Washington, D. C.

DEAR MR. SECRETARY: As you know, in the very near future the Senate will take up H. R. 12591, the bill to extend the trade agreements program.

You will recall that, in his message to the Congress, President Eisenhower urged the extension of this program for five years "unweakened by amendments of a kind that would impair its effectiveness."

I have received a copy of the attached amendment, which evidently is intended to be proposed to the bill on the floor of the Senate, to place in the hands of the Secretary of Agriculture the full authority for the administration of section 22 of the Agriculture Adjustment Act, and over the impact of agricultural imports on the domestic farm market. I am writing you in the hope that you may be able to inform me, before I am called upon to vote on this amendment, of the administration's analysis and recommendations regarding it.

I realize that you will not have much time to reply to my inquiry before we may reach a vote on this amendment. However, I understand that this is not a new issue but rather one which has been brought up in the past in connection with bills to extend our reciprocal trade agreements program. Consequently, I trust that it will be possible for you to give me your analysis, and to state the position of the administration with respect to the desirability of the proposed amendment before the matter comes to a vote.

With good wishes,

Sincerely,

RICHARD L. NEUBERGER,
United States Senator.

DEPARTMENT OF AGRICULTURE,
OFFICE OF SECRETARY,
Washington, July 22, 1958.

Hon. RICHARD L. NEUBERGER,
United States Senate.

DEAR SENATOR NEUBERGER: Reference is made to your request for an analysis and our views with respect to an amendment to H. R. 12591 proposed by Senator MAGNUSON.

This amendment would transfer the investigating and recommending authority on section 22 cases from the Tariff Commission to the Secretary of Agriculture. It also provides that the Secretary's findings shall be final and that the President would have no alternative but to issue a proclamation on the basis of the Secretary's recommendation. It also provides for further limitations on imports if the Secretary deems necessary in order to meet certain criteria specified in the amendment.

The administration is taking an adverse position with respect to the amendment.

Sincerely yours,

DON PAARLBERG,
Assistant Secretary.

Mr. BYRD. Mr. President, I yield back any remaining time.

The PRESIDING OFFICER. The remaining time is yielded back.

All time has expired.

The question is on agreeing to the modified amendment of the Senator from Washington [Mr. MAGNUSON]. (Putting the question.)

Mr. KUCHEL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KUCHEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, on the question of agreeing to my amendment, as modified, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Missouri [Mr. HENNINGS], the Senator from Florida [Mr. HOLLAND], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

The Senator from Massachusetts [Mr. KENNEDY] is absent because of illness.

The Senator from Arkansas [Mr. MCCLELLAN] is unavoidably absent.

On this vote, the Senator from Florida [Mr. HOLLAND] is paired with the Senator from Vermont [Mr. FLANDERS]. If present and voting, the Senator from Florida would vote "yea" and the Senator from Vermont would vote "nay."

I further announce that if present and voting, the Senator from Massachusetts [Mr. KENNEDY] would vote "nay."

Mr. DIRKSEN. I announce that the Senator from Vermont [Mr. FLANDERS] is necessarily absent, and is paired with the Senator from Florida [Mr. HOLLAND]. If present and voting, the Senator from Vermont would vote "nay" and the Senator from Florida would vote "yea."

The result was announced—yeas 44, nays 46, as follows:

YEAS—44

Barrett	Hill	Mundt
Bible	Hruska	Murray
Bricker	Jackson	O'Mahoney
Bridges	Jenner	Potter
Carroll	Johnston, S. C.	Proxmire
Case, S. Dak.	Jordan	Russell
Chavez	Kerr	Schoeppel
Church	Kuchel	Smathers
Cotton	Langer	Sparkman
Curtis	Long	Symington
Dworshak	Magnuson	Talmadge
Ellender	Mansfield	Thurmond
Ervin	McNamara	Wiley
Fulbright	Monroney	Young
Goldwater	Morse	

NAYS—46

Aiken	Frear	Morton
Allott	Gore	Neuberger
Anderson	Green	Pastore
Beall	Hayden	Payne
Bennett	Hickenlooper	Purtell
Bush	Hoblitzell	Revercomb
Butler	Humphrey	Robertson
Byrd	Ives	Saltonstall
Capehart	Javits	Smith, Maine
Carlson	Johnson, Tex.	Smith, N. J.
Case, N. J.	Kefauver	Stennis
Clark	Knowland	Thye
Cooper	Lausche	Watkins
Dirksen	Malone	Williams
Douglas	Martin, Iowa	
Eastland	Martin, Pa.	

NOT VOTING 6

Flanders	Holland	McClellan
Hennings	Kennedy	Yarborough

So Mr. MAGNUSON's amendment, as modified, was rejected.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. KNOWLAND. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California to lay on the table the motion of the Senator from Texas to reconsider.

The motion to lay on the table was agreed to.

COMPACT BETWEEN STATES OF OREGON AND WASHINGTON ESTABLISHING A BOUNDARY BETWEEN THOSE STATES—CONFERENCE REPORT

Mr. O'MAHONEY. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7153) giving the consent of Congress to a compact between the State of Oregon and the State of Washington establishing a boundary between those States. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read, for the information of the Senate.

The legislative clerk read the report. (For conference report, see House proceedings of July 23, 1958, pp. 14835–14836, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

The PRESIDING OFFICER. The question is on agreeing to the report.

The report was agreed to.

UNITED NATIONS ACTION WITH RESPECT TO LEBANON

Mr. KNOWLAND. Mr. President, the wire services have just carried a report from the United Nations at New York that the vote on the Japanese compromise plan was 10 to 1, with only the Soviet Union voting against it. Just before the final vote, the 11-nation Security Council had rejected overwhelmingly a series of Soviet amendments.

Only the Soviet Union voted for the proposed changes which would have condemned the United States for intervening in the affairs of Lebanon and would have demanded the immediate withdrawal of United States forces.

The vote on the amendments was 1 in favor, 8 against, and 2 abstaining.

This is another example of the exercise of the Soviet veto. Even with respect to this very limited resolution, there is an indication of the critical problem facing the United Nations with respect to taking action over the continuous Soviet vetoes.

DEATH OF JAMES H. McCLELLAN

Mr. JOHNSON of Texas. Mr. President, it is with the deepest regret that I inform the Senate that James H. McClellan, the son of the distinguished Member of this body, the senior Senator from Arkansas [Mr. MCCLELLAN], was killed in an airplane crash a few minutes ago. I know that every Member of this body is distressed to learn of the accident. I know that each and every Member grieves with the father and the members of the family in their loss.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). The Chair is sure the sentiments of the entire Senate are reflected by the statement the distinguished Senator from Texas has made.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks an Associated Press dispatch on this tragic event.

There being no objection, the dispatch was ordered to be printed in the RECORD, as follows:

LITTLE ROCK, July 22.—A twin-engined plane crashed and burned near here this afternoon, killing four persons, including the son of Senator JOHN L. MCCLELLAN, Democrat, of Arkansas.

State police identified the dead as James H. McClellan, 25, of Little Rock, who practiced law here; Willis Denman Hill, 57, of Fort Worth, Tex.; Harold K. Gilbert, of Stuttgart, Ark.; and J. R. Williams, 32, of Little Rock.

The crash occurred about 10 miles west of the nearby Mayflower Community, near the Arkansas River.

Mr. FULBRIGHT. Mr. President, I wish to express my sympathy to my senior colleague [Mr. MCCLELLAN] in the loss of his son, Jimmy McClellan. I know that I speak for the people of Arkansas when I, on their behalf, express their profound sympathy.

This is the third son Senator MCCLELLAN has lost under very tragic circumstances in the past 15 years. It is difficult to understand why any man should be subjected to so much personal tragedy. Certainly JOHN MCCLELLAN has suffered far more than his share. That he has been able to bear up under it and carry on his work as a Member of this body is an indication of the quality of his character.

His first son, Max, died in North Africa while in the service of his country.

John L. McClellan, Jr., was killed while en route to the reburial of Max in Arkansas.

It is an extremely sad occasion to have to take note of this tragic event, but I know that all the people of Arkansas would join in expressing their sympathy to Senator MCCLELLAN.

Jimmy McClellan was a fine young man, successful in the practice of law and with three fine children and a lovely wife. I know that Senator MCCLELLAN was, with good reason, very proud of his son and his family.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks, for the information of the Senate, a brief press service dispatch announcing the tragedy.

There being no objection, the dispatch was ordered to be printed in the RECORD, as follows:

CONWAY, ARK.—Four men, including the 25-year-old son of Senator JOHN L. MCCLELLAN of Arkansas, were killed about noon today in the crash of a twin-engine plane, 10 miles south of Conway, Ark.

Officials of the CAA identified the victims as James H. McClellan, 25, of Little Rock; J. R. Williams, 32, of Little Rock; Harold H. Gilbert, 33, of Stuttgart, and Willis Desmond Hill, 57, of Fort Worth, Tex.

The plane did not burn. It was a Beechcraft Travelair, four-place, twin-engine craft.

His son's death was the fifth crushing tragedy in the sad life of the veteran Senate investigator.

McCLELLAN was informed by his administrative assistant, Ralph Matthews, when word of the crash was received from Arkansas.

James was the Senator's only surviving boy. Two others had died tragically, one within the past few years.

Also McCLELLAN's first two wives died. He is now married for the third time.

The oldest son, Max, died in North Africa in World War II. A second son, John L., Jr., was killed in an automobile accident en route to reburial services for his brother in Arkansas.

James H. McClellan, the victim, was a prominent young attorney in Little Rock. He was married and had three children.

Young McClellan also is survived by two sisters—the Senator's only remaining children. They are Mrs. H. E. McDermott of Little Rock, whose husband was a law partner of the victim, and Doris McClellan of Little Rock.

Mr. PASTORE. Mr. President, I wish to join my colleagues in expressing my sympathy and extending my condolences to the McClellan family.

We know the McClellan family through the integrity and character of the dedicated public servant who is our colleague.

It is easy for us, therefore, to understand the qualities generated in the Arkansas home to which our colleague turns to find respite from the cares and concerns to which he has given so much of his time and his talent. The community and the country would be looking forward to the scions of the McClellan family to carry on in the tradition of a fond, proud and able father. So the sorrow transcends even the grief of one home. A saddened Nation will pause to share something of this sorrow—with a sympathy sincere and deep.

Mr. JOHNSTON of South Carolina. Mr. President, I know that we all sympathize with our colleague, JOHN McCLELLAN, at this time. I wish to join in the remarks which my colleagues have made.

EXTENSION OF TRADE AGREEMENTS ACT

The Senate resumed the consideration of the bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

Mr. PASTORE. Mr. President, I offer, on behalf of myself and other Senators, my amendment 7-18-58-D, and ask that it be stated.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to insert the following new section:

SEC. . So long as any agency of the United States under any Federal program is making cotton available for export at prices less than the prices at which cotton of comparable quality is available for domestic use, the President shall impose on imports of cotton manufacturers such import fee as is necessary to equalize the difference in the cost of cotton contained therein, measured by the difference between the prices at which United States cotton is made available for export and the prices at which the Commodity Credit Corporation makes or is authorized to make cotton of comparable quality available for unrestricted domestic use.

Mr. PASTORE. Mr. President, I wish to modify my amendment in line 5, because of a typographical error. The word "manufacturers" should be "manufactures."

The PRESIDING OFFICER. The Senator from Rhode Island has a right to modify his amendment.

Mr. PASTORE. Mr. President, at the very outset let me say that I do not expect a vote on this particular amendment. I have no illusions that in the atmosphere which prevails in this Chamber this afternoon the amendment would be adopted.

My reason for offering the amendment, Mr. President, is to make a record with reference to the question which it raises and at the same time to bring the subject to the attention of the Members of the Senate and, I hope, to the attention of the executive branch of the Government, with the expectation that possibly something can be done from an administrative point of view to correct the situation which confronts the cotton textile manufacturers of the United States.

Mr. President, 2 years ago we inaugurated and enacted into law what is known as the 2-price raw cotton system, whereby raw cotton, in order to meet the price on the world market, is being sold to foreign producers at a price which is from 20 to 25 percent less than the price at which cotton is sold to domestic producers. This causes a differential in the cost of the basic raw material which goes into the final price of the processed article.

Several weeks ago the Senate adopted a resolution calling for a study of the decline in the textile industry. A number of witnesses appeared before the committee on July 8, July 9, and July 10, from industry and from labor. There was a constant, consistent complaint on the part of the industry as a whole that the two-price system on cotton was causing some problems for the domestic processors.

I realize, Mr. President, the reason behind the two-price system for cotton. That system is used solely and strictly to allow us to dispose of our surplus raw cotton supply. In order to meet the world market price it became necessary for us to sell abroad raw cotton at from 20 to 25 percent less than the price at which it was sold to domestic processors.

That action was taken 2 years ago, but since that time nothing has ever been done to equalize the differential so that the domestic manufacturer could meet the competition of the foreign producer on an equitable basis. As a result, not only are we competing, on the local domestic market, against a labor cost which is much less than the labor cost for domestically produced merchandise, but we are also trying to meet, which we cannot on a competitive basis, the differential of from 20 to 25 percent in the cost of the raw cotton.

Mr. President, I took this amendment up with the distinguished Chairman of the Committee on Finance. I had hoped that possibly the amendment could be taken to conference. I think it is a fair amendment. It is an amendment which only seeks to do equity.

I realize that the amendment has not been submitted to the committee and that this is the first time the attention of the Senate has been called to it. The amendment has the support of the cotton manufacturers of the Nation.

I realize also that the Secretary of State has not been consulted about the amendment, and that it may have certain ramifications and implications which could be of a wide and broad scope.

The only reason why I am calling up the amendment this afternoon, Mr. President, is in the hope not only to make a record of this case but to point out the differential in cost which the domestic producer has to meet, but which he cannot meet on an equitable and competitive basis.

I was joined in the presentation of the amendment by my distinguished colleagues on the subcommittee, the Senator from Maine [Mr. PAYNE], the Senator from New Hampshire [Mr. COTTON], and the Senator from South Carolina [Mr. THURMOND]. We all agree that this amendment may not have a chance of being adopted this afternoon, because the question it involves does require considerable study and investigation. I hope that the administration, realizing the inequity which now exists, will do something by way of procedures on an administrative level to help offset the differential, which is most inequitable to the domestic producers.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. PASTORE. I yield to the Senator from Alabama.

Mr. SPARKMAN. Mr. President, I commend the Senator from Rhode Island for offering the amendment and inviting the attention of the Senate to the situation which prevails and which the amendment would cure.

I ask the Senator this question: Does he not believe that the difficulties of the textile industry—which, by the way, is one of the industries which has suffered most from the administration of the Trade Agreements Act—could have been greatly lessened through administrative action?

Mr. PASTORE. Of course. I have always contended that we do not practice sufficient selectivity with relation to our imports and exports. Because textiles are a staple product in every nation of the world, because it is so easy for other nations to get into this industry, and because we have done so much in foreign aid by way of helping other nations to build up their plants, I believe that the competition with relation to textiles and other products being exported and imported is completely out of balance.

Mr. SPARKMAN. I ask the distinguished Senator if he recalls a letter which was written about 3 years ago—I believe it was February 18, 1955—by

the President of the United States to the Honorable JOE MARTIN, who is the Republican leader in the House of Representatives, in which he called particular attention to the textile industry and promised that the act would be so administered as to relieve its difficulties.

Mr. PASTORE. I recall it. I daresay that, aside from the agreement which was made with Japan, in which Japan, on her own initiative, agreed to limit her exports to the United States by instituting some element of quotas, scarcely anything has been done.

Mr. SPARKMAN. Is it not true that in order to make such relief effective, a series of agreements would have to be made? In other words, the problem entails considerable administrative work, does it not?

Mr. PASTORE. Yes. I think this administration should take into account the fact that between 1947 and 1957 textile productivity has not increased in proportion to the expansion of our economy. For that reason, it is an industry which requires special attention. One of the basic problems confronting the industry is that we are met with a situation in which the domestic producer of cotton goods must pay from 20 to 25 percent more for the raw material than does his foreign competitor, who is sending goods back to the United States to be sold on the American market.

He is not only spending less money for the basic cost of raw material, but he has the further advantage of cheaper labor.

Mr. SPARKMAN. Would the Senator be willing to have me insert at this point in the RECORD a copy of the letter to which I referred, which President Eisenhower wrote to Mr. MARTIN when the act was under consideration, in 1955, I believe?

Mr. PASTORE. I would welcome it.

Mr. President, I ask unanimous consent that the distinguished Senator from Alabama be permitted to insert in the RECORD at this point the letter to which he has referred.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, D. C., February 17, 1955.

The Honorable JOE MARTIN,
House of Representatives,
Washington, D. C.

DEAR JOE: I was concerned to learn from you that there are Members of the Congress who are not wholly familiar with my philosophy respecting H. R. 1 and with my concept of the administration of this program. I send you this letter to eliminate any misunderstanding that may exist.

This point I should like especially to emphasize: Few programs will contribute more fundamentally to the long-term security of our country than the foreign economic program submitted to the Congress on January 10. This program, built around H. R. 1, will powerfully reinforce the military and economic strength of our own country and is of the greatest importance to the well-being of the Free World. The program underlies much of our military effort abroad and promises our people ultimate relief from burdensome foreign-assistance programs now essential to Free-World security. It recognizes the creditor status of America in the world and assures leadership of our people in the easing of unjustifiable trade barriers which today weaken all who are joined in opposition to the advance of communism. These considerations underlie my earnest advocacy of H. R. 1. I deeply believe that the national interest calls for enactment of this measure.

I wish also to comment on the administration of this legislation if it is enacted into law. Obviously, it would ill serve our Nation's interest to undermine American industry or to take steps which would lower the high wages received by our working men and women. Repeatedly I have emphasized that our own country's economic strength is a pillar of freedom everywhere in the world. This program, therefore, must be, and will be, administered to the benefit of the Nation's economic strength and not to its detriment. No American industry will be placed in jeopardy by the administration of this measure. Were we to do so, we would undermine the ideal for which we have made so many sacrifices and are doing so much throughout the world to preserve. This plain truth has dictated the retention of existing peril-point and escape-clause safeguards in the legislation.

I want to say further that this same philosophy of administration will govern our actions in the trade negotiations which are to begin next week at Geneva.

You are aware, of course, that by law this program will be gradual in application. A key provision of the bill limits to 5 percent of existing tariff rates the annual reduction in these rates permissible over a 3-year period, and unused authority will not carry forward from year to year. You know, too, that this program will be selective in application, for across-the-board revisions of tariff rates would poorly serve our Nation's interests. The differing circumstances of each industry must be and will be carefully considered. The program, moreover, provides for reciprocity, and in the program's administration the principle of true reciprocity will be faithfully applied. Americans cannot alone solve all world trade difficulties; the cooperation of our friends abroad is essential. With such cooperation, this program provides the means for doing our part to help emancipate Free-World commerce from the shackles now holding back its full development.

For the reasons I have here outlined, I hope that H. R. 1, which is so important to every American citizen and to the Free World, will receive the wholehearted support of the Congress.

Sincerely,

DWIGHT D. EISENHOWER.

Mr. SPARKMAN. I commend the Senator from Rhode Island for bringing up this subject, and express the hope that he and his subcommittee may continue to work on and study this subject, and call it forcibly to the attention of the administration.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. SALTONSTALL. I join in what the Senator from Alabama has just said. I am also glad the Senator from Rhode Island is bringing this subject to the attention of the Senate. I hope that, as chairman of the subcommittee of the Committee on Interstate and Foreign Commerce, he will give the subject very careful study. I know what it means to the textile industry.

Mr. PURTELL. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. PURTELL. I, too, commend the Senator from Rhode Island for bringing this subject to the attention of the Senate. While I agree that perhaps much more work must be done, it is quite obvious, from what we heard in the hearings with respect to the textile industry, that some relief must be afforded.

Witness after witness testified to the fact that not only is the American textile industry at a disadvantage so far as labor is concerned, but the raw material, which is grown in the United States and sent to foreign countries, there to be manufactured and sent back to the United States, can be bought by the foreign manufacturer for a price about 25 percent less than our own producers of textiles must pay. I think it is high time that something was done about the situation.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. TALMADGE. I desire to join my colleagues in complimenting the distinguished Senator from Rhode Island for bringing this subject to the attention of the Senate.

The distinguished Senator, along with his colleagues on the subcommittee, is now investigating the problems of the textile industry. Perhaps he is more conversant with the present difficulties of the industry than are most other Members of the Senate.

Georgia is a great cotton-producing and cotton-spinning State. The textile industry is the largest employer of any industry within the State.

It has been stated on the floor of the Senate on many occasions that the textile industry must pay a wage level 10 times as high as do its competitors in the Far East. In addition, so far as raw materials produced in this country are concerned, the American textile industry must pay about $35 a bale more than the same product sells for overseas. The overseas subsidy is financed by the taxpayers of the United States.

So the textile industry is operating under a two-way disadvantage. First, there is the cost of the raw material, which is subsidized in foreign lands by the taxpayers of this country. Second, there is a wage disparity which is on a ratio of about 10 to 1, to the disadvantage of our own domestic producers.

I commend the Senator from Rhode Island for bringing this subject to the attention of the Senate, and hope that the Congress and the executive branch will join hands at an early date to do something about the situation.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from Rhode Island yield?

Mr. PASTORE. I yield.

Mr. JOHNSTON of South Carolina. I wish also to thank the Senator from Rhode Island for bringing this subject to the attention of the Senate. I am very much interested, because of the fact that in South Carolina there are about 28 percent of the active spindles in the United States. I would be derelict in my duty if I did not feel very much interested in this subject at this time.

I, too, hope that the administration will see the light and do something to relieve the situation of the textile industry. If it does not, I predict on this floor today that many cotton mills in

South Carolina will be closed within the next 2 or 3 years. Today they are trying to remain in operation 2 or 3 days a week, but they cannot continue to exist on that basis, considering the great outlay of capital which is necessary, and meet the competition of Japan, where wages are about one-fifth what they are in the United States, while at the same time Japan is able to buy raw cotton produced on American soil for approximately 25 percent less than our manufacturers in the United States must pay for it.

I hope the administration will see the light and do something to relieve the situation in which we find ourselves today.

I thank the Senator from Rhode Island for his activity in this field.

Mr. PASTORE. I withdraw the amendment.

Mr. MORSE. Mr. President, I call up my amendment numbered 7-1-58-B, which I am offering on behalf of myself and the Senators from Washington [Mr. MAGNUSON and Mr. JACKSON].

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 9, after line 14, it is proposed to insert a new subsection, as follows:

(c) The first sentence of subsection (e) of section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U. S. C., sec. 1364 (e)), is amended by inserting before the period at the end thereof a comma and the following: "or any group of producers of the raw or processed agricultural or horticultural products from which any such products or articles are produced."

On page 9, line 15, strike out "(c)" and insert in lieu thereof "(d)."

Mr. MORSE. Mr. President, I call attention to the fact that, as read, the amendment contains a change from the printed version. On line 7, after the word "or" there are now added the words "any group of producers of." So the language to be added will read "or any group of producers of the raw or processed agricultural or horticultural products from which any such products or articles are produced."

Senators will recall that in extending the Trade Agreements Act in 1955 the Senate adopted an amendment similar to this one, only to lose it in the conference with the House of Representatives.

I wish to stress the fact that it is a procedural amendment, not a substantive amendment. I support a reciprocal trade program as ardently as anyone in the Senate. I am supporting a procedural amendment to that program which, in my judgment, is necessary to do justice and fairness procedurally to a group of agricultural producers who are not covered by a farm-support program, and therefore are not subject to any protection under section 22 of the act.

Mr. President, the purpose of the amendment is a simple one. It deals with procedure, and not with foreign trade protection. It provides that in proceedings before the Tariff Commission under the escape and peril-point clauses the growers of a commodity shall be considered a part of the industry under the definition of injured parties.

I wish to pay what I believe is a deserved tribute to my junior colleague [Mr. NEUBERGER] in regard to his opposition to the amendment. He made it clear on the floor of the Senate yesterday afternoon that he has decided he would not support the amendment. In 1955 he shared my point of view in support of it. The Senate adopted the amendment in 1955, but we lost it in conference, because the administration forces took the position that the definition in the law would cover the situation and provide the procedural protection to our cherry growers which I was urging then and now.

It was discovered after our amendment was dropped in conference in 1955 that the law did not cover the procedural guaranties to the cherry growers for which I had worked. However, since there are those who would try to draw a great personal issue between the two Senators from Oregon whenever they vote differently on the floor of the Senate, I should like to state that I respect the position taken by my colleague on the floor of the Senate yesterday afternoon in opposition to my amendment. I merely disagree with him in his conclusion. I do not feel that in trying to bring about procedural protection to the producers of cherries, we are in any way weakening the substance of the Reciprocal Trade Act. I wish to make it very clear that the adoption of my amendment does not give the cherry producers any substantive relief. It gives them procedural relief, by which they can get before the Tariff Commission for a hearing of their case. In fighting for this amendment I am no less an advocate of a reciprocal trade program than is my colleague. I am only attempting to obtain the adoption of an amendment which will protect our cherry growers by granting them a right to have a hearing before the Tariff Commission under the procedure of the peril point and escape clause of the Reciprocal Trade Act.

The amendment we are proposing is aimed at the agricultural and horticultural products which are not covered by price supports, or other farm program. Commodities covered by price supports, marketing agreements, or any other farm program, fall under section 22, whereby injury to them from imports can be dealt with by the Secretary of Agriculture, and, it is hoped, by the President.

But there are many products not subject to any farm program. Principal among them, insofar as the economy of my own State is concerned, are cherries, grapes, and mint. Not being subject to any Federal farm program, they can receive no assistance from the Secretary of Agriculture under section 22. But due to the interpretation of the law by the Tariff Commission, they cannot appeal to the Tariff Commission for relief from competitive imports under the escape or peril point clauses, either.

The reason is that the definition now in the law is not considered to include the producers of the raw agricultural material in a "domestic industry producing like or directly competitive articles."

The example of our cherry industry in Oregon has given rise to the need for clarifying language. Here is what has happened in the cherry industry. The growers of cherries, and those who brine them, preparatory to further manufacture, tried in 1952 to join with manufacturers of glace cherries, which are the finished product, in an appeal for relief from imports of glace cherries under the escape clause. The Tariff Commission ruled that the term "domestic industry" applied only to the manufacturer of the finished product and excluded the growers and briners.

Therefore, in 1955, Senator MAGNUSON and I offered an amendment to the extension bill, H. R. 1, that would correct what the administration and Congressional supporters of H. R. 1 called an unintended hardship under the law. But they called attention to changes in the definition that had been agreed on by the administration spokesmen, and took the position that our amendment was unnecessary to eliminate this injustice.

I am satisfied that the injustice is not in fact removed. The language adopted in 1955, defining the industries that may apply for escape or peril relief, is as follows:

The term "domestic industry producing like or directly competitive products" and "domestic industry producing like or directly competitive articles" mean that portion or subdivision of the producing organizations manufacturing, assembling, processing, extracting, growing, or otherwise producing like or directly competitive products or articles in commercial quantities.

The hitch is that competition must occur in the product itself. Thus, glacers are the only ones that may seek relief from imports of glace cherries; briners may seek relief from imports of brined cherries, but not glace cherries even though their product is further processed into glace cherries. Growers have been unable to appear to seek relief from imports of either brined or glaced cherries, even though they furnish the commodity that is processed into the finished product.

Consequently, American cherry growers and briners may be precluded from obtaining peril point protection as to any future proposed trade-agreement concession involving glace or other finished cherries, and from instituting, or even appearing as interested parties in, an escape clause proceedings relative to the present or any future trade-agreement concessions on finished cherries.

Our domestic sweet cherry industry is highly vulnerable to imports of foreign brined cherries and finished products such as glace and maraschino cherries. Forty percent of United States production of sweet cherries is normally brined for use in manufacture of maraschino and candied cherries. In some districts, such as in Michigan, New York, and the Willamette Valley of Oregon, more than 80 percent of the sweet cherry production is marketed in brined form. Near Eugene there is located the Eugene Fruit Growers Association, a grower-owned marketing and packing cooperative with

membership of growers with about 1,000 acres of cherries in the Willamette Valley. Their capital investment is close to $1 million, and they have a $50,000 cherry packing plant designed exclusively for processing cherries for its members. This organization brines the cherries for its members and sell 95 percent of them for further processing into maraschino and glace cherries.

Tariff concessions to France on these finished cherries have caused imports of them to rise from 5,000 pounds in 1947 to over 5 million pounds in 1957. Yet no appeal is open to domestic growers under the law. The result is that domestic manufacturers and handlers of finished cherries are turning more and more to the handling of imports. The situation has become so bad that for the first time since I have been in the Senate, the growers have stated that they prefer to see the Trade Agreements Act terminated entirely than to continue under present conditions. They fear that new tariff concessions will be granted to France that will increase imports even more, and they will not even be able to present a case to the Tariff Commission.

I ask consent to have appear at this point two resolutions I have received, one from the Northwest Cherry Briners Association and one from the Eugene Fruit Growers Association.

To keep the record straight, let it show that I was anxious to determine how much good the 1955 changes in the language of the law did in meeting this situation. Before presenting my amendment, I had my office get on the telephone to the Willamette Cherry Growers, with whom I have also been in touch on this matter, and find out whether any attempt had been made by the growers and briners to appear before the Commission since 1955. I was informed that they had not, and, as I had assumed, the reason was that their attorneys felt that it was not worthwhile even to go to the expense of making the effort. They were certain from their study that the same objection as had precluded them in 1952 exists, and remains in the pending bill. Although growers were added to the list of domestic industries, they still are not included as a part of an industry seeking relief.

That is why I have proposed, together with the Senators from Washington, to assure agricultural producers at least to their day in court.

Let me emphasize this point. The agricultural commodities covered by any kind of Federal farm program have recourse to the Tariff Commission now, through the Secretary of Agriculture. But products like cherries, grapes, mint, and similar items which are under neither price support nor marketing agreements have no recourse at all in terms of their chief imported competitor. Only the manufacturer to whom they sell can seek relief from an import that competes with his product. But if he chooses to handle the import itself, and many cherry manufacturers are doing that, he cuts off the market of the grower and briner and leaves the latter with no place to go for relief.

If our amendment is adopted, the language would then read:

> The terms "domestic industry producing like or directly competitive products" and "domestic industry producing like or directly competitive articles" mean that portion or subdivision of the producing organizations manufacturing, assembling, processing, extracting, growing, or otherwise producing like or directly competitive products or articles in commercial quantities, or any group of producers of the raw or processed agricultural or horticultural products from which any such products or articles are produced.

I want to emphasize to my colleagues that these growers fall between the stools, so to speak, of section 22 and the escape clause. They have no access to the Tariff Commission at all against the imports that cause them hardship. I think that this is a situation unintended by Congress. As a Senator who has for 13 years defended the procedural rights of individuals, of Congress, and any other group or institutions I believe is not being fairly treated, I am certainly going to continue insisting that this segment of the American economy have its procedural rights protected.

There is nothing in this amendment that assures relief from imports to the cherry growers or the industry as a whole. They must run the same gamut as any other industry acting under the escape or peril-point clauses. But they should at least be allowed to run it. That is all we are asking in presenting this amendment to the Senate, and asking for its adoption.

As was brought out in the debate on our amendment 2 years ago, the Senate Finance Committee intended to afford the relief we are requesting.

On May 4, 1955, the Senator from Washington [Mr. MAGNUSON], who joined me as cosponsor of the amendment, quoted the language reported out by the Senate Finance Committee, and which is now law. He stated:

> I have the impression that under the committee's new language the cherry growers, for example, could have their day in court, because 50 percent of their product goes into glazed cherries, or other processed cherries. Excessive imports would be injurious to such growers.
>
> I ask the Senator from Texas [Mr. JOHNSON] whether or not my understanding of the language is correct.
>
> Mr. JOHNSON. I have been informed by counsel on the floor that the Senator from Virginia [Mr. BYRD] had carefully considered the statement made by the Senator from Washington and if the Senator from Virginia were present on the floor, he would answer the question of the Senator from Washington in the affirmative, namely, that his statement is correct. The answer is "Yes."

As the CONGRESSIONAL RECORD for that date shows—volume 101, part 4, page 5613—the senior Senator from Washington, the junior Senator from Oregon, who associated himself at that time with the effort I was making to secure procedural justice for the cherry growers, and I, felt we should spell out the intent of the Senate more fully. Therefore we pressed the amendment and it was taken to conference. However, as I have said, the Senate was not sustained in conference.

The administration took the position, which it still takes, that the committee language did not mean what the Senator from Texas, the Senator from Virginia, and apparently much of the Senate, thought it meant.

That does not surprise me. I expected the administration to oppose my amendment 2 years ago, and I am not at all surprised that its spokesmen oppose it now.

The burden of that opposition seems to be that since the glacers have not shown sufficient injury to warrant escape-clause action, the Tariff Commission should not be expected to concern itself with the plight of the growers and briners. The administration agrees with me that growers and briners have no recourse under existing law against glace and maraschino imports, despite the fact that nearly half their crop goes into the finished product. This is made clear in a letter addressed to Senator NEUBERGER under date of July 16, 1958, by Henry Kearns, Assistant Secretary of Commerce. On this subject, the letter, as printed at page 14343 of the CONGRESSIONAL RECORD of July 21, 1958, states:

> (2) More importantly, as a practical matter it is difficult to see why such an amendment is necessary. United States producers of glace cherries can seek direct relief under the escape clause against any serious injury caused by glace cherry imports. Presumably, if such imports were injuring any United States producers, the first and most severe injury would be to United States producers of glace cherries themselves. Any injury which the suppliers of fresh and brined cherries might indirectly suffer would seem unlikely to approach in severity the injury to the glace industry. If this is true, it is difficult to see how suppliers of fresh or brined cherries could demonstrate serious injury, even if they did have direct recourse to the escape clause, as long as the glace industry is not injured.

Of course, it is not a sound argument to deny the cherry growers the right to be heard before the Tariff Commission, simply because the glace cherry producers have not asked for relief before the Tariff Commission. It is obvious that the main reason why they have not asked for relief is because it is in their personal interest to import cheap cherries from abroad and thereby keep down the price of American cherries. The failure in the law to provide a procedural right to American cherry producers to lay their case before the Tariff Commission must be corrected.

This is a procedural deficiency in the law I believe Congress must end once and for all. It does not afford protection from imports to anyone. It does afford protection of procedural rights. It is a fair and just amendment.

I ask to have appear at this point as part of my remarks, communications I have received from William R. Shinn, of the Willamette Cherry Growers of Salem, a wire from former Gov. Charles A. Sprague, E. H. Thompson, chairman of the Industrial Committee of the Salem Chamber of Commerce, and others. As Mr. Shinn states, Governor Sprague's support of the amendment comes from an individual who is a strong supporter, as I am, of reciprocal trade.

This brings out the important fact—

Says Mr. Shinn—

that even individuals in favor of the Trade Agreements Act are in favor of this amend-

ment to enable the cherry growers and briners to have access to peril point escape clause mechanism pertaining to the importation of glace cherries.

Thus, there is nothing inconsistent between a workable tariff reduction program and a guaranty to producers of raw agricultural commodities that they will have their day in court.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point resolutions, letters, and telegrams, expressing the interest of the cherry growers in my amendment, particularly those of Oregon.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RESOLUTION OF NORTHWEST CHERRY BRINERS ASSOCIATION RE H. R. 10368, THE TRADE AGREEMENTS EXTENSION ACT OF 1958

Whereas H. R. 10368, now pending in Congress, would extend for another 5 years the tariff-cutting trade agreements program under which the United States already has sacrificed most of its tariff protection without obtaining reduction of the high foreign barriers against United States exports; and

Whereas the brined cherry industry of the United States, which provides the market for more than 40 percent of the sweet cherries grown in the United States, cannot survive without reasonably adequate tariff or import quota protection from the abundant supplies of cheaply produced foreign brined and finished cherries which are available for export to the United States; and

Whereas imports of foreign cherries have substantially increased during recent years, the imports of French glace cherries on which two tariff reductions have been made under trade agreements having increased more than 500 percent during the past 5 years, by reason of which the United States manufacture of glace cherries has been substantially reduced and threatens to become negligible, with consequent seriously substantial loss of market for the domestic brined cherries normally used in the manufacture of glace cherries; and

Whereas the escape-clause provisions of the present trade agreements legislation are so worded as to exclude the cherry growers and cherry briners from any escape-clause proceeding involving imported glace cherries, for the reason that such growers and briners are not themselves manufacturers of competing glace cherries, with the result that the growers and briners cannot either themselves institute or as interested parties particiate in any such escape-clause proceedings, no matter how disastrously affected the growers and briners may be by the glace cherry imports; and

Whereas the sweet cherry industry is dependent entirely upon domestic markets and has no present or prospective export market, and thus has everything to sacrifice and nothing to gain through the so-called reciprocal trade agreements program: Now, therefore, be it

Resolved, That this, the Northwest Cherry Briners Association, a long-established trade association of commercial briners of cherries in the States of Oregon, Washington, Idaho, and Utah, hereby expresses its earnest opposition to H. R. 10368, and urges that the Congress now reassert its constitutional authority and observe its constitutional responsibility with respect to tariffs and foreign trade by refusing to continue the present trade agreements program or any other program whereby the President could reduce the United States tariff rates; and

Resolved further, That it is the considered judgment of this association that cherries should be expressly excluded from any continued or new legislation which may authorize reduction of United States tariff rates by trade agreements or Executive order; and

Resolved, That copies of this resolution shall be delivered by the secretary of this association to Members of Congress and other interested persons.

RESOLUTION OF EUGENE FRUIT GROWERS ASSOCIATION RE H. R. 10368, THE TRADE AGREEMENTS EXTENSION ACT OF 1958

Whereas H. R. 10368, now pending in Congress, would extend for another 5 years the tariff-cutting trade agreements program under which the tariff on glace cherries has already been twice reduced since 1947. These reductions have resulted in 1,000 percent increase of French glace cherry imports from approximately 5,000 pounds in 1948 to over 5 million pounds in 1957. This very material increase has caused serious loss of a substantial portion of this concern's market outlet for its cherries; and

Whereas Eugene Fruit Growers Association, a grower-owned marketing and packing cooperative with a membership of active cherry growers with approximately 1,000 acres of cherries in the Willamette Valley, representing a capital investment of $1 million and a cherry packing plant valued at $50,000 which is designed exclusively for the purpose of processing brined cherries for its members; and

Whereas agriculture in this valley is already in a serious state of distress and the substantial, valuable, existing cherry industry was established as a result of the Tariff Act of 1930 and by the encouragement of Government agencies as a necessary diversification and desirable economic use of land in the Willamette Valley; and

Whereas this organization and its members depend upon 95 percent of its market outlet for cherries in the form of brined cherries for remanufacture into maraschino and glace type cherries; and

Whereas our industry is now in need of relief from present cherry import competition and would be facing potential ruin and destruction by any legislation which would authorize further reduction of our present inadequate tariff; and

Whereas this association and its cherry growing members with a substantial capital investment and income at stake is dependent entirely upon the domestic processed cherry markets in the United States and has no present or prospective export market, and thus has everything to lose and nothing to gain through renewal of the so-called reciprocal trade agreements program: Therefore, be it

Resolved, That the Eugene Fruit Growers Association hereby expresses its earnest opposition to H. R. 10368 or any other legislation whereby the President could further reduce the United States tariff rates on cherries; and

Resolved further, That it is the earnest request of this organization that cherries be expressly excluded from any continued or new legislation which may authorize reduction of United States tariff rates by trade agreements or executive order; and

Resolved, That copies of this resolution shall be delivered by the secretary of this association to Members of Congress and other interested persons.

BOARD OF DIRECTORS OF EUGENE FRUIT GROWERS ASSOCIATION.

WILLAMETTE CHERRY GROWERS, INC.,
Salem, Oreg., July 2, 1958.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MORSE: We acknowledge receipt of your wire, dated July 1, informing us to the effect that you have joined with Senator MAGNUSON in offering amendment to Trade Agreements Act similar to your 1955 amendment relating to the cherry industry.

We wired you today stating that we were airmailing to you a copy of the enclosed statement on H. R. 12591 by the Cherry Growers & Industries Foundation before the Senate Finance Committee. As you will note, this statement elaborates upon and pertains specifically to the proposed amendment to the present peril point and escape-clause provisions (19 U. S. C., secs. 1360, 1363, 1364).

We hope that the information given in this statement will be helpful to you during the debate on the Senate floor.

The Salem Chamber of Commerce national affairs committee has approved and endorsed this amendment. We understand that Charles Sprague and other members of this committee will be contacting you acknowledging their support of this amendment.

This brings out the important fact that even individuals in favor of the Trade Agreements Act are in favor of this amendment to enable cherry growers and briners to have access to the peril point and escape clause mechanism pertaining to the importation of glace cherries. They also feel that other Oregon agricultural interests should also benefit in like manner as a result of this amendment.

We appreciate your support on this matter and will look forward to hearing further from you as to your progress in achieving enactment of this amendment.

Sincerely yours,

WILLIAM R. SHINN.

STATEMENT ON H. R. 12591 BY CHERRY GROWERS AND INDUSTRIES FOUNDATION BEFORE THE SENATE FINANCE COMMITTEE

This statement is filed in behalf of the Cherry Growers and Industries Foundation, a trade association of more than 18,000 growers, shippers, and processors of sweet cherries grown in the States of California, Oregon, Washington, Idaho, Utah, Michigan, and New York. The foundation's main office is located at 302 North 29th Street, Corvallis, Oreg.

We propose an amendment to H. R. 12591 for the purpose of correcting a serious deficiency of the peril-point and escape-clause provisions of the present Trade Agreements Act, which H. R. 12591, as it passed the House, does not correct. This proposed amendment is as follows:

"Add to section 5 of H. R. 12591 as subsection reading substantially as follows:

"'Subsection (e) of section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U. S. C., sec. 1364 (e)), is amended to read as follows:

"'"(e) As used in section 1352 (a), (c), 1354, and 1360–1367 of this title, and section 624 (b) of title 7, the terms 'domestic industry producing like or directly competitive products' and 'domestic industry producing like or directly competitive article' mean that portion of subdivision of the producing organizations manufacturing, assembling, processing, extracting, growing, or otherwise producing like or directly competitive products or articles in commercial quantities, [and the terms 'like or directly competitive products' and 'like or competitive articles' shall include among other products or articles raw or processed agricultural or horticultural products from which there is manufactured, extracted, or processed a product or article which is like or directly competitive to any product or article upon which a concession is granted or proposed to be granted under a trade agreement.] In applying the preceding sentences, the Commission shall (so far as practicable) distinguish or separate the operations of the producing organizations involving the like or directly competitive products or articles referred to in such sentences from the operations of such organizations involving other products

or articles.'" (New matter is indicated by black brackets.)

The present peril-point and escape-clause provisions (19 U. S. C., secs. 1360, 1363, 1364) purport to be means of avoidance or escape from serious injury resulting from a tariff reduction or other concession under a trade agreement. The peril-point and escape-clause procedures, however, apply only to the domestic industry which produces articles which are like or directly competitive to the imported article involved (19 U. S. C., sec. 1364 (e)).

In an escape-clause proceeding in the year 1952 relating to glace cherries, the majority report by the Tariff Commission declared that:

"The domestic industry producing glace cherries cannot properly be considered as including the cherry growers or the primary processors of domestic cherries who put up sulfured (brined) cherries." (Tariff Commission's Report No. 185, second series, Glace Cherries, October 1952, p. 7.)

Under this view, the Commission's determination of whether or not glace cherry imports were causing or threatening serious injury to the domestic industry had to be confined to the effects of those imports upon the 20 to 25 domestic companies which were then manufacturing glace cherries. The serious effects upon the many thousands of cherry growers and briners dependent in large measure upon the glace cherry outlet were thus considered to be immaterial.

This apparent exclusion from peril point or escape clause proceedings involving manufactured products, of growers and other producers of raw materials from which the processed or manufactured products are derived, who do not themselves manufacture the raw materials into the final form in which they compete directly with the imported commodities, was pointed out to the Congress at the time the trade agreements legislation was up for extension in 1955. At that time the Senate adopted an amendment expressly for the purpose of rectifying this situation, but the amendment was eliminated by the conference committee, evidently on an assumption that the definition of the term "domestic industry producing like or directly competitive products" which was then inserted into the act would be sufficient to accomplish the same purpose. That definition now in the present statute (19 U. S. C., sec. 1364 (e)) reads:

"The term 'domestic industry producing like or directly competitive products' and 'domestic industry producing like or directly competitive articles' mean that portion or subdivision of the producing organizations manufacturing, assembling, processing, extracting, growing, or otherwise producing like or directly competitive products or articles in commercial quantities."

This definition, however, clearly does not meet the situation as to the growers and briners of cherries which are normally sold to manufacturers for processing into glace cherries. The Tariff Commission readily could again rule that even under this added definition the cherries grown by the cherry growers and the brined cherries produced by the briners are not like or directly competitive to the imported glace cherries which may be involved in any future peril point or escape clause proceeding.

Consequently, the United States cherry growers and briners may be precluded, under the present Trade Agreements Act as it would be continued by H. R. 12591, from obtaining peril point protection as to any future proposed trade agreement concession involving glace or other finished cherries, or from instituting, or even appearing as interested parties in, any escape clause proceeding relative to the present or any future trade agreement concessions on such finished cherries.

The domestic sweet cherry industry is gravely concerned by this situation, for the industry is highly vulnerable to imports of cheaply produced foreign brined cherries and finished cherries such as glace and maraschino cherries. Forty percent of the United States annual production of sweet cherries is now normally brined for use as the raw material in manufacture of maraschino, candied and glace cherries. In some producing districts, such as in Michigan and New York, and the Willamette Valley in Oregon, more than 80 percent of the sweet cherry production is marketed in brined form.

The brining market for United States cherries is of key importance to the orderly marketing of the entire domestic sweet cherry production, whether marketed in fresh form, canned, or otherwise processed. Brining is the only method whereby supplies which cannot be taken by the fresh markets, the canners or other users of the fresh fruit can be carried over from year to year and utilized. Any substantial reduction of the brined market for United States cherries would inevitably create a seriously surplus condition, as the other available markets could not possibly absorb any appreciable portion of the volume now brined, and demoralization of all cherry markets would quickly follow. The domestic cherry industry has no present or potential foreign market, but is dependent wholly upon the domestic United States markets.

Access to the peril point and escape clause procedures under the trade agreements legislation is thus of critical importance to the cherry industry. The industry's present position is made especially precarious by the fact that many if not most of the manufacturers who previously purchased domestic brined cherries for the manufacture of glace cherries have ceased such domestic manufacture and now handle exclusively the substantially cheaper imported French glace cherries, the tariff rate on which has been substantially reduced under the existing trade agreement with France.

If the domestic industry producing articles like or competitive to the French glace cherries is confined to the manufacturers of glace cherries, the disappearance of the domestic glace manufacturing industry by reason of the tariff reductions on the imported cherries may deprive the American cherry growers and briners of any peril point or escape clause protection or relief, no matter how seriously they may be affected and injured by the imports of the foreign finished cherries.

The purpose of the proposed amendment hereinbefore set forth is to rectify this grossly unfair situation, and to make good the Government's frequent assurance that the peril point and escape clause provisions of the trade agreements legislation afford every industry a measure of protection against serious injury from excessive imports resulting from trade agreements concessions.

With further reference to section 5 of H. R. 12591, we urge amendment of subparagraph (a) thereof so as to make clear that the term "any interested party" is intended to include agricultural producers. Section 5 (a) of H. R. 12591 would then read as follows:

"SEC. 5. (a) The first paragraph of subsection (a) of section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U. S. C., sec. 1364 (a)), is amended by striking out 'any interested party' and inserting in lieu thereof 'any interested party (including any organization or group of employees [or agricultural producers]' ". (Black brackets indicate new matter.)

We further urge that the trade agreements legislation not be extended at this time for any period greater than 2 years. We concur in the widely expressed view that United States tariff policy and legislation ought to be carefully and thoroughly reviewed and reappraised, in order that they may be better adapted to changed world conditions and serve the best interests of the United States. Extension of the trade agreements legislation for a period longer than 2 years would, we believe, unreasonably deter and postpone a much-needed reexamination and revamping of the United States foreign trade policies and procedures.

Respectfully submitted,

CHERRY GROWERS AND INDUSTRIES FOUNDATION,
J. WALTER HEBERT, *President.*

JUNE 12, 1958.

JULY 1, 1958.

WILLIAM R. SHINN,
Secretary, Willamette Cherry Growers, Inc., Salem, Oreg.:

Have joined Senator MAGNUSON in offering amendment to Trade Agreements Act similar to our 1955 amendment relating to cherry industry. Would appreciate having any material you can send me to strengthen our case. Finance Committee hearings will close July 3 though hearing record will remain open a few days longer. I hope to submit statement to committee in support of amendment to strengthen our position on floor, and suggest you may wish to do the same.

Regards,

WAYNE MORSE.

WILLAMETTE CHERRY GROWERS, INC.,
Salem, Oreg., June 16, 1958.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MORSE: At the time the Trade Agreements Act was last extended for 3 years in 1955 you did our Oregon cherry industry a service by sponsoring an amendment to the escape clause so that cherry growers could have their day in court by changing the definition of "injured party" whereby cherry growers would be considered a part of the industry producing glace cherries.

We were impressed by the fact that you were successful in getting this amendment passed by the Senate. We were disappointed when the House-Senate conference committee deleted this amendment from the act.

House resolution 12591, as passed by the House last week, does not include any changes to clarify the situation.

The need for this amendment has become increasing imperative. Imports of French glace cherries have increased at the following alarming rate:

	Pounds
1948	5,299
1949	15,786
1950	153,484
1951	1,243,266
1952	759,691
1953	1,587,359
1954	2,720,318
1955	3,015,330
1956	4,952,027
1957	5,606,181

Several of the largest glace cherry manufacturers in the United States who formerly used Oregon grown brined cherries almost exclusively in their process, have discontinued the manufacturing of glace cherries entirely and are now devoting their full time to the distribution of imported glace cherries produced by cheap foreign labor.

It is becoming quite apparent that, with the gradual changeover in the status of the domestic glace cherry processor from that of a manufacturer to that of an importer that the domestic cherry grower and briner must be authorized by remedial legislation to initiate escape clause proceedings and be con-

sidered a part of the domestic industry producing glace cherries.

We have enclosed several copies of our proposed amendment, advocated by the Cherry Growers & Industries Foundation, to section 1364 of volume 19, United States Code.

This amendment differs from the one you sponsored in 1955, in that this one pertains to agriculture or horticultural products only.

We understand that Senator MAGNUSON has been contacted by cherry growers in the State of Washington. We are hopeful that he will be in a position to line up with you on this amendment.

Our cherry growers were informed of your assistance in 1955 and will be most anxious for your support on this amendment.

We would appreciate your contacting Senator NEUBERGER for his support on this amendment.

We will look forward to hearing from you in regard to what action you will take.

Sincerely yours,

WILLIAM R. SHINN,
Secretary.

SALEM, OREG., *July 1, 1958.*

Hon. WAYNE L. MORSE,
United States Senator, Senate Office Building, Washington, D. C.

DEAR SENATOR MORSE: We are writing to ask your favorable consideration for an amendment to section 1364, subsection (e), title 19, United States Code, which will read as follows:

(e) As used in sections 1352 (a), (c), 1354, and 1360–1367 of this title, and section 624 (b) of title 7, the terms "domestic industry producing like or directly competitive products" and "domestic industry producing like or directly competitive articles" mean that portion or subdivision of the producing organizations manufacturing, assembling, processing, extracting, growing, or otherwise producing like or directly competitive products or articles in commercial quantities, and the terms "like or directly competitive products" and "like or competitive articles" shall include among other products or articles raw or processed agricultural or horticultural products from which there is manufactured, extracted, or processed a product or article which is like or directly competitive to any product or article upon which a concession is granted or proposed to be granted under a trade agreement. In applying the preceding sentences, the Commission shall (so far as practicable) distinguish or separate the operations of the producing organizations involving the like or directly competitive products or articles referred to in such sentences from the operations of such organizations involving other products or articles. (June 16, 1951, c. 141, sec. 7, 65 Stat. 74, amended August 7, 1953, c. 349, title I, sec. 102, 67 Stat. 472; June 21, 1955, c. 169, secs. 5, 6, 69 Stat. 166.)

This amendment directly affects the cherry industry in the Willamette Valley and inasmuch as we are vitally interested in our present industry, we respectfully request your favorable consideration. Thank you very much.

Very truly yours,

E. H. THOMPSON,
Chairman, Industrial Committee, Salem Chamber of Commerce.

SALEM, OREG.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

We cherry growers now discriminated against because have no access to escape clause on importation of glace cherries. Urge amendment to correct.

R. W. CLARKE.

SALEM, OREG.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

The present escape clause feature reciprocal trade agreements act discriminates against the farmers whose products are manufactured by other industries. My cherries are sold for brining to be manufactured into maraschino and glace cherries. I cannot apply for relief against increasing imports of cheap French glace cherries. Please amend escape clause code to bring me and other cherry growers under this feature of the act.

J. G. HOGG.

SALEM, OREG.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

Urge amendment to allow cherry growers access to escape clause proceedings relative to importation of glace cherries.

JAMES SMART.

SALEM, OREG., *July 22, 1958.*

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

Our 670 cherry-grower members who produce fresh cherries do not have access to the escape-clause mechanism to seek relief from the importation of cherries which come into this country in processed form. The President's repeated statements that the escape clause gives means of relief to all industries does not therefore apply to cherry growers. We request Senate to correct this deficiency in the act with clarifying amendment.

WILLAMETTE CHERRY GROWERS, INC.

SALEM, OREG., *July 22, 1958.*

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

Agricultural producers of basic commodities used in the manufacture of a finished product do not have escape-clause protection against the importation of that finished product. This year I had a good crop of cherries and am selling my cherries for manufacture into glace-type cherries. French glace cherry imports could ruin my market. Please amend Reciprocal Trade Agreements Act so I can seek escape-clause relief as a cherry grower.

A. E. BOUFFLEUR.

SALEM, OREG., *July 22, 1958.*

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

Extremely urgent that Senate adopt amendment to give our cherry industry the same protection under escape clause as other industries have in Trade Agreements Act.

W. FRANK CRAWFORD.

SALEM, OREG., *July 22, 1958.*

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

As a cherry grower I do not have escape-clause protection against imports of cheap processed cherries from foreign countries. I urge that you get Senate to amend Trade Agreements Act to eliminate this discrimination.

FRANK FARMER.

THE DALLES, OREG.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

Being a cherry grower I want to express appreciation for your support in amending the trade agreements bill to allow individuals concerned to testify.

W. H. MYERS.

THE DALLES, OREG., *July 22, 1958.*

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

As a producer of fresh cherries the major part of which are marketed in brine I heartily endorse your amendment which will allow growers to testify on escape-clause procedures to obtain relief from imported cherries. Our costs are rapidly and in some years have been higher than prices received and we cannot compete against foreign-raised cherries where labor costs are so low.

JAMES C. GOFF.

THE DALLES, OREG., *July 22, 1958.*

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

I am a grower of cherries and I favor your amendment which allows growers to testify when hearings are held under the escape-clause law to obtain tariff relief.

BRUNO KROON.

THE DALLES, OREG., *July 22, 1958.*

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

As a grower of cherries for brining, I heartily support your amendment to the trade bill to allow cherry growers to be heard in escape-clause proceedings involving brined or processed cherry imports. Thanks for your effort in behalf of cherry growers.

DON W. BAILEY.

THE DALLES, OREG.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

I strongly support your amendment to allow cherry growers a voice in trade hearings on processed or candied cherry imports. I grow cherries for brining and imports are tough price competition.

LEONA A. FEILING.

EUGENE, OREG.

Senator WAYNE MORSE,
United States Senate,
Washington, D. C.:

Our organization including cherry growers of Willamette Valley strongly urges your best efforts for adoption amendment to reciprocal tariff bill giving cherry industry some protection afforded other industries.

EUGENE FRUIT GROWERS ASSOCIATION.

THE DALLES, OREG.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

I favor your amendment which will give growers in my position opportunities to testify against importation of brined cherries and the lowering of tariffs on such cherries which gives us a more difficult market structure to cope with along with our other major problems of increasing production costs.

GEORGE DAVIS.

SALEM, OREG., *July 1, 1958.*

Senator WAYNE L. MORSE,
Senate Office Building,
Washington, D. C.:

While I strongly favor extension of Trade Agreements Act as outlined in House bill I also favor amendment offered by agricultural interests permitting them to present their case to Tariff Commission on issues over processed products affecting their interest.

CHARLES A. SPRAGUE.

Hon. CHARLES A. SPRAGUE,
Editor, Oregon Statesman,
Salem, Oreg.:

I very much appreciate your wire regarding amendment to Trade Agreements Act.

I am cosponsoring such an amendment with Senators MAGNUSON and JACKSON. Copies are being sent to you separately. Provisions are similar to those we got through Senate in 1955 only to lose out in conference. I will do my best to obtain inclusion of this language in the new Trade Agreements Act.

Regards.

WAYNE MORSE,
United States Senate.

SALEM, OREG., *July 2, 1958.*

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

Urge amendment Reciprocal Trade Agreement Act to protect manufactured foods.

E. A. BERGLUND.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from Washington.

Mr. JACKSON. I wish to commend the distinguished Senator from Oregon for the able presentation of the amendment. I am very happy to be one of the cosponsors of it. As I understand, the objective is merely to give the cherry growers their day in court, so to speak. It is a procedural amendment, as distinguished from a substantive one. Is that correct?

Mr. MORSE. Yes; and the amendment speaks for itself on that point.

Mr. BYRD. Mr. President, I yield 2 minutes to the junior Senator from Oregon.

Mr. NEUBERGER. Mr. President, I realize that this same cherry-growers amendment has been accepted by the Senate before, although it did not become law. I want to state briefly why I do not support the amendment, and why I have not joined with my distinguished and able colleagues from the Pacific Northwest in sponsoring it.

I happen to believe the administration is right in its opposition to the amendment. While I have disagreed with this administration on many issues, I think that it has—in the main—tried to continue faithfully the great reciprocal-trade program begun by President Franklin D. Roosevelt and Secretary of State Cordell Hull.

On July 21, I presented briefly for the RECORD my reasons for opposing the amendment, as a supporter of reciprocal trade. I also included in the RECORD what seems to me a very convincing letter from Assistant Secretary of Commerce Kearns, setting forth the reasons why the Eisenhower administration is opposed to the amendment.

Mr. Kearns described the amendment as "unnecessary" and as "undesirable." He also warned that it might further reduce "the stability of our trade policy."

For these and other reasons which I stated on July 21, I have been against the amendment. I have favored a strong reciprocal-trade program with as few weakening and diluting amendments as possible, because I think such a program is in the best interests of our own country and of an effective Free-World alliance.

Mr. MORSE. I should like to offer the amendment to the distinguished Senator from Virginia, the chairman of the Committee on Finance, with the suggestion that he take it to conference.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. BYRD. As I understand, the Senator from Oregon offered the amendment 3 years ago.

Mr. MORSE. Yes; I did.

Mr. BYRD. It was then accepted by the Committee on Finance. I understand that the amendment is a procedural amendment, and has no mandatory provisions.

Mr. MORSE. That is correct.

Mr. BYRD. I am willing to accept it and take it to conference. I yield back the remainder of my time.

Mr. MORSE. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time for debate has expired. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. MORSE] in behalf of himself and the Senator from Washington [Mr. MAGNUSON] and the Senator from Texas [Mr. JOHNSON].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. PURTELL. Mr. President, I call up my amendment 7–17–58–G, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PURTELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PURTELL. Mr. President, I call up my amendment designated 7–17–58–G, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 9, after line 22, it is proposed to insert the following:

(d) Such section 7 is further amended by adding at the end thereof the following new subsection:

"(g) It is the sense of the Congress that in the administration of this section quotas should be imposed where necessary to prevent or remedy serious injury to the respective domestic industry."

Mr. PURTELL. Mr. President, I rise to express my continuing support of our reciprocal trade program. I do not wish to see it so emasculated as to be an ineffective instrument for the President's carrying out of trade policies beneficial to our domestic and international economy and security. We are considering this legislation in an hour of grave international peril. Any indication of wavering in our determination to help our friends and our allies could well result in dire consequences to the Free World as we now know it. The extent to which we support our great leader, President Eisenhower, will be an important gage of America's confidence in her leader for the millions throughout the world who are looking to and praying for him now, as freedom once again has come upon a fateful hour.

I also trust that some provision will be made within the structure of the agreements to provide necessary safeguards for our domestic industries which have been seriously impaired, and which may continue to be impaired to the point of extinction, by the unrealistic segmental concentration of foreign imports.

I, in part, represent an industrial State—one of the manufacturing arsenals of our Republic. I have not lost sight either of the broad purpose of reciprocal trade in bolstering the economies of our allies or of the thousands of jobs and millions of dollars within my own State and others which are the results of the manufacture and export of items under this program or the purchase of American goods and wares by foreign countries.

But it is equally factual that many industries in my own State and others which also represent thousands of jobs and which heretofore have contributed importantly to the Nation's economy, have been deteriorating steadily because they have not been safeguarded against concentrated imports which have seriously impaired their operations.

I am not even for a moment arguing a case of having cake and eating it, too. Nor am I advocating a paradoxical package of reciprocal trade and tariff barriers. But I am pleading for a realistic, practical approach to a problem with which we are beset and which begs solution.

I plead in the full realization that our national and international defense are inextricably woven together. I do so also in the knowledge that our national economy is similarly bound together with the economies of other nations.

But I also realize that our own national economy is the financial bulwark upon which the other economies are based and I fail to see the wisdom of continuing to weaken parts of our own economy to shore up and improve foreign economies. There is no net gain in such action. Only net loss can result.

Let me make it crystal clear here that I have no objection whatsoever to the countries linked with us in our agreements continuing to have the same percentage of our domestic market which they now enjoy. Nor do I object to their receiving an increasing volume of our market, as our market grows.

But, Mr. President, I do object to the concentration of foreign imports upon certain segments of domestic industries to the critical, and in some cases near fatal, impairment of these industries. I want only to prevent segmental concentration and spread the impact throughout our domestic industries.

This, I believe, is fair and just. I could, at this point, cite many examples of this segmental concentration in Connecticut and elsewhere. But I believe the case of the stainless-steel-flatware industry is both typical and familiar to the Senate.

The Japanese themselves, recognizing the situation being caused by their exports to this country, have imposed a voluntary quota. This was done after requests by myself and others for some kind of assistance went unheeded. The voluntary quota by the Japanese is tacit admission of the harm which has been

done. It is true that a study of this particular industry and the effect upon it of foreign imports has been initiated but I feel strongly that a study is not enough. I am forced to wonder how bad a situation must get before it is bad enough not to be studied but to be remedied.

Many workers in this industry are now unemployed. Others are on short time. The future is hazardous. Workers are without income and the merchants and others with whom they trade are also experiencing financial distress.

This is a situation typical of many which can be remedied by practical methods designed specifically to remedy them.

We have long had built-in remedies in the trade agreements in the peril-point and escape-clause provisions. These are often referred to as protectionist provisions.

Protection does not necessarily imply high tariff walls. As I said earlier, I do not favor high tariff walls. But protection has been an integral ingredient of the trade-agreements formula since its inception. In a statement to the Finance Committee 2 weeks ago, I noted that the peril-point and escape-clause provisions merely implement the assertions of President Roosevelt and each of his successors in office that in the administration of the Trade Agreements Act serious injury to domestic industries would be avoided. What we have been saying to the world since 1934 is that we will forego the revenue, but not the protective aspects of our laws, if other countries will do the same and no more.

I plead for the utilization of the escape-clause remedy when the facts justify its use. After all, our trade agreements contain escape clauses which can be invoked whenever it is justified. Their presence in the agreements constitutes consent to their use whenever a case is established. Why, then, should there be any reluctance on the part of those administering the trade-agreements legislation?

One of the legitimate remedies permitted under the escape clause is the imposition of a quota, without any question of violation of our international obligations. A former Democratic chairman of the United States Tariff Commission, Oscar B. Ryder, who certainly cannot be classed as a protectionist, had this to say about the escape clause when he testified before the Finance Committee in 1947:

> The escape clause and the procedures established by it, together, provide what it is very important to have amid the uncertainties of the postwar transition period, a flexible instrument for prompt and adequate action to prevent injury from an unexpectedly large and excessive increase in imports. And what is just as important to the maintenance of the trade-agreements program, by this provision it will be possible for the United States to take such safeguarding action with the minimum of risk of causing the other country party to the agreement to terminate the agreement, in whole or in part, as it of necessity is given the right to do in case of such action.

Mr. President, despite the fact that the use of quotas as a remedial measure in escape-clause cases is internationally approved, and the fact that the United States Congress has given its consent to the use of quotas in escape actions, the door to the use of this remedy has remained closed. In a recent escape action on clothespins the Tariff Commission found that a maximum permissible increase in duty was not adequate to remedy the serious injury suffered by the domestic clothespin industry because of excessive imports and recommended a quota as the only adequate remedy. The quota recommendation was rejected and, instead, the duty was increased. Subsequent developments have proved the Tariff Commission to have been correct. The increased duty has not been effective and the domestic industry is little better off now than it was before.

I recognize that the employment of quotas as a normal method of regulating imports may not be desirable, and I am certainly not suggesting such a policy in all cases. But the adjustment of imports by the escape-clause procedure is not our normal method for regulating imports; it is a procedure for an emergency type of action to correct unintended results of trade-agreement concessions, namely, serious injury to domestic industries. I see no reason why the quota remedy should not be used in escape-clause actions when the need therefor is shown. Such use violates no international obligation of the United States and their use by the President is authorized by law.

It is a necessary balance which should be employed to do what it was designed to do. I seek only proper utilization of existing provisions. I do not desire to tie the hands of the Chief Executive in any way. Rather, I vigorously oppose any attempts to do so.

Mr. President, my amendment to section 7 of the act states that it is the sense of the Congress that in the administration of this section quotas should be imposed where necessary to prevent or remedy serious injury to the respective domestic industry. I hope my colleagues will support this amendment.

Mr. President, the amendment is permissive. The President would not be required to impose quotas; but the amendment would indicate to the President the sense of the Congress regarding the use of quotas, when found to constitute a necessary remedy.

Mr. BUSH. Mr. President, will my colleague yield 5 minutes to me?

Mr. PURTELL. I yield 5 minutes to my colleague from Connecticut.

The PRESIDING OFFICER. The senior Senator from Connecticut is recognized for 5 minutes.

Mr. BUSH. Mr. President, I wish to compliment my distinguished colleague from Connecticut on his splendid address this afternoon. Ever since he and I have served together in the Senate, he has been a constant and vigorous supporter of the President's program; and my colleague has also been consistent in his position in regard to the escape-clause and peril-point provisions of the act, and has been of great assistance to some of the industries in my State in connection with matters pending before the Tariff Commission and before the President. The junior Senator from Connecticut has been very persuasive with the President on several occasions when the President was considering Tariff Commission recommendations which substantially affected Connecticut industries. So my colleague is speaking again from his splendid background when he submits his amendment which suggests the use of quotas when needed to prevent or to remedy serious injury to domestic industries.

Mr. President, sometimes so marked a wage differential exists between domestic products and imported products that no relief can possibly be afforded by means of a tariff; in some of the cases with which we are familiar, including cases in our own State, there is absolutely no way to compensate by means of a tariff.

My colleague has mentioned the stainless steel flatware case, in which a voluntary quota was imposed by the Japanese upon themselves, after their imports to this country had increased from less than 10 percent of the market to more than 68 percent of the market in a period of 4 or 5 years. In the Japanese industry, 22 cents an hour was paid; in the American industry, $2.12 an hour was paid. With the labor-cost factor constituting so great a percentage of the total cost of stainless steel flatware, there was no way by which the tariff could be used to afford any protection.

So the administration persuaded the Japanese to impose the quota upon themselves. In other words, the administration used the tool my colleague has been discussing. Because the normal procedure by means of GATT and the obtaining of a waiver under GATT would have required so long a time, the Japanese were asked to recognize the serious effect which their heavy imports were having upon our domestic industry and upon our State of Connecticut; and the Japanese were persuaded to impose a quota on themselves, thus reducing their imports of approximately 11 million dozen by about one-half, or to 5½ million dozen. Thus, in that instance, and also in the velveteen instance of several years ago—when the velveteen produced in Japan and placed on the American market constituted about 60 percent of the market, although previously the imports had amounted to practically nothing—the administration, in order to afford some relief to those industries, persuaded the importers to impose the quotas on themselves.

Mr. President, my colleague's amendment provides in effect that this tool, which has been used and has been found effective, shall be kept in mind, and points out that there are times, such as the ones to which I have referred, when the tool is effective, and should be considered by the administration.

Therefore, Mr. President, again I compliment my colleague on his remarks and on the soundness of the amendment he has submitted.

Mr. PURTELL. I thank my distinguished colleague from my home State of Connecticut.

Mr. President, by means of the amendment, we request that some relief be given when it is needed. We simply

state that it is the sense of Congress that in the administration of this section, a quota should be imposed. In other words, the amendment is permissive.

Since 1947, when the escape-clause procedure began, only 87 cases have been filed with the Tariff Commission—only 87 cases in the course of 10 years.

We are asking for very little. In my opinion, under the escape clause, certainly there should be resort to the use of quotas, when necessary, to prevent or to remedy serious injury.

Mr. President, I hope Senators will vote in favor of adoption of the amendment.

Mr. JOHNSON of Texas. Mr. President, I am prepared to yield back the remainder of the time under my control, on the condition that the Senator from Connecticut do likewise.

Mr. PURTELL. Mr. President, I am happy to yield back the remainder of the time under my control.

The PRESIDING OFFICER. All remaining time has been yielded back.

The question is on agreeing to the amendment of the Senator from Connecticut [Mr. PURTELL]. [Putting the question.]

The amendment was rejected.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PURTELL. Mr. President, I call up my amendment identified as "7–17–58–F," which now has been modified. I offer the amendment, but do not ask that it be read at this time.

The PRESIDING OFFICER. Without objection, the amendment will be printed in the RECORD, without being read.

The amendment submitted by Mr. PURTELL is as follows:

On page 2, strike out lines 4 through 6 and insert in lieu thereof the following:

"(1) Paragraph (2) (A) is amended to read as follows:

"' (A) Increasing by more than 50 percentum any rate of duty existing on July 1, 1934, except that in the case of a specific duty, the proclamation by the President may convert such specific duty as it existed on July 1, 1934, to its ad valorem equivalent based on 1934 value and may increase such ad valorem rate by not more than 50 percent.'"

On page 9, between lines 14 and 15, insert a new subsection as follows:

"(c) Subsection (a) of section 7 of such act is amended by striking out the third paragraph and inserting in lieu thereof the following: 'Should the Tariff Commission find, as a result of its investigation and hearings, that a product on which a concession has been granted is, as a result, in whole or in part, of the duty or other customs treatment reflecting such concession, being imported in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products, it shall recommend to the President the withdrawal or modification of the concession, its suspension in whole or in part or the establishment of import quotas, to the extent and for the time necessary to prevent and remedy such injury. The Tariff Commission shall not recommend any increased duty which is more than 50 per centum above the rate existing on July 1, 1934: *Provided, however,* That in the case of a specific duty, the Commission may convert such specific duty as it existed on July 1, 1934, to its ad valorem equivalent on the basis of 1934 value as found by the Commission, and the Commission may recommend that such ad valorem rate be increased by not more than 50 percent.'"

On page 9, line 15, strike out "(c)" and insert in lieu thereof "(d)."

Mr. PURTELL. Mr. President, this amendment is not complex, and I shall require only a few moments to explain it.

My amendment gives the President and the Tariff Commission power to convert specific duties into ad valorem duties on the basis of 1934 values, subject to all the safeguards now surrounding the escape clause. The amendment will merely place with the President authority to give equal relief to all industries, irrespective of whether their products had been subject to a specific or an ad valorem rate of duty.

Mr. President, as you know, a "specific duty" is a fixed amount of money per pound or other unit of measure, whereas an "ad valorem duty" is expressed as a percentage of the value of the imported item at the time of importation. Virtually all economists, I understand, agree that in the long run an ad valorem duty operates much more fairly than a specific duty, because the dollar amount of an ad valorem duty is automatically adjusted upward and downward, to reflect changes in the price structure. A specific duty, on the other hand, can become unreasonably high or ridiculously low, as the price for the item goes down or up. In an era of inflation, specific duties relative to price tend to become progressively lower and lower.

I wish to emphasize strongly that action within the authority granted the President by my amendment will be permissive only, not mandatory.

Under the circumstances, I believe that this amendment should be noncontroversial; and I urge my colleagues to vote in favor of adoption of the amendment.

Mr. BUSH. Mr. President, I ask that my colleague yield 5 minutes to me.

Mr. PURTELL. Mr. President, I am glad to yield 5 minutes to my colleague.

The PRESIDING OFFICER. The senior Senator from Connecticut [Mr. BUSH] is recognized for 5 minutes.

Mr. BUSH. Mr. President, I join my colleague in urging the adoption of the amendment.

In this case, also, I believe the amendment reflects the eagerness of my distinguished colleague from Connecticut to assist in meeting some of the difficulties which some of our industries encounter in connection with the escape-clause and peril-point proceedings. It seems to me that the amendment is eminently sound and that there are many cases in which it would be justified. I join with my colleague in urging that the chairman of the committee take the amendment to conference.

Mr. KNOWLAND. Mr. President, I hope the distinguished chairman of the Finance Committee will see fit to take the amendment of the Senator from Connecticut to conference. As I understand the amendment, it is permissive, and not mandatory, in character. I think there is a great deal of equity in the amendment.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. JOHNSON of Texas. The senior Senator from Connecticut [Mr. BUSH] has been talking about the amendment of the junior Senator from Connecticut [Mr. PURTELL], as has the Senator from California [Mr. KNOWLAND]. I concur in the statement made by the minority leader. I hope the chairman of the committee will agree to take the amendment to conference, and discuss it with Members of the other body, and see if something can be worked out along the lines proposed.

Mr. BYRD. Mr. President, the amendment is not mandatory in nature. I am willing to take it to conference.

Mr. JOHNSON of Texas. Mr. President, I yield back my time on the amendment on the condition that the Senator from Connecticut does likewise.

Mr. PURTELL. I do likewise.

The PRESIDING OFFICER. All time on the amendment has been yielded back.

The question is on agreeing to the amendment of the Senator from Connecticut [Mr. PURTELL].

The amendment was agreed to.

Mr. ERVIN. Mr. President, I call up my amendment, identified as 7–16–58–G, to amend the bill on page 9, after line 2, by inserting the following:

(c) Such subsection (b) is further amended by adding at the end thereof the following:

"Each investigation of the Commission shall, without excluding other factors, ascertain the average invoice price, converted into currency of the United States in accordance with the provisions of section 522 of the Tariff Act of 1930, as amended, at which the foreign article is sold for export to the United States on a country of origin basis, and the price of like or directly competitive domestic articles when sold at wholesale in the markets of the United States during the last calendar year preceding such investigation. The Commission shall also estimate the increased volume of imports which, under normal conditions of trade, will result from the granting of the maximum deductions in rates of duty and maximum concessions in other import restrictions permitted under section 350 of the Tariff Act of 1930, as amended, during each of the 3 years following the effective date of any proposed trade agreement and shall also estimate the maximum increase in imports which may occur without causing injury to the domestic industry producing like or directly competitive articles. The Commission shall request the executive departments and agencies for information in their possession concerning prices, and other economic data from the principal supplier foreign country of each such article."

Mr. President, I wish to modify my amendment, and I ask unanimous consent that my proposed amendment, as modified, be printed in the RECORD at this point.

There being no objection, Mr. ERVIN's amendment, as modified, was ordered to be printed in the RECORD, as follows:

On page 9, after line 2, insert the following:

(c) Such subsection (b) is further amended by adding at the end thereof the following:

"Each investigation of the Commission shall, without excluding other factors, ascertain the average invoice price, converted into currency of the United States in accordance with the provisions of section 522 of the Tariff Act of 1930, as amended, at which the foreign article is sold for export to the United States on a country-of-origin basis, and the price of like or directly competitive domestic articles when sold at wholesale in the markets of the United States during the last calendar year preceding such investigation. The Commission shall also estimate the maximum increase in annual imports which may occur without causing injury to the domestic industry producing like or directly competitive articles. The Commission shall request the executive departments and agencies for information in their possession concerning prices and other economic data from the principal supplier foreign country of each such article."

Mr. ERVIN. Mr. President, I yield myself 3 minutes.

This is a very simple amendment. It is designed to minimize the number of escape-clause proceedings. It provides that in conducting peril point proceedings, the Tariff Commission shall ascertain from the invoice the export price in a foreign country of an article scheduled for exportation to the United States, and shall also ascertain the wholesale price at the end of the preceding calendar year on the domestic market in the United States of the competitive article produced by American producers.

The amendment also provides that in conducting peril-point proceedings the Tariff Commission shall estimate the annual amount of imports which can be made with respect to such articles without injury to the domestic producers.

The amendment also provides that the Tariff Commission may obtain from the executive agencies and departments any information they have bearing on these matters.

Mr. President, the amendment does not impose any mandatory duty upon the Tariff Commission. It merely provides that the Commission shall ascertain these factors along with any others the Commission considers to be relevant, and that it shall take such action as it then deems proper.

In other words, it is merely an effort to try to make certain that the Tariff Commission will make an investigation in peril point proceedings and ascertain matters which will render it unnecessary in most cases to have escape-clause proceedings later.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. ERVIN. I yield.

Mr. JOHNSON of Texas. Am I correct in the assumption that this amendment does not impose any mandatory duty upon the Commission, but merely directs the Commission to ascertain certain facts and to consider those facts in rendering its judgment?

Mr. ERVIN. That is true, and to give such facts whatever weight the Commission thinks they are entitled to. The Commission is not bound to give the facts any particular weight, and is not bound even to consider them.

Mr. JOHNSON of Texas. The amendment suggests or requests or directs the Commission to ascertain from the executive department or agencies of government all the information in their possession concerning prices and other economic data from the principal supplier foreign countries of the various articles.

Mr. ERVIN. That is what the amendment does. It does not make it obligatory for the Commission to give any particular weight to such matters, but allows the Commission to exercise its own discretion.

Mr. JOHNSON of Texas. I would not want to take the position that the Tariff Commission should not have all the information available. Therefore, I hope the chairman will accept the amendment and take it to conference, because I think it would be a constructive thing to do. In the event the other body has any objection, the matter could be ironed out in conference.

Mr. SPARKMAN. Mr. President, will the Senator from North Carolina yield?

Mr. ERVIN. I yield to the Senator from Alabama.

Mr. SPARKMAN. I commend the Senator from North Carolina for offering the amendment. As the distinguished majority leader has so well stated, it certainly ought not to be any burden to the Tariff Commission to have before it all the available information relating to any schedule which it has to consider. It seems to me it is a very fine, fair proposition. I shall support the amendment of the Senator from North Carolina.

Mr. ERVIN. I thank the Senator from Alabama.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. ERVIN. I yield.

Mr. KNOWLAND. I am glad to concur in the statement of and join with the majority leader in urging the chairman of the Finance Committee, if agreeable to him, to take the amendment to conference for study, together with statements made in connection with it, namely, that the amendment is not mandatory and is proposed merely for the purpose of having the Tariff Commission ascertain additional facts which will be helpful to it in doing equity.

Mr. ERVIN. Mr. President, I yield the floor.

Mr. BYRD. Mr. President, as chairman of the Finance Committee, I shall be glad to take the amendment to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Carolina [Mr. ERVIN].

The amendment was agreed to.

Mr. BYRD. Mr. President, I send to the desk a technical amendment, and ask to have it stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 23, lines 7 and 8, it is proposed to strike out "Office of Defense Mobilization" and to insert in lieu thereof "Office of Defense and Civilian Mobilization."

Mr. BYRD. Mr. President, this is purely a technical amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Virginia [Mr. BYRD].

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, I call up my amendment identified as "6-16-58-F," which I offer for myself and other Senators.

The PRESIDING OFFICER. Does the Senator wish to have the amendment stated?

Mr. HUMPHREY. Yes.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to insert the following new section:

SEC. —. For the purpose of sections 6 and 7 of the Trade Agreements Extension Act of 1951, as amended (19 U. S. C. 1363, 1364), the Tariff Commission shall include in its investigations the possibilities for alternative employment for the production facilities and workers involved and shall report fully to the President the nature and extent of adjustment difficulties that have been occasioned by any concession made pursuant to section 350 of the Tariff Act of 1930, as amended (19 U. S. C. 1351). If the President refrains from increasing the protection afforded producers pursuant to an escape clause recommendation, he shall, to such extent as may be desirable and practicable, make full use of all available procedures heretofore or hereafter authorized by law, to avoid or ameliorate the economic hardships which particular communities, industries, enterprises, and individuals may suffer in the adjustment of their productive activities to the economic conditions created by our national trade policy, particularly by the lowering of trade barriers pursuant to section 350 of the Tariff Act of 1930, as amended (19 U. S. C. 1351). If the President considers existing executive authority to be inadequate for this purpose, he is requested to submit to the Congress proposals for supplementary legislation.

Mr. HUMPHREY. Mr. President, the amendment is self-explanatory. It does not establish any new board; it does not provide for new small business legislation; it does not affect old age insurance, unemployment compensation or the Internal Revenue Code. The amendment would merely direct the Tariff Commission to include in its investigations pursuant to escape clause action the possibilities for alternative employment for the production facilities and workers involved, if such needs to be done. The Tariff Commission shall report such information to the President. If the President decides against escape clause action, he is directed to use all available resources to assist the firms, workers and communities to adjust to the new conditions facing them.

I have discussed the amendment with the distinguished chairman of the committee, the Senator from Virginia [Mr. BYRD] and with the distinguished ranking minority member of the committee, the Senator from Pennsylvania [Mr. MARTIN]. I feel that the amendment has genuine merit, in that it will take into consideration the effect of the national trade policy upon particular industries

and localities. The amendment does not go so far as I should like to have it go, for example, in terms of the Kennedy bill, which it was my privilege to cosponsor. During the absence of the Senator from Massachusetts [Mr. KENNEDY] from the Senate a couple of years ago I placed a bill on the subject before the Senate. The Senator from Massachusetts has talked with me about our overall broad amendment, and we have agreed it would be better to submit what we call the short amendment, which simply lays down basic policy on the part of the Congress, rather than developing a detailed trade adjustment program.

I hope the chairman of the committee will accept the amendment.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. JOHNSON of Texas. Mr. President, the distinguished Senator from Minnesota has discussed the amendment with me. I am hopeful the chairman of the committee will be able to accept the amendment and take it to conference. I think that procedure would be agreeable to the minority leader, if it is agreeable to the chairman of the committee.

Mr. BYRD. Mr. President, as chairman, I am willing to take the amendment to conference.

Mr. KNOWLAND. Mr. President, the amendment was discussed with me by the distinguished Senator from Minnesota and by the distinguished majority leader. I discussed it with the chairman of the committee, and I understand he is willing to take the amendment to conference.

Mr. HUMPHREY. Mr. President, if the amendment is studied in detail, as it was studied by the Randall Commission and the sponsors of the amendment, I am sure Senators will find it to be meritorious. I am pleased the chairman of the committee accepts the amendment. I am grateful for the assistance of the majority leader and the minority leader.

Mr. JOHNSON of Texas. Mr. President, I yield back to remainder of my time, on the condition that the Senator from Minnesota does likewise.

Mr. HUMPHREY. Mr. President, I yield back the time remaining to me.

The PRESIDING OFFICER. All time having expired, the question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. HUMPHREY] for himself and other Senators.

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

A PRACTICAL APPROACH

If the Senate should decide it is not ready to embark on a full-fledged trade adjustment program at this time, I propose another approach. On June 12, 1958, I submitted a more general trade adjustment amendment, on behalf of myself, and the distinguished Senators CLARK, NEUBERGER, MCNAMARA, and DOUGLAS. It is this amendment I now urge the Senate to adopt.

Here is an amendment we need have no hesitation in adopting this year. It sets up no new board. It amends no small-business legislation. It does not affect old-age insurance or unemployment compensation. It does not amend the Internal Revenue Code. Yet I believe it would be a most significant step in enacting a sound trade policy.

This amendment directs the Tariff Commission, in its investigations of conditions in an industry pursuant to an escape-clause action, to explore the possibilities for alternative employment of the production facilities and workers involved. Then the Tariff Commission reports this information to the President. If the President should decide against escape-clause action, he is directed to use all available resources of the Government to assist the affected firms, workers, and communities to adjust to the new conditions that are facing them.

We have right now many agencies of Government that could be made available for trade-afflicted areas if a concerted effort were made by the administration to do so. Our present Employment Service, Small Business Administration, technical advisory services of the Departments of Commerce and Interior, and the contract placement authority of the Office of Defense Mobilization and the Department of Defense could be brought to bear on the problem of industries and individuals forced to change their operations because of trade competition.

I think that adoption of such a measure as this more general amendment is a wise and necessary step. It would be a firm declaration of intent by the Congress that it is the policy of the United States—where its foreign policy and other national interest requirements impose a hardship on any particular group within this country—that the Government has an obligation and a desire to ameliorate the effects.

The readjustment assistance idea recognizes the great source of magic in American enterprise—our ability to meet changing conditions and adapt our productive and individual capacities, to regain strength and grow with new vigor. We see this adaptability in action every day, in the constant changes our industries make in meeting competition or accepting the changes of new products or technological improvements.

One of the great faults of high tariffs is that they encourage a noncompetitive product to remain noncompetitive. They encourage a sluggish industry to remain sluggish by putting a premium on a tariff-protected product that is not competitive. Trade adjustment would help such an industry improve its methods or to change over to a more competitive line of production. If we really believe in free enterprise, we should welcome the beneficial effects of competition.

Here is a way out of an ancient dilemma, especially for Members of Congress. Those who want to lower tariffs should support trade adjustment, for they do not want any domestic industry injured. At the same time, those who are legitimately concerned about some particular industry or community should find in the trade adjustment program a way to assist individual enterprise and workers while promoting the overall national interest by increasingly freer world trade.

As the Reciprocal Trade Agreements Act comes up for this most crucial test in the Senate we must defeat the efforts being made to weaken and even destroy it. Everyone should be aware of our true national interest. The easy argument against foreign imports has prevailed too long. If it results in further weakening of our trade policy, we may all suffer gravely in the future. The Communists will make further inroads into the Free World as their trade offensive succeeds beyond their greatest hopes. Our alliances will break up on the shoals of trade antagonisms. Our own economy will decline and American workers will be out of work as other nations can no longer buy our products.

None of these things needs to happen, for the alternative is not injury to American industry and labor. Trade adjustment provides the means whereby the Reciprocal Trade Agreements Act can be strengthened, not weakened. Only a strong trade policy will keep together a strong Free World and promote a continually rising standard of living for us all.

Mr. JAVITS. Mr. President, on behalf of myself, the Senator from New Jersey [Mr. CASE], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Massachusetts [Mr. KENNEDY], I offer an amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 31, line 19, it is proposed to strike out "and."

On page 31, line 21, it is proposed strike out the period and insert "; and."

One page 31, after line 21, it is proposed to insert the following:

(I) the extent of existing authority for trade adjustment assistance for industries adversely affected by foreign trade policies and the need for additional legislation.

Mr. JAVITS. Mr. President, I have discussed the amendment with the distinguished chairman of the committee and the Senator from Vermont [Mr. FLANDERS]. The amendment fits in directly with the amendment just agreed to, offered by the Senator from Minnesota [Mr. HUMPHREY] for himself and other Senators.

The amendment of the Senator from Minnesota related to the work of the Tariff Commission with respect to the adjustments necessary for small business, when the Tariff Commission decides or does not decide to grant relief. This amendment would put into the work of the new Commission which is provided for by the so-called Flanders amendment—a Commission which is to study the pros and cons of the reciprocal trade policy generally—the question of the adjustment assistance for small business which may be injured by imports.

I hope very much the chairman of the committee, with whom I have discussed the matter, and who also understands the views of the distinguished Senator from Vermont, will see fit to take the amendment to conference, since it is designed to carry out the fundamental purposes which are set forth in the Humphrey amendment.

Mr. BYRD. Mr. President, the amendment offered by the Senator from New York is an amendment to the Flanders amendment, providing for a study of the whole situation regarding tariffs. The Senator from Vermont [Mr. FLANDERS] has authorized me to say he would be glad to accept the amendment. Therefore, as chairman I am willing to take the amendment to conference.

Mr. JAVITS. Mr. President, I present the amendment on behalf of myself, the Senator from New Jersey [Mr. CASE], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Massachusetts [Mr. KENNEDY].

Mr. President, I yield back the time remaining to me.

Mr. JOHNSON of Texas. Mr. President, I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment offered by the Senator from New York [Mr. JAVITS], for himself and other Senators.

The amendment was agreed to.

Mr. GOLDWATER obtained the floor.

Mr. PAYNE. Mr. President, will the Senator yield so that I may make an insertion in the RECORD?

Mr. GOLDWATER. I yield.

Mr. PAYNE. Mr. President, I ask unanimous consent to have a statement I have prepared on one provision of the bill printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR PAYNE ON COMPREHENSIVE STUDY OF UNITED STATES TRADE

It is not my intention to enter into a comprehensive or prolonged analysis of the bill which is now before this Chamber. The importance of the Reciprocal Trade Agreements Act and the significance of the various provisions of the bill have already been discussed at great length by many of my distinguished colleagues, and I do not want to take the time of the Senate to repeat things which have already been said.

There is one provision of the bill now before us, however, which in my estimation calls for a few additional comments. The provision to which I refer is the one which would establish a 9-member bipartisan Commission to be composed of 3 members appointed by the President—none of whom may be members of the executive branch—3 members from the Senate Committee on Finance, and 3 from the House Committee on Ways and Means. The function of this Commission would be to investigate and report on the international trade agreements policy of the United States and to recommend improvements in policies, measures, and practices. The Commission would be required to file an interim report on or before June 30, 1959, and a final report not later than June 30, 1960.

In many ways this is one of the most significant provisions of the bill now before us. People on both sides of the foreign-trade question will agree that since its inception in the 1930's the administration of this program has not always resulted in wise and reasonable policies, and that in many cases the concessions which have been made to foreign competitors have proved to be too extreme and consequently injurious to certain domestic industries. A study of these policies, therefore, has long been overdue.

It is my firm belief that if some of these policies had been modified and made more reasonable over the years that the opposition which the foreign-trade program is now encountering would not have developed to such an extent. Unwise policies have often made this program anything but reciprocal, and a study which could recommend modification of these policies is greatly needed.

The idea of such a study is not at all a new one. On March 8, 1955, I introduced an amendment to the foreign-trade bill of that year which would have provided for a Commission very similar to the Commission provided for in the bill we are now considering. Unfortunately, my amendment was never adopted. If it had, I believe that many of the serious problems which still plague the foreign-trade program might have been solved, many American industries which have continued to bear the brunt of our concessions might have found some relief, the growth of opposition to the program might have been arrested, and the program itself might have indeed been made more reciprocal. As a result of the rejection of my amendment several precious years have been lost.

I am indeed happy, however, that the Senate Committee on Finance has seen its way to adopting such an idea this year. It is my profound hope that this provision will remain in the bill and that a Commission such as I envisoned 3 years ago will be established to begin to study the problems of our foreign-trade program, problems which have been left unsolved far too long much to the detriment of many domestic industries, thousands of American workers, and the success of the program itself.

Mr. GOLDWATER. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 1, line 9, it is proposed to change the period to a comma and to insert the words, "except that it may be terminated earlier by concurrent resolution of the two Houses of Congress."

Mr. GOLDWATER. Mr. President, I yield myself 6 minutes. I hope the distinguished chairman of the committee will listen to my remarks. It may be, with his good heart, he will be able to accept the amendment. I hope he will. I hope the Senator will also give me the courtesy of listening to the explanation of the proposal.

Mr. President, both proponents and opponents of reciprocal trade agreements concede that only the Congress can authorize the program before us. The Constitution clearly sets forth in article I, section 8, that "the Congress shall have the power to levy and collect taxes, duties, imposts, and excises." In effect this legislation is a delegation of powers given the Congress by the Constitution to the executive branch. The Finance Committee limited the authorization to a period of 3 years. Furthermore, it amended the measure which was adopted in the other body so that any authority to reduce tariff rates may not be carried over beyond June 30, 1961. The measure which passed the House would have made it possible to reduce tariffs over a 10 year period. Mr. President, I commend the Finance Committee for its amendments. However, any measure adopted by the Senate must go to conference, and we have no assurance that our amendments will prevail. Should the House version be adopted, this Congress will have effectively tied the hands of the 86th and 87th Congresses. Those Congresses could take no affirmative action to regain their constitutional powers, which it is proposed we transfer to the executive branch, unless a two-thirds vote could be mustered in both houses. This places a great responsibility upon all of us.

My amendment provides that the authority granted in the bill may be terminated at any time by a concurrent resolution of the two Houses of the Congress.

There has been considerable discussion concerning the amendments introduced to perfect the escape clause. Based on a close observation of the operation of this program over many years, I feel that my amendment would afford some real control over arbitrary actions of the Executive. Whenever it is time to renew the authorization, the administration makes sure that no important segment of American industry is being hurt. I propose that we establish the fact that the power to negotiate trade agreements which reduce tariffs is one which we are temporarily delegating to the administration. I know that under my amendment the President will avoid using the powers he has been granted to set aside the findings of the Tariff Commission unless a really good case can be made to the Congress. The escape clause provides a piecemeal check on the Executive. I am confident that the President will use his authority with great caution if all of the powers granted by this legislation can be taken away whenever the Congress feels that they are not being exercised in the best interests of our entire economy.

There is a precedent for the adoption of this amendment. It is found in House Joint Resolution 117, 85th Congress, 1st session, which was adopted on January 30, 1957. This is the Mid-East resolution which was requested by President Eisenhower during the opening weeks of this Congress. When this resolution was debated in the other body, the distinguished chairman of the Committee on Foreign Affairs, Representative GORDON, of Illinois, said:

> Our committee also provided that the resolution could be terminated by a concurrent resolution of the Congress. This follows a practice used in previous legislation. Some consideration was given to including a specific date for the expiration of the authority in the resolution. But the Secretary told us that to work out this situation—in the Middle East—may take an appreciable amount of time. If Congress feels that there is any abuse of authority, it can always terminate that authority by its own action.

Mr. President, in view of the serious situation in the Mid-East, I doubt that any Member believes that the powers conferred upon the President under the trade agreements program are any more important or sacred to the Executive than the powers which we granted with the passage of House Joint Resolution 117 last year.

There is yet another reason why I am submitting this amendment. The Senate Finance Committee proposes the establishment of a nine-member bipartisan Commission to investigate and report on the international trade agreements policy of the United States and to recommend improvements in policies and practices. A final report is to be filed not later than June 30, 1960, and an interim report is to be filed on or before June 30, 1959. Unless the Congress retains control over the powers we are delegating to the Executive there will be no use in establishing this Commission.

It is my purpose to permit Congress in its collective judgment to terminate this program whenever a better one can be devised. My amendment will make it possible for the Congress to give careful consideration to the recommendations of the Commission and adopt

whatever legislation may seem appropriate without the necessity of first securing a two-thirds majority in both Houses to set aside the existing trade-agreements program.

The President may proceed under this amendment with the knowledge that a majority of the Congress at any time may retrieve the powers they have given him.

None of us know whether the legislation which will emerge from the conference committee will include the 3-year extension provided in the bill reported by the Finance Committee, a 5-year extension as adopted by the House, or a compromise between them. The adoption of this amendment will strengthen the position of the Senate in its negotiations. The inclusion of my amendment will make a specific date less important, as a majority of the Congress may exercise its powers at any time in a legislative area which has been reserved to it by the Constitution.

I ask the distinguished chairman of the committee if he has changed his mind since our previous discussion.

Mr. BYRD. Mr. President, as I understand, the effect of the Senator's amendment is to permit the Congress to terminate the reciprocal trade program without giving the President an opportunity to veto the bill. Is that correct?

Mr. GOLDWATER. That is correct.

Mr. BYRD. I shall have to oppose the amendment. Under the Reciprocal Trade policy the President has the responsibility of making trade agreements.

Mr. GOLDWATER. I remind the distinguished chairman that there is a precedent in the joint resolution to which I have just referred, House Joint Resolution 117, referring to the Middle East. The same power still rests with the Congress that I suggest rest with us in this case, particularly in view of the fact that a study committee is being appointed, whose findings will not be ready in time for this Congress or the two Congresses which follow, to do anything about it.

Mr. BYRD. I shall have to oppose the amendment, as chairman of the committee.

Mr. GOLDWATER. In closing, I remind my good friend from Virginia that last week, when the Senate was asked to make the reciprocal trade program a permanent fixture after nearly a quarter of century experience under it, the Senate, by a vote of 84 to 4, I believe, indicated that it did not think enough of the program to make it permanent.

I am offering this amendment particularly in the light of that fact, with the thought that the Senate, at some time in the near future, might wish to take another look at the program, and not be bound by a 3- or 4- or 5-year program.

The PRESIDING OFFICER. Does the Senator from Arizona yield back the remainder of his time?

Mr. GOLDWATER. I yield back the remainder of my time.

Mr. JOHNSON of Texas. I likewise yield back the remainder of my time, and ask for a vote.

The PRESIDING OFFICER. All time has been exhausted or yielded back.

The question is on agreeing to the amendment offered by the Senator from Arizona [Mr. GOLDWATER].

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. CARROLL. Mr. President——

Mr. JOHNSON of Texas. Mr. President, how much time does the Senator from Colorado desire?

Mr. CARROLL. Not more than a few minutes.

Mr. JOHNSON of Texas. I yield such time as the Senator may desire to the Senator from Colorado.

Mr. CARROLL. Mr. President, expanded world trade is in the best interest of the people of Colorado, the people of the United States, the people of the world.

A sound and effective United States tariff and trade policy is vital to the economic health of my State of Colorado. It is vital to this nation.

But it is even more vital to the economic welfare of the Free World.

Trade is the keystone of worldwide peace.

Now trade has become a broad, new battleground, in the struggle between the world's free and dominated societies.

Only last year Nikita Khrushchev said:

> We declare war upon you—excuse me for using such an expression—in the peaceful field of trade. We declare a war we will win over the United States. The threat to the United States is not the ICBM, but in the field of peaceful production. We are relentless in this and it will prove the superiority of our system.

This threatened trade war is on.

This is a relentless contest for world markets.

This is a battle for international economic influence.

Expanded world trade at this moment is necessary in order to stimulate economic growth and stability in Free World nations.

Expanded world trade helps develop higher living standards in the underdeveloped and new nations of the Free World.

A high living standard is one of the most effective means of repelling Soviet attempts at domination.

High living standards in the free nations are developed in two ways—by importing or "buying" products they need and exporting or "selling" products they make.

Foreign trade is a two-way street.

It is give and take.

The United States cannot enjoy $21 billion of annual exports without prudently adjusting trade barriers—in consideration for compensating reduction of barriers in other countries—to permit friendly trade partners to sell their products in this country.

By exporting their goods to us the nations of the Free World earn enough to buy the goods we want to sell them.

There is a guiding principle in international economy—unless every nation, including the United States, is prepared to purchase the products of other nations, it cannot sell in their markets.

Over the long run, our imports should balance against our exports.

NEW FREE NATIONS NEED TRADE

Since World War II, 18 new nations have been created. Most of them are in the strategic Asian-African continents.

These nations desperately need effective and long-continuing trade agreements in order to keep their economies free and expanding.

If they cannot trade effectively with the United States and the major free powers they will be lured or forced into the Communist trade bloc and eventually into the Communist political bloc.

Because of this frightening danger the world trade problem is essentially a political problem.

Trade is the lifeblood of most of the strategic, small, free countries.

They cannot remain politically free in depressed economic conditions brought about by shortsighted United States trade restrictions and a narrow United States policy of economic semi-isolation.

The Communists are ready, eager, and able to overturn the political systems of economically emaciated countries.

This is a vital reason to keep our tariff and trade policies liberal and nonrestrictive.

It is the height of folly to pour billions of dollars into building up our military posture against the Soviet Union, while at the same time allowing the Soviet Union to open up new trade avenues and steal our markets in Free World countries. The direct result of such folly would be the enhancement of Soviet economic and political influence with our present trading partners.

But another equally frightening effect of a restrictive United States trade policy is what it would do to our own national economy.

By restricting foreign trade we would not only compel our Free World partners into the unhappy choice of trading with the Communists; we would stifle United States economy.

The United States is the most important trading Nation in the world.

The United States imports more and exports more than any nation in the world.

Foreign trade is one of our largest industries.

The value of United States goods marketed abroad in 1956 was greater than that of all nonfarm home building, all of consumer purchases of automobiles, or all of farmers' gross receipts from their crops or livestock.

The value of our exports about equalled our entire output of minerals and was not far below the retail value of all cloth-

ing and shoes purchased by American consumers.

Some United States industries depend very importantly on foreign trade for their markets.

For example, exports accounted for 19 percent of total production of trucks, 30 percent for tracklaying tractors, 11 percent for machine tools, 26 percent for construction and mining equipment, 14 percent for coal and between 25 and 40 percent for cotton, wheat, rice, fats, and oils and tobacco.

Moreover, these ratios understate the true importance of export markets, since they cover only exports of each industry's products in the form in which they leave that industry. Actually, an industry's output may be exported in a modified form after further processing by other industries. This is particularly true of such industries as iron and steel or nonferrous metals.

Such industries have a stake in export markets much larger than direct exports of their own products.

In all of the following industries, exports play a very large part either directly or indirectly in the total industry picture: Agriculture, mining, construction, metal working, and other nonelectrical machinery; motors and generators; trucks and other transportation equipment; iron and steel; nonferrous metals; chemicals; petroleum and coal products; rubber products; and, of course, maritime.

COLORADO IS CRITICALLY AFFECTED BY FOREIGN TRADE

My own State of Colorado would be critically affected by unreasonably restrictive barriers to foreign trade.

Colorado's economy depends substantially on foreign trade, both exports and imports.

Colorado's direct benefit from exports last year was over $75 million.

Colorado manufacturing establishments accounted for almost $53 million in direct exports into world trade. Colorado agriculture benefited by over $22 million in the export to foreign countries of wheat and other commodities.

One out of every ten persons employed in nonfarm work in Colorado is directly affected by our foreign-trade policy. These are workers in businesses engaged in producing goods in Colorado that are exported to our trading partners in the Free World.

Mr. President, I ask unanimous consent to have included in the RECORD at this point a list of products traded extensively in foreign markets, together with a list of imported commodities used in Colorado manufacturing. Foreign export of these products directly or indirectly affects businesses and workers in Colorado. Some of the affected Colorado businesses are branches of national exporting concerns; some manufacture component parts of products assembled in other States for foreign export.

There being no objection, the table and list were ordered to be printed in the RECORD, as follows:

Products manufactured in Colorado influenced by foreign trade

Product	Location	Company
Meat products	Denver	Armour & Co., Cudahy Packing Co., Swift & Co.
Creamery butter	Pueblo, Greeley, Colorado Springs.	Beatrice Foods Co.
Cheese	Fort Collins, Larkspur, Sanford.	Frink Creamery Co.
Dehydrated vegetables and fruits	Greeley	Allen V. Smith, Inc.
Baling wire, barbed wire, realock fence, rails, hardware cloth, netting, etc.	Denver	Colorado Fuel & Iron Corp.
Iron and steel foundry products	Denver, Pueblo	American Brake Shoe Co.
Ore classifying and treating equipment	Denver	Mine & Smelter Supply Co., Colorado Iron Works.
Ore dressing and flotation equipment	do	Denver Equipment Co.
Mining equipment and industrial machinery	do	Stearns-Rogers Manufacturing Co., Vulcan Iron Works.
Rotary water well drills, oil and mineral exploration drills, truck or trailer mounted.	do	Winter Weiss Co.
Mine cars	do	C. S. Card Co.
Mining and construction machinery, industrial and electrical equipment	do	Morse Bros. Machinery Co.
Concrete vibrators	do	Dart Manufacturing & Sales Co.
Excavating equipment	do	Quick-Way Truck Shovel Co.
Pneumatic backfill tampers	do	Gunderson Taylor Machinery Co.
Removable rock bits	do	Timken Roller Bearing Co.
Construction and mining equipment	do	Rocky Mountain Export Co., Inc.
Land levelers	do	Eversman Manufacturing Co.
Planters, plows, and harvesters	Loveland	Harbison-Paine Co.
Pumps, conveyers	Denver	Gardner-Denver Co.
Pumps	do	Worthington Corp.
Centrifugal pumps	do	Wilfley & Sons, Inc.
Smelting furnaces	do	Mace Co.
Machine tools and metalworking machinery	do	Sundstrand Machine Tool Corp.
Filters, regulators, valves, hose fittings	Englewood	C. A. Norgren Co.
Pharmaceuticals	Denver	Abbott Laboratories, Inc., Larro Laboratory, Inc.
Hog serum	do	Colorado Serum Co.
Alkali	Denver, Boulder	Allied Chemical & Dye Corp.
Cleansers	Denver	Western Chemical Co.
Auto polish	do	Freeman & Freeman.
Cleansers and insecticides	do	West Disinfecting Co.
Insecticides	do	Western Chemical Co.
	do	Shell Chemical Corp.
	Loveland	California Spray Chemical Corp.
Automotive chemicals	Denver	Service Supply Co.
Explosives	Boulder	Dow Chemical Co.
	Louviers	E. I. du Pont de Nemours & Co.
Metallurgical clay goods, refractories, assay, metal melting and heat treating furnaces, laboratory apparatus and chemicals.	Denver	The Denver Fire Clay Co.
Laboratory porcelains	Golden	Coors Poreclain Co.
Coal tar products	Denver	Crown Tar Works.
Crude gilsonite and gilsonite insulation	Fruita	American Gilsonite Co.
Motor vehicle parts	Pueblo	Triplex Corporation of America.
Aircraft parts	Colorado Springs	Aircraft-Mechanics, Inc.
	Boulder, Longmont	Beech Aircraft Corp.
	Denver	Glenn L. Martin Co.
	do	Sundstrand Aviation.
	Aurora	Stanley Aviation Corp.
Dustcloths	Denver	Auto Supplies Manufacturing Co.
Canvas products	do	Colorado Tent & Awning Co.
Western riding saddles	do	Ruwart Manufacturing Co.
Luggage	do	Shwayder Bros., Inc.
Weighing scales and pocket transits	do	Wm. Ainsworth & Sons, Inc.
Exploration and research equipment	do	Heiland Manufacturing Co.
Electronic measuring instruments	do	Hathaway Instrument Co.
Automatic vaccination guns for cattle	do	Pierce Products.
Motion-picture equipment	Denver	Goldberg Bros.
Arc welders	Fort Collins	Forney Manufacturing Co.
V belts, hose, tires, molded rubber goods	Denver	Gates Rubber Co.
Tire repair service equipment	Arvada	Winner Manufacturing & Sales Co.

Source: Compiled from data furnished by the Department of Commerce.

IMPORTED COMMODITIES USED IN COLORADO MANUFACTURING

Coffee, vanilla, chocolate, coconut palm products, nuts, spices, manganese, nickel, chromite, cobalt, natural graphite, tin, bauxite, newsprint, dyes.

Mr. CARROLL. The sum total of effect of foreign trade on Colorado is this: 1,604 Colorado businesses are directly or indirectly dependent on United States exports; 63,041 Colorado workers draw pay checks from companies directly or indirectly exporting into world trade channels products manufactured in Colorado, 96,000 Coloradans work on farms and ranches and have a direct interest in United States trading of farm products including wheat, dairy, and poultry products, fruits, and nuts. One out of every 5 acres of Colorado cropland produces for foreign trade.

IMPORTS HURT SOME INDUSTRIES

Mr. President, there are a few unattractive features of the international trade picture as it focuses on Colorado.

Some Colorado industries are injured by foreign imports.

I am thinking especially of oil, lead, zinc, tungsten, and cutlery.

These industries deserve protection from unfair competition.

I do not say that such protection must come in the form of excessively restrictive quotas or high tariffs or any action which might jeopardize the economic stability of a friendly trading nation.

But such injured domestic industries deserve our most concentrated and sympathetic attention.

In Colorado these industries employ 5,265 workers.

Such domestic industries need the kind of help we have provided for certain nonferrous metals with S. 4036 "the minerals stabilization bill" which passed the Senate on July 11, 1958.

Another practical approach to assistance for domestic industry compelled to make adjustments by the United States foreign trade policy is embodied in Senator KENNEDY'S trade-adjustment program, Senate bill 2907.

The trade-adjustment program is proposed as an alternative to tariff increases as contained under the escape-clause procedure. It would give the President one additional route to follow in an escape-clause procedure.

The Tariff Commission would follow its present procedure of holding hearings to determine the extent of injury resulting from increased imports. If the President accepted the Tariff Commission's findings of injury, instead of imposing an increase in duty, he could recommend that the facilities of the trade-adjustment program be invoked. Thereupon certain types of assistance would become available for workers, firms, and communities.

Workers would have available to them supplementary unemployment compensation benefits, earlier retirement under social security, retraining for new job opportunities and transportation to new areas of employment.

Industrial firms could obtain loans, technical information or the privilege of accelerated amortization for the purpose of development of new or different lines of production.

Communities or industrial development corporations within communities would have access to loans, technical information and market research .

This would not be a costly program. It is estimated that the total cost of the program would be a maximum of $2 million a year and probably less than this amount.

The trade-adjustment program is supported by business and labor leaders and experts in the trade field who recognize that this type of program is essential if we are to have a continuing effective reciprocal trade agreements program. Enactment of the trade adjustment program as part of the overall reciprocal trade agreements program would provide essential justice to those affected by imports and would contribute to the broad national interest in reducing barriers to trade.

UNITED STATES TRADE POLICY AT CROSSROADS

With this proposed legislation before us the United States is at a crossoads in its tariff and trade policy.

We can choose a narrow, restrictive path leading to economic semi-isolation; or we can choose a route to expanded trade with the nations of the Free World.

The restrictive trade policy will keep foreign goods from our markets, but the consequences will eventually be a withering of our export markets—for foreign trade is a two-way street. Millions of workers will face unemployment. Our Free-World trading partners will be forced into the Soviet trading orbit, strengthening the econcmic and political power of the Communist world.

The expanded trade policy, on the other hand, promotes the best interest of our own country and advances the economic welfare and security of the free nations of the world.

An expanded trade policy will bring higher living standards to the Free-World nations, strengthening them against the Soviet drive for world domination.

An expanded reciprocal trade policy directly benefits the United States in a dual manner: First, by providing us with foreign markets for our farm and factory products; second, by providing us needed foreign raw materials and manufacturers' goods for our national security and economic welfare.

I support a wise and liberal foreign trade bill, free of restrictive provisions.

I support such a measure because expanded and extensive foreign trade is vital to our economy and our security.

But more than that I support it because without expanded international trade many of our allies face extinction.

Mr. Khrushchev has declared the world battleground to be trade.

Mr. President, I propose that we meet him on that battleground with our best weapon—a farsighted, liberal, effective Reciprocal Trade Agreements Act.

During the delivery of Mr. CARROLL'S speech,

Mr. JOHNSON of Texas. Mr. President, will the Senator yield to me? I ask unanimous consent that the Senator from Colorado may yield to me for the purpose of requesting the yeas and nays on the final passage of the bill. I ask my colleagues to join me, so that it will not be necessary to call Senators from their offices.

The PRESIDING OFFICER. Without objection, the Senator from Colorado may yield for that purpose.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on final passage of the bill.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, I yield such time as the Senator from Ohio may desire.

HOW FOREIGN TRADE AFFECTS OHIO

Mr. LAUSCHE. Mr. President, I desire to address myself to the subject of how foreign trade affects my home State, Ohio. I speak neither boastfully nor apologetically, for I believe when one considers all the facts in respect to the effect of H. R. 12591, as it has been amended on the floor of this body, there is actually little difference in application and effect among most States.

Ohio, with an area of 41,000 square miles, and a population of 8,946,627—1950 census—is dependent upon foreign trade to a degree beyond the comprehension of those other than who have access to all the facts and figures available from Federal or State statistical sources. The facts and figures that I shall use in the ensuing analysis of the importance of foreign trade to Ohio's economy are official, having been furnished by the United States Department of Commerce.

Before going into the specific segments of Ohio's industry and economy enjoying prosperity as a result of foreign trade, I would like to make a general statement on the broad subject of foreign trade.

Foreign trade contributes greatly to the welfare of the people of Ohio. After the completion of the St. Lawrance Seaway, the Ohio economy will play an even greater role in foreign trade, and will reap even greater benefits, since important cities on the southern shore of Lake Erie will then become seaports with direct ocean shipping.

Manufacturing is the most important single employment factor in the State of Ohio, accounting for approximately 36 percent of the State's total employment. Of the 1,267,633 persons employed in manufacturing, some 978,823 are engaged in firms falling into 8 manufacturing classifications: nonelectrical machinery; primary metal industries; fabricated metal products; electrical machinery; transportation equipment; rubber products; food and kindred products; and stone, clay, and glass products. Ohio's proportionate share of the Nation's exports of commodities produced by these 8 manufacturing groups in 1956 amounted to more than $900 million.

In addition, there is a share in exports of factors not included in the above eight manufacturing classifications. They are manufacturers of chemicals, printing materials, textile-mill products, apparel, and other products, some of which also have direct export interests.

This is only part of the picture, since Ohio establishments in each of these in-

dustry groups sell directly to foreign markets. Moreover, many Ohio products are exported as components of products made or assembled outside of the State, so that the value of exports as an outlet for products of the State is much greater than is directly apparent.

Mr. President, according to the Department of Agriculture, approximately 295,000 persons in the State of Ohio work on farms, and their need for supporting services creates employment for thousands more. Along with other United States farmers, they have a direct interest in our exports of some $4 billion worth of American farm products each year. Ohio farmers' proportionate share of these exports in the 1956–57 marketing year exceed $121 million.

Approximately 1,560 persons in Ohio are in such industries as public administration, retail and wholesale trade, finance, insurance, and construction. Their participation in the benefits of exports derive mainly from the fact that the firms producing the movable goods that enter international trade are among the patrons to whom they sell their products or services. In addition, they derive an extra benefit to the extent that they handle international economic transactions which pass through Ohio, such as telephone traffic, transportation, financing, and so forth.

The people of Ohio also benefit substantially from United States imports including flavorings, extracts, selected food products, other raw materials, and finished and semifinished products, all of which enable the residents to enjoy better living than might otherwise be possible.

THE STATE OF OHIO AND FOREIGN COMMERCE

Without the Nation's exports, many manufacturing plants in Ohio, as well as throughout the Nation, would be forced to close down. In 1956, of the $202 billion worth of movable products manufactured and sold in the United States, $19 billion worth was sold abroad. One dollar's worth was sent abroad for about every $10 worth of movable goods produced and sold in this country.

Of the 3,059,605 persons employed in Ohio—1950 census—manufacturing is by far the most significant, accounting for 36.6 percent, or over one-third of the State's employment.

The wholesale and retail trades constituted the next most significant group in terms of numbers employed, with 18.2 percent, followed by transportation, communication, and other public utilities, and professional and related services, which accounted for 7.8 percent and 7.7 percent, respectively, of total employment.

Agriculture, which accounted for 6.9 percent of the number employed, is also of importance as a producer of movable goods.

International trade consists, in the the first instance, of the exchange of movable goods between countries. In general, movable goods are the products of factories, farms, and mines.

In 1954, according to the census of manufacturers, 1,267,633 persons were employed by 14,550 manufacturing establishments in the State of Ohio.

INDUSTRIES FAVORABLY AFFECTED BY EXPORTS

Approximately 978,823 employees in the State of Ohio, or about 30 percent of the total number of persons employed in the State, are employed by firms within the 8 major manufacturing classifications which I have treated individually as follows:

Machinery—except electrical: There are, in Ohio, 2,471 establishments employing approximately 214,221 persons. Ohio's proportionate share of the Nation's total exports in this category is $360.8 million annually, and Ohio's proportionate man-years of employment resulting from those exports is 29,225.

Included in the exports in this machinery category, and affording benefits to the State of Ohio are roadbuilding machinery, shovels, cranes, and computing machines.

Essential imported ingredients necessary to the manufacture of items in this category include balsa, rubber, asbestos, hardwoods, and metals, and so forth.

Primary metal industries: Primary metal industries is an extremely important unit in Ohio's economy, with 650 establishments employing approximately 171,159 persons. Of the Nation's total annual export of products of primary metal industries, Ohio enjoys an annual business of $131.3 million, representing annually 700 man-years for exports alone.

Products exported from Ohio in this category included steel-mill products, aluminum, iron and steel filings, alloys, and so forth.

The essential ingredients used in the manufacture of these products which must be imported, include chrome, beryllium, tantalum, bauxite, and so forth.

Fabricated metal products: In Ohio, there are 1,728 establishments employing approximately 123,084 persons. Ohio's proportionate share of the Nation's total exports of fabricated metal products is $50.9 million annually. Proportionate man-years of employment resulting from these exports is 3,450 annually.

Fabricated metal products exported by Ohio industry include structural and ornamental products, boiler-shop products, agricultural tools, bolts, nuts, washers, rivets, and so forth.

Essential ingredients used in the manufacture of these products, and which must be imported, include bauxite, chrome, beryllium, tin, antimony, cobalt, and so forth.

Electrical machinery: Ohio's 365 electrical machinery manufacturing concerns employ 89,207 persons, scattered throughout the State, providing employment vital to the economy. Ohio's share of the Nation's total exports of electrical machinery is $78.3 million annually. This represents proportionate man-years of employment resulting from these exports of 5,475.

Exported products affording benefits to the State of Ohio include electrical motors and generators, electrically controlled apparatus, carbon and graphite products, electric lamps, small electrical appliances and batteries.

Essential imported ingredients used in the manufacture of these products include graphite, platinum, mercury, and sheet and block mica.

Transportation equipment: In Ohio, there are 162,418 persons employed by 370 establishments in the manufacture of transportation equipment. Ohio's share of the Nation's total annual exports of transportation equipment is $167 million, representing 6,910 man-years.

Manufactured items in this category include motor vehicles and parts, locomotives, and airplanes.

Essential ingredients imported include antimony, mica, sisal, jute, zirconium, and so forth.

Rubber products: Ohio, known as the leading rubber manufacturing area in the world, has 190 establishments employing over 71,902 persons in this industry. Of the total national export of rubber products, Ohio enjoys an annual business of $58 million, representing 3,090 man-years.

Products exported nationally, and affording benefits to the State of Ohio, include tires and tubes, toy balloons, surgical gloves, and so forth.

The most essential ingredient imported and used in the manufacture of rubber products, of course, is natural rubber.

Food and kindred products: In Ohio, there are 2,109 establishments employing approximately 82,923 persons engaged in the manufacture of food and kindred products. Of the total national annual export of food products, Ohio enjoys its share of $21.4 million.

Products exported include concentrated milk, flour and meal, biscuits and crackers, flavorings, canned fruits and vegetables.

Ingredients essential in the manufacture of food and kindred products, and which must be imported, include ginger, extracts, vanilla, chocolate, nuts, and so forth.

Stone, clay, and glass products: While the Nation's glass and ceramics industry has been beset with extremely stiff foreign competition in the products manufactured by them, one cannot overlook the fact that in this category there are, in Ohio, 887 establishments employing approximately 64,719 persons, doing an annual export business of $27.2 million.

The proportionate man-years of employment resulting from these exports is 2,170.

Items exported from these Ohio manufacturers include pressed and blown glass, flat glass, cement, and vitreous plumbing fixtures.

Agricultural commodities: The Nation's major agricultural commodities favorably affected by exports, and in which Ohio agriculture benefits greatly, include: wheat—Ohio's proportionate share of exports, $46 million; soy beans—Ohio's proportionate share, $30 million; corn—Ohio's proportionate share of exports, $20 million; livestock and products—Ohio's proportionate share of exports, $15 million; dairy products—Ohio's proportionate share of exports, $10 million.

Other manufacturing: Printing and publishing is an important factor in Ohio's economy in terms of number of establishments. In 1954, 1,732 printing and publishing establishments in the State employed nearly 6,000 persons.

Nationally, the United States exports each year printed and published materials valued at nearly $100 million, of which Ohio enjoys a profitable share.

There were 43,000 persons employed in Ohio's chemical products industry in 1954. The proportionate share of the Nation's exports of chemicals and products allocable to Ohio amounted to over $95 million.

The economy of Ohio benefits by the presence of numerous firms engaged in the production of export pulp, paper, and products. That State industry employed nearly 36,000 persons in 1954, and Ohio's proportionate share in the 1956 United States exports of pulp, paper, and products amounted to over $19 million.

Ohio's lumber and wood products industry in 1956 had a proportionate share of $2 million of the Nation's total exports. Total employment in this industry in Ohio in 1954 was 10,000 persons.

Mr. MARTIN of Pennsylvania. Mr. President, I yield 15 minutes to the Senator from Nevada.

Mr. MALONE. Mr. President, I understood the Senator would yield me 30 minutes.

Mr. MARTIN of Pennsylvania. I shall be glad to yield more time to the Senator if he needs it.

THE CONSTITUTION VERSUS THE 1934 TRADE AGREEMENTS ACT, SO-CALLED RECIPROCAL TRADE

Mr. MALONE. Mr. President, the 1934 Trade Agreements Act violates three provisions of the Constitution.

First, it violates article I, section 8, which states that Congress shall have power to lay and collect duties and imposts, meaning tariffs, and to regulate commerce with foreign nations.

HOW CONGRESS DESERTED CONSTITUTION

Congress has not exercised this power since it enacted the 1934 Trade Agreements Act which turned the power over to the President, who, in turn transferred it to the State Department which, in 1947 turned it over to GATT, the General International Agreement on Tariffs and Trade, with headquarters in Geneva, Switzerland.

REGULATION OF FOREIGN COMMERCE TURNED OVER TO FOREIGNERS

GATT functions under a foreign secretariat. Its chairman is a citizen of India; its two vice chairmen are citizens, respectively, of Chile and Austria; the alternate vice chairman is an Austrian, the permanent secretary is a Briton, and the permanent assistant secretary is a Frenchman.

The GATT Secretariat is the ITO Secretariat which was taken over by GATT when Congress repudiated the ITO or International Trade Organization.

None of the officers of GATT listed by GATT itself are Americans.

CONTROL BY GATT VIOLATES CONSTITUTION

That is not what the Constitution intended, and it is in direct violation of what the Constitution declares in article I, section 8.

Second, the Trade Agreements Act and GATT both violate article 2, section 2 of the Constitution, which states that the President shall, with the advice and consent of the Senate, make treaties, provided two-thirds of the Senators present concur.

HOW EXECUTIVE BRANCH DESERTED CONSTITUTION

A trade agreement is a treaty. For 3,000 years all trade agreements have been treaties, and so construed by every nation in the world until the State Department began calling them trade agreements to void the constitutional mandate under article 2, section 2.

The reason the State Department sought a device of labeling trade treaties as trade agreements was that it knew the trade treaties they were making with foreign nations would never stand the test of Senate scrutiny.

If the United States Senate had the intestinal fortitude it should have, it would demand that all so-called trade agreements be submitted to it for its advice and consent as treaties, which is what they are.

HOW STATE DEPARTMENT VIOLATES CONSTITUTION

GATT, the biggest trade treaty of this century, has never even been presented to the Congress. For 500 years trade treaties have designated the nations negotiating them as contracting parties. So does GATT. Every word in GATT follows the historic, formal pattern of a treaty, yet the State Department tries to call it a trade agreement for the purpose of bypassing Congress and the Constitution—and it gets away with it.

Further, no nation whipped in war, no defeated nation, has ever submitted to a treaty as humiliating and as disastrous to its welfare and economy, as this so-called GATT agreement which the State Department and a former President were eager to put their signatures to, a GATT to be held at the Nation's head by a foreign secretariat and foreign officers.

HOW ARTICLE I, SECTION 7, OF CONSTITUTION WAS SCUTTLED

Third, the Constitution, article I, section 7, states that all bills for raising revenue shall originate in the House of Representatives, but that the Senate may propose or concur with amendments as in other bills.

The Trade Agreements Act raises revenue, which is why it is referred to the Ways and Means Committee. Through most of the Nation's history, and when we had economy in Government, our tariff acts raised a considerable portion of the Nation's revenue.

HOW AND WHY THE INCOME TAX WAS INFLICTED ON AMERICA

Cordell Hull took a leaf out of a British history book, and an income tax amendment was slipped into the Tariff Act of 1913 titled: "An act to reduce tariff duties and to provide revenue for the Government and for other purposes."

The other purposes, 52 pages down in the Tariff Act, turned out to be the income tax we pay today. Taxes on every corporation and every individual in the United States who makes $600 a year were levied and have increased each year, while taxes paid on imports have been lowerd to an average of less than 6 percent.

The income tax was simply a device to shift the burden of taxation from the importers and waterfront brokers to the backs of every citizen in the United States, so that the foreigner would pay little or nothing for access to our markets.

From 1913 to 1934 Congress still had some voice in tariffmaking, but it was not to last.

HOW THE 1934 TRADE AGREEMENTS ACT WAS DRAFTED

In 1934, as I stated before, the State Department drafted a bill which it had been working over for more than a year.

It has drafted every bill to extend the act ever since. It drafted this year's bill and was in a tizzy for a while because it could get no high-ranking Republican on the Ways and Means Committee to introduce it. Finally it went down the list, and four places down found a Congressman who, after considerable persuasion, consented to put it in the hopper.

HOW STATE DEPARTMENT DRAFTS VIOLATE THE CONSTITUTION

The Constitution says all such legislation shall originate in the House of Representatives. No Trade Agreements Act ever has.

A majority in the House usually accepts them as written. It is the Senate that makes any substantial changes that may be made.

HOW ALGER HISS HEADED 1948 NATIONAL FREE TRADE COMMITTEE

In 1948 at the insistence of the Senate Finance Committee, a peril-point provision was inserted. Alger Hiss testified before the Senate Finance Committee in opposition. Hiss was then chairman of the executive committee of the Citizens' Committee for Reciprocal World Trade, predecessor of the present Committee for a National Trade Policy.

Mr. Hiss said that any change in the State Department draft might prejudice the position of the United States in future negotiations.

The Senate Finance Committee inserted the peril point provision anyway The next year a new Congress took it out. In 1951 it was restored, but the State Department has ignored it.

HOW THE FIRST ESCAPE CLAUSE CONTAINED A DEADLY JOKER

The so-called escape clause originated with the executive branch at a time when it was fearful that the entire Trade Agreements Act would be knocked out, and it was written in the way the Chief Executive at that time wanted it, which meant that he could close the door to the escape or the relief of a stricken industry any time he wished to do so.

The escape clause, so-called was first set forth in an Executive order, and Congress did not include it in the Trade Agreements Act until 1951. When it did include it in the Trade Agreements Act, Congress wrote it as the State Department wanted it, giving the President absolute power of decision over any determinations by the Tariff Commission.

HOW RELIEF APPROVED BY THE TARIFF COMMISSION FOR 17 STRICKEN INDUSTRIES WAS DENIED THEM BY THE PRESIDENT

In 26 cases where stricken industries have appealed for tariff relief against disastrous import competition and in which the Commission has recommended it, the President has granted relief in 9 cases and rejected relief in 17.

To leave this power in the hands of the President is not only un-American but unconstitutional.

WHAT HAPPENS WHEN CONGRESS FOLLOWS CONSTITUTIONAL PROCEDURE IN DRAFTING LEGISLATION

Mr. President, the Finance Committee this year made an attempt to write a little, a very little, of this legislation, legislation which the Constitution states is solely the prerogative of Congress.

What happened?

The White House shrieked that their draft, their version, must not be tampered with.

The members of the President's Cabinet, not one of them elected to any office, screamed that Congress must not touch their legislation. Not the legislation of Congress, but legislation emanating solely from the executive branch, which, under the Constitution, is denied any legislative authority.

The internationalist press and the one-world radio commentators, particularly those who have been indoctrinated in Britain, howl that Congress is interfering with the Executive, when the fact is, Mr. President, that the President or his Cabinet members are attempting to interfere, and are attempting to interfere unconstitutionally, with a function which the Constitution places exclusively in Congress.

WHY PATRIOTIC FOUNDERS OF REPUBLIC DRAFTED CONSTITUTION

The Constitution placed that power in Congress because that is where the statesmen of that patriotic age and the States they represented wanted it.

The primary purpose in drafting the Constitution, and the primary reason for its adoption by the States was to give Congress the power to lay and collect duties and to regulate the foreign commerce.

That was the reason that the Legislature of Virginia issued the call for the Annapolis convention of 1786. That was the reason the Annapolis convention proposed a constitutional convention.

HOW CONSTITUTION WAS BORN

If there is anyone who doubts it, I quote James Madison, a member of the Legislature of Virginia which called the Annapolis convention, Virginia delegate to Congress of the Confederation, Virginia delegate to and historian of the constitutional convention, and fourth President of the United States:

The Constitution grew out of the convention at Annapolis, in August, 1786, recommended by Virginia in the preceding winter. It has for its objects certain provisions only, relating to commerce and revenue. The deputies who met, inferring from an interchange of information as to the state of the public mind that it had made a great advance, subsequent even to the act of Virginia, toward maturity for a thorough reform of the Federal system, took the decisive step of recommending a convention, with adequate powers for the purpose. The Legislature of Virginia, being the first that assembled, set the example of compliance, and endeavored to strengthen it by puting General Washington at the head of the delegation.

HOW AMERICAN PRESIDENTS WHO HELPED CREATE THE REPUBLIC VIEWED THE TARIFF POWER OF CONGRESS

I quote Madison again:

Every President, from General Washington to Mr. J. Q. Adams, inclusive, has recognized the power of a tariff in favor of manufactures, without indicating a doubt, or that a doubt existed anywhere.

I quote Madison again:

The Constitution vests in Congress expressly "the power to lay and collect taxes, duties, imposts, and excises," and "the power to regulate trade."

WHY THE 13 SOVEREIGN STATES VESTED THEIR TARIFF POWERS IN A FEDERAL CONGRESS

I quote Madison again:

Such a use of the power by Congress accords with the intention and expectation of the States in transferring the power over trade from themselves to the Government of the United States. This was emphatically the case in the eastern, the more manufacturing members of the confederacy. Hear the language held in the convention of Massachusetts: (to consider ratification of the Constitution).

By Mr. Dawes, an advocate for the Constitution, it was observed: "Our manufactures are another great subject which has received no support of national duties on foreign manufacturers, and they never can by any authority in the old confederation." Again: "If we wish to encourage our own manufactures, to preserve our own commerce, to raise the value of our own lands, we must give Congress the powers in question."

Mr. President, I quote James Madison again:

If Congress have not the power, it is annihilated for the Nation: a policy without example in any other nation, and not within the reason of the solitary one in our own.

HOW MADISON VIEWED REGULATION OF NATION'S TRADE BY FOREIGN POWERS

I quote James Madison again:

A nation leaving its foreign trade in all cases to regulate itself might soon find it regulated by other nations into a subserviency to foreign interests.

That, Mr. President, is exactly what has happened under the 1934 Trade Agreements Act, as extended.

HOW FIRST CONGRESS SERVED NATION'S INTEREST UNLIKE EACH CONGRESS SINCE 1934

I shall offer one more quotation from James Madison, reporter of the Constitutional Convention and fourth President of the United States:

That the encouragement of manufactures was an object of the power to regulate trade is proved by the use made of the power for that object in the first session of the First Congress under the Constitution, when among the Members present were so many who had been members of the Federal Convention which framed the Constitution, and of the State conventions which ratified it; each of these classes consisting also of Members who had opposed and who had espoused the Constitution in its actual form. It does not appear from the printed proceedings of Congress on that occasion, that the power was denied by any of them.

And it may be remarked, that Members from Virginia in particular, as well of the anti-Federal as the Federal Party, the names then distinguishing those who had opposed and those who had approved the Constitution, did not hesitate to propose duties and to suggest even prohibitions, in favor of several articles of her production. By one, a duty was proposed on mineral coal in favor of the Virginial coalpits—

Britain was then dumping on the Virginia port towns coal brought in her ships as ballast—

By another, a duty on hemp was proposed to encourage the growth of that article: And by a third, a prohibition even of foreign beef was suggested as a measure of sound policy.

The PRESIDING OFFICER. The time of the Senator from Nevada has expired.

Mr. MALONE. Mr. President, I ask for an additional 15 minutes.

Mr. MARTIN of Pennsylvania. Mr. President, I yield 15 minutes more to the Senator from Nevada.

WHY CONSTITUTION, IN WORDS OF PRESIDENT MONROE SAVED NATION FROM "CERTAIN RUIN"

Mr. MALONE. Mr. President, I shall now quote briefly from James Monroe, wounded veteran of the Battle of Trenton and fifth President of the United States:

If we recur to the causes which produced the adoption of this Constitution, we shall find that injuries resulting from the regulation of trade by the States respectively, and the advantages anticipated from the transfer of the power to Congress were among those which had the most weight.

Instead of acting as a nation in regard to foreign powers, the States individually had commenced a system of restraint on each other whereby the interests of foreign powers were promoted at their expense.

If one State imposed high duties on the goods or vessels of a foreign power to countervail the regulations of such power, the next adjoining States imposed lighter duties to invite those articles into their ports, that they might be transferred thence into the other States, securing the duties to themselves. This contracted policy in some of the States was soon counteracted by others. Restraints were immediately laid on such commerce by the suffering States, and thus had grown up a state of affairs disorderly and unnatural, the tendency of which was to destroy the Union itself and with it all hope of realizing those blessings which we had anticipated from the glorious revolution which had been so recently achieved. From this deplorable dilemma, or, rather, certain ruin, we were happily rescued by the adoption of the Constitution.

HOW CONSTITUTIONAL POWERS THAT SAVED NATION FROM CERTAIN RUIN HAVE BEEN DESTROYED

Mr. President, James Monroe said that the Constitution and the powers it vested in Congress to regulate the foreign commerce and to impose uniform duties on imports, save the Nation from "certain ruin."

The Constitution and those provisions which saved the Nation from "certain ruin" have been destroyed. They have been destroyed by the 1934 Trade Agreements Act, as extended.

If the powers of Congress which saved the Nation from certain ruin are denied to Congress many more years, as is proposed in this extension of the Trade Agreements Act, the certain ruin that James Monroe spoke of will be inevitable.

HOW PRESIDENT ROOSEVELT AND SUBSERVIENT CONGRESS FLOUTED CONSTITUTION

Mr. President, no President until Franklin Delano Roosevelt ever challenged the power of Congress to lay duties, meaning tariffs; and no President until Franklin Delano Roosevelt wished to thwart the Congress in the exercise of its constitutional powers.

No Secretary of State until Cordell Hull ever sought to thwart the constitutional powers of Congress to lay and collect duties.

HOW PRESIDENTS FOR 145 YEARS PRESERVE CONSTITUTION AND POWERS OF CONGRESS

Throughout our early and until our recent history the Presidents of the United States fought to preserve the powers of Congress to regulate our entire economy whenever the free trade emissaries sent over by Britain—and there were a number of them then, as now—sought to destroy Congress' power over tariffs.

The Secretaries of State and Jefferson, Madison, Monroe, John Quincy Adams, and Martin Van Buren served as Secretary of State before becoming President, upheld Congress in the exercise of its constitutional functions. They did not try to inveigle Congress into turning those functions over to themselves, as did Cordell Hull or Dean Acheson, or as John Foster Dulles is trying to get Congress to do today.

HOW EARLY PRESIDENTS AND STATESMEN VIEWED FOREIGN IMPORT COMPETITION AND AMERICAN PROTECTION

No early Congress would have abdicted its powers if our early Presidents or early Secretaries of State had sought them. In 145 years of American history, Mr. President, no Congress prior to the Congress of 1933 and 1934, which has gone down in history as a rubber stamp Congress, would have abdicated its powers.

GEORGE WASHINGTON

George Washington said:

Ought our country to remain dependent on foreign supply; precarious because liable to be interrupted? If the necessary article should in this mode cost more in time of peace, will not the security and independence thence form ample compensation.

ALEXANDER HAMILTON

Alexander Hamilton, a Republican said:

There can be no truer principle than this—that every individual of the community at large has an equal right to the protection of government.

THOMAS JEFFERSON

Thomas Jefferson, a Democrat, asked:

Shall we suppress the impost and give that advantage to foreign nations?

Thomas Jefferson also said:

The suspension of our foreign commerce, produced by the injustice of the belligerent powers, and the consequent losses and sacrifices of our citizens are subjects of just concern. The situation into which we have thus been forced had impelled me to apply a portion of our industry and capital to internal manufactures and improvements.

The extent of this conversion is daily increasing, and little doubt remains that the establishments formed and forming will, under the auspices of cheaper materials and subsistence, the freedom of labor from taxation, and of protecting duties and prohibitions, become permanent.

JAMES MADISON

James Madison said:

Every President, from General Washington to Mr. J. Q. Adams, has recognized the power of a tariff in favor of manufactures.

James Madison also said:

The power granted to Congress to encourage domestic products by regulations of foreign trade was properly granted, inasmuch as the power is, in effect, confined to that body, and may, when exercised with a sound legislative discretion, provide the better for the safety and prosperity of the Nation.

JOHN C. CALHOUN

John C. Calhoun, a Democrat, said:

When our manufacturers are grown to a certain perfection, as they soon will be, under the fostering care of Government, the farmer will find a ready market for his surplus produce, and—what is of equal consequence—a certain and cheap supply of his wants; his prosperity will diffuse itself to every class of the community.

James Monroe said:

Our manufactures will require the continued attention of Congress. The capital employed in them is considerable, and the knowledge acquired in the machinery and fabric of all the most useful manufactures is of great value, their preservation, which depends on due encouragement, is connected with the high interests of the Nation.

James Monroe said in his annual message of December 2, 1823, in which he enunciated the Monroe Doctrine:

I recommend a review of the tariff for the purpose of affording such additional protection to those articles which we are prepared to manufacture, or which are more immediately connected with the defense and independence of the country.

James Monroe also said:

The principles upon which the commercial policy of the United States is founded are to be traced to an early period. They are essentially connected with those upon which their independence was declared; and owe their origin to the enlightened men who took the lead in our affairs at that important period.

ANDREW JACKSON

Andrew Jackson, a Democrat, said:

The general rule to be applied in graduating the duties upon articles of foreign growth or manufacture is that which will place our own in fair competition with those of other countries; and the inducements to advance even a step beyond this point are controlling in regard to those articles which are of primary necessity in time of war.

Andrew Jackson also said:

We have been too long subject to the policy of British merchants. It is time we should become a little more Americanized, and instead of feeding the paupers and laborers of England, feed our own.

ABRAHAM LINCOLN

Abraham Lincoln said:

If I be asked whether I would destroy all commerce, I answer: "Certainly not." I would continue it where it is necessary, and discontinue it where it is not. An instance: I would continue commerce so far as it is employed in bringing us coffee, and I would discontinue it so far as it is employed in bringing us cotton goods.

Mr. President, it might be well for Senators to remember that the Japanese now are importing cotton goods into the United States. When the Japanese saw that they were absolutely destroying the textile industry of this country, they began to slacken temporarily their imports of cotton goods until Congress voted the extension of the 1934 Trade Agreements Act.

ABRAHAM LINCOLN'S SPRINGFIELD, ILL., RESOLUTION

Abraham Lincoln's resolution which was introduced and passed at a political meeting in Springfield, Ill., on March 1, 1843, read as follows:

Resolved, that a tariff of duties on imported goods, producing sufficient revenue for the payment of the necessary expenditures of the National Government, and so adjusted as to protect American industry, is indispensably necessary to the prosperity of the American people.

PRECEPTS OF NATION'S PATRIOT PRESIDENTS AND STATESMEN DISCARDED IN 1934 TRADE ACT

Mr. President, in closing I wish to say that these counsels and precepts of the great leaders and patriots of America's first illustrious century were betrayed by the 1934 Trade Agreements Act, and the acts which have extended it to June 30 of this year. The latest extension has expired.

We can return to them if we, as Andrew Jackson said, "become a little more Americanized," reject this bill to renew the Trade Agreements Act, and instead of feeding the laborers of foreign countries, begin again to feed our own.

Mr. President, if the act is not renewed, then on 60 days' notice and 180 days' notice, respectively, to the Secretary General of the United Nations and to the nations which are parties to the bilateral trade agreements, the regulation of the duties on the thousands of products covered by those agreements will revert to the Tariff Commission, an agent of the Congress; and the duties or imports will be regulated under the provisions of the 1930 Tariff Act.

HOW TARIFF COMMISSION WILL ADJUST DUTIES TO PRESERVE JOBS AND MARKETS IF TRADE ACT NOT RENEWED

In that event, all the duties will revert to the statutory duties of the 1930 Tariff Act; and then the flexible tariffs or duties will be regulated as provided by section 336 of that act, which provides specifically that the Tariff Commission shall determine the fair or reasonable cost of producing an article or a like article in this country and the fair or reasonable cost of producing it in the competing country.

HOW FLEXIBLE TARIFFS WILL ASSURE AMERICANS EQUAL ACCESS TO AMERICAN MARKETS

The difference will become the tariff, which will be flexible, and can be adjusted every few weeks or months or years, as occasion may arise, whenever there is a change in the economic relationship between this country and the chief competing nation, in the case of any product; and in order to conform to such a change in relationship, that particular tariff can be lowered by the Tariff Commission, without any action by Congress.

Then American producers, investors, and wage earners will again have equal access to our own markets.

HOW CONSTITUTION WILL BE RESTORED IF 1934 TRADE ACT ALLOWED TO DIE

So, Mr. President, the Congress should resume its constitutional authority under article I, section 8, of the Constitution, and should allow the President to continue to fix the foreign policy, under article II, section 2, of the Constitution.

There should, Mr. President, be a return to the original separation of the powers, in order to prevent the trading away of the economy of our country or the trading away of an industry or part of an industry in this country, in order to further the foreign policy.

There should be, there must be, a return to the Constitution, if we are not to again be threatened as in the dark days of the confederation, what President James Monroe described as certain ruin.

Mr. MARTIN of Pennsylvania. Mr. President, I yield 15 minutes to the Senator from Massachusetts [Mr. SALTONSTALL].

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 15 minutes.

Mr. SALTONSTALL. I thank the Senator from Pennsylvania.

Mr. President, the action of the Senate on the proposed legislation to continue the trade-agreements program will have a profound effect on the determination of what is to be the objective of the United States foreign-trade policy.

From 1934, when the trade-agreements program was started, to help turn the tide of depression which was swamping the economy of the country, until June 30, 1958, when the Trade Agreements Act of 1955 expired, the official policy of the United States has been to stimulate international trade by a reciprocal program of reducing tariffs and other discriminatory barriers which tend to interfere with the growth of international commerce.

If the Senate had passed the trade-agreements-extension bill in the form in which it was reported by the Committee on Finance, it would have proclaimed an end to the official policy of the United States, and would have declared a new policy, founded on the assumption that international trade is bad for the United States.

In my judgment, that would have been a very serious mistake, and would almost certainly have caused irreparable harm to the United States and to the rest of the Free World.

I take no issue with the motives of those who are urging us to declare war on world trade, by means of the form in which the Senate passes this bill. I am sure they are motivated by honest and sincerely held convictions. However, I must say that I disagree with their judgment. In my view of the world in which we are living in 1958, the United States must, as a matter of self-interest and in the interest of the rest of the Free World with which our security is inextricably linked, continue our policy of developing world trade.

What are the essential facts about our world which bear on the question of what sort of trade policy the United States should have?

First, we are faced by a continuing attempt by Russia to dominate the world, not only to make the world unsafe for democracy, but also to exterminate our own democratic institutions and the free institutions of all nations outside the present limits of the Communist orbit.

Second, there is grave doubt that we could stand alone against Russia and her satellites if the rest of the world came under her domination.

Third, the other free nations of the world cannot withstand Russian domination without us and the assistance—military, economic, and psychological—which we give to them. This is a fact about which there seems to be little dispute. I have heard no responsible, informed person suggest since the end of World War II that the nations of Western Europe, the Middle East, Africa, Central and South America, and Asia and southeast Asia can avoid being drawn under the Soviet net of aggrandizement without reliable, effective, and vigorous support from the United States.

Fourth, and this is a fact which has, in my judgment, very special significance in appraising what sort of a policy the United States should have toward international trade, growth is and will be the order of the times for the populations and economies of all nations of the world. Some are growing at a faster rate than others, but all are growing.

These four facts have the same basic significance for all Americans, whether they are workers and their families in domestic industries which sell goods abroad, workers and their families in domestic industries whose products cannot compete in foreign markets, workers and their families in industries which depend on the importation of goods from abroad, or owners or managers of such industries; and whether they are consumers, producers, or taxpayers. There is no escape for any American from the kind of world in which we are living.

I believe that recognition of these four facts answers conclusively the question of what should be the United States policy toward international trade. And I believe there is no substantial disagreement among informed and responsible Americans about this. Our policy must be, as it has been for the past quarter-century, to stimulate the continued development of world trade.

History cannot be said to prove anything about the future. But history can certainly be said to offer an important source of guidance about things to come. And I think we can take from history the lesson that nations which trade with each other are more likely than not to develop the sort of political, economic, and military ties with each other which comprise the fabric of international solidarity.

If we fail to join with other nations outside the Russian orbit in developing sound trade relationships, these nations will inevitably trade with Russia and her satellites. From the establishment of such trade relationships with the Communist world there would ultimately develop the economic, political, and military intertwining of these nations in the web of world domination which Russia seeks to weave. If America were to turn her back on international trade, the nations for whom trade is an economic necessity and which are now floating between the world's two whirlpools of power, would recognize that they could look solely to the Communist orbit for the development of necessary trade relationships. We can certainly agree that the Communists are ready for them.

The conclusion that America should continue a policy of fostering world trade does not, of course, prescribe how this policy should be carried out. This question is a difficult one. I hope and trust that the supporters of the Finance Committee bill which has been before us share the conviction which I think most Americans hold, that this is a sound policy.

There are really two major policies involved in the legislation which we are considering. One of these policies is to foster world trade. The other policy is to protect domestic industries from injury resulting from world trade. These policies are not easily reconciled. To the extent that these policies conflict, Congress must choose which policy shall predominate.

The House, in its bill, has made the choice that our predominant policy shall be to foster world trade. The Finance Committee bill, as reported, urged a choice in favor of protecting domestic industry.

I have read the majority's report on the Finance Committee bill, and nowhere could I find any statement regarding our Nation's policy of fostering international trade. I assume that the committee believes in this policy, but decided to confine its report to a discussion of the operative provisions of the Trade Agreements Act which are designed to protect our domestic industries from injury due to world trade. The committee's preoccupation with the accommodation of domestic industries to the operation of the trade agreements program, instead of considering its broad policy objectives, may explain why it is that the committee bill would have effectively torpedoed our foreign trade policy.

We must recognize that we cannot have an effective national policy to foster international trade that will not inherently contain a risk of injury to individual domestic producers and segments of domestic industries. I suppose it is inevitable in the formulation of any national policy that its effect will be different on various individual segments of the entire Nation. Perhaps the most extreme example of what I mean is found in the situation when our Nation goes to war. Those who must don uniforms in the service of their country are certainly not benefited by the national policy which leads the country to go to war, and yet, if it is clearly in the national interest to fight, we do not, because of the tremendously disproportionate burden which this policy imposes on servicemen, exempt all our citizens from the duty to bear arms, thereby effectively negating the national policy to wage war.

The Finance Committee bill seemed to me, however, to do just this sort of thing—to thwart a necessary national

policy by providing a mechanism for wholesale suspension of its operational elements. In order to minimize the risk of injury from import competition to certain few domestic industries which might be hurt by it, the bill in effect said "let us renounce our policy of fostering international trade."

No one desires to see any of our domestic industries or companies within these industries hurt by international trade. The challenge to all of us in Government, in the executive branch as well as in the Congress, is to devise ways and means whereby an imperative national policy to foster international trade can be implemented so as to minimize the risk of injury to American producers without defeating the policy. The peril point, escape clause, and other protective provisions which are already parts of the trade-agreements program, and which I have uniformly supported, have, I think, provided an effective method of minimizing this risk. If there are particular situations where these techniques are not adequate, then it is incumbent upon us to devise other new techniques for these situations. They should be dealt with on their particular facts, as special and exceptional cases, which they are, and be considered in the context of our total national economy.

The hearings on the pending legislation before both the House Ways and Means Committee and the Senate Finance Committee contains much testimony that our foreign-trade policy can be effective only if Congress gives reliable authority to the Executive to negotiate with the other nations for elimination of trade barriers. The Executive must have authority to make commitments on behalf of the United States on which other nations can place reliance. Otherwise, they will either decline to negotiate for freer trade or they will not themselves agree to reliable commitments for freer trade. We cannot equip our negotiator with counterfeit authority and expect him to obtain more than counterfeit commitments.

If an escape-clause provision such as the one reported in the Finance Committee's bill should ever become law, Congress would thereby counterfeit the President's authority to effectuate our trade-agreements program.

Speaking with what I believe to be a realistic appreciation of the operation of our Government, I must say that I had very grave doubt about the wisdom of subjecting important questions of trade policy intimately affecting the national interest to the mechanism which was provided in the Finance Committee bill's escape clause.

The bill which was passed by the House contains provision for new escape-clause machinery which I consider to be very much sounder than that which we have deleted from the bill before us on motion of the Senator from Texas [Mr. JOHNSON]. This provision would leave the responsibility for decisions about the operation of our trade agreements program to the President, where, in the first instance at least, it properly belongs. He could, as under present law, approve or disapprove Tariff Commission recommendations. Then the provision affords machinery whereby Congress may review the action of the President and the recommendations of the Tariff Commission and reverse the President's action by a two-thirds vote of each House. I subscribe heartily to the statements about the escape-clause provision in the House bill which appear in the report of the Ways and Means Committee—House Report No. 1761—on the Trade Agreements Extension Act of 1958.

Mr. President, I request unanimous consent that the statements to which I have referred be printed in the RECORD at this point in my remarks.

There being no objection, the statements was ordered to be printed in the RECORD, as follows:

CONCURRENT RESOLUTION IN ESCAPE-CLAUSE CASES

Under existing law, upon receipt of the Tariff Commission's report of its investigation and hearings in escape-clause cases, the President may make such adjustments of duty, impose such quotas, or make such other modifications as are found and reported to be necessary to prevent or remedy serious injury to the domestic industry. If he does not take such action within 60 days he must report to the Committee on Ways and Means of the House and to the Committee on Finance of the Senate why he has not done so. While the Congress has the power to pass a bill which would have the effect of reversing the President's action where he disapproves a Tariff Commission recommendation, and to override a veto of such a bill if it is disapproved by the President, no such action has ever been taken since the escape-clause provision was first enacted in 1951.

Your committee has adopted two important amendments, contained in sections 6 and 7 of the bill, to the escape-clause procedure.

Section 6 provides that the action found and reported by the Tariff Commission to be necessary to remedy serious injury shall take effect, if disapproved by the President in whole or in part, in the event that, within the 60-day period following the President's report stating why he has not taken the action, the Congress, by a two-thirds vote of each House, adopts a concurrent resolution stating in effect that it approves the action found and reported by the Tariff Commission to be necessary. If the Congress adopts such a resolution, the President shall, within 15 days thereafter, take such action as may be necessary to make the adjustments, impose the quotas, or make such other modifications as were found and reported by the Commission to be necessary to prevent or remedy serious injury. This will enable the President to take the necessary action internationally under United States trade agreements.

Section 7 amends the rules of the House and Senate so as to give privileged status to a resolution introduced for the purpose of approving a Tariff Commission recommendation which has been disapproved by the President in whole or in part. Under these rules, such a resolution is to be referred to the Committee on Ways and Means of the House and the Committee on Finance of the Senate. If the respective committee has not reported it before the expiration of 10 calendar days from its introduction (or receipt from the other House), it shall be in order to move to discharge the committee from further consideration of the resolution. Such a discharge motion shall be highly privileged, with debate thereon limited to 1 hour, and no amendments to the motion permitted. When either committee has reported, or has been discharged from further consideration of such a resolution, a motion to proceed to consideration shall be highly privileged and not debatable, and the resolution shall be subject to a maximum of 10 hours debate and not subject to amendment. There are additional ancillary provisions, which are discussed in part III of this report.

(a) Reasons for the committee's amendments: No part of the trade agreements program has been the subject of as much controversy in recent years as the escape clause. There are many who believe that the escape clause is harmful to the objectives of the trade agreements legislation—to increase the flow of trade between the United States and its trading partners of the Free World—because it continually poses the threat of, and has often resulted in, curtailment of imports when domestic industry is unable to compete successfully with imports on which concessions have been granted in return for reciprocal concessions. On the other hand, there are many who believe that the escape clause does not sufficiently protect domestic industry from competition resulting from increased imports upon which concessions were made. They contend that (a) Tariff Commission proceedings are time consuming and arduous, (b) the Tariff Commission has recommended remedial action in only 25 out of 87 cases, and (c) the President has accepted Tariff Commission recommendations in only 10 of the 25 cases.

The remedies suggested for these alleged infirmities of the escape clause run a wide gamut—from those which would result in no trade agreements program at all to those which would remove the escape clause. Your committee has spent weeks considering the escape clause and proposals to abolish or change it. After thorough consideration it adopted the amendments described above.

Escapes from international obligations authorized by the Congress in return for reciprocal obligations should not be lightly permitted. The proof of serious injury alleged to be threatened or to have resulted from imports should be convincing since there are important effects of escape-clause actions on our trading partners and the American public. It is the opinion of your committee that the President must continue to have discretion in escape clause cases because their effects on foreign relations and other aspects of the national interest may outweigh the benefit to a particular industry. However, since the Congress has authorized the President, in the trade agreements legislation, to exercise a portion of its constitutional power to regulate foreign commerce and to levy duties, under suitable standards and limitations, it is reasonable that Congress, the source of the power, should enable itself to review the effects upon domestic industry of the exercise of that power under procedures which in practice are feasible.

While this review is possible under existing law, through the enactment of a bill following the President's notification to the Congress of his disapproval of a Tariff Commission recommendation, as noted above in practice this has never been done. The obstacles to its being done are formidable. Such a bill, not being privileged, must take its turn along with the many other bills which are before the relevant committees for consideration. In addition, since such legislative action is outside the existing escape-clause procedure, it could lead to international complications should it be followed, since foreign countries, being very much aware of the American legislative pattern, have assumed that as a general matter the escape-clause procedures are at an end upon the President's approval or disapproval of a Tariff Commission recommendation. Consequently, the Congress, mindful of the effects of its actions upon the foreign relations of the United States, has been hesitant to take action which might adversely

affect those relations. Finally, without an established and practical procedure, the Congress is less likely to address its attention to the particular issues raised in individual escape-clause actions, attention which is necessary before a meaningful review of such action should be undertaken.

Under your committee's bill, however, these problems are surmounted. The concurrent resolution procedure is made a formal part of the escape-clause procedure, and foreign governments are placed on notice that the escape-clause proceedings do not necessarily terminate upon the President's action. Secondly, the privileged status given to a concurrent resolution introduced pursuant to section 7 of the bill assures that it will receive expeditious consideration by the Committee on Ways and Means and the Committee on Finance. These committees would examine the Tariff Commission's report and the President's report with care and hold hearings if necessary. In the event that the committees did not act with expedition, the privileged status of the resolution would assure prompt consideration by the Congress. Accordingly, there would be an effective way of securing a review by the Congress of the effects upon domestic industry of the exercise of authority which it has granted to the President.

(b) Adoption of a concurrent resolution by two-thirds vote of each House: Under section 6 of the bill, adoption of such a concurrent resolution, following Presidential disapproval in whole or in part of a Tariff Commission recommendation, requires a two-thirds vote of those present and voting in the House and the Senate. There are practical and legal reasons for this requirement. The practical reason is that it is reasonable to require a substantial majority of the Congress in order to override a Presidential determination where the relief to a domestic industry involves an escape from an international obligation duly assumed by the United States pursuant to a specific authorization to the President by the Congress. As noted above, it is the opinion of your committee that escape actions should not be lightly undertaken, involving as they do not only the interests of American businessmen and consumers, and of other American producers who may lose the benefit of the compensatory concessions which were reciprocally granted to the United States by foreign countries, but also the foreign relations of the United States to a serious degree. Your committee has been impressed with the great impact which escape-clause actions have had upon the foreign relations of the United States.

Accordingly, it is reasonable and just to require a two-thirds majority of each House to reverse an action of the President in a field which is so intimately related to the conduct of the foreign relations of the United States and where action by the Congress without the immediate participation of the President during the course of such action is involved.

The legal reasons for the two-thirds majority required in sections 6 and 7 relate to the issue of the validity of the concurrent resolution procedure, under which treatment of imported articles may be changed after the adoption of the concurrent resolution. Although many laws have been enacted during the past 30 years, incorporating the principle of action by the Congress without the participation of the President in terminating legislative authority granted in statutes, or in disapproving action taken by the Executive pursuant to authority granted in statutes, serious questions have been raised respecting the constitutionality of such measures in view of the provisions of article I, section 7, of the Constitution. This article sets forth procedures for enacting bills and with respect to orders and resolutions of the Congress. While no Federal case adjudicating the constitutional issue has been decided, there is no doubt that a substantial constitutional question is involved.

By requiring a two-thirds vote of each House in adopting a resolution overturning the President's disapproval of a Tariff Commission recommendation in a particular escape-clause proceeding, your committee is of the opinion that, if and when the constitutional question is adjudicated, the position in favor of constitutionality will be enhanced. This is because a procedure whereby the Congress by a two-thirds vote of each House overrides a Presidential determination in a particular escape-clause action—the reason for such action having been communicated to the Congress in much the same fashion as a veto message communicates the reasons for a veto—is analogous to Congress' repassing a bill after a Presidential veto. Your committee has been informed by the executive branch that it, acting upon the advice of the Attorney General of the United States, has no objection to sections 6 and 7 of the bill, considering both the practical and legal questions involved.

Mr. SALTONSTALL. Mr. President, I believe that the provisions of the bill as passed by the House with respect to the escape-clause machinery are much wiser than those which were contained in the Finance Committee bill. I believe that the Finance Committee bill provisions were not only unwise but I must say that they gave me genuine concern from a constitutional standpoint.

The Constitution provides for three separate departments of Government, each of whose powers are to be exercised independently without interference or coercion of one department by another. There can be no question that, constitutionally speaking, the power to fix tariff rates is a Congressional power. Equally clear, however, is the authority of Congress properly to delegate the power to fix tariffs. The escape-clause provisions of the Finance Committee bill would in effect have rendered the delegation of the tariff-setting power by the Congress conditional. Under this provision Congress would have kept a string on the power delegated. The effect of this in my judgment would have been to mingle responsibility for the exercise of the power between the executive and the legislative departments of the Government.

Although I have not been able to discover that this precise question has been passed on by the Supreme Court, I have serious concern that such comingling of responsibility to exercise the tariff-fixing power might be a violation of the constitutional requirement of separate independently functioning departments of our Government. Certainly it would result in the Congress maintaining a supervisory and directive role in the exercise by the executive of a delegated power. This sort of effect in the relationship between two departments of the Government has often been held improper by the Supreme Court.

Mr. President, I could not support a trade agreements extension bill which completely ignored the importance to our national security of our policy of fostering world trade. I believe our trade policy is essential to our security and to the security of the whole Free World. I believe that Congress has a separate and very real responsibility to find ways and means to avoid or at least to minimize the risk of injury to our domestic industries which may result from our efforts to make our people and our Nation more secure. That responsibility of the Congress would be carried out by the escape-clause provisions of the bill as passed by the House. They give more protection to our industries than do the provisions of present law.

Experience under those new provisions may lead us to further improvement. But to support a program which can but weaken our country and endanger the safety and security of the American people in these perilous times would be to ignore the realities of the threat posed by the economic, political, and potentially military-offensive of the Soviet Union.

Mr. President, I have a few additional remarks addressed specifically to the escape-clause provisions of the Finance Committee bill. Since the Senate has by amendment deleted these provisions from the bill, I will not take time to deliver these remarks. Instead, I ask unanimous consent that they be printed in the RECORD at this point in my remarks.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

SUPPLEMENTARY REMARKS BY SENATOR SALTONSTALL

What troubles me most about the Finance Committee bill is that it takes a technique designed only to deal with these special, exceptional situations and applies it to the whole range of our trade agreements program thereby effectively negating our policy of promoting international trade. This is accomplished by depriving the President of any effective method of asserting the needs of the Nation as a whole over the needs of a comparatively small fragment of the Nation.

If the Finance Committee bill were to be enacted, Congress would give any 3 members of the Tariff Commission the authority, for the benefit of any domestic industry, not only to bar tariff reductions but also to require an increase in tariffs to as high as 50 percent above the levels of the Smoot-Hawley tariffs which prevailed in 1934 even if the President disapproved, based on his judgment of the needs of the country in foreign affairs, military security, and the total national interest, unless both Houses of Congress by a majority vote within 90 days were to pass a resolution upholding the President.

And here it must be borne in mind that the Tariff Commission is not charged with responsibility to make findings or recommendations to serve the total national interest nor even to take account of foreign policy or national security considerations. The only point of inquiry for the Tariff Commission is the question, very narrow by comparison, whether imports are such (and here I quote from the escape clause law found in sections 6 and 7 of the Trade Agreements Extension Act of 1951, as amended) "as to cause or threaten serious injury to the domestic industry producing like or directly competitive products."

The new escape clause provision proposed in the Finance Committee bill would minimize the likelihood of any tariff reductions which might be deemed by the President to be necessary in the national interest. It would also make it possible for the Tariff Commission, which has neither the authority nor the responsibility to take account of broad considerations of national interest, to put into effect very substantial tariff

increases or very restrictive quota limitations on imports contrary to the national interest as determined by the President unless the Congress supported Presidential recommendations by majority vote of both the House and Senate within 90 days after the President recommended other than the Tariff Commission's proposed action.

The process provided in this proposed new escape clause threatens to enthrone as rule what has been and must remain an exception to rule if we are to continue our policy of fostering international trade. If our trade agreements program is to be effective, it must be able to operate to reduce barriers to commerce among nations of the Free World. This it will not do if it is structured to maximize the likelihood of tariff increases and restrictive import quotas and to minimize the likelihood of tariff reductions.

The proposed new escape clause in the Finance Committee bill makes what seems to me a very unwise distribution of responsibilities for the operation of our international trade policy.

In today's world, questions of tariff levels, import quotas, and other barriers to international commerce are questions whose principle significance for the Nation as a whole lies in the area of foreign policy and national security. Therefore the principal responsibility for considering and deciding them should be with the President. He is the best qualified to deal with these questions because he has the greatest information about and understanding of all the factors which must be taken into account.

And yet the proposed new escape clause provision would reduce the role of the President in this connection to that of a powerless commentator. The Tariff Commission by the vote of three of its members would be required by this provision to make a decision which might have enormous significance to the national security without giving consideration to so much as a scintilla of evidence about national security, its only competency being to decide whether certain imports threaten serious injury to some particular domestic industry.

If it were to find such injury threatened, the Commission would have to recommend some action which would have to be an effective interference with international trade. The President would then have 30 days in which to consider the action recommended by the Commission, and if he believed it to be contrary to the national interest, he would be powerless to act except to report his belief to Congress and urge Congress to adopt a resolution approving his recommendations. Unless the Congress did so, the action recommended by the Tariff Commission would take effect 90 days later.

Mr. MARTIN of Pennsylvania. Mr. President, I yield 5 minutes to the Senator from New York [Mr. JAVITS].

Mr. JAVITS. Mr. President, I wish to address these remarks to the fact that the bill under consideration provides for a 3-year term, while the bill as passed by the House provides for a 5-year term. The bill under consideration provides for tariff reductions in stages of 5 percent each, as against the rate which prevailed on July 1, 1958, while the bill as passed by the House provides for stages of reductions of 10 percent each, for a total of 25 percent as against 15 percent in the bill now before us. In addition, there is no cumulative feature in the bill under consideration, as compared to the bill as passed by the House, which would permit much greater flexibility with respect to tariff reductions.

Mr. President, there were three amendments lying at the table with respect to the matter of the 5-year term; amendments offered by the Senator from New Jersey, by the distinguished occupant of the chair [Mr. DOUGLAS], and and by me. With that rare restraint which sometimes characterizes Members of this body, not one of these amendments was called up.

Mr. President, I think the country ought to know, insofar as we can explain this matter, why this happened. The length of term is one of the big issues with respect to the bill.

Mr. President, sometimes it is to the greater advantage of a piece of legislation—and I was sincerely convinced of that in this case, as I assume were the other Senators who sponsored the same amendment—that the best result can be obtained by not pressing this amendment, but instead by refraining from pressing it. The bill as passed by the House does provide for a 5-year term. The Senate conferees will be conferring upon such provision, in the face of the fact that the bill as it will pass the Senate will have a 3-year provision.

Mr. President, the reasons for providing for a longer term than 3 years are very compelling. I shall very briefly recapitulate them. I think people like myself and other Senators who are similarly interested have every reason to express the expectation that there will be a longer term than 3 years provided, though perhaps it will be necessary to accept a somewhat shorter term than 5 years. Even more particularly, there should be a greater amplitude in the percentage reductions which may be made. Finally, reductions should be cumulative rather than noncumulative, as now provided in this bill.

Briefly, the very persuasive reasons which I have stated, which the Senator from Illinois has stated in such a marked way, which the Senator from Pennsylvania and the Senator from New Jersey and others have also stated, are as follows:

First, we are fighting the Soviets with respect to trade and aid. Everybody knows that. We need real flexibility in the fight. It is a fact that in country after country we can wipe out the benefits of all the foreign aid we give in 3 months, based upon our trade policies. I gave some examples of that with respect to Brazil. We give aid to Brazil of about $40 million a year. Our trade is a billion dollars a year.

In short, the trade picture will really make or break these countries. We need a flexibility in the great economic struggle which is going on with the Soviet Union, described so well on the TV program last night as "the ruble war."

Secondly and very importantly, we shall have the European community, a free-trade area-to-be of six nations, the negotiations with respect to which are of supreme importance. That community is going to be developing a trade policy over the period of the next 12 years, and far more than a 3-year term is essential if we are to keep up with that situation.

Finally, if those facts are not sufficient, we also have the inherent problem in our own foreign trade of a situation where great parts of American industry are now dependent upon foreign trade for profitable operation. We hear a great deal about how small business is hurt. We hear all too little about how business after business, especially in the heavy goods, is dependent upon exports, which make the difference between profit and loss. We have learned the hard way that if we do not buy, we cannot sell.

Mr. President, it seems to me the great lessons which are being burned into our minds as to what is happening in the world today are apparent. The people who have been depressed and underprivileged in economic and social terms simply will not hold still. They want progress. They want to move forward. Trade in an open trading world is the best way to accomplish the objective.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. CLARK. I should like to associate myself with the comments of the Senator from New York in support of the 5-year extension of the Reciprocal Trade Agreements Act. I regret that we shall not have an opportunity to vote on the extension for the 5-year term. I understand why. It is the part of wisdom and I think the part of statesmanship not to force a vote on that matter now. However, I should like to have the RECORD show that if an opportunity had been offered I would have joined the Senator from New York in voting for the 5-year extension of the act.

Mr. JAVITS. I thank the Senator from Pennsylvania.

Mr. DOUGLAS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. PASTORE in the chair). Does the Senator from New York yield to the Senator from Illinois?

Mr. JAVITS. I yield to the Senator from Illinois.

Mr. DOUGLAS. I think the Senator from New York has touched on a very important point. We need a longer extension than the 3 years provided in the bill as reported by the Committee on Finance.

The Common Market has announced that it will not enter into negotiations with countries outside the Common Market before the 1st of January 1961, or 2½ years from now. Therefore, a mere 3-year extension of the act will give us only 6 months in which to negotiate. Under the terms of the bill presently under consideration, the only concession which we could make would then be 5 percent, which would be completely insignificant.

In my judgment it is imperative that the duration of authority be extended beyond the 3-year period provided for in this bill, and furthermore, that the possible decreases in tariffs should be made cumulative, and that in addition there should be some authority to extend these decreases beyond the precise duration of the authority, if they have not already been used up. This is necessary in order that we may gear our plans into those of the Common Market, and also into those of the free trade area, if that comes into being, outside the Common Market.

Mr. JAVITS. I very much appreciate the comments of the Senator from Illinois, who has been a real leader in this fight. We shall have another chance in connection with the conference report.

I think it is very important for distinguished members of the Finance Committee, like the Senator from Illinois, the Senator from Pennsylvania, as well as other Senators, including myself, to make it clear that we expect to have some reasonable solution of the 5-year problem, and that the fact that we have not offered the amendment represented our vision and judgment as to the best way to effect the main purpose, rather than our abandonment of one of the fundamental principles in the bill.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. JOHNSON of Texas. I yield 1 minute additional to the Senator from New York.

Mr. DOUGLAS. Mr. President, will the Senator yield further?

Mr. JAVITS. I yield.

Mr. DOUGLAS. We are quite confident that the House conferees will hold firm, and we know that the Senate conferees are reasonable men. Therefore we hope very strongly that an agreement may be reached which will be satisfactory to all concerned. I have real confidence that this will be so.

Mr. JAVITS. I certainly join the Senator from Illinois in that hope, especially in view of the extremely persuasive and compelling reasons in the national interest which dictate that the terms should be longer than the 3 years now specified in the Senate version of the bill.

Mr. COOPER subsequently said: Mr. President, I ask unanimous consent to have printed in the body of the RECORD at some point before the passage of the Trade Agreements Act extension bill a statement I have prepared on the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR COOPER REGARDING THE IMPORTANCE TO AGRICULTURE OF THE EXTENSION OF THE RECIPROCAL TRADE AGREEMENTS ACT

I support strongly, and shall vote for, a 5-year extension of the Reciprocal Trade Agreements Act, as proposed by President Eisenhower and passed overwhelmingly by the House of Representatives by a vote of 317 to 98.

The Senate Finance Committee has added amendments which would make the act unworkable, and I have voted to strike these amendments.

The original trade-agreements legislation has been extended 10 times by the Congress since its enactment in 1934. The basic purpose of the legislation is to enable the President to expand Free World markets, and to expand markets for United States products. It is to strengthen our economy and the economy of our overseas friends. It is to strengthen our security by making more difficult economic penetration by the Soviet Union.

The act enables the President to continue to make limited reductions in the tariff on imports into this country, in exchange for similar reductions by other countries on our exports to them—so that there will be a mutual advantage. Its effect is to increase our own markets abroad, while, at the same time, enabling us to buy foreign goods to greater advantage. It is mutual trade, with advantages to both sides, reducing the restrictions on both sides.

During the debate, much has been said about the adverse effect of the Reciprocal Trade Agreements Act on certain industries in the United States. What is really at issue, however, is whether or not this country gains more than it loses under reciprocal trade. Is there a positive balance of benefit accruing to the United States from the operation of the Trade Agreements Act?

In all fairness, it must be admitted that the Reciprocal Trade Agreements Act has, since 1934, made competition easier for some foreign products. I think it is only honest to say that low wage scales, combined with increasingly efficient production techniques, have put some American industries at a disadvantage.

But ranged on the other side is a massive array of facts, figures, and opinion to the effect, that although some industries are in stiff competition because of foreign imports, the Nation's business as a whole is benefiting enormously from international trade.

Let us look at the total value of the act to our economy: Last year we imported $13 billion worth of goods. That is no small figure. But our exports in that same period totaled some $19.5 billion.

To emphasize the importance of this trade to our economy, I would like to quote Secretary of Commerce Sinclair Weeks. Testifying before the Senate Finance Committee, Secretary Weeks pointed out:

"Our exports of goods and services currently represent about 6 percent of the Nation's output. The value of United States goods marketed abroad in 1957 exceeded the value of: All consumer purchases of automobiles, parts, and accessories; or all residential construction; or all consumer purchases of furniture and household equipment.

"Or, to take examples from the field of agriculture: All cash receipts of farmers from crop marketing; or all cash receipts of farmers from marketing of livestock and livestock products.

"We exported around 10 percent of our entire output of movable goods in 1957, including: 13 percent of our machine tools; 20 percent of our production of trucks; 29 percent of our construction and mining equipment.

"And in agriculture, on an average over the last 5 crop years: 25 percent of our cotton; 28 percent of our tobacco; and 32 percent of our wheat.

"Figures of these dimensions forcefully demonstrate the importance of world markets to every area of the United States, and every major segment of business and agriculture in our country."

These figures clearly show that the trade-agreements program has introduced a strong measure of stability into our international trade, and this we need to preserve. But it is easy to talk in terms of figures. They are cold, impersonal. This whole issue involves the livelihood, the jobs, of human beings as well—and that is most important. Testimony was given in the hearings that some 4.5 million men and women are dependent, directly or indirectly, upon international trade for their livelihood. They constitute 7 percent of our labor force.

Further, as I have said, the Reciprocal Trade Agreements Act provides mechanisms to protect our domestic industries.

The first is the so-called peril point finding. Before the tariff on any item is reduced, the United States Tariff Commission investigates and determines the minimum tariff that can be set without causing serious injury to the domestic industry affected. This minimum is the peril point.

When the Tariff Commission finds, after application by a domestic industry, that an existing tariff is too low, the second of these protective devices comes into play. This is the escape clause of the program that allows the President to raise the tariff. The President may, however, decide not to follow the Commission's recommendations if he finds that doing so would not serve the broad national interest.

Now I want to call especial attention to the importance of the Trade Agreements Act to American agriculture, for during the debate I have noticed that very little emphasis has been given to agriculture.

To emphasize the importance of farm exports to the American farmer, the latest figures for 1957 show that the produce of 1 out of every 5 acres is sold abroad. Approximately one-fifth of the income of the American farmer comes from sales to countries across the sea.

The production from these export acres enabled American farmers to sell more food and fiber abroad in 1957 than any nation has ever done in the history of the world. Those exports amounted to a record $4.7 billion—enough farm goods to fill 800,000 freight cars. Representing 22 percent of the world's total trade in farm products, they were the fruit of 61 million acres—an area 14 times larger than the cropland harvested in my State, Kentucky.

The great problem for most of the world is lack of food. But the opposite is true in America. Our farm problem grows out of the high productivity of American farmers. American agriculture today is strong and efficient. For many crops, an hour of farm work produces twice what it did in 1940. The central problem of American farmers today is not how to produce, but what to do with all that is produced.

The positive and affirmative answer to the American farm problem, to the cost-price squeeze, and to parity incomes for farmers, is to expand markets both at home and abroad—to get more of our production into the good use for which it is intended.

The greatest hope for expansion of domestic markets lies in our remarkable growth in population. Before the year is up, farmers will be feeding and clothing 175 million Americans. Today, each farmer supports himself and 20 others—whereas a century ago, 4 rural people supported 1 in the city. Moreover, our population is increasing at the rate of 3 million per year—so that by 1965, fewer farmers will have the job of feeding a nation of 200 million.

But all farmers also have a pocketbook interest in exports, and in foreign trade—which must be a two-way street. Foreign countries cannot buy from the United States unless they can sell to the United States. For if foreign markets were smaller, producers of the big export crops in the United States would have to switch to other crops for the domestic market—in competition with farmers already geared to the home market. When the production from 1 acre in 5 moves abroad, it takes considerable pressure off the domestic market, and helps strengthen farm prices in general.

In 5 years the United States has almost doubled its volume of agricultural exports. Last year the foreign market absorbed the equivalent of over one-half our wheat, cotton, and rice crops; one-third of our soybeans; one-fifth of our lard production; and one-fourth of the total tobacco crop.

The reciprocal trade agreements program has been a major factor in the heartening increase in United States agricultural exports. Last year, nearly fourth-fifths of the farm product exports went to countries with which we have trade agreements, and about two-thirds of farm exports moved under trade concessions.

One of the serious problems in exporting farm products is the fact that other countries sometimes discriminate against our products.

Through the trade agreements program, however, we have a considerable degree of protection against the arbitrary and capricious setting up of trade barriers against our farm products. Any member country wishing to limit imports of our products must go through the formal processes set forth by the agreement. These same processes also serve in reverse to help us get foreign trade barriers removed.

Certainly, no other major segment of our national economy stands to gain as much from continuation and strengthening of the trade agreements program as United States agriculture. Prospects are bright for maintaining and expanding the $2.8 billion total of farm product exports which were sold last year for dollars if we continue to gain greater access to foreign markets. This means farmers will also gain from reductions in our own trade barriers which help foreign customers earn more dollars.

The farmers of my State recognize the necessity of maintaining exports of tobacco. They know that foreign manufacturers especially prize United States leaf because of the flavor and aroma that it imparts to their products. But they know also that quality and price alone will not guarantee exports. Their tobacco must have access to foreign markets. Because 90 percent of all tobacco exported moves under reciprocal trade agreements, renewal of the act this year is essential to Kentucky tobacco growers.

More than 800,000 rural families in the United States depend on tobacco as a principal source of cash farm income, as do 3 out of 4 farms in my own State of Kentucky. Countless dealers, warehousemen, traders, factory operators, wholesalers, and retailers also depend for their livelihood on the tobacco trade.

The level of foreign trade is of vital importance to all those engaged in the tobacco industry. For while only 6 percent of the burley crop moves abroad in the form of leaf, and another 4 percent in American cigarettes sold abroad, about half our fire-cured tobacco—the old traditional type upon which many farmers in my State depend—is shipped to overseas customers. And for the United States as a whole, every third pound of tobacco is sold abroad, as leaf or in the form of tobacco products. Exports for the past 3 years, including tobacco products, averaged 600 million pounds of tobacco annually, worth over $400 million. This 3-year record of exports is an all-time high in value.

Nevertheless, even with these record exports, the United States is not sharing proportionately in the growth of world tobacco trade. At no time in history has the United States tobacco trade faced such intense competition in world markets as it does today.

Let me say here that I realize that under our present program there is a question of how best to maintain and increase tobacco exports. This is true because further increases in our prices may cause other countries to increase their tobacco production at lower prices. In burley tobacco, for example, changing consumer preference has increased demand for the traditional export grades of tobacco, so that vigorous bidding by domestic buyers has tended to price these grades out of the reach of some foreign buyers. I have asked specifically for a study of this problem, to see how we can best preserve the gains we have made to date, and improve our position for the years ahead.

I have had a part in developing the present tobacco program, and I shall continue to support it. I know that as changes are needed to meet new conditions, the Congress will make them in accord with the wishes of tobacco growers themselves, as has been done in the past.

I do not believe that burley growers, who sell 95 percent of their tobacco to domestic buyers, wish to receive less for their tobacco. Within the framework of protecting the domestic market at the present level of price support, however, I believe tobacco representatives would be glad to consider any sound proposal for expanding markets abroad.

In the long run, of course, foreign customers must have the dollars to pay for tobacco they desire to purchase in the United States. We can be sure that without the reciprocal trade program, which contributes so greatly to world trade, there would be little hope of increasing our tobacco exports.

As an example of the importance of the Reciprocal Trade Agreements Act to the tobacco farmers of Kentucky, I point out that in 1934–38, when the reciprocal trade program began, burley exports averaged 12 million pounds annually. By contrast, the most recent 5-year level of burley exports exceeds 30 million pounds annually. And in addition to these figures, an estimated 20 million pounds of burley tobacco is exported yearly in the form of American cigarettes.

Finally, I would like to say that the extension of the Trade Agreements Act is important to our national security, as well as to our economic well-being. Our immediate crisis is one of physical security. It is different from any that we have known before, for Russia has developed rockets and missiles which can strike this country. Today, it can be said that we have adequate retaliatory power, and it would seem unreasonable that Russia would risk its own destruction by launching an attack upon the United States.

But our national security is challenged also by the economic and political side of the new Soviet policies.

For some time now, Russia has been saying to other countries of the world that they, too, can develop economically, and quickly, by following the Soviet pattern, and by associating closely with the Soviet bloc. And, despite the needs of her own people, Russia has been offering, and delivering, substantial economic aid through trade agreements with other countries.

If we withdraw or withhold assistance, and most important, if we close the channels of trade with friends throughout the world, so that they come to rely permanently on Soviet aid and trade, and their economies are tied into the Soviet bloc, then we will face eventual isolation in the world.

It is an isolation which would cut off vital materials, supplies that we buy throughout the world. It would dry up our world markets. Worst of all, it would make of the United States a military garrison. We would see our standards of living steadily go down and our liberties stifled in the effort to survive.

The question for us is whether we will make the continuing effort and sacrifice that our time requires. One thing we can do is to give the President the flexibility he needs, through the extension of the Trade Agreements Act, to meet the economic offensive of Soviet Russia. For in the next 10 years, it is the economic competition between democratic countries, above all, of the United States, with the Soviet Union that may determine the future of freedom.

The United States has for years been regarded as the leader in the move to lower trade barriers, eliminate trade discrimination, and encourage the healthy flow of commerce between countries. I believe that our friends all over the world are watching developments in Washington, and will regard the outcome of the current Congressional deliberation on the trade-agreements legislation as a guide to our future international economic policy.

Extension of the Trade Agreements Act will reflect the awareness of the American people and the Congress that economic growth, and the stability that can be enhanced by the development of wider world trade, is an important part of our effort toward world security and peace.

I believe that the Congress will extend the trade-agreements legislation for another 5 years, with adequate authority for the President to conduct a trade program to the benefit of our economy and security, and that of our friends overseas.

Mr. JOHNSON of Texas. Mr. President, I yield myself such time as may be necessary on the bill.

I share the view expressed by the very able member of the Finance Committee, the Senator from Illinois [Mr. DOUGLAS] and by the junior Senator from New York [Mr. JAVITS]. I would much prefer that the Reciprocal Trade Act be extended for 5 years. I realize that the very important Finance Committee recommended that it be extended for only 3 years.

The House of Representatives passed a bill providing for a 5-year extension. I hope that our conferees will feel that they can consider the reasons which caused the House to enact the 5-year provision; and I confidently expect that the conference report will contain an improvement over the 3-year extension provision now in the Senate version of the bill. If we cannot obtain a 5-year extension, I certainly hope that we can obtain an extension of 4 years.

Mr. President, from the standpoint of the long-range future of the United States, this is one of the most important bills in this session of Congress.

I believe that most of us realize that our dreams of a world of peace and prosperity depend upon a world of free and healthy commerce. That is something which cannot be achieved overnight.

Nevertheless, it is a goal to which we must cling. We must advance a step at a time to break down the barriers to peaceful trade which shut others out and which shut us in.

As a Nation, we are proud of our free-enterprise system. We seek to convince the world that it is the best of all possible systems—the only way in which men can live in freedom.

We cannot, however, hold forth free enterprise as a way of life if the world is going to be split into tight economic blocs, separated by walls too high for anyone to scale.

The uncommitted people of the world are not going to turn to a free way of life if the people who believe in freedom slam the door shut on peaceful trade. They are going to turn in the other direction. They are going to turn toward those who hold forth some hope of economic advancement.

It is an old and trite saying that trade is a 2-way street. It is something that cannot flow in 1 direction, and 1 direction only.

But there is something much more than that involved. Unless it is a street upon which men can travel in both directions, economic freedom will be lost and with it will go political freedom too.

This bill is a firm commitment to the type of economic freedom of which we are so proud. It is the evidence that we not only preach free enterprise, but practice free enterprise.

Unless we produce the evidence, a skeptical world will decide that our motto is "Do as we say; not as we do."

Freedom as a force can be retained in this world. But it can be retained only on the basis of peaceful commerce. The only alternative is endless grants to other nations and constant gifts which will produce neither friends nor economic stability.

This bill rests upon the assumption that trade is a day-to-day affair which must be handled by officials who make day-to-day decisions. Congress can set policies but only the Executive can carry them out.

Like every other Member of the Senate, at one time or another I have disagreed with some of the individual decisions that have been made by the Executive in carrying out this program. But I cannot go along with the concept that I should be against the program because I am against some of the decisions that have been made under it.

A basically good program will survive individual mistakes in administration. Furthermore, the only proper forum in which to decide whether mistakes have been made is the forum of the electorate itself.

We have recognized in this bill that institutions built up over decades must be treated carefully. We have written into the measure procedures to give relief to industries which are dislocated and to people who may be hurt by the impact of imports.

In doing this we have maintained the principle of flexibility. We have also lodged responsibility where it clearly belongs.

This bill does not accomplish everything that I would desire. But all legislation is a compromise which must be examined from one standpoint—does it advance the best interests of the United States and its people.

This bill does advance the interests of the United States and its citizens, and I hope it will be quickly and overwhelmingly passed.

A wise man once said that unless trade crosses borders, armies do. We live in a world in which we must find solutions that do not depend upon armies crossing borders. The people are looking for food, clothes, and housing—not for bayonets, bullets and bombs.

I am proud—very proud—of the responsible method pursued by the Senate in resolving this troublesome issue. The facts have been examined with the greatest care. The issues have been resolved according to individual conscience.

I appreciate the dedicated service of the very able chairman of the Senate Finance Committee [Mr. BYRD] and his associate, the ranking minority Member [Mr. MARTIN of Pennsylvania].

I would be less than frank if I did not express my appreciation to the minority leader [Mr. KNOWLAND] for the contribution he has made to this bill during the time it was in committee and while it has been under consideration on the floor of the Senate.

I also express my appreciation to the present distinguished occupant of the chair [Mr. DOUGLAS], who, in his fearless and intelligent manner, has made a great contribution to the final bill upon which we shall vote in a few moments.

I think we have taken a step which will serve the advancement of our people and the advancement of world peace as well.

To the Senator from Virginia [Mr. BYRD], the Senator from Pennsylvania [Mr. MARTIN], the Senator from California [Mr. KNOWLAND], and the Senator from Illinois [Mr. DOUGLAS], and many others who have made valuable contributions to the bill in an effort to resolve this issue, I express my appreciation and the appreciation of a goodly number of other Members of the Senate.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MARTIN of Pennsylvania. Mr. President, I yield back the remainder of my time.

Mr. JOHNSON of Texas. I yield back the remainder of my time.

The PRESIDING OFFICER. All time for debate has expired. The question is on the passage of H. R. 12591. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Missouri [Mr. HENNINGS], the Senator from Florida [Mr. HOLLAND], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business. The Senator from Massachusetts [Mr. KENNEDY] is absent because of illness. The Senator from Arkansas [Mr. MCCLELLAN] is unavoidably absent.

I further announce that if present and voting, the Senator from Missouri [Mr. HENNINGS], the Senator from Florida [Mr. HOLLAND], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Montana [Mr. MURRAY] would each vote "yea."

On this vote the Senator from Texas [Mr. YARBOROUGH] is paired with the Senator from Wyoming [Mr. O'MAHONEY]. If present and voting, the Senator from Texas would vote "yea" and the Senator from Wyoming would vote "nay."

Mr. DIRKSEN. I announce that the Senator from Vermont [Mr. FLANDERS] is necessarily absent, and, if present and voting, would vote "yea."

The result was announced—yeas 72, nays 16, as follows:

YEAS—72

Aiken	Byrd	Cooper
Allott	Capehart	Cotton
Anderson	Carlson	Curtis
Beall	Carroll	Dirksen
Bennett	Case, N. J.	Douglas
Bricker	Case, S. Dak.	Eastland
Bridges	Chavez	Ellender
Bush	Church	Ervin
Butler	Clark	Frear
Fulbright	Kuchel	Potter
Gore	Lausche	Proxmire
Green	Long	Purtell
Hayden	Magnuson	Robertson
Hickenlooper	Mansfield	Saltonstall
Hill	Martin, Iowa	Smathers
Hruska	Martin, Pa.	Smith, Maine
Humphrey	McNamara	Smith, N. J.
Ives	Monroney	Sparkman
Jackson	Morse	Stennis
Javits	Morton	Symington
Johnson, Tex.	Mundt	Thye
Jordan	Neuberger	Watkins
Kefauver	Pastore	Wiley
Knowland	Payne	Williams

NAYS—16

Barrett	Johnston, S. C.	Schoeppel
Bible	Kerr	Talmadge
Dworshak	Langer	Thurmond
Goldwater	Malone	Young
Hoblitzell	Revercomb	
Jenner	Russell	

NOT VOTING—8

Flanders	Kennedy	O'Mahoney
Hennings	McClellan	Yarborough
Holland	Murray	

So the bill (H. R. 12591) was passed.

Mr. KNOWLAND. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I send to the desk an order which I ask to have read; and I then ask that it be agreed to.

The PRESIDING OFFICER. The clerk will read.

The legislative clerk read as follows:

Ordered, (1) That the bill (H. R. 12591) be printed with the Senate amendments numbered.

(2) That in the engrossment of the amendments of the Senate to the bill the Secretary of the Senate is authorized to make all necessary technical and clerical changes, including changes in section, subsection, paragraph, etc., numbers and letters and cross references thereto.

The PRESIDING OFFICER. Is there objection to the order as read? The Chair hears none, and the order is entered.

Mr. BYRD. Mr. President, I move that the Senate insist upon its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. DOUGLAS in the chair) appointed Mr. BYRD, Mr. KERR, Mr. FREAR, Mr. MARTIN of Pennsylvania, and Mr. WILLIAMS conferees on the part of the Senate.

Mr. HUMPHREY. Mr. President, I hold in my hand an Associated Press item from the news ticker; it deals with the action taken by the Senate on the bill extending the Reciprocal Trade Agreements Act. The item reads as follows:

The President won a smashing victory in a 63 to 27 vote to knock out an amendment which would have curbed his powers over tariffs and trade. Senate supporters of the legislation said the remaining provisions he dislikes could be altered considerably in conference with the House.

Of course, Mr. President, I supported extension of the Reciprocal Trade Agreements Act. I did so because I believed it was in the national interest. I made

up my mind to vote against any or all crippling or curtailing amendments or amendments of limitation.

But I must say that the victory referred to in the press dispatch, although it may be a victory for the President, is essentially a victory for the Nation and, I believe, for the rest of the Free World.

Furthermore, it is not exactly accurate to say that the President won a smashing victory, when, as I recall, the basic amendment was offered by the distinguished majority leader, the Senator from Texas [Mr. JOHNSON], with support, I say most respectfully, by the distinguished minority leader, the senior Senator from California [Mr. KNOWLAND], and, indeed, with substantial support—and, of course, overwhelming majority support—by other Members of the Senate. So the victory was charted by the leadership here in the Senate. The chairman of the Senate Finance Committee, Senator BYRD, likewise deserves commendation and thanks.

I also pay particular tribute to, and express my thanks for the excellent work of the senior Senator from Illinois [Mr. DOUGLAS], who now is presiding over the Senate. His determined efforts in behalf of the bill and for his dedication to the principle of reciprocal trade never faltered. He has championed the cause of an effective foreign-trade policy.

The same comment could be made about other Members of the Senate—including, for example, the distinguished junior Senator from Tennessee [Mr. GORE], who has been a champion of reciprocal trade.

Mr. President, I point out that the course of victory was charted by the distinguished majority leader [Mr. JOHNSON, of Texas]; it was supported by the distinguished minority leader [Mr. KNOWLAND], and the chairman of the committee and if a victory was won, it was a victory for the Nation, and was won under the generalship of the leaders of the Senate.

COMMITTEE MEETINGS DURING SESSION OF THE SENATE TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be permitted to meet during the session of the Senate tomorrow.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, will the Senator make the same request with respect to the Committee on Interstate and Foreign Commerce?

Mr. JOHNSON of Texas. I make the same request with respect to the Committee on Interstate and Foreign Commerce.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. I will say to the Senator from Washington that that is subject to the approval of the minority leader. I have not yet consulted him about it. If he objects, I shall inform the Senator from Washington.

Mr. LANGER. Mr. President, will the Senator make the same request for the Committee on the Judiciary?

Mr. JOHNSON of Texas. I should like to check the request with the Senator from California [Mr. KNOWLAND], the minority leader. I shall advise the Senator from North Dakota later on his request.

ANNOUNCEMENT OF MEETING OF JOINT COMMITTEE ON ATOMIC ENERGY TOMORROW

Mr. ANDERSON. Mr. President, I should like to announce that the Joint Committee on Atomic Energy will hold a hearing tomorrow morning on the Euratom proposal, in which the State Department is very much interested, and on which the administration is very eager that hearings be held.

Mr. JOHNSON of Texas. Does it require the consent of the Senate? I do not believe so.

Mr. ANDERSON. We have not asked for permission in the past. I make the announcement for the RECORD.

ORDER FOR ADJOURNMENT TO 10 A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business this evening it stand in adjournment until 10 o'clock tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House insisted upon its amendments to the bill (S. 2069) to amend section 27 of the Mineral Leasing Act of February 25, 1920, as amended, in order to promote the development of coal on the public domain, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. ASPINALL, Mr. ROGERS of Texas, and Mr. THOMSON of Wyoming were appointed managers on the part of the House at the conference.

LETTER FROM PRESIDENT EISENHOWER TO NIKITA KHRUSHCHEV CONCERNING MAINTENANCE OF A JUST PEACE

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD the letter, made public today, written by the President of the United States to Nikita Khrushchev, chairman of the Council of Ministers of the Union of Soviet Socialist Republics. The letter is strong and forthright. It states the facts as they exist in the Mid-East, and the dangers with which the world will be confronted if nations can be nibbled away piece by piece.

I think the Members of Congress and the American people as a whole will be very much interested in reading the full text of the letter.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE.

DEAR MR. CHAIRMAN: I have received your communication of July 19.

May I assure you that the establishment and maintenance of a just peace is the dominant influence in American policy. I cannot agree that the United States has acted in Lebanon in a manner calculated to disturb the peace. Rather it is motivated by the purpose of helping stop acts of violence, fomented from without, designed to destroy the genuine independence and integrity of that small nation. Such a process, if unchecked, would have grave implications for all small nations everywhere.

The manner in which you have chosen to express yourself is hardly calculated to promote the atmosphere of calm reasonableness which, you correctly say, should replace the presently overheated atmosphere.

I am not aware of any factual basis for your extravagantly expressed fear of the danger of general war.

What has happened in regard to Lebanon is this:

On Monday, July 14, the lawful Government of Iraq was violently overthrown. On the same day a comparable plot against the Kingdom of Jordan was discovered and barely thwarted. The Government of Lebanon, which had already for some months been subjected to indirect aggression from without, appealed to the United States for instant assistance. In the light of the developments in neighboring Iraq and Jordan, it felt that nothing less than immediate help would make it possible to preserve the independence and integrity of Lebanon. The United States responded to this appeal. We knew that the plea was based upon solid facts that showed that Lebanon was gravely menaced.

Surely, it is not "aggression" thus to help a small nation maintain its independence.

You speak of "armed conflict in the Near or Middle East." There has been the bloody coup in Iraq, the plot to assassinate those who compose the Government of Jordan, and the civil strife in Lebanon fomented from without. Otherwise, I know of no "armed conflict." Unless those of aggressive disposition are far gone in folly, they would not start war because Lebanon, with a population of about 1½ million, is helped to maintain its integrity and independence. The real danger of war would come if one small nation after another were to be engulfed by expansionist and aggressive forces supported by the Soviet Union.

We do not want to see a repetition of the progressive destruction of the independence of small nations which occurred during the 1930's and which led to the Second World War. To be acquiescent in aggression, be it direct or indirect, is not the road to peace.

This does not mean that the United States is dedicated to a perpetuation of the status quo in the Arab world. The United States recognizes and sympathizes with the yearning of the Arab peoples for a greater nationalistic unity. For example, the United States promptly recognized the United Arab Republic, bringing together Egypt and Syria, as soon as it was apparent that the change was accepted by the people concerned and after the new government had undertaken to meet the normally applied international standards.

But it is one thing to change the international status quo by orderly and peaceful processes, and another thing to change it by indirect aggression. Such processes cannot be reconciled with a peaceful world or with the ideals of the United Nations which recognizes the equal rights of nations large and

small and the dignity and worth of the human person.

The action of the United States in relation to Lebanon was fully in accord with the accepted principles of international law and with the Charter of the United Nations. The Government of Lebanon was one which had been chosen by freely held, peaceful, nationwide elections only a little over a year ago. The appeal to the United States was made by the President of Lebanon with the full approval of the Cabinet. When last week the Soviet Union introduced in the United Nations Security Council a resolution condemning our action in Lebanon, that resolution received only one vote—that of the Soviet Union itself. I also note that efforts were made within the Security Council to provide Lebanon with increased protection from the United Nations so as to preserve its integrity and independence, thus permitting United States forces promptly to be withdrawn. There were 2 such proposals, each defeated by the 1 vetoing vote of the Soviet Union.

How does the Soviet Union reconcile its allegation that United States forces in Lebanon endanger world peace with the veto of these two proposals?

Am I to conclude, Mr. Chairman, that the Soviet Union seeks by imputing to others war motives and itself boasting of its nuclear and ballistic missile power, to divert attention from the steady erosion of the independence of small nations? Are we, as civilized peoples, to accept the increasing use of violence, murder and terrorism as instruments of international policy? If so, this constitutes the real danger to peace. The United States will steadfastly oppose that danger and seek to strengthen the established processes of international law and order.

The Soviet Union, by its constant abuse of its veto power in the Security Council—its veto of today was the 85th—would tear down, and not strengthen, the orderly processes which the nations have established for the maintenance of international peace and security.

Your present proposal seems further calculated to derogate from the authority and prestige of the United Nations. What you propose amounts in effect to five nations, without sanction of the United Nations and without conformity with its charter, reaching what you call recommendations regarding the Near and Middle East which would then be submitted to the United Nations Security Council. But in reality such so-called recommendations would be decisions and the process would be in effect make the United Nations into a rubber stamp for a few great powers.

Furthermore, Mr. Chairman, when procedures are sought to be improvised to meet what is alleged to be a situation of great urgency, this can scarcely be expected to save time. It raises a whole series of new problems which must be considered by the various nations that might consult together, and by others which might feel that they were improperly omitted and which are deeply concerned with the Near and Middle East.

If, indeed, the Soviet Union seriously believes that there is an imminent threat to world peace, it is bound by the United Nations Charter to take the matter to the Security Council. By article 24 of the United Nations Charter, the Soviet Union, with other members of the United Nations, has conferred on the Security Council primary responsibility for the maintenance of international peace and security, and all the members have agreed that, in these matters, it acts on their behalf. It is also agreed that that council has the responsibility to determine the existence of any threat to the peace and to decide what measures shall be taken * * * to maintain or restore international peace and security. Surely this solemn undertaking ought to be respected.

The Security Council is already dealing with certain phases of the problem alluded to by your note. If you or we believe that other aspects of this problem or other problems should be urgently dealt with in the interest of peace, then it lies open to any of us to enlarge the scope of the Security Council consideration. Furthermore, under the Charter, members of government, including heads of government and foreign ministers, may represent a member nation at the Security Council. If such a meeting were generally desired, the United States would join in following that orderly procedure.

I do not, of course, exclude the discussion, outside the United Nations, of world or regional problems, not posing alleged imminent threats to the peace. I cannot but deplore the persistent refusal of your government for so many months to agree to the adequate preparation of a summit meeting at which we could exchange considered views on the great problems which confront the world. The Ambassadors of France, the United Kingdom and the United States were negotiating at Moscow with your Foreign Minister to develop a list of topics which might lend themselves to considered and useful discussion at a summit meeting. These negotiations were broken off by your government on June 16.

In conclusion, I venture to express in most earnest terms my hope that the Soviet Government will unite with us for real peace. The longing of mankind for peace is too precious to be used for ulterior purposes. I hope that ways can be found to act for peace in accordance with the standards prescribed by the Charter of the United Nations. All the world, I believe, knows that peace with justice is the dedication of the American Nation. We have in the past sacrificed greatly for that devotion. We have loyally complied with the pledge we made, by the United Nations Declaration of January 1, 1942, to renounce any aggrandizement for ourselves. Just as we shall resist any efforts to use love of peace to mask aggression, so we shall equally never fail to take any step, at any sacrifice, which will genuinely promote the cause of peace and justice in the world.

Sincerely,

DWIGHT D. EISENHOWER.

ESTABLISHMENT OF AN INTERNATIONAL DEVELOPMENT ASSOCIATION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar 1867, Senate Resolution 264.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 264) favoring the establishment of an International Development Association in cooperation with the International Bank for Reconstruction and Development.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the resolution which had been reported from the Committee on Banking and Currency with an amendment.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I announce that the Senate will convene tomorrow morning at 10 o'clock and will have a morning hour. At the conclusion of the morning hour, the Senate will consider the resolution which has just been made the unfinished business.

It is also expected that the Senate will consider tomorrow Calendar No. 1762, House Concurrent Resolution 332, relative to the establishment of plans for the peaceful exploration of outer space, and perhaps also the resolution reported today by the Committee on Foreign Relations, which will be on the calendar tomorrow.

In addition, it is planned to have the Senate consider Calendar No. 1801, S. 4071, a bill to provide more effective price, production adjustment, and marketing programs for various agricultural commodities. I think perhaps that bill will be reached, if my information is correct, around the noon hour tomorrow.

I desired to have the Senate on notice that these measures are scheduled to be taken up tomorrow.

I announce also that on Thursday, July 24, the Prime Minister of Ghana will address the Senate.

THE UNION LABEL IS MISAPPLIED

Mr. McNAMARA. Mr. President, the Senate Select Committee on Improper Activities in the Labor and Management Field is continuing its investigation into alleged abuses in the labor-management area.

The fact that hoodlums and racketeers of one sort or another are brought before the committee tends to create the impression that all of them are directly linked to the legitimate labor movement or to legitimate management.

It is also suggested that new Federal laws are needed to prevent activities in which these hoodlums and racketeers are engaged; and such laws are proposed under the label of labor legislation.

I have long contended that there already are on the books of our States and the Federal Government sufficient laws to deal with crime—whether committed by someone connected with a union, management, a bank, or any other organization.

Crooks are crooks, and their crimes should be dealt with by law. These laws should be enforced by the appropriate authorities.

I cannot help but resent the urging, in the name of labor-management legislation, of the enactment of new Federal laws to prevent crime.

This view, I am happy to note, was supported recently by an editorial in the Detroit Free Press. Under the headline "Just a Straight Case of Felony," the editorial appeared in the Free Press of Saturday, July 19, 1958.

The editorial stated, in part:

> The labor bills under consideration in both the House and Senate have been designed primarily to eliminate abuses, many of them of the type being exposed by the McClellan committee.
>
> Yet, in a large sense, these abuses are not strictly labor matters, nor do they properly come within the scope of labor legislation.
>
> They should be a police matter, because crimes are involved. These crimes are only

perpetrated in the name of labor relations and really have no connection with the real labor movement.

* * * * *

Where laws are enforced, and hoodlums are dealt with for what they are, and not protected by the fiction they are union officials, it isn't really necessary to load Federal labor legislation with police powers and extraneous matter which has no true concern with legitimate labor relations.

Mr. President, I ask unanimous consent that the full text of the editorial be printed in the body of the RECORD, at the conclusion of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

UNION LABEL MISAPPLIED—JUST A STRAIGHT CASE OF FELONY

While it has been pretty much crowded off the front pages by the more dramatic events in the Middle East, the Senate McClellan committee investigating labor racketeering continues its work and produces some startling testimony.

Most of the hearings in the past few days relate to alleged racketeering in the Chicago area, and the parade of hoodlums who find the fifth amendment a convenient hiding place has been most revealing.

The testimony tends to link the underworld, including remnants of the old Capone gang, to a series of extortions, shakedowns, strong-arming, bombings, and all the other forms of terrorism which are associated with gangsterism.

All of this has been conducted, according to claims of committee investigators, behind a cloak of labor relations.

The hearings purport to show that the gangsters have infiltrated or created unions which they employ exclusively for their own financial gain.

Employers are forced under threats of extreme violence to sign contracts. Employees find themselves members of unions, paying dues, despite the fact they were never invited to join or agreed to join local unions. Their dues get them nothing except insurance against beatings or worse.

What is being disclosed about labor racketeering in Chicago will probably be repeted when the committee gets around to taking a look at practices in other cities.

The purpose behind the investigation is to produce facts upon which Congress can act in passing remedial legislation.

The labor bills under consideration both in the House and Senate have been designed primarily to eliminate abuses, many of them of the type being exposed by the McClellan committee.

Yet, in a large sense, these abuses are not strictly labor matters, nor do they properly come within the scope of labor legislation.

They should be a police matter, because crimes are involved. These crimes are only perpetrated in the name of labor relations and really have no connection with the real labor movement.

What should, perhaps, more properly be under investigation are the police departments, the district attorney, or prosecutors' offices, the courts, and the city and State administrations which enable gangsterism to flourish, whether under the guise of labor or as something else.

If employers and employees are made victims of shakedowns and extortion, it is only because law enforcement and public officials connive with the gangsters by allowing them to operate under the guise of labor leaders—a label which supposedly makes them immune to legal interference.

Where laws are enforced, and hoodlums are dealt with for what they are and not protected by the fiction they are union officials, it isn't really necessary to load Federal labor legislation with police power and extraneous matter which has no true concern with legitimate labor relations.

SMALL BUSINESS TAX ADJUSTMENT

Mr. SPARKMAN. Mr. President, yesterday the House passed House bill 13382, the Small Business Tax Revision Act of 1958. I wish to commend the Members of the other body for this positive step. It provides the Senate an opportunity to join with the House in providing for needed tax adjustment to eliminate discrimination against small business.

The measure passed yesterday by the House of Representatives is a step forward. However, it is my view that it fails to meet fully small business needs. Last year, our Small Business Committee went into this problem very carefully during our study of the tax problems of small business. I believe the proposed legislation developed by that study, Senate bill 3194, the Small Business Tax Adjustment Act of 1958, presents a more realistic plan for the tax relief of small business. Fifty Senators have joined in sponsoring that bill. I am hopeful that the Finance Committee will amend House bill 13382, so as to include the more important provisions of Senate bill 3194.

As I have stated in the past, I am making available to the Finance Committee all the information gathered by the Small Business Committee during its comprehensive tax study. I am also preparing a statement of my views on the House bill, which I shall present to the distinguished chairman of the Finance Committee. I wish to set out clearly the basic pattern for necessary tax adjustment, as I see it. I shall cooperate fully with that committee in its handling of this proposed legislation, in order that its reporting to the Senate and its consideration by the Senate may be expedited.

Mr. President, when I say it is my plan to do that, I believe that I am speaking for the entire membership of the Select Committee on Small Business, which has been unanimous in connection with this tax study.

I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, an article on the tax relief bill passed by the House of Representatives. The article was published today in the Wall Street Journal.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SMALL BUSINESS TAX RELIEF BILL PASSED BY HOUSE—SENATE IS EXPECTED TO CLEAR $260 MILLION MEASURE SUPPORTED BY ADMINISTRATION—BIG FIRMS MAY BENEFIT A BIT

WASHINGTON.—The House passed and sent to the Senate a $260 million small-business tax relief bill.

The measure, which has the support of the administration, is expected to clear the Senate before Congress adjourns. Administration and Congressional leaders, in adopting a no-tax-cut policy earlier this year, made an exception for small-business tax aid.

The measure includes a special 20 percent first-year depreciation deduction on certain amounts of new investment, easier estate-tax treatment, easier taxation of earnings accumulated by closely held businesses, and more advantageous tax treatment of both investments in small concerns and operating losses by small companies. The bill's provisions can, actually, be used by large companies as well as small, but because of restrictions on the amounts and methods of tax relief in the bill they will chiefly help small businesses.

PASSED WITH LITTLE DEBATE

House approval of the bill came on a voice vote after a minimum of debate. It passed exactly as reported by the Ways and Means Committee earlier this month.

In recommending the bill, the committee conceded it would not settle all small-business problems but constituted "a step, undertaken within the limits of the present fiscal requirements to deal with a few of the more important tax problems of small business." The panel noted Congress has "generally accorded a higher priority to expenditures than to tax reductions," and said this foreclosed the committee from recommending other worthwhile tax relief.

The most costly provision in the bill, involving about $175 million of loss to the Treasury the first year, is the liberal depreciation deduction designed to encourage small concerns to expand their investment. This would permit businesses to writeoff for tax purposes 20 percent of the cost of machinery, equipment, and other "tangible personal property" in the year of purchase.

To make this provision chiefly benefit small business, the fast writeoff would be available only for acquisitions of up to $10,000 a year, except where a husband and wife file a joint return where it would then apply up to $20,000. The remaining 80 percent would be depreciated under present rules. To be eligible, the property involved would have to have a useful life of 6 years or more and to have been acquired after December 31, 1957. The property could be either new or used when acquired.

PROVISION ON LOSSES

Another provision of the bill would permit any net operating loss for any year ending after December 31, 1957, to be carried back to reduce taxable income in any of 3 preceding years, instead of the 2 years currently permitted. This provision would cost about $50 million a year.

Individual investors in the stock of small businesses could count any losses as an ordinary loss for tax purposes, up to a limit of $25,000 for individuals or $50,000 a year in the case of joint returns. Present law requires such losses to be considered capital losses, far less valuable for tax purposes. Various restrictions would be specified to make the provision applicable only to smaller businesses.

Other provisions would increase to $100,000 from the present $60,000, the amount of earnings that a closely held corporation could accumulate without risking stiff penalty taxes and would permit estate taxes to be spread out over 10 years where the estate consists of investments in closely held businesses.

TECHNICAL CHANGES IN EXCISE TAX LAWS—AMENDMENT

Mr. NEUBERGER. Mr. President, ever since the enactment of the Federal truck-use tax as part of the Federal highway program of 1956, operators of logging trucks in Oregon have expressed to me their objections to the rules under which this tax is applied with respect to trucks that are operated only part of any calendar year.

The law provides that the tax is an annual tax for each year, beginning July 1. If the first use of the truck occurs in

a month subsequent to July, no tax need be paid for the months between July 1 and the first day of the month of first use. In other words, if an operator purchases a new truck in January, he need pay the use tax for only 6 of the 12 months. On the other hand, if a truck is used in July, the tax is payable for the full year, even though the truck may, because of the nature of the logging business, which is seasonal, stand idle for 3 or 4 or more months during the winter.

In other words, log-truck operators in the Pacific Northwest believe that the principle of pro rating this use tax over the months of actual use should be applied in such a way that it does not discriminate against businesses whose months of operation happen to fall in the summertime, whereas the business of the log-truck operators is shut down in the winter.

This problem, and the possible solutions to it, have been set forth in some detail in correspondence among a number of interested persons, including the chairman of the Senate Committee on Finance, the senior Senator from Virginia, Mr. Byrd; the chief of staff of the Joint Committee on Internal Revenue Taxation, Mr. Colin F. Stam; Representative Charles O. Porter, of the Fourth District of Oregon; Mr. Dan Throop Smith, Deputy to the Secretary of the Treasury; and myself.

I shall not take time to review the matter at this time. In brief, it appears that the fairest and most practical possible solution lies in amending the statute so as to permit any operator to select the beginning date of the taxable year, for purposes of this truck-use tax. By selecting a date at the start of the normal, annual period during which the vehicle stands idle, the operator could thus save the tax with respect to the idle months, and would pay only the pro rated portion for the months following the first annual use of the vehicle.

I have had proposed legislation to this effect drafted by the Senate Legislative Counsel; and I am submitting it today as an amendment to House bill 7125, which proposes technical changes in the Federal excise-tax laws. I hope my amendment will be considered by the Committee on Finance when it takes up the bill in executive session in the near future.

I ask unanimous consent that, in explanation of my amendment, there be printed in the RECORD a letter, dated May 9, 1957, from me to the chairman of the committee; a letter, dated June 24, 1957, to the chairman from Mr. Colin F. Stam, chief of staff of the Joint Committee on Internal Revenue Taxation; a letter, dated May 6, 1958, to the chairman from Mr. Dan Throop Smith, Deputy to the Secretary of the Treasury and this letter comments on comparable recommendations made by Representative CHARLES O. PORTER, of Oregon; and the text of my amendment.

The PRESIDING OFFICER. The amendment will be received, printed, and referred to the Committee on Finance; and, without objection, the letters and amendment will be printed in the RECORD.

The letters and amendment are as follows:

MAY 9, 1957.

Hon. HARRY F. BYRD,
Chairman, Committee on Finance,
United States Senate, Washington, D. C.

DEAR SENATOR BYRD: Since the enactment of the new Federal highway program with its tax provisions last year, I have received protests from the operators of logging trucks in Oregon against the manner in which the new annual use tax is computed on heavy trucks of more than 26,000 pounds taxable gross weight.

The tax is an annual tax imposed for each year beginning July 1, with provisions for prorating the tax on vehicles used less than the whole year only if the first use of the vehicle occurred subsequent to July 1. The choice of this date as the only basis for the proration formula has serious adverse tax impact on the operators of vehicles such as logging trucks, which are used only during the summer months.

For example, I have been told of a typical logging operation in which a heavy truck is used during the months of May through August, or 4 months during the year. By using this truck only during the months of May and June, the operator can save ten-twelfths of the use tax, because his initial use during the taxable year occurs only during the next to the last month of the year beginning July 1. If the truck is operated from May to August, however, the initial use in any given year will be on July 1, and the tax will be increased sixfold on only twice the months of operation.

It is apparent that the present formula can act as a discriminatory burden on operations such as logging, which need very heavy highway equipment only during the summer months. I want to bring this problem to your attention in the hope that, when appropriate matters of excise taxation next come before the Senate, the Committee on Finance may want to consider a revision in this formula which will make possible proration of this use tax on a monthly basis without respect to any specific initial date of use; or, if there are reasons why this is not a desirable solution, then perhaps another means could be devised for overcoming the problem.

With best personal regards,
Sincerely,

RICHARD L. NEUBERGER.

CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON INTERNAL REVENUE TAXATION,
Washington, June 24, 1957.

Hon. HARRY F. BYRD,
United States Senate,
Washington, D. C.

DEAR SENATOR BYRD: Senator NEUBERGER, in the attached letter you forwarded to this office, indicates that he has received protests from operators of logging trucks in Oregon against the manner in which the new annual use tax is computed on heavy trucks of more than 26,000 pounds taxable gross weight.

Senator NEUBERGER points out that the tax is an annual tax imposed for each year beginning July 1, with provisions for prorating the tax on vehicles used less than a whole year if the first use of the vehicle occurs a month or more after July 1. He indicates that the selection of this July 1 date as the only basis for the proration formula has a serious adverse tax impact on operators of certain vehicles, such as logging trucks which may be used largely during the months of May through August.

The highway use tax in providing relief for nonuse only during the forepart of the year was patterned upon other occupational taxes already in effect, namely, the annual taxes on billiard tables, bowling alleys, and pool tables, and also the annual taxes on coin-operated devices. In addition, this proration formula is substantially the same as that provided in connection with the auto use tax imposed during World War II.

There appears to be considerable justification for providing the same treatment for a taxpayer who does not use his truck during the latter part of the fiscal year as for the taxpayer who does not use it during the forepart of the year. However, there are more problems in this second case. While it is possible merely to collect only a pro rata portion of the tax where a truck is not used in the forepart of the year based upon events which have already occurred, nonuse during the latter part of the year presumably would require the initial payment of the entire tax with subsequent refunds of a part of the tax where it could be established that there had been nonuse in the latter part of the year. This would represent the first use of refunds in connection with this truck tax and, therefore, to some extent would increase the administrative burdens of the Internal Revenue Service. Probably more important than the establishment of the refund procedure itself, however, is the burden which would be imposed on the Service of determining that there actually had been no use during some portion of the year. In addition, if a refund procedure were to be adopted, it probably would not be desirable to refund on the basis of nonuse for any shorter period than a month, and thus those who use trucks intermittently, but during each month, could claim discrimination as between those who use the trucks for only during certain months of the year.

Problems of the type with which Senator NEUBERGER is concerned probably could be provided for merely by a different beginning date for the tax year with respect to the truck-use tax. One possibility would be to change this year either to a calendar year or perhaps to one which begins on October 1. Another alternative would be to permit taxpayers to select the first of any month as the beginning of their own fiscal year for purposes of the truck-use tax. This latter alternative, while spreading the tax payments over much of the year, would appear to be more adaptable to the varying truck uses which may occur.

This is a problem which has not as yet been explored with the Treasury Department, but is one I shall be glad to call to the attention of the Senate Finance Committee when the committee considers H. R. 7125, the excise tax technical changes bill of 1957.

Sincerely yours,

COLIN F. STAM,
Chief of Staff.

OFFICE OF THE SECRETARY OF THE TREASURY,
Washington.

Hon. HARRY F. BYRD,
Chairman, Committee on Finance,
United States Senate,
Washington, D. C.

DEAR SENATOR BYRD: In your absence, Mrs. Springer forwarded to me for comment a copy of a letter sent to you by Representative PORTER with respect to the truck weight tax.

Mr. PORTER, speaking for the log-truck operators in Oregon, believes that the truck weight tax is unfair to such operators because they operate on a seasonal basis and thus pay tax for months they are not in operation. As an alternative to the present method of paying the truck weight tax, that is, for the part of the Federal fiscal year beginning with the first month in which a truck is used on the public highway, he suggests that the beginning date for the taxable year might be changed from July 1, or alternately, that truckers be given the option

of selecting the month that they wish to use as the beginning of their fiscal year.

The argument of discrimination against seasonal operators has been raised in a number of cases, usually involving the hauling of raw materials or agricultural commodities. As a result there have been suggestions that truck operators be required to pay tax only for the months or quarters they operate on the public highway. As you know, this possibility was discussed and rejected by your committee during consideration of the Highway Revenue Act of 1956. The Treasury Department was opposed to the suggestion at that time and still is. As a matter of record, however, I might explain the basis for our position.

Insofar as trucks are not operated on the public highways during the first part of the fiscal year, tax is not required for this period under present law, since tax is due only for the period of the fiscal year beginning with the first month in which a truck is used on the public highways. There is thus a certain differential treatment as between various seasonal operators under present law depending on the part of the fiscal year in which their operations fall. However, the Treasury would be faced with a difficult administrative problem if seasonal operators could pay tax only for their actual months of operation on the highways. The reason for this is that operation of a truck on the public highways requires a State license. This is a determinable fact which aids the Department in determining the beginning of the period for which tax is due by individual operators. However, the converse situation of not using a truck on the public highways once it has been licensed to do so during a given year is not a clearly determinable factor, since a truck may be taken off the highways without the necessity of reporting to any State authority.

Mr. PORTER's suggestion that operators might be permitted to select the month that they wish to use as the beginning of their fiscal year obviously is intended to avoid the problem just mentioned, for truckers would, once tax had become due, pay for the rest of the fiscal year. While this suggestion would provide a greater equality of treatment between differently situated seasonal operators, we question whether the advantages to be obtained would overweigh the lack of system for administrative purposes. There are a number of other taxes, such as those on coin-operated devices, bowling alleys, and liquor dealers which are due at the beginning of the fiscal year in the same manner as the truck weight tax. If special provision were made for truckers to select their own fiscal years, operators in the other areas subject to annual taxes and conducting operations on a seasonal basis could justifiably ask for the same type of treatment. The Department, therefore, would be faced with an extensive recordkeeping and checking problem to keep track of the different fiscal years, which does not now exist.

Mr. PORTER's alternative suggestion that the beginning date of the taxable year might be changed for all truckers does not seem to us to offer any solution to the complaint of seasonal operators. The differences in working times for different products and different parts of the country are such that no one date would give equal treatment to all.

The maximum tax differential which is at issue is relatively small compared to the scope of operations of taxable trucks. The logging operators, for instance, use very large trucks which are subject to the maximum tax of $90 per year. The tax saving which they seek is only part of this. In view of the value and earning capacity of a truck of 60,000 pounds gross weight, or larger, as compared to the tax, the differential tax treatment of various seasonal operators does not seem likely to be a significant discrimination.

We appreciate having the opportunity of commenting on Mr. PORTER's suggestions.

Sincerely yours,

DAN THROOP SMITH,
Deputy to the Secretary.

On page 84, after line 2, insert the following:

"SEC. 154. Tax on use of certain highway motor vehicles.

"(a) Definition of year: Section 4482 (c) (2) (definition of year for purposes of the tax on use of certain vehicles) is amended to read as follows:

"'(2) Year: The term "year" means the 1-year period beginning on the first day of the month selected by the taxpayer.'

"(b) Proration of tax: Section 4481 (c) (proration of tax) is amended to read as follows:

"'(c) Proration of tax: If the first use of the highway motor vehicle is after the last day of the first month of the taxpayer's year, the tax shall be reckoned proportionately from the first day of the month in which such use occurs to and including the last day of such year. If the tax imposed by this section has been paid with respect to the highway motor vehicle by another taxpayer for any month in the taxpayer's year, the tax imposed by this section shall be reduced proportionately for each month with respect to which such tax has been paid.'

"(c) Technical amendment: Section 4481 is amended by striking out subsection (d)."

ADJOURNMENT TO 10 O'CLOCK A. M. TOMORROW

Mr. HUMPHREY. Mr. President, if there is no further business to come before the Senate, I move that, under the order previously entered, the Senate stand in adjournment until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 7 o'clock and 10 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Wednesday, July 23, 1958, at 10 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate July 22, 1958:

IN THE NAVY

Adm. Robert P. Briscoe, United States Navy, to be placed on the retired list with the rank of admiral under the provisions of title 10, United States Code, section 5233.

Having designated, under the provisions of title 10, United States Code, section 5231, Vice Adm. Charles R. Brown, United States Navy, for commands and other duties determined by the President to be within the contemplation of said section, I nominate him to have the grade, rank, pay, and allowances of admiral while so serving.

Having designated, under the provisions of title 10, United States Code, section 5231, Rear Adm. Clarence E. Ekstrom, United States Navy, for commands and other duties determined by the President to be within the contemplation of said section, I nominate him to have the grade, rank, pay, and allowances of vice admiral while so serving.

HOUSE OF REPRESENTATIVES

TUESDAY, JULY 22, 1958

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Hebrews 13: 6: *The Lord is my helper, and I will not fear what man shall do unto me.*

Almighty God, may this moment of prayer inspire us with a new awareness of our spiritual resources.

Show us how we may lift and lessen the burdens and fears which weigh so heavily on many members of the human family.

Grant that we may be the messengers and mediators of hope and helpfulness in solving difficult national and international problems.

We pray that all who hold positions of leadership in the affairs of government may be the honored servants of the Lord in guiding our Nation and all mankind in the ways of righteousness.

May the legislation that we are seeking to propose and enact here redound to Thy glory and the welfare of humanity.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 7902. An act to authorize travel and transportation allowances in the case of certain members of the uniformed services;

H. R. 10321. An act to authorize the Secretary of Agriculture to exchange lands comprising a portion of the Estes Park Administrative Site, Roosevelt National Forest, Colorado, and for other purposes;

H. R. 11253. An act to authorize the Secretary of Agriculture to exchange land and improvements with the city of Redding, Shasta County, Calif., and for other purposes;

H. R. 11504. An act to amend title 10 of the United States Code to permit enlisted members of the Naval Reserve and Marine Corps Reserve to transfer to the Fleet Reserve and the Fleet Marine Corps Reserve on the same basis as members of the regular components.

H. R. 11626. An act to amend section 6911 of title 10, United States Code, to provide for the grade, procurement, and transfer of aviation cadets;

H. R. 11700. An act to authorize civilian personnel of the Department of Defense to carry firearms; and

H. R. 12161. An act to provide for the establishment of townsites, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 11636. An act to repeal section 6018 of title 10, United States Code, requiring the Secretary of the Navy to determine that the employment of officers of the Regular Navy on shore duty is required in the public interest; and

H. R. 12628. An act to amend title VI of the Public Health Service Act to extend for an additional 3-year period the Hospital Survey and Construction Act.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 2933. An act to extend the life of the Alaska International Rail and Highway Commission and to increase its authorization;

S. 3248. An act to authorize the Secretary of Agriculture to exchange lands comprising the Pleasant Grove Administrative Site, Uinta National Forest, Utah, and for other purposes;

S. 3439. An act providing for the reconveyance to Salt Lake City, Utah, of the Forest Service fire warehouse lot in that city;

S. 3741. An act to facilitate administration and management by the Secretary of Agriculture of certain lands of the United States within national forests;

S. 3951. An act to amend the act of June 7, 1897, as amended, and section 4233A of the Revised Statutes, so as to authorize the Secretary of the Treasury to prescribe day signals for certain vessels, and for other purposes;

S. 4004. An act to encourage and authorize details and transfers of Federal employees for service with international organizations; and

S. J. Res. 106. Joint resolution to establish a commission to investigate the utilization of the radio and television frequencies allocated to the agencies and instrumentalities of the Federal Government.

MILITARY CONSTRUCTION, DEPARTMENT OF DEFENSE, APPROPRIATION, 1959

Mr. SHEPPARD, from the Committee on Appropriations, reported the bill (H. R. 13489) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1959, and for other purposes (H. Rept. No. 2238), which was read the first and second time and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. JONAS reserved all points of order on the bill.

PRIVATE CALENDAR TO BE CALLED ON TUESDAY, JULY 29

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it may be in order on Tuesday, July 29, for the Private Calendar to be called.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

LEGISLATIVE BUSINESS UNDER SUSPENSION OF THE RULES ON TUESDAY, JULY 29

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it may be in order on Tuesday, July 29, for the Speaker to recognize for suspension of the rules.

The SPEAKER. Is there objection ot the request of the gentleman from Massachusetts?

There was no objection.

AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT

Mrs. SULLIVAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

Mrs. SULLIVAN. Mr. Speaker, a rollcall vote has been demanded for tomorrow on S. 3420, to extend and amend the Agricultural Trade Development and Assistance Act of 1954—Public Law 480—which we debated briefly yesterday under suspension of the rules.

Members from urban areas, particularly, should vote against passage of this bill under suspension and insist it be brought before the House in the regular order so that it can be amended to include a food stamp plan.

I call to the attention of all Members with substantial numbers of constituents who are on public assistance a tabulation which I placed in the RECORD yesterday at page 14458. Members from Alabama, Florida, Georgia, Louisiana, North and South Carolina, Tennessee, Texas, and Virginia will be startled and impressed, I am sure, by the information shown for their States. They will see at a quick glance why the needy of their States should have a better method of distribution of surplus food.

Public Law 480 is a food stamp plan for the whole world—except for our own hungry.

I call to the attention of Members from other States—particularly to the Democrats from city districts with high unemployment—the facts about their States in that tabulation on page 14458 of yesterday's RECORD. I refer to the delegations from California, Colorado, Illinois, Indiana, Kentucky, Maryland, Massachusetts, Minnesota, Missouri, Montana, New Jersey, New York, Ohio, Oregon, Pennsylvania, Rhode Island, Washington, and Wisconsin. Each of those States has thousands upon thousands of needy persons—people on public welfare—who get no surplus food under the present distribution program.

Mr. Speaker, the reason a food-stamp plan has not been reported out by the Committee on Agriculture is that the Republicans on that committee invoked a Soviet Russian type of veto by rushing out of committee meeting so no quorum would be present. I do not think the needy of our cities should be denied a food-stamp plan as a result of such a veto.

Mr. Speaker, I urge those Members who look up the tabulation I refer to in yesterday's RECORD to do one more thing: Look up another tabulation I am placing in the RECORD showing that we donate to needy persons abroad nearly four times as much free food as we do to our own needy. Why not also take care of our own desperately poor?

UNITED STATES PAVILION AT BRUSSELS WORLD FAIR

Mr. MORANO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. MORANO. Mr. Speaker, I have not been one of the Americans who have heaped general criticism on our United States pavilion at the Brussels World Fair.

However, I have from the very beginning urged that a more representative group of American painters be exhibited than the collection of unknown artists and abstract paintings which were chosen for display.

Some time ago, Commissioner General Howard Cullman informed me that collections of great American artists had been acquired and would be displayed in addition to the existing exhibition at our pavilion. These were to be in the United States Ambassador's official residence in Brussels, and the Commissioner General's office at the fair.

The uselessness of this arrangement was brought home to me just 1 month ago when visitors to the fair complained that the great majority of Europeans and most American visitors had no access to either exhibit.

I remarked on the foolishness of this secret exhibit on the House floor, and urged that these paintings be displayed for all to see.

Today I am happy to learn that a good representative group of American paintings acquired from the Whitney Museum in New York will be moved from the Commissioner General's office into the main pavilion.

I am sure all Americans will applaud this move.

MEDAL FOR DISTINGUISHED CIVILIAN ACHIEVEMENT

Mr. WAINWRIGHT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WAINWRIGHT. Mr. Speaker, my colleague and good friend from New Jersey, FRANK THOMPSON, and I are cosponsors of a proposal to provide a Medal for Distinguished Civilian Achievement. Originally President Eisenhower proposed a commission to award our outstanding scientists, artists, authors, and other creative people in the field of the arts. This measure, which I introduced, was defeated by the House Education and Labor Committee on the grounds that the commission might have Communists on it, despite the fact that it passed the Senate unanimously.

The Medal for Distinguished Civilian Achievement, while not as desirable as the original proposal, is a positive and constructive step in the right direction. England has her Royal Academy of Arts

and Sciences, France has her National Academy of Sciences, and Russia has gone out of its way to pay tribute to those who make great contributions to the advancement of our civilization, particularly in the fields of the arts and sciences. For some extraordinary reason Members of Congress tend to be suspicious of this sort of thing. How ridiculous. National recognition for those in our society who make outstanding contributions serves the national weal—a subject in which we are especially aroused at this time. My congratulations to Mr. THOMPSON for his energy in having brought this to a vote.

INDEPENDENT OFFICES APPROPRIATION BILL, 1958—CONFERENCE REPORT

Mr. THOMAS. Mr. Speaker, I call up the conference report on the bill (H. R. 11574) making appropriations for the sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices for the fiscal year ending June 30, 1959, and for other purposes, and I ask unanimous consent that the statement be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 2237)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11574) making appropriations for the sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices for the fiscal year ending June 30, 1959, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 6, 14, 19, 40, 43, 48, 49, 53, 54, 55, 59, 64, 67, 69, 75, 76, 77, 79 and 82.

That the House recede from its disagreement to the amendments of the Senate numbered 8, 15, 16, 18, 22, 25, 33, 41, 61, 62, 63, and 73, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$8,000"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$932,500"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$18,500,000"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$500,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$375,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment and in lieu of the sum named therein insert "$321,400"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$255,250"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,975,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$247,000"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$136,539,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$14,000,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$3,750,000"; and the Senate agree to the same.

Amendment numbered 24: That the House cede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,460,000"; and the Senate agree to the same.

Amendment numbered 26: That the House cede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$132,500"; and the Senate agree to the same.

Amendment numbered 27: That the House cede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$18,765,000"; and the Senate agree to the same.

Amendment numbered 28: That the House cede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"GENERAL SUPPLY FUND

"To increase the general supply fund established by the Federal Property and Administrative Services Act of 1949, as amended (5 U. S. C. 630g), $6,250,000."

And the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$54,500"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$7,443,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$62,750"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,850,000"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,362,000"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$96,000"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$3,000,000"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$11,043,000"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$184,000"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$425,000"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,250,000"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$300"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree

to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment insert "thirty-four"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,225,000"; and the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$17,000,000"; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,000,000"; and the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$412,500"; and the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment insert "purchase of 15 passenger motor vehicles, of which fourteen shall be for replacement only"; and the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$300,000"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$130,000,000"; and the Senate agree to the same.

Amendment numbered 60: That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$245,000"; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$26,000,000; and the Senate agree to the same.

Amendment numbered 66: That the House recede from its disagreement to the amendment of the Senate numbered 66, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$15,344,000"; and the Senate agree to the same.

Amendment numbered 68: That the House recede from its disagreement to the amendment of the Senate numbered 68, and agree to the same with an amendment, as follows: In lieu of the number proposed by said amendment insert "140,490"; and the Senate agree to the same.

Amendment numbered 70: That the House recede from its disagreement to the amendment of the Senate numbered 70, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$75,399,000"; and the Senate agree to the same.

Amendment numbered 71: That the House recede from its disagreement to the amendment of the Senate numbered 71, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,055,000"; and the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert "or in accordance with part D of title V of the Veterans' Benefits Act of 1957,"; and the Senate agree to the same.

Amendment numbered 74: That the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$19,295,000"; and the Senate agree to the same.

Amendment numbered 78: That the House recede from its disagreement to the amendment of the Senate numbered 78, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$50,000"; and the Senate agree to the same.

Amendment numbered 81: That the House recede from its disagreement to the amendment of the Senate numbered 81, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$137,500"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1, 17, 20, 58, and 80.

ALBERT THOMAS,
SIDNEY R. YATES,
JOE L. EVINS,
EDWARD P. BOLAND,
CLARENCE CANNON,
C. W. VURSELL,
HAROLD C. OSTERTAG,
CHARLES R. JONAS,
JOHN TABER,
Managers on the Part of the House.

WARREN G. MAGNUSON,
LISTER HILL,
ALLEN J. ELLENDER,
A. WILLIS ROBERTSON,
RICHARD B. RUSSELL,
JOHN L. MCCLELLAN,
EVERETT M. DIRKSEN,
LEVERETT SALTONSTALL,
KARL E. MUNDT,
CHARLES E. POTTER,
MILTON R. YOUNG,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11574) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1959, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE I—INDEPENDENT OFFICES

Civil Service Commission

Amendment No. 1: Reported in disagreement.

Federal Civil Defense Administration

Amendment No. 2: Authorizes $8,000 for the purchase of newspapers, periodicals, and teletype news services instead of $6,000 as proposed by the House and $10,000 as proposed by the Senate.

Amendment No. 3: Authorizes $932,500 for expenses of travel instead of $815,000 as proposed by the House and $1,050,000 as proposed by the Senate.

Amendment No. 4: Appropriates $18,500,000 for civil defense operations instead of $18,250,000 as proposed by the House and $21,915,000 as proposed by the Senate.

Amendment No. 5: Makes $500,000 available for transfer to other agencies for financing delegated responsibilities instead of $250,000 as proposed by the House and $2,915,000 as proposed by the Senate.

Amendment No. 6: Appropriates $2,000,000 for civil defense research and development as proposed by the House instead of $3,000,000 as proposed by the Senate.

Federal Communications Commission

The committee of conference agrees the Commission should have flexibility in assigning personnel in order to clear backlogs in all phases of its work.

Federal Power Commission

Amendment No. 7: Authorizes $375,000 for expenses of travel instead of $350,000 as proposed by the House and $400,000 as proposed by the Senate.

Amendment No. 8: Appropriates $6,385,000 for salaries and expenses as proposed by the Senate instead of $6,000,000 as proposed by the House.

Amendment No. 9: Restores House language relating to funds for Federal river development projects amended to provide $321,400 for such purpose.

Federal Trade Commission

Amendment No. 10: Authorizes $255,250 for expenses of travel instead of $251,250 as proposed by the House and $259,250 as proposed by the Senate.

Amendment No. 11: Appropriates $5,975,000 for salaries and expenses instead of $5,950,000 as proposed by the House and $6,000,000 as proposed by the Senate.

General Services Administration

Amendments Nos. 12 and 13: Authorize $247,000 for expenses of travel instead of $222,000 as proposed by the House and $272,000 as proposed by the Senate; and appropriate $136,539,000 for operating expenses of the Public Buildings Service instead of $133,039,000 as proposed by the House and $138,089,000 as proposed by the Senate.

Amendment No. 14: Deletes language proposed by the Senate authorizing the cost of temporary space, moving and other costs to be financed from the appropriation for sites and expenses of public buildings projects. The committee of conference is agreed that the General Services Administration should stop the demolition of temporary buildings in the District of Columbia that are not now in the demolition stage until the world situation clarifies itself.

Amendment No. 15: Appropriates $39,915,000 for sites and expenses of public buildings projects as proposed by the Senate instead of $38,000,000 as proposed by the House. Among the projects approved in the sites and planning item are the proposed Federal buildings and courthouse in Chicago, Ill.

Amendment No. 16: Strikes out House language relating to the use of funds for Federal office building numbered 7 in the District of Columbia as proposed by the Senate.

Amendment No. 17: Reported in disagreement.

Amendment No. 18: Appropriates $152,810,000 for construction of public buildings projects by direct appropriation as proposed by the Senate instead of $177,255,000 as proposed by the House. The limit of cost approved by the conferees for the building at Dunseith, N. Dak., is $250,000.

Amendment No. 19: Restores House language relating to the project at Milledgeville, Ga.

Amendment No. 20: Reported in disagreement.

Amendment No. 21: Appropriates $14,000,000 for construction of Federal office building numbered six in the District of Columbia instead of $14,750,000 as proposed by the Senate.

Amendment No. 22: Appropriates $1,200,000 for preparation of plans and specifications for the United States Court of Claims and Federal Office Building, Washington, D. C., as proposed by the Senate.

Amendment No. 23: Appropriates $3,750,000 for construction of the United States Mission Building, New York City, instead of $3,975,000 as proposed by the Senate.

Amendment No. 24: Appropriates $3,460,000 for operating expenses of the Federal Supply service instead of $3,360,000 as proposed by the House and $3,560,000 as proposed by the Senate.

Amendment No. 25: Corrects a typographical error.

Amendments Nos. 26 and 27: Authorize $132,500 for expenses of travel instead of $120,000 as proposed by the House and $145,000 as proposed by the Senate; and appropriate $18,765,000 for expenses of supply distribution instead of $18,165,000 as proposed by the House and $19,365,000 as proposed by the Senate.

Amendment No. 28: Appropriates $6,250,000 to increase the capital in the general supply fund instead of $12,500,000 as proposed by the Senate.

Amendments Nos. 29 and 30: Authorize $54,500 for expenses of travel instead of $50,000 as proposed by the House and $59,000 as proposed by the Senate; and appropriate $7,443,000 for the National Archives and Records Service instead of $7,293,000 as proposed by the House and $7,615,000 as proposed by the Senate The amount approved includes $60,000 for the microfilming of Confederate soldiers' service records, and $90,000 for the payment of space and related costs at the Franconia, Virginia, records center.

Amendments Nos. 31 and 32: Authorize $62,750 for expenses of travel instead of $60,000 as proposed by the House and $65,500 as proposed by the Senate; and appropriate $1,850,000 for the Transportation and Public Utilities Service instead of $1,800,000 as proposed by the House and $1,900,000 as proposed by the Senate.

Amendment No. 33: Inserts technical language proposed by the Senate and deletes language proposed by the House.

Amendments Nos. 34 and 35: Authorize $3,362,000 for operating expenses for the strategic and critical materials program instead of $3,324,000 as proposed by the House and $3,400,000 as proposed by the Senate; and authorize $96,000 for expenses of travel instead of $86,000 as proposed by the House and $106,000 as proposed by the Senate.

Amendment No. 36: Appropriates $3,000,000 instead of $80,500,000 as proposed by the Senate. The conferees have approved $3,000,000 for the discretionary use of GSA for upgrading materials if it is worthwhile. If it is not the funds should not be spent. The $70,000,000 included by the Senate to complete reimbursement to the Commodity Credit Corporation for strategic materials has been denied in order that this phase of the stockpile program may be fully investigated and may be presented in connection with a supplemental appropriation bill.

Amendments Nos. 37 and 38: Authorize $11,043,000 for administrative operations instead of $10,700,000 as proposed by the House and $11,386,000 as proposed by the Senate; and authorize $184,000 for expenses of travel instead of $170,000 as proposed by the House and $198,000 as proposed by the Senate.

Housing and Home Finance Agency

Amendment No. 39: Authorizes $425,000 for expenses of travel of the Office of the Administrator instead of $400,000 as proposed by the House and $450,000 as proposed by the Senate.

Amendment No. 40: Appropriates $8,000,000 for salaries and expenses of the Office of the Administrator as proposed by the House instead of $8,750,000 as proposed by the Senate.

Amendment No. 41: Deletes language proposed by the House relating to funds for administrative expenses of urban-renewal programs. While the conferees have deleted the language earmarking $6,000,000 for administrative expenses of urban renewal, they favor the program.

Amendment No. 42: Appropriates $3,250,000 for urban planning grants instead of $3,000,000 as proposed by the House and $3,500,000 as proposed by the Senate.

Amendment No. 43: Deletes $100,000 proposed by the Senate for farm-housing research.

Interstate Commerce Commission

Amendment No. 44: Authorizes $300 for purchase of newspapers instead of $200 as proposed by the House and $400 as proposed by the Senate.

Amendment No. 45: Authorizes purchase of thirty-four passenger motor vehicles instead of twenty-seven as proposed by the House and thirty-seven as proposed by the Senate.

Amendment No. 46: Authorizes $1,225,000 for expenses of travel instead of $1,200,000 as proposed by the House and $1,250,000 as proposed by the Senate.

Amendment No. 47: Appropriates $17,000,000 for salaries and expenses instead of $16,750,000 as proposed by the House and $17,250,000 as proposed by the Senate.

Amendments Nos. 48 and 49: Delete language proposed by the Senate.

National Advisory Committee for Aeronautics

Amendment No. 50: Authorizes $1,000,000 for special investigations and reports instead of $500,000 as proposed by the House and $1,500,000 as proposed by the Senate.

Amendment No. 51: Authorizes $412,000 for expenses of travel instead of $402,500 as proposed by the House and $422,500 as proposed by the Senate.

Amendment No. 52: Authorizes purchase of fifteen passenger motor vehicles instead of fourteen as proposed by the House and sixteen as proposed by the Senate.

Amendment No. 53: Appropriates $78,100,000 for salaries and expenses as proposed by the House instead of $80,100,000 as proposed by the Senate. The conferees have agreed on the House allowance of $78,100,000, taking cognizance of the fact that the new space agency recently created by the Congress will absorb the NACA and will require additional funds over and above the Senate proposal.

Amendment No. 54: Appropriates $23,000,000 for construction and equipment as proposed by the House instead of $26,220,000 as proposed by the Senate for the same reasons as noted in amendment No. 53.

National Capital Housing Authority

Amendment No. 55: Restores House language appropriating $38,000 for operation and maintenance of properties.

National Science Foundation

Amendment No. 56: Authorizes $300,000 for expenses of travel instead of $275,000 as proposed by the House and $325,000 as proposed by the Senate.

Amendment No 57: Appropriates $130,000,000 for salaries and expenses of the Foundation instead of $115,000,000 as proposed by the House and $140,000,000 as proposed by the Senate. The conferees have approved $5,000,000 for a solar research telescope including the access road, and $1,500,000 for providing financial support for computer facilities. Funds for the Southern Hemisphere astrograph are not allowed and funds for support of research reactors should be provided by the Atomic Energy Commission. In connection with proposed new programs, the Foundation should develop only the most promising ones and distribute funds wisely. If after further study a program is of doubtful value, it should not be started.

Amendment No. 58: Reported in disagreement. The managers will recommend $1,000,000 for the complete cost of an access road to the optical observatory on Kitt Peak, Arizona.

Amendment No. 59: Restores House language relating to high school science and mathematics teachers.

Securities and Exchange Commission

Amendments Nos. 60 and 61: Authorize $245,000 for expenses of travel instead of $230,000 as proposed by the House and $260,000 as proposed by the Senate; and appropriate $7,100,000 for salaries and expenses as proposed by the Senate instead of $6,800,000 as proposed by the House.

Selective Service System

Amendment No. 62: Deletes House language earmarking funds for local boards.

Veterans' Administration

Amendment No. 63: Deletes House language authorizing the purchase of an automobile.

Amendment No. 64: Appropriates $147,500,000 for general operating expenses as proposed by the House instead of $149,582,000 as proposed by the Senate.

Amendments Nos. 65 and 66: Appropriate $26,000,000 for medical administration and miscellaneous operating expenses instead of $21,000,000 as proposed by the House and $28,281,000 as proposed by the Senate; and authorize $15,344,000 for medical research instead of $10,344,000 as proposed by the House and $17,144,000 as proposed by the Senate.

Amendment No. 67: Appropriates $715,465,000 for inpatient care as proposed by the House instead of $717,267,000 as proposed by the Senate.

Amendment No. 68: Authorizes care for 140,490 beneficiaries instead of 140,800 as proposed by the House and 139,630 as proposed by the Senate.

Amendment No. 69: Deletes language proposed by the Senate.

Amendment No. 70: Appropriates $75,399,000 for outpatient care instead of $75,000,000 as proposed by the House and $75,798,000 as proposed by the Senate.

Amendment No. 71: Appropriates $2,055,000 for maintenance and operation of supply depots instead of $2,000,000 as proposed by the House and $2,110,000 as proposed by the Senate.

Amendments Nos. 72 and 73: Insert language proposed by the Senate relative to the method of payment of Grants to the Republic of the Philippines in accordance with recent legislation; and appropriate $1,250,000 as proposed by the Senate instead of $1,000,000 as proposed by the House.

Amendment No. 74: Appropriates $19,295,000 for construction of hospital and domiciliary facilities instead of $19,145,000 as proposed by the House and $19,445,000 as proposed by the Senate. The limit of cost for each unit of housing at Fargo, N. Dak., is not to exceed $15,000.

Amendments Nos. 75 and 76: Delete language proposed by the Senate regarding advance payments and miscellaneous receipts.

TITLE II—CORPORATIONS

Amendment No. 77: Authorizes $25,000 for administrative expenses of the Federal Facilities Corporation as proposed by the House instead of $40,000 as proposed by the Senate.

Amendment No. 78: Authorizes $50,000 for administrative expenses of Reconstruction Finance Corporation liquidation instead of $42,500 as proposed by the House and $54,000 as proposed by the Senate.

Amendment No. 79: Authorizes $400,000 for administrative expenses related to public facility loans as proposed by the House instead of $525,000 as proposed by the Senate.

Amendment No. 80: Reported in disagreement.

Amendment No. 81: Authorizes $137,500 for expenses of travel of the Federal National Mortgage Association instead of $125,000 as proposed by the House and $150,000 as proposed by the Senate.

Amendment No. 82: Authorizes $1,800,000 for nonadministrative expenses of the Public Housing Administration instead of $2,122,000 as proposed by the Senate.

ALBERT THOMAS,
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CHARLES R. JONAS,
JOHN TABER,
Managers on the Part of the House.

Mr. THOMAS. Mr. Speaker, I do not think there is anything in this conference report that will give anybody any trouble. We are bringing back four items in disagreement. On one there will be some argument, no doubt. The other three are technical items in disagreement and should not give anybody any trouble.

Does the gentleman from Illinois [Mr. VURSELL] wish any time on the conference report?

Mr. VURSELL. We will want time on the first amendment.

Mr. THOMAS. But not on the conference report?

Mr. VURSELL. No.

Mr. THOMAS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 138]

Bass, Tenn.	Fulton	Philbin
Blitch	George	Poage
Boggs	Gordon	Powell
Buckley	Gwinn	Preston
Burdick	Halleck	Prouty
Carnahan	Healey	Radwan
Celler	Hoeven	Sadlak
Christopher	Hoffman	Santangelo
Clark	Jackson	St. George
Cooley	James	Scott, N. C.
Coudert	Jenkins	Shelley
Dawson, Ill.	Johansen	Shuford
Devereux	Kearney	Smith, Kans.
Dies	LeCompte	Staggers
Diggs	Lesinski	Stauffer
Dowdy	Macdonald	Talle
Eberharter	Michel	Taylor
Edmondson	Mitchell	Trimble
Engle	Morris	Williams, N. Y.
Farbstein	Moulder	Winstead
Friedel	Nix	

The SPEAKER. On this rollcall 364 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

COMMITTEE ON EDUCATION AND LABOR

Mr. BARDEN. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor be permitted to sit this afternoon while the House is in session during general debate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

INDEPENDENT OFFICES APPROPRIATION BILL, 1959—CONFERENCE REPORT

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 1: Page 4, line 6, strike out lines 6 through 23.

Mr. THOMAS. Mr. Speaker, I move that the House insist on its disagreement to the Senate amendment.

Mr. VURSELL. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

Mr. THOMAS. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Speaker, the question that is presented to the House by this amendment is one that the House previously considered and upon which it sustained the committee. The question is whether or not the Congress should contribute $589 million to the civil service retirement fund in order to keep it from incurring a greater deficit. The civil service retirement fund now has a deficit of between $17 and $19 billion. The question that is before the House at this time is whether that deficit shall be increased by $589 million or the Congress should make the contribution, which will do nothing more than keep the present deficit at its current level.

Under existing law, employees are required to make a contribution of 6.5 percent of their salaries to the fund. The Government of the United States also makes a contribution in the same amount to the fund. The 13 percent so contributed by the employees and by the Government is still inadequate to prevent a deficit because in order to keep the fund actuarially sound, a contribution of 19 percent plus must be made. Five hundred and eighty-nine million dollars, which is the subject of our discussion today, is the difference between the 13 percent contributed by the employees and the Federal Government and the amount needed to keep the fund on a sound basis.

Every governmental activity, whether it be municipal, State, or Federal, which has established a retirement system for its employees, has set apart a special fund for the payment of retirement benefits. Such a fund was established under the Federal Civil Service System. We are asking that the fund be maintained. Those who oppose making the $589 million payment are arguing against the special fund concept. They maintain that no fund is necessary, that we can forego payments to it and can rely upon the general credit of the Government, rather than on the special fund. Such a position calls for a night-marish financing policy. It argues for dissipation of the fund and lets the beneficiaries rely on the temperament of future Congresses to make the appropriations necessary to pay their benefits. If the Congress does not vote sufficient appropriations, benefits in the future will not be paid. Is this keeping faith with our Federal employees?

If the fund is to be kept at its current level, the Congress is supposed to contribute as well an amount which will equal an interest payment on the amount of that fund. That sum for this year is $589 million. We contend that it is only just and proper in the name of fiscal responsibility to provide for meeting the obligations of the Federal Government as they mature. We contend it is an obligation of the Federal Government to make this contribution in order to play fair and to keep faith with the employees of the United States.

In the last 8 years the deficit in this fund has increased by about $9 billion or $10 billion, because we have not made necessary contributions. In 1956, acting upon the recommendation of the President of the United States, and acting upon the recommendation of the Congress, a study was made of the civil service retirement fund by the Board of Actuaries of the civil service retirement and disability fund and by the Comptroller General. This was the recommendation of that group. I read from page 12 of that report, the last four paragraphs. It says this:

> No regular Government appropriation was made for the fiscal year 1955, but, in spite of this, Public Law 747, 83d Congress, was passed, adding approximately $222 million to the obligations of the fund for increases in annuities.

We passed laws which increased the amount of retirement benefits, but we do not put the money in the fund in order to pay the beneficiaries. All we are asking here is to put sufficient money in the fund to permit payments to be made to the beneficiaries.

I quote again:

> In paying the increased annuities the contributions made by employees and by the Government in the past are being dissipated and thus the reserves for prospective annuities to present employees are being diminished. If the Congress desires to pay these additional annuities, it would seem that it should be willing to pay for their cost and not charge it against past appropriations, or let the cost accumulate to be met from future appropriations.

That is exactly what the gentleman from Illinois [Mr. VURSELL] proposes and what the gentlemen on the left-hand side of the aisle want to do. They want

to let the benefits for the future be met by future appropriations.

I continue quoting:

As stated elsewhere in this report, the Committee on Retirement Policy for Federal Personnel recommends that a systematic method of financing the fund be adopted and specifically as soon as practicable the "normal plus interest" basis be used.

That is what we are asking for, that the "normal plus interest" base be used.

I quote again:

In his message transmitting to the Congress the budget of the United States Government for the fiscal year 1956, the President stated.

And listen to this:

The President stated that the committee's report established the necessity for a sound and lasting financial basis for the civil-service retirement system. We are urging only that this recommendation of the President be followed. Again I recall from the report:

For many years the Board of Actuaries has consistently recommended that appropriations to the civil-service retirement and disability fund be made on a full reserve funding method which would provide for the funding of the accrued liability by 1998. The Board still considers that this method of financing is the best method to follow. However, since a number of other governmental plans are now being financed on a "normal plus interest" basis, and since the Committee on Retirement Policy recommended this method, the Board agrees with the committee that the specification of the "normal plus interest" method of financing would be a very great improvement over the present unsound method of allowing deficits to accumulate.

The Board recommends further that the appropriation determined in the method specified be included in the annual budget just as salaries and other expenses of the Government are included.

Since the amounts required under the "normal plus interest" method of financing depend on the liabilities of the Government as determined by actuarial valuation, the Board recommends that a legislative act provide the means for maintaining adequate records of the membership necessary for making periodic valuations and for the actual work of the valuation.

We are contending for fiscal responsibility. It is sheer fiscal irresponsibility to defer this obligation until some unknown future date to be made up by appropriations requested of a future Congress. We contend that the fund should be able to pay for the retirement benefits as they come due. We want the fund to be able to make payments to employees of the United States. We want to keep faith with those employees. We believe it is undesirable to rely upon the fancy of a hard-pressed future Congress to appropriate $2 billion, or $3 billion or $4 billion which may be necessary in order to meet the retirement benefits that are due at that time. I ask you to sustain your committee.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield.

Mr. GROSS. This fund is now better than $15 billion in the red; is that not correct?

Mr. YATES. The latest figures are that it is from $17 billion to $19 billion in the red. If the action of the minority is agreed to, it will increase the deficit by an additional half billion dollars or by about $589 million.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. THOMAS. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Speaker, this is a rather serious situation in these troublous times that we are in at the present time. The question is whether or not you want the Federal Government to go out and borrow $589 million and pay into this retirement fund. If you do that, it is going to cost the Government more, and in fact it is not necessary that it be done at this time. Maybe there are some of you who would like to have ten or twenty billion paid on the national debt. It would be a great deal smarter, perhaps, to do that. But it is not quite the time to do it and we do not have the money with which to do it.

I have had this matter up with the Civil Service Commission. I have had this matter up with the Bureau of the Budget. I think we are all willing to agree that one of the most brilliant men we have ever had in charge of the budget is the one we have at the present time, Mr. Maurice H. Stans. Here is his argument. I am at liberty to quote it. I got this from him some time ago. He said:

To imply that because it is not fully funded, the retirement fund is being somehow mismanaged and that it is bankrupt is to call into question the full faith and credit of the United States Government. The Retirement Act promises to make certain payments under specified conditions, and regardless of the size of the balance in the retirement fund at any particular time, these benefits will be paid because the promise to do so is backed by the full faith and credit of the Government. There are no conditions attached. It is a perfectly open and straightforward obligation.

While there are very strong reasons for full funding of private pension plans, these reasons do not apply in the case of the civil service retirement system. The most important reason for full funding of private funds is to assure employees that they will receive the benefits they have earned even though the employer may go out of business. We have never thought it necessary to make provisions for the Federal Government going out of business.

Now that is a pretty strong statement. But let us go a little further. Here is the situation. You have $650 million going into the fund, paid by the Federal Government in this bill. You have $650 million, roughly, going into this fund that will be paid by the employees. That is over $1,250,000,000. In other words, with some other funds, there is $1,547,000,000 going into this fund in 1959. We pay out only $712 million. Does that look like the fund is bankrupt or going bankrupt? Is the fund as near bankrupt as is the Federal Government—the Federal Government that we are trying to make pay an extra $589 million in this bill? I think that Members on both sides of the House ought to take a realistic look at this thing. This fund is going to be sound for years and years ahead, nearly 18 years ahead, whether we put any money into it or not. But we do not intend to continue to neglect this. The only thing is we do not think it is good business to increase the national debt; we do not think it is good business to borrow money to pay into a fund that cannot use it and will not use it. We think it just as well to let the Government pay the interest on this money at a later date. We just do not think we ought to continue to increase the national debt unless it is necessary.

Mr. JONAS. Mr. Speaker, will the gentleman yield?

Mr. VURSELL. I yield to the gentleman from North Carolina.

Mr. JONAS. Is not the full faith and credit of the United States pledged against this obligation to the same extent as against Government bonds?

Mr. VURSELL. The gentleman is right.

Mr. JONAS. And is it not true that we do not find it necessary to fund pensions and retirement benefits for our military personnel?

Mr. VURSELL. That is right. The gentleman is absolutely correct.

May I close by just saying this: We had better be trying to protect the financial solvency of this Government. We have had opportunity to prevent obligations of billions of dollars in this very Congress, and we are going to have an opportunity to prevent the obligation and appropriation of extra billions of dollars that are absolutely not necessary before this Congress adjourns. So if we are going to do that, why are we not willing to use business judgment in this instance? The fund is as sound and as good as is the financial solvency of the Federal Government. I hope we will not press our own Government harder and harder and bring additional expenses which in this particular instance are absolutely not justified, absolutely not in the category of necessity.

Mr. MORANO. Mr. Speaker, will the gentleman yield for a question?

Mr. THOMAS. I yield to the gentleman from Connecticut.

Mr. MORANO. Was a vote taken on this in the House previously?

Mr. THOMAS. Yes.

Mr. MORANO. Was it a rollcall vote, a voice vote, or a division?

Mr. THOMAS. I believe it was a division vote; we were counted.

Mr. MORANO. The gentleman is sure it was not a rollcall vote?

Mr. THOMAS. That is correct.

Mr. MORANO. I thank the gentleman.

Mr. THOMAS. Mr. Speaker, I yield 3 minutes to the gentleman from Tennessee [Mr. EVINS].

Mr. EVINS. Mr. Speaker, the conferees on this bill have labored long and hard. There were some 82 amendments in disagreement. They have all been resolved except the one which is presently before the House, and this issue has been before the House on several occasions. The issue is whether the Federal Government should be fiscally responsible—whether monetary payments should be made into the civil-service retirement fund. Our Government employees make payments into the fund. The employees of the Government who are in this system have a deduction taken out of their pay checks each pay day, which is paid into this fund. The ques-

tion is whether the Federal Government should not do likewise to keep the fund solvent.

It is not legally proper, it is not morally proper, it is not right for the Government to default, and to continue to default, on its payments to the retirement fund.

We hear a great deal about Government fiscal responsibility. If we want to contribute to fiscal responsibility of the Government, the Government should live up to its legal and moral obligations and we should set this fund in order.

The gentleman from Tennessee, Chairman MURRAY, of the House Committee on Post Office and Civil Service, sees it this way. The gentleman from Kansas [Mr. REES], the minority member of the Civil Service Committee, has also spoken in favor of this position. I hope the House will instruct their conferees to go back and stand by the position of the House and be firm in this situation.

Mr. BOLAND. Mr. Speaker, will the gentleman yield?

Mr. EVINS. I yield to the gentleman from Massachusetts.

Mr. BOLAND. With respect to the argument made by the gentleman from North Carolina [Mr. JONAS] whether or not this fund is similar to the military retirement fund, he said we did not make such payments to the military retirement fund, and why should we do so in this instance. Is it not a fact that the Government does not contribute to the military retirement fund and that is the big difference between both retirement systems?

Mr. EVINS. The gentleman is correct. The two systems are entirely dissimilar. I certainly think the House should instruct the conferees to stand by their previous position and be firm in this situation. I trust the Members will not recede and yield to the Senate conferees in this instance.

Mr. THOMAS. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, there is not any question involved here of the failure of the United States to meet its obligations. Sometimes there has been an appropriation for what they thought was the requirement for payments to beneficiaries of the retirement fund; sometimes there has not been. At this particular time there are several billions of dollars in this fund—as I remember, about $7 billion. The fund is taking in $1½ billion a year and paying out about half of that, or a little over $700 million.

If this money is placed in the bill in accordance with the language that was there when it passed the House, the only effect would be that we would draw on the Treasury for that amount and we would have to borrow the money. After the money had been borrowed, it would then be invested in a note or in bonds of the United States for the same amount that was appropriated. The full faith and credit of the United States is pledged for payment of whatever there is due to anyone under this retirement plan.

Outside of the one thing of pushing up the book deficit and charging up to the national debt the amount of the investment, there is no reason at all for providing this fund.

Mr. CORBETT. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Pennsylvania.

Mr. CORBETT. I would like to ask the gentleman one question. He knows that no one has been more friendly to these retirement payments than the speaker. What difference does it make to the individual who will eventually get an annuity whether the money is due and owing to him from the fund or from the Treasury of the United States? Is he not just as secure either way?

Mr. TABER. Either way. There is not the slightest difference.

Mr. BYRNES of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. I am wondering whether fundamentally you do not come down to the question of whether this obligation or this liability to these people is figured in the national debt or not figured in the national debt? Is it not basically the bookkeeping feature of it that is the nub of it?

Mr. TABER. That is about the whole story. We are still taking in a lot more money, about double the amount of money we are paying out.

Here is another thing I want to call attention to and that is the second part of the amendment after the proviso which appears in line 12 that prohibits the payment of any money out of the fund to any annuitant where there has been an increase in the payments to the beneficiaries, unless an appropriation is made to cover it and unless the statute itself provides for the levying of the fund that will support the increase.

Now, we just passed a bill, Public Law 465, 85th Congress, which added 10 percent to the annuitants with a limitation that no annuitant shall receive more than $500 per year, and also provided for payments to the unremarried widow or widower of an employee. No provision was made there for any payments to the annuity fund. No provision was made for anything of that character. That bill was approved on the 25th of June last.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Illinois.

Mr. YATES. The gentleman stated that there was no fundamental difference in the obligation of the United States whether the money was in the civil-service retirement fund or whether it had to be appropriated in the Congress. There is a very significant difference. In one instance, where you have the money in the fund, the funds are paid to the beneficiaries by the Civil Service Retirement Board. In the other case the Congress of the United States must appropriate sufficient money to pay the benefits that are due. Is that not correct?

Mr. TABER. That would not be anything more than what is being done in this attempt, but you would not have just an awfully big jump in the public debt. Now, I do not know; maybe it is desirable to have all the public debt out in one spot where you can look at it. Maybe it would be. If you were going to do it that way, you should figure out and prove what the whole requirement to the retirement fund would be and not just take a little bite at it like this, because that does not make any sense at all.

Mr. EVINS. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Tennessee.

Mr. EVINS. I believe the gentleman will agree that this is not a little bite as he suggests. It is a substantial sum which the Civil Service Commission itself has recommended be appropriated into the fund. The Bureau of the Budget is the one that is fighting to keep it out.

Mr. TABER. Well, the Bureau of the Budget is showing better sense than the Civil Service Commission.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. KEATING. Mr. Speaker, I want to ask the gentleman this question: I was very much interested in this legislation which we enacted here to increase payments to those people who had already retired. Now, would that legislation be placed in jeopardy if we reinstated the House bill and did not concur in the Senate amendment?

Mr. TABER. Well, I would not say that it would, because that has already been passed and the appropriation bill has not been passed. But, here is where the interesting thing comes in. Here is an attempt to say that no payments shall be made to any future annuitant where an increase has been given and this bill that was passed on the 25th of June does not carry any of the provisions that would make it apply to or conform to the language that is in the latter part of this amendment. That means that the Congress, when it passed the bill, did not feel that that should be done. Now, I do not know which way they feel, but they ought to keep feeling the same way at least as long as 1 month.

Mr. KEATING. It strikes me that if we reinstate the language of the House bill, it might be construed as placing in jeopardy the increase which we voted in the basic legislation before. That is what I would like to have cleared up.

Mr. JONAS. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from North Carolina.

Mr. JONAS. I do not think that would apply at all, and I call attention to the language in the bill on page 4, line 19. That language applies only to increased benefits made after the enactment of this act.

Mr. KEATING. After the enactment of the Appropriation Act?

Mr. JONAS. After the enactment of this act; the bill to which the gentleman refers has already become law, has already been signed by the President and, in my opinion, could not be affected by this language.

Mr. KEATING. I thank the gentleman for his explanation.

Mr. TABER. The point is that it shows the Congress did not agree with what is in amendment No. 1 at the time that increased annuity was passed on June 25, 1958.

Mr. THOMAS. Mr. Speaker, I yield 5 minutes to the distinguished chairman of the Committee on Post Office and Civil Service, the gentleman from Tennessee [Mr. MURRAY].

Mr. MURRAY. Mr. Speaker, ever since I have been given the honor of serving as chairman of the Committee on Post Office and Civil Service I have been deeply concerned over the conditions of our retirement fund. When I became chairman of the committee the deficit was approximately $9 billion. Today the deficit is approximately $19 billion.

Here is a letter that I received from the Civil Service Commission on November 18, 1957:

> You are aware, I am sure, that the agency matching of employee deductions does not fully meet the Government's share of the cost of retirement. Unless this difference is appropriated directly to the retirement fund each year, there will be an annual increase of more than one-half billion dollars in the deficiency, which is currrently about $18 billion.

I conferred with officials of the Civil Service Commission today and was advised that the deficit is now approaching $19 billion. The Government's contribution is 6½ percent of total salaries to this fund. The employee contributes 6½ percent. It takes 19.31 percent to pay the annuities each year. The 6½ percent contribution by the Government plus the 6½ percent contribution by the employee totals 13 percent. It takes 6.31 percent more to keep this fund in balance each year. If this provision is kept in the bill—and the House has already passed on this, last March, and I am sure it will again ratify that position—but if this appropriation of $589 million is kept in the bill, the deficit will still be between $18 billion and $19 billion.

I say that the Congress is partly responsible for this ever-increasing deficit because, since 1948, we have increased annuities 6 different times. I have opposed some of these increases. I opposed the last increase, but the Congress saw fit to increase these annuities. Yet we are doing nothing about the retirement system from the standpoint of financial responsibility. We should start contributing each year to this fund the additional 6.31 percent, which amounts to $589 million. Where is our sense of financial responsibility in this matter? It is just as though Congress were providing salary increases for Federal employees but not appropriating the money to take care of the salary increases. This retirement fund must be kept on a sounder basis. If the Congress does not want to increase our appropriations to the fund each year, let us stop increasing the annuities, as we have done 6 times during the past 10 years.

Mr. VURSELL. Mr. Speaker, will the gentleman yield?

Mr. MURRAY. I am glad to yield.

Mr. VURSELL. Would there not be a doubt in the gentleman's mind, even if we put in the extra $589 million, that the Committee on Appropriations could appropriate fast enough to keep up with the spenders to whom the gentleman has referred, who continue to increase this fund all the time? If I am right in that, then I suggest the way to protect this fund and protect the Federal Government, which contributes a part of this fund, is to get a little more economy and quit loading this fund up all the time.

Mr. MURRAY. I agree with the gentleman in his observation as to economy but as long as Congress sees fit to increase these annuities it is the duty of Congress to increase these appropriations every year to protect this fund.

Mr. EVINS. Mr. Speaker, will the gentleman yield?

Mr. MURRAY. I yield to the gentleman from Tennessee.

Mr. EVINS. Does the gentleman feel that it is morally right for each employee every month to make a contribution into the fund and the Government not match it, as required by law?

Mr. MURRAY. The Government does match it. The employee pays 6.5 percent and the Government pays 6.5 percent, but it takes 19.31 percent to make the payments.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. MURRAY. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I have listened to this argument. The very fact is that there is a potential liability existing all the time.

Mr. MURRAY. Certainly.

Mr. BOLAND. Mr. Speaker, will the gentleman yield?

Mr. MURRAY. I yield to the gentleman from Massachusetts.

Mr. BOLAND. As a matter of fact, the potential liability in 1980 will be $1,250,000,000. If we fail to do today what should be done in that, it will take a direct appropriation by Congress of $1,250,000,000, in that year and every year thereafter just to pay the current cost. All we are trying to do here is what the chairman of our committee says. This fund now requires 19.31 percent just to pay the cost. The employee contributes 6.5 percent and the Government contributes 6.5 percent, so the deficit is 6.31 percent. We are trying to put in here enough to take care of the difference.

Mr. THOMAS. Mr. Speaker, I yield 5 minutes to the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Speaker, I regret to seem to take views on this proposal opposite to those of my distinguished colleagues on my side of the aisle. I am usually in accord with their opinions.

It seems to me this question under discussion resolves itself as to whether we are willing to discharge our responsibility in respect to this appropriation. The membership of the House did not hesitate to authorize the expenditure of these funds. The vote was decisively in favor of the authorization. That was only a few weeks ago. We seem to hesitate whether we are going to appropriate at least a part of these funds necessary to take care of that obligation.

Not to vote this appropriation means you are going to use funds that really belong to people who work in Government. If you expect the people in Government to pay their share as required by law, then you should assume your responsibility representing the United States Government and say, "Yes, the Government will contribute its share." The least you can do is to support the appropriation of the $589 million you have already agreed to pay. Let us not sidestep the issue.

Mr. CEDERBERG. Mr. Speaker, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Michigan, a valuable member of our committee.

Mr. CEDERBERG. The way the situation looks to me in regard to this $589 million is simply this. I support the gentleman's position, but I do not think we should mislead the Members of the House into believing it is going to make too much difference to the fund one way or another unless we do something about putting our fiscal house in order as far as the entire Federal Government is concerned. This is what will happen. We will appropriate this $589 million—I am supporting the gentleman's position—but we put it in one place and we are going to spend it in another, and we are still going to have this $589 million additional deficit as far as the national debt is concerned. So we have not solved the problem as far as the national debt is concerned. We will have to make up for it whether we put it in one entry or another.

Mr. REES of Kansas. If Members take the opposite view, what is the use of appropriating any money?

Mr. CEDERBERG. I just want to say we are now picking up just a part of our contingent liability referred to by the gentleman from Massachusetts [Mr. McCORMACK], which is eventually going to have to be done.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. REES of Kansas. I yield.

Mr. MASON. Is this deficit in the fund the result of the fact that the Congress has failed to keep up its payments when the employees kept up theirs? Is that not the situation?

Mr. REES of Kansas. Why certainly that is the situation.

Mr. MASON. And maybe also it is the result of our increasing the benefits without increasing the amount going in.

Mr. REES of Kansas. The difficulty lies in the fact that Congress for several years has not appropriated its share as the law intended. We did make a start some years ago to make substantial contributions to the fund, but the Government through Congress did not continue to keep up its share.

In 1952, according to a Board of Actuaries appointed for the purpose of examining this situation, the fund lacked almost $9 billion of being actuarily sound. In 1953 it was almost $10 billion; then in 1955 it was $12 billion. In 1956 it was more than $13 billion. According to the last reports of this Board the amount is $19 billion.

This is the amount the Government would be obligated to pay on an actu-

arial basis. Of course, if we take the position of "pay as you go," then you have a different story.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Iowa, a member of the committee who has given this subject matter a great deal of attention.

Mr. GROSS. I want to commend the gentleman for his statement. At least, we have the opportunity here today to keep this part of our financial house in some order by making a contribution toward that end.

Mr. REES of Kansas. I agree with the gentleman. Let me suggest that we assume the responsibility that is ours and approve the amount in this bill. If you are going to take the other view, then why vote any money at all. I believe you ought to support the views of those of us who believe that at least you should approve the amount of money included in this bill.

HIDDEN AND UNDISCLOSED PART OF NATIONAL DEBT

Mr. THOMAS. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Speaker, I hope the position of the committee is sustained. If we fail to appropriate this $589 million, it will become a part of the deficit. But, it is hidden as it is not disclosed as a part of the national debt. We cannot advocate this theory of keeping the national debt down in this hidden debt fashion and, yet, have a sound fiscal policy. If it is sound as to this fund, it would be sound as to other funds and it would not be long until we had $10 billion that we should have paid into these funds which we have not paid, and we would be $10 billion more in debt than the national debt would reflect. It would not be honest bookkeeping or fiscal integrity. This would be a way of hiding a part of the national debt without reflecting it in the cost. I think it is, and from my standpoint I believe it is, irresponsibility, and I do not think we want to do something that is as irresponsible as this would be. I hope the position of the committee is sustained.

Mr. THOMAS. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, may I discuss this matter with the membership for a few minutes? Let us see what the parliamentary situation is. First, the committee offered a motion to insist on its position. Then a motion was made by our distinguished friend, the gentleman from Illinois [Mr. VURSELL] to recede and concur. That is a preferential motion and you will vote on that motion first. The motion of the gentleman from Illinois is a motion to abandon the position of the House. I hope you vote "no" on that motion. By voting "no" you say that we want to keep this fund sound and solvent.

Let us see what we are doing here. We are doing what is right and what is good old common horsesense, to be perfectly frank about it. We have all chided each other for the last 4 or 5 years about fiscal responsibility—governmental fiscal responsibility. We are throwing that principle out the window, my colleagues, if we do not appropriate this $589 million to the fund, and we all know it. There is not a Member on this floor who would conduct his own business as it is proposed that we conduct the Government's business at this moment. There is not an insurance company in the United States that would be in business until the sun goes down if they conducted their business like we are financing that fund. Why? Because it is $19 billion defunct; bankrupt. Think about it. What we are trying to do is to put $589 million into the fund to keep it from going more defunct. Now let us be frank about it. Let us do the right thing.

Every month in the year, 2 million Federal employees, through no choice of their own, pay 6½ percent of their total salary into the fund.

Then we go on, and we say, "Oh, well, the credit of the Government is behind this fund, let us throw this appropriation out."

You make the point the military employees do not make any contribution. Of course not. There never was a fund set up for them. They do not make any contributions so there is no similarity whatsoever.

Mr. LAIRD. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I will yield later to the gentleman. He is a very able Member.

Mr. Speaker, this money ought to be voted here. Somebody said something about the national debt. This $19 billion bankruptcy in the fund is not counted as a part of the national debt. Can you imagine that? We talk about fiscal responsibility. That is a fact, and we sort of hoodwink it, do we not? When we appropriate this $589 million it is going to be a part of the national debt. That is what all the argument is about. Do we want to face our responsibility? Yes. This is a debt and we owe it. We are funding that part of $19 billion which is necessary to keep the deficit from growing this year. It ought to be done.

Mr. LAIRD. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the distinguished gentleman from Wisconsin.

Mr. LAIRD. The gentleman makes a good case for putting this $589 million into this particular fund but his case is rather weakened by the fact that he is not willing to credit the whole $19 billion in the account.

Mr. THOMAS. Will my friend vote for the $589 million? I will yield if you will answer that question. Will you vote for that?

Mr. LAIRD. To follow your principle, I think you have to put all the money in the account.

Mr. THOMAS. Let us crawl before we run. We will settle for $589 million this year and next year and every year thereafter to keep the fund from becoming more insolvent.

Mr. LAIRD. There is a matter of principle involved here, whether it is reflected in the national debt or not, if it is truly a debt obligation it should all be reflected in the national debt.

The SPEAKER. The gentleman from Texas has consumed 5 minutes.

Mr. THOMAS. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. OSTERTAG], and after he finishes I shall move the previous question.

Mr. OSTERTAG. Mr. Speaker, first of all, I thank the distinguished chairman of our subcommittee for his courtesy in granting me this time. Mr. Speaker, it seems to me that before we vote on this question involving amendment No. 1 which is in disagreement it might be well to have a little clearer picture of the situation and overcome the gross distortion of the facts that seems to apply to this particular proposal or issue which is before us. There are some here who would have us believe that by not appropriating this $589 million we are not meeting our current obligation to the retirement fund. However, the truth of the matter is that this year and last year and for several years the Congress of the United States has appropriated every dollar of its obligation to meet the current obligation for retirement. In other words, funds have been made available as required by law on the basis of 6½ percent on every dollar paid in salaries where retirement benefits apply.

As a matter of fact in every appropriation bill reported and passed this year, we are contributing to the fund the full amount of the Government's share, plus interest. Actually the total of $650 million is being appropriated which is the amount necessary to match the contributions estimated to be made by the Federal employees to the retirement fund. The employees are paying 6½ percent, the Federal Government 6½ percent. This means with $214 million added for interest a total of $1,500,000,000 will be paid into the fund this year.

How much is being withdrawn to meet the obligations of retirement? The estimates are approximately $712 million.

This year, therefore, Mr. Speaker, $800 million more is going into the fund than will be withdrawn. We are not destroying the fund; we are actually under the present method building the fund and as I understand it the fund will be approximately $13 billion by the year 1972. It will not be until that time that the withdrawals or the benefits will reach or equal the contributions or the receipts. I mentioned a moment ago, the $214 million being appropriated for interest. This is interest upon the approximately $7.5 billion balance in the fund which will in turn become interest income to the retirement fund.

It has been said, and I am sure we all understand, that if we were to meet the full obligation to this fund we would be required to appropriate some $19 billion more to it. This $589 million is not going to make or break the retirement fund. The retirement fund is just as good as the faith and credit of the United States. What this $589 million item is going to do is to throw the budget that much more out of balance and increase the public debt the same amount. So it seems to me that in line with the position of the other body we might well recede from our position.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. OSTERTAG. I yield to the gentleman from Illinois.

Mr. YATES. There is a significant difference in the two arrangements. In the one case you have the benefits paid by the Civil Service Retirement Board. They have the money now with which to pay the benefits.

If you continue to permit these deficits to increase you will then throw the obligation upon the Congress to appropriate the funds necessary.

So you have two different procedures: In the one case it is self-sustaining; in the other the Congress will have to appropriate the funds that are necessary.

Mr. OSTERTAG. May I say to my good friend from Illinois that what he advocates is being done. As I have pointed out, $1,500,000,000 is going into the fund this year by appropriation and employee contribution. Only $700 million will be withdrawn according to official estimates. Therefore, approximately $800 million more will go into the fund this year than will be withdrawn, which proves that we are not depleting the fund by the payment of more in benefits than the total amount paid into the retirement fund through Government and employee contributions.

Mr. JONAS. Mr. Speaker, will the gentleman yield?

Mr. OSTERTAG. I yield.

Mr. JONAS. Is it not true that the Congress has to appropriate money each year to pay into the matching fund anyway?

Mr. OSTERTAG. Certainly. And as a matter of fact, the Federal Government meets similar obligations in the retirement of military personnel and to veterans in this manner.

Mr. JONAS. The Civil Service Board does not have the money unless Congress appropriates the fund each year.

Mr. OSTERTAG. All the responsibilities and obligations of the Federal Government must be met through appropriations, as the gentleman knows. Mr. Speaker, it seems to me that we might well accept the recommendations made by the other body and approve the motion of the gentleman from Illinois that the House recede from its position. And may I remind the House that this amendment No. 1 has two parts to it. One relates to the appropriation of the additional $589 million to the fund and the other is the language which in substance prohibits any additional annuity benefits unless a direct appropriation is made to cover it. Mr. Speaker, I hope that the motion prevails.

Mr. THOMAS. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Illinois.

The motion was rejected.

The SPEAKER. The question is on the motion of the gentleman from Texas [Mr. THOMAS].

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 17: Page 11, line 19, insert: "*Provided further*, That not to exceed $130,000 of such funds may be deposited to the Administrative Operations Fund in addition to the amount included in the budget estimates for that purpose."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate No. 17, and concur therein with an amendment, as follows: In lieu of the sum named in said amendment insert "$100,000."

The amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 20: On page 12, strike out all of the proviso, lines 10 to 14, and insert the following: "*Provided*, That hereafter, except for projects located at Atlanta, Ga.; Rock Island, Ill.; Council Bluffs, Iowa; Kansas City, Kans.; Burlington, Iowa; Albuquerque, N. Mex.; Sacramento, Calif.; Brunswick, Ga.; Sedan, Kans.; Jonesboro, La.; Lake Charles, La.; Redwood Falls, Minn.; Biloxi, Miss.; Greenville, Miss.; Laurel, Miss.; Omaha, Nebr.; Durham, N. H.; Manning, S. C.; Sisseton, S. Dak.; Kingsport, Tenn.; Gainsville, Tex.; McKinney, Tex.; Huntington, W. Va.; Green Bay, Wis.; Marshfield, Mo.; Terrell, Tex.; Mount Hope, W. Va.; Benton, Ill.; Burlington, Vt.; no part of any fund in this or any other act shall be used for payment for sites, planning, or construction of any buildings by lease-purchase contracts: *Provided further*, That the Administrator of General Services may enter into a 10-year contract for the project at Sacramento, Calif., during the fiscal year 1959, for which the annual payment for amortization of principal and interest thereon shall not exceed $1,250,000."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate No. 20, and concur therein with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment insert "*Provided*, That hereafter, except for projects located at Atlanta, Ga.; Rock Island, Ill.; Council Bluffs, Iowa; Kansas City, Kans.; Burlington, Iowa; Albuquerque, N. Mex.; Sacramento, Calif.; Brunswick, Ga.; Sedan, Kans; Jonesboro, La.; Lake Charles, La.; Redwood Falls, Minn.; Biloxi, Miss.; Greenville, Miss.; Laurel, Miss.; Omaha, Nebr.; Durham, N. H.; Manning, S. C.; Sisseton, S. Dak.; Kingsport, Tenn.; Gainesville, Tex.; McKinney, Tex.; Huntington, W. Va.; Green Bay, Wis.; Marshfield, Mo.; Terrell, Tex.; Mount Hope, W. Va.; Benton, Ill.; Burlington, Vt.; St. Marys, Ohio; West Memphis, Ark.; Newkirk, Okla.; Point Pleasant, N. J.; and Denver, Colo.; no part of any funds in this or any other act shall be used for payment for sites, planning, or construction of any buildings by lease-purchase contracts: *Provided further*, That the Administrator of General Services may enter into a 10-year contract for the project at Sacramento, Calif., during the fiscal year 1959, for which the annual payment for amortization of principal and interest thereon shall not exceed $1,250,000."

Mr. THOMAS. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. TEWES].

Mr. TEWES. Mr. Speaker, all of us realize that a legislative body at this level must operate on the basis of some general principles. The difficulty is that these generalizations will sometimes make Congress look ridiculous when they are applied to specific situations.

I think this is true in the present instance. In Waukesha, Wis., we have had a post office authorized under the lease-purchase arrangement. The city, after a great deal of debate and controversy, donated valuable park land so that the Federal Government would have property on which to build this post office. We have expended at least $3,000 in engineering and architectual expense as well as untold other thousands of dollars in conferences and planning.

The conferees now tell us: "We invoke the general principle that if construction has not begun, we deny you additional funds."

It seems to me that this general principle as applied to the unique situation in Waukesha is indefensible. I personally voted against the proposal of the majority party to eliminate lease-purchase arrangements. But when Congress decided in their favor, I bowed to the majority.

I then sought to exempt Waukesha from their decision because of the waste which resulted. But I am told: "No; we have a rule that if you have not begun construction you cannot have your post office." Frankly, I am unable to defend this kind of Congressional action to my constituents back home.

Mr. THOMAS. Mr. Speaker, we are going to try to help the gentleman next year.

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Montana [Mr. METCALF] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. METCALF. Mr. Speaker, with reference to amendment No. 36, I regret that the conference committee did not hold the full amount for upgrading strategic materials. But the $3 million provided should be used to upgrade the manganese stockpile at Butte, Mont., both in the interests of national defense and to relieve unemployment in the most depressed city in the Nation. I hope the General Services Administration so uses the money.

The SPEAKER. The question is on the motion offered by the gentleman from Texas [Mr. THOMAS].

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 58: On page 25, line 4, insert "of which $1,890,000 shall be transferred to the Bureau of Public Roads, Department of Commerce, for construction of a secondary road to the Optical Astronomy Observatory on Kitt Peak in Arizona."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate No. 58, and concur therein with an amendment, as follows: In lieu of the sum named in said amendment insert "$1,000,000."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 80: On page 44, strike out lines 15 and 16 and insert "expenses necessary in the case of defaulted obligations to protect the interests of the Government."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate No. 80 and concur therein.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

ATOMIC ENERGY COMMISSION

Mr. DURHAM. Mr. Speaker, I call up the conference report on the bill (H. R. 13121) to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 2236)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13121) to authorize appropriations for the Atomic Energy Commission in accordance with Section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate and agree to the same with an amendment as follows:

"*Be it enacted, etc.,*

"SEC. 101. Plant or facility acquisition or construction: There is hereby authorized to be appropriated to the Atomic Energy Commission, in accordance with the provisions of section 261 a. (1) of the Atomic Energy Act of 1954, as amended, the sum of $386,679,000 for acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion, as follows:

"(a) Special nuclear materials.—

"1. Project 59–a–1, plant modifications for processing of nonproduction spent fuels, undetermined sites, $15,000,000.

"2. Project 59–a–2, pilot plant for fabrication of new fuel elements, Fernald, Ohio, $335,000.

"3. Project 59–a–3, reduction of fire hazards—phase II gaseous diffusion plants, Oak Ridge, Paducah, and Portsmouth, $11,900,000.

"4. Project 59–a–4, a new waste storage installation, Arco, Idaho, $3,200,000.

"5. Project 59–a–5, production reactor facility for special nuclear materials, convertible type, Hanford, Washington, $145,000,000.

"(b) Atomic weapons.—

"1. Project 59–b–1, weapons production and development plants, locations undetermined, $10,000,000.

"2. Project 59–b–2, component fabrication plant, Hanford, Washington, $3,500,000.

"3. Project 59–b–3, fabrication plant, Oak Ridge, Tennessee, $12,500,000.

"4. Project 59–b–4, special processing plant, Mound Laboratory, Ohio, $2,000,000.

"(c) Atomic weapons.—

"1. Project 59–c–1, storage site modifications, various locations, $1,500,000.

"2. Project 59–c–2, base construction, Eniwetok Proving Ground, $2,342,000.

"3. Project 59–c–3, base construction, Nevada Test Site, $1,780,000.

"4. Project 59–c–4, test area development, Nevada Test Site, $600,000.

"5. Project 59–c–5, phermex installation, Los Alamos, New Mexico, $2,250,000.

"6. Project 59–c–6, laboratory building, TA–33, Los Alamos, New Mexico, $590,000.

"7. Project 59–c–7, test and environmental installation, Sandia Base, New Mexico, $1,488,000.

"8. Project 59–c–8, lineal acceleration tester, Livermore, California, $390,000.

"9. Project 59–c–9, test assembly building, $510,000.

"10. Project 59–c–10, high explosive development plant, Livermore, California, $2,000,000.

"11. Project 59–c–11, storage and handling building, Livermore, California, $250,000.

"(d) Reactor development.—

"1. Project 59–d–1, reprocessing pilot plant, Oak Ridge National Laboratory, Tennessee, $3,500,000,

"2. Project 59–d–2, special purpose test installation, $2,300,000.

"3. Project 59–d–3, fast reactor safety testing station Nevada test site, $1,367,000.

"4. Project 59–d–4, Army reactor experimental area (AREA), Arco, Idaho, $1,000,000.

"5. Project 59–d–5, hot cells, $5,000,000.

"6. Project 59–d–6, Army package power reactor No. 2, $3,000,000.

"7. Project 59–d–7, modifications to organic moderated reactor experiment (OMRE), experimental boiling water reactor (EBWR), and boiling reactor experiment (BORAX), $6,300,000.

"8. Project 59–d–8, heavy water component test reactor, $8,000,000.

"9. Project, 59–d–9, fuels technology centers addition, Argonne National Laboratory, Illinois, $5,000,000.

"10. Project 59–d–10, gas-cooled power reactor, $51,000,000.

"11. Project 59–d–11, Project Sherwood plant, $2,000,000.

"12. Project 59–d–12, design and engineering study of heavy water moderated power reactor, $2,500,000.

"13. Project 59–d–13, design and engineering studies of two large-scale power reactors and one intermediate size prototype power reactor, $6,000,000.

"14. Project 59–d–14, design and engineering study of a power reactor of advanced design capable of utilizing nuclear superheat, such study to be undertaken either as a cooperative project or conducted solely by the Atomic Energy Commission, $750,000.

"15. Project 59–d–15, metals and ceramics research building, Oak Ridge National Laboratory, Tennessee, $6,500,000.

"16. Project 59–d–16, metals process development plant, Ames, Iowa, $1,900,000.

"(e) Physical research.—

"1. Project 59–e–1, accelerator improvements, University of California Radiation Laboratory, California, $1,300,000.

"2. Project 59–e–2, CP–5 reactor improvements, Argonne National Laboratory, Illinois, $500,000.

"3. Project 59–e–3, two accelerators, beam analyzing system and magnet, Pennsylvania State University, Pennsylvania, $950,000.

"4. Project 59–e–4, cyclotron, University of California Radiation Laboratory, $5,000,000.

"5. Project 59–e–5, central research laboratory addition, Oak Ridge National Laboratory, $3,500,000.

"6. Project 59–e–6, chemistry building addition, University of California Radiation Laboratory, $2,000,000.

"7. Project 59–e–7, chemistry hot laboratory, Argonne National Laboratory, $4,400,000.

"8. Project 59–e–8, expansion of stable isotopes production capacity, Oak Ridge National Laboratory, $900,000.

"9. Project 59–e–9, high energy physics building, Columbia University, $500,000.

"10. Project 59–e–10, particle accelerator program addition, Harvard-MIT accelerator, $1,300,000.

"11. Project 59–e–11, high flux research reactor, Brookhaven National Laboratory, design, engineering and advance procurement, $1,000,000.

"12. Project 59–e–12, research and engineering reactor, Argonne National Laboratory, design and engineering, $1,000,000.

"13. Project 59–e–13, Van de Graaff accelerator, Argonne National Laboratory, $2,500,000.

"14. Project 59–e–14, cyclotron, Oak Ridge National Laboratory, $3,000,000.

"15. Project 59–e–15, research reactor, Ames Laboratory, $3,800,000.

"(f) Biology and medicine.—

"1. Project 59–f–1, installations for support of research dealing with radioactive fallout and related radiation hazards, $2,000,000.

"(g) Training, education, and information.—

"1. Project 59–g–1, additional plant for the Regional Nuclear Training Center, Puerto Rico, $500,000.

"2. Project 59–g–2, International Atomic Energy Agency research reactors and laboratory equipment grant, $2,000,000.

"3. Project 50–g–3, gamma process development irradiator, $1,600,000,

"(h) Community.—

"1. Project 59–h–1, school storage buildings, Hanford, Washington, $75,000.

"(i) General plant projects: $25,602,000.

"SEC. 102. Limitations: (a) The Commission is authorized to start any project set forth in subsections 101 (a), (b), (d), (e), (f), and (g) only if the currently estimated cost of that project does not exceed by more than 25 per centum the estimated cost set forth for that project.

"(b) The Commission is authorized to start any project set forth in subsections 101 (c) and (h) only if the currently estimated cost of that project does not exceed by more than 10 per centum the estimated cost set forth for that project.

"(c) The Commission is authorized to start a project under subsection 101 (i) only if it is in accordance with the following:

"1. For community operations, the maximum currently estimated cost of any project shall be $100,000 and the maximum currently estimated cost of any building included in such project shall be $10,000.

"2. For all other programs, the maximum currently estimated cost of any project shall be $500,000 and the maximum currently estimated cost of any building included in such a project shall be $100,000.

"3. The total cost of all projects undertaken under subsection 101 (i) shall not

exceed the estimated cost set forth in that subsection by more than 10 per centum.

"SEC. 103. Advance planning and design: There are hereby authorized to be appropriated funds for advance planning, construction design, and architectural services, in connection with projects which are not otherwise authorized by law, and the Atomic Energy Commission is authorized to use funds currently or otherwise available to it for such purposes.

"SEC. 104. Restoration or replacement: There are hereby authorized to be appropriated funds necessary to restore or to replace plants or facilities destroyed or otherwise seriously damaged, and the Atomic Energy Commission is authorized to use funds currently or otherwise available to it for such purposes.

"SEC. 105. Currently available funds: In addition to the sums authorized to be appropriated to the Atomic Energy Commission by section 101 of this Act, there are hereby authorized to be appropriated to the Atomic Energy Commission to accomplish the purposes of this Act such sums of money as may be currently available to the Atomic Energy Commission.

"SEC. 106. Substitutions: Funds authorized to be appropriated or otherwise made available by this Act may be used to start any other new project for which an estimate was not included in this Act if it be a substitute for a project authorized in subsection 101 (a), 101 (b), or 101 (c), and the estimated cost thereof is within the limit of cost of the project for which substitution is to be made, and the Commission certifies that—

"(a) the project is essential to the common defense and security; and

"(b) the new project is required by changes in weapon characteristics or weapon logistic operations; and

"(c) it is unable to enter into a contract with any person, including a licensee, on terms satisfactory to the Commission to furnish from a privately owned plant or facility the product or services to be provided in the new project.

"SEC. 107. Project rescissions: (a) Public Law 85–162 is amended by rescinding therefrom authorization for certain projects, except for funds heretofore obligated, as follows:

"Project 58–b–1, fabrication plant, $5,000,000;

"Project 58–b–3, metal treatment plant, Fernald, Ohio, $850,000; and

"Project 58–e–13, Argonne boiling reactor (ARBOR), National Reactor Testing Station, Idaho, $8,500,000.

"(b) Public Law 506, Eighty-fourth Congress, second session, is amended by rescinding therefrom authorization for a project, except for funds heretofore obligated, as follows:

"Project 57–c–6, food irradiation facility, $3,000,000.

"SEC. 108. Expenses for move to new principal office: Public Law 85–162 is amended by striking therefrom figure '$75,000' in section 109 a. (4) and substituting therefor the figures '$210,000.'

"SEC. 109. Cooperative power reactor demonstration program: Section 111 of Public Law 85–162 is hereby amended by striking out the figures '$129,915,000' and '$149,915,000' in subsection (a) thereof, and inserting in lieu thereof the figures '$155,113,000' and '$175,113,000'; by striking out the figure '$1,500,000' in clause (2) of subsection 111 a. and inserting in lieu thereof the figure '$2,750,000'; by striking out the date 'December 31, 1958' in clause (3) of subsection 111 a, and inserting in lieu therof the date 'June 30, 1959'; and by adding at the end thereof the following new subparagraphs (c), (d), (e), and (f):

"'(c) Funds appropriated to the Commission, pursuant to the authorization contained in subsection (a) of this section, shall be available to the Commission for cooperative arrangements which may provide for the waiver by the Commission of its charges for the use of heavy water for a period not to exceed five years in any proposed reactor otherwise eligible for assistance under the Commission's power reactor demonstration program.

"'(d) Funds appropriated to the Commission, pursuant to the authorization contained in subsection (a) of this section and authorized for the Third Round of the Commission's power reactor demonstration program, shall be available to the Commission for a cooperative arrangement in accordance with the basis for an arrangement described in the Program Justification Data for Arrangement Numbered 58–111–5.

"'(e) Funds appropriated to the Commission pursuant to the authorization contained in subsection (a) of this section, for the Commission's power reactor demonstration program shall be available to the Commission for a cooperative arrangement in accordance with the basis for an arrangement described in the Program Justification Data for Arrangement Numbered 58–111–6 (PHASE I).

"'(f) Before the Commission hereafter enters into any arrangement the basis of which has not been previously submitted to the Joint Committee on Atomic Energy which involves appropriations authorized by subsection (a) of this section, it shall make public announcement of each particular reactor project it considers technically desirable for construction, and shall set reasonable dates for submission, approval of the proposal and negotiation of the basis of the arrangement, and commencement of construction.'

"SEC. 110. Gas-cooled power reactor: (a) The appropriation authorized in section 101 of this Act for project 59–d–10, gas-cooled power reactor, shall also be alternatively available for a cooperative program under which the Commission may enter into a cooperative arrangement with public, private, or cooperative power groups, equipment manufacturers or others under which the organization will design, construct, and operate the reactor at its own expense and the Commission will contribute to the cost of research and development programs and other assistance in accordance with the terms and conditions of the Commission's power reactor demonstration program, including review by the Joint Committee of the basis of the proposed arrangement in accordance with subsection 111 (b) of Public Law 85–162. Within thirty days after the President signs the Act making available to the Commission appropriations for this project, the Commission shall make a public announcement requesting proposals for such a cooperative program. In the event the Commission does not receive a proposal within sixty days after such announcement, or if the Commission receives proposals within such sixty-day period but is unable to negotiate a satisfactory basis of the arrangement for submission to the Joint Committee within ninety days thereafter, the Commission shall proceed with project 59–d–10 in accordance with subsections (b), (c), and (d) of this section.

"(b) In the event the Commission does not receive a satisfactory proposal under subsection (a) of this section, the Commission shall proceed with the design, engineering and construction under contract, as soon as practicable, of the prototype power reactor facility authorized by Section 101 for project 59–d–10 at an installation operated by or on behalf of the Commission, and the electric energy generated shall be used by the Commission in connection with the operation of such installation.

"(c) In the conduct of the work under this section, the Commission is authorized to obtain the participation of private, cooperative, or public power organizations to the fullest extent consistent with the Commission direction of the project, ownership of the reactor, and utilization of the electric energy generated.

"(d) The power reactor facility constructed shall be operated by, or under contract with, the Commission, for such period of time as the Commission determines to be advisable for research and development purposes and for such additional period as the Commission may determine to be necessary for national defense purposes. Upon the expiration of such period the Commission may offer the reactor and its appurtenances for sale to any public, private, or cooperative power group at a price to reflect appropriate depreciation but not to include construction costs assignable to research and development, or the Commission may dismantle the reactor and its appurtenances.

"(e) Notwithstanding the provisions of subsection (a), if the Commission determines, at any time within sixty days after the announcement provided for in subsection (a) that (i) any public, private, or cooperative power group, equipment manufacturer or other persons or organization has designed and is ready to construct and operate such a reactor at its own expense and not in conjunction with any cooperative arrangement with the Commission and (ii) the purposes of the gas-cooled reactor project 59–d–10 as a part of the Commission's reactor-development program would be substantially fulfilled by the construction and operation of the reactor by such group, equipment manufacturer, or other person or organization, then the Commission shall not be obligated to proceed with such project under this section.

"SEC. 111. Design and feasibility studies: The Commission shall proceed with sufficient design work, together with appropriate engineering and development work, necessary for the Commission to begin construction as soon as practicable after authorization by the Congress of the type of reactor authorized by project 59–d–12. The Commission shall submit to the Joint Committee on Atomic Energy reports on the studies for projects 59–d–12 and 59–d–14 by April 1, 1959, and for project 59–d–13 by May 1, 1959.

"SEC. 112. Increase in prior project authorizations: (a) Public Law 84–506 is amended by striking out the figure '$2,140,000' for project 57–h–3, physics building, Brookhaven National Laboratory, and substituting therefor the figure '$3,040,000.'

"(b) Public Law 85–162 is amended by striking out the figure '$4,000,000' for project 58–e–7, waste calcination system, National Reactor Testing Station, Idaho, and substituting therefor the figure '$6,000,000'."

And the Senate agree to the same.

CARL T. DURHAM,
CHET HOLIFIELD,
MELVIN PRICE,
JAMES E. VAN ZANDT,
CRAIG HOSMER,
Managers on the Part of the House.

CLINTON P. ANDERSON,
JOHN O. PASTORE,
HENRY JACKSON,
BOURKE B. HICKENLOOPER,
JOHN W. BRICKER,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 13121) to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes, submit the following statement in explanation of the effect of the

action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate struck out all of the House bill after the enacting clause and inserted a substitute amendment. The committee of conference has agreed to a substitute for both the House bill and the Senate amendment. Except for technical, clarifying, and conforming changes, the following statement explains the differences between the House bill and the substitute agreed to in conference.

SECTION 106

The House approved the bill in the same form recommended by the Joint Committee on Atomic Energy. The Senate, in substance, adopted amendments to sections 106 and 110 of the identical Senate bill, S. 4051, before proceeding to consideration of the House bill, striking out all after the enacting clause, and substituting the Senate version, as amended.

The Senate amendments to section 106 affected the authority of the Commission to start a new project for which an estimate was not included in the act from available funds in the field of atomic weapons and production of special nuclear materials after making certain certifications. Under the language of the bill as reported out by the Joint Committee (and as contained in prior AEC authorization bills since 1955), the Commission had authority to start such a new project when it made the certifications required by subsections (a), (b), and (c) of section 110. By the Senate amendments the Department of Defense must join in certifications (a) and (b); namely, that the project is essential to the common defense and security, and that it is required by changes in weapon characteristics or weapon logistic operations.

The committee of conference decided, in substance, to approve the House version rather than the Senate version. Representatives of the Atomic Energy Commission and the Secretary of Defense were consulted. The Atomic Energy Commission strongly opposed the Senate amendments on the grounds that the amendment would give the Secretary of Defense a voice as to the construction of Commission facilities. Although it was recognized that the facilities would, as a general rule, be constructed only after the Department of Defense should generate a requirement for additional special nuclear material or atomic weapons facilities, nevertheless the facilities would be constructed and operated under contract to the Commission. The Commission has not in past years used the substitution authority under Section 106, but as a matter of principle, the conferees concluded that the Commission should make the final decision as to its facilities, and the Department of Defense as to its facilities, without either intruding into the field of the other.

SECTION 110

The House approved section 110 as reported out by the Joint Committee on Atomic Energy. The Senate, in substance, amended Section 110 in two respects. First, it added a clause (2) to subsection 110 (a) to read as follows:

"(2) If the Commission determines, at any time within sixty days after the announcement provided for in clause (1) that (i) any public, private, or cooperative power group, equipment manufacturer, or other person or organization is prepared and proposes to design, construct, and operate such a reactor at such person's or organization's own expense and not in conjunction with any cooperative arrangement with the Commission and (ii) the purposes of the Commission's reactor-development program would be substantially fulfilled by the construction of the reactor by such person or organization, then the Commission shall not be obligated to proceed with such project under clause (1)."

The stated purpose of this amendment was to provide that the Commission should not be obligated to proceed with project 59–d–10 either as a Government financed project or as a cooperative arrangement with industry if private industry should construct a reactor at its own expense as an independent project which would fulfill the purposes of the Commission's reactor development program.

The committee of conference approved this amendment with certain language changes as a new subsection (e) rather than clause (2) of subsection (a) to read as follows:

"(e) Notwithstanding the provisions of subsection (a), if the Commission determines, at any time within sixty days after the announcement provided for in subsection (a) that (i) any public, private, or cooperative power group, equipment manufacturer, or other person or organization has designed and is ready to construct and operate such a reactor at its own expense and not in conjunction with any cooperative arrangement with the Commission and (ii) the purposes of the gas-cooled reactor project 59–d–10 as a part of the Commission's reactor-development program would be substantially fulfilled by the construction and operation of the reactor by such group, equipment manufacturer, or other person or organization, then the Commission shall not be obligated to proceed with such project under this section."

The conference language, in effect, struck the words "is prepared and proposed to design" and inserted in lieu thereof the words "has designed and is ready to." By this means the committee of conference intended to emphasize that the proposer must be ready to move forward with the project under the time periods specified in the bill in order to prevent any further delay in the construction of an advanced gas-cooled power reactor.

The committee of conference also inserted the words "gas-cooled reactor project 59–d–10 as a part of the" before the words "Commission's reactor development program" in clause (ii). By this means the committee of conference agreed that the Commission must determine that the independent project would fulfill the purposes of the gas-cooled reactor project 59–d–10, as explained to the Joint Committee and industry, as a part of the Commission's reactor development program, including reports of the Joint Committee in AEC authorizing bills. The independent project must substantially fulfill the same purposes as it would have if constructed under section 110.

Finally, the conferees approved the insertion of the words "and operation" after the word "construction" in clause (ii) as indicated above. Through this means it was intended to indicate that information would be obtained which would fulfill the purposes of the Commission's program during the period of operation as well as during the construction of such an independent project.

The committee of conference approved the amendment to subsection d of section 110 adopted in the Senate to provide that the reactor shall be operated for such periods of time as the Commission determines advisable for research and development purposes and necessary for national defense purposes, and that thereafter the Commission may offer the reactor and its appurtenances for sale (at a price to reflect appropriate depreciation but not to include construction costs assignable to research and development), or the Commission may dismantle the reactor and its appurtenances. The House version, as reported out by the Joint Committee, provided that the reactor would be dismantled after such periods plus the period of supplying electric energy to the Commission installation under section 110 (b). The Senate version of subsection 110 (d), which was approved by the committee of conference deleted the period of operation of the reactor for the purposes of subsection 110 (b) and added the alternative course to the Commission of selling the reactor at an appropriate price to a public, private, or cooperative power group.

CARL T. DURHAM,
CHET HOLIFIELD,
MELVIN PRICE,
JAMES E. VAN ZANDT,
CRAIG HOSMER,
Managers on the Part of the House.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

SUPPLEMENTAL APPROPRIATION BILL, 1959

Mr. CANNON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 13450) making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 3 hours, the time to be equally divided and controlled by the gentleman from New York [Mr. TABER] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Missouri.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 13450, with Mr. DELANEY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. CANNON. Mr. Chairman, some years ago I had occasion to read the transcripts of the proceedings of the House of Representatives, beginning with the 1st session of the 60th Congress down to date. I read, or at least turned, every page in the CONGRESSIONAL RECORD from 1907 down through the current session. It was interesting to note, incidentally, that the quotation most frequently cited by the Members of the House in their speeches here on the floor during those years was a stanza from Goldsmith's Deserted Village:

Ill fares the land, to hastening ills a prey,
Where wealth accumulates, and men decay;
Princes and lords may flourish, or may fade;
A breath can make them, as a breath has made;
But a bold peasantry, their country's pride,
When once destroyed, can never be supplied.

The last time I was in Europe, in every country we visited I insisted on going out into the country and seeing "the bold peasantry, their country's pride" and of observing their farming methods. And I

was inexpressively shocked by what I saw.

I was astonished to find in Germany, a country which has produced the greatest physicians, the greatest painters, the greatest musicians the greatest scientists, the greatest poets, as we traveled down Hitler's great autobahn, a people so different, so unprivileged that they seemed to be of a different nationality. They were farming with hoes and plows pulled by oxen. Only three tractors were seen in that entire trip through the empire.

We found likewise, in rural France, in Turkey, in Greece, even in democratic England, an entirely different people from those found in the cities, a peasantry, of such lower social, economic and cultural status as to seem to belong to a different era.

When I came back home—and I never appreciated our country, our Government, our way of life, so much as when I stepped off the ship at New York—when I got back home, and Ida and I, returning from a meeting, would drive at night along the paved highways that led even to the remotest countryside, we could see the REA electric lights gleaming from every farmstead, the antennas of television sets, the comfortable homes with running water and central heat, the evidences of limed soils and terraced fields and tractors and landscaped lawns. And what was so much more important, an intelligent, progressive, cultured farm people.

We do not have the counterpart of European peasants in America. We are a homogeneous people. Unlike any other country in the world, there is no line of demarcation between our urban and rural populations. Wherever you meet them in the city or the village or the country they are identical in dress and speech and culture. We are all Americans.

But two nationwide influences have been in effect the last few years here in America; one, the organization of the workers of America, and the other, the concentration of wealth and financial power in industry and commerce. Both are profoundly affecting our national economy and both are in effect driving a line of cleavage which sets the farmer apart and which if continued will eventually and inevitably reduce him to a position of economic inferiority.

Both have attained their advantageous positions through legislation enacted by Congress and signed by the President. Labor laws, immigration laws, wage and hour laws, collective bargaining and similar legislation enacted by the Congress have placed organized labor in a commanding position where the worker dictates wages, hours, and conditions of labor.

Tariff laws, tax, banking, commerce, trade, rate, marketing, and other legislation establish corresponding advantages and controls on the other side. But the farmer has been denied legislation which would give him a voice, either in fixing the amount of his own wages or prices, or in the market in which he must buy his own necessities. He is not allowed to have anything to say about the price of what he sells or what he buys. That road leads eventually and inevitably to peasantry and peonage.

Great men, leading great movements—Gompers, Green, Lewis, Murray, Tobin, Reuther, Meany, and their associates and successors—organized the workers of America.

Under that movement we have divided and distributed the wealth of America. Formerly the prosperity of the country was monopolized by a few men at the top. Great fortunes were built up. But the man at the bottom, the worker whose labor created that prosperity had little part in the enjoyment of the wealth he created. Unionization has equalized incomes and has brought the worker a fair share of the national income and national prosperity.

All except the farmer.

While the wage of every worker in the Nation has gone up continuously since the close of the World War, the farmer's income has been almost as consistently down.

When I first came to the House, there was not a labor union in the District from which I came. It was an agricultural district and not a community was to be influenced by a vote for labor in the House. But it seemed to me that agriculture and labor had a common cause. Both were preyed upon by the same predatory interests and obviously they should work together. For that reason I have consistently supported labor legislation, beginning with the first Wagner bill and have never cast a vote that was not friendly to labor in the years in which labor was slowly building support in the House and in the country.

But the favor has not always been returned. And while labor has forged ahead agriculture has lagged behind, and on a rollcall vote last week the labor vote in the House refused even to consider a farm bill.

Commentators in the newspapers referred to it as a smashing victory for Secretary Benson, but of course Secretary Benson had nothing whatever to do with it. A farm reporting agency briefly and accurately sums up the situation as follows:

> The balance of power that decided the outcome was the group of 50 city Democrats who voted against the bill. They voted their resentment against southerners who had opposed labor law liberalization and racial integration.

None of the 43 who voted against the farmer cared anything about Benson or were influenced by him in the slightest. None of them had any affiliation with any farm organization. It was merely pique on a matter wholly unrelated to the farm bill. But they overlooked obligations that should have been regarded. And because I have voted for labor on more rollcalls than any one of the 43 Members who defeated the farm bill, I feel free to remind them of that obligation.

The Secretary of the Department of Agriculture, Mr. Ezra Taft Benson, announces this morning that the farmer's income has increased 22 percent in the last year. Of course such a statement is entirely misleading. The 7 years drought which depleted all herds in the Southwest, and the successive freezes in the fruit and vegetable areas, bring about purely temporary advances in prices—all of which the Department of Agriculture itself takes care to tell you will decline next year when normal conditions are resumed. The truth about the matter is that slowly but surely the farmer is being starved out. The proof is—and even the Department of Agriculture will not deny it—that the farmers are leaving the farm by the hundreds of thousands.

While I was making a circuit of our Congressional District last fall I made it a point to call at the office of the Recorder of Deeds at the county seat of most of the counties in the District and ask about farm mortgages. I was distressed to find that without exception farm mortgages were at a record high, and especially significant, there was a widespread increase in second mortgages. A second mortgage is a last resort of both borrower and lender. The next step is eviction. That is a complete answer to all the hypocritical statements based on juggled bookkeeping they can make.

The first half of 1958 realized farm net income was $13,300,000,000; the total farm net income $13,100,000,000. Any way you measure it there has been a drop of from $1 billion to $2 billion on an annual basis in farm families' net incomes from farming during Secretary Benson's tenure in office. The cumulative loss of income on American farms since he took office has totaled almost $18 billion. The remarkable thing is that while the farmers' income has decreased $18 billion, the cost of running Mr. Benson's Department of Agriculture has increased from $1 billion a year to more than $5 billion a year.

Over the same period of time since Secretary Benson has been in office, the prices received by the farmers dropped from a 1952 average index of 288 to an index of 255 in June 1958.

The parity ratio dropped from 100 percent in 1952 to 84 percent in June 1958. No wonder they are trying to get away from parity. It shows them up.

The prices paid by the farmer went up from an index figure of 287 in 1952 to an index of 305 in June 1958. It was less than one-third of 1 percent below the historic high in April 1958. There is no wonder that farm income is lower now than when Secretary Benson took office, no wonder that we have 600,000 fewer farmers now than when he took over and put the sliding scale into operation.

Then, upon what basis does the Secretary make his statement? Of course there has been an increase in the price of livestock. There has been an increase in the price of fruits and vegetables. Not to the extent that he would have you believe, because he counts in not only the farm income but also the money the farmer makes outside the farm. Life on the farm has become so precarious and so unremunerative that the farmer and his wife have to go off the farm and get a job outside to keep the farm going.

Why has the cost of cattle and hogs gone up? Has it been on account of any-

thing Mr. Benson did or the Department of Agriculture did?

We have had 7 years of drought in the Southwest—Texas, Oklahoma, and neighboring States—which have forced the farmer to liquidate his herds.

This year, for the first time, we have had abundant rains and all over the country men are seeking to rehabilitate their breeding herds, and cattle are at a premium. That, and that alone, has increased the price of cattle and hogs, because the two go together. Four or five unseasonable frosts have reduced the supply of fruits and vegetables and, of course, raised the price. And, mark you, Mr. Chairman, these prices are purely temporary. They will not continue. The Department of Agriculture itself predicts that next year prices will drop. When we get our herds filled, when we start marketing again in the livestock sections, when the abnormal demand ceases, the farmer will still be receiving even less and paying even more.

So the Secretary of Agriculture has done nothing for the farmer, and we are doing nothing for the farmer except to live at his expense. What sort of moral code is it when you live at the expense of another man through a process that will take away from him the products of his toil, his sweat, and his investment, and not give him a fair price for it, especially at a time when we are getting the biggest price for our labor ever known in this country or any time in history?

Let us also remember that a very large part of the increase from 1957 to the first half of 1958 is a result of a $700 million a year rate of acreage reserve payments this year under the Soil Bank program. There is another thing that is temporary. Let us remember that Secretary Benson will not be paying out any acreage reserve money next year.

But even with this in mind look at 1958 as against the year before the Benson program was inaugurated. These statistics are taken from the Department of Agriculture:

1. Parity ratio is down 16 percent.

2. Prices received by the farmers are down 7 percent.

3. Prices paid by the farmer are up 6 percent.

4. Retail prices of food are up 6 percent.

5. Prices received by farmers for food commodities are down 7 percent. Wheat is down 16, but bakery products are up 31.

6. Purchasing power of farm net income is down 14 percent.

7. The number of farms in the United States is down 600,000. Six hundred thousand farm families have been starved off the farms.

That in itself is the final and decisive criterion by which this Department should be judged. Something is radically and drastically wrong when 600,000 farm families are driven from the farm because a farm family never deserts the farm as long as it can exist there. They love the land and they never leave the land except as a last resort.

8. Government expenditures for the Department of Agriculture are up 500 percent. I do not know what the extra 400 percent is for, but certainly, whatever they are paying them—five times what they were getting—is not for anything they are doing for the American farmer.

9. Government expenditures for farm income stabilization is up more than 1,000 percent, but they have not stabilized anything.

Mr. Chairman, I want to appeal to the House, and I would especially like to plead with the 43 Members of the House who voted down the farm bill, who denied us even the chance to debate it, to amend it or to change it or discuss it, the opportunity to meet your views on this vital matter. You who voted to deny the farmer even the chance to be heard, the opportunity to present his cause when starvation stared him in the face.

You who would not give him his day in court. Is that American?

Why did you deny the farmer the right to be heard, to take his case to the jury? Because you were afraid it would increase the price of food in the cities, increase the price of food to your constituents? Your constituents get more and better food for an hour's labor than ever before.

But let us take it categorically:

First. Your constituents work 5 days a week and get a week's pay for the 5 days, but the farmer works 7 days a week and gets a fraction of a week's pay if he gets anything at all.

Second. Your constituents, for whom you denied the farmer the right to be heard, work 8 hours a day, but the farmer gets up while it is still so dark he has to light a lantern, and he comes in to supper long after sundown. And, he is out in the night at lambing time and farrowing time and when predatory beasts threaten his flocks. Your constituents, for whom you deny the farmer a fair price, do not have to make sacrifices like that.

Third. And, your constituent is the worker for the family.

Nobody else in the family works. But, out there on the farm every child works from the time it can walk. You have child labor laws in the cities, but you do not have them on the farm. You have anti-sweatshop legislation which protects the women against sweatshops in the cities, but they work constantly on the farm. And, if it were not for the work of these women and children you would not have the food you get. You not only deny the worker his wage but you deny his wife and children the pitiful price of child and sweatshop labor.

In the city the wife of your constituent has time for the social life in the community. She can attend pink teas, go to the afternoon theater, or she may get a job and double the family income.

And in that connection I include without comment a letter to the Washington Post printed on the editorial page:

WORKING WIVES

There are many husband-and-wife teams working throughout the Nation, due to the fact that these wives are so eager to forsake their family and home responsibilities in favor of the business world. I suggest that the Government solve the unemployment problem by making it compulsory for the husband to resign his job, thereby letting the little woman bring home the money.

It is these avaricious married women who crave the extra luxuries of life that are responsible for the huge unemployment figure. If married women, and I would like to make this clear, who have husbands earning sufficient incomes to support them in comfortable circumstances, stayed home where they rightfully belong and tended their children, the way they should be cared for, we would have less juvenile delinquency and plenty of jobs for heads of families and others who are in dire circumstances due to the recession.

RICHARD A. VEEVERS,
Houston, Tex.

Fourth. Your constituent works largely in steam-heated rooms in the winter and often in air-conditioned shops in the summer. But, the farmer works out under the sun in the blistering days of summer and in the frost and cold of winter, in the rain and in the snow and in the storm when the stock and the poultry must be cared for and the smudge pots must be put out when the temperature drops. Have you considered that when you would not let them bring the farmer's wage here to the floor?

Fifth. The farmer's occupation is exceptionally hazardous. I applied for an accident policy some years ago, and when they asked me what my occupation was I said I was a farmer, and they regretfully returned my application. Then I sent it back and wrote that I was a Congressman. Right away they sent me a policy. You know, we get shot at once in a while, but even at that our occupation is not as hazardous as that of the farmer. Of course, I subscribe to many country papers, and there is hardly a week some paper does not carry an account of a farmer getting his arm torn off by a farm machine, or of an instance in which a tractor rolled over on him and he died there slowly after long hours of waiting.

This year nearly 15,000 farm residents will die in accidents. More than 1 million will be injured. But you will not let the farmer, with 1 arm off, or 1 leg off, even talk about what wage he ought to receive for his toil and sacrifice.

Sixth. Your constituent lives in the city with every convenience about him. You have gas, electricity, schools, churches, theaters, service stations for his car, shops and streets and transportation, all within a few steps. The farmer and his family must live an isolated life, frequently in remote sections where, according to statistics, a disproportionate number of farm women are sent to the insane asylum every year. Would you be surprised at that? But you will not give us a chance to pay her a living wage for the food she helps put on your table.

Seventh. You have the privilege of collective bargaining.

If an employer in any shop here in Washington called a member of the union and tried to bargain with him on the amount of his wages, he would be laughed at. You do not dicker about the amount of your wages. That is all fixed under a law passed by Congress. But the farmer does not have a law and has no voice whatever in fixing the amount of his wages, in fixing the price

of his products, in fixing the rate of return on his investment. He is not allowed to have anything to say about it. He drives up to the market with his cornucopia of plenty for your table and he asks, "What are you paying today?" And no matter what they are paying, and although it may be below cost of production, he takes it, and there is no shop steward or walking delegate to appeal to.

Then when he gets his little check, he goes across the street to buy the necessities of life. And he asks, "What is the price?" And no matter what the price is, he pays it or he does not get the goods. He pays the other man's price. I ask you, what business could survive under conditions like that, where the consumer fixes the price of the farmer's labor and also fixes the price of the necessities which he must buy? It cannot be done. And yet you would not even let us talk about his wage on the floor of the House.

Eighth. Even such inadequate wages as he receives are uncertain and subject to change without notice. The price of hogs, eggs and butter, for example, vary from day to day over a wide range. In 1931 the average farm price of corn was 29 cents; in 1947, two years after the war closed, it was $2.16; today it is $1.10. In 1931 tractors were $1,500; today tractors to make that corn are $3,600. He never knows when he plants a crop what he is going to get for it. He never knows when he farrows his pigs what they will bring him. It is all a gamble. Some other fellow has the say-so. And still he serves you better, and more faithfully than anybody serves you in either your business, your industrial operations or your home life.

He must buy machinery and seed and fertilizer and insecticide. He must make commitments and sign notes at the bank. But before harvest, farm prices may drop so drastically that he will be left holding the bag. He has to take a risk your constituent is never called on to take. But you kick out his bill before the Clerk can even read the title to the House.

Ninth. And remember that the farmer must have ample capital. It costs money to be a farmer. Farming is a big investment. Any farm anywhere of any kind would cost from $15,000 to $35,000. Of course a good farm would cost $150,000. But he has to have from $15,000 to $35,000 even to get the farm. Then on top of that he has to have a minimum of $5,000 for machinery. The day has gone by when you could hire labor. You cannot get anybody to work for wages on the farm, you have to do it by machinery.

But still you do not let the farmer have anything to say about the income on that investment. Every man who owns stocks and bonds has to have his dividends. On his notes he has to have his interest; but not the farmer. He must have a farm. He must have machinery. Then he must have livestock. And you will not even talk here on the floor about letting him have anything at all on his investment, on all that amount required to start farming.

What does your constituent have to have? He has to have a pair of overalls and a wristwatch to be sure he does not work overtime. Still you legislate for him and let him fix his wage. But the farmer, who has to have all this investment does not get a chance to be heard.

Tenth. Here is another very interesting thing. When payday comes around, your constituent walks up to the window and gets his check, or he gets cash in hand. He would be surprised indeed if he went to the window and they said, "There is no check here for you."

But the farmer can work all summer long, in the heat and in the rain, and make every sacrifice, and when the time comes for him to get his paycheck and he goes up to the window they say, "Why, there is no paycheck here for you. Don't you remember we had a drought, we had a flood, we had the boll weevil. No check here for you."

Americans love fair play. We do not like to see a fellow kick the underdog, but we do not object to kicking the underfarmer who feeds us.

Ezra Taft Benson flaunts an honored name. But, he is unworthy of that name. He has brought reproach upon the name of a family honored for the great service it has rendered the Nation and all mankind. Ezra Taft Benson is evil personified. He has brought more tears to the sunburned cheeks of American farm women than any man in American history. He has denied proper food and adequate clothing and equal school advantages to more farm children than any man who ever sat in Washington. He has implemented the greed of corporations which have grown fat on the unrewarded toil of countless men, women, and children. He has destroyed the equilibrium under which the general prosperity of the country as a whole was maintained. He has brought heartbreak to young couples working from morning starlight until evening darkness 7 days a week in a hopeless effort to start life on the farm. He has denied medicine and hospitalization to the men who toil and sweat in the blistering summer sun and freeze in the frost and chill of the winter day desperately trying to make enough to pay interest and taxes. He has denied them the pitiful proceeds of beneficial crops and well-tended herds. No man in the annals of the American Republic has deliberately brought such undeserved suffering and unjust wages for backbreaking labor and has inflicted greater deprivation on children doing men's work, and enduring privation at a period of life when it stunts both mental and physical growth as that pliant tool of predatory wealth and oppression, Ezra Taft Benson. He has destroyed the small farm family, the wellspring from which through generations has flowed the wholesome stream of men and women reared far from the slums and teeming hotbeds of social vices and isms in the city. He has driven uncounted thousands of families from the farm tilled by their fathers for generations.

No such migration has cursed any people since Israel, condemned to make bricks without straw, fled from a kindred spirit and oppressor in ancient Egypt. He has done more than that. He has done worse than that. He has deliberately set class against class. He has engendered an unreasoning prejudice on the part of the city consumer against the farmer.

Wallace's Farmer and Iowa Homestead, in its last issue, quotes a retired Iowa farmer as saying he is disturbed by the public's bitter attitude toward the farmer. He says the farmer is being blamed for everything from the recession to the high cost of living.

Ezra Taft Benson has deliberately fostered that idea. His strategy is to divide and conquer. He not only prejudices class against class, and consumer against producer, but he cleverly sets commodity against commodity.

And in that connection, the day has gone by when a bill for 1 crop or 2 or 3 crops can be brought to the floor and the growers of other commodities left to bring in a separate bill, or as usually results, left without legislation.

Cotton, for example, has had more legislation and more administrative consideration over the years than all other agricultural products combined. Missouri produces more cotton per acre than any State in the Union. I have supported and voted for every cotton bill passed by the House in the last quarter of a century. I recall vividly the opening days of the First World War. I sat on the platform beside Speaker Clark when a bill was brought in to put a ceiling on the price of wheat. In some surprise, I said: "Why, Mr. Speaker, why don't they include cotton? Cotton is just as essential to winning the war as wheat." Looking straight ahead the Speaker answered: "The cotton boys are too strong for us." The farm bill just over from the Senate carries 62 percent protection for corn, 75 percent for rice, nothing for dairying—but 80 percent for cotton. Benson is offering cotton a bait to desert the rest of the farmers.

Mr. Chairman, I am through voting for any bill providing relief for any one or two commodities. Any fair bill must include all agricultural commodities. All for one and one for all. And for the first time in my life I must vote against any cotton bill that comes out on the floor without provision for all other farm products. We are through with divide and conquer. It is a device by which farmers are being driven off the farm, region by region.

In the first 6 months of this year farm employment averaged 5,580,000 compared with 5,729,000 a year ago. The last census report said that all of the 300,000 decline in 1957 was accounted for by self-employed farmers and their underpaid farm helpers.

We are giving no heed to the destruction of the small farm. But all great men of every city—lawyers, doctors, engineers, artisans, merchants and others—have come from the farm. The last two Presidents came from mortgaged farms out in the central West.

The city does not support itself in population. Left alone the city would die. It would perish physically and spiritually, were it not consistently fed by this constant influx of fine men and women who have been reared out on the farm under

the sky and with their feet on the ground by devout mothers and fathers. You never saw a red flag above a farmhouse.

There is another significant trend. Many of those left on the farm are either too old for employment or too young to be employed. The recent explosive increase in our population has so increased the ranks of the consumer, and the years of hard tillage have so depleted our arable land, through attrition and erosion, that in the near future we will approach the line of subsistence.

Some time in 1970 or 1980 we are going to pass the mark where there will not be enough land to support the people. You will call on the farmer and he will not be there. You cannot educate a farmer out of a book or in a college of agriculture. There is only one way and one place to train a farmer and that is on the farm.

A bold peasantry, when once destroyed, can never be supplied.

Mr. NICHOLSON. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman from Missouri has consumed 1 hour.

Mr. CANNON. Mr. Chairman, I will consume the remainder of my time.

The CHAIRMAN. The gentleman from Missouri asks unanimous consent to proceed for an additional time. Is there objection?

Mr. NICHOLSON. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. CANNON. Mr. Chairman, there have always been those who objected when a principle was being fought for.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Chairman, the bill we have before us, the supplemental appropriation bill, has been gone over very carefully by the various panels of the Appropriations Committee and has been agreed upon as to the results we have brought before you.

We have tried very hard to effect some economies and have succeeded to the extent of $95 million in this bill.

Our beloved chairman of the Appropriations Committee, whom we all enjoy listening to so much whether we agree entirely with what he says, spoke of the farmers, economy, and various other things. I do not yield to any Member of this House in my desire for economy in Government. If you are going to have economy in Government you have to practice it all the time. It is necessary to have policies that lead in that direction and it is necessary that you have the courage to back the policies that lead evenly along the road of economy. I dare say that we have diverted our course so much and so often that it is difficult at times to find the road because it has grown up with excessive expenditures and irresponsibility in Government to the point where it is almost a landmark that is undiscernible when you are trying to find your way.

Today in our remarks about economy in the Federal Government, there has been some talk about the farmer. True, the farmer has had a very hard time for a great many years but for a number of years this Congress has had a lot to do with the situation surrounding the farmer. The executive department has had some responsibility to share in the same direction.

I would like to say, Mr. Chairman, that I believe we have today in the person of Ezra Taft Benson at the head of the Department of Agriculture a sincerely honest man who does the best he can as throughout the months and the years he has striven to help lead the farmer into a more promising future and a better economy for the present as we go. I was glad to note when I read an article in the paper yesterday that the farmers during the past year and up to the present time in 1958 are 22 percent higher in their income than they were in recent years. I have a good many farmers in my District and they feel that they are through the worst of the hard struggles they have had. They feel rather happy about conditions.

The price of hogs is very high and the profits have been most satisfactory. The consumption of meat products has been the highest in the history of the Nation. Cattle is selling at almost record high prices and I find it is predicted that at the end of this year the increase in the farmers' income will reach up to about $13½ billion or more, which is considerably higher than the $11½ billion of a few years ago.

Indeed, the farmers generally in this country are rather prosperous and they are prosperous because we have had an administration even in peacetime handling the affairs of our Government so well that the farmer has not only found the greatest consuming market in history to use his products and to consume his products, but with the passage of Public Law 480 and other aids to the farmer that we have enacted, he has found his export market in the exportation of farm products the highest in the history of the world, with the result that it is phenomenal how the price of farm products with the tremendous surplus we have on hand has held up. The farmers have been prosperous in the field of agriculture, in raising poultry and livestock of all kinds, as well as soya beans, and I think the record will show that the great improvement in the manufacture of farm machinery through science and invention has made it possible for the farmers to farm larger areas, and I think the result will show that the farmer has not been starved off the market or driven off the market but he has simply farmed more acres, and in my judgment the percentage for the last 20 years, during the past 3 administrations, will show that there have been more farmers leave the farm percentagewise under the two former Presidents of the opposite party than have left the farm under the present administration in power.

I noticed in this morning's paper that during this terrible recession that we have been going through, that has been so well advertised, that we have 65 million people employed, which means that we will continue to have a great consuming market for agriculture. So, I do not believe the picture is quite as bleak as some Members sometimes view it.

Now, it would appear to me that what we ought to do is to find out who has been punishing the farmer and stop that punishment if we can. In my judgment, the farmer has been punished because our Government has been taking away from him too much in taxes. The little businessman has been pumished because it is taking too much tax out of his income, and the big-business man is punished because too much of his income has been taken for taxes.

Business, farmers, those living on pensions, social security, those living on fixed incomes, housewives, and every citizen is being punished by inflation or the high cost of living, due to the constant increase of pyramiding of wages by the big labor organizers who by so doing are increasing taxes and prices to every farmer, and every citizen has to pay. It is the extravagance of the Congress of the United States of which the opposition party has a big majority in the House and a majority in the Senate.

Now, I hear talk about a $10 billion deficit that will be staring us in the face.

All right. Let us see where these deficits come from. You got excited about the depression and we passed a housing act of about $1.5 billion. And you did a lot of things in that housing act that made it very difficult for the business people to operate. In other words, you changed and lowered the interest rate, which is driving the investor out of the market and socializing the investment, which will cause the investors to come to the Government because we fixed the interest rate lower than the going market rate.

The Senate has recently passed another housing bill for something like $2.4 billion, which is $1½ billion more than the President asked. It is now before the Committee on Rules, which would increase the budget practically $4.2 billion in the housing field alone, notwithstanding that public housing, which has been the darling and the dream of the liberals and has caused the greatest loss of any one department to the taxpayers of this country. We have already lost over $5 billion on public housing, and over $2 billion on urban renewal. And, I understand they want to increase that. And, if that is not enough, they have a bill, the public facilities bill, that is pending before the Committee on Rules that would lead our people and the nations of the world to believe that we are so rich that we can afford to lend $2 billion at 2⅝ percent interest for 50 years. Come to the Federal Government. Get the money here at 2⅝ percent at a time when the municipal bond market is furnishing money at satisfactory interest rates. We are encouraging the borrowers to come to the Government for funds, and we keep going on piling up expenses, increasing the debt, which means increasing taxes, which makes it more difficult on the farmer, more difficult on small business, more difficult on big business, and shows the continuing irresponsibility of this Congress which ought to be willing to get down to cases with its $280 billion debt and with serious world tension surrounding us, and strike a blow for the financial solvency of this Government on

the home front, which is more important than anything else at the present time.

Mr. TABER. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, this is a bill totaling $3,131,000,000. Of that $2,605,000,000 goes to the Atomic Energy Commission, for their operations, largely of a research variety, some few for construction.

There is $278,750,000 to the Department of Agriculture, largely for the Soil Conservation Service. There is $81,932,000 to the Commerce Department; about $60 million is for the promotion of safety in air traffic. Then there is $9 million for the Department of Defense, for retired pay. There is a small item for the District of Columbia. There is $3,350,000 for operations of the United States in the Ryukyu Islands. There is $23 million for independent offices, a large portion of which goes to the Veterans' Administration. There is $16 million for the Department of the Interior, for various items including the Park Service. For the Departments of Labor and Health, Education, and Welfare, $95 million, a large part of which is in connection with payments under unemployment compensation legislation. There is a comparatively small item for the State and Justice Departments, amounting to about $8 million, and an item of $8½ million for claims and judgments.

The cuts that were made total approximately $95 million.

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Seventy-two Members are present, not a quorum.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 139]

Bailey	Fulton	O'Hara, Minn.
Barden	Garmatz	Philbin
Bass, Tenn.	Gordon	Porter
Baumhart	Green, Oreg.	Powell
Bentley	Gregory	Preston
Blitch	Gwinn	Prouty
Boggs	Harris	Radwan
Buckley	Hébert	Rogers, Tex.
Burdick	Hoeven	Sadlak
Carnahan	Hoffman	Santangelo
Celler	Hyde	St. George
Christopher	James	Scott, N. C.
Clark	Jenkins	Shuford
Clevenger	Johansen	Sieminski
Coudert	Kearney	Smith, Kans.
Dies	Kearns	Smith, Miss.
Diggs	LeCompte	Staggers
Dorn, S. C.	Lesinski	Stauffer
Dowdy	Macdonald	Steed
Eberharter	Michel	Talle
Edmondson	Mitchell	Taylor
Engle	Morris	Teague, Tex.
Evins	Moulder	Trimble
Fallon	Nix	Watts
Friedel	Norblad	Williams, N. Y.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. DELANEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 13450) and finding itself without a quorum, he had directed the roll to be called, when 346 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. TABER].

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. FORD. I would like to ask the chairman of the committee, or someone familiar with the matter, a question in reference to a statement in the committee report appearing on page 48 having to do with the reactor-development program. The committee has recommended, according to the report, the following:

> The budgeted program includes $1,250,000 for development work on fast-reactor systems. In keeping with the position taken by conferees on the bill last year none of these funds are to be charged against the contract between the AEC and the Power Reactor Development Co.

It is my understanding that during fiscal year 1958 none of the funds made available for the fast-breeder reactor were specifically charged to the PRDC contract but that benefits from AEC research on the reactor-development program could be made available to the PRDC project. Do I gather from the words in the committee report that the same arrangement will be carried on in fiscal 1959?

Mr. RABAUT. The answer is "Yes."

Mr. FORD. That arrangement is satisfactory, as I understand, to the PRDC and the AEC. Therefore I am glad to hear that this bill for the fiscal year 1959 will carry out that arrangement in the future.

Mr. RABAUT. The Congress has never approved the contract between the AEC and PRDC but, as far as the gentleman's question is concerned, the answer is "Yes." The situation is the same.

Mr. FORD. I thank the gentleman from Michigan. He is as concerned about this matter as I am. I think the answer is very satisfactory.

Mr. BEAMER. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Indiana.

Mr. BEAMER. Mr. Chairman, I would like to make a comment and ask a question of the committee, particularly with reference to the matter referred to on page 5 of the committee report. This has to do with emergency conservation measures. The Congress several years ago appropriated $24 million for disaster relief in areas that had been devastated by floods and other acts of nature. Now, as I understand, there is about $18 million or $19 million remaining of this fund. The question is this: Does this bill extend that public law, which I understand was Public Law 85 and Public Law 170?

Mr. TABER. I understand it does.

Mr. BEAMER. Well, the reason I asked that question, I represent a district and I think many others represent districts where there have been tremendous flood losses this year in various farm areas. Now, the other question that I would like to ask is this: Is this amount of money on a matching basis, or is it on a loan basis? Could that be answered?

Mr. TABER. I think I would have to yield to a member of the agricultural subcommittee to answer that question.

Mr. BEAMER. As to the language on page 2 of the bill, emergency conservation measures, is that money available on a matching basis or is it an outright grant?

Mr. WHITTEN. It is an outright grant to repay money expended by local people to remedy the damage done in times of natural disaster. The law itself limits the area and conditions under which the funds are available. The State must determine the disaster, and the President must agree. We have, for a period of years, each year extended this disaster fund in line with the legislation. The budget request was that we extend it now for 6 months. In view of the restrictions and limitations in the law itself, which protects the funds, we felt it was better to continue the fund on an indefinite basis.

Mr. BEAMER. I discussed this with the chairman of the subcommittee, the gentleman from Mississippi, and I think it is an excellent move, but I did want to get this question answered.

Mr. WHITTEN. Permit me to go further by saying that actually this is a reimbursement to the people in the area who do certain work incident to recovery from a disaster which the Federal Government and the State determined did exist.

Mr. BEAMER. And it must be declared a disaster area?

Mr. WHITTEN. That is right; which comes from the Federal Government and the State Government, and that precedes the allocation of money from this fund.

Mr. BEAMER. I compliment the committee for including it and extending this particular legislation.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, first of all I want to compliment the Preston subcommittee, the gentleman from Ohio [Mr. BOW], and other members of the subcommittee for the excellent hearings they conducted in connection with the propaganda campaign put on at the White House and elsewhere by Eric Johnston and his hirelings in behalf of the extension of the foreign trade agreement program. I would say to the Members of the House that they will find some very excellent reading beginning on page 491 of the hearings and extending for a good many pages thereafter in connection with this propaganda campaign.

Now, it is my understanding that representatives of the Department of Commerce came to the subcommittee asking for some $200,000 as a supplemental appropriation apparently to carry on their propaganda. It is interesting to note—and I will not go into this extensively—on page 497 of the hearings that this subcommittee, the Preston subcommittee, apparently learned for the first time that in November an Executive order was issued by the President, Executive Order

10741—and I quote: "in which it designated a trade policy committee to be the adviser to the President on matters of foreign trade policy, the committee to be chaired by the Department of Commerce."

This Trade Policy Committee apparently got started in October but was officially set up in November of last year. Yet it made no representation to the Committee on Appropriations for funds, nor was the House Appropriations Committee or the subcommittee apparently informed until June 25, 1958, that this propaganda committee with White House blessing, was operating out of the till. Yet representatives of that outfit had the nerve to go before the subcommittee and ask for $200,000 as a supplemental appropriation as late as June 25, this year.

I wonder if the gentleman from Ohio [Mr. Bow], who is a member of that subcommittee, could tell me whether there is any appropriation in this supplemental bill for those propagandists.

Mr. BOW. There is no appropriation for that particular feature of the bill.

Mr. GROSS. The committee denied them the funds requested?

Mr. BOW. That is correct.

Mr. GROSS. I want to compliment and thank the committee for so doing. Also I want to compliment the proper subcommittee for refusing to authorize an appropriation of $1,200,000 for additional land for a stadium in Washington. It seems to me that Congress has gone far enough in providing land, et cetera, for a stadium.

Mr. Chairman, I note on page 4 of the bill an item of $3,060,000 for export control to the Bureau of Foreign Commerce. I wonder if any attention was given by the subcommittee which handled that item to the fact that the Secretary of Commerce has authorized the export of technicians and know-how to Russia for the building of the largest rubber-tire plant outside the United States? I wonder just how effective export control is, in other words, and whether we are justified in a $3,060,000 supplemental appropriation for export control.

I wonder if any member of the Committee on Appropriations can tell me whether he is convinced that we have any real export control, if we are exporting technical information and technicians to help the British build the biggest rubber-tire plant, outside the United States, in Russia.

Mr. THOMAS. Mr. Chairman, I will say to the gentleman that our colleague, the gentleman from Georgia [Mr. PRESTON] was called back to his District for some important meeting and I agreed to try to pinch-hit for him here.

This item happens to be in the bill by virtue of the fact that the authority deceased, it was dead, and we had to have fresh authority. Therefore it was not in the regular bill. But these export-control items are set up to control strategic and critical materials. They are the only ones that have to have licenses. When it comes to rubber, I understand rubber is quite plentiful, we are making plenty in this country and we are getting it from other places, so that does not enter into the picture.

Mr. GROSS. Does the gentleman agree that rubber is strategic? And does not the gentleman agree, if we are sincerely fighting communism, that we have no business helping anybody build a tire plant in Russia?

Mr. THOMAS. That is the foreign giveaway program, and I have not voted for that in 5 years.

Mr. GROSS. On page 5 of the bill there is a $10 million supplemental appropriation for the Inter-American Highway. I wonder how much longer that is going on.

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to my friend from Ohio.

Mr. BOW. I would call the gentleman's attention to the language in the report, in which we went into that matter and stated very definitely:

> The committee feels that it is time to close the book on this project. This request is approved, therefore, with the clear understanding that no further requests will be considered.

That is the position of the subcommittee. We have all discussed it. We feel that this closes the book. If they come in for any more, the present setup of the committee will deny it.

Mr. GROSS. How much have the taxpayers of this country spent on that highway?

Mr. BOW. I cannot tell the gentleman, but it is a tremendous sum of money.

Mr. GROSS. Is it not true it is about $100 million?

Mr. BOW. I would guess that is about right.

Mr. GROSS. It started out as about a $40 million project.

Mr. BOW. And now we have a hard-surfaced road.

Mr. THOMAS. If the gentleman will yield, this $10 million brings the total in the last few years to $85 million, and adding the 6 or 7 years prior to that brings the total to $100 million. The gentleman is correct.

Mr. GROSS. On page 13 of the bill you provide $75 per diem for the directors of the Export-Import Bank. I wonder why $75, when on page 9 you provide $50 per diem for another agency. I wonder why it went up to $75.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Virginia.

Mr. GARY. The situation is that the Export-Import Bank is, in my opinion, doing one of the finest jobs of any agency of this Government. We are doing away with the necessity of giving away money by loaning people money for projects in foreign lands, and helping them to develop their countries with borrowed money.

These are sound loans. The Export-Import Bank has a remarkable record of safe loans. It has sustained very few losses. It loans money all over the world, and on various enterprises. In order to be certain that their loans are sound, they have to send trained technicians to various parts of the world to examine the projects on which they are going to loan money and to pass on their soundness. This requires high-grade experts. For the services of a good expert who is required to travel to the far parts of the world $75 is not an unreasonable compensation. The Export-Import Bank should not be required to employ cheap experts, because it is trying to place sound loans.

Mr. GROSS. I have serious misgivings about the loans made by the Export-Import Bank. Sure, they will be sound as long as we keep pumping money in from other sources, such as foreign aid, and so forth. If these loans are so sound, then private bankers ought to be making them.

Mr. GARY. I think the gentleman is absolutely wrong. These loans are not made on the same basis as those of the Development Loan Fund. These loans are made on the same basis that any good bank would make loans.

Mr. GROSS. Does the gentleman happen to know whether the oil operation by Edwin Pauley in Jordan of $6 million, which holding is guaranteed by the United States Government, was an Export-Import Bank loan, or any other kind of a Government loan?

Mr. GARY. I am not able to say as to that particular loan, but I can say to the gentleman that our subcommittee has had this Agency under its review for a long, long time, and it has a remarkable record for sound loans, which would compare favorably with any bank in this country.

Mr. GROSS. Let me ask the gentleman this question: In line 3 of this same page 13 appeared these words:

> Not to exceed $9,000 for entertainment allowances for members of the Board of Directors.

Is that a lump sum, or is that $9,000 for each one of the members?

Mr. GARY. That is a lump-sum appropriation. That money is put in there for this reason: The bank is making loans all over the world and various people come to it for interviews. If representatives of the bank want to take some of its clients or others with whom they are transacting business out to dinner and have a conference around the dinner table, it is not right to make them pay for the dinner out of their own pockets. Since the bank's clients are from other countries failure to provide entertainment, at times, would reflect on the United States. I will say there is absolutely no increase whatever in that item over the amount allowed last year. Moreover, this is not an appropriation that you have before you. It is simply a limitation on the amount the bank can spend from its own funds for administrative expenses. As a matter of fact, the Export-Import Bank is making money.

Mr. GROSS. I do not care from what public source the money comes. I am opposed to spending it for that purpose.

Mr. GARY. But, the Export-Import Bank is making money.

Mr. GROSS. I do not know why we have to authorize spending for liquor to get somebody to take our money.

Mr. GARY. I will say to the gentleman I am not advocating expenditures

for liquor. The gentleman knows I would not advocate that.

Mr. GROSS. The gentleman knows that that is part of this; does he not?

Mr. GARY. Well, it may be true that sometimes when a client is taken out to dinner, they may have a highball before dinner—I do not know. I am told that it is customary in some circles in Washington. I do not know much about this liquor business myself.

Mr. GROSS. There is $750,000 to the State Department for entertainment which the hearings show and refer to as the whisky allowance. There is another $200,000 as I understand it somewhere else for some other agency of the Government. Now we have $9,000 here. How much are we supposed to spend on liquor and entertainment to get foreigners to take our money?

Mr. GARY. I am certain that not much of this is going for liquor because if that were the case, if the officials of the Export-Import Bank drank much liquor, they would not be doing the wonderful job they are doing.

Mr. GROSS. I will offer an amendment to strike that out when we get to that place in the bill under the 5-minute rule. And I am not going to be very popular in offering another amendment to page 22 where I note there is an additional amount for stationery for the members. I just want to serve notice that I am going to offer an amendment to strike that out, too.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. LAIRD. I would like to ask the gentleman a question. I note that the gentleman is going to offer an amendment in regard to the stationery allowance.

Mr. GROSS. That is correct.

Mr. LAIRD. As a member of the Committee on Appropriations, I would like to ask the gentleman why he did not move to strike that out of the bill out of the authorization bill rather than come to the appropriation bill after the appropriation is made.

Mr. GROSS. Let me say to the gentleman that when the authorization bill went through the House, you would have had to have a stopwatch to have stopped it. That is how fast it went through.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman from Iowa yield?

Mr. GROSS. I am glad to yield to the gentleman.

Mr. ROONEY. If I understand the situation correctly, I should say to the distinguished gentleman from Iowa that the money for the new stationery allowance, the increase in stationery allowance, is being paid out of the contingent fund of the House and will be paid to the membership of the House regardless of whether the amount at page 22 is stricken from this bill or not. I think I am quite correct in making this statement because House Resolution 628—and I assume the gentleman from Iowa was present on the 10th of July when the gentleman from Maryland [Mr. FRIEDEL] asked for the immediate consideration of that resolution—provided for an additional allowance of $600 for stationery to be paid out of the contingent fund of the House.

Mr. GROSS. Just a minute. Mr. Chairman, I cannot yield. I would like to answer the gentleman before my time expires.

Mr. ROONEY. I thought the gentleman had time and that I was answering the gentleman. I am pointing out that any amendment he might offer at page 22 would be a futile gesture.

Mr. GROSS. Mr. Chairman, I decline to yield further until I can reply to the gentleman. I just told the gentleman from Wisconsin [Mr. LAIRD] that I was present on the floor of the House when the bill went through, but it would have been necessary to have had a stopwatch to time the proceedings. It went through in about 30 seconds.

Mr. ROONEY. That surprises me because I have always given the gentleman from Iowa credit for being one of the most alert Members of the House.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. BROYHILL].

Mr. BROYHILL. Mr. Chairman, I should like to direct my remarks to the Department of Commerce appropriation on page 3, and more specifically to the $50 million appropriation for construction and development of an additional Washington airport. As the members of the committee know, we have had many years, 7 or 8 years to be exact, of confusion, controversy, delay and debate over the specific location of this second Washington National Airport.

The impact on the community, its specific location with reference to the existing airport, insofar as air traffic is concerned; the quality of the terrain in the specific location; the cost of the ground; the impact on the community. Many Members felt that the CAA was indifferent to these many problems, as a result of which the Congress, through an appropriation bill, took the responsibility and jurisdiction for the location of that airport away from the CAA and placed it in the hands of the President. Hearings were held. A very fine job was done in analyzing all these problems as a result of which the airport site was relocated at Chantilly, Va. It is far enough away from the present airport so that there will be no air traffic interference. While it has some impact on the community, it is a minimum insofar as comparison with other locations are concerned.

There is one problem remaining which has not been solved, and that is access to the airport from the center of this metropolitan area. That is one of the most important problems, because it does not make any difference where it is located; unless you have access to it you will not utilize the full facilities which are available. Many people in northern Virginia are very much concerned in the attitude of the CAA in locating this access road—indifferent to the impact on the community insofar as the specific location is concerned. We are very much concerned about whether or not they will have an access road to that airport that will fully service the airport. There was an announcement made that the CAA was considering using an extension of the George Washington Memorial Parkway. If that is used as the main access to that airport, it will not be fully serviceable, because the George Washington Memorial Parkway is already being used to its full capacity and cannot absorb any additional traffic being dumped onto that thoroughfare. So a new and separate access road will have to be constructed to that airport in order to utilize it to its full advantage.

I would like to ask a question of the chairman of the subcommittee in charge of this matter, and that is this: Is the appropriation for the access road included in this $50 million? That is my first question.

Mr. THOMAS. It is a lump-sum appropriation. It can be used for any specific purpose. The committee has advised that access roads will cost in the neighborhood of $20 million, and the committee is insisting that they have ample and adequate roads. And they are insisting further that the CAA consult with the various State agencies involved, with the Bureau of Public Roads, so that it will create as little problem and as little burden to everybody concerned as possible.

Mr. BROYHILL. The gentleman has already answered my second question, in that you did admonish them to make sure that this access road is fully serviceable and will do the job, and that they would consult with other agencies involved. How about the people in the area, the local board of supervisors, the Highway Commission, and so on?

Mr. THOMAS. Anybody who wants to be heard, who can make a contribution to the subject matter will be heard.

Mr. BROYHILL. Did the CAA assure the committee that they would hold public hearings?

Mr. THOMAS. They would.

Mr. BROYHILL. They would hold public hearings?

Mr. THOMAS. Yes.

Mr. BROYHILL. I thank the gentleman as I wanted the record to show that it is the intent of Congress that the people in the area would be considered and given the opportunity to voice their objections.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. BROYHILL] has expired.

Mr. CANNON. Mr. Chairman, I ask that the Clerk read.

Mr. TABER. I have no further requests for time, Mr. Chairman.

The CHAIRMAN. Both sides yield the remainder of their time. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, to supply regular and supplemental appropriations (this act may be cited as the "Supplemental Appropriation Act, 1950") for the

fiscal year ending June 30, 1959, and for other purposes, namely:

CHAPTER I

Department of Agriculture

Agricultural Research Service

Salaries and expenses

For an additional amount for "Salaries and expenses," as follows:

Plant and animal disease and pest control, $2 million;

Meat inspection, $1,750,000.

Not to exceed $346,000 of the amount made available under this head in the Department of Agriculture and Farm Credit Administration Appropriation Act, 1958, may be used until June 30, 1959, for construction, alteration, and repair of buildings and the limitation on building construction or alteration contained therein shall not apply to said amount.

Agricultural Conservation Program Service

Emergency conservation measures

The unobligated balance of the amounts made available under this head in the Third Supplemental Appropriation Act, 1957, and in the Supplemental Appropriation Act, 1958, shall remain available until expended.

Soil Bank Programs

Acreage reserve program

For an additional amount for "Acreage reserve program," $275 million; and the limitation under this head in the Department of Agriculture and Farm Credit Administration Appropriation Act, 1959, on the amount available for administrative expenses, is increased from "$13,000,000" to "$17,500,000."

CHAPTER II

Department of Commerce

Civil Aeronautics Administration

Operation and regulation

For an additional amount for "Operation and regulation," $11,735,000.

Construction and development, additional Washington Airport

For necessary expense for the construction and development of a public airport in the vicinity of the District of Columbia, as authorized by the act of September 7, 1950 (64 Stat. 770), including acquisition of land, $50 million, to remain available until expended: *Provided*, That not to exceed a total of $1,750,000 may be advanced from this appropriation to the applicable appropriations of the Civil Aeronautics Administration for necessary administrative expenses.

Bureau of Foreign Commerce

Export control

For expenses necessary for carrying out the provisions of the Export Control Act of 1949, as amended, relating to export controls, including awards of compensation to informers under said act and as authorized by the act of August 13, 1953 (22 U. S. C. 401), $3,060,000, of which not to exceed $1,006,000 may be advanced to the Bureau of Customs, Treasury Department, for enforcement of the export control program, and of which not to exceed $93,400 may be advanced to the appropriation for "Salaries and expenses" under "General administration."

Coast and Geodetic Survey

Salaries and expenses

For an additional amount for "Salaries and expenses," $343,500.

Construction and equipment, geomagnetic station

For design, construction, and equipment of a geomagnetic station, as authorized by the act of August 6, 1947 (33 U. S. C. 883i), $400,000, to remain available until expended.

Maritime Activities

Maritime training

For an additional amount for "Maritime training," $68,000.

Bureau of Public Roads

Inter-American Highway

For necessary expenses of completing the survey and construction of the Inter-American Highway, in accordance with the provisions of the act of December 26, 1941 (55 Stat. 860), as amended, to remain available until expended, $10 million.

National Bureau of Standards

Plant and equipment

For an additional amount for "Plant and equipment" for improvement and modification of utilities and plant facilities, as authorized by section 2 of the act of July 21, 1950 (15 U. S. C. 286), at a cost of not to exceed $100,000 for any one improvement, $186,000, to remain available until expended.

Construction of facilities

For an additional amount for "Construction of facilities," for design, under the supervision of the General Services Administration, of laboratory and administrative buildings for the National Bureau of Standards, and for design of related equipment, $3 million, to remain available until expended.

Weather Bureau

Salaries and expenses

For an additional amount for "Salaries and expenses," $1,840,000.

Establishment of meteorological facilities

For an additional amount for "Establishment of meteorological facilities," $1,300,000, to remain available until June 30, 1961.

CHAPTER III

Department of Defense—Military functions

Interservice Activities

Retired pay

For an additional amount, fiscal year 1958, for "Retired pay," $9 million.

CHAPTER IV

District of Columbia

Operating Expenses

Personal services, wage-scale employees

For pay increases and related retirement costs for wage-scale employees, to be transferred by the Commissioners of the District of Columbia to the appropriations for the fiscal year 1958 from which said employees are properly payable, $75,000, said increases in compensation to be effective on the first day of the first pay period beginning after May 8, 1958: *Provided*, That no retroactive compensation or salary shall be payable in the case of any individual not in the service of the municipal government of the District of Columbia on the date of approval of this act, except that such retroactive compensation or salary shall be paid in the case of a deceased officer or employee, or of a retired officer or employee, for services rendered after the effective date of the increase: *Provided further*, That for the purpose of determining the amount of insurance for which an individual is eligible under the Federal Employees' Group Life Insurance Act of 1954, all changes in rates of compensation or salary which result as provided herein shall be held and considered to be effective as of the first day of the first pay period which begins on or after the date of enactment of this act.

Miscellaneous

Settlement of claims and suits

For the payment of claims in excess of $250, approved by the Commissioners in accordance with the provisions of the act of February 11, 1929, as amended (45 Stat. 1160; 46 Stat. 500; 65 Stat. 131), $26,701.

Judgments

For the payment of final judgments rendered against the District of Columbia, as set forth in House Document No. 394 (85th Cong.), $1,280, together with such further sums as may be necessary to pay the interest at not exceeding 4 percent per annum on such judgments, as provided by law, from the date the same became due until the date of payment.

Audited claims

For an additional amount for the payment of claims, certified to be due by the accounting officers of the District of Columbia, under appropriations the balances of which have been exhausted or credited to the general or special funds of the District of Columbia as provided by law (D. C. Code, title 47, sec. 130a), being for the service of the fiscal year 1957 and prior fiscal years as set forth in House Document No. 394 (85th Cong.), $19,645, together with such further sums as may be necessary to pay the interest on audited claims for refunds at not exceeding 4 percent per annum as provided by law (act of July 10, 1952, 66 Stat. 546, sec. 14d).

Division of Expenses

The sums appropriated in this act for the District of Columbia shall, unless otherwise specifically provided for, be paid out of the general fund of the District of Columbia, as defined in the District of Columbia appropriation acts for the fiscal years involved.

CHAPTER V

Department of the Army—civil functions

Administration, Ryukyu Islands

For expenses, not otherwise provided for, necessary to meet the responsibilities and obligations of the United States in connection with the government of the Ryukyu Islands, including, subject to such authorizations and limitations as may be prescribed by the Secretary of the Army, tuition, travel expenses, and fees incident to instruction in the United States or elsewhere of such persons as may be required to carry out the provisions of this appropriation; travel expenses and transportation; services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), at rates not in excess of $50 per diem for individuals not to exceed 10 in number; not to exceed $1,500 for contingencies for the High Commissioner, to be expended in his discretion; translation rights, photographic work, educational exhibits, and dissemination of information, including preview and review expenses incident thereto; hire of passenger motor vehicles and aircraft; purchase of four passenger motor vehicles for replacement only; repair and maintenance of buildings, utilities, facilities, and appurtenances; and such supplies, commodities, and equipment as may be essential to carry out the purposes of this appropriation; $2,750,000, of which not to exceed $1,450,000 shall be available for administrative and information expenses: *Provided*, That the general provisions of the appropriation act for the current fiscal year for the military functions of the Department of the Army shall apply to expenditures made from this appropriation: *Provided further*, That expenditures from this appropriation may be made outside continental United States when necessary to carry out its purposes, without regard to sections 355, 3648, and 3734, Revised Statutes, as amended, section 4774 (d) of title 10, United States Code, civil service or classification laws, or provisions of law prohibiting payment of any person not a citizen of the United States: *Provided further*, That expenditures may be made hereunder for the purpose of economic rehabilitation in the Ryukyu Islands in such manner as to be consistent with the general objectives of titles II and III of the Mutual Security Act of 1954, and in the manner authorized by sections 505 (a) and 522 (e)

thereof: *Provided further,* That funds appropriated hereunder may be used, insofar as practicable, and under such rules and regulations as may be prescribed by the Secretary of the Army to pay ocean transportation charges from United States ports, including Territorial ports, to ports in the Ryukyus for the movement of supplies donated to, or purchased by, United States voluntary nonprofit relief agencies registered with and recommended by the Advisory Committee on Voluntary Foreign Aid or of relief packages consigned to individuals residing in such areas: *Provided further,* That under the rules and regulations to be prescribed, the Secretary of the Army shall fix and pay a uniform rate per pound for the ocean transportation of all relief packages of food or other general classification of commodities shipped to the Ryukyus regardless of methods of shipment and higher rates charged by particular agencies of transportation, but this proviso shall not apply to shipments made by individuals to individuals: *Provided further,* That the President may transfer to any other department or agency any function or functions provided for under this appropriation, and there shall be transferred to any such department or agency without reimbursement and without regard to the appropriation from which procured, such property as the Director of the Bureau of the Budget shall determine to relate primarily to any function or functions so transferred.

Construction of Water System, Ryukyu Islands

For necessary expenses of construction, installation, and equipment of a water system in the Ryukyu Islands, which shall be operated by the United States Civil Administration of the Ryukyu Islands; services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), at rates not in excess of $50 a day for individuals; and hire of passenger motor vehicles and aircraft; $600,000, to remain available until expended, without regard to section 355 and 3734 of the Revised Statutes, as amended, and title 10, United States Code, section 4774.

Corporation

The following corporation is hereby authorized to make such expenditures within the limits of funds and borrowing authority available to such corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the fiscal year 1959 for such corporation, except as hereinafter provided:

Limitation on Administrative Expenses, Export-Import Bank of Washington

Not to exceed $2,055,000 (to be computed on an accrual basis) of the funds of the Export-Import Bank of Washington shall be available during the current fiscal year for administrative expenses of the Bank, including services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), at rates not to exceed $75 per diem for individuals, and not to exceed $9,000 for entertainment allowances for members of the Board of Directors when specifically authorized by the Chairman of the Board; and, in addition, not to exceed the equivalent of $200,000 of the aggregate amount of foreign currencies made available to the Export-Import Bank for loans pursuant to the Agricultural Trade Development and Assistance Act of 1954, as amended, shall be available during the current fiscal year for expenses incurred by the Export-Import Bank in foreign countries incident to such loans: *Provided,* That fees or dues to international organizations of credit institutions engaged in financing foreign trade and necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Bank or in which it has an interest, including expenses of collections of pledged collateral, or the investigation or appraisal of any property in respect to which an application for a loan has been made, shall be considered as nonadministrative expenses for the purposes hereof.

CHAPTER VI

Independent offices

Federal Communications Commission

Salaries and expenses

For an additional amount for "Salaries and expenses," $142,000.

Federal Power Commission

Salaries and expenses

For an additional amount for "Salaries and expenses," $120,000.

General Services Administration

Operating expenses, Public Buildings Service

For an additional amount for "Operating expenses, Public Buildings Service," $3,800,000; and the limitation under this head in the Independent Offices Appropriation Act, 1959, on the amount available for travel expenses of employees, is increased by $6,000.

Construction, public buildings

For an additional amount for "Construction, public buildings," $323,000, to remain available until expended.

Expenses, supply distribution

For an additional amount for "Expenses, supply distribution," $160,000.

Operating expenses, National Archives and Records Service

For an additional amount for "Operating expenses, National Archives and Records Service," $32,500.

Housing and Home Finance Agency

Federal National Mortgage Association

Limitation on administrative expenses, Federal National Mortgage Association

The limitation under this head in title II of the Independent Offices Appropriation Act, 1959, on administrative expenses of the Association, is increased by $700,000; and the limitation thereunder on expenses of travel is increased by $50,000.

Public Housing Administration

Annual contributions

For an additional amount, fiscal year 1958, for "Annual contributions," $3,900,000.

Limitation on administrative and nonadministrative expenses, Public Housing Administration

The limitation in the second proviso under this head in title II of the Independent Offices Appropriation Act, 1959, on certain expenses of the Public Housing Administration, is increased by $500,000.

National Science Foundation

Salaries and expenses

For an additional amount for "Salaries and expenses," $4,000,000, to remain available until expended.

International Geophysical Year

For an addition amount for "International Geophysical Year," $2,500,000, to remain available until June 30, 1960.

Veterans' Administration

General operating expenses

For an additional amount for "General operating expenses," $4,750,000; and the limitation under this head in the Independent Offices Appropriation Act, 1959, on the amount available for expenses of travel of employees, is increased by $200,000.

Inpatient care

For an additional amount for "Inpatient care," $3,400,000.

CHAPTER VII

Department of the Interior

Departmental Offices

Office of Saline Water

Salaries and expenses

For an adidtional amount for "Salaries and expenses," $345,000.

Bureau of Land Management

Management of lands and resources

For an additional amount for "Management of lands and resources," $200,000.

Bureau of Indian Affairs

Road construction and maintenance (liquidation of contract authorization)

For an additional amount for "Road construction and maintenance (liquidation of contract authorization)," $1,500,000, to remain available until expended.

Geological Survey

Surveys, investigations, and research

For an additional amount for "Surveys, investigations, and research," $1,500,000.

Bureau of Mines

Conservation and development of mineral resources

For an additional amount for "Conservation and development of mineral resources," $1,250,000.

Construction

For an additional amount for "Construction," $10,905,000, to remain available until expended.

National Park Service

Management and protection

The appropriation under this head in the Department of the Interior and Related Agencies Appropriation Act, 1959 (Public Law 85-439), shall be available for reimbursements to the District of Columbia for benefit payments made for prior fiscal years pursuant to the act of August 21, 1957 (71 Stat. 399).

Fish and Wildlife Service

Bureau of Commercial Fisheries

Management and investigations of resources

For an additional amount for "Management and investigations of resources," $85,000.

Administration of Pribilof Islands

In addition to the appropriation under this head in the Department of the Interior and Related Agencies Appropriation Act, 1959 (Public Law 85-439), there is hereby appropriated $601,250 of the proceeds covered into the Treasury during the fiscal year 1959 from the June 7, 1958, sale of sealskins: *Provided,* That of said appropriation not to exceed $300,625 shall be transferred to and merged with the appropriation "Management and investigations of resources, Bureau of Sport Fisheries and Wildlife," for fiscal year 1959 and not to exceed $300,625 shall be transferred to and merged with the appropriation "Management and investigations of resources, Bureau of Commercial Fisheries," for fiscal year 1959.

Related agencies

Smithsonian Institution

Salaries and expenses

For an additional amount for "Salaries and expenses," $52,800.

Historical and memorial commissions

Civil War Centennial Commission

For expenses necessary to carry out the provisions of the act of September 7, 1957 (71 Stat. 626), $63,000, together with the unobligated balance remaining from the 1958 appropriation for this purpose.

Lincoln Sesquicentennial Commission

For expenses necessary to carry out the provisions of the act of September 2, 1957 (71 Stat. 587), $142,000.

CHAPTER VIII

Department of Labor

Office of the Solicitor

Salaries and expenses

For an additional amount for "Salaries and expenses," $110,000.

Bureau of Employment Security

Salaries and expenses

For an additional amount for "Salaries and expenses," $300,000.

Grants to States for unemployment compensation and employment service administration

For an additional amount for "Grants to States for unemployment compensation and employment service administration," $20,600,000, of which $10,000,000 shall be available only to the extent necessary to meet increased costs of administration resulting from changes in a State law or increases in the number of claims filed and claims paid or increased salary costs resulting from changes in State salary compensation plans embracing employees of the State generally over those upon which the State's basic grant (or the allocation for the District of Columbia) was based, which increased costs of administration cannot be provided for by normal budgetary adjustments.

Unemployment compensation for veterans

For an additional amount for "Unemployment compensation for veterans," $37,700,000.

Unemployment compensation for Federal employees

For an additional amount for "Unemployment compensation for Federal employees," $36,300,000.

Department of Health, Education, and Welfare

Saint Elizabeths Hospital

Salaries and expenses

For an additional amount for "Salaries and expenses," $32,000.

Social Security Administration

Limitation on salaries and expenses, Bureau of Old-age and Survivors Insurance

The amount authorized by the Departments of Labor, and Health, Education, and Welfare Appropriation Act, 1959, to be expended from the Federal old-age and survivors insurance trust fund for necessary expenses, is increased by $5,831,000: *Provided*, That persons who have been admitted to practice before a Federal or State court of record who have had a minimum of 3 years' experience in the adjudication or consideration of claims for retirement, survivors, or disability benefits may be temporarily appointed by the Commissioner of Social Security to hold hearings under title II of the Social Security Act, as amended, but such temporary appointments shall terminate not later than December 31, 1959: *Provided further*, That no person shall hold a hearing in any case with which he has been concerned previously in the administration of such title II.

Office of the Secretary

Salaries and expenses, Office of Field Administration

The limitation under this head in the Departments of Labor, and Health, Education, and Welfare Appropriation Act, 1959, on the amount available for transfer from the Federal old-age and survivors insurance trust fund, is increased by $18,000.

United States Soldiers' Home

Limitation on operation and maintenance and capital outlay

The amount authorized by the Departments of Labor, and Health, Education, and Welfare Appropriation Act, 1959, to be paid from the Soldiers' Home permanent fund, for maintenance and operation of the Home, is increased by $232,000, of which $125,000 shall remain available until June 30, 1960, for construction planning.

CHAPTER IX

Legislative branch

House of Representatives

Contingent expenses

Stationery (revolving fund)

For an additional amount for "Stationery (revolving fund)" for the second session of the 85th Congress, $262,800, as authorized by House Resolution 628, to remain available until expended.

CHAPTER X

Atomic Energy Commission

Operating expenses

For necessary operating expenses of the Commission in carrying out the purposes of the Atomic Energy Act of 1954, as amended, including the employment of aliens; rental in or near the District of Columbia; services authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a); purchase of equipment; purchase, maintenance, and operation of aircraft; publication and dissemination of atomic information; purchase, repair, and cleaning of uniforms; purchase of newspapers and periodicals (not to exceed $6,000); official entertainment expenses (not to exceed $30,000); not to exceed $3,850,000 for expenses of travel, including expenses of attendance at meetings of organizations concerned with the function or activity for which this appropriation is made; reimbursement of the General Services Administration for security guard services; not to exceed $46,800,000 for personal services; purchase (not to exceed 435 for replacement only, including one at not to exceed $3,500) and hire of passenger motor vehicles; $2,375,972,000, together with the unexpended balances, as of June 30, 1958, of prior year appropriations made available under this head to the Atomic Energy Commission, and, in addition, any moneys (except sums received from disposal of property under the Atomic Energy Community Act of 1955 (42 U. S. C. 2301)) received by the Commission, notwithstanding the provisions of section 3617 of the Revised Statutes (31 U. S. C. 484): *Provided*, That of such amounts $100,000 may be expended for objects of a confidential nature and in any such case the certificate of the Commission as to the amount of the expenditure and that it is deemed inadvisable to specify the nature thereof shall be deemed a sufficient voucher for the sum therein expressed to have been expended: *Provided further*, That from this appropriation transfers of sums may be made to other agencies of the Government for the performance of the work for which this appropriation is made, and in such cases the sums so transferred may be merged with the appropriation to which transferred: *Provided further*, That no part of this appropriation shall be used in connection with the payment of a fixed fee to any contractor or firm of contractors engaged under a cost-plus-a-fixed-fee contract or contracts at any installation of the Commission, where that fee for community management is at a rate in excess of $90,000 per annum, or for the operation of a transportation system where that fee is at a rate in excess of $45,000 per annum.

Plant acquisition and construction

For expenses of the Commission as authorized by law, in connection with the purchase and construction of plant and other expenses incidental thereto necessary in carrying out the purposes of the Atomic Energy Act of 1954, as amended, including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion; and hire of passenger motor vehicles; $229,429,000, to remain available until expended.

General provisions

Any appropriation available under this or any other act to the Atomic Energy Commission may initially be used subject to limitations in this act during the fiscal year 1959 to finance the procurement of materials, services, or other costs which are a part of work or activities for which funds have been provided in any other appropriation available to the Commission: *Provided*, That appropriate transfers or adjustments between such appropriations shall subsequently be made for such costs on the basis of actual application determined in accordance with generally accepted accounting principles.

Not to exceed 5 percent of any appropriation herein made to the Atomic Energy Commission may be transferred to any other such appropriation, but no such appropriation shall be increased by more than 5 percent by any such transfers, and any such transfers shall be reported promptly to the Appropriations Committees of the House and Senate.

No part of any appropriation herein made to the Atomic Energy Commission shall be used to confer a fellowship on any person who advocates or who is a member of an organization or party that advocates the overthrow of the Government of the United States by force or violence or with respect to whom the Commission finds, upon investigation and report by the Civil Service Commission on the character, associations, and loyalty of whom, that reasonable grounds exist for belief that such person is disloyal to the Government of the United States: *Provided*, That any person who advocates or who is a member of an organization or party that advocates the overthrow of the Government of the United States by force or violence and accepts employment or a fellowship the salary, wages, stipend, grant, or expenses for which are paid from any appropriation contained herein shall be guilty of a felony and, upon conviction, shall be fined not more than $1,000 or imprisoned for not more than 1 year, or both: *Provided further*, That the above penal clause shall be in addition to, and not in substitution for, any other provisions of existing law.

CHAPTER XI

Department of State

Administration of Foreign Affairs

Salaries and expenses

For an additional amount for "Salaries and expenses," $450,000.

Payment to Government of Denmark

For payment of claims of the Government of Denmark, as authorized by the act of June 6, 1958 (Public Law 85-450), $5,296,302.

Department of Justice

Legal Activities and General Administration

Salaries and expenses, general legal activities

For an additional amount for "Salaries and expenses, general legal activities," $200,000.

Salaries and expenses, United States attorneys and marshals

For an additional amount, fiscal year 1958, for "Salaries and expenses, United States attorneys and marshals," not to exceed $100,000, to be derived by transfer from any appropriation available to the Department of Justice for the fiscal year 1958.

Federal Prison System

Salaries and expenses, Bureau of Prisons

For an additional amount for "Salaries and expenses, Bureau of Prisons," $2,066,000.

CHAPTER XII

Treasury Department

Bureau of the Public Debt

Administering the public debt

For an additional amount for "Administering the public debt," $1,500,00.

Coast Guard

Operating expenses

Appropriations under this head shall be available for payment of claims as authorized by Public Law 85-255, approved September 2, 1957.

Acquisition, construction, and improvements

For an additional amount for "Acquisition, construction, and improvements," $150,000, to remain available until expended.

CHAPTER XIII

Claims for damages, audited claims, and judgments

For payment of claims for damages as settled and determined by departments and agencies in accord with law, audited claims certified to be due by the General Accounting Office, and judgments rendered against the United States by United States district courts and the United States Court of Claims, as set forth in House Document No. 418, 85th Congress, $8,523,895, together with such amounts as may be necessary to pay interest (as and when specified in such judgments or in certain of the settlements of the General Accounting Office or provided by law) and such additional sums due to increases in rates of exchange as may be necessary to pay claims in foreign currency: *Provided* That no judgment herein appropriated for shall be paid until it shall have become final and conclusive against the United States by failure of the parties to appeal or otherwise: *Provided further*, That, unless otherwise specifically required by law or by the judgment, payment of interest wherever appropriated for herein shall not continue for more than 30 days after the date of approval of this act.

Mr. CANNON (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The CHAIRMAN. Are there any committee amendments?

Mr. CANNON. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Amendment offered by Mr. CANNON: On page 22, after line 26, insert the following:

"ARCHITECT OF THE CAPITOL

"Expansion of facilities, Capitol Power Plant

"For expansion of the Capitol Power Plant facilities, $750,000, to be expended by the Architect of the Capitol under the direction of the House Office Building Commission, to remain available until expended: *Provided*, That the provisions of this paragraph shall be effective only upon enactment into law of H. R. 12883, 85th Congress."

Mr. CANNON. Mr. Chairman, this is a routine amendment. It supplies the funds to carry out a proposition authorized by the House without dissent 2 weeks ago. It covers the work of expanding the Capitol Power Plant in accord with the bill H. R. 12883—work which must move forward this year to keep step with the demands being made upon it. The work has been approved by the Building Commission, the Committee on Public Works, and the House.

The total of this amendment is $750,000. It is for the preparation of contract plans and specifications and for the purchase and installation of additional compressors in the refrigeration plant during the shutdown period this winter.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Iowa.

Mr. GROSS. This language in no way provides funds for the remodeling of the House Office Building or the remodeling of the Congressional Hotel, does it?

Mr. CANNON. It is solely for the powerplant which supplies heat and refrigeration, summer and winter, for the Capitol, the office buildings on Capitol Hill, the Government Printing Office, the City Post Office, the Congressional Library, and the Supreme Court Building.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri.

The amendment was agreed to.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 5, strike out all of lines 5 through 11.

Mr. GROSS. Mr. Chairman, this amendment would strike out the language pertaining to the Bureau of Public Roads for completion of the Inter-American Highway. It would strike out the $10 million supplemental appropriation for the Inter-American Highway.

We have just heard the gentleman from Virginia [Mr. GARY] tell us what a fine institution the Export-Import Bank is, and I understand that Mr. Milton Eisenhower is now down in Central America and that he is accompanied by representatives of every lending institution the Federal Government has, the Export-Import Bank, the World Bank, the International Monetary Fund, and every other agency for putting out money on a so-called loan basis. I understand a representative of the new Development Loan Fund is also with him. All the blank checks we have are with Milton Eisenhower down in Central America.

We have already spent $100 million on this road that started out as a $40 million proposition. This is a good time to cut it off and let the Central American countries borrow a little of this money. Let them borrow this $10 million and finish the road.

Mr. ROONEY. The gentleman realizes, of course, that this Inter-American Highway was the brain child of the late great President Franklin D. Roosevelt and that over the years since 1933 or 1934 construction has proceeded and modest appropriations have been made. It seems, however, that since 1953 this administration can spend money faster down there—whether or not Dr. Milton Eisenhower has anything to do with it I do not know—than any administration in my time.

Mr. GROSS. This is the first time I knew that this road was the brain child of Franklin Delano Roosevelt. It is a good time for us to quit wet nursing this brain child.

Mr. ROONEY. Your administration testified before the subcommittee as to the urgency of this $10 million in connection with international relations in Central America. The gentleman is aware of that, is he not?

Mr. GROSS. Yes. I also understand that we are now running a big bill of expense over in the Middle East. We had better tighten our belt quickly and this is a good place to start.

Mr. THOMAS. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto conclude in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMAS. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Iowa.

Mr. Chairman, I appreciate our friend's desire to save money. He is on the ball, he works hard, he is sincere and he does a terrific job. He almost did one on me the other day. But I do hope in all sincerity that this amendment will be defeated because we will not be saving money. Since 1950, not including this present appropriation we have spent $75 million. We put up two-thirds and the Latin American countries put up one-third.

Mr. Chairman, this road is 1,573 miles long. It starts in Mexico and goes right down to the canal. We have all of the grading and all the bridges in or under contract. This last $10 million is to complete the hard surfacing. We are going to have to pinch the money to get them to do it with $10 million but I hope and pray they will.

The adoption of the gentleman's amendment would be false economy. All of the people in the administration are very sincerely anxious to get this work done. We figure that by putting up this little bit of money it will be a great antidote against communism down there. They are doing a good job with this money and they are doing a good job in making an asset for themselves and for this country, too.

Mr. Chairman, I hope the pending amendment is voted down and I respectfully submit to my friend from Iowa that this money will do a good job. It will be well worth the taxpayers' money.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The amendment was rejected.

Mr. ASPINALL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as a member of the Joint Committee on Atomic Energy, I would like to comment on one cut recommended by the Committee on Appropriations. As indicated in the House table of the report of the statement on page 48 concerning "raw materials," the bill reduces the amount requested by the Atomic Energy Commission by $5,768,000.

In my opinion, this cut may very well be considered as a slap in the face for the uranium miners of America who have successfully responded to our country's needs, and a breach of faith on the part of the Government of the United States in its dealings with the miners.

As to the $5 million cut, it is based on estimates in past years when mills were still under construction and the estimates were high because the mills were not constructed on schedule. However, for fiscal year 1959, we have a completely different situation. Fifty-five mills have now been constructed and only three more are under construction. There is every expectation that the full $5 million will be needed.

As for the $768,000 deleted for bonus payments, this could be interpreted as canceling the initial production bonus which the Government and the Atomic Energy Commission have promised the miners until March 31, 1960. This program has greatly assisted the small miner and is still needed. Mr. Chairman, I believe that the full $5,768,000 should be restored to the bill.

Mr. BERRY. Mr. Chairman, will the gentleman yield?

Mr. ASPINALL. I yield to the gentleman from South Dakota.

Mr. BERRY. Is it not a fact that if this $5,768,000 is deleted, the mines which are not now in operation, such as the mines in the northwestern part of South Dakota, but where the contract is about to be let for the construction of a mill, would be cut out under this deletion?

Mr. ASPINALL. I could not answer the gentleman in the affirmative on that question, but I would say that their possibility of operating as intended would be greatly lessened.

Mr. RABAUT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would say to the gentleman that the action of the Committee on Appropriations is based upon the very fact that it takes into consideration the unexpended balances. In 1954 they had $6,225,000; in 1955 they had $14,139,000; in 1956 they had $37 million; and in 1957 they had $10 million. Now, they feel they are going to get on a normal keel on this item in about 1959. Mr. Floberg, in answer to a question of Mr. CANNON, says that "certainly under no short-term scale will it be exhausted. We are controlling the production of it, so it will not be overproduced."

Now, over and above that, if they need more money, that can be transferred under the transferability clause within the Department, and where figures like these are concerned, that is no small amount.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. Yes, with pleasure.

Mr. ASPINALL. Do I understand the gentleman is saying that these moneys that have not been used heretofore are still in possession of the Atomic Energy Commission to be used in case the appropriations provided in the bill now before the committee do not meet the commitments made to the mines?

Mr. RABAUT. In any year we reappropriate the unexpended balance.

Mr. ASPINALL. But that would mean, then, that there is a prospective deficit of over $5 million if the program of the Atomic Energy Commission is completely lived up to as they have outlined for fiscal 1959.

Mr. RABAUT. Yes, in a way, but there would not be a deficit because they have the transferability clause.

Mr. ASPINALL. Did the committee take into consideration the fact that we now have all of the mills ready to do their part in milling the ore supply that comes to them and that we have not had such milling facilities during former fiscal periods because the mills have not been finished on schedule?

Mr. RABAUT. Yes. We took that into consideration.

Mr. ASPINALL. I thank the gentleman.

Mr. RABAUT. You will find more information on page 47 of the report. Increases in the raw materials program by the committee is $83,099,000 over 1958 appropriations.

Mr. JENSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as a member of the Subcommittee on Interior Department Appropriations, I desire to call your attention to the fact that the budget request for supplemental appropriations for the several branches of the Department of the Interior totaled $37,340,050. The committee held hearings, afterwhich we decided that proper justifications had been made for a substantial amount of the total request of these agencies and so we reduced the amount requested from $37,340,050 to $16,042,800, or a reduction of $21,297,250. That is a reduction of approximately 60 percent from the budget request.

Mr. Chairman, as most of my colleagues know, that long ago the various agencies of this Government got into the bold bad habit of asking for huge deficiency funds shortly after the general appropriation bills had been passed by the Congress. It had become a constant habit each year of almost every agency of the Government to make these huge deficiency requests. In the year 1950 Congress passed an antideficiency law with teeth in it, but which is circumvented by simply calling a deficiency a supplemental. We have ofttimes in the committees warned these agencies that they had best come up with a request for all the funds they need in the next fiscal year in the regular general appropriation requests except for strictly emergency purchases. But it seems they do not respect our warnings and so I suggest we amend the antideficiency law by adding antisupplemental to the total and elsewhere in the bill where necessary to accomplish the desired end. But then I presume they will find some other word, or coin some other phrase to get around an antisupplemental law. Now, of course, there is one sure cure for this problem which is that henceforth the appropriations committee refuse to approve any supplemental request for any purpose except for purely emergency purposes. I for one am ready to join in such a pledge. Surely Congress must take steps to stop the huge unwarranted supplemental requests at an early date. We should have done it long ago.

Now, Mr. Chairman, as a member of the Subcommittee on Appropriations for the Atomic Energy Commission, I call your attention to the amount of $2,605,401,000 here recommended. We reduced the budget request by the small amount of $16,599,000. Some may ask, why did you make any reduction? There were a few items in the bill where the agency intimated they could get along with just a little less. So the committee felt inclined to reduce their request of $2,622,000,000 by the sum of $16,599,000. We heard the Atomic Energy Commission, and their staff members, the different agency heads, and others representing those agencies, some 30 people, who assist the Commission in justifying their requests for funds. An able, devoted group of patriotic Americans. Of course, anyone who is not a nuclear expert has to take the word of the Atomic Energy Commission and their staff as to their requests for money which they feel they need to carry on this very important work.

I am happy to say that the hearings were more congenial this year since Admiral Strauss did not appear before the committee. Admiral Strauss, as you all know, has been criticized, belittled, ridiculed, and insulted no end by certain Members of Congress, to the end that that great American, that great atomic expert, saw fit to retire. Along with him went the general manager, Mr. Fields, a valuable man in the atomic field. Along with him went Mr. Davis, one of the greatest if not the greatest expert on atomic science I have ever had the privilege of meeting or listening to, and several other valuable men left the Commission recently. They went with private industries at salaries much larger than they were receiving as members of the Atomic Energy Commission staff. I hope and trust that in the future devoted men such as these will not be ridiculed, insulted, and belittled by any Member of Congress while they are trying their best to do a good job for the American people and the peace-loving people of the world, not only in matters pertaining to instruments of war but also in developing atomic energy for peaceful purposes.

Mr. MARSHALL. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. MARSHALL. Mr. Chairman, there is one agency not included in this bill today but which will probably be included by the other body and the item will have to be taken to conference. This is the Small Business Administration which will become a permanent agency when the President signs H. R. 7963 as agreed upon by the House and Senate.

In addition to granting permanent status, the bill increases the Small Business Administration's lending authority and makes other changes which will require supplemental appropriations. Since the bill was in the process of being passed and in conference, the funds were not discussed in the House hearings on the bill now before us. It is my understanding that the request will be submitted to the Senate during the hearings before its committee.

The action of the Congress in making permanent the Small Business Administration clearly demonstrates our belief that it is essential that we foster a growing and prosperous small business community. To do this, we have authorized the administration to increase and strengthen its services.

Under the recent changes in the Small Business Act, we have given the Small Business Administration a number of new duties and at the same time we have expanded several of the agency's present responsibilities. This obviously means an increased workload for the agency.

For example, we have increased the limit on a Small Business Administration loan from $250,000 to $350,000. This will result in a greater volume of loan applications from small businesses that want to modernize or expand their operations, and that require larger loans than were formerly available to them.

The reduction in the maximum interest rate on Small Business Administration loans, from 6 percent to 5½ percent, also should result in an increased number of loan applications.

Since it was established on July 30, 1953, the Small Business Administration has developed cooperative programs with all of the major purchasing agencies of Government to see that suitable purchases are set aside for award to small business.

Now we have added to this responsibility by directing the Small Business Administration to insure a fair share of Government property that is placed on sale will be offered to small business owners.

Congress has also directed the agency to provide small business concerns greater assistance in the area of research and development, including help in obtaining government contracts for research and development projects.

These new responsibilities mean greater opportunity for the Small Business Administration to be of service to small business and to help them to grow and prosper in this time of ever-increasing competition and rapid technological change.

It follows, however, that the agency will need additional funds to carry out these new responsibilities as intended by the Congress. I point this out today, Mr. Chairman, only to indicate that members of the committee are aware of the fact that additional funds will probably be included by the other body and that we will have the opportunity to consider them when the conference report is before us.

Mr. FLOOD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am a member of the subcommittee dealing with the Department of Commerce and those agencies of that Department dealing with civil aviation.

The reason I take these few minutes is that I know and you know that the members of this committee use the civil airlines as much if not more than any equal number of citizens in the country. I just want you to know what you are up against insofar as that part of aviation safety which has to do with weather is concerned. I am talking now about the Weather Bureau and its facilities and its services to you and to the users of the civil airlines, as far as safety goes.

The weather people asked for a sum of money for forecasting, observation, and transmission of weather information having to do with that area of the skies between 20,000 and 50,000 feet, or more. I mention this to you because in November of this year there will be operational commercial, turbojet aircraft that will be flying at those altitudes, and many of you will be in them. I think you should know that a condition precedent to air safety is weather forecasting observation and the transmission of information. And with these altitudes today "There ain't no such animal." So when you get into a turbojet aircraft in November and for the next year, you will be flying at 20,000 to 50,000 feet and there will be no forecasting observations worthy of the name or transmission of weather information to your pilot on air turbulence or jet stream headwinds or anything else. If it had not been for the insistence of this committee that it be put in—the weather people asked for it—the Secretary of Commerce granted it and the Bureau of the Budget pooh bah cut it out. We insisted it go back in, but even we did not do half the job that we should have done, although on that we did. But keep in mind there are about 2,000 civil commercial aircraft and dozens of thousands of private aircraft flying. You are in them day and night. Reports, forecasting observation and transmission to your pilots have been cut down in 72 cities and briefing for weather of your pilots. Fifty-two of your cities have lost 24-hour reporting service. They are all listed here. Ten of your cities have qualified and have no weather reporting service. With the exception of Washington, there is absolutely no automatic transmission of weather conditions to your pilots. And there will not be for the next year. I am telling you this just so you will know. I am not going to introduce an amendment here, but I want the RECORD to show this. I want you to know that I have in my hand a report prepared at our request by the weather people—design for a modern national aviation weather system—a 5-year plan. In this plan the weather people say today the gap between weather service needs of air operations and that which can be provided borders on the absolute critical limit—that is today. That is their language. It will be worse during the next year. None of the provisions in this report that we are asking for are in this bill—none of them. Just so you know.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 13, line 2, strike out "$75" and insert "$50."

Mr. GROSS. Mr. Chairman, this is the amendment I said I would offer a while ago. I know of no reason why the members of the Board of Directors of the Export-Import Bank should be paid $75 per diem when the bill provides $50 per diem for others, and that seems to be the going rate in most of the Government—$50 per diem for various other agencies.

Mr. Chairman, I yield back the balance of my time.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman yield?

Mr. GROSS. I yield.

Mr. ROONEY. I should like to point out to the distinguished gentleman that $50 is not the going rate in all other Government agencies. The rate for the current year in a number of appropriation bills passed since January has been increased to the same amount, to wit, $75, which is the amount included in this bill, for the hiring of engineers and technical people to investigate the feasibility and soundness of loans which will be repaid to the Export-Import Bank.

Mr. GROSS. I still do not agree with the gentleman that we are making sound loans all over the world. I refer the gentleman to page 9, line 16, of this bill where you provide $50 per diem for others.

Mr. GARY. Mr. Chairman, I rise in opposition to the amendment. I wish to say to the gentleman from Iowa [Mr. GROSS] that I certainly have the greatest admiration and respect for him, but this is one instance in which I cannot agree with him.

I do not know how many of you saw it last night, but I saw and heard a great television presentation by the Columbia Broadcasting System. It was entitled "The Ruble War." The CBS had brought back its representatives from all corners of the world. There was a representative from the Middle East, one from the Far East, one from South America, one from Europe, and from other sections of the world. They recited and demonstrated the war that Russia is waging in all parts of the world today for economic supremacy. They contrasted the Russian effort with the effort that is being made by this country. One thing that struck me as particularly significant is that we are giving the various countries around three or four billion dollars a year, while the Russians are not giving away anything. What aid they are giving to those various countries is in the form of loans. It convinced me of one thing, that we should change our emphasis from a grant program to a loan program. In the Export-Import Bank we have an agency which has been making loans in foreign countries for a number of years. Those loans are being made on sound banking principles. I do not say that every loan that is made will be paid back. No bank can say that every loan that it makes will pay out; but I can say this, that so far, the reserve they have set up to meet losses far exceeds any losses they have had.

This is not an appropriation that is being asked for here. What we are doing is to limit the amount that this agency can spend out of the profits that it earns. The Export-Import Bank is making money on its transactions, and this is simply limiting the amount which can be spent for administration.

Mr. GROSS. Will the gentleman yield?

Mr. GARY. Yes; I yield.

Mr. GROSS. Only last night I was reading the hearings of the Passman committee dealing with the so-called Mutual Security Act. Before this committee appeared a witness from the State Department, or the ICA, I do not remember which. This witness made a statement that at some meeting in Cairo the Russians had said that they would make loans, would give economic aid, with no strings attached. I believe it was Mr. PASSMAN who asked this witness who appeared before the committee to show the committee one single contract on the basis of "No strings attached," and the witness was unable to deliver.

Mr. GARY. I would say to the gentleman that the witnesses for the CBS last night were far better informed and more effective because they did show project after project, not for which the Russians were giving money but for which they were making loans to those countries. I do not know what strings attached but Russia is operating in such a spectacular way that they are overshadowing our foreign-aid program in many of the countries.

In the same way the Export-Import Bank is creating a tremendous amount of international good will for the United States.

Insofar as the $75 is concerned, we have no set formula for the payment of these experts. This is a maximum which differs among the agencies. Some agencies have a maximum of $50; others are permitted to pay as high as $100. We feel that the $75 maximum in this instance is proper because of the fact that these experts serve not only in the United States but also abroad.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The amendment was rejected.

Mr. FENTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as I sat in the hearings listening to the representatives of the Atomic Energy Commission sustaining the needs for their appropriation, I, like many others on the committee, felt as though we certainly were not in position to argue very strenuously with them; yet we are asked to appropriate billions of dollars. So, Mr. Chairman, while we go along with the Commission and with the Joint Committee on Atomic Energy, which, by contrast with our committee, goes into these matters very minutely—and I pay tribute to both the Joint Committee and the Commission—yet, Mr. Chairman, as a Representative of an area of this country that is almost totally dependent on coal for its very survival, I must protest the continued outpouring of Government funds for the promotion of electric power production from atomic fuels that will one day put the coal industry out of business. The bill under discussion today contains millions of dollars for the direct Government subsidy of atom-powered plants in competition with coal-burning plants.

There is irony in the fact that the taxes of our Pennsylvania coal miners are being used to contribute to the death of their own industry. In years past our taxes have gone into the building of vast Federal dams to produce millions of kilowatts of electric power that might otherwise have been produced by hundreds of millions of tons of coal. Now these same miners must again watch their tax money be used for a purpose that will even more rapidly destroy one of the largest remaining markets for their coal.

Even miners out of work are not exempt from the hundreds of taxes on the goods they must buy to keep their families fed and housed and clothed—taxes that funnel into the Federal Treasury to be voted by the Congress for purposes that are not always consistent with the interests of the people who pay the taxes.

As a Nation, we already have expended over half a billion dollars in research and development of atomic-fueled plants. By contrast, a mere fraction of this amount has been spent by the Federal Government for all phases of coal research over the years.

If atomic-energy plants were desperately needed by this country to catch up with a shortage of electric power, then I would yield to the emergency. But the uneconomic aspects of atomic power at the present time do not justify this mad rush to produce atomic electric energy at any cost. Take the costs of the Shippingport reactor, for example—producing electricity at an estimated 60 mills per kilowatt-hour in an area where electricity can be produced for about 5 mills per kilowatt-hour in steam plants.

Bear in mind that when I question the wisdom of a crash program for Federal reactor construction at this time, I am not discussing here our defense needs. I am talking about our civilian reactor program for the development of atomic power for civilian needs in direct competition with the power that is now being produced cheaply and efficiently from coal. It is no secret that our coal industry is in trouble. But instead of searching for ways and means to bolster a sick industry that is so important to a number of States besides my own, today we are watching the Federal Government cement its role as an active competitor against coal.

I submit that it is not necessary for the Federal Government to be so anxious to enter into the field of construction of atomic-powered electric plants. The President himself has told us that the plutonium-production reactor proposed in this bill for Hanford, Wash., convertible to power production, is not required by military needs. Until such a "pressing military need for additional plutonium capacity has developed," the President said in a recent letter to a member of our Appropriations Committee, "there can be no justifiable basis to proceed." The President, continuing, said, "Replacement of existing Hanford facilities on economic grounds and the proposed power conversion features of the project seem to me to be clearly unwarranted at this time."

The President has also objected to inclusion at this time of funds for additional research and development studies. For the present, he stated, "they do not represent a balanced or high priority group of projects for funding in 1959." It is true that we have established that there is no obligation to go forward next year with the construction of the five designs listed in this year's bill. Yet we already know that the two design studies authorized last year have now blossomed into construction authorizations in this year's bill—in spite of objections from the executive branch. The President noted that "these projects lay the groundwork for additional Government construction of power reactors" at a time when "the need for such construction is yet to be demonstrated."

The President made a further statement that I heartily endorse, with regard to the proposed gas-cooled reactor in the authorization bill.

My conviction—

He says—

is that construction of this reactor by private industry with some Government assistance in research and development offers the best promise for the atomic power program.

This is a vital point for the coal industry: that private industry be allowed to develop the reactor program insofar as possible. The coal industry does not fear the honest competition of private industry in this field. What it does find difficult to reconcile is the injection of Government subsidy into the area of civilian atomic power, and the fostering of foreign nuclear projects that will further dilute the domestic and foreign markets for American coal. All we ask, all we have ever asked, is that the competition come naturally, through the normal operation of our competitive, free-enterprise economy, and not as the result of subsidy of our competitors by our own Government, in part at our expense.

The citizens of the coal regions of this country seek only a fair break at the hands of their Government, no more and no less than they deserve.

Under permission to extend my remarks, I include the following letters, one sent by three other Members of the House to President Eisenhower, and the other the reply of the President:

JUNE 30, 1958.

Hon. DWIGHT D. EISENHOWER,
President of the United States,
Washington, D. C.

DEAR MR. PRESIDENT: The Public Works Subcommittee of the Appropriations Committee of the House of Representatives is currently holding hearings on the budget request for fiscal year 1950 for the Atomic Energy Commission.

We view with regret and some degree of concern that Adm. Lewis L. Strauss will not continue as chairman of that commission. He is to be commended for his able administration and the accomplishments of the Atomic Energy Commission during his chairmanship. His was an arduous job which he filled with distinction despite the many vicious and unwarranted attacks and accusations made upon him and the commission.

Your reported decision to retain him in your official family to assist and advise you on the Atoms for Peace program would seem to indiacte that there is to be no change in the administration policy relative to the program for the peaceful use of the atom.

We hope this is true and that under a new chairmanship the Atomic Energy Commission will continue to follow a policy in the development of electric power and other peaceful uses of the atom which will, in keeping with section 1 of the Atomic Energy

Act of 1954, "be directed so as to promote world peace, improve the general welfare, increase the standard of living, and strengthen free competition in private enterprise," while at the same time it continues to see that all its activities are, as provided by the act, "subject at all times to the paramount objective of making the maximum contribution to the common defense and security" of the people of these United States.

We fully support the proper use of the taxpayer's money to help develop competitive atomic electric power against the day when our fossil fuels may be depleted or are more valuable for uses other than the development of electric power. We do not feel, however, that extensive construction of large-scale atomic-power plants, whose presently expected power-output costs are several times that of modern steam-electric plants, should be made at the taxpayers' expense.

It is fully evident from the record that there are many chemical and metallurgical problems confronting our scientists and engineers that must be solved before there is any real prospect of competitive electric power in this country. With the present shortage of engineers, scientists, and technical personnel, and the Nation's expected adverse fiscal condition in fiscal year 1959, it would appear that we should not be wasting our scarce trained manpower and spending borrowed money to construct numerous large-scale uneconomic atomic-power plants. It would seem more logical and justifiable to place greater emphasis on physical research and development and testing of small-scale plants in the effort to solve the complex problems involved in many of atomic-power-reactor concepts under consideration.

Last year, in connection with the Atomic Energy Commission authorization bill, there was considerable discussion on the House floor by administration spokesmen in opposition to the construction of a gas-cooled natural uranium atomic power reactor. In view of this opposition and the opinion expressed by the Atomic Energy Commission that such construction was not justified in view of the British experience, and the availability of information thereon, the inclusion of a request for funds in fiscal year 1959 to proceed with the design and construction of a slightly enriched natural uranium gas-cooled reactor is difficult to understand. This is particularly true when the Atomic Energy Commission reports a proposal by a private group to undertake a gas-cooled slightly enriched natural uranium project.

As you know the Joint Committee on Atomic Energy has recently completed action on a proposed Atomic Energy Commission authorization bill which includes numerous construction items that were not included in the Commission's fiscal year 1959 budget request now before us. In connection with these proposed additional items we would like to have an indication of the position to be taken by the administration on these proposals. In particular we would like such an opinion on the two major additions proposed. First is Project 29-a-5 production reactor facility for special nuclear materials, convertible type, Hanford, Washington, $145 million.

While it has been indicated in the past that the Department of Defense did not concur in the position that additional plutonium production was needed, we understand the Chiefs of Staff now feel additional plutonium production will be needed. In addition, it is reported that the present production costs at the older existing production facilities at Hanford are quite high and tend to justify replacement with a more modern reactor. However, the need for additional plutonium production or replacement of existing facilities does not justify the construction of an uneconomic dual purpose reactor on which the addition of the power phase would more than double the cost. This is particularly true in an area where hydro-power is presently available for a little over 2.0 mills per kilowatt-hour. It just does not make sense.

Second is Project 59-d-10 gas-cooled power reactor, $51 million, and the proposed modifying language relative to the time table for Federal construction of such a project if private proposals are not forthcoming within a specified period.

The undersigned Minority members of the Public Works Subcommittee of the House Appropriations Committee respectfully request an early expression of the administration's position on the items and questions contained herein.

Sincerely,

BEN F. JENSEN.
JOHN TABER.
IVOR D. FENTON.
HAMER H. BUDGE.

THE WHITE HOUSE,
Washington, July 10, 1958.

DEAR MR. JENSEN: Thank you for your and your colleagues' letter of June 30 commenting on construction authorizing bills for the Atomic Energy Commission for 1959.

The new construction program of $193.4 million was approved after careful examination of our priority atomic energy needs, many other urgent civilian and military requirements, and the present fiscal situation. The results of that analysis find expression in H. R. 12459 and S. 3788. It appears, however, that the Atomic Energy Committee is sponsoring bills (H. R. 13121 and S. 4051) which would almost double the new program. Generally I must oppose the new items added by the committee.

These new items fall into three major groupings. First is the plutonium production reactor, convertible to power production. This reactor would be built at Hanford at an initial cost of $145 million. I realize that each of the military services has given its separate assessment of plutonium requirements for weapons, but these separate views are subject to review by the Joint Chiefs of Staff, the Secretary of Defense and the President. The most recent communication the Atomic Energy Commission received on this subject from the Secretary of Defense stated that military needs do not require additional production reactor facilities. I emphasize that changes in present requirements would have major military program implications in 1960 and later years, and these requirements are now being reviewed by the Defense Department. Should I find upon review of further conclusions by the Secretary of Defense that a pressing military need for additional plutonium capacity has developed, I shall urge the Congress to provide that capacity. Pending such a finding, however, there can be no justifiable basis to proceed. Replacement of existing Hanford facilities on economic grounds and the proposed power conversion features of the project seem to me to be clearly unwarranted at this time.

The second category of new items consists of additional facilities in support of basic research. I would not object to authorizing such projects for the future, but they do not represent a balanced or high priority group of projects for funding in 1959, and I am informed that they were not so reported by the AEC to the Bureau of the Budget.

Third, I must also object to the atomic power reactor design projects added by the Committee along with mandatory reporting requirements. These projects lay the groundwork for additional Government construction of power reactors. The need for such construction is yet to be demonstrated; and at all events, any needed preliminary design work can be initiated with available funds and without specific authorization.

Your letter also comments on the gas-cooled power reactor which the Commission proposed in its 1959 construction authorizing bill. This is an enriched uranium version of this reactor type rather than the natural uranium version proposed by Congress and opposed by the Commission in the 1958 authorizing bill. The study undertaken by the AEC pursuant to the 1958 authorizing act indicated that construction and operation of the enriched uranium version of such a reactor would advance the atomic power program.

My conviction is that construction of this reactor by private industry with some Government assistance in research and development offers the best promise for the atomic power program. The bill the Commission proposed would authorize this partnership approach and would stimulate energetic efforts to accomplish this project through private construction. In fact, as your letter indicates, certain industrial groups are already considering the submission of such proposals. However, H. R. 13121 and S. 4051 would place deadlines on submission of proposals and on the negotiations of suitable arrangements. Such provisions are most unwise. Arbitrary time limits on difficult technical negotiations of importance to both parties can only discourage proposals, increase Government costs, and diminish the demonstrated benefits of Government-industry cooperation.

I trust it is clearly understood that funds were requested to allow Government construction of the project solely in order to provide an alternative should it prove impossible to obtain industry participation.

Sincerely,

DWIGHT D. EISENHOWER.

The Honorable BEN JENSEN,
House of Representatives,
Washington, D. C.

Mr. BREEDING. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. BREEDING. Mr. Chairman, I would like to make some comments on the legislation now under discussion carrying an appropriation for the construction of a new plant in regard to the conservation of helium. I agree that some action should be initiated. The remaining helium of our country is centered in the southwest United States, the Panhandle of Texas, Oklahoma, a small portion of Colorado, and part of New Mexico, and the southwestern part of Kansas which it is my privilege to represent here in the Congress. By the year 1980, helium will not be produced in sufficient quantities to meet defense agency demands, so that a conservation job must be done, that is, extract helium from natural gas and store it.

Mr. Speaker, 55 years ago—in 1903—the citizens of Dexter, Kans., were disappointed when they tried to ignite some natural gas that had been found near their town. The gas would not burn. They did not feel much better about the situation 2 years later, when two University of Kansas scientists discovered that the gas contained helium. This was the first time that helium had been found in natural gas, but who cared—it would not keep anybody warm in the winter and it would not bring any industry to the area. It was a laboratory curiosity with no practical application.

Today we know that the Dexter discovery was an important event in the development of our national defense and economy. For today, helium is a valuable industrial, medical, research, and military tool essential to our most vital programs—and the source of supply for all of our helium is helium-bearing natural gas similar to that found first at Dexter.

Helium has become so important to our national well-being that on May 1, 1958, a new national helium conservation policy was announced by the Secretary of the Interior. This policy, which will save billions of cubic feet of helium that would otherwise be wasted into the atmosphere, is deserving of the support of every farsighted American.

Ninety-nine percent of the recoverable helium in the United States occurs in natural gas in the Texas and Oklahoma Panhandles and adjoining parts of Kansas. This gas was discovered and is being produced by gas companies to supply fuel to some 15 million domestic and industrial consumers in Chicago, Detroit, Denver, and other cities in the Midwest. The helium will not burn, and it can be extracted before the gas goes to fuel markets without impairing the value of the gas as fuel.

The Bureau of Mines is the only producer of helium in the Free World. It has 4 plants in Texas, Kansas, and New Mexico, which will produce about 330 million cubic feet of helium in the 1958 fiscal year. Seventy percent of the helium produced by the Bureau of Mines goes directly to the Department of Defense, Atomic Energy Commission, Weather Bureau, and other Federal agencies. More than half of the remainder is used by industry on defense and atomic-energy contracts, and important quantities are used in hospitals and in basic research studies. There are virtually no unimportant uses for helium of any magnitude.

At the same time, the Bureau is producing 330 million cubic feet of helium; however, 10 times that amount is being wasted in fuel gases. If this wastage should be allowed to continue, and if the demands for helium continue to grow, as expected, we would be faced with a serious shortage in our helium supply past 1980–85. The only other large source of helium—outside of natural gas—that we know about is the atmosphere, which contains only 1 part helium in about 200,000 parts air. Recovery of helium from the air would be very costly—perhaps 1,000 times the present-day cost of extracting helium from natural gas.

The Bureau of Mines has estimated that up to 12 additional helium plants will be needed to take care of the helium demands in the United States in 1980. Normally, the plants would be built 1 or 2 at a time to keep pace with the increasing requirements, but eventually, they would all be needed. The newly announced helium conservation program would advance the construction of the plants to make them available as soon as possible to save the helium currently going to waste.

It is hoped that private industry will finance, construct, and operate the plants to sell helium to the Government. By so doing, for a large sum of appropriated money—estimated to be $224 million—in one lump for helium plant construction will be avoided. Of course, the Department of the Interior would need annual appropriations at the beginning of the program to cover the purchase of helium produced in the plants. By raising the price of helium sold by the Government to helium users, however, it is anticipated that the program would become self-sustaining after a few years, and eventually, the full cost of the program, including amortization of the invested capital and interest charges, would be recovered.

The helium conservation policy is one of the most sensible programs that I have heard about in quite some time. The natural gas companies should favor such a program because they would be able to sell a commodity that presently has little or no value to them. Private capital should support the conservation program, because it would offer a new field for the investment of capital in a worthwhile and profitable venture. It would mean a great deal to the areas of Kansas, Texas, and Oklahoma, where the plants would be located, and it would be a stimulus to business generally because of the equipment and supplies required in the plant construction and operation. Gas engines, compressors, cooling towers, pipe, lumber, cement, pressure vessels, and other materials would be supplied from all over the United States from New York to California.

And what is most important, the principal benefactors would be American citizens everywhere—because the program would assure that our future security and economy would not be jeopardized because of casual wastage of helium in our time. No one knows what the future will bring, but we do know that helium is being used today primarily in the programs that seem to offer the most in the future growth of our country.

I understand that the Department of the Interior will request additional legislative authorities to get the helium conservation program underway as soon as possible. Most of the new authorities will be designed to provide a basis for private industry participation in the program. This is in line with the American system of private enterprise, and it is a commendable objective. We must not lose sight of our primary goal, however, which is helium conservation. This goal must be achieved with or without private industry participation.

Mr. Chairman, I invite everyone concerned with the conservation of our natural resources and the future security and economy of our country to join with me in supporting this new helium conservation policy.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that all debate on the pending bill and all amendments thereto close in 30 minutes, the last 5 minutes to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, as chairman of the subcommittee on authorization of atomic-energy legislation which is before us, I want to say that I appreciate very much, and I know all the members of the Joint Committee appreciate very much, the treatment which we received at the hands of the Committee on Appropriations on the items which we have asked to have appropriations appropriated for. We had extensive hearings, and we believe that we supported with good evidence the items which we did write into the authorization bill and which was accepted by the House.

Now, I would like to call the attention, if I might, of the chairman of the committee, to the item at the bottom of page 49 under the heading "Reactor development" where the committee has deleted $51 million for a proposed gas-cooled, graphite-moderated reactor and $500,000 for a research reactor for the Philippine Government. The committee report on page 50 goes on to say that:

> The authorizing legislation provides a maximum of 6 months for development of a cooperative agreement with power utilities, power cooperatives, or industry for financing a gas-cooled power reactor. The committee endorses this time limitation and desires to see such a reactor move forward at the earliest possible date. When the Commission is in a position of readiness to begin actual construction, the committee will gladly consider a supplemental estimate for the necessary construction funds.

Now, I direct this remark to the chairman of the Committee on Appropriations. In the authorization bill under this particular item there was an authorization for $51 million, and the Commission was given direction to proceed in two different ways. In one way they could proceed if an outside organization, a public, private, or cooperative power group or equipment manufacturer, desired to enter into a cooperative arrangement with the Commission within a period of 90 days, then the Commission was given another 90 days to negotiate the contract. Now, as I understand, that is one of the ways they could proceed. The other way they could proceed was that if within the first 90 days they did not receive a satisfactory proposal the Commission could proceed to construct a reactor which they already had the design for and the study made.

Now, without going into the merits of whether they should do this or not, I want to ask the chairman of the Committee on Appropriations: In the event the Commission does not receive a satisfactory proposal from private industry within the ensuing 3 months after the signing of the bill, could they start a Government project such as contemplated under section 110 of the authorization bill and use unobligated funds? In other words, could they, by contacting the committee—and I understand that the committee has shown that they have something like $76 million in free and unobligated funds in this phase of

plant construction in their budget—could the Commission come to the committee and, by giving them a letter and asking for authorization to use unobligated funds, proceed under either phase of this program?

Mr. CANNON. The committee considered this matter very thoroughly, and in view of its great importance and particular significance at this time, I am warranted in saying with the approval of the entire subcommittee that in my opinion we would consider favorably a letter request for a program change at any time to use the available unobligated balances to put a gas-cooled reactor into the construction stage. This is in keeping with the intent of the committee in its statement on page 50 of the report.

Mr. Chairman, I should like also to take advantage of the opportunity to express our appreciation of the long, invaluable, and arduous service which the distinguished gentleman from California [Mr. HOLIFIELD] and the other members of the Joint Committee have given to this very important matter. The committee has been of great service to the country and all mankind.

Mr. HOLIFIELD. I thank the chairman.

Mr. CHENOWETH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CHENOWETH: On page 9, after line 4, insert:

"RIVERS AND HARBORS AND FLOOD CONTROL

"Construction, general

"For an additional amount, $130,000, for the Trinidad Dam on the Purgatoire River, Colo., as authorized by Public Law 85–500, approved July 3, 1958."

Mr. CHENOWETH. Mr. Chairman, this amendment provides for an appropriation in the amount of $130,000 for the Purgatoire River Dam at Trinidad, Colo. This money will be used by the Army Engineers for preliminary planning and studies. This work will include reservoir surveys, materials and foundation investigations, and also hydrologic, design, economic and real estate studies. All of this work is necessary in order to prepare the contract plans and specifications.

This project was just authorized in the omnibus rivers and harbors and flood-control bill signed by the President on July 3, which is now Public Law 85–500.

There has been and is a very serious flood situation in Trinidad. Three major, devastating floods have occurred over a period of years, the last in 1955. I feel that it is important for the project to be constructed at the earliest possible date, and I would like to see this money made available to the district engineer at Albuquerque so that he can start on this work.

This is a multiple-purpose project. In addition to providing flood protection for the City of Trinidad it also will make supplemental irrigation water available, for some 19,000 acres of farming land below the City of Trinidad.

This project was not authorized in time to have these funds included in the regular appropriation bill. For this reason I am offering this amendment so that the Army Engineers will have the money to start their preliminary planning during the current fiscal year.

Mr. Chairman, I hope that the chairman of the committee would see fit to accept this amendment so that the Army Engineers may begin this work without waiting until the next fiscal year.

Mr. CANNON. Mr. Chairman, the $130,000 which the amendment proposes is only a foot in the door to an $18,900,000 project which the committee has had no chance to review. This item is unbudgeted. It has never been before the committee. We have had no chance to consider it.

It would be absurd to include a project of this magnitude without consideration and without any hearings of any kind.

I submit, Mr. Chairman, it ought to be rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado [Mr. CHENOWETH].

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. DURHAM].

Mr. DURHAM. Mr. Chairman, it is getting late in the day and I know the House wants to finish this bill. I did want to take a few minutes to congratulate the committee on the job they have done for the atomic-energy program of this country. It is important. As the gentleman from Iowa has pointed out this afternoon, it is a highly technical program. I do want to assure this House that the Joint Committee goes over every item very carefully. We feel we have the finest program in the world. That is my opinion, too. Sometimes we differ, but I can assure this House, from what I have seen throughout the world, we are far ahead of any other country in the world.

I also take this time to state to the House that in such a critical time as this the people of the United States and this body can be assured that we are well prepared in this field. Yesterday we reviewed for more than 3 hours the recent tests that have been carried out this year in the Pacific. Those tests prove many things, and we learned many things from the tests this year. I felt for good reasons that we should continue the tests, although many people have felt otherwise. However, we have made substantial progress, I believe, in the cleaning up of the weapon. There is no doubt about that.

That is one reason why we asked the Committee on Appropriations to place in this bill a plutonium-producing reactor at this time. We gave great thought and study to this. The old reactors at Hanford are 14 years old, and we know they cannot last forever. We hope, of course, that we will get disarmament—I do, and pray for it—but I do not believe we will get it as long as we have men running governments such as Mr. Khrushchev in Soviet Russia. So we must continue to try to bring down the cost of this material. That is exactly the reason we placed this reactor in there. We have evidence. Any man can go to the committee and we can prove that we will reduce the cost by something like 200 percent by building this reactor. It will take 4 years to do it. As I said, the old reactors are 14 years old. I am taking this time only to assure the House that I think the Committee on Appropriations did the wise thing in placing this item in the bill. I especially want to thank the chairman for taking this action.

The CHAIRMAN. The Chair recognizes the gentleman from Wyoming [Mr. THOMSON].

Mr. THOMSON of Wyoming. Mr. Chairman, I take this time so as to further discuss the appropriation for the Raw Materials Division of the Atomic Energy Commission previously mentioned by the gentleman from Colorado. The committee has recommended a cut of $5,768,000; $5 million of this cut is predicated on the overestimates of previous budgets. I agree with the thought previously expressed that this does not provide the basis for such a cut in the current budget. With both milling capacity and mining becoming more stabilized, it is now possible to very near approach certainty in making these estimates. I understand that the request was very tight. I take it that the committee has approved the program of the Commission and that if the funds are inadequate, a supplemental request could be presented, after the next Congress convenes. That is not to be desired, however, and it is my hope that the Commission will present the testimony before the committee of the other body so that if that is to be expected as a result of this cut, then the funds can be restored.

The remaining $768,000 of the committee cut, as explained at page 48 of the committee report, "deletes funds programed for bonus payments to operators of uranium ore mines expected to be newly certified for bonus payment eligibility in fiscal year 1959." The committee, in explaining this, states:

In view of the testimony received concerning uranium ore reserves available to the Commission, and the rate of delivery of ore to domestic processing mills, the need to stimulate the production of additional ore with bonus payments at this time is not apparent.

Now, Mr. Chairman, in order to understand this problem I think it is necessary for us to review briefly the history of the uranium procurement program in the United States. In 1948 this country was without any known reserves of uranium ore. To develop a supply of uranium was essential to the security of the United States. In order to assure this, the Commission, under the authority granted to it by Congress, did several things which were necessary under the circumstances. Known and available foreign sources of material were tied up by contract. The Commission, through its own personnel, undertook a search. Private individuals were encouraged to enter the search. To encourage private individuals, certain incentives were held out to them. One of these was in the nature of a bonus on the first production from mines, up to a limit of 10,000 pounds of uranium, with a maximum limitation of $35,000, providing the ore met minimum standards. Under the last announcement, this program would run to March

31, 1960. To further encourage exploration and production, the Commission offered a market for ore produced, at a guaranteed price. This program has been extended to 1962, and in some respects to 1966. The Commission further encouraged the development of production to a point that mills would be constructed, since the Commission was interested not in ore but in securing the material. These mills were constructed by private capital on the basis of the agreement of the Government to purchase the uranium at a contracted price. In the early stages of the program, the Government guaranteed the investment, but in later phases, the owner took the risk of having an adequate supply of ore to produce sufficient material at the contract rate to provide a payout.

The response to this program was just as we had hoped. This response came from all quarters, from large companies to private individuals. Many individuals left other pursuits to stake their all on the search. All of this was done in response to the Government call and urging. As I have previously stated on this floor, this is a great tribute to what free men can do. The success largely came from private sources. This response and success was far beyond expectations. For this, I am sure you will agree, we can thank God. This country is in a much more secure position as a result thereof. Besides our security, we have available to us a source of supply for the development of peacetime uses that will, I am sure, contribute greatly to a better standard of living and way of life in America. The picture particularly changed as far as reserves were concerned in the year 1957. On October 28, 1957, Mr. Jesse Johnson, Director of the Raw Materials Branch, speaking in New York, announced as the result of the tremendous discoveries in the past year that there would be a halt in Government contracting for the construction of milling capacity. It was readily apparent that this would create many hardships and inequities unless adjustments were made. Since that time, the situation has been carefully reviewed by the Director of the Raw Materials Division, by the Commission and by the very able Joint Committee on Atomic Energy. After careful review, the program has been reevaluated to allow 3,300 tons of additional milling capacity to take care of hardship situations. I commend the Commission and the Joint Committee for their objective approach and recognition of the need for adjustment. One of the most recent and largest discoveries which contributed to the adequacy of our supply for military purposes was in the State of Wyoming. In spite of this, I have tried to keep a realistic and practical approach. I think there is a real future for the uranium industry. It is true that we have an adequate supply for our military requirements. Over 50 percent of that, however, is a foreign supply. Contrary to most cases, we are paying more for the foreign products than for the domestic material. If peacetime uses are to be developed, the supply must be greatly increased. A reactor has a useful life of from 30 to 40 years. If private capital is going to build a reactor, it must be able to see a source of material for the life of the reactor. Yet we have only a 10-year reserve, at the present rate of production.

The program to stimulate exploration is separate and apart from this. As a part of that, there is the so-called bonus program. This provides for a bonus payment on the first 10,000 pounds of uranium production up to a maximum of $35,000, or $3.50 per pound of uranium concentrate. According to the committee report:

> The additional reduction of $768,000 deletes funds programed for bonus payments to operators of uranium ore mines expected to be newly certified for bonus payment eligibility in fiscal year 1959.

I agree with what I take from reading the committee hearings is the thought of the committee, that is, that with this change in the supply situation we must have a reevaluation of this program on a considered and realistic basis. That will involve the consideration of many factors. I also believe though, that just as with production and the milling, we all expect the Government to live up to its obligations to those individuals who have changed their position to their detriment in response to the call and urging of our Government. Particularly in the Wyoming area these parties are individual miners who would be completely ruined if we do otherwise. I would be the last one to want this industry, which is very important in our area, to get overextended and into complications on many other commodities. Our operators feel that way. But we do have a moral commitment to the people who have already spent their money. When you place this on the basis of those who already have their eligibility certification, I would like to point out what I think, after discussing this with the Raw Materials Division could and will happen. In Wyoming we have open pit production. A man that has prospected, and discovered some ore and may have drilled several hundred feet of test holes and moved, say 150 feet or 200 feet of overburden, but he has never marketed a ton of ore because he has not had the mill market or the buying situation or something else. The certificate of eligibility is not given till the first ore is marketed. He would be denied this production bonus, whereas the person who has been fortunate enough to have marketed only one ton would be allowed it. I would like to ask the ranking member of the committee, who participated in the discussion of this at the committee hearings, if I understand correctly the committee's position. As I understand it, they are seeking to get a reevaluation by the Atomic Energy Commission of this program much as the milling program was reevaluated and to bring it into proper perspective in light of the current situation. As I further understand, at the same time though, they are interested in being fair to the operators who have spent their money in reliance upon the Government's invitation and urging.

Mr. RABAUT. The answer to the gentleman's question is "yes."

Mr. THOMSON of Wyoming. I thank the gentleman. I think it is the proper focus. I believe it is up to the Commission to clear this up in testimony before the other body. I hope it will be cleared up because I am of the opinion that if it is not, then it will work inequities which I know the committee does not want to do. After that is done I hope the funds will be restored. I thank the gentleman.

Mr. BERRY. Mr. Chairman, I ask unanimous consent to extend my remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. BERRY. Mr. Chairman, I am seriously distressed at the action taken by the House Appropriations Committee in deleting $767,000 of funds programed for bonus payments to operators of uranium ore mines.

I appreciate that the chairman has explained to the committee that the funds in this appropriation and in previous appropriations are transferable and that they can be used for bonus payments to mines which have already been certified.

My concern, Mr. Chairman, is with those mines which have not yet been certified because they have not yet been placed in production, in which event under the action of the Appropriations Committee there is probably no possibility of the use of these funds for bonus payments to these producers.

I am referring particularly to an area consisting of northeastern Wyoming, southwestern North Dakota, and northwestern South Dakota where a very good grade of uranium ore is found in the lignite coal beds of that area. This area has had a rough and rugged time trying to get their ore on a commercial basis.

First, there was no law by which the miners could file on these uranium deposits since it was intermingled with lignite, which is a fuel mineral, and a law had to be written to provide for filing in this area. Congress passed that law and then was required to pass another law extending the time for doing assessment work because of the fact that there was no known process for the removal of the ore from the lignite. AEC and private companies spent millions of dollars in developing a process for removal of the ore. About the time the process was discovered, AEC froze all purchase contracts until a study had been completed by a commission to determine whether or not new contracts for production should be entered into.

The commission, after making a complete study, recommended that the AEC enter into a contract for construction of a mill in the lignite uranium area, since which time AEC has been negotiating with the International Resources Corporation for the construction of a 3- to 5-million-dollar mill. Negotiations are just about completed. The company is just about ready to finance the construction of this mill. The production program for which the miners in this large area have been waiting for 6 years is at the point of opening up a new industry for them, and now the committee decides to stop the bonus payments on all mines

which have not up to this time been certified.

Mr. Chairman, if the Federal Government ever owed any people an obligation, it owes these people in this lignite-uranium area an obligation to live up to its commitments. It is morally unjust, it is morally inequitable, it is morally unfair to now welch on our deal with these miners. For 6 years we have built up their hopes and expectations, for 6 years they have been doing their assessment work, building roads into this area, uncovering these mineral deposits, with a hope that a mill will be located there. Construction of the mill is now just about ready to start, and along comes the committee who cuts the foundation out from under the mill, cuts the foundation out from under the mines, and cuts the heart out of the miners.

Mr. Chairman, to me this is the most unfair action that the Appropriations Committee has ever attempted to take. I know the committee would not intentionally have taken this action had they realized the destructive results. I am certain that had they had the full facts they would have permitted this area to benefit the same as other areas which have already ben certified. I hope, Mr. Chairman, that they will correct this serious mistake made unintentionally by this great Appropriations Committee.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I had an amendment to offer to the bill which would give more money for the medical care of dependents of those in the service. And this report of the supplemental bill states the mechanics is not working out well. The Murphy Army Hospital was closed, a hospital that was giving extremely fine care to the families of the men in the service.

They have not gone, as suggested, to the Chelsea Medical Hospital. It did not work out too well. The Chelsea Hospital has lost a number of women and babies. As someone stated, I do not mean they died; they did not go there because it was too hard to reach.

The Murphy Army Hospital should be reopened. I prophesied when it was closed that we would be likely to be in some sort of international conflict that would make the opening of the Murphy General Hospital necessary and I hope that can be opened before it is too late. Twice before it was closed, then it was necessary to reopen it.

There is another matter I want to bring out. I understand there was a reduction made in the Veterans' Administration appropriation for payments to personnel in the various hospitals. I believe it is for personnel. If that be true, some hospitals cannot open new wards or buildings. There has not been enough money for personnel in these mental and other hospitals all over the country and this matter should certainly be looked into by the other body. Very likely there is a misunderstanding, because I have heard this committee is well pleased with the new administrator. The chairman of the subcommittee made that comment on the floor of Congress. I believe the administrator has the second most difficult job in the country.

Mr. PRICE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I believe the Appropriations Committee has exercised sound judgment in increasing construction funds for the AEC physical research program in fiscal year 1959. But such increases in construction funds must be accompanied by commensurate increases in operating funds if we are to have a vigorous and effective program of basic research.

For this reason I was greatly concerned to find that the Appropriations Committee, as noted on page 48 of the committee report on the supplemental appropriation bill, has actually reduced, rather than increased, operating funds requested for the AEC physical research program for the coming year. Such a reduction could have the gravest consequences in the terms of its effect on the future progress of our research efforts and could seriously cripple many of the research programs currently being carried on in our laboratories and universities.

To illustrate what I mean I would like to quote a few sentences from the Joint Committee report accompanying the AEC authorization bill for fiscal year 1959. In that report the Committee stated that in addition to increasing the level of support for new construction in the physical research program, as the Appropriations Committee has wisely seen fit to do, the Joint Committee believes there should be a corresponding increase in the operating funds provided.

The report then cited a letter which Dr. Warren C. Johnson, Chairman of the General Advisory Committee, the Atomic Energy Commission's top scientific advisory group, sent to Chairman Strauss of the AEC last February. In his letter to Mr. Strauss, Dr. Johnson stated:

> During the past few months I have given considerable thought to the problem of financial support for the activities of the Division of Research of the Atomic Energy Commission. It is becoming more and more evident that the present level of support, namely about $71.5 million for fiscal 1958 and fiscal 1959, is "greatly inadequate." I repeat, "greatly inadequate." Furthermore, unless considerable more support is forthcoming within the next 2 or 3 years, we shall find ourselves in a difficult position.

Dr. Johnson then went on to describe the increasing financial burdens arising from operation of large-scale experimental devices such as particle accelerators, adding:

> What I would like to emphasize is that our greatest asset is well-trained scientific and engineering personnel and that we should give them full support in order to enable them to carry out their work to the capacity of their talents. I would estimate that the operating budget of the Division of Research at the present time should be at least $100 million to accomplish these objectives and that within the next 4 years this annual budget should rise to $150–$175 million to make the fullest use of our manpower and facilities commensurate with the needs and objectives of the Atomic Energy Commission program.

The Joint Committee report then went on to note the committee's gratification that since the time of Dr. Johnson's letter the Atomic Energy Commission had seen fit to increase its request for operating funds from $71.5 to $90 million. The report then added:

> The committee believes, however, that a further increase to $100 million is desirable in accordance with Dr. Johnson's recommendation, which has been concurred in by the other members of the General Advisory Committee.

The report went on to note that such an increase is amply supported by testimony presented to the Joint Committee last February by some fifty of the Nation's leading research scientists who were invited to testify on the AEC physical research program.

Take, for example, the testimony of Dr. Glenn T. Seaborg, of the University of California Radiation Laboratory, Nobel prize winner in 1951 for his distinguished research work in the field of chemistry, who said, and I quote him directly:

> As a member of the AEC research team that is on the firing line, I feel I am speaking for most of my colleagues when I say that an immediate increase of about 50 percent in this overall operating budget would be extremely worthwhile in terms of increased output with already available facilities.

Or take Dr. Frederick Seitz, of the University of Illinois, one of the Nation's recognized authorities in solid state physics and metallurgy. Here is what he said during his testimony before the committee, and I quote:

> I am inclined to agree with the estimates that Professor Seaborg has given. * * * I would say that the increase in current budgets needed is somewhere between 50 and 100 percent. This increase should occur as rapidly as possible.

Or take the testimony of Dr. Luis Alvarez, of the University of California, famed for his work in the development of the microwave early warning system and his pioneer work in the development of atomic weapons. Referring to Dr. Seaborg's recommendation that basic research funds be increased by 50 percent or more, Dr. Alvarez said:

> I would like to second that very strongly. * * * I think we will have great difficulty in operating the next year or two if we don't have a 50-percent increase.

Or take the testimony of Dr. Robert K. Adair, of the Brookhaven Laboratory, one of the country's leading authorities in nuclear physics and a specialist in the properties of fundamental particles. In response to a question by Chairman Durham of the Joint Committee as to whether the present level of operating funds is adequate, Dr. Adair stated:

> Well, sir, I would say that if our funds were cut in half we would do a quarter as much. If our funds were doubled, we would do four times as much. If it becomes a question of values, we certainly can use more money.

Perhaps the matter was expressed most succinctly by Dr. I. I. Rabi, of Columbia University, who, in his appearance before the committee, put it this way:

> My feeling is that the American people are more willing to support research than their leaders or the Bureau of the Budget is willing to believe. I think there is a better popular understanding of the importance of

basic research or the benefits it confers and also its deeper meaning in the ordinary fellow in the street than in the Bureau of the Budget, or whoever it is by whom these sums are set.

These are only a few examples, Mr. Chairman, of the virtually unanimous opinion among our topflight scientists in this country that to insure that America will have a vigorous and effective program of basic research, which is so vital to the advancement of science across the board, we must immediately make substantial increases in the present level of support.

By substantial, as you have seen from the few illustrations I have given, our scientists are talking about an increase of from 50 percent to 100 percent in the level of operating funds provided. This means, in the case of the AEC physical research program, that operating funds for fiscal year 1959 should be at least $100 million, as recommended by the AEC General Advisory Committee and by the Joint Committee on Atomic Energy. In my opinion, the $85 million provided by the Appropriations Committee, which is $5 million less than even the Bureau of the Budget allowed, is totally inadequate for the job at hand and should be increased to $100 million.

To do less would be letting down our research scientists at a critical time in their competition with the Soviet Union and could seriously jeopardize America's world leadership in scientific advancement.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. PRICE. I yield.

Mr. HOLIFIELD. Mr. Chairman, one of the items included in this bill provides $1,250,000 to develop fast breeder reactor technology. Last year a similar provision for the development of the fast breeder reactor technology of $1,500,000 was included in the AEC appropriation. In addition, the Congress made provision for construction of experimental plant No. 2, EBR–2 in the Arco, Idaho, station.

On August 4, 1956, I warned in a public press conference that "the construction of a fast breeder reactor at Monroe, Mich., is in disregard of public safety." This matter has been the subject of extensive study and report. It is a matter of fundamental importance because on this test case much of the policy regarding the location of future reactors both those known to be safe and those not proven safe will be determined.

Mr. Chairman, the AEC and the Detroit Edison Co., sponsors of this project have repeatedly said that the danger of a reactor accident is so remote that "estimations so expressed of the possibility of major reactor accidents having major effect on the public range from 1 chance in 100,000 per year to 1 in a billion per year for such accidents for each large reactor." Now, since that statement presented by the Commission on March 24, 1957, and since the report submitted on behalf of the Detroit Edison Co. by APDA of which Mr. Walker Cisler is president in analyzing the most probable case of reactor accident, "a release of 100 percent of the maximum quantity of fission products present in the reactor would produce relatively minor consequences since the cloud of fission products would diffuse quickly while moving over the lake and over sparsely settled areas in Canada."

Mr. Chairman, since the time of these two studies of 1957, there have been reactor accidents. When the House was considering assuming the risk of reactor safety and passed Public Law 85–256 I warned the Congress of the dangers involved in this legislation. Now, we have had some experience regarding reactor accidents. In the appendix of the Joint Committee hearing on development, growth, and state of the atomic industries, British documents describing the accident at Windscale No. 1 pile on October 10, 1957, is available to the members of the House. I understand from the press that the British Government has now decided to abandon that expensive reactor plant.

Late in May a fuel element in Canada, NRU research reactor at Chalk River, Ottawa, burst. After removal from the core, it caught fire and contaminated the entire reactor building.

Then the Calder Hall No. 2 reactor was being tested; its generator went out of control, burst and flew to pieces throwing segents some as large as half a ton a distance of 300 feet.

And now Mr. Chairman, some of the tests being done by Detroit Edison in the Detroit area have resulted in the fallout of alkaline sodium. Yet the company persists in continuing its tests in this densely populated part of the United States. The company was going to make tests to assure safety prior to completion of the plant. Many who have made little study of the project have accepted that promise as an assurance of safety. Yet the New York Times reports that the contract for the fuel elements, the most vital part of the plant, has now been let. The test plants, EBR–2 and others have not yet concluded their programs but Detroit Edison is going ahead because the Congress has assumed almost the total risk in the event of a major catastrophe in the Detroit area.

I believe the funds allocated in this bill are and should be for the development of reactor technology in the fast breeder field but not 1 cent of this money should be used to implement the contract of the Detroit Edison Co., its various affiliates and the AEC until we have been assured of safety in this project.

[From the Detroit Times of July 18, 1958]

A-PLANT DISASTER POSSIBLE

(By Don O'Connor)

WASHINGTON, July 18.—The Atomic Energy Commission has declassified a study which says an explosion at the atomic reactor now being built near Monroe could blast a 175-ton missile 200 feet into the air.

The study, by the Naval Ordnance Laboratory, states that in all reactors there is a remote possibility of an accidental power release.

"Unless adequate provisions are made for containment, a reactor accident might release enough energy to breach the containment building and contaminate the atmosphere and underground water with intensively radioactive fission products," it declared.

"The consequence of such an accident could assume catastrophic proportions to life and property in the vicinity.

"The quantitative predictions described in this section of the report are based on assumptions backed by long experience in sturying explosions and their damaging effects," the study says.

"The sum total of explosion-effects knowledge, although extensive, is not sufficient to solve this complex reactor problem with any great degree of accuracy."

The laboratory was assigned the task of evaluating the adequacy of the $50-million Monroe reactor undertaken by more than 20 companies under direction of Detroit Edison Co. to contain a nuclear excursion.

It was dated October 7, 1957.

Safety aspects of the Monroe plant were debated earlier this year in hearings before an AEC examiner after the UAW and other unions protested its construction in a populated area.

The AEC has not announced a decision in the case and has not issued a license permitting operation of the reactor, once completed.

The study was based on the assumption that any explosion at the plant would have the effect of detonating 1,000 pounds of TNT.

The results, it said, indicate that the steel walls could withstand shock waves resulting from an explosion or any fragments blown off the reactor covering.

"The rotating shield plug, however, is a serious hazard when projected by the gun action of the internal blast pressure in the reactor compartment," the report added.

"A greater hazard from the rotating plug can result from a slower (nonexplosive) energy release; however, it has not yet been determined (by the designers) whether a slower energy release as postulated in this report is possible."

The reactor plug is the inside shield for the reactor and is about 9 feet wide and 12 feet high with a maximum weight of 175 tons.

"A suggestion was made," the study said, "that it might be profitable to investigate the use of large, plastic balloonlike structures, which are now coming into use, as an additional safeguard around the outer containment building.

"In the event of damage to the containment building resulting in leakage of radioactive poisons, a large, gas-tight outer building might serve a useful purpose."

The study said computations, while necessarily theoretical, indicate the ability of the plant's walls to contain an explosion is marginal.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GROSS. Mr. Chairman, I have three amendments and under the limitation of time I have 4 minutes. Is it possible to offer an amendment and reserve time following each amendment pending the disposition of the amendment?

The CHAIRMAN. The gentleman may take whatever time he desires on each amendment.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 13, line 3, after the word "and", strike out the remainder of the line and all of lines 4 and 5.

Mr. GROSS. Mr. Chairman, I yield myself 1 minute on this amendment.

Mr. Chairman, this amendment would strike out the $9,000 for entertainment

for members of the Board of Directors of the Export-Import Bank. I cannot for the life of me understand why we should provide entertainment for those to whom we are ladling out our money all over the world.

Mr. Chairman, I reserve the balance of my time.

Mr. ROONEY. Mr. Chairman, I rise in opposition to the pending amendment offered by the distinguished gentleman from Iowa [Mr. GROSS].

The CHAIRMAN. Permit the Chair to state to the gentleman from New York that the Committee has 5 minutes reserved to it. How much time does the gentleman yield at this point?

Mr. ROONEY. Mr. Chairman, I assume that if the distinguished gentleman from Missouri [Mr. CANNON] were here at the moment, he would allow me 1 minute to oppose the pending amendment.

The CHAIRMAN. The gentleman is recognized for 1 minute.

Mr. ROONEY. Mr. Chairman, this is not a foreign-aid proposition or agency. The Export-Import Bank as a general rule extends credit to finance only the purchase and exportation of materials or equipment produced or manufactured in the United States and the financing of associated technical services of United States firms or individuals. This is a successful Government bank which is about to celebrate its 25th anniversary. It has made tremendous sums of money for the American taxpayer. There are from $20 to $22 millions a year in profit out of this operation. This amount of $9,000 for entertainment, the same amount as was allowed for the past fiscal year, is a proper expenditure and should not be compared with the type of whisky bills and such things as the gentleman from Iowa has in mind.

The CHAIRMAN. The time of the gentleman from New York has expired.

The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The amendment was rejected.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 22, strike out all of lines 18 through 26.

Mr. GROSS. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, in response to the gentleman from New York [Mr. ROONEY], in connection with the preceding amendment, it does not make any difference how thick or how thin you slice it, it is still entertainment; it is still money for liquor. If it is spent for that purpose it is not going into the United States Treasury where it ought to go. I reiterate that there is absolutely no reason why we should be spending money for this purpose on these so-called loans to foreigners.

With reference to this amendment, it strikes out the stationery-allowance increase for Members. It is that simple. Every Member knows what this amendment will do. I do not need it and I doubt whether many other Members of the House need this increase.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. PASSMAN. It is my understanding that if they do not use it they do not have to take it. Is that the gentleman's understanding?

Mr. GROSS. Yes, and I will not take it.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. LAIRD. When the authorization bill passed a few weeks ago the funds were credited to the account of each Member at that time. The credit has already been made to each Member's account.

Mr. GROSS. If it means nothing to strike the language from the bill, and I hope the gentleman will vote for the amendment for it can do no harm.

Mr. ROONEY. Mr. Chairman, I yield myself one-half minute.

The distinguished gentleman from Wisconsin [Mr. LAIRD] has put his finger right on the problem. I have been given to understand, since we discussed this matter earlier this afternoon, that many Members of the House have already withdrawn the additional $600 stationery allowance. The money carried in the pending bill at line 25, page 22, is to put back into the contingent fund of the House the amount that will be withdrawn from the fund as the result of this resolution which unanimously passed the House on July 10 last in the presence of the distinguished gentleman from Iowa [Mr. GROSS].

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The amendment was rejected.

Mr. GROSS. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 29, after line 17, add the following new chapter and paragraph:

"CHAPTER XIV

"No part of any appropriation contained in this act, or any funds available for expenditure by any corporation or agency included in this act, shall be used for publicity or propaganda purposes designed to support or defeat legislation pending before the Congress."

Mr. RABAUT. Mr. Chairman, a point of order.

The gentleman's amendment refers to expenditure of funds not in this bill. Therefore, it is legislation on an appropriation bill.

Mr. GROSS. It is the same amendment I have offered to previous appropriation bills. It is a limitation upon spending. It has been accepted in other appropriation bills by the Chairman of the Committee. It is simply a limitation, that they cannot spend money for propaganda purposes for the promotion of legislation.

The CHAIRMAN (Mr. DELANEY). It is a limitation on the funds available for expenditure by any corporation or agency included in this act. For that reason the Chair sustains the point of order made by the gentleman from Michigan.

Mr. RABAUT. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. DELANEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 13450) making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes, had directed him to report the same back to the House with an amendment with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. RABAUT. Mr. Speaker, I move the previous question on the bill and the amendment thereto to final passage.

The previous question was ordered.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. CANNON. Mr. Speaker, I ask unanimous consent that all Members who spoke on the bill just passed may have 5 legislative days in which to revise and extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

VOLUNTARY PENSION PLANS BY SELF-EMPLOYED INDIVIDUALS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight Thursday, July 24, 1958, to file a report on the bill H. R. 10, a bill to encourage the establishment of voluntary pension plans by self-employed individuals, and to also include therein a minority report and certain individual and supplemental views.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AMENDING MINERAL LEASING ACT OF 1920

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2069) to amend section 27 of the Mineral Leasing Act of February 25, 1920, as amended, in order to promote the development of coal on the public domain, with a House amendment thereto, insist on the amendment of the House and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Colorado? [After a pause.] The Chair hears

none, and appoints the following conferees: Messrs. ASPINALL, ROGERS of Texas, and THOMSON of Wyoming.

PERMISSION TO ADDRESS THE HOUSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes, to revise and extend my remarks, and to have them included in the RECORD just prior to the passage of the supplemental appropriation bill.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

INDIANA'S PLYWOOD AND VENEER INDUSTRY

Mr. BROWNSON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BROWNSON. Mr. Speaker, our State of Indiana is the oldest and largest producer of native hardwoods in the Nation. In fact, our hardwood production goes back to the early days of Lincoln's youth in Indiana. With our neighbor, Louisville, across the river in Kentucky, we produce more than one-half of all the face veneers manufactured in the United States.

In my own 11th District of Indiana, which consists of Marion County, we have five such mills in Indianapolis.

The distress felt by the plywood and veneer industry because of constant unfair competitive practices is widely known. A great deal of it is directly traceable to the fact that the wood industry in general has no protection whatsoever from competitors who imitate natural wood products and grains and are not required by law to stamp these inferior products as imitation. At the present time, imitation, machine-stamped veneers resembling genuine grain finishes are being applied on solid lumber, hardboard, metal, and plastics and sold as the genuine article. The television cabinet our salesman assures us is genuine mahogany veneer may just as likely be a photograph of a wood finish printed in paper board. You and I and possibly the salesman himself have no way of knowing that this is so and we as consumers have no protection from the deception. Neither does the legitimate producer of articles made from higher priced veneers.

When I first learned of the hardship imitation veneers are working on the plywood industry, I contemplated introducing a bill modeled along the line of the Fur Labeling Act. As I studied conditions in the wood industry more closely, I came to the conclusion that the law must be more inclusive and should apply not only to plywood, but to all products in which wood is imitated, since imitation veneers are being applied on a multitude of other materials. The current practice of deceptive labeling and advertising of inferior substitute materials as genuine hardwoods is widespread. This practice is of serious concern to genuine hardwood manufacturers to legitimate retailers and also to the American consumer.

One of the manufacturers in my District suffering for need of this law is Mr. R. T. Miller, of the Curry-Miller Veneers, Inc., Indianapolis. Mr. Miller wrote me in April:

> Our industry does not fear the competition of substitutes, for nothing can take the place of the beauty offered by nature. But, like many other imitations of the real thing, it is hard for the average person to know what he is paying for unless the article is properly labeled—which is not being done.

Another Indianapolis manufacturer, Mr. J. C. Daugherty, president of the Hoosier Veneer Co., Indianapolis, has written to me:

> We hardwood manufacturers are much concerned, as we believe is the American consumer, regarding the deceptive labeling and advertising as genuine hardwoods of inferior materials which have been given an imitation hardwood grain.

Mr. C. E. Cochran, president of the Mitchell Veneer Co., of Greensburg, Ind., wrote me only this month:

> We are very glad to have this additional information regarding the imitation wood products labeling act. Certainly the time has long since passed for giving the wood people some protection against imitations, synthetics, etc. * * * We in the industry have, for years, been adversely affected by the mislabeling and misnaming of competitive products.

Horace W. Nordyke, who heads up a veneer company bearing his name in my District, says the proposed legislation "would be helpful to the veneer and plywood industry. In other words, we do not care what television cabinets or furniture are made of, just as long as it is properly identified and advertised, which certainly has not been the case with many of these products."

The Congress has enacted laws which will protect our citizens from mislabeling of woolen products and mislabeling of fur products. A vast amount of the American dollar goes for furniture, for radio and television appliances with wooden cabinets, for wood paneling in homes and offices. At a time when inflation has decreased the buying power of that dollar, the least that the Congress can do is to protect the man who spends it by assuring him of value received in the product he purchases. This bill has been prepared with the viewpoint of the furniture retailer carefully in mind.

My bill will make it unlawful to introduce or manufacture for introduction into commerce, or to invoice, sell, or offer for sale any decorative wood products which are misbranded or falsely or deceptively advertised. It provides that all wood and/or imitation wood products must be labeled. These labels, as well as the advertisements and invoices, must name the wood species actually used, and, in the case of artificial printed grains, must reveal the name of the material, such as fiberboard or plastic, actually used and the fact that the grain is an imitation. Mr. Harry Schachter, president of Banner-Whitehill, of Indianapolis, an outstanding furniture retailer has been most helpful in securing the reaction of furniture manufacturers and retailers of this legislation. They support it enthusiastically.

I am convinced that this legislation will alleviate much of the hardship now felt in the industry at the present time and it will protect the millions of consumers of wood products who now have no protection from imitations.

HAWAII STATEHOOD

Mr. SAYLOR. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SAYLOR. Mr. Speaker, the people of Hawaii have asked this Congress to admit the Territory of Hawaii to our Union as a full and equal State. This is not a new request. To recall the number of years the people of Hawaii have petitioned for admission to our Nation is indeed a shameful reflection on this Congress and the many preceding it. We are morally obligated to act—and to act quickly—this year on Hawaii's plea for equal justice.

The people of the United States overwhelmingly favor the admission of Hawaii as a State. They are indignant about the delay and inaction of this—and preceding Congresses—in granting the Territory of Hawaii the complete and equal rights of other States.

The Nation is exuberant over the admittance of Alaska to the Union. And now all who believe in justice and equality are keenly watching the action of this Congress with regard to granting Hawaii these rights. We must not keep the people of Hawaii and the Nation waiting any longer—for our obligation to reaffirm our basic belief in the right of self-determination is compelling, not only to our own constituents, but to the world. As President Eisenhower said on July 7 when he signed the Alaska bill, Hawaiians "must not be forgotten."

Since 1851, when the King of Hawaii executed a deed of cession to the United States, the wish of the inhabitants of these Pacific islands to be full-fledged American citizens has been known. In 1854, a treaty of annexation was drafted—a manifestation of Hawaii's ultimate intent to exchange her independent sovereignty for the sovereignty of statehood.

Another treaty of annexation was offered this country and accepted by President Harrison in 1893. The people of Hawaii, at this time, feeling their goal to be an integral part of the United States had nearly been achieved, raised the United States flag in Honolulu. But again the wishes of the islanders were flaunted by inaction.

After nearly 50 years of petitioning, Hawaii was officially annexed to the United States on July 7, 1898. During the 1898 Congressional debates, there was no question in the minds of the members of the 55th Congress that annexation meant ultimately statehood for Hawaii. Hawaii's incorporation as an organized Territory in 1900 further demonstrated the manifest destiny of that Territory to become a State.

Every Hawaii Territorial Legislature since 1903 has petitioned Congress for admission into the Union. Every Hawaiian Delegate since 1919 has introduced bills to provide statehood for Hawaii. The merits of statehood legislation have been investigated by almost every Congress since 1935. Hawaiians themselves have voted 12 to 1 in favor of statehood. There certainly can be no doubt about the feelings and wishes of Hawaii's people that their Territory be admitted to the Union as a full and equal State. And the repeated expressions of Congress demonstrate that if the matter can only be brought to a vote the desires of Americans in Hawaii will be quickly fulfilled.

Mr. Speaker, Hawaii is—in every respect—ready for statehood now. Historically, Hawaii had no other background than that of independence until it came under the American flag. At the time of annexation, its entire body of law and administrative organization was incorporated as part of the new Territorial government. The people accepted annexation wholeheartedly. They have adopted our republican form of government and the American way of life. There is no desire by any of the people there, other than that of continuing to be a part of the United States with the full rights of American citizenship. And Hawaii is as important to our Union as any State in the Union.

The people of Hawaii already share every burden and expense which is levied on the people of our States. They are subject to the same Federal laws and taxes as the continental United States. The amount of money paid in to the Federal treasury far exceeds the amount spent in Hawaii by the Federal Government. In fact, Hawaii in 1957 paid more in Federal taxes than as many as 14 States.

Twenty-three years ago, in 1935, the first Congressional committee visited Hawaii to conduct hearings concerning statehood. That committee found the Territory of Hawaii to be a modern unit of the American commonwealth with a political, social and economic structure of the highest type.

Congress appointed a joint committee of House and Senate Members to visit Hawaii in 1937. Following extensive hearings, the committee submitted over a 100-page report stating that—

> Hawaii has fulfilled every requirement for statehood heretofore exacted of Territories. The Territory has consistently paid into the United States Treasury a considerably larger amount than the Federal Government has spent upon the Territory * * * (in 1937) Hawaii paid more than did five States combined.

The 1937 committee report commended the people of Hawaii for assuming and maintaining the principles of American Government and congratulated them for the success shown by all races in absorbing the spirit of American institutions.

This same joint committee, more than two decades ago, observed that with the rapid growth of Hawaiian industry, Hawaii was developing so rapidly that we could not expect her people to be content with a subordinate position in comparison with other parts of our Nation much longer. The report stated that—

> It is hardly conceivable that the United States, dedicated to the very principle of self-government and equal treatment of all its citizens, should long desire to impose any restrictions upon the full measure of self-government to be accorded Hawaii.

That was said of Hawaii in 1937.

During the war years, the people of Hawaii—along with Americans in the rest of the Nation—concentrated their energies on the prosecution of the war. They held their statehood aspirations in abeyance, although an official plebiscite in the Territory in 1940 showed the citizens of Hawaii to be overwhelmingly in favor of immediate statehood.

Congressional hearings were resumed in Hawaii in January 1946 when a subcommittee of the House Committee on Territories visited all the principal islands to determine the Territory's fitness for statehood. The report of this subcommittee said:

> The Territory of Hawaii now meets the necessary requirements for statehood.

The subcommittee reported that the people of Hawaii had demonstrated their loyalty and patriotism to the United States during the war, and were perfectly capable of assuming the responsibilities of statehood. And that since it was the policy of the United States Government to support the right of self-determination—allowing people to choose freely their own form of government—the committee recommended that Congress immediately consider legislation to make Hawaii a full and equal State.

President Truman, in his state of the Union message on January 21, 1946, urged that Congress "promptly accede to the wishes of Hawaii that the Territory be admitted to statehood in our Union."

At the same time, Secretary of the Interior, Julius A. Krug said:

> The period of apprenticeship served by the people of Hawaii should now be brought to a close and on the basis of the amply demonstrated readiness of Hawaii for statehood, the Congress should fulfill its early and reiterated pledges to admit the Territory to the Union when it was qualified.

General MacArthur expressed his opinion favoring statehood for Hawaii on the premise that such a policy would definitely support his efforts in democratizing Japan and other areas of the Orient following the war years. He said that such legislation would assist in overcoming the inroads of nondemocratic forms of government.

Admiral Nimitz testified that he had great admiration and appreciation of the complete and wholehearted cooperation the people of Hawaii gave to the war effort. He maintained that from a military and naval standpoint he saw no objection to the islands achieving statehood.

The House Committee on Public Lands, in 1947, announced that it was unanimously convinced that Hawaii had met every requirement necessary to be admitted as a State of the Union.

This was the second time in 2 years a Congressional committee had unanimously recommended immediate statehood for Hawaii.

During the 80th Congress, on June 30, 1947, this House passed by a vote of 196 to 133 the first bill to enable Hawaii to become a State. To the people of Hawaii, this was indeed a victory of the first magnitude and encouragement for the future. However, the bill was deferred in the Senate Committee on Interior and Insular Affairs in 1948, despite a favorable report made by Senator Cordon following an investigation in the islands.

In 1950, this House passed, for the second time, the Hawaiian statehood bill by an overwhelming majority of 262 to 110. The increase of 66 affirmative votes over the 1947 tally was interpreted by the people of Hawaii as an indication that their long struggle for equal rights had won the public support of the American people.

A majority of the members of the Senate Committee on Interior and Insular Affairs reported favorably on the Hawaiian statehood bill in June of 1950. However, with the outbreak of hostilities in North Korea, the Senate concentrated on legislation concerning the conflict. Subsequently, at the close of the 81st Congress, the bill died without ever reaching the Senate floor.

The efforts of the members of the Senate Committee on Interior and Insular Affairs continued in 1951, 1953, and 1954 on behalf of statehood for Hawaii. The Committee submitted favorable reports urging the Senate to act immediately on Hawaii statehood legislation.

The President of the United States in his state of the Union message to Congress, February 2, 1953, said:

> The platforms of both political parties promised immediate statehood to Hawaii. The people of that Territory have earned that status. Statehood should be granted promptly with the first election scheduled for 1954.

This House, for the third time, passed the Hawaii bill on March 10, 1953, by a vote of 274 to 138. Note that again the number of favorable votes increased. However, when the bill reached the floor of the Senate in March of 1954 it was joined to the Alaska bill. The joint Alaska-Hawaii bill was passed by that body by a vote of 57 to 28, but died in this House when efforts to reach a conference failed.

President Eisenhower reaffirmed his support of Hawaii statehood in his state of the Union message on January 7, 1954. He said:

> The people of Hawaii are ready for statehood. I renew my request for this legislation in order that Hawaii may elect its State officials and its representatives in Washington along with the rest of the country this fall.

In each successive year, the President has called for the immediate enactment of statehood legislation for Hawaii.

And when he signed the Alaska bill on July 7, President Eisenhower said:

While I am pleased with the action of Congress admitting Alaska, I am extremely disturbed over reports that no action is contemplated by the current Congress on pending legislation to admit Hawaii as a State. My messages to Congress urging enactment of statehood legislation have particularly referred to the qualifications of Hawaii, as well as Alaska, and I personally believe that Hawaii is qualified for statehood equally with Alaska. The thousands of loyal, patriotic Americans in Hawaii who suffered the ravages of World War II with us and who experienced that first disastrous attack upon Pearl Harbor must not be forgotten.

This history of the Hawaiian statehood movement is a record of the undying efforts of the people of Hawaii—for over one hundred years—to become a full and equal part of our Union. When we annexed the Hawaiian Archipelago in 1898, we did so in our national interest and at the request of the inhabitants of the islands. When we passed an organic act in 1900—enabling the islands to incorporate as a Territory—we did so with the full knowledge that such act would lead to ultimate statehood.

The record of Hawaii is complete and available for examination. Virtually everything there is to know about these islands has been chronicled in numerous volumes. Hawaii's social, political, cultural, and economic structure has been subjected to examinations unlike that of any other Territory when it was a candidate for statehood.

Hawaii has been on probation as an organized Territory longer than any other Territory before being admitted to our Union. She has more than fulfilled the requirements of statehood. In fact, her qualifications far exceed those of some Territories when they were granted statehood.

Mr. Speaker, the time to act is now. Further postponement is a repudiation of the traditions and principles of American Government as embodied in the great organic documents on which this Nation was founded—the Declaration of Independence and the Federal Constitution. There can be no justification for not granting the people of Hawaii the right of self-determination and self-government.

This session of Congress is drawing to a close. Undoubtedly, the opponents of statehood will attempt to delay action on this bill until it is too late to act this year. However, Mr. Speaker, I would like to call the attention of this body to the fact that it only took 1 week of debate in each House to pass the Alaska statehood bill. The total elapsed time for passage in both Houses was 5 weeks.

In my opinion, less time will be consumed in considering Hawaii statehood because the precedent in this Congress has been established with Alaska and opponents of statehood know there are a sufficient number of votes to pass the Hawaii bill, also, in both Houses.

There should be no more delay, Mr. Speaker. And before I close, let me again state that it grieved me greatly to hear the remarks made by my distinguished colleague the gentleman from Massachusetts [Mr. McCORMACK] on July 10. I am certain he did not intend to make Hawaiian statehood a partisan matter, especially since every vote in the past has been bipartisan. The RECORD will bear me out. Every time the Hawaii bill has been brought to the floor of this House, the margin of favorable votes has increased on both sides of the aisle.

Also, I would like to comment on my colleague's request for deferment of Hawaii statehood until the next Congress. Regardless of the composition of the next Congress—Republican or Democratic—we will have many new Members who will not be familiar with the past deliberations on Hawaii statehood. They will demand time to become acquainted with the issues involved—which means more hearings. This additional time and expense can be avoided if we act now.

Mr. Speaker, the people of Hawaii, citizens of the United States, and the peoples of the world are anxiously awaiting positive action by this Congress on Hawaii's plea for equal justice. We cannot afford to wait. Time is of the essence in this matter of such national and international import. Let us bring the Hawaii statehood bill to the floor of this body for a vote this week.

MORGAN M. MOULDER

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. DINGELL] is recognized for 10 minutes.

Mr. DINGELL. Mr. Speaker, I arise to pay tribute to one of the finest, most able, effective and respected members of this Congress, the Honorable MORGAN M. MOULDER from the 11th District of Missouri. I am proud to call him my friend. He has served his people well on the House Interstate and Foreign Commerce Committee and on the Un-American Activities Committee. He has represented his constituents well and has constantly opposed special-interest legislation. His record of fairness, integrity and hard work is unparalleled in this Congress. The impartial and judicial manner in which he has conducted hearings of the various committees and subcommittees of which he has been chairman has attracted wide and universal favorable comment in all quarters.

MORGAN MOULDER came to this Congress with a distinguished background of public service in his home State of Missouri where he served as prosecuting attorney, special assistant to the United States attorney and judge of the circuit court. The membership of this House has had particular reason to be proud of his splendid work on the Special Subcommittee on Legislative Oversight which has been investigating influence peddling and improper activities in the Federal regulatory agencies. He has been a hard and fearless worker on that Committee and without his presence and his diligence most of the recent revelation of wrong doing in Federal regulatory agencies and wrongful influence in the activities of those agencies would not have come about. I have discovered with a great deal of concern that a vicious, unethical smear campaign has been and is being conducted against MORGAN MOULDER as a result of the part he played in bringing about a thorough investigation of these agencies. I recently saw a cartoon clearly illustrating my point. Mr. Speaker, even though this cartoon cannot be reproduced into the RECORD, I by reference thereto adopt and incorporate this cartoon as part of my remarks so that it shall be considered as part of my statement in the RECORD for all purposes.

The people of Missouri are fortunate indeed to have such a splendid, honest, devoted public servant and they should resent the smear attacks made upon him. It is a high privilege for me to pay tribute to him today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. McCORMACK and to include extraneous matter.

Mr. THOMPSON of New Jersey in two instances and to include extraneous matter.

Mr. MORRISON and include a letter.

Mr. MORRISON and include extraneous matter.

Mr. BRAY (at the request of Mr. MARTIN) and include extraneous matter and a table.

Mr. BOSCH (at the request of Mr. MARTIN) and to include extraneous matter.

Mr. GUBSER (at the request of Mr. MARTIN).

Mr. FENTON to include two letters in the remarks he made during general debate today.

Mr. O'KONSKI.

Mr. WILSON of California and to include extraneous matter.

Mrs. SULLIVAN (at the request of Mr. ALBERT) and to include extraneous matter.

SENATE BILLS AND JOINT RESOLUTION REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 3248. An act to authorize the Secretary of Agriculture to exchange lands comprising the Pleasant Grove Administrative Site, Uinta National Forest, Utah, and for other purposes, to the Committee on Agriculture.

S. 3439. An act providing for the reconveyance to Salt Lake City, Utah, of the Forest Service fire warehouse lot in that city, to the Committee on Agriculture.

S. 3741. An act to facilitate administration and management by the Secretary of Agriculture of certain lands of the United States within national forests, to the Committee on Agriculture.

S. 3951. An act to amend the act of June 7, 1897, as amended, and section 4233A of the Revised Statutes, so as to authorize the Secretary of the Treasury to prescribe day signals for certain vessels, and for other purposes, to the Committee on Merchant Marine and Fisheries.

S. 4004. An act to encourage and authorize details and transfers of Federal employees for service with international organizations, to the Committee on Post Office and Civil Service.

S. J. Res. 106. Joint resolution to establish a commission to investigate the utilization

of the radio and television frequencies allocated to the agencies and instrumentalities of the Federal Government, to the Committee on Interstate and Foreign Commerce.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 7902. An act to authorize travel and transportation allowances in the case of certain members of the uniformed services;

H. R. 9369. An act to authorize refunds by the Veterans' Administration of amounts collected from former servicemen by the Government pursuant to guaranty of life insurance premiums under the original Soldiers' and Sailors' Civil Relief Act of 1940;

H. R. 10321. An act to authorize the Secretary of Agriculture to exchange lands comprising a portion of the Estes Park Administrative Site, Roosevelt National Forest, Colorado, and for other purposes;

H. R. 11253. An act to authorize the Secretary of Agriculture to exchange land and improvements with the city of Redding, Shasta County, Calif., and for other purposes;

H. R. 11504. An act to amend title 10 of the United States Code to permit enlisted members of the Naval Reserve and Marine Corps Reserve to transfer to the Fleet Reserve and the Fleet Marine Corps Reserve on the same basis as members of the regular components;

H. R. 11518. An act to authorize the construction of modern naval vessels;

H. R. 11626. An act to amend section 6911 of title 10, United States Code, to provide for the grade, procurement, and transfer of aviation cadets;

H. R. 11700. An act to authorize civilian personnel of the Department of Defense to carry firearms;

H. R. 12161. An act to provide for the establishment of townsites, and for other purposes; and

H. R. 12694. An act to authorize loans for the construction of hospitals and other facilities under title VI of the Public Health Service Act, and for other purposes.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 1 minute p. m.) the House adjourned until tomorrow, Wednesday, July 23, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2149. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, relative to an order entered in the case of Eva Garcia de Zepeda, A-8769233, relating to rescission of adjustment of status granted under the Immigration Act of 1917, as amended, pursuant to the Immigration and Nationality Act; to the Committee on the Judiciary.

2150. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, relative to an order entered in the case of Jose Poblet, A-3013924, relating to rescission of adjustment of status granted under the Immigration Act of 1917, as amended, pursuant to the Immigration and Nationality Act; to the Committee on the Judiciary.

2151. A letter from the Comptroller General of the United States, transmitting a copy of the reply of the Deputy Assistant Secretary of the Army (Logistics), dated January 10, 1958, to report on procurement of Energa grenades by the Ordnance Procurement Center, United States Army, Europe. Energa grenade report was forwarded to the Speaker and to the President of the Senate with letter dated September 18, 1957; to the Committee on Government Operations.

2152. A letter from the Acting Archivist of the United States, transmitting a report on lists or schedules covering records proposed for disposal by certain Government agencies, pursuant to the act approved July 6, 1945 (59 Stat. 434); to the Committee on House Administration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SHEPPARD: Committee on Appropriations. H. R. 13489. A bill making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1959, and for other purposes; without amendment (Rept. No. 2238). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROGERS of Texas: Committee on Interior and Insular Affairs. S. 3186. An act to extend for 1 year certain programs established under the Domestic Tungsten, Asbestos, Fluorspar, and Columbium-Tantalum Production and Purchase Act of 1956; without amendment (Rept. No. 2239). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROGERS of Texas: Committee on Interior and Insular Affairs. S. 3307. An act to reinstate certain terminated oil and gas leases; without amendment (Rept. No. 2240). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'BRIEN of New York: Committee on Interior and Insular Affairs. H. R. 5865. A bill to amend the Hawaiian Organic Act to permit the Territorial legislature to provide for the election of members of a certain board of trustees; with amendment (Rept. No. 2241). Referred to the House Calendar.

Mrs. PFOST: Committee on Interior and Insular Affairs. H. R. 11009. A bill to provide for the establishment of Grand Portage National Monument in the State of Minnesota, and for other purposes; with amendment (Rept. No. 2242). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLATNIK: Committee on Public Works. H. R. 4142. A bill to amend the act creating the City of Clinton Bridge Commission and authorizing said commission and its successors to acquire by purchase or condemnation and to construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Clinton, Iowa, and at or near Fulton, Ill., in order to make certain changes in the authority of such commission, and for other purposes; without amendment (Rept. No. 2249). Referred to the Committee of the Whole House on the State of the Union.

Mr. PRICE: Joint Committee on Atomic Energy. H. R. 13455. A bill to amend the Atomic Energy Act of 1954, as amended; without amendment (Rept. No. 2250). Referred to the Committee of the Whole House on the State of the Union.

Mr. PRICE: Joint Committee on Atomic Energy. H. R. 13456. A bill to amend the Atomic Energy Act of 1954, as amended; without amendment (Rept. No. 2253). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. S. 2691. An act for the relief of Hiroko Ozaki; without amendment (Rept. No. 2243). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2860. An act for the relief of Miss Susana Clara Magalona; without amendment (Rept. No. 2244). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. House Resolution 636. Resolution to refer to the Court of Claims the bill (H. R. 6234) for the relief of the H. W. Nelson Co., Inc.; without amendment (Rept. No. 2245). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 9798. A bill for the relief of Biaggio D'Alessandro; with amendment (Rept. No. 2246). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 12365. A bill for the relief of the estate of Suck Pil Ra; with amendment (Rept. No. 2247). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 12624. A bill for the relief of Palmer-Bee Co.; with amendment (Rept. No. 2248). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H. R. 3571. A bill for the relief of Boris P. Navratil; without amendment (Rept. No. 2251). Referred to the Committee of the Whole House.

Mr. HILLINGS: Committee on the Judiciary. H. R. 12903. A bill for the relief of Wolfgang Stresemann; without amendment (Rept. No. 2252). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SHEPPARD:

H. R. 13489. A bill making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1959, and for other purposes.

By Mr. BROWNSON:

H. R. 13490. A bill to protect consumers and others against misbranding, false advertising, and false invoicing of decorative wood or imitation wood products; to the Committee on Interstate and Foreign Commerce.

By Mr. COLMER:

H. R. 13491. A bill to amend section 2385, title 18, United States Code, to define the term "organize" as used in that section; to the Committee on the Judiciary.

By Mr. DAVIS of Georgia:

H. R. 13492. A bill to amend section 927 of the act of March 3, 1901, relating to responsibility for criminal conduct, and for other purposes; to the Committee on the District of Columbia.

H. R. 13493. A bill to provide for the admission of certain evidence in the courts of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. HERLONG:

H. R. 13494. A bill to amend the Internal Revenue Code of 1954 to repeal the excise tax on electric or gas clothes driers and electric mangles; to the Committee on Ways and Means.

H. R. 13495. A bill to amend the hospital survey and construction provisions of the Public Health Service Act to provide special assistance for hospital construction in areas of severe Federal impact; to the Committee on Interstate and Foreign Commerce.

By Mr. SIKES:

H. R. 13496. A bill to provide pension benefits for certain widows; to the Committee on Post Office and Civil Service.

By Mr. SMITH of Mississippi:

H. R. 13497. A bill to amend the Civil Service Retirement Act to provide retirement credit for periods of sick leave; to the Committee on Post Office and Civil Service.

By Mr. SPRINGER:

H. R. 13498. A bill to amend the Internal Revenue Code of 1954 to permit school teachers and administrators to deduct expenses incurred by them in attending classes to acquire additional training or education; to the Committee on Ways and Means.

By Mr. UDALL:

H. R. 13499. A bill to authorize the lease of Papago tribal land to the National Science Foundation, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WILLIS:

H. R. 13500. A bill to provide for the disposal of federally owned property of the Hanson, Company, and Houma Canals, La., and for other purposes; to the Committee on Public Works.

By Mr. HEMPHILL:

H. R. 13501. A bill to amend the Tariff Act of 1930 to clarify the definition of "rayon or other synthetic textile"; to the Committee on Ways and Means.

By Mr. SIKES:

H. R. 13502. A bill to provide for the Office of Chief, United States Army Reserve and ROTC Affairs, and for other purposes; to the Committee on Armed Services.

By Mr. BRAY:

H. R. 13503. A bill to protect consumers and others against misbranding, false advertising, and false invoicing of decorative wood or imitation wood products; to the Committee on Interstate and Foreign Commerce.

By Mr. HAYS of Arkansas:

H. R. 13504. A bill to establish a Commission on Country Life, and for other purposes; to the Committee on Agriculture.

By Mr. QUIE:

H. R. 13505. A bill to establish a Commission on Country Life, and for other purposes; to the Committee on Agriculture.

By Mr. RIVERS:

H. R. 13506. A bill to amend title 10 of the United States Code to prohibit the calling of the National Guard into Federal service except in time of war or invasion or upon the request of a State; to the Committee on Armed Services.

By Mr. TELLER:

H. R. 13507. A bill to provide for reporting and disclosure of employee welfare and pension benefit plans; to the Committee on Education and Labor.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DOLLINGER:

H. R. 13508. A bill for the relief of Mayer Jacobson (also known as Majer Zalma Jakobson); to the Committee on the Judiciary.

By Mr. HALE:

H. R. 13509. A bill for the relief of Yoli Bellussi, and his wife, Janina Bellussi; to the Committee on the Judiciary.

By Mr. JONAS:

H. R. 13510. A bill for the relief of Kenneth P. Taylor; to the Committee on the Judiciary.

By Mr. WALTER:

H. J. Res. 659. Joint resolution for the relief of certain aliens; to the Committee on the Judiciary.

H. J. Res. 660. Joint resolution to facilitate the admission into the United States of certain aliens; to the Committee on the Judiciary.

H. J. Res. 661. Joint resolution to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

714. Mr. DAVIS of Georgia presented a resolution unanimously adopted by the members of the East Atlanta American Legion Post No. 159, Atlanta, Ga., relating to the existing draft laws, which was referred to the Committee on Armed Services.

EXTENSIONS OF REMARKS

Opinion Poll Indicates Voters' Beliefs on Current Issues

EXTENSION OF REMARKS
OF
HON. WILLIAM G. BRAY
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 22, 1958

Mr. BRAY. Mr. Speaker, I have recently conducted an opinion poll among my constituents of the Seventh District of Indiana. I believe the results of this sampling are of significance and of interest to my colleagues.

SUMMARY OF POLL RESULTS

Despite the soft approach of Communist diplomats, only 4 out of 10 replies indicate hope for a worthwhile summit conference. The response was divided about evenly until the political execution of Imre Nagy and other Hungarian leaders became known. Thereafter the daily tabulations showed as little as 25 percent hopeful about a summit meeting.

More than 60 percent of those responding favor stopping our testing of nuclear weapons after the current series is completed, if the Russians will do the same. The favorable answers usually were qualified with the admonition to be sure that the Russians do not resume testing without our learning of it.

Two out of three replies favored the postponement of general tax reduction until the Federal budget can be balanced and deficit financing avoided. Additional comments on this subject indicate that people recognize that defense is costly, but believe that overall Government spending can be reduced. Some express pessimism about balancing the budget, but fear tax reduction at this time would merely increase inflation.

Excise tax reduction was favored by about the same margin that general tax reduction was opposed. Many of the wartime taxes on transportation, communications, autos, and appliances are considered burdensome, and it is felt that reduction or elimination of the taxes on these services and products would stimulate sales and promote economic recovery.

Legislation to prohibit any of the forms of toll television was favored by 3 out of 4 respondents, for it is felt that such charges would put an unnecessary burden on low-income families who rely on television for much of their entertainment and news. Several of those who oppose prohibitive legislation stated that they are opposed to pay TV, but do not believe a legislative ban is necessary to defeat it.

Almost 75 percent of the replies expressed the belief that foreign aid appropriations should be substantially reduced from the amount of the authorization bill which had passed the House before the questionnaire was released. Many noted in the margin that large-scale foreign aid should be discontinued altogether.

Strong support was expressed for greater traffic control over military aircraft to avoid repetitions of recent mid-air disasters, although there is reluctance to hinder the alert readiness of our air defense forces.

The replies, which came from nonfarm as well as farm families, indicate 1 out of 5 prefer price supports at a fixed 90 percent of parity over the sliding scale of flexible supports. More than 1 in 10 declined to comment on this question, however, and several suggested the elimination of price support programs.

By a 3 to 2 margin, voters rejected proposals for a large-scale program of Federal grants and loans to help communities undertake public works projects, frequently expressing the fear that they would become make-work projects typical of some of the depression relief programs. Both yes and no answers frequently were qualified with suggestions as to what types of programs would be worthwhile.

The response was better than 4 to 1 against giving diplomatic recognition to Communist China. This is a clear indication of public dislike and distrust of the Peiping regime until it demonstrates a capacity to act as a responsible nation.

POLL PROVIDES VALUABLE INSIGHT

We all recognize our duty to know the thoughts and beliefs of our constituents and to be the spokesmen of these views in the House of Representatives. It is not an easy task to keep well-acquainted

with voter sentiments in Districts that cover large areas and contain populations of 300,000 or more. In addition to the thousands of letters, telegrams and telephone calls I receive, I greatly appreciate the many personal contacts I have with Seventh District people, including my customary tour of all of the post offices in each of the 11 counties. I believe this poll is another worthwhile tool for keeping closely in touch with the legislative wishes of the people, and consequently being better able to represent them. Each of those who replied helped to form this cross-section of public opinion, and demonstrated the willing participation and interest in public affairs which has been the hallmark of American citizenship.

I commend this insight into the thinking of my constituents to all of my colleagues for I know these people to be truly representative of the finest traits and characteristics of this Nation.

Final summary of opinion poll conducted by Congressman William G. Bray, Seventh District Indiana

	Percent		
	Yes	No	No opinion
1. Do you believe a so-called summit conference between leaders of the Free World and Soviet Russia would help to relieve world unrest?	42	53	5
2. At the conclusion of our 1958 test series, should we then stop testing nuclear weapons if the Russians will do the same?	62	35	3
3. Should personal and corporation income tax reduction be postponed until the budget is balanced and deficit financing avoided?	67	26	7
4. Should excise taxes (transportation, communications, autos, appliances, etc.) be reduced to promote business and expand employment?	68	29	3
5. Do you favor legislation outlawing pay television?	73	22	5
6. The House has authorized $2,900,000,000 in foreign aid for 1959. Do you believe the appropriation, to be voted on soon, should be substantially less than the authorization?	74	21	5
7. Should military aircraft be placed under civil air safety control to reduce the chance of midair collisions?	74	19	7
8. Do you favor fixed (as opposed to flexible) price supports for farm commodities?	22	65	13
9. Should the Government begin a large program of grants and loans to communities for public works to stimulate economic activity?	38	57	5
10. Do you believe the United States should give diplomatic recognition to the government of Communist China?	16	80	4

Letter to Constituents

EXTENSION OF REMARKS
OF
HON. JAMES H. MORRISON
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 22, 1958

Mr. MORRISON. Mr. Speaker, with leave to extend my remarks, the following is a letter which I am sending to some of my constituents in Louisiana:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C.

MY DEAR FRIEND: I am enclosing a reprint from the CONGRESSIONAL RECORD which I will appreciate your reading. This will give you an idea of a few of the accomplishments which I have worked hard to bring about as your Congressman. Since January of 1943, I have had the great honor and privilege of serving you as your Representative in Congress. During my term of office, which counting this year will make 16, I have done my very best to give you the kind of representation that you wanted and deserve here in Washington.

I have tried to help each and every one in the District that called upon me for assistance during this period, and have done everything possible to give each and every person my sympathetic and complete cooperation in their problems with a feeling of understanding and friendship. As you no doubt realize, since 1942 we have been through, and are still going through, perilous times. I think you will agree with me that my seniority and experience in Congress for the past 16 years certainly enables me to work in your best interests, and for the best interests of the Nation as a whole.

Since Congress is still in session, and may or may not adjourn before election day, I will be deprived of an opportunity to get around the District to personally see and shake hands with you, and for that reason, I am writing this letter to sincerely ask you for your vote and support on Saturday, August 23, which is election day.

I am extremely grateful for your kind and sincere support in all my previous elections, and I again will be most appreciative for your vote and support on Saturday, August 23. I know many times it is most inconvenient to go to the polls on election day, but I again urge you to do everything possible to go to the polls and be sure to vote, Saturday, August 23. You may rest assured that I shall continue to do everything within my power to help and assist you in any trouble that may beset you at this time and in the future. You may, therefore, rest assured that I shall continue to put forth my best efforts in your behalf.

With kindest regards and best wishes, I am
Sincerely,

Jimmy Morrison,
JAMES H. MORRISON,
Member of Congress.

P. S.—As I have said in the past, I want you to feel that at any time I can serve you in my capacity as your Congressman, please do not hesitate to call on me. Best regards.
J. H. M.

To Serve You Better in More Than 250 Communities

EXTENSION OF REMARKS
OF
HON. ALVIN E. O'KONSKI
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 22, 1958

Mr. O'KONSKI. Mr. Speaker, to better serve you, Congressman ALVIN E. O'KONSKI will be available so that you can see and talk to him personally right in your hometown. If you have any Federal matter or Federal problem to take up with him, feel free to visit and talk it over with him in person at place and time listed on back of this card or published in your local newspaper.

All expenses of making his services available in your hometown each year are paid by the Congressman himself—with no cost to the taxpayer. Each year Congressman ALVIN E. O'KONSKI brings the Congressional office to you—right in your hometown, no matter how big or how small. He is most anxious to help you in every way humanly possible.

Guidance, Counseling, and Testing in the Proposed National Defense Education Act of 1958

EXTENSION OF REMARKS
OF
HON. FRANK THOMPSON, JR.
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 22, 1958

Mr. THOMPSON of New Jersey. Mr. Speaker, I am concerned with those parts of the National Defense Education Act of 1958 that deal with guidance, counseling, and testing, as well as the identification and encouragement of able students.

Under the relevant title Federal assistance would be provided to encourage the States to develop and expand programs for the early discovery of student aptitudes, and for the maximum development of these aptitudes through improved counseling and guidance services in the high schools.

I have ample, adequate, and irrefutable evidence to back me up when I say that proper guidance is one of the greatest needs of our educational system. In a sense this type of help is more urgently needed than direct financial assistance to the school and the student. The will to want an education is the most important factor in the achievement of that objective. Moreover, the loss of valuable human resources through lack of full educational development of each student is a subject of serious national concern.

In 1956 the Joint Committee on Atomic Energy urged that remedial action be taken to provide—and I quote from the Joint Committee's report—"a stronger program for identifying the ablest students in our high schools at an early age and presenting them with challenging courses to stimulate their minds."

The Joint Committee included guidance and counseling among its major recommendations and suggested the following approach which might assist in meeting this requirement:

Early identification of potentially ablest students: At present only 4 out of 5 students in the top quarter of their class finish high school. Only 2 out of 5 in the top quarter go on to college. Many with high potential simply do not enroll in college preparatory programs. In order to recoup this loss of potential talent it is proposed

that statewide testing start at the 8th or 9th grade level rather than the 12th. This would help insure that the ablest students don't drop out of school and that they take the kind of courses necessary for college entrance.

The importance of guidance and counseling in our increasingly complex society also was emphasized in the second report of the President's Committee on Education Beyond the High School which pointed out:

There is no doubt that talented young people are our most valuable national resource. The loss both in human and in social terms that results from failure to identify, inspire and assist able young people for further education and training is incalculable.

Proper identification of talent requires the skilled use of all the resources that a sound guidance and counseling program in the secondary schools can muster. To be most effective, this process of identification must start early. While each individual as he matures is expected to develop the ability to direct himself toward meaningful life goals, many need much assistance and all need information. Sound guidance and counseling services provide the student with facts about himself and his environment as a basic framework for thinking logically about his goals and relating this thinking to his abilities.

There are many more careers to choose from today than there were 20 years ago, and the number will rise. Yet today's student has no added time to decide, and no prior experience to guide him. He requires continuous, capable assistance as he proceeds through and beyond high school.

The Rockefeller Brothers Fund Report on Education, published last month, also underscored the Nation's need for adequate, effective guidance, counseling, and testing programs to identify and motivate potentially capable students. This need was summarized as follows:

One of the most important goals of any education system is to identify and guide able students and to challenge each student to develop his capacities to the utmost. Tests are most effective in measuring academic aptitude and achievement.

Used with a sound understanding of their strengths and limitations, present testing procedures can contribute significantly to a program of talent identification.

But testing procedures unwisely used can do harm. A few basic considerations must be understood: First, tests are effective on a limited front. Second, no single test should become a basis for important decisions. Third, test scores are one kind of data to be placed alongside other kinds of data.

The identification of talent is no more than the first step. It should be only part of a strong guidance program. As many teachers as possible should be trained to take part in it. As many high schools as possible should have special guidance officers.

The objective of all educational guidance should be to stimulate the individual to make the most of his potentialities. The fact that a substantial fraction of the top quarter of high school students fail to go on to college is a startling indictment of our guidance system.

The general academic capacity of students should be at least tentatively identified by the eighth grade as the result of repeated testings and classroom performance in the elementary grades. An adequate guidance system would insure that each student would then be exposed to the sort of program that will develop to the full the gifts which he possesses.

Our schools have made far more progress in identifying different levels of talent than in the development of programs for these different levels. Adequate attention to individual differences means rejecting a rigid policy of promotion by age; and it means sensible experimentation with various kinds of flexibility in the curriculum to meet the varying needs of young people.

The significance of guidance in a modern education program has been described by many experts in the field. Space permits me to quote only a few of the witnesses who appeared before our committee to urge improved guidance, counseling, and testing throughout the Nation. Mr. Arthur A. Hitchcock, executive secretary of the American Personnel and Guidance Association, outlined the significance of good guidance programs in our schools and pointed out that—

During the past several decades, and more particularly in recent months, many authoritative persons in education, in other professions, in business, and in industry have spoken vigorously of the need for good guidance programs in the schools of this Nation. * * * The last White House Conference on Education pointed up the need for guidance most clearly, and, in nearly half of the State conferences preceding the meeting in Washington, persons not in education stated the necessity for guidance most strongly.

May I cite only one authority, Dr. James E. Allen, Jr., commissioner of education for the State of New York. He stated recently, "Guidance is looked upon by laymen, as well as by those in education, as an integral and vital part of the educational process. The education profession and the public have come to expect substantial contributions from guidance in assisting boys and girls toward optimum development, for their own fulfillment and for their economic and social contributions."

Guidance is important in the schools, but its significance goes into the roots of this Nation.

In its recent statement of policy concerning the Nation's human resources problems, the American Personnel and Guidance Association endeavored to point out the significance of good guidance services to the basic values of this Nation in the statement that freedom of choice can "be enriched through the educational process, for persons can grow to the height of their potentialities when (1) they know their potentialities, interest, and values; (2) they have the opportunity to develop them through education; (3) they know about the complex rapidly changing career picture; (4) they are motivated to develop their potentialities and to relate them to the opportunities in our society."

In placing the development of individuals in a democratic society in its setting of freedom to choose one's career, the statement reads:

"This generation has been called upon to make a decision that will shape the destinies of many future generations. At the heart of this decision lies one of this Nation's basic freedoms—freedom of choice."

Dr. Dael Wolfle, executive officer of the American Association for the Advancement of Science, declared that—

The proper function of these programs is to accomplish something that cannot be done by a scholarship program alone, namely, to identify able students fairly early in their educational years, and to help them to take the courses and develop the plans that will enable them to continue in educational channels to the point where they can make full use of their abilities.

It is literally true that a considerable number of bright children do not know that they are bright, do not think of themselves as profiting from going to college, and do not recognize the opportunities that would be open to them with further education.

Dr. Lawrence G. Derthick, United States Commissioner of Education, pointed out the value of guidance service when he described the results of several well-designed studies as follows:

In an experimental study extending over a period of several years * * * [one researcher] compared the progress and adjustment of a group of students receiving guidance services in a high school with a matched group in the same school receiving no organized guidance. On some points there were distinct differences favoring the experimental group receiving the benefit of guidance services. Only 10 percent of the control group became honor students in high school, while 27 percent of the experimental group made honor grades. There were considerably fewer curriculum changes made by the guided group and after graduation from high school 53 percent of the guided group gained college admission as compared with 35.6 percent of the unguided group.

It is clearly indicated from the testimony that good guidance and counseling programs are a valuable and useful weapon which can be employed effectively to prevent dropouts from school, and to guide students into school programs for which they are best suited.

We must, if we are to reach our maximum strength in the development of our human resources, provide meaningful assistance to improve and expand guidance and counseling programs in our schools. The urgency of the situation is well illustrated by facts recently brought to light by authoritative studies.

The President's Committee on Education Beyond the High School reported that—

There is wide variation from school to school and from State to State in the distribution of counselors, the number of students per counselor, and counselor competence. In 1952 only 4 States had counselors serving at least half-time in 50 percent of more of their high schools, and only 13 had counselors on this basis in more than 25 percent of their schools. The best current estimates indicate the equivalent of 11,000 full-time counselors in the schools against an estimated need for 16,000 to provide minimum service, or 26,000 for recommended services (1 counselor for every 300 pupils). High-school enrollments will be increasing so rapidly during the next several years that the present counselor shortage will increase unless the numbers now enrolled in preparatory programs are greatly increased. The Committee believes that efforts to recruit and train more counselors should be stepped up substantially.

Dr. Derthick in testifying on the need for more and better-trained guidance personnel observed that—

Test results and other cumulative students' data can result in good educational planning by students and their families, only if the facts are properly interpreted and utilized by the students and their parents. Yet it is estimated that not more than one-half of the high-school students in the Nation are provided with the services of a well-rounded counseling program. Contributing to this

situation is a severe shortage of qualified guidance personnel.

As might be expected, there is wide variation from school to school and from State to State in the distribution of counseling personnel employed, in the extent of counselor preparation, and in the number of students which each counselor must serve. Altogether the Nation's schools now employ approximately 26,000 counselors, including both full-time and part-time personnel. In terms of full-time equivalents, there are approximately 11,000. The best current estimates put the need at 15,000 additional counselors in the public high schools alone, if these services are to be provided adequately. Yet, in 1956, only about 2,500 graduate degrees were granted by institutions of higher education to serve all levels of education in guidance and personnel work. Also, it is known that not all of these entered education and that there is considerable turnover among counselors in secondary schools.

I think we know that industry, among one of these agencies, is draining off the counselors, having realized their great aid and advantage.

The present yearly supply of adequately prepared counselors is little more than enough to meet current replacement needs.

A total of 41 States employ some personnel charged with counseling and guidance responsibilities. However, the State departments at this time generally are not staffed sufficiently to provide the professional leadership, consultative services, research, and publications which are required to promote the necessary expansion and improvement of guidance services in the local schools. The 41 State programs employ a total of only 63 persons, counting both full-time and part-time personnel, who are responsible for giving professional leadership for these services. A recent survey of the State departments indicated that the difficulty in providing adequate guidance services, at both the State and local levels, is attributed to inadequate financial support for these services.

On the basis of these facts and information it is my opinion the provision for guidance, couseling, and testing in the proposed National Defense Education Act is fully justified.

Under the provision in the bill, $15 million would be authorized for each of 4 years beginning in fiscal 1959 for the purpose of making grants to State educational agencies to assist them in establishing and maintaining programs of testing guidance and counseling in public secondary schools. The funds under this program would be allotted among the States on the basis of their relative school-age populations. The States would be required to match their allotment dollar for dollar beginning in fiscal 1960.

In addition to this program the bill also provides for an authorization of $6 million for each 4 years beginning in fiscal 1959. The purpose of this is to provide assistance to institutes in guidance and counseling established by colleges and universities, which will conduct summer or regular sessions for the training of persons employed in a public school system who are in a guidance and counseling capacity. This assistance would be in the form of stipends to the guidance personnel in attendance and direct payments to institutions for the cost of such institutes. This program is similar to that of the National Science Foundation institutes for science teachers and is designed especially to encourage professional study in the field of guidance. These provisions, I believe, are urgently necessary to the overall improvement and expansion of guidance services in the Nation's educational system.

Report to the People

EXTENSION OF REMARKS
OF
HON. JAMES H. MORRISON
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 22, 1958

Mr. MORRISON. Mr. Speaker, during the 8 consecutive terms or the 16 years that I have had the distinguished and great honor to serve the people of the Sixth District of Louisiana, I have done my utmost to give to them the representation they truly deserve.

During these 16 years the schools and colleges of the Sixth District have received in Federal grants and surplus properties an amount of over a million dollars.

To mention a few of the benefits that I have worked on during the past session, I list the following:

First. Necessary funds for flood control and navigation in Louisiana.

Second. Improved social-security benefits.

Third. Increase in Federal retirement.

Fourth. Increase in pay for all Federal workers, including classified and postal workers.

Fifth. Better care for our aged.

Sixth. Increased veterans benefits.

Seventh. Assistance to the farmers.

Eighth. Development of interstate highway program.

In the past 7 years as your Congressman, I did everything possible to secure Federal expenditures for the construction and maintenance of flood control and navigation projects for the State of Louisiana, which totaled $224,509,000.

The Pearl River navigation project was completed in 1956, at a total cost of about $10 million.

In this session of Congress, $6,500,000 was appropriated for the continued construction and development of the Baton Rouge-Port Allen-Indian Village Cutoff of the Intercoastal Waterway. This makes a total, to date, of $16,237,000 in Federal funds for this project. Included in this project is the port of Baton Rouge and Port Allen which means so much to the Sixth District, as well as Louisiana and the rest of the Nation. For the Amite River and its tributaries, the Federal Government, including this year's appropriation, has given for flood relief of the parishes of Ascension, Iberville, Livingston, and East Baton Rouge, the amount of $750,000 in Federal funds which will greatly help in relieving the drainage problems that exist in these parishes.

Approximately $29,767,200 for the old river control structure, north of Morganza, to keep the Mississippi River within its levees, has been provided in Federal funds. Of this, $8,550,000 is included in this year's appropriation.

All of the above did not just happen by accident. On the other hand, it took an enormous amount of time, planning, and effort, and quite naturally, I am proud of the part that I have played in helping to secure these much-needed projects.

Today my Congressional office, or I really should say your office, in the Nation's Capital, has the reputation of being one of the most efficient on Capitol Hill. It has taken years of hard work and experience to achieve this.

Not only have I endeavored to represent you people of the Sixth District as you wish me to, and to vote for all constructive legislation; but I have also endeavored to help and assist each and every person in the Sixth District regardless of their walk in life or whether their problems were large or small, regardless of their political faith, to the best of my ability.

With this in mind, I pledge with the best of my ability to continue to help each and every one of you with your troubles that beset you and to work to improve your working and living conditions in every way possible.

During the years I have served you in Congress, I have voted for and supported all legislation that would help the farmers and I have voted for and supported all legislation that would be beneficial to all the veterans. I have been and will continue to be a strong advocate of free enterprise. I have been a perpetual supporter of all flood-control projects and all flood-control legislation.

During the time I have been in Congress, I have worked for, and helped secure $6,562,471 Federal funds for hospitals in Bogalusa, Mandeville, Hammand-Ponchatoula, Plaquemine, Covington, and Slidell, La.

From the above, I am sure you will understand how I have worked to help bring about many of the projects that mean so much to everyone in Louisiana.

Donations of Free Food to Needy Abroad Nearly Four Times the Volume of Surplus Food Given to Needy in This Country

EXTENSION OF REMARKS
OF
HON. LEONOR K. SULLIVAN
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 22, 1958

Mrs. SULLIVAN. Mr. Speaker, in my efforts in these past 4 years to enact a food-stamp plan for distribution of surplus food to all of the millions of very needy persons in our country, I have noted Mr. Benson's many glowing reports about the volume of surplus food now being given out to the unemployed in many areas of the country.

But Mr. Benson's own figures show that we have distributed nearly four times as much of this surplus food by volume to the needy of the rest of the world as we have given to our own needy. In fact, in any one year under Public Law 480, we give nearly twice as much

surplus food away abroad—I am speaking now of straight-out donations to the needy, not to so-called sales for counterpart funds—we give to the needy abroad nearly twice as much as Mr. Benson has used for all domestic purposes here, including the school-lunch program, donations to public institutions, and so on as well as distribution to the needy.

I have repeatedly said I am not against our charity programs for the needy abroad—to have food in great abundance and not help to feed starving people would be a terrible sin. But while charity does not have to begin and end at home, there is nothing in ethics or morals which says we cannot be charitable to our own desperately poor in a manner at least equivalent to what we are doing overseas.

TABLES SHOW GREAT DISPARITY IN FOREIGN AND DOMESTIC FOOD GIFTS

Mr. Speaker, under unanimous consent, I am including as part of these remarks several tabulations covering this point of foreign donations of food to the needy overseas under title III of Public Law 480 as compared to the much reduced program of food distribution to help our own needy.

I hope the Members will have an opportunity to look over these tables before voting Wednesday on passage of S. 3420 under suspension of the rules. I hope they will also note the detailed breakdown on the needy in their own States which I placed in the RECORD yesterday at page 14458. These various tabulations should prove beyond all doubt that a food-stamp plan for needy Americans belongs as part of Public Law 480, and that the bill to extend Public Law 480 should not pass under suspension of the rules but should be brought before us instead under the regular order so that it is subject to amendment to include a food-stamp plan.

The following tabulation lists the 85 countries which have been receiving free surplus food at United States Government expense so that they could help feed their poor. It shows the poundage sent to each country in each of 3 fiscal years, and the dollar cost to the United States Government of this phase of Public Law 480. This, I repeat, has nothing to do with the operations under title I of Public Law 480 under which we have transferred about a billion dollars worth of food a year to foreign governments in return for their own currency which is then usually lent back to them for their own currency which is then usually lent back to them for their own development.

The tabulation immediately below covers operations under title III under which we make outright gifts of this food, usually through church and charitable organizations, and help pay the ocean transportation costs as well. Note particularly the totals for the 1957 fiscal year and then compare those with figures for the same year covering domestic use of surpluses which I am also going to place in the RECORD further down in this insertion.

First, the report on foreign donations of food under title III, as follows:

Title III, Public Law 480—Sec. 416, foreign donations, fiscal years 1955–57

[Thousand pounds—thousand dollars]

Country	1955		1956		1957	
	Pounds	Cost	Pounds	Cost	Pounds	Cost
Aden					36	$7
Afghanistan			229	$42	250	51
Africa, French Equatorial						
Africa, West French			110	20	1,070	219
Algeria			124	31	7,737	850
Antigua	500	$92	415	76		
Austria	7,564	3,360	23,521	10,667	11,856	3,203
Bahama Islands			255	107	247	78
Belgian Congo						
Belgium	85	35	195	89	250	59
Bolivia	3,994	1,412	9,062	2,723	6,453	1,175
Brazil	12,282	2,542	25,912	5,369	11,117	1,942
Burma	498	91	1,639	302	1,816	356
Cambodia					126	26
Canary Islands			480	18		
Ceylon	449	82	477	88	40,267	5,306
Chile	1,065	195	1,122	238	8,481	1,082
China						
Colombia	4,381	946	13,982	3,164	16,860	2,872
Costa Rica			132	52	1,086	359
Czechoslovakia						
Dominica			866	159		
Ecuador	874	160	688	176	1,437	242
Egypt	57,758	23,544	35,960	17,514	2,694	274
England	90	49	149	56	54	18
Ethiopia			144	26	36	7
Finland	1,000	737	2,200	1,423		
Formosa	9,720	2,603	48,636	9,612	91,064	10,529
France	6,124	2,840	12,182	6,413	2,773	568
Gambia			263	48	351	72
Gaza					882	181
Germany	44,611	18,530	85,915	33,108	72,373	15,407
Goa	499	314	400	207	350	62
Gold Coast	54	10	875	371	215	79
Greece	29,526	12,787	62,063	22,084	98,682	14,902
Grenada			338	62	338	69
Guadaloupe					135	39
Guatemala	1,385	254			1,594	327
Guiana, British			667	171	72	15
Guiana, French			241	44	241	49
Haiti	2,460	463	1,792	595	2,008	240
Holland			4	(1)		
Honduras	1,482	543	470	86	3,340	738
Honduras, British			650	120	325	67
Hong Kong	2,689	631	21,060	3,460	52,868	6,625
India	60,041	27,800	76,898	29,318	86,902	17,841
Indonesia	999	202	3,924	691	6,334	1,260
Iran	2,739	949	2,643	927	5,584	983
Iraq			3,575	658	1,925	395
Ireland, North						
Israel	902	378	4,237	1,646	13,308	2,291
Italy	85,843	35,649	290,668	44,442	307,161	27,098
Jamaica			4,420	1,215	3,625	835
Japan	6,281	1,623	24,797	4,460	31,386	4,809
Java	60	11				
Jordan	3,646	$1,573	1,792	$598	5,567	$929
Kenya			510	130	520	107
Korea	50,041	10,597	91,209	16,790	226,331	27,249
Laos					208	29
Lebanon	537	139			1,150	236
Liberia	99	18	100	18	36	7
Libya	537	99	1,384	255	3,359	1,116
Macao					1,257	136
Malay States	971	337	1,850	473	1,796	359
Malta	396	160	3,015	1,609	3,086	563
Martinque			200	37	200	41
Mexico			1,474	357	3,163	426
Montserrat	108	20			142	29
Morocco, French	511	149	1,092	327	12,475	2,342
New Guinea, Netherlands			132	24		
Nigeria	50	9	437	80	85	17
North Borneo	40	7	140	26	120	25
Norway						
Nyasaland			36	7	36	7
Okinawa	360	66	3,433	406		
Pakistan	13,317	4,796	29,874	11,448	60,531	9,679
Palestine						
Panama	1,252	386	3,732	1,218	5,350	1,615
Paraguay	1,095	201	593	109	1,121	230
Peru	4,719	927	5,690	978	6,075	1,122
Philippine Islands	3,437	659	6,030	1,083	14,282	2,675
Portugal			17,543	4,825	24,309	4,415
Ryukyu Islands	1,250	252	1,880	416	4,960	739
St. Kitts			514	94	514	105
St. Helena					110	23
St. Lucia	250	46				
St. Vincent			386	71	386	79
San Salvador			1,119	206	2,475	601
Sarawak	305	56	1,225	225	900	185
Scotland						
Sierra Leone			36	7	36	7
Singapore	80	15	276	51		
Spain	56,938	19,181	129,089	33,814	74,452	17,845
Sudan			36	7		
Surinam			681	125	681	140
Syria			655	120	1,020	209
Thailand			200	37	371	67
Trieste	1,806	677	2,255	848	7,900	1,440
Tripoli						
Trinidad and Tobago			680	125	301	62
Tunisia	379	125	394	104	2,561	378
Turkey	664	218	1,250	297	3,509	712
Wales						
Virgin Islands, British			91	17	85	17
Vietnam	5,435	1,947	96,124	14,323	178,517	22,780
Yugoslavia	37,804	16,063	29,141	8,724	182,191	31,369
Total	531,985	197,195	1,200,678	302,488	1,727,877	253,719
Number of countries	57		84		85	

[1] Less than $500.

SEVEN MILLION AMERICANS ON PUBLIC ASSISTANCE NEED A FOOD-STAMP PLAN

Mr. Speaker, I have not inserted the tabulation above for the purpose of protesting or decrying these gifts of food to the needy abroad. Far from it. I think we can all be proud of how much good has been done with that food in the countries whose people benefited from our charity and thoughtfulness.

But, Mr. Speaker, cannot we be charitable at least in kind to the nearly 7 million Americans on various forms of public assistance, plus the millions more today suffering extreme hardship because of the recession?

The tabulation below, also from official sources, lists the actual poundage of food

distributed by Mr. Benson in the 1957 fiscal year to the school-lunch program, to public institutions, and to needy persons. I call attention to the totals in the needy person category, since that is the only one which would be affected if we were to enact a food-stamp plan. That shows only 489,800,000 pounds of surplus food—mostly flour, cornmeal, cheese, dry skim milk, dry beans, and rice—as having been given to our needy that year, compared to 1,727,877,000 pounds of food donated abroad under the Public Law 480 provisions which constitute a food-stamp plan for the needy of other countries.

I might say that the partial figures for fiscal 1958 on foreign as against domestic donations of food show the same ratio of nearly 4 to 1 in pounds of food donated and in dollar costs to the United States Government:

Quantities of surplus foods donated for domestic use, fiscal year 1957, and estimated, July to March, fiscal year 1958

[In million pounds]

Commodity	Domestic, fiscal year 1957			
	Schools	Institutions	Needy persons	Total
Beans, dry	28.3	9.2	42.9	80.4
Butter	46.3	9.4	12.5	68.2
Butter oil				
Cheese	31.7	15.6	71.6	118.9
Cornmeal	17.7	9.5	89.9	117.1
Corn	.5	.4		.9
Cottonseed oil				
Eggs, shell	30.0	7.2		37.2
Egg solids, dried				
Flour	46.1	56.8	140.8	243.7
Grapefruit, canned				
Ground beef—frozen	71.3			71.3
Lard	16.5	6.0	1.6	24.1
Milk, nonfat, dry	23.6	15.5	82.7	121.8
Peanut butter				
Pork, corned and frozen	52.1		[1] 2	52.3
Rice	21.9	10.8	47.6	80.3
Turkeys, frozen	22.6	2.6		25.2
Wheat	1.9	6.4	[2]	8.3
Other [3]	7.1	5.1		12.2
Total	417.6	154.5	489.8	1,061.9

[1] Special distribution for hurricane disaster relief in Puerto Rico.
[2] Less than 50,000 pounds.
[3] Includes commodities distributed domestically in limited amounts during fiscal year 1957: Cabbage, fresh plums, sweetpotatoes, and cottonseed oil.

Have Cases of Abuse Occurred Under Level-of-Benefits Plans?

EXTENSION OF REMARKS
OF
HON. ALBERT H. BOSCH
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 22, 1958

Mr. BOSCH. Mr. Speaker, Mr. Meany, president of the AFL–CIO, charged in Senate hearings three cases of abuse under level-of-benefits plans. The three cases involved the Eastern Massachusetts Street Railway Co., General Electric Co., and the Reed Glass Co., Inc. The Senate subcommittee staff upon subsequent investigation of the Massachusetts Railway Co. found that—

This inquiry did not develop any illegal action on the part of the railway or insurance companies or their officials * * * (but that) by failing to disclose * * * (the company) laid itself open to the misunderstanding and criticism contained in the Meany testimony." (United States Senate Subcommittee on Welfare and Pension Plans Legislation hearings, May–July 1957, op. cit. p. 210.)

The charges against the General Electric Co. were also found to be without support, thus leaving only the Reed Glass Co. case, which involved a bankrupt company which had not made payments into its plan prior to the actual date of its bankruptcy. Disclosure cannot prevent bankruptcy. These are the only cases of abuse under level-of-benefit plans which the Senate hearings revealed.

Nixon Pens Own Story of Latin Communists

EXTENSION OF REMARKS
OF
HON. BOB WILSON
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 22, 1958

Mr. WILSON of California. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the San Diego Tribune of July 15, 1958:

NIXON PENS OWN STORY OF LATIN COMMUNISTS

(By RICHARD NIXON)

WASHINGTON.—I appreciate the opportunity Victor Riesel has afforded me to report through his column on an important aspect of my South American trip, which, because of the understandable interest in the violent demonstrations which occurred, has not been adequately covered in the press.

I have often been asked why I insisted that State Department officials arrange meetings with labor-union leaders in the countries I visited wherever my schedule would permit.

The answer is that a free trade-union movement is one of the strongest bulwarks against communism.

The proof of the truth of this conclusion is that the growing trade-union movement in Latin America is a major target of Communist infiltration.

TRADE UNIONS GROW FAST

In the United States we can be grateful for the fact that our trade-union leaders were among the first to recognize the insidious character of the international Communist movement and the threat it presented to all free institutions. Men like George Meany, for example, were never fooled by the popular-front tactics of the Communists and they have fought the Communists skillfully and effectively through the years.

The trade-union movement in Latin America is comparatively small but it is growing fast, and in countries where former governing classes are losing their influence the trade-union leaders, together with leaders in the universities and public-opinion media, form a powerful and sometimes decisive force in determining the makeup of governments and their policies.

The Communists recognize this. That is why they are concentrating their efforts primarily not on government and business officials who may be in power today, but on the union leaders, the university students, and the public-opinion molders who may be in power tomorrow.

TALKS VERY FRIENDLY

What progress have they made as far as unions are concerned? We would be deceiving ourselves if we were not to recognize that they have made and are now making serious inroads in the union movement in Latin America. The Red labor network, organized under the direction of Vincente Lombardo Toledano, is well-heeled, efficiently organized, and ruthlessly aggressive.

Even in those countries where the Communist Party is outlawed, Moscow-trained and directed labor leaders are working and planning for the day when they will come to power. In other countries they openly boast of their Communist affiliation and are waging unceasing warfare on those they realize are their most effective opponents—the free trade-union leaders.

But there is another side to this story—an encouraging one from the viewpoint of those who support the cause of freedom. I saw this side first hand. In every country I visited, with the exception of Venezuela, I met with free trade-union leaders.

The meetings I attended and the discussions I had with these leaders were without exception always friendly. That does not mean that they agreed with me on all aspects of United States policy. But in each instance it was a friendly disagreement from which a better understanding of the true attitude of the people of the United States toward those of Latin America resulted.

Since I have returned to the United States, I have received scores of letters from these democratic labor leaders deploring the incidents that so grossly misrepresented the true sentiments of the people of South America toward the United States. To note a few among many, Augusto Malave Villalba, of Venezuela, wrote that the organized workers of his national emphatically repudiated the incidents that took place.

The Confederation of Labor of Peru rejected the demonstrations as "contrary to their ideals of democracy, freedom, and inter-American trade unionism." And it should also be pointed out that in the demonstrations that took place there was no participation whatever by free trade union members.

SPLENDID JOB RELATED

I found in my conversations with trade union leaders that they recognize the threat which communism presents to the true interests of the working people of South America. They say there is no place in the Americas for the kind of foreign controlled dictatorship which mowed down workers by the thousands in the streets of Budapest. They realize that a Communist government would mean the end of the right to strike and all the other powers that a free trade union must have if it is to survive and grow.

Much of the credit for the successful fight against Communist infiltration of the union movement in Latin America goes to the International Regional Labor Organization (ORIT) with which the free labor organizations are associated.

And I am happy to point out that the American trade union movement through the AFL–CIO is doing a splendid job in Latin America, as well as in other parts of the world in encouraging the development of free trade unions as opposed to Communist unions.

STRONGER PROGRAM NEEDED

I would not suggest that this battle for organized labor in the Americas is won. I believe we should step up our activities in this struggle in several respects. We should strengthen the labor attaché sections in the embassies in Latin America. We should increase in quality and quantity the labor union phase of our leader exchange program.

And probably most important of all, through our information program and every means possible we must get across to the great masses of people in Latin America

that the policies of our Government and our enlightened 20th century private enterprise are dedicated to the ideal of producing there, as in the United States, not just a good life for the few but a better life for the many.

President Carlos P. Garcia, of the Philippines

EXTENSION OF REMARKS
OF
HON. JOHN W. McCORMACK
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 22, 1958

Mr. McCORMACK. Mr. Speaker, on June 19 last, we heard His Excellency Carlos P. Garcia, President of the Philippines, address us in this Hall. He spoke to us as the leader of 23 million Filipinos, our loyal friends and allies. It was an impressive speech. We gave him one of the most cordial and heartwarming receptions ever given by Congress to a visiting head of state.

The speech was impressive because of its frankness, its sincerity, its forthright expression of loyalty to the ideals of democracy and freedom. He gave us an Asian interpretation of the meaning of Philippine-American relationship, how the success or failure of Philippine democracy would be taken by the uncommitted peoples of the world. Without circumlocution he told us the problems that confront his country and his administration and he appealed to the "soft spot" that he knows the American heart has for the Philippines. He said he did not want charity, he wanted a development loan "on a strictly business basis." It was a dignified plea and it struck a responsive chord in every American heart.

His plea was heeded. Our Government gave him the development loan that he needs for the first year of his 3-year economic program. Because the executive cannot commit our Government beyond 1 year in view of the need for yearly Congressional budgetary approval, President Garcia was given only the amount which it is believed his program needs for its initial requirements. This was mentioned in the joint communique signed by the two Presidents and I may say that the communique is remarkable in that as far as I can remember it was the first time that a specific amount of a loan or that the subject of a loan was ever mentioned in a joint communique signed in the White House as a result of the visit of a head of state. This may be considered a feather in President Garcia's cap. Furthermore, I have no doubt but that such further assistance as his Government may believe necessary to complete his 3-year projects will be forthcoming when the funds are needed after the first year and the original credit line has been wisely invested.

President Garcia's trip to the United States was a tremendous success not so much for the development loan that he obtained or the prospect of other loans, but principally for the favorable impact that his visit had on Philippine-American relations. His address before the National Press Club, his extemporaneous replies to the question-and-answer period, his speeches in Nork York, his unrehearsed televsion appearance in Meet the Press, his press statements, his addresses in Chicago, Phoenix, Los Angeles, and San Francisco were well received and favorably editorialized by the leading organs of American public opinion, and they all served to cement the friendship that exists between our two nations. Wherever he went the American people welcomed him with a warmth that proved to him how right he was in referring to the soft spot that the Philippines occupies in our hearts.

In order that the American people may know how the Filipino people gratefully acknowledged the cordial welcome that was accorded their leader, under unanimous consent of the House I include in my remarks a few of the many editorials written in the Manila press about President Garcia's visit, the clippings of which I received by airmail from the Philippines the other day:

[Editorial from the Manila Times of July 3, 1958]

WELCOME, MR. PRESIDENT

One of the most successful top-level missions to the United States runs full circle today when President Garcia and his entourage return to Manila. The success of the good will part of the Garcia mission has been both clearly evident and unanimously accepted, both here and in the United States.

The good will aspect of the mission has been so successful there is no quarrel between the majority and the opposition over its practical value. With dignity and intelligence, the President represented the Philippines in Washington and before select and influential groups in the United States. His presence, the readiness with which he answered questions, and his frankness served to dispel prejudices to which even American observers are not immune and to create a fresh and clear impression of the type of leadership we have in the Philippines. Such a result has to be classified as an imponderable which can't be valued in terms of dollars.

A grateful people will meet the President at the airport today. We add our own word of welcome as he steps off the plane to rejoin his people.

[Editorial from the Philippines Herald, Manila, June 22, 1958]

IT'S UP TO US NOW

The United States has demonstrated once more to the world that it will not fail a friend in need. In hurried negotiations that reflected a marked departure from the usual stringent business deals, the United States Government wrote down a promise of up to $125 million loans to boost the shaky Philippine economy and a verbal assurance that there would be more help coming if the funds to be utilized in the next 12 months were used as intended.

It undoubtedly is to the distinct credit of the American Government and people that this happy situation has come about. Realizing the dangers posed by a collapse in the Philippine economy, not only in the point of common defense against communism but also from the standpoint of regional prestige, the United States Government strained its efforts in accommodating Philippine requests for loans that could arrest the slowdown in the country's economic development and afford a continuation of its program of industrialization. It can be said in all candor that the American Nation, in entrusting their faith in the economic blueprints submitted to them during the negotiations, not only has reaffirmed its maternal concern for the welfare of 23 million Filipinos but also has shown to 1 billion Asians that friendship with America, not on the basis of political blackmail but one on a plane of good will and genuine concern for each other's welfare, pays off handsomely.

For President Garcia, the gesture of the American Government and people will go a long way toward realizing his administration's economic goals. To the majority, his loan-seeking venture, earlier considered "dim" by a good number of people, including Americans, has come as a surprise and a spectacular triumph for which the Chief Executive can be proud of. It cannot be doubted now that the President took a calculated risk and a gamble in seeking the loans. And it is to his credit and to that of the entire Philippine Nation that he won.

But the loan alone, which can give prosperity to the entire country, is not all that the President has secured for his people. With his conferences with President Eisenhower, the Chief Executive was able to secure an unqualified assurance that the United States would instantly run to the defense of the Philippines if attacked, more aid and assistance for the armed forces, and, most important of all these assurances, that the military-bases question, which has long plagued the harmonious relationship of the two allies, would be resolved to the satisfaction of the two countries "having regard to the principle of sovereign equality and the vital requirements of an effective common defense." Indeed, President Garcia has secured much from his mission that he will return to his country a "victor."

In the face of all these triumphs, we should not lose sight, however, of the fact that the $125 million loans represent just the first step in building the nation economically. It should be remembered and constantly borne in mind by our leaders, both in the economic and political fields, that more economy-boosting loans will come our way if the administration spends wisely and fruitfully the initial amount during the next 12 months. For it is on this basis that the American Government and people will judge us on future approaches for aid. And for our own sake and America's prestige in this region, we should not fail.

[Editorial from the Manila Evening News of June 23, 1958]

THE JOINT PHILIPPINE ISLAND-UNITED STATES STATEMENT

The eyes of underdeveloped countries in the last few days were doubtless trained on the Philippine President and his mission as they went through their paces in Washington. The central target of the mission, as the world knew, was the procurement of an economic self-help loan for long-range developmental projects. At the end of President Garcia's 3-day visit to Washington, the results of his efforts were briefly summarized in a joint statement issued by the heads of state.

Firstly, there was a reaffirmation of the special ties between the Philippines and America, a friendship that now belongs to tradition. In the process, the Philippines and the United States pledged anew their cooperation against aggression, their adherence to the principles and aims of the United Nations, and the unity of strength and purpose in achieving peace with justice, based on the dignity of the individual.

As to the economic aid sought from the United States, none can deny that the President had received more than just sympathy. Necessarily, because of the long-range projects outlined, the United States could not immediately ascertain just how much financial aid it could extend. But instant action

was taken in meeting the Philippine Island's immediate requirements—in the form of a $75 million credit line and a maximum of $50 million development loan. The immediate effects of these grants may be felt in the continuation of existing projects, as well as the launching of new ones deemed needed at this time, besides maintaining and certainly improving the employment level, the living standard, and the volume of production. Equally important is that these grants would serve to stimulate economically idle areas.

Finally, the joint statement assures us of continuing United States military aid in the buildup of our defenses against aggression, instant United States action in repelling aggression, and an equitable solution of problems affecting United States bases in the Philippines, with all due regard to the "principle of sovereign equality and the vital requirements of an effective common defense."

In fine, the joint statement answers fully the questions formed in the minds of those who watch from the sidelines, quizzically or skeptically, or perhaps hopefully, about the validity of this friendship between two countries, one big and the other small, whose main common ground is mutual faith in freedom and democracy, and whose relations rest squarely on mutual affection, respect and a reverence for justice.

Hundreds of editorials were written in the American press eulogizing President Garcia. I have only chosen a few excerpts at random representative of the spontaneous and sincere admiration that he earned because of the splendid manner in which he comported himself while in America and the excellent way in which his trip was arranged. Under unanimous consent I include them in my remarks:

New York Times (June 18): "It is a pleasure to welcome Philippine President Carlos P. Garcia who arrives this morning in Washington.

"We have occupied a unique position in that the Filipinos were in a sense, our wards for a long time. They have become our stanch allies, our firm friends, our coworkers for democracy and freedom. We have built up a new framework of government in Asia and we fought together for it. The Filipinos have a right to assume that we will not fail them now."

New York Daily Mirror: "Speaking an English which Americans recognize as their own language, President Carlos P. Garcia of the Philippines has made a brilliant impression upon those who saw and heard him in New York at the various affairs arranged for his reception."

New York Herald Tribune: "He has won the admiration and friendship of the public * * * has shown that he can handle diplomatic problems with cool self-possession."

New York World Telegram and Sun: "Americans, no less than Filipinos can be grateful that a man of Mr. Garcia's stature and principles was available as successor to the late, great Ramon Magsaysay. The United States and the Free World as a whole remain assured of a faithful ally and dedicated fighter against communism in a vital corner of the globe."

New York Times: "Philippine President Carlos P. Garcia is now in New York for a few days. His visit here is not technical. * * * His official duties have been discharged in Washington. Here he is merely among friends.

"It is at this point that President Garcia's visit, here and elsewhere, becomes far more than an economic mission. It is rather a symbol of the good things that Filipinos and Americans have been able to do in the past by their joint effort and a promise for even better things in the future."

Time: "The speaker before a joint session of Congress was the Philippines' cheerful, articulate President Carlos Garcia, and as he moved through Washington last week on an official state visit he soon found that United States officials had for him a soft spot."

Chicago Tribune: "A new type of Asian leader."

Arizona Republic: "President Garcia, like most Filipinos, is uncompromisingly anticommunistic. His government has not established relations with Soviet Russia nor does it recognize Red China. * * * The Philippines today is a bastion of American military strength in the Far East. Our bases on Luzon, both air and navy, are strong links in the defense of the Free World. We can keep these bases because the Filipinos are on our side."

President Garcia unquestionably sold himself to the American people because of his winning personality and his apt and eloquent utterances. He has succeeded in establishing personal relationships that will be of great value to his administration and to his people. He showed no histronics in his demeanor and he did not play to the gallery. There was a dignified restraint in his behavior and there was unstudied honesty in his remarks. In his address before Congress he did not appear as one with hat in hand. Although he had something to ask for, he did it subtly and very appropriately—and may I add effectively—almost at the end of his speech and with such dignity and sobriety that won for him the standing ovation his splendid and masterly address so richly deserved.

Having said all these in tribute to a great leader and statesman who left behind him in this country, especially in Washington, an excellent impression that will no doubt be an asset to his people in the years ahead, I am sure it will not in any way detract from his personal success to mention also in this connection the Ambassador of the Philippines, Gen. Carlos P. Romulo who, as his country's representative in Washington, was the one who we all know laid the groundwork for the Presidential visit. I have personal knowledge of the meticulous care with which General Romulo made the preparatory arrangements because he called on me several times, wrote to me, and telephoned me regarding his President's trip. A Presidential visit is a difficult thing to manage and only by a careful handling of the smallest and multitudinous details in connection with it can every phase of the visit, official, diplomatic, social, and publicity-wise be a total success, and the Philippine Ambassador, with his usual ability and efficiency and using the innumerable valuable contacts that he has cultivated in and outside the United States Government, saw to it that nothing was overlooked.

It was also a good instance of effective public relations job and in this field General Romulo has rendered his nation service of incalculable value. He has visited every State of the Union and spoken in every important city in the United States publicizing the Philippines, has written books about the Philippines, and is respected and liked by the American press. He has helped make us more Philippine conscious. General Romulo is so highly regarded by the American people he has enhanced Philippine prestige immeasurably and has built here such a reservoir of good will for his country it is with justifiable pride that as his former colleague in this House, I also pay tribute to him today. An evidence of the esteem and affection in which he is held was the unprecedented ovation given him by the Senators and Representatives when he entered the session hall of the House the day President Garcia addressed the joint meeting of Congress. As is the usual practice when a head of state addresses Congress, his ambassador enters the session hall behind the United States President's Cabinet, accompanied by the State Department's Chief of Protocol.

As we face critical days ahead of us because of explosive international developments in the Middle East, as our motives are questioned when as a nation we have proved to the world, time and again, that our one and only aim as a people is to preserve peace and freedom not only for ourselves but for all, it is gratifying and inspiring to be able to dwell on a subject such as Philippine-American friendship, the keynote of which is identity of ideals and purposes, equality, mutual respect and good will between two nations of two different races. A state visit is paid to us by the Philippine President and he leaves behind him for us to cherish the lasting impression of the tested friendship his people have for us. We hope he carried with him also the memory of the more than cordial welcome we accorded him and which we reserve only for those who, like the Filipinos, have earned a soft spot in our hearts.

This is the way to permanent peace and world brotherhood, and the Philippine-American pattern should be held up for all the nations to profit by.

Farmers' Net Income Jump Greatest in Decade

EXTENSION OF REMARKS
OF
HON. CHARLES S. GUBSER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 22, 1958

Mr. GUBSER. Mr. Speaker, the 22-percent jump in farmers' realized net income from the first half of last year to the first half of this year was the greatest in a decade. It was not much short of the 26-percent increase that took place between 1946 and 1947 as a result of the ending of wartime price controls.

The exceptionally large gain this year is mainly the result of improved market prices. Prices received by farmers averaged 8 percent higher in January to June this year, than a year earlier. The volume of marketings was also up 3 percent.

Production expenses increased less than 4 percent—not nearly enough to cancel out the increase in gross income.

The increase in realized net income in terms of dollars, reflects an annual rate for the first half of 1958 that is close to $2½ billion above the first half of 1957. That means increased buying power in the hands of farmers all over the Nation, and the effects will be felt throughout the communities in which they live.

Farmers' realized net income was running at an annual rate of $13.3 billion the first half of this year, as against only $10,850,000,000 the first half of last year.

Mr. Speaker, these figures dramatically point up that Secretary Benson has been right in his insistence upon a free farm economy and a lessening of government regulation.

Extension of Trade Agreements Act

EXTENSION OF REMARKS
OF
HON. JOHN SHERMAN COOPER
OF KENTUCKY
IN THE SENATE OF THE UNITED STATES

Tuesday, July 22, 1958

Mr. COOPER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the speech I made at the annual convention of the Leaf Tobacco Exporters Association on June 24, 1958.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR JOHN SHERMAN COOPER, DELIVERED AT THE ANNUAL CONVENTION OF THE LEAF TOBACCO EXPORTERS ASSOCIATION, WHITE SULPHUR SPRINGS, W. VA., JUNE 24, 1958, SPEAKING WITH SENATOR JOHN F. KENNEDY, CHIEFLY ON EXTENSION OF THE TRADE AGREEMENTS ACT

I am very happy to be with you, and to speak at the annual convention of the Leaf Tobacco Exporters Association and the Tobacco Association of the United States. I want you to know how much I appreciate the cordial invitation extended to me by your organization.

One of my principal interests in the Congress has been to work with tobacco growers and organizations like yours, to promote the welfare of the tobacco industry—an industry vital to the people of my State as well as to Kentucky's sister States throughout the South, and to the Nation.

Many of your number are my fellow Kentuckians, and in my various stays in the Congress I have come to know and enjoy the friendship of Mr. Lanier, and many others among you.

Today, I intend to talk about tobacco and foreign trade. And in doing so, I know that I am talking to a group with export knowledge in this field.

You and your predecessors have been marketing United States tobacco in the far corners of the world since the first cargo of a few hundred pounds of leaf moved from Jamestown to England some 350 years ago.

You know the importance of the tobacco industry—both in its domestic and foreign trade aspects—to the people of the country. More than 800,000 rural families in the United States depend on tobacco as their principal source of cash farm income. Countless dealers, warehousemen, traders, factory operators, wholesalers, and retailers depend for their livelihood on the tobacco trade. Additional thousands of sheet metal workers, coopers, paper and foil factory workers make their living indirectly, but in part, from tobacco. And in this day of high budgets, we do not forget that Federal and State Governments receive more than $2¼ billion annually in revenues from tobacco.

The level of foreign trade is of vital importance to all of those engaged in the tobacco industry. About 30 percent of a normal United States tobacco crop moves overseas each year, either in the form of leaf or tobacco products. Exports for the past 3 years—including leaf used in the manufacture of export tobacco products—averaged 600 million pounds of tobacco annually, worth over $400 million. This 3-year record of exports is an alltime high in value, and in volume was exceeded only by postwar restocking.

Nevertheless, even with these record exports, the United States is not sharing proportionately in the growth of world tobacco trade. Tobacco production abroad has increased remarkably since World War II, and our competitors have steadily enlarged their share of world trade. At no time in history has the United States export tobacco trade faced such intense competition in world markets as it does today.

A number of adverse factors have prevented our exports from reaching even higher levels. You gentlemen are well aware of that. But I would like to mention them briefly here.

I assume that one of the first to come to mind is that of competitive prices. It is not easy to appraise the ability of the United States tobacco growers to compete with respect to price in the international movement of tobacco. World market prices, such as those for cotton and wheat, based on uniformly recognized grades and qualities, do not exist for tobacco. Our prices for the better grades of cigarette leaf are no higher, and generally lower, than competitive growths produced in such countries as Rhodesia-Nyasaland and Canada. On the other hand, lower quality grades produced abroad usually bring prices well below those for similar grades of United States leaf. So it is wrong to assume categorically, using average export prices from a given country as a criterion, that we are not competitive in world markets for cigarette leaf.

Of course, we are definitely not competitive in price, with respect to dark tobaccos. Yet our exports of these kinds of leaf, due to their suitability for manufacture abroad, have not declined drastically in recent years. But consumption of products made from these tobaccos, in foreign countries as well as in the United States, is definitely declining.

From the above discussion—it may be said that prices of United States tobacco, in general, appear to have had less adverse effect upon exports than other factors in world trade.

Basically, the dollar problem—the necessity to acquire and consume dollars for total trade—has been the justification used for the continuance of barriers to tobacco trade. Most foreign governments have been unable to earn sufficient dollar exchange to purchase from us all the tobacco and other commodities they desired. Our tobacco had to compete, not only with leaf grown abroad, but also with other United States commodities which these countries desire to buy—must buy—especially capital goods and other industrial products considered essential to economic development. Consequently, the major problems confronting us arise from actions taken by other countries.

Balance-of-payments difficulties have induced foreign governments to encourage self-sufficiency in tobacco, to resort to bilateral trading arrangements covering tobacco purchases from areas which are natural trading partners, and to use licensing and exchange controls which limit tobacco purchases here. But even with these barriers to our export trade, countries whose consumers insist on good-quality tobacco products, must continue to import substantial quantities of United States leaf tobacco to maintain satisfactory standards. For our export tobaccos—particularly those kinds used in cigarettes—flue cured, burley, Maryland, and others—are the hallmarks of quality the world over.

Within the Commonwealth market, producers in Rhodesia, India, and Canada are favored by guaranteed purchase arrangements and preferential tariffs. Even so, our tobacco accounts for about 50 percent of consumption in the United Kingdom—for there the superior quality of our tobacco overrides the price factor—and Commonwealth countries buy 40 percent of our tobacco sold abroad.

A second group of markets, outside the British Commonwealth, accounts for another 20 percent of United States exports. These markets also place greater emphasis on quality than on price and include such important customers as Sweden, Norway, Ireland, Thailand, and Mexico. We continue to hold the major portion of the import trade in these markets.

A third group of countries can be called price markets and for this group the price factor is of greater importance than the quality of imports. In countries such as Belgium, the Netherlands, Denmark, Portugal, and Austria, manufacturers have low profit margins and may pay close attention to leaf costs. But even in these countries, manufacturers are meeting consumer resistance against inclusion in their products of larger quantities of substitute tobacco. For example, Portugal announced recently that it would step up its purchases of United States burley this year, because of consumer preference for cigarettes containing good Kentucky tobacco.

These facts strengthen my conviction that price supports at a level lower than the present 90 percent of parity would not solve our export problems. And I do say that the thousands of tobacco growers who produce tobacco as their principal source of cash income must have some assurance that the crop they grow will repay them adequately for the long and arduous toil devoted to it. Growers have worked together over the years to keep their program sound, and have joined in a cooperative effort to comply with the law of supply and demand.

During the postwar period of foreign dollar shortages and domestic surpluses, various United States Government programs have been undertaken to bolster exports of farm commodities. The most important one in operation at present is Public Law 480 which, as you know, provides for the movement of tobacco and other farm products into friendly foreign markets, with payment made in local currency. The program is designed to sell to these countries additional products over and above what we might sell them for dollars.

Since 1954, some 200 million pounds of tobacco, valued at $135 million, has been programed under the Public Law 480 program. The Senate recently voted extension and expansion of this program, as I am sure the House will do. It is a valuable program and one of the best instruments of foreign policy that we have.

Primarily, however, you gentlemen are interested, and you are to be commended for pushing aggressively, the regular commercial sales of tobacco. For more than 90 percent of United States export sales last year were for dollars.

Our basic export objective is still to sell tobacco, with payment in dollars. This means that in the long run, foreign customers must have the dollars to pay for tobacco they desire to purchase in the United States.

Our best hope for improvement in the tobacco export situation, therefore, lies in the general upswing in world economic activity. Increased tobacco consumption abroad, which necessarily benefits our export trade, can only come from a substantial easing of international trade barriers.

You have been in the forefront of those advocating the reciprocal trade agreements program as the best means of achieving this objective. I believe your industry is right in looking to this program to foster and develop export markets for its products.

The original trade agreements legislation has been extended 10 times by the Congress since its enactment in 1934.

In the early days of the program the United States negotiated on a country-by-country basis, and between 1934 and 1937 concluded bilateral agreements with 29 countries. They embodied the most-favored-nation principle, and were therefore bilateral only in the sense that they were negotiated between two countries, and not in the sense that they established exclusive or preferential advantages. In each of these agreements we reduced or agreed not to increase duties on selected imports, and our friends made similar commitments on United States exports products, including, in numerous cases, leaf tobacco, and tobacco products.

In 1947 we decided that better progress in lowering world trade barriers would be made by negotiating on a multilateral basis, and since then we have negotiated under the General Agreement on Tariffs and Trade, commonly known as GATT. This multilateral approach has the effect of assuring to the United States many concessions resulting from the extension to us of agreements between other countries. Within this framework the United States has concluded agreements with 39 counties.

But the present authority to negotiate trade agreements will end on June 30 of this year. The President has urged Congress to again extend the authority—this time for a period of 5 years.

The basic purpose of the legislation is to enable the President to continue this program, to expand Free World markets, and to expand markets for United States products. It is to strengthen our economy and the economies of our overseas friends. It is to strengthen our security by making more difficult the international economic penetration of the Soviet Union.

The President would be authorized to reduce duties in effect on July 1, 1958, by 25 percent in not more than 5 annual stages, with no decrease to exceed 10 percent in any one year. In order to deal with low duties, he would have the alternative authority to lower rates by 2 percentage points. High duties could be reduced to 50 percent ad valorem.

At the same time it provides safeguards to domestic producers. The peril-point and escape-clause safeguards would be strengthened. The peril-point investigation period would be lengthened from 4 to 6 months, permitting a more careful advance study of possible concessions. The escape-clause investigations would have to be completed in 6 months, instead of 9 months, as under present law. This change is designed to permit greater speed in bringing relief to injured or threatened industries.

There is a new provision for review of escape-clause cases. When the President disapproves recommendations of the Tariff Commission in whole or in part, both Houses of Congress could within a 60-day period take action to approve the Tariff Commission's recommendations by a concurrent resolution, under privileged status, to be approved by a two-thirds vote of each House.

There are other important modifications, but I believe I have covered some of the principal points. On July 11, thanks to bipartisan support, the House of Representatives passed H. R. 12591 by a strong vote of 317 to 98. The Senate Finance Committee is now holding public hearings, and shortly, the Senate must come to its decisive vote.

The importance—yes, the necessity, for a 5-year renewal of the President's authority to enter into trade agreements is intimately related to the recent creation of the European Economic Community—the so-called European Common Market. Here six European countries, with a combined population almost equal to ours, and a combined national product about one-third of our own, are in the process of forming a new economic grouping.

During the next 12 to 15 years, the European Economic Community will gradually eliminate all duties on its internal trade, and will gradually adopt a common tariff to the outside world, including the United States. With this economic unification should come faster economic growth, and, consequently, enlarged opportunities in the European market for our traders and investors. The extent to which we can benefit from these enlarged opportunities will, however, depend upon the tariff rates ultimately adopted by the European Economic Community, and our ability to negotiate with the European Community during the critical years when it is fixing its policies. If we cannot negotiate through the mechanism of a Trade Agreements Act, we may lose rather than gain markets.

It is true that in certain lines our exports have been encountering unfortunate but unavoidable obstacles. I know you have experience with exchange controls, quantitative import restrictions, licensing systems, and other nontariff trade barriers which developed in many countries after the war. Under the terms of GATT the member countries imposing these restrictions are obligated to eliminate them as rapidly as their exchange position improves, and the United States is constantly pressing such countries to relax their restrictions on American export products.

Most people are not aware of the extent to which these quantitative restrictions have been eased in recent years, particularly in Western Europe. Today, for example, Belgium, the Netherlands, and Germany—three of our principal trading partners—impose virtually no restrictions on imports of dollar goods. In fact, practically all of the countries of Western Europe have taken some steps to remove quotas on dollar imports. This development undoubtedly has played a part in the extremely favorable development of our European trade in recent years—our exports to this area having increased from $2.9 billion in 1953 to $6 billion in 1957.

There can be no doubt that some of our domestic industries have been hurt by competitive goods originating abroad. Nor can anyone deny that the Reciprocal Trade Agreements Act has, since 1934, made this competition easier for foreign products. What is really at issue, however, is whether or not this country gains more than it loses under reciprocal trade. Is there a positive balance of benefit accruing to the United States from the operation of the Trade Agreements Act?

The answer lies in two areas, domestic and foreign. On the domestic side there must be counted some American industries hurt by competition from abroad. I think it is only honest to say that low wage scales, combined with increasingly efficient production techniques, have put some American industries at a dangerous disadvantage.

Ranged on the other side, however, is a massive array of facts, figures, and opinion to the effect that although some industries are depressed, at least in part, because of foreign imports, the Nation's business as a whole is benefiting enormously from international trade.

Last year we imported $13 billion worth of goods. That is no small figure. But our exports in that same period totaled some $19.5.

To emphasize the importance of this trade to our economy, I would like to quote Secretary of Commerce Sinclair Weeks. Testifying last Friday before the Senate Finance Committee, Secretary Weeks pointed out:

"Our exports of goods and services currently represent about 6 percent of the Nation's output. The value of United States goods marketed abroad in 1957 exceeded the value of: All consumer purchases of automobiles, parts, and accessories; or all residential construction; or all consumer purchases of furniture and household equipment.

"Or, to take examples from the field of agriculture: All cash receipts of farmers from crop marketing; or all cash receipts of farmers from marketing of livestock and livestock products.

"We exported around 10 percent of our entire output of movable goods in 1957, including: 13 percent of our machine tools; 20 percent of our production of trucks; 29 percent of our construction and mining equipment.

"And in agriculture, on an average over the last 5 crop years: 25 percent of our cotton; 28 percent of our tobacco; and 32 percent of our wheat.

"Figures of these dimensions forcefully demonstrate the importance of world markets to every area of the United States, and every major segment of business and agriculture in our country."

It is easy to talk in terms of figures. They are cold, impersonal. This whole issue involves human beings as well. Testimony has been given in the current hearings that some 4.5 million men and women are dependent, directly or indirectly, upon international trade for their livelihood. They constitute 7 percent of our labor force. On the other hand, it is estimated that less than one-half million people would lose their jobs if all tariffs were abolished completely, a step no one suggests.

The trade agreements program has introduced a strong measure of stability into our international trade, and this we need to preserve.

Through the trade agreements program, moreover, we have a considerable degree of protection against the arbitrary and capricious setting up of trade barriers against our products. Any member country wishing to limit imports of American products must go through the formal processes set forth by the agreement. These same processes also serve in reverse to help us get foreign trade barriers removed.

And finally, I would like to say that the extension of the Trade Agreements Act is important to our national security, as well as to our economic well-being.

Our immediate crisis is one of physical security. It is different from any that we have known before, for Russia has developed rockets and missiles which can strike this country. Today, it can be said that we have adequate retaliatory power, and it would seem unreasonable that Russia would risk its own destruction by launching an attack upon the United States.

But for our own safety, we cannot assume that nuclear deterrence is absolute. There is always the danger of an act of desperation, an act of fear, or of a mistake. But until we secure disarmament, or settlements, our ability to maintain superiority, or at minimum, a balance of strength, is absolutely essential to our security.

Our national security is challenged also by the economic and political side of the new Soviet policies.

For some time now, Russia has been saying to other countries of the world that they, too, can develop economically, and quickly, by following the Soviet pattern, and by associating closely with the Soviet bloc. And, despite the needs of her own people, Russia has been offering, and delivering, substantial economic aid through trade agreements with other countries.

If we withdraw or withold assistance, and most important, if we close the channels of trade with friends throughout the world, so that they come to rely permanently on Soviet aid and trade, and their economies are tied into the Soviet bloc, then we will face eventual isolation in the world.

It is an isolation which would cut off vital materials, supplies that we buy throughout the world. It would dry up our world markets. Worst of all, it would make of the United States a military garrison, and we would see our standards of living steadily go down.

Recently, we have been shaken by the outbursts of anti-Americanism in South America, the Middle East, and even in Europe. I think it is likely that these outbursts and resentments against our country will continue. For millions of people throughout the world are in the act of revolution. As the richest and most industrialized country in the world, one that can give or withhold aid—restrict or open the avenues of trade—invest or not invest—insist on true disarmament and settlements, or adopt the illusory proposals of the Soviets—our policies will be a source of constant attention and criticism.

I am, like most of my fellow Americans, optimistic by nature. Yet I feel today, more than I believe I have ever felt, that our country and its institutions are in danger. During the past year and a half, the threats of war in Egypt and the Middle East—the cruel oppression of the Soviet Union in Hungary and Poland—war in Algeria, and now in Lebanon—the seeming return of Soviet Russia to Stalinism—all reflect the danger and instability of our time.

The question for us is whether we will make the continuing effort and sacrifice that our time requires.

And a further question is whether we will give the President the flexibility he needs, through the extension of the Trade Agreements Act, to meet the economic offensive of Soviet Russia. For in the next 10 years it is the economic competition between democratic countries, above all of the United States, with the Soviet Union that may determine the future of freedom.

The United States has for years been regarded as the leader in the move to lower trade barriers, eliminate trade discrimination and encourage the healthy flow of commerce between countries. I believe that our friends all over the world are watching developments in Washington, and will regard the outcome of current Congressional deliberation on the trade agreements legislation as a guide to our future international economic policy.

Extension of the Trade Agreements Act will reflect the awareness of the American people and the Congress that economic growth—and the stability that can be enhanced by the development of wider world trade—is an important part of our effort toward world security and peace.

I believe that the Congress will extend the trade agreements legislation for another 5 years, with adequate authority for the President to conduct a trade program to the benefit of our economy and security, and that of our friends overseas and to the discomfiture of Mr. Khrushchev and his fellows.

Eleventh Anniversary of the National Student Association

EXTENSION OF REMARKS
OF
HON. FRANK THOMPSON, JR.
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 22, 1958

Mr. THOMPSON of New Jersey. Mr. Speaker, this year marks the 11th anniversary of the United States National Student Association, one of our most important nationwide organizations of young people.

A study of this fine organization will show that our young people are concerned—and deeply—with the great issues of our life and times.

They are concerned, as young people of our Nation have always been, with the enduring values of our civilization and they are today, as ever, prepared to defend our country to the death. In wartime these young people make up the bulk of our armed services and to question their loyalty is a disservice to our country.

The United States National Student Association is a confederation of student governments of colleges and universities throughout the country. Its national leadership—this year as in previous years—has been elected by the National Student Congress, comprising delegates elected by the member schools of the association.

In a statement of evaluation adopted by the three major deans' organizations in the United States National Association of Womens Deans and Counselors, the American College Personnel Administrators at their meeting in St. Louis last spring, declared that the United States National Student Association has led the mobilizations of the unions of students of the Free World in combating the partisan propaganda and distortion of truth fostered by the Communist-led International Union of Students. The statement went on to say that the United States National Student Association strives to symbolize the youth of the Free World to the students in those critical areas where the battle of ideas has not yet been resolved, and has demonstrated that experience in democracy aids students in combating influences that would undermine or destroy our way of life.

President Eisenhower wrote the United States National Student Association, when it received a $25,000 grant from the Ford Foundation for the sponsorship and execution of a project on student responsibility in higher education, that—

I was glad to learn of the National Student Association's proposal for developing in the student community a better knowledge of the issues confronting higher education—issues that were emphasized in the recent report of the Committee on Education Beyond the High School. It is very satisfying to me to see the responsible and mature reaction of your organization to these problems. The fact that your program provides opportunity for enlisting the fresh thinking and vigorous dedication of a million young people in our colleges and universities makes this one of the most promising efforts undertaken in this area of endeavor.

The delegates to the 11th annual congress of the United States National Student Association will assemble August 20, 1958, on the campus of Ohio Wesleyan University at Delaware, Ohio. I extend to them on this occasion greetings and best wishes for their continued good works, in consonance with their constitution which declares it is the purpose of their organization to foster the recognition of the rights and responsibilities of students to the school, the community, humanity, and God, and to preserve the interests and integrity of the Government and Constitution of the United States of America.

I include here statements and background information from The American Student—Profile and Promise 1947–57, a publication of the United States National Student Association, for the information of my colleagues:

GREETINGS

Representing a vast and lively constituency, your organization has done much to direct the traditional energies and free spirit of students toward constructive interest in community, national, and international affairs. As you enter your second decade of service I am sure you will continue to advance the building of good citizenship and responsible government, the foundations of freedom and world peace.

DWIGHT D. EISENHOWER,
President of the United States.

Almost a year ago, the world was shocked, yet thrilled, by the valiant effort of the Hungarian students to free their nation from the insufferable yoke of Communist tyranny. Although the students were tragically unsuccessful in their attempt to gain freedom and justice, they dramatically reminded the world of the idealism of youth.

American students share with students throughout the world a common vision and attitudes of hope and optimism for the future. They want to live in a world that will be fair to them. They seek a world of peace and opportunity so they can rear their families in a normal way without fear and anxiety. American students do not want war or the unsettling threats of war. They do not want a nation torn internally by class struggle or racial tensions. Americans, young and old, seek a world at peace, in which they can contribute their share to the welfare of all.

The United States National Student Association has developed and matured during the past 10 years. Through your adherence to the principles of your organization and a large measure of enthusiastic willingness to work, the horizons of American students have been broadened and the Nation and world have profited.

RICHARD NIXON,
Vice President of the United States.

The association has not only done much to stimulate the student community's interest in national and international affairs, but has provided a valued and time-tested institutional framework by means of which students throughout the country can make their valuable contribution to the life of the Nation. From the ranks of those who have been active in the association has come a most outstanding group of young men and women who are already shouldering major responsibilities in journalism, law, politics and the sciences. The Nation is

indebted to the National Student Association for its contributions to our national life. My sincere hope is that you will continue to meet the challenges of our times in the same forthright and courageous spirit as you have during the past 10 years.

JOHN F. KENNEDY,
United States Senator from Massachusetts.

USNSA is to be commended on its valuable contribution to campus activities in the past. We who are interested in the well-being of our college students look to your group for continued cooperation and guidance in this vital area.

Your keen and active interest in all phases of student life eminently qualifies you for this role.

CLIFFORD P. CASE,
United States Senator from New Jersey.

You have much to be proud of on this, your 10th anniversary. In the international field you have increased the understanding between students of many nations, promoted a truer picture of the United States, and provided workshops and seminars for the education of students interested in international affairs.

On the domestic scene your fight for legislation to meet our educational needs is commendable, and I urge you to continue it. May I also suggest that you consider carefully the implications of the current trend of our society toward conformity, stagnation and complacency. You can be instrumental in stimulating students and promoting individual thought and achievement. The challenges you face are enormous. They can only be met through the full play of inspiration and ingenuity.

JOSEPH S. CLARK,
United States Senator from Pennsylvania.

FROM THE ADDRESS BY HUBERT H. HUMPHREY, UNITED STATES SENATOR FROM MINNESOTA

Too many persons in the United States have gotten the country club attitude. Instead of working hard, with only brief intervals for rest and relaxation, we spend most of our time at the club.

Too many Americans are timid and lack the imagination necessary for world leadership. Wherever men seek freedom, they look to us to set high standards. When we fail to show the qualities of leadership, the whole world becomes flabby.

You, as students, can set new standards of inspiration, conviction, and idealism for our Nation. Don't be afraid to be dissenters. Don't be unwilling to take intellectual risks, to dare, to pioneer, to challenge.

Too many people who talk about the need for good government are unwilling to get into politics and get it. Both of our major parties can stand a world of improvement.

You, as students, should not hesitate to get involved in political issues. Politics needs more students.

We politicians don't have all the answers. We're not geniuses.

Your voice will be heard if you want it to be heard. In some cases, you can be heard before Congress more easily than before a township board.

To be effective, your resolutions or your personal position should be well documented. You should expect and be able to withstand criticism. In making your views known, don't substitute popularity for leadership.

The National Student Association can become your voice in Congress, State legislatures, or city councils whenever you will it.

Perseverance pays off. Opposition to fingerprint provisions of the McCarran-Walter Act by United States National Student Association and other organizations has lead to their repeal in the Senate, and the House will soon follow. We've inched along where we should have made real yardage, but we have made progress.

You young people can be the social conscience of older society. You should be filled with convictions to the point where it bothers your parents.

There's plenty of work that remains to be done which directly affects you as students. The educational plant of America—public, private, parochial—is in trouble. The National Government, as I see it, has responsibility and a singular role to perform in the educational process.

The performance of our United States National Student Association helps sustain my faith in youth. The record of the association over the past decade speaks for itself and is proof enough of the fine caliber of our young adults. Intellectually and spiritually United States National Student Association members deserve recognition as general spokesmen for American youth.

On the homefront, USNSA has spearheaded basic improvements in all aspects of campus life, promoting the cultural, social, and physical welfare of students. Member student bodies have joined together to tackle mutual problems and to stimulate democratic student government. Most important, USNSA brings us a dynamic, articulate student voice in national affairs. * * * What better way of supplementing student civic responsibility and offering vast educational opportunities?

ALEXANDER WILEY,
United States Senator from Wisconsin.

Certainly in today's complex world nothing is so important as it is to motivate young people to take upon themselves the obligation of greater service to their fellow citizens. It is with this in mind that I wish to congratulate your organization on providing for the students of America a greater opportunity of service.

JOHN M. ASHBROOK,
Chairman, Young Republican National Federation.

You are engaged in a task which is of profound significance to the welfare of our Nation and to the caliber of its contributions to the well-being of peoples everywhere. By making democracy work on the campus; by helping to eradicate prejudice, discrimination, and ignorance from student life; by broadening the horizons of your fellow students to understand their international responsibilities; by developing a political consciousness and sense of responsible political activity as the first duty of citizenship; and by raising educational standards and promoting serious academic endeavor you are improving the quality of the society in which we live.

Our Nation and the entire Free World desperately need young leaders such as yourselves who care about the problems of society and who by becoming skilled in the art of politics and the techniques of democratic government are capable of doing something about them. That is why the National Student Association and you are so important to the world of tomorrow.

DAVID A. BUNN,
President, Young Democratic Club of America.

The National Student Association is doing a great work and it is more important than ever before that students in every part of our country realize the vitally important role they must play in working for world understanding and freedom.

MRS. FRANKLIN D. ROOSEVELT.

UNITED STATES NATIONAL STUDENT ASSOCIATION

National advisory council: Wallace M. Alston, president, Agnes Scott College; Willard W. Blaesser, dean of students, University of Utah; Ralph J. Bunche, Under Secretary, United Nations; M. Porter Butts, director, College Union, University of Wisconsin; Erwin D. Canham, editor, Christian Science Monitor; Christine Y. Conaway, dean of women, Ohio State University; Rev. T. M. Hesburgh, C. S. C., president, University of Notre Dame; Reinhold Neibuhr, vice president, Union Theological Seminary; Walter P. Reuther, president, UAW; Mrs. Eleanor Roosevelt; George N. Shuster, president, Hunter College; Harold E. Stassen, special assistant to the President of the United States; Robert M. Strozier, president, Florida State University; E. G. Williamson, dean of students, University of Minnesota; O. Meredith Wilson, president, University of Oregon.

National advisory board: James Dougherty, chairman, professor of history, St. Joseph's College, Philadelphia, Pa.; Philip Berry, former USNSA national affairs vice president, Detroit, Mich.; Douglass Cater, Washington editor, the Reporter magazine, Washington, D. C.; Philip Des Marais, executive vice president, St. Mary's Dominican College, New Orleans, La.; Jack R. Gibbs, research professor, University of Delaware, Newark, Del.; Marguerite Kehr, educator, Washington, D. C.; John Lang, Jr., secretary to the Honorable Charles Dean, of North Carolina, House of Representatives, Washington, D. C.; James A. Lewis, vice president for student affairs, University of Michigan, Ann Arbor, Mich.; Charles McCracken, dean of students, Trenton State Teachers College, Trenton, N. J.; Glenn A. Olds, director, Cornell United Religious Works, Cornell University, Ithaca, N. Y.

Financial advisory board: Ruth Geri Hagy, chairman.

Travel advisory board: John J. Simons, chairman.

International advisory board: Stanford L. Glass, chairman.

THREE HUNDRED FORTY-FIVE COLLEGES AND UNIVERSITIES, WITH A TOTAL ENROLLMENT OF 965,000 STUDENTS, CONSTITUTE THE UNITED STATES NATIONAL STUDENT ASSOCIATION

CALIFORNIA-NEVADA-HAWAII

California Institute of Technology, Immaculate Heart College, Los Angeles City College, Loyola University, Mills College, Mount St. Mary's College, University of California, Berkeley, University of California, Los Angeles, University of Hawaii, University of Southern California.

CAROLINAS-VIRGINIA

Agricultural and Technical College of North Carolina; Belmont-Abbey College; Bennett College; Bridgewater College; Claflin College; Clemson College; Columbia College; Converse College; Davidson College; Duke University (Women's Student Government); East Carolina College; Fayetteville State Teachers College; Furman University; Greensboro College; Hampton Institute; Hollins College; Lenoir Rhyne College; Lynchburg College; Mary Baldwin College; Mary Washington College; North Carolina State College of Agriculture and Engineering; Queen's College; Randolph-Macon Women's College; Salem College; Sweet Briar College; University of North Carolina; University of South Carolina; Virginia State College; Winthrop College; Wofford College; Women's College, University of North Carolina.

GREAT NORTHWEST REGION

Central Washington College of Education, Eastern Washington College of Education, Marylhurst College, Montana State University, Reed College, Seattle Pacific College, Southern Oregon College of Education, University of Alaska, University of Idaho, University of Portland, University of Washington, Washington State College.

GREAT SOUTHEAST

Agnes Scott College, Barry College, Clark College, Georgia Institute of Technology,

Morehouse College, Savannah State College, Shorter College, Spring Hill College, University of Miami.

GREAT SOUTHWEST

Arkansas Agricultural and Mechanical, Arkansas Agricultural, Mechanical, and Normal, Bishop College, Dillard University, Houston-Tillotson College, Oklahoma City University, Our Lady of the Lake College, Phillips College, Southern University and Agricultural and Mechanical College, Southwest Texas State Teachers College, Southwestern University, Tulane University of Louisiana, University of Oklahoma, University of Texas, Xavier University.

ILLINOIS-WISCONSIN

Augustane College; Barat College of the Sacred Heart; George Williams College; Lewis College; Mount Mary College; Mundelein College; Northwestern University; Rockford College; Roosevelt University; Rosary College; University of Chicago; University of Illinois; University of Wisconsin; University of Wisconsin, Milwaukee; Wheaton College.

IOWA-NEBRASKA

Central College, Grinnell College, Iowa State College, Simpson College, State University of Iowa, University of Dubuque, Wartburg College.

KENTUCKY-TENNESSEE

Ballarmine College, Centre College of Kentucky, Fisk University, George Peabody College, Kentucky State College, King College, LeMoyne College, Maryville College, Nazareth College, Southwestern at Memphis, Transylvania College, University of Louisville, Vanderbilt University.

MASON-DIXON

American University; Catholic University of America; College of Notre Dame of Maryland; Coppin State Teachers College; Dunbarton College of the Holy Cross; Howard University; Loyola College; Maryland State Teachers College, Frostburg; Maryland State Teachers College, Towson; Morgan State Teachers College; Trinity College; University of Baltimore; Washington College.

METROPOLITAN NEW YORK

Barnard College; City College of New York, Baruch Day; City College of New York, Baruch Evening; City College of New York, Main Day; City College of New York, Main Evening; College of New Rochelle; Columbia College; Columbia University; Fordham College; Fordham School of Education; Good Counsel College; Hunter College, Bronx; Hunter College, School of General Studies (evening); Manhattan College; Manhattanville College of the Sacred Heart; Marymount College, New York City; Marymount College, Tarrytown; New York University, Heights; New York University, School of Education; New York University, Washington Square; Notre Dame College of Staten Island; Pace College; Pratt Institute; Queens College; St. John's College; St. John's University College; St. Joseph's College; Sarah Lawrence College; Wagner College; Yeshiva College.

MICHIGAN

Bay City Junior College, Flint Junior College, Ferris Institute, Hope College, Marygrove College, Mercy College, Michigan College of Mining and Technology, Northern Michigan College of Education, University of Michigan, Wayne State University.

MINNESOTA-DAKOTAS

Augsburg College; Bethel College and Seminary; Carleton College; College of St. Benedict; College of St. Catherine; College of St. Thomas; Concordia College; Dickinson College; Gustavus Adolphus College; Hamline University; Huron College; Hibbing Junior College; Macalester College; North Dakota Agricultural College; St. John's University; St. Mary's College; University of Minnesota, Duluth; University of Minnesota, Minneapolis; Yankton College.

MISSOURI-KANSAS

Cottey College; College of Emporia; College of St. Theresa; Fontbonne College; Kansas State Teachers College, Pittsburg; Lincoln University; Marymount College; Maryville College; Mt. St. Scholastica College; St. Benedict's College; University of Kansas; University of Kansas City; University of Missouri; Webster College; William Jewell College.

NEW ENGLAND

Albertus Magnus College; American International College; Babson Institute of Business Administration; Bennington College; Bradford Junior College; Brandeis University; Brown University; Colby College; Colby Junior College; Dartmouth College; Emmanuel College; Garland Junior College; Harvard University; Harvard-Radcliffe Graduate Council; Hillyer College; Massachusetts Institute of Technology; Mitchell College; Mt. Holyoke College; Mt. St. Mary's College; Newton College of the Sacred Heart; Pembroke College; Quinnipiac College; Radcliffe College; Regis College; St. Joseph's College; Simmons College; Skidmore College; Smith College; State College, Keene, N. H.; State Teachers College, Bridgewater, Mass.; State Teachers College, Castleton, Vt.; State Teachers College, Framingham, Mass.; State Teachers College, Salem, Mass.; State Teachers College, Westfield, Mass.; Trinity College; University of Bridgeport; University of Maine; University of Rhode Island; Wellesley College; Wheaton College; Wheelock College; Worcester Junior College.

NEW JERSEY

College of St. Elizabeth; Douglass College; Drew University; Farleigh-Dickinson College; Jersey City Junior College; Rutgers University; St. Peter's College; Seton Hall University; State Teachers College, Newark; Upsala College.

NEW YORK STATE

Alfred Agricultural and Technical Institute (of State University of New York); Alfred University; Bard College; Canisius College; College of St. Rose; Cornell University; D'Youville College; Erie County Technical Institute; Harpur College; Hartwick College; LeMoyne College; Niagara University; Orange County Community College; Rochester Institute of Technology; Rosary Hill College; Russell Sage College; Siena College of St. Bernardine; State Teachers College, Brockport; State Teachers College, Buffalo; State Teachers College Cortland; State Teachers College, Fredonia; State Teachers College, New Paltz; Union College; University of Buffalo; University of Rochester; University of Rochester, School of Nursing; Vassar College.

OHIO-INDIANA

Antioch College, Baldwin-Wallace College, Capital University, College of Wooster, Defiance College, Denison University, DePauw University, Fenn College, Fenn College (evening session), Indiana University, John Carrol University, Muskingum College, Oberlin College, Ohio State University, St. Mary's College, Taylor University, University of Notre Dame, Ursuline College, Wilberforce University, Wilmington College, Youngstown University, Western College for Women.

PENNSYLVANIA-WEST VIRGINIA

Alderson-Broaddus College, Allegheny College, Alliance College, Beaver College, Bethany College, Bryn Mawr College, Cedar Crest College, Chatham College, Chestnut Hill College, Dickinson College, Drexel Institute of Technology, Franklin and Marshall College, Gannon College, Grove City College, Harcum Junior College, Immaculata College, Juniata College, Lincoln University, Lycoming College, Mercyhurst College, Mount Mercy College, Pennsylvania State University, Rosemont College, St. Francis College, St. Vincent College, Seton Hall College, Sheppard College, Swarthmore College, Temple University, University of Pennsylvania (women's student government), West Virginia State College, West Virginia University, West Virginia Wesleyan College.

ROCKY MOUNTAIN

Colorado State College, Colorado Women's College, Loretto Heights College, Regis College, University of Colorado, University of New Mexico.

UTAH

Brigham Young University, College of Southern Utah (of Utah State University), University of Utah, Utah State University, Weber College.

SENATE

WEDNESDAY, JULY 23, 1958

The Senate met at 10 o'clock a. m.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Almighty God, in this morning hour we bow in Thy presence, solemnly conscious of impending events which may shape the future and fix the destiny of unnumbered hosts whose anguished longings are like the sound of angry waters.

As with deep gratitude we think of our Nation, conceived in liberty and dedicated to the common rights of man, may we fear nothing but to fail humanity and Thee.

To the councils of our leaders, whose words and acts are fraught with such awesome responsibility, give wisdom above and beyond their fallible judgments. Lead, Kindly Light, amid the encircling gloom, as obediently we follow step by step.

In the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, July 22, 1958, was dispensed with.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Judiciary Committee was authorized to meet during the sessions of the Senate for the remainder of the week.

On request of Mr. SPARKMAN, and by unanimous consent, the Committee on Interior and Insular Affairs was authorized to meet during the session of the Senate today.

MEETING OF PREPAREDNESS SUBCOMMITTEE TOMORROW, TO HEAR THE SECRETARY OF DEFENSE

Mr. JOHNSON of Texas. Mr. President, I call attention to a release which

has been issued by the Preparedness Subcommittee; I shall read the release into the RECORD, so all Members of the Senate may be on notice:

Chairman LYNDON B. JOHNSON announced today that the Senate Preparedness Subcommittee will hear Secretary of Defense Neil H. McElroy testify Thursday on the progress that has been made in the Nation's defense program since the subcommittee concluded its hearings on missiles and satellites in January.

Mr. McElroy will appear at 11 a. m., in an open hearing in room G–16 of the Capitol.

When the hearings concluded in January the subcommittee issued an interim report containing 17 recommendations. Mr. McElroy agreed to appear from time to time to discuss with the subcommittee progress that was being made on the recommendations.

The meeting has been called in that connection.

Therefore, Mr. President, I ask unanimous consent that the subcommittee may meet during tomorrow's session of the Senate.

The VICE PRESIDENT. Without objection, it is so ordered.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The VICE PRESIDENT. If there be no reports of committees, the nominations on the calendar will be stated.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I announce that we expect to have the Senate proceed to the consideration of Calendar 1867, Senate Resolution 264, favoring the establishment of an International Development Association.

We also expect to have the Senate consider Calendar 1762, House Concurrent Resolution 332, relative to the establishment of plans for the peaceful exploration of outer space;

Calendar 1917, Senate Concurrent Resolution 109, expressing the sense of the Congress on the establishment of the United Nations Emergency Force;

Calendar 1872, House bill 13088, the salary bill for the Metropolitan Police and Fire Departments—as previously announced:

Calendar 1838, Senate bill 3957, the salary bill for teachers in the District of Columbia Public Schools;

Calendar 1866, House bill 7576, to further amend the Federal Civil Defense Act of 1950, as amended; and

Calendar 1801, Senate bill 4071, the farm bill.

It may be necessary for the sessions to continue late in the evenings for the remainder of the week.

We hope it will be possible for the Senate to complete its action on the farm bill before the end of the week. If that proves to be possible, it may be—and I use the word "may"—possible to avoid a Saturday session, so that Members may clean up their correspondence and may take care of their other duties, including speaking engagements.

I hope the Senate will pass the farm bill this week.

Of course, appropriation bills have priority, and conference reports being privileged, may be called up at any time.

I should like to have all Members on notice of this program.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated.

REVOLVING FUND FOR CERTAIN LOANS BY THE SECRETARY OF AGRICULTURE

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to provide a revolving fund for certain loans by the Secretary of Agriculture, for improved budget and accounting procedures, and for other purposes (with an accompanying paper); to the Committee on Agriculture and Forestry.

REPORT ON REVIEW OF DEFERRED MAINTENANCE PROGRAM, DEPARTMENT OF THE ARMY

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on review of deferred maintenance program, Corps of Engineers (Civil Functions), Department of the Army, dated December 1957 (with an accompanying report); to the Committee on Government Operations.

REPLY TO REPORT ON PROCUREMENT OF ENERGA GRENADES BY ORDNANCE PROCUREMENT CENTER, UNITED STATES ARMY, EUROPE

A letter from the Comptroller General of the United States, transmitting a copy of the reply of the Deputy Assistant Secretary of the Army (Logistics), dated January 10, 1958, to the report on procurement of Energa grenades by the Ordnance Procurement Center, United States Army, Europe, recommending that the Department of the Army provide specific regulations for adequate testing of military items prior to procurement, or during the preliminary production phases in the case of so-called crash procurements, in order to assure early detection of defects and the initiation of appropriate modifications (with an accompanying paper); to the Committee on Government Operations.

AMENDMENT OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949, RELATING TO AUTHORITY TO PAY CERTAIN EXPENSES

A letter from the Administrator, General Services Administration, Washington, D. C., transmitting a draft of proposed legislation to amend the Federal Property and Administrative Services Act of 1949 to extend the authority of the Administrator of General Services to pay direct expenses in connection with the utilization of excess property, and for other purposes (with accompanying papers); to the Committee on Government Operations.

PROPOSED CONCESSION CONTRACT, HOT SPRINGS NATIONAL PARK, ARK.

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed concession contract in Hot Springs National Park, Ark. (with accompanying papers); to the Committee on Interior and Insular Affairs.

REPORT ON PAYMENT OF CLAIMS ARISING FROM CORRECTION OF MILITARY RECORDS OF COAST GUARD PERSONNEL

A letter from the Acting Secretary of the Treasury, transmitting, pursuant to law, a report covering claims paid during the 6 months' period ended June 30, 1958, on account of the correction of military records of Coast Guard personnel (with an accompanying report); to the Committee on Armed Services.

ADJUSTMENT OF IMMIGRATION STATUS OF CERTAIN ALIENS

Two letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered in the case of certain aliens relating to adjustment of their immigration status (with accompanying papers); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A resolution adopted by L. S. W. U. Local No. 2257, of Orofino, Idaho, relating to the strength of the National Guard; to the Committee on Armed Services.

A resolution adopted by the Housing Authority of the city of Los Angeles, Calif., approving in principle the provisions of title IV of Senate bill 4035, the Housing Act of 1958; to the Committee on Banking and Currency.

A resolution adopted by the United Hungarian Societies of Cleveland, Ohio, expressing appreciation for the position taken by the Government concerning the actions of Communists against the people of Hungary; to the Committee on Foreign Relations.

Memorials signed by sundry citizens of the United States, remonstrating against the enactment of legislation to change the east front of the Capitol Building in the District of Columbia; to the Committee on Public Works.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs, without amendment:

S. 765. A bill to increase the authorization for the appropriation of funds to complete the International Peace Garden, North Dakota (Rept. No. 1885).

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs, with amendments:

S. 3448. A bill to permit the Secretary of the Interior to fix the size of farm units on the Seedskadee reclamation project at more than 160 irrigable acres in certain circumstances (Rept. No. 1906).

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs, without amendment:

H. R. 8645. An act to amend section 9, subsection (d), of the Reclamation Project Act of 1939, and for other related purposes (Rept. No. 1907).

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 163. A bill to extend the period for filing claims under the War Claims Act of 1948 (Rept. No. 1889);

S. 3316. A bill for the relief of Kiyoshi Ueda (Rept. No. 1890);

S. 3330. A bill for the relief of Leopoldo Rodriguez-Meza and Adela Rodriguez Gonzales (Rept. No. 1891);

S. 3665. A bill for the relief of Choe Kum Bok (Rept. No. 1892);

S. 3749. A bill for the relief of Milan Boric (Rept. No. 1893);

S. 3874. A bill to amend section 4083, title 18, United States Code, relating to penitentiary imprisonment (Rept. No. 1894);

S. 3875. A bill to amend section 2412 (b), title 28, United States Code, with respect to the taxation of costs (Rept. No. 1895);

S. 3976. A bill for the relief of Salvatore Verderaime (Rept. No. 1896);

H. R. 2083. An act for the relief of Carl A. Willson (Rept. No. 1911);

H. R. 5062. An act for the relief of Albert H. Ruppar (Rept. No. 1912);

H. R. 6405. An act for the relief of Arnie W. Lohman (Rept. No. 1913);

H. R. 6492. An act for the relief of Maj. Harold J. O'Connell (Rept. No. 1914);

H. R. 6824. An act for the relief of the family of Joseph A. Morgan (Rept. No. 1915);

H. R. 7375. An act for the relief of Edward J. Doyle and Mrs. Edward J. (Billie M.) Doyle (Rept. No. 1916);

H. R. 7660. An act for the relief of Dan Hill (Rept. No. 1917);

H. R. 9181. An act for the relief of Herbert H. Howell (Rept. No. 1918);

H. R. 9222. An act for the relief of Dr. Edgar Scott (Rept. No. 1919);

H. R. 9885. An act for the relief of Frank A. Gyescek (Rept. No. 1920);

H. R. 10142. An act for the relief of Hugh Lee Fant (Rept. No. 1921);

H. R. 10260. An act for the relief of Natale H. Bellocchi and Oscar R. Edmondson (Rept. No. 1922); and

H. R. 11549. An act to provide for the preparation of a proposed revision of the Canal Zone Code, together with appropriate ancillary material (Rept. No. 1897).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 1439. A bill to amend title 28, United States Code, with respect to fees of United States marshals (Rept. No. 1898);

S. 2052. A bill for the relief of Heinz Farmer (Rept. No. 1899);

S. 2989. A bill for the relief of Salvador Miranda (Rept. No. 1900);

S. 3615. A bill for the relief of Wendy Levine (Rept. No. 1901);

S. 3790. A bill for the relief of Marie Silk (Rept. No. 1902);

S. 3876. A bill to provide for the relocation of the National Training School for Boys, and for other purposes (Rept. No. 1903);

H. R. 1574. An act for the relief of Albert Hyrapiet (Rept. No. 1904);

H. R. 2677. An act for the relief of former S. Sgt. Edward R. Stouffer (Rept. No. 1908);

H. R. 2966. An act for the relief of Harry P. Lindall (Rept. No. 1909);

H. R. 10805. An act for the relief of certain persons who sustained damages by reason of fluctuations in the water level of the Lake of the Woods (Rept. No. 1910); and

H. R. 11874. An act to record the lawful admission for permanent residence of certain aliens who entered the United States prior to June 28, 1940 (Rept. No. 1905).

By Mr. LANGER, from the Committee on the Judiciary, with amendments:

S. 761. A bill for the relief of Charles C. and George C. Finn (Rept. No. 1887).

By Mr. O'MAHONEY, from the Committee on the Judiciary, with amendments:

S. 1416. A bill granting the consent and approval of Congress to a Great Lakes Basin Compact, and for related purposes (Rept. No. 1888).

By Mr. WATKINS, from the Committee on the Judiciary, with amendments:

S. 1450. A bill conferring jurisdiction on the Court of Claims to make a certain finding with respect to the amount of compensation to which certain individuals are entitled as reimbursement for damages sustained by them as a result of the cancellation of their grazing permits by the United States Air Force, and to provide for payments of amounts so determined to such individuals (Rept. No. 1923).

By Mr. KEFAUVER, from the Committee on the Judiciary, without amendment:

H. R. 1772. An act for the relief of Sigfried Olsen Shipping Co. (Rept. No. 1924).

By Mr. McNAMARA, from the Committee on Labor and Public Welfare, with amendments:

H. R. 11378. An act to amend Public Laws 815 and 874, 81st Congress, to make permanent the programs providing financial assistance in the construction and operation of schools in areas affected by Federal activities, insofar as such programs relate to children of persons who reside and work on Federal property, to extend such programs until June 30, 1961, insofar as such programs relate to other children, and to make certain other changes in such laws (Rept. No. 1929); and

H. R. 12140. An act to amend the act of December 2, 1942, and the act of August 16, 1941, relating to injury, disability, and death resulting from war-risk hazards and from employment, suffered by employees of contractors of the United States, and for other purposes (Rept. No. 1886).

By Mr. HAYDEN, from the Committee on Rules and Administration, without amendment:

S. Con. Res. 107. Concurrent resolution to print additional copies of hearings on "Inquiry into satellite and missile programs";

H. Con. Res. 325. Concurrent resolution to authorize the Joint Committee on Atomic Energy to print for its use 10,000 copies of the public hearings on "Physical research program as it relates to the field of atomic energy";

H. Con. Res. 344. Concurrent resolution authorizing the printing of a revised edition of the Biographical Directory of the American Congress up to and including the 86th Congress (Rept. No. 1927);

S. Res. 315. Resolution authorizing additional expenditures by the Committee on Appropriations;

S. Res. 325. Resolution authorizing the printing of the Legislative History of the Committee on Foreign Relations, United States Senate, 85th Congress as a Senate document;

S. Res. 326. Resolution authorizing an increase in expenditures for the Committee on Foreign Relations; and

S. Res. 337. Resolution to print additional copies of Senate Report No. 1477, 85th Congress, entitled "Report of the Subcommittee To Investigate the Administration of the Internal Security Laws."

By Mr. HAYDEN, from the Committee on Rules and Administration, with an amendment:

S. Res. 328. Resolution to print, with additional copies, the joint report entitled "Water Developments and Potentialities."

By Mr. HAYDEN, from the Committee on Rules and Administration, with amendments:

S. Res. 327. Resolution to create a Standing Committee on Aeronautical and Space Sciences (Rept. No. 1925).

By Mr. CHAVEZ, from the Committee on Public Works, with amendments:

S. 3953. A bill to revise, codify, and enact into law, title 23 of the United States Code, entitled "Highways" (Rept. No. 1928).

INVESTIGATION OF RELATIONSHIPS OF RIVER AND RELATED WATER RESOURCE DEVELOPMENT PROGRAMS—REPORT OF A COMMITTEE—INDIVIDUAL VIEWS

Mr. O'MAHONEY. Mr. President, from the Committee on Interior and Insular Affairs, and the Committee on Public Works, jointly, I report favorably, with amendments, the resolution (S. Res. 248) to investigate relationships of river and related water resource development programs, and I submit a report (No. 1926) thereon. I ask unanimous consent that the report be printed, together with the individual views of the senior Senator from Utah [Mr. WATKINS], with illustrations.

The VICE PRESIDENT. The report will be received and the resolution will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Wyoming.

ANNA L. PROVENCAL

Mr. GREEN, from the Committee on Rules and Administration, reported an original resolution (S. Res. 341) to pay a gratuity to Anna L. Provencal, which was placed on the calendar, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Anna L. Provencal, widow of Honore J. Provencal, an employee of the Senate at the time of his death, a sum equal to 1 year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

ADDITIONAL STAFF MEMBER FOR COMMITTEE ON RULES AND ADMINISTRATION—REPORT OF A COMMITTEE

Mr. HAYDEN, from the Committee on Rules and Administration, reported an original resolution (S. Res. 342) authorizing the employment by the Committee on Rules and Administration of an additional professional staff member, and

submitted a report (No. 1930) thereon, which resolution was placed on the calendar, as follows:

Resolved, That the Committee on Rules and Administration is authorized to employ one additional professional staff member to be paid from the contingent fund of the Senate at a rate of compensation to be fixed by the chairman in accordance with section 202 (e), as amended, of the Legislative Reorganization Act of 1946.

SEC. 2. Such additional professional staff member shall be a person experienced in Congressional editorial and printing work whose major responsibility shall be the preparation of materials for the Senate Manual, but who shall be available for the performance of other committee duties.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMATHERS:

S. 4175. A bill to amend the Tariff Act of 1930 to place certain pumice stone on the free list; to the Committee on Finance.

By Mr. BEALL:

S. 4176. A bill to amend the act of October 24, 1951, to provide that the police for the National Zoological Park shall receive salaries at the same rates as officers and members of the Metropolitan Police force of the District of Columbia; to the Committee on Rules and Administration.

By Mr. POTTER:

S. 4177. A bill to provide for the acquisition of a site or sites for a Federal building or buildings in Detroit, Mich.; to the Committee on Public Works.

By Mr. ANDERSON:

S. 4178. A bill to provide for the issuance of a special series of postage stamps in commemoration of the sesquicentennial of the birth of Christopher (Kit) Carson; to the Committee on Post Office and Civil Service.

By Mr. KNOWLAND (for himself and Mr. KUCHEL):

S. 4179. A bill to authorize the Tahchevah Creek project, Palm Springs, Calif.; to the Committee on Public Works.

By Mr. MAGNUSON:

S. 4180. A bill to regulate the interstate transportation of steelhead trout; to the Committee on Interstate and Foreign Commerce.

RESOLUTIONS

The following resolutions were submitted, or reported, and agreed to, or placed on the calendar, as indicated:

Mr. JOHNSON of Texas (for himself, Mr. KNOWLAND, Mr. HAYDEN, Mr. BRIDGES, Mr. LONG, Mr. FULBRIGHT, and Mr. IVES) submitted the following resolution, which was considered and agreed to:

S. Res. 340. Resolution extending sympathy to Senator JOHN L. MCCLELLAN on the death of his son.

(See the above resolution printed in full when submitted by Mr. JOHNSON of Texas, which appears under a separate heading.)

Mr. GREEN, from the Committee on Rules and Administration, reported an original resolution (S. Res. 341) to pay a gratuity to Anna L. Provencal, which was placed on the calendar.

(See the above resolution printed in full which appears under the heading "Reports of Committees.")

Mr. HAYDEN, from the Committee on Rules and Administration, reported an original resolution (S. Res. 342) authorizing the employment by the Committee on Rules and Administration of an additional professional staff member, which was placed on the calendar.

(See the above resolution printed in full, which appears under the head "Reports of Committees.")

EXTENSION OF NATIONAL WOOL ACT OF 1954—AMENDMENT

Mr. BENNETT submitted an amendment, intended to be proposed by him, to the bill (S. 2861) to extend for an additional 4-year period the provisions of the National Wool Act of 1954, which was ordered to lie on the table, and to be printed.

AGRICULTURAL ACT OF 1958—AMENDMENTS

Mr. HUMPHREY submitted amendments, intended to be proposed by him, to the bill (S. 4071) to provide more effective price, production adjustment, and marketing programs for various agricultural commodities, which were ordered to lie on the table, and to be printed.

Mr. DIRKSEN submitted amendments, intended to be proposed by him, to Senate bill 4071, supra, which were ordered to lie on the table, and to be printed.

MISBRANDING AND FALSE ADVERTISING OF FIBER CONTENT OF TEXTILE FIBER PRODUCTS—AMENDMENTS

Mr. BUTLER submitted amendments, intended to be proposed by him, to the bill (H. R. 469) to protect producers and consumers against misbranding and false advertising of the fiber content of textile fiber products, and for other purposes, which were ordered to lie on the table, and to be printed.

NOTICE OF HEARINGS ON CERTAIN NOMINATIONS BY COMMITTEE ON FOREIGN RELATIONS

Mr. GREEN. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that the Senate today received from the President of the United States the nominations of the following-named persons to represent the United States of America at the 13th session of the General Assembly of the United Nations for service until December 31, 1958, inclusive: Henry Cabot Lodge, of Massachusetts; Michael J. Mansfield, United States Senator from the State of Montana; Bourke B. Hickenlooper, United States Senator from the State of Iowa; Herman Phleger, of California; George McGregor Harrison, of Ohio; James J. Wadsworth, of New York; Miss Marian Anderson, of Connecticut; Watson W. Wise, of Texas; Mrs. Oswald B. Lord, of New York; and Irving Salomon, of California.

Notice is hereby given that the Committee on Foreign Relations, at the expiration of 6 days, in accordance with the committee rule, will give consideration to the nominations.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed a bill (H. R. 13450) making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILLS REFERRED OR PLACED ON THE CALENDAR

The following bills were each read twice by their titles and referred, or placed on the calendar, as indicated:

H. R. 13209. An act to provide for adjustments in the lands or interests therein acquired for the Albeni Falls Reservoir project, Idaho, by the reconveyance of certain lands or interests therein to the former owners thereof; placed on the calendar.

H. R. 13450. An act making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes; to the Committee on Appropriations.

INADEQUACY OF SOCIAL SECURITY BENEFITS

Mr. PROXMIRE. Mr. President, on numerous occasions I have stated to the Senate that today's social-security benefits are completely inadequate to provide a decent standard of living for our senior citizens who depend on them for their support. This fact is obvious to all of us who every day are in direct contact with the people of the Nation. It is a fact that is obvious to anyone who takes the trouble to compare a typical social-security check with a typical grocery bill.

But today, Mr. President, I wish to point out that a great many persons depend on meager social-security checks, not only to support themselves, but also for the support of persons who are dependent on them. Many older folks must stretch their benefits, in order to provide for grandchildren or other close relatives who are disabled or otherwise are unable to work.

One of the most heart-rending letters I have received since I came to the Senate has come from a gentleman in northern Wisconsin. He tells me that he is totally disabled, is a 65-year-old widower, and has supported his 12-year-old granddaughter since her birth.

I read from his letter:

I have not eaten any meat since last November. As I set my budget, I allow $1.25 per day for food for the child, and 30 cents a day for myself.

He writes that he has had to give up his own medicine, and to cut down still more on food, because he was denied welfare funds for support of the child.

I read further from his letter:

I think I am entitled to some help so I will be able to pay my bills. After that, I would not ask for any help for the child. * * * Millions for foreign countries * * * go hungry here at home.

Mr. President, I believe anyone would be moved by a case such as this. This man dearly loves his granddaughter, who represents the one hopeful aspect of his life.

I need the child—

He writes—

because with her we are able to keep our home.

He proudly tells me "she is awful good to me, and is a 'B' student in school."

This grandfather has cut his own food budget to 30 cents a day, so that his granddaughter may have $1.25 worth of food each day.

Can any of us imagine having only 30 cents a day for food?

Mr. President, once again I urge most strongly that the Senate and the House of Representatives act now to provide more adequate benefits to our millions of citizens who depend on social security. These people, who have seen the benefits which they earned with their own contributions whittled down to desperate inadequacy, by inflation, deserve and need to have their benefits brought back up to a realistic, livable level—not in a year or two or more, but now.

Mr. President, I yield the floor.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

THE UNITED NATIONS

Mr. KNOWLAND. Mr. President, yesterday I put into the RECORD a very forthright and strong letter sent by the President of the United States to the chairman of the Council of Ministers of the Union of Soviet Socialist Republics.

As I understand the situation, under the United Nations Charter, any head of government or any head of state may, at his discretion, attend the meetings of the Security Council or of the General Assembly of the United Nations. It seems to me that if the chairman of the Council of Ministers of the Union of Soviet Socialist Republics elects to attend such meetings, the Free World will have an opportunity to raise some issues which need to be raised: First, why did the Soviet Union ignore the resolutions passed at the time freedom was being strangled to death in Hungary?

Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks a statement showing the chronology of the United Nations action in the Hungarian situation, with the texts of and the votes by which the resolutions were passed in the United Nations on the Hungarian situation.

The VICE PRESIDENT. Without objection, it is so ordered.

(See exhibit A.)

Mr. KNOWLAND. Mr. President, it seems to me the Free World has an opportunity, if they do not miss it, to raise the question of having the United Nations supervise elections in Hungary and the withdrawal of Soviet forces from that country, in order to give the people of Hungary an opportunity to establish a government of their choice, rather than one which has been imposed upon them under the ruthless armed forces of the Soviet Union.

Mr. President, I think it is time also that the world understand that the United Nations is not in favor of a double standard.

If it be true, as has been stated, that heads of governments or states can attend the United Nations, this should apply to all members of the Security Council. This includes the President of the Free Republic of China, which is a charter member of the United Nations and 1 of the 5 permanent members of the Security Council.

Certainly, no person sitting in the Kremlin or elsewhere should be able to pick and choose as between members of the Security Council, nor should the United Nations be in the position of seeing any one member in a position to exercise the veto, such as was exercised for the 85th time on yesterday, against the sending to the meetings of the United Nations, of the head of government of a nation which is a member.

Mr. President, if the Chairman of the Council of Ministers of the Union of Soviet Socialistic Republics does not care to sit down with the President of the Free Republic of China, so be it; but it seems to me the same rules should apply to all members of the United Nations Security Council.

EXHIBIT A

CHRONOLOGY OF UNITED NATIONS ACTION ON THE HUNGARIAN SITUATION, 1956

S/3690, October 27: France, United Kingdom, United States of America, request for Security Council meeting and inclusion of Hungarian item on agenda.

United States/PR/2479, October 27: Statement by Lodge re French-United Kingdom-United States request for Security Council meeting.

S/PV.746, October 28: Security Council meeting called at request of France, United Kingdom, and United States of America (S/3690); U. S. S. R. voted against, Yugoslavia abstained on adoption of agenda; U. S. S. R. proposed postponement of discussion, which was rejected, 1 (U. S. S. R.) (9-1) (Yugoslavia). Remarks by Lodge (United States/PR/2480, United States/PR/2481).

United States/PR/2480, October 28: Lodge statement in 746th Security Council meeting re United States position.

United States/PR/2481, October 28: Lodge statement in 746th Security Council meeting refuting Soviet charges against United States.

S/3691, October 28: Letter from Hungarian Representative to SYG transmitting declaration of Hungary protesting Security Council consideration of domestic affair.

S/3692, October 28: Letter of October 27 from Representative of Italy to President of Security Council requesting inclusion of Hungarian item and associating Italy with French-United Kingdom-United States request.

S/3693, October 28: Pledge of support by Representative of Argentina.

S/3694, October 28: Letter from Representative of Hungarian People's Republic to President of Security Council requesting opportunity to take part in Security Council meetings.

S/3695, October 28: Protest by Spain against action of Soviet troops in Poland and Hungary.

S/3696, October 28: Letter from Representative of Turkey to SYG endorsing action of France, United Kingdom, and United States.

S/3697, October 28: Letter from Representative of Austria to SYG quoting appeal sent U. S. S. R. to discontinue military actions.

S/3698, October 28; S/3699, October 28; S/3701, October 29; S/3702, October 29; S/3703, October 29; S/3704, October 29; S/3705, October 29; S/3708, October 30; S/3709, October 30; S/3714, October 31; S/3715, October 31; S/3716, October 31; S/3717, October 31; S/3722, November 1: Letters from Governments expressing support of action to bring Hungarian item before Security Council.

A/3251, November 1: Cablegram from Imre Nagy requesting discussion of Hungary's neutrality by General Assembly and asking help of four Great Powers.

S/3724, November 2; S/3725, November 2; S/3727, November 2; S/3732, November 3: Letters from governments expressing support of action to bring Hungarian item before Security Council.

S/3723, November 2: Letter from France, United Kingdom, and United States to President of Security Council requesting meeting on November 2 to discuss Hungarian situation.

S/3726, November 2: Note from Hungarian People's Republic to SYG transmitting letter of November 2 from Imre Nagy supplying additional information concerning Soviet military units in Hungary and requesting Security Council to instruct U. S. S. R. and Hungarian Governments to start negotiations re neutralization of Hungary, to be guaranteed by all Great Powers.

United States/PR/2491, November 2: Statement by Dulles at plenary meeting of First Emergency Special Session on Palestine with regard to Hungarian matter.

S/PV.752, November 2 (PR/SC/1818): Discussion of credentials of Dr. Janos Szabo; agreed to suggestion of President that representative of Hungary should retain his seat at Council table, but he should not make a statement, in order to give Secretariat time to verify his credentials. Lodge statement (United States/PR/2492) on necessity for Security Council aid to Hungary and stressing importance of having representative who truly reflected interests of Hungary. Discussion of cablegram from Imre Nagy (A/3251) requesting Security Council consideration of question of defense of Hungary's neutrality and requesting help of four Great Powers. Lodge told of allocation of $20 million by United States for food and other necessities for Hungary (United States/PR/2493).

United States/PR/2492, November 2: Lodge statement in 752th Security Council meeting on Hungarian situation and importance of having truly representative delegate of Hungary in Security Council.

United States/PR/2493, November 2: Lodge statement in 752th Security Council meeting re allocation by United States of $20 million for relief necessities for Hungarian people.

S/3729, November 3: Report by SYG to President of Security Council on cablegram of November 3 from President of Council of Ministers of Hungarian People's Republic accrediting Dr. Janos Szabo to represent Hungary before Security Council during discussion of Hungarian item.

S/3730, November 3: United States draft resolution on letter dated October 27 from France, United Kingdom, and United States to President of Security Council concerning situation in Hungary (S/3690); urges U. S. S. R. to stop intervening in internal affairs of Hungary and to withdraw armed forces without delay; requests SYG to investigate need of Hungarians for food and medicine.

S/PV.753, November 3: Security Council meeting: Lodge recounts events in Hungary (United States/PR/2494); explains United States draft resolution (S/3730); Hungarian representative spoke.

United States/PR/2494, November 3: Lodge statement in 753d Security Council meeting giving background of Hungarian incident, directs questions to Hungarian and Soviet representatives and gives United States position.

S/3731, November 3: Cablegram from Chairman of Council of Ministers of Hungarian People's Republic to SYG confirming that all telegrams, letters and messages sent SYG expressed official standpoint of Hungarian Government.

S/3730/Rev. 1, November 4: Revised United States draft resolution on letter from France, United Kingdom, and United States re Hungarian situation.

S/PV.754, November 4: Security Council meeting: Statement by Lodge (United States/PR/2500); presented revised United States draft resolution (S/3730/Rev. 1); revision covered paragraph calling upon U. S. S. R. to cease introduction of additional armed forces into Hungary and to withdraw all of its forces without delay. Vote was 9–1 (U. S. S. R.); Yugoslavia did not participate.[1] In view of U. S. S. R. veto, Lodge introduced motion to call an emergency session of General Assembly to make appropriate recommendations. Vote was 10–1 (U. S. S. R.).

S/3733, November 4: Resolution adopted at 754th Security Council meeting calling emergency special session of General Assembly to make recommendations concerning situation in Hungary (on United States motion). Vote: 10–1 (U. S. S. R.).

United States/PR/2500, November 4: Statement by Lodge in 754th Security Council meeting regarding latest developments in Hungary, particularly Budapest; replied to Soviet attacks on United States re Hungary; opposed amendments to revised United States draft resolution, fearing changes would cause dangerous delay.

A/3280, November 4: Letter from President of Security Council to SYG transmitting text of resolution adopted by Security Council (S/3733) calling for emergency special session of General Assembly.

PR/SG/514, November 4: Statement by SYG in Security Council regarding his role in Middle East matter and said it applied also to the Hungarian case.

A/3285, November 4: Note from permanent mission of Hungarian People's Republic, to SYG, stating that Hungarian Government had not yet authorized any of the members of the mission to take part in the emergency special session, but any information and instructions from its government would be brought to SYG's attention as soon as received.

United States/PR/2499, November 4: Statement by Lodge in 563rd plenary session; recognized on point of order to tell of report that United States Legation in Budapest was under heavy bombardment; stated he has asked for meeting of Security Council.

A/PV.564, November 4 (PR/GA/1367): First meeting of Second Emergency Special Session. U. S. S. R., objected to inclusion of Hungarian item in agenda. Statement by Lodge (United States/PR/2501); described latest developments in Hungary; said drastic and decisive action must be taken in General Assembly to answer appeal of Hungarian Government for help; introduced draft resolution (A/3286) which called upon U. S. S. R. to desist all armed attack and to withdraw all of its forces from Hungarian territory, requested SYG to investigate situation through representatives named by him and report back to General Assembly at earliest moment; also requested SYG to inquire into needs for food, medicine and other supplies. Read telegram from President Eisenhower stating that he had met with Secretary of State to discuss ways in which United States could assist Hungary and had sent urgent message to Bulganin. France offered amendment to operative paragraph 4 of United States resolution, pointing out that General Assembly action is result of foreign armed forces in Hungary. Lodge accepted amendment (United States/PR/2502). Draft resolution adopted, 50–8 (Albania, Bulgaria, Byelorussia, Czechoslovakia, Poland, Romania, Ukraine, U. S. S. R.) (15) (Afghanistan, Burma, Ceylon, Egypt, Finland, India, Indonesia, Iraq, Jordan, Libya, Nepal, Saudi Arabia, Syria, Yemen, Yugoslavia). (A/Res./393.)

A/3286, November 4: United States draft resolution on situation in Hungary (see A/PV.564).

United States/PR/2501, November 4: Lodge statement in 564th plenary describing recent events in Hungary; introduced United States draft resolution (A/3286).

United States/PR/2502, November 4: Lodge statement in 564th plenary accepting French amendment to United States draft resolution; urged immediate vote.

A/Res./393, November 4: Resolution adopted by General Assembly at 564th meeting (A/3286). Vote: 50–8–15.

United States/PR/2504, November 5: Statement made by White House Press Secretary Hagerty re letter from Bulganin to President Eisenhower suggesting that United States join with U. S. S. R. in bipartite employment of their military forces to stop fighting in Egypt. Said United States equally concerned with situation in Hungary. Letter from President to Bulganin included urging U. S. S. R. to withdraw forces from Hungary immediately.

S/3734, November 5; S/3735, November 5; S/3737, November 5: Replies from Governments endorsing examination of Hungarian matter by Security Council.

A/3311, November 7 (S/3739): Cablegram dated November 4 from Mr. Janos Kadar, Prime Minister of the Revolutionary Workers and Peasant Government of Hungary and Mr. Imre Horvath, Minister of Foreign Affairs, to SYG declaring that Imgre Nagy's requests to U. N. to have the Hungarian question discussed have no legal force and cannot be considered as requests emanating from Hungary as a state. Objected to discussion on grounds that matter is within exclusive jurisdiction of Hungarian People's Republic.

PR/SG/522, November 7: Statement by SYG before General Assembly stating that General Assembly Resolution 393 had been called to the attention of two governments "most directly concerned" and he would report shortly on steps taken to implement the resolution.

A/3315, November 8: Aide-memoire from SYG to Minister of Foreign Affairs of Hungary re permission for observers to enter Hungary. (First Progress Report.)

A/3316, November 8: Draft resolution: Cuba, Ireland, Italy, Pakistan, Peru—calling again upon U. S. S. R. to withdraw forces from Hungary and reaffirming request that SYG send representatives to investigate. (Adopted 571st mtg, November/9, A/Res./397.)

A/3318, November 8: Letter from Chairman of Chinese Delegation to Second Emergency Special Session to President of General Assembly transmitting resolution adopted on November 6 by Legislative Yuan of Republic of China.

A/3319, November 8 (PR/PM/3224): United States draft resolution: calls upon U. S. S. R. to cease actions against Hungarian population which violate international law; requests SYG to call upon U. N. High Commissioner for Refugees to take steps to render assistance. (Adopted 571st mtg, November 9, A/Res./398.)

A/3321, November 8: Report of Credentials Committee on credentials of representatives to First and Second Emergency Special Sessions of General Assembly.

A/PV.568, November 8 (PR/GA/1372): General Assembly plenary meeting: indignation expressed by various Representatives re U. S. S. R. intervention in Hungary. Bulgaria, Albania, and Romania declared the General Assembly was not competent to consider the situation which was within domestic jurisdiction of Hungary. Poland thought U. N. should not interfere with settlement of situation by way of negotiations. Szabo (Hungary) protested consideration of Hungarian events by General Assembly.

A/PV.559, November 8 (PR/GA/1373): General Assembly plenary meeting: Italy introduced draft resolution sponsored by Italy, Cuba, Ireland, Pakistan, and Peru (A/3316) calling again upon U. S. S. R. to withdraw from Hungary, need for free elections, reaffirms request to SYG to continue to investigate through representatives named by him, and requests SYG to report to General Assembly in shortest possible time. Statements by various countries. Objections to consideration expresed by Czechoslovakia, Ukraine, and Byelorussia. India explained abstention on A/3286 (A/Res./393) as occasioned by disagreement with some parts of the resolution. SYG drew attention to A/3315, an aide-memoire from him to Hungarian Foreign Minister; hoped members would consider this as his first progress report.

A/PV.570, November 9 (PR/GA/1375): General Assembly plenary meeting: Debated two draft resolutions (A/3316, A/3319). Lodge spoke of "outrage" of Soviet actions in Hungary (United States/PR/2508); introduced United States draft resolution (A/3319), urging adoption; said United States would take steps to admit 5,000 Hungarian refugees to United States; expressed support for five-power resolution (A/3316). U. S. S. R. opposed both resolutions, saying Soviet troops were in Hungary under Warsaw Treaty and when law and order were restored, the U. S. S. R. and other members of the Warsaw Pact would negotiate re withdrawal of forces. Said United States resolution contained "slanderous allegations" against U. S. S. R.

United States/PR/2508, November 9: Lodge statement in 570th plenary on Hungarian situation.

A/3324, November 9: Austrian draft resolution: furnishing medical supplies, food, and clothes to affected territories. (Adopted 571st mtg, November 9, A/Res./399.)

A/PV.571, Novembe: 9 (PR/GA/1376): General Assembly plenary meeting: Austria introduced draft resolution (A/3324) providing for immediate relief measures for Hungarian people. Views expressed by representatives on this, United States draft resolution and 5-power resolution. Statement by Lodge (United States/PR/2510). Indonesia introduced amendments, sponsored by Ceylon, India, and Indonesia (A/3325) to United States draft resolution. Representatives of Rumania and India replied to statements made by other representatives. Wadsworth (United States) made brief announcement that United States was making $1 million available to SYG for immediate assistance to Hungarian refugees (United States/PR/2511). Vote on three draft resolutions by roll call, as follows:

FIVE-POWER DRAFT RESOLUTION (A/3316)

First paragraph of preamble: 50–9 (Albania, Bulgaria, Byelorussia, Czechoslovakia, Hungary, Poland, Rumania, Ukraine, U. S. S. R.) (16) (Afghanistan, Austria, Burma, Cambodia, Ceylon, Egypt, Finland, India, Indonesia, Iraq, Jordan, Lebanon, Libya, Saudi Arabia, Syria, Yemen, and Yugoslavia). Ethiopia was absent.

Second paragraph of preamble: 51–9 (same as first paragraph) (15) (Afghanistan, Burma, Cambodia, Ceylon, Egypt, India, Indonesia, Jordan, Lebanon, Libya, Nepal, Saudi

[1] Yugoslavia vote later recorded as abstention. (See S/PV. 755, November 5.).

Arabia, Syria, Yemen, and Yugoslavia). Ethiopia was absent.

Third paragraph of preamble: 49–9 (same as first paragraph) (17) (Afghanistan, Austria, Burma, Cambodia, Ceylon, Egypt, Finland, India, Indonesia, Jordan, Lebanon, Libya, Nepal, Saudi Arabia, Syria, Yemen, and Yugoslavia). Ethiopia was absent.

Fourth paragraph of preamble (sponsors agreed to eliminate reference to Convention on Genocide): 48–9 (same as first paragraph) (18) (Afghanistan, Austria, Burma, Cambodia, Ceylon, Egypt, Finland, India, Indonesia, Jordan, Laos, Lebanon, Libya, Nepal, Saudi Arabia, Syria, Yemen, and Yugoslavia). Ethiopia was absent.

Fifth paragraph of preamble: 51–9 (same as first paragraph) (15) (Afghanistan, Burma, Cambodia, Ceylon, Egypt, India, Indonesia, Jordan, Lebanon, Libya, Nepal, Saudi Arabia, Syria, Yemen, and Yugoslavia). Ethiopia was absent.

Operative paragraph 1: 51–9 (same as first paragraph, preamble) (15) (Afghanistan, Austria, Ceylon, Egypt, Finland, India, Indonesia, Jordan, Lebanon, Libya, Nepal, Saudi Arabia, Syria, Yemen, Yugoslavia). Ethiopia was absent.

Operative paragraph 2: Phrase "under United Nations auspices": 39–12 (Albania, Bulgaria, Byelorussia, Ceylon, Czechoslovakia, Hungary, India, Philippines, Rumania, Ukraine, U. S. S. R., and Yugoslavia). 39–24 (Afghanistan, Austria, Burma, Cambodia, Egypt, Haiti, Indonesia, Iraq, Israel, Jordan, Lebanon, Liberia, Libya, Mexico, Nepal, Nicaragua, Poland, Portugal, Saudi Arabia, Spain, Syria, Union of South Africa, Venezuela, and Yemen). Ethiopia was absent.

Remainder of paragraph 2: 49–9 (Same as first paragraph, preamble) (17) (Afghanistan, Austria, Burma, Cambodia, Ceylon, Egypt, India, Indonesia, Iraq, Jordan, Lebanon, Libya, Nepal, Saudi Arabia, Syria, Yemen, and Yugoslavia). Ethiopia was absent.

Operative paragraph 3: 53–9 (Same as first paragraph, preamble) (13) (Afghanistan, Austria, Egypt, Finland, India, Indonesia, Jordan, Lebanon, Libya, Saudi Arabia, Syria, Yemen, and Yugoslavia). Ethiopia was absent.

Operative paragraph 4: 53–9 (Same as first paragraph, preamble) (13) (Afghanistan, Ceylon, Egypt, Finland, India, Indonesia, Jordan, Lebanon, Libya, Saudi Arabia, Syria, Yemen, and Yugoslavia).

Resolution as Whole: 48–11 (Albania, Bulgaria, Byelorussia, Czechoslovakia, Hungary, India, Poland, Rumania, Ukraine, U. S. S. R., and Yugoslavia) (16) (Afghanistan, Austria, Burma, Cambodia, Ceylon, Egypt, Finland, Haiti, Indonesia, Jordan, Lebanon, Libya, Nepal, Saudi Arabia, Syria, and Yemen).

UNITED STATES RESOLUTION (A/3319)

Amendments (A/3325): Rejected 18 (Afghanistan, Austria, Burma, Ceylon, Finland, Hungary, India, Indonesia, Jordan, Lebanon, Libya, Nepal, Poland, Saudi Arabia, Syria, Yemen, and Yugoslavia) in favor, 45 against, 12 abstentions (Albania, Bulgaria, Byelorussia, Czechoslovakia, Egypt, Iran, Iraq, Laos, Rumania, Thailand, Ukraine, and U. S. S. R.).

Resolution: Adopted 53–9 (Albania, Bulgaria, Byelorussia, Czechoslovakia, Hungary, Poland, Romania, Ukraine, U. S. S. R.) (13) (Afghanistan, Burma, Cambodia, Ceylon, Egypt, India, Indonesia, Jordan, Lebanon, Saudi Arabia, Syria, Yemen, Yugoslavia). Ethiopia was absent.

Austrian Draft Resolution (A/3324): (Phrase in first paragraph "by the fighting which is still continuing" eliminated by Austria) 67–0–8 (Albania, Bulgaria, Byelorussia, Czechoslavakia, Liberia, Rumania, Ukraine, U. S. S. R.). Ethiopia was absent. Liberian representative did not understand vote was on resolution as whole and had abstained although her delegation was in accord with the resolution.

A/Res./397, November 9: Resolution adopted at 571st plenary (A/3316).

A/Res./398, November 9: Resolution adopted at 571st plenary (A/3319).

A/Res./399, November 9: Resolution adopted at 571st plenary (A/3324).

United States/PR/2510, November 9: Statement by Lodge in 571st plenary regarding amendments proposed by Ceylon, India, and Indonesia to United States draft resolution.

United States/PR/2511, November 9: Statement by Wadsworth in 571st plenary regarding United States aid to Hungarian refugees.

A/3330, November, 10: United States draft resolution re referral of item to 11th General Assembly.

A/PV.573, November, 10 (PR/GA/1378): General Assembly plenary meeting: Lodge introduced United States draft resolution (A/3330) (United States/PR/2513) to transfer Hungarian item to 11th General Assembly. Szabo (Hungary) opposed. Italy suggested a paragraph 2 referring to the regular General Assembly session all records and documents; Lodge agreed. Adopted resolution 53–9–8 (A/Res./401).

United States/PR/2513, November 10: Statements by Lodge in 573d plenary on situation in Hungary; introduced United States draft resolution A/3330.

A/Res./401, November 10: Resolution adopted at 573d plenary (A/3330).

A/3334, November, 10: Document transmitting resolution adopted by Second Emergency Special Session (A/Res./401) requesting inclusion of Hungarian item on 11th General Assembly agenda.

A/3335, November 11, Aide-memoire of November, 10 from SYG to Government of Hungary and reply from Vice Minister for Foreign Affairs of Hungary of November, 10 re admission of observers to Hungary.

A/3336, November, 11: Aide-memoire of November, 10 from SYG to U. S. S. R. requesting assistance in request to Hungary for admission of observers.

A/3337, November, 11: Note verbale of November, 10 from SYG to Minister for Foreign Affairs of Hungary requesting information on needs of Hungarian people.

A/3340, November, 11: Telegram from Deputy Minister of Foreign Affairs of Hungary to SYG stating that text of November 4, General Assembly resolution (re observers) not available and, when obtained, the SYG's aide-memoire will be considered.

A/3341, November, 12: Cablegram of November, 12 from Acting Minister for Foreign Affairs of Hungary to SYG stating that situation lies within internal legal competence of Hungarian State.

PR/H/1358, November 12: Dr. Maria Pfister, refugee relief expert, sent from WHO Headquarters to Vienna to confer with Austrian authorities on health measures needed to handle Hungarian refugees.

A/BUR/SR.106, November 13 (PR/GA/1381): General Committee meeting: Rejected U. S. S. R. motion that Hungarian Representative be invited to state his government's views before the General Committee, 5 in favor (Czechoslovakia, Egypt, India, Pakistan, U. S. S. R.); 6 against (China, Dominican Republic, El Salvador, Peru, Turkey, United States); 3 abstentions (Denmark, France, United Kingdom); adopted Indian motion that Hungarian item be included in General Assembly agenda, 11 to 2 (Czechoslovakia, U. S. S. R.), 1 (Egypt). Statement by Lodge supporting Indian motion (United States/PR/2514). Committee decided also to recommend that matter be considered directly by General Assembly without reference to a committee.

United States/PR/2514, November 13: Lodge statement in First General Committee meeting supporting motion of India to put question of Hungary on General Assembly agenda.

United States/PR/2515, November 13: Press release concerning presentation to SYG of check for $1 million from United States for Hungarian refugees.

PR/SG/530, November 13: Press release re check for $500,000 given Austrian Foreign Affairs Minister by U. N. for Hungarian refugees.

A/3343, November 13: First Report of General Committee: inter alia decided to recommend, by vote of 11–2–1, the inclusion of item in agenda of 11th General Assembly: decided also to recommend that matter be dealt with directly in plenary as matter of priority without reference to a committee.

A/3345, November 13: Cablegram from Acting Minister for Foreign Affairs of Hungary to SYG, replying to A/3337, lists items urgently needed.

A/3346, November 13: Cablegram from SYG to Acting Minister, Deputy Minister for Foreign Affairs of Hungary, acknowledging A/3341, inviting reconsideration of decision that sending of observers into Hungary not warranted.

A/PV. 576, November 13 (PR/GA/1382): General Assembly plenary meeting: Adopted by rollcall vote of 62–9 (Albania, Bulgaria, Byelorussia, Czechoslovakia, Hungary, Poland, Romania, Ukraine, U. S. S. R.), 8 (Afghanistan, Egypt, Jordan, Morocco, Saudi Arabia, Syria, Yemen, and Yugoslavia) General Committee's recommendation (A/3343) to include Hungarian item in regular session. Decided also, 51–0–19, to give priority without reference to a committee. Wadsworth (United States) made brief statement endorsing General Committee's recommendation. India, who favored inclusion of item, opposed direct consideration in plenary.

A/3347, November 14: Note verbale of November 13 from Perm Mission of U. S. S. R. to SYG, reference A/3336, stating position of U. S. S. R. unchanged and said sending observers into Hungary is matter within Hungary's jurisdiction.

PR/SG/531, November 14: Remarks by SYG on his departure from Idlewild for Middle East; stated he might go to Budapest.

PR/SG/532, November 15: U. N. asks governments to announce pledges for Hungarian relief.

A/3357, November 15: Cuban draft resolution: Calls upon U. S. S. R. and Hungarian authorities to cease forcibly deporting Hungarian prisoners to Siberia.

A/3358, November 15: Cablegram from Istvan Sebes, Hungary, to SYG, signifying willingness of representatives of Hungarian Government to meet SYG in Rome to negotiate about aid offered by the U. N. and exchange views about position taken by Hungary re U. N. resolutions.

A/3357/Rev. 1, November 16: Cuban revised draft resolution: Adds reference to violation of the Treaty of Peace with Hungary, particularly article 2.

A/3359, November 16 (PR/SG/533): Lists members of group appointed by SYG to investigate Hungarian situation and report to General Assembly: Judge Oscar Gundersen (Norway), Mr. Arthur Lall (India), and Alberto Lleras (Colombia).

A/3362, November 16 (PR/SG/534): Cablegram from SYG to Istvan Sebes, Hungarian Acting Minister, in reply to A/3358, concerning discussion in Budapest of Hungarian situation.

United States/PR/2520, November 16: Statement by United States delegation to 11th General Assembly on Soviet deportations of Hungarian citizens.

SD/PR/586, November 16: Address by Under-Secretary Hoover (State Department press release) during general debate in 581st plenary; noted that there had been no compliance with General Assembly resolutions; asked General Assembly to take immediate

action to meet situation of mass deportations.

A/PV.581, November 16 (PR/GA/1391): General Assembly plenary meeting: General debate opened; references to Hungarian situation made by Representatives of Brazil, Iraq, United States (Hoover), Ecuador, Portugal, and Dominican Republic.

A/3357/Rev. 2, November 18 (PR/PM/327): Cuban revised draft resolution: states that forcible deportation of Hungarians by U. S. S. R. adds urgency to necessity of prompt compliance with General Assembly's resolution calling for prompt withdrawal of Soviet forces and for the dispatch of observers by SYG.

A/L.211, November 19: El Salvador amendment to Cuban revised draft resolution (A/3357/Rev. 2 suggesting substitution for fourth paragraph of Preamble.

A/L.212, November 19: Philippines amendment to Cuban revised draft resolution (A/3357/Rev. 2) to insert words in fourth paragraph of Preamble.

A/PV.582, November 19 (PR/GA/1392): General Assembly plenary meetings. Statements by Cuban Representative, who discussed revised Cuban draft resolution (A/3357/Rev. 2), and Representatives of Hungary and U. S. S. R., who opposed consideration of Hungarian matter. Hungarian Representative denied that any deportations had taken place.

A/PV.583, November 19 (PR/GA/1393): General Assembly plenary meeting: Continued discussion of Hungarian item; statements by Representatives of Italy, United States (Lodge, United States/PR/2622), El Salvador, Denmark, Yugoslavia, Canada, Czechoslovakia, United Kingdom, Chile, Bulgaria, Spain, Ukraine, and France. Philippines did not press their amendment (A/L. 212) to vote.

United States/PR/2522, November 19: Statement by Lodge in 583d plenary on the deportation of Hungarian citizens.

A/3367, November 19: Note variable from permanent mission of Hungary to SYG transmitting communique issued by the Revolutionary Workers' and Peasants' Government of Hungary on November 18 concerning rumors of deportation of Hungarians to the Soviet Union.

A/3368, November 19 (PR/PM/3276): Ceylon-India-Indonesia draft res urging Hungary to permit observers to enter Hungary, without prejudice to her sovereignty.

A/3371, November 19: Interim report by SYG on Hungarian refugees; attached report of Deputy High Commission for Refugees.

A/3373, November 20 (PR/PM/3279): Cablegram from Istvan Sebes, Hungary, to SYG, reference A/3357/Rev. 2, states that resolution based on "tendentious rumors spread by persons hostile to the Hungarian People's Republic" concerning deportation of Hungarians to U. S. S. R.

A/PV.584, November 20 (PR/GA/1394): General Assembly plenary meeting: Statements made by representatives of Netherlands, Byelorussia, Haiti, New Zealand, Rumania, Ireland, Albania, Australia, Philippines, and Israel.

A/PV.585, November 20 (PR/GA/1395): General Assembly plenary meeting: Statements made by representatives of Uruguay, Poland, Iraq, Portugal, Colombia, Burma, Peru, Venezuela, Dominican Republic, Luxembourg, China, Argentina, Mexico, Sudan, Paraguay, Union of South Africa, Nepal, and Bolivia.

A/3374, November 20 (PR/PM/3280): Argentina-Belgium-Denmark-U.S.A. draft res: Urges governments and NGO's to make contributions for needs of Hungarian refugees and requests SYG and UNHCR to make appeals.

A/L.213, November 20 (PR/PM/3281): Belgium amendment to Ceylon-Indian-Indonesia draft res (A/3368) suggesting replacements for first and second paragraphs of preamble and two operative paragraphs.

PR/H/1360, November 21: WHO sends team to Austria to aid Hungarian refugees.

AP/V. 586, November 21 (PR/GA/1396); General Assembly plenary meeting: Debate continued with statements by representatives of Belgium, Spain, Iceland, and Greece expressing support for Cuban draft resolutions (A/3357/Rev. 2); representatives of India, Indonesia, Ceylon, Yugoslavia, and Lebanon spoke in favor of Ceylon-India-Indonesia draft resolution (A/3368); India accepted several of Belgian amendments (A/L.213) and a revised draft of the joint resolution was circulated (A/3368/Rev. 1). Statement by SYG (PR/SG/536) in which he reviewed relations between Government of Hungary and himself since General Assembly resolution of November 4 (A/Res/393).

PR/SG/536, November 21: Statement by SYG in 586th plenary on contacts he had made with Hungarian Government.

A/3368/Rev. 2, November 21. Rev. 3, November 21: [2] Revised draft resolution of Ceylon, India, Indonesia.

A/3371/Add. 1, November 21 (PR/PM/3287): Additional information concerning number of refugees in Austria.

A/L.214. November 21 (PR/PM/328): Hungarian amendments to Argentine, Belgium, Denmark, United States resolution (A/3374).

A/PV.587, November 21 (PR/GA/1397): General Assembly plenary meeting: Voting as follows:

Cuban draft resolution (A/3357/Rev. 2):

Fourth paragraph, preamble: Words relating to the Genocide Convention and to the Treaty of Peace with Hungary: Adopted 38 to 10 (Albania, Bulgaria, Byelorussia, Czechoslovakia, Hungary, Poland, Rumania, Ukraine, U. S. S. R., Yugoslavia) (31) (Afghanistan, Austria, Bolivia, Cambodia, Ceylon, Chile, Dominican Republic, Egypt, Ethiopia, Finland, Greece, Guatemala, India, Indonesia, Iran, Jordan, Laos, Lebanon, Liberia, Libya, Morocco, Nepal, Norway, Saudi Arabia, Sudan, Sweden, Syria, Thailand, Tunisia, Union of South Africa, Yemen).

Fourth paragraph, preamble: Words "in particular article II (C) and (E)." Adopted, 30–9–30.

Fourth paragraph as whole, adopted, 46–10–15.

Cuban draft resolution as whole, as amended by El Salvador (A/L. 211): Adopted, 55–10 (Albania, Bulgaria, Byelorussia, Czechoslovakia, Hungary, Poland, Rumania, Ukraine, U. S. S. R., Yugoslavia) (14) (Afghanistan, Egypt, Finland, India, Indonesia, Jordan, Lebanon, Libya, Morocco, Saudia Arabia, Sudan, Syria, Tunisia, Yemen). (A/res./407.)

Ceylon, India, Indonesia joint draft resolution (A/3368/Rev. 3):

First operative paragraph: Words "without prejudice to its sovereignty," separate vote at request of Philippines, over objection of India: Adopted, 43–6 (Chile, Colombia, Ireland, Italy, Netherlands, Pakistan (30) (Argentina, Byelorussia, Cambodia, China, Costa Rica, Cuba, Czechoslovakia, Denmark, Dominican Republic, Ethiopia, France, Greece, Haiti, Honduras, Hungary, Iceland, Israel, Luxembourg, New Zealand, Nicaragua, Panama, Paraguay, Peru, Philippines, Portugal, Rumania, Thailand, Turkey, Union of South Africa, and Venezuela).

Resolution as whole: Adopted, 57–8 (Albania, Bulgaria, Byelorussian S. S. R., Czechoslovakia, Hungary, Rumania, Ukraine, U. S. S. R.) (14) (Chile, China, Cuba, Dominican Republic, Egypt, Ethiopia, Jordan, Panama, Paraguay, Poland, Saudi Arabia, Syria, Yemen, and Yugoslavia). (A/Res./406.)

In consideration of SYG's report on refugees (A/3371, Corr. 1 and Add. 1), Knowland (United States) made statment (United States/PR/2525) and introduced joint Argentina-Belgium-Denmark-United States draft resolution (A/3374).

Hungarian amendments to A/3374 (A/L. 214): Cosponsors of A/3374 agreed to delete first paragraph of preamble, so there was no vote on the first part of the first Hungarian amendment. Remainder of first amendment—to delete the second and third paragraphs of preamble: Rejected, 9 (Albania, Bulgaria, Byelorussia, Czechoslovakia, Hungary, Poland, Rumania, Ukraine, U. S. S. R.) (61–9) (Egypt, Jordan, Libya, Morocco, Saudi Arabia, Sudan, Syria, Yemen, Yugoslavia).

Second Hungarian amendment to revise fourth paragraph of preamble: Rejected, 10 (Albania, Bulgaria, Byelorussia, Czechoslovakia, Hungary, Jordan, Poland, Rumania, Ukraine, U. S. S. R.) (58–11) (Egypt, India, Indonesia, Lebanan, Libya, Morocco, Saudi Arabia, Sudan, Syria, Yemen, Yugoslavia).

Third Hungarian amendment to add new operative paragraph before paragraph 1: Rejected, 12 (Albania, Bulgaria, Byelorussia, Czechoslovakia, Hungary, Jordan, Poland, Rumania, Syria, Ukraine, U. S. S. R., Yugoslavia) (56–11) (Afghanistan, Burma, Egypt, India, Indonesia, Lebanon, Libya, Morocco, Saudi Arabia, Sudan, Yemen).

Fourth Hungarian amendment to revise paragraph 4 of operative part of draft resolution: Rejected, 12 (Albania, Bulgaria, Byelorussia, Czechoslovakia, Hungary, Jordan, Poland, Rumania, Syria, Ukraine, U. S. S. R., Yugoslavia) (55–12) (Afghanistan, Burma, Cambodia, Egypt, India, Indonesia, Lebanon, Libya, Morocco, Saudi Arabia, Sudan, Yemen).

JOINT 4-POWER RESOLUTION (A/3374)

Adopted, 60–2 (Hungary, Rumania) (8) (Albania, Bulgaria, Byelorussia, Czechoslovakia, Poland, Sudan, Ukraine, U. S. S. R.) (A/Res./409.)

United States/PR/2524, November 21: Statement by Wadsworth (United States) in 587th plenary on Hungarian situation.

United States/PR/2525, November 21: Statement by Knowland (United States) in 587th plenary on Hungarian refugees, on introducing joint 4-power resolution (A/3374).

A/Res./407, November 21: Resolution adopted at 587th plenary (A/3357/Rev. 2).

A/Res./408, November 21: Resolution adopted at 587th plenary (A/3368/Rev. 3).

A/Res./409, November 21: Resolution adopted at 587th plenary (A/3374).

Further developments on the Hungarian situation in the United Nations will be listed addenda to this chronology.

(Prepared in IO Reference and Documents Section, Department of State, BMS—November/28/56.)

ADDENDUM NO. 1 TO THE CHRONOLOGY OF UNITED NATIONS ACTION ON THE HUNGARIAN SITUATION

PR/REF/99, November 22: London office of High Commissioner for Refugees announces contributions for relief of Hungarian refugees.

PR/ILO/1050, November 23: ILO governing body calls for freedom of association in Hungary.

A/3390, November 26: SYG transmits communication from Director-General of ILO re Hungary.

PR/SG/542, November 29: Text of telegram sent by SYG and U. N. Deputy High Commissioner for Refugees to all Governments members of U. N. and to Federal Republic of Germany, Japan, Republic of Korea, Monaco, San Marino, Switzerland, the Vatican and Vietnam, requesting additional assistance for Hungarian refugees.

PR/SG/543, November 29: Text of letter sent by Under-Secretary of U. N. in Charge of Relief to the Hungarian people, and U. N. Deputy High Commissioner for Refugees to

[2] A/3368/Rev. 1 issued in Spanish only.

NGO's stressing urgency of need for resources to assist Hungarian refugees.

A/3403, November 30: Report of SYG on current aspects of Hungarian situation.

A/3405, November 30: Note by SYG containing replies received from Governments in response to SYG's appeal on November 15 for contributions in support of relief to Hungary.

A/3406, November 30: Letter from Acting Chairman of Chinese Delegation, November 19, to President of General Assembly forwarding translation of cable from the Central Yuan of the Republic of China appealing to the U. N. to adopt immediate measures to stop massacre in Hungary and to enforce withdrawal of Soviet troops from Hungarian territory.

A/3407, November 30: Letter of November 20 from Acting Chairman of the Chinese Delegation to the President of the General Assembly urging the U. S. S. R. to cease immediately all war acts against Hungary, establishment of U. N. Command and despatch of U. N. Emergency Force.

A/3355, December 1956: Resolutions adopted by General Assembly during second Special Session.

U. N. Review, December 1956: Contains article on developments in Hungary and U. N. action.

A/3413, December 2: Joint 14-power res (Argentina, Australia, Belgium, Cuba, Denmark, El Salvador, Ireland, Italy, Netherlands, Norway, Pakistan, Sweden, Thailand, and United States) calling again upon U. S. S. R. to desist from intervention in internal affairs of Hungary and to allow observers to travel therein.

A/3414, December 3: Telegram from Acting Minister for Foreign Affairs of Hungary to SYG stating that Hungarian Government maintains its earlier position that events constitute exclusively the internal affairs of Hungary.

A/PV.604, December 3 (PR/GA/1416): General Assembly plenary meeting: Netherlands introduced 14-power resolution (A/3413) requesting U. S. S. R. and Hungarian authorities to communicate with the SYG not later than December 7 re permission to admit U. N. observers into Hungary. Statement by Lodge (United States/PR/2538) re deportations. Other statements by Denmark, Argentina, Canada, Belgium, Czechoslovakia, and Peru.

United States/PR/2538, December 3: Statement by Lodge in 604th plenary on the Hungarian situation; special reference to reported deportations of Hungarian men, women and children, and projected visit of SYG to Budapest.

A/PV.605, December 3 (PR/GA/1417): General Assembly plenary meeting: continued debate on A/3413 and SYG Report (A/3403); statements by Bulgaria, Cuba, U. S. S. R., Italy, Ceylon, Rumania, Australia, New Zealand, Albania.

A/PV.606, December 4 (PR/GA/1418): General Assembly plenary meeting: continued discussion; statements by Philippines, Pakistan, Greece, Iraq, El Salvador, Ukraine, Norway, Yugoslavia, Ireland, Thailand, Byelorussia.

A/PV.607, December 4 (PR/GA/1419): General Assembly plenary meeting: continued discussion of A/3403 and A/3413; statements by Colombia, Brazil, France, United Kingdom, and Hungary. Hungarian representative said he had been instructed to meet with SYG to discuss the date of latter's trip to Budapest. Meeting recessed 1 hour, at Mr. Lodge's motion, to permit Hungarian representative and SYG to confer (United States/PR/2543).

United States/PR/2543, December 4: Lodge statement in 607th plenary on statement made by Hungarian representative concerning meeting with SYG to discuss Hungarian situation.

PR/SG/547, December 4: Statement to General Assembly by SYG on date and arrangements for his visit to Budapest.

A/PV.608, December 4 (PR/GA/1420): General Assembly plenary meeting: further consideration of A/3403 and A/3413; SYG made statement re date and arrangements for his visit to Budapest (PR/SG/547); statements by Portugal, Spain, China, U. S. S. R., Uruguay, Nepal, and India. Statement by Lodge (United States/PR/2544) urging prompt voting on 14-power resolution (A/3413). Austrian representative replied to statements made concerning activities in Austria.

Vote taken, paragraph by paragraph, on A/3413:

First paragraph of preamble: Adopted 58–11–9.

Second paragraph of preamble: Adopted 57–8–9.

Third paragraph of preamble: Adopted 55–9–11.

Operative paragraph 1: Adopted 55–9–10.

Words in operative paragraph 2: "not later than 7 December 1956": Adopted 44–10–12. On a recount, adopted 44–13–13.

Paragraph 2 without date: Adopted 54–9–8.

Paragraph 2 as whole: Adopted 50–9–11.

Words "and other countries as appropriate" in operative paragraph 3: Adopted 44–14–13.

Remainder of paragraph 3: Adopted 54–9–8.

Paragraph 3 as whole: 51–11–8.

Paragraph 4: Adopted 58–9–9.

Resolution as a whole, by rollcall, adopted 54–10 (Albania, Bulgaria, Byelorussia, Czechoslovakia, Hungary, Poland, Romania, Ukraine, U. S. S. R., Yugoslavia) (14) (Afghanistan, Burma, Ceylon, Egypt, Finland, India, Indonesia, Jordan, Morocco, Saudi Arabia, Sudan, Syria, Tunisia, Yemen (A/Res./413). India moved acceptance of statement by SYG (PR/SG/547); motion adopted 54–0–23.

A/Res./413, December 4: Resolution adopted at 608th plenary (A/3413).

United States/PR/2544, December 4: Lodge statement in 608th plenary re situation in Hungary; urged vote on 14-power joint draft resolution.

A/PV.609, December 5 (PR/GA/1418): General Assembly plenary meeting: further discussion of Hungarian situation; statements by Philippines, Pakistan, Greece, Iraq, El Salvador, Ukraine, Norway, Yugoslavia, Ireland, Thailand and Byelorussia, 8 of whom supported the 14-power resolution passed at 608th plenary; opposition by Ukraine, Byelorussia and Yugoslavia.

PR/SG/548, December 5: Agreement between U. N. and International Committee of the Red Cross on relief in Hungary.

United States/PR/2546, December 6: Statement by Lodge calling attention to report that the Hungarian Government had declined to receive the SYG. Questioned the good faith of the Hungarian spokesman in the General Assembly and felt consideration should be given to what action should be taken in the circumstances.

A/3435, December 7: Note by SYG reporting on action taken by him under terms of A/Res./413; stated that letters had been sent to Austria, Czechoslovakia, Romania and Yugoslavia asking if observers might be permitted to enter those countries if necessary under the terms of reference of the resolution; replies had not been received.

Add. 1, December 8: Reply from Austria; would admit observers.

Add. 2, December 8: Reply from Yugoslavia; unable to admit observers.

Add. 3, December 9: Reply from Czechoslovakia; unable to admit observers.

Add. 4, December 10: Reply from Romania; unable to admit observers.

Add. 5, December 10: Letter from U. S. S. R. reiterating view that resolution was interference in domestic affairs of Hungary.

Add. 6, December 12: Note verbale from Hungary that December 16 not appropriate for SYG's visit to Budapest; at a later date, would make proposal in effort to reach agreement on a date.

A/3436, December 9: Sixteen-power joint draft resolution (Argentina, Australia, Belgium, Chile, Denmark, El Salvador, Ireland, Italy, Netherlands, Norway, Pakistan, Peru, Philippines, Sweden, Thailand, United States) condemning U. S. S. R. for violation of U. N. Charter by depriving Hungary of its liberty and independence and calling upon U. S. S. R. to make immediate arrangements for withdrawal of its armed forces from Hungary.

Add.1, December 10: Adds Dominion Republic to list of sponsors.

Rev.1, December 10: Revised joint-draft resolution inserting sentence "Noting the overwhelming demand of the Hungarian people for the cessation of intervention of foreign armed forces and the withdrawal of foreign troops" before operative paragraph 1.

Rev.1/Add.1, December 11: Adds Turkey to list of sponsors.

Rev.2, December 12: Revised joint-draft, resolution adding fifth paragraph to the operative part of draft, requesting SYG to take any initiative he deems helpful in conformity with principles of Charter and the resolutions of the General Assembly.

A/3437, December 10: Joint draft resolution (Burma, Ceylon, India, Indonesia) urging cessation of foreign intervention in Hungary and asks SYG to consult with Hungarian and U. S. S. R. representatives in New York and to consider visiting Moscow to assist in promoting solution.

A/L.216, December 10: Amendments to 17-power draft resolution (A/3436 and Add. 1) by Ceylon, India, and Indonesia.

A/PV.613, December 10; A/PV.614, December 10: General Assembly plenary meetings: consideration of A/3436 and A/L.216; statement by Lodge in 613th meeting (United States/PR/2550).

United States/PR/2550, December 10: Statement by Lodge in 613th plenary; summarizes General Assembly action; quoted Eisenhower concerning terror imposed on Hungary by U. S. S. R.; urged vote on A/3436.

PR/ICEF/632, December 11: Allocation of $700,000 for relief to Hungarian children and mothers voted by executive board of UNICEF.

A/3441, December 11: Austrian draft resolution authorizing SYG to enter into negotiations with member states of the U. N. as appropriate in effort to achieve constructive solution of Hungarian problem.

A/PV.615, December 11; A/PV.616, December 11: General Assembly plenary meetings: continued discussion. In 615th meeting Hungary made statement re decision of his delegation not to participate in 11th General Assembly "so long as the discussion of the Hungarian question does not proceed in the spirit of the United Nations Charter." In 616th meeting, Austria introduced A/3441, but said it would not be pressed to a vote unless the situation required it after the vote on A/3437. Turkey added to sponsors of A/3436/Rev.1.

A/3442, December 12: Letter of December 11 from U. S. S. R. to President of General Assembly proposing inclusion of additional item in 11th General Assembly agenda re intervention by the United States in the domestic affairs of the People's Democracies and its subversive activity against those states.

A/3443, December 12: Interim rept of SYG on humanitarian activities to assist Hungarian people; annexes agreement between U. N. and International Committee of the Red Cross.

A/PV.617, December 12; A/PV.618, December 12: General Assembly plenary meetings: Continued discussion of A/3435 and Adds. 1–5, A/3436/Rev. 1 and Add. 1, A/L. 216, A/3437, and A/3441; statement by Lodge in 618th

meeting re amendments to A/3436/Rev. 1 (A/L. 216). In 618th meeting A/L. 216 was rejected in paragraph-by-paragraph vote, except for paragraph 2, which was adopted 49–8–15. Adopted A/3436/Rev. to by rollcall vote of 55–8 (Albania. Bulgaria, Byelorussia, Czechoslovakia, Poland, Rumania, Ukraine, U. S. S. R.)–13. (Afghanistan, Cambodia, Egypt, Finland, India, Indonesia, Jordan, Morocco, Saudi Arabia, Sudan, Syria, Yemen, Yugoslavia) (A/Res./424). A/3437 and A/3441 were not pressed to a vote.

United States/PR/2553, December 12: Statement by Lodge in 618th plenary re amendments to 20-percent draft resolution submitted by Ceylon, India, and Indonesia (A/L. 216).

A/Res./424, December 12: Resolution adopted at 618th plenary meeting A/3436/Rev. 2).

United States/PR/2556, December 13: Statement by Wadsworth in General Committee that United States would vote in favor of inscription of item proposed by U. S. S. R. (A/3442).

United States/PR/2561, December 17: Press release re United States contribution toward United States pledge to U. N. Refugee Fund for calendar year 1956; also that United States had given total of $5 million for emergency assistance to Hungarian refugees.

PR/REF/101, December 17: Presentation of check for $4 million by Lodge for United States in response to appeal for aid for Hungarian refugees issued jointly by SYG and U. N. High Commissioner for Refugees.

A/3464, December 18: Note by SYG re humanitarian activities to assist the Hungarian people.

PR/REF/102, December 20: Visit of U. N. High Commissioner for Refugees, Auguste R. Lindt, to Austria; gave $2 million from Office of High Commissioner for Hungarian refugee relief.

PR/H/1365, December 20: WHO team reports on health conditions among Hungarian refugees.

PR/REF/103, December 21: Conference between Auguste R. Lindt and United States Vice President RICHARD M. NIXON re needs of Hungarian refugees.

A/Res./1133 (XI) 1957: Resolution adopted 677th plenary, September 14, 1957: Question considered by the second emergency special session of the General Assembly from 4 to 10 November 1956, concerns report of the Special Committee on the Problem of Hungary (A/3952).

RESOLUTION S/3733

RESOLUTION ADOPTED BY THE SECURITY COUNCIL AT ITS 754TH MEETING ON NOVEMBER 4, 1956

Considering that a grave situation has been created by the use of Soviet military forces to suppress the efforts of the Hungarian people to reassert their rights; taking into account that because of a lack of unanimity among its permanent members the Security Council has been unable to exercise its primary responsibility for the maintenance of international peace and security; decides to call an emergency special session of the General Assembly, as provided in General Assembly Resolution 377 (V) in order to make appropriate recommendations concerning the situations in Hungary.

A vote was taken by show of hands.

In favor: Australia, Belgium, China, Cuba, France, Iran, Peru, United Kingdom of Great Britain and Northern Ireland, United States of America, Yugoslavia.

Against: Union of Soviet Socialist Republics.

The draft resolution was adopted by 10 votes to 1.

RESOLUTION ADOPTED BY THE GENERAL ASSEMBLY AT ITS 571ST PLENARY MEETING ON NOVEMBER 9, 1956

The General Assembly, noting with deep concern that the provisions of its resolution of November 4, 1956[1] have not yet been carried out and that the violent repression by the Soviet forces of the efforts of the Hungarian people to achieve freedom and independence continues, Convinced that the recent events in Hungary manifest clearly the desire of the Hungarian people to exercise and to enjoy fully their fundamental rights, freedom and independence, Considering that foreign intervention in Hungary is an intolerable attempt to deny to the Hungarian people the exercise and the enjoyment of such rights, freedom and independence, and in particular to deny to the Hungarian people the right to a government freely elected and representing their national aspirations, Considering that the repression undertaken by the Soviet forces in Hungary constitutes a violation of the Charter of the United Nations and of the Peace Treaty between Hungary and the Allied and Associated Powers, Considering that the immediate withdrawal of the Soviet forces from Hungarian territory is necessary—

1. Calls again upon the Government of the Union of Soviet Socialist Republics to withdraw its forces from Hungary without any further delay;

2. Considers that free elections should be held in Hungary under United Nations auspices, as soon as law and order have been restored, to enable the people of Hungary to determine for themselves the form of government they wish to establish in their country;

3. Reaffirms its request to the Secretary-General to continue to investigate through representatives named by him, the situation caused by foreign intervention in Hungary and to report at the earliest possible moment to the General Assembly,

4. Requests the Secretary General to report in the shortest possible time to the General Assembly on compliance herewith.

A vote was taken by roll call.

Bolivia, having been drawn by lot by the President, was called upon to vote first.

In favor: Bolivia, Brazil, Canada, Chile, China, Colombia, Costa Rica, Cuba, Denmark, Dominican Republic, Ecuador, El Salvador, France, Greece, Guatemala, Honduras, Iceland, Iran, Iraq, Ireland, Israel, Italy, Laos, Liberia, Luxembourg, Mexico, Netherlands, New Zealand, Nicaragua, Norway, Pakistan, Panama, Paraguay, Peru, Philippines, Portugal, Spain, Sweden, Thailand, Turkey, Union of South Africa, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay, Venezuela, Argentina, Australia, Belgium.

Against: Bulgaria, Byelorussian Soviet Socialist Republic, Czechoslovakia, Hungary, India, Poland, Rumania, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, Yugoslavia, Albania.

Abstaining: Burma, Cambodia, Ceylon, Egypt, Finland, Haiti, Indonesia, Jordan, Lebanon, Libya, Nepal, Saudi Arabia, Syria, Yemen, Afghanistan, Austria.

The draft resolution as a whole was adopted as amended by 48 votes to 11, with 16 abstentions.

A/RES./398

RESOLUTION ADOPTED BY THE GENERAL ASSEMBLY AT ITS 571ST PLENARY MEETING ON NOVEMBER 9, 1956

I

The General Assembly, considering that the military authorities of the Union of Soviet Socialist Republics are interfering with the transportation and distribution of food and medical supplies urgently needed by the civilian population in Hungary—

1. Calls upon the Union of Soviet Socialist Republics to cease immediately actions against the Hungarian population which are in violation of the accepted standards and principles of international law, justice and morality;

2. Calls upon the Hungarian authorities to facilitate, and the Union of Soviet Socialist Republics not to interfere with, the receipt and distribution of food and medical supplies to the Hungarian people and to cooperate fully with the United Nations and its specialized agencies, as well as with other international organizations such as the International Red Cross, to provide humanitarian assistance to the people of Hungary;

3. Urges the Union of Soviet Socialist Republics and the Hungarian authorities to cooperate fully with the Secretary-General and his duly appointed representatives in the carrying out of the tasks referred to above.

II

Considering that, as a result of the harsh and repressive action of the Soviet armed forces, increasingly large numbers of refugees are being obliged to leave Hungary and to seek asylum in neighboring countries,

1. Requests the Secretary-General to call upon the United Nations High Commissioner for Refugees to consult with other appropriate international agencies and interested Governments with a view to making speedy and effective arrangements for emergency assistance to refugees from Hungary;

2. Urges Member States to make special contributions for this purpose.

A vote was taken by roll call.

Liberia, having been drawn by lot by the President, was called upon to vote first.

In favor: Liberia, Luxembourg, Mexico, Nepal, Netherlands, New Zealand, Nicaragua, Norway, Pakistan, Panama, Paraguay, Peru, Philippines, Portugal, Spain, Sweden, Thailand, Turkey, Union of South Africa, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay, Venezuela, Argentina, Australia, Austria, Belgium, Bolivia, Brazil, Burma, Cambodia, Canada, Chile, China, Colombia, Costa Rica, Cuba, Denmark, Dominican Republic, Ecuador, El Salvador, France, Greece, Guatemala, Haiti, Honduras, Iceland, Iran, Iraq, Ireland, Israel, Italy, Laos.

Against: Poland, Rumania, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, Albania, Bulgaria, Byelorussian Soviet Socialist Republic, Czechoslovakia, Hungary.

Abstaining: Libya, Saudi Arabia, Syria, Yemen, Yugoslavia, Afghanistan, Ceylon, Egypt, Finland, India, Indonesia, Jordan, Lebanon.

The paragraph was adopted by 53 votes to 9, with 13 abstentions.

A/RES./399

RESOLUTION ADOPTED BY THE GENERAL ASSEMBLY AT ITS 571ST PLENARY MEETING ON 9 NOVEMBER 1956

The General Assembly, considering the extreme suffering to which the Hungarian people are subjected, urgently wishing effectively to eliminate this suffering, convinced that humanitarian duties can be fulfilled most effectively through the international cooperation stipulated in article 1, paragraph 3, of the Charter of the United Nations—

1. Resolves to undertake on a large scale immediate aid for the affected territories by furnishing medical supplies, foodstuffs, and clothes;

2. Calls upon all member states to participate to the greatest extent possible in this relief action;

3. Requests the Secretary-General to undertake immediately the necessary measures;

4. Urgently appeals to all countries concerned to give full assistance to the Secretary-General in the implementation of this task.

A vote was taken by roll call.

India, having been drawn by lot by the President, was called upon to vote first.

[1] A/Res./393.

In favor: India, Indonesia, Iran, Iraq, Ireland, Israel, Italy, Jordan, Laos, Lebanon, Libya, Luxembourg, Mexico, Nepal, Netherlands, New Zealand, Nicaragua, Norway, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Saudi Arabia, Spain, Sweden, Syria, Thailand, Turkey, Union of South Africa, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay, Venezuela, Yemen, Yugoslavia, Afghanistan, Argentina, Australia, Austria, Belgium, Bolivia, Brazil, Burma, Cambodia, Canada, Ceylon, Chile, China, Colombia, Costa Rica, Cuba, Denmark, Dominican Republic, Ecuador, Egypt, El Salvador, Finland, France, Greece, Guatemala, Haiti, Honduras, Hungary, Iceland.

Against: None.

Abstaining: Liberia, Rumania, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, Albania, Bulgaria, Byelorussian Soviet Socialist Republic, Czechoslovakia.

The draft resolution, as amended, was adopted by 67 votes to none, with 8 abstentions.

A/RES./393

RESOLUTION ADOPTED BY THE GENERAL ASSEMBLY AT ITS 564TH PLENARY MEETING ON NOVEMBER 4, 1956

The General Assembly, considering that the United Nations is based on the principle of the sovereign equality of all its members, recalling that the enjoyment of human rights and of fundamental freedom in Hungary was specifically guaranteed by the peace treaty between Hungary and the Allied and Associated Powers signed at Paris on February 10, 1947, and that the general principle of these rights and this freedom is affirmed for all peoples in the Charter of the United Nations, convinced that recent events in Hungary manifest clearly the desire of the Hungarian people to exercise and to enjoy fully their fundamental rights, freedom, and independence, condemning the use of Soviet military forces to suppress the efforts of the Hungarian people to reassert their rights, noting moreover the declaration by the Government of the Union of Soviet Socialist Republics of October 30, 1956, of its avowed policy of nonintervention in the internal affairs of other states, noting the communication of November 1, 1956,[1] of the Government of Hungary to the Secretary General regarding demands made by that Government to the Government of the Union of Soviet Socialist Republics for the instant and immediate withdrawal of Soviet forces, noting further the communication of November 2, 1956,[2] from the Government of Hungary to the Secretary General asking the Security Council to instruct the Government of the Union of Soviet Socialist Republics and the Government of Hungary to start the negotiations immediately on withdrawal of Soviet forces, noting that the intervention of Soviet military forces in Hungary has resulted in grave loss of life and widespread bloodshed among the Hungarian people, taking note of the radio appeal of Prime Minister Imre Nagy of November 4, 1956—

1. Calls upon the Government of the Union of Soviet Socialist Republics to desist forthwith from all armed attack on the peoples of Hungary and from any form of intervention, in particular armed intervention, in the internal affairs of Hungary;

2. Calls upon the Union of Soviet Socialist Republics to cease the introduction of additional armed forces into Hungary and to withdraw all of its forces without delay from Hungarian territory;

3. Affirms the right of the Hungarian people to a government responsive to its national aspirations and dedicated to its independence and well-being;

4. Requests the Secretary General to investigate the situation caused by foreign intervention in Hungary, to observe the situation directly through representatives named by him, and to report thereon to the General Assembly at the earliest moment, and as soon as possible suggest methods to bring an end to the foreign intervention in Hungary in accordance with the principles of the Charter of the United Nations;

5. Calls upon the Government of Hungary and the Government of the Union of Soviet Socialist Republics to permit observers designated by the Secretary General to enter the territory of Hungary, to travel freely therein, and to report their findings to the Secretary General;

6. Calls upon all members of the United Nations to cooperate with the Secretary General and his representatives in the execution of his functions;

7. Requests the Secretary General in consultation with the heads of appropriate specialized agencies to inquire, on an urgent basis, into the needs of the Hungarian people for food, medicine, and other similar supplies, and to report to the General Assembly as soon as possible;

8. Requests all members of the United Nations, and invites national and international humanitarian organizations to cooperate in making available such supplies as may be required by the Hungarian people.

A vote was taken by roll call.

Romania, having been drawn by lot by the President, was called upon to vote first.

In favor: Spain, Sweden, Thailand, Turkey, Union of South Africa, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay, Venezuela, Argentina, Australia, Austria, Belgium, Bolivia, Brazil, Cambodia, Canada, Chile, China, Colombia, Costa Rica, Cuba, Denmark, Dominican Republic, Ecuador, El Salvador, Ethiopia, France, Greece, Guatemala, Haiti, Honduras, Iceland, Iran, Ireland, Israel, Italy, Liberia, Luxembourg, Mexico, Netherlands, New Zealand, Nicaragua, Norway, Pakistan, Panama, Paraguay, Peru, Philippines, Portugal.

Against: Romania, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, Albania, Bulgaria, Byelorussian Soviet Socialist Republic, Czechoslovakia, Poland.

Abstaining: Saudi Arabia, Syria, Yemen, Yugoslavia, Afghanistan, Burma, Ceylon, Egypt, Finland, India, Indonesia, Iraq, Jordan, Libya, Nepal.

The draft resolution, as amended, was adopted by 50 votes to 8, with 15 abstentions.

A/RES./401

RESOLUTION ADOPTED BY THE GENERAL ASSEMBLY AT ITS 573D PLENARY MEETING ON NOVEMBER 10, 1956

The General Assembly—

1. Decides to place on the provisional agenda of its 11th regular session, as a matter of priority, the question on the agenda of its second emergency special session;

2. Refers to its 11th regular session for consideration the records of the meetings and the documents of its second emergency special session;

3. Decides that, notwithstanding paragraph 1 above, the second emergency special session may continue to consider the question, if necessary, prior to the 11th regular session of the Assembly.

The draft resolution, as amended, was adopted by 53 votes to 9, with 8 abstentions.

A/RES./407

RESOLUTION ADOPTED BY THE GENERAL ASSEMBLY AT ITS 587TH PLENARY MEETING ON NOVEMBER 21, 1956

The General Assembly, recalling its resolutions 1004 (ES–II) of November 4, 1956, and 1005 (ES–II), 1006 (ES–II), and 1007 (ES–II) of November 9, 1956, adopted at the second emergency special session, noting that the Secretary-General has been requested to report to the General Assembly on compliance with resolutions 1004 (ES–II) and 1005 (ES–II), having received information that the Soviet army of occupation in Hungary is forcibly deporting Hungarian men, women, and children from their homes to places outside Hungary, recalling the principles of the Charter of the United Nations, in particular the principle embodied in article 2, paragraph 4, the obligations assumed by all Member States under articles 55 and 56 of the Charter, the principles of the Convention on the Prevention and Punishment of the Crime of Genocide, in particular article II (*c*) and (*e*), to which Hungary and the Union of Soviet Socialist Republics are parties, and the Treaty of Peace with Hungary, in particular the provisions of article 2—

1. Considers that the information received adds urgency to the necessity of prompt compliance with resolutions 1004 (ES–II) and 1005 (ES–II) calling for the prompt withdrawal of Soviet forces from Hungary and for the dispatch of observers to Hungary by the Secretary-General;

2. Urges the Government of the Union of Soviet Socialist Republics and the Hungarian authorities to take immediate steps to cease the deportation of Hungarian citizens and to return promptly to their homes those who have been deported from Hungarian territory;

3. Requests the Secretary-General to keep the General Assembly informed as to compliance with this as well as the above-mentioned resolutions, so that the Assembly may be in a position to consider such further action as it may deem necessary.

A vote was taken by roll call.

Nepal, having been drawn by lot by the President, was called upon to vote first.

In favor: Nepal, Netherlands, New Zealand, Nicaragua, Norway, Pakistan, Panama, Paraguay, Peru, Philippines, Portugal, Spain, Sweden, Thailand, Turkey, Union of South Africa, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay, Venezuela, Argentina, Australia, Austria, Belgium, Bolivia, Brazil, Burma, Cambodia, Canada, Ceylon, Chile, China, Colombia, Costa Rica, Cuba, Denmark, Dominican Republic, Ecuador, El Salvador, Ethiopia, France, Greece, Guatemala, Haiti, Honduras, Iceland, Iran, Iraq, Ireland, Israel, Italy, Laos, Liberia, Luxembourg, Mexico.

Against: Poland, Rumania, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, Yugoslavia, Albania, Bulgaria, Byelorussian Soviet Socialist Republic, Czechoslovakia, Hungary.

Abstaining: Saudi Arabia, Sudan, Syria, Tunisia, Yemen, Afghanistan, Egypt, Finland, India, Indonesia, Jordan, Lebanon, Libya, Morocco.

The draft resolution as a whole, as amended, was adopted by 55 votes to 10, with 14 abstentions.

A/RES./408

RESOLUTION ADOPTED BY THE GENERAL ASSEMBLY AT ITS 587TH PLENARY MEETING ON NOVEMBER 21, 1956

The General Assembly, noting that certain member states have affirmed that Hungarian nationals have been forcibly deported from their country, noting further that certain other member states have categorically affirmed that no such deportations have taken place, recalling paragraph 5 of its resolution 1004 (ES–II) of November 4, 1956, in which the Government of Hungary is asked to permit observers designated by the Secretary-General to enter the territory of Hungary, to travel freely therein, and to report their findings to the Secretary-General, noting that the Secretary-General is pursuing his efforts in this regard with the

[1] A/3251.
[2] S/3726.

Hungarian Government, noting further that the Secretary-General has urged Hungary as a member of the United Nations to cooperate with the great majority in the clarification of the situation—

1. *Urges* Hungary to accede to the request made by the Secretary-General without prejudice to its sovereignty;

2. *Requests* the Secretary-General to report to the General Assembly without delay.

A vote was taken by roll call.

Afghanistan, having been drawn by lot by the President, was called upon to vote first.

In favor: Afghanistan, Argentina, Australia, Austria, Belgium, Bolivia, Brazil, Burma, Cambodia, Canada, Ceylon, Colombia, Costa Rica, Denmark, Ecuador, El Salvador, Finland, France, Greece, Guatemala, Haiti, Honduras, Iceland, India, Indonesia, Iran, Iraq, Ireland, Israel, Italy, Laos, Lebanon, Liberia, Libya, Luxembourg, Mexico, Morocco, Nepal, Netherlands, New Zealand, Nicaragua, Norway, Pakistan, Peru, Philippines, Portugal, Spain, Sudan, Sweden, Thailand, Tunisia, Turkey, Union of South Africa, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay, Venezuela.

Against: Albania, Bulgaria, Byelorussian Soviet Socialist Republic, Czechoslovakia, Hungary, Rumania, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics.

Abstaining: Chile, China, Cuba, Dominican Republic, Egypt, Ethiopia, Jordan, Panama, Paraguay, Poland, Saudi Arabia, Syria, Yemen, Yugoslavia.

The draft resolution was adopted by 57 votes to 8, with 14 abstentions.

A/RES./409

RESOLUTION ADOPTED BY THE GENERAL ASSEMBLY AT ITS 587TH PLENARY MEETING ON NOVEMBER 21, 1956

The General Assembly, noting the grave situation described in the report of the Office of the United Nations High Commissioner for Refugees to the Secretary-General in document A/3371 and Corr. 1 and Add. 1, considering that the flow of refugees from Hungary continues at a high rate, recognizing the urgent need of these tens of thousands of refugees for care and resettlement—

1. Takes note with appreciation of the action taken by the Secretary-General to determine and help to meet the need of the Hungarian refugees, and by the Office of the United Nations High Commissioner for Refugees to assist these refugees and to bring about coordinated action on their behalf by governments, intergovernmental agencies and nongovernmental organizations;

2. Requests the Secretary-General and the High Commissioner for Refugees to continue their efforts;

3. Urges governments and nongovernmental organizations to make contributions to the Secretary-General to the High Commissioner for Refugees or to other appropriate agencies for the care and resettlement of Hungarian refugees, and to coordinate their aid programs in consultation with the Office of the High Commissioner;

4. Requests the Secretary-General and the High Commissioner for Refugees to make an immediate appeal to both governments and nongovernmental organizations to meet the minimum present needs as estimated in the report of the Office of the High Commissioner for Refugees to the Secretary-General and authorizes them to make subsequent appeals on the basis of plans and estimates made by the High Commissioner with the concurrence of his executive committee.

A vote was taken by roll call.

Canada, having been drawn by lot by the President, was called upon to vote first.

In favor: Canada, Ceylon, Chile, China, Colombia, Costa Rica, Cuba, Denmark, Dominican Republic, Ecuador, Egypt, El Salvador, Ethiopia, Finland, France, Greece, Guatemala, Haiti, Honduras, Iceland, India, Indonesia, Iran, Iraq, Ireland, Israel, Italy, Jordan, Laos, Lebanon, Liberia, Libya, Luxembourg, Mexico, Morocco, Nepal, Netherlands, New Zealand, Nicaragua, Norway, Pakistan, Panama, Paraguay, Peru, Philippines, Portugal, Saudi Arabia, Spain, Sweden, Syria, Thailand, Tunisia, Turkey, Union of South Africa, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay, Venezuela, Yemen, Yugoslavia, Afghanistan, Argentina, Australia, Austria, Belgium, Bolivia, Brazil, Burma, Cambodia.

Against: Hungary, Romania.

Abstaining: Czechoslovakia, Poland, Sudan, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, Albania, Bulgaria, Byelorussian Soviet Socialist Republic.

The draft resolution was adopted by 69 votes to 2, with 8 abstentions.

A/RES./413

RESOLUTION ADOPTED BY THE GENERAL ASSEMBLY AT ITS 608T/ PLENARY MEETING ON DECEMBER 4, 1956

The General Assembly, recalling its resolutions 1004 (ES–II) of November 4, 1956, 1005 (ES–II), 1006 (ES–II), and 1007 (ES–II) of November 9, 1956, and A/Res./407 and A/Res./408 of November 21, 1956 relating to the tragic events in Hungary, having received and noted the report of the Secretary-General [1] that United Nations observers have not been permitted to enter Hungary, noting with deep concern that the Government of the Union of Soviet Socialist Republics has failed to comply with the provisions of the United Nations resolutions calling upon it to desist from its intervention in the internal affairs of Hungary, to cease its deportations of Hungarian citizens and to return promptly to their homes those it has already deported, to withdraw its armed forces from Hungary and to cease its repression of the Hungarian people—

1. Reiterates its call upon the Government of the Union of Soviet Socialist Republics and the Hungarian authorities to comply with the above resolutions and to permit United Nations observers to enter the territory of Hungary, to travel freely therein and to report their findings to the Secretary-General;

2. Requests the Government of the Union of Soviet Socialist Republics and the Hungarian authorities to communicate to the Secretary-General, not later than December 7, 1956, their consent to receive United Nations observers;

3. Recommends that in the meantime the Secretary-General arrange for the immediate dispatch to Hungary, and other countries as appropriate, of observers named by him pursuant to paragraph 4 of resolution 1004 (ES–II);

4. Requests the governments of all member states to cooperate with the representatives named by the Secretary-General by extending such assistance and providing such facilities as may be necessary for the effective discharge of their responsibilities.

A vote was taken by roll call. Afghanistan, having been drawn by lot by the President, was called upon to vote first.

In favor: Argentina, Australia, Austria, Belgium, Bolivia, Brazil, Cambodia, Canada, Chile, China, Colombia, Costa Rica, Cuba, Denmark, Dominican Republic, Ecuador, El Salvador, Ethiopia, France, Greece, Guatemala, Haiti, Honduras, Iceland, Iran, Iraq, Ireland, Israel, Italy, Laos, Lebanon, Liberia, Libya, Luxembourg, Mexico, Nepel, Netherlands, New Zealand, Nicaragua, Norway, Pakistan, Panama, Paraguay, Peru, Philippines, Portugal, Spain, Sweden, Thailand, Turkey, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay, Venezuela.

Against: Albania, Bulgaria, Byelorussian Soviet Socialist Republic, Czechoslovakia, Hungary, Poland, Romania, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, Yugoslavia.

Abstaining: Afghanistan, Burma, Ceylon, Finland, India, Indonesia, Jordan, Morocco, Saudi Arabia, Sudan, Syria, Tunisia, Yemen.

The draft resolution as a whole was adopted by 54 votes to 10, with 14 abstentions.

A RES. 424

RESOLUTION ADOPTED BY THE GENERAL ASSEMBLY AT ITS 616TH PLENARY MEETING ON DECEMBER 12, 1956.

The General Assembly, deeply concerned over the tragic events in Hungary, recalling those provisions of its resolutions 1004 (ES-II) of November 4, 1956, 1005 (ES-II) of November 9, 1956, A/Res./407 of November 21, 1956, and A/Res./413 of December 4, 1956, calling upon the Government of the Union of Soviet Socialist Republics to desist from its intervention in the internal affairs of Hungary, to withdraw its forces from Hungary and to cease its repression of the Hungarian people, recalling also those provisions of its resolutions 1004 (ES-II) and A/Res./407, calling for permission for United Nations observers to enter the territory of Hungary, to travel freely therein and to report their findings to the Secretary-General, having received the report of the Secretary-General [2] of November 30, 1956, stating that no information is available to the Secretary-General concerning steps taken in order to establish compliance with the decisions of the General Assembly which refer to a withdrawal of troops or related political matters, and the note of the Secretary-General [2] of December 7, 1956, noting with grave concern that there has not been a reply to the latest appeal of the General Assembly for the admission of United Nations observers to Hungary, as contained in its resolution A/Res./413, considering that recent events have clearly demonstrated the will of the Hungarian people to recover their liberty and independence, noting the overwhelming demand of the Hungarian people for the cessation of intervention of foreign armed forces and the withdrawal of foreign troops—

1. Declares that, by using its armed force against the Hungarian people, the Government of the Union of Soviet Socialist Republics is violating the political independence of Hungary;

2. Condemns the violation of the Charter by the Government of the Union of Soviet Socialist Republics in depriving Hungary of its liberty and independence and the Hungarian people of the exercise of their fundamental rights;

3. Reiterates its call upon the Government of the Union of Soviet Socialist Republics to desist forthwith from any form of intervention in the internal affairs of Hungary;

4. Calls upon the Government of the Union of Soviet Socialist Republics to make immediate arrangements for the withdrawal, under United Nations observation, of its armed forces from Hungary and to permit the reestablishment of the political independence of Hungary;

5. Requests the Secretary-General to take any initiative that he deems helpful in relation to the Hungarian problem, in conformity with the principles of the Charter and the resolutions of the General Assembly.

A vote was taken by roll call.

Israel, having been drawn by lot by the President, was called upon to vote first.

In favor: Israel, Italy, Laos, Lebanon, Liberia, Libya, Luxembourg, Mexico, Nepal, Netherlands, New Zealand, Nicaragua, Nor-

[1] A/3403.

[2] A/3403.
[2] A/3435.

way, Pakistan, Panama, Paraguay, Peru, Philippines, Portugal, Spain, Sweden, Thailand, Tunisia, Turkey, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay, Venezuela, Argentina, Australia, Austria, Belgium, Bolivia, Brazil, Burma, Canada, Ceylon, Chile, China, Colombia, Costa Rica, Cuba, Denmark, Dominican Republic, Ecuador, El Salvador, Ethiopia, France, Greece, Guatemala, Honduras, Iceland, Iran, Iraq, Ireland.

Against: Poland, Romania, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, Albania, Bulgaria, Byelorussian Soviet Socialist Republic, Czechoslovakia.

Abstaining: Jordan, Morocco, Saudi Arabia, Sudan, Syria, Yemen, Yugoslavia, Afghanistan, Cambodia, Egypt, Finland, India, Indonesia.

The draft resolution as a whole was adopted by 55 votes to 8, with 13 abstentions.

A/RES./449

RESOLUTION ADOPTED BY THE GENERAL ASSEMBLY AT ITS 636TH PLENARY MEETING ON JANUARY 10, 1957

The General Assembly, recalling its previous resolutions on the Hungarian problem, reaffirming the objectives contained therein and the continuing concern of the United Nations in this matter, having received the report of the Secretary-General of January 5, 1957,[1] desiring to ensure that the General Assembly and all members of the United Nations shall be in possession of the fullest and best available information regarding the situation created by the intervention of the Union of Soviet Socialist Republics, through its use of armed force and other means, in the internal affairs of Hungary, as well as regarding developments relating to the recommendations of the General Assembly on this subject—

1. Establishes, for the above-mentioned purposes, a special committee, composed of representatives of Australia, Ceylon, Denmark, Tunisia and Uruguay, to investigate, and to establish and maintain direct observation in Hungary and elsewhere, taking testimony, collecting evidence and receiving information, as appropriate, in order to report its findings to the General Assembly at its present session, and thereafter from time to time to prepare additional reports for the information of Members of the United Nations and of the General Assembly if it is in session;

2. Calls upon the Union of Soviet Socialist Republics and Hungary to cooperate in every way with the committee and, in particular, to permit the committee and its staff to enter the territory of Hungary and to travel freely therein;

3. Requests all member states to assist the committee in any way appropriate in its task, making available to it relevant information, including testimony and evidence, which members may possess, and assisting it in securing such information;

4. Invites the Secretary-General to render the committee all appropriate assistance and facilities;

5. Calls upon all member states promptly to give effect to the present and previous resolutions of the General Assembly on the Hungarian problem;

6. Reaffirms its request that the Secretary-General continue to take any initiative that he deems helpful in relation to the Hungarian problem, in conformity with the principles of the Charter of the United Nations and the resolutions of the General Assembly.

A vote was taken by roll call.

Turkey, having been drawn by lot by the President, was called upon to vote first.

In favor: Turkey, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay, Venezuela, Argentina, Australia, Austria, Belgium, Bolivia, Brazil, Burma, Cambodia, Canada, Ceylon, Chile, China, Colombia, Costa Rica, Denmark, Dominican Republic, Ecuador, El Salvador, Ethiopia, France, Greece, Guatemala, Haiti, Honduras, Iceland, Indonesia, Iran, Iraq, Ireland, Israel, Italy, Japan, Laos, Lebanon, Liberia, Libya, Luxembourg, Mexico, Morocco, Nepal, Netherlands, New Zealand, Nicaragua, Norway, Pakistan, Panama, Paraguay, Peru, Philippines, Portugal, Spain, Sweden, Thailand, Tunisia.

Against: Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, Albania, Bulgaria, Byelorussian Soviet Socialist Republic, Czechoslovakia, Poland, Rumania.

Abstaining: Yugoslavia, Afghanistan, Cuba, Egypt, Finland, India, Jordan, Saudi Arabia, Sudan, Syria.

The draft resolution was adopted by 59 votes to 8, with 10 abstentions.

A/RES./1133

RESOLUTION ADOPTED BY THE GENERAL ASSEMBLY AT THE SECOND EMERGENCY SPECIAL SESSION OF THE GENERAL ASSEMBLY FROM NOVEMBER 4 TO 10, 1956

The General Assembly, recalling its resolution 1132 (XI) of January 10, 1957, establishing a special committee, consisting of representatives of Australia, Ceylon, Denmark, Tunisia, and Uruguay, to investigate, and to establish and maintain direct observation in Hungary and elsewhere, taking testimony, collecting evidence and receiving information, as appropriate, having now received the unanimous report of the Special Committee on the Problem of Hungary,[1] regretting that the Union of Soviet Socialist Republics and the present authorities in Hungary have failed to cooperate in any way with the committee—

1. Expresses its appreciation to the Special Committee on the Problem of Hungary for its work;

2. Endorses the report of the committee;

3. Notes the conclusion of the committee that the events which took place in Hungary on October and November of 1956 constituted a spontaneous national uprising;

4. Finds that the conclusions reached by the committee on the basis of its examination of all available evidence confirm that:

(a) The Union of Soviet Socialist Republics, in violation of the Charter of the United Nations, has deprived Hungary of its liberty and political independence and the Hungarian people of the exercise of their fundamental human rights;

(b) The present Hungarian regime has been imposed on the Hungarian people by the armed intervention of the Union of Soviet Socialist Republics;

(c) The Union of Soviet Socialist Republics has carried out mass deportations of Hungarian citizens to the Union of Soviet Socialist Republics;

(d) The Union of Soviet Socialist Republics has violated its obligations under the Geneva Conventions of 1949;

(e) The present authorities in Hungary have violated the human rights and freedoms guaranteed by the Treaty of Peace With Hungary;

5. Condemns these acts and the continued defiance of the resolutions of the General Assembly;

6. Reiterates its concern with the continuing plight of the Hungarian people;

7. Considers that further efforts must be made to achieve the objectives of the United Nations in regard to Hungary in accordance with the purposes and principles of the charter and the pertinent resolutions of the General Assembly;

8. Calls upon the Union of Soviet Socialist Republics and the present authorities in Hungary, in view of evidence contained in the report, to desist from repressive measures against the Hungarian people, to respect the liberty and political independence of Hungary and the Hungarian people's enjoyment of fundamental human rights and freedoms, and to ensure the return to Hungary of those Hungarian citizens who have been deported to the Union of Soviet Socialist Republics;

9. Requests the President of the 11th session of the General Assembly, His Royal Highness Prince Wan Waithayakon, as the General Assembly's special representative on the Hungarian problem, to take such steps as he deems appropriate, in view of the findings of the committee, to achieve the objectives of the United Nations in accordance with General Assembly resolutions 1004 (ES–II) of November 4, 1956, 1005 (ES–II) of November 9, 1956, 1127 (XI) of November 21, 1956, 1131 (XI) of December 12, 1956, and 1132 (XI) of January 10, 1957, to consult as appropriate with the committee during the course of his endeavors, and to report and make recommendations as he may deem advisable to the General Assembly;

10. Decides to place the Hungarian item on the provisional agenda of the 12th session of the General Assembly.

(677th plenary meeting, September 14, 1957.)

A vote was taken by roll call.

Israel, having been drawn by lot by the President, was called upon to vote first.

In favor: Israel, Italy, Japan, Jordan, Laos, Lebanon, Liberia, Libya, Luxembourg, Mexico, Morocco, Netherlands, New Zealand, Nicaragua, Norway, Pakistan, Panama, Paraguay, Peru, Philippines, Portugal, Spain, Sudan, Sweden, Thailand, Tunisia, Turkey, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay, Venezuela, Argentina, Australia, Austria, Belgium, Bolivia, Brazil, Burma, Cambodia, Canada, Chile, China, Colombia, Costa Rica, Cuba, Denmark, Dominican Republic, Ecuador, El Salvador, Ethiopia, France, Ghana, Greece, Guatemala, Haiti, Honduras, Iceland, Iran, Iraq, Ireland.

Against: Poland, Rumania, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, Yugoslavia, Albania, Bulgaria, Byelorussian Soviet Socialist Republic, Czechoslovakia, Hungary.

Abstaining: Nepal, Saudi Arabia, Syria, Yemen, Afghanistan, Ceylon, Egypt, Finland, India, Indonesia.

The draft resolution was adopted by 60 votes to 10, with 10 abstentions.

RESEARCH ACTIVITIES IN THE FIELDS OF HEALTH AND MEDICINE

Mr. THYE. Mr. President, as ranking minority member of the Senate Appropriations Subcommittee for the Departments of Labor and of Health, Education, and Welfare, I have a long-standing interest in support of research activities in the fields of health and medicine. The bill appropriating funds for the Department of Health, Education, and Welfare includes research money for the National Institutes of Health, such as the National Heart Institute.

The need for continued research into the causes and treatment of heart diseases was well illustrated in a recent article which appeared in the St. Paul Sunday Pioneer Press of July 20. We are all aware, I am sure, of the crippling effects which rheumatic fever can have on the heart, but few of us realize the

[1] A/3485.

[1] Official records of the General Assembly, 11th session, supplement No. 18 (A/3592).

lack of knowledge concerning the causes and treatment of this dread affliction. The article to which I have referred is an account of the research on rheumatic fever being done by Dr. Wannamaker of the University of Minnesota under a lifetime research grant from the American Heart Association. This is a very interesting and informative article, Mr. President, and I ask unanimous consent that it be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the St. Paul Sunday Pioneer Press of July 20, 1958]

LIFETIME GRANT AIDS SCIENTIST—UNIVERSITY DOCTOR FIGHTS CHILD KILLER

(By Allen Doerr)

It starts with a sore throat.

Maybe.

Fever joint pains and heart murmur follow.

Maybe.

It can kill a child, cripple it, or leave it apparently untouched.

And 15 years later it can return like a knife out of the night and the child, now adult, can die.

Maybe.

The disease is rheumatic fever. It is mostly a mystery. When doctors talk about it, they qualify almost everything they say with that word, "maybe."

"The main thing we know about rheumatic fever is that we know very little about it," says Dr. Lewis W. Wannamaker, 2323 Commonwealth, professor of pediatrics at the University of Minnesota.

Dr. Wannamaker speaks about rheumatic fever from a unique position. He has done research in the disease since 1948 and is 1958–60 chairman of the American Heart Association Committee on Prevention of Rheumatic Fever.

This month he began studying the disease under a lifetime research grant from the AHA—$30,000 a year for 30 years. The AHA supports work by 183 scientists, but has made only 6 of these lifetime grants.

The grant provides a salary of $13,000 to $18,000 (exact amounts are not disclosed), $10,000 for laboratory costs, travel, and assistants, and $2,000 to the university. There also is a $500-a-year allowance for each of his 4 children and his wife.

He can, and does, add to the laboratory funds with other grants, but his salary cannot be supplemented. Dr. Wannamaker, who at 35 has been associated with 9 institutions, thinks this is a good idea.

He is of medium height, has a round, boyish face and blinks intently through his glasses as he talks, with just a trace of his native South Carolina in his careful words.

"Modern medical schools have become like government," he said. "There are too many activities that come between the researcher and his research. He gets so involved he can't accomplish what he might accomplish.

"There are few of these independent research positions. Minnesota has more than most schools."

Dr. Wannamaker did not apply for his grant. The AHA does not take applications for the lifetime grants. The first he knew he was being considered was when a member of the committee asked if the grant would be acceptable to him.

"I found out they knew more about me than I knew about myself."

The grant is for any research he wants to follow. But up on the 14th floor of the university's Mayo Memorial Building Dr. Wannamaker is continuing his probe of the secrets of rheumatic fever.

The fever is 10 times more common and 10 times more crippling than polio was before Salk vaccine, according to Dr. Karl Anderson, Minneapolis, president of the Minnesota Heart Association. It hits mostly at children, but adults are not immune.

"There has been the impression that the disease is diminishing, no longer a serious health problem," Dr. Wannamaker said. "But a recent survey showed there still are 2,500 to 3,000 active cases each year in Minnesota.

"What don't we know about rheumatic fever? We don't know what causes it. We can't diagnose it accurately. We have no sure treatment. There are loopholes in our preventive methods."

The most popular theory is that streptococci bacteria trigger rheumatic fever, he said. A person probably will average a strep infection about once every 5 years "though we don't have real good figures on this. Some have them more often, some less. And it declines with age."

Three of each 100 strep infections will be followed in 2 to 3 weeks by symptoms of acute rheumatic fever—fever, joint pains, and heart murmur.

A few of these patients will die during the acute attack. Some will suffer permanent heart damage. Some will recover. If they get strep infection again, odds of acute rheumatic fever go up to 50 percent.

A study for 20 years of a group of acute fever patients showed that one-third eventually died, one-third suffered permanent heart damage, and one-third recovered with no evidence of the disease, he said.

That was before present use of drugs to prevent a second strep infection.

"Apparently the fever results from a kind of allergy to strep infection," Dr. Wannamaker said. "But streptococci produce 23 known and more unknown components. Which components are responsible? We haven't even been able to isolate the components.

"Then what is the difference between the three who are allergic and the 97 who are not? Were they born different? Have previous strep infections made them different?

"Or is the difference in the strep? There are more than 40 kinds of streptococci and each produces a different combination of components.

"Diagnosis is just as complicated. Symptoms are similar to other diseases. Many persons have mild symptoms, or none at all. Adults who never had a diagnosed case of rheumatic fever die of rheumatic heart disease.

"Treatments have been tried and abandoned, like tonsillectomy, changes of climate, special diets, and long bed rest. We still use bed rest, but it's deemphasized.

"We use aspirin and the drugs ACTH and cortisone. But there are a lot of opinions on these and not an awful lot of facts. We know they control acute symptoms, but we don't know their effect on the heart disease.

"Our best results seem to be with early cases, but some of these go undetected. If we miss them, it may be 15 years before heart damage becomes apparent.

"We have done better with prevention, mostly because we see the relationship between strep and rheumatic fever," Dr. Wannamaker said. "We control the fever by controlling strep.

"Those who have had acute rheumatic fever we protect with penicillin and sulfa from a second strep infection. There has been some question, but our Heart Association committee has recommended continuing the drug for life—it's cheap insurance.

"We also use penicillin to arrest original strep infections. But we can spot only about half the cases. And then treatment takes 10 days. It's hard to make mothers continue it when their children feel all right.

"We would like to control the spread of strep. Indications are it spreads by direct contact. One way would be a vaccine. But those tried so far produce severe reactions without giving much protection. Then there are those 40 kinds of streptococci. You would need to vaccinate against each one."

Dr. Wannamaker is concentrating now on trying to isolate the components of streptococci. He has been at the university since 1952 and has no plans to move, though the grant allows him to work anywhere. He will not try to predict success.

"We don't have enough information to know when we may solve the problems," he said. "We may find our answer suddenly, or someone working in another field may stumble on it.

"Even with a lifetime to work, so much depends on chance."

Mr. THYE. Mr. President, in further reference to this article, while I served as Governor of Minnesota, the Variety Clubs of America came to the Governor one day and informed me that if the State of Minnesota could match their dollars, they would make a very substantial contribution to a fund to be known as the research hospital fund for child heart disease research.

I accepted the challenge, and the State of Minnesota matched the Variety Clubs' contribution. In due time the heart research hospital was built at the University of Minnesota, and was staffed, and it has done outstanding research in child heart disease. It brought forth knowledge about operations on defective hearts of children, which operations make possible a normal life for a child who is so afflicted. Children suffering from such defective hearts are known as blue babies. Without surgery, the life expectancy of such children is shortened.

It is most gratifying to know that much progress has been made as a result of endeavors to bring about greater appropriations for research into heart disease, and to note the results which have been accomplished, as reported in the article from the St. Paul Pioneer Press which I put in the RECORD.

Mr. President, I turn to another subject.

The VICE PRESIDENT. The Senator from Minnesota.

AMERICAN FIELD SERVICE SCHOLARSHIPS

Mr. THYE. Mr. President, as many of us did last week, I had the delightful experience of meeting some 106 foreign high-school students who have spent the past year in Minnesota as members of a group who received American Field Service scholarships. A total of 1,038 students were here from 45 nations during last year. It is a matter of great pride to me that our great State of Minnesota played host to more than 10 percent of the total. The enthusiasm and interest of these young men and women were proof positive of the enormous value of this program.

For 12 years the American Field Service has been active in promoting exchanges of American and foreign young people. Members taking part have increased in number every year. Many of these youngsters will be tomorrow's lead-

ers in their home countries. The bonds and ties which have been forged during their visits to America may well be the means of further uniting the free nations of the world for years to come.

In my opinion, one of the most effective ways of informing people about America is to have young enthusiastic men and women come here and live with us for a time.

Minnesota is made up of people from almost every nation of the earth. These people built our State and made it great. Their standards and values brought Minnesota through many a crisis; our foreign-born Minnesotans are largely responsible for our progress in science, the arts, business, and the professions.

Mr. President, I salute the American Field Service and the many fine people who are associated with it, for the great contribution they are making to deeper understanding between the peoples of the world for lasting peace.

FRINGE RULERS IN THE MIDDLE EAST

Mr. SPARKMAN. Mr. President, we are all greatly concerned, of course, about the situation in the Middle East, which is a matter of continuing concern. We hope the best possible arrangement can be worked out and that stability may be brought to that war-torn area.

In the Washington Post and Times Herald of this morning there was a very readable, interesting, and thought-provoking article under the byline of David McNichol, writing for the Chicago Daily News Service, from London. I ask unanimous consent that the article be printed as a part of my remarks at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FRINGE RULERS WALK TIGHTROPE IN MID-EAST

(By David McNichol)

LONDON, July 22.—Life for fringe rulers in the Middle East at the very best will be an agonizing tightrope performance in the future, with fatal consequences if they slip.

Only 7 days after it began, United States and British intervention in the area already is losing its momentum—and its attraction for those leaders who so far have survived Gamal Abdel Nasser's pressures.

With the exception of embattled King Hussein of Jordan, not one of them has plunked wholeheartedly for the West. Most of them, in fact, are being driven already to make new concessions to Nasser to calm their unruly peoples.

SOVIET IS "PROTECTOR"

Behind the United Arab Republic's President, in turn, the Soviet Union looms in Arab eyes as a "sponsor of freedom" and a "protector."

It is a galling irony, but it is true.

The acting ruler of Kuwait, for example, has halted the issue of visas to Western newspapermen and denied permission to cable to those already there.

His spokesman in Cairo has added bluntly that Kuwait does not want foreign assistance.

A British frigate of the Persian Gulf command was hurriedly dispatched yesterday to another tiny oil principality, that of Qatar. It found no trouble, but Qatar's ruler, Shiek Ali Bin Abdullah, now is expected to postpone a scheduled official visit to London.

HAGGLING OVER FLIGHT

Even Arabia's King Saud, on whom Washington has lavished so much attention, has haggled about the flight over his kingdom of American aircraft carrying kerosene for the empty cookstoves of Jordan.

The emerging federation in the Aden protectorate on which Britain looked with friendly eyes probably also has been torpedoed.

The Israelis allowed British aircraft to fly over Israel en route to Jordan, but with some misapprehension. They are not eager to give the Arabs any added cause for their already savage and bitter hatred.

King Hussein himself could not expect to survive 1 day if British troops were withdrawn. British reports this morning speak ominously of possible demonstrations in Jordan. The Moslem religious holiday on Friday will be a day to watch.

Rock-throwing and rioting often begin after the noontime visit to the mosques.

In the meantime, there is a growing inclination here to give the new government in Iraq time to prove itself. What this really means is that any ideas or plans for intervention there have been dropped.

UNITED NATIONS EMERGENCY FORCE

Mr. SPARKMAN. Mr. President, I am very hopeful that there may be called up today a resolution which was reported by the Committee on Foreign Relations yesterday.

If I may, I should like to have the attention of the distinguished minority leader.

The resolution is in the exact wording of a resolution which the Senate adopted unanimously a year ago relating to the United Nations Police Force, with the exception that whereas last year the resolution sought to express the sense of the Senate, this year there has been reported a concurrent resolution to express the sense of the Congress as a whole.

It is my understanding that the House Committee on Foreign Affairs is already considering a similar resolution, which was submitted last year, upon which no action was taken.

I address these remarks primarily to the minority leader, in the hope that there may be an agreement between him and the majority leader to allow the concurrent resolution to be considered by the Senate today.

Mr. KNOWLAND. I will say to the distinguished Senator from Alabama that I am prepared to cooperate fully with the majority leader in scheduling the concurrent resolution for consideration by the Senate either today or tomorrow. I think the Members ought to have notice and an opportunity to read the resolution and the report.

Personally I believe there should be such an emergency force in being. I shall be prepared to discuss the resolution. I intend to support it.

I think we must make clear that even with the existence of such an emergency force of the United Nations we would not automatically solve the problems we are encountering in the United Nations, as is apparent from the fact that we have just been confronted by the 85th veto of the Soviet Union. Even assuming an emergency force in being, if a nation appealed for help and went to the Security Council, the Soviet Union has demonstrated it can either inspire subversion or, indeed, embark upon overt aggression. The Soviets can always veto the use of such a force as is contemplated. If the matter goes to the General Assembly, the Soviets can organize a prolonged discussion for perhaps 8 or 10 or more days. As the Senator knows, the discussion went on for a much longer period than that in the case of Hungary. Freedom can be strangled to death during such a period of time.

While I think the establishment of a United Nations Emergency Force would be a step in the right direction, I do not believe it would automatically in any sense meet the needs of the situation, since we have seen the United Nations and its capacity for maintaining peace violated any number of times by the abuse of the veto power on the part of the Soviet Union.

Mr. SPARKMAN. I assure the distinguished minority leader that I am in complete agreement with the statement he has made. I well recognize such a step will not be a cure-all.

I have been of the belief that such action is necessary, and I have been of that belief for a long time. This is not a new proposal for me. I have been promoting this kind of resolution for, I am sure, at least 10 years.

I was very glad last year when the Senate took unanimous action to state its position. I am hopeful that the United States, in the General Assembly of the United Nations this fall, if it is not able to do so before that time, will take active leadership in the effort to create such an emergency force. I believe that if there were such a force in being under an operational plan whereby the Secretary General would have the privilege of sending the force into action, as he sent UN observers to Lebanon, it would be of great value.

I noted what the distinguished Senator from California said yesterday on the floor. I was present and heard his remarks. Even if the Japanese resolution should be adopted, it would not be sufficient to send a group of unarmed observers. I agree with the Senator fully in his statement to that effect. However, I think it would be better than nothing.

When I use the term "police force," I mean exactly that. I do not mean a standing army. I think of a police force which could be dispatched for boundary patrolling similar to what was done in the Gaza Strip on the Israeli-Egyptian border during the Suez crisis. I think that would be most helpful.

I should like to say, in addition, that I am going to ask that the report, if it has come from the printer——

Mr. KNOWLAND. If the Senator will yield, I may say that the report has come from the printer. I have a copy of the report on my desk.

Mr. SPARKMAN. I see that a copy of the report has been placed on the desk of each Senator, so that Senators may have an opportunity to examine it.

I will say again that the report is in almost the exact wording of the report of last year. I believe it simply says "In its report on Senate Resolution 15 last year the committee said:" and so on.

Mr. KNOWLAND. I fully concur with the Senator. I supported the resolution a year ago.

Mr. SPARKMAN. I know the Senator from California did. He was very helpful in having the resolution agreed to.

Mr. KNOWLAND. I will support this resolution. I think it is too bad such a force has not been in existence for a number of years.

As the Senator knows, the Government of the United States has been favorably disposed, both under the last administration and under the present administration, to the creation of such a force. Again I will say that we have encountered the objection of the Soviet Union as to such an establishment. It is too bad such a force did not exist at the time of the Hungarian situation.

Mr. SPARKMAN. I agree with the Senator.

Mr. KNOWLAND. During that crucial period of from 5 days to a week, when the constitutional government of Hungary under Premier Nagy appealed to the United Nations for help, there was no force in being in the first place; and, in the second place, we faced the impossible situation of the Soviet veto in the Security Council and the delaying tactics of the Soviets in the General Assembly. By the time the 10th resolution had been passed, Hungary was dead, so far as freedom is concerned.

Mr. SPARKMAN. I am in complete agreement with the Senator from California. If the United Nations had a police force such as is contemplated, flexible in its use, it would not be necessary to wait for action by the Security Council or the General Assembly.

THE INFLATIONARY SPIRAL

Mr. BUSH. Mr. President, on July 15 there appeared in the Wall Street Journal a review of a book entitled "The Inflationary Spiral," by Chang Kia-ngau. This book recites the experience in China from 1939 through 1950. It shows how, step by step, the situation worsened.

It shows how the index of teachers' real salaries fell from 100 to 17, and that of civil servants slipped from 100 to 10 between the years 1937 and 1943. It shows how the market exchange rate on the Chinese dollar had fallen in 1946 to $2,020 for $1 United States, and how this slipped to $8,683,000 Chinese dollars to $1 United States by August 1948. These are terrifying figures, indeed.

Mr. Chang comments that the Nationalist Government seemed "curiously blind to the fact that, in the long run, economic health is a prerequisite of political power. It sought an easy way out of its financial difficulties only to court eventual disaster."

Mr. President, I am reading "The Inflationary Spiral" by Mr. Chang, and I believe the review of it by Mr. John F. Bridge which appeared in the Wall Street Journal on July 15 may prompt other Senators to read this book. I venture to hope that in any case they will read the review which I ask unanimous consent to have printed in the RECORD following these remarks.

The PRESIDING OFFICER (Mr. MURRAY in the chair). Without objection, the review will be printed in the RECORD, as requested.

(See exhibit 1.)

Mr. BUSH. Mr. President, the Treasury has just issued a report for the fiscal year ended June 30, which shows an actual deficit of $2.8 billion against surpluses in the two preceding years of approximately $1.6 billion each. But now we face a probable deficit for fiscal year 1959 which may exceed $12 billion. Indeed, we shall be fortunate if it does not exceed that figure; and unless the Congress changes its temper substantially, we shall face another large deficit in fiscal year 1960. One may fear as to whether Congress has not completely lost control of the budget.

Mr. President, it is too late this year for the Congress itself to undo the damage, or alleviate the terrible threat of inflation which is inherent in these enormous deficits, as well as in other forces not within the control of the Government, such as the wage-cost push. I venture the hope that when Members of Congress go home for the Congressional recess, they may find the temper of the pecple such as to make them determined to return here for the 86th Congress in a mood to recover control of this budget, and stop the terrifying trend toward inflation which threatens to have exceedingly damaging effects upon the economy, as well as the social life of this country.

I trust, too, that the Congress may be in a mood to consider an amendment to the Employment Act of 1946, which I introduced last August. The objective of my amendment has been strongly endorsed by Arthur F. Burns, former chairman of the President's Council of Economic Advisors, now associated with the Ford Foundation.

I ask unanimous consent that the text of the amendment to which I have referred and an excerpt from Dr. Burns' book, Prosperity Without Inflation, be printed following these remarks.

The PRESIDING OFFICER. Without objection, the amendment and excerpt will be printed in the RECORD, as requested.

(See exhibits 2 and 3.)

Mr. BUSH. Stability of prices and the integrity of wage values are of vital concern to all of the people in this country, and absolutely essential to fulfillment of the objectives of the Employment Act of 1946.

EXHIBIT 1

[From the Wall Street Journal of July 15, 1958]

INFLATION'S IMPACT ON A SOCIETY

The Chinese invented paper. The evidence is strong that they also invented paper money, for as early as the 11th century it made its appearance in China. It is not surprising, therefore, that having made those two inventions the Chinese discovered that great financial instrument of modern governments—inflation of the supply of paper currency to cover the deficits they almost always run up.

But China has also provided an up-to-date lesson in what the ultimate outcome can be when just a wee bit of such inflation is undertaken for an apparently worthy purpose, when the habit of deficits and the printing press then become ingrained in officialdom, and when the inflation finally become uncontrolled.

The time was 1939–50. The results, among other things, were the collapse of the Nationalist government, the disintegration of the Chinese social structure, the triumph of the Communists—and, not so incidentally, the death of thousands of United States troops at the hands of the Chinese Red armies in Korea and rise of that Red power.

A CLOSE OBSERVER

Close to the events of 1930–50 was Chang Kia-Ngau, now visiting professor of economics at Loyola University, Los Angeles. Deputy governor and governor of the Bank of China for almost 25 years, in 1935 he was pressed into the service of the Nationalist government and served in various cabinet posts through World War II. In 1947 and 1948, when the Chinese inflation was gathering its most ferocious momentum, he was governor of the Central Bank of China, and not a very happy one.

For Mr. Chang is an orthodox economist, an opponent of political control of a nation's currency and banking, and a foe of funny money of any kind. He got plenty of chances to develop these distastes in Nationalist China, and he has produced a remarkably clearly written book for such a complex subject: The Inflationary Spiral, The Experience in China, 1939–50.

The statistics on that economic debacle in its later stages are horrendous in themselves. Price rises and the decline of the Chinese dollar in relation to the United States dollar has been serious enough through the World War II years. By June 1946, the market exchange rate was $2,020 (Chinese) to $1 (U. S.). But by August 1948, the rate was $8,683,000 (Chinese) to $1 (U. S.).

As for wholesale prices, one index rose from 378.217 in June 1946, to 558,900,000 in August 1948. These fantastic rises occurred despite infusions of United States money, despite half-hearted attempts at currency reform, and despite strict wage-price controls.

Or perhaps because of them, a vigilant police system proved not vigilant enough to enforce the price controls. Shortages of goods rapidly appeared in regular markets while black markets flourished. Workers, near starvation, rioted and attacked rice stores. Industry, caught in the squeeze, demanded subsidies. So did workers and when they got the subsidies they found the price mechanism had already discounted them. By disrupting the supply of commodities, price control actually accentuated the problem the controls were designed to attack.

CRUSHED IN THE MIDDLE

And as so often happens in inflations, the middle classes in China suffered most. Salary adjustments persistently lagged behind wage adjustments. Mr. Chang's figures on this subject are not as complete as might be desired. But between 1937 and 1943 the index of teacher's real salaries fell from 100 to 17 and that of the civil servant from 100 to 10. Meanwhile the laborer had a decline from 100 to 74 and the Chungking industrial worker from 100 to 69.

But Mr. Chang's conclusion is clear. He writes:

"Since the number of educated persons and intellectuals is small in an underdeveloped country, as was the case in China, and since such persons are usually concentrated in government service, the teaching profession, and other occupations with relatively fixed income, one of the effects of inflation

is to deminish the real income of these key groups. This tends to produce disaffection in the very groups upon whose cooperation the success of government depends. Discontent among the articulate is bound to result in a vociferous display of antigovernment opinion, not infrequently exaggerating the scale of real grievances. Isolated from these elite groups, precisely at the time when there is the greatest need for efficient administration of its economic controls, government administration tends to become corrupt. Little wonder that the corrupting influence of inflation is compounded in underdeveloped countries. The experience of China has taught us this important lesson."

From that lesson, it is not very difficult to put a finger on the disaffection from established orders of students and intellectuals in Europe, Latin America—and even sometimes in the United States.

Mr. Chang addresses many of his remarks at the underdeveloped economy, but at the same time there are lessons there for the more mature ones. Certainly there are many parallels with what has happened in France and Italy and what may be happening in the United States.

In China, there was a great growth in aggregate national demand for goods under wartime conditions—including, in large part, defense requirements.

China was unable to increase its supply of goods to meet fully this demand, but at the same time was increasing its spending. However, it was unwilling to do the unpopular thing of increasing revenues by higher taxes, or to divert part of the inflationary pressure it was generating to savings by the public. Furthermore, it met its rising deficits by means of the currency printing press, making the inflationary spiral spin faster.

OUTWARD DISPLAY

"Not possessing the wisdom and courage to undertake unpopular measures," Mr. Chang writes, "the government could of course have reduced the scale of its spending. But it persisted in its refusal to take any effective step to trim expenditure and, overemphasizing the importance of prestige and outward military power, it underwrote political and military expenditures regardless of their economic consequences. It was curiously blind to the fact that in the long run economic health is a prerequisite of political power. It sought an easy way out of its financial difficulties, only to court eventual disaster."

So the Chinese Government sought to suppress the symptoms of inflation—soaring prices and wages. And as these actions further aggravated the inflation, the need arose for more and more direct intervention and control. When this also failed, the government increasingly resorted to such political means as propaganda barrages ladened with both promises and threats. And when these failed, the last of the Nationalist prestige went with them.

Political domination of both the budget and banking system, as in China, is often apt to become a curse, the author notes, and Chairman William McChesney Martin of the Federal Reserve System would agree; he has fought attempted inroads by both Congress and the executive branch through much of his tenure. In China, the all-controlling leadership, "failing to understand the nature of the economic forces with which it dealt, chose to ignore them." Certainly there has been plenty of that in the United States in recent years.

Plainly, Mr. Chang has written a book that ought to find its way into the hands of legislators and administration officials. And if the new emphasis on hard education is to be extended to social science, it ought to be available to college students. Certainly there is meat to be found for any American who is interested in why his own dollars buy less and less.

Mr. Chang says he delayed publication of his book for some time, fearing it would be considered a vindictive reproach of the Nationalists. That certainly is not the impression one gets from this economic analysis by an exiled ex-banker.

"My sole purpose," he writes, "is to ensure, so far as I am able, that the Chinese tragedy should at least have some beneficial effect on other nations which have been more fortunate thus far."

The lesson is there for all who will read.

—*John F. Bridge.*

EXHIBIT 2

Be it enacted, etc., That (a) section 2 of the Employment Act of 1946 is amended by adding at the end thereof a new paragraph as follows:

"The Congress further declares that the foregoing objectives must be attained, if they are to be meaningful, in an economy in which the cost of living is relatively stable. To this end the agencies and instrumentalities of the Federal Government must utilize all practicable and available means to combat inflationary pressures as they develop within the economy."

(b) Section 3 (a) of such act is amended by striking out "and (4)" and inserting in lieu thereof the following: "(4) current and foreseeable trends in price levels prevailing in the economy and the steps, if any, which have been taken to stabilize the cost of living and to combat inflationary pressures existing within the economy; and (5)."

(c) Section 4 (a) of such act is amended by inserting before the period at the end of the second sentence the following: "and in an economy of relatively stable prices."

EXHIBIT 3

(By Arthur F. Burns)

As we move to strengthen the Nation's defenses against depression, we should also move—and we could then do so with an enhanced basis for hope of achieving permanent results—to strengthen our defenses against the threat of creeping inflation. What we need more than anything else at this juncture of our great experiment in the management of prosperity is a national declaration of purpose with regard to the level of prices that could have a moral force such as the Employment Act already exercises with regard to our levels of production and employment. This can be simply accomplished by including reasonable stability of the consumer price level among the objectives of the Employment Act which "it is the continuing policy and responsibility of the Federal Government to use all practicable means" to promote. It has been said that such an amendment of the act is unnecessary, since it already covers the objective of general price stability by implication. I would agree to this interpretation of the law. Nevertheless, I believe that it would be a highly constructive step if the Congress stated explicitly what the act appears to some of its interpreters to state implicitly. One of the main factors in the inflation that we have had since the end of World War II is that many consumers, businessmen, and trade-union leaders expected prices to rise and, therefore, acted in ways that helped to bring about this result. A declaration by the Congress that it is the continuing policy of the Federal Government to promote reasonable stability of the consumer price level, as well as "maximum employment, production, and purchasing power," could go a considerable distance in dissipating the widespread belief that we are living in an age of inflation and that our Government, despite official assertions and even actions to the contrary, is likely to pursue an inflationary course over the long run.

It is sometimes argued that a mere declaration of purpose concerning the stability of the dollar would be futile in the absence of some specification of how this objective is to be realized. That is a possible result, but I am inclined toward greater optimism. The language of the Employment Act, as it stands, is extremely general. The act does not specify how the Government should "promote maximum employment, production, and purchasing power," beyond observing that it is to proceed "in a manner calculated to foster * * * free competitive enterprise and the general welfare." Yet the general language of the act has not led to inaction or frustration. On the contrary, it has in practice proved a source of strength, for it has allowed Government officials the utmost freedom in devising means to fit particular and unforeseeable circumstances. The force of the act derives entirely from its affirmation of basic policy, and this would continue to be true if the act were amended.

Broadening of the act, so as to include reasonable price stability among its objectives, would tend to make it a constant reference point for public and private actions that bear on the level of prices. One of the likely consequences of the suggested amendment would be a greater emphasis in the President's annual economic report on the outlook for prices and on how reasonable stability of the price level is to be sought. The reports of the Joint Economic Committee of the Congress would naturally move in a similar direction. Policies to promote stability of the price level would, therefore, tend to gain in prestige and to exercise increasing power over the thoughts and actions of both Government officials and private citizens.

I recognize, of course, that movements of the consumer price level and of the physical volume of economic activity may diverge for a time and that Government officials may occasionally be uncertain whether to give greater heed to the one or to the other. It is easy to exaggerate the trouble that this difficulty, which inheres in the economic process, will cause in practice. What Government officials do now is to shape economic policy in the light of emerging trends in production, employment, and prices, as well as the many factors that impinge on the movements of these magnitudes. They recognize the tendency of consumer prices to lag behind wholesale prices and industrial activity and they allow as they best can for this lag. They recognize that full employment in a practical sense is a zone rather than a point or line, and that the same must apply to a stable price level. They pursue policies that will help to maintain the employed percentage of the labor force as well as the consumer price level within a neighborhood that allows for minor movements in the one and the other. They do not seek perfection in terms of any single yardstick, but a good all-round performance. The suggested amendment of the Employment Act would change these attitudes and procedures only to the extent of leading to somewhat greater vigilence with respect to price developments.

If this proposed amendment had been in effect 5 years ago, I am morally certain that the measures that were taken to check the recession of 1953–54 would have been no less prompt or extensive. On the other hand, I believe that stronger anti-inflationary policies would have been adopted in 1955—which was the critical time to check the newly gathered forces of inflation. It is because I expect that the proposed amendment would strengthen efforts to deal with inflation, while it would in no way reduce zeal in checking recessions, that I regard the explicit inclusion of reasonable stability of the consumer price level among the objectives of the Employment Act as a wise and progressive step at this time.

WHY THE UNREST IN THE ARAB WORLD?

Mr. FLANDERS. Mr. President, on Friday, July 18, I submitted a concurrent resolution dealing with the Middle East situation. It is my intention to address the Senate in a series of short talks on the individual items of that resolution. Today I invite attention to the first "Whereas" which reads:

Whereas the people of the Arab nations are in a state of turmoil and discontent;

While I had intended to discuss the nature of that turmoil and discontent in my own words, I found in the New York Times of July 19, 1958, a column written by Mr. C. L. Sulzberger entitled "Lessons of Logic and Its Lack," which relieves me of the necessity for finding words of my own. Mr. Sulzberger says:

The only steady aspect of our Middle Eastern policy is confusion. During a decade that saw creation of Israel, Nasser's rise, the Suez war and a drumfire of coups and assassinations, the United States never managed to define its own fundamental attitudes. This observation applies to two American administrations. Our Levantine follies have been gloriously bipartisan.

Three dilemmas perplexed Washington from the start. We could not resolve our determination to sponsor Israel with our craving for Arab friendship. Therefore we wallowed in a trough of indecision. We found ourselves unable to reconcile prejudices against colonialism with a need to support our strongest ally, Britain. And we muddled our analysis of Arab nationalism by always regarding its development in rigid anti-Communist terms.

The consequences led to diplomatic chaos. We have ended up supporting outdated regimes and opposing history's trend. Of our principal friends concerned with the Middle East, Britain and Turkey are widely disliked because of imperialist memories; an equally detested France has been excluded from the area; Israel is hated and Iran is weak and uneasy.

Mr. President, the whole column is factual, and it is difficult, in view of the facts presented, to find any excuse for the past or hope for the future in this country's policy with relation to the Arab world.

In order that all Members of the Senate may have their attention drawn to these matters, I ask that the remainder of the article be included in the body of the RECORD.

There being no objection, the remainder of the article was ordered to be printed in the RECORD, as follows:

AGAINST THE TIDE

Today we find ourselves backing the Chamouns, the Sauds, and the Husseins against the tide of Arab renaissance. And, by our military interposition side by side with Britain, we have sacrificed those pretensions to moral grandeur we had claimed in the United Nations.

Our elementary aspirations are plain. We sought to keep Soviet influence out of the Middle East, to devise an alliance there for this purpose, and behind such a shield to pacify the area. These aims failed.

By creating the Baghdad Pact we alienated Egypt, most influential nation in the Arab world, and India, most powerful non-Communist state in Asia. Yet we never had sufficient faith in that same pact to join it ourselves.

We distributed arms instead of wisdom. Some of those arms have now been used to assassinate our three best friends in Iraq. We backed Nasser. But we wouldn't give him all the weapons he demanded; so he turned to Russia.

THE SUEZ AFFAIR

Because we unnecessarily offended the Egyptian dictator we provoked him into seizing the Suez Canal Co. This event could have been foreseen in the cloudiest crystal ball. But we didn't have one single position paper prepared in advance.

When Britain and France, together with Israel, cooked up a war to defend vital interests similar to those we now help London protect, we scotched their plan. Thanks to us Nasser was rescued from disaster and built to hero's stature.

If our policy was correct in 1956 when we backed Cairo against Paris and London, it is incorrect today. And if our policy is now correct, in deciding to risk war for strategic grounds, it was incorrect 2 years ago. Anglo-American intervention comes at the wrong places, at the wrong time, for the wrong reasons. At least Eden and Mollet had reason on their side when they went for Suez.

WHY WE INTERVENED

We didn't fly troops to Lebanon because of a sudden turn in that country's operetta insurrection. Iraq is the explanation. And Jordan, again insured by Britain, isn't a nation at all. A mapmaker's dream, it was created by Churchill and T. E. Lawrence over brandy and cigars to pay a feudal debt.

Nasser was taking kindergarten lessons on Soviet imperialism from Tito when we landed in Lebanon. Just as he was becoming wary we drove him back to Khrushchev's arms.

The existing mishmash cannot possibly be stabilized where it now is. Having embarked on an audacious expedition, we have to follow through. One way or another a new and pro-Western government must be installed in Iraq and Nasser must be shrunken to size.

Otherwise, no matter how long Lebanon and Jordan totter along, they will fall between the jaws of a hostile Baghdad-Cairo nutcracker when our troops are withdrawn. If we can't aright the balance in Iraq and eventually in Egypt, some day we must ignominiously retreat. But in order to aright that balance, we may have to gamble on still more risky adventures than those begun this week.

Such is the logic of the situation. But logic has rarely featured our Middle Eastern policy.

Mr. MONRONEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MONRONEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection it is so ordered.

ESTABLISHMENT OF INTERNATIONAL DEVELOPMENT ASSOCIATION

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

Without objection, the Chair lays before the Senate the unfinished business, which is Senate Resolution 264.

The Senate resumed the consideration of the resolution (S. Res. 264) favoring the establishment of an International Development Association in cooperation with the International Bank for Reconstruction and Development, which had been reported from the Committee on Banking and Currency with an amendment to strike out all after *"Resolved"* and insert:

That, recognizing the desirability of promoting a greater degree of international development by means of multilateral loans based on sound economic principles, it is the sense of the Senate that prompt study should be given by the National Advisory Council on International Monetary and Financial Problems with respect to the establishment of an International Development Association, as an affiliate of the International Bank for Reconstruction and Development.

In order to achieve greater international trade, development, and economic well-being, such study should include consideration of the following objectives:

(1) Providing a source of long-term loans available at a reasonable rate of interest and repayable in local currencies, or partly in local currencies, to supplement International Bank lending activities and thereby permit the prompt completion of worthwhile development projects which could not otherwise go forward.

(2) Facilitating, in connection with such loans, the use of local and other foreign currencies, including those available to the United States through the sale of agricultural surpluses and through other programs.

(3) Insuring that funds for international economic development can be made available by a process which would encourage multilateral contributions for this purpose.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that Dr. James A. Robinson, who is assigned to the staff of the Senate Committee on Banking and Currency, be permitted to be present in the Chamber during the debate on Senate Resolution 264.

The PRESIDING OFFICER. Without objection, permission is granted.

Mr. MONRONEY. Mr. President, Senate Resolution 264 presents the Senate with a simple but vital question: Should it direct a top-level study of the feasibility of establishing, as an affiliate of the World Bank, a new International Development Association to make loans to underdeveloped countries at more liberal terms than are now available?

This resolution expresses the sense of the Senate that such a study should be promptly undertaken by the National Advisory Council on International Monetary and Financial Problems. The Committee on Banking and Currency has favorably reported the resolution, with bipartisan support, and both the State and Treasury Departments have stated formally that they favor its adoption.

TIMELINESS OF SENATE RESOLUTION 264

Consideration of the resolution on the floor of the Senate comes at a time when events in the Arab world are demonstrating the inadequacy of our present programs to achieve stability and safety for newly independent nations. Americans are becoming increasingly convinced that sponsoring military buildup in an effort to discourage external attack, provides a hollow shell of strength, unable to withstand the mounting pressures from within these nations.

This pressure is being generated by what Adlai Stevenson called the revolution of rising expectations. Around the globe captive peoples are in revolt—in

revolt against the captivity of poverty, of social immobility, of disease, of national inferiority. These demands for an equitable share of the world's goods, and recognition as a significant force in the world's culture, constitute the basic reality of our age—more basic and more pervading than atoms, or sputniks, or political alliances.

America is the fountainhead of these aspirations. We, above all other nations of the world, should have nothing to fear from this revolution. We must, however, recognize that our safety, and the peace of the world, can be had only through the fulfillment of these aspirations, not through their frustration. It is our responsibility to take the lead in fashioning the instruments, the institutions, through which the hopes of the world's captive peoples may be realized, in an environment of self-respect and mutual help.

The programs of non-military economic aid conducted by the United States since World War II have been addressed to two separate problems: The economic reconstruction of industrial nations which were ravaged by the war; and the economic development of the agrarian countries of Asia, Latin America, and Africa for whom any appreciable industrialization remains a dream for the future. In each case, we had a political motive, in addition to the humanitarian and economic one—namely, to provide an alternative to the achievement of reconstruction or development by totalitarian methods.

Our efforts were focused first on the reconstruction of Europe under the Marshall plan. These were a brilliant success. More recently we have attempted to apply essentially the same methods in the underdeveloped areas. Here we are on the brink of tragic failure. Our problem remains the same: To provide an alternative to development by totalitarian methods; for they see industrialization as their road of escape from grinding poverty, and they see in the Soviet Union and China the most rapid industrialization of an agrarian economy that the world has known.

There is no need for me to dwell at length on the necessity for foreign capital to supplement the meager accumulation which is possible from the resources of these new nations. This is a problem which Americans can understand because it is one which we, too, faced as a young nation. Now we are the source of capital on which these nations must principally depend, for ours is the economy which is the source of half of the world's goods. We must develop a mechanism to provide the additional capital they require.

NEED FOR A PROGRAM

How have our efforts to meet this need failed? On today's economic frontiers the economic significance of the United States aid dollar has been obscured by its political symbolism.

New independence is independence of the most hypersensitive variety. Acceptance of unilateral foreign aid has been represented by extremist political groups within the underdeveloped countries as implying a political commitment to support every position taken by the United States in its cold war with the Soviet Union. Such a commitment is often taken as a betrayal of the aspiration of independence of action common to these newly independent states. Thus that which is an economic necessity has become a political liability.

The other side of the same coin has been equally difficult. Our enemies charge our aid imposes an unacceptable obligation on the recipient. Our friends tend to assume that the obligation is on the giver, and that political support in the cold war entitles them as a matter of vested right to share in the bounty of our foreign aid program. The whole relationship militates against the easy friendship of equals.

The next development was of course inevitable—a competitive Soviet aid program, with the more cynical uncommitted countries happily encouraging the bidding.

In other words, they pit the West against the East in bargaining for aid at special prices, on special terms, or for special commitments. The danger here is that a competitive situation will develop, in which aid will become merely a football in the power struggle between the East and the West.

I believe a conviction is growing in Congress that our economic-aid programs have sometimes produced not friendship and confidence, but rather increased animosity and distrust. While most of us here might agree that popularity was not our primary objective, many Americans have serious doubts as to the success of foreign aid.

There is also a growing conviction that other nations, many of which were restored to economic health by our earlier Marshall plan, should begin to bear an increased portion of the common burden and responsibility for the progress of underdeveloped areas.

It was in this general environment that the evolution of our assistance to underdeveloped countries began last year with the creation of the Development Loan Fund. This marked the transition from grants to loans. Moreover, it marked a shift away from the "country program" approach to economic assistance, and toward the project developed by the country itself.

Certainly the Development Loan Fund is an improvement, but it is not a final solution to the basic problems which afflict our economic development programs. I submit that the final solution of the problems requires that we provide economic assistance to underdeveloped areas through an international economic institution.

The resolution before the Senate calls for a study with respect to the establishment of such an institution. It proposes that such study include consideration of the following objectives:

First. Providing a source of long-term loans available at a reasonable rate of interest and repayable in local currencies—or partly in local currencies—to supplement International Bank lending activities and thereby permit the prompt completion of worthwhile development projects which could not otherwise go forward.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. MONRONEY. I am happy to yield to the Senator from Pennsylvania, who is a valuable member of the Committee on Banking and Currency, and one of the cosponsors of the resolution.

Mr. CLARK. I commend the Senator from Oklahoma for the energy and zeal with which he has advanced this most worthwhile project, particularly because of the great skill with which he discussed the question with members of the administration, and for the painstaking, long hours of consultation which he had with the administration, both in the Treasury and the State Department; all this being evidenced by the appendix to the committee report, which includes letters from Under Secretary of State Douglas Dillon and Acting Secretary of the Treasury Julian B. Baird, expressing their strong support of the resolution.

When it is realized that the Senator from Oklahoma is on the other side of the aisle so to speak, from the political philosophy of the State Department and the Treasury Department, I think it will be understood that it was a great feat of diplomacy for the Senator from Oklahoma to come to an agreement with those who are presently charged with administering not only our foreign policy, but also our financial policy, and to enlist for this resolution the support of the Eisenhower administration.

I was particularly interested to interject at this point in the spendid speech which the Senator is making, because of his reference to the Development Loan Fund. I, too, have supported the Development Loan Fund. But I ask the Senator from Oklahoma whether he does not feel that if the Development Loan Fund could be converted into a multilateral arrangement, rather exist as a unilateral arrangement, the burdens which the United States itself would have to carry would be decreased.

Mr. MONRONEY. I thank the distinguished Senator from Pennsylvania for the very generous compliment he has paid to the speaker.

I think the acceptance by the administration, through Under Secretary of State for Economic Affairs Douglas Dillon and through the Acting Secretary of the Treasury, speaking for the Secretary of the Treasury, Robert Anderson, is due more to the merits of the program rather than any persuasiveness on my part. They were very much interested in the program. At the beginning, they feared perhaps we were proposing to move too fast, without sufficient study.

To answer the Senator's question, I think the administration recognized that the international lending of funds to underdeveloped countries is a better means of meeting their needs than by the making of bilateral loans from our own Development Loan Fund.

Furthermore, the mechanism envisaged by the resolution which is being considered today envisions a rotating fund, of both hard and soft currencies. Loans will be made and repaid. In the Development Loan Fund, so far, there is little prospect of repayment in currencies which can then be reloaned. We lend hard dollars; we will get back soft

currency. We have no revolving fund of hard currencies which can be reloaned, as any bank should have.

Furthermore, there is an implication that a bilateral loan entails a certain loss of sovereignty by the newly independent nations. No matter how pure our motives, no matter how we try to clarify our position that our aid extended to new nations, fresh from colonialism, is based on their need for the projects being financed, political elements in those countries or Soviet propaganda will attack the program and say we are trying to make satellites out of those to whom we lend. We will have to realize that the borrowing governments will be on the target and will be blamed by their opponents for loss of sovereignty.

Mr. CLARK. I know the Senator from Oklahoma has discussed this subject at considerable length with officials of the World Bank, and, in particular, with Mr. Eugene Black, the extremely able and competent American who heads that financial institution.

I do not know whether the Senator from Oklahoma is in a position to state on the floor of the Senate the attitude of the world bank officials on this proposal.

Mr. MONRONEY. I do not violate any confidence when I say that although Mr. Black was unable to appear formally at our hearing, in his official capacity, informal conversations have been held between him and Members of the Senate which have indicated that he personally believes this is a project worthy of most serious study and most serious consideration.

Mr. CLARK. And, of course, the resolution does no more than that.

Mr. MONRONEY. I think it can be said that the resolution does a little more than that. It expresses the sense of the Senate that a new mechanism is needed for our development program—one of long range—in which we shall bear only a part of the responsibility and the direction. In other words, it is proposed that we shift gears from a unilateral to a multilateral international organization, an affiliate of the World Bank, to enable the World Bank to do its job better by making loans available to the independent countries which so badly need long-range financing.

Mr. CLARK. I note that certain individual views have been printed at the conclusion of the committee report on the resolution. In that connection let me refer to page 9, where we find the individual views of two of our distinguished colleagues who oppose the resolution. They make a summary of existing loan programs, from which they conclude that there is no need for the proposed IDA.

I wonder whether my friend will agree that the point he has been stressing; namely, the need to have an international organization which can make development loans, in part, at least, in local currencies, is acute, in and of itself, and that it, by itself, is sufficient to demonstrate the need for the adoption of the resolution.

Mr. MONRONEY. I agree completely. We have no such international mechanism, except the World Bank. It must make bankable loans, repayable in from 20 to 25 years, at about 5¼ percent interest, in dollars or other hard currency. Many of the nations which need development loans the worst cannot qualify for World Bank loans large enough to meet their full requirements. But by means of an International Development Association, which might make supplemental loans for longer periods, they will be able to qualify for additional loans through the World Bank.

Mr. CLARK. I think it would be helpful for the Senator from Oklahoma to state why the International Finance Corporation, a subsidiary of the World Bank, cannot do the same job that we hope the International Development Association will be organized to do.

Mr. MONRONEY. The International Finance Corporation deals exclusively in capital for private enterprises—mostly convertible debentures, a form of equity capital.

But the needs of the underdeveloped countries often relate to transportation, water supplies, and many other utility facilities for which no private financing is available.

Therefore, the International Finance Corporation is not sufficient. It is a desirable organization, because it makes equity capital available for private enterprise; and all of us favor that. But it is not enough, and does not reach the problems on which we need to place emphasis by enabling the independent nations to achieve modern industrialization and development.

Mr. CLARK. I believe it would be helpful if the Senator from Oklahoma would explain briefly that this plan is not a Johnny-come-lately idea of his own, but relates to a problem which has become increasingly critical in international affairs and international finance, and has been under consideration for at least the past several years by many of the best minds in that field. So I think it would be advisable to have it clearly understood that the resolution does not relate to a new or radical idea, but merely gives cohesive form to a means of meeting a need which is recognized by many of the experts in this field.

Mr. MONRONEY. I certainly agree. It is an unfilled need which has been studied for a long time. Personally, I have worked on the problem for more than 2 years. We have found ways in which we believe the job can be done better—for instance, by making the Association an affiliate of the World Bank, so as better to utilize that great institution, which has made an outstanding record.

We do not wish to weaken the character of the World Bank, by providing that its loans shall be made on easier terms. Because of the character of its loans, the World Bank has been able to get private funds in the world market. If the World Bank were required to make loans for longer terms, or softer loans, it would no longer be able to sell its bonds on the market.

The proposed new organization might have $1 billion in hard currency lending capital; and by having it make supplemental loans for a percentage of the total need, and at longer terms, many more development projects will be able to qualify for loans from the World Bank.

I thank the Senator from Pennsylvania very much for his illuminating questions and for the opportunity to discuss this matter with him.

Mr. AIKEN. Mr. President, will the Senator from Oklahoma yield to me?

The PRESIDING OFFICER (Mr. MURRAY in the chair). Does the Senator from Oklahoma yield to the Senator from Vermont?

Mr. MONRONEY. I am glad to yield.

Mr. AIKEN. I understand that one of the purposes of the proposed establishment of the International Development Association is to free the United States from the charge—which sometimes is leveled at our country—that it is paternalistic in making the so-called soft loans to poorer countries, or is attempting to obtain control over their affairs, economic or political. I realize that such a charge is at times made against the United States. I hope it is never justified.

Mr. MONRONEY. It is not justified. But all of us know that such a charge is a favorite propaganda device of the Communists and those who are opposed to the regimes we help.

Mr. AIKEN. Can the Senator from Oklahoma indicate what other lending nations are interested in the establishment of the proposed International Development Association, and whether they are embarking on similar studies, either for themselves, or whether they would cooperate with the United States in making such studies?

Mr. MONRONEY. In the first place, let me say that unless all the members of the World Bank—including ourselves—decided they wanted to put up hard currency for the capital stock of the Association, nothing would come of the resolution. If subscriptions followed the pattern of the World Bank, the United States would provide approximately $345 million of a $1 billion capitalization. The ownership of the stock of the Association would be distributed in the same way that the stock of the World Bank is distributed among the 67 nations which today are members of the World Bank. So, under this proposal, they would share in carrying the load.

Mr. AIKEN. So it is proposed, by means of the resolution, to have the United States make the study, and then submit, if feasible, recommendations to the other members of the World Bank. Is that correct?

Mr. MONRONEY. That is correct. Let me say—and later in my remarks I shall cover this point more specifically—that other nations have already manifested interest in the establishment of an international mechanism by which they can participate in the making of loans of a type which will help the underdeveloped areas.

Mr. AIKEN. For several years there has been before various Congressional committees a proposal known as SUNFED, for the purpose of assisting underdeveloped countries establish public utilities and meet other essential needs

which must be met if those countries are to develop and grow and enjoy a higher standard of living.

Is it the belief or the expectation of the Senator from Oklahoma that the proposed International Development Association would differ materially from the SUNFED proposal which the Congressional committees have been considering during recent years?

Mr. MONRONEY. Yes. The International Development Association would be a bank. We would expect its loans to be repaid. They would be made on that expectation, and would be based on the ability to repay, although the terms of the loans might be lengthened and the interest rate charged might be reduced. The institution contemplated by the resolution would be a sound banking institution. SUNFED is a type of operation in which, I would say, the borrowers run the bank. In this case the stockholders would run the bank. That is the fundamental difference. I believe the IDA has an opportunity for continuing success because the funds would revolve. The money paid in would be loaned for projects which would be self-liquidating, on terms which would guarantee security, since the establishment of international credit on the part of the borrowing country would be the primary requirement for its borrowing.

Mr. AIKEN. I thank the Senator for his explanation. I thought it was necessary to have in the RECORD, the distinction between the present proposal and the one we have been considering in recent years, so there would not be confusion and possibly the charge that we are proposing to set up another giveaway program.

Mr. MONRONEY. I thank the Senator. It is my understanding that we, as a country, have never endorsed SUNFED in the United Nations. We realize its deficiencies. We also realize that most of the money would be put up by the United States, and that the United States would have merely one vote as one member among a large number of members. That bank would be operated by the borrowers instead of by those who provide the capital. However, we stand in a poor position before the world if we oppose SUNFED, unless we offer something in its place so that loans may be placed within the reach of nations which have recently become independent.

Mr. AIKEN. The Senator has made a very good explanation of the difference between the two organizations. The loans under the International Development Association are expected to be repaid over a long period of time.

Mr. MONRONEY. That is true.

Mr. AIKEN. With respect to loans which would be made under SUNFED, there would be little expectation of repayment. Is that correct?

Mr. MONRONEY. That is correct, and little expectation of having a revolving fund from which the repayments could be reloaned, which is the secret of successful banking.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield to the Senator from Connecticut, who has done so much to make it possible to bring the proposal before the Senate, and who has been of such assistance in obtaining information from those who have great knowledge in the field of international finance. I am very grateful to him for the great service he has rendered.

Mr. BUSH. I thank the distinguished Senator for his comments.

I wonder if the Senator would object to my asking unanimous consent, first, that the letter signed by Douglas Dillon, Deputy Under Secretary of State, and one signed by Julian B. Baird, Acting Secretary of the Treasury, which appear in the appendix of the report, be printed in the RECORD at this point.

Mr. MONRONEY. I think that would be a very fine addition to the discussion, because the letters show the support this idea has within the administration.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The letters appear later in the RECORD.)

Mr. BUSH. The distinguished Senator raised a question about the views of Mr. Eugene Black, a distinguished American, and President of the World Bank. We know what his views are, because we spent an evening with him in discussion of them. I did go to his home and talk with him two nights ago, realizing the resolution would come up in the Senate soon, and asked him if he would write a letter in response to an inquiry from me with regard to the resolution. He said if I addressed such a letter to him, he would do so. His response is on the way to me now.

Mr. President, I ask unanimous consent that the letter from the President of the World Bank addressed to me on this subject be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The letter appears later in the RECORD.)

Mr. MONRONEY. I thank the Senator for his foresight in having the material.

Mr. CAPEHART. Mr. President, may I see the letter?

Mr. BUSH. I do not have it here. It is on its way. If the Senator objects, I will withhold my request.

Mr. MONRONEY. If the Senator from Connecticut would find it possible to be present on the floor and read the letter to the Senate, I think it would be most helpful. We have tried to respect Mr. Black's international position by not asking him to appear before a Congressional committee. However, he is the person who is most experienced in this field. I think he realizes to a greater degree than anyone else what this implementation of the World Bank's activities will mean.

Mr. BUSH. I can assure the Senator I shall have the letter here within a half hour and shall read it into the RECORD. I thought this would be an appropriate place in the RECORD to have the letter appear, in view of the previous colloquy, so it might follow the letters which I asked unanimous consent to have printed in the RECORD.

Mr. CAPEHART. Mr. President, will the Senator permit me to make a comment on the Black letter?

Mr. MONRONEY. I shall be glad to yield, or to ask my colleague to yield, so the Senator may make a comment about the letter.

Mr. BUSH. If the Senator wants simply to comment on the Black letter, I shall yield to him for that purpose.

Mr. MONRONEY. I intend to continue to yield to the Senator from Connecticut.

Mr. CAPEHART. My reason for asking about the Black letter is that Mr. Black has taken the position consistently that no committee of the United States Congress has the right to call him before the Congress for an explanation of anything that has to do with the World Bank or the International Monetary Fund.

He has refused to appear as a witness before the Senate Banking and Currency Committee. He takes the position that the Congress of the United States has absolutely nothing to do with the Bank's operations and that he ought not to be asked to appear. I do not know why, if he cannot appear as a witness before the Banking and Currency Committee, he is so desirous of writing a letter which is to be inserted in the RECORD. I am not so sure he wants to have that letter put in the RECORD, because he has constantly and continuously taken the position that he will not appear before a Congressional committee and should not be requested to do so.

I have always taken the position he should. I do not know why we should be a stockholder in the International Bank or the International Monetary Fund, put billions of dollars into it—to which I am not opposed—and yet be unable to question the Director or an officer of that Bank. It has never been quite clear to me why we should not have the right to do it. I know what Mr. Black says. He says that if he comes before a committee of the United States Congress, then he will have to go before the other parliaments of the world. I do not see anything wrong with that, because, in our democracy and under our corporation laws, minority stockholders have rights. I do not know why the stockholders of the Monetary Fund, the United States being the largest stockholder, have not as much right as have common stockholders in a United States corporation.

I wanted the RECORD to show that Mr. Black has consistently refused to appear before Congress. He would not even testify on this proposed legislation. Therefore, what we get concerning Mr. Black is hearsay. There is no record of it, unless it be in this letter. I think he has been very unfair to the Congress of the United States in his refusal to appear. We ought to have a right to cross-examine Mr. Black. He ought to be required to come before a committee of the United States Congress, in my opinion. Yet he has consistently refused to do so, so that we who are opposed to this proposed legislation cannot ask him questions. Yet

those who are for the proposed legislation wish now to use Mr. Black's testimony in the form of a letter. I have no objection to that, except I want the RECORD to show I am opposed to the position taken.

Mr. BUSH. Mr. President, I am glad the Senator has no objection to it. I should like to observe that Mr. Black has been entirely consistent in his position that he does not wish to appear before committees of Congress as a witness.

On the other hand, so far as this particular resolution is concerned, Mr. Black expressed a willingness to sit down with the members of the committee. A meeting was arranged for that purpose, and Mr. Black did sit down with us for an evening. Unfortunately the Senator from Indiana was unable to be present that evening. We spent 4 hours with Mr. Black and got a good deal of information from him on the subject of the resolution. Mr. Black did a great deal at that time to compromise differences of view about the language of the resolution. From that evening's talk and subsequent interviews and testimony, largely in hearings conducted by the distinguished Senator from Oklahoma, the language of the resolution has emerged.

I defend heartily Mr. Black's position that he cannot appear before committees of the Congress without committing himself as President of the International Bank for Reconstruction and Development to appear before the committees of the parliamentary bodies of all the other countries which are members of the bank. I do not see how Mr. Black could expose himself to all that work.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. BUSH. Mr. Black could not do so without compromising his time to such an extent that he would not be able to attend to his business.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. BUSH. I will yield in a moment.

In this particular case I did see Mr. Black this week. The resolution is before the Senate. The resolution is on the calendar. I said, "Would you be willing to write me a letter in answer to my inquiry, giving your opinion about this particular resolution?" And to that statement Mr. Black replied, "Yes. If you will ask me in writing for such a letter I will be glad to send it to you."

I now yield to the Senator from Indiana.

Mr. CAPEHART. I do not know why Mr. Black takes the position that every Member of the United States Senate and every member of the Committee on Banking and Currency ought not to be able to ask him questions, of which a public record is made. I do not like secret meetings.

Mr. BUSH. There was not any secret meeting.

Mr. CAPEHART. If Mr. Black cannot appear before the United States Congress and tell about the operations of the International Bank for Reconstruction and Development, why should he appear before a handful of Senators or a small group of Senators? Why should he be trying to influence the United States Congress as a lobbyist, instead of doing so by appearing before the regular, duly appointed committees to testify, which would permit us to cross-examine him about the operations of the International Bank for Reconstruction and Development.

Mr. BUSH. The Senator apparently sees no difference between asking Mr. Black a specific question about a specific resolution which is before the Senate, which relates to the operations of his bank, and, on the contrary, asking him to appear before committees of the Congress.

If Mr. Black were to expose himself to appear before committees of the Congress, he might well be called before the Committee on Foreign Relations of the Senate, the Committee on Banking and Currency of the Senate, and the similar committees in the House of Representatives, as well as I do not know how many other committees in the legislative assemblies of the 67 other member countries.

Mr. CAPEHART. What would be wrong with that?

Mr. BUSH. Mr. Black simply does not have the time to do that.

Mr. CAPEHART. He could send somebody to do it.

Mr. BUSH. That is a very different thing.

Mr. CAPEHART. It appears that we are to be asked to place billions and billions of dollars—and I am not opposed to it—in an International Bank for Reconstruction and Development, while at the same time the Congress of the United States is not to have the right to question the directors of the organization, or the manager? The manager, as has been stated, has met with a half dozen or a dozen Senators and given his opinion, but now the Senator is saying Mr. Black has written a letter, which is going to be put into the RECORD, although none of us will have an opportunity to cross-examine him as to the contents of the letter. What kind of democracy are we talking about?

Mr. BUSH. I think we are talking about a very good democracy, Mr. President. To say that nobody had a chance to question Mr. Black is not quite in accord with the facts, because the Senator was invited to be present the evening of the conversation. Unfortunately, the Senator could not be there.

Mr. CAPEHART. Are we going to start running the Government by holding meetings in a basement, or a cellar, or a living room?

Mr. BUSH. No.

Mr. CAPEHART. Are these people going to tell us what to do in the Congress of the United States?

Mr. BUSH. Mr. President——

Mr. CAPEHART. Is that the kind of government we want?

Mr. DOUGLAS. Mr. President, will the Senator yield to me for a minute?

Mr. MONRONEY. I yield to the Senator from Illinois.

Mr. DOUGLAS. I hope the discussion will not become bogged down into an issue of whether we should try to summon Mr. Black before the Senate Committee on Banking and Currency. The Senator from Connecticut made an observation which I think is very important. There are some 67 other countries which are stockholders in and members of the International Bank for Reconstruction and Development. If we as one member assert the right to summon Mr. Black before committees of the Congress, what is to prevent the British Parliament, the French National Assembly, the West German Congress, the Turkish Congress, the Ghana Congress, and so on, from similarly summoning Mr. Black to appear? Our good friend from Indiana seems to forget that we are discussing a World Bank, not a United States bank, even though we are the majority stockholder.

Mr. CAPEHART. Mr. President, if the Senator will yield, I am taking the position that the Turks have a right to do so, and that Mr. Black ought to appear before the parliaments or congresses of any countries which are stockholders in the International Bank for Reconstruction and Development, to permit them to ask him questions, as the manager of their money and of their corporation.

Mr. DOUGLAS. As my good friend from Indiana well knows, some of these countries borrow more than their assets in the bank. Therefore, Mr. Black would have borrowers summoning the head of the bank and putting him on the "hot spot" before committees of their parliaments to ask why he did not increase loans to them.

In my judgment Mr. Black and the Senator from Connecticut are completely correct. I am sure upon mature consideration the Senator from Indiana will drop this subject and allow us to proceed with consideration of the real issue.

Mr. CAPEHART. Mr. President, does the Senator not know that we are being asked to establish another lending agency under the International Bank for Reconstruction and Development, which is likewise going to be loaning money to the same people who now receive loans from the International Bank for Reconstruction and Development?

Mr. MONRONEY. If the Senator will permit me to make an interjection, before he proceeds further, I should like to say to my distinguished colleague, who has helped to focus the issue by questions in the committee hearings, that Mr. Black reports to the board of directors. The United States is represented by a member on the board of directors, as it should be. The Government of England is represented by its member on the board of directors. The governments of the countries of Latin America are represented by their members of the board of directors. That is the proper way for a bank president to report. The bank president should be under the control and supervision of, and subject to the interrogation of, his own board of directors.

Mr. CAPEHART. Mr. President, I bring the subject up only because the Senator intends to use Mr. Black as a witness. The Senator is going to have printed in the RECORD a letter from Mr. Black, in which I presume Mr. Black endorses the proposal; I do not know. The Senator intends to use a letter from Mr. Black to influence the Congress of the United States, as a result of a meeting with him, as the Senator says. I

have no objection to that at all, except that I do not think it is a good way to run a railroad. I do not think it is a good way to operate. I think every member of the Committee on Banking and Currency ought to have a chance to question Mr. Black, and that Mr. Black ought to appear before the committee of the Congress, as he ought to appear before the congresses of every one of the members of the International Bank for Reconstruction and Development.

Mr. BUSH. Mr. President, if the Senator will permit, I will say that every member of the Committee on Banking and Currency did have an opportunity to meet with Mr. Black and discuss the matter.

Mr. CAPEHART. But that was not an official meeting. Nobody was there to take down what was said.

Mr. DOUGLAS. Does the Senator want to put Mr. Black under oath?

Mr. CAPEHART. It was a meeting in somebody's living room. I am not in favor of running the United States Government by having meetings in somebody's living room. I want to have the meetings in the committee rooms of the United States Congress.

Mr. BUSH. Mr. President, I think the Senator from Indiana has made his position very clear. I understand his position. All I can say is that I think it was very gracious of Mr. Black to meet informally with the committee, so that the committee members would have the benefit of his views and observations about the resolution. I am sure the resolution is in better shape and very much more acceptable shape, as a result of that informal meeting, than otherwise would have been the case.

If the Senator from Oklahoma will indulge me, I ask unanimous consent to withdraw my previous request. I shall read into the RECORD the letter from Mr. Black, which I hold in my hand. It reads as follows:

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT,
Washington, D. C., July 22, 1958.

Hon. PRESCOTT BUSH,
United States Senate,
Washington, D. C.

MY DEAR SENATOR BUSH: I am writing in response to your letter of July 21 in which you have asked my opinion with respect to Senate Resolution 264. This resolution, if enacted, would express the sense of the Senate that prompt study should be given by the National Advisory Council on International Monetary and Financial Problems to the establishment of an International Development Association as an affiliate of the World Bank.

I have frequently expressed the opinion that in a number of countries a reasonable rate of development would require additional capital beyond what is available on a hard loan or bankable basis. And I have also long held the view that international administration of development financing, if organized on a sensible economic and nonpolitical basis, has a number of advantages over bilateral national administration.

The concept underlying the proposed International Development Association, as I understand it, is consistent with these views. Accordingly, although the establishment of such an affiliate of the bank would involve a great many complex problems which need to be carefully considered, I believe that the proposed study of the idea by the National Advisory Council would be a constructive step.

You will understand, I am sure, that the opinion I have expressed is a personal one and does not necessarily represent the views of the executive directors of the bank.

Sincerely yours,

EUGENE R. BLACK.

I thank the Senator from Oklahoma for permitting me to place that letter in the RECORD.

Mr. MONRONEY. Would the Senator amend his request to provide that the letters from the Treasury and State Departments be moved forward in the RECORD, so as to appear at this point?

Mr. BUSH. Mr. President, I ask unanimous consent that that may be done, and that appendix B of the committee report may also be included.

There being no objection, the letters and appendix were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, May 20, 1958.

Hon. A. S. MIKE MONRONEY,
United States Senate,
Washington, D. C.

DEAR SENATOR MONRONEY: Thank you for your letter of May 8, enclosing for our comment the committee print of a revised version of Senate Resolution 264, relating to the proposal for an International Development Association.

I believe that it would be desirable to make a few changes in the text of the committee print in order to clarify the nature of the study called for and to specify the agency which would conduct the study. A suggested revision of the proposed resolution along these lines is enclosed for your consideration (see appendix B). With these changes the Department of State would favor its enactment.

Sincerely,

DOUGLAS DILLON.

[Enclosure.]

TREASURY DEPARTMENT,
Washington, May 21, 1958.

Hon. A. S. MIKE MONRONEY,
United States Senate,
Washington, D. C.

DEAR SENATOR MIKE MONRONEY: In response to your letter of May 8, we believe it would be desirable to make a few changes in the text of the committee print of Senate Resolution 264, relating to the proposed International Development Association. A suggested revision is enclosed for your consideration (see appendix B). The changes are intended to clarify the nature of the study proposed in the resolution and to specify the agency to make the study. The Treasury Department would favor the adoption of the resolution with these changes.

We appreciate your affording us an opportunity to comment on the resolution.

Sincerely,

JULIAN B. BAIRD,
Acting Secretary of the Treasury.

[Enclosure.]

APPENDIX B

SENATE RESOLUTION 264, AS REVISED AND APPROVED BY DEPARTMENTS OF STATE AND TREASURY

RESOLUTION

Resolved, That, recognizing the desirability of promoting a greater degree of international development by means of multilateral loans based on sound economic principles, it is the sense of the Senate that prompt study should be given by the National Advisory Council on International Monetary and Financial Problems with respect to the establishment of an International Development Association, as an affiliate of the International Bank for Reconstruction and Development.

In order to achieve greater international trade, development, and economic well-being, such study should include consideration of the following objectives:

(1) Providing a source of long-term loans available at a reasonable rate of interest and repayable in local currencies (or partly in local currencies) to supplement International Bank lending activities and thereby permit the prompt completion of worthwhile development projects which could not otherwise go forward.

(2) Facilitating, in connection with such loans, the use of local and other foreign currencies, including those available to the United States through the sale of agricultural surpluses and through other programs.

(3) Insuring that funds for international economic development can be made available by a process which would encourage multilateral contributions for this purpose.

(NOTE.—This language, which modifies previous committee drafts, was accepted by the committee after inserting the language enclosed in parentheses.)

Mr. BUSH. Mr. President, will the Senator indulge me a moment or two more?

Mr. MONRONEY. I am very happy to do so. The distinguished Senator is making the best case for the resolution that has been made. We deeply appreciate his keen interest and help.

Mr. BUSH. I should like to emphasize what the resolution does. It expresses the sense of the Senate that prompt study should be given by the National Advisory Council on International Monetary and Financial Problems with respect to the establishment of an International Development Association, as an affiliate of the International Bank for Reconstruction and Development. That is all the resolution does. I offer that comment in connection with a comment in the minority views, which my distinguished friends, the Senator from Indiana [Mr. CAPEHART], and the Senator from Ohio [Mr. BRICKER] presented. They said:

How can the Members of the Senate be asked to go on record as favoring this resolution without knowing exactly what is contemplated?

I submit that we do know exactly what is contemplated, and everything that is contemplated. We know that a study is to be made of this particular subject. That is all that is contemplated at this time, but that is a good deal.

The individual views also state:

Last year the Congress also established a Development Loan Fund in the International Cooperation Administration and appropriated $300 million for its use. The Development Loan Fund is designed to supplement the Export-Import Bank and the International Bank by making long-term, low-interest-rate loans to underdeveloped countries, repayable partly in soft currencies. The administration this year has requested an additional $625 million for its operation. Again, the proposed IDA would duplicate an existing program that is just now getting under way.

I ask my distinguished friend from Oklahoma if it is not true that we hope, if it is found practicable to organize the IDA as an affiliate of the World Bank, that it might have the very desirable effect of doing away with some of the

bilateral programs, or with this particular bilateral program, and might also have a beneficial effect in reducing the amount of economic aid which the United States feels obliged to extend at the present time, as it has in recent years. Does not the Senator agree that that is one of the objectives of this particular association?

Mr. MONRONEY. The Senator is exactly correct; and if the proposed association is found to be feasible, if it works as many of us who have studied the subject feel it could work, we would no longer need to appropriate huge sums to a unilateral development loan fund. It would no longer be insisted that the United States carry the full load. If foreign aid is good, if development of other nations is desirable for the world in which we live, and for free people, let us share the responsibility with others by investing in this type of international institution.

Mr. BUSH. I should like to raise another point with the Senator. I invite attention to the language on page 3, line 3, of the resolution as follows:

> In order to achieve greater international trade, development, and economic well-being, such study should include consideration of the following objectives:
>
> Skipping to line 12—
>
> (2) Facilitating, in connection with such loans, the use of local and other foreign currencies, including those available to the United States through the sale of agricultural surpluses and through other programs.

It seems to me that if we could find additional uses which the United States could make of the funds available to it through the sale of agricultural surpluses, this would be a very constructive step forward for the United States.

I also observe, in that connection, that the so-called soft currencies which are involved in the Senator's plan are real money to many people. That is all the people have to use for money in some countries. It seems to me that if a study showed that such soft currencies could be used in connection with a development loan fund of this kind, that would be a highly constructive step forward. I do not know whether that can be done or not. I am not sure. But I do believe that the importance of determining that it might be done is so great that the Senate should not withhold its consent for the making of a study, as proposed in the Senator's resolution.

I thank the Senator for yielding to me.

Mr. MONRONEY. I appreciate the very great effort the Senator has made, and his very able presentation.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. MONRONEY. I am happy to yield to the distinguished Senator from Alabama, a cosponsor of the resolution and a member of both the Committees on Banking and Currency and on Foreign Relations. He has been extremely helpful and encouraging in this matter.

Mr. SPARKMAN. I appreciate the Senator's remark. First of all I wish to commend and compliment the distinguished Senator from Oklahoma, not only for sponsoring the resolution, but also for staying behind it until the resolution was reported by the Committee on Banking and Currency and came under discussion on the floor of the Senate today.

Is it not correct to say that the purpose of the pending resolution is to provide for a study of the feasibility of bringing into use, as the Senator has so well outlined, the foreign currencies or local currencies, or, as they are sometimes referred to, soft currencies, in order to make it possible to put those currencies to use?

Mr. MONRONEY. That is one of the purposes of the resolution. It contemplates more than a mere nominal study.

Mr. SPARKMAN. I realize that.

Mr. MONRONEY. Congress itself has studied the subject to a degree. We now believe it should receive a final, careful consideration by a high-level study council within our Government.

Mr. SPARKMAN. By persons who have had experience in the field.

Mr. MONRONEY. Yes; those who have the best knowledge and ability in this field in the United States. If it is proved feasible, their imprimatur on the report will carry great weight in encouraging discussion of the subject with other nations and the establishment of the organization.

Mr. SPARKMAN. Does not the Senator believe that the proposed organized effort, if we become active in it, might very well help to create better relations for our country with many of the countries who are looking for means to develop their own natural resources?

Mr. MONRONEY. I am very glad the distinguished Senator has mentioned that point. Since the proposal was made and publicity given to it several months ago, representatives of the Governments of India, Thailand, Turkey, and of other friendly nations have told us of their great interest in the subject. They have expressed deep interest in a mechanism by which nations needing help will no long be accused of coming as supplicants, but can submit feasible projects and obtain credit under banking terms and procedures. We are trying to establish international credit as a means of helping the countries in the great task of financing economic development.

Although it is not completely comparable, I call the Senator's attention to what he has done—and he has done more than any other man—in establishing home ownership in America through Federal Housing Administration loans.

Very few people could own a house in America if the downpayment had to be 50 percent, and if the term of the loan had to be 10 years. Because of the various agencies which have been created and Government insurance, and guarantees, we have created a great industry. We have made millions of people homeowners who could not otherwise be homeowners today. In doing so, we have not lost money but have built up a surplus through our faith that the people of America will pay their debts. Similarly, we feel that in the suggested program for an IDA, the mechanism would help to provide for sound financing on much better terms than would be available in normal banking channels.

Mr. SPARKMAN. As the Senator points out, a great deal of the success of our housing programs has come about by reason of the nationwide distribution of the program. In other words, it is sharing the risk of capitalization all over the country. It is analogous with what the Senator seeks to do with his proposed program, because it brings about a pooling of the resources of many countries for a purpose in which all of them are mutually interested.

I should like to ask the Senator a question. I am sure he agrees with me that one of the finest programs we have ever sponsored is the one which is popularly known throughout the world as the point 4 program.

Mr. MONRONEY. Indeed it is.

Mr. SPARKMAN. It is referred to formally as the program for technical assistance. Does not the Senator believe that with the kind of program he suggests, there might be provided encouragement for technical assistance on a do-it-yourself basis, because it will be possible under the program to use local currencies?

Mr. MONRONEY. I am very glad the Senator has mentioned that point. When I was in attendance at the Inter-Parliamentary Union at Bangkok, Thailand, 2 years ago, we were told by the people of Thailand of their deep and lasting gratitude to us for furnishing to them, under the point 4 program, DDT and technicians and helicopters. Through this help their great delta land, which for centuries had an incidence of more than 60 percent malaria, had been made malaria-free.

They were so grateful and were so amazed by what could be accomplished through the application of science, that they are now eliminating the malaria-breeding mosquito in Laos and Cambodia, their neighboring countries, at their own expense.

If we can generate that kind of feeling in the minds of people who have been helped, we can start a chain reaction around the world. Through the program we can inculcate a spirit which will mean the end of war cries which now alarm humanity. We can, for example, with the proceeds from the sale of surplus foods, through the World Bank, help the nations to finance sanitation work and other projects to supplement point 4. Much larger projects could be handled.

Mr. SPARKMAN. I am glad the Senator mentioned the malaria problem. It is a worldwide scourge.

Mr. MONRONEY. Indeed it is. It debilitates many more people than any other disease.

Mr. SPARKMAN. I can speak from experience, because I grew up in a malaria area. As a matter of fact, when I was growing up I was a victim of malaria, and suffered from it year after year. My section of the country has been cleaned up through the agency of the Tennessee Valley Authority. Many of the technical assistance programs un-

der point 4 have been of similar help to people in various foreign countries.

I wonder whether the Senator noticed in the CONGRESSIONAL RECORD of July 18, 1958, an insertion by Representative WALTER H. JUDD, who is a doctor and a former missionary, and a member of the Foreign Affairs Committee of the House. He placed in the RECORD an article entitled "The Myth That Latin America Is Anti-United States."

I shall read, if the Senator from Oklahoma will indulge me, two paragraphs from the article. This does not refer to the Senator's program, but I think it fits in with his idea. Remember the subject: The Myth That Latin America Is Anti-United States. By the way, the writer of the article is an economist who had been in South America lecturing and holding conferences. He wrote the article when he returned. The two paragraphs are as follows:

As I have said, we made the trip not only to deliver lectures but also to study Latin America's economic and social evolution. Our round-table discussions with experts and government officials in every country covered such topics as inflation, capital formation, distribution of available resources among the various economic sectors, the relationship between urban and rural areas, the place of industrialization in economic progress, conditions in agriculture, the role of technical and human factors in modernization of the economic structure.

The last question came up everywhere. We found that our Latin American friends considered the technical backwardness of their people the main reason for their poverty. They also believe that economic progress depended directly on investment, and being dissatisfied with the rate of capital formation in their countries, they put their hopes on obtaining United States capital. In contrast, we felt that in most countries the controlling factors lay in political and social conditions: A wrong attitude of wealthy people, excessive investment and speculation in real estate, poor planning, poor organization of credit, antiquated agriculture, a weak domestic market, excessive preoccupation with foreign trade, and readiness to sacrifice agriculture to the dreams of a hurried industrialization. (These conditions, of course, did not exist to the same extent in all the countries we visited. In some we saw satisfactory progress and were impressed by the competence and realistic thinking of their economic leaders.)

I ask the Senator from Oklahoma if the program which he sees as a possible result of the resolution will be an orderly arrangement of the very factors which are being sought in order to overcome backwardness and poverty.

Mr. MONRONEY. Without capital formation nations will be a thousand years in financing their needs. If in a community only one individual makes loans, he becomes known as a money lender, but such a town will never grow. Its credit needs will never be met unless a bank is organized. The individual may be hated if he is a money lender; but there is no such feeling toward a stockholder in a bank.

The time has come in the community of nations when we need adequate international banking arrangements.

We have found from experience that the World Bank, good as its facilities are for making hard money loans, do not afford the complete banking facilities which the world community needs if the nations are to be able to have available long-term credit for worthwhile projects.

We are trying to get away from the moneylender idea. I do not want Uncle Sam to be thought of as the moneylender in the town. I think it is time that we institutionalize international banking facilities, with the help of like-minded nations, so that the people of other nations will not have to come for all they need to a single source. They are rightfully entitled to obtain assistance through an international banking mechanism.

Mr. SPARKMAN. I thank the Senator from Oklahoma for allowing me to participate in the discussion. Again I compliment him upon the fine effort he has made, which has succeeded in bringing the resolution to the floor. I certainly hope it will be adopted.

Mr. MONRONEY. I thank the Senator from Alabama for his great help in this work.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. MONRONEY. I am happy to yield to the assistant majority leader, a member of the Committee on Foreign Relations, who perhaps knows as much as any other Member of the Senate the need for improvement of our foreign-aid program.

Mr. MANSFIELD. I thank the Senator for his kind remarks. I have asked him to yield because of my great interest in the resolution now before the Senate, a resolution which I hope will be speedily and unanimously approved. I have some idea of the struggle which the Senator from Oklahoma, in person, had to go through during the past 2 or 3 years in research and in finding encouragement to get his proposal to the position it occupies today.

The resolution is fully in accord with the sentiments which the Senator has expressed during the past 6 years to the effect that in our aid program we ought to get away from grant assistance, and, instead, substitute long-term loans on a low-interest-rate basis. That is what the poor man's development fund idea, as advocated by the Senator from Oklahoma, provides. I think that is the kind of idea which, as has been pointed out during the debate this morning, will sweep the world. It is something on the order of the point 4 program, as emphasized by the Senator from Alabama [Mr. SPARKMAN], which has accomplished the most good, in my opinion, of any aspect of our foreign-aid program.

I can envision that the proposal of the Senator from Oklahoma—to use such funds on a long-term, low-interest-rate basis—will do the same thing for the people at the bottom, not those at the top, who most need help.

I assure the Senator from Oklahoma that I consider it a distinct honor to be able to support this proposal, as I have regarded it as a distinct honor to support him in the other proposals of this sort which he has made during the years.

Mr. MONRONEY. Mr. President, I thank the assistant majority leader for his support and for his encouragement.

Mr. President, in outlining the aims of the resolution, let me enumerate the following:

First. It will provide a source of long-term loans available at a reasonable rate of interest and repayable in local currencies, or partly in local currencies, to supplement International Bank lending activities, and thereby will permit the prompt completion of worthwhile development projects which otherwise could not go forward.

Second. It will facilitate, in connection with such loans, the use of local and other foreign currencies, including those available to the United States through the sale of agricultural surpluses and through other programs.

Third. It will insure that funds for international economic development can be made available by a process which would encourage multilateral contributions for this purpose.

The resolution contemplates that a companion institution to the World Bank be created to perform a related but distinct lending function. It would be designed to provide long-term loans at low rates of interest for basic economic development projects.

I have proposed this particular approach for several reasons:

First. By organizing this new institution as an affiliate of the World Bank, we can take advantage of the very high regard in which the bank is held, both at home and abroad, and greatly increase the likelihood of the acceptance of the new institution.

Second. By organizing it as an affiliate of the bank we can take advantage of the tremendous talent and experience which are represented in the staff of the bank, and can put the new organization into operation with the minimum of delay.

Third. The closest possible cooperation between the World Bank and the proposed association would be essential. Today the World Bank must refuse loans for many worthwhile projects which will not pay out. It could, however, finance a substantial part of the cost of these projects if some second-mortgage money, frequently in very small amounts, was available from the International Development Association.

Fourth. By following a pattern of organization similar to that of the World Bank, with control based on stock ownership, we could provide the necessary international character and still could insure that the bank would be operated by those providing the funds, rather than by the borrowers.

I believe this study will indicate that such an association would require a minimum initial capital stock of $1 billion in hard currencies to be provided on the same percentage basis as that of the World Bank, to which the United States has subscribed 34 percent of the total capitalization. It should be emphasized, however, that the amount of the initial capitalization is a matter which would require detailed exploration at the time of the actual organization of such an association.

It has been suggested that additional funds will probably have to be made available for lending by the United

States, over and above its subscription to the capital stock of the association. I do not believe this represents any insurmountable problem. Certain amounts of fixed income—for example, the interest received on our previous foreign loans—might be earmarked over a long term for the purchase of debentures of the Association. In this way, additional funds could be contributed from the United States without disturbing the multinational nature of stock ownership.

Some have expressed doubt that other nations would be willing to increase substantially their present contributions for the development of backward areas. I submit that there is overwhelming evidence to the contrary. Not only have European economists expressed the opinion that more can be done by Europe in this field, but there have been specific proposals for similar undertakings. In this regard it should also be pointed out that the amount of funds committed initially would not be critical in getting such a project launched. To those who may be interested, I commend a study of the subscriptions to the World Bank, the amounts actually paid in, and the magnitude of the lending program which the subscriptions have made possible.

The post-World War II period has been remarkable for the number of countries participating in international financial institutions. Sixty-seven nations are members of both the World Bank and the International Monetary Fund. Seventeen countries participate in the European Payments Union, and 19 nations joined the Colombo plan. Fifty-one governments subscribed to the International Finance Corporation.

An international organization tends to denationalize loan transactions; and it is for this reason that many governments prefer to borrow from the World Bank or a similar international agency, rather than from a single country. The controversy over SUNFED—the Special United Nations Fund for Economic Development—indicated that many nations would prefer international aid. Mr. G. J. N. M. Ruygers of the Netherlands told the United Nations General Assembly, in December 1957, that internationalization of government contributions is the best guaranty against their use for political purposes. And an Indian delegate, Mr. Newab Ali Yawar Jung, expressed the conviction that all sources of capital should be tapped, but thought international bodies the most suitable sources of financial aid, because they obviate possible dangers from expropriation and monopolies.

Representatives of foreign governments have recently offered suggestions indicating a willingness to discuss practicable means of enlarging the corpus of funds available for multilateral loans. These proposals are so numerous, and emanate from such authoritative sources, that they warrant official study by our Government.

Foreign Minister Giuseppe Pella, of Italy, has suggested that western countries coordinate their economic development programs in the Middle East. The Pella plan would create a special loan fund, composed of the reimbursements from Marshall plan loans which the United States will begin accruing in 1958, additional contributions from the Marshall plan countries, and other contributions from European countries which did not participate in the Marshall plan.

A plan for a Southeast Asia Development Fund was advanced by Premier Nobusuke Kishi, of Japan. His proposal also embraced the principle of multilateral contributions to a development fund.

The 2-year old Venezuelan offer to participate in a multinational economic development organization, and the recent proposal by Ludwig Erhard, the deputy chancellor and economic minister of West Germany, also indicate the willingness of other nations to share the burdens of achieving international economic integration.

Some of these proposals have been elaborate in their details, which fact signifies the thoughtfulness and the seriousness with which they are offered. It would seem to be to the advantage of the United States to explore formally with these and other governments the possibilities of translating these proposals into practicable plans to the mutual benefit of all concerned.

I suggest that such an association would have another significant advantage: It would facilitate the use of so-called soft currencies in economic development. I have suggested that such currencies, in addition to the basic capitalization in hard currency, be made available to the association. The United States itself will have literally billions of dollars worth of these currencies, which could be devoted to economic development, if it continues to accumulate them at the present rate from the sale of agricultural surplus under Public Law 480. Since I proposed the International Development Association, I have received tremendous encouragement from men whose experience in the field convinces them that the proposed association would serve a useful and constructive purpose.

Mr. PROXMIRE. Mr. President, will the Senator from Oklahoma yield to me?

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Oklahoma yield to the Senator from Wisconsin?

Mr. MONRONEY. I am happy to yield to my distinguished colleague, who was one of the earliest supporters of this proposal, and is one of the Members who helped us get the resolution through the Banking and Currency Committee.

Mr. PROXMIRE. Mr. President, when I first read about the proposal of the Senator from Oklahoma, I thought it was a wonderful and an inspiring one. I remember reading about it, one Sunday morning early in the session, in the New York Times; and I thought that here was a proposal which I could enthusiastically support.

I was deeply impressed by the remarkably adroit and skillful way in which the Senator from Oklahoma handled the proposal. I recall that in the Banking and Currency Committee, administration representatives came before us, and, to begin with, were not very enthusiastic about the proposal. However, they changed their viewpoint, because the distinguished Senator from Oklahoma made changes in his proposal—changes which in no way reduce its effectiveness, but, in my judgment, strengthen it.

Many good things have been said about the proposal—among others, that it will provide for long-term, low-interest-rate capital for underdeveloped countries. All of us know how immensely important that is.

The United States has become identified—particularly recently—with military solutions of problems. But this proposal calls for a peaceful solution of many problems.

As a Senator from the State of Wisconsin, which has greatly benefited from Public Law 480, let me say that the resolution will put Public Law 480 funds to work much more effectively, because the soft currencies can then be used in a very constructive way for credit. But of all the accomplishments of this proposal, the most important part of it is that it proposes multilateral action.

I have read the individual views of the Senator from Indiana [Mr. CAPEHART], who is present on the floor, and of the senior Senator from Ohio [Mr. BRICKER], which appear in the committee report. What impressed me most was their contention that this kind of aid is already available. I noticed, as I looked the list over, that in fund after fund the aid is unilateral.

Mr. MONRONEY. The sources of development loans are all unilateral, with the exception of the World Bank.

Mr. PROXMIRE. And this proposal is supplementary to the World Bank.

Mr. MONRONEY. The Monetary Fund has been mentioned. It is a joint operation. However, the Monetary Fund makes no development loans; it makes loans merely to stabilize currencies.

Mr. PROXMIRE. There is the Export-Import Bank, and other institutions.

Mr. MONRONEY. Many of them are primarily for our own benefit. They are established to help us finance markets for our products, a feature which I support and approve, but they are not multilateral programs. We had them before foreign aid was studied or extended.

Mr. PROXMIRE. Such a program is immensely important, because Russia is providing long-term, low-interest rate capital; but Russia is providing it on a unilateral basis, too.

There is here proposed a way whereby we can defeat Russia economically and on a credit basis, because it is enormously important that loans be available to underdeveloped countries, especially in view of growing nationalism. It is important that we appear, not as a money lender, but as a stockholder in a bank, cooperating with them so that they can build up their economies.

I am glad to be a co-sponsor of the resolution, and I am enthusiastically in favor of it. The Senator from Oklahoma is making a brilliant speech this morning. I hope the resolution will be overwhelmingly adopted by the Senate.

Mr. MONRONEY. I thank the Senator from Wisconsin for his most constructive statement, particularly in reference to disposal of agricultural

products. Here is a chance to help our farmers by promoting the removal of market-depressing agricultural surpluses. These surpluses go into foreign commerce so that hungry people in countries with a shortage of foreign exchange can buy wheat, butter, or milk with local currencies. Then the money is thrice blessed, because this country, through Public Law 480 funds, will be able to promote development in still other countries by making their local currencies available for development. This is an important and an integral part of the program.

If, by 1960 we do not find a way to use some $5 billion of Public Law 480 funds, which we will have received for our surplus agricultural products, the people may question the wisdom of continuing to accumulate foreign currencies.

Mr. PROXMIRE. Will the Senator yield for one further observation?

Mr. MONRONEY. Yes.

Mr. PROXMIRE. I should like to point out that Wisconsin, perhaps as much as any other State, has earned a reputation for having a disinterest in international policy, or, as some critics call it, of being isolationist. Many people in Wisconsin have been critical of our foreign aid program. One of the excellent conservative, newspapers in Wisconsin is the Green Bay Press-Gazette. It has a healthy suspicion of international proposals. Yet it is representative of the newspapers which have picked up the proposal of the Senator from Oklahoma and have enthusiastically supported it and recognized that it provides a way, without charity or a give-away, to put our funds to work in a constructive way, or, as the distinguished Senator from Oklahoma has said, in a triple way.

I am sure the farmers of Wisconsin, who will hear much about this in the coming months, will be in favor of the kind of constructive international action, here proposed, which will be helpful to them, helpful to foreign countries, helpful to the prestige of America throughout the world, as well as helpful to other human beings elsewhere. I am sure they will enthusiastically support this kind of internationalism.

Mr. MONRONEY. I thank my colleague for his contribution.

Mr. CAPEHART. Mr. President, will the Senator yield at that point?

Mr. MONRONEY. I yield.

Mr. CAPEHART. Will the Senator point out how this proposal will help the sale of agricultural products?

Mr. MONRONEY. In reply to the Senator's question, let me ask the Senator a question. I am sure he voted for the Public Law 480 program. Did he not?

Mr. CAPEHART. Yes.

Mr. MONRONEY. Exactly how will we be benefited by Public Law 480 funds we will receive, estimated at $5 billion by 1960? If we do not put them to work to help relieve the dependence of foreign countries on dollars, they will largely be dissipated. We should see if those currencies cannot be put to work to do a triple job of helping our own farmers, then the hungry of countries which do not have dollar exchange, and then in the development of the countries where the local currencies can be spent?

Mr. CAPEHART. Under Public Law 480 we sell surplus farm products to countries and take their currencies in payment.

Mr. MONRONEY. Yes; local currencies.

Mr. CAPEHART. There is nothing in the organization which would be created under the resolution which would increase the sale of our surplus agricultural products. Therefore, the idea that the farmers will be happy about this proposal is not well founded because the proposal has no relationship to sales of agricultural products. We sell surplus farm products under Public Law 480, get foreign currencies and then lend the currencies back to the respective countries, and those countries spend those funds for their own development.

Mr. MONRONEY. Within their own countries.

Mr. CAPEHART. It has nothing to do with farm products. This program will not increase the sale of surplus farm products by 1 penny or 1 ounce. To try to make the people believe that the program will, I do not think is fair, because there is nothing in the proposed International Development Association that would do so.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. PROXMIRE. I am sure my friend from Indiana agrees with me that it is extremely difficult to sell the Congress and the American people on our farm-support programs as conditions now are. It is very difficult for many persons to understand why we should have what have been called subsidies for farmers. It is also difficult for them to understand why we should have alleged giveaway programs by way of sending agricultural commodities abroad.

It seems to me this program will put us in a far stronger position, not only with respect to the farmers, but with respect to all the American people, in selling the Public Law 480 program in the future, because the uses to which the funds will be put will be much more constructive. It seems to me this will be another weapon in our armament for using our great abundance of agricultural production constructively.

Mr. CAPEHART. What some Senators are forgetting is that the countries to which we sell surplus products, for which we receive in return local currencies, are not going to permit us to spend those currencies except as they direct. The Senator apparently has not read the charter of the International Bank for Reconstruction and Development. Under the charter, the members of the International Bank for Reconstruction and Development reserve the right to state how the currencies which they supply to the bank shall be loaned.

We will accomplish nothing as a result of trying to dispose of currencies which are acquired as the result of the sale of surplus farm products. No country in the world is going to give us its currency and then permit us to do what we please with it.

Mr. PROXMIRE. The Senator is exactly correct. That is what we say should not be done. We say this matter should be handled in a multilateral way. The money should be borrowed for whatever purpose is thought to be sound, and the money should be repaid.

Mr. CAPEHART. But those who supply the currency to the International Bank for Reconstruction and Development are members of the International Bank for Reconstruction and Development, and they reserve the right to control what the bank does with their currency. Really, we are talking about something which is quite different. One of the reasons I am against the proposal is that it simply will not work . It is not a practical suggestion and the idea is not practical. The International Bank for Reconstruction and Development can, if it desires, do exactly what the resolution now under consideration calls for. We do not need additional legislation.

The only reason Mr. Black might be in favor of the proposal—and I do not know whether he is or is not; but I will take the word of others that he is—is that it will give him more dollars, whereby he can make soft loans at 2 percent interest on a 40-year basis, which he will not make at the moment with the funds of the International Bank for Reconstruction and Development because he does not consider it to be good business.

We now have a Development Loan Corporation which is doing exactly that which the resolution would call for doing, except that the United States controls the Development Loan Corporation. We handle the entire business. We do not share it with any other country in the world. I do not think we should. I do not think we should furnish dollars for other people who wish to tell us how to spend them and what to do with them. I disapprove of the idea that we make friends if other countries borrow money through an International Bank, and make enemies if the countries borrow the money directly from us. I do not think there is any logic in such a statement at all. I do not think there is any truth to the statement.

I happen to know that the countries of the world and the peoples of the world would much prefer to borrow money from the Export-Import Bank rather than from the International Bank for Reconstruction and Development.

Mr. PROXMIRE. I would simply say to the distinguished Senator from Indiana that it seems to me we should not only permit but we should encourage other countries to help us carry this load. Other countries appreciate such action. The borrowers appreciate it, also. And certainly the taxpayers of America appreciate getting some of this load off their backs.

There is no question in my mind, and I am sure there will be no question in the mind of the Senator from Indiana if he will carefully read it, that the Monroney resolution, if it is followed through in its intent, will unblock some of the soft currencies and put them to work. The Senator may feel that is not true, or that it will not be on a substantial enough basis to be of value, but such

action will put some of the soft currencies to use.

Mr. CAPEHART. How would the resolution unblock currencies and put them to work?

Mr. MONRONEY. What is the question of the Senator?

Mr. CAPEHART. How would the resolution unblock currencies and put them to work?

Mr. MONRONEY. The report of the Treasury Department shows that as the result of the sale of agricultural surpluses under Public Law 480, we will have $5 billion in local currencies by 1960. We cannot spend those currencies because there is a restriction against replacing the dollar market. If we can channel those currencies into a world bank organization, so that they can be used with the consent of the originating country for development loans, it would be of help in carrying a part of the load.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. MONRONEY. I do not know why the distinguished Senator from Indiana wants the United States to be the only member of the "community fund." I do not know why the Senator wants the American taxpayer to be the sole person to put up money for this purpose. I think that if what is proposed is a good idea we ought to share it with the other like-minded nations of the world, and let them carry a portion of the load.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. MONRONEY. I am happy to yield.

Mr. CAPEHART. There is nothing in the resolution which provides that other people will put up money.

Mr. MONRONEY. Well——

Mr. CAPEHART. Wait a moment. We have in our Treasury, and our Treasury owns, about $5 billion of currencies of other countries, as the Senator has stated. We can spend those currencies. We do not need to have other countries help us dispose of those currencies. We own them. We control them. We can loan them. We do loan those currencies at the present time, under the Development Loan Corporation.

I am against a one-world concept. I am against the idea that we have to share everything with every other country in the world and that every country ought to spend our money and ought to tell us what to do. I am against that. I make no apology for being against it.

That is what the Senator is arguing for today. The Senator is arguing that we ought to take $5 billion, which we have in the Treasury as of the moment in the form of currencies of other countries, and put the money into a pot or put it into some kind of a fund and permit other countries to tell us how to spend it, how to loan it, and how to handle it.

Mr. MONRONEY. Is the Senator against the World Bank?

Mr. CAPEHART. I am not against the World Bank.

Mr. MONRONEY. Would the Senator be against making investments in long-term debentures of currencies which are worthless to us today? There are restrictions against the United States replacing dollar markets. We can use the funds only for the small diplomatic expenditures which we might have in foreign countries, or some defense activities in foreign countries.

The Senator says that nobody should tell us how to spend this currency. I hope the Senator will tell me how he thinks we can spend these currencies.

Mr. CAPEHART. That is very, very simple. That is being done at the moment by the Development Loan Corporation.

Mr. MONRONEY. Will the Senator name the number of loans which the Development Loan Fund has made in local currency? Every loan has been made in a hard-dollar currency, and is repayable in a soft currency.

Mr. CAPEHART. Of course, that is not a completely true statement. We have loaned back to these countries millions of dollars.

Mr. MONRONEY. That is the program under Public Law 480.

Mr. CAPEHART. We have loaned back to these foreign countries currencies which we have obtained as a result of the sale of surplus products, for development in those foreign countries.

Mr. MONRONEY. The Senator is correct.

Mr. CAPEHART. We have loaned hundreds of millions of dollars.

Mr. MONRONEY. That is the program under Public Law 480 and under the ICA. In most countries, we never loan more than 50 percent of the currency developed under Public Law 480, so the residue keeps piling up.

The Senator might be interested in knowing that if we do not find a use for these currencies, the projection of the experts of the Treasury Department is that with interest coming in from the loans already made and others which will be made under the loan-back program, we will acumulate a total of $100 billion by the year 2000, which is not too far away.

Mr. CAPEHART. Can the Senator show me anything in the resolution which has any bearing whatsoever upon the disposal of these currencies.

Mr. MONRONEY. If the Senator will look at the resolution, he will see that we are trying to find a way to use them. We are trying to find a mechanism by which to accomplish our purpose. We are trying to set up an international organization, if the study proves it will be feasible.

Let us not quarantine ourselves from information. I think it is high time that we search for the new. We should explore for the new. Let us not pull down the shades and say, "We know everything already; we would like to be the sole banker for the world, and we would like to be the sole grantor of foreign aid."

I think it is time for us to share a little bit of the privilege, as well as the responsibility and the burden, with other countries which have been helped and are doing pretty well in their recovery.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. CAPEHART. We have the point 4 program now, under which we are loaning money. We have the International Bank for Reconstruction and Development, under which we are loaning money internationally. We have the International Monetary Fund, the international finance company under which we are loaning money. We have the Development Loan Fund, which we established a year ago. We also have the Export-Import Bank and Public Law 480. In addition, we have the President's emergency fund.

There is not a single one of those organizations to which we could not turn over all the currency the Senator is talking about. We could turn over $5 billion worth of currencies to all of those agencies, or to any one of them, and loan the money to any country in the world we cared to loan it to.

Mr. MONRONEY. I wish the Senator would tell me how we can satisfy Douglas Aircraft Co., or Boeing, by paying for an airplane in local currencies of Thailand, or Japan. The Export-Import Bank finances the sale of American products abroad, but I am sure the Senator is not proposing that we take payment for the new turbo-jets in Japanese yen or in Thai baht, or in the Spanish pesetas. They will want their payment in dollars.

The International Bank for Reconstruction and Redevelopment, with its affiliates, is one big international lending institution, to which this proposal would add another element. All the others are unilateral lending institutions, combined with an aid program. What the Senator is still resisting is the effort to allow anyone else to participate in foreign aid or foreign development loans. I think it is a worthy program to share with others, and worth having the help of others in carrying that load.

Mr. CAPEHART. The Senator does not deny the fact that if we wanted to do so, we could turn over $5 billion in foreign currencies to the Export-Import Bank to lend?

Mr. MONRONEY. What would they do with it?

Mr. CAPEHART. They could do exactly the same thing with it as would the proposed new organization.

Mr. MONRONEY. The Senator desires to change the character of the Export-Import Bank, and put it in the "soft" loan business.

Mr. CAPEHART. I am against doing it.

Mr. MONRONEY. The Export-Import Bank is not a "soft" loan bank. It does not finance anything but American production. The soft currencies might be turned over to it for storage. Warehouse receipts could be issued, and they could be allowed to gather dust and to mold, but they could not go to work, because the Export-Import Bank is not that kind of institution.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. AIKEN. The Senator from Indiana is figuring in terms of spending $5 billion of foreign currency. The $5½ billion total authorization under Public Law 480 includes all the transactions

which have been made up to this time, as well as those which would be made during the period for which Public Law 480 is extended. I do not think there is much more than $1¼ billion of foreign currency available at this time; and I surmise that most of that is already committed for some other purposes.

Mr. MONRONEY. It is estimated that by 1960 the amount will be $5 billion. Sales agreements vary from country to country. In one case the lend-back is 50 percent; in another case 40 percent; and in still another case 90 percent. Repayment is at various rates, and at various rates of interest. The entire program, even for lending in the country of origin, badly needs uniformity. We believe that under this program we can commit some of these sums to useful and constructive purposes.

The late Senator George of Georgia used to stand on this floor and say, "Beware of the day when the United States becomes the sole banker for the world, when all the debts are owed to us." Sooner or later there will be a wave of forgiveness. We shall tear up all the I O U's and start over again, and Uncle Sam will be left holding the bag.

I say, let us organize a lending institution so that all the people who borrow will be stockholders, and we shall have an institution rather than a single money lender.

Mr. AIKEN. I can remember when the prediction was made that when the national debt reached $50 billion our Government would fall flat. We cannot see as far ahead as the year 2000. We cannot see what is going to happen in the year 1960.

I rose not to get into an argument about conjectural matters, but to point out that there is no $5 billion in foreign currencies available for this purpose.

Mr. MONRONEY. There is about $2½ billion. The projection for 1960 is about $5 billion.

I am, of course, fully aware of the limitations on the use of such local currencies. However, they have been used successfully in triangular trade arrangements for development purposes. Their use would be greatly increased in an international mechanism and their usefulness will, of course, increase directly in proportion to our achievements in the economic development of the issuing countries. The currency which is of little value today may be of great value in 10 years.

The policy of using foreign currencies owned by the United States for loans to third nations has previously been authorized by the Congress but there is no adequate mechanism for performing this function. Public Law 480, section 104 (d), of the 83d Congress, which permits sale of United States farm surpluses for foreign currencies, authorizes the use of these currencies for loans for economic development. The Mutual Security Act, section 402, also authorizes the President to transfer Public Law 480 funds to an international organization.

The United States Government now owns approximately $2.5 billion of foreign currencies, but by 1960 it is expected to possess as much as $5 billion. Approximately 50 percent of these funds have been loaned back for terms of from 10 to 40 years, with repayment commencing after the first 4 years. Hence, by 1960 and 1970 our stock of these foreign moneys will vastly increase. In the past the United States has been able to use these local currencies for several worthwhile purposes, but these same purposes are not likely to consume the twofold increase which is contemplated. A State Department memorandum notes that in many cases these funds will be substantially beyond the needs of the United States to cover anticipated United States expenditures. If this comes to pass, the fruitful use of such funds will at that time become a problem.

One of the purposes of the European Payments Union was to promote the use of local currencies as a partial substitute for direct foreign aid. The EPU illustrates some things that can be done to maximize the international use of foreign currencies. The EPU began operations in 1950 to relieve some of the foreign exchange shortages of the Marshall plan countries and to assist in promoting conditions under which certain "soft" currencies might be convertible with other currencies. The Union serves as a mechanism through which member-states channel all payments to one another; in other words, members substitute multilateral payments for bilateral payments. Thus, while one state is short of another's currency it draws on third country currencies in its EPU balance and is not prevented from engaging in necessary foreign trade with any EPU member because of a foreign exchange shortage.

I do not wish to raise any false hopes that these foreign currencies could be used to the extent of their face value. There would doubtless be a great many practical problems involved in using any great amount of foreign currencies in third countries, since most of these currencies are those of underdeveloped areas themselves, which have few goods to spare for export on credit to other countries. Nevertheless, means of increasing their use ought to be thoroughly explored.

I urge the passage of this resolution by the Senate. I urge that the study for which it calls be promptly undertaken.

We have seen the Soviet Union counter and pervert every unilateral effort which we have made to assist in economic development, and the whole problem overcast by suspicion, accusation, and contraversy. The world is waiting for leadership in an adequate program of economic development. It is waiting for a dynamic program, which can capture the imagination and stimulate the best efforts of mankind.

I believe that its passage may lead to a new era in international economic development—one in which the nations of the world will renew their joint effort to realize the bountiful promise of today's science and technology, and to distribute that bounty more equitably among the world's peoples. If by this resolution we contribute in even a small way to that objective, we will have rendered great service to our own Nation, to all mankind, and to the cause of world peace.

Mr. MORSE. Mr. President, as one of the cosponsors of the resolution, I cannot commend too highly the Senator from Oklahoma for the work he has done on the resolution and for the leadership and foresightedness he has displayed in bringing the subject of an international development program before the Senate and the American people.

I have read the individual views of the Senator from Indiana [Mr. CAPEHART] and the Senator from Ohio [Mr. BRICKER]. Because of my very high regard for both Senators, I wish to make clear my point of view in regard to the objectives of the resolution, because I think this should be a part of its legislative history.

On February 10 of this year, I spoke at length on what I regard as the deficiencies in the military phases of our foreign aid program. At that time I stated that at a later date I would speak on what I regard as the deficiencies of our economic aid program. It was only a few days later that the Senator from Oklahoma submitted his original resolution calling for a study of the feasibility of an addition to the International Bank for Reconstruction and Development, an addition which would provide capital for the type of loans which are now largely refused by the bank.

I desire to stress that the basic purpose of the resolution is to provide a study, so that we can ascertain what the situation is. There is no intention or language in the resolution which would require the International Bank to make any specific loan, if its study of a specific loan proposal convinced the bank that it was not in the economic interest of the bank to make it, or if it was not a good business loan. That is a point I wish to stress above all else.

Therefore, I was pleased to be a cosponsor of the new version of the resolution reported by the Committee on Banking and Currency. I only hope that our directive to the National Advisory Council to make such a study will not prove to be a mere academic gesture.

It deserves to have the constructive help and support of the entire administration, including the State Department, because it is long past time that we regarded economic development as a bargaining point in the cold war. It is long past time that capital for economic development and human welfare were removed from the East-West struggle. For too long the State Department has regarded economic aid for underdeveloped countries as more of a lure and reward, when it should more properly, in my opinion, be regarded as a necessary element in the growth of the nations where live the masses of the world's people who have lived too long in the shadow of colonialism.

Two years ago the Senate provided many thousands of dollars—in fact, I think the RECORD will show it was about $270,000—for a study of foreign aid by a group of scholars from the University of Chicago, Columbia University, Massachusetts Institute of Technology, Princeton University, Brookings Institution, and several additional private research agencies.

I think the resolution offered by the Senator from Oklahoma should be considered carefully. It deserves to be considered in terms of what the study groups of experts consider advisable with respect to economic aid development.

I have been heard to say many times that I do not believe in arguing facts. I believe in finding the facts. Our first step in this field, it seems to me, is to have the study proposed by the Senator's resolution. The resolution commits the Senate to nothing except a study. After the study has been made, then, as a matter of policy, the Senate can decide what its future course of action should be. On that basis, I support the resolution.

One of the most important studies made on foreign aid by the expert groups with whom the Foreign Relations Committee entered into contracts was that by the Center for International Studies of the Massachusetts Institute of Technology, in which it was stated:

Initially we had hoped that it might be possible to create around the border of the Communist bloc local strength adequate to contain Communist forces. It is now becoming increasingly apparent that, since any general war which threatens our security will probably have to be fought largely by our own military forces, our security interests in the underdeveloped areas can best be met by strengthening the capacity of these countries to resist internal subversion and limited forms of aggression. To the extent that countries receiving our aid can reduce the likelihood of internal disorders and subversion our defense problem will be lightened, but we cannot expect such countries to build strong enough defenses to resist all-out Communist military aggression. This strategic concept has not, however, led to a redesign of our military-aid programs, which are still directly or indirectly designed to make possible the maintenance of standing armies much larger than these countries could otherwise afford.

That this outmoded concept still prevails is borne out by the requests submitted by the administration and largely approved by Congress for foreign aid. Of the nearly $4 billion requested, $1.8 billion was for military assistance and $835 million was for the defense support needed to complement the military assistance. That means that about 65 percent of this year's total foreign-aid program is to go for military purposes.

I point out that according to Secretary Dulles' testimony to the Foreign Relations Committee this year, 70 percent of the defense support funds will go to just 4 countries—Korea, Taiwan, Vietnam, and Turkey. That would be an average of $146 million to each, in addition to military hardware itself, and in addition to economic assistance they may receive under other parts of the mutual-security program.

In other words, each of these 4 nations is overmilitarized in terms of its economic structure to the extent of 146 million American dollars.

Although we have had some scary warnings about how American security would be threatened unless the whole request is provided, no suggestion has ever been given that by sustaining these overgrown military establishments in Korea, Taiwan, Vietnam, and Turkey is the need removed for American military action in case of attack on any one of them.

On the contrary, does anyone doubt that if the Communist government of China launches a full-scale war against Nationalist Taiwan it will take the United States 7th Fleet and probably a lot of American air and land power as well to repel it?

Does anyone suppose for a minute that if Russia were to invade Turkey with all the strength of its missilry and weapon development that anything short of American intervention with the same weapons could match Russia?

The answer is the one suggested in the study I have just quoted—that any war that threatens our security will have to be fought with our own military forces.

Of course, we can get help. I am sure we will get it from the free nations that are able to give it.

But in a future war, is any nonatomic, nonmissile power really going to count for much? I doubt it. Such countries will quite likely be just as devastated and decimated as the great powers, but their military forces equipped with rifles, tanks, and planes of World War II or even Korean war vintage are not likely to affect the outcome.

That is why I questioned at great length the objectives and amounts of the military-aid program in my speech of February 10. That is why I question the soundness of a foreign-aid program in this year of 1958 that is 65 percent devoted to military purposes above and beyond our own forces. That is why I suggested that our military aid ought to be directed to the NATO powers who can use it effectively and that we cease passing it around in costly driblets to any head of state who has his own personal uses for it.

What can contribute to the strength of these nations is economic assistance.

It is economic assistance that I want to discuss in detail today. Because the Soviet Union has not failed to recognize what we are now failing to realize ourselves—that a sense of urgency about economic development and improvement has arisen in Asia, Africa, and the Middle East, and that to these populations, economic aid has become more attractive than military aid.

I quote from the MIT study, page 9:

Even in the SEATO area, the pressures for increased economic aid expanded; and elsewhere in the underdeveloped areas the continued American emphasis on the maintenance of ground force deterrence appeared out of step with local political pressures and interests. Our allies, friends, and potential friends of the Free World became progressively more frustrated by the cast of American policy and the aid program that backed it.

The authors of this study believed the United States has an opportunity over the next two or three decades to resolve the cold war and to resolve it in favor of an atmosphere more congenial to the American way of life. It rested this view upon 2 facts about the modern world and 1 proposition. I quote this lengthy statement in full because it is the foundation of my own view of the direction our foreign-aid program must take:

The first fact is that one-third of the world's peoples have come to share a determination to overcome, and quickly, centuries of social and political inertia and economic stagnation in order to achieve a larger national dignity and, in particular, to create expanding economies and rising standards of life. Embarked upon revolutionary changes in their modes of life, these peoples—including some who are our military allies— are as yet uncommitted. Most are uncommitted in terms of the day-to-day alinements of the cold war; more important, almost all are uncommitted in terms of the kinds of societies they want to create.

The second fact is that the United States is a country of immense and fast increasing wealth, and hence in a position to deploy abroad substantial resources while continuing steadily to raise our own standards of living. Further, we have developed more successfully than most nations social, political, and economic techniques for realizing widespread poular desires for change without either compulsion or social disorganization. Although these techniques must be adopted, country by country, to fit particular local conditions, they represent a considerable potential for steering the world's newly aroused human energies in constructive directions.

The proposition is that a comprehensive and sustained program of American economic assistance aimed at helping the free underdeveloped countries to create the conditions of self-sustaining economic growth can, in the short run, materially reduce the danger of conflict triggered by aggressive minor powers, and can, in say two to three decades, result in an overwhelming preponderance of societies with a successful record of solving their problems without resort to coercion or violence. The establishment of such a preponderance of stable, effective, and democratic societies gives the best promise of a favorable settlement of the cold war and of a peaceful, progressive world environment.

This, of course, is an optimistic view. The MIT group may be too optimistic in feeling that effectively democratic societies will evolve if only development aid is made available to them in sufficient quantities. If that is to occur, a lot of other things will have to happen in addition to the supplying of capital. But I do think that unless there is a rise in their living standard, there can be no development toward democracy at all.

Here I think it is important to bring in some of the findings from the study, The Role of Foreign Aid in the Development of Other Countries, by the Research Center in Economic Development and Cultural Change of the University of Chicago. This study dealt largely with the impact of foreign aid on underdeveloped countries.

First, it fixed as underdeveloped the countries with a per capita gross national product below $300, and noted that most of the countries of Asia, Africa, and Latin America fall into that category.

It found that these countries have fallen behind in their economic performance because the quality of the human resources employed in production and the quantity and kind of capital they use are far below those employed in the advanced countries.

But it found that economic growth does not necessarily mean the development of the free, democratic society such as we enjoy in the United States. In-

deed, when a nationality group bursts from centuries of stagnation into economic progress, its entire social and economic structure must be expected to change, and in such change the institutions of government that emerge are myriad.

I quote from the University of Chicago study:

Economic change, if it is on a large enough scale and meets with enough success, tends to generate the conditions, both economic and cultural, of its own continuance. There is considerable evidence that the changes associated with industrialization and urbanization are particularly effective in this respect. Though growth also gives rise to social and cultural disorganization which must be dealt with, such disorganization by loosening traditional structures, may aid in further favorable changes, if new substitutes and new alternatives are also available.

Note that this study is more tentative in its conclusions about the growth of democratic institutions. It is wise for us to remember the social and political cleavage that resulted in our own country from the industrial revolution, a cleavage that was resolved only by a bloody and costly Civil War.

The tearing apart of social, economic and political structures that have dominated these underdeveloped countries often for centuries, is going to result in turmoil in many cases. We may as well understand that fact at the beginning. But it is also a fact that new structures of some kind are going to grow and the important thing is the direction and form that they take.

The United States, with its great wealth, is in a position to influence the direction they take, if we are wise enough to be able to do it.

I quote from the University of Chicago's analysis of the industrial revolution:

The combined impact of economic development resulting in higher standards of material welfare, of industrialization, and of urbanization, remodeled the social structures of the developing countries. In those countries in which longstanding aristocratic prerogatives had prevailed, these prerogatives tended to fall before the growing wealth and political importance of the middle class. In the course of the 19th century, the franchise was greatly extended, and it became possible in almost all developing countries for a man with intelligence and initiative to move up to a position of wealth and influence. The fact that many American Presidents and legislators started life, if not in log cabins, nevertheless in poor and narrow circumstances, is one of the more patent examples of this process. * * *

The process of economic development and associated social change has thus had the general effect of tending to introduce more democratic, egalitarian social relations. As a society becomes wealthier, it can afford to distribute its wealth more equally. As persons acquire a greater share in society's output and a greater amount of wealth, they recognize more and more clearly that they have a stake in the nation and that economic progress benefits them, whatever else it may do for others. This is an important fact to bear in mind, since a policy of foreign aid pursued by a democratic country may be justified by the fact that where it is successful in actually helping to raise living standard noticeably, it is likely to extend the attraction of responsible democratic government and to constitute a blow against communistic irresponsibility and aggression. However, as we shall try to show in the next chapter, the path to genuine economic advance on a mass basis is slow and subject to many interruptions and potential blind alleys.

As this study makes clear, whatever their capacities, most of the poverty-stricken people of the world have learned in the last few years that their condition is not necessarily inevitable or permanent. Great masses of them are determined to do something about it, one way or another. If we could only understand that this is exactly what is now happening in the Middle East, I think our policy there would be a much sounder one.

In all likelihood, and I paraphrase the study by the University of Chicago, they will experience periods of upheaval and a highly unstable social and political equilibrium. It is even possible that as a country builds its economic strength it will turn its back on the West and become a partisan or sympathizer of the Communist camp.

But at the same time, economic development and a genuine improvement in the way the masses of the people live are essential to democracy and self-determination. The countries of Southeast Asia and the Middle East are probably the most crucial in this respect. It is uncertain which direction they will take. But it is certain that their people are never again going to be satisfied to exist at the very bottom of the scale of human life.

Therefore, the question becomes, in my judgment, not whether, but how can the United States most effectively aid their economic development?

First, let us consider the need. The final point in the summary of the University of Chicago study stated:

It is estimated that economic aid to the strategically located countries in Asia, the Middle East, and Africa, if provided on a basis large enough to achieve the objectives envisaged in this report, and yet to be absorbed suitably by the economies of the aid-receiving countries, would run at a minimum of $2 billion per year in the early years, but that this amount may have to be raised to approximately $3 billion annually, that it might use to a minimum of $5 billion annually at a later stage, and that it would decline after that, as aid-receiving countries become progressively more able to sustain their own economic development out of their own resources and savings.

That estimate involves only Asia, the Middle East, and Africa. It also allows for private investment there of about $1 billion a year.

In its study, The Objectives of United States Economic Assistance Programs, the Massachusetts Institute of Technology Center for International Studies found that—

Absorptive capacity is so limited in many underdeveloped countries that relatively small amounts of capital ($2.5 billion to $3.5 billion more per year from all sources) would amply suffice even if every underdeveloped country of the Free World were to avail itself fully of this opportunity. In practice it is unlikely that more than 50 to 60 percent of this amount would be taken up (p. 61, Foreign-aid program, S. Doc. 52, 85th Cong.).

I think it is fair to say that these studies, then, fix the need for capital in underdeveloped countries from nonprivate sources at around $2 billion a year. I appreciate that a special five-man group appointed by the Secretary General of the United Nations to estimate the capital needs of the underdeveloped countries came back with an amount far in excess of that, but its assumptions in making the estimate were considerably different. For the work done by the United Nations in this field, including the reference I have just made, I refer students of this subject to the book published in 1957 by the Brookings Institution. The United Nations and Promotion of the General Welfare.

The next problem is the source of the $2 billion, which I shall use for discussion purposes as the amount needed from nonprivate sources. There is at present no multilateral lending institution, with the exception of the International Bank for Reconstruction and Development. The loans made by IBRD, however, have unqualified conditions for repayment and carry a relatively high rate of interest. The IBRD has not met to the extent necessary the demand for loans for the basic services needed by human beings in modern society. It lends money for projects with little risk, and requires repayment in dollars or other international currency.

Thus, nations seeking such loans must go to the great powers, principally either the United States or the Soviet Union, and ask for money. They may receive it, either by loan or by grant. But in either case, and especially in the case of a grant, there is the inevitable implication of obligation. On both sides, it is inevitably assumed that the recipient will follow the lender in international affairs. The result has been that in America, for example, we find ourselves expecting every beneficiary of our foreign aid program to do as we do vis-a-vis the Communist world, and to support our position without question in every international dispute. When they do not, we tend to regard them as "ingrates."

I think the same feeling arises in the recipient country, particularly among the political opposition of the Government that may have accepted the financial assistance from us. That Government is accused of being a tool of America, or of the West, and its freedom of judgment on the merits of the issues is thereby limited.

On the other hand, if such a nation accepts financial assistance from the Soviet Union, we consider them to be satellites at worse, and neutrals at best, in terms of the cold war.

As the study by Stuart Rice Associates on The Foreign Aid Activities of Other Free Nations, put it:

Motives of self-interest for extending aid bilaterally seem obvious. A large measure of control is left in the hands of the donor country. In the case of dependencies over which the continuance of control is desired, this factor may seem especially important. The mother country can decide for what particular objects and under what specific conditions aid is to be used, thus protecting

its suzerain relationship. The United Kingdom, France, Belgium, Portugal, Spain, and the Netherlands are all aware of and make use of this advantage. As a corollary, bilateral assistance by other nations to the dependencies of colonial powers is unwelcome. The mother country jealously guards her prerogatives and thus seeks to discourage her offspring from developing romantic interest outside the family (p. 1131, Foreign Aid Study, S. Doc. No. 52, 85th Cong.).

The study does not find American aid motivated to quite the same extent by a desire to retain dominance over the recipient nation as occurs among some other Western Powers. But it also points out that we put a much heavier emphasis upon military aid than do our allies.

I would like to point out here that among the recommendations of the Stuart Rice Associates study were the following:

3. By amendment of the Mutual Security Act or by request addressed to the President, attempt to secure a closer coordination within specific regions of the bilateral economic and technical assistance programs of the United States with the interests and activities of local governments, multinational agencies and private organizations; to the end that the conceptions and type of relations embodied in the Colombo plan be utilized in the administration of foreign aid programs of the United States.

4. Take steps to explore the possibility that the charter and procedures of the International Bank for Reconstruction and Development might be so interpreted or altered as to enable it to supervise the extension of grants and nonself-liquidating loans intended to provide the infrastructure of development in underdeveloped countries; and meanwhile withhold Senate approval of the proposed Special United Nations Fund for Economic Development (p. 1065, Foreign Aid Study).

The Stuart Rice study finds a stronger case for multilateral channels for technical assistance than for development aid. But I personally think the study underestimates the interest the United States itself has in contributing to economic development that is not tied to the parties contending in the cold war.

This study also points out that bilateral aid affords the poorest channel for disposal of agricultural commodity surpluses, a discussion which has particular relevance to the resolution now under consideration.

In the MIT study, six criteria were listed for the channels through which our economic aid might best be directed, and I ask to have the list printed at this point.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

(1) The channel for aid must be such as to instill confidence among the American people that aid funds will be prudently and effectively used.

(2) At the same time, the channel chosen should create in the minds of the peoples of the world the most favorable image possible of United States motives and intentions. In any aid program it will occasionally be necessary, in accordance with the aid criteria established, to limit aid to a country to less than it feels it could effectively use and to reject certain projects or programs. Unless the aid channel has helped engender confidence in the recipient countries that decisions are made according to objective economic criteria, suspicion may arise that aid is being given for ulterior political or imperialistic motives. In general, the aid programs will be most effective if they establish an atmosphere of partnership between countries supplying aid and those receiving it.

(3) Aid channels should be such as to encourage the widest possible participation in extending aid among countries able to do so. Moreover, the aid mechanism should facilitate coordination among the various countries and agencies extending loans, grants, and technical assistance, both in order that they may operate with knowledge of each others' programs and negotiations and in order that underdeveloped countries may be informed concerning the alternative sources open to them.

(4) Channels should be so designed as to remove aid as far as possible from the context of East-West competition. Confidence should be established, for example, that United States aid for economic development is not being employed as a tactical weapon of foreign policy intended to buy allies or to counter Soviet aid moves. An aid program will not achieve its objectives unless the recipients are convinced that their foreign policy is in no way compromised by it and that aid and economic advice are offered solely to help them promote development.

(5) The aid channel should tend to encourage economically beneficial international trade relations among developing nations and between them and other nations.

(6) The creation of new and untested administrative machinery should be avoided unless a clear advantage exists in doing so. Likewise, action should not be taken which reduces the effectiveness of existing channels for supplying economic aid.

Mr. MORSE. I now ask to have printed the discussions Exclusive Reliance on Multilateral Channels, Increased Reliance on Multilateral Program, and Establishment of a New Multilateral Development Organization from the study by the Brookings Institution on the Administrative Aspects of United States Foreign Assistance Programs.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

EXCLUSIVE RELIANCE ON MULTILATERAL CHANNELS

In support of the alternative of placing exclusive emphasis on multilateral agencies, there is evidence that such agencies possess several inherent advantages over the United States bilateral program that enable them to be more effective in achieving the purposes of foreign assistance. One such advantage is that the beneficiary countries are less sensitive about receiving such aid from multilateral agencies and less fearful that their political sovereignty and independence may be compromised. The United Nations agencies are, therefore, more readily welcomed than national agencies with regard to such matters as the formulation of national development programs and the adjustment of trade and fiscal policies. Likewise, multilateral agencies can insist on severe preconditions to aid, with less suspicion of ulterior motives.

In the United Nations programs the less developed countries are donors as well as recipients; they both send and receive technicians and trainees. The greater willingness to see the program move into sensitive areas of public administration and economic development is a corollary of this sense of participation. The program for economic integration in Central America is one example of what the United Nations agencies are doing very well that the United States program probably could not do as effectively. Closely related to this is the fact that the United Nations policies are not controlled by the political and commercial objectives of a single nation in arriving at decisions on the giving and withholding of technical assistance.

In the recruitment of expert technicians to serve the program, the United Nations has three advantages over the United States program: (1) It can range over the whole world to find suitable people. In such fields as tropical agriculture and tropical medicine, the United States may have fewer experts than other nations. (2) The United Nations can frequently recruit technicians from countries whose conditions are not too dissimilar from those in the countries to be served, and the experts will, therefore, be more familiar with the problems to be solved. (3) The United Nations can attract competent experts from most parts of the world without offering quite as much remuneration as American agencies are compelled to offer.

Two further considerations are relevant. The United Nations program has made greater advances in terms of regional projects that require the concurrent action of several countries. Within the last 5 years, the Expanded Programme of Technical Assistance has initiated many such regional projects, but the regional projects of the bilateral program are still in the planning stage. Finally, there is the hope that habits of cooperation developed in the promotion of economic development will carry over into the solution of political problems.

It is possible, however, to recognize the merits of the multilateral programs without going to the extreme of suggesting that the United States either can or should terminate the bilateral program and place exclusive reliance on multilateral channels. Two major considerations are applicable here: (1) the administrative problem and (2) the financial problem.

First, the point is made that the Expanded Programme of the United Nations is still so new—only 6 years old—that it has not yet put its administrative house in order. To require it quickly to multiply its operations severalfold would create a serious danger of administrative breakdown. The program has no central administrative authority. The Technical Assistance Board coordinates the separate efforts of 6 major and 2 smaller agencies, but it has no direct administrative authority. The resident representatives have recently been given the authority to coordinate at the country level, but they have yet to receive full acceptance from the major specialized agencies. Their coordinating authority extends chiefly to program planning rather than to operations. In many cases, the technicians at work overseas are receiving quite inadequate technical support and guidance from the headquarters of the specialized agencies. The new country-planning mechanism of the program was being tried for the first time in 1956.

The United Nations program has no procedures for making substantial grants for supplies, equipment, and machinery. Its arrangements for introducing joint administration of project activities with the host governments are only in the early stages of exploration. It has not yet developed its own equivalent for the servicios (instruments for joint administration), the inter-university contract under which established universities can assist in improving the quality of universities in underdeveloped countries, or the enlistment of the services of private engineering and management firms. The program has yet to provide in most beneficiary countries a permanent core of administration to which visiting short-term experts can be attached.

Second, there is the financial problem. The United Nations program is spending ap-

proximately $28 million a year, of which the United States contributes about 50 percent. The accompanying table summarizes the financial contributions to the United Nations technical assistance program during the period 1950 to 1956. Transfer of the United States bilateral operations to the United Nations program, without a significant increase in the contributions of other nations, would mean that the United States would pay so predominant a share of the total cost that the program would cease to be truly multilateral. If 1 nation were to pay more than 90 percent of the cost, its influence would presumably be overwhelming and its citizens and officials could not long be expected to refrain from asking for a controlling voice. Most of the other nations could probably not increase their contributions to preserve the ratios that now obtain in the United Nations program without overstraining their treasuries. A marked increase in United States contributions to the United Nations program must therefore result either in a grossly disproportionate payment by the United States to the multilateral program or in a drastic reduction of the total amount available at a time when more funds are needed.

INCREASED RELIANCE ON MULTILATERAL PROGRAM

The alternative of placing greater, but not exclusive, emphasis on the multilateral approach can be based on the considerations cited above both for and against the first alternative. Those considerations stress the advantages, present and potential, of assisting the underdeveloped countries through the United Nations programs. But experience suggests that the United Nations program probably cannot carry the total administrative burden or be adequately financed without straining its international character. There is, therefore, a need for the continuation of the bilateral activity and even its growth in size if events make that desirable. At the same time, there is support for increasing the United States financial contribution to the United Nations program to a much larger annual sum, as large an increase as can be made without damaging the multinational character of the program. Such a proffered increase may also elicit larger contributions from other nations and facilitate the necessary effort by the United Nations to strengthen the administration of the Expanded Programme of Technical Assistance by providing stronger coordination at headquarters and better integration of activities at the country level.

Militating against increased reliance on the Expanded Programme, there is the difficulty of achieving substantial administrative improvement within the next few years, especially in view of the insistence of the specialized agencies on the need for independence from United Nations control. There is also doubt that the funds of the United Nations program can be increased substantially if approximately the present ratio of contributions is to be maintained. And there is the argument that the identity of the United States contribution may be lost in the United Nations program, and gratitude may flow to only the United Nations as the immediate donor.

A recently developed variation on this alternative calls for increased reliance by the United States on multilateral channels by developing a joint programing agency that would prepare broad development programs that both the bilateral and multilateral programs would use as the basis for grant aid, technical assistance, and loans. An important consideration to note here is that the United States could support the creation of such an agency whether or not it decides to increase its financial contribution to the United Nations programs.

This proposal has recently been set forth in some detail, and the full case for it need not be repeated here.[1] The essence of the proposal is that such a programing agency, preferably organized as an affiliate of the International Bank for Reconstruction and Development, could perform the important functions of investigation, analysis, planning, and surveillance. Such an agency could draw on the experience and staff of the International Bank for Reconstruction and Development. It could formulate and generate acceptance of a set of rigorous criteria for controlling assistance. On that basis, both bilateral and multilateral programs might be less suspect and more effective in insisting on these preconditions. The agency could also help to coordinate the program planning of bilateral and multilateral agencies and thus produce more effective concentration on an agreed program.

Whether such an agency would produce realistic development programs satisfactory to both underdeveloped and developed countries alike is problematical. There is, in addition the argument that the administrators of bilateral programs should be in control of the planning as well as the operating phases. Directors of bilateral programs may feel compelled to make different programing decisions in many cases from those made by the joint agency. It can be asked, therefore, how much true coordination can be expected to result from this proposal.

There are also grounds for supporting greater use of the International Bank for Reconstruction and Development. The bank has been widely praised for having developed international cooperation in long-term lending with exceptional energy, integrity, and competence. As of December 13, 1956, the bank had made 160 loans totaling the equivalent of nearly $3 billion to 43 countries. It has also carried on extensive technical assistance operations, including country missions that have produced thorough and useful reports. Of all the multilateral agencies engaged in assistance activities the International Bank for Reconstruction and Development has been the most successful in winning respect and confidence from the United States financial and commercial community.

In general support of the work of the bank, it is also possible to cite many of the advantages of the multilateral approach discussed above. Furthermore, its articles of agreement provide somewhat greater flexibility than is possible in the case of the Export-Import Bank. Whereas the Export-Import Bank provides dollar loans for the purchase of goods and services from American suppliers, the International Bank for Reconstruction and Development can make loans in various currencies and receive payment in the currencies lent. Borrowers can purchase from any foreign bidders who meet their standards.

On the other hand, it can be said that there does not appear to be a need for any increase in the United States subscription to the bank because it already has, or can command, sufficient resources to take care of all requests that meet its present standards. Moreover, it has seemed useful in the past to maintain a bilateral lending program, largely through the Export-Import Bank, which is directly and wholly subject to the political and economic directives of the United States Government and is also in a position to respond more quickly than an institution in which 60 members have a voice. Moreover, not all governments to which the United States might wish to lend are members of the International Bank for Reconstruction and Development. Finally, some foreign governments may not wish to submit their loan requirements to the scrutiny of the International Bank for Reconstruction and Development, particularly when its membership may include governments that are not on good terms with the petitioning state.

There are also regional organizations through which the United States might work in formulating project plans, in deciding on budget allocations, in improving the quality of daily operations, and in promoting regional projects. The most conspicuous instance of such a regional grouping is the Organization for European Economic Cooperation, which played an outstanding role in the administration of the European recovery program.

Another multilateral channel is the technical cooperation program of the Organization of American States. This program includes no economic aid, and its technical assistance work is confined to operating the seven regional technical training centers already mentioned. Clearly, the Organization of American States program cannot carry any major part of the technical cooperation work now administered in Latin America through the International Cooperation Administration. However, the Economic and Social Council of the Organization of American States is seeking ways to increase and broaden the technical assistance work of the Organization of American States in Latin America. In an effort to avoid the charge that it is dominating the Organization of American States, the United States has probably leaned backward too far; it has not given strong leadership either to the Organization of American States or to its technical cooperation activity.

Another relevant arrangement is the Colombo plan, which is serving as a consultative arrangement for the pooling of views regarding the economic development programs of countries in south and southeast Asia. It thereby facilitates the planning and administration of the United States bilateral assistance programs in the area and simultaneously serves the same purposes for a series of Commonwealth bilateral aid programs among the nations of the British Commonwealth. The Colombo plan has also been able to help materially in promoting mutual supplementation among most of the bilateral and United Nations activities under way in south and southeast Asia. Two smaller regional organizations that engage in some technical assistance activities in their respective regions are the Caribbean Commission and the South Pacific Commission.

ESTABLISHMENT OF A NEW MULTILATERAL DEVELOPMENT ORGANIZATION

Because of the various administrative and financial obstacles that seem to stand in the way of the United Nations expanded program of technical assistance, it has been proposed that a new multilateral development organization be established. It is not feasible to examine the arguments for and against all of the various proposals that have been put forward, but it is possible to summarize at least three major types of suggestions that have been somewhat widely discussed.

One group of proposals would establish a new multilateral agency for the administration of technical assistance alone, leaving loans to be provided, as at present, by the International Bank for Reconstruction and Development. A second group would establish a new multilateral organization for the provision of economic aid through both loans and grants, leaving technical assistance to be provided, as at present, by the Expanded Programme of Technical Assistance of the United Nations. A third group would establish a new multilateral development organization that would provide both technical and economic assistance, and might absorb the present functions of

[1] Max F. Millikan and W. W. Rostow, A Proposal: Key to an Effective Foreign Policy (1957).

both the Expanded Programme and the International Bank for Reconstruction and Development.

The first type of proposal is designed to alleviate one of the greatest difficulties in the administration of the Expanded Programme: the absence of a strong central authority. The Technical Assistance Board coordinates the separate efforts of 6 major and 2 smaller agencies. Of these 8 agencies, 7 are specialized agencies with independent constitutional status. This proposal would call for terminating the Expanded Programme and establishing a single United Nations Technical Assistance Organization, to which would be transferred the funds and personnel now available to the Expanded Programme. The present specialized agencies could continue to administer their regular programs, to which their technical-assistance work has been a major addition since 1950, and the new organization might contract with the agencies for some work in their respective fields. Another possibility would be to merge the specialized agencies with the United Nations, but such a reorganization would be confronted with great constitutional and political barriers. The strongest general arguments leveled against this approach are that it would disrupt the present arrangement, without ensuring any substantial improvement, and it would create a new, independent agency, which might exacerbate rather than ameliorate the present difficulties of coordination.

The second set of suggestions clusters around the proposed Special United Nations Fund for Economic Development. A number of variations on this idea have been suggested to meet the principal objections to it raised from various sources. The Special United Nations Fund for Economic Development, or some organization similar to it, could be established to make both grants and loans available to underdeveloped countries within a broad program for stimulating economic growth. A principal motivation underlying this proposal is the view that loans made by the International Bank for Reconstruction and Development will continue to be made only on strict banking principles and that an agency like the proposed Fund must supplement those loans with others made on more favorable terms, and with grants. This group of proposals would continue the Internationa' Bank for Reconstruction and Development and the expanded program of technical assistance, and would establish channels for consultation and coordination between the technical assistance provided by the expanded program and the economic aid to be provided by the Special United Nations Fund for Economic Development and the International Bank for Reconstruction and Development. There has been substantial support for this approach, but it has also been criticized because of the strong voice given to the underdeveloped countries and because of objections to such an expansion of "soft" loans and grants.

The third group of proposals is based on the view that technical and economic assistance are closely related, serve a single set of purposes, and require union within a single, strong, multilateral organization. Such an international development organization might be built around the International Bank for Reconstruction and Development as a nucleus and, according to some versions, could even absorb the functions and funds of both the bank and the Expanded Programme. The new organization could be equipped to assist the governments of the underdeveloped countries both in formulating development plans and in executing them. The assistance could be provided through technical assistance, grants, and loans of various types. Aside from general arguments against the multilateral approach, this proposal is criticized because of the reasons just cited against the Special United Nations Fund for Economic Development plan and also the objection to combining "hard" and "soft" loan functions within a single agency.

Most of them favor the continuation of such activities, but they are put forward to provide a stronger administrative structure for that part of the total assistance effort that is to be administered through multilateral channels—usually with the hope that it will be substantially increased.

Mr. MORSE. Mr. President, for purposes of brevity, I also ask to have printed here the discussion of the Special United Nations Fund for Economic Development contained in the Stuart Rice Associates Study, appearing on pages 1151–1152 of the Foreign Aid Study.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

The SUNFED proposal was reviewed by an ad hoc U. N. committee. In response to its survey of governmental opinions, a variety of viewpoints were expressed. In general, the countries which might be expected to apply to the fund for aid were wholeheartedly in favor of it.

This was also true of a number of the smaller European countries, who indicated willingness to make substantial contributions immediately.

The views of the United States have been influenced by the obvious dangers in a fund possessed of necessarily limited resources which would be unable to meet the heavy demands made upon it. On the other hand, there is recognition of an unmet need and a willingness to agree that if the responsibilities of SUNFED were carefully circumscribed, it might serve a useful function.

The United Kingdom supported the SUNFED proposal in principle, but suggested that its establishment should await the fulfillment of the following conditions:

1. A program of internationally supervised worldwide disarmament under the auspices of the United Nations should have been embarked upon.

2. A certain minimum of money should be available to the fund before it embarks on any operations.

3. The membership of the fund should embrace the bulk of the members of the United Nations.

Canada, New Zealand, and Australia took the general position that until the fund can have the support of the large industrial nations, it should not be established. They also pointed out that they already are making heavy contributions to the Colombo plan and the UNTAA. Similar views were expressed by West Germany in the following cogent and well-reasoned statement:

"The Government of the Federal Republic of Germany states that it has again examined the plan to establish a Special United Nations Fund for Economic Development. As is shown by its participation in the World Bank, the technical assistance program of the United Nations and recently, the International Finance Corporation, it is interested in the economic development of countries capable of development. If a new institution—SUNFED—is now to be created in addition to already existing institutions or those in process of being established (IFC), very careful consideration should be given to the question of whether the said institutions could not also fulfill the tasks intended for the special fund. According to investigation so far, this possibility would seem out of the question without amending the statutes of the above-mentioned institutions. Alterations in the statutes could also cause considerable difficulty; but it does not seem impossible that existing institutions such as the World Bank could act as agents in procuring the additional funds required—perhaps in the form of "grants-in-aid" from friendly governments—for important development projects. In this way a connection could be established with the existing national aid programs without the necessity of creating a new organ within the framework of the United Nations. Furthermore, the establishment of the special fund should only be considered provided the participation of the most important world trade countries—particularly the United States of America, Great Britain and France—is assured."

It thus appears that a number of the financially stronger nations have doubts about the advisability of establishing a special fund and about the need to create new instruments for the purposes it would serve. It also appears that the United States holds the key to a decision upon it.

The SUNFED proposal has been developed to fill an important gap among economic assistance programs—a means of financing projects of economic infrastructure types which, although non-self-liquidating, are of basic importance for development in underdeveloped areas. However, whatever the agency to satisfy this need may be, it will encounter strong pressures to finance enterprises of questionable character. SUNFED, as proposed, would not seem to be in a political position to resist such pressures by the application of standards equivalent to those employed by the IBRD in advancing funds for projects expected to produce a direct economic return and be repayable therefrom. We agree with those who regard such standards as essential; and we agree with the West German Government in thinking that the facilities of IBRD and IFC might be so adapted as to place an appropriate mechanism under their overall control. It is significant in connection with this suggestion that voting powers in the administration of IBRD are proportional to the capital subscriptions made to it by its members.

Our skepticism about the desirability of multilateral instruments for economic assistance does not extend to multilateral programs for technical aid. The sums involved are smaller, the character of technical aid is quite different and the project developed are subject to greater and more continuous administrative supervision. The arguments for multilateral vehicles of assistance maintain their force in the case of technical aid without the counterbalancing considerations that apply particularly to large-scale grants and loans. The question here is largely one of the extent to which any one nation—meaning the United States—should contribute a preponderant share of the costs. This question has already been answered by the Congress through its limitation upon contributions of the United States to the United Nations Expanded Program of Technical Assistance to 50 percent of the total.

We regard this decision as an appropriate and sufficient answer to the question whether the United States should expand or contract its participation in multilateral programs for technical assistance. To the extent that these programs continue to demonstrate their value, we would favor American support for an orderly and therefore gradual rise in their magnitude within the limitation named. This assumes further that the present, largely informal, devices for coordination among multilateral, regional, and bilateral programs would be continued and developed.

Mr. MORSE. Mr. President, the key American objection to SUNFED seems to be that we would be expected to put up a major proportion of the capital without having a proportionate share in the determination of its policies. That has been the basic objection to it expressed

in the Senate. Therefore, I think it is a natural alternative to consider an addition to the World Bank that would preserve the multilateral quality of the lending institution and also the traditional features of a banking institution.

It meets the terms of being multilateral both in terms of those who will borrow from it and those who will furnish its capital. The decisions to lend or not to lend will not be based upon political considerations, or the policies currently being followed by the applicant for the loan. I think it is tremendously important that we make some progress in that direction in the distribution of American aid.

There is, of course, much more that could be said and deserves to be said on this matter. In addition to the sources I have already cited on the subject of the channels for economic development, I wish to call attention to the pamphlet Foreign Economic Policy for the 20th Century, a report by the Rockefeller Brothers Fund, published by Doubleday.

I shall conclude by saying I look forward eagerly to the findings of the National Advisory Council on International Monetary and Financial Problems on this matter. The entire proposal is directed to the future, and I hope it will prove a feasible and workable addition to the World Bank.

Mr. MONRONEY. I thank the distinguished Senator from Oregon not only for his cosponsorship of the resolution, but for his support and his statement. He has been one of the moving spirits in this matter. I recognize the value of his contribution.

Mr. FULBRIGHT. Mr. President, first I wish to compliment the chairman of the subcommittee, the Senator from Oklahoma [Mr. MONRONEY] for a very fine statement. I shall not detain the Senate very long. He has certainly covered the subject thoroughly, and in a most adequate manner.

Before I discuss the bill I should like to say one word about Mr. Black. I have known him for some time. I regard him as one of the ablest men in Washington, or in the country, in his field. I think he understands the implications of international finance. I will go further and say that I believe he understands many of the political relations in the international field as well as or better than anyone else I know of. I hope that this discussion of his reluctance to come before the committee will not in any way embarrass him. I think he is quite correct in his attitude about not appearing formally as a witness before our committee, because of the precedent which would be established.

Mr. Black has been most generous with his time and effort in consulting unofficially with Members of the Senate and people from various foreign countries. He has rendered a great service in the settlement of the trouble over the Suez Canal; and, of course, everyone knows of the great success of the International Bank which he heads.

I, for one, agree with his position. I suggest that at any time our own representatives on the Bank board are available; there would be nothing wrong about calling the Secretary of the Treasury, Mr. Anderson, who is the United States Governor of the Bank, or the Assistant Secretary of the Treasury, Mr. Coughran, who is United States Executive Director of the Bank, for official testimony on these same subjects. These officials did testify before the Subcommittee on International Finance on Senate Resolution 264.

I urge that the Senate adopt Senate Resolution 264, the Monroney resolution.

Senate Resolution 264 calls on the National Advisory Council on International Monetary and Financial Problems to study the establishment of an International Development Association through which the nations of the world might make long-term, low-interest, development loans, repayable in part in local currencies.

The resolution suggests that this association should be affiliated with the World Bank—it suggests, but does not require it—in order to get the benefit of the experience of that organization. It also suggests the possibility of using foreign currencies available to the United States and other countries.

The need for development in the many underdeveloped areas of the world is generally accepted. Many agencies have already been established for this purpose. The real question is whether the kind of agency proposed in the resolution would merely duplicate the functions and services of some other agency.

The kinds of loans to be made—long term, low interest, second mortgage loans, repayable perhaps partly or wholly in the currency of the borrower—are similar to those now being made, or which can be made by the Development Loan Fund. In this respect, therefore, there would be some duplication.

However, there would be this important, and to me essential, difference:

The association would be an international organization, like the World Bank or the IFC, into which many countries would contribute, not just the United States.

This would have two advantages: First, it would enable the other industrial nations of the world, many of which have been put on their feet again by Marshall plan or other United States aid, to lend a helping hand in their turn; and, second, it would spread the responsibility for the loans among many nations.

The World Bank, the International Monetary Fund, and the IFC already are engaged in this sort of international activity, but they do not make this kind of loan. The IMF is limited to short-term loans to meet temporary foreign-exchange problems. Its primary purpose is to meet the problems arising from short-term imbalances in international payments.

The World Bank makes only first-mortgage loans, guaranteed by the country or its central bank, and repayable in the currency lent, usually a hard currency. The IFC makes relatively small investments in individual industrial or commercial projects.

There is no international agency which makes these long-term, low-interest loans. I believe there may well be a need for such an agency, and I therefore urge that this resolution be adopted.

In urging the passage of this resolution, I do not want to give the impression that the kind of an association suggested in it would solve all the development aid problems of the world. Far from it.

I certainly do not wish to leave the impression that the soft currencies owing to us can accomplish very much. Convertible currencies are necessary in international lending. Therefore I do not wish to overemphasize the usefulness of unconvertible soft currencies. I believe they may have a part in the program, but primarily the currencies to be used in the program will be the convertible currencies. Many countries whose currencies are normally soft, in the sense that they are not convertible generally, often make special arrangements whereby their currencies are convertible.

I do not believe the proposed organization would do away with the need for any of the existing agencies in the field, at least in the foreseeable future. It would, at best, only supplement the existing agencies, and private capital from local and foreign sources.

The development of these many underdeveloped areas will not be the result either of the capital or the advice given by this or any other outside institution. The development of any country can only come from the initiative, the energy, the wisdom and the sacrifice of the men and women who devote their money, their time, and their effort to this development. An international development association can help such people make the most of their efforts.

I should like to emphasize also, in urging the adoption of this resolution, that it is only a request to the executive branch to explore the possibility of an international development association—to explore it within the departments and agencies of the United States Government which have knowledge in this field, and to explore it with other governments, particularly with the governments of other industrial nations.

Passage of the resolution is only a first step. If the study of the proposal within the United States Government and with other governments, leads to a favorable conclusion, then it will be necessary to enter into an agreement with other interested governments, and for the whole project to be submitted to the Congress in the form of legislation authorizing United States participation in the association and providing funds for it.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MONRONEY. I wish to express my deep appreciation to the Senator for his help and leadership in connection with the resolution, as he has shown in the case of so many other foreign lending matters. His cooperation in scheduling hearings and guiding the resolution through the committee gave us a chance to consider it at this time, thereby perhaps saving from 6 to 8 months which otherwise would have been lost. Through the leadership of the Senator from Arkansas, we reached agreements

which satisfied the demands of the administrative agencies involved. It is a great privilege to serve with him on the Committee on Banking and Currency.

Mr. FULBRIGHT. I thank the Senator for his kind words. Of course my contribution was very nominal. The Senator from Oklahoma did the real work on the resolution and in exploring the whole subject. I emphasize that while he has done a great deal of work, and while the resolution should be adopted at this time, we are only taking the first step in a long process. There still remains a great deal to be done before the matter can be brought to fruition.

Mr. CAPEHART. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CAPEHART. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CAPEHART. Mr. President, I ask unanimous consent that the yeas and nays be ordered on the question of agreeing to the resolution.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Indiana that the yeas and nays be ordered on the adoption of the resolution?

Mr. FULBRIGHT. I have no objection, but I think it is an unexpected request.

Mr. CAPEHART. I withdraw my request.

Mr. FULBRIGHT. I have no objection to it myself. I do not object.

The PRESIDING OFFICER. Does the Senator withdraw his objection?

Mr. FULBRIGHT. I have no objection to the request.

The PRESIDING OFFICER. Does the Senator from Indiana wish to offer an amendment?

Mr. CAPEHART. No. I withdraw my request for the yeas and nays. I shall ask for them later. I yield the floor.

Mr. BRICKER. Mr. President, I wish to make my position perfectly clear on this resolution. To my mind it is merely another plan to spend the American taxpayers' dollar. All we need to do to recognize the devaluation of the American dollar is to look at the price tag on almost any article money will buy. The American dollar has become less and less valuable over the years. The Federal Government already has a deficit this year, and there will be another deficit next year. Therefore there will be further depreciation in the value of the American dollar.

Our dollars have been thrown around the world by various organizations. Some of them have been utilized effectively, and some of them have been utilized in ways which are less than useless. There are already established the International Bank, the Export-Import Bank, the International Finance Corporation, the International Monetary Fund, and the Development Loan Fund. Now we are asked to authorize the utilization of American taxpayers' money to the extent of some $300 million on long term, 40-year, 2 percent loans.

The only motive back of this proposal, that I know of, is the interest of the International Bank to make more good loans. If this organization, created to supplement the efforts of the International Bank, is permitted to make long term, soft currency, low interest rate, unsecured loans, then, according to the word of the International Bank leadership, it will be possible for them to make more sound loans. So this is an open invitation for the reckless use of the money of the American taxpayers. It will further depreciate our currency. This proposal, in my judgment, will lead to international complications rather than to international good will.

The United States now is carrying the full load of many of the international lending organizations. Much of the money is secured, and much of it is unsecured at present.

We are dealing here with the money of the American taxpayers. I have been called upon by certain officials who are interested in the creation of this organization. I have said to them that I consider that I have a trust relationship to the citizens of this country, who are already taxed beyond their ability to pay, in many instances. We hear daily of instances of taxpayers being driven to the wall, almost, because of the efforts of the Federal Government to collect its share of their income.

Today, the average portion of the taxpayers' money which is taken by the Government of his country is about one-third. For that one-third of his life's working time, he is not a free citizen; he cannot use his income as he sees fit, for his own good, for the good of his family, or for the things for which he voluntarily wants to use it. The Government takes that part of his income. So he is really bonded to the Government for about one-third of his working time. As the Senate well knows, the Government takes up to 91 percent of the income of individuals in the higher brackets.

So the American taxpayer is already taxed almost beyond limit. His patience has been stretched almost beyond its ability to return.

We are taking money out of a deficit financed program today and are simply adding to the deficit. This will require that the debt ceiling be raised and will require that the taxpayers put up the money for utilization in particular projects, which, in the judgment of the international organization, are needed.

I may say, in passing, that Russia will be invited to join. It is the American taxpayers who will furnish the $300 million which is proposed to be contributed by the United States.

The complaint has been made by international financial interests, and it has been repeated on the floor by the proponents of the resolution, that those who borrow from us would rather borrow from an international bank. They would be the happy stockholders of such a bank, and this would make a difference in their attitude toward the United States taxpayers.

Any country which is interested in its own development will not be so sensitive, so peculiarly affected, as to resent a country which lends it money. If it is, they ought not to have the money in the first place.

The American taxpayer is the one I am trying to represent in the Senate. I took an oath to do that. I will not violate my responsibility and trust relationship to him by supporting a fantastic scheme such as this one.

It was said a moment ago that Mr. Black could not come before the committees of Congress because he felt that he was an international representative, and that if he came here, he would have to go before the legislative bodies of all the member countries. This is a rather strange attitude for the president of the International Bank to take. I remember one time when Mr. Black came before the Committee on Banking and Currency. That was when he wanted something. What did he want? He came before our committee and asked that we authorize national banks to invest in the securities of the International Bank, of which he was then a director representing the United States. When they want something, they come to the committees of Congress and ask for it.

I shall never forget the hearing where Mr. Black testified. I have tried to find a copy of the testimony, but I am told now that the hearings were not printed by the Committee on Banking and Currency. I do not know whether Mr. Black secured the consent of the Committee on Banking and Currency not to have the hearings printed or urged the committee not to print them. However, I very definitely remember his coming before the committee and asking that the national banks be authorized to purchase the bonds of the International Bank.

In his testimony before the committee, Mr. Black said that the International Bank had also gone to the State legislatures and asked that the States authorize the investment of trust funds and fiduciary funds in the same securities.

Then he made a remark about my State. It was to the effect that some hick in the Republican legislature of my State got up and opposed his proposal on the ground that in Ohio it would be illegal to invest trust funds in such securities.

Furthermore, a year later Mr. McCloy, then president of the International Bank, came before the Banking and Currency Committee and supported a similar request.

However, when they do not want to face cross-examination, when they do not want to answer questions as to the real purpose or intent of their proposed legislation or request, they hide behind their international relationship.

The International Bank is utilizing several billion dollars of the American taxpayers' money. The taxpayers of the Nation are entitled to know where and how their money is being used. In my judgment, Mr. Black is no more exempt from testifying to the facts of what he is doing with the American taxpayers' dollars than is any official of the United States Government.

This resolution proposes to create another type of the International Bank, so that the questionable part of the loans will be jointly secured by a so-called international fund.

It might be said that it is not important to oppose this study resolution, but it is important. I have seen many similar proposals in the past. They usually result in the creation of an agency. Propaganda is carried on. The exponents of using the money of American taxpayers for almost all kinds of international financing come before us and make a record. The proposal comes before the Senate, where its adoption is urged, because of the pressure of the administration or the suggestion of the International Bank that it will help in international relations. We are told that, somehow, the proposal will build up good will. But good will has not been built up to this day by the $62 billion of the American taxpayers' money which has been spent abroad.

Now it is said that the United States must meet the Russian low-interest, long-term loans. Russia has actually put up perhaps $1,500,000,000 in long-term loans. Yet the United States, which has already made grants and loans to the extent of $62 billion, has not been able, in the judgment of the protagonists of this cause, to offset the international good will which has been created by the Russians.

We cannot solve the international problems of this day by the utilization, in this questionable lending proposal, of the American taxpayers' money. The United States must take a firm position among the nations of the world and stand by that position.

I am not impressed by the propaganda which has been carried on by the International Bank and, perhaps, by some of the officials of the Government in measures of this kind.

I was at the dinner mentioned a moment ago. I heard Mr. Black lobbying among the members of the Committee on Banking and Currency behind closed doors. He was not subject to cross-examination on the record. He was unwilling, obviously, to put his statement on the record. But he was seeking to use the money of the taxpayers of the country in a fantastic scheme to finance projects in other countries, without adequate security, and at low interest rates. He was unwilling to appear before the committee so that he might be questioned by the Members of Congress. I do not like that kind of procedure. I do not think the money of the American taxpayers ought to be used in that kind of program.

The amendment of the Senator from Indiana ought to be supported. The resolution, in the first place, is unnecessary. In the second place, it is unsound. Because of the secrecy which has attended it and the propaganda in favor of it, I think the whole resolution ought to be rejected until the American taxpayers can know what is being done with their money. The resolution should be defeated. It is only one more step in the program of international confusion and waste of American dollars and waste of the assets of the American people.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MONRONEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. BRICKER. Mr. President, reserving the right to object, let me say it is my understanding that the Senator from Oklahoma intends to request that certain matters be printed in the RECORD, and then again to suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. ALLOTT in the chair). The Chair calls attention to the fact that at this time debate is not in order.

Mr. BRICKER. But I have reserved the right to object.

The PRESIDING OFFICER. The Chair is informed that while a quorum call is in progress, debate is not in order.

Without objection, the order for the call of the roll will be rescinded.

Mr. BRICKER. Then, Mr. President, I ask unanimous consent that the matters to be submitted by the Senator from Oklahoma may be printed at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONRONEY. Mr. President, inasmuch as my purpose in rising has been met by the appearance on the floor of certain Senators who wish to speak at this time in regard to the pending resolution, I shall postpone making the requests.

I yield the floor.

Mr. HUMPHREY. Mr. President, I am very much pleased to be able to participate in the debate on Senate Resolution 264, submitted by the Senator from Oklahoma [Mr. MONRONEY], for himself and other Senators.

It is my privilege to be among the sponsors of the resolution; and during the months of its consideration, since the resolution was originally submitted by the Senator from Oklahoma, I have had the privilege from time to time of having had printed in the CONGRESSIONAL RECORD editorials and memorandums in support of the broad objectives of this proposal.

Mr. President, as all of us know, the resolution relates to the organization of an International Development Association. The Senator from Oklahoma has called it a sort of world piggy-bank. It would be an internationally financed effort to have our Government utilize foreign currencies. It would be an internationally financed effort to provide for the underdeveloped areas of the world, and would go far beyond what presently is provided for by means of the World Bank or by means of our own International Development Loan Fund, in connection with mutual security.

The resolution is, of course, a study proposal. As the report on the resolution points out—

Senate Resolution 264 recommends that prompt study be given to establishing an International Development Association to make multilateral development loans at terms more liberal than those currently available.

Mr. President, I believe that in that sentence the purposes of this particular proposal are fully described, and also that in that sentence we find an indication of the weakness of the present International Development Loan Fund situation. Let me consider this sentence for a moment. It says that this resolution has been designed to recommend a prompt study for the establishment of an International Development Association to make multilateral development loans.

It is all important that the financing of capital projects in other countries be on a multilateral basis. The United States of America cannot alone provide the capital which is required for industrial development in many countries throughout the world, or for the development of capital projects for the public good.

I should like to concentrate my attention for a moment upon the Middle East. Surely, our policies in the Middle East have been a dismal failure—that is, if we have had any ascertainable policy. One of the weaknesses of the policies we have pursued in the Middle East is that we have tried to go it alone. We have had our own foreign aid program. We have had our own international development loan program. We have had our own technical assistance program. We have injected ourselves into the middle eastern areas—areas that are filled with bitterness and with complexities of political and social problems, areas that have historic enmities. We have gone in there on our own, on a sort of solo flight, in an effort to give political and economic stability. We have not been successful.

Mr. President, some time ago I had recommended, in a report to the Senate, as a result of my services in the United Nations as one of our delegates, and as a result of a rather careful study of the economic and political problems of the Middle East, that we proceed to give encouragement to and leadership in the creation of a Middle East Development Agency under the auspices of the United Nations. I still feel it is a sound proposal.

I am happy to note that others also think so. The Italian Government has demonstrated its interest in such a multilateral Middle East Development Agency. The Canadian Government demonstrated its interest by the statement of its own representative at the United Nations. The Government of Japan has indicated its interest, as have the Scandinavian countries.

I think it is not only economically indefensible, but politically it is equally indefensible, and, even more significant, it is politically irresponsible. For the United States of America to try to be the judge and the arbitrator all over the world, as well as the banker, is to get into more and more trouble with less and less accomplishment. What we need to do is learn how to share both privilege and responsibility. We need to learn how to organize with others for common purposes.

What the proposal of the Senator from Oklahoma [Mr. MONRONEY] would initiate is a study of an International Development Association on a multilateral basis, for the provision of loans, for long periods, at low rates of interest.

Nobody who has studied the international economic scene will disagree that such a study is desperately needed. The present financial institutions we have, such as the International Monetary Fund, the World Bank, even our own Export-Import Bank, our own Development Loan Fund under mutual security, big as they are, are inadequate to the requirements.

The Senator from Oklahoma is suggesting, further, that we utilize the soft currencies we have accumulated as a result of our so-called Marshall plan operations and our Public Law 480 agricultural sales, for the purpose of long-term loans for capital-improvement projects in areas of the world where the present international banking facilities are inadequate to meet the needs.

I have said to the Senator from Oklahoma privately, and I say it publicly, that I consider his proposal as the single most constructive proposal in the field of international policy which has been offered this year, or, so far as I can remember, since point 4 or the Marshall plan. We are all indebted to him. He has demonstrated vision, he has demonstrated perseverance, and he has demonstrated an understanding of what goes on in this world, which is, indeed, rather unique in this day and age, and surely is in some areas of Government.

I said it seemed to me that this particular project, if it should come to fruition, could have a decidedly beneficial effect upon an area of the world which is close to us today in terms of our interest and deep concern, namely, the Middle East. But I do not want to indicate by my statement that the Monroney proposal is related only to the Middle East. It is a worldwide proposal.

Of course, the resolution which is before the Senate calls for an extensive and intensive study. The language of the resolution is revealing. I think it is self-instructive. The language reads:

> Recognizing the desirability of promoting a greater degree of international development by means of multilateral loans based on sound economic principles, it is the sense of the Senate that prompt study should be given by the National Advisory Council on International Monetary and Financial Problems with respect to the establishment of an International Development Association, as an affiliate of the International Bank for Reconstruction and Development.
>
> In order to achieve greater international trade, development, and economic well-being, such study should include consideration of the following objectives:
>
> Then it lists the necessity of—
>
> Providing a source of long-term loans available at a reasonable rate of interest and repayable in local currencies, or partly in local currencies.
>
> It also lists the necessity of—
>
> Facilitating * * * the use of local and other foreign currencies—

Which we have in our possession. Finally, it lists the necessity of—

> Insuring that funds for international economic development can be made available by a process which would encourage multilateral contributions for this purpose.

Mr. President, a year ago I urged in the Senate Foreign Relations Committee that there be obtained a full tabulation and accounting of all the foreign currencies in the possession of the Government of the United States. We were finally able to get that accounting, but, I may say, it was not easy. The accounting was made, and the currencies run into the billions of dollars.

I am aware that it is always easier to use good old American dollars than it is to utilize soft currencies, or the currencies of other countries, but I respectfully suggest that it is possible to utilize the currencies of other countries if there is a will. When there is a will there is a way. We can do that also in the operations of our own Government.

When I think of the depreciation of the value of the currencies in our possession because of inflation and the failure of the agencies of the American Government to utilize those currencies, I say it represents one of the greatest losses and one of the greatest wastes this country has experienced in recent years.

I have given a good deal of attention to the question of the accumulation of currencies under the terms of Public Law 480. I believe I know something about it. I say that those currencies can be more readily and more properly used than they are being used at the present time. One of the ways really to promote the effective use of the currencies for the objectives of American foreign policy, which objectives should be peace and security in the world, is through an organization such as an International Development Association.

Finally, Mr. President, as I emphasized earlier, I am deeply concerned about the area of the Middle East. As I see it, there are three alternatives with respect to the Middle East. One of the alternatives is not American domination, unless we want to become an outright imperialistic power. One of the alternatives is not the resurrection or the restoration of British power. That is a vain and false hope and should be cast out immediately as being worthless. Another one of the alternatives is not the restoration of French power. That is beyond any possibility of successful accomplishment, even if it were desirable; and it is not desirable.

What are the three alternatives with respect to the Middle East?

One possibility is Communist domination, and that is not too remote a possibility. It could happen quite readily because of the sheer proximity of the Soviet Union to the Middle East. Anyone who is a student of geography knows that the Soviet Union has a territorial proximity to the Middle East far closer than ours. We also know that the Soviet Union has been at work on the Middle East, through political infiltration, through subversion, through propaganda, through exchange of persons, through a technicians program, through capital loans, through grants and through military aid. That is one possibility—Communist domination. I do not believe our country would tolerate it for a moment. I hope not, because if the Soviet Union should control openly and rigidly the Middle East then it would stand astride the great crossroads of the world, and dominate the commerce between Asia and Africa and Europe. Indeed, the Soviets would then control one of the most strategic areas of the world. This would be a major defeat for the Free World.

What is the next possibility? Another possibility is the rampant nationalism which is mobilized by what we call Nasserism. Nasser, the President of the United Arab Republic, is a symbol in the Middle East. Sometimes we find ourselves not liking some of the developments under that symbol, but we should make no mistake: Nasser is a powerful figure in the Middle East. He is a political leader in the Middle East. He is becoming a man of almost legendary importance to the peoples of the Middle East. With the tide of nationalism running high, there has been a new dimension added, and I call it Nasserism, which is more than nationalism. Nasserism is a nationalism which is being utilized and directed for the imperial purposes of Mr. Nasser. That is not a desirable alternative for the Free World, either, or for the Arab people.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I will yield in a moment.

The third alternative, Mr. President, with respect to the friendly states in the Middle East, is what I would call a kind of positive neutrality. I believe this is what we can hope for, what we ought to work for, and perhaps the best we can get. When I say, "we can get," I mean this would be best for the world. Surely we do not want a Soviet police force in the Middle East. I hope that we do not want the legions of Nasser in domination of the Middle East.

I say most respectfully to my fellow Americans that the issue today is not American forces in the Middle East, but how to get them out. How will the American forces withdraw from the Middle East, without our country disgracing itself and without leaving a complete vacuum in the area because of our intervention, a vacuum which could, perhaps, collapse?

Mr. President, what we ought to seek is a kind of neutrality in the area, which lends itself to vigorous, progressive economic development, to the improvement of political and social institutions, to the expansion of education and to the enhancement of the health and welfare of the peoples of the area.

What we ought to be engaged in, Mr. President, is a development of policies through the United Nations, in the developing of a foreign policy for the Middle East on a multilateral basis, both economically and politically. It is in this area an international development association would fit in beautifully. There

could be multilateral participation, multilateral responsibility, and multilateral contributions for the financial needs of the area, with the United States of America no longer acting as if it were the banker, the expert, the political moderator, and the leader. In such an organization we would share with others, urge others to cooperate, and basically call upon the people of the area to help themselves. We could do this by helping with the financial and structural means of doing what is needed for the area.

Mr. President, I am happy to support the proposal of the Senator from Oklahoma. As I said earlier, it is one of the bright lights and one of the rays of hope of the present time. I am surprised at the kind of intellectual sterility which seems to grip this Government—a sense of fear and timidity, a lack of vision at a time when the world is looking to us for vision and for leadership.

I am grateful to the Senator from Oklahoma because of the fact that he has at least shown the way in one area. The Senator from Oklahoma has provided a means for utilizing the resources which are at our command.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I am happy to yield for a question.

Mr. MALONE. I would not interrupt a theme of that kind except to ask a question.

VALUE OF FOREIGN CURRENCIES MANIPULATED IN TERMS OF THE DOLLAR FOR TRADE ADVANTAGE

I heard the distinguished Senator's dissertation relative to the use of foreign currencies. I should like to ask the Senator if he knows that practically all the foreign nations manipulate the price of their currency in terms of the dollar for trade advantage and generally higher than the market price, which makes it impossible to have a free interchange of currency in the market place.

Mr. HUMPHREY. I am fully aware of that.

Mr. MALONE. Mr. President, if the Senator will further yield.

Mr. HUMPHREY. I am happy to yield.

Mr. MALONE. I preface my question by saying that the only way we can have an equal in terms of interchange money value now is to buy with dollars or send goods to the foreign countries, take thier money in payment, and then spend their money in their country which is just another way of giving the American taxpayers' money away.

Mr. HUMPHREY. I do not agree with that.

Mr. MALONE. The trouble then is caused by the fixing of the price of their money in terms of the dollar by such foreign nations, higher than the market price, so that there can be no equal interchange; therefore we cannot take the foreign currencies in payment for commodities, for use at their face value to buy products from the particular country or any place else.

Mr. HUMPHREY. It is true that there are generally two values fixed for foreign currencies; one for purposes of international exchange, and one for domestic purposes.

Mr. MALONE. There are generally more than two—mostly they have a special value for each particular purpose—always to their own advantage.

Mr. HUMPHREY. At least there are two, I will say to the Senator. That is what has complicated the international financial structure very much; there is no doubt about it.

What I attempted to say a moment ago was that the proposal which the Senator from Oklahoma has offered would make it possible for us to find, first of all, a marketable use for the foreign currencies which are already on deposit to our account, moneys which are not gaining us any interest, moneys which are not yielding us any dividends, and moneys which, in fact, at times lose their value through depreciation or through the management of the currency and the devaluation of the particular unit of currency. The Senator is familiar with that process.

Mr. MALONE. That is not the way we use the money which it is proposed to spend in foreign countries. We get nothing out of the commodity we have sold for foreign currency except the privilege of spending the money on foreign soil, eventually getting no return value for our taxpayers.

Mr. HUMPHREY. There is merit to the suggestion that we ought to spend the money where it can be expended profitably and for good purposes, in countries in which we obtain the currency. I have so recommended. I have said a number of times that some of the currency we accumulated in Spain as a result of the sale of American agricultural products could well be used in the building of apartment units, housing for American personnel in that part of the world. Undoubtedly certain products could be acquired. We ought to use the money as constructively as possible. But the proposal before us would offer yet another way to use it, that is, to use money for purposes of capital loans. I have noticed that those who know how to use money as a commodity in business seem to make more money than people who know how to use commodities. That is why it is frequently said that bankers are among the most well-to-do people in the world. They deal in money rather than chewing gum, tires, potatoes, or automobiles. They deal in money, and they are able to make money on money.

Mr. MALONE. European nations know how to manipulate the value of money to their advantage. They know the effect of shading tariffs to force the movement of American investments and plants to their own soil. There is nothing in this proposal which would profit the United States, except for the privilege of spending additional money where we shall never get any of it back. Is not that true?

Mr. HUMPHREY. No. I think this proposal has something to commend it to everyone.

Mr. MALONE. Commendable charity perhaps?

Mr. HUMPHREY. No; it is much more important than charity. What this proposal has to commend it to the attention of every thoughtful citizen is that it lends itself to the building up of the economic base of countries which today need that kind of progress.

There will be no peace in the world unless countries are permitted, through their own effort and through the use of moneys to finance the industrial development and economic life, to develop economically. We might as well make up our minds to that.

Let me say to my friends who are strong believers in capitalism, as the Senator from Minnesota is, that the only way capitalism will survive is through the use of capital. It is nothing short of outrageous that today we find ourselves harassed by the Soviet Union, the Communist state. On the one hand, a country which does not have the industrial production we have parades around the world as though it were a leader in the field of industry. It gets by with such an attitude primarily because of our unwillingness to come to grips with its challenge. The Soviet Union challenges us on the economic front, when we are the most powerful Nation in the world in terms of capital.

I wonder how many Americans realize that our country has 50 percent of all the capital of the world, and finances less than 5 percent of world trade. On the other hand, the British have 5 percent of the capital of the world, and finance approximately 50 percent of the trade.

Our problem is not lack of resources. It is not lack of material. It is not lack of talent. It is lack of will, lack of purpose, lack of leadership. That is why I am supporting this particular resolution. I think it represents constructive, thoughtful, imaginative leadership. That is what is needed at present. We are not short of the materials to build a better world. We are short of a design and a sense of direction and the leadership to get the job done.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MALONE. There is one slight difference between the way England financed colonial countries for three centuries, and the way in which we are now doing it. The British always make a profit. We give it away.

Russia is in the same category. They get their money back with a profit. We are the only pure philanthropists when it comes to our taxpayers' money—with no return requested or expected. It is purely international socialism.

Mr. HUMPHREY. I respectfully suggest that the proposal before us is not a giveaway. It involves loans, repayable, with interest. The greatest inventor in the world was the man who invented interest.

Mr. MALONE. It is a great idea, except we do not get it. That is the history of all of our international manipulations of our own people's money; it always results in greater debt and more appropriations.

I should like to ask one further question.

If the nations of the world were to allow their currencies to reach their level on the international exchange, could we not take their currency in payment for anything we sell them—grain or anything else—and then buy from them, with their own currency, the materials we need? But we are forced to buy such goods with dollars, and then lend further dollars, expending any return from such loans of their money in their country. So we get no return of any kind whatsoever.

We did not learn the lesson from England or Russia. But if all nations allowed their currencies to hit their level on the world exchange, could we not take their currencies in payment for anything we sold them, and then spend them? Does not the Senator remember the great "dollar shortage" slogan which cost a lot of money? We still have it. Unfortunately, we are the ones who have a dollar shortage now, and no one seems anxious to help us.

Mr. HUMPHREY. I am always intrigued and interested by the fact that we Americans always seem to be set upon and taken advantage of by those in foreign lands. But we have a split character. On the one hand, we like to pride ourselves on being such a great, brilliant, powerful Nation. I have heard many ringing speeches in this Chamber about the power of the United States and the genius of our people, all of which I believe.

However, within a 24-hour period we hear how we are always outmaneuvered, outbid, outfigured, by the very people we were superior to the day before. It so happens that, despite the fact that we have been very generous and have given away a great deal, we seem to have more left over than the people who receive our gifts. The rest of the world is poor. We are not as well off as some of us would like to be, but compared with the rest of the world, we look rather well, and in good condition. Even instances of downright poverty in America look fairly well off compared with the poor of other lands.

But I do not wish to compare American standards with others. We have the right to set our own standards. We ought to judge ourselves on the basis of our own standards and requirements.

Whether we like it or not, we are in a competitive world. We are not competing with friends. We are competing with enemies, or at least potential enemies. The gauntlet has been thrown down. The economic challenge has been made. The Soviet Union intends to push and press us. I am one of those who would like to accept the challenge, and welcome it.

I am of the opinion that if we but apply ourselves to this task of economic development in the world we can win hands down. Our problem is not that we do not know how to win, not that we do not have the materials with which to win. Our problem is that we spend so much time quibbling about what we are going to do that we never get on with the job. Until we know what we want to achieve, until we have the will and the purpose to make sacrifices for such achievement, until we have leadership which can chart the course and inspire the people to victory, there will be no success.

I support this resolution because I think it represents new thinking. If there is any one thing the country needs right now it is new thinking. Many people have said that our country is the victim of soft living. That is not true. We have some hard living in this country—sometimes too hard. We are the victims of soft thinking. That is our difficulty. It is our unwillingness to face the problems and find the answers. We prefer to sidestep them, or pretend that they do not exist. We try to pretend at times that if the problems exist, they have been caused by evil men. We do that, instead of trying to get at the problems and analyze their causes and find solutions and apply the appropriate treatment.

That is particularly characteristic, unfortunately, with respect to the very serious critical situation which faces us in the Middle East today. That is an area in which we have refused to come to grips with any of the problems there. It is where we have sought to find firm allies. There are no firm allies in an area where there are governments of an aristocratic ruling class. It is an area where we have sought to build alliances upon the shifting sands of the Arabian desert.

What we should have been doing was to try to understand the forces at work. What we should have been doing was to try to find a way of directing the passions and energies of those people into constructive paths. What we should have been doing was to try to build a situation in which there would be friendly states and friendly people. Instead we have been dealing with corrupt monarchs, a feudalistic system, kings, and sheiks, who no longer represent their people, or the aspirations of their people.

I submit the greatest mistake America can make is to become the Metternich of the 20th century. In that connection we should recall in history that in the 19th century there was a prince of Austria who decided he would hold back the tide of the French Revolution. His name was Prince Metternich. The aristocrats of his day and the monarchs of Austria, Prussia, England, and Russia decided that they would hold back the spirit of liberty, equality, and fraternity. They formed a great alliance. It is true that from 1815 to almost 1848 the so-called Metternich system kept the lid on Europe. It did not do so completely, because there were always sporadic outbreaks. It is also true that from 1815 to 1848 every nation in Europe experienced revolution.

The system which Metternich thought would be preserved, was destroyed. Why? It was because of the failure to think anew, because of the failure to understand the social and political forces at work, because of the failure to appreciate the fact that an idea cannot be destroyed by an army, because of the failure to understand that something was happening in the world. It was the uprising of the people, who wanted to be heard and who wanted to have something to say about their destiny.

I hope our great country will not, in its wealth, in its power, and in its essential conservatism of the moment, become the Metternich of the 20th century. If it does, it will be damned to the same disaster and the same shame of Metternich of the 19th century.

The proposal before us is a repudiation of that kind of old, antiquated, hopeless thinking. It is for that reason, although it is only a study proposal, and while it does not establish the financial structure, the proposal is a ray of hope in a night of darkness; at least it is the germ of an idea at a time when the field seems barren.

I compliment the Senator from Oklahoma. I am proud to be associated with him. He has done a great service for his country and for the world.

Mr. MONRONEY. Mr. President, I should like to express my appreciation for the support and encouragement of the distinguished Senator from Minnesota and his cosponsorship of the resolution. He is not only a leader in foreign relations, but he is also the father of the agricultural disposal plan which has accomplished so much. His speech has been the most inspiring one that has been made on any foreign policy matter. I am sure he agrees with me that, while we spend tens of billions of dollars for weapons of greater and greater horror, the cold war will finally be won with bread and butter, not with bombs. If we neglect the economic front, no matter how many big bombs of new terror we possess, we will still lose the struggle to win the hearts and minds of the billions of uncommitted people who are looking for a ray of hope, so ably described by the distinguished Senator from Minnesota. I appreciate his encouragement. I believe he was the very first, or perhaps the second Senator, after publication of the proposal, who came forward to support and advise and to help formulate the ideas which today are before the Senate for consideration.

Mr. HUMPHREY. I am sure the Senator from Oklahoma has placed in the RECORD the views which have been expressed internationally in support of the general principle of the proposal which the Senator is offering. Every foreign journal which I have been privileged to read supports the idea of multilateral economic assistance and multilateral economic development. I wanted very much to be on the floor of the Senate when the Senator brought forth his proposal for Senate action. My plea is that we join with others in the economic program, that we do not try to act alone, that we give the American people the assurance and reassurance that we wish to share with other countries, and that we call upon other countries to participate with us—our NATO partners, for example.

If there is one area in the world in which we should be able to win friends and make an impact, it is in the area of economic development. We know that

area. We understand it. We are people of economic development. It is an area in which the Soviet Union cannot possibly outstrip us if we make up our mind to do something. The Soviet Union can build bombs. They have the ability to build intercontinental ballistic missiles. They have horrible weapons of destruction, and know how to build a society composed of terror and fear. They are the architects of such a society. However, they do not understand how to build, nor do they have the resources with which to build, a society based upon abundance and plenty and opportunity.

While it may be going too far to say that the proposed International Development Association can do all that, at least it is the path toward progress, toward the better life, toward constructive improvement. This is what our country has been identified with. I say with the greatest sincerity and deepest feeling that my concern is that we are getting off the main highway of human progress and that perhaps we are down in the ditch. We must get back on the main highway. I thank the Senator for his untiring efforts.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. CAPEHART. Mr. President, the unfortunate part about the pending resolution and the unfortunate part about the speeches which have been made is that they try to leave the impression—and the speeches try to fill the RECORD with the idea—that there is something new in the proposal, and that it will solve the economic problems of the world. Likewise, those who have spoken in favor of the resolution have tried to leave the impression that the United States always goes alone. Let me give the Senate the record of the United States so far as multilateral arrangements are concerned.

First, we are members of the United Nations. Second, we are members and the largest stockholder by far of the International Bank. Third, we are a member and the largest stockholder of the International Monetary Fund. Fourth, we are the largest stockholder and member of the International Finance Corporation. It is a fact that we own the Export-Import Bank and that we own the International Development Loan Corporation.

We are members of NATO, which is certainly not a bilateral organization. We are members of SEATO, which likewise is not a bilateral organization.

But there are those in the Senate today who would leave the impression that we always go it alone. Also, the impression has been left here today that the United States is always wrong; that everything we do is wrong; and that everything that everyone else does is right.

The United States is a member of the United Nations, which is a multilateral organization. I voted for the United Nations. I was a Member of the Senate at the time. I am for the United Nations. But I want to give the history of the United Nations when it comes to acting multilaterally.

It was the United States, if I remember correctly, that went into Korea before the United Nations did. We went in with our soldiers and our guns.

If I remember correctly, only a week ago it was the United States which first went into the Middle East to do what the able Senator from Minnesota was talking about a few moments ago.

Mr. LONG. Mr. President, will the Senator yield?

Mr. CAPEHART. Please let me finish.

It was the United States that went into Lebanon to do what the able Senator from Minnesota was talking about a little while ago. He said we had three choices in the Middle East. One was to let Russia take it over; the second was to let Nasser take it over, and let the Middle East become "Nasserized," as he put it. The third choice was to maintain a group of independent, friendly nations.

The latter is exactly why the United States went into Lebanon. That is exactly why the British went into Jordan. It was to make certain that there was maintained in the Middle East a group of small nations, acting independently of either Nasser or Russia. That was the only reason we went there.

My observation has been that when it comes to establishing so-called multilateral organizations, the countries get together and organize, but when the time comes to put up the money, or when the time comes to go to war and to send soldiers, it is the United States which generally does those things alone.

I admit that the resolution is purely and 100 percent for the purpose of studying the possibility of establishing an International Development Association. But I have been a Member of the Senate long enough to know that the resolution goes deeper than that. Its purpose is to establish another international lending organization.

I am happy now to yield to the Senator from Louisiana.

Mr. LONG. I was not at all questioning the Senator's statement that very little United Nations help, in terms of manpower, went to Korea, to assist the United States. But does the Senator mean that there was no United Nations resolution prior to the time United States troops landed in Korea?

Mr. CAPEHART. That is correct; there was none.

Mr. LONG. My impression is that the United Nations Security Council, in the absence of the Soviet delegate, had called upon all members to provide whatever assistance they could.

Mr. CAPEHART. I do not wish to argue the point with the able Senator from Louisiana. The fact still remains that the United States Army went into Korea, and that 90 percent of the troops who fought there were Americans.

I am not at all condemning the United Nations. That was not my purpose of bringing up this point. The purpose was to counteract the impression which Senators on the other side of the aisle have been trying to leave, namely, that the United States does not belong to or participate in any multilateral organization. I called attention to the United Nations, to NATO, to SEATO, to the International Bank, to the International Finance Fund, and to the International Monetary Fund. They are all multilateral organizations.

Then I called attention to the fact that as to two big international events which have occurred, so far as the United Nations is concerned, it was the United States which moved in the quickest with the "mostest." That is all I was attempting to say. I was not trying to criticize the other nations, and I do not intend to do so. I simply wanted to make the RECORD clear, because Senators on the other side of the aisle have been trying to leave the impression that the United States has done everything in a bilateral way.

Mr. LONG. I wish the Senator from Indiana would not make his statement in so general a way. I have not been seeking to give any such impression. I have just come from a Senators' luncheon. Except for the luncheon, I would have heard more of the speech being made by the Senator from Indiana.

Mr. CAPEHART. I will correct the RECORD, then, and say only those who have spoken have tried to leave that impression.

There are at the moment the international lending organizations. Under the resolution before the Senate, if the study group thinks there should be such an organization, and if Congress agrees to it, it will establish another one.

We already have the point 4 program, the International Bank, the International Monetary Fund, the International Finance Corporation. Also, there is the Development Loan Fund, which Congress authorized last year. There is the Export-Import Bank, which is an old institution. There is also Public Law 480, under which we sell surplus farm products to foreign countries and take their currencies in payment.

Mr. LONG. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. LONG. I wish the Senator would clarify my understanding of Public Law 480. My understanding is that we do not even take currency, in the full sense of the word, because those countries pay it back to themselves. We sell the commodities under Public Law 480, and when the currency is paid back, it is sent to them to be used in their own countries.

Mr. CAPEHART. Also, there is the President's emergency fund. Let us talk about Public Law 480. Much has been made today of the fact that under the plan of the resolution, the United States would take the currencies of other countries, currencies which we generate as the result of the sales of our surplus farm products. No one seems to know what the amount of those currencies is, except that the Senator from Oklahoma spoke about $5 billion, and the able Senator from Vermont, I think, said it was about $1,500 million; I do not know that it makes any difference for the purpose of my argument, but somehow, in some way, the currencies which we have accepted in payment for surplus farm products we have the right to spend under the agreements entered into with the foreign countries.

We control them subject to the agreements we have entered into, and somehow, in some way, those currencies will find their way into the International Development Fund. But there is no way in which those currencies can find their way into the International Development Fund under existing law. It would be necessary to change the existing law before those funds could find their way there, because every dollar of that fund is already committed when a sale of surplus farm products is made to those countries in exchange for their currencies. We committed the great majority of those currencies at that time. We control them subject to the control the respective countries have of them. So that money cannot be taken into this fund.

Mr. LONG. I wonder if the Senator will agree with me that it might be very desirable to change that policy, so that we could at least use some of those currencies outside the borders of the nation in which the sale is originally made. In other words, as the situation now stands, in most instances we could never use the currency for any other purpose than simply to develop the country in which the sale is made.

Mr. CAPEHART. I am certain the able Senator knows that those countries will not permit their currencies to be used for other purposes, because they will not know what will happen to them. They have only a limited amount of currency. They could not permit what the Senator has suggested. They do not know what would happen to their currency.

Mr. LONG. The Senator knows we do not take that attitude with our dollars.

Mr. CAPEHART. Our dollars are interchangeable and convertible throughout the world. But that is not true of the currencies of the countries about which the Senator from Louisiana has been speaking. Those countries control their currencies. They control the purpose for which they are spent outside their own borders. They must do that; otherwise, their monetary systems could not operate. That is why I say the matter has not been thought through.

I have no quarrel with the humanitarian purposes which have been spoken of today. I have no quarrel with the proposal to handle this matter in a multilateral way. I have no quarrel with those proposals at all. I simply say that they will not work. There is nothing new about the whole proposal. What is sought to be done by the resolution can be done now through any one of the many existing organizations.

The statement was made by someone, I forget who, that he had been working on this matter for a couple of years, and that other nations were interested. I suggest that there be placed in the RECORD the name of a single country which has asked for this sort of organization; the name of a single country whose legislature or parliament or congress has ever adopted a resolution or consented to enter into this sort of arrangement. I do not think any will be found.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. MONRONEY. I am sorry my remarks made so little impression on the distinguished Senator from Indiana. I stated the names of several of the leaders of European countries who not only have expressed an interest, but even have offered to have their countries put up cash to help promote various development banks on a regional basis.

Mr. CAPEHART. Did the Senator from Oklahoma state their names?

Mr. MONRONEY. Yes.

Mr. CAPEHART. Who are they?

Mr. MONRONEY. Foreign Minister Pella, of Italy, for one. He favored a proposal for a bank for reconstruction in the Middle East.

Then there was the proposal of Mr. Earhard, of Germany, who has discussed it not only in Germany, but also in the United States with representatives of our State Department.

In addition, Premier Kishi, of Japan, has proposed a development bank for the Far East.

A Venezuelan proposal also has been made.

Mr. CAPEHART. But there is as much difference between those proposals and the pending proposal as there is between day and night.

Mr. MONRONEY. Yes, and, thank heaven, there is that much difference, because if such activities were carried on only by means of a regional bank—for instance, in the Far East—and that region encountered difficulties, the bank might easily become bankrupt. If the bank were worldwide in scope, it would have much greater strength. The Senator from Indiana, who knows a great deal about banking, knows that to be true.

Mr. CAPEHART. The Senator from Oklahoma said those gentlemen are interested in a development bank in the Far East. But my point is that such a proposal is not the one that is before us today. What those gentlemen were discussing—and it is something that I have favored for many years, and I still favor it—was the establishment of a development bank in certain areas or regions, to loan money to businessmen in those regions. But that proposal is entirely different from the one now before us.

For instance, the Latin American countries have, for many, many years, been interested in a Latin American development bank, limited to making loans to, and doing business with, Latin American countries. I believe that proposal should be studied, and I am in favor of it.

Mr. MONRONEY. Mr. President, will the Senator from Indiana yield further to me?

Mr. CAPEHART. I yield.

Mr. MONRONEY. Then I presume the Senator from Indiana favors having the United States make investments in half a dozen or a dozen regional development banks. I believe that, instead, we would stand a far better chance of protecting our investment if we proceeded by means of a worldwide organization as a subsidiary of the World Bank, as is now proposed.

Furthermore, why should the Senator from Indiana wish to deny the United States and the other nations an opportunity to have the benefit of a high-level study of this matter? I think the Congress and the country are entitled to have someone else make a careful study of this proposal; and the resolution directs the making of such a study.

If the Senator from Indiana is afraid to have the public have knowledge of this matter and is afraid to have the public learn whether it will work, then I can only conclude that he is opposed to having the United States learn of the possibility of the establishment of anything new.

Mr. CAPEHART. Mr. President, I am quite confident that in this body there are not sufficient votes to reject the resolution. But I know it proposes the beginning of an effort to establish another international scheme or another organization to lend money internationally. I am sure there are not sufficient votes in the Senate to reject the resolution; but I wish to talk about it and make a record about it, so that when the group which studies the problem proceeds with its work, it will have something in the CONGRESSIONAL RECORD to examine.

I repeat that the proposed organization is not needed. Only a short time ago—about a year ago, in fact—the Congress established a Development Loan Corporation. It was established for the purpose of loaning money to underprivileged and underdeveloped countries, and to permit them to repay the loans in their own currencies, over long periods of time.

But now, almost before the ink on that proposal is dry, a new organization is proposed. However, such a new organization is not needed at all.

Why does not the International Bank do all that is now proposed, if it is really desirable? The International Bank has a great deal of money at its disposal, and is doing business all over the world.

I can tell the Senate why the International Bank does not do it. The reason is that the proponents of this scheme would like to talk the Congress into establishing another fund which could be used for loans for long terms, at low interest rates. For example, the fund would be used for loans at 2 percent, and for as long as 40 years, whereas the International Bank operates on a business-like basis.

But the proposal now before us would have the International Bank, if it became an affiliate, or some other group, loan money on a long-term basis; and the only excuse for that is that it is hoped that other countries would be persuaded to provide some money for loans.

Mr. President, let us consider that point. I regret that I do not have the figures on it before me at this time. But the great bulk of the International Bank's money is provided by the United States, in the form of dollars. That bank accumulates its securities by the millions of dollars, and then issues debentures; and the debentures of the International Bank are sold in the United States for dollars, in order that the dollars may be available for loans to other

countries. So, for all practical purposes, we might say the International Bank is operated on dollars.

If the new institution now proposed is established, it also will operate on dollars. We cannot help a country industrialize itself except on the basis of providing it with the currency of a country which produces industrial goods. After all, the country which needs help has enough of its own currency; and if the goods it wants were produced within its own borders, it could buy them with its own currency. The only reason why a backward country has to have dollars, marks, or some other hard currency, is that the things that country wishes to buy are not produced within its own borders, and, therefore, it has to use its own currency to buy the currency of a country in which such industrial goods are produced.

So we shall not help these countries by supplying them with their own currencies. After all, they already have them now. But what they need is dollars.

The pending proposal, I repeat, is merely another method or scheme to establish another lending organization in the United States, even though no one knows whether other countries are interested in it, and even though no one knows whether other countries will provide funds for it or will invest in it.

Mr. President, the pending resolution should be recommitted to the Banking and Currency Committee, for further study. The committee heard from only a few witnesses in regard to this matter.

Mr. CLARK. Mr. President, will the Senator from Indiana yield to me?

Mr. CAPEHART. I yield.

Mr. CLARK. I hold in my hand a copy of the hearings which were held on this resolution before the Banking and Currency Committee. The hearings comprised 345 pages of testimony; and the index gives a long list of witnesses and also statements. I am sure the Senator from Indiana does not wish to state inadverently that there were only several witnesses.

Mr. CAPEHART. There were only a few Government witnesses. Let us state for the RECORD who the witnesses were. Let us name them.

Mr. President, I have just examined the index of the hearings, and I think the statement I made is correct. I repeat that there were only a few witnesses at the committee hearing. The other matters included in the printed hearings are statements which were filed, and also editorials. For instance, in one case we find two-thirds of a page of editorials. The other matters included in the printed hearings are statements which were filed with the committee. They were not made by witnesses. I am talking about witnesses who appeared before the committee and could be asked questions. I think I am safe in saying the number of witnesses was very limited. I remember Paul Hoffman. Then I think the Assistant Secretary of the Treasury was there, and somebody from one other organization.

Mr. CLARK. The Department of State.

Mr. CAPEHART. The Department of State, and perhaps the Treasury, and others.

Mr. CLARK. The Assistant Secretary of Commerce for International Affairs, the Comptroller of the International Cooperation Association, the Assistant Secretary of the Department of Agriculture. I am reading from the table of contents.

Mr. CAPEHART. There were a few witnesses. I corrected the RECORD.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. BRICKER. I have looked through the list of witnesses. There were the Secretary of the Treasury; the Assistant Secretary of the Treasury; the Under Secretary of State for Economic Affairs; the International Division, Bureau of the Budget; Paul Hoffman; the Assistant Secretary of Commerce for International Affairs; the International Cooperation Administration; the Foreign Agricultural Service, Agriculture Department.

Is there anyone in that group who, outside his official responsibility, really represents the taxpayer, whose money will be spent initially to the extent of $300 million?

Mr. CAPEHART. I cannot find any.

Mr. BRICKER. No one appeared before the committee who took into consideration what effect this will have on the dollar or the payments taxpayers will have to make to the Government.

Mr. CAPEHART. The Senator from Ohio is 100 percent correct. It is another plan, or policy, or organization to lend American dollars. I had thought that possibly we had too many now. I think what we possibly ought to do is to consolidate agencies which are now lending money around the world.

Imagine, if you will, Mr. President: We have the Loan Development Fund, the International Bank, the International Finance Company. Now we are going to have a new one. All of them, I presume, will be going into the same countries, competing with each other to lend money to the respective countries or to their citizens. There are too many agencies now. We ought to consolidate what we have, rather than add another organization.

I have heard the inference made today that if the people of the United States, who have been so liberal with the other peoples of the world, who have made so many, many sacrifices, not only in lives of their sons, but in the expenditure of billions upon billions of dollars, continue the policy of lending money directly themselves, other peoples will not like us; but if we join with other nations, still put up most of the money, and give the other nations the right to tell us how to spend our own money, we shall be popular throughout the world. I do not believe that statement at all. I do not think there is any truth to it. I think it is fallacious.

Let me explain the difference between the way the International Bank and the Export-Import Bank work to those who think now and then about the American taxpayer, who now and then think about the American wage earner, who now and then think about American business. We are one of the stockholders, one out of 64, in the International Bank. Yet most of the money is American money. When the International Bank makes a loan to anybody or any country in the world, whoever receives that money can spend it anywhere in the world. The country borrowing the money can buy materials anywhere it wishes to. It can spend the money anywhere. In other words, American dollars are loaned, and the country can buy goods made in other countries.

On the other hand, in the case of the Export-Import Bank, which is 100 percent owned, operated, and controlled by the United States, when a loan is made to a foreign country the money must be spent to buy goods made in America, thereby creating jobs in America, helping American business, and helping to pay our taxes.

We are discussing an international organization of which we shall be a part owner, but we shall be putting up the lion's share of the money, which money may or may not be spent in the United States.

Mr. BRICKER. Mr. President, will the Senator yield further?

Mr. CAPEHART. Yes.

Mr. BRICKER. And those loans may be paid back in soft currencies. Is that correct?

Mr. CAPEHART. That is one of the purposes of the proposal.

Mr. BRICKER. That is the purpose of it. At the present time very few convertible currencies in the world are worth their stated value.

Mr. CAPEHART. That is true. No one in the world is more sold on the idea than I am that we must help foreign countries develop their own industries. I know as well as anyone else that what every Latin-American country and every country in the Far East needs is the establishment within them of business and factory processing plants for the manufacture of shoes, clothing, and every conceivable product, with their own labor, to be sold among themselves, using their own currency. I want to help countries to do that, because that is the only way they will raise their standard of living. That is the only way they will furnish jobs to their own people. No nation will get very far if all it does is to unload goods made in another country. I want to help them set up their own businesses. While that is being done, I want us to help the businessmen and wage earners of the United States. I want to see our people get the business, if you please. We do that when we lend our money through the Export-Import Bank. We do not do it when the money is loaned by the International Bank or the International Finance Fund. It will not be done when the money is loaned under the proposal before the Senate today.

Mr. President, I do not know when it became unpopular to stand up for the American wage earner and the American businessman in respect to matters such as this. I think industrial countries like Great Britain, France, and West Germany expect us to compete

with them throughout the world for business.

Mr. BRICKER. Mr. President, will the Senator yield again?

Mr. CAPEHART. Yes.

Mr. BRICKER. I am sure the Senator is conscious of the fact that already American industry is exporting billions of American dollars for the creation of jobs in foreign countries, because it gets the benefit of low wage rates. One plant in my State has established 18 plants in other countries, where it is taking advantage of the low wage rates. Companies have a right to do that. Much of the production of those companies has come back to this country to compete with products made in the United States. That is another issue. However, here we are facing a proposal to take the taxpayers' money, for which the taxpayers will get no benefit, and use it for unsecured loans abroad. So we shall be exporting the taxpayers' money in addition to the free enterprise money which is already going abroad to the extent of hundreds of millions of dollars annually.

Mr. CAPEHART. Mr. President, the Senator is absolutely correct.

Mr. President, there is no question that it is important for us to cooperate with the countries of the world in building up their industries. There is no question that it is important for us to cooperate with the other countries in establishing a private enterprise system in those countries. There is no question that it is important for us to cooperate with the other countries to build factories, to create jobs in those countries. There is no question that it is important for us to teach them, wherever we can, the technical arts of doing things.

But I say also, Mr. President, that in doing these things we have to look after our own economy. We have to look after our own people, because if we do not we may get into trouble and we may go bankrupt.

I invite the attention of Senators to the fact that we have a debt of $280 billion. That is a greater debt than that of all the countries of Western Europe combined—perhaps as much or possibly more debt than all the other countries in the world combined.

We do have great production in this country, and a great productive capability. But we also have to look after our own interests. We can look after our own interests and still help the rest of the world, if we will adopt good, sound policies. The trouble with the schemes that we enter into for foreign countries is that we go into them without thinking them through in sufficient detail.

I was a Member of the Senate some years ago, when I heard Senators rise to say, "If we will pass the bill to provide for the agency known as the International Bank for Reconstruction and Development, we can solve all the problems of the world. We will be able to loan money to the backward countries, and that will solve our porblems."

Then I remember the discussions with respect to the International Monetary Fund. I sat as a neophyte Senator, in my first year, and listened to Senators say in the debate, "If we pass this bill, we will forever solve the currency problems of the world."

I voted for both of those organizations. I am not against them. I realize many problems have come up which have made it impossible for the organizations to work as well as they might have worked, but I am simply stating what was said in the Senate.

I sat as a Senator when the United Nations was formed. I voted for that organization.

Before we give one of these schemes a chance to work, someone always comes forward with proposed legislation to form another. We simply pile one on top of the other. I think it is time we stopped long enough to catch our breath, to consolidate some of these agencies and to make sure the agencies are doing the job for which they were intended, while at the same time looking after the American taxpayers' interest and the economy of the United States.

I have heard the statement made today that this is something new. I heard a statement to the effect that this was possibly the greatest thing which could happen. I think there was one exception. I do not think the exception was the United Nations. This proposal was put above the United Nations, above NATO, above SEATO, above the International Bank for Reconstruction and Development, and above the International Monetary Fund. It was said this proposal was greater than all but one. I forget which one it was not greater than.

I say there is not anything new about the proposal at all. This is simply a plan to organize an institution which, possibly, will be affiliated with the International Bank for Reconstruction and Development; another lending agency.

Only a year or 2 years ago we passed a bill to permit the organization of an affiliate of the International Bank, an international finance company. We established that organization and put money into it. I forget the amount of money involved; I do not know whether it was $500 million or $1 billion, but whatever it was it was a sizable amount, and the purpose of the organization was about the same as that of the one we are now talking about. At least, it had a purpose of making loans. What has happened to that organization? Why do we propose another one on top of what we have already provided?

Mr. President, I hope the Senate will reject the resolution, because, although it is sort of a harmless thing in itself, it will create an undesirable precedent and provide propaganda looking to the organization of another institution to lend money throughout the world.

We are about to run out of money. The Committee on Banking and Currency acted favorably on a bill which calls for the expenditure of nearly $2.4 billion in the next year. I hope Senators will think of that. I am not opposed to the program, but I think the amount is too high.

We approved in the same committee a bill for what is called a community facilities program, which has been provided $900 million for the next year.

I could go on and on and on. I am as certain as that I am standing here that if the study group recommends what the sponsors of the resolution have said they want to do—it is not quite so important really what the resolution says; it is more important what the sponsors of the resolution themselves say they want the new organization to do—we will be called upon to put more money into an organization designed, under a different name, to lend money.

I think the resolution ought to be defeated.

Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 3, line 2, it is proposed to delete the period after the word "Development" and insert a comma and the following words: "and study all existing international loan agencies in relationship to the proposed International Development Association."

Mr. CAPEHART. Mr. President, I ask for the yeas and nays on the amendment.

Mr. President, I ask unanimous consent that the yeas and nays be ordered.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Indiana that the yeas and nays be ordered on the amendment?

The Chair hears none, and it is so ordered.

Mr. CAPEHART. Mr. President, I should like to read the amendment and state its purpose. First, I should like to read the amendment in its relationship to the resolution. I shall read beginning with line 18 on page 2. The resolution states:

> That, recognizing the desirability of promoting a greater degree of international development by means of multilateral loans based on sound economic principles,

Mr. President, the language says "sound economic principles" but we have been talking all day about 2 percent loans, about soft loans, and about accepting currencies of foreign countries in repayment. Despite that the language is "sound economic principles."

The resolution continues:

> It is the sense of the Senate that prompt study should be given by the National Advisory Council on International Monetary and Financial Problems with respect to the establishment of an International Development Association, as an affiliate of the International Bank for Reconstruction and Development.

At that point I should like to add the words "and study all existing international loan agencies in relationship to the proposed International Development Association."

I want the study group to take into consideration all the other loan agencies we have, a list of which I have just placed in the RECORD.

Mr. MONRONEY. Mr. President, will the Senator yield for a question?

Mr. CAPEHART. I yield.

Mr. MONRONEY. I do not feel that the committee can accept the amendment; but in view of all the things the Senator thinks is wrong with this pro-

gram, I ask him if he would vote for the resolution if his amendment were adopted?

Mr. CAPEHART. That is a matter for the Senator himself to decide when the time comes.

I think the best proof in the world that this resolution should be defeated is the fact that the manager and the author will not accept language such as I have just read. All I am asking is that when the study group makes the proposed study in respect to establishing a new international loan fund, it take into consideration existing international lending agencies, in relationship to the proposed International Development Association. Perhaps it will be found that the proposed association should be made a part of one of the existing agencies. Perhaps it will be found that all such agencies should be consolidated. Perhaps it will be found, when a study is made of all of them, that the proposed association is not needed.

How can anyone be opposed to the language I have just read? I believe that the opposition to it is the best proof in the world that the proponents wish to start the propaganda to establish another international lending agency.

Mr. President, I suggest the absence of a quorum.

Mr. POTTER. Mr. President, will the Senator withhold his suggestion of the absence of a quorum in order to permit me to make a 5-minute statement?

Mr. CAPEHART. On this subject or some other subject?

Mr. POTTER. On some other subject.

Mr. CAPEHART. Mr. President, I ask unanimous consent that I may yield to the able Senator from Michigan for the purpose of a 5-minute statement on another subject, without losing the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

TOLLS ON INTERLAKE COMMERCE TRANSITING THE WELLAND CANAL

Mr. POTTER. Mr. President, I wish to bring to the attention of the Senate a letter which I wrote on July 18, 1958, to Hon. John Foster Dulles, Secretary of State. My letter is as follows:

OFFICE OF
SENATOR CHARLES E. POTTER,
UNITED STATES CAPITOL,
Washington, D. C., July 18, 1958.

Hon. JOHN FOSTER DULLES,
Secretary of State,
Washington, D. C.

MY DEAR MR. SECRETARY: I am writing you with respect to a matter within the jurisdiction of your Department in which I am confidence you will wish to take appropriate action to protect the interest of the United States.

The toll committee of the St. Lawrence Seaway Development Corp., in its report of June 12 indicated agreement with an apparent proposal in the St. Lawrence Seaway Authority of Canada to impose tolls on interlake commerce transiting the Welland Canal.

Imposition of such tolls would be contrary to well-settled international policy of the United States and Canada. It would violate the policy of the United States and would be contrary to the clear intention of the Congress in its enactment of legislation authorizing the United States to participate in the construction of the St. Lawrence Seaway.

It is most unfortunate that the toll committee appears to have tacitly approved this proposal. Particularly so since its principal, the St. Lawrence Seaway Development Corp., is without authority either to recommend tolls on the Welland Canal or to acquiesce in the imposition of such tolls by Canada. Under the legislation authorizing United States participation in the St. Lawrence Seaway project the St. Lawrence Seaway Development Corp. is limited to consideration of tolls solely for the International Rapids section of the St. Lawrence River—its authority in this connection does not extend to the Welland Canal. Accordingly, this action of the toll committee, while unfortunate, should in nowise be considered as a basis for or suggest United States acquiescence to the apparent intention of the St. Lawrence Seaway Authority of Canada to impose tolls on interlake commerce using the Welland Canal.

Congress in authorizing United States participation in the development of navigation facilities in the St. Lawrence River did not intend for tolls to be imposed on interlake commerce. The House Committee on Public Works had this to say. "In approving the imposition of tolls as part of this project, the committee wants it expressly understood that by such action it is not digressing from the firm and longstanding toll-free policy established with respect to inland waterways. The approval given herein is not intended to be interpreted as a precedent varying the toll-free policy, since this project, being international, is clearly distinguishable from purely inland waterway facilities in the United States."

The Seaway Authority of Canada was incorporated for the purpose of constructing, maintaining, and operating a deep waterway between the port of Montreal and Lake Erie. The tolls that may be charged by the authority must be fair and reasonable and designed to provide a revenue sufficient to defray the costs to the authority of carrying out the purpose for which it was incorporated; namely, constructing, maintaining, and operating a deep waterway between the port of Montreal and Lake Erie.

The cost of improvement of the Welland Canal for deep-water navigation moving between Montreal and Lake Erie, in my judgment, may not lawfully be charged against Great Lakes commerce on the pretext that such improvements would be used by Great Lakes vessels. So far as such improvement would serve Great Lakes commerce, it would be nothing more or less than a part of the general program for improving the connecting channels of the Great Lakes. Congress has authorized substantial sums of money for improvements to all the connecting channels west, or above Lake Erie, and work on the project is now under way in both United States and Canadian waters. Enlargement and deepening of the Welland Canal should be regarded as Canada's contribution to the improvement of Great Lakes channels and the cost thereof attributable to Great Lakes commerce should be borne directly by Canada in the same manner as the cost of the United States improvements is being borne by the United States.

There is no authority for imposition of a separate toll on the Welland with respect to Great Lakes vessels engaging in Great Lakes commerce terminating on Lake Ontario. The toll which the Seaway Development Corporation and the Seaway Authority of Canada are authorized to impose is limited to vessels navigating the deep waterway between Montreal and Lake Erie.

The Department of State, as you know, recognizes that both the United States and Canada have a proprietary interest for navigation purposes in the canals of the other within the Great Lakes. As early as 1913, the Department enunciated this principle and drew the distinction between the status of the Welland, in Canadian territory, and the Panama Canal, when Assistant Secretary of State Adee said:

"The cases are quite distinct and parity between them is almost wholly lacking. In the case of the Welland Canal it must be remembered that from the signature of the treaty of peace with Great Britain down to the conclusion of the Treaty of Washington in 1870 (sic) the coterminous water between the United States and Canada and their outlet to the sea were a joint waterway of the two countries, the citizens and commerce of each having equal rights in the waters common to both countries. The Welland Canal is not an independent waterway, but is part of the coterminous water system, being merely a loop around an unnavigable portion of the common waterway. Its common use by citizens and commerce of the two countries is just as necessary to the fulfillment of the convention pact as the common use of the Sault Ste. Marie Canal, which passes in American territory. None of these conditions are discernible in the case of the Panama Canal."

This statement was reaffirmed by the Department in 1946 during hearings before the Senate Committee on Foreign Relations on Senate Joint Resolution 104, 79th Congress, 2d session.

The existing toll-free policy for Great Lakes commerce is long established between the United States and Canada and has the force of international law. No more fully developed and settled rule of conduct exists between the United States and Canada than their toll-free policy for the Great Lakes.

I seriously doubt if the Canadian Government in establishing the Seaway Authority of Canada intended for tolls to be imposed on interlake traffic transiting the Welland Canal. If such was the case, I believe it to be in contravention of an international policy of long duration and contrary to the best interest of the United States as well as Canada. Such unilateral action could well invite a strong demand for imposition of tolls on similar passageways within the confines of the United States.

I urge that the Department of State through diplomatic channels advise the Government of Canada that the United States would strenuously object to the imposition of tolls on Great Lakes commerce using the Welland Canal.

Sincerely yours,

CHARLES E. POTTER.

Mr. President, as I indicated in my letter, I seriously doubt if the Canadian Government in its legislation establishing the Seaway Authority of Canada intended for tolls to be imposed on interlake traffic transiting the Welland Canal. Our own Government will spend approximately $141 million on improving our own connecting channels. In addition it will be necessary for our Government to construct a new Poe Lock at Sault Ste. Marie, Mich. The estimated cost of this lock is $38,700,000. It is indicated that improvements to the Welland Canal will cost approximately $27.5 million.

Our good friends in Canada will wish to act equitably and fairly in this matter. I hope that our Department of State through diplomatic channels will be able to obtain assurances from the Canadian Government that it has no intention of imposing tolls on interlake commerce going through the Welland Canal. Certainly our Department of State has the responsibility of protecting the interest of the United States in this issue.

It may be that my distinguished colleagues will also wish to appeal to Secretary of State Dulles to act promptly along the lines I have suggested.

Mr. President, I have discussed the matter with other Members of the Senate from the Great Lakes States, and they, too, have shown great concern. I am authorized by the Senator from Minnesota [Mr. HUMPHREY] to say that he, too, wishes to join in the protest to the Government of Canada. I am certain that when the legislation was passed in Canada, they had no intention of imposing tolls on interlake traffic. Therefore, I hope that our State Department, through diplomatic channels, will make a protest to the Canadian Government about this matter.

Mr. McNAMARA. Mr. President, it is with some alarm that I note the controversy which has developed over the setting of tolls for use of the St. Lawrence Seaway.

There seems to be little objection to the toll rates proposed by the United States and Canadian tolls committees for use of the seaway proper—that is, from Montreal to Lake Ontario.

The controversy arises, however, over the proposal to include toll charges for the use of the Welland Canal.

The Welland Canal, technically, is not a part of the St. Lawrence Seaway but is the only means of passage between Lake Ontario and Lake Erie around Niagara Falls.

While the canal is completely under Canadian control, passage through it by United States ships has been toll-free since 1871.

Under the recommendations, however, charges would be established for use of the canal. The charges would consist of 2 cents per gross registered ton, 2 cents per ton of bulk cargo and 5 cents per ton of general cargo.

Unlike the tolls proposed for the St. Lawrence Seaway proper, which would accrue 71 percent to Canada and 29 percent to the United States—all of the Welland Canal receipts would accrue to Canada.

The reason for this is that Canada is spending $27.5 million to deepen and improve the Welland Canal so that it can be used by the deep-draft vessels that the St. Lawrence Seaway will permit.

Certainly this improvement of the canal is vital to the whole seaway concept; otherwise, the deep-draft ships would be denied access to Lakes Erie, Huron, Michigan and Superior.

However, I would like to point out that the United States, in addition to its seaway contributions, is spending $141 million to similarly deepen the channels between the Great Lakes to permit transit by deep-draft ships.

Some of these channel-deepening projects, which the United States is paying for entirely, are completely within Canadian waters.

But, Mr. President, the United States is not seeking to charge tolls to any ships which will use these deepened channels.

We are charging off the cost of the channel deepening as part of our contribution to the seaway's success.

Yet Canada would, under the recommendations, receive an estimated return of $2 million to $3 million a year from ships using the Welland Canal.

The bulk of this traffic undoubtedly will be Great Lakes commerce solely, originating or terminating on Lake Ontario—shipping which, traditionally, has had free access.

Mr. President, I do not feel that we have a right to challenge the action if Canada wished, unilaterally, to effect tolls on the Welland Canal, which, after all, is entirely within her boundaries.

However, in view of the fact that the United States is spending $141 million to deepen the connecting channels without reimbursement, a question can be raised over the propriety of Canada's charging tolls to reimburse herself for deepening the Welland Canal.

Further, a question is raised over the authority of the St. Lawrence Seaway Development Corporation to enter into a toll agreement with Canada insofar as the Welland Canal is concerned.

Mr. President, it is vital that our country maintain sound relations with Canada, not only with respect to the St. Lawrence Seaway, but in all other matters as well.

Therefore, it seems to me that the current controversy should be studied with a view to clearing up any misconceptions or misunderstandings that might have arisen.

I have asked the Senate Foreign Relations Committee if it would make such a study of the circumstances involved in this matter to see whether such tolls are consistent with the letter and spirit of our seaway law.

In closing Mr. President, it is likely that questions such as these may arise from time to time, especially with the seaway scheduled to begin full operations within a year.

I believe they could be much more effectively handled if the St. Lawrence Seaway Development Corporation was made an independent agency.

As my colleagues know, I have introduced legislation—S. 4044—to achieve this, and I am hopeful that early action will be taken.

ESTABLISHMENT OF INTERNATIONAL DEVELOPMENT ASSOCIATION

The Senate resumed the consideration of the resolution (S. Res. 264) favoring the establishment of an International Development Association in cooperation with the International Bank for Reconstruction and Development.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Indiana [Mr. CAPEHART].

Mr. CAPEHART. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement I have prepared on the resolution; also the minority views of the Senator from Ohio [Mr. BRICKER] and myself.

There being no objection, the statement and minority views were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR CAPEHART

I hope every Member of the Senate will take the time to read the statement of the views of myself and the Senator from Ohio [Mr. BRICKER] in opposition to this resolution as set forth in the committee report. I do not wish to detain the Senate by reiterating everything contained in that statement. However, I feel obligated to point out several dangers in this proposed study.

This resolution should not be taken lightly. It would place the Senate on record as advocating another foreign lending program. No attempt is made in the resolution to reconcile this new program with the existing development loan programs operating through the Export-Import Bank, Public Law 480, the Development Loan Fund, the International Bank, and the International Finance Corporation. The proposed new International Development Association would merely overlap and duplicate these existing programs.

Equally serious is the fact that the resolution contains such broad general language as to be almost meaningless. Therefore, if the resolution is passed, I am afraid that the Senate will actually be adopting the details of the program advocated by the proponents of this resolution at the committee hearings. In fairness to the Senate, the resolution itself should spell out the entire proposal. If this were done, I am sure the program would be rejected as being unworkable by an overwhelming vote.

In the near future the Senate will be called upon to vote the necessary appropriations to carry out the mutual security program. I feel certain that some Senators will use this resolution as an excuse for cutting the President's request for funds, particularly in regard to the Development Loan Fund. Every Member should be fully aware of all the consequences that may flow from the approval of this proposal.

INDIVIDUAL VIEWS OF MR. CAPEHART AND MR. BRICKER

The proposed resolution would commit the Senate to a policy of advocating a new international loan program and of urging a study aimed at the establishment of an institution called the International Development Association for this purpose. The resolution speaks in broad general terms of providing a source of "long-term loans" available at a "reasonable rate of interest" and "repayable in local currencies." The resolution also contains vague references to encouraging multilateral contributions and facilitating the use of foreign currencies.

Obviously, the language of the resolution is susceptible to a wide variety of interpretations. Yet, it is imperative that the Senate know the exact policy it is adopting. Therefore, it is necessary to go behind the resolution and examine statements made by the proponents of this plan in order to learn its true meaning. These statements reveal the intent to establish an international loan program of 40-year loans at a 2 percent interest rate repayable in "soft currencies." The proponents also intend to utilize foreign currencies generated by Public Law 480 by freeing them in some undisclosed manner from the restrictions on their use contained in existing agreements. The capital of the proposed IDA would be $1 billion, with the United States contributing at least $300 million. It also should be noted that one proponent has urged that the Soviet Union be invited to participate in this new organization.

If the resolution is intended to reflect the views of its proponents, then the language of the resolution itself should be changed to spell out the details of this plan. How can the Members of the Senate be asked to go on record as favoring this resolution without knowing exactly what is contemplated? Certainly on a policy question, as important as this one is to the Senate and to the country, there should be no doubt about the real issues involved.

This legislative dilemma results from the use of a Senate resolution to usurp the usual diplomatic procedure employed in negotiating the formation of a new international institution. The resolution does not urge any course of action that the State Department could not initiate itself through ordinary channels. Apparently, the purpose is to force the administration to adopt a policy that it has not deemed wise heretofore.

This rather unusual procedure is not justified by the limited testimony received by the committee during the 3 days of public hearings. The Government agencies indicated that they had already given this plan a great deal of study and had encountered many difficult problems. Only one private witness, an ex-Government official, testified before the committee. It would seem appropriate and necessary in considering a new foreign lending policy that the committee and the Senate should have the benefit of the views of the many private individuals and organizations interested in the subject.

Of course, the fundamental question involved in this resolution is whether we need an additional foreign lending program to duplicate and overlap existing programs. Of the $9 billion in loans authorized by the Export-Import Bank, more than half—$5.1 billion—have been for projects in underdeveloped nations in Africa, Asia, Latin America, and Oceania. During the current session, the Congress has increased the lending authority of the bank by $2 billion, making approximately $2.5 billion available for additional loans.

Last year, when the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) was extended, an amendment was adopted authorizing up to 25 percent of the foreign currencies received through the sale of agricultural commodities to be made available to the Export-Import Bank for lending to United States private enterprise in the purchasing countries. Loan agreements have already been entered into with a number of countries, including India, Israel, Mexico, Pakistan, and the Philippines. The agreement announced last month, making available the rupee equivalent of $14,200,000 available for loans in India, is a good example of this program. The proposal to turn over the local currencies generated by Public Law 480 to an international organization would be in direct conflict with this program, as well as with standing agreements with many countries limiting the use of these currencies.

Last year the Congress also established a Development Loan Fund in the International Cooperation Administration and appropriated $300 million for its use. The Development Loan Fund is designed to supplement the Export-Import Bank and the International Bank by making long-term, low-interest-rate loans to underdeveloped countries, repayable partly in soft currencies. The administration this year has requested an additional $625 million for its operation. Again, the proposed IDA would duplicate an existing program that is just now getting under way.

Among the international organizations, the International Bank for Reconstruction and Development has been of great assistance to the underdeveloped nations. In fact, aside from the $500 million in reconstruction loans made after World War II, its primary function has been the making of development loans. Over $2.3 billion in loans have been made to the underdeveloped nations of Africa, Asia, Latin America, and Oceania. It is interesting to note that $575 million of the loans disbursed has been in currency other than United States dollars. As of December 31, 1957, the International Bank had $761 million available for development loans and the authority to obtain additional funds through the sale of bonds to private investors.

The International Finance Corporation was established in July 1956 for the purpose of furthering economic development in underdeveloped countries by making investments in private enterprise in association with private investors. The International Finance Corporation now has a capitalization of $93 million and has already made a number of investments. A good example of its operations is the investment of $600,000 (repayable half in dollars and half in pesos) in a privately owned steel-fabricating company in Mexico. Another example is the investment of $200,000 in a Chilean corporation engaged in development of a copper mine and smelter in Chile. As time goes on, this relatively new international corporation will be of ever increasing aid to less developed countries.

The International Monetary Fund has supplied over $2.8 billion to member countries to help stabilize their currencies. More than $220 million of these funds were in currencies other than United States dollars. The fund has over $6 billion available to meet the future needs of its members.

This brief summary of existing loan programs indicates rather clearly that there is no need for the proposed IDA. The mere establishment of a new international organization will not create any additional capital. In fact, if the IDA were set up, there is a great likelihood that it would cause funds to be diverted from established programs. The net effect of IDA would be to increase the international bureaucracy in the development loan field without serving any necessary or useful purpose.

HOMER E. CAPEHART.
JOHN W. BRICKER.

Mr. CAPEHART. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. CAPEHART. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONRONEY. Mr. President, I oppose the amendment offered by the distinguished Senator from Indiana. First, the amendment was never considered by the Committee on Banking and Currency or by the Subcommittee on International Finance. Second, we do not even have a printed copy of the amendment, and did not see it until a moment ago. Third, the amendment interjects new language, which I think is unnecessary, and would complicate the very carefully worded resolution which is before the Senate.

Upon examination of the resolution, it will be found that the committee, in its wisdom, and with the benefit of suggested amendments from the State Department and the Treasury Department, worked out a very carefully worded resolution to provide for a specific study of the feasibility of establishing an International Development Association.

Obviously, the study of the establishment of an International Development Association could not be done without the assistance of experts who will consider carefully all other international lending activities.

The language of the amendment is so broad, however, that we do not know whether it includes a worldwide investigation of all the operations of the World Bank, the Monetary Fund, and the many kindred and associated international financial enterprises of which the United States is a member.

The resolution has been cleared and is supported by the administration in the text in which it is presented to the Senate. Therefore, I feel we would be unwise and careless in our legislative procedure if we accepted the amendment at this late hour.

Mr. BUSH. Mr. President, will the Senator from Oklahoma yield?

Mr. MONRONEY. I yield.

Mr. BUSH. It is difficult for me to oppose an amendment offered by my friend, the distinguished and able Senator from Indiana; but in this particular instance I feel compelled to do so. The resolution before the Senate is not very different in form from the resolution which was originally submitted by the distinguished Senator from Oklahoma. The language has been worked over assiduously; it has been written and rewritten; negotiations have taken place with the State Department and the Treasury Department, to make certain that the resolution contains nothing which would be objectionable to them.

I fear that if an amendment such as that offered by the Senator from Indiana were added, the Senate would not have before it a resolution which we could say was thoroughly approved by the departments I have mentioned.

Also, there would be some question regarding the views of Mr. Black, the president of the World Bank, who has written a letter to us, which is in the RECORD, approving the resolution in its present form.

I myself believe that the study which is contemplated by the resolution cannot take place in a vacuum, but will take place in the light of conditions as they exist. These include the existence of the foreign-aid program, the development loan program, the World Bank, the International Finance Corporation, and various other activities in the field of economic aid and international finance at Government levels. So a study of the existing organizations is implicit in the resolution itself.

For these reasons, I believe the amendment of the Senator from Indiana is not needed, but would burden the resolution unnecessarily.

Mr. MONRONEY. I thank the Senator from Connecticut for his contribution. I feel that because of the consideration which the World Bank, the State Department, and the Treasury Department have given to the language which they have suggested and insisted upon, they must view it as being in the best form. Therefore, I ask that the amendment be rejected.

Mr. JAVITS. Mr. President, will the Senator yield for a question?

Mr. MONRONEY. I yield.

Mr. JAVITS. I notice that the language of the Senator's resolution, which I support, states: "to supplement International Bank lending activities." That appears on page 3, lines 8 and 9.

In order to make the proper legislative history, would the Senator, as the author of the resolution, state that that language contemplates that the study

shall consider the activities of all other international lending agencies as a necessary part of the study, and as the study bears upon the International Development Association, which the Senator's resolution proposes?

Mr. MONRONEY. Indeed, it would be applicable to any other association, as soon as the parent organization were studied. A study cannot be conducted in a vacuum.

Mr. JAVITS. A few of us who are very much in favor of the resolution do not understand why the Senator from Oklahoma cannot accept the amendment of the Senator from Indiana, because in this body, as I understand, an amendment will be accepted, even if it provides what is already in the bill, simply to accommodate a Senator who thinks his proposal is not spelled out in the bill.

Mr. MONRONEY. If the Senator from New York will compare the original and reported texts of the resolution, he will see with what nuances of language the changes which were recommended by the State Department and the Treasury Department were concerned. To the committee, the change meant the same thing as the language originally contained in the resolution; but we agreed to accept the language proposed by the administration, because we respected their judgment on the matter.

For that reason, I think the offering, at the last minute, of an amendment which is not designed to improve the resolution, but which seeks to defeat the study proposal, should not be accepted without knowledge of what we are doing. Therefore, I think it is wise to reject the amendment.

Mr. CAPEHART. Mr. President, I am amazed that any Senator would be against this amendment. I want to read what it provides. It is in connection with the study. The resolution upon which we are about to vote authorizes a study to be made of the advisability of creating a new international organization to lend money, on top of the 7 or 8 organizations which now exist.

The language of the amendment is simply this: "and study all existing international agencies in relationship to the proposed International Development Association."

In other words, we have already the International Bank, the Monetary Fund, the International Finance Agency, the Export-Import Bank, the Development Loan Fund, Public Law 480, and the President's Emergency Fund. Why do Senators, in connection with the study proposed in the resolution, object to a study in relation to all other lending agencies? How can a study be made unless other agencies are included?

What is behind the thinking of those who oppose the amendment? They frighten me when they oppose the amendment. Is there something mysterious we do not see? Why do not Senators want to take into consideration the International Bank, the International Finance Agency, and the other lending agencies?

I have heard the statement that the administration is for this particular proposition. I have not found them to favor it particularly. I found the administration merely willing to go along with it. I did not find any enthusiasm for the proposal when I talked to the administration representatives at the hearings. What is behind the apparent opposition to including all the other lending agencies? It is necesary to take them into consideration if an honest study of the proposed legislation is to be made.

What is this proposal, Mr. President? It is just another plan or scheme to lend money. It proposes the establishment of just another international lending organization, in addition to all the others which previously have been established. And now we find that the author of this plan is opposed to the inclusion in the resolution of the words—

and study all existing international loan agencies in relationship to the proposed International Development Association—

The International Development Association being the new agency that is proposed in connection with the proposed study.

Mr. President, the inclusion of such words could not fail to improve the resolution. I would be amazed to find a Senator who would wish to have such a study made of a proposed new monetary group or new international agency without taking into consideration all the existing international loan agencies and without endeavoring to determine whether the proposed new agency is really needed and whether some of the existing international loan agencies can be consolidated.

Mr. President, I am delighted to make this record.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 1785. An act designating the reservoir located above Heart-Butte Dam in Grant County, N. Dak., as Lake Tschida, and for other purposes;

S. 1939. An act to amend the Federal Seed Act of August 9, 1939 (53 Stat. 1275), as amended;

S. 2266. An act to provide a method for regulating and fixing wage rates for employees of Portmouth, N. H., Naval Shipyard;

S. 3076. An act to amend section 12 of the act of May 29, 1884, relating to research on foot-and-mouth disease and other animal diseases;

S. 3437. An act authorizing the Department of Highways of the State of Minnesota to construct, maintain, and operate a free highway bridge between International Falls, Minn., and Fort Frances, Ontario, Canada;

S. 3478. An act to insure the maintenance of an adequate supply of anti-hog-cholera serum and hog-cholera virus:

S. 3608. An act to revise and reenact the act authorizing the State Highway Commission of the State of Maine to construct, maintain, and operate a free highway bridge between Lubec, Maine, and Campobello Island, New Brunswick, Canada;

S. 3677. An act to extend for 2 years the period for which payments in lieu of taxes may be made with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments; and

H. R. 13121. An act to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

DEATH OF JAMES H. McCLELLAN

Mr. JOHNSON of Texas. Mr. President, there is very little that we can do for a close friend who has lost a loved one, other than to let him know that we are thinking of him and wishing desperately that there were some way to bring him comfort.

Our colleague, the senior Senator from Arkansas [Mr. McCLELLAN], has suffered a major tragedy. He has suffered much in his life, and has borne it with a fortitude and a courage which should be an inspiration to all the other Members of this body.

I do not believe very many words are needed on this occasion. I think what is needed is the open expression of our hearts and our souls in his behalf.

Mr. President, on behalf of the distinguished minority leader, the senior Senator from California [Mr. KNOWLAND], the distinguished senior Senator from Arizona [Mr. HAYDEN], the distinguished senior Senator from New Hampshire [Mr. BRIDGES], and myself, I submit a resolution for which I request immediate consideration.

The PRESIDING OFFICER. The resolution will be read.

The resolution (S. Res. 340) was read, and, by unanimous consent, was considered, as follows:

Resolved, That the Senate has learned with profound sorrow of the death of James H. McClellan, and extends sincere sympathy to our beloved colleague, the illustrious senior Senator from Arkansas.

Mr. IVES. Mr. President, I think the distinguished majority leader is quite correct when he says that not many words are necessary at this time.

I know that the hearts of all of us are filled with an emotion which an occasion of this type brings upon us.

As friends of JOHN McCLELLAN, I know that all of us deeply sympathize with him. Some of us have sons; we can imagine ourselves in his place.

But it seems to me that more than his lot of sorrow has come to him in his lifetime; this is the third son he has lost—all of them in some tragic way.

He has two daughters left, thank the Lord; and he is extremely blessed in having them. But that fact does not mitigate the tremendous loss which has come to him at this time.

I know that, in what I say, I am only expressing—though utterly inadequately—the feeling of all other Members of the Senate.

Our hearts go out to JOHN McCLELLAN and to Mrs. McClellan and their family. We are with them in spirit in this hour of their severe trial and great sorrow. We wish for them the calm and the reconciliation of mind and spirit which only time and divine providence can bring to them, because at the present

moment their sorrow undoubtedly seems to them almost unbearable.

Mr. President, I ask unanimous consent that my name be included in the list of those who sponsor the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FULBRIGHT. Mr. President, I wish to join the majority leader in the submission of the resolution; therefore, I ask that my name be included as one of its sponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FULBRIGHT. Let me say that I have known Senator McCLELLAN, and also Jimmy, for many years. Jimmy was an outstanding young man. He had a most promising future. He had been very successful in his chosen profession, and had a very fine, lovely family.

I know all of us join in expressing our grief and our sympathy.

This tragic development and the other tragedies which have come to this wonderful family are almost unparalleled, insofar as I know.

I desire to express my sympathy and that of my family and of the other people of Arkansas to JOHN McCLELLAN and his family.

Mr. CURTIS. Mr. President, I wish to associate myself with the remarks which have been made in connection with the resolution.

Certainly in this situation words are inadequate.

It is our prayer that a special grace from on high will attend Senator and Mrs. McClellan in this hour of their sorrow.

Mr. BRICKER. Mr. President, I also wish to associate myself with the remarks of those who have expressed their sympathy and have extended their consolation to our distinguished colleague, the senior Senator from Arkansas [Mr. McCLELLAN].

I do not serve with the Senator from Arkansas on his committee, but I have come to have a very high regard for him.

Little can be said to help on an occasion of this kind, Mr. President; but I am sure Senator McCLELLAN and his family know that his colleagues pour out to him and to them their deepest sympathy in this hour of their bereavement; and I am sure they know that we are thinking about them and are wishing them strength, courage, and divine help, that they may carry on in the face of this great loss, which is the more extreme because of their past experience.

So, Mr. President, I wish to join with my colleagues who at this hour offer Senator McCLELLAN their help, their consolation, and their support.

Mr. KERR. Mr. President, the people of Oklahoma know and love Senator JOHN McCLELLAN, and their hearts go out to him in sympathy at this time. We have for him great respect and deep affection. We know he has deep reverence for God and an exalted faith in God, and we know that in that faith he will find the strength to sustain him in this hour of great tragedy.

Mr. LONG. Mr. President, a Senator learns to have great friendship and comradeship for his deskmates. I have come to admire Senator McCLELLAN as one of the truly great men of the Nation, and Senator McCLELLAN has a number of other ardent admirers in Louisiana. His work has, through the years, closely associated him with Louisiana. So I know I speak for all the citizens of Louisiana when I extend to him my sympathy at his great loss.

I ask unanimous consent that my name be added to the list of sponsors of the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SMITH of New Jersey. Mr. President, at this time of great tragedy in the life of Senator McCLELLAN, I wish to associate myself with the remarks which have been made by his other friends, and to express to both Senator McCLELLAN and his family my deepest sympathy.

I have known Senator McCLELLAN throughout my service in the Senate, and I shall always cherish his friendship, and shall always have for him the highest regard. He is truly one of the great men of the Nation, and has rendered it outstanding service.

I know that all the people of New Jersey join me in this expression of sympathy to him.

Mr. KNOWLAND. Mr. President, it is most difficult for any of us to put into adequate words the sense of shock and the feeling of deepest sympathy that ran throughout this Chamber yesterday when we heard of the tragic happening to the son of JOHN McCLELLAN.

JOHN McCLELLAN has carried very heavy burdens in this Chamber. He has performed outstanding service for his State and his Nation. I know that from my heart and from the hearts of each of the other 95 Members of the United States Senate love and sympathy are extended to him. We hope that Almighty Providence will give him the fortitude and strength to enable him to bear the sorrow caused by the tremendous tragedy which has come into his life.

Mr. PURTELL. Mr. President, I wish to join my colleagues in expressing deep sympathy to Senator JOHN McCLELLAN on the loss of his son. In such a bereavement as he has suffered words are inadequate to give full expression to our sentiments. I know I and all the other Senators will do anything we can to assuage his sorrow, if it is possible.

Mr. BUSH. Mr. President, the name of Senator McCLELLAN is widely known and respected in my State. I know I speak for thousands of people in Connecticut who read about the tragic loss when we extend to Senator McCLELLAN our deepest sympathy in his mourning.

In behalf of Mrs. Bush and myself, I also wish to extend to the Senator and Mrs. McClellan our warmest personal sympathy and the assurance of our understanding of his feelings at this most difficult time.

Mr. ERVIN. Mr. President, I first came to the Senate 4 years ago. The first committee to which I was assigned was the Government Operations Committee, of which Senator McCLELLAN was the senior Member. Ever since then I have served on that committee with Senator McCLELLAN. I have also had the privilege of serving with him, for the past year and a half, on the select committee investigating labor-management relations.

I have come to know and admire and love this great Senator and great American for the fine qualities of his head and heart, and for his unsurpassed courage, both political and moral.

I think the saddest cry that has echoed down through the centuries has been the cry of David when his son Absalom was killed in battle. I cannot help but think that Senator McCLELLAN'S sorrow is more poignant because his son, unlike Absalom, was always faithful to his obligations.

I had the privilege of meeting Jim McClellan some months ago. He was a young, upstanding American, with a fine personality, a great character, and a life which was full of promise.

I have never in my life felt so sorry for any human being as I feel at this moment for Senator McCLELLAN. I say that notwithstanding the fact that I, like everyone else here, have been compelled to witness many tragedies. I think this is the greatest one I have known.

Mr. JOHNSTON of South Carolina. Mr. President, I wish to join my colleagues in expressing sympathy not only for JOHN McCLELLAN, but also his family. This makes the third time since I have been in the Senate that an announcement has been made to the Senate that JOHN McCLELLAN had lost a son. To lose a son is no easy thing. To lose two sons is even harder. But to lose the third and only remaining son is naturally a tragic, sorrowful occurrence in the life of our colleague, JOHN McCLELLAN. I know he must be feeling this loss very much. So my hope is that God will place His hand on JOHN McCLELLAN and help him bear the burden of the affliction which has been visited upon him.

Mr. HUMPHREY. Mr. President, my first assignment when I came to the Senate was to be a member of the Senate Committee on Expenditures in the Executive Departments, as it was then called, and subsequently renamed the Senate Committee on Government Operations. Senator JOHN McCLELLAN has been a member of that committee, and, as we know, chairman of that committee for many years. With the exception of a very few short months, I served approximately 9 years on that committee.

During that period of time, one learns a great deal about his associates. I have grown to respect and admire Senator McCLELLAN. I believe I am privileged to say that I have shared his friendship, which is a great honor and privilege.

It really touched my heart when I heard the sad news about his son Jim. Only a few days before—in fact, last week—Jim McClellan was here in Washington. I had a cup of coffee with this fine young man in the Senate cafeteria, and spent a pleasant 15 or 20 minutes in conversation and fellowship with him. I can say to my colleagues it was a severe blow to hear the tragic news of his untimely death.

No man can understand why these things happen. As the seers and prophets say, these are matters which are in the hands of Divine Providence.

I do not suppose anyone can understand the grief of another, and I am sure no one can really appreciate the grief of a father who has lost three sons. It would seem to me, however, it would be reassuring if the father knew his friends, colleagues, and associates were with him in heart and in spirit.

It is in that spirit that I express today words of fellowship, friendship, and personal sympathy and condolence to Senator McCLELLAN. I only hope that somehow, somewhere, he may be comforted, and that he may realize there are those of us who share, at least in part, the tragedy which has befallen him.

Mr. MARTIN of Pennsylvania. Mr. President, I wish to join my colleagues in expressing sincerest sympathy to JOHN McCLELLAN and to his fine wife.

When I first came to the Senate I was on the Committee on Public Works with JOHN McCLELLAN. I soon came to learn of and admire his fine qualities. JOHN McCLELLAN is a great American. I know he has great faith, and I feel that in this tragic moment his faith will be a source of consolation to him.

The Senate of the United States is really a grand family. I think JOHN McCLELLAN will understand that all of us deeply sympathize with him in this tragic hour of his bereavement.

Mr. THYE. Mr. President, I have been privileged to serve with Senator McCLELLAN on assignments with the Special Investigating Subcommittee. Senator McCLELLAN is one of the most honorable men whose acquaintance I have been privileged to make.

Senator McCLELLAN, Mrs. McClellan, and I went on a journey together, with other Members of the Senate, in connection with the Special Investigating Subcommittee activities. We visited Madrid, and while there one evening he told me of the death of his two sons, and also of the loss of his wife, the former Mrs. McClellan. Now to have his third and only remaining son lost in a tragic airplane accident seems more than any one individual should be called upon to bear, but I know that Senator McCLELLAN'S faith will permit him to bear the burden. We know not, of course, why such tragedies happen to one family, but this afternoon we are attempting to show by our expressions and by the resolution our deep feelings for Senator McCLELLAN and Mrs. McClellan on the loss of their son.

Only one who has lost someone very close or dear, such as one of his own immediate family, could in any sense feel what the loss of his son must mean to a father. So to Senator McCLELLAN and Mrs. McClellan I extend by heartfelt sympathy in this hour of their deepest bereavement.

Mr. THURMOND. Mr. President, I was shocked to hear of the death of the fine son of my close friend and colleague, Senator McCLELLAN. I did not have the pleasure of knowing this young man, but I have heard a great deal about him and his exemplary qualities.

Death is tragic at any time, but in a case of this kind it is especially so. Senator McCLELLAN had lost two sons previously. This sudden shock coming into his life is bound to be especially tragic to him. It is difficult sometimes to understand why one person is afflicted with so much sorrow, but all we can do is to trust in our Creator and realize that each of us must bow to His will.

I wish to extend to my esteemed friend and his devoted wife my deepest sympathy during this hour of sorrow.

Mr. JENNER. Mr. President, I wish to associate myself with the expressions of Senators in respect to the death of the son of Senator McCLELLAN. I was deeply shocked to learn of the tragic death of his third son. Words of course cannot adequately express my feelings, but I am sure JOHN McCLELLAN knows his friends and colleagues are with him in his hour of trouble and sorrow.

Mr. MONRONEY. Mr. President, I join with my colleagues in expressing deepest sympathy to Senator McCLELLAN and his family. When a dear friend loses a son words are insufficient to convey the warm sympathetic feeling of friendship and desire to help. When one suffers not once but three times in a relatively short period of time, as has been the lot of Senator McCLELLAN, words are not competent to express the sympathy all of us have and wish to extend to him in this sad hour.

Mr. SMATHERS. Mr. President, for Mrs. Smathers and myself, I should like to join with my colleagues in expressing the deepest sympathy to our able colleague, JOHN McCLELLAN, and to Mrs. McClellan, on the untimely and tragic death of his third son. Senator McCLELLAN has endeared himself not only to his colleagues in the Senate but to many people throughout the United States for his outstanding courage and purest integrity. I know the people of my State would like, through me, to express at this time sympathy to him and his family.

Mr. CAPEHART. Mr. President, I do not have words to express my deep feeling of regret over the death of the son of JOHN McCLELLAN. Mrs. Capehart and I were very friendly to Mr. and Mrs. McClellan. I wish to join other Senators in extending sympathy to both of them in this time of their tragic loss. I happen to have two sons, and I can imagine the feelings Senator McCLELLAN is experiencing.

Mr. CARLSON. Mr. President, on occasions such as this words seem to fail us.

I became a Member of the House of Representatives in the 74th Congress, at the same time the distinguished Senator from Arkansas JOHN McCLELLAN, began his service in the House. We became close friends, and we have been associated very closely since on many occasions. He has been one of my personal friends. This makes my feelings more poignant on an occasion such as this.

I deeply share with JOHN McCLELLAN and his family their bereavement. There are things in this world we do not understand. All I can say is, God moves in a mysterious way, His wonders to perform.

I have no doubt—and I pray—that during this trying hour some ray of sunshine, some ray of light and some ray of hope will penetrate the gloom for JOHN McCLELLAN and his family.

The PRESIDING OFFICER. The question is on agreeing to the resolution expressing the sorrow of the Senate on the death of the son of Senator McCLELLAN. All in favor of the resolution will stand.

The resolution was unanimously agreed to by a rising vote.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MILLS, Mr. GREGORY, Mr. FORAND, Mr. REED, and Mr. SIMPSON of Pennsylvania were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 13066) making appropriations for the legislative branch for the fiscal year ending June 30, 1959, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. NORRELL, Mr. KIRWAN, Mr. ROONEY, Mr. CANNON, Mr. HORAN, Mr. BOW, and Mr. TABER were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the amendment of the Senate to the bill (H. R. 7729) for the relief of August Widmer.

The message also announced that the House had agreed to the amendments of the Senate to the joint resolution (H. J. Res. 589) for the relief of certain aliens.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I announce for the information of the Senate that following action on the pending resolution I shall move to take up House Concurrent Resolution 332, Calendar No. 1762, the space resolution of the other body relative to the establishment of plans for the peaceful exploration of outer space. We also expect to consider Senate Resolution 327, the measure which has been reported from the Committee on Rules and Administration, relating to space legislation, tomorrow or the next day; also Calendar No. 1917, Senate Concurrent Resolution 109, a concurrent resolution to express the sense of the Congress on the establishment of the United Nations force, which has been reported from the Committee on Foreign Relations, and will be considered today, if there is time; and Senate Resolution 328, to print, with

additional copies, the joint report entitled "Water Developments and Potentialities."

Mr. CLARK. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. CLARK. I did not hear the Senator very clearly. I wonder if the District of Columbia teachers' bill is to be taken up today.

Mr. JOHNSON of Texas. I will consult with the Senator on that subject later.

ESTABLISHMENT OF INTERNATIONAL DEVELOPMENT ASSOCIATION

The Senate resumed the consideration of the resolution (S. Res. 264) favoring the establishment of an International Development Association in cooperation with the International Bank for Reconstruction and Development.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. CAPEHART]. On this question the yeas and nays have been ordered.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. CAPEHART]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Tennessee [Mr. GORE], the Senator from Missouri [Mr. HENNINGS], the Senator from Florida [Mr. HOLLAND], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

The Senator from Delaware [Mr. FREAR] is absent by leave of the Senate attending the Interparliamentary Union conference in Rio de Janeiro, Brazil.

The Senator from Massachusetts [Mr. KENNEDY] is absent because of illness.

The Senator from Arkansas [Mr. MCCLELLAN] is absent because of death in his family.

On this vote, the Senator from Massachusetts [Mr. KENNEDY] is paired with the Senator from West Virginia [Mr. HOBLITZELL]. If present and voting, the Senator from Massachusetts would vote "nay," and the Senator from West Virginia would vote "yea."

I further announce that, if present and voting, the Senator from Delaware [Mr. FREAR], the Senator from Tennessee [Mr. GORE], the Senator from Missouri [Mr. HENNINGS], the Senator from Florida [Mr. HOLLAND], and the Senator from Texas [Mr. YARBOROUGH] would each vote "nay."

Mr. DIRKSEN. I announce that the Senator from West Virginia [Mr. HOBLITZELL] is absent because of official business, having been appointed by the Vice President to attend the 49th Congress of the Interparliamentary Union in Rio de Janeiro.

The Senator from West Virginia [Mr. REVERCOMB] is absent on official business.

The Senator from West Virginia [Mr. HOBLITZELL] is paired with the Senator from Massachusetts [Mr. KENNEDY]. If present and voting, the Senator from West Virginia would vote "yea," and the Senator from Massachusetts would vote "nay."

The result was announced—yeas 40, nays 47, as follows:

YEAS—40

Allott	Goldwater	Payne
Barrett	Hickenlooper	Potter
Beall	Hruska	Purtell
Bricker	Ives	Saltonstall
Bridges	Javits	Schoeppel
Butler	Jenner	Smith, Maine
Byrd	Knowland	Thurmond
Capehart	Kuchel	Thye
Cooper	Lausche	Watkins
Cotton	Malone	Wiley
Curtis	Martin, Iowa	Williams
Dirksen	Martin, Pa.	Young
Dworshak	Morton	
Ellender	Mundt	

NAYS—47

Aiken	Fulbright	Monroney
Anderson	Green	Morse
Bennett	Hayden	Murray
Bible	Hill	Neuberger
Bush	Humphrey	O'Mahoney
Carlson	Jackson	Pastore
Carroll	Johnson, Tex	Proxmire
Case, N. J.	Johnston, S. C.	Robertson
Case, S. Dak.	Jordan	Russell
Chavez	Kefauver	Smathers
Church	Kerr	Smith, N. J.
Clark	Langer	Sparkman
Douglas	Long	Stennis
Eastland	Magnuson	Symington
Ervin	Mansfield	Talmadge
Flanders	McNamara	

NOT VOTING—9

Frear	Hoblitzell	McClellan
Gore	Holland	Revercomb
Hennings	Kennedy	Yarborough

So Mr. CAPEHART'S amendment was rejected.

Mr. MONRONEY. Mr. President, I ask for the yeas and nays on the adoption of the resolution.

The PRESIDING OFFICER. The Chair understands the yeas and nays have been ordered.

Mr. JAVITS. Mr. President, I wish to say a word on the resolution. I am in favor of it. The vote which has been taken is illustrative of the situation which makes necessary the adoption of the resolution. The vote represented, on the part of those who voted "nay," the feeling of a great many persons that implicit in the resolution is the provision that all methods of international financing should be studied in addition to the one proposed in the resolution. I voted "yea" for exactly the same reason, namely, that I felt we were expressing in words what has already been implied.

The important point to remember is that the fundamental concept of the Senator from Oklahoma is absolutely correct. It is that there is insufficient capital available from any source, unless it be from foreign aid funds furnished by the United States, with which to do the job that needs to be done in the world. Many of us feel we are frustrated by the conditions we find in the world today, but with which we are unwilling to deal adequately. The fact is, although the amount of money involved in the International Bank for Reconstruction and Development and in the International Finance Corporation and in the Development Loan Fund appears to be very large—Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. Senators will desist from conversation. The Senate will be in order. The Senator from New York will not resume his remarks until the Senate is in order. Senators will desist from conversation.

Mr. JAVITS. The fact is that the amount of money available for international lending is not large enough. The best way to illustrate that fact is by showing that the number of legitimate applications which ought to be accepted are 5 to 6 times the amount of money available, even if we were to allow the full $800 million which is the amount authorized through appropriations.

The fundamental and hard, realistic fact is that the world has grown so much that a billion dollars today means what tens of millions of dollars meant formerly. The fact is that the International Bank for Reconstruction and Development has a capital of $10 billion, and that is not enough.

What the Senator from Oklahoma is trying to do is to tap new sources of capital. There are now two sources from which money can be loaned in the international field. They are the various lending agencies, and United States foreign aid. United States foreign aid may or may not be increased, because there is always some serious resistance to it. The international lending agencies have their own problems in terms of limitations.

We have to go to yet a third course, and that is to make some temporary arrangements for particular situations with other countries to be our partners in respect to the job of world financing which needs to be done.

The Senator from Oklahoma offers us an alternative, a way in which to go into partnership with other countries, some of whom may have only soft currencies, in order to help carry some of the load of international financing, which is indispensable if we are to meet the Russians and beat them on the ground of international competition.

There is still a fourth way. It may be that one day some of us will come forward with a proposal for international lending by financing with American private capital in some enormous mutual effort, some multi-billion-dollar effort.

But, in the meantime, the Senator from Oklahoma offers us a line along which we can try to make some measurable achievement in the field.

I have lived with this problem for a long time. I had the honor in the other body to be the chairman of a subcommittee which dealt with foreign economic policy.

Unless we solve this problem equally with the solution of the problem with reference to feudal societies which are trying to find their way into a new nationalism, which is a problem that is now implicit, we can be defeated, which is something we do not often realize.

We think that, traditionally, we have to win. We could lose. It is the fruitfulness of such new ideas as this which will enable us to win. We ought to try such ideas, take advantage of them, and study them.

I think we should be grateful to the Senator from Oklahoma for giving to us an opportunity of having a totally new approach in a totally new field. We should try to get some help for ourselves in an area in which we sorely need help; namely, the financing of the tremendous load in backward areas of the world today.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. LAUSCHE. Do I understand correctly that the junior Senator from New York voted against the Capehart amendment because he understood that under the language of the resolution a determination of the need for a new lending agency could not be made unless a study was also made of the lending powers now vested in the existing institutions?

Mr. JAVITS. I voted for the Capehart amendment exactly because I was willing to spell out in words the fact that in a study of the International Development Association, which is called for by the resolution, other mediums of other international financing should be considered.

I believe the Senator from Oklahoma was right when he said that the words in the resolution include such a study anyhow, and that the study will include it. But since the Senator from Indiana felt that he wanted to spell out that proposal in words, I was willing to go along with him.

Mr. LAUSCHE. I listened to the comments made by the Senator from Connecticut [Mr. BUSH] and the Senator from Oklahoma [Mr. MONRONEY] to the effect that implicit in the language of the resolution is the need for making a study of the lending powers of all existing institutions, to determine whether a new one is needed.

Mr. JAVITS. That is exactly correct. The Senator from Oklahoma was very frank in stating that the language now contained on lines 8 and 9, page 3—"to supplement International Bank lending activities"—included that concept.

For that reason, although I am very much in favor of the resolution, I felt that no harm at all would be done by including language to spell out that intent.

Mr. LAUSCHE. I contemplate voting for the resolution on the basis that in order to determine the need for a new lending institution it will be necessary to ascertain what powers the existing institutions have; and if their powers are not adequate to meet the purpose of the resolution, then a determination will be made, of course, as to whether another lending institution is necessary.

Mr. JAVITS. I think the Senator from Ohio is quite justified in voting on that basis as stated in the RECORD.

Mr. MONRONEY. Mr. President, I ask unanimous consent that samples of editorial comment on Senate Resolution 264 be printed at this point in the RECORD.

There being no objection, the editorial comment was ordered to be printed in the RECORD, as follows:

EDITORIAL COMMENT ON SENATE RESOLUTION 264

Christian Science Monitor, March 3, 1958: "* * * a timely, creative, and economical idea for action in a direction others have also urged."

New York Times, February 24, 1958: "* * * might grow to the point where large grants through other agencies wouldn't be so necessary. Certainly this device would be a relief to some recipient countries whose inhabitants are tired of being regarded as poor relations."

Providence Journal, March 8, 1958: "The international institution proposed by Mr. MONRONEY is designed to accommodate a needy nation. In so doing it would not only serve that nation, but its service would be of inestimable benefit to the rest of the Free World, including particularly the United States."

Washington Star, March 14, 1958: "* * * offers a new approach which might be helpful and constructive. It should be examined seriously in the Senate."

Youngstown Vindicator, March 4, 1958: "* * * seems to have obvious merits. It is good to hear that the administration is giving it serious study."

Pittsburgh Post Gazette, March 10, 1958: "* * * plan is based on extensive consultation with experts here and abroad. It offers a welcome new approach to the problem of assisting other countries looking to the Free World for aid."

St. Louis Post-Dispatch, March 12, 1958: "Senator MONRONEY'S resolution is not something he has just pulled out of a hat. He has been testing it on economists, Government officials, diplomats, and others for a year and a half. The response, he reports, has been overwhelmingly favorable. Both Congress and the White House ought to give it a warm and sympathetic hearing."

Denver Post, March 12, 1958: "It seems to us that the plan has much to commend it, and that it should receive a warm reception from a Congress that is looking with more suspicion than ever at handouts."

Richmond News Leader, March 12, 1958: "* * * program makes sense—as much sense as anything can make in the wonderland world of global spending—and merits approval as the next-best policy that could be adopted.

New York Post, March 9, 1958: "* * * a new economic assistance plan that could relieve the United States of a considerable financial burden and at the same time strengthen and broaden the concept of foreign aid."

Springfield Illinois State Journal, March 12, 1958: "Taxpayers in this area as well as elsewhere should cheer the bipartisan effort * * * to shift the emphasis off our foreign aid program from a giveaway basis to a loan basis."

Kansas City Times, March 10, 1958: "It strikes us that the proposal for a sort of second-echelon World Bank deserve serious consideration. It is a rare and refreshing thing these days to hear an imaginative idea in the foreign policy field."

St. Petersburg Times, March 4, 1958: "* * * the most imaginative idea in foreign aid since the Marshall plan was suggested in 1947."

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2. Baltimore Sun, February 25.
3. Dayton News, February 25.
4. Springfield (Ohio) News, February 27.
5. New York Journal of Commerce, February 27.
6. Dayton News, March 1.
7. Decatur (Ill.) Herald, March 2.
8. St. Louis Post-Dispatch, March 2.
9. New York Times, March 2.
10. Christian Science Monitor, March 3.
11. Springfield (Ohio) News, March 4.
12. Youngstown Vindicator, March 4.
13. St. Petersburg Times, March 4.
14. Green Bay (Wis.) Gazette, March 4.
15. Wall Street Journal, March 7.
16. Providence Journal, March 8.
17. Washington Post, March 8.
18. Augusta (Ga.) Chronicle, March 8.
19. New York Post, March 9.
20. Pittsburg Post Gazette, March 10.
21. Kansas City Times, March 10.
22. Charlotte Observer, March 10.
23. Altus (Okla.) Times-Democrat, March 10.
24. Macon (Ga.) Telegraph, March 11.
25. Toledo Blade, March 11.
26. Syracuse Herald-Journal, March 11.
27. Springfield (Ill.) State Journal, March 12.
28. Chicago Daily News, March 12.
29. Richmond News-Leader, March 12.
30. Denver Post, March 12.
31. St. Louis Post-Dispatch, March 12.
32. Manilla Times, March 12.
33. Washington Star, March 13.
34. Sherman (Tex.) Democrat, March 17.
35. Houston Chronicle, March 19.
36. Oklahoma City Daily Oklahoman, March 19.
37. Decatur (Ill.) Herald, March 20.
38. Memphis Commercial Appeal, March 21.
39. Aurora (Ill.) Beacon-News, March 21.
40. Waco (Tex.) News-Tribune, March 21.
41. Memphis Commercial Appeal, March 22.
42. Memphis Commercial Appeal, March 23.
43. Des Moines Register, March 24.
44. Topeka State Journal, March 25.
45. Las Vegas Sun, March 25.
46. Montpelier (Vt.) Argus, March 25.
47. Northern Virginia Sun, March 27.
48. San Francisco Chronicle, March 30.
49. Monroe (La.) News-Star, March 31.
50. San Antonio Light, April 17.
51. Baltimore News Post, April 29.
52. Christian Science Monitor, May 25.
53. Kansas City Star, May 27.
54. Wichita Eagle, June 1.
55. Dayton News, June 4.
56. Commonweal, June 13.
57. San Francisco Chronicle, June 15.
58. Newark News, July 5.
59. Wichita Falls (Tex.) Times.

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1. New York Times, February 23.
2. New York Times, February 24.
3. New York Times, March 19.
4. New York Times, March 21.
5. New York Times, May 26.
6. Wall Street Journal, June 11.
7. New York Times, June 11.
8. Washington Post, July 13.
9. Washington Star, July 13.
10. New York Times, July 13.

Mr. MONRONEY. Mr. President, I ask unanimous consent that a letter from Secretary of the Treasury Anderson summarizing the role and activities of the National Advisory Council on International Monetary and Financial Problems be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF THE TREASURY,
Washington, D. C., June 4, 1958.

Hon. A. S. MIKE MONRONEY,
United States Senate.

DEAR SENATOR MONRONEY: This is in reply to your request for information on the con-

stitution and activities of the National Advisory Council on International Monetary and Financial Problems, contained in your letter of June 2, 1958.

The Council was established by the Bretton Woods Agreements Act (22 U. S. C. 286) to "coordinate, by consultation or otherwise, so far as is practicable, the policies and operations of the representatives of the United States on the [International Monetary] Fund and the [International] Bank, the Export-Import Bank of Washington and all other agencies of the Government to the extent that they make or participate in the making of foreign loans or engage in foreign financial, exchange, or monetary transactions." The Council was given similar powers of coordination with respect to the International Finance Corporation by the International Finance Corporation Act (22 U. S. C. 282). The coordinating function of the Council is applicable to the Development Loan Fund, as an agency of the Government engaging in foreign financial transactions (22 U. S. C. 1876).

With respect specifically to the International Monetary Fund and the International Bank for Reconstruction and Development, section 4 (b) of the Bretton Woods Agreements Act contains the following additional directives to the Council:

"(1) The Council, after consultation with the representatives of the United States on the Fund and the Bank, shall recommend to the President general policy directives for the guidance of the representatives of the United States on the Fund and the Bank.

"(2) The Council shall advise and consult with the President and the representatives of the United States on the Fund and the Bank on major problems arising in the administration of the Fund and the Bank."

"(4) Whenever, under the articles of agreement of the Fund or the articles of agreement of the Bank, the approval, consent, or agreement of the United States is required before an act may be done by the respective institutions, the decision as to whether such approval, consent, or agreement, shall be given or refused shall (to the extent such decision is not prohibited by section 5 of this act) be made by the Council, under the general direction of the President. No governor, executive director, or alternate representing the United States shall vote in favor of any waiver of condition under article V, section 4, or in favor of any declaration of the United States dollar as a scarce currency under article VII, section 3, of the articles of agreement of the Fund, without prior approval of the Council."

These provisions were also made applicable to the International Finance Corporation by section 4 of the International Finance Corporation Act.

The Council consists of the Secretary of the Treasury, as Chairman, the Secretary of State, the Secretary of Commerce, the Chairman of the Board of Governors of the Federal Reserve System, and the President of the Export-Import Bank of Washington.

The United States Executive Director of the International Monetary Fund and the United States Executive Director of the International Bank and Director of the International Finance Corporation, or their alternates, regularly participate in the work and meetings of the Council and its staff committee. Representatives of the International Cooperation Administration, the Bureau of the Budget, and the Department of Agriculture also participate regularly. Representatives of other agencies interested in particular problems, such as the Department of Defense, the Atomic Energy Commission, and the Development Loan Fund, attend when matters of importance to them are under consideration.

Formal meetings of the Council members or their alternates are held when the business of the Council requires personal discussion, usually with respect to major policy problems. On many other matters, the Council frequently takes actions by means of a poll without a meeting, on the basis of the analysis presented by the staff committee of the Council.

Preparatory staff work is done by the staff committee, which consists of senior staff members from the constituent agencies of the Council. The staff committee meets whenever required by the business of the Council, usually about once a week. Problems requiring special technical studies are referred to working groups established by the staff committee. These groups, which consist of staff members of the agencies concerned with the given problem, submit their reports to the staff committee, which may in turn make recommendations to the Council.

The Council and staff committee are assisted in their work by a small secretariat provided by the Treasury Department. The secretariat has the responsibility of circulating documents, preparing for meetings, keeping records, and preparing drafts of the seminannual and biennial reports of the Council to the President and to the Congress. In order to facilitate the Council's function of policy coordination, the staff committee and secretariat from time to time collect and analyze data on matters of interest to the Council, and prepare special studies which are needed for the work of the Council.

The Council's actions are circulated among the interested executive agencies. From time to time the agencies concerned with matters which have been considered by the Council, such as the Export-Import Bank, make public announcements of actions which they have taken after consultation with the Council.

As provided by law, full reports of the Council's activities are submitted to the President and the Congress at 6-month intervals, and special reports are submitted on the operations and policies of the fund, the bank and the International Finance Corporation, at 2-year intervals. Apart from its reports to the President and the Congress, the Council normally does not issue material or documents publicly. The Council in 1947, however, submitted a special report to the Senate Committee on Finance on the foreign assets and liabilities of the United States and its balance of international transactions, in response to Senate Resolution 103, 80th Congress, 1st session.

I trust that this information on the Council and its activities will be of assistance to you.

Sincerely yours,

ROBERT B. ANDERSON,
Chairman, National Advisory Council on International Monetary and Financial Problems.

Mr. MONRONEY. Mr. President, I ask unanimous consent that the following items pertaining to Senate Resolution 264 be printed at this point in the RECORD:

First. A letter from Guilford Jameson, Deputy Director for Congressional Relations, International Cooperation Administration, to Robert A. Wallace, staff director, Committee on Banking and Currency, concerning loans of foreign currencies under Public Law 480, section 104 (d) and (g).

Second. A document Legislation Relating to Foreign Currency, Fiscal Years 1954–57, prepared by the Division of Central Reports, Bureau of Accounts, Treasury Department.

There being no objection, the letter and document were ordered to be printed in the RECORD, as follows:

INTERNATIONAL COOPERATION ADMINISTRATION,
Washington, D. C.

Mr. ROBERT A. WALLACE,
Staff Director, Committee on Banking and Currency, United States Senate, Washington, D. C.

DEAR MR. WALLACE: This is in further reply to your letter of April 25, 1958, to Mr. Paarlberg which was referred to ICA for reply. This agency is responsible for administering the use of local currencies reserved for purchases for other friendly countries and for loans to foreign governments to promote multilateral trade and economic development under section 104 (d) and (g) of Public Law 480, as amended.

In accordance with your request, a descriptive list of transactions which have been authorized under section 104 (d) from the inception of the program through May 31, 1958, is enclosed, marked "Attachment A." A revised table, similar to that included on page 204 of the hearings before the Banking and Currency Subcommittee on Senate Resolution 264 on March 18–20, 1958, is also included, marked "Attachment B," since the table submitted for the record was not entirely correct. The attached table reflects the status of the program as of May 31, 1958, and indicates by footnote the changes which have occurred in the program since December 31, 1957.

As indicated in attachment B, a total of $37 million equivalent of sales proceeds has been earmarked or allocated under section 104 (d) for purchases for third countries. Of this amount, use of $19.3 million equivalent (including an exchange loss of $1 million) has been authorized. In addition, firm programs have been developed and negotiations are under way to use $12.4 million equivalent more of these funds, leaving a balance of about $5.3 million equivalent for future programing, plus amounts which may be allocated from Public Law 480 funds reserved for various United States uses.

The act provides that unless the requirement is waived, dollar reimbursement must be made to the Commodity Credit Corporation if the foreign currency is used to provide goods to aid-receiving countries on a grant basis. Of the $18.3 million equivalent programed (excluding the exchange loss referred to above) ICA has purchased $8.8 million equivalent with dollars appropriated for the Mutual Security program. The Department of the Army used about $3.3 million equivalent of yen for relief purposes in the Ryukyu Islands and obtained a waiver of the dollar reimbursement requirement for these funds. About $2 million of Austrian schillings were exchanged for Spanish pesetas and $4.2 million equivalent has been made available on a loan basis, including a loan of $2.5 million of Italian lire to Israel and $1.7 million of Finn marks to Indonesia.

With reference to your request for copies of typical agreements negotiated under section 104 (d), the sales agreements with countries purchasing United States surplus agricultural commodities include agreement on the use of the local currency proceeds of the sale. Amounts to be used to finance purchases of goods for third countries may either be specified or the agreement may provide that unspecified amounts of currencies which will be set aside for various United States uses may be used for this purpose. In authorizing such purchases by third countries, ICA usually issues a foreign currency authorization. A copy of this form, including the general provisions relating to such procurement, is enclosed marked "Attachment C." Upon acceptance by the cooperating country, this document constitutes an agreement with the United States. If the

currency is loaned to the purchasing country, a loan agreement setting forth the terms and conditions of repayment must also be executed.

Possibilities for developing section 104 (d) transactions are limited. Most Public Law 480 sales are made to underdeveloped countries whose production is limited and inadequate for their own needs. Moreover, we cannot use large amounts of local currency of a given country from Public Law 480 deposits to remove resources from that country to another without reducing the foreign exchange earnings of the former and its capacity to pay for the importation of capital goods needed for its own economic development.

As indicated above, $4.2 million of local currency under Public Law 480 has been loaned to other friendly countries for the purpose of financing the export of goods from the country of the currency concerned to the country to which such currency is loaned by the United States.

Section 104 (g) of the act authorizes loans to promote multilateral trade and economic development. Sales agreements signed since the beginning of the Public Law 480 program in fiscal year 1955 through May 31, 1958, include provision for $1.4 billion of such loans to countries which purchased surplus commodities. If the language of section 104 (g) is taken in its entirety and the limitations on the use of local currencies in less developed countries are sufficiently understood, it is clear that the notions of multilateral trade and economic development as used in this section cannot very well be considered apart from one another. Funds loaned under section 104 (g) may be used to cover local costs of labor and materials for projects designed to increase power output and production, and to improve transportation and marketing facilities. As economic development progresses and the currency becomes more freely convertible the country's capacity to participate in multilateral trade is enhanced.

No doubt you are aware, that beginning in 1956 a certain percentage of all loans under section 104 (g) were reserved for relending to private investors which in turn should have a more immediate effect on multilateral trade than social overhead or public works projects. This practice has been largely replaced since the adoption of the so-called Cooley amendment to section 104 (e) in this year's Public Law 480 program.

If ICA can be of any further help in these matters, please let me know.

Sincerely yours,

GUILFORD JAMESON,
Deputy Director for Congressional Relations.

ATTACHMENT A.—*Transactions authorized under section 104 (d) of Public Law 480, as amended as of May 31, 1958*

[Million dollars equivalent]

1. Finn marks: Total $3.7.

(a) $1.7 loaned to Indonesia to purchase a ship.

(b) $1 granted to Korea to purchase paper.

(c) $1 loss in equivalent value because of devaluation of the Finn mark.

2. Italian lire: Total $6.5.

(a) $2.5 loaned and $2.5 granted to Israel to purchase textiles; copper; iron and steel; chemicals; lumber; pulp and paper and nonmetallic minerals.

(b) $1.5 granted to Korea to purchase rayon and artificial fibers.

3. Japanese yen: Total $6.3.

(a) $1.2 granted to Taiwan to purchase cement.

(b) $1.8 granted to Vietnam to purchase textiles.

(c) $3.3 granted to provide civilian relief in the Ryukyu Islands, following a disastrous typhoon. This was handled by the Department of the Army, which has administrative control over the Ryukyu Islands.

4. Austrian schillings: Total $2.8.

(a) $0.8 granted to Spain for the procurement of rails.

(b) $2 to be exchanged for Spanish pesetas acquired by Austria from the sale of fertilizer to Spain according to the terms of the fiscal year 1956 sales agreements. Sixty percent of the pesetas so acquired by the United States may be loaned to Spain and 40 percent retained for United States uses.

(ICA, June 9, 1958.)

ATTACHMENT B.—*Cumulative status of program as of May 31, 1958—Purchases of goods and services for third countries under section 104 (d) of Public Law 480, as amended*

[Million dollars equivalent]

Sales proceeds from:	Total earmarked or allocated
Austria	[1] 2.8
Finland	[2] 3.7
France	[3] 4.6
India	5.0
Italy	10.0
Japan	10.9
Grand total	37.0
Purchases programed for:	**Total**
Burma	([4])
Ceylon	([2])
China (Taiwan)	1.2
India	([2])
Indonesia	1.7
Israel	5.0
Korea	2.5
Pakistan	([2])
Ryukyu Islands	3.3
Spain	[1] 2.8
Thailand	([2])
Vietnam	1.8
Subtotal	18.3
Adjustment (difference in exchange rates)	[2] 1.0
Grand total	19.3

Adjustments in program since December 31, 1957 (all data in million dollars equivalent).

[1] Program for purchase of rails for Spain reduced from $1.1 to $0.8.

[2] Allocation of $13 of Finn marks (calculated at original rate of exchange) reduced to $3.7 and consideration of tentative programs for purchases of ships for four Southeast Asian countries postponed. Loss in exchange value calculated on the basis of reduced allocation.

[3] Includes $3.8 earmarked in sales agreement signed February 28, 1958.

[4] Program in abeyance.

(ICA, June 9, 1958.)

ATTACHMENT C.—LEGISLATION RELATING TO FOREIGN CURRENCY, FISCAL YEARS 1954–57

Prepared by Division of Central Reports, Bureau of Accounts, Treasury Department

Foreign currency provisions enacted in fiscal years 1954–57

A. RELATING TO CURRENCIES THE USE OF WHICH REQUIRES REIMBURSEMENT TO THE TREASURY

1. GENERAL LEGISLATION

Fiscal year	Act	Provisions
1954	Supplemental Appropriation Act, 1954, Public Law 207, Aug. 7, 1953, sec. 1313.	"* * * foreign credits (including currencies) owed to or owned by the United States may be used by Federal agencies for any purpose, * * * only when reimbursement therefor is made to the Treasury from the applicable appropriations of the agency concerned: * * *."
1955	Supplemental Appropriation Act, 1955, Public Law 663, Aug. 26, 1954, sec. 1310.	"* * * foreign credits (including currencies) owed to or owned by the United States may be used by Federal agencies for any purpose for which appropriations are made for the current fiscal year * * * and for liquidation of obligations legally incurred against such credits prior to July 1, 1953, only when reimbursement therefor is made to the Treasury from applicable appropriations of the agency concerned: * * *."
1956	General Government Matters Appropriation Act, 1956, Public Law 110, June 29, 1955, sec. 209.	Do.
1957	General Government Matters Appropriation Act, 1957, Public Law 578, June 13, 1956, sec. 209.	Do.

2. SALES OF SURPLUS AGRICULTURAL COMMODITIES

1955	Agricultural Trade Development and Assistance Act of 1954, Public Law 480, July 10, 1954, secs. 104 and 105.	"* * * all foreign currencies used for grants under subsections (d) and (e) and for payment of United States obligations involving grants under subsection (f) and to not less than 10 per centum of the foreign currencies which accrue under this title: *Provided, however*, That the President is authorized to waive such applicability of section 1415 * * *. "SEC. 105. Foreign currencies received pursuant to this title shall be deposited in a special account to the credit of the United States and shall be used only pursuant to section 104 of this title, and any department or agency of the Government using any of such currencies for a purpose for which funds have been appropriated shall reimburse the Commodity Credit Corporation in an amount equivalent to the dollar value of the currencies used."

Foreign currency provisions enacted in fiscal years 1954–57—Continued

A. RELATING TO CURRENCIES THE USE OF WHICH REQUIRES REIMBURSEMENT TO THE TREASURY—Continued

3. SALES OF AGRICULTURAL COMMODITIES TO SPAIN

Fiscal year	Act	Provisions
1955	Mutual Security Appropriation Act, 1955, Public Law 778, Sept. 3, 1954, sec. 109.	Sec. 109 provides that "$55,000,000 of unobligated balances continued available under the Act shall be available only for the procurement and sale, * * * of surplus agricultural commodities as assistance to Spain during the current year, provided that 80 per centum of the currencies generated hereunder shall be used to strengthen and improve the civilian economy of Spain, the balance to be available for use of the United States."

B. RELATING TO CURRENCIES THE USE OF WHICH DOES NOT REQUIRE REIMBURSEMENT TO THE TREASURY

1. CONGRESSIONAL TRAVEL

1954	Mutual Security Act of 1953, Public Law 118, July 16, 1953, sec. 708 (c).	Foreign currencies may be used for local currency requirements of appropriate committees of Congress engaged in carrying out their duties.
1955	Mutual Security Act of 1954, Public Law 665, Aug. 26, 1954, sec. 502 (b).	"* * * Local currencies owned by the United States shall be made available to appropriate committees of the Congress engaged in carrying out their duties * * * for their local currency expenses: * * *."

2. PRIOR OBLIGATIONS

1954	Supplemental Appropriation Act, 1954, Public Law 207, Aug. 7, 1953, sec. 1313.	"*Provided*, That such credits may be used until June 30, 1954, without reimbursement to the Treasury, for liquidation of obligations legally incurred against such credits prior to July 1, 1953: * * *."
	Mutual Security Act of 1953, Public Law 118, July 16, 1953, sec. 548 (b).	"(b) Amounts appropriated * * * available for purchase of foreign currencies (including foreign currencies or credits owed to or owned by the United States): *Provided*, That such currencies or credits are authorized to be made available for use, without reimbursement to the Treasury, for liquidation of obligations legally incurred against such currencies prior to July 1, 1953."
1955	Mutual Security Appropriation Act, 1955, Public Law 778, Sept. 3, 1954, sec. 104.	Sec. 104 provides that "not to exceed the equivalent of $25,000,000 of foreign currencies * * * shall remain available until expended, without reimbursement to the Treasury, for liquidation of obligations incurred * * * prior to July 1, 1953, * * * and hereafter, foreign currencies generated under the provisions of this Act shall be utilized only for the purposes for which the funds providing the commodities which generated the currency were appropriated (except as specifically provided in sec. 109)."
1956	Mutual Security Act of 1956, Public Law 208, Aug. 2, 1955, sec. 104.	"* * * not to exceed the equivalent of $25,000,000 of foreign currencies or credits owed to or owned by the United States shall remain available until June 30, 1956, without reimbursement to the Treasury, for liquidation of obligations incurred against such currencies or credits prior to July 1, 1953 * * *."
1957	Mutual Security Appropriation Act, 1957, Public Law 853, Aug. 2, 1956, sec. 103.	"* * * not to exceed the equivalent of $2,000,000 of foreign currencies or credits owed to or owned by the United States shall remain available until expended, without reimbursement to the Treasury, for liquidation of obligations incurred prior to July 1, 1953 * * *."

3. SALES OF AGRICULTURAL PRODUCTS

1954	Mutual Security Act of 1953, Public Law 118, July 16, 1953, sec. 550.	"The President is authorized to enter into agreements with friendly countries for the sale of and export of such surplus agricultural commodities * * * and to accept in payment therefor local currency for the account of the United States." The act authorizes the President to use the currencies without reimbursement to the Treasury, including the making of loans.
1955	Mutual Security Act of 1954, Public Law 665, Aug. 26, 1954, secs. 402 and 502 (a).	Sec. 402: "* * * not less than $350,000,000 shall be used to finance the export and sale for foreign currencies of surplus agricultural commodities or products, in addition to surplus, transferred pursuant to the Agricultural Trade Development and Assistance Act of 1954, * * *. Foreign currency proceeds accruing from such sales shall be used for the purposes of this Act, * * * the President may use or enter into agreements with friendly nations or organizations of nations to use for such purposes the foreign currencies which accrue to the United States under this section."
		Sec. 502 (a): "* * * proceeds of sales made under section 550 of the Mutual Security Act of 1951, as amended, shall remain available and shall be used for any of the purposes of this Act, * * *."
	Agricultural Trade Development and Assistance Act of 1954, Public Law 480, July 10, 1954, secs. 103 and 104.	Sec. 103 (a): "* * * to the extent the Commodity Credit Corporation is not reimbursed under section 105 for commodities disposed of and costs incurred under titles I and II of this Act, there are hereby authorized to be appropriated such sums as are equal to * * * all costs incurred by the Corporation in making funds available to finance the exportation of surplus agricultural commodities pursuant to this title. * * * (b) Transactions shall not be carried out under this title, * * * in amounts in excess of $700,000,000."
		Sec. 104: "* * * the President may use or enter into agreements with friendly nations or organizations of nations to use the foreign currencies which accrue under this title * * *."
1956	Mutual Security Act of 1955, Public Law 138, July 8, 1955, sec. 8 (b).	Amends sec. 402 above by striking out "not less than $350,000,000" and inserting in lieu thereof, "for the fiscal year 1956, not less than $300,000,000."
1957	Mutual Security Act of 1956, Public Law 726, July 18, 1956, sec. 8 (b).	Amends sec. 402 above by adding, "and of the funds so authorized for the fiscal year 1957, not less than $250,000,000."
	Public Law 387, Aug. 12, 1955	Amended sec. 103 (b) above "* * * by striking out $700,000,000 and inserting in lieu thereof $1,500,000,000. * * * not to be apportioned by year or by country, but shall be considered as an objective as well as a limitation, to be reached * * *."
	Public Law 962, Aug. 3, 1956	Amended sec. 103 (b) above "* * * by striking out $1,500,000,000, and inserting in lieu thereof $3,000,000,000."

C. PROVIDING SPECIFICALLY FOR RESERVATIONS OF CURRENCIES

1. EDUCATIONAL EXCHANGES (FULBRIGHT PROGRAM)

1955	Mutual Security Act of 1954, Public Law 665, Aug. 26, 1954, sec. 514.	Sec. 514: "* * * Foreign currencies or credits owed to or owned by the United States, where arising from this Act or otherwise, shall, upon a request from the Secretary of State certifying that such funds are required, * * * be reserved by the Secretary of the Treasury for sale to the Department of State for such activities on the basis of the dollar value at the time of the reservation."

D. PROVIDING THAT THE USE OF APPROPRIATED FUNDS IS CONTINGENT ON PURCHASE OF CURRENCIES FROM THE TREASURY

1. ACQUISITION OF BUILDINGS ABROAD

1954	Foreign Service Building Act, July 25, 1946, sec. 643, Public Law 547.	"* * * not to exceed $110,000,000 shall be available exclusively for payments * * * of property or credits * * * which property or credits may be used by the Department of State * * *."
1955	Department of State Appropriation Act, 1955, Public Law 471, July 2, 1954, title I.	"* * * of which not less than $2,000,000 shall be used to purchase foreign currencies or credits owed to or owned by the Treasury of the United States, * * *."
1956	Department of State Appropriation Act, 1956, Public Law 133, July 7, 1955, title I.	"* * * of which not less than $7,500,000 shall be used to purchase foreign currencies or credits owed to or owned by the Treasury of the United States, * * *."
1957	Department of State Appropriation Act, 1957, Public Law 603, June 20, 1956, title I.	"* * * of which not less than $14,000,000 shall be used to purchase foreign currencies or credits owed to or owned by the Treasury of the United States, * * *."

2. UNITED STATES INFORMATION AGENCY

1955	U. S. Information Agency Appropriation Act, 1955, Public Law 471, July 12, 1954, title IV.	"* * * not less than $8,000,000 shall be used to purchase foreign currencies or credits owed to or owned by the Treasury of the United States."
1956	U. S. Information Agency Appropriation Act, 1956, Public Law 133, July 7, 1955, title IV.	"* * * not less than $8,000,000 shall be used to purchase foreign currencies or credits owed to or owned by the Treasury of the United States * * *."
1957	U. S. Information Agency Appropriation Act, 1957, Public Law 603, June 20, 1956, title IV.	"* * * not less than $9,000,000 shall be used to purchase foreign currencies or credits owed to or owned by the Treasury of the United States * * *."

Foreign currency provisions enacted in fiscal years 1954–57—Continued

D. PROVIDING THAT THE USE OF APPROPRIATED FUNDS IS CONTINGENT ON PURCHASE OF CURRENCIES FROM THE TREASURY—Continued

3. INTERNATIONAL EDUCATIONAL EXCHANGE ACTIVITIES

Fiscal year	Act	Provisions
1955	Department of State Appropriation Act, 1955, Public Law 471, July 2, 1954, title I.	"* * * not less than $7,560,166 shall be used to purchase foreign currencies or credits owed to or owned by the Treasury of the United States."
1956	Department of State Appropriation Act, 1956, Public Law 133, July 7, 1955, title I.	"* * * not less than $8,000,000 shall be used to purchase foreign currencies or credits owed to or owned by the Treasury of the United States."
1957	Department of State Appropriation Act, 1957, Public Law 603, June 20. 1956, title I.	"* * * not less than $7,000,000 shall be used to purchase foreign currencies or credits owed to or owned by the Treasury of the United States."

4. MILITARY HOUSING

1955	Public Law 765, Sept. 1, 1954, sec. 407	"The Secretary of Defense is authorized, * * * to construct, or acquire by lease or otherwise, family housing * * * in foreign countries to the value of $25,000,000 through the use of foreign currencies in accordance with the Agricultural Trade Development and Assistance Act of 1954 * * * shall reimburse the Commodity Credit Corporation * * * the value of such foreign currencies used during any fiscal year * * *."
1956	Military Construction Act, Public Law 161, July 15, 1955, sec. 507.	Amends sec. 407 as follows: "* * * quarters in foreign countries through housing projects which utilize foreign currencies to a value not in excess of $100,000,000 * * *. The Department of Defense shall pay the Commodity Credit Corporation * * *: *Provided*, That such payments shall not exceed the dollar equivalent of the value of the foreign currencies used * * *."
1957	Military Construction Act, Public Law 968, Aug. 3, 1956, sec. 411 (a).	Amends sec. 407 by increase of limitation on "foreign currencies to a value not to exceed $250,000,000 * * *."

5. SALARIES AND EXPENSES

1955	Department of State Appropriation Act, 1955, Public Law 471, July 2, 1954, title I.	"* * * not less than $8,000,000, shall, if possible, be used to purchase foreign currencies or credits owed to or owned by the Treasury of the United States, * * *."
1956	Department of State Appropriation Act, 1956, Public Law 133, July 7, 1955, title I.	"* * * not less than $8,000,000, shall, if possible, be used to purchase foreign currencies or credits owed to or owned by the Treasury of the United States, * * *."
1957	Department of State Appropriation Act, 1957, Public Law 603, June 20, 1956, title I.	"* * * not less than $9,000,000, shall be used to purchase foreign currencies or credits owed to or owned by the Treasury of the United States * * *."

E. MISCELLANEOUS PROVISIONS HAVING A BEARING ON FOREIGN CURRENCIES

1. PROCEEDS FROM SALE OF SCRAP BY DEPARTMENT OF DEFENSE

1954	Public Law 179, Aug. 1, 1953, sec. 622	Same legislation as in fiscal year 1955, except each of the Departments of Army, Navy, and Air Force had a $10,000,000 limitation.
1955	Public Law 458, June 30, 1954, sec. 715	This legislation authorizes repayment to appropriations during the fiscal year of proceeds from the sale of scrap or salvage materials up to $40,000,000 for the Department of Defense as a whole. (Part of repayment may result from sale of goods for foreign currencies.)
1956	Public Law 157, July 13, 1955, sec. 615	"* * * not more than $31,000,000 of the amounts received during the current fiscal year * * * shall be available during the current fiscal year for expenses * * *."
1957	Public Law 639, July 2, 1956, sec. 612	"* * * not more than $41,000,000 of the * * * proceeds from the sale of scrap * * * shall be available during the current fiscal year for expenses * * *."

2. LOAN ASSISTANCE

1954	Mutual Security Act of 1953, Public Law 118, July 16, 1953, sec. 908 (b).	Amends sec. 115 (b) (6) of 1948 act relating to counterpart funds, as follows: "* * * whenever funds from such special account are used by a country to make loans, all funds received in repayment of such loans * * * shall be reused only for such purposes as shall have been agreed to between the country and the Governemnt of the United States."
1955	Mutual Security Act of 1954, Public Law 665, Aug. 26, 1954, sec. 505 (b).[1]	"(b) Of the funds made available pursuant to this Act and foreign currencies accruing to the United States under section 402, the equivalent of not less than $200,000,000 shall be available only for the furnishing of assistance on terms of repayment. Funds for the purpose of furnishing assistance on terms of repayment shall be allocated to the Export-Import Bank of Washington, * * *."
1956	Mutual Security Act of 1955, Public Law 138, July 8, 1955, sec. 9 (c).	Amends sec. 505 (a) of 1954 act by adding the following: "and shall emphasize loans rather than grants whenever possible." Also, "whenever commodities or services are sold for foreign currencies, the President, * * * may use and enter into arrangements with friendly nations or organizations of nations to use such currencies * * *."

3. INFORMATIONAL MEDIA GUARANTIES

1954 and prior	Economic Cooperation Act of 1948, Public Law 472, Apr. 3, 1948, sec. 111 (b) (3) (i).	Guaranties of investments not to exceed $15,000,000 in the 1st year. "* * * limited to the transfer into United States dollars of other currencies, or credits in such currencies, * * *."
1955	Mutual Security Act of 1954, Public Law 665, Aug. 26, 1954, sec. 544 (a).	Amends title 22, United States Code, sec. 1431, by adding: "SEC. 1011. The Director of the United States Information Agency may make guaranties * * * of investments in enterprises producing or distributing informational mediums * * *". The amount of such guaranties in any fiscal year shall be determined by the President, but shall not exceed $10,000,000."
1956	None	
1957	Mutual Security Act of 1956, Public Law 726, July 28, 1956, sec. 11.	Amends sec. 544 (a) above and sec. 1011 of the United States Information and Education Exchange Act of 1948, as follows: "(d) Foreign currencies available after June 30, 1955, from conversions made pursuant to the obligation of informational mediums guaranties may be sold, in accordance with Treasury regulations, for dollars which shall be deposited in the special account and shall be available for payments under new guaranties. Such currencies shall be available, * * * as may be agreed to by the governments of the United States and the country from which the currencies derive."

[1] This act repealed the provisions of all prior acts relating to ECA and mutual security programs.

Mr. MONRONEY. Mr. President, I ask unanimous consent that certain documents relating to the legislative history of Senate Resolution 264 be printed at this point in the RECORD.

There being no objection, the documents were ordered to be printed in the RECORD, as follows:

SENATE RESOLUTION 264, AS INTRODUCED FEBRUARY 24, 85TH CONGRESS, 2D SESSION

Resolved, That, recognizing the desirability of promoting a greater degree of international development by means of multilateral loans based on sound economic principles, rather than a system of unilateral grants or loans, it is the sense of the Senate that consideration should be given to the establishment of an International Development Association, in cooperation with the International Bank for Reconstruction and Development.

In order to achieve greater international trade, development, and economic well-being, such an agency should promote the following objectives:

1. Provide long-term loans available at a low rate of interest and repayable in local currencies to supplement World Bank loans and thereby permit the prompt completion of worthwhile development projects which could not otherwise go forward.

2. Permit maximum use of foreign currencies available to the United States through the sale of agricultural surpluses and through other programs by devoting a portion of these currencies to such loans.

3. Insure that funds necessary for international economic development can be made available by a process which eliminates any possible implications of interference with national sovereignty.

It is further the sense of the Senate that, as a part of the United States economic aid

program, funds be subscribed to the capital stock of the International Development Association in cooperation with investments made by other participating countries.

DEPARTMENT OF STATE,
Washington, March 20, 1958.

The Honorable J. W. FULBRIGHT,
Chairman, Committee on Banking and Currency, United States Senate.

DEAR SENATOR FULBRIGHT: The Department has received and acknowledged your letter of March 11, 1958, requesting a report on Senate Resolution 264, favoring the establishment of an International Development Association in cooperation with the International Bank for Reconstruction and Development.

Mr. C. Douglas Dillon, Deputy Under Secretary for Economic Affairs, presented the views of the State Department on Senate Resolution 264 when he appeared before the subcommittee on March 19.

The suggested changes in the resolution which he mentioned at that time are set forth below:

1. Delete the phrase "rather than a system of unilateral grants or loans," beginning line 3, page 1.

2. Substitute "as an affiliate of" for "in cooperation with" in line 7, page 1.

3. Delete the phrase "eliminates any possible implications of interference with national sovereignty" in lines 11 and 12 of page 2 and substitute "facilitates multilateral contributions for this purpose."

4. Change the last paragraph to read:

"It is further the sense of the Senate that, as a part of United States economic development objectives, study should be given to the establishment of an International Development Association as an affiliate of the International Bank for Reconstruction and Development."

Sincerely yours,
WILLIAM B. MACOMBER, Jr.,
Assistant Secretary
(For the Secretary of State).

COMMITTEE PRINT OF SENATE RESOLUTION 264, MAY 9, 1958 (INCORPORATES VARIOUS SUGGESTIONS MADE DURING AND AFTER HEARINGS)

Resolved, That, recognizing the desirability of promoting a greater degree of international development by means of multilateral loans based on sound economic principles, it is the sense of the Senate that immediate consideration should be given to the establishment of an International Development Association, as an affiliate of the International Bank for Reconstruction and Development.

In order to achieve greater international trade, development, and economic well-being, such an agency should promote the following objectives:

(1) Provide a sustained source of long-term loans available at a low rate of interest, repayable partly in local currencies, to supplement World Bank loans and thereby permit the prompt completion of worthwhile development projects which could not otherwise go forward.

(2) Increase the use of foreign currencies available to the United States through the sale of agricultural surpluses and through other programs by devoting a portion of these currencies to such loans.

(3) Insure that funds necessary for international economic development can be made available by a process which would encourage multilateral contributions for this purpose.

It is further the sense of the Senate that, as a part of the United States economic aid program, funds be subscribed to the capital stock of the International Development Association in cooperation with investments made by other participating countries.

DEPARTMENT OF STATE,
Washington, May 20, 1958.

The Honorable A. S. MIKE MONRONEY,
United States Senate.

DEAR SENATOR MONRONEY: Thank you for your letter of May 8 enclosing for our comment the committee print of a revised version of Senate Resolution 264 relating to the proposal for an International Development Association.

I believe that it would be desirable to make a few changes in the text of the committee print in order to clarify the nature of the study called for and to specify the agency which would conduct the study. A suggested revision of the proposed resolution along these lines is enclosed for your consideration. With these changes the Department of State would favor its enactment.

Sincerely,

DOUGLAS DILLON.

TREASURY DEPARTMENT,
Washington, May 21, 1958.

Hon. A. S. MIKE MONRONEY,
United States Senate,
Washington, D. C.

DEAR SENATOR MONRONEY: In response to your letter of May 8, we believe it would be desirable to make a few changes in the text of the committee print of Senate Resolution 264, relating to the proposed International Development Association. A suggested revision is enclosed for your consideration. The changes are intended to clarify the nature of the study proposed in the resolution and to specify the agency to make the study. The Treasury Department would favor the adoption of the resolution with these changes.

We appreciate your affording us an opportunity to comment on the resolution.

Sincerely,

JULIAN B. BAIRD,
Acting Secretary of the Treasury.

SENATE RESOLUTION 264 AS APPROVED BY DEPARTMENTS OF STATE AND TREASURY MAY 20 AND 21, 1958

Resolved, That, recognizing the desirability of promoting a greater degree of international development by means of multilateral loans based on sound economic principles, it is the sense of the Senate that prompt study should be given by the National Advisory Council on International Monetary and Financial Problems with respect to the establishment of an International Development Association, as an affiliate of the International Bank for Reconstruction and Development.

In order to achieve greater international trade, development, and economic well-being, such study should include consideration of the following objectives:

(1) Providing a source of long-term loans available at a reasonable rate of interest and repayable in local currencies, to supplement International Bank lending activities and thereby permit the prompt completion of worthwhile development projects which could not otherwise go forward.

(2) Facilitating, in connection with such loans, the use of local and other foreign currencies, including those available to the United States through the sale of agricultural surpluses and through other programs.

(3) Insuring that funds for international economic development can be made available by a process which would encourage multilateral contributions for this purpose.

SENATE RESOLUTION 264, AS AMENDED AND REPORTED BY SENATE BANKING AND CURRENCY COMMITTEE, JUNE 19, 1958

Resolved, That, recognizing the desirability of promoting a greater degree of international development by means of multilateral loans based on sound economic principles, it is the sense of the Senate that prompt study should be given by the National Advisory Council on International Monetary and Financial Problems with respect to the establishment of an International Development Association, as an affiliate of the International Bank for Reconstruction and Development.

In order to achieve greater international trade, development, and economic well-being, such study should include consideration of the following objectives:

(1) Providing a source of long-term loans available at a reasonable rate of interest and repayable in local currencies, or partly in local currencies, to supplement International Bank lending activities and thereby permit the prompt completion of worthwhile development projects which could not otherwise go forward.

(2) Facilitating, in connection with such loans, the use of local and other foreign currencies, including those available to the United States through the sale of agricultural surpluses and through other programs.

(3) Insuring that funds for international economic development can be made available by a process which would encourage multilateral contributions for this purpose.

REPORT TOGETHER WITH INDIVIDUAL VIEWS TO ACCOMPANY SENATE RESOLUTION 264

The Committee on Banking and Currency, to whom was referred the resolution (S. Res. 264) recommending that study be given to establishing an International Development Association as an affiliate of the International Bank for Reconstruction and Development, having considered the same, report favorably thereon with an amendment and recommend that the resolution as amended do pass.

Introduction

Senate Resolution 264 recommends that prompt study be given to establishing an International Development Association to make multilateral development loans at terms more liberal than those currently available. The proposed IDA would be an affiliate of the International Bank for Reconstruction and Development (World Bank). The Departments of State and Treasury favor the resolution.

The study would be made by the National Advisory Council on International Monetary and Financial Problems. The committee urges enactment of the resolution in order to explore the possibilities of providing a new source of multilateral development loans for the less industrialized nations. These loans would differ from those offered under existing programs in that they would—

1. Encourage more countries to contribute capital for international development;

2. Promote greater use of foreign currencies received by the United States from the sale of farm surpluses;

3. Be made for longer periods of time;

4. Carry lower rates of interest;

5. Be repayable partly in local currencies; and

6. Provide a separate fund for subordinate loans to supplement the World Bank's lending activities.

Few needs are more compelling than economic development of the less industrialized nations. The past decade has witnessed the quickening of an intense desire for better living standards among the vast populations of Asia, Africa, and Latin America. Even our most selfish economic interests would dictate our participation in order to expand the markets for the products of our own farms and factories, but, most compelling of all, our very safety is at stake. The new battle for men's minds is being fought among the peoples of the underdeveloped nations with nearly two-thirds of the Free World's population. These peoples will grow in freedom, toleration, and respect for human dignity if they achieve reasonable economic and social progress under a free

system. If not, they can become regimented and marshaled against us.

The United States has invested in international development in various ways, but these needs are still very great and every promising means of helping to solve the problem must be studied. Were an IDA to be created, it would probably be capitalized by the members of the World Bank. A substantial part of each original subscription should be payable in hard currencies with provisions for additional injections of capital from time to time. The feasibility of using foreign currencies, including some of those acquired by the United States from foreign sales of farm surpluses and from other programs, would involve a number of problems, but certainly this possibility should also be thoroughly explored.

In the face of the current Soviet economic offensive, it is more than ever important that nations devoted to liberty and individual dignity work together to help newly developing countries meet the challenge of economic growth under a free system. An International Development Association could be one further instrument of mutual effort through which free nations could cooperate to raise living standards and expand beneficial trade. It deserves the most careful study and full discussion, which is what Senate Resolution 264 proposes.

Objectives of the resolution

The resolution asks that the National Advisory Council on International Monetary and Financial Problems promptly study the feasibility of establishing an IDA. The Council, which was established by the Bretton Woods Agreements Act, consists of the Secretary of the Treasury as Chairman, the Secretary of State, the Secretary of Commerce, the Chairman of the Board of Governors of the Federal Reserve System, and the President of the Export-Import Bank of Washington. The Bretton Woods Act charges the Council with the duty of coordinating the policies and representation of the United States on the World Bank, the International Finance Corporation, and the International Monetary Fund and of reporting to the Congress on the operations of these institutions and the need for any improvements in their functioning. The Council is thus the appropriate group to undertake such a study.

The National Advisory Council prepares a semiannual report to Congress on its activities and also on United States policy toward international financial organizations. At the conclusion of the study urged by this resolution, the committee would expect the Council to include its findings in its next report to Congress or preferably in a separate report to the committee. If the study is not completed by December 31, 1958, the committee would expect to be furnished with an interim report.

In considering the establishment of an organization such as the IDA it would clearly be necessary for the officials of the United States to meet with officials of other governments for the purpose of studying the basic policy implications and particular technical problems involved. Presumably consultations would also be held with the officials of the World Bank and the International Finance Corporation. Senate Resolution 264 is intended to give the endorsement of the Senate to the proposition that forming an organization such as the IDA should be thoroughly studied by responsible officials both here and in foreign countries.

The timeliness of the study urged in the resolution is demonstrated by the testimony at the committee hearings and the fact that the IDA proposal is in general harmony with several recent suggestions for international financial arrangements. The Subcommittee on International Finance received testimony from representatives of the Departments of State, Treasury, Agriculture, and Commerce, and also from the International Cooperation Administration and the Bureau of the Budget. In addition, statements were submitted by two former administrators of United States foreign-aid programs, Paul Hoffman and Averill Harriman. The testimony on the general policy issues and technical discussion of specific problems revealed extensive support for the principle and demonstrated the need for serious official study. The resolution also evoked considerable affirmative response among Senators and public officials and widespread editorial interest in the newspapers of the country.

Representatives of other governments have recently offered suggestions similar in broad purpose to the IDA, indicating a willingness to discuss practicable means of enlarging the corpus of funds available for multilateral loans. These proposals emanate from authoritative sources and are numerous enough to warrant official study of an IDA by our Government. This resolution urges the study of such a proposal by our Government in concert with other governments committed to national independence.

Objectives of International Development Association

The resolution is essentially a proposal to enlist wide cooperation in studying means of accelerating the economic development of countries with relatively low per capita incomes. In these countries there are many development projects which can make a significant contribution toward improving conditions of life which are beyond the capacity of these countries to finance at terms currently available. A new type of multilateral development loan needs to be studied. This is a long-term, low-interest bearing, subordinate loan repayable wholly or partly in the currency of the borrower. No international organization, not even the World Bank itself, provides this kind of loan.

Since the World Bank must obtain the bulk of its loanable funds from the private capital market, it has been obliged to keep its interest rates high enough (up to nearly 6 percent) to attract private-capital participation and has required repayments in hard currencies over comparatively short periods of time (generally 20 years or less). IDA would be expected to make loans at lower rates of interest repayable in local currencies over longer periods of time. It might take part of a loan with the World Bank assuming the rest.

Bankable loans require repayments in the currency of the lender; and, in the case of the World Bank, loans require repayment in dollars or other hard currency. The Export-Import Bank must receive its repayments entirely in dollars. Loans repayable partly in the currency of the borrower are, from the viewpoint of a foreign economy, easier to repay than loans that must be serviced entirely in foreign exchange. Foreign exchange must be earned principally through exports. Local currency can generally be acquired from a broader field of economic activities within the country.

The IDA would also be expected to encourage participation in international economic development by as many independent nations as possible. The problem of world economic development is of concern to all free countries, and while the United States may properly take the lead it should not bear all the burden. Other advanced industrial countries have regained the economic momentum lost during the war, and American aid was a significant factor in their recovery. These countries should be expected to contribute part of the needed funds for the economic growth of the less developed areas of the world.

Multilateral subscriptions to capital and disbursement of loans for economic development are desirable for three reasons:

1. All nations have a stake in development since development in one country means markets for another. In negative terms, failure to meet the legitimate aspirations of growing nations may contribute to political and social upheaval which can affect the peace and security of the entire Free World.

2. The interests of the creditor and debtor should not be completely separated. A situation in which one nation becomes the overwhelmingly dominant creditor should be avoided. When many governments are involved, their mutual stakes in repayment are a form of assurance for all creditors.

3. The psychological relationship between the lender and the recipient of loans should be taken into account. Although unilateral grants and unilateral loans are necessary in some instances, national self-interest and self-esteem might at times be endangered by undue financial dependence of one country on another. When a sizable amount of development loans come from an international organization, this attitude of undue dependence would be less likely to arise.

Use of foreign currencies

The policy of using foreign currencies owned by the United States for loans to third nations has previously been authorized by the Congress. Public Law 480 of the 83d Congress, which permits sale of United States farm surpluses for foreign currencies, authorizes the use of these currencies for loans for economic development. Approximately 54 percent of the foreign currencies acquired under this act have been reloaned to the country which originally purchased agricultural surpluses, and a few third-country exchanges have been arranged. Under these agreements United States-owned Finn marks have been loaned to Indonesia and Korea; Italian lire have been made available to Israel and Korea; Japanese yen have been put at the disposal of Taiwan and Vietnam; and Austrian schillings to Spain. Whether the number of such triangular operations can be enlarged should be considered within our Government and with other governments. An agency which can arrange agreements of this kind might be able to stimulate uses of these currencies. To the extent that the uses of such funds can be increased, their value in international trade may be improved, and convertibility difficulties eased.

The amount of foreign currencies owned by the United States is certain to increase between 1960 and 1970. In the past the United States has been able to use these local currencies for several worthwhile purposes, but even further increases in such funds are contemplated. The Mutual Security Act (sec. 402) authorizes the President to transfer foreign currency proceeds from the sale of agricultural commodities to an international organization, but no international organization exists for this purpose. Senate Resolution 264, in effect, proposes that the Senate signify its belief that the potential uses of such mechanism should be studied by our Government and others.

There would probably be practical problems involved in using any great amount of foreign currencies in third countries, arising in large part from the fact that most of these currencies are those of underdeveloped areas themselves, which have few goods to spare for export on credit to other countries. Nevertheless, means of implementing this principle deserve to be thoroughly explored.

Relationship between IDA and World Bank

The formal structure of an IDA would have to be determined as a result of discussions among members of the World Bank. The resolution envisages it as an affiliate of the World Bank, however, in order to have the benefit of the latter's experience and expert personnel.

The World Bank, founded in 1945 following the Bretton Woods Conference, was established to help rebuild war-devastated areas and develop new economic enterprises.

Its 67 member countries have subscribed to its capitalization, which now exceeds $9 billion. Of this amount, the United States has subscribed $3.1 billion or somewhat more than a third. Twenty percent of each nation's subscription is paid in to the bank to provide a fund from which loans are made. The rest is subject to call by the bank, if it is needed to meet the institution's own obligations. The bank also sells its own bonds to increase the amount of its funds available for loans, and now derives most of its loan funds from this source and from sales of loans held in its portfolio.

All legal powers of the bank are vested in the Board of Governors which has delegated most of its authority to the 17 executive directors, who meet as the business requires. Each of the 5 nations having the largest capital subscriptions appoints a director; the remaining member nations elect 12 directors and each elected director casts the total votes of the countries that elected him. Each country's vote is proportional to its capital subscription. Loans are approved by the executive directors on the recommendation of the World Bank's president. No borrower has yet failed to meet its payments either of interest or principal.

The International Finance Corporation was established in 1956 as an affiliate of the World Bank to stimulate private investment in productive enterprises in the less developed countries. The relationship of the IFC to the World Bank might be a model for IDA's affiliation with that institution. First, membership in IFC is open to all members of the bank. Second, the member-governments are represented by the same officer on both the Board of Governors of the World Bank and the Board of Governors of IFC. Third, the Board of Directors of IFC consists of these Executive Directors of the World Bank who represent at least one country that joins IFC. Fourth, the President of the World Bank is also Chairman of the Board of Directors of IFC. Fifth, the IFC uses many services, facilities, and personnel of the bank on a reimbursable basis.

The standards which would govern the transactions of an IDA and the World Bank would probably be different in order to meet different purposes, and funds would probably be kept separate.

The bank might recommend to an IDA worthy loans which it believes might even be taken jointly—the bank might assume first-mortgage-type risks and an IDA might make a subordinated loan extending over a longer period of time at somewhat lower rates of interest and repayable wholly or partially in local currencies.

Summary

Senate Resolution 264 urges the Executive to study, including exploration with other governments, the question of forming an International Development Association as an affiliate of the World Bank. There is not now an international organization to make long-term, low-interest loans for economic development repayable partly in local currencies. Nor is there an international program for subordinated development loans. Nor is there an international mechanism for encouraging third-country loans with local currencies. The feasibility of making such loans through the creation of an International Development Association should be most carefully studied. The committee strongly recommends that the IDA should be affiliated with the World Bank, so that the experience and counsel of that successful and respected institution may be utilized.

There are definite advantages to raising development capital among as many nations as possible. First, because the advantages of development accrue to all members of the international political community, it seems only fair to share the costs of the development program among all who can participate. Second, a lending institution including both debtors and creditors gives a greater measure of assurance that the loans will be repaid. Third, governments may sometimes prefer international loans because they remove any possible implication of political interference in internal affairs.

IDA requires study, which is why the Congress is acting first with a resolution rather than with legislation. It would be no panacea. It promises no cheap and easy solutions to the hard problems of economic development. It would, however, place one more valuable tool in the hands of those who cherish national political independence.

INDIVIDUAL VIEWS OF MR. CAPEHART AND MR. BRICKER

The proposed resolution would commit the Senate to a policy of advocating a new international loan program and of urging a study aimed at the establishment of an institution called the International Development Association for this purpose. The resolution speaks in broad general terms of providing a source of "long-term loans" available at a "reasonable rate of interest" and "repayable in local currencies." The resolution also contains vague references to encouraging multilateral contributions and facilitating the use of foreign currencies.

Obviously, the language of the resolution is susceptible to a wide variety of interpretations. Yet, it is imperative that the Senate know the exact policy it is adopting. Therefore, it is necessary to go behind the resolution and examine statements made by the proponents of this plan in order to learn its true meaning. These statements reveal the intent to establish an international loan program of 40-year loans at a 2-percent interest rate repayable in "soft currencies." The proponents also intend to utilize foreign currencies generated by Public Law 480 by freeing them in some undisclosed manner from the restrictions on their use contained in existing agreements. The capital of the proposed IDA would be $1 billion, with the United States contributing at least $300 million. It also should be noted that one proponent has urged that the Soviet Union be invited to participate in this new organization.

If the resolution is intended to reflect the views of its proponents, then the language of the resolution itself should be changed to spell out the details of this plan. How can the Members of the Senate be asked to go on record as favoring this resolution without knowing exactly what is contemplated? Certainly on a policy question, as important as this one is to the Senate and to the country, there should be no doubt about the real issues involved.

This legislative dilemma results from the use of a Senate resolution to usurp the usual diplomatic procedure employed in negotiating the formation of a new international institution. The resolution does not urge any course of action that the State Department could not initiate itself through ordinary channels. Apparently, the purpose is to force the administration to adopt a policy that it has not deemed wise heretofore.

This rather unusual procedure is not justified by the limited testimony received by the committee during the 3 days of public hearings. The Government agencies indicated that they had already given this plan a great deal of study and had encountered many difficult problems. Only one private witness, an ex-Government official, testified before the committee. It would seem appropriate and necessary in considering a new foreign lending policy that the committee and the Senate should have the benefit of the views of the many private individuals and organizations interested in the subject.

Of course, the fundamental question involved in this resolution is whether we need an additional foreign lending program to duplicate and overlap existing programs. Of the $9 billion in loans authorized by the Export-Import Bank, more than half—$5.1 billion—have been for projects in underdeveloped nations in Africa, Asia, Latin America, and Oceania. During the current session, the Congress has increased the lending authority of the bank by $2 billion, making approximately $2.5 billion available for additional loans.

Last year, when the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) was extended, an amendment was adopted authorizing up to 25 percent of the foreign currencies received through the sale of agricultural commodities to be made available to the Export-Import Bank for lending to United States private enterprise in the purchasing countries. Loan agreements have already been entered into with a number of countries, including India, Israel, Mexico, Pakistan, and the Philippines. The agreement announced last month, making available the rupee equivalent of $14,200,000 available for loans in India, is a good example of this program. The proposal to turn over the local currenices generated by Public Law 480 to an international organization would be in direct conflict with this program, as well as with standing agreements with many countries limiting the use of these currencies.

Last year the Congress also established a Development Loan Fund in the International Cooperation Administration and appropriated $300 million for its use. The Development Loan Fund is designed to supplement the Export-Import Bank and the International Bank by making long-term, low-interest-rate loans to underdeveloped countries, repayable partly in "soft currencies." The administration this year has requested an additional $625 million for its operation. Again, the proposed IDA would duplicate an existing program that is just now getting under way.

Among the international organizations, the International Bank for Reconstruction and Development has been of great assistance to the underdeveloped nations. In fact, aside from the $500 million in reconstruction loans made after World War II, its primary function has been the making of development loans. Over $2.3 billion in loans have been made to the underdeveloped nations of Africa, Asia, Latin America, and Oceania. It is interesting to note that $575 million of the loans disbursed has been in currency other than United States dollars. As of December 31, 1957, the International Bank had $761 million available for development loans and the authority to obtain additional funds through the sale of bonds to private investors.

The International Finance Corporation was established in July 1956 for the purpose of furthering economic development in underdeveloped countries by making investments in private enterprise in association with private investors. The International Finance Corporation now has a capitalization of $93 million and has already made a number of investments. A good example of its operations is the investment of $600,000 (repayable half in dollars and half in pesos) in a privately owned steel-fabricating company in Mexico. Another example is the investment of $200,000 in a Chilean corporation engaged in development of a copper mine and smelter in Chile. As times goes on, this relatively new international corporation will be of ever increasing aid to less developed countries.

The International Monetary Fund has supplied over $2.8 billion to member countries to help stabilize their currencies. More than $220 million of these funds were in currencies other than United States dollars. The fund has over $6 billion available to meet the future needs of its members.

This brief summary of existing loan programs indicates rather clearly that there is no need for the proposed IDA. The mere establishment of a new international organization will not create any additional capital. In fact, if the IDA were set up, there is a great likelihood that it would cause funds to be diverted from established programs. The net effect of IDA would be to increase the international bureaucracy in the development loan field without serving any necessary or useful purpose.

HOMER E. CAPEHART.
JOHN W. BRICKER.

APPENDIX A

COMMENTS OF DEPARTMENTS OF STATE AND TREASURY ON COMMITTEE PRINT OF SENATE RESOLUTION 264 AS REVISED

DEPARTMENT OF STATE,
Washington, May 20, 1958.

Hon. A. S. MIKE MONRONEY,
United States Senate,
Washington, D. C.

DEAR SENATOR MONRONEY: Thank you for your letter of May 8 enclosing for our comment the committee print of a revised version of Senate Resolution 264, relating to the proposal for an International Development Association.

I believe that it would be desirable to make a few changes in the text of the committee print in order to clarify the nature of the study called for and to specify the agency which would conduct the study. A suggested revision of the proposed resolution along these lines is enclosed for your consideration (see appendix B). With these changes the Department of State would favor its enactment.

Sincerely,

DOUGLAS DILLON.

[Enclosure.]

TREASURY DEPARTMENT,
Washington, May 21, 1958.

Hon. A. S. MIKE MONRONEY,
United States Senate,
Washington, D. C.

DEAR SENATOR MONRONEY: In response to your letter of May 8, we believe it would be desirable to make a few changes in the text of the committee print of Senate Resolution 264, relating to the proposed International Development Association. A suggested revision is enclosed for your consideration (see appendix B). The changes are intended to clarify the nature of the study proposed in the resolution and to specify the agency to make the study. The Treasury Department would favor the adoption of the resolution with these changes.

We appreciate your affording us an opportunity to comment on the resolution.

Sincerely,

JULIAN B. BAIRD,
Acting Secretary of the Treasury.

[Enclosure.]

APPENDIX B

SENATE RESOLUTION 264, AS REVISED AND APPROVED BY DEPARTMENTS OF STATE AND TREASURY

Resolved, That, recognizing the desirability of promoting a greater degree of international development by means of multilateral loans based on sound economic principles, it is the sense of the Senate that prompt study should be given by the National Advisory Council on International Monetary and Financial Problems with respect to the establishment of an International Development Association, as an affiliate of the International Bank for Reconstruction and Development.

In order to achieve greater international trade, development, and economic well-being, such study should include consideration of the following objectives:

(1) Providing a source of long-term loans available at a reasonable rate of interest and repayable in local currencies (or partly in local currencies) to supplemental International Bank lending activities and thereby permit the prompt completion of worthwhile development projects which could not otherwise go forward.

(2) Facilitating, in connection with such loans, the use of local and other foreign currencies, including those available to the United States through the sale of agricultural surpluses and through other programs.

(3) Insuring that funds for international economic development can be made available by a process which would encourage multilateral contributions for this purpose.

(NOTE.—This language, which modifies previous committee drafts, was accepted by the committee after inserting the language enclosed in parentheses.)

The PRESIDING OFFICER. The question is on agreeing to the resolution. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Tennessee [Mr. GORE], the Senator from Missouri [Mr. HENNINGS], the Senator from Florida [Mr. HOLLAND], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

The Senator from Delaware [Mr. FREAR] is absent by leave of the Senate attending the Interparliamentary Union Conference in Rio de Janiero, Brazil.

The Senator from Massachusetts [Mr. KENNEDY] is absent because of illness.

The Senator from Arkansas [Mr. MCCLELLAN] is absent because of a death in his family.

I further announce that if present and voting, the Senator from Delaware [Mr. FREAR], the Senator from Tennessee [Mr. GORE], the Senator from Missouri [Mr. HENNINGS], the Senator from Florida [Mr. HOLLAND], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Texas [Mr. YARBOROUGH] would each vote "Yea."

Mr. DIRKSEN. I announce that the Senator from West Virginia [Mr. HOBLITZELL] is absent because of official business, having been appointed by the Vice President to attend the 49th Congress of the Interparliamentary Union in Rio de Janeiro. If present and voting, the Senator from West Virginia [Mr. HOBLITZELL] would vote "Yea."

The Senator from West Virginia [Mr. REVERCOMB] is absent on official business.

The result was announced—yeas 62, nays 25, as follows:

YEAS—62

Aiken	Green	Murray
Allott	Hayden	Neuberger
Anderson	Hill	O'Mahoney
Beall	Humphrey	Pastore
Bennett	Ives	Payne
Bible	Jackson	Potter
Bush	Javits	Proxmire
Carlson	Johnson, Tex.	Purtell
Carroll	Johnston, S. C.	Robertson
Case, N. J.	Jordan	Russell
Case, S. Dak.	Kefauver	Saltonstall
Chavez	Kerr	Smathers
Church	Kuchel	Smith, Maine
Clark	Lausche	Smith, N. J.
Cooper	Long	Sparkman
Dirksen	Magnuson	Stennis
Douglas	Mansfield	Symington
Eastland	McNamara	Talmadge
Ervin	Monroney	Thye
Flanders	Morse	Wiley
Fulbright	Morton	

NAYS—25

Barrett	Ellender	Martin, Pa.
Bricker	Goldwater	Mundt
Bridges	Hickenlooper	Schoeppel
Butler	Hruska	Thurmond
Byrd	Jenner	Watkins
Capehart	Knowland	Williams
Cotton	Langer	Young
Curtis	Malone	
Dworshak	Martin, Iowa	

NOT VOTING—9

Frear	Hoblitzell	McClellan
Gore	Holland	Revercomb
Hennings	Kennedy	Yarborough

So the resolution (S. Res. 264) was agreed to.

Mr. MANSFIELD. Mr. President, I move that the vote by which the resolution was agreed to be reconsidered.

Mr. MONRONEY. Mr. President, I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on July 22, 1958, the President had approved and signed the following acts:

S. 628. An act to direct the Secretary of the Army to convey certain property located at Boston Neck, Narragansett, Washington County, R. I., to the State of Rhode Island;

S. 692. An act to determine the rights and interests of the Navaho Tribe, Hopi Tribe, and individual Indians to the area set aside by Executive order of December 16, 1882, and for other purposes;

S. 1524. An act for the relief of Laurance F. Safford.

S. 2474. An act directing the Secretary of the Navy to convey certain land situated in the State of Virginia to the Board of Supervisors of York County, Va.;

S. 2997. An act for the relief of Leobardo Castaneda Vargas; and

S. 3314. An act for the relief of the city of Fort Myers, Fla., and Lee County, Fla.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. PROXMIRE in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the [illegible] of Senate proceedings.)

AMENDMENT OF MIGRATORY BIRD HUNTING STAMP ACT

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2617) to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, as amended, which was, on page 2, line 23, after "birds" to insert "or resident species."

Mr. MAGNUSON. Mr. President, the House has added only a slight amendment, which makes it plain that in con-

nection with the designation of wildlife areas, the Secretary of the Interior may authorize the hunting of resident game birds, as well as migratory birds.

I move that the Senate concur in the amendment of the House of Representatives.

The motion was agreed to.

Mr. LANGER. Mr. President, I should like to ask a question. Does the bill increase the price of the stamp from $2 to $3?

Mr. MAGNUSON. Yes; but every bit of the money will be used for the acquisition of wildlife refuges, except for the reimbursement to the Post Office Department of the cost of printing the stamps, whereas in previous years, when the stamp cost $2, from the collections of approximately $5 million annually, only approximately $1,600,000 was used for the acquisition of land; and on that basis it would take approximately 47 years to complete the program. The rest of the proceeds from the sale of the stamps was used for management, policing, and so forth.

But under the new program the Department of the Interior must, in connection with its own requests for appropriations, include a request for the funds required for the management of the wildlife refuges. So every bit of the money the sportsmen will pay for the stamps will, with the slight exception noted, be used for the acquisition of these lands.

Every wildlife organization and every sportsmen's organization approves the bill. In fact, the Audubon Society said it would guarantee a substantial number of purchases of the stamps, just for the sake of having the additional wildlife refuges established.

Mr. LANGER. How much money will the stamps bring in?

Mr. MAGNUSON. Last year the total amount was close to $6 million. As a result of the increase of the charge from $2 to $3, the proceeds will now be approximately $9 million. On that basis, it will be possible to complete the program in about 17 or 18 years.

Mr. LANGER. I thank the Senator from Washington.

CONTINUATION OF STUDIES OF EFFECTS OF CERTAIN INSECTICIDES ON FISH AND WILDLIFE

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2447) to authorize and direct the Secretary of the Interior to undertake continuing studies of the effects of insecticides, herbicides, fungicides, and other pesticides, upon fish and wildlife for the purpose of preventing losses of those invaluable natural resources following application of these materials and to provide basic data on the various chemical controls so that forests, croplands, wetlands, rangelands, and other lands can be sprayed with minimum losses of fish and wildlife, which was, on page 2, after line 8, to insert:

SEC. 2. The sum of $280,000 per annum is hereby authorized to be appropriated to carry out the objectives of this act.

Mr. MAGNUSON. Mr. President, the House has added only one amendment, which would change the bill in only one particular: The amendment authorizes an annual appropriation of $280,000. Although the information I have indicates that additional sums may be needed as the program progresses, the $280,000 will be sufficient to get the work under way. I imagine this will be only the beginning of the program.

Therefore, I move that the Senate concur in the amendment of the House of Representatives.

The motion was agreed to.

VISIT TO THE SENATE BY HON. JULES BLANCHET, MINISTER OF STATE, REPUBLIC OF HAITI

Mr. HUMPHREY. I yield to the Senator from Vermont.

Mr. AIKEN. Waiting outside the door is a distinguished visitor, the Honorable Jules Blanchet, Minister of State of the Republic of Haiti. His position corresponds to that of Vice President in the United States of America. He is not a member of the Haitian Legislature or Parliament, and, therefore, is not eligible to come on the floor of the Senate, under the rules of the Senate. However, I ask unanimous consent that he be permitted to come on the floor of the Senate long enough to be introduced to Members of the Senate, since there is now a rule prohibiting the introduction of a distinguished visitor from the galleries.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. AIKEN. I shall escort the distinguished visitor to the floor of the Senate.

Mr. HUMPHREY. Mr. President, let me say that I am in full accord with the request of the Senator from Vermont. I have met the distinguished visitor from the Republic of Haiti. I think it is a good thing to have him visit with us.

[M. Blanchet was thereupon escorted to the floor of the Senate by Senator AIKEN.]

Mr. AIKEN. Mr. President, we are honored today by a visit from the second ranking official of one of our neighboring republics, a republic very close to the United States not only geographically, but in political thinking as well. It gives me pleasure to introduce to the Members of the Senate the Honorable Jules Blanchet, the Minister of State for the Republic of Haiti.

[Applause, Senators rising.]

ESTABLISHMENT OF UNITED NATIONS FORCE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate Concurrent Resolution 109.

The PRESIDING OFFICER. The concurrent resolution will be stated by title.

The CHIEF CLERK. A concurrent resolution (S. Con. Res. 109) to express the sense of the Congress on the establishment of the United Nations force.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

A TIME FOR DECISION

Mr. BRIDGES. Mr. President, Premier Khrushchev's peremptory call for a summit meeting on the Middle East reads like the presentation of an indictment of the Western Powers by a prosecuting attorney.

While we should tell him politely and firmly that his denunciations and saber rattling do not disturb us in the least, we should also take the occasion to put the chips down and call for a showing of the cards.

This is no time for weakness. It is no time for fuzzy declarations. It is no time for platitudes.

What is now needed is cold, realistic clarification of where we stand, what we propose to do, and what we expect the Soviet Union to do.

We have the opportunity to make a bold stroke for peace. We have a dramatic occasion to speak out for the freedom of small nations. We have a chance to bring 10 years of cold war to a head, with the possibility of arresting the treacherous drift to nuclear devastation.

Above all, we have the chance to lead the world in taking a giant step toward stability, toward law and order, toward progress for the peoples of the Middle East.

The situation demands only that we speak truthfully, clearly, and firmly.

Before proceeding to a suggested declaration of policies, let me offer a brief description of the realities which make a declaration of American policy necessary.

STRATEGIC POSITION OF THE MIDDLE EAST

The Middle East occupies one of the great strategic areas of the world.

The Suez Canal is a key passageway between the world's greatest oceans. It is a gateway in the world's commerce. Through it flows the trade that is the lifeblood essential to the survival of many nations.

The Middle East also contains large oil resources which, in today's technology, are the critical raw materials on which industrial and commercial progress depend.

Except for the past and current development of these oil resources by the technology and capital of Western nations, the Middle East is one of the world's undeveloped areas.

RESURGENCE OF ARAB NATIONALISM

The most significant fact about the Middle East since the end of World War II is the resurgence of Arab nationalism—the determination of its people to throw off the yoke of suppression and to attain the status of independent nations. They are determined to clear out all remaining vestiges of colonialism. They are striving to wipe out the monarchies, the sheikdoms, and the ruling castes which until recently controlled the governments in the area and lived in luxurious arrogance while the people

were held in squalor. The Arab people are no longer content to have the world of progress pass them by. They feel rightfully entitled to a place in the sun and a chance to make their way of life, liberty, and the pursuit of happiness.

In any attempt to clear away the debris of the past there is bound to be confusion, controversy, instability, and trouble. This has been the lot of the Middle East since the close of World War II.

The masses of people in these countries are not yet strong enough to guide and control their own destinies. On this account, there is the ever-present danger that a new leader, riding the wave of nationalism, may impose his will over the many Arab nations seeking their freedom and independence. Nasser, at the moment, is the symbol of Arab nationalism and seeks to extend his power over the entire area.

AIMS OF THE SOVIET UNION—IDEOLOGICAL FISHING IN TROUBLED WATERS

Since 1946, when she sought to penetrate Iran, the Soviet Union has looked upon the Middle East as a golden opportunity for the extension of the Communist system and to resume the age-old Russian imperialist drive to the Middle East.

Taking advantage of the aspirations of the Arab peoples for independence and progress, the Soviet Union has fanned the flames of Arab nationalism into hostility and hatred against the Western nations.

The Kremlin's object is twofold: First. To use Arab nationalism as a weapon in Russia's aim to destroy the Western nations; and second, to infuse the emerging Arab States with Communist elements so as to bring them behind the Iron Curtain. The Soviet Union's grand strategy in the long run is to realize Russia's ancient dream of domination over the eastern Mediterranean and the Persian Gulf.

REBELLION IN LEBANON—REVOLUTION IN IRAQ

For more than 2 months, rebellious elements incited by Cairo have been actively threatening the Government of Lebanon. Considerable evidence points to the fact that men and arms have been brought to aid the rebels from across the Syrian border. The situation became so alarming that the Government of Lebanon appealed to the United Nations. Taking jurisdiction over the external threat to the peace and integrity of one of its members, the United Nations placed observers in the area and the tension there was somewhat relieved. But the fears and instability in the Middle East generally have not subsided.

These, in brief, were the main elements of the situation when, on July 14, revolutionists in Iraq staged a brutal coup and took over the government at Baghdad.

Threats of increased revolutionary action, externally inspired and supported, immediately flared up again in Lebanon and also in Jordan.

The situation became so threatening that Camille Chamoun, President of Lebanon, requested American aid in maintaining the independence of his country. At the same time, the Kingdom of Jordan asked for similar aid.

Convinced that the threat to Lebanon was serious, and responding to its government's request for aid, the United States dispatched American troops to the area. The object was to protect American lives in Lebanon and to safeguard the Government of Lebanon, at its request, against external forces seeking its overthrow.

At the same time, the United States called for an emergency meeting of the Security Council of the United Nations.

THE UNITED NATIONS SEEKS A SOLUTION

The American delegation offered a proposal for the immediate strengthening of United Nations observers in Lebanon and the provision of United Nations contingents sufficiently strong to prevent infiltration of revolutionary elements from outside its borders.

Denouncing the American action in strong language, the Soviet Union vetoed the American proposal, and offered a proposal of its own, calling for the withdrawal of American forces in Lebanon.

The United Nations rejected the Soviet proposal and also a Swedish resolution calling for the withdrawal of United Nations observers from Lebanon.

While the United Nations was seeking for a way to deal with the Mid-East crisis, either by some compromise action in the Security Council or possibly by call of the Assembly, Khrushchev issued his indictment against the United States and called for an immediate summit meeting to deal with the crisis.

KHRUSHCHEV'S CALL FOR A SUMMIT MEETING

This malicious denunciation of the United States by the Soviet Union exposes Khrushchev's pretense of good intentions in asking for a summit meeting to find a peaceful solution to the Mid-East crisis. It is not a friendly action to abuse a nation and then call for its representatives to sit around a friendly conference table to seek ways to maintain peace. Mr. Khrushchev's attitude is more like that of a prosecuting attorney hauling a prisoner before the bar.

For the United States to accept this kind of a call to a summit meeting would amount to the sacrifice of the respect and dignity a sovereign nation has a right to claim in the family of nations. For too long a time, in its desire to advance the peace of the world, the United States has closed its eyes to indignities against its citizens, against members of its Armed Forces, and against the good repute of the Nation.

At this point let me summarize the realities of the situation in the Middle East.

First. The Middle East is a strategic area of great geographical, economic, and political importance.

Second. A resurgence of Arab nationalism run like a fever throughout the Middle East, and is not likely to subside until the aspirations of the people are satisfied by governments of their own choice, and by development of their countries.

Third. Until the people of the Middle East are strong enough to control their own destinies, there is the danger that they will become victims of power-seeking dictators and of external aggressors.

Fourth. Nasser is headed toward such a dictatorship, and the Soviet Union is active in indirect aggression for her own purposes.

Fifth. Rebellions in Iraq, Lebanon, and Jordan are examples of these power-seeking forces.

Sixth. The United States and Great Britain have entered the area to protect the independence of Lebanon and Jordan, and to prevent the area from falling under the domination of communism.

Seventh. The United Nations is attempting to deal with these unstable conditions in the Middle East without having adequate power to do so over Russian blocking tactics.

Eighth. In these circumstances, Khrushchev has issued a call for a summit meeting in the form of an arraignment of the United States.

What policies can the United States pursue that will deal realistically and constructively with these hard facts?

KHRUSHCHEV'S CALL FOR A SUMMIT MEETING

This call should be rejected on two grounds: (1) That the tone of the call is an insult to the United States; and (2) that the United Nations has taken jurisdiction of the situation and should be supported in handling it.

On the first point, the United States should declare that until the Soviet Government refrains from calculated abuse and disrespect of the United States, she cannot expect us to sit down with her in negotiations which depend, for their success, upon mutual interest and respect.

Abuse of the United States has been one of the principal methods used by the Soviet Union to discredit and belittle the United States in the family of nations. Unless we take immediate steps to reestablish our honor, respect, and prestige, American leadership in world affairs will be greatly weakened. Now is the time to take a forceful step in this direction.

I am deeply gratified to see that President Eisenhower's note to Mr. Khrushchev, published this morning, takes this stand.

The second point is closely related to the whole problem of peace and stability in the world. If we cannot develop the United Nations to the point where it can deal with some of these international trouble spots, nations will be compelled to fall back on naked power politics and the hope of maintaining peace, law, and order will be lost.

Russian vetoes have consistently blocked this development because it would stand in the way of Communist expansion. She much prefers to keep the world in an unstable condition, depending upon great power deals to advance her interests.

It is highly important for the United States, on the other hand, to deal with trouble spots in the full light of world opinion for we have nothing to hide and no sinister aims. On the contrary, we have the highest incentive to see that there is a steady development of international institutions of law and order.

For these reasons, we should either reject a summit meeting, or enter upon one only if it is sanctioned by and related to the United Nations. This, the

President has now done in the note I referred to.

RUSSIAN DIRECT OR INDIRECT INTERVENTION IN THE MIDDLE EAST

The United States cannot stand idly by while the Soviet Union chips away countries which are still not under the domination of the Kremlin. Once again, for want of a firm and clear policy, another country, Iraq, seems to be headed for Communist domination.

The time is already far overdue for the United States to meet Soviet tactics with a major declaration of policy that the men in the Kremlin can understand.

American policy can meet indirect aggression in two ways: First, by a strong declaration of policy directed to the Soviet Union itself; and second, by a bolder policy calculated to enable the United Nations to deal with indirect aggression.

Only the first point is developed here; the second later on in a more appropriate place.

I suggest, therefore, that we smoke the Soviet Union out of its entrenched position in which it avoids risk to itself while it instigates indirect aggression.

In my opinion this will have to be done by some forceful dramatic declaration of policy directed straight at the Soviet Union.

The United States should give formal notice to the Soviet Union that any attempt on its part to extend its political system by direct or indirect aggression against independent nations in the Middle East will be considered by the United States as a threat to the peace and freedom of all free nations which the United States will resist without limit.

Once before in our history we had to deal with a similar situation. When we were still a young nation, we had occasion to fear the threat to our freedom and independence set in motion by autocratic governments in Europe, including Russia. The immediate danger then was to the newly won freedom and independence of our southern neighbors, the Latin American governments.

To our everlasting glory, we boldly protested against "any interposition for the purpose of oppressing them, or controlling in any manner their destiny."

Directed specifically to Russia, we held that the American continents, by the free and independent condition which they had assumed and maintained, were not to be the subject of future colonization by any European powers.

And finally, we declared that it would be hostile and dangerous to the United States if the European political system of autocratic government was further extended.

Today, American interests are no longer confined to the American hemisphere; they are worldwide. The struggle for freedom is worldwide. Any chipping away of freedom anywhere is a threat to the freedom of the United States.

For a dozen years now, the Soviet Union has been probing the soft spots of the world, looking for opportunities to spread Communist doctrines and domination. She has perfected methods of indirect aggression which allow her to pose as the champion of oppressed peoples and as the advocate of peace while she foments hatred, instigates subversion, provides arms, and supports revolution through puppets against established governments and shackles them in the yoke of communism.

We have seen this insidious force at work in Eastern Europe, in Korea and Vietnam, in other parts of Asia, in Iran, and now in almost all of the Middle East.

When the Soviet Union's tactics of infiltration, subversion, and domination became clear to the United States and other free nations of the world, we exposed and denounced them. The United Nations condemned them. Where preventive action was possible, as in Iran, Greece, and Turkey, American aid helped them to remain free and independent.

But the Soviet Union persisted in the tactic. Each time, the Free World was more or less taken by surprise. Each time, we were caught unprepared. Each time, we were trapped into dealing solely with the trouble spot while the Soviet Union abused us and gave the impression that she was not involved. She encountered no risk on her own.

She was in the position of an arsonist who starts a fire, fans it into violent flame, and then stands off and abuses the firemen who try to quench the fire, all the while making the victims feel that she is their friend and protector.

The situation we dealt with boldly in 1823 has considerable parallel to the problem we face today. If, by our declaration, the Soviet Union is made to feel that any expansion of her system by direct or indirect aggression will be done under the shadow of risk to herself, she may become more restrained in her action.

Such a stand upon the part of the United States will entail some risk, too. We did not shrink from risk when we were young and relatively weak. Are we to shrink from risk now that we are great and strong?

Moreover, the alternative carries equal risks. If we permit indirect aggression to continue, as it has for the last 12 years, the time will surely come when an incident will involve us in serious war when we are least prepared.

We have allowed the Soviet Union to get away with her tactics for so long that even a strong declaration of policy against such tactics would not be enough. But it will help to bring the Soviet Union's culpability out into the open and force her to consider the risks to herself that might be involved. If we add to this a bolder, stronger policy in the United Nations to deal with these situations, we may make progress toward a more stable, peaceful world.

ARAB NATIONALISM

The United States cannot delay much longer in coming to terms with Arab nationalism. We shall have to concede that there is strong justification for the desire of the Arab people to control their own destinies. We shall have to concede that the movement has vitality and force.

Events will overtake us with embarrassment and harm to our interests if we soon do not have the good sense to adapt our policies to the aspirations of the Arab people for independence and the betterment of their lot.

In a clear statement of policy we should make it known that we welcome the emergence of the Arab people as masters of their own destiny. We should let them know that they can count upon our encouragement and aid.

But in the same declaration of policy, we should let them know that there are some facts of life they cannot ignore—some responsibilities that go hand in hand with their independence.

One of these facts is that as long as the Arab people are not sufficiently strong to resist external aggression, either the United Nations or the United States will act whenever we believe that aggression threatens any independent Arab state.

This means that we will act to stop any leader or group of persons of one Arab state from extending power over any other Arab state by subversion, fomenting revolution, or by any other force. This policy of protection includes the State of Israel.

American policy will not be averse to legitimate alliances of Arab nations for the mutual defense and security of all, but in the present weakness of the people to control their own affairs, it will not permit any form of dictatorship to be imposed over all the Arab peoples. In like manner, the United States will strongly oppose the extension to Arab lands of communism by indirect or external means. Both eventualities are a menace to the peace and freedom of the Arab States as well as of other nations.

The second fact we must emphasize is that the growth and progress of Arab States must not be made at the expense of the world's legitimate interest in strategic trade routes and raw-materials resources. The Suez Canal and the oil resources of the region cannot be used to blackmail other nations. It must be made plain to the Arab leaders that they cannot hope to lead their people toward better days if they deal irresponsibly with resources vital to the survival of other nations.

If the Suez Canal remains open and if access to oil resources is available on reasonable terms, the United States should be willing to support the Arab nations in their right to derive a fair share of the benefits from these possessions.

In this declaration of American policy toward the Middle East, the United States might offer to help the Arab States set up a Middle East development commission, or authority, designed for the cooperative development of the entire area.

This could be a bold conception for economic progress, development of natural resources and public works, the advancement of education and culture of the Arab States and their peoples. This commission or authority would be under the control of a board, representative of the Arab nations, assisted by representatives from the United Nations and such other individual nations as the Arabs themselves should desire.

An undertaking of this magnitude would galvanize the Arab people and do more for them in peace and progress than

any single nation in the area could do for itself.

THE UNITED NATIONS AND WORLD STABILITY

American policy in the current framework of events should have one further grand object.

This is to work more boldly to invest the United Nations with the power to deal with unstable conditions throughout the world.

How are small nations to be safeguarded against aggression? In nations which are internally unstable because their people are not strong enough to control their own destinies, how can the people be protected from being pawns in the conspiracies of unscrupulous political adventurers? Where the people rise up against tyranny, how can they be assured of a chance to determine their own affairs?

All these situations now occur in world affairs. They are settled in one fashion or another by bloody brutality and naked power politics. Although nations consider themselves civilized, they still tolerate the hip-gun anarchy of the frontier. And periodically, the instability ends in world war.

Statesmen recognized this at the end of World War I and set up the League of Nations to deal with events and conditions likely to lead to war. But they were reluctant to give the League sufficient authority and power to deal with those conditions. The large nations of the world preferred to rely solely upon their own strength and upon the aid of such alliances as they could make.

The upshot was the collapse of the League in the face of unstable conditions and aggression, and World War II followed.

Again, at the close of this war, a second attempt at safeguarding law and order resulted in the establishment of the United Nations. Some small progress has been made in supporting the United Nations, as representative of the community of nations, in its efforts to maintain law and order and prevent aggression. The most notable example was in Korea when a United Nations force was placed in the field. But this was possible only because the Soviet Union was not around to veto the operation. The effort fell short of complete success because of lack of vigorous prosecution and because the Communist nations were in active opposition.

Today, the world teeters uncertainly between the effort to maintain stability by the power of the United Nations or by the power politics of hostile national groups.

Many problems of the world can be settled by negotiations and agreement. Others can be settled only by power.

If the community of nations cannot establish the power to deal with trouble spots then individual nations and groups of nations will bring their power to bear on them. Others will oppose them. In other words, nations will take the law into their own hands.

That is how the concept of the balance of power arose. But the fatal weakness of a balance of power is that it leads inevitably to war when any nation or group of nations feel themselves strong enough to disregard the balance. This is how the Triple Alliance and the Triple Entente came to spring at one another in 1914. This is how Hitler took us into war in 1939 when he believed that the Ribbentrop-Molotov agreement tipped the balance in the Nazi favor.

But we are confronted today with the awful fact that thermonuclear devices make war a threat of total destruction of the civilized world. We face catastrophe if we allow the world to drift into another world war. We may not be able to escape war in any event, but we have a sacred duty to all mankind to try to find another way out.

Aside from naked power politics, backed by each nation's armed strength, our only hope lies in developing the power of the community, as presently represented by the United Nations, to deal with the trouble spots that lead to war.

The United Nations cannot control the actions of the great powers. If they are determined to make war, the United Nations will be powerless to stop them.

But the great powers drift into war by lining up on opposite sides in the crises that occur in smaller nations. If we give the United Nations power to deal constructively with these events and conditions, we can remove many of the causes which set the great powers against each other, and thereby make world war less likely.

The United States has everything to gain and little to lose by pressing vigorously for the establishment of a strong United Nations contingent to maintain law and order in the Middle East.

Other than maintaining peace, law, and order, the United Nations contingent should not attempt to solve the difficulties in the affected nation. Whatever these difficulties may be, they should be dealt with by other means—by representatives of the people in the affected state, by a regional commission set up by the nations in the area affected, by a separate United Nations commission, or by a commission of representatives of the great powers. Most bodies of this kind have a mixed representation designed to gain the confidence of the parties and to assure all concerned that their recommendations will reflect impartial justice.

What is the alternative to handling these affairs through the United Nations? We do not have to speculate on what this alternative is. We see it already in operation.

The United States, with such allies as it can attract to its side, will be forced to enter every crisis arising in the struggle for power. We will have to risk war over and over again. We shall have to station American troops in all disaffected areas as we now have armed forces guarding Formosa, Korea, Vietnam, Lebanon, and other places. We shall have to continue to build defenses in all parts of the world, with power to strike at a moment's notice.

The Soviet Union and her Communist allies are already developing similar missions in opposition to us, and will develop more.

And then, some day, perhaps by chance or mistake, this whole array of hostile forces will be set in motion against each other and civilization as we have known it will go down in the holocaust.

Mr. President, rather than face that catastrophe, let us be bold in policy when there is yet time to do so. Let us make our position clear beyond all doubt. Where we must be firm, let us be firm. Where we must take risks for peace, let us take them. Where we can move boldly and constructively, let us do so.

If we do these things, we can attract the good opinion of men of peace and good will everywhere, and we may stop this insane drift to war before Armageddon is upon us.

Mr. President, I began working on these remarks several days ago. In Monday's New York Times, there is an editorial that expresses completely the aim I had in mind when I started to prepare my remarks. The editorial is entitled "A Time for Decision." I read one short passage from it:

> The time has come, perhaps, when what is needed in international relations is a sense of certainty. It is time to define just what we will yield and just what we dare not yield for fear of the everlasting loss of our freedom. Such definitions, plainly stated, might make for peace.

Mr. President, that is precisely what I have tried to do in my remarks.

Mr. President, I felt that at this time these remarks needed to be made. Some of these things needed to be said; and I hope very much that they may contribute constructively to our thinking at this time.

Mr. SPARKMAN. Mr.. President, I wish to commend the distinguished Senator from New Hampshire. He has given us a very thoughtful presentation, with a great deal of material in it, and I commend him for it.

Mr. BRIDGES. I thank the Senator from Alabama.

Mr. SPARKMAN. I believe that the resolution which is the pending business partly meets some of the suggestions offered by the Senator from New Hampshire; and it is on that resolution that I wish to speak.

Mr. President, for the second time within a year, I present to the Senate a resolution calling for the creation of a permanent United Nations force similar in character to the U. N. Emergency Force now operating so effectively along the Egyptian-Israeli frontier.

On August 8 last year, the Senate agreed to Senate Resolution 15 which had been introduced the preceding January by myself and Senators HILL, HUMPHREY, KEFAUVER, MANSFIELD, SMITH of New Jersey, CASE of New Jersey, WILEY, KENNEDY, FLANDERS, and JAVITS.

That resolution welcomed the establishment of the United Nations Emergency Force pursuant to the resolutions of the U. N. General Assembly during the Suez crisis in November 1956. That resolution likewise expressed the sense of the Senate that:

First. A force of similar character should be made a permanent arm of the United Nations.

Second. It should be made up of units furnished by members of the U. N. other

than permanent members of the Security Council.

Third. Consideration should be given to arrangements for volunteers, other than nationals of permanent members of the Security Council, to serve with the force.

Fourth. Expenses of the force should be met like all other regular expenses of the U. N.

Senate Resolution 15 last year was motivated by the success of UNEF in restoring and maintaining peace between Egypt and Israel. The resolution was also motivated by the thought that other similar situations would arise, either in the Middle East or elsewhere, which would make such a force a useful thing to have in being.

Following the Senate's action in August 1957, I wrote to every member of the United States delegation to the 1957 session of the U. N. General Assembly, calling their attention to the resolution and suggesting that steps be taken to implement the opinion of the Senate as there expressed.

The dominant theme in the answers I got was that this was a good idea but that the cost would be prohibitive.

Yet, Mr. President, I daresay that a U. N. force of the kind envisaged could be maintained for years at less expense than what it will cost us to keep several thousand marines in Lebanon for nobody knows how long backed up by an enormous fleet standing offshore. Surely, this was a case of being penny wise and pound foolish.

But worse, Mr. President, consider the difference in terms of political repercussions. A U. N. force in Lebanon would be subject to none of the objections which have been made to the presence of United States marines there, and a U. N. force could, at the same time, accomplish the same objectives.

I feel so strongly that a United Nations force is the best way to deal with situations such as that in Lebanon that I have resubmitted Senate Resolution 15 in the form of a concurrent resolution. The only difference between Senate Concurrent Resolution 109, which is now pending before the Senate, and Senate Resolution 15, which the Senate adopted last year, is that the former expresses the sense of the Congress whereas the latter expressed the sense of the Senate only.

By acting now on a concurrent resolution reaffirming the stand it took last year, the Senate will give the House an opportunity to join in endorsing a U. N. force. And both houses of Congress acting together, in what I hope will be unanimity, will strengthen the hand of our Government at the United Nations where we are trying now to bring into being what should have been created a year ago.

Mr. KNOWLAND. Mr. President, I rise to support the pending concurrent resolution, which was reported and has been so ably discussed by the distinguished Senator from Alabama [Mr. SPARKMAN]. It would be helpful if a permanent U. N. force were created. In colloquy earlier today we briefly discussed the matter.

However, we must keep in mind that it is not a solution to the problem with which the world is now confronted. In fact, if such a force had existed in the past—even if it had been a force as large as 10,000 or 20,000 armed men, whether of a constabulary nature or of a military nature—we still would not have been able to get around a Soviet veto in the Security Council.

While the resolution is a step in the right direction, we must realize that so long as the United Nations Charter remains in the form in which it now exists, under which a member nation must come before the Security Council, we will always be faced by a Soviet veto. That will apply whether the situation is one of overt aggression or of international subversion from outside a country.

I believe international communism has found a way to mask aggression as we understand that term. By stirring up subversion or by applying pressures from the outside, the Soviet Union has established a long history of what it has accomplished in the world.

It was my privilege to be in Poland some years ago. It was before the country was completely taken over by international communism. It was apparent at that time that the Communists were taking over the police force and other elements of the government. They were beginning to place controls over the church. I saw Mr. Mikolajczyk, who was the last free Premier of Poland. At that time he was under house arrest. He knew what was going on in the country. He told me what had taken place during the previous 6 months.

I left Warsaw and went to Prague, in Czechoslovakia. Czechoslovakia was then the freest nation in all Eastern Europe. I talked to most of the leaders of government in that country. I told them what I had seen in Poland. I asked them if they were not fearful that the same thing would happen to them in Czechoslovakia.

The answer, without exception, was, "No, Senator; we do not think the same thing will happen to us. After all, our constitution was modeled on the American Constitution. Our great leaders Masaryk and Benes were educated partially in the United States." They said, "Our people have the highest standard of living in all Eastern Europe. We have freedom of religion. We have freedom of the press. You can go on the streets of any city in our country and buy newspapers of varying political outlooks, and you can buy copies of the London Times and the New York Times, and you can buy magazines from all over the world."

They further said, "Of course, we have respect for the Poles, but they have been used to being dominated, first by Russia and then by Germany. We are different."

I asked them what the Communist vote had been in the last election. They said, "In the last Parliamentary election the Communist vote was about 15 percent of the entire vote. However, 6 months from now we are having another Parliamentary election. Based on all the surveys which have been made, we believe the Communists will poll less than 10 percent of the vote."

Need I say that that next election was never held? At the time of the Communist coup d'etat in Czechoslovakia, either coincidentally or otherwise, the Soviets were holding maneuvers on the Czechoslovakia-Soviet frontier. Not a single Soviet tank crossed into Czechoslovakia. But extortion and blackmail were there just the same. It was clearly evident to the free people of Czechoslovakia that if they resisted the coup d'etat of a very small minority of the Communists in that country, the Soviet tanks would be prepared to come into the country, as indeed they went into Hungary, to strangle freedom. The Soviets succeeded in pulling that nation behind the Iron Curtain. They did it so rapidly that the free government of Czechoslovakia was not able to appeal to any of its friends in the Free World or to the United Nations itself.

Some years later there occurred a similar situation in Hungary. I shall not review it in detail. Earlier today I placed in the RECORD full documentation from the first resolution passed by the United Nations to the last resolution passed by the United Nations—some 13 resolutions in all. Most of the effective ones, if indeed not all of them, were vetoed by the Soviet Union in the Security Council. When they were presented to the General Assembly, they were delayed by prolonged debate on the part of the Communist nations and some of the neutralist nations who sided with the Communists.

Mr. President, during all that time freedom was strangled to death in Hungary. The lessons of history are very clear. In World War II, little Holland was overrun by Nazi Germany in 5 days. Belgium was overrun in about 7 days. Denmark was taken over in a couple of days. In less than a week the Nazis gained control of Norway.

The United Nations General Assembly debated the Hungarian question for more than 45 days. Decent nations could lose their freedom and go down the drain in that period of time.

If the Free World is not to be nibbled away piece by piece, some effective way must be found inside or outside the United Nations, to prevent the occurrence of the new type of aggression which has taken place in various areas of the world.

I shall support the resolution because I think it is at least one step forward; but it does not remove the great obstacle which exists today in the United Nations, namely, the power of the veto by the Soviet Union as a potential aggressor, or the power, by prolonged debate to confront the United Nations and the Free World with a fait accompli, as to which it can be said, as was said about Hungary: "Yes; freedom has been destroyed, but what are you going to do about it?"

Unless we are to come to one of the great crossroads of history, a period of time which may be as important as any other in the entire history of civilized man, we must with accord and with foresight, together with the other free nations of the world, be prepared to take

whatever risks are necessary in order to maintain a Free World of free men.

Mr. GREEN. Mr. President, I too wish to associate myself with the remarks of the junior Senator from Alabama. As the Senator has pointed out, this resolution is identical with Senate Resolution 15, which was agreed to by the Senate on August 8 last year, except that the concurrence of the House of Representatives will be sought now, although it was not sought then. It was the hope of the Committee on Foreign Relations that such concurrence will lend additional weight to the expression of the Senate on the establishment of a United Nations Force, similar to the United Nations emergency force which has been so helpful in keeping to a minimum outbreaks of violence along the Arab-Israeli border. Moreover, it was the thought of the Committee that such united action by the Congress will strengthen the position of the United States at the United Nations.

Senate Concurrent Resolution 109 is identical with S. Res. 15 and so is very timely now.

Mr. President, I hope the Senate will unanimously reaffirm its advocacy of a United Nations Force and will offer the House of Representatives an opportunity to associate itself with the Senate in this matter by passing S. Con. Res. 109.

Mr. FLANDERS. Mr. President, I was glad, indeed, when the resolution was reported by the Committee on Foreign Relations, and to hear the support given to it by the junior Senator from Alabama. He and I and other Senators have joined together in years past in submitting similar resolutions.

Last year a resolution was reported—it was only a simple Senate resolution—which finally met with the approval of the Department of State. It is good to have this resolution as a concurrent resolution. I hope that it will be unanimously agreed to, as was the resolution last year.

I suggest that the proposed police force of the United Nations would have particular applicability at the present moment. On the appeal of the President of Lebanon that outside forces were bringing about disorder in his country, the President of the United States very properly, as had been promised in advance, sent United States forces to prevent any such external upsetting of the government within the boundaries of Lebanon.

The Secretary of the United Nations made an investigation and reported that he saw no evidence of outside infiltration of men or arms. That was an opinion. What is needed in this particular case is United Nations force sufficiently strong to guard the borders and to make certain that there is no importation of men or arms directed toward upsetting the Government of Lebanon. If such a force were available and could be applied to the task of protecting the borders, there would then be no necessity for our forces to remain there. In the first case, there would be no possibility of their usefulness, for if the disturbances were internal, in the minds and hearts and desires of the people of Lebanon, nothing that an armed force could do would prevent changes from taking place. If, however, the activity were supported materially from the outside, then a United Nations police force could assure the safety of the borders.

I hope the time will come when an undertaking so necessary to the preservation of peace, can depend on the availability and on the allocation of duties to a United Nations police force.

Mr. WILEY. Mr. President, I, too, join with the Senators who have spoken in relation to a United Nations police force. I believe such a force has possibilities.

I wish that all America could have heard what the Senator from California [Mr. KNOWLAND] said today in relation to the incidents of the past. What concerns me about the resolution, of which I am a cosponsor, is that it gives a false impression to some persons who do not think the problem through. What is the problem? In simple language, it is the Kremlin, under Khrushchev, seeking and willing to do what it thinks is necessary to achieve world domination. The incidents related by the Senator from California a few moments ago demonstrate clearly what the footsteps show to those who will observe.

The danger is, when we talk about a United Nations police force, that the average man will react by thinking that such a force will be competent. Everyone knows that a police force has its part to play, but it could never put out a conflagration which the Kremlin might start.

What has prompted me to speak at this time is that I received today a letter from my own State. In substance, it said: "Senator, we are asleep. Some of us are afraid that we will become complacent. We are going to think, now, that we can bluff the Kremlin. We are wondering if the time has not come for Congress to reinstate some $7 billion of taxes which were removed some years ago. We are wondering if the country really is aware of the danger which faces it."

I do not say the letter expresses my view, but it expresses, first, a realization that a large part of the people have become complacent—as I have said on other occasions—just as many of the American people were before Pearl Harbor, when many of the people of this country said no such thing could happen. The letter also indicates that many of our people do not realize the tremendous cost to us. The letter also suggests that many of the people of this country do not realize the threat to our economy as a result of the anticipated $10 billion or $11 billion deficit as of next year.

Mr. President, why should not we meet the problem head on, as we did before, when the situation was no more critical than that today?

We are considering a police force which it is anticipated the United Nations will bring into being. I hope the force is created, and I hope it will be strong enough to cope with anything short of a major conflagration.

But I do not wish anyone to obtain the impression that such a United Nations force will be adequate or will have sufficient strength to meet any challenge by the Kremlin—for instance, if the Kremlin were to decide to "send up a trial balloon," as the expression is. Our people would make a serious mistake if they were to believe that the creation of such a police force would permit them to relax and to fail to make adequate provision to take care of themselves.

Of course we are dealing with the Middle East primarily in the interest of our own country. Our people must understand that clearly. We realize that if the Kremlin were to take over the Middle East, with all its potential wealth, including oil, the Kremlin then would have control of the crossroads to Africa, and thus would have control of the raw materials of all those countries.

As I stated yesterday, in the United States are to be found only 2 of the 32 vital minerals or materials our country must have. Fortunately, many of the others are found in South America. But the report I quoted shows clearly that situation.

So I repeat that following the creation of the United Nations police force—and I certainly trust that it will be created—our people must not have the impression that that force alone will be adequate or sufficient.

Mr. MANSFIELD. Mr. President, I desire to join my colleagues in extending congratulations to the distinguished Senator from Alabama [Mr. SPARKMAN] for the continuous, vigorous, and outstanding work he has done in behalf of creation of the United Nations police force. This is not a new activity or interest on his part, for, to my knowledge, he has worked in this direction for the past 8 years. But I believe the fact that he was responsible for having his Senate resolution agreed to earlier this year, and the fact that he now has pending before the Senate this concurrent resolution, which has been approved unanimously by the Senate Foreign Relations Committee, indicate his great interest and statesmanship and his desire to have something constructive done in this most important international field.

I hope the efforts of the Senator from Alabama will be crowned with success this afternoon, by means of a unanimous vote in favor of the adoption of the concurrent resolution.

Mr. CASE of New Jersey. Mr. President, I wish to add my commendation to those which already have been made of the work done by the Senator from Alabama [Mr. SPARKMAN].

It was a distinct pleasure for me to be associated with him in connection with the earlier draft of the concurrent resolution. His success in obtaining the approval and recommendation of the Foreign Relations Committee is most timely, because, as has already been stated on the floor of the Senate, this matter has a direct bearing on the current situation in the Middle East.

It is certainly true, as was so well pointed out by the Senator from California [Mr. KNOWLAND], that this United Nations force, in any shape in which it conceivably or feasibly may be created, will by no means be the entire answer to the problem we face. It still will be necessary, as he pointed out, and as was

pointed out by the Senator from Wisconsin [Mr. WILEY], for our country and its allies to have strength in material and military ways and to have the strength, the will, and the determination to exert the influence and fulfill the responsibilities that power brings with it in this world. This provision is by no means a substitute for those things, either on our part or on the part of our allies.

It is quite true, as the committee report itself states, that problems exist even in connection with the details of the establishment and management of a United Nations police force of this sort.

Nevertheless, this is a very real step in the right direction. It may have important value in leading to a solution of the situation now existing in the Middle East; and, perhaps most important of all, in the present juncture, the action of the Senate in approving the concurrent resolution—and I hope it will be agreed to unanimously—will have important value in making very clear to the world that today, as always, our country has no desire whatever for aggrandizement, and has no purpose of aggression, and that it supports to the fullest extent possible all efforts and activities of the United Nations to be of use in connection with matters which affect one or more countries.

Mr. HUMPHREY. Mr. President, I am very much pleased that today the Senate is to act on Senate Concurrent Resolution 109 which, as has been stated, is almost identical with a Senate resolution which was agreed to last year.

Senate Concurrent Resolution 109 has been reported unanimously by the Foreign Relations Committee, and has been supported individually by Members of the Senate, by means of speeches in the Senate Chamber, other public statements, and releases.

As a matter of fact, on a previous occasion the substance of the concurrent resolution was supported unanimously by the Senate.

It is our hope that by means of the adoption of the concurrent resolution by both the Senate and the other body, the administration will have a clear mandate to seek to have the United States take the lead in the United Nations in the effort to establish the United Nations police force.

Mr. President, I have addressed myself again and again to the need of the Government of the United States assisting in the development of a United Nations police force, so that we did not have to take upon ourselves the burden of policing huge areas of the world. Had we had a United Nations police force in the Middle East, American marines would not be in Lebanon today. Every Member of the Senate knows that a U. N. police force is acceptable as an instrument of law and order, while the forces of any individual state are looked upon as intruders.

It is my opinion, as I have said before in the Senate, that there are three possibilities in the Middle East area. One is Communist domination; the second is a kind of irresponsible emotional nationalism—Arab nationalism compounded with Nasserism; there is a third possibility, which makes much more sense, and that is a constructive neutrality in the area, where the forces of law and order, insofar as armed forces are concerned, are provided by the United Nations. It is to the latter alternative that I think we should direct our attention.

Mr. President, I wish to make a brief statement in reference to the Middle Eastern situation that is directly related to the resolution before the Senate. No resolution could be more pertinent and more timely. This resolution and its adoption can be a sign of good things for the people around the world, because people are wondering just what we are going to do. As a matter of fact, the American people wonder what the future offers. They know our forces are in the Middle East, but they are asking themselves, for what? What are they going to do? Where do we go from here? How do we get them out without losing face, without jeopardizing our national honor, and without sacrificing all we have worked for throughout the world for so many years?

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MORSE. I wish to commend the Senator from Minnesota for his leadership in the foreign-policy field, as well as in the domestic field. I wish to associate myself with the Senator from Minnesota in the remarks he is now making in support of the Sparkman resolution. As he knows, as a member of the Foreign Relations Committee I spoke in support of the resolution in committee. I want the RECORD to show I ardently support it on the floor of the Senate.

What I want to call to the attention of the Senate, however, is the accuracy of the prophecies of the Senator from Minnesota. It would be very interesting to make a compilation of the predictions and the prophecies of the Senator from Minnesota in the field of foreign policy, and then compare them with events subsequent to those prophecies. The Senator from Minnesota shows remarkable insight and foresight.

I think that statement is particularly true with regard to the courageous position which he has taken on the floor of the Senate in regard to intervention by use of American Marines in Lebanon. As the Senator from Minnesota knows, the senior Senator from Oregon spoke out against that policy on the part of the President. The RECORD shows that after the President's message was read to the Senate I immediately expressed a contrary point of view, in some detail, here on the floor of the Senate. I am perfectly willing to stand on the record I made in regard to my opposition to sending Marines into Lebanon. I think this horrendous mistake is going to cost us prestige in the Middle East for many years to come.

Mr. President, I was particularly impressed, in reading the Sunday Washington Star of July 20, with this statement attributed to the Senator from Minnesota, which I know is an accurate attribution. The article reads:

> Senator HUMPHREY, Democrat, of Minnesota, chairman of the Senate's Middle Eastern subcommittee, said in a statement, the Khrushchev conference invitation might have been expected, because "the Soviet leader has consistently sought to bypass the United Nations."
>
> Senator HUMPHREY said, "there should be talks, at the highest level and immediately, * * * but the question is, under what auspices? I suggest the United Nations.
>
> "Better that old men talk and negotiate than that young men fight and die," Senator HUMPHREY said.

I wish to say that sets out exactly the point of view of the senior Senator from Oregon. As I said at the time the Khrushchev letter was first made public, I would have no objections to a so-called summit conference with Khrushchev, provided it was with the understanding that the American delegation to any such conference would make no commitments, but would only agree to carry to the United Nations any proposals made at the summit conference.

I want the RECORD to show that I stand shoulder to shoulder with the Senator from Minnesota in insisting that we work out our foreign policy in the Middle East and elsewhere through the United Nations, and not by unilateral action. That is why I am proud to stand on the floor of the Senate and support his statesmanship in urging adoption of the resolution.

Mr. HUMPHREY. I wish to say to the Senator from Oregon it has been my feeling that our policy in the crucial area of the Middle East should be directed through, outlined through, and channeled through the United Nations.

I shall not speak any more about it, because I think the record is manifestly clear. Our policy surely needs new development, and beyond what we have had to date.

Mr. President, the newspapers this morning told us that the President of the United States has agreed to participate in a summit conference at the United Nations. For this I am grateful and pleased, and wish to commend the President. But the State Department has let everybody know how reluctant and apprehensive it is about the whole business.

As I turned on the radio this morning at 7 o'clock, I heard repeated broadcasts over the networks to the effect that, while the President has agreed and had suggested a conference under the auspices of the United Nations, the State Department had let it be known it was doing this reluctantly and that it was doing it only under pressure.

Once more, Mr. President, our officials have taken a position and then surrounded it with so much self doubt and reticence that it spoils the whole public image of the position they have taken.

It may or may not be true that the reason President Eisenhower has proposed a U. N. summit meeting is that the British Prime Minister has insisted upon it. It may or may not be true that the same Presidential "advisers" who are widely referred to in this morning's press as opposing the U. N. meeting would have been enthusiastic, instead, about a quiet meeting with Premier Khrushchev on East-West relations. In any case, we have once more worked ourselves into a position of apparent foot-dragging on

an issue that the world thinks is important. We have managed to place ourselves in the worst possible light while taking a step apparently designed to placate world public opinion.

As Mr. James Reston says in this morning's New York Times:

The final irony of this remarkable development is that the main hope of officials here is that the offer to convene the government heads at the United Nations will be turned down by the man who has pressed the hardest for a summit meeting, Nikita S. Khrushchev of the Soviet Union.

But, Mr. President, the news tickers of the afternoon—Associated Press, United Press, International News Service—reveal to us that Nikita Khrushchev has accepted, and has made one or two recommendations which in the main are constructive. Let me read the bulletin I have from the Associated Press, dateline London:

Soviet Premier Khrushchev agreed tonight to attend a summit meeting within the U. N. Security Council provided that Indian Prime Minister Nehru and Arab leaders are invited as well.

Mr. President, of course, we all know Mr. Nehru can attend any meeting he wishes in the United Nations. We know the Arab leaders are entitled to attend also, because under the charter of the United Nations a representative of a particular country may be the head of state, the foreign minister, or anyone designated by the responsible governments of the particular nation states which are members.

Mr. President, we can argue about the desirability of having a summit conference, but once the decision has been made it is not only bad public relations but I think bad policy to ring around it all the doubts and apologies which we have heard during the last 24 hours. As the Washington Post and Times Herald says editorially this morning:

"Kicking and screaming" is the only apt phrase to apply to the grudging acquiescense of the administration to a meeting with the Soviet Union on the Middle East. * * * Why, oh why, do we always seem so negative, so barren of concern for the appearance we create in the remainder of the world, particularly in the countries we are seeking to persuade about our peaceful intentions?

Mr. President, I ask unanimous consent that the text of this revealing editorial be printed in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

IS THIS LEADERSHIP?

It was Adlai Stevenson who once described the Republican Party as having been dragged, kicking, and screaming, into the 20th century. Quite apart from any partisan connotation, kicking and screaming is the only apt phrase to apply to the grudging acquiescence of the administration to a meeting with the Soviet Union on the Middle East. Not until a split with Britain on the issue became evident did the administration reluctantly consent without bothering to hide its displeasure. No matter how much Mr. Khrushchev may have deserved President Eisenhower's excoriation, vituperation serves little purpose. Why, oh why, do we always seem so negative, so barren of concern for the appearance we create in the remainder of the world, particularly in the countries we are seeking to persuade about our peaceful intentions?

Not that either Mr. Khrushchev's proposal or the current Soviet tactics warrant much confidence that such a meeting will produce constructive results. The Soviet veto yesterday of the Japanese resolution to augment the United Nations Commission in Lebanon, though expected, was a discouraging commentary on the Kremlin's sincerity in professing to seek a solution. Evidently, if the U. N. is to assume a larger role and thus obviate the need for American troops, the effort will have to be made over Soviet opposition in the General Assembly—though happily Secretary General Hammarskjold has indicated that he will seek to increase the U. N. force even before Assembly consideration.

But the fact remains that the United States has again invited the suspicion that it is afraid to talk peace with the Russians. Yet it is essential, particularly if we plan to seek approval in the General Assembly, to demonstrate that we are willing to go to any length for honorable accommodation of differences. There is not much point in moaning about the supposed inadequacies of our information efforts abroad when the attitude of the administration speaks so much louder than anything our information program can say.

Mr. HUMPHREY. Mr. President, the summit conference controversy has been going on for many months. It has been going on so long, in fact, that the State Department could by now have even made preparations for it.

Senators will recall that one of our objections to the so-called summit conference was the lack of preparation. We have been objecting for approximately 4 months, by some kind of retreat or negative attitude.

The kind of careful preparations in in advance which the Department has always said were essential for a conference, but which according to the State Department spokesman we have not yet made, could well have been made during these intervening months.

Mr. President, I say again, time after time, as one Senator, I have stated that Nikita Khrushchev would so manipulate the affairs of this world that we would find ourselves in a summit meeting before this fall. By just common ordinary horsesense and looking at things as they were developing, I have said we were destined for a summit meeting, and therefore we ought to prepare for it. Therefore, I stated that we ought to start to outline an agenda; that we ought to stake out the frame of reference; and that we ought to start to let the people of the world know where we think that meeting should take place, under what auspices it should take place, and so on. But, Mr. President, our Government is addicted to pretending things will not happen. Our Government is addicted to trying to avoid the tough decisions until they are forced right down our throats.

It has been entirely predictable that a summit conference would take place. The questions were and still are: Under what auspices? In what context? What shall be the issues? Who shall attend?

We have refused to come to grips with these matters, Mr. President.

Speaking on the Senate floor on February 4, 1958, I said:

The Soviet Union has offered two possibilities. The first, the so-called summit conference, the second, within the General Assembly of the United Nations.

Those are the broad possibilities. Let us examine them.

While neither of these alternatives lend themselves to truly responsible, effective and methodical negotiations, they do suggest other possibilities within the framework of the United States or within the channels of traditional diplomacy. For example, the Secretary General of the United Nations has mentioned three approaches in addition to the General Assembly—the Disarmament Commission, the Security Council, and the facilities of the Office of the Secretary General of the U. N.

I subsequently said:

Then there are also the foreign minister level, and negotiations at the summit, with a limited agenda, and with agreed-upon items for discussion. It is our responsibility as a nation, in our search for peace, to explore every reasonable possibility and alternative.

Mr. President, there were three possibilities offered within the framework of the United Nations. We waited and waited and waited and waited, until the situation in the world became so desperate that Nikita Khrushchev on Saturday last, could seize the initiative and could tell the terrified people throughout the world who were fearful of an impending world war that he was prepared to discuss peace and prepared to negotiate for it.

On February 19, 1958, in a speech at Fairleigh Dickinson University, New Jersey, I commented on the lack of progress toward higher level negotiations in the following terms:

Both the United States and the Soviet Union, despite their respective demands for diplomatic negotiations and a summit conference, seem reluctant at the moment to conduct negotiations on any Government level higher than that of the post office. How the cause of peace can be advanced in an atmosphere of such stubbornness, mistrust, and suspicion, the anxiously waiting world does not know.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KNOWLAND. I will say to the distinguished Senator from Minnesota, that I have the highest regard and respect for him. The two of us served together in the United Nations General Assembly in 1957. However, I want respectfully to suggest to the Senator that it is important there be ample preparation for a meeting of this kind, because I think the Senator will remember as vividly as some of the other Senators on this floor, and perhaps some of our visitors in the galleries, that when the great powers went to Munich the promise of Mr. Hitler at that time was that if they would yield only the Sudetenland there would be peace in our time and he would make no further territorial demands on Europe.

The ink was hardly dry on that agreement when Nazi Germany, in violation of its pledged word at Munich, moved in not only to take over Czechoslovakia and Austria, but subsequently moved into Poland, and the world had a clear demonstration there that the road to appeasement is not the road to peace. I think it is very vital for the future security of this Republic and the pres-

ervation of the Free World of free men that we should not be trapped into another Munich.

Mr. HUMPHREY. I could not agree more fully. I believe that what the Senator has said is not only historically true, but it is prophetic.

The Senator from Minnesota is saying exactly the same thing. We need to be prepared. The Senator from Minnesota is saying that while we have been saying that we ought to be prepared, and are constantly arguing about the kind of preparations we should make, we have made little or no preparation. Now we find ourselves faced with a world situation in which the Soviet Union is constantly threatening with massive armed attack if we move further. We find ourselves in a situation in which American forces are thousands of miles away from their home base. As I said on this floor last Wednesday, and have said on two previous occasions, Nikita Khrushchev has so manipulated affairs and events that he has us backed up against the wall, where we dare not do anything but accept a conference. We accepted it under what I think are the most desirable auspices, the United Nations. The Senator from Minnesota is saying that the kind of careful preparation which was needed should have been on our timing, should have been according to our plans, under circumstances which we felt were relatively favorable to a settlement that would be reasonable and fair. I shall develop this point.

On March 3, 1958, I took the Senate floor to comment on the significance of the latest Soviet note on preparations for the conference. At that time I said:

In any meeting with the Soviet Union serious consideration should be given to include on the agenda not only disarmament, but also the two central problems disturbing European peace today, namely, the reunification of Germany and the future of the East European captive countries, as well as the question of restoring amicable relations in the Middle East.

It is interesting to note, as I said on Wednesday, July 16, that in our final note to the Soviet Union prior to the Lebanese crisis, on the subject of a summit conference, we did not include the Middle East. We excluded it, and it was to this very exclusion that Nikita Khrushchev directed his attention. In the Saturday message of Khrushchev about the summit meeting he forced our hand on the Middle East question.

Mr. President, in an address at Central Wisconsin Teachers Association at Wausau, Wis., March 7, 1958, I said that—

The United Nations Security Council is the logical channel for our next effort to resume talks with the Soviet Union on outstanding issues.

I ask unanimous consent that excerpts from my remarks on that occasion be printed at this point in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

"For many years the Security Council has been crippled by indiscriminate use of the veto, but it is, nevertheless, the body which has, under the United Nations Charter, been formally charged with primary responsibility for the maintenance of international peace and security. I think that in the current crisis of international peace and security we should resort to the Security Council and utilize its machinery to the greatest possible extent. If obstructionism or the veto should block effective Council action, then—but only then—we should carry our negotiations to other channels.

The issues involved, however, are much broader than NATO—they affect the interests of the entire world. The 'cold war' is not a private squabble between Moscow and the NATO powers, but a state of tension that affects the lives and fate of people on every continent of the globe. In Asia, Africa, and Latin American nations are watching with deep concern the progress of the exchange between the major Atlantic powers and the Kremlin because they know that their own future depends on the outcome.

"Yet, despite the interest and concern of the governments and peoples of nations all around the globe, we have been treating most of them as mere bystanders. It would be to our interest to associate these countries more closely with the policies and the decisions that in the last analysis profoundly affect all of them.

The United Nations, as the instrumentality of formal political cooperation established by practically all the nations of the world, is the proper channel through which policy coordination should be achieved. The General Assembly, with some eighty members, is too cumbersome an agency for this purpose. But the Security Council, containing as it does countries from nearly every major region of the world officially chosen by the entire membership of the General Assembly, could offer a means of broad representative negotiation and consultation.

"But wherever we negotiate, we should consult with all those members of the Security Council that desire to do so. We cannot consult with every country in the world—this would be an endless and futile process. But we can get together with those countries which have been chosen by all the members of the General Assembly—the 'town meeting of the world' as their official representatives, so to speak, on peace and security matters. We would thus show our regard for the views and interests of nations throughout the world and not just those who have chosen to ally themselves militarily with us in the North Atlantic region. Our own policies would be immensely strengthened by recognizing the broad interests of nations everywhere in the great issues of peace and war, and we would derive much profit from this demonstration of our respect for world opinion."

Mr. HUMPHREY. This is a hurried survey of the CONGRESSIONAL RECORD. Time after time it was my feeling—and I so expressed myself to members of the press, the radio, and television; on Meet the Press, and on Face the Nation, that the United Nations was the place for America to conduct its negotiations with the Soviet Union. Let me tell Senators why.

In the United Nations we find at least a reasonably objective, and I trust friendly, environment. In the United Nations there are capable Free World statesmen.

There are in the United Nations nation states which do not wish to be the victim of a United States-U. S. S. R. conference.

The Senator from Minnesota has said that one of the greatest claims we could make to restore our prestige throughout the world, wherever it may have faltered, is that we are the defender of the independent small nation; that we refuse to make a deal with the Soviet Union at the expense of other peoples. I know that nations and peoples live in mortal fear that we and the Soviet Union may some day sit down at the table and literally carve up the world.

As a nation believing in principle, I know that we shall not do so, but this fear lurks in the minds of thousands of people and hundreds of political leaders throughout the world.

It is interesting to note that in Mr. Khrushchev's message to our Government on Saturday last he excluded the small nations. He did not even include in that message any consideration of the Middle Eastern states themselves. He comes around to that today. His first proposal was for a big power meeting. What a glorious opportunity we had to remind him that when we are talking about the lives of other people, such as those in the Middle East, we want them represented at the conference table. This is the point we ought to have been making, but we did not stress that point. That gave Khrushchev another 4 days to recoup his mistake. He comes forward today and says, "We will meet, but we want to have the states of the Middle East represented." That was our opportunity. We too still have friends in the Middle East.

Again, Mr. President, on March 27, 1958, I referred to the utility of the United Nations is planning for a summit conference. On that occasion I said:

Let me reiterate today what I have said on many previous occasions. We must utilize the United Nations framework whenever it offers an opportunity for a constructive and imaginative approach to major problems in international affairs. Clearly, it should be utilized now in our efforts to prepare for high-level summit meetings. Let us make the United Nations into an instrument of help to American foreign policy. We should not bypass the United Nations; we must use it.

I call upon the President and the Secretary of State to proclaim not only our desire but our request that the negotiations be undertaken immediately within the councils of the United Nations.

Hour by hour we are losing the propaganda battle because of timidity, caution, and an apparent lack of understanding of the urgency of the desire for peace in the world.

I appeal, as an American and as a Senator—one with some responsibility in this area—for our Government to get off dead center and move to a positive and affirmative position.

Once more, Mr. President, on April 1, 1958, I took the floor of the Senate and said the following:

Yet within 250 miles of this Chamber stands an institution dedicated to the preservation of peace; an institution which had its conception and birth in America—the United Nations.

I suggest that our diplomacy get out of Foggy Bottom and move on up to the United Nations, where the environment is one that is conductive to peace and discussion; where the facilities are designed for international conclaves; where the Secretariat itself, under the dedicated leadership of Dag Hammarskjold, has a beneficent and helpful influence in the cause of peace.

Then, Mr. President, we will not have to worry about who will attend, whether it be Khrushchev or Gromyko. If they come to the United Nations, they will come to America; but they will come to a center designed for peace. Whoever it may, whether it be the First Minister, Mr. Khrushchev, or whether it be Gromyko, whoever comes will have to work within the rules, within the confines, and within the Charter of the United Nations.

Mr. President, I cannot understand why we are so hesitant. I plead with our Government and I urge upon our President that we hear his voice and that we find from him what is to be our course of action. In such a situation as this, no one except the President can give direction. We need him now, and we need his sense of direction and vision for clear-cut objectives, not only for the United States, but for the entire world.

Mr. President, on June 6, 1958, Secretary Dulles appeared before the Senate Foreign Relations Committee. During the course of this hearing he was asked for his views on the possibility of a summit conference. At that time, Mr. Dulles said:

So far, nothing has developed to make me believe that a summit conference would serve a purpose which could not equally or better be served by negotiating under other conditions. * * *

I would say this: I feel absolutely certain that there is no reason for a summit meeting other than the rather arbitrary Soviet view that they want to have it and may be unwilling to make agreements at lower level, merely to force a summit meeting.

Now, that position on their part would be, in my opinion, entirely arbitrary and unreasonable.

But if, in fact, it seemed as though in that way something could be arrived at which was significant, worthwhile, I suppose we would acquiesce in the arbitrary and unreasonable nature of the Soviet position, if, in fact, that was the only way to get something important and worthwhile.

I digress with a comment of my own. That is anything but an enthusiastic interest.

I continue with the quotation:

I do not as yet see any likelihood of that developing to be the fact, but we have only begun these exploratory talks, as far as that is concerned, so my present views are necessarily provisional and subject to change.

The negative impact of this kind of public statement disturbed me at the time. I gave vent to my feelings on this matter in a slightly different vein when discussing the Geneva scientific talks on June 26, 1958, on the Senate floor. At that time I said:

Mr. President, I want our great country, the United States of America, to stand before the world as being willing to go beyond the call of duty for the cause of peace. I want the world to understand that we are not willing to permit any personal quirks, any personal statements, any personal pique, or anything else of a personal nature, to stand in the way of great decisions which are designed to assure world peace.

On Wednesday of last week, Mr. President, during the first tense hours after the President ordered Marines into the Middle East, I again took the Senate floor, and among other things discussed the issue of a summit conference. In discussing the problem of Soviet reaction to our move in Lebanon, I said:

We can expect the Soviet Union to engage in the most flagrant kind of intimidation.

Without doubt Khrushchev and his associates in the Kremlin have designed a policy to spread fear, doubt, and concern throughout the entire Western World and vast areas of Asia and Africa. One of their purposes is generating a public opinion which will compel the leaders of the countries friendly to the United States to insist that we attend a summit conference, for which we are unprepared—a conference which will be held at a time of Soviet choosing and at a time when the conditions are conducive to Soviet success. Today's events will help the Soviet Union to appear to be acting in the interests of peace and at the same time be able to accomplish certain objectives.

That was said on Wednesday of last week. Mr. Khrushchev made his recommendation for a summit conference on Saturday of last week. The Senator from Oregon said that I had made some predictions. Yes; I have. I predicted that the Soviet Union would call off its atomic tests. Anyone with the brains of a March hare should have been able to predict it. All that one needed to do was to note what was happening. Again we were caught by surprise. We have more surprise packages delivered to this country in the field of international affairs than a 6-year-old child gets at a birthday party.

Last Wednesday I went on to say:

Under such circumstances let us consider the Middle East. Here recent developments tend to force public opinion in the world to a point of near desperation in fear that there will be a nuclear war. Then will come the hour when Khrushchev and his kind will say, "There is only one way to settle these problems, and that is to have a big meeting of the leaders." They will serve notice that they are prepared for the meeting, that they want to meet, and that they want to have a certain agenda, for which we have not planned.

We did not have long to wait. On Saturday, July 19, 1958, Mr. Khrushchev sent his letter to President Eisenhower demanding an immediate summit conference. I ask unanimous consent that a press release which I issued upon hearing this news last Saturday be printed at this point in my remarks.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUBERT H. HUMPHREY, DEMOCRAT, OF MINNESOTA

The Khrushchev summit conference invitation today might have been expected. The Soviet leader has consistently sought to bypass the U. N. I have felt, and stated publicly as late as last Wednesday, that one of the Soviet objectives was to drive us into a summit conference, and by this to attempt to formalize the Soviet position of influence in the Middle East.

Indeed there should be talks, and at the highest level, and immediately. Better that old men talk and negotiate than that young men fight and die. But the question is, under what auspices? I suggest the U. N.

The talks about the future of the Middle East should not be confined to the great powers. The Middle East states themselves have the right of self-determination, rather than being carved up into great power spheres of influence.

The proper forum for these talks should be the United Nations—at either the Security Council or the General Assembly level. There is nothing that Khrushchev can say at a summit conference about the Middle East that he cannot say in the U. N. In such a conference we should seek to have set up a mechanism in which the Middle East states themselves may participate, with the help of the other U. N. nations—perhaps a Middle East Commission, out of which might eventually grow a Middle East development agency for the economic and political development of the area.

There is no reason why Khrushchev, President Eisenhower, Prime Minister Macmillan, General De Gaulle, and Prime Minister Nehru cannot represent their nations at the U. N. summit, in this great crisis.

Mr. HUMPHREY. Mr. President, I have two purposes in reviewing this chronology today. The first is to reexamine what we have known for a long time—that a summit conference was in the wind and that it would have been better part of discretion for the United States Government to be prepared for it whatever our private hesitation and reluctance may have been.

Personal diplomacy in our Government has weakened the great organizational structure of the State Department, which makes possible careful preparations for these conferences. No matter how good a Secretary of State may be, he cannot carry everything in his briefcase. One man cannot be considering Summit meetings at the U. N. and at the same time charge off to London to try to rescue the Baghdad Pact, which is on its deathbed.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KNOWLAND. I wonder whether the Senator has read the dispatch which has just come over the United Press-International News ticker. It reads:

Add Soviet, Moscow.

The Soviet leader also proposed the condition that no resolutions be introduced into the session or voted on in the session unless they arise from previous agreements.

If the meeting is to be held under the United Nations Charter and within the framework of the Security Council, we apparently are confronted with the precedent of the Chairman of the Council of Ministers of the Soviet Union laying down a condition which in effect unilaterally tells the United Nations that the charter is to be laid aside in order that the head of the Soviet Union may participate. Under the United Nations Charter, while the Soviet Union or any of its other permanent members can exercise the veto power over a resolution after it has been debated and voted on, up to the present time no nation had assumed the prerogative of telling the Security Council of the United Nations that it could not even introduce or discuss a resolution unless it is first subject to veto.

Are we to have such an abject surrender on the part of the United Nations which will lay aside the charter of the United Nations on the unilateral demand of one member of that organization?

I say we had better look at this thing pretty closely. If the great United Nations organization, which presumably was established to preserve peace in the

world and to provide a system of international law and order which would preserve peace for ourselves and our children, must lay aside its charter on the demand of the Butcher of Budapest, then I say we have gone a long way toward the disruption of the United Nations as an organization which can preserve the peace of the world.

Mr. HUMPHREY. I find myself in no disagreement with the statement of the distinguished Senator from California. I would only make this supplementary remark. I agree that Mr. Khrushchev is the Butcher of Budapest. I agree that he is an obstinate, obstreperous character. I agree, as the Senator from California has said again and again that the Soviet Union has abused the veto power in the Security Council to the point of almost making the Security Council ineffective.

But the vultures have come home to roost—not chickens, because a chicken is a kind and decent fowl—the vultures have come home to roost. Which country was it which wanted to have a specific agenda set up before any meeting could be held? What diplomat was it who wanted to be sure that there would not be a wide-open docket at a summit conference?

The United States of America; our own Secretary of State; and I think rightly so. I am not criticizing him for it. I say "rightly so." He said, in effect, "We are not going to have a summit conference in which the Soviet Union can run all over the lot. We are going to have a predetermined and fixed agenda."

The junior Senator from Minnesota responded at that time by saying that the Security Council itself could be employed as an instrumentality to work out such an agenda.

What Mr. Khrushchev is now doing is throwing back into our teeth everything we recommended in the months of March and April.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KNOWLAND. Does not the Senator from Minnesota see a great difference between a conference among the powers in which they will agree in advance to an agenda, and a situation in which the meeting will be held in the Security Council, which operates presumably under the Charter of the United Nations, with the clearly defined rights, obligations, and responsibilities of the Security Council, and in which the Soviet Union, along with the other great powers, sits with the power to veto the action?

Does not the Senator see a great deal of difference between the two types of meetings; a meeting in which the Chairman of the Council of Ministers of the Soviet Union is saying that if it is held within the framework of the Security Council, he is not willing to rest alone on his power of veto, but wants the power to veto the introduction of a resolution, the power to veto a vote on the resolution, within the very framework of the Security Council and the Charter of the United Nations.

Mr. HUMPHREY. I surely see the difference; but I say with equal candor that we need a preliminary meeting among the great powers, such as the United States, Great Britain, France, and the Soviet Union, at the ambassadorial level, and that the agreed upon agenda should include items on which there has been unanimity that such items will be included. This is our position. That is the very instruction which Ambassador Llewellyn Thompson received from our Government.

In fact, we insisted on unanimity to the point where we wanted all three of the representatives of the West—Great Britain, France, and the United States—to work together in concert, so that there could be no discrimination on the part, at least, of the allies.

I say to the Senator from California, whom I respect greatly in these matters and in others, that, of course, Khrushchev will act like a most obstinate, obstreperous, intemperate person. Khrushchev is the kind of person who bargains hard. But I submit that if we continue to press for the meetings in the United Nations, Mr. Khrushchev will find it very difficult not to come, because Mr. Khrushchev does not mind insulting the United States, Great Britain, and France; he enjoys it. However, Mr. Khrushchev is attempting now to act as if he were the protector of the Arab nations, the underdeveloped nations, every one of the nations other than the big powers.

Mr. Khrushchev will be very careful in his public relations concerning what he is going to do about the United Nations and his participation there.

I am certain of one thing: Our Government ought to support enthusiastically such a proposition. There ought to be no foot dragging. The public relations and information officers of the Department of State ought not leak stories to the news service that, while we will go to the United Nations, the only reason we will go is that Prime Minister Macmillan has problems at home in his electorate.

I remind our Government that the same problem exists at home in our electorate. The letters which have come in since the intervention in Lebanon, if my office is indicative of the trend of thinking—and I have talked to many Senators about it—is overwhelmingly against intervention. I shall not argue the merits or demerits of that act; our Government has taken a position. All I say is that if the President of the United States, as the Commander in Chief, as the chief spokesman in foreign affairs, has said we are prepared to meet at the United Nations level, under one of the instrumentalities of the United Nations—perhaps it will not be the Security Council ultimately; perhaps it will be under the instrumentality of the Secretariat; perhaps it will be through a special resolution of the General Assembly; but somewhere within the framework of the United Nations—then I say the officers of the State Department should cooperate and not go around spreading doubt and confusion.

The whole world understands that we seek an honorable peace. Let the world understand that we seek no Munichs. I do not believe that because we talk with the Soviet we will capitulate. It seems to me that those who make that kind of assertion are men of little faith. We will not capitulate, I hope. I trust that the United States has diplomats who are strong enough to stand up against Gromyko. I hope and pray that our President and Secretary of State can stand up against Khrushchev. If there is any doubt about it, that is all the more reason why we should be at the United Nations, where there will be some assistance from men who are extremely capable and able.

Some of the most brilliant statesmen of the world do not come from the big countries. Some of the most brilliant statesmen of the world come from the small countries. Those smaller countries, in size, have much to offer in terms of intellect, knowledge, and vision. We need their guidance and their help.

One of the reasons I have been supporting action through the United Nations in what I consider to be an inevitable conference between heads of state—and I have felt it was inevitable—is that I thought that at least the United Nations was the instrumentality designed for peace. There are rules within the United Nations. There is a history and a tradition within the United Nations. If we are to meet with Khruschev, who is capable of violating any rule, then I want him to come into the councils of the United Nations, where there is more than 12 years of history and tradition of conduct among the nation states, which even Khrushchev will find difficulty in casting aside without bringing down upon his brow the resentment of the whole world.

Do not forget, Mr. President, that many countries do not look too favorably upon the select club deals made as a result of the big powers simply getting together and talking things out. I think what is needed in those meetings is the conscience of some of the smaller nations. Some of the smaller countries have great courage. The Norwegians, to give one example, refused to be intimidated by the Soviets, when the Soviets made all kinds of threats if the Norwegians accepted American armament and missiles.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MORSE. I am glad to hear the Senator stress the need for the conscience of the smaller nations being brought into a determination of these problems. I have just read on the news ticker, as the Senator from Minnesota probably also has, that Khrushchev now has made another modification of his proposal for a summit conference. When he first pulled his propaganda coup, I said immediately thereafter, "Yes, I would be willing to meet with him if I were United States Secretary of State, with the understanding that no commitments were made, but that there would be only a discussion of proposals, and with the understanding that the proposals would go to the United Nations for action under United Nations procedure."

Now the news ticker item says that Khrushchev has another proposal. He will go to a summit meeting with conditions. One of the conditions is that the representatives of some 11 Arab countries will go along.

My public reply to that has been that I would still meet with him under the same conditions, but with the right of the Western Powers to add to the conference some of the small nations whose voices ought to be heard, including a delegate or delegates from Israel. Let us face up to the fact that there will be no peace in the Middle East, in my judgment, and there is little hope for peace in the Middle East, until Russia and the Arab countries will be willing to commit themselves, through the United Nations, to a guarantee of the territorial integrity of Israel.

Therefore, I think it would be a great mistake to bring in representatives from the Arab countries, which up until the second in which I am now speaking, are on the record as having said that they propose to wipe Israel off the face of the map at the first opportunity they have.

Mr. President, that will not help world peace. Therefore, if there is to be a proposal to add to the numbers of the delegates who will attend the conference by bringing in Arab delegates, the state of Israel should be represented if we are to be fair in this matter and are to achieve a settlement based upon the objective of peace.

Mr. HUMPHREY. I think the Senator's suggestion is highly commendable.

One of the reasons why I believe the negotiations should be conducted through the United Nations is that in that way a country such as Israel would not be outbargained or outtraded in an effort to establish what some would regard as peace in the Middle East.

Therefore, I believe the concurrent resolution offers real hope for honorable negotiations.

Mr. President, the United Nations can work in many ways. Today, I have outlined some of them—for instance, special committees and ad hoc organizations through the United Nations Secretariat, the General Assembly, and the Security Council.

The substance of my argument, Mr. President, is that we now have an opportunity to seize the initiative, in terms of making constructive proposals for peaceful settlements of basic problems between nations. Let us utilize the machinery of the United Nations. Let us place ourselves unqualifiedly on record. If there are any ifs, ands, buts, or ors, if there are to be any conditions, or if there are to be any vetoes, let the Soviet Union have the responsibility for them.

By the same token, Mr. President, I plead for establishment of permanent United Nations police force, because, also in this instance, such a force will be to the advantage of the freedom-loving peoples, and will make it unnecessary and, in fact, undesirable for the forces of the great powers to be used as police forces in areas of the world, only to create new tensions, new international strife, and to provide no settlements of any of the basic problems.

The PRESIDING OFFICER (Mr. JORDAN in the chair). The question is on agreeing to the concurrent resolution.

The concurrent resolution (S. Con. Res. 109) was agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress welcomes the establishment of the United Nations emergency force.

SEC. 2. It is the sense of the Congress that—

(a) a force of a similar character should be made a permanent arm of the United Nations;

(b) such a force should be composed of units made available by members of the United Nations: *Provided*, That no such units should be accepted from permanent members of the Security Council;

(c) consideration should be given to arrangements whereby individuals would be allowed to volunteer for service with such a force: *Provided*, That individuals who are nationals of permanent members of the Security Council should not be acceptable;

(d) equipment and expenses of such a force should be provided by the United Nations out of its regular budget.

The preamble was agreed to, as follows:

Whereas the United Nations emergency force, created pursuant to resolutions of the United Nations General Assembly of November 3 and 4, 1956 (A/Res/391 and A/Res/394), has made an important contribution to international peace and security in the Middle East; and

Whereas the need for such a force appears likely to continue; and

Whereas such a force could be an important instrument for the maintenance of international peace and security not only in the Middle East but also in other areas of the world: Therefore be it

Mr. LANGER subsequently said: Mr. President, I want the RECORD to show—and I ask unanimous consent that my remarks may appear immediately after the vote was taken on Senate Concurrent Resolution 109, which was a voice vote—that I voted against the concurrent resolution. In August 1957, when Senate Resolution 15 was adopted, I also voted against it. That resolution was also adopted by voice vote.

Mr. JENNER subsequently said: Mr. President, I file a motion that the action taken today by the Senate on Senate Concurrent Resolution 109 be reconsidered.

The PRESIDING OFFICER. The motion will be entered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT TO 10:30 A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that, following the conclusion of its business today, the Senate convene at 10:30 a. m., tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

NEW FRONTIERS TO BE CONQUERED

Mr. MARTIN of Pennsylvania. Mr. President, in America we must never forget that there are always new frontiers to be conquered.

We will conquer these frontiers so long as the American system of free enterprise continues to provide encouragement and incentive to courageous men of vision and initiative. We will go forward to new heights of achievement so long as we retain the ambition to better our way of life.

A splendid example of American pioneering on a new frontier is described in a letter I have received from Dr. Paul R. Stewart, the eminent and distinguished president of Waynesburg College. He wrote from Colorado, where the Rocky Mountain Geology Station of Waynesburg College is located. Dr. Stewart refers to the work of T. C. Nelson and his associates in the discovery of new mineral wealth which is of great scientific importance in the development of space travel.

I ask unanimous consent that the letter be printed at this point in the RECORD as part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WAYNESBORO COLLEGE,
ROCKY MOUNTAIN GEOLOGY STATION,
Florissant, Colo., July 17, 1958.

Hon. EDWARD MARTIN,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MARTIN: As we admit Alaska to our fellowship of States, we read articles and editorials to the effect that we have passed the last frontier and that pioneering has lapsed into history.

I want to give you a litle narration which emphatically stamps a negation upon such a thought.

In this Florissant-Lake George region in Colorado, where our Waynesburg College Geology Station is located, a rugged prospector by the name of T. C. Nelson learned of the value of Beryl as a "dry fuel" for space travel. Between 20 and 30 miles southwest of the famous Cripple Creek gold area, in uninhabited mountain territory, Mr. Nelson persistently sought for and found quantities of this mineral so important to America's prestige. Using comparatively primitive "pick-and-shovel" methods, the great Boomer Mine came into existence. Machinery is now coming into the picture and new lodes are being discovered.

Mr. Nelson and the men who work for him are not only like the pioneers, they are pioneers. They are what you would expect them to be, hardy, rugged, God-fearing men of the type which would not deign to listen to subversive influences. We used to diagram the sentence, "when the tale of bricks is doubled, Moses comes." When crises of invention and discovery come upon America, such men as I have described are ready and eager for new frontiers, and in their beloved mountains they will find the materials for our country's progress.

So I give to you a new type of pioneer—the Colorado prospector.

Sincerely,

PAUL R. STEWART,
President.

EXPLORATION OF OUTER SPACE

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed

to the consideration of Calendar No. 1762, House Concurrent Resolution 332.

The motion was agreed to; and the Senate proceeded to consider the concurrent resolution (H. Con. Res. 332) relative to the establishment of plans for the peaceful exploration of outer space.

Mr. JOHNSON of Texas. Mr. President, I have a brief statement to make about the concurrent resolution, which has been reported unanimously from the Committee on Foreign Relations. The concurrent resolution has been carefully examined by the minority leader, and he has approved taking it up.

At this time I wish to make a statement.

Mr. President, there are occasions—rare in history—when we have an opportunity to set long-range goals which will affect the destiny of our people. This concurrent resolution presents us with such an opportunity.

Fundamentally, this concurrent resolution is merely an expression of opinion. But under the proper circumstances and at the proper time, an expression of opinion can have more force and more impact upon the world than 20 divisions of trained troops.

As an individual, I was led into consideration of the problems of outer space by the investigation held by the Preparedness Subcommittee several months ago. That investigation centered around the defense posture of this Nation in the light of new weapons rapidly becoming available to man. But no thoughtful person could contemplate the facts without realizing that much more than military hardware was involved.

It became apparent that the new weapons were an offshoot of the tremendous scientific advances of the past two decades which had brought us to the threshold of exploring outer space.

The compelling facts of the international scene required that we pursue the development of these new weapons. But it seems to me even more compelling that we not allow the development of the new weapons to blind us to the existence of the mainstream itself.

At this moment, no informed person believes that humanity will be earthbound for many more years. It will be only a matter of time until men themselves will have escaped the limits of the earth's atmosphere, to journey amidst the stars.

But the effort required will be tremendous. The technical difficulties are great. They can be surmounted only by a large-scale, cooperative effort never before equaled in world history.

For the past two decades it has been fashionable in some circles to blame our scientists for opening up new roads to destruction. I have never sympathized with that attitude. It has always seemed to me that, if humanity is bent on mass suicide, it is humanity, rather than the tools which are used, which must be blamed.

But here is an instance in which our scientists are placing in our hands new opportunities which may not only call for peace, but may compel peace. The demonstrable necessity for working together will eventually override the quarrels which divide us.

This concurrent resolution places in concrete form a policy which I believe to be absolutely essential to survival. On January 14, in a public speech, I said:

> We should, certainly, make provisions for inviting together the scientists of other nations to work in concert on projects to extend the frontiers of man and to find solutions to the troubles of this earth.
>
> Our President, holding as he does the esteem of men throughout the world, has a rare opportunity to lead in this labor boldly and forcefully, and in the vigorous pursuit of peace he will find the Nation undivided in his support.
>
> Further, it would be appropriate and fitting for our Nation to demonstrate its initiative before the United Nations by inviting all member nations to join in this adventure into outer space together.

Mr. President, a strange new universe is rapidly opening before us. It is ours, not for plunder, but for exploration; not as an arena for space-suited gladiators, but as a broad highway to peace and to plenty.

I hope this concurrent resolution, which has the approval of the executive agencies, will serve as the great springboard for one of the finest ventures ever launched by men.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 332) was agreed to.

The preamble was agreed to.

BOARD OF APPEALS OF THE PATENT OFFICE AND CERTAIN SALARIES

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1818, Senate bill 1864.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 1864) to authorize an increase in the membership of the Board of Appeals of the Patent Office; to provide increased salaries for certain officers and employees of the Patent Office; and for other purposes, which had been reported from the Committee on the Judiciary, with amendments on page 1, at the beginning of line 7, to strike out:

> (b) The fourth sentence of such paragraph is repealed.

At the beginning of line 8, to strike out "(c)" and insert "(b)"; on page 2, line 3, after the word "annual", to strike out "basic"; in line 4, after the word "be", to strike out '$20,500" and insert "$20,000", and after the amendment just above stated, to strike out "that of the First Assistant Commissioner shall be $20,000;"; in line 9, after the word "examiners-in-chief", to insert "subject to the approval of the Civil Service Commission; in line 16, after the word "amended", to strike out "The Commissioner is authorized, in accordance with the civil service laws and the Classification Act of 1949, as amended, to appoint, fix the compensation, and prescribe the powers and duties of all other officers and employees of the Patent Office."; and in line 23, after the word "sentence", to strike out "The Commissioner is authorized, without regard to the Classification Act of 1949, as amended, to fix the annual rate of basic compensation of any acting examiner-in-chief who is designated under this paragraph to serve as an examiner-in-chief at any rate not in excess of that authorized by law for examiners-in-chief while such acting examiner-in-chief is so serving." and insert "Such designated examiners-in-chief may be compensated at the established rate for the position in which they are temporarily serving, provided, that at the end of the period for which designated their rate of compensation shall be adjusted to what it would have been had such designation not been made,"; so as to make the bill read:

> *Be it enacted, etc.*, That (a) the first sentence of the first paragraph of section 3 of title 35 of the United States Code is amended by striking out the word "nine" and inserting in lieu thereof the words "not more than fifteen."
>
> (b) Such section is amended by inserting therein, immediately after the first paragraph thereof, the following new paragraph:
>
> "The annual rate of compensation of the Commissioner shall be $20,000; and that of each Assistant Commissioner shall be $19,500. The Commissioner is authorized, without regard to the provisions of the Classification Act of 1949, as amended, to fix the annual rates of basic compensation of the examiners-in-chief, subject to the approval of the Civil Service Commission, at rates not exceeding the maximum rate now or hereafter prescribed by law for employees of the classes described in the first section of the act entitled 'An act to authorize the creation of additional positions in the professional and scientific service in the War and Navy Departments,' approved August 1, 1947 (61 Stat. 715), as amended.
>
> SEC. 2. Section 7 of title 35 of the United States Code is amended by adding at the end thereof the following new sentence: Such designated examiners-in-chief may be compensated at the established rate for the positions in which they are temporarily serving: *Provided*, That at the end of the period for which designated their rate of compensation shall be adjusted to what it would have been had such designation not been made."

Mr. O'MAHONEY. Mr. President, this bill, which was introduced by me, for the distinguished Senator from Wisconsin [Mr. WILEY] and myself, has been approved unanimously by the Senate Judiciary Committee, with instructions, however, that consultation be had with the Committee on Post Office and Civil Service.

The Senator from South Carolina [Mr. JOHNSTON], the chairman of the Commitee on Post Office and Civil Service, as well as a member of the Judiciary Committee, took up the bill with the Committee on Post Office and Civil Service; and on the first of July he stated on the floor of the Senate that the Post Office and Civil Service Committee also had endorsed the bill.

The bill is designed to clear away the backlog which has developed in the Patent Office.

There is no objection to the bill. I have consulted the minority leader; and the leadership on this side of the aisle has also been consulted.

As I have stated, there is no objection to the bill.

So I hope the bill will be passed.

Mr. WILEY. Mr. President, I join the distinguished Senator from Wyoming

[Mr. O'MAHONEY] in requesting that the bill be passed.

As he has stated, in substance the bill is for the purpose of clearing away a backlog which has developed in the work of the Patent Office. It is our judgment that the bill will enable that backlog to be cleared away.

In view of the great importance of the work of the Board of Appeals of the Patent Office and the necessity to attract to it patent lawyers of the highest capacity, the bill provides for increasing the compensation of patent examiners at the level of membership on the Board of Appeals.

The bill authorizes an increase in the membership of the Board of Appeals in the Patent Office from 9 to not more than 15.

There is still a serious backlog in the Patent Office, even though the recruiting of additional examiners in the lower grades has helped to lessen the backlog.

In order to increase the incentive to enter the patent service, and to bring into the Patent Office younger lawyers of the greatest ability, the annual basic compensation of the Commissioner would be increased to what it should be, namely $20,500; that of the First Assistant Commissioner, to $20,000; and that of each Assistant Commissioner, to $19,500.

As the committee report states:

Inadequate compensation at this level affects adversely the salaries of the career employees and is probably the paramount factor in the high losses from the examining corps to private patent practice and industry. Examiners with as little as 5 years of experience and training in the Patent Office are accepting salaries in industry which are equal to, or in excess of, the present salaries of the Assistant Commissioners. The salary of the Commissioner is now $16,000 (GS–18). The base salary of the Assistant Commissioners is now $11,610. These salaries are in accordance with the Classification Act of 1949, even though these positions are filled by Executive appointment.

Their compensation should not adversely affect the rates of compensation of the highly skilled professional examining corps. The bill provides that the Commissioner and Assistant Commissioners of Patents be compensated at a rate which is reasonable in view of their required backgrounds and responsibilities.

Mr. President, a workman is worthy of his hire. I think the whole patent bar would agree that the work of the Commissioner of Patents has been so outstanding that his compensation should be at least the amount provided in the bill.

Therefore, I urge my colleagues to support Senate bill 1864.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc.

The PRESIDING OFFICER. Without objection, the committee amendments are agreed to en bloc.

The bill is open to further amendment.

If there be no further amendment to be offered, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

INCREASE IN SALARIES OF MEMBERS OF METROPOLITAN POLICE FORCE, FIRE DEPARTMENT, PARK POLICE, AND WHITE HOUSE POLICE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1872, H. R. 13088.

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 13088) to fix and regulate the salaries of officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia, of the United States Park Police, and of the White House Police, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. BIBLE. Mr. President, the purpose of this bill is to fix and regulate the salaries of officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia, of the United States Park Police, and of the White House Police.

The measure is a complete revision of and repeals all of the act of June 20, 1953, except title III and section 405 of title IV thereof.

The bill provides for an overall increase in salaries for these employees of 13.8 percent and, by reason of the complete recasting of the pay structure, it is believed that the proposal will more effectively facilitate the recruitment and retention of fully qualified members, while correcting certain inequities. It has not been possible to recruit the full complement of the 2,500 authorized Metropolitan Police force under existing conditions. At the present time there are approximately 175 vacancies in the Metropolitan Police force.

The bill provides for an entrance salary of $4,800 per annum for a private, class 1; 2 annual increases of $200 each and 1 annual increase of $240; 2 biennial increases of $280 each; and 3 longevity increases of $280 each at 4-year intervals, with a maximum salary of $6,840 per annum after 19 years of service.

Mr. President, I ask unanimous consent that a statement I have had prepared, as well as an analysis of the cost differences between this bill and the bill reported by the Senate committee be made a part of the RECORD. I may say the only difference between the bill presently before the Senate and the bill reported by the Senate District of Columbia Committee—and the Senate is now considering the House bill—is that in the House bill the starting salary is $4,800, rather than $4,600. The total difference in the cost is in the neighborhood of $178,000.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The purpose of this bill is to fix and regulate the salaries of officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia, of the United States Park Police, and of White House Police. The measure is a complete revision of and repeals all of the act of June 20, 1953, except title III and section 405 of title IV thereof. Title III contains the equalization feature and section 405 contains certain language necessary for pay computation purposes.

The bill provides for an overall increase in salaries for these members of 13.8 percent, and by reason of the complete recasting of the pay structure, it is believed that the proposal will more effectively facilitate the recruitment and retention of fully qualified members while correcting certain inequities. It has not been possible to recruit the full complement of the 2,500 authorized Metropolitan Police force under existing conditions. At the present time there are approximately 175 vacancies in the Metropolitan Police force.

This bill provides for an entrance salary of $4,800 per annum for a private, class 1; 2 annual increases of $200 each and 1 annual increase of $240; 2 biennial increases of $280 each, and 3 longevity increases of $280 each at 4-year intervals with a maximum salary of $6,840 per annum after 19 years of service. (Under existing law a private is required to serve a total of 28 years before reaching the maximum salary rate of $5,635 per annum.) All other officers and members will receive 3 biennial service step increases and 3 longevity step increases at 4-year intervals. The service and longevity step increases are $280 each in classes 2 through 4 and $350 each in classes 5 through 10. Service and longevity step increases are based on length of service in the respective classes; provided the officer or member has a current efficiency rating of satisfactory or better.

The total cost of the bill is summarized as follows (including retroactive pay):

District of Columbia Metropolitan Police	$3,058,902
District of Columbia Fire Department	1,620,780
Park Police (District of Columbia share)	102,073
Total cost to District of Columbia	4,781,755
Park Police (United States share)	123,386
White House Police	192,716
United States Secret Service	6,943
Total cost to United States	323,045
Total cost of bill	5,104,800

DIFFERENCES

S. 2769: OVERALL INCREASE OF 13.2 PERCENT

Entrance salary, private, class 1, $4,600; 3 annual increases of $280 each; 2 biennial increases of $280 each; 3 longevity increases of $280 each at 4-year intervals with a maximum salary of $6,840 per annum after 19 years of service.

Total cost to District of Columbia	$4,603,825
Total cost to United States	322,483
Total cost of bill	4,926,308

H. R. 13088: OVERALL INCREASE OF 13.8 PERCENT

Entrance salary, private, class 1, $4,800; 2 annual increases of $200 each; 1 annual increase of $240 each; 2 biennial increases of $280 each; 3 longevity increases of $280 each at 4-year intervals with a maximum salary of $6,840 per annum after 19 years of service.

Total cost to District of Columbia		$4,781,755
Total cost to United States		323,045
Total cost of bill		5,104,800
House	$4,781,755	$5,104,800
Senate	4,603,825	4,926,308
	177,930	178,492

Mr. BIBLE. Mr. President, we think the proposed legislation is highly important. We also believe it is important to develop not only a strong and effective police force in the District of Columbia, but in addition to further strengthen our fine fire-fighting forces. We think the bill will go a long way toward attaining these objectives.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. BIBLE. I yield to the Senator from Oregon.

Mr. MORSE. I wish to say, as a member of the Committee on the District of Columbia, that the Senator from Nevada is to be commended for the work he has done on the bill. It is a good bill. We never claim a bill such as this represents perfect legislation, but I think it is a very good bill. I hope it will pass.

Mr. BIBLE. I thank the Senator from Oregon.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. BIBLE. I yield to the Senator from Montana.

Mr. MANSFIELD. I, too, wish to compliment the distinguished Senator from Nevada, chairman of the Committee on the District of Columbia, for the fine work he has done in looking after the proposal for the long overdue pay increase for policemen, firemen, and others. I am delighted the committee has decided to accept the House bill, which is a better bill than the one which was reported by the Senate District Committee.

I had hoped to make a statement on the bill this afternoon, but in the interest of expediting action on the bill, I ask unanimous consent that the remarks I had intended to make may be incorporated in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MANSFIELD

It is indeed a pleasure to speak in behalf of H. R. 13008, a bill providing an increase in the salary schedule for the members of the Metropolitan Police force and Fire Department of the District of Columbia, the United States Park Police and the White House Police.

I introduced a bill in the last session of Congress because I felt policemen and firemen of the District of Columbia deserved a substantial pay increase. Such an increase has been long overdue and it is time their salaries were put in line with their duties on a comparable basis with other large cities. Provisions of this bill provide an increase of approximately 13.8 percent, which is somewhat less than the general increase of 25 percent originally proposed in my bill. I accept this compromise in view of budgetary problems and the necessity of getting a pay bill through this session. However, I still feel that the law enforcement personnel of the Nations Capital should have the best salaries possible, in fact I would even go so far as to say that they should be the best paid.

Washington's problems are varied and different from any other metropolitan area in the country. This salary increase is sorely needed in order to insure a police force up to the full authorization strength of 2,506. To my knowledge this goal has never been reached because of the rigid physical and mental requirements and the undesirable elements of employment existing with this work.

Police and firemen of the District of Columbia have done a tremendous job despite the irregular work hours plus the extra time that must be spent in court without compensation and the limited opportunities for advancement and the general hazardous nature of their work.

While physical and mental requirements cannot and should not be lowered, compensation for the undesirable working hours and conditions must be met by increasing their salaries. I had hoped that the Congress would be able to approve a starting salary for a police private of at least $5,200, but the salary agreed upon and the legislation that is being considered today is $4,800, as compared with approximately $4,200 at the present time.

The Civil Service Commission has advertised throughout the United States. The Police Department has used radio, television, and the newspapers as well as placing posters in the show windows of business houses in the District. Still the Department does not have its authorized personnel.

January 1958 figures indicate that there are 13 large cities in the United States that offer starting privates a better salary than Washington, D. C. I think we should be offering the best salaries. The law enforcement problems of the District are numerous and varied, and situations arise which few other metropolitan areas encounter.

In the past year we have all become alarmed at the increased amount of crime, thefts, assaults, muggings, and petty crimes. Crime has not reached reign-of-terror proportions, but there is altogether too much crime in the District. Statistics indicate that there is a definite trend in the amount of crime. There have been fewer offenses in 1957, but the trend in recent months gives sufficient cause for concern.

I would also like to point out that the increased number of auto registrations in the District and neighboring areas has materially contributed to the added duties of the Metropolitan Police.

If these many and varied law-enforcement problems in the District are to be met and controlled the Metropolitan Police Force must meet its strength quotas and must be manned with topnotch experienced men. The policemen and firemen are doing a tremendous job and they are putting in many hours of overtime, but we need more of them and they should receive adequate compensation for their hazardous work. S. 2769 will help to meet this deficiency in their pay schedule.

This bill also provides for ingrade increases in each category as an added incentive. This would be of great value in view of the limited opportunities for advancement in an organization of less than 3,000 in the instance of the police department. During this session we have devoted considerable time to the discussion of salary increases for many Federal employees and it would be a great injustice indeed if a pay increase is not granted to the policemen and firemen who serve the Nation's Capital.

Salaries are the major incentive in the recruitment of the employees in most any position and even more so in the case of a policeman and fireman. These people in the District of Columbia are not now getting an adequate salary commensurate with their duties. I urge that the Senate unanimously approve H. R. 13088 and I sincerely hope that our colleagues in the House will do the same prior to the adjournment of Congress.

The Chief of Police, Robert Murray; Chief of the District of Columbia Fire Department, Millard H. Sutton, as well as the head of Park Police and White House Police, and their men are doing a terrific job and the enactment of this bill will help to insure that they will continue to do even a better job.

Mr. BIBLE. Mr. President, I know of the great interest of the distinguished junior Senator from Montana in this type of legislation. As a matter of fact, the Senate District of Columbia Committee thought so much of the bill the Senator from Montana had introduced that when the committee reported the bill, it was referred to as the Mansfield bill.

Mr. BEALL. Mr. President, will the Senator yield?

Mr. BIBLE. I yield to the Senator from Maryland.

Mr. BEALL. I am glad the Senator from Nevada referred to the fact that the bill which the committee reported was called the Mansfield bill by the committee, because the Senator from Montana had originated it, and we thought it only fair that we refer to it as his bill.

Mr. President, H. R. 13088 is a bill designed to give the members of the Metropolitan Police Force, the Fire Department of the District of Columbia, the United States Park Police, and the White House Police a raise in pay. The bill provides an average raise in pay of 13.8 percent for these departments. The additional costs for the first year to the taxpayers of the District of Columbia would be $4,781,755; this includes retroactive costs to January 1, 1958, as well as additional retirement costs. The annual increase in costs to the District of Columbia will be $3,276,425. A similar bill, S. 2769, has been reported to the floor of the Senate by a unanimous vote of the Senate Committee on the District of Columbia.

As the Congress requires itself to be the city council of the District of Columbia, and as Congress has never seen the advantages of granting home rule to the residents of the District of Columbia, in spite of the long advocacy of home rule for the residents of the District of Columbia by the junior Senator from Maryland, the burden of determining what laws should be in effect within the District of Columbia falls squarely on the District Committees of the Congress. We, the members of the Senate District Committee, spend a great amount of time and effort on each and every bill that comes before us. We are to the residents of the District of Columbia exactly the same as a city council in any other large city. We are as close to the problems that exist here as any one can possibly be. If one couples this awareness of District matters with objectivity, one can readily see why the District of Columbia Committees are proud of the work they do. When a legislator is objective and not subjective, excellent legislation will prevail. When one is charged with a duty to legislate for persons who have no elected representation, the duty becomes a sacred trust. In this regard, we the members of the committee, as the city council for the District of Columbia charged with the responsibility and duty of formulating legislation, bring before you, the Members of the Senate, a bill we consider to

be excellent, a bill we believe will greatly improve the salary situation of certain deserving groups of Government employees. Each of us on the committee sincerely feels that the policemen and firemen in the District of Columbia, as well as the United States Park Police and the White House Police, are in dire need of a pay raise. I personally have felt this way for some time, and am very anxious to see this bill enacted so that these employees may have not only the benefits of a pay raise, but also the benefits of a retroactive pay date.

There was ample testimony given at the hearings held on the police and firemen pay-raise bill to indicate the need for this legislation. No one appeared in opposition to a pay raise for these departments. I might also point out that no one testified in favor of any lesser proposal. This bill will place a District police private, at the entrance-salary level, almost on a par with a police private in Chicago, Detroit, Cincinnati, and Minneapolis. This entrance salary will not be the highest in the country, but does put the District of Columbia on a better competitive basis to acquire well-qualified persons who will want to give a full working life to dedicated public service.

It should be pointed out that the firemen in their testimony brought out many interesting facts. Among these were certain figures concerning the cost of fire protection in the District of Columbia. Six and two-tenths percent of the total amount of money expended for personnel service in 1956 went to the firemen. When this figure is compared with other cities of comparable size, it is amazing to note how inexpensive these services have been. Pittsburgh, for instance, spent 16 percent of its municipal payroll for fire protection. This certainly would point up the fact that we have been lax in our duty to supply firemen a decent wage in this city, while at the same time we have been buying the best possible fire protection for a song. While on the subject of the firemen here in the District of Columbia, it may be well—in fact it is important—that the Senate know that a fireman works a 60-hour week, 10 hours on day work and 14 hours on night. A fireman working these 60 hours receives about $1.73 per hour. This is certainly not a living wage in these times. New York, by the way, has a 40-hour week for firemen, and starts a fireman at a salary of $4,500. Here we are asking for $4,800 on a 60-hour basis. It is incredible that this situation exists; I need not remind this body why we of the District Committee have unanimously reported this proposal.

The men in the departments need these raises. They are certainly easily justified by the present high cost of living. These salary adjustments will also allow for full recruitment, betterment of personnel, and, no doubt, better police and fire protection within the District. We here have no alternative but to give these employees a decent wage scale.

It is our responsibility to act for the people of the Nation's Capital. This bill was recommended by the Commissioners of the District of Columbia and is wholeheartedly supported by police and fire associations. This bill will certainly put these employees in a decent wage category, and give to them the self-respect and community respect they so richly deserve.

I sincerely recommend the bill to this body, and urge its speedy passage.

Mr. BIBLE. Mr. President, I desire to say for the record that I know of no one who has more intense interest in the problems of the police and firemen, especially with respect to equitable salaries, than the distinguished Senator from Maryland.

As the ranking minority member of the committee, the Senator from Maryland has been in the forefront of this type of legislation and is to be commended for helping to bring the bill forward.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. BIBLE. I am delighted to yield to the Senator from North Dakota.

Mr. LANGER. I am intimately acquainted with the work of the Metropolitan Police force as well as the work of the Capitol Police force. I think the police have done an excellent job. I have noticed there has been some criticism of their work in the newspapers, but my investigation shows it to be entirely unwarranted.

I particularly want to commend the work of Chief Murray, who appeared before our committee at various times to testify in connection with cases which came before us because of rulings of the Supreme Court of the United States.

I commend the distinguished Senator from Nevada for his action in bringing the bill before the Senate today.

Mr. BIBLE. I thank the Senator from North Dakota, and I deeply appreciate his comments. I, too, share his high regard for the able Chief of Police, Mr. Murray, of the District of Columbia.

The PRESIDING OFFICER. The bill is open to amendment. If there be no further amendment to be proposed, the question is on the third reading of the bill.

The bill (H. R. 13088) was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, S. 2769 is indefinitely postponed.

Mr. BIBLE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MORSE. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oregon to lay on the table the motion of the Senator from Nevada to reconsider.

The motion to lay on the table was agreed to.

AMENDMENT OF DISTRICT OF COLUMBIA TEACHERS' SALARY ACT OF 1955

Mr. BIBLE. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1838, S. 3957.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 3957) to amend the District of Columbia Teachers' Salary Act of 1955.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to; and the Senate proceeded to consider the bill which had been reported from the Committee on the District of Columbia with amendments on page 1, line 7, after "(69 Stat. 521, chapter 569)", to strike out "as amended,"; on page 2, line 1, after "Section 1", to strike out "as amended,"; after line 3, to strike out:

Salary class and position	Service step 1 (minimum)	Service step 2	Service step 3	Service step 4	Service step 5	Service step 6	Service step 7	Service step 8	Service step 9	Service step 10	Service step 11	Service step 12	Service step 13
Class 1: Superintendent of schools	$22,000	$23,000	$24,000	$25,000									
Class 2: Deputy superintendent	14,200	14,425	14,650	14,875	$15,100	$15,325	$15,550	$15,775	$16,000				
Class 3: Assistant superintendent; president, teachers college	12,400	12,625	12,850	13,075	13,300	13,525	13,750	13,975	14,200				
Class 4: Dean, teachers college	11,300	11,525	11,750	11,975	12,200	12,425	12,650	12,875	13,100				
Class 5:													
Group B, master's degree	9,900	10,125	10,350	10,575	10,800	11,025	11,250	11,475	11,700				
Group C, master's degree plus 30 credit hours	10,100	10,325	10,550	10,775	11,000	11,225	11,450	11,675	11,900				
Dean of students, teachers college.													
Executive assistant to superintendent.													
Psychiatrist.													
Class 6:													
Group A, bachelor's degree	9,100	9,325	9,550	9,775	10,000	10,225	10,450	10,675	10,900				
Group B, master's degree	9,600	9,825	10,050	10,275	10,500	10,725	10,950	11,175	11,400				
Group C, master's degree plus 30 credit hours	9,800	10,025	10,250	10,475	10,700	10,925	11,150	11,375	11,600				
Director, department of food services.													
Class 7:													
Group B, master's degree	8,800	9,025	9,250	9,475	9,700	9,925	10,150	10,375	10,600				
Group C, master's degree plus 30 credit hours	9,000	9,225	9,450	9,675	9,900	10,125	10,350	10,575	10,800				
Administrative assistant to deputy superintendent.													
Director.													
Principal, senior high school.													
Chief examiner.													
Registrar, teachers college.													

Salary class and position	Service step 1 (minimum)	Service step 2	Service step 3	Service step 4	Service step 5	Service step 6	Service step 7	Service step 8	Service step 9	Service step 10	Service step 11	Service step 12	Service step 13
Class 8:													
Group B, master's degree	$8,500	$8,725	$8,950	$9,175	$9,400	$9,625	$9,850	$10,075	$10,300				
Group C, master's degree plus 30 credit hours	8,700	8,925	9,150	9,375	9,600	9,825	10,050	10,275	10,500				
Professor, teacher's college.													
Principal, junior high school.													
Principal, vocational high school.													
Principal, Americanization school.													
Class 9:													
Group B, master's degree	8,100	8,325	8,550	8,775	9,000	9,225	9,450	9,675	9,900				
Group C, master's degree plus 30 credit hours	8,300	8,525	8,750	8,975	9,200	9,425	9,650	9,875	10,100				
Director, Department of School Attendance and Work Permits.													
Supervising director.													
Principal, elementary school.													
Class 10:													
Group A, bachelor's degree	7,300	7,525	7,750	7,975	8,200	8,425	8,650	8,875	9,100				
Group B, master's degree	7,800	8,025	8,250	8,475	8,700	8,925	9,150	9,375	9,600				
Group C, master's degree plus 30 credit hours	8,000	8,225	8,450	8,675	8,900	9,125	9,350	9,575	9,800				
Assistant Director, Department of Food Services.													
Class 11:													
Group B, master's degree	7,400	7,625	7,850	8,075	8,300	8,525	8,750	8,975	9,200				
Group C, master's degree plus 30 credit hours	7,600	7,825	8,050	8,275	8,500	8,725	8,950	9,175	9,400				
Associate professor, teachers college.													
Class 12:													
Group B, master's degree	7,100	7,325	7,550	7,775	8,000	8,225	8,450	8,675	8,900				
Group C, master's degree plus 30 credit hours	7,300	7,525	7,750	7,975	8,200	8,425	8,650	8,875	9,100				
Assistant Director.													
Principal, Capitol Page School.													
Assistant principal, senior high school.													
Statistician.													
Class 13:													
Group B, master's degree	6,700	6,925	7,150	7,375	7,600	7,825	8,050	8,275	8,500				
Group C, master's degree plus 30 credit hours	6,900	7,125	7,350	7,575	7,800	8,025	8,250	8,475	8,700				
Assistant principal, vocational high school.													
Assistant principal, junior high school.													
Assistant principal, Americanization school.													
Class 14:													
Group B, master's degree	6,400	6,625	6,850	7,075	7,300	7,525	7,750	7,975	8,200				
Group C, master's degree plus 30 credit hours	6,600	6,825	7,050	7,275	7,500	7,725	7,950	8,175	8,400				
Assistant professor, teachers college.													
Chief librarian, teachers college.													
Assistant principal, elementary school.													
Assistant.													
Supervisor.													
Chief attendance officer.													
Clinical psychologist.													
Class 15:													
Group B, master's degree	5,700	5,925	6,150	6,375	6,600	6,825	7,050	7,275	7,500				
Group C, master's degree plus 30 credit hours	5,900	6,125	6,350	6,575	6,800	7,025	7,250	7,475	7,700				
Psychiatric social worker.													
Class 16:													
Group A, bachelor's degree	4,500	4,675	4,850	5,025	5,200	5,375	5,550	5,725	5,900	$6,075	$6,250	$6,425	$6,600
Group B, master's degree	5,000	5,175	5,350	5,525	5,700	5,875	6,050	6,225	6,400	6,575	6,750	6,925	7,100
Group C, master's degree plus 30 credit hours	5,200	5,375	5,550	5,725	5,900	6,075	6,250	6,425	6,600	6,775	6,950	7,125	7,300
Attendance officer.													
Census supervisor.													
Child labor inspector.													
Counselor.													
Instructor, teachers college.													
Librarian.													
Research assistant.													
School psychologist.													
School social worker.													
Teacher, elementary and secondary schools.													

And, in lieu thereof, to insert:

Salary class and position	Service step 1 (minimum)	Service step 2	Service step 3	Service step 4	Service step 5	Service step 6	Service step 7	Service step 8	Service step 9	Service step 10	Service step 11	Service step 12	Service step 13
Class 1: Superintendent of schools	$19,000												
Class 2: Deputy superintendent	15,100	$15,350	$15,600	$15,850	$16,100	$16,350	$16,600	$16,850	$17,100				
Class 3: Assistant superintendent; president teachers college	13,200	13,450	13,700	13,950	14,200	14,450	14,700	14,950	15,200				
Class 4: Dean, teachers college	12,100	12,350	12,600	12,850	13,100	13,350	13,600	13,850	14,100				
Class 5:													
Group B, master's degree	10,500	10,750	11,000	11,250	11,500	11,750	12,000	12,250	12,500				
Group C, master's degree plus 30 credit hours	10,700	10,950	11,200	11,450	11,700	11,950	12,200	12,450	12,700				
Dean of students, teachers college.													
Executive assistant to superintendent.													
Psychiatrist.													
Class 6:													
Group A, bachelor's degree	9,700	9,950	10,200	10,450	10,700	10,950	11,200	11,450	11,700				
Group B master's degree	10,200	10,450	10,700	10,950	11,200	11,450	11,700	11,950	12,200				
Group C, master's degree plus 30 credit hours	10,400	10,650	10,900	11,150	11,400	11,650	11,900	12,150	12,400				
Director, Department of Food Services.													
Class 7:													
Group B, master's degree	9,400	9,650	9,900	10,150	10,400	10,650	10,900	11,150	11,400				
Group B, master's degree plus 30 credit hours	9,600	9,850	10,100	10,350	10,600	10,850	11,100	11,350	11,600				
Administrative assistant to deputy superintendent.													
Director.													
Principal, senior high school.													
Chief examiner.													
Registrar, teachers college.													
Principal, vocational high school.													
Class 8:													
Group B, master's degree	9,000	9,250	9,500	9,750	10,000	10,250	10,500	10,750	11,000				
Group C, master's degree plus 30 credit hours	9,200	9,450	9,700	9,950	10,200	10,450	10,700	10,950	11,200				
Professor, teachers college.													
Principal, junior high school.													
Principal, Americanization School.													
Principal, Capitol Page School.													
Supervising director.													

Salary class and position	Service step 1 (minimum)	Service step 2	Service step 3	Service step 4	Service step 5	Service step 6	Service step 7	Service step 8	Service step 9	Service step 10	Service step 11	Service step 12	Service step 13
Class 9:													
Group B, master's degree	$8,600	$8,850	$9,100	$9,350	$9,600	$9,850	$10,100	$10,350	$10,600	-------	-------	-------	-------
Group C, master's degree plus 30 credit hours	8,800	9,050	9,300	9,550	9,800	10,050	10,300	10,550	10,800	-------	-------	-------	-------
Director, Department of School Attendance and Work Permits.													
Principal, elementary school.													
Assistant principal, senior high school.													
Assistant principal, vocational high school.													
Class 10:													
Group A, bachelor's degree	7,700	7,950	8,200	8,450	8,700	8,950	9,200	9,450	9,700	-------	-------	-------	-------
Group B, master's degree	8,200	8,450	8,700	8,950	9,200	9,450	9,700	9,950	10,200	-------	-------	-------	-------
Group C, master's degree plus 30 credit hours	8,400	8,650	8,900	9,150	9,400	9,650	9,900	10,150	10,400	-------	-------	-------	-------
Assistant director, Department of Food Services.													
Assistant principal, junior high school.													
Assistant principal, Americanization School.													
Class 11:													
Group B, master's degree	7,800	8,050	8,300	8,550	8,800	9,050	9,300	9,550	9,800	-------	-------	-------	-------
Group C, master's degree plus 30 credit hours	8,000	8,250	8,500	8,750	9,000	9,250	9,500	9,750	10,000	-------	-------	-------	-------
Associate professor, teachers college.													
Assistant principal, elementary school.													
Class 12:													
Group B, master's degree	7,500	7,750	8,000	8,250	8,500	8,750	9,000	9,250	9,500	-------	-------	-------	-------
Group C, master's degree plus 30 credit hours	7,700	7,950	8,200	8,450	8,700	8,950	9,200	9,450	9,700	-------	-------	-------	-------
Assistant director.													
Statistician.													
Class 13:													
Group B, master's degree	6,700	6,950	7,200	7,450	7,700	7,950	8,200	8,450	8,700	-------	-------	-------	-------
Group C, master's degree plus 30 credit hours	6,900	7,150	7,400	7,650	7,900	8,150	8,400	8,650	8,900	-------	-------	-------	-------
Assistant professor, teachers college.													
Chief librarian, teachers college.													
Assistant.													
Supervisor.													
Chief attendance officer.													
Clinical psychologist.													
Class 14:													
Group B, master's degree	6,000	6,250	6,500	6,750	7,000	7,250	7,500	7,750	8,000	-------	-------	-------	-------
Group C, master's degree plus 30 credit hours	6,200	6,450	6,700	6,950	7,200	7,450	7,700	7,950	8,200	-------	-------	-------	-------
Psychiatric social worker.													
Class 15:													
Group A, bachelor's degree	4,500	4,800	5,100	5,300	5,500	5,700	5,900	6,100	6,300	$6,500	$6,700	$6,900	$7,100
Group B, master's degree	5,000	5,300	5,600	5,800	6,000	6,200	6,400	6,600	6,800	7,000	7,200	7,400	7,600
Group C, master's degree plus 30 credit hours	5,200	5,500	5,800	6,000	6,200	6,400	6,600	6,800	7,000	7,200	7,400	7,600	7,800
Attendance officer.													
Census supervisor.													
Child labor inspector.													
Counselor.													
Instructor, teachers college.													
Librarian.													
Research assistant.													
School psychologist.													
School social worker.													
Teacher, elementary and secondary schools.													

On page 7, line 7, after the word "class", to strike out "16" and insert "15"; in line 11, after the word "class", to strike out "16" and insert "15"; in line 18, after the word "class", to strike out "16" and insert "15"; in line 19, after the word "education", to strike out "program" and insert "program""; on page 8, line 22, after the word "and", to strike out "14" and insert "13"; in the second table, on page 9, entitled "Title and Class of Position on January 1, 1958", after "Principal, vocational high school", to strike out "8" and insert "7"; after "Supervising director", to strike out "9" and insert "8"; after "Principal, Capitol Page School", to strike out "12" and insert "8"; after "Assistant principal, senior high school", to strike out "12" and insert "9"; after "Assistant professor, teachers college", to strike out "14" and insert "13""; after "Chief librarian, teachers college", to strike out "14" and insert "13"; after "Assistant principal, vocational high school", to strike out "13" and insert "9"; after "Assistant principal, junior high school", to strike out "13" and insert "10"; after "Assistant principal, Americanization school", to strike out "13" and insert "10"; after "Assistant principal, elementary school", to strike out "14" and insert "11"; after "Assistant", to strike out "14" and insert "13"; after "Chief attendance officer", to strike out "14" and insert "13"; after "Supervisor", to strike out "14" and insert "13"; after "Clinical psychologist", to strike out "14" and insert "13"; after "Instructor, teachers college", to strike out "16" and insert "15"; after Librarian", to strike out "16" and insert "15"; after "Teacher, elementary and secondary school", where it appears the first time, to strike out "16" and insert "15"; after "Teacher, elementary and secondary school", where it appears the second time, to strike out "16" and insert "15"; after "Teacher, elementary and secondary school", where it appears the third time, to strike out "16" and insert "15"; after "Teacher, elementary and secondary school", where it appears the fourth time, to strike out "16" and insert "15"; after "Librarian", to strike out "16" and insert "15"; after "Counselor", to strike out "16" and insert "15"; after "Research assistant", to strike out "16" and insert "15"; after "School psychologist", to strike out "16" and insert "15"; after "School social worker", to strike out "16" and insert "15"; after "Attendance officer", to strike out "16" and insert "15"; after "Child labor inspector", to strike out "16" and insert "15"; after "Census supervisor", to strike out "16" and insert "15"; on page 10, line 3, after the word "of", where it appears the first time, to strike out "Commissioners" and insert "Education"; in line 4, after the word "of", to strike out "Education" and insert "Commissioners"; at the beginning of line 12, to strike out "Education" and insert "Commissioners"; on page 12, line 24, after the word "Act", to strike out the comma and "and shall advance to the next higher service step every two years thereafter until the highest service step for his salary class is reached"; on page 14, line 6, after the word "class", to strike out "16" and insert "15"; on page 15, line 2, after the word "class", to strike out "14" and insert "13"; in line 10, after the word "to", to strike out "15" and insert "14"; in line 15, after the word "to", to strike out "16" and insert "15"; on page 16, after line 13, to strike out:

Classification	Step 1	Step 2	Step 3
	Per diem		
SUMMER SCHOOLS (REGULAR)			
Teacher, elementary and secondary schools; Instructor, Teachers College	$16.37	$18.38	$20.39
Assistant professor, teachers college	20.33	21.79	24.10
Assistant principal, senior high school	20.46	22.97	25.49
Associate professor, teachers college	22.67	24.63	27.25
Supervising director; Principal, elementary school	22.92	25.73	28.55
Principal, junior high school	23.74	26.65	29.56
Professor, teachers college	25.67	27.48	30.39
Principal, senior high school	24.55	27.57	30.58
	Per diem		
VETERANS SUMMER HIGH SCHOOL CENTERS			
Teacher	$24.55	$27.57	$30.58

Classification	Step 1	Step 2	Step 3
	Per period		
EVENING SCHOOLS			
Teacher	$4.69	$5.01	$5.34
Assistant principal, secondary school	5.30	5.95	6.60
Principal, elementary school	5.94	6.66	7.39
Principal, secondary school	6.36	7.14	7.92

And, in lieu thereof, to insert:

Classification	Step 1	Step 2	Step 3
	Per diem		
SUMMER SCHOOLS (REGULAR)			
Teacher, elementary and secondary schools; instructor, teachers college	$18.24	$20.68	$23.11
Assistant professor, teachers college	21.68	24.47	27.28
Associate professor, teachers college	24.50	27.66	30.84
Principal, elementary school; assistant principal, senior high school	25.35	28.75	32.12
Supervising director; principal, junior high school	26.45	29.99	33.51
Professor, teachers college	27.33	30.86	34.39
Principal, senior high school	27.36	31.02	34.66
	Per diem		
VETERANS SUMMER HIGH SCHOOL CENTERS			
Teacher	$27.36	$31.02	$34.66

Classification	Step 1	Step 2	Step 3
	Per period		
EVENING SCHOOLS			
Teacher	$4.69	$5.05	$5.65
Principal, elementary school; assistant principal, secondary school	6.19	7.02	7.85
Principal, secondary school	6.67	7.57	8.47

On page 18, line 6, after the word "class", to strike out "16" and insert "15"; in line 8, after the word "class", to strike out "14" and insert "13"; in line 16, after the word "thereof", to strike out "7–15" and insert "7–14"; in line 17, after the word "inserting", to insert "after the word 'act' "; in line 25, after the word "class", to strike out "14" and insert "13"; on page 19, line 5, after the word "thereof", to strike out "16" and insert "15"; after line 22, to insert a new section, as follows:

SEC. 3. From and after 10 days following the approval of this act there shall be only one person in charge of the following departments in the public school system of the District of Columbia: Art, Business Education, English, Foreign Languages, Guidance and Placement, History, Home Economics, Industrial Arts, Mathematics, Military Science and Tactics, Music, Science, Trade and Industrial Education, and Health, Physical Education, Athletics, and Safety; except that in the case of persons reassigned pursuant to this section, nothing contained herein shall be construed to decrease the rate of compensation that any such person is receiving on the effective date of this section. If such person is placed in a lower salary class and the present salary of the incumbent falls between two step rates for the newly assigned class, he shall receive the higher of such rates. Whenever a department is established hereafter in the public school system of the District of Columbia there shall be but one person in charge of such department.

And, on page 20, at the beginning of line 16, to change the section number from "3" to "4"; so as to make the bill read:

Be it enacted, etc., That the act entitled "An act to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia, and for other purposes," approved August 5, 1955 (69 Stat. 521, ch. 569), is amended as follows:

Section 1 is amended by striking everything after the first sentence and inserting in lieu thereof the following salary schedules:

Salary class and position	Service step 1 (minimum)	Service step 2	Service step 3	Service step 4	Service step 5	Service step 6	Service step 7	Service step 8	Service step 9	Service step 10	Service step 11	Service step 12	Service step 13
Class 1: Superintendent of schools	$19,000												
Class 2: Deputy superintendent	15,100	$15,350	$15,600	$15,850	$16,100	$16,350	$16,600	$16,850	$17,100				
Class 3: Assistant superintendent; president, teachers college	13,200	13,450	13,700	13,950	14,200	14,450	14,700	14,950	15,200				
Class 4: Dean, teachers college	12,100	12,350	12,600	12,850	13,100	13,350	13,600	13,850	14,100				
Class 5:													
Group B, master's degree	10,500	10,750	11,000	11,250	11,500	11,750	12,000	12,250	12,500				
Group C, master's degree plus 30 credit hours	10,700	10,950	11,200	11,450	11,700	11,950	12,200	12,450	12,700				
Dean of students, teachers college.													
Executive assistant to superintendent.													
Psychiatrist.													
Class 6:													
Group A, bachelor's degree	9,700	9,950	10,200	10,450	10,700	10,950	11,200	11,450	11,700				
Group B, master's degree	10,200	10,450	10,700	10,950	11,200	11,450	11,700	11,950	12,200				
Group C, master's degree plus 30 credit hours	10,400	10,650	10,900	11,150	11,400	11,650	11,900	12,150	12,400				
Director, Department of Food Services.													
Class 7:													
Group B, master's degree	9,400	9,650	9,900	10,150	10,400	10,650	10,900	11,150	11,400				
Group B, master's degree plus 30 credit hours	9,600	9,850	10,100	10,350	10,600	10,850	11,100	11,350	11,600				
Administrative assistant to deputy superintendent.													
Director.													
Principal, senior high school.													
Chief examiner.													
Registrar, teachers college.													
Principal, vocational high school.													
Class 8:													
Group B, master's degree	9,000	9,250	9,500	9,750	10,000	10,250	10,500	10,750	11,000				
Group C, master's degree plus 30 credit hours	9,200	9,450	9,700	9,950	10,200	10,450	10,700	10,950	11,200				
Professor, teachers college.													
Principal, junior high school.													
Principal, Americanization School.													
Principal, Capitol Page School.													
Supervising director.													
Class 9:													
Group B, master's degree	8,600	8,850	9,100	9,350	9,600	9,850	10,100	10,350	10,600				
Group C, master's degree plus 30 credit hours	8,800	9,050	9,300	9,550	9,800	10,050	10,300	10,550	10,800				
Director, Department of School Attendance and Work Permits.													
Principal, elementary school.													
Assistant principal, senior high school.													
Assistant principal, vocational high school.													
Class 10:													
Group A, bachelor's degree	7,700	7,950	8,200	8,450	8,700	8,950	9,200	9,450	9,700				
Group B, master's degree	8,200	8,450	8,700	8,950	9,200	9,450	9,700	9,950	10,200				
Group C, master's degree plus 30 credit hours	8,400	8,650	8,900	9,150	9,400	9,650	9,900	10,150	10,400				
Assistant director, Department of Food Services.													
Assistant principal, junior high school.													
Assistant principal, Americanization School.													
Class 11:													
Group B, master's degree	7,800	8,050	8,300	8,550	8,800	9,050	9,300	9,550	9,800				
Group C, master's degree plus 30 credit hours	8,000	8,250	8,500	8,750	9,000	9,250	9,500	9,750	10,000				
Associate professor, teachers college.													
Assistant principal, elementary school.													
Class 12:													
Group B, master's degree	7,500	7,750	8,000	8,250	8,500	8,750	9,000	9,250	9,500				
Group C, master's degree plus 30 credit hours	7,700	7,950	8,200	8,450	8,700	8,950	9,200	9,450	9,700				
Assistant director.													
Statistician.													
Class 13:													
Group B, master's degree	6,700	6,950	7,200	7,450	7,700	7,950	8,200	8,450	8,700				

Salary class and position	Service step 1 (minimum)	Service step 2	Service step 3	Service step 4	Service step 5	Service step 6	Service step 7	Service step 8	Service step 9	Service step 10	Service step 11	Service step 12	Service step 13
Class 13—Continued													
Group C, master's degree plus 30 credit hours	$6,900	$7,150	$7,400	$7,650	$7,900	$8,150	$8,400	$8,650	$8,900	.....	.....	.....	.....
Assistant professor, teachers college.													
Chief librarian, teachers college.													
Assistant.													
Supervisor.													
Chief attendance officer.													
Clinical psychologist.													
Class 14:													
Group B, master's degree	6,000	6,250	6,500	6,750	7,000	7,250	7,500	7,750	8,000	.....	.....	.....	.....
Group C, master's degree plus 30 credit hours	6,200	6,450	6,700	6,950	7,200	7,450	7,700	7,950	8,200	.....	.....	.....	.....
Psychiatric social worker.													
Class 15:													
Group A, bachelor's degree	4,500	4,800	5,100	5,300	5,500	5,700	5,900	6,100	8,300	$6,500	$6,700	$6,900	$7,100
Group B, master's degree	5,000	5,300	5,600	5,800	6,000	6,200	6,400	6,600	6,800	7,000	7,200	7,400	7,600
Group C, master's degree plus 30 credit hours	5,200	5,500	5,800	6,000	6,200	6,400	6,600	6,800	7,000	7,200	7,400	7,600	7,800
Attendance officer.													
Census supervisor.													
Child labor inspector.													
Counselor.													
Instructor, teachers college.													
Librarian.													
Research assistant.													
School psychologist.													
School social worker.													
Teacher, elementary and secondary schools.													

Section 2, subsection (a) is amended by striking from the third sentence "June 30, 1955" and inserting in lieu thereof "December 31, 1957"; by striking from the fourth sentence all that follows the words "master's degree" and inserting in lieu thereof, "except that a person possessing a bachelor's degree may be appointed on probationary or permanent status as Director of Food Services, Assistant Director of Food Services, Supervising Director of Military Science and Tactics, teacher of military science and tactics, teacher of driver training, shop teacher in the vocational education program, teacher in the junior high schools, counselor in the vocational high schools, counselor in the junior high schools, teacher in the elementary schools, school social worker, research assistant, attendance officer, child labor inspector, or census supervisor, and a person not possessing a bachelor's degree may be appointed on probationary or permanent status as shop teacher in the vocational education program if he submits acceptable evidence of equivalent training and experience in accordance with the rules of the Board"; and by striking from the fifth sentence "June 30, 1955" and inserting in lieu thereof "December 31, 1957".

Section 2, subsection (b) is amended to read as follows: "Notwithstanding any provision of this act the Board is authorized, on the written recommendation of the Superintendent of Schools, to appoint or promote shop teachers in the vocational education program to salary class 15, group B, without a master's degree if they submit acceptable evidence of equivalent training and experience in accordance with the rules of the Board, and to appoint or promote such teachers to salary class 15, group C, without a master's degree if they submit acceptable evidence of equivalent training and experience in accordance with the rules of the Board, plus 30 credit hours. The Board is further authorized, on the writen recommendation of the Superintendent of Schools, to appoint or promote vocational shop teachers with the training and experience required for placement in salary class 15, group B, to administrative or supervisory positions in the vocational education program."

Section 2, subsection (c) is amended by striking paragraph (1) and inserting in lieu thereof the following: "(1) The term 'master's degree' means a master's degree granted in course by an accredited higher educational institution"; and by striking the first sentence in paragraph (2) and inserting in lieu thereof the following: "The term 'plus 30 credit hours' means the equivalent of not less than 30 graduate semester hours in academic, vocational, or professional courses beyond a master's degree, representing a definite educational program satisfactory to the Board, except that in the case of a shop teacher in the vocational education program the 30 semester hours need not be graduate semester hours."

Section 4 is amended to read as follows: "Each teacher, school officer, and other employee in the service of the Board on January 1, 1958, who occupies a position held by him on December 31, 1957, under the provisions of this act shall be placed in a salary class covered by section 1 of this act as indicated at the end of this section. Any employee in group A, B, or C of his salary class on December 31, 1957, shall be assigned to the same letter group of the class to which he is transferred on January 1, 1958, except that an employee in group B on December 31, 1957, who possesses a master's degree or its equivalent as determined by the Board in accordance with subsection (b) of section 2 of this act, plus 30 credit hours, shall be transferred to group C. Teachers college employees in salary classes 8, 11, and 13 on January 1, 1958, shall be assigned to group C.

"TITLE AND CLASS OF POSITION ON DECEMBER 31, 1957	
Title	Class
Superintendent of schools	1
Deputy superintendent	2
Assistant superintendent	3
President, teachers college	3
Dean, teachers college	4
Executive assistent to superintendent	5
Dean of students, teachers college	5
Director, Department of Food Services	6
Director	7
Administrative assistant to deputy superintendent	7
Registrar, teachers college	7
Chief examiner	7
Principal, senior high school	7
Professor, teachers college	8
Principal, vocational high school	9
Principal, junior high school	9
Principal, Americanization school	9
Supervising director	10
Director, Department of School Attendance and Work Permits	10
Principal, elementary school	10
Principal, laboratory school	10
Associate professor, teachers college	11
Assistant director, Department of Food Services	12
Assistant director	13
Principal, Capitol Page School	13
Assistant principal, senior high school	13
Statistician	13
Assistant professor, teachers college	14
Chief librarian, teachers college	14
Assistant principal, vocational high school	15
Assistant principal, junior high school	15
Assistant principal, Americanization school	15
Assistant principal, elementary school	16
Assistant	17
Chief attendance officer	17
Supervisor	17
Clinical psychologist	17

TITLE AND CLASS OF POSITION ON JANUARY 1, 1958	
Title	Class
Superintendent of schools	1
Deputy superintendent	2
Assistant superintendent	3
President, teachers college	3
Dean, teachers college	4
Executive assistant to superintendent	5
Dean of students, teachers college	5
Director, Department of Food Services	6
Director	7
Administrative assistant to deputy superintendent	7
Registrar, teachers college	7
Chief examiner	7
Principal, senior high school	7
Professor, teachers college	8
Principal, vocational high school	7
Principal, junior high school	8
Principal, Americanization school	8
Supervising director	8
Director, Department of School Attendance and Work Permits	9
Principal, elementary school	9
Principal, elementary school	9
Associate professor, teachers college	11
Assistant director, Department of Food Services	10
Assistant director	12
Principal, Capitol Page school	8
Assistant principal, senior high school	9
Statistician	12
Assistant professor, teachers college	13
Chief librarian, teachers college	13
Assistant principal, vocational high school	9
Assistant principal, junior high school	10
Assistant principal, Americanization school	10
Assistant principal, elementary school	11
Assistant	13
Chief attendance officer	13
Supervisor	13
Clinical psychologist	13

"TITLE AND CLASS OF POSITION ON DECEMBER 31, 1957—Continued

Title	Class
Instructor, teachers college	18
Librarian, teachers college	18
Teacher, senior high school	18
Teacher, vocational high school	18
Teacher, junior high school	18
Teacher, elementary school	18
School librarian	18
Counselor	18
Research assistant	18
School psychologist	18
School social worker	18
Attendance officer	19
Child labor inspector	19
Census supervisor	19

TITLE AND CLASS OF POSITION ON JANUARY 1, 1958—Continued

Title	Class
Instructor, teachers college	15
Librarian	15
Teacher, elementary and secondary school	15
Teacher, elementary and secondary school	15
Teacher, elementary and secondary school	15
Teacher, elementary and secondary school	15
Librarian	15
Counselor	15
Research assistant	15
School psychologist	15
School social worker	15
Attendance officer	15
Child labor inspector	15
Census supervisor	15"

Section 5, subsection (b) is amended by adding the following sentences at the end of the subsection: "The Board of Education of the District of Columbia, with the cooperation of the Board of Commissioners of the District of Columbia, is autohrized to make a study of the classification of the positions covered under this act for the purpose of determining what classification adjustments may be necessary or desirable to provide a classification alinement based on the difficulty, responsibility, and qualification requirements of the positions and to take such appropriate corrective action as is concurred in by the Board of Commissioners: *Provided,* That any such adjustments shall be made within the classes established by this act: *Provided further,* That no adjustment resulting from this study shall decrease the existing rate of compensation of any present employee; but when a position becomes vacant any subsequent appointee to such position shall be compensated in accordance with the rate of pay determined to be applicable to such position. If a position is placed in a lower salary class and the present salary of the incumbent falls between two step rates for the newly assigned class, he shall receive the higher of such rates. If a position is placed in a higher salary class, placement for salary purposes shall be made in accordance with section 11 of this act."

Section 6 is amended to read as follows:

"(a) As of January 1, 1958, each employee assigned to a salary class in accordance with section 1 and section 4 of this act shall be assigned to the same numerical service step on the schedule for his class, or class and group, under this act as he occupied on December 31, 1957. On July 1, 1958, each permanent employee in the service of the Board who on June 30, 1958, was in such service but was not yet at the highest numerical service step for his salary class, or class and group, in section 1 of this act shall be assigned to the numerical service step for his class, or class and group, in section 1 of this act next above the step occupied by him on June 30, 1958. As soon as possible thereafter, and not later than June 30, 1959, the Board shall reevaluate the previous service of each probationary and permanent employee under this act who served in the public schools of the District of Columbia prior to July 1, 1955, who also was in service in such schools on July 1, 1958, and who on July 1, 1958, was not assigned to the highest numerical service step of the salary schedule for his class, or class and group, to determine the number of years of service with which the employee shall be newly credited for the purpose of salary placement. All such employees shall be given placement credit for previous service in accordance with the provisions of this act governing the placement, advancement, and promotion of employees who are newly appointed, reappointed or reassigned to positions in the District of Columbia public schools.

"(b) As soon as such reevaluation is completed for all employees involved, each such employee shall be assigned to the numerical service step for his salary class, or class and group, under this act next above the step corresponding to the number of his years of creditable service rendered prior to July 1, 1958, as determined by such reevaluation, but no employee shall receive a salary above the top step for his class, or class and group, or below the step already occupied by him. If such reevaluation places the employee on a higher numerical service step than the one already occupied by him, he shall receive the full annual salary at the higher step for the year beginning July 1, 1958. Beginning on July 1, 1959, each permanent employee who has not yet reached the highest service step for his salary class, or class and group, under this act shall advance one such step each year until he reaches the highest step for his class, or class and group.

"(c) The superintendent of schools, salary class 1, shall be assigned as of the date of his appointment as superintendent to the first salary step provided for that position in section 1 of this act.

"(d) Any permanent employee serving in a position which is not covered by this act but which may later be established under section 5 of this act shall be given service credit for the purpose of salary placement under this act equivalent to the number of years of satisfactory service rendered within the school system in the position then occupied by the employee, and shall be assigned to the numerical service step on the schedule for his class, or class and group, under this act next above the numerical service step corresponding to his years of creditable service in such position. If the employee has already attained a service step in such position which is numerically as high or higher than the top service step provided for his salary class, or class and group, under this act, he shall be assigned to the highest service step provided for his class, or class and group, under this act."

Section 7, subsection (a) is amended to read as follows: "Each employee who is newly appointed or reappointed to a position under section 1 of this act, except the superintendent of schools, shall be assigned to the service step numbered next above the number of years of service with which he is credited for the purpose of salary placement. The Board, on the written recommendation of the superintendent of schools, is authorized to evaluate the previous experience of each such employee to determine the number of years with which he may be so credited. Employees newly appointed, reappointed, or reassigned to any position in salary class 15 shall receive 1 year of such placement credit for each year of satisfactory service, not in excess of 5 years, in the same type of position regardless of school level, in an educational system or institution of recognized standing outside the District of Columbia public schools, as determined by the Board: *Provided,* That employees appointed to the positions of attendance officer, census supervisor, child labor inspector, counselor, librarian, research assistant, school psychologist, and school social worker shall also receive 1 year of placement credit for each year of satisfactory service in a teaching position, but not in excess of 5 years for all types of service rendered outside the school system, and persons appointed to the position of shop teacher in the vocational education program shall receive 1 year of placement credit for each year of approved experience in the trades, as determined by the Board, but not in excess of 5 years for any combination of trade experience and educational service outside the school system. Employees newly appointed or reappointed to the positions of chief librarian and assistant professor (class 13), associate professor (class 11), and professor (class 8) shall receive 1 year of placement credit for each year of satisfactory service, not in excess of 5 years, in a position of the same or higher rank in a college or university of recognized standing outside the District of Columbia public schools, as determined by the Board. Employees newly appointed, reappointed, or reassigned to any position in salary classes 1 to 14 inclusive, except the positions of chief librarian and assistant professor, associate professor, and professor, shall receive no placement credit for educational service or trade experience outside the District of Columbia public schools. Employees reappointed or reassigned to positions in classes 2 to 15 inclusive shall receive 1 year of placement credit for each year of satisfactory service in the same salary class or in a position of equivalent or higher rank within the District of Columbia public schools, except that no employee shall receive more than 5 years of placement credit for previous service in any combination of the following: (1) service rendered outside the public school system, (2) service rendered as a temporary employee within such system, and (3) service rendered prior to reappointment after resignation from such system. Credit for service rendered either inside or outside the District of Columbia public schools shall be effective on the date of the regular Board meeting immediately preceding the date of approval by the Board or on the date of appointment, whichever is later."

Section 13 is amended to read as follows:

"(a) The Board is hereby authorized to conduct as parts of the public school system, summer schools, evening schools, and an Americanization School, under and within appropriations made by Congress. The pay rates for teachers, officers, and other educational employees in the summer and evening schools shall be as follows:

"Classification	Step 1	Step 2	Step 3
	Per diem		
SUMMER SCHOOLS (REGULAR)			
Teacher, elementary and secondary schools; instructor, teachers college	$18.24	$20.68	$23.11
Assistant professor, teachers college	21.68	24.47	27.28
Associate professor, teachers college	24.50	27.66	30.84
Principal, elementary school; assistant principal, senior high school	25.35	28.75	32.12
Supervising director; pincipal, junior high school	26.45	29.99	33.51
Professor, teachers college	27.33	30.86	34.39
Principal, senior high school	27.36	31.02	34.66

Classification	Step 1	Step 2	Step 3
VETERANS SUMMER HIGH SCHOOL CENTERS	Per diem		
Teacher	$27.36	$31.02	$34.66
EVENING SCHOOLS	Per period		
Teacher	$4.69	$5.05	$5.65
Principal, elementary school; assistant principal, secondary school	6.19	7.02	7.85
Principal, secondary school	6.67	7.57	8.47

"(b) Beginning on January 1, 1958, each teacher, officer, and other educational employee serving in the summer or evening schools shall be paid at the rate specified for his position under step 1 of the schedule in subsection (a) of this section while serving his first, second, and third years in such position; he shall be paid at the rate specified under step 2 while serving his fourth, fifth, and sixth years in such position; and he shall be paid at the rate specified in step 3 while serving his seventh and any subsequent years in such position.

"(c) When an employee covered by the pay schedule in subsection (a) of this section is promoted to a higher paid position in this same schedule, he shall be paid during his first 3 years of service in such position at the scheduled rate for such position which is next above the rate he would have received if continued in his previous position; he shall be paid at the next higher scheduled rate for his position during his second 3 years of service in such position; and he shall be paid at the scheduled rate above that (if any) during his subsequent years in such position."

Section 14 is amended to read as follows: "Each employee assigned to salary class 15 in the schedule provided in section 1 of this act, each chief librarian and each assistant professor in salary class 13, each associate professor in class 11, and each professor in class 8 shall be classified as a teacher for payroll purposes and his annual salary shall be paid in 10 monthly installments in accordance with existing law."

Section 15 is amended by striking from the first sentence the phrase "the effective date of this act" and inserting in lieu thereof "January 1, 1958"; by striking from the first sentence "7–17" and inserting in lieu thereof "7–14"; and by striking the second sentence and inserting after the word "act" at the end of the first sentence ", except the following: Chief examiner, administrative assistant to deputy superintendent, and registrar, teachers college, in class 7; professor, in class 8: Director, Department of School Attendance and Work Permits, in class 9; Assistant Director, Department of Food Services, in class 10; associate professor, in class 11; statistics in class 12; assistant professor and chief librarian, in class 13."

Section 16 is amended by striking the phrase "the effective date of this act" and inserting in lieu thereof "January 1, 1958"; by striking the phrase "18, and the position of attendance officer, salary class 19" and inserting in lieu thereof "15."

SEC. 2. Retroactive compensation or salary shall be paid by reason of this act only in the case of an individual in the service of the Board of Education of the District of Columbia (including service in the Armed Forces of the United States) on the date of enactment of this act, except that such retroactive compensation or salary shall be paid (1) to any employee covered in section 1 of this act who retired during the period beginning on the day following the first day of the first pay period which began on or after January 1, 1958, and ending on the date of enactment of this act for services rendered during such period and (2) in accordance with the provisions of the act of August 3, 1950 (Public Law 636, 81st Cong.), as amended, for services rendered during the period beginning on the first day of the first pay period which began on or after January 1, 1958, and ending on the date of enactment of this act by any such employee who dies during such period.

SEC. 3. From and after 10 days following the approval of this act there shall be only 1 person in charge of the following departments in the public school system of the District of Columbia: Art, business education, English, foreign languages, guidance and placement, history, home economics, industrial arts, mathematics, military science and tactics, music, science, trade and industrial education, and health, physical education, athletics, and safety; except that in the case of persons reassigned pursuant to this section, nothing contained herein shall be construed to decrease the rate of compensation that any such person is receiving on the effective date of this section. If such person is placed in a lower salary class and the present salary of the incumbent falls between two step rates for the newly assigned class, he shall receive the higher of such rates. Whenever a department is established hereafter in the public school system of the District of Columbia there shall be but one person in charge of such department.

SEC. 4. (a) The effective date of this act shall be January 1, 1958.

(b) For the purpose of determining the amount of insurance for which an individual is eligible under the Federal Employees' Group Life Insurance Act of 1954, as amended, all changes in rates of compensation or salary which result from the enactment of this act shall be held and considered to be effective as of the first day of the first pay period which begins on or after the date of such enactment.

Mr. BIBLE. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill, as amended, be considered as an original text for the purpose of amendments.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nevada? The Chair hears none, and it is so ordered.

Mr. PROXMIRE. Mr. President, I warmly support the bill in its present form. I should like to say first that, the one incontrovertible weakness in American life reflects a great moral weakness, a serious economic weakness, a tragic social weakness and a dangerous military weakness. I refer to the tragic failure of us the American people to educate our children adequately. We have let our educational system slip. We, the richest people in the world, think that we cannot afford to build adequate schools. More important, we will not pay our teachers adequate salaries. This need for higher teachers' salaries is the problem the Senate is acting on right now, this minute on the bill before us.

Sputnik I was launched in October of last year, 9 months ago. One might expect that this dramatic confirmation of the success of Russia's educational system would have prompted us into decisive, constructive action. Well, with successive sputniks we have responded with speeches pleading for better education; but with no action. The teachers are still tragically underpaid—the problem remains.

We are now considering S. 3957, a bill which would increase the pay of the District of Columbia teachers by an average of 21 percent. Mr. President, the District of Columbia is a very small part of the national problem, but it certainly is a fine place for the Congress of the United States to demonstrate the type of leadership which the rest of the Nation will recognize and respect. In fact Mr. President it is the only place we can demonstrate this.

Hardly a day goes by that some Member of Congress does not insert a piece into the RECORD deploring the present state of the United States educational system. And yet right under our noses we have one of the Nation's most underpaid teaching staffs, and one of the most inadequate educational systems that I have ever seen. It is tragic, indeed, that the Nation's Capital should set such a poor example to the towns and cities of the United States.

Mr. President, as a member of the District of Columbia Committee, I heard all of the testimony concerning the teachers' pay raise offered before the Subcommittee on Fiscal Affairs. The following facts were emphasized during the hearings. I feel that they fully justify a sizable increase in teachers' salaries.

First. About one-fifth of the District's teachers are not presently qualified. Within the science and mathematics fields in junior and senior high schools 30 percent of the teachers are not qualified.

Second. Ten times as many positions are available as there are teachers on the eligible list.

Third. The teachers college of the District of Columbia supplies only 25 percent or 30 percent of the teachers of the Washington system. Therefore, it is necessary to recruit teachers from colleges outside of Washington.

Fourth. The 1956–57 turnover rate for Washington schoolteachers of 12.8 percent is high. It is inefficient and costly. More than half of the turnover is from the 20 percent of teachers who are not qualified.

The need for higher teachers' salaries is obvious.

The bill now under consideration, S. 3957, would provide for an increase in teachers' salaries of 21 percent. This is an extremely moderate proposal. It is well under the District of Columbia Board of Education recommendation of a 32-percent increase, and it is less than a third of the National Education Association's recommended 62-percent increase. This is the least we can do.

Experts from the educational field testified that the bill proposed by the District of Columbia Commissioners, providing for an increase of only 14 percent, would do little to alter the present deplorable situation. The following exchange took place during the hearings between Dr. Hansen, Superintendent of the District of Columbia Schools, and myself:

Senator PROXMIRE. The Commissioners' bill, you feel, would not significantly affect this. You would still have approximately the same adverse 1 to 10 ratio between the demand and the supply?

Dr. HANSEN. I am certain it would make no dent on this. We would simply not get any help from it. The Commissioners' bill, of course, would keep us abreast of salary changes and economic conditions, but it seems to me it is indicated here in our experience that we have to get ahead of the economic changes here in order to solve this problem.

Washington can afford to go at least as far as a 21-percent increase. Today the maximum salaries for the Washington education system rank 14th on a list of the Nation's 18 largest cities, and yet, Washington's capacity to pay higher salaries is considerably higher than most cities on the list. Moreover, the percentage of the budget of the District of Columbia which is spent on education has been declining steadily during the same 9 years between 1947 and 1956 that per capita income has risen 61 percent.

To rise for a moment above the particular detail of the legislation, we should keep in mind, in coming to our decision on this matter, certain broader considerations than the strictly municipal. In the Capital City of our Nation, the Government, as the principal employer, ought not only be a model employer in terms of wages, hours, and working conditions— since, if the Government itself does not set the standard in these areas. who can or should provide these yardsticks and criteria—it should also provide the major share of the financing necessary for such a model system. The cost of this bill, if enacted without change, has been estimated at $6,335,519 for fiscal year 1959, excluding retroactive costs. In view of the retroactive features of the bill, analogous to those contained in legislation enacted earlier this session for other governmental employees, for the present fiscal year, an additional $3,488,967 is necessary.

I ask unanimous consent, Mr. President, that a table prepared by the Board of Education showing the cost of annual salary positions, per diem positions, and retirement costs of S. 3957 be printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

The estimated additional cost attributable to the proposed 20 percent increase for the period January 1 through June 30, 1958, is $3,488,967. The additional cost of salaries is $3,071,902 (annual salary employees, $3,014,902, and per diem employees $57,000); in addition, retirement costs (verified with the actuary of the Treasury) increase by $417,065.

The estimated additional cost from January 1 through June 30, 1958, would be:

Annual salary positions	$3,014,902
Per diem employees	57,000
Retirement costs	417,065
Total	3,488,967

The estimated additional cost from July 1, 1958, through June 30, 1959, would be $6,335,519, as follows:

Annual salary positions	$5,460,375
Per diem employees	95,000
Retirement costs	780,144
Total	6,335,519

The total estimated additional cost for the period January 1, 1958, through June 30, 1959, would be $9,824,486.

Mr. PROXMIRE. Mr. President, I note that as of July 17, 1958, the District of Columbia anticipated revenues of $18.4 million for application against the cost of pay increase and retirement increase legislation. Included in that amount is $10.5 million unappropriated Federal payment authorized under existing legislation. I am also aware that other necessary and desirable legislation for police and fire salary increases, teachers' annuities, and police and firemen's survivors annuity increases must be financed. Indeed, the Senate has just passed a bill relating to police and firemen.

These items, if enacted as recommended by the House and Senate District Committees, will leave the District with an estimated deficit of about $7.3 million. To meet this deficit, it may very well be that, in the early days of the 86th Congress, it will be necessary to increase the authorized Federal payment. The retroactive features of the pending and approved proposals total $9.5 million. If this amount were to be authorized for this one-time-only payment, instead of the anticipated deficit of $7.3 million, there would be a surplus of $2.2 million to take care of contingencies without resort to a curtailment of capital construction presently authorized. This is a fiscally sound proposal.

I respectfully suggest, Mr. President, that this be the method the Senate adopt in the next session to meet these extraordinary retroactive costs. I do not propose that we adopt legislation this session to accomplish this purpose, because I feel that the next 6 months will provide us with a more precise and accurate measurement of the impact of the salary increase and retirement increase legislation, which I hope we will pass in the coming weeks, upon the business of the city and hence upon the tax revenue to be derived from the District income, sales, and corporation tax sources.

The financing of this teachers' salary increase in the years ahead should not be too onerous. The increased cost per year 1960–63, over that now paid under the 1955 salary scale, amounts to about $5.75 million a year. Surely, in a budget of more than $200 million a year for the District, we shall be able to absorb, on behalf of our teachers, this relatively small amount.

I have not, in this brief summary, attempted to detail the arguments presented and the testimony taken in support of the principle of a substantial increase for our District teachers. The hearings before the subcommittee have been printed and are available to each Member. It is my firm conviction that the testimony taken, when given an objective review, could lead only to the conclusion that the increase here proposed is moderate, that it is needed, and that it should be accepted.

I should like to recall to the Senate the words of one of our abler and more farseeing Members, the distinguished senior Senator from the State of Oregon [Mr. MORSE]. If I recall correctly, on more than one occasion he has pointed out upon the floor of this Chamber that the only true wealth which we have in this Nation is that which rests upon the skills taught, and the cultivated brainpower of, our children. We, in our generation, are but trustees for the future of this land and its physical wealth. In a deeper sense, also, we are the trustees of a great tradition, the tradition of providing to each child an opportunity to learn and to be taught to the extent that his inherent abilities permit.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Pennsylvania.

Mr. CLARK. A moment ago the distinguished Senator, who has done such a magnificent job in endeavoring to obtain as much additional salary as is practical and feasible for the hard-pressed teachers of the District, said that he felt the proposed increases were moderate. I wonder if he will agree with me that they are totally, and completely inadequate.

Mr. PROXMIRE. I agree emphatically with the distinguished Senator from Pennsylvania. I wish we could have gone all the way with the recommendations of the National Education Association. I was deeply impressed by the witnesses who appeared before the subcommittee. They were competent and thoughtful. The testimony they offered was supported not only by educators, but my businessmen as well.

Mr. CLARK. I thank my friend for his comments. On my own time later I shall have something to say on the subject.

Mr. PROXMIRE. I thank the Senator from Pennsylvania, who has been such a tremendous help, not only in connection with this legislation, but all other legislation pertaining to education and to the interests of our teachers and schoolchildren.

Today, in the Senate of the United States, we are passing upon a bill directly related to that tradition. In passing it, we are recording ourselves as being on the right side of the ledger, of being willing to accept the financial responsibilities and costs that this commitment to public education entails. In the Capitol of the United States, and in the Capital City of our Nation, we can and ought do no less. Here is an opportunity for every Senator to vote for the kind of legislation that should be passed throughout the entire country. Here is a chance for the Senate to take up national leadership in the role of education. Here is a chance for the Senate to show that it means what it says on education. Here is a chance for action instead of talk.

Mr. BEALL. Mr. President, there is no doubt whatsoever that in almost every instance throughout this Nation where there is a school, there is an underpaid and overworked professional person—namely, the schoolteacher. If I were to read to this body each educational report that has been written in this past year alone, it would be made abundantly clear that our schools are in need of improvement. I think each of us is well aware of this need. Certainly no one is naive enough to believe that higher pay for teachers and administrators in any school system would be panacea or cure-all. But I think we

should look at the facts. I am sure we need only look at one paradox existing in the educational system in this country to determine exactly what one fault in our public school system stands out. There are, at the present time, many private schools in operation throughout this land which turn out generally a better-equipped student than do the public schools. A parent who sends his child to a private school does so because that child can obtain better teaching. The reasons are obvious—the classes are smaller and as such a student can therefore receive individual attention and the private school can more readily obtain the best instructors simply because they are capable of purchasing in the teacher market, the best of people. They can do this because they have the money to pay an adequate salary. This money also affords the private school the luxury of being selective in their personnel policies. Public schools generally cannot compete. This is certainly the reason for such high tuitions to private schools—they can, by properly using these high tuitions and their large endowments—pay a capable instructor a salary that he cannot possibly decline. Let us not forget, in this regard, that the parents who send their children to private schools have realized the weaknesses in the public system and are saying in effect, "If my community does not wish to spend the money for the best people to teach my child, I must therefore do so myself." The success of the private school in this country would certainly, and more clearly than anyone can express here, point out this truism and the weaknesses in the public systems.

Today we have before us a bill which, I believe, would bring to the schoolteachers in the District of Columbia social standing, self-respect, and a fair reward for their labors. Certainly the teaching profession is one of dedication with a great amount of reward other than those things material. It is my desire, and I hope the desire of this body, to augment this psychic reward with a fair material one.

A raise in pay for schoolteachers is needed here in the District of Columbia, a substantial raise in pay is imperative. We, the Members of the Congress, have the duty coupled with the power to correct and improve the school system in our Nation's Capital. We can indicate to the entire country what we believe a schoolteachers' services to be worth. We can do no less than the proposal before us today. To do otherwise would be not only an injustice to the teachers in the District of Columbia system but would do great harm to teachers throughout the land. I need not remind Senators that every State, city, and county will use what we do here as an indication of what should be done locally. There certainly is no States rights issue present here, but let us not delude ourselves into thinking that this is a strictly local issue. What we do here today will be brought before every school board in the Nation, every State legislature, and every city council—let us indicate clearly and emphatically what we believe our teachers should be paid.

To the children who are attending District schools and who will attend in the future, we owe a duty to furnish them the very best education that can possibly be obtained. To the teachers presently in the system we can do no more than what is right and give them a decent reward for their services. To the parents of children who cannot afford a private school education for their children, we owe the duty of giving their children an education at least as good as can be obtained in an A–1 private school. To the generations yet to come, we owe the greatest duty, and let us not forget it, because our very existence in the Free World could be at stake. To them our duty is clear and simple, we must attract the top personnel into teaching. Nothing will suffice in this regard, but an adequate pay scale. There is no need comparing industrial pay scales with teaching scales. Each of us know, beyond a doubt, that teachers are grossly underpaid. This bill, if it becomes public law, will go a long way to improve education for children here and elsewhere. I do not want anyone to feel this will not be expensive, but the citizens through the Nation are all aware that the improvements needed in education are expensive. We can do no more than what our conscience dictates, and a well-spent dollar today may save us many dollars in the future. This bill would mean money well spent, and I urge Senators to put themselves on record in favor of a decent wage for schoolteachers. This bill is extremely desirable legislation and long-past due. We have no other course but to unanimously approve it not only for our teachers in the District of Columbia, but to help teachers as well in every school over the country, and give education the momentum it now needs.

The members of the District of Columbia Committee have worked hard and put in long hours to bring out a bill which they considered to be equitable.

The proposal before us today is less than that asked by the educators themselves such as the school board in the District of Columbia, who are in the best possible position to determine need. I am glad the Senator from Pennsylvania made the observation which he made. I, too, agree that the scale to which he referred should have been the scale adopted in this instance. Let me repeat for emphasis that the Board of Education of the District of Columbia is the group of whom I am speaking. They considered what the barest needs for teachers salaries were here in the District of Columbia and the bill before us today provides approximately 14 percent less than the amount recommended by the group charged with the duty and responsibility of administering the school system in the District of Columbia. Nothing could be fairer than this piece of legislation—I urge Senators to give it their wholehearted support.

Mr. CLARK. Mr. President, sometimes it is difficult for a Member of this body to know when to fight on to the end in support of a principle in which he deeply believes, and when to accept the old maxim that "He who fights and runs away will live to fight another day."

With some feeling of personal shame, I have concluded to fight and run away.

The bill, as it comes from the committee, is in my judgment totally and completely inadequate to meet the minimum educational needs of the children of the District of Columbia. In a moment or two an amendment will be offered from the floor which will make it even more inadequate, and, perhaps to my shame, I shall support that amendment. I shall do so because in my judgment there is no practical, feasible way by which we can obtain for the teachers of the District of Columbia as much as one-third of what they ought to have to give the Nation's Capital not the best primary and secondary educational system in the country, but at least a very good one.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. CLARK. I yield to the distinguished Senator from Oregon.

Mr. MORSE. I rise to the defense of my friend from Pennsylvania.

Mr. CLARK. As my friend from Oregon has done so often in the past, and will do in the future.

Mr. MORSE. Because of his great statesmanship and high motives, I do not like to leave in the RECORD a single statement by the Senator from Pennsylvania which could possibly be misinterpreted.

When the Senator says he may find himself in the position of supporting an amendment offered from the floor of the Senate, perhaps to his shame, I say that it will not be to his shame. It will be only because he learned arithmetic in grade school. He can count. We have counted noses, and, as mathematicians, we know the position in which we find ourselves. It is not a happy one.

I speak also for my chairman. I do not believe any member of the committee should be charged with responsibility in connection with any amendment we must adopt in order to obtain a majority vote for the best bill we can get through the Senate tonight.

We are going to fight another day. We have put up the best fight we could this time. We are going to continue to fight in the District of Columbia Committee of the Senate until we can persuade the Congress of the United States to live up to its clear responsibility to provide for the District of Columbia the money to which the voteless people of the District are entitled.

Much more money is needed for the schools. The Senator from Pennsylvania does not need to offer any apologies for his vote in support of any amendment for which he and I will reluctantly vote in order to get an increase in compensation for the teachers. Unless we go along with the amendment, the result is likely to be no increase at all.

The National Education Association outlined a program for our committee for which we ought to continue to fight; and we will.

Mr. CLARK. I thank my friend from Oregon for his kind remarks. I wish they were at least in part deserved.

What should this increase be, in order to give the District of Columbia not the best educational system of any city in the country, but only a really good one? It was outlined pretty well by Mr. Ellis Haworth, chairman of the salary committee of the District of Columbia Education Association, a group composed of individuals having a clear and sound understanding of the educational requirements of a great city such as Washington.

In his testimony before our committee, he said:

In drawing up our pay scales, we sought to establish scales which would attract and hold the caliber of teacher and officer our community wants in its school system. To do this, we had to set up a beginning salary which would be competitive with that offered by other situations (government and industry) wishing to obtain the services of persons having the same high qualifications we sought.

Can there be any doubt that that is merely common sense? How can we obtain an adequate teaching force, and how can we hold it if we do not offer a competitive salary?

I continue to quote from the testimony:

We next had to provide sufficiently large annual increments to be worthwhile and to enable the teacher to double his salary in a reasonable time. We chose 10 years for this purpose, though many in industry can double their income in 5 to 6 years.

Can anyone doubt that that is nothing more than common sense?

Since the field of education is becoming more complex and professional each year, it was necessary to establish incentive scales, to encourage our staff to attain higher levels of professional training and preparation.

Can anyone doubt that that makes common sense? I ask Senators to listen to this part of the testimony particularly:

With the number of persons on temporary appointment currently at 23 percent of our total staff, and with this number increasing every year, it is obvious that a small increase over our present salary scales would not solve this problem.

That is the truth, too. What we are about to do will not decrease substantially the number of individuals on temporary tenure. We will not get the highly qualified teachers the city needs. Mr. Haworth continues:

It has been estimated that the cost for the first year of the salaries proposed in S. 3734 will be about $15 million above the current level for salaries in the school system.

He asked the pertinent question:

Can the District of Columbia afford such a program?

He gave a different answer than I am giving. I say the District of Columbia cannot afford not to have such a program if it intends to provide the kind of school system the Nation's Capital should have in the greatest free country in the world, and to protect our freedoms against the threat of communism.

Mr. Haworth asked the question:

Can the District of Columbia afford such a program?

He answered.

Yes; if it gave its public school system that portion of its total budget which other cities, on the average, give to their school systems. We have been operating in Washington on a program designed to keep school expenditures to the very minimum. Our city officials have chosen to prepare budgets in which they have bought other things with our tax money rather than a good school system.

In 1956, Washington spent 19.55 percent of its total budget on its schools; in 1957, 18.85 percent; and in 1958, 16.65 percent. Studies show that the larger cities spend about 30 or 35 percent of their total budgets on their public school systems. If Washington spent the same proportion of its funds, there would be enough for our proposed new pay scales and our building program, too.

Mr. President, I hope Mr. Haworth is right. If he is not right, taxes should be raised in the District of Columbia and the Federal payment should be increased to the point necessary to provide a decent educational system for the city. It cannot afford not to do it.

I have a sense of shame, as a Member of the Senate, in noting how lacking we are in facing our responsibilities when it comes to the challenge of education. The 85th Congress has been in session for almost 2 years, and we have not yet considered a Federal aid-to-education bill. It is possible that we will not consider it at this session. We should view ourselves with shame every time we think of it. We do not hesitate to raise the salaries of policemen and firemen in the District of Columbia. I am happy to vote for such raises, because the recipients need them. We do not hesitate to pass a bill authorizing as much as $50 million for a sports stadium for professional football and baseball teams, on a financial basis which is almost certain to result in a deficit for the Federal Treasury in the first 3 years of its operation. However, when it comes to the question of increasing the salaries of schoolteachers, we say, "Oh, no." There are four Senators on the floor, with an understanding, to which I am a party, that a bill which is totally inadequate to meet the situation, will be passed, even though the bill will not bring about the needed improvements in the educational system of the District of Columbia.

In saying these things I wish to make it clear that I am not criticizing the chairman of the committee or the ranking minority member of it, or any member of the Committee on the District of Columbia. They have all labored hard in the vineyard. Their hearts are in education just as much as is mine.

We know that a situation exists in the other body and among some of our own colleagues, by reason of which, as a practical matter, we cannot do what is just and right.

In connection with the District of Columbia home-rule bill, on which my friend from Oregon and I find ourselves in some mild disagreement, I earned the unhappy nickname of "Half-a-Loaf Clark", because I felt it was better to get something than nothing. When I vote for the amendment which is about to be proposed, I shall want to change that name to "Quarter-of-a-Loaf Clark." I still believe something is better than nothing, but I am a little ashamed of myself when I take this position.

Mr. President, I yield the floor.

Mr. MORSE. I wish to say good naturedly to my friend from Pennsylvania that in regard to the home-rule bill he will not get any home rule at all under the bill he is supporting. However, we will thrash that out at a later time. We are getting at least something for the teachers this evening. I prefer not to make my statement until the amendment has been proposed, because I wish to say something about the amendment.

Mr. BIBLE. Mr. President, I believe the Senator from Maryland wishes to offer an amendment.

Mr. BEALL. I have an amendment which I call up at this time.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 11, it is proposed to strike lines 2 through 25; on page 12, to strike lines 1 through 20, inclusive, and to insert in lieu thereof the following:

(a) As of January 1, 1958, each employee assigned to a salary class in accordance with section 1 and section 4 of this act shall be assigned to the same numerical service step on the schedule for his class, or class and group, under this act as he occupied on December 31, 1957, except that each employee under this act who on December 31, 1957, was on a service step which was numerically higher than the highest step provided for the salary class, or class and group, to which he is assigned under section 1 of this act shall be assigned as of January 1, 1958, to the highest step provided for his salary class, or class and group, in section 1 of this act. On July 1, 1958, each permanent employee in the service of the Board who on June 30, 1958, was in such service but was not yet at the highest numerical service step for his salary class, or class and group, in section 1 of this act shall be assigned to the numerical service step for his class, or class and group, in section 1 of this act next above the step occupied by him on June 30, 1958. As soon as possible thereafter, and not later than June 30, 1959, the Board shall reevaluate the previous service of each probationary and permanent employee under this act who served in the public schools of the District of Columbia prior to July 1, 1955, who also was in service in such schools on July 1, 1958, and who on July 1, 1955, was not assigned to the highest numerical service step of the existing salary schedule for his class, or class and group, to determine the number of years of service with which the employee shall be newly credited for the purpose of salary placement. All such employees shall be given placement credit for previous service in accordance with the provisions of this act governing the placement, advancement, and promotion of employees who are newly appointed, reappointed, or reassigned to positions in the District of Columbia public schools.

(b) As soon as such reevaluation is completed for all employees involved, each such employee shall be assigned to the numerical service step for his salary class, or class and group, under this act next above the step corresponding to the number of his years of creditable service rendered prior to July 1, 1958, as determined by such reevaluation, but no employee shall receive a salary above the top step for his class, or class and group, or below the step already occupied by him. If such reevaluation places the employee on a higher numerical service step than the one

already occupied by him, he shall receive the full annual salary at the higher step for the year beginning July 1, 1958. If by such reevaluation the employee in any year since June 30, 1955, and prior to July 1, 1958, would have been placed on a higher service step than the one actually occupied by him in such year, he shall receive an amount equal to the difference between the total salary previously received by him under this act for all such years and the total salary which he would have received on the higher steps for those years in accordance with such reevaluation. Beginning on July 1, 1959, each permanent employee who has not yet reached the highest service step for his salary class, or class and group, under this act shall advance one such step each year until he reaches the highest step for his class, or class and group.

Mr. BEALL. Mr. President, approximately 350 public-school teachers and officers have endured a salary inequity for a number of years. Teachers who were awarded master's degrees during the years 1947 through 1955 lost credit, for pay purposes, of from 1 to 5 years of teaching experience prior to the awarding of the master's degree. The case of one such teacher will be presented here. It shows the seemingly impossible situation of a teacher with a master's degree who makes less salary than if she held only a bachelor's degree.

To clarify the nature of this inequity, two representative cases are cited.

Miss X started teaching in 1947; she has taught for 11 consecutive years. She holds only the bachelor's degree. Salary, $5,500, 11th step of the bachelor's degree scale.

Miss Shelley started teaching in 1947; she has taught 11 consecutive years. She holds a bachelor's degree and a master's degree. Her master's degree was awarded in 1951. Salary $5,360, seventh step of the master's degree scale.

From the above facts we observe that Miss Shelley is receiving $140 per year less than what she would get if she had not earned a master's degree.

Miss Shelley should be getting $6,000, 11th step of master's degree scale.

Miss Shelley is losing $640 per year.

From 1955 to 1958 Miss Shelley lost $640 per year, totaling $1,920.

From 1951 to 1955 Miss Shelley lost $400 per year, totaling $1,600.

Miss Shelley has suffered a total loss of $3,520.

It is my conviction that these teachers who have endured this inequity are, by all standards of justice and fair play, entitled to redress. Therefore, I strongly request that correction of this inequity be made retroactive to 1955. The bills proposed by both the District of Columbia Education Association and the Board of Education, namely S. 3988 and S. 3734, contained provisions for correction of this inequity, retroactive to 1955. The unanimous endorsement of this provision by the Board of Education indicates clearly the justice of my appeal.

The total cost of rectifying this error retroactively to 1955 would be $725,000.

The Commissioners of the District of Columbia have assured the Senate District Committee that, though they feel there does exist a pay inequity for these people, they cannot recommend that they be paid retroactively to July 1, 1955. S. 3957 does correct this inequity upon its passage, but does not grant any back pay to the teachers who were wronged. For this reason, Mr. President, I urge the adoption of their amendment to S. 3957.

Mr. BIBLE. Mr. President, I regretfully must disagree with the position taken by the distinguished Senator from Maryland with regard to the amendment he has offered. I know his keen interest in this subject. The proposal was thoroughly discussed in the subcommittee. His amendment would make the bill retroactive as far back as July 1955, some 3 years. The amendment was offered in committee and was fully considered. It was rejected by the committee, and, therefore, I must, with regret, oppose the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Maryland [Mr. BEALL].

The amendment was rejected.

Mr. BIBLE. Mr. President, on behalf of the Senator from Delaware [Mr. FREAR] and the Senator from Kentucky [Mr. MORTON], and myself, I offer an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, line 1, it is proposed to strike out the comma after section 1.

Pages 4, 5, and 6, strike out the salary schedule and insert in lieu thereof the following salary schedule:

Salary class and position	Service step 1 (minimum)	Service step 2	Service step 3	Service step 4	Service step 5	Service step 6	Service step 7	Service step 8	Service step 9	Service step 10	Service step 11	Service step 12	Service step 13
Class 1: Superintendent of schools	$19,000												
Class 2: Deputy superintendent	14,600	$14,850	$15,100	$15,350	$15,600	$15,850	$16,100	$16,350	$16,600				
Class 3: Assistant superintendent; president, teachers college	12,800	13,050	13,300	13,550	13,800	14,050	14,300	14,550	14,800				
Class 4: Dean, teachers college	11,700	11,950	12,200	12,450	12,700	12,950	13,200	13,450	13,700				
Class 5:													
Group B, master's degree	10,200	10,450	10,700	10,950	11,200	11,450	11,700	11,950	12,200				
Group C, master's degree plus 30 credit hours	10,400	10,650	10,900	11,150	11,400	11,650	11,900	12,150	12,400				
Dean of students, teachers college.													
Executive assistant to superintendent.													
Psychiatrist.													
Class 6:													
Group A, bachelor's degree	9,300	9,550	9,800	10,050	10,300	10,550	10,800	11,050	11,300				
Group B, master's degree	9,800	10,050	10,300	10,550	10,800	11,050	11,300	11,550	11,800				
Group C, master's degree plus 30 credit hours	10,000	10,250	10,500	10,750	11,000	11,250	11,500	11,750	12,000				
Director, Department of Food Services.													
Class 7:													
Group B, master's degree	9,200	9,450	9,700	9,950	10,200	10,450	10,700	10,950	11,200				
Group C, master's degree plus 30 credit hours	9,400	9,650	9,900	10,150	10,400	10,650	10,900	11,150	11,400				
Administrative assistant to deputy superintendent.													
Director.													
Principal, senior high school.													
Chief examiner.													
Registrar, teachers college.													
Principal, vocational high school.													
Class 8:													
Group B, master's degree	8,800	9,050	9,300	9,550	9,800	10,050	10,300	10,550	10,800				
Group C, master's degree plus 30 credit hours	9,000	9,250	9,500	9,750	10,000	10,250	10,500	10,750	11,000				
Professor, teachers college.													
Principal, junior high school.													
Principal, Americanization School.													
Principal, Capitol Page School.													
Supervising director.													
Class 9:													
Group B, master's degree	8,400	8,650	8,900	9,150	9,400	9,650	9,900	10,150	10,400				
Group C, master's degree plus 30 credit hours	8,600	8,850	9,100	9,350	9,600	9,850	10,100	10,350	10,600				
Director, Department of School Attendance and Work permits.													
Principal, elementary school.													
Assistant principal, senior high school.													
Assistant principal, vocational high school.													
Class 10:													
Group A, bachelor's degree	7,500	7,750	8,000	8,250	8,500	8,750	9,000	9,250	9,500				
Group B, master's degree	8,000	8,250	8,500	8,750	9,000	9,250	9,500	9,750	10,000				
Group C, master's degree plus 30 credit hours	8,200	8,450	8,700	8,950	9,200	9,450	9,700	9,950	10,200				
Assistant Director, Department of Food Services.													
Assistant principal, junior high school.													
Assistant principal, Americanization School.													

Salary class and position	Service step 1 (minimum)	Service step 2	Service step 3	Service step 4	Service step 5	Service step 6	Service step 7	Service step 8	Service step 9	Service step 10	Service step 11	Service step 12	Service step 13
Class 11:													
Group B, master's degree	$7,600	$7,850	$8,100	$8,350	$8,600	$8,850	$9,100	$9,350	$9,600				
Group C, master's degree plus 30 credit hours	7,800	8,050	8,300	8,550	8,800	9,050	9,300	9,550	9,800				
Associate professor, teachers college.													
Assistant principal, elementary school.													
Class 12:													
Group B, master's degree	7,200	7,450	7,700	7,950	8,200	8,450	8,700	8,950	9,200				
Group C, master's degree plus 30 credit hours	7,400	7,650	7,900	8,150	8,400	8,600	8,900	9,150	9,400				
Assistant director.													
Statistician.													
Class 13:													
Group B, master's degree	6,500	6,750	7,000	7,250	7,500	7,750	8,000	8,250	8,500				
Group C, master's degree plus 30 credit hours	6,700	6,950	7,200	7,450	7,700	7,950	8,200	8,450	8,700				
Assistant professor, teachers college.													
Chief librarian, teachers college.													
Assistant.													
Supervisor.													
Chief attendance officer.													
Clinical psychologist.													
Class 14:													
Group B, master's degree	5,800	6,050	6,300	6,550	6,800	7,050	7,300	7,550	7,800				
Group C, master's degree plus 30 credit hours	6,000	6,250	6,500	6,750	7,000	7,250	7,500	7,750	8,000				
Psychiatric social worker.													
Class 15:													
Group A, bachelor's degree	4,500	4,700	4,900	5,100	5,300	5,500	5,700	5,900	6,100	$6,300	$6,500	$6,700	$6,900
Group B, master's degree	5,000	5,200	5,400	5,600	5,800	6,000	6,200	6,400	6,600	6,800	7,000	7,200	7,400
Group C, master's degree plus 30 credit hours	5,200	5,400	5,600	5,800	6,000	6,200	6,400	6,600	6,800	7,000	7,200	7,400	7,600
Attendance officer.													
Census supervisor.													
Child labor inspector.													
Counselor.													
Instructor, teachers college.													
Librarian.													
Research assistant.													
School psychologist.													
School social worker.													
Teacher, elementary and secondary schools.													

On page 10, lines 10 and 11, strike the word "appriate" and insert in lieu thereof "appropriate."

On page 12, line 24, strike the comma after the word "Act" and insert in lieu thereof a period.

Page 17, strike the salary schedule at the top of the page and insert in lieu thereof the following salary schedule:

Classification	Step 1	Step 2	Step 3
	Per diem		
SUMMER SCHOOLS (REGULAR)			
Teacher, elementary and secondary schools; instructor, teachers college	$17.63	$20.07	$22.50
Assistant professor, teachers college	20.98	23.78	26.58
Associate professor, teachers college	23.71	26.88	30.04
Principal, elementary school; assistant principal, senior high school	24.68	28.10	31.50
Supervising Director; principal, junior high school	25.56	29.10	32.62
Professor, teachers college	26.45	29.99	33.51
Principal, senior high school	26.45	30.11	33.75
	Per diem		
VETERANS SUMMER HIGH SCHOOL CENTER			
Teacher	$26.45	$30.10	$33.75
	Per period		
EVENING SCHOOLS			
Teacher	$4.60	$5.01	$5.50
Principal, elementary school; assistant principal, secondary school	6.03	6.87	7.71
Principal, secondary school	6.46	7.36	8.26

Page 20, line 2, strike out the word "Guiance" and insert in lieu thereof "Guidance."

Page 20, line 7, strike the word "contain" and insert in lieu thereof "contained."

Mr. BIBLE. Mr. President, the purpose of the amendment is to provide for an increase of approximately 17.8 percent in the salaries of schoolteachers and professional staff members under the Board of Education of the District of Columbia. This would cost for the coming year some $8,300,000, and includes retirement and retroactive pay to January 1 of this year.

The bill as submitted by the Commissioners of the District of Columbia and as approved by the House of Representatives called for a salary increase of 13.7 percent, at a cost of about $5,990,000.

I have great sympathy with the views expressed by my able colleagues on the Committee on the District of Columbia. The amendment sponsored by the Senator from Wisconsin [Mr. PROXMIRE] called for an increase of some 21 percent at a cost of about $9,824,000.

The task of the committee was not an easy one. It was to attempt to strike a balance which was fair to the teachers and was realistic of accomplishment. The amendment which I have offered on behalf of myself and my colleagues will, if adopted, place the minimum salary scale of teachers in the District of Columbia on a basis equal to that of teachers anywhere in the entire country, including Los Angeles and San Francisco. The amendment, if adopted, will place teachers having the degree of master of arts in first place, even with the city of San Francisco. Those having the degree of master of arts plus 30 hours will be in second rank, with only the city of San Francisco paying a higher beginning salary in that particular classification.

As to teachers in the highest rank, this particular amendment would place the city of Washington in third place, to be outranked, at a beginning salary, only by the cities of San Francisco and Los Angeles.

On the maximum salary portion of the bill, the amendment, if adopted, would place those employed in the school system of Washington, and having the degree of bachelor of arts, in fourth place among comparable cities of the United States. I think the population figure for the cities compared is 500,000 or over.

The amendment would place those having the degree of master of arts in third place, and would place those having the degree of master of arts plus 30 hours in fourth place. It would place those having the highest level to be recognized in fifth place in terms of maximum salary schedules.

In our attempt to prepare a bill which was fair to the teachers, I think we have placed the teachers in a much better financial position, a position which will enable our Board of Education to compete for teaching talent and to attract the type and quality of personnel which is needed by the school system of the District of Columbia.

In my 4 years of service on the Committee on the District of Columbia, the committee has done its best to raise the levels of teachers' salaries to make them competitive and to make the positions attractive to the profession. I think this amendment will help to accomplish that purpose.

In answer to the argument of the Senator from Pennsylvania [Mr. CLARK], I simply wish to correct what I know was an inadvertent misstatement on his part. I understood him to say that we had recently passed a bill to construct a municipal stadium which would cost

some $50 million. I think the actual fact is that the best estimate available is that the cost will be in the neighborhood of $7 million or $8 million. I know the Senator would want to have the RECORD corrected in that respect.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BIBLE. I yield.

Mr. CLARK. I am grateful to the Senator from Nevada for having called my mistake to my attention. I am happy to take the word of the distinguished chairman of the committee for the fact that I was in error. I should like to have the RECORD corrected. I was under the impression it was a $50 million guaranty. I am glad to be corrected.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. BIBLE. I yield.

Mr. MORSE. Despite the correction, I say that even $7 million or $8 million is still too much to pay for a stadium until teachers are taken care of properly.

Mr. CLARK. We have to admit that it is only a guaranty, so far as the stadium is concerned. Presumably only the first 3 years will show a loss.

Mr. BIBLE. I think, in fairness to all concerned it should be made very clear that the stadium construction would not proceed until there was an absolute underwriting of the project.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. BIBLE. I yield.

Mr. PROXMIRE. I very reluctantly agreed to accept this amendment, not in the interest of educational realism, but in the interest of and on the basis of political realism. I have been convinced by persons who have far greater experience than I have in the Senate and in Congress that this is the best way in which we can get an increase for the teachers of the District.

The chairman of the Committee on the District of Columbia has done magnificent work to solve this problem. He deserves a world of credit for the very wonderful way in which he has handled the bill. In my judgment, he deserves much thanks from the teachers of the District of Columbia.

Mr. BIBLE. I appreciate the sentiments expressed by the Senator from Wisconsin. I certainly reciprocate his sentiments. In fact, I shall reciprocate to the extent of asking that the Senator from Wisconsin be appointed one of the conferees on the part of the Senate to resolve this particular problem. I know he will do capable work in that capacity.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BIBLE. I yield.

Mr. CLARK. I indicate my complete agreement with what the Senator from Wisconsin has just said and with what the Senator from Oregon said a minute or two ago. I express the strong hope that the reduction which we are now about to vote will be the irreducible minimum in conference, and that we shall fight in conference to the very end to maintain the reduced scale of increases which is about to be adopted by the Senate, although very reluctantly, as I am certain my friend from Nevada knows, on the part of many of us.

Mr. BIBLE. I appreciate the sentiments of the Senator from Pennsylvania. I am sure that a majority of the conferees to be named on the part of the Senate will be strong advocates of even a higher salary scale for the teachers than that now being considered, so they will have ample opportunity to hold the fort, so to speak.

Mr. MORSE. Mr. President, I support the very able presentation made by the distinguished and soundly liberal Senator from Wisconsin [Mr. PROXMIRE] on the question of a salary increase for teachers in the District of Columbia. I do so with the reservation that the 17.8 percent increased proposed by the amendment offered by the chairman of the committee is the minimum increase which deserves our support in the Senate.

I wish to make it very clear, as did the Senator from Pennsylvania [Mr. CLARK] and the Senator from Wisconsin [Mr. PROXMIRE], that the Senator from Nevada [Mr. BIBLE] is deserving of a vote of thanks by all who are interested in improving educational standards in the District of Columbia. As the chairman of the committee, it was necessary for him to help iron out, on the anvil of reasonable compromise, the best bill we could get. As I said earlier in the debate this afternoon, we counted noses, and "This is it." We still have, in my judgment, some negotiating to do in conference in order to get even this bill.

But I think it would be most unfair if the Senator from Nevada [Mr. BIBLE] were to be subjected to any adverse comment because of the adoption of this amendment, since it was only through his leadership, in my judgment, that we have any bill at all tonight.

What the Senator from Wisconsin [Mr. PROXMIRE] and the Senator from Pennsylvania [Mr. CLARK] have done with respect to the biill also deserves our thanks. In fact, the educational program of the Nation received a tremendous boost when the Senator from Wisconsin was elected to the United States Senate. He has already made a great record in this body in working toward and fighting for improved educational programs in the United States.

I feel certain that the able floor leader of the bill shares my sentiment, for in good conscience we could make an excellent case for a much higher increase than that which is now being considered.

We must bear in mind that this bill is but an approach to a desirable goal—the goal of an equitable financial recognition for the foster parents of our children, the teachers in our public schools.

What does this bill provide to which legitimate objection can be taken? Is it that the entrance salary of $4,600 a year is too high for a teacher whose training has, at the very least, taken place during 4 years spent at an accredited institution of higher learning? This cannot be, for we have recognized in legislation considered earlier, an entrance salary of $4,800 a year for our police and firemen, and I hasten to add, that although I regard the police and fire entrance salary as a most proper and reasonable one for those worthy categories of public servants, I must respectfully point out that the kind and quality of teachers training necessary for appointment and accreditation is deserving of at the least substantially similar recognition.

Is the argument advanced that the percentage raise is too great? To this argument, at least the following points should be entered in refutation: First, a percentage increase is meaningful only to the extent that the data upon which it is based are thoroughly understood. If the existing structure is, in itself, inequitable, reflecting past inadequacies, then a percentage figure derived from that base only compounds and continues the inequity. Second, and in elaboration of the foregoing, let us inquire into the dollar-and-cents aspect of the bill as it affects the beginning teacher.

At present, a probational teacher with a bachelor of arts degree receives $3,900 per annum, upon appointment; an entering fireman receives $4,193; or for the teacher there is an adverse differential of $293 a year. Under legislation, as passed by the Senate and the House of Representatives, a fireman will start at $4,800 a year; while, under the pending legislation, the entrance salary of a teacher with a bachelor of arts degree will be $4,500 a year. Under the 17.8 percent increase provided by the amendment, therefore, the adverse differential, instead of being overcome, is rather in fact, increased by $7 a year. To accept a percentage increase in teacher's pay lower than that provided by the pending bill, on the plea of maintaining an equity between the teachers and other employee groups within the organizational structure of the government of the District of Columbia, simply is not justified by the evidence. The city officials who made that argument should go back to grade school to learn how to add, subtract, and multiply, because their testimony was not mathematically sound. The facts of the situation, Mr. President, do not uphold their untenable argument. Therefore, that argument should not be given color or sanction by the Senate.

From time to time, here in the Senate, we discuss the question of parity. As my record will show, over the years I have fought for parity for farmers. Today, I plead with my colleagues to give to the teachers of the District of Columbia, the less than 33 percent of parity that this bill represents. It will not bring them, as a group, up to the standards so eloquently argued for by the representatives of the National Educational Association before the committee, when they advocated a 63 percent increase in teachers' pay; but at least it will hold the line, and will not acquiesce in the relatively retrograde proposals which, in the guise of a 13.7 percent increase, conceal an increasingly adverse differential in pay for the teachers as compared to the pay for the police and firemen.

Mr. President, I shall vote for the amendment only with the pledge on my lips that in the next session of Congress

and in every other session of Congress in which I serve, I shall continue to fight until the Congress enacts legislation which does justice to the teachers and does justice to the schoolchildren of the District of Columbia.

I close by saying that the most inexcusable waste of which a democratic people can be guilty is the waste of human resources. But this year the Congressional representatives of a democratic people are once again going to close the books of a session of Congress with a continuation of an inexcusable waste of human resources, because the Congress is not willing to come to grips with the educational problems of the District of Columbia and is not willing to provide, for the schoolchildren of the District of Columbia, the justice they are entitled to receive from the representatives of the free people of this Republic.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). The question is on agreeing to the amendment offered by the Senator from Nevada [Mr. BIBLE], for himself and other Senators.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and read the third time.

Mr. BIBLE. Mr. President, before the question on final passage of the bill is put, I should like to express, as chairman of the committee, my thanks to the Senator from Delaware [Mr. FREAR], the chairman of the subcommittee which considered the bill, who is out of the city today, on official business, and thus is unable to be present in the Chamber; and I should also like to express my thanks to each Senator who has spoken in support of legislation which will be fair to teachers.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement which I have had prepared on Senate bill 3957, as now amended.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The committee had before it three major proposals during the hearings. The Commissioners favored a bill providing for a 13.7 percent increase, the Board of Education recommended a 32 percent increase, while the District of Columbia Education Association sought to obtain a 63 percent increase.

The Fiscal Affairs Subcommittee reported to the full committee the Commissioners' proposal for a 13.7 percent overall increase, with certain classification amendments, relating to the salary of the Superintendent of Schools, the position of the principal of the Capitol Page School, the relative salary position of principals and assistant principals, and the salary rates for supervising directors.

The full committee, by majority vote, recommended to the Senate the Commissioners' proposal in an amended form to provide for an overall increase of approximately 20 percent, together with additional classification adjustments.

The amendments which have just been adopted provide for an overall increase of approximately 17.8 percent instead of the 20 percent reported by the committee. (H. R. 13132 provides for an overall increase of approximately 14 percent.)

The purpose of this bill, as amended, is to amend the District of Columbia Teachers Salary Act of 1955, to increase the rate of pay for schoolteachers and officers covered under that act.

S. 3957 increases the minimum rate for a teacher with a bachelor's degree from the present $3,900 to $4,500 (15.4 percent) and the maximum from $5,800 to $6,900 (19 percent), increases the salary of the Superintendent of Schools from $18,000 to $19,000 (5.6 percent), and provides an upward revision of the entire pay schedule in section 1 averaging approximately 17.8 percent. It also changes the groupings of some of the officers' positions from those existing under the 1955 Salary Act.

In addition to the amendments to section 1, it includes amendments to various other sections of the Salary Act of 1955, relating to qualification requirements for appointment of shop teachers in the vocational education program; authorizing a study and evaluation of all positions in the schedule; providing for reevaluation of service credit of certain employees, adjustment resulting therefrom to be effective July 1, 1958; defining more specifically what shall be considered creditable service for salary placement; including a salary schedule for summer and evening school employees; and directing the elimination of dual supervision in certain departments of the public schools. There are other amendments primarily changing dates and classes resulting from the amendments described. The effective date of the bill is January 1, 1958.

S. 3957 also revises the position of assistant principal in the schedule to provide an $800 salary differential between the principal and assistant principal at each of the school levels. The change is also reflected in the schedule for evening and summer school employees. Prior to the 1955 act the differential was $500; the 1955 act increased the differential at the senior high school level to $1,600 and at the junior high school level to $1,300. This bill provides for a differential of $800, which was recommended by the Board of Education.

S. 3957 as amended also differs from S. 3957 as introduced in that it advances the position of the principal of Capitol Page School to class 8 and supervising directors to class 8; it designates that the Board of Education, with the cooperation of the Board of Commissioners, shall make the study provided for in section 5, rather than the Board of Commissioners with cooperation of the Board of Education (it accomplishes the same objective but affords the Board of Education the initiative); it provides in effect by way of practical application that in the departments of art, business education, English, foreign languages, guidance and placement, history, home economics, industrial arts, mathematics, military science and tactics, music, science, trade and industrial education, and health, physical education, athletics, and safety, there be henceforth but one person at the head of these departments and any others that may hereafter be established (at present there are two coordinate supervising directors in charge of some of these departments); and it assigns principals of vocational high schools to class 7 rather than class 8 and places them on a parity with senior high school principals.

The cost of this legislation is estimated to be approximately $8,300,000, including retroactive pay and retirement for the first year.

DIFFERENCES

S. 3957: Minimum (bachelor of arts), $3,900 to $4,500 (15.4 percent); maximum $5,800 to 6,900 (19 percent); superintendent of schools, $18,000 to $19,000 (5.6 percent). Revision of entire pay schedule averaging approximately 17.8 percent. Estimated cost, including retroactive pay and retirement for the first year, $8,300,000.

H. R. 13132: Minimum (bachelor of arts), $3,900 to $4,500 (15.4 percent); maximum, $5,800 to $6,600 (13.8 percent); superintendent of schools, $18,000 to $19,000 (5.6 percent). Revision of the entire pay schedule averaging approximately 14 percent. Estimated cost, including retroactive pay and retirement for fiscal year, $5,990,000. (January 1, 1958, through June 30, 1959.)

Mr. BIBLE. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1873, House bill 13132, to amend the District of Columbia Teachers' Salary Act of 1955.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 13132) to amend the District of Columbia Teachers' Salary Act of 1955.

Mr. BIBLE. Mr. President, I move that all after the enacting clause of the bill be stricken out, and that there be inserted, in lieu thereof, the text of Senate bill 3957, as amended today by the Senate.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to.

The PRESIDING OFFICER. The question now is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 13132) was read the third time and passed.

Mr. BIBLE. Mr. President, I move that Calendar No. 1838, Senate bill 3957, be indefinitely postponed.

The motion was agreed to.

AMENDMENT OF FEDERAL CIVIL DEFENSE ACT OF 1950

Mr. BIBLE. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1866, House bill 7576, to further amend the Federal Civil Defense Act of 1950, as amended, and for other purposes.

The motion was agreed to; and the Senate proceeded to the consideration of the bill (H. R. 7576) to further amend the Federal Civil Defense Act of 1950, as amended, and for other purposes, which had been reported from the Committee on Armed Services, with amendments, on page 2, line 22, after the word "expenses", to insert a colon and *"Provided further,* That the authority to pay travel and per diem expenses of students as authorized by this subsection shall terminate on June 30, 1964"; on page 3, line 5, after the word "That", to insert "until June 30, 1964,"; in line 17, after the word "land", to insert a colon and *"Provided further,* That after June 30, 1964, no contribution shall be made for the purchase of personal equipment for State or local civil defense workers."; on page 6, line 5, after the word "director", to insert "or deputy director"; on page 8, line 3, after "201 (g)", to strike out the parentheses and the period following; after line 3, to insert:

(h) The provisions of this section terminate on June 30, 1964.

On page 9, after line 7, to insert a new section, as follows:

SEC. 6. Section 406 of the act is amended by striking the period at the end thereof and inserting a colon and the following: "*Provided further*, That appropriations for the payment of travel and per diem expenses for students under section 201 (e) shall not exceed $300,000 per annum; appropriations for expenditures under the fourth proviso of section 201 (h) (donation of radiological instruments, et cetera) shall not exceed $35,000,000 per annum; appropriations for contribution to the States for personal equipment for State and local workers, under section 201 (i) shall not exceed $2,000,000 per annum; appropriations for contributions to the States for personnel and administrative expenses under section 205 shall not exceed $25,000,000 per annum."

And, after line 21, to insert a new section, as follows:

SEC. 7. Title IV of the act is amended by adding the following new section thereto:

"APPLICABILITY OF REORGANIZATION PLAN NO. 1

"SEC. 413. The applicability of Reorganization Plan No. 1 of 1958 (23 F. R. 4991) shall extend to any amendment of this act except as otherwise expressly provided in such amendment."

Mr. BIBLE. Mr. President, the general objective of House bill 7576, which was reported unanimously from the distinguished Armed Services Committee and is cleared on both sides of the aisle, is to expand Federal assistance in the field of civil defense, so that responsibility for this vital area of national security will be vested jointly in the Federal Government and the several States and their political subdivisions

I ask unanimous consent to have printed at this point in the RECORD an excerpt from the committee report which sets forth the purpose, background, and explanation of the bill.

There being no objection, the excerpt from the report (No. 1831) was ordered to be printed in the RECORD, as follows:

PURPOSE

The general objective of this bill is to expand Federal assistance in the field of civil defense. In furtherance of such an objective, the bill would make the following changes in existing procedures:

1. The declaration of policy in the Federal Civil Defense Act would be changed to declare that the responsibility for civil defense shall be vested jointly in the Federal Government and the several States and their political subdivisions. The responsibility now is primarily that of the States and their subdivisions with the Federal Government providing coordination and guidance.

2. The Federal Government would be authorized to purchase radiological instruments and detection devices such as Geiger counters and to grant them to the States.

3. A prohibition against Federal financial contributions to States for civil-defense personnel and administrative expenses or for personal equipment for State and local civil defense workers would be repealed.

4. A limitation of $100,000 on amounts authorized to be appropriated annually for travel expenses and per diem allowances for attendance at civil-defense schools or classes would be repealed. A new limitation of $300,000 per year is established and a new requirement that the States must pay one-half of these expenses is prescribed. The total cost is now borne by the Federal Government within the limitation of $100,000.

5. Construction projects financed with the assistance of Federal funds would be made subject to the Davis-Bacon Act. Employees on these projects would have to be paid time and one-half for overtime work in excess of 8 hours a day or 40 hours a week.

BACKGROUND AND EXPLANATION

The bill is a consolidation of two legislative proposals of the Federal Civil Defense Administration that are a part of the President's program. The bills reflect House amendments that are explained later in the report.

Division of responsibility

Since enactment of the Federal Civil Defense Act of 1950, the subject of the proper division of responsibility for national civil defense has been considered by many groups, committees, and organizations, including the Committee on Intergovernmental Relations and the 1956 governors conferences. Most of the recommendations resulting from such consideration suggest that the Federal Government should assume primary responsibility in this field. The Federal Civil Defense Administration, however, considers that State and local efforts are of such importance that the responsibility for civil defense should be declared a joint one between the Federal Government and the States and their political subdivisions. Accordingly, this bill would amend the Congressional declaration of policy and intent to make the responsibility a joint one.

Grants of radiological instruments and detection devices

Under section 201 of the act, the Federal Civil Defense Administrator now has authority to procure materials and facilities and to place them where they might be most useful in an emergency. This authority is not broad enough to authorize the grant of radiological instruments, detection devices, protective masks, gas detection kits, and similar equipment to the States. This authority would be granted by the bill to provide for a more extensive national program for defense against radioactive fallout.

S. 315 of the 85th Congress, a bill introduced by Senator SMITH of Maine, proposes to confer the authority contemplated by this part of the bill.

The Administrator would be authorized to prescribe the terms and conditions governing transfer of the instruments. These terms and conditions would prescribe standards of care, maintenance, storage, and training in the use of the instruments.

The authority to grant radiological instruments and similar devices is limited to a 5-year period and not more than $35 million may be appropriated for this purpose in any one year.

Federal assistance to States for personnel and administrative expenses

A proviso in the Federal Civil Defense Act prohibits Federal contributions for State or local personnel and administrative expenses or for items of personal equipment for State or local workers. Section 4 of the bill would provide specific authorization for Federal financial assistance to the States for these purposes. This authority is desired because of a conclusion that the development of an adequate civil-defense capability at local levels requires a staff of experienced, trained, full-time specialists, at least in the top positions, in each civil-defense organization. Most of the States and their political subdivisions have considered that they were unable by themselves to support and maintain such a civil-defense staff.

Elimination of the restriction against contributions to the States for the cost of personal equipment for State and local civil-defense workers is desired primarily to permit the Federal Government to bear a part of the cost of providing uniforms. It is anticipated that these uniforms would be limited to persons performing police, fire, and rescue work in order that they might be readily identifiable by the general public in an emergency. Failure of such recognition has resulted in confusion during test exercise. The problem has been acute in connection with traffic control.

Federal assistance for administrative and personnel expenses and for items of personal equipment would still be subject to a 50-percent contribution toward these costs by the States and local governments.

To be eligible for Federal assistance for personnel and administrative expenses the States must submit plans to the Administrator, including the following minimum standards:

1. The plan must be statewide and administered by a single State agency.

2. The States will share the costs from any source determined to be consistent with State law. (This permits division of costs between States and political subdivisions.)

3. Provision must be made for development of State and local civil-defense operational plans.

4. There must be a full-time State civil-defense director or deputy director and State civil-defense employees must be under a merit system.

5. The State must make such reports as may be required by the Administrator.

6. Records must be made available for audit by the Administrator and the Comptroller General.

Criteria for allocations of Federal funds for these purposes would be established by the Administrator. These factors must be considered in making allocations: (1) Criticality of target and support areas in relation to the total national defense readiness; (2) the relative civil-defense development of the State; (3) population; and (4) such other factors as the Administrator may consider appropriate.

Authority for contributions to the States for local personnel and administrative expenses and for items of personal equipment for State or local workers is limited to 5 years. Appropriations for personnel and administrative expense contributions may not exceed $25 million per year during this period, and appropriation for items of personal equipment for State and local civil-defense workers may not exceed $2 million per year during this period.

Elimination of limitation on travel expenses and per diem allowances

Public Law 928, of the 84th Congress, amended the Federal Civil Defense Act to authorize the Administrator to pay travel expenses and per diem allowances to students attending civil-defense schools. This law also placed a limitation of $100,000 on the amounts authorized to be appropriated annually for this purpose. The bill repeals the $100,000 limitation but establishes a 5-year limitation on the duration of this authority and a $300,000 maximum on amounts that may be appropriated for this purpose in any one year during the 5-year period.

This repeal is sought because of plans to expand the Federal program under which students are trained to return to the States and cities as instructors.

Applicability of Davis-Bacon Act

The Davis-Bacon Act would be made applicable to civil-defense construction financed with the assistance of Federal grants. This act provides that laborers and mechanics employed by contractors or subcontractors under Federal contracts for construction must be paid at rates not less than the prevailing wages on similar construction in the locality involved as determined by the Secretary of Labor. Moreover, these construction employees would have to be paid time and one-half for work in excess of 8 hours per day or 40 hours per week.

Under the civil-defense program contemplated at present, the applicability of these provisions would not be extensive since major construction is not now foreseen. The Davis-Bacon Act and the fair labor standards provisions would be applicable to the program for control centers, however, and for any other programs involving construction.

COMPARISON OF BILL AND FCDA PROPOSALS

The bill as it is now drawn reflects House amendments to the proposals by the executive branch.

It was proposed that the Federal Government's contributions for so-called capital expenditures not be subject to the requirement that the States must contribute 50 percent of the cost. Instead, the Federal Government would have been authorized to defray as high as 100 percent of the cost of construction for such items as shelters. This proposal was rejected as not being consistent with the concept of joint responsibility for civil defense.

Another House amendment relates to Federal contributions to the States for personnel and administrative costs. The House language provides that the Federal contributions are not to exceed 50 percent instead of prescribing that the Federal contribution would be 50 percent.

Still another change from the executive proposals is the requirement that the States must bear 50 percent of the cost of travel and per diem allowances for persons attending civil defense schools.

COST DATA

Printed below are estimates of appropriations requests for the next 5 years on the basis of authority contained in the bill. Since committee amendments limit yearly appropriations under section 3 (a) to $300,000; under section 3 (b) to $35 million; under section 3 (c) (1) to $2 million; and under section 4 to $25 million, the appropriations requests for fiscal years 1962 and 1963 may not exceed $62,300,000, instead of the estimates shown in this tabulation.

The appropriations request for fiscal year 1959 will be slightly more than $19 million for the programs involved in this bill.

Mr. CURTIS. Mr. President, will the Senator from Nevada yield to me?

Mr. BIBLE. I yield.

Mr. CURTIS. Is it the understanding of the Senator from Nevada that the bill has been reported unanimously from the Armed Services Committee?

Mr. BIBLE. It is my understanding that the bill has been reported unanimously from that committee, and that the bill has the support of both sides of the aisle.

Mr. CURTIS. I thank the Senator from Nevada.

The PRESIDING OFFICER. Without objection, the committee amendments will be considered en bloc.

The question is on agreeing to the committee amendments.

The amendments were agreed to.

Mr. SALTONSTALL. Mr. President, as I am compelled to leave the Chamber, I ask unanimous consent that a statement prepared by me on the bill be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR SALTONSTALL

A general statement of the purpose of this bill is that it would expand Federal assistance in the field of civil defense. This expansion of Federal assistance would occur in the following areas:

(1) The declaration of policy in the Federal Civil Defense Act would be changed to make the responsibility for civil defense a joint one between the Federal Government and the several States and their political subdivisions.

(2) Federal matching funds of up to 50 percent toward the cost of personnel and administrative expenses and of personal equipment for State and local civil defense workers would be authorized.

(3) The Federal Government would be authorized to purchase radiological instruments and detection devices such as Geiger counters and to grant them to the States.

(4) A limitation of $100,000 on amounts appropriated annually for travel expenses and per diem allowances of persons attending civil defense schools would be increased to $300,000 and the States would be required to bear one-half of these expenses.

The new authorization would be limited to a period of 5 years and the committee has prescribed maximums that may be appropriated for each of the new authorities granted by the bill.

When the Federal Civil Defense Act was being considered originally the State governors urged that civil defense be made the primary responsibility of States and cities. The development of the H-bomb and the increased dangers of radioactive fallout made it apparent that civil defense problems were national in scope and that Federal Government would have to assume more responsibility for financing it. Greater Federal responsibility has been recommended by Congressional committees, governors, mayors, and associations of State and local directors. This bill embraces that concept.

One of the new authorities contained in this bill is that permitting grants to the States of radiological detection instruments. By now there is a general awareness of the dangers in radioactive fallout. Knowledge of the presence and intensity of fallout could, in the event of attack, save millions of lives that otherwise would be needlessly lost.

The Independent Offices Appropriation Acts of 1956 and 1957 contained language that authorized the donated or loan to States and cities of radiological detection instruments. The senior Senator from Maine, Mrs. SMITH, introduced a separate bill, S. 315, that would confer the same authority contemplated by this part of the bill.

This authority would be effective for 5 years and the committee has prescribed a maximum of $35 million that may be appropriated for this purpose in any one year.

The second major new authority proposed by the bill is for Federal matching funds of not more than 50 percent toward the cost of personnel and administrative expenses of State civil-defense employees and for items of personal equipment for State and local civil-defense workers.

This part of the bill has been described as the heart of the proposal.

In more than one-half of the States there are less than 12 full-time civil-defense employees. Almost one-fourth of all trained professional civil-defense employees are concentrated in three States. While there are many civil-defense volunteers, their services may not be used effectively without a nucleus of trained leaders available for civil defense or national disaster relief activities such as floods, hurricanes, fires, and tornadoes.

The authorization for matching funds toward State civil-defense administrative and personnel expenses is intended to provide the hard core of trained leaders needed to direct volunteers and to implement survival plans.

The committee amendments limit the duration of this authority to 5 years and prescribe a maximum of $25 million that may be appropriated for this purpose in a single year.

To be eligible for grants under this program States must have approved civil defense programs consistent with the national plan, the plan must be statewide and administered by a single State agency, employees must be under the merit system, and there must be a full-time civil defense director, or deputy director.

The criteria for allocations of Federal funds would be established nationally. In making allocations these factors must be considered: (1) the criticalness of target and support areas in relation to the total national defense readiness; (2) the relative civil defense development of the State; (3) population; and (4) such other factors as the Administrator may consider appropriate.

The authorities for contributions to the States for the cost of personal equipment for State and local civil-defense workers is limited to $2 million a year and to a period of 5 years. This authority is sought in order that the Federal Government may bear a part of the cost of providing uniforms. It is anticipated that these uniforms would be provided for persons performing police, fire, and rescue work in order that they may be readily identifiable by the general public in an emergency.

There now is authorization for the Federal Government to appropriate $100,000 annually to defray travel expenses and to pay per diem allowances of persons attending civil-defense schools conducted by the Federal Government. This limitation of $100,000 would be increased to $300,000 and this authority would terminate after 5 years. At the same time the State governments would be required to pay one-half of the cost of these travel expenses and per diem allowances.

Under the civil-defense program now contemplated, major construction is not now foreseen. The bill, however, would make the Davis-Bacon Act applicable to civil-defense construction financed with the assistance of Federal grants and employees on civil-defense construction would have to be paid time and a half for work in excess of 8 hours per day or 40 hours per week.

The bill is a consolidation of two legislative proposals by the Federal Civil Defense Administration and it is a part of the President's program.

The first year cost is estimated to be slightly more than $19 million. Under the limitations established by the committee the maximum cost in any 1 year could be $62,300,000.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H. R. 7576) was read the third time and passed.

AGRICULTURAL ACT OF 1958

Mr. BIBLE. Mr. President, at this time I yield to my good and distinguished friend, the senior Senator from Louisiana [Mr. ELLENDER], the chairman of the Committee on Agriculture and Forestry, who is to make a most important motion.

Mr. ELLENDER. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1801, Senate bill 4071.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 4071) to provide more effective price, production adjustment, and marketing programs for various agricultural commodities.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Louisiana.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. BIBLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BIBLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Louisiana is recognized.

Mr. ELLENDER. Mr. President, I am very glad that the Senate has finally reached S. 4071, the so-called farm bill. The Committee on Agriculture and Forestry spent many days, going back to last January, hearing testimony from spokesmen representing all segments of the farm economy in an effort to get an acceptable bill before the Senate.

I would like to say at the outset that the bill which is now before the Senate does not cover all commodities, as some of us predicted early this year. After the committee had conducted hearings for a number of weeks, it became apparent to us that we could get nowhere in trying to present to the Senate an omnibus bill which would deal with all commodities, particularly milk, dairy products, and wheat. In the course of its consideration of which commodities were to be included in the bill, the committee decided to deal only with those commodities which needed assistance the most.

The laws pertaining to wheat as they are now on the statute books will remain. This means that wheat has a 55 million minimum acreage. Price supports on wheat remain at levels ranging from 75 to 90 percent of parity, depending on supply.

Dairy products are not included in this bill. This is because, as we know, the production of milk is unlimited. No restrictions are currently imposed upon the production of milk. The support price for milk and dairy products will remain at 75 to 90 percent of parity.

Price supports on tobacco remain the same, as well as price supports on peanuts, since neither of these commodities are included in the bill.

Those commodities which offered the committee compelling reasons for immediate consideration for amending the agricultural law were cotton, rice, corn, and feedgrains.

In the case of cotton, by December 31 of this year, the present law guaranteeing to small family producers of cotton a 4-acre minimum will expire. The provisions for national and State minimum cotton acreage allotments also expire this year. We are told that unless action is taken by the Congress, the national acreage for cotton for the coming crop year will be reduced to a maximum of 14.2 million acres.

Mr. President, the Senate Agriculture Committee has taken the position that if the national cotton acreage is reduced to such an amount and if the present provision which gives the Secretary of Agriculture authority to grant small farm guaranteed acreage is not extended, a very serious social problem will face our Nation. What the committee has attempted to do is to fix a floor for cotton acreage of not less than 16 million acres. We have also provided a formula whereby the cotton farmer who cultivates 10 acres or less of cotton will not find his acreage cut further.

Mr. ROBERTSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Virginia?

Mr. ELLENDER. I yield.

Mr. ROBERTSON. The junior Senator from Virginia understands there is no allotment of cotton acreage in Virginia in excess of 10 acres. Do I correctly understand that under the provisions of the bill no cotton farmer in Virginia would receive a cut in his acreage?

Mr. ELLENDER. The Senator is correct.

Mr. President, I wish to emphasize that unless the Congress acts on this bill immediately a serious social, as well as economic problem will stalk our land. Unless we have action on this bill hundreds or even thousands of small cotton growers throughout Georgia, Louisiana, Tennessee, Virginia, and other States will probably be forced to abandon their farms since they will be unable to make a living on drastically reduced acreage.

Where will they go? To the cities to join the already lengthy lines of the unemployed at the expense of our Government? What will happen to these people?

No, Mr. President, we must make some provision to protect the small family farmer—the backbone of our country's farm economy.

In order to guarantee the cotton farmer who cultivates 10 acres or less the same acreage he received in 1958, we have provided an additional 310,000 acres. If we add the 310,000 acres to the 16 million acre minimum national allotment provided in the bill, it will be seen that the measure actually provides a national minimum cotton acreage of roughly 16.3 million acres.

I wish to add, Mr. President, that the price supports for cotton would continue to be determined under existing law, insofar as those farmers who remain within their allotments are concerned. However, in order to encourage the production of more cotton, which is now necessary—and the record is replete with testimony to that effect—we have made it optional with all cotton farmers for 1959 and 1960 that if they desire to increase their acreage by as much as 40 percent they may do so, but in so doing the support price they receive will be reduced 15 parity percentage points. For example, if the Secretary of Agriculture should fix the 1959 support level for cotton at 85 percent of parity, cotton farmers who do not desire to take advantage of the authority for a 40 percent increase in acreage would receive price support at that level, that is, 85 percent of parity. Those farmers who desired to plant more acres would be permitted to do so up to a maximum of 40 percent above their allotment. Their price support would be reduced 15 points, and would be set at 70 percent of parity.

Mr. President, as I said, that is an optional provision for the cotton farmer, and would be applicable during the 1959 and 1960 crop years.

One thing I wish to stress about the bill is that it places a floor on the acreage for cotton. The bill puts cotton in the same position in which wheat now finds itself.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a short explanation of title I of the bill, which deals exclusively with cotton.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

With respect to cotton, title I provides for—

(1) A program for upland cotton for 1959 and 1960 under which producers could elect to take a 40 percent increase in their acreage allotments coupled with a 15 percent of parity reduction in price support. Price support for those not taking the lower support would be by purchase only, and Commodity Credit Corporation would be required to sell cotton at not less than 110 percent of the lower support (sec. 101);

(2) Upland and extra long staple cotton price support after 1960 at 90 percent of their respective average market prices for the preceding 3 years, but not less than 30 cents per pound for Middling inch in the case of upland cotton (sec. 102);

(3) Minimum upland cotton marketing quotas after 1960 adequate to assure a stable supply to meet world needs, but not less than the "larger" of (i) domestic consumption and exports less 1 million bales, or (ii) 10 million bales (sec. 103 (1));

(4) A minimum national upland cotton acreage allotment of 16 million acres, with each State sharing in the national allotment in the same proportion that it shared in the national allotment in 1958 (subject to adjustments pursuant to section 344 (k) of existing law) (sec. 103 (2));

(5) A new formula for computing national marketing quotas for extra long staple cotton after 1960, designed to minimize the effect of carryover. (At present the formula provides for a quota adequate to make available a normal supply, taking the estimated carryover and imports into account. Normal supply is measured by domestic consumption and exports, plus an allowance for carryover. The bill provides for a quota equal to domestic consumption and efforts, less imports, plus the additional quantity necessary to assure adequate stocks in trade channels without resort to Commodity Credit Corporation stocks. Thus the bill provides that carryover shall be taken into account only to a limited extent and only in determining the quantity (additional to domestic consumption and exports) needed to assure adequate working stocks) (sec. 103 (3));

(6) Use of a 3-year adjusted yield instead of a 5-year yield in converting the national marketing quota to a national acreage allotment (sec. 103 (4));

(7) Permanent extension of the small farm cotton allotment provisions of existing

law, with amendments to (A) increase the national reserve to meet States needs for acreage to establish minimum farm allotments to 310,000 acres; (B) increase the minimum farm allotment to 10 acres or the 1958 allotment, whichever is smaller; and (C) permit estimation of States needs after 1959 in order to save the cost of making a trial allotment to determine such needs (sec. 104);

(8) Allotment of such further acreage as may be necessary to increase each farm acreage allotment to the prescribed minimum, with provision that no part of the additional acreage allotted to States, counties, or farms by reason of provisions relating to minimum farm allotments shall be counted in computing their respective future allotments (sec. 105);

(9) Use of the previous year's allotment (instead of tillable acreage or history) as a base in making allotments, if that will facilitate effective administration (sec. 106);

(10) Retention of surrendered cotton acreage in the county so long as any cotton farmer desires it (sec. 107);

(11) Use of Middling 1 inch instead of Middling seven-eighths as the standard grade after 1960 (sec. 108);

(12) Effective August 1, 1961, increase of minimum prices for Commodity Credit Corporation sales of cotton for unrestricted use to 115 percent of the current support price, plus reasonable carrying charges; and exemption from this requirement of a quantity equal to that by which the national marketing quota is less than domestic consumption and exports (sec. 109);

(13) Express preservation of the cotton export sales program provided for by section 203 of the Agricultural Act of 1956 (sec. 110).

Mr. ELLENDER. Mr. President, another commodity with which the bill deals is rice. Rice is in the same category as cotton insofar as acreage is concerned. Today, the rice acreage is about 1,650,000 acres. Unless something is done by the Congress at the present session it is estimated that rice acreage will be reduced to 900,000 acres—in other words, rice acreage would be cut almost in half. Anybody who knows anything about farming knows very well that in those circumstances many rice farmers, particularly the smaller rice farmers, would be compelled to go out of business.

Rice farmers have equipment which is very expensive. Unless they can obtain sufficient acreage on which to use such expensive machinery and equipment, they are bound to go out of business.

In other words, in the case of rice, the minimum national and State acreage allotment provisions of the Agricultural Act of 1956 expire with the 1958 crop. The minimum national acreage allotment provided by that act is 1,652,596 acres. Without such minimum, the national allotment for 1959 would be less than 1 million acres. The bill would extend the national and State minimum allotments on a permanent basis.

For 1959 and 1960 the price support for rice would be between 75 and 90 percent of parity, but unlike the present law which fixes a minimum level within that range on the basis of supply conditions, the bill would give the Secretary of Agriculture complete discretion within this range. Beginning in 1961, the support for rice, like cotton, would be fixed without regard to parity at 90 percent of the average market price for the preceding 3 calendar years, but not less than $4 per hundredweight.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, a brief explanation of title III, dealing with rice.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TITLE III—RICE

Section 301. Extension of provision for minimum national and State rice acreage allotments: Section 301 extends on a permanent basis the national and State minimum rice acreage allotments which were provided by the Agricultural Act of 1956, and which expired with the 1958 crop. The national acreage allotment would be not less than 1,652,596 acres and would be apportioned among the States in the proportion that they shared in the 1956 acreage allotment, as follows:

State rice acreage allotments for 1956

Arizona	229
Arkansas	399,084
California	299,820
Florida	957
Illinois	20
Louisiana	475,094
Mississippi	46,683
Missouri	4,680
North Carolina	29
Oklahoma	149
South Carolina	2,847
Tennessee	517
Texas	422,390
Total apportioned to States	1,652,399
Unapportioned National reserve	197
United States total	1,652,596

Source: USDA 3534–56–5.

Section 302. Rice price support: Section 302 (a) repeals the so-called escalator clause under which the minimum support level for rice would be determined on the basis of the supply percentage, and provides that the 1959 and 1960 crops of rice will be supported at such level between 75 and 90 percent of parity as the Secretary may determine after considering the factors set out in section 401 (b) of the Agricultural Act of 1949.

Section 302 (b) provides that the 1961 and subsequent crops of rice shall be supported at 90 percent of the average price for the 3 calendar years preceding the marketing year applicable to the crop, but not less than $4 per hundredweight. The following table contains a comparison of support prices and market prices for past years and shows what the support price might have been for any one of the years 1953 to 1958 if section 302 (b) had been made applicable in that year.

Rice—Support prices, 1953–58 crops, compared with support prices as they would have been determined under the provisions of sec. 302 applicable to 1961 and subsequent crops

Marketing year beginning Aug. 1	Effective CCC support price			Average price per hundredweight received by farmers			
	Amount per hundredweight	Percent of parity	Parity price on which support based	Preceding calendar year	Average for 3 calendar years preceding beginning of marketing year	90 percent of average for 3 preceding calendar years	
						Amount	Percent of parity
1953	$4.84	90.0	$5.38	$5.87	$5.26	$4.73	87.9
1954	4.92	90.0	5.47	5.19	5.29	4.76	87.0
1955	4.66	85.0	5.48	4.57	5.21	4.69	85.6
1956	4.57	82.5	5.54	4.81	4.86	4.37	78.9
1957	4.72	82.0	5.75	4.86	4.75	4.27	74.3
1958	[1] 4.33	75.0	5.77	5.06	4.91	4.42	76.6

[1] Minimum support rate which may be increased if a combination of the rice parity price as of Aug. 1, 1958, and the supply percentage as of that date requires a higher level of support.

Mr. ELLENDER. We come now to the last commodities with which this bill deals, namely, corn and other feed grains.

One of the commodities which has given most concern to the committee has been corn. In the production of corn, unlike the production of cotton and rice, there are no penalties for farmers who fail to remain within their allotments. When allotments are made, comparatively few farmers comply with the allotments, the reason being that in the past the Secretary of Agriculture has made price support available not only for corn farmers who comply with allotments but also for noncompliers. Efforts have been made in the past 3 or 4 years to remove acreage allotments. Today the Senate has an opportunity to do that very thing.

The bill as it now stands would do away with the so-called commercial corn area. Corn produced in all ports of the United States would be treated similarly. The formula for price support would be changed, beginning with the crop year 1959.

I ask unanimous consent that there be printed at this point in my remarks a brief explanation of the provisions of the bill dealing with corn and feed grains.

There being no objection, the explanation referred to was ordered to be printed, as follows:

TITLE II—CORN AND FEED GRAINS

Section 201. Discontinuance of corn acreage allotments: Section 201 provides that corn acreage allotments and a commercial corn area will not be established for the 1959 and subsequent crops. There are no marketing penalties for corn, so that corn acreage allotments are enforced through denial of price support and denial of soil-bank payments. Furthermore, there are no minimum allotments for corn, so that at present the corn producer is faced with the choice of receiving price support for an inadequate acreage of corn or receiving no price support for corn produced on a larger acreage. Coupled with the fact that corn is largely fed on the farm where produced, this situation has resulted in widespread disregard of corn acreage allotments. In 1957 only 38.6 percent of the farms which received corn acreage allotments complied with their allotments. In 1957, with an allotment of 37,288,889 acres in a commercial area consisting of 694 counties, 52,733,620 acres were planted in the commercial area and 5,233,478 acres were put in the corn acreage reserve. In 1958 the commercial area has been

expanded to include an additional 38 counties, making 932 counties in all. The acreage allotment for this expanded commercial area for 1958 is 38,818,381 acres. The acreage planted in these 932 counties in 1957 was 54,237,000 acres, which, with the acreage placed in the corn acreage reserve in 1957 makes a total of 59,470,478 acres planted or placed in the acreage reserve. With this potential corn acreage of 59,470,478 acres, producers generally cannot afford to comply with an acreage allotment of 38,818,381 acres in order to obtain price support on the reduced production.

Corn and feed grains presented one of the most troublesome problems in the consideration of the Agricultural Act of 1956, and these commodities have been the subject of serious legislative concern and consideration in 1957 and again this year when the committee reported out S. 3441, which is now on the calendar. It appears that acreage allotments will not work for corn and that it will be fairer to all corn producers to discontinue them.

Section 202. Price support for corn and feed grains: Section 202 provides price support for corn at 90 percent of the average price received by farmers for the 3 calendar years ending last before the marketing year for the crop, but not less than $1.10 per bushel. In determining the average price, adjustment would be made to offset the effect of any abnormal quantities of low-grade corn.

Section 202 also makes price support mandatory for oats, rye, barley, and grain sorghums at a fair and reasonable level in relation to corn, but not less than 60 percent of parity. The 1957 crops of these commodities were supported at 70 percent of parity.

Section 203. Repeal of provision for corn price support in the noncommercial area: Section 203 repeals the provision for a lower rate of price support on corn outside the commercial area. This supplements section 201, which provides for discontinuance of the commercial area.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. ROBERTSON. In the State of Virginia there are only 15 counties listed as commercial-corn producers. Under the present law, farmers in those counties can receive the support, and the others cannot. What would be the effect of the proposed change in all the counties of Virginia?

Mr. ELLENDER. All the counties of Virginia would receive the same support as the 15 counties now considered to be in the commercial area.

Mr. ROBERTSON. What would that be?

Mr. ELLENDER. It would be 90 percent of the average price for the past 3 years, but not under $1.10 a bushel. That is the floor.

The support prices of other feed grains would be fixed in relation to their feed value as compared with corn, for one thing. We have a situation in which sorghum feed today has a feeding value almost as high as that of corn. Relatively speaking in that case the support price of soghum would be almost as high as that for corn.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MUNDT. I think this is as good a place as any to "button down," for the legislative history which will govern the administration of the bill if it becomes a law, the fact that the committee spent a great amount of time and gave a great amount of thought to trying to draft legislative language which would assure that 90 percent of the average price received by the farmer for corn would be related to high-grade corn. We did not want the farmer to suffer in any way from the fact that, upon occasion, there is a crop of wet corn or soft corn, or corn the quality of which, for some other reason, may be deficient. As a consequence, it sells below the market price.

We gave serious consideration at one time to the adoption of an amendment which I drafted, which would have changed the average price of corn to meet the average price received by farmers for corn related to No. 2 corn in the Chicago market.

Representatives of the Department felt that that would make the administration too complicated, but they did agree with us—and this is the point which I wish to establish for the RECORD—that that is the type of thing they would have in mind, namely, that the price of corn for the past 3 years, for which the new floor would guarantee the farmer at least 90 percent, or $1.10 a bushel, whichever was higher, would be related to a grade, type, and character of corn which normally would be produced in a good growing season, and that there would be no penalty, no deduction, and no loss of any kind to the farmer because of a low standard quality of corn which might have prevailed in any of the 3 marketing years. Will the chairman add some reassuring language of his own to show that this is the legislative history, and that is what the committee had in mind?

Mr. ELLENDER. That is exactly what the committee had in mind. The Senator well remembers that this year there has been a great deal of wet corn. The committee felt that corn of that character should not be taken into consideration in fixing the average price, but that only good merchantable corn should be taken into consideration.

Mr. MUNDT. Precisely. What we are doing is guaranteeing the farmer 90 percent of the average market price of corn under good normal growing conditions.

Mr. ELLENDER. Good merchantable corn is the standard.

Mr. MUNDT. That is correct. It is not meant to relate the 90-percent price support guaranty to the actual sales conditions involving corn over the past 3 years, but rather that it should be related to the price which would have been received had the farmer been able to take to market a good standard grade of corn.

Mr. ELLENDER. That is correct.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. LANGER. I should like to ask the distinguished Senator from South Dakota whether or not all of South Dakota is in the commercial area?

Mr. MUNDT. No. A number of counties are in the commercial area and a number are not, although more counties in the great agricultural State of South Dakota are in the commercial corn area than is the case in Virginia, where more cotton and tobacco is raised than we raise in South Dakota.

Mr. ELLENDER. Any county which is not now in the commercial area in the Senator's State will receive the same price for corn produced there as is received for corn produced in the commercial area. No distinction will be made.

Mr. LANGER. There will be no 25 cent differential.

Mr. ELLENDER. That is correct.

Mr. MUNDT. All corn will be treated alike, and all counties will be treated alike.

Mr. SYMINGTON. Mr. President, will the Senator yield

Mr. ELLENDER. I yield.

Mr. SYMINGTON. Let me say to the distinguished chairman of the committee that there is one point which worries me with respect to the corn situation. Is it not true that if we operate on the basis of 90 percent of the average price received in the preceeding 3 years, in effect we shall go off the parity principle with respect to corn

Mr. ELLENDER. The Senator is correct, except that, in effect, we retain the parity principle by providing that the price of corn shall not be less than $1.10 per bushel. As to all other grains, 60 percent of parity would be a floor.

Mr. SYMINGTON. Does that include corn?

Mr. ELLENDER. As I have said, it includes corn indirectly. The price of corn cannot be under $1.10. That is about 62 or 63 percent of parity as of today. The $1.10 floor beneath the support price for corn is not expressed as a percentage of parity, but it can always be related to parity. As to other grains, the distinguished Senator from North Dakota raised the point in committee that we ought to establish some kind of floor. What we did was to provide that the minimum price support for other feed grains could not be less than 60 percent of parity.

Mr. SYMINGTON. Is it not true that actually there is no price support related to parity with respect to corn, but only the $1.10 floor? This means less and less, as the value of the dollar declines. In the last 6 to 8 months the value of the dollar has declined 2 percent. If the drop continues, we may find that the $1.10 price support for corn will actually be a price, from the standpoint of parity, considerably less than the estimated 60 percent.

Mr. ELLENDER. The parity formula itself is also affected by such factors, I might say to my good friend from Missouri. It is a complicated formula. In my humble judgment, although the minimum price floor on corn is $1.10, dollar-wise, it would seem to me that there is little likelihood that it would be less than 60 percent of parity. I hope that it never represents less than 60 percent of parity. I might also point out that the dollar-and-cents minimum would apply to all corn grown in the United States, without regard to any artificial commercial corn area, and without acreage controls. If I were a corn farmer, I would not ob-

ject to a lower support price for corn in return for authority to plant unlimited acreage. I feel sure the cotton or rice farmers in my State would be happy to receive price support at 60 percent of parity if they could plant all the cotton or rice they desired and receive price support on their total production at that level.

Mr. SYMINGTON. Is it not true that there is already considerable discussion about the desirability of eliminating the $1.10 provision, and that at a press conference the other day the Secretary of Agriculture recommended that the minimum dollar figures be eliminated?

Mr. ELLENDER. Let me be frank with my good friend and say that I do not know.

Mr. SYMINGTON. I believe he said he had serious misgivings concerning the floors. He recommended that the cotton and rice floors be lowered.

Mr. ELLENDER. Probably lowered, but not eliminated.

Mr. SYMINGTON. Is it not a fair statement to say that the premise of $1.10 minimum price support on corn has no connection to parity? Is this not an attempt to eliminate the concept of parity with respect to corn immediately and later on with respect to other agricultural products?

Mr. ELLENDER. As I indicated to my friend, the parity formula remains in effect as a floor for all feed grains except corn.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. YOUNG. The 60 percent minimum support for feed grains is something new. This is the first time that we are providing minimum mandatory supports on feed grains. Up to now it has been optional. It is true that 60 percent is a very low support. However, it is better than nothing.

Mr. ELLENDER. Under present law, the minimum support level for feed grains is zero.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. SYMINGTON. I should like to ask the distinguished Senator from North Dakota if he believes that the 60-percent figure on other feed grains is a fair price to the farmers of America.

Mr. YOUNG. Personally, I should like to see it considerably higher. It would be wiser to set it higher. However, I do believe it cannot be done at this time, and that this is the best we can do.

Mr. SYMINGTON. In my State the price on wheat is about 78 percent of parity. Would the distinguished Senator be willing to reduce the support on wheat to 60 percent of parity along with feed grains?

Mr. YOUNG. An entirely different situation obtains with respect to wheat. Any farmer can plant 15 acres of wheat and market it free of penalty. In other words, he gets a free ride to that extent. The commercial wheat farmers must abide by quotas, which means a cut of about one-third in their allotment. The feed grain producers have no such provision applied to them.

Mr. SYMINGTON. Is the Senator willing to have applied to wheat the same general theory of price supports at 90 percent of the average price during the 3 previous years?

Mr. YOUNG. No; I am not. However, I believe feed grains are in a little different category, in that most of them are fed. I do not like the concept of providing price supports based on 90 percent of the average price of the previous 3 years and departing from the concept of parity.

Mr. SYMINGTON. Let us forget feed grains for a moment. Let us talk about cotton. After 2 years, under the provisions of the bill, the cotton farmers of my State will also be on the basis of 90 percent of the average price during the previous 3 years. Is that not applicable to wheat?

Mr. YOUNG. I am far from an authority on cotton. If the Senators from the cotton-producing States agree to that program, I am perfectly willing to go along with it. I believe there is a minimum price provision for cotton in the bill.

Mr. SYMINGTON. There is—30 cents per pound. My only point in bringing up the discussion is that it seems to me that we have before us a bill which contains provisions dealing with cotton, some on corn and feed grains, and a program for rice. There is nothing in the bill about dairy products, and nothing about any other products. It worries me a great deal, because the farm representatives in my State are worried about the other products that are not being considered in the bill.

In addition to that, they are worried about the obvious intention on the part of the Department of Agriculture to get away from the parity principle. I believe it is fair to say that that is the desire of the Department of Agriculture. If we pass the bill in its present form, we would go a long way toward satisfying that aim.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. ROBERTSON. With respect to the effect of the bill on corn producers of Virginia, the junior Senator from Virginia has indicated that there are 15 counties in the commercial corn area. Assuming the corn farmers in those counties of Virginia received the national average of $1.36, the minimum the farmers could get under the bill would be $1.10, but they could also get more. Is that correct?

Mr. ELLENDER. They could get $1.36, if $1.36 is 90 percent of the 3-year average price. They will get whatever price is fixed, but in no case less than $1.10.

Mr. ROBERTSON. The present national average is $1.36.

Mr. ELLENDER. As I recall, the evidence produced at the hearings indicated that in 1959, 90 percent of the average price for the 3 past years would not be $1.36. At any rate, corn farmers would get whatever that price might be. It could be $1.32 or $1.36, $1.20 or $1.14, but in no case could it be less than $1.10.

Mr. ROBERTSON. All the corn growers would get support, and those in the 15 counties of the commercial area would get only slightly less support, and perhaps not any less support.

Is it not true that if something is not done to solve the corn problem, the acreage will have to be cut back to about 38 million acres, or a cut of about 16 million acres?

Mr. ELLENDER. That is under the present law. The Secretary of Agriculture fixes an acreage allotment for corn. I think it has ranged from 36 million acres to as much as 49 million acres, if I recall the figures correctly. Because the acreage quota was so low, only 38.6 percent of the farmers of the Nation complied with it. But for those who did not comply, the Secretary of Agriculture nevertheless saw fit to fix a price support just a little lower than for those who complied. That created a very satisfactory situation for corn farmers. No penalties were imposed upon those who exceeded their quota, and, in addition, they received price support. As a result, few farmers were desirous of complying with the allotments when price support for noncompliers was only a few cents less than for compliers.

Mr. ROBERTSON. I received a letter from the Under Secretary of Agriculture, to whom I addressed an inquiry about the corn situation. I do not have the letter with me, but in it the Under Secretary indicated that without some change, a very drastic cut would have to be made in the authorized acreage for corn.

Mr. ELLENDER. I would have to read the letter to reply fully to the Senator. However, as the Senator knows, 2 years ago we tried to increase corn acreage from 36 or 39 million acres to as much as 51 million acres. That suggestion was enacted by Congress but was rejected by the farmers. Under the bill before the Senate, corn growers, no matter where they are located, would receive the same treatment, so far as price supports are concerned. In addition there would be no acreage limitation on corn as a condition for receiving price support.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. SYMINGTON. Will the Senator comment on why he thinks there has been such a lack of conformity in the commercial corn areas?

Mr. ELLENDER. It is because the acreage allotments were very low. As I remember, they ranged from 36 million to about 49 million acres. Farmers in the commercial area alone planted as many as 56 million acres.

Mr. SYMINGTON. As I recall, the Secretary of Agriculture, after first saying that nothing would be given to noncompliers, in 1956 gave $1.25 a bushel price support and in 1957 gave $1.10 a bushel. Is not that correct?

Mr. ELLENDER. I do not recall the exact amounts, but I know that during the first year of the Soil Bank, compliers were to get $1.50 a bushel, and noncompliers $1.25. Of course, as I have pointed out to the Senate several times, that

broke the Soil Bank. Very few people complied with allotted acres. They preferred to plant all they could, because the difference between the support price paid to those who complied and that paid to noncompliers was only 25 cents a bushel.

Mr. SYMINGTON. What the Senator is really saying is that any program which ostensibly controls, but actually does not control, can only fail. I believe that when the Secretary of Agriculture said that the noncompliers would get nothing, and the compliers would get $1.50, and then for reasons best known to himself gave the noncompliers $1.25, he was in effect nullifying any possibility of the success of his program.

The Senator from Virginia [Mr. ROBERTSON] spoke of raising of corn in Virginia. My brother raises cattle in Virginia. He has been a farmer ever since he left college. That is all he has ever done.

If the parity principle is denied to corn and feed grains as completely as the Department of Agriculture wants to deny it, and the price continues to decline, in a relatively short time the prices of livestock will be at disastrous levels from the standpoint of the future economic welfare of the farmer.

Mr. ELLENDER. I do not like to disagree with my good friend, the Senator from Missouri, but what maintains the price for cattle is a stabilized price for corn.

Mr. SYMINGTON. I agree, if it is stabilized at a reasonable level.

Mr. ELLENDER. Exactly.

Mr. SYMINGTON. But if the prices on grain are lowered as provided in this bill——

Mr. ELLENDER. But the facts are these, as the Senator knows: Practically no attempt has been made by corn farmers to comply with allotments. The Senator from Missouri knows that.

Mr. SYMINGTON. Does the Senator think that we can avoid low livestock prices if we allow corn and feed grain prices to decline? If we are to maintain prices we need some controls. The only way to establish effective Government control is to control.

Mr. ELLENDER. We tried to impose penalties on corn in the same manner as cotton, rice, and other products, but we were never able to accomplish that feat. That was before the Senator from Missouri came to the Senate. We tried to impose the same penalties on corn noncompliers as we did on noncomplying producers of other basic crops. But we were told that corn was a commodity which was mainly marketed through livestock, meats, dairy products, and so forth, and that since corn is used mostly as feed on the farm, it is not in the same category as cotton and rice. Therefore, it escaped a penalty.

But the point I emphasize is that the number of acres of corn planted in the past has not been very much disturbed. There has been very little cutback in the acreage, particularly in the commercial areas. Farmers were permitted to, and did, plant practically all they could plant—all that they needed.

The bill imposes no acreage quotas on the production of corn and feed grains. But there is the price-support stabilizer, of which I spoke, so that it will be known that corn and feed grain will not go below a certain figure.

Mr. SYMINGTON. I have watched with great admiration the functioning of the distinguished senior Senator from Louisiana on the Committee on Agriculture and on other committees. I know he is a reasoned thinker and an able, experienced Senator. What worries me is something which, for example, is comparable to what might happen in business in the matter of patents. In the case of a patent, one either conforms or does not conform. If he does not conform, he brings about chaos so far as he is concerned.

The facts, as I understand them, are that in 1956 the Secretary of Agriculture, who may well have been desirous of proving his point by creating a form of chaos, put up $179 million of the taxpayers' money for the Soil Bank, and justified it on the ground that doing so would reduce production. The program ended with 222 million more bushels of corn that year.

Furthermore, he or his representative made an incredible mistake, which is very difficult to understand, based upon any desire he had to have the program succeed, by not stipulating that there should be cross-compliance. As a result, many farmers in my State first got a good, healthy check for not producing corn and putting land in the Soil Bank. At the same time, in the same year, they produced on their farms more feed grain, having great nutritional value, than ever before in the history of farming.

On the basis of what I have just presented, it appears to me to be obvious that the Department of Agriculture has operated at times in an effort to make these programs costly and wasteful to the American taxpayer.

Now the Department says the way to solve the problem is not to control more adequately the programs presented, but to eliminate any concept of parity.

I very well remember the first farm talk I ever heard in the Senate, when I had the privilege to come here 5 years ago. It was made by the distinguished senior Senator from Louisiana, in which he pointed out that the total loss on the six basic commodities for the 20 years from 1933 to 1953, inclusive, was $20 million, and that in those 20 years the total loss on all crops because of the price supports, including the approximately $490 million loss on potatoes, was a little more than $1 billion, and that therefore the parity principle, under a Secretary of Agriculture who believed in a "fair break" for the farmer, as against the returns to the other segments of the economy, worked most successfully for those 20 years; but under this administration, in recent years it has been, and is now, costing the American people billions of dollars annually.

Therefore, I am one who believes that if we operate and manage on the basis of the principles which worked so well between 1933 and 1953, we shall be much better off than if we eliminate the fundamental concept of parity, namely, a fair economic return to the farmer, in relation to the economic returns to the other segments of the economy.

Mr. President, I thank the Senator from Louisiana for allowing me this time.

Basically, how can we have a guaranteed minimum wage law for labor, a guaranteed higher price of money for the bankers, and tariffs for industry, but expect the farmer to operate without any real support? That is what worries me about this proposed legislation.

Mr. ROBERTSON. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. ROBERTSON. I was very happy to hear my distinguished friend, the Senator from Missouri [Mr. SYMINGTON], say he has a brother who is in the cattle business in Virginia. I do not have to tell him or his brother or all others in Virginia who are engaged in the cattle business, which never has had a support price, that they are now on top, among all the farming groups in my State.

On the point of whether preservation of the parity price on corn will break the backs of our cattlemen, I would not presume to predict what the price of cattle will be, because many other elements, in addition to the price of corn, enter into that equation. For instance, there could be overproduction.

I wish to call attention to the fact that corn is produced in considerable quantities in all the counties of Virginia. In the 15 counties which produce enough to be classified as commercial growers, with the result that they are entitled to the $1.36 price on a certain percentage of parity, so few farmers have ever put any corn in storage and have gotten a Government loan on it that that amount of corn does not constitute a drop in the bucket. I was surprised to find that it really amounts to virtually nothing. Either those who grow the corn did not comply, or else the corn was sold on the commercial market, because Virginia never produces as much corn as it consumes; and the same is true of wheat.

The one group of farmers who are in the best position, from the standpoint of parity, are the tobacco farmers. They have an assured 90 percent of parity. But today they are the unhappiest group of Virginia farmers, because the average Virginia flue cured tobacco allotment has gotten down to 2.9 acres. The average allotment for burley tobacco in the Southwest is now down to sixty-five one-hundredths of an acre. But no farmer can make a living from the production from 2.9 acres of land, regardless of what the parity price might be—not even if the parity price were 100 percent.

I believe there is an amendment to provide 110 percent of parity for the woolgrowers. But, Mr. President, even if the tobacco farmer receives 110 percent of parity, he will not be able to make enough money farming 2.9 acres to be able to support his family and

buy the necessary machinery and the other things which are required for economical production.

As to the effect of the proposed cut in acreage, I should like to call attention to page 9 of the committee report. I assume that the report is accurate, and I now read from it:

In 1957 only 38.6 percent of the farms which received corn acreage allotments complied with their allotments.

Mr. ELLENDER. That is the figure I gave.

Mr. ROBERTSON. In other words, only a little more than one-third of them.

Mr. SYMINGTON. Mr. President, will the Senator from Virginia yield to me?

Mr. ROBERTSON. I ask the Senator from Missouri to wait a moment, please.

The Senator stated that it was very poorly enforced, and that after they did not comply, they still were given more than was coming to them. But that is another matter.

I read further from the report:

In 1957, with an allotment of 37,288,889 acres in a commercial area consisting of 894 counties, 52,733,620 acres were planted in the commercial area and 5,233,478 acres were put in the corn acreage reserve. In 1958 the commercial area has been expanded to include an additional 38 counties, making 932 counties in all. The acreage allotment for this expanded commercial area for 1958 is 38,818,381 acres.

That is about what I said.

I read further from the report:

The acreage planted in these 932 counties in 1957 was 54,237,000 acres, which, with the acreage placed in the corn acreage reserve in 1957 makes a total of 59,470,478 acres planted or placed in the acreage reserve. With this potential corn acreage of 59,470,478 acres, producers generally cannot afford to comply with an acreage allotment of 38,818,381 acres in order to obtain price support on the reduced production.

Mr. ELLENDER. Mr. President, the Senator from Virginia has enumerated the reasons why we have removed the acreage allotments in the pending bill, and would let corn be planted without any allotment whatever. The same goes for other feed grains.

I wish to repeat what I said to my good friend, the Senator from Missouri—namely, that, in my humble judgment, what has made the price of hogs and the price of cattle stable, or, actually, rise a little, is the fact that there were stable prices for corn and other feed grains.

The pending bill would keep those prices stable.

It may be true that in the course of time there may be lower price support for corn, as expressed in percentage of parity, but it cannot go under $1.10 a bushel.

Mr. SYMINGTON. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. SYMINGTON. I know the Senator would not want to adopt, as an axiom, a statement that the lower the price support, the more stability.

But I would point out to the distinguished Senator from Virginia that in the case of corn there is no minimum acreage, as there is for cotton, where the limitation is approximately 17½ million acres; or as there is in the case of wheat, for which the limitation is approximately 55 million acres.

Therefore, the national acreage allotment for corn has been reduced to a point where many farmers cannot afford to comply. In addition, if one did not comply, he would get a fairly good price, anyway. Naturally, that did not help the control.

So far as livestock is concerned, let me say to my dear friend, the Senator from Virginia, that the livestock situation in my State is the same as that in his State.

But there are other aspects of that problem which should be considered. First, we have had an extended drought; and a great many foundation herds were liquidated.

Second, the low prices and abundant supplies of feed grains are encouraging farmers to feed large numbers of cattle. Many persons are now holding cattle off the market to rebuild their foundation herds.

I believe it is interesting to note that whereas 150 years ago 90 percent of the people of the country were engaged in the production of food, the number has now been reduced until today it is only 12 percent of the population. Therefore, there has been a steady decrease in the number of persons in that occupation.

It is a fact that farm population declined more in the year 1957 than in the 30-year period between 1910 and 1940.

A recent USDA report showed that there are 16 percent more livestock on feed than there were a year ago. As soon as these cattle begin coming to market there will be a decline in livestock prices. That drop will be accelerated and accentuated in proportion to the lowering of price support on feed grains.

Mr. ROBERTSON. Mr. President, will the Senator from Louisiana permit an observation?

Mr. ELLENDER. I yield for that purpose.

Mr. ROBERTSON. When the junior Senator from Virginia is in doubt, he falls back on Thomas Jefferson's philosophy. Thomas Jefferson said, in effect, that if we turned to Washington for help we would soon look to Washington for bread. The experience of the farmers of Virginia has been that they do better when the heavy hand of the Government is not laid on them. There is no control on the production of cattle, chickens, and turkeys. Farmers who deal in them have to be efficient. The price of cattle had gotten down to 17 or 18 cents. But good cattle sold last fall for 30 cents. Before that, the price of cattle had gone up to about 30 cents. So cattle farmers have done well on the whole, except for the few city fellows who thought there was money in cattle production and decided to go in the business and bought cattle. They took a loss because they did not know the game. They bought at the peak, and then they were forced out of business. But the farmers of Virginia who have been in the cattle business through good times and bad are glad the Government has never regulated the production of cattle, although regulation has been proposed.

The Senator from Missouri knows something about farming, as well as politics and other subjects. We do not want the Government guessing what we should do 2 or 3 years ahead. The best supported and the best administered program, which has not cost the Government anything, is the tobacco program; but tobacco farmers are becoming exceedingly restless about tobacco allotments which are constantly reduced. There is not a tobacco farmer in Virginia who now has 10 acres planted to that crop. The average is down to 2.6 acres. He is being controlled to death.

The Farm Bureau Federation in Virginia takes the position that, while they want reasonable control in view of the prices, the farmers should be allowed to operate under conditions as they used to be, and not only be given a little more personal liberty, but be permitted to do some of the guessing, rather than let the Government do it. President Woodrow Wilson said he did not want any group in Washington behind closed doors playing Providence to him. I remind the Senator that he was a great statesman. He also came from Virginia, as the Senator from Missouri knows.

Mr. SYMINGTON. Mr. President, will the Senator from Louisiana yield to me so I may ask a question of the Senator from Virginia?

Mr. ELLENDER. I yield for that purpose.

Mr. SYMINGTON. Regardless of the size of the tobacco farms in Virginia, when the Virginia tobacco farmers have been given an opportunity to vote on the question whether they would take acreage allotments and marketing quotas in order to get a higher price, they have always voted for acreage allotments and quotas in order to get the higher price. Is that correct?

Mr. ROBERTSON. That is true, but they were hoping and praying that the Government would not keep cutting down their quotas. They would vote for such controls, and then the allotments would be cut down again. Peanuts, tobacco, and cotton farmers cannot take any more cuts and keep going.

Mr. SYMINGTON. The Senator would agree, would he not, that the Virginia tobacco farmers are, in his opinion, intelligent? If we are to carry out the thought expressed by the Senator from Virginia, as I understand his line of reasoning, the farmers have consistently voted against their own interests.

Mr. ROBERTSON. The junior Senator from Virginia thinks all the farmers in Virginia are intelligent, but certain groups have done better than others financially.

Mr. SYMINGTON. Would the Senator from Virginia want to apply the same standard of Thomas Jefferson to great industries I have noticed in such fine towns as Danville, Va., where synthetics are manufactured. Would the Senator want to apply the same test to the question whether tariffs should be imposed to protect an industry in Virginia that he would apply to the farmers in

Virginia? Is it not proper for manufacturers in Virginia who face the problem of 13 cents an hour foreign labor in foreign countries to come to their Government and ask for a tariff?

Mr. ROBERTSON. The junior Senator from Virginia served for 10 years on the House Ways and Means Committee. During that time he helped write tariff legislation. He also worked on the Cordell Hull trade program. The junior Senator from Virginia has made a study of the tariff history from the Democratic standpoint.

The junior Senator from Virginia is not going to do what his friend the junior Senator from Mississippi [Mr. STENNIS] referred to when he spoke about the man from Mississippi who said he was going to write an impartial history of the War Between the States from the southern viewpoint. The junior Senator from Virginia was trying to get at the actual facts of tariff history.

At one time the only difference between the Democratic Party and the Republican Party of which I was aware was that the Republican Party was in favor of high tariffs and the Democratic Party was in favor of low tariffs. It was stated that sewing machines and other products could be made in this country and sold abroad. The better thinking among members of the Democratic Party on the subject of tariffs was that efficient industry should be protected from unfair competition. For example, if Japan where the cost of labor was low and the workingmen were skillful, produced commodities which were in competition with commodities produced by us we had to have some tariff protection, on the basis that the industry was essential to the interests of this country and we did not want to crucify it. However, it had to be an efficient industry; there should not be an umbrella of absolute protection for all industry.

For that reason, I do not think the reciprocal trade program has been too well administered in the past few years. In any event, the junior Senator from Virginia voted to try it out for 3 more years. Industry is entitled to some protection. So are our farmers. But there should not be an extreme on either side.

The farm bureau in Virginia wants to minimize Government controls. We want to get away from, if we can, excessive acreage controls and decreased production in return for a very small increase in price.

Mr. SYMINGTON. Mr. President, will the Senator from Virginia yield for a further observation?

Mr. ELLENDER. I yield for that purpose.

Mr. SYMINGTON. When I first came to the Senate, in January 1953, the distinguished Senator from Georgia [Mr. RUSSELL] made a speech in which he said the percentage of the total population of the United States in the business of agriculture had been reduced to 13 percent, and, nevertheless, that 13 percent was getting only 6 percent of the national income.

A few weeks ago I had occasion to check this figure again. I found that farm population is now 12 percent. That 12 percent of the population is now getting only 3½ percent of the national income. In other words, in the 5-year period, which until recently has been a period of general prosperity for labor, banking, and industry, the position of the farmer has steadily declined to one of greater inequality. The more I have seen of the operations of the Department of Agriculture during this period of time, and particularly since I have had the honor of serving on the Committee on Agriculture and Forestry, of which the distinguished Senator from Louisiana is the chairman, the more I have become convinced that the basic problem is the determination of the Secretary of Agriculture to force the farmer into a free and open market. At the same time there is disregard for the minimum wage law, the guaranteed protection in the form of tariffs and other supports for the other segments of the economy. If this condition continues, without Congress stepping in and demanding a halt, within a few years the percentage of the population engaged in agriculture will be far less than 12 percent, and their income will be even less than 3½ percent of the national income.

I thank the Senator from Louisiana.

Mr. ROBERTSON. Mr. President, will the Senator yield for another observation?

Mr. ELLENDER. I yield.

Mr. ROBERTSON. The Senator from Virginia wants to make it crystal clear that throughout the years he has always taken the position our farmers have not had a proper share of the national income. The Senator from Virginia knew a few years ago that 13 percent of the population engaged in farming were getting 6 percent of the national income. Now the farm population is down to 12 percent. The Senator from Virginia had not seen the latest figures, but they are distressing.

The Senator from Virginia feels he may not be able to support all the multitudinous amendments, but that on the basis of the bill, as to cotton, wheat, rice—no rice is produced in Virginia—the bill would modify a little bit the support price in return for a much bigger production. In that way the farmer could get more income, and bring up his percentage of the national income. In that respect the Senator from Virginia thinks it is a good bill. It is not a question of whether the Senator from Virginia thinks business ought to have tariffs, or labor ought to have a minimum wage, and the farmer not have anything. The farmer for years has not received a just return for feeding the Nation, as well as feeding many people in foreign countries.

Mr. ELLENDER. Mr. President, it is not my desire to detain the Senate any longer, but I wish to emphasize, as I stated in my opening remarks, that the bill is essential if the producers of rice and cotton—particularly the small farmers—are to remain in business. Unless the bill is enacted into law, the cotton and rice farmers may find themselves in the same position as the tobacco farmers, as just described by the distinguished Senator from Virginia.

Let me summarize the cotton provisions briefly.

In the case of cotton the minimum national, State, and farm acreage allotment provisions of the Agricultural Act of 1956 expire with the 1958 crop. They provided for a minimum national acreage allotment of 17,391,304 acres; minimum State allotments to prevent any State from losing more than 1 percent of its share of the national allotment per year; and minimum farm acreage allotments of 4 acres or the highest acreage planted in the preceding 3 years, whichever is smaller. The total acreage allotted under these provisions in 1958 is 17,554,528 acres. In the absence of any legislation, it is estimated that the national acreage allotment for 1959 might be about 14.2 million acres and that would be the total acreage allotted. This would present both the cotton farmer and the cotton trade with a very difficult situation, especially since due to bad weather and other factors, there is already a shortage in some qualities. The bill would remedy this by providing a minimum national allotment of 16 million acres; minimum State allotments to maintain each State's relative share of the national allotment; and minimum farm allotments equal to 10 acres or the 1958 farm allotment, whichever is smaller. This last provision recognizes that while the farms having allotments of 4 acres or less have been protected from further cuts during 1957 and 1958, the larger farms have not. The bill would prevent any farm whose allotment had been cut to 10 acres or less in 1958 from being reduced further. A 310,000-acre reserve, in addition to the national acreage allotment, is provided so that States and counties may meet these small farm requirements without reducing the acreage allotments of other farmers substantially. Sufficient acreage will be provided in any event to assure every farm of the minimum allotment.

In a further move to provide more acreage for those farmers for whom efficiency of operations require larger acreage, the bill provides that for each of the 1959 and 1960 crops each farm operator may, at his election, have his upland cotton acreage allotment increased by 40 percent. In order to obtain such increase he must agree to accept price support at 15 parity percentage points below the support level determined on the basis of the existing law. The additional acreage would not count as history in the computation of future allotments. Farmers not electing to take such increase in acreage would receive price support as provided by existing law.

Beginning with the 1961 crop, the support price for cotton would no longer be determined in relation to parity, but would be fixed at 90 percent of the average market price for the preceding 3 calendar years. The support level for upland cotton would not, however, be less than 30 cents per pound for Middling inch.

With respect to rice, the bill provides for: First, permanent extension of the present minimum national and State

acreage allotments; second, price support for 1959 and 1960 at between 75 and 90 percent of parity wtihout regard to the supply percentage; and, third, price support beginning in 1961 at 90 percent of the 3-year average price, but not less than $4 per hundredweight.

In the case of corn, the bill discontinues acreage allotments and the determination of a commercial area completely, beginning with the 1959 crop. Also beginning with the 1959 crop, corn price support would be fixed at 90 percent of the average market price for the preceding 3 calendar years, but not less than $1.10 per bushel. With the discontinuance of allotments there would no longer be variations in corn support prices among cooperators and noncooperators or between producers in the commercial area and producers outside such area. Only 38.6 percent of the farms receiving corn acreage allotments last year complied with them. With an allotment of 37,288,889 acres there were 57,967,098 acres planted or put into the corn acreage reserve program last year.

Support for the price of feed grains would be mandatory under the bill at levels fair and reasonable in relation to corn, but not less than 60 percent of parity. These commodities have all been supported on a discretionary basis for a number of years at levels well above 60 percent of parity.

In addition to the provisions just discussed, which are the principal provisions of the bill, the bill also provides for the following:

First, a minimum national upland cotton quota, beginning with the 1961 crop, adequate to assure a stable supply to meet world needs, but not less than the larger of 10 million bales or 1 million bales less than domestic consumption and exports.

Second, a new formula for computing extra long staple cotton marketing quotas, beginning with 1961, which would give less weight to carryover than does the present formula.

Third, use of a 3-year adjusted yield, instead of a 5-year yield, in converting national cotton marketing quotas into acreage allotments.

Fourth, authority to use the previous year's allotments as a base in making farm cotton acreage allotments. This method could be used by the Secretary if he found that it would facilitate administration. It would not affect the minimum farm allotment provisions, but would be used in lieu of the methods prescribed by sections 344 (f) (2) or (6) in allotting the remainder of the county allotment after the minimum farm allotments had been taken care of.

Fifth, retention of surrendered cotton acreage in the county so long as any cotton farmer desires it. This would prevent the county committee from surrendering to the State committee allotted acreage which had been surrendered by any farmer in the county, so long as any other cotton farmer in the county desired it.

Sixth, with the change in 1961 from parity to average market price as a basis for cotton price support, the support price for upland cotton would be based on the average designated spot market price for Middling inch cotton and would be applied to that quality of cotton with appropriate adjustments for grade, location, and other factors. Middling seven-eighths would therefore no longer be the standard grade.

Seventh, several changes would be made with respect to the minimum price fixed by section 407 of the Agricultural Act of 1949 for the sale of cotton by the Commodity Credit Corporation. During each of the marketing years applicable to the 1959 and 1960 crops the Corporation would be directed to sell upland cotton at not less than 110 percent of the lower of the two levels of support applicable to the crop marketed in that year. This would tend to prevent the market price from rising to the higher support level and giving the farmer who had chosen the larger allotment the advantage of the higher support level as well. Effective with the beginning of the marketing year for the 1961 crop, the minimum resale price for all cotton would be increased to 115 percent of the current support level, plus reasonable carrying charges; and an amount of cotton equal to the amount by which the estimated domestic consumption and exports exceed the national marketing quota would be exempted from these resale price restrictions. This increase in the minimum resale price would tend to encourage the trade to carry the inventory needed by it, rather than letting the cotton go to Commodity Credit Corporation. Exemption from the sales price restriction of the quantity by which needs exceed the amount to be produced would tend to provide a continuous stable supply at reasonable prices.

Mr. President, the bill is a good bill—it is the best bill we can obtain under the circumstances. I urge the Senate to pass it promptly.

Mr. YOUNG. Mr. President, I call up my amendment, offered for myself and the distinguished senior Senator from South Dakota [Mr. MUNDT], identified as 6-30-58-A.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add the following new title:

TITLE IV—WOOL

SEC. 401. (a) Section 703 of the National Wool Act of 1954 is amended by striking out "March 31, 1959" and inserting in lieu thereof "March 31, 1963."

(b) The first sentence of section 704 of such act is amended by striking out the proviso contained therein.

(c) Section 705 of such act is amended by inserting after the first sentence thereof the following: "In addition to the amounts appropriated by the foregoing sentence, there are hereby authorized to be appropriated such further amounts as may be necessary to carry out the purposes of this act."

Mr. YOUNG. Mr. President, I wish to modify my amendment according to a further amendment which I now send to the desk and ask to have stated.

The PRESIDING OFFICER. The Senator has a right to modify his amendment.

Mr. YOUNG. The new language appears in the blueprint.

The PRESIDING OFFICER. The modification will be stated for the information of the Senate.

The LEGISLATIVE CLERK. The following modification is proposed:

TITLE IV—WOOL

SEC. 401. (a) Section 703 of the National Wool Act of 1954 is amended by striking out "March 31, 1959" and inserting in lieu thereof "March 31, 1963."

(b) The first sentence of section 704 of such act is amended by striking out the proviso contained therein.

(c) Section 705 of such act is amended by inserting after the first sentence thereof the following: "In addition to the amounts appropriated by the foregoing sentence, there are hereby authorized to be appropriated such further amounts as may be necessary to carry out the purposes of this act; but notwithstanding any prior announcement of the support level, no price support shall be made available through payments for any marketing year (beginning with the marketing year beginning in 1959) at a level in excess of 85 percent of the parity price for the commodity as of the beginning of such marketing year, if the Secretary in his best judgment determines that the expenditures to be made by the Commodity Credit Corporation in connection with payments to producers under this title with respect to wool and mohair marketed during such marketing year will exceed the percent of gross receipts specified in the proviso of the foregoing sentence for the calendar year ending in such marketing year. The Secretary when determining the level of support to be announced in advance of the beginning of any marketing year, may estimate the parity price as of the beginning of such marketing year and the parity price so estimated shall be used and regarded as final for the purposes of the foregoing sentence."

Mr. YOUNG. Mr. President, the present law with respect to wool, which has been in operation 3 years and which we are now seeking to extend, provides for an incentive program. The law provided an incentive to encourage greater production of wool in the United States. The Secretary was permitted to support wool prices up to 110 percent of parity.

In effect the modifying language which I have offered would provide a ceiling of 85 percent of parity on wool supports. The present situation is that under the program the payments are made from the receipts from 70 percent of the specific duties on wool. The Secretary under the act could support wool up to 110 percent of parity if there were sufficient funds available from the tariff, but there will not be sufficient funds available from this source. In effect, the top level at which the Secretary of Agriculture would be able to support wool in future years, or for the duration of the act, would be 85 percent of parity, unless the Secretary should ask for additional funds or there were sufficient funds available from the tariff receipts.

Mr. BARRETT. Mr. President, will the Senator yield to me?

Mr. YOUNG. I am happy to yield to the Senator from Wyoming.

Mr. BARRETT. At the outset let me thank the distinguished junior Senator from North Dakota, a distinguished member of the Committee on Agriculture and Forestry, for offering the wool bill as an amendment to the farm bill.

Forty-seven Senators joined me in the introduction of the wool bill, S. 2861,

which was reported by the Committee on Agriculture and Forestry on April 21 last.

Mr. President, I ask unanimous consent that the names of the Senators who cosponsored the wool bill may be printed in the RECORD at this point.

There being no objection, the names of the Senators were ordered to be printed in the RECORD, as follows:

Mr. BARRETT, Mr. O'MAHONEY, Mr. AIKEN, Mr. ALLOTT, Mr. ANDERSON, Mr. BEALL, Mr. BENNETT, Mr. BIBLE, Mr. BRICKER, Mr. CAPEHART, Mr. CARLSON, Mr. CARROLL, Mr. CASE of South Dakota, Mr. CHAVEZ, Mr. CHURCH, Mr. COOPER, Mr. CURTIS, Mr. DWORSHAK, Mr. GOLDWATER, Mr. HICKENLOOPER, Mr. HRUSKA, Mr. HUMPHREY, Mr. JACKSON, Mr. JENNER, Mr. KENNEDY, Mr. KNOWLAND, Mr. KUCHEL, Mr. LANGER, Mr. MAGNUSON, Mr. MALONE, Mr. MANSFIELD, Mr. MARTIN of Iowa, Mr. MCNAMARA, Mr. MORSE, Mr. MORTON, Mr. MUNDT, Mr. MURRAY, Mr. NEUBERGER, Mr. PAYNE, Mr. POTTER, Mr. REVERCOMB, Mr. SALTONSTALL, Mr. SCHOEPPEL, Mr. SYMINGTON, Mr. THYE, Mr. WATKINS, Mr. YARBOROUGH, and Mr. YOUNG.

Mr. BARRETT. Mr. President, the distinguished junior Senator from North Dakota [Mr. YOUNG] discussed with me the provisions of his amendment, which, generally, fixes a limit of 85 percent on the payments under the Wool Act.

I am entirely in agreement with that provision. It is true that during the 1955 and 1956 marketing years the payments under the act equaled 106 percent of parity. The payments during the 1957 marketing year amounted to 101 percent of parity. When the incentive payments were set for this marketing year last fall they were at 95 percent of parity. At the present time, if the incentive level were set at 62 cents a pound, it would be at 87 percent of parity.

Mr. President, the Wool Act expires after payments on this year's wool clip. The Wool Act must be extended if we are to keep the sheep industry safely on the road to recovery.

Wool occupies a unique position in our agricultural economy. We have surplus supplies of every agricultural commodity save and except wool and sugar. We produce less than half of our domestic demand for wool and a third for sugar. The Sugar Act, in my opinion, has proved sound and equitable for both the producers and consumers.

From January 1, 1942, to January 1, 1958, the sheep population of the United States dropped from 49,807,000 to 27,300,000. Our country has grown from 80 million people in 1880 to 172 million, yet we have fewer sheep today than we had in 1880.

No doubt about it, the wool growers of America were in a desperate condition when the Wool Act was put on the books 4 years ago. The price-support program of loans and purchases for wool at 90 percent of parity in effect prior to that time had proved completely ineffective. The end result of the Government-support program was to stockpile domestic wool in the hands of the Government while foreign producers captured the American market practically in its entirety.

I am confident that the Wool Act has proved to be as fair and equitable as the Sugar Act. The five important provisions of the Wool Act are as follows:

First. The Congress declared its policy to encourage an annual production of 300 million pounds of shorn wool in order to promote the general economic welfare and to protect the national security.

Second. It established an incentive price to encourage larger production.

Third. The competitive position of wool with other fibers in the free market is not affected by the payments authorized to growers to bring their income from wool up to the incentive level.

Fourth. It was directed that not to exceed 70 percent of the accumulated totals of the specific duties collected on imports on wool and wool manufactures beginning January 1, 1953, be used to finance the incentive payments.

Fifth. It stablised a self-help feature.

Mr. President, the money for the program comes from the tariff receipts on wool imported into the United States. So the tariff does double duty. In the first place, the proceeds from the tariff of 25½ cents a pound on clean wool imported into the United States are paid into the Treasury as customs receipts, and then paid to the producers in the United States as an incentive for increasing their production of wool. So the tariff does double duty.

Let me say to the distinguished Senator from North Dakota that the provisions of his amendment are entirely satisfactory to me. I discussed the amendment with him and with the chairman of the committee.

So far as parity is concerned, it is true that during the first 2 years of the Wool Act, benefits were paid on the basis of 106 percent of parity. For 1957, the rate was 95 percent of parity, and the payments at the present time are on the basis of 87 percent of parity. So, as the distinguished Senator pointed out, if the receipts from 70 percent of the specific duties on wool were insufficient to pay in excess of 85 percent of parity, that would be the limitation under the Senator's amendment.

Mr. YOUNG. That is correct.

Mr. BARRETT. The wool bill has worked out in an admirable fashion. If it were not on the books, I am quite certain that a large part of the sheep industry of the country would be liquidated. I believe that since wool and sugar are the only two commodities the production of which is deficient in this country, special consderation should be given to them. At the present time we produce about half the wool consumed in this country. So it seems to me that, since the tariff on wool has been decreased again and again, and the cost of production has gone up, which amounts to another reduction in the tariff, it is only fair and equitable to use the tariff receipts for the purpose of aiding the wool industry.

I hope the distinguished chairman of the committee will accept the amendment. I believe it is a sound provision.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. ELLENDER. I shall be glad to consider the amendment, but I am not able to accept it tonight. I can give assurance that our committee studied the wool bill, as the Senator pointed out, and reported it—but not in its present form.

Mr. BARRETT. So far as the Senator is concerned, it is in better form tonight than it was when it was reported.

Mr. ELLENDER. As the Senator from North Dakota will recall, the objection which I originally had to the wool bill as it was reported by our committee was that the bill authorized appropriations from the Treasury in any amount in order to pay wool growers as much as 110 percent of parity. As I understand this amendment if 70 percent of the proceeds from import duties on wool are sufficient to pay 110 percent of parity, or whatever the level of payments may be, that amount will be paid. However, the modified amendment offered by the distinguished Senator from North Dakota provides that, should the maximum amount of import duties be insufficient to pay the wool grower as much as 85 percent of parity the difference would be paid from the Treasury.

In other words the Treasury would be obliged to make up the difference between payments and 70 percent of the tariff receipts, up to a maximum of 85 percent of parity.

Mr. BARRETT. I thank the Senator.

Mr. ELLENDER. After discussing the issue with the distinguished Senator from North Dakota and with the able Senator from Wyoming, it seems to me that the amendment as modified represents a fair compromise.

Mr. YOUNG. It is a good compromise.

Mr. ELLENDER. So far as I am personally concerned, I will support it, but I would like to have the question submitted to the Senate for a vote.

Mr. BARRETT. I think that is a fair suggestion. I did not mean to press the Senator this evening.

In my judgment, this provision would make it possible to support wool as it has been supported under the Wool Act, and not exceed 85 percent of parity.

Mr. ELLENDER. I am satisfied that the amendment as presented is much better than that originally offered.

Mr. BARRETT. I thank the Senator.

Mr. THYE. Mr. President, will the Senator yield?

Mr. YOUNG. Before I yield, I thank the Senator from Wyoming for placing in the RECORD the names of all the sponsors of the wool bill which is now on the calendar, and which I am offering as an amendment to the pending bill. The first sponsor was the Senator from Wyoming [Mr. BARRETT], who for many years has done a great deal of work, not only on this particular piece of legislation, but on wool problems generally. Many of the other 47 sponsors were working on these programs long before I came to the Senate. I was very happy to have the Senator insert the names of the sponsors in the RECORD.

Mr. BARRETT. Mr. President, will the Senator further yield?

Mr. YOUNG. I yield.

Mr. BARRETT. Inasmuch as the Senator referred to the fact that the wool bill is on the calendar, I am very hopeful

that the farm bill will receive favorable consideration from the other body. However, in the event something should happen to the farm bill on the House side of the Capitol, I am very hopeful that the leadership will schedule the wool bill now on the calendar for consideration, and that it can be separately passed, in the event there is trouble with the farm bill.

Mr. YOUNG. I would be happy to join the Senator from Wyoming in such a request, should the pending bill not become a law.

Mr. THYE. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. THYE. I wish to join in the discussion of the wool bill, and also to commend the distinguished Senator from North Dakota for proposing it as an amendment to the agricultural bill which is before us.

The wool bill should have been enacted earlier in the year. It was reported from the Committee on Agriculture and Forestry with the hope and expectation that, like Public Law 480, it would be acted upon earlier, and that we would not have to consider it in the closing weeks of the session, when we are extremely busy with appropriation bills and many legislative bills.

I join my friend from North Dakota in paying tribute to the Senator from Wyoming as one who has endeavored to bring about the enactment of legislation which would be an inducement to increase the production of wool, or increase the number of sheep on the range.

Wyoming is a great sheep growing State. Many sheep are grazed there because the area is suited to sheep raising. But at present a herdsman cannot be obtained to follow a flock of sheep unless he is paid a wage which is so extremely out of line that the ordinary rancher cannot afford to pay it and continue in the sheep business. That was the reason for this particular type of legislation. It was necessary if we were to persuade ranchers to continue in the sheep business. I believe I am correct.

Mr. BARRETT. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. BARRETT. Let me say to my distinguished friend from Minnesota that it is true that Wyoming is the greatest wool producing State in the Union, save the State of Texas. But we are encountering much difficulty in the production of wool in our State by reason of the fact that labor costs have risen to a great extent. Whereas 10 or 12 years ago it was possible to hire a sheep herder for $150 a month, today it requires about $300 a month to obtain a good herder; and all other costs have risen in proportion.

I thank the Senator for his kind remarks.

Mr. YOUNG. Mr. President, I ask the Senator from Wyoming if it is not true that we import from 50 to 65 percent of our wool requirements in the United States.

Mr. BARRETT. Yes. Our importations at the present time are a little less than half of our consumption. We produce a little less than half of what we consume at the present time. It is true that foreign wools can be produced much more cheaply than domestic wools, so it is quite difficult for us to sell our wool in competition with Australian wool, which is imported into this country at a lower rate than we can possibly produce it.

Mr. THYE. Mr. President, will the Senator further yield?

Mr. YOUNG. I yield.

Mr. THYE. The handling of sheep is a highly skilled type of farming operation.

At lambing time it is necessary to have skilled help, or the losses are extremely heavy. When it comes to shearing, that involves a skilled operation. It is not possible merely to hire any man who is standing on a street corner to do that kind of work and expect proper care to be given to the flock. Therefore, it is imperative that we pass the proposed legislation with respect to wool. It is necessary to have sufficient wool production. It is vital to our national defense, particularly if we become embroiled in a war. Certainly, we must have sufficient wool in time of war. That was shown by our experiences in World War II. It would be evident again, regardless of whether we were in an atomic age. Wool must be available if we are engaged in war.

Therefore, it is a double necessity that we maintain the flocks of sheep throughout our land. We will not have sufficient wool in competition with Australia and New Zealand unless we set up an incentive program, such as is embodied in the amendment offered by the distinguished Senator from North Dakota and the distinguished Senator from South Dakota [Mr. MUNDT]. It is an amendment which will take the place of the bill already on the calendar.

Again I wish to say to my friend from North Dakota that there is never a time when farm subjects are discussed that we do not find the Senator from North Dakota [Mr. YOUNG] and the Senator from Wyoming [Mr. BARRETT] on the floor of the Senate. They are men who know the farm subject and the farm problem, and they are looking after the interests of the farmer and the rancher.

I merely wish to add my word of appreciation. I see on the floor also the Senator from Louisiana [Mr. ELLENDER]. What I have said is equally true with respect to him, the able chairman of the Committee on Agriculture and Forestry. Standing at his side is the Senator from Mississippi [Mr. STENNIS]. They have been endeavoring to protect the interests of the farmers from the very first day this session convened. It is almost 9 o'clock in the evening, and they are still looking after the interests of the farmer.

Mr. YOUNG. If I were a sheep herder I would be in bed by this time.

Mr. THYE. The Senator would be in bed if he were a sheep herder. Yet here he is looking after the interests of the sheep herder.

Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks a letter I received from Mr. Carl J. Nadasdy, general manager of the Wool Growers Association. It is a very informative letter and I believe it would be helpful to have it in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WOOL GROWERS ASSOCIATION,
Minneapolis, Minn., July 18, 1958.

Senator EDWARD J. THYE,
United States Senate,
Washington, D. C.

DEAR SENATOR THYE: Congress will probably adjourn in about 3 weeks. No action has been taken by either the Senate or the House on extension of the National Wool Act. However, the President, the Secretary of Agriculture and the Agriculture Committees of both the House and Senate are in support of this legislation. It is becoming more obvious to us every day that the only obstacle to the Wool Act Extension at this time is election year politics.

If this act is allowed to expire, both the support program for wool and the lamb and wool promotion program will die. We cannot long survive under these conditions. As you know, wool is completely different from other agricultural commodities because it is in short supply rather than in surplus. The wool support program is to increase production, not to decrease or control production. There has been a tremendous interest developed in sheep raising, but, as yet, we have not reached the wool production goal setup in the Wool Act.

Wool growers all over the Nation have placed their wholehearted trust in the Congress to maintain an equitable and stable program for wool. Many of these people depend upon their sheep for a large part of their income. It does not seem fair to play politics with the very livelihood of wool growers. The production of sheep is entirely different from raising of crops. A wool grower has a big investment in animals, special fencing, feed and equipment. It is not possible for him to merely go out of the sheep business or switch to another crop without taking a major loss.

We are fully cognizant of the difficulties involved in passing a piece of legislation for one commodity alone, but this is an extension of an act already in effect and functioning extremely well.

All we ask is that the bill for Wool Act Extension be brought to the floor for a vote. You have been a good friend of ours and we are deeply grateful. Now, more than ever before, we sincerely need your strong help in getting action on this bill. It is apparent that the only possible chance of success for the Wool Act is to have it voted on as a separate bill and not as part of a general overall farm program. We don't want to be tacked-on to another legislative action to enhance that bill's appearance.

The National Wool Act can stand on its own two feet as an excellent and well-devised program for our commodity. On behalf of our organization we earnestly hope that you will take immediate action to see that the Wool Act Extension is considered before adjournment. Our growers will be watching with anxious and hopeful eyes for speedy passage.

Respectfully yours,

CARL J. NADASDY,
General Manager.

Mr. YOUNG. I thank the Senator from Minnesota.

Mr. BARRETT. Mr. President, will the Senator yield to me further?

Mr. YOUNG. I yield.

Mr. BARRETT. Inasmuch as the distinguished Senator from Minnesota mentioned the fact that Wyoming grows a large number of the sheep, I call attention to the fact that 287,224 people

participated under the Wool Act during the past 3 years and received payments under the Wool Act. Eighty percent of those people ran less than 50 head of sheep. Eighteen percent ran from 50 to 600 head of sheep. Two and four-tenths percent ran more than a thousand head of sheep. One-half of 1 percent ran more than 2,500 head of sheep. Therefore, the Wool Act is operating for the benefit of a tremendously large number of small growers in every State in the Union. I believe it ought to be distinctly understood that 80 percent of all the growers receiving benefits under the Wool Act ran less than 50 head of sheep. I thank the Senator.

Mr. BIBLE. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. BIBLE. I regret that I was not in the Chamber to hear all of the Senator's remarks. I should like to associate myself with the Senator from North Dakota in offering the amendment. I know the Senator's interest in this industry. I likewise would like to voice my own opinion that wool is one of the strategic commodities which is not produced in sufficient quantities in our country to meet our domestic needs. The Wool Act has proved of immeasurable help in my State. Without it the industry would have gone down the drain, to use a colloquialism. I have received many telegrams urging action to extend the Wool Act. Earlier I received telegrams enlisting my assistance in support of the wool bill which was reported by the Committee on Agriculture and Forestry.

At this time I ask unanimous consent to have incorporated in the RECORD, a series of telegrams in support of the extension of the Wool Act.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

CARSON CITY, NEV., *July 22, 1958.*

Hon. ALAN BIBLE,
Senator for Nevada,
Senate Office Building,
Washington, D. C.:

Nevada woolgrowers unanimously are in favor of support of extension of the Wool Act as a protection to one of our basic industries. I concur with them that extension is essential. Please file copies of this telegram with committee.

Regards.

CHARLES H. RUSSELL,
Governor.

ELKO, NEV., *July 21, 1958.*

Hon. ALAN BIBLE,
United States Senate,
Washington, D. C.:

I have been urged by the sheepman to contact you regarding action to review the Wool Act before adjournment of Congress. Your efforts on behalf of the steep industry at this time will be gratefully remembered.

CELSO MADARIETA.

RENO, NEV., *July 21, 1958.*

Senator ALAN BIBLE,
Senate Office Building,
Washington, D. C.:

Wool bill is extremely important to the sheep industry in the Western States we would greatly appreciate your efforts to see to it that this bill passes through this present session of Congress. Time is short. Due to influx of imported manufactured goods and high operating cost incentive help is necessary.

WHEELER SHEEP CO.
REG MEAKER.

SPRING VALLEY, NEV., *July 21, 1958.*

Senator ALAN BIBLE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR BIBLE: Please make every effort to get National Wool Act extended this session of Congress.

Yours truly,

HENROID LAND & LIVESTOCK CO.
LAWRENCE HENROID.

ELKO, NEV., *July 21, 1958.*

Hon. ALAN BIBLE,
United States Senate,
Washington, D. C.:

Have been advised that the wool bill might not be passed before adjournment of Congress. As you are aware this wool program has been the salvation of the industry therefore would appreciate your immediate efforts on behalf of this wool bill.

BLUE DICK SHEEP CO.
DOMINGO CALZACORTA.

YERINGTON, NEV., *July 22, 1958.*

Senator ALAN BIBLE,
Senate Office Building,
Washington, D. C.:

We urge immediate action for renewal of the Wool Act.

F. M. FULSTONE, INC.
F. M. FULSTONE, Jr.
ROBERTS SHEEP CO.

YERINGTON, NEV., *July 22, 1958.*

Senator ALAN BIBLE,
Senate Office Building,
Washington, D. C.:

Assurances here passage of National Wool Act before August adjournment would greatly benefit woolgrowers of Nevada. Urge your best efforts for such legislation.

Kind personal regards,

FRED STROSNIDER.

ELY, NEV., *July 22, 1958.*

Senator ALAN BIBLE,
Senate Office Building,
Washington, D. C.:

Will appreciate your making every effort to secure passage of the National Wool Act. The future of the wool industry in Nevada is at stake. It can mean the difference between operating at a loss and a small profit. Without the passage of this legislation it would no doubt mean much further liquidation in the sheep industry, as was the case prior to the passage of this act. I would appreciate very much your efforts in getting this bill put through.

DANIEL B. CLARK.

Mr. BIBLE. In conclusion, Mr. President, I should like to quote from a statement made by C. W. Jackson, public relations director of the National Grange, who summed up the feelings of his organization on the wool bill as follows:

During a short period of 3 years it has halted the liquidation of flocks, developed a strong demand for breeding stock, increased producer income, reduced Government cost, eliminated Government wool purchases and stocks previously acquired, returned wool market responsibilities to private trade, encouraged quality production and improved marketing procedures, and has provided producers with a self-financed mechanism to increase the consumption of wool and lamb.

That expresses my sentiments, and I believe it expresses also the sentiments of the wool industry of the State of Nevada. I am very happy to associate myself with the amendment of the distinguished Senator from North Dakota.

Mr. YOUNG. I thank the Senator.

Mr. President, the amendment I am offering to the pending farm bill would extend the present Wool Act 4 years beyond its present expiration date of March 31, 1959. The provisions and even the wording of the amendment I am offering are exactly the same with the exception I have discussed as the wool bill approved earlier this year by the Senate Agriculture Committee by a unanimous vote. That bill is now pending on the calendar. My purpose in offering it as an amendment to this bill is to expedite its approval by Congress.

The sheep and wool production in the United States had dropped steadily over a long period of years just previous to the passage of the present Wool Act approximately 4 years ago. The sheep population of the United States at that time had reached the lowest level in 70 years. Wool is a deficit commodity. Even now during peacetime, we import far more than we produce. In time of war wool is one of the most essential of all farm commodities.

Because of the need to increase the production of this highly essential commodity the Congress approved the present Wool Act providing a new type of price-support program. Previously, we had 90-percent supports for wool but this program did not prevent a steady decline in production necessary to meet the bare minimum needs of this country of this very vital strategic war material.

The program has worked very satisfactorily. The Government no longer holds any stock of wool and the cost of the program has been considerably less than the previous one.

For the first time in a great many years wool production in the United States began to increase. According to the release by the Department of Agriculture on February 14 of this year stock sheep and lambs on ranches on January 1 were estimated at 27,390,000 head or 3 percent more than a year earlier and the largest inventory number since January 1, 1953. Ewe lamb numbers increased sharply to 4,347,000—a gain of 16 percent from a year earlier and reached the highest level since January 1, 1952.

The retention of ewe lambs indicates that the present wool program is encouraging growers to expand their sheep and wool production operations as range and forest conditions permit in accordance with the intent of the act. It will be recalled that the major reason for the adoption of this legislation 4 years ago was based on the need for increasing this strategic war material.

Increases in sheep and wool production can be only gradual. It takes time to hold back more ewe lambs and to get those lambs into production. The increase in the production underway as a result of the operation of the National Wool Act is very gratifying. It must be recognized that the growers under this incentive plan program did not get their first payments until the summer of 1956. Furthermore, severe drought conditions prevailed in Texas and other important

sheep-producing areas during the first years of the program.

In order to maintain the gains toward increased production already underway and to save those ewe lambs that are now reaching market weight and condition from going to slaughter this summer and fall, continuation of the program under the National Wool Act of 1954 must be announced in the very near future. Without the assurance of continuation of an incentive price, many producers will not have the confidence to retain their ewe lambs for breeding stock or probably stay in the sheep business at all.

The Wool Act expires March 31 of next year. Unless Congress acts to continue this program before we adjourn, the major objectives of the original legislation will be largely lost and, in addition, we will be doing severe injury to one of the most important industries in the Nation. There are a few so-called large sheep-ranch operations. However, most of the wool produced in the United States comes from very small farms. The average number of sheep on United States farms is only seven. Sheep production fits very well into diversified small family-type farming operations. In continuing this program we are taking a positive step toward helping maintain the smaller farmers of America and in making possible the production of a strategic commodity.

COMMITTEE MEETING DURING SENATE SESSION TOMORROW

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Committee on Armed Services be permitted to sit during the session of the Senate tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

AGRICULTURAL ACT OF 1958

The Senate resumed the consideration of the bill (S. 4071) to provide more effective price, production adjustment, and marketing programs for various agricultural commodities.

Mr. PROXMIRE obtained the floor.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Does the Senator from Wisconsin yield for that purpose?

Mr. PROXMIRE. I yield.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. PROXMIRE. Mr. President, I serve notice on the Senate that this will be a long speech. I apologize because I realize the hour is late. However, I feel very, very deeply about this measure. It drastically affects the farmers of Wisconsin and most severely and seriously affects the farmers of America. Therefore, I feel it is essential that I make this speech, although I recognize the hour is late and I recognize the serious inconvenience which, unfortunately, it causes my colleagues and the very fine and efficient employees of the Senate.

We are being asked in the bill before us to reverse a basic fundamental of the Federal farm program. The bill covers only cotton, rice, corn, and feed grains. For all these commodities, the parity concept would be abandoned, and the concept of parity farm income and parity prices cannot be maintained for other commodities if it is abandoned for three of the traditional basics and for the feed grain complex which make up so large a share of the total farm income.

The bill makes a fundamental turn toward abandoning the principle that, because of their weak bargaining power in the market, farmers need and in fairness deserve to have help through Federal farm programs to strengthen their bargaining position. It makes a fundamental turn away from enabling farmers to maintain fair prices if they are willing to cooperate by keeping supplies in reasonable balance with demand.

This is the key to any farm program which is intended to work. We simply must recognize that farm production must be brought into balance with the demand for farm products. The fact is that the demand for most farm products is very inelastic. This, of course, means that if production exceeds demand by just a little bit, the price drops very, very greatly. This is an absolute essential of farm economics. I think it must be understood and must be appreciated.

I think that to see how unjust it is to expect a farmer to produce an unlimited amount, with no restraint or no restriction, one has only to compare farm economics with industrial economics, with retailing economics, and with labor economics.

If the automobile industry were placed on the same basis as we place the farm industry, General Motors would be required to operate full tilt, 24 hours a day, 7 days a week, 52 weeks a year, to keep its assembly lines rolling and turning out as many cars as possible, piling them up, and letting the consumer come forward and bid. Obviously, on that basis, General Motors would not stay in business a month. Probably it would not stay in business even for a few weeks.

The steel industry is another example. I think if anything should be clear to the American people, it is that the steel industry restricts its production and tailors its production to demand. The steel industry, like the automobile industry, establishes its prices according to what it considers to be a fair price based on the costs.

This is not true only of the steel industry, the automobile industry, and big industries generally. It is also true of virtually every merchant and every storekeeper in the Nation, whether they are located in Georgia, Nebraska, Wisconsin, New York, or California. The fact is that unless merchants are contemplating going out of business, they limit their sales to the amounts they can sell for a fair price. That price must cover what they pay for the merchandise they sell and their costs of operation. Unless they receive that price, they do not stay in business long.

Like many other Senators, I, myself, have been in business. In our business, we always fixed the price at which we sold on the basis of our costs. We had to, if we wished to stay in business very long.

In that business some of the competitors do not have a cost analysis system and do not limit their sales to the amounts they can sell for a fair price; and the result is that they do not stay in business long.

Mr. President, the fact is that about 50 or 60 years ago in most cases labor did not limit its production, there was no limitation on hours of labor and production was not limited to the amounts which could be produced by labor which was paid fair wages and fair salaries, and which then could be sold at a profit.

Of course, under the labor laws passed in the 1930's, organized labor developed the power, the strength, and the ability to limit what it produced to what it could produce when it was paid a fair wage or a fair salary. Of course, the result of that process has been that the income of labor has increased, the income of business has increased, and the income of manufacturing groups and industries has increased. But the income of farmers has dropped steadily. I believe this factor is so important in connection with our consideration of the pending measure that every Senator and every farm economist should reflect on it at great length.

The pending bill represents a major shift from the concept that we have followed for one-quarter of a century, and the bill would take us back to the concept that farmers should be left defenseless and without effective bargaining power—in a market situation dominated by big business, big finance, and big labor. The fact is that the farmer, almost alone in our economy, does not have any bargaining power. When he comes to market with his produce, he asks, "What am I bid?" And when he goes to market to buy what he needs, he asks, "What price do I have to pay?" He is unable to influence in any way the prices he pays for the things he buys; and he is the only one in the economy, or substantially the only one, who has such weak bargaining power.

This drastic shift in policy would be applied to corn and feed grains beginning in the first year of operation of the proposed program. The full return to an unprotected system of pricing would be delayed for cotton and rice until 1961.

This bill may be interpreted in either of two ways.

If it is to be interpreted literally, we must regard it as a transitional step toward a scheme under which farm prices will float ever downward. That is the only possible meaning of a policy of setting a "support level" that will be 10 percent below the average market prices of the preceding 3 years. This is not "support". At best, it is a leaky parachute, which can travel in only one direction—down—until it hits rock bottom. And a parachute that will permit

farm prices to decline by 10 percent a year of the preceding 3 years' prices is a leaky one, indeed. Ten percent a year is a frightfully dangerous rate of descent. It is doubtful that it would be any better than an unadorned suicide leap out the window for our agricultural economy. But even the most optimistic interpretation of the bill—which can be made only by ignoring the clear meaning of the language concerning the establishment of "supports" at 90 percent of the preceding 3 years' prices—shows that it represents a devastating defeat of the principle of parity price support in farm policy.

Incidentally, Mr. President, it is most peculiar, and perhaps it is most clever and adroit, that the provision regarding 90 percent of the preceding 3 years' prices has been hit upon. Unfortunately, many persons—both those on the farms and those off the farms—will be deceived into believing that that provision means 90 percent of parity. But, of course, any careful reading of the bill shows that it will mean far from 90 percent of parity. In some cases it will mean 90 percent of 70 percent of parity, and then 90 percent of 60 percent of parity, and then down, down, down. Even if it is assumed that supports 10 percent below recent average prices are not the ultimate supports intended by this program, the bill abandons completely the parity concept, and substitutes support floors expressed in dollars-and-cents terms that provide no protection for farmers against the erosive effects of inflation.

That point was brought out very well by the distinguished Senator from Missouri [Mr. SYMINGTON], who is such a keen student of agricultural economics, is such a tremendously important member of the Committee on Agriculture and Forestry, and has been so great a champion of the family farmer, including the dairy farmer.

The pending bill immediately abandons parity as a measuring stick for farm price floors. For cotton, it fixes a support rate at 30 cents per pound for middling 1-inch cotton—which is only 26 cents for the present official grade, and only about 70 percent of parity. For corn it fixes a support floor at only $1.10 per bushel—about 63 percent of parity. For the other feed grains, it fixes support floors related to corn priced at $1.10 per bushel. For rice, it fixes a support floor of $4 per hundred pounds—only about 70 percent of parity.

Mr. HUMPHREY. Mr. President, will the Senator from Wisconsin yield to me?

Mr. PROXMIRE. I yield to the distinguished Senator from Minnesota.

Mr. HUMPHREY. The Senator from Wisconsin has been stating that the pending bill will set fixed price levels.

Mr. PROXMIRE. Exactly so.

Mr. HUMPHREY. As such, if we interpret those price levels in terms of parity percentages, the bill really will set fixed percentages of parity.

Is it not interesting that the bill is being supported by the administration and is being vigorously supported by the Secretary of Agriculture, who, only 2 years ago, when he appeared before the Senate Committee on Agriculture and Forestry, condemned fixed price supports? At that time he wanted flexibility; he wanted as much flexibility as is demonstrated by a rock and roll artist. But now the Secretary of Agriculture wants to have fixed prices.

I grant that the prices, as he would have them fixed, would be fixed too low; but that was to be expected, in view of the economic philosophy which has emanated from the Department of Agriculture.

Mr. PROXMIRE. I may say that the flexible supports the Secretary favored were flexible in only one direction, namely, downward.

I understand that at a recent press conference the Secretary of Agriculture has indicated that he is not quite satisfied with these fixed prices; I understand that he now has indicated that he is not satisfied, because they may not be low enough. He thinks they should be lower.

Mr. HUMPHREY. Mr. President, will the Senator from Wisconsin yield further to me?

Mr. PROXMIRE. I yield.

Mr. HUMPHREY. A very clear maneuver is under way. The Department of Agriculture is saying that it will accept the bill which is now before the Senate, and will accept the floors provided by the bill—such as $4 for rice and 30 cents for cotton and $1.10 for corn. The Department of Agriculture says it will accept them. In other words, we have been assured by the Secretary of Agriculture that the President will not veto the bill if it provides for such fixed prices.

But since that acceptance violates every commitment the Secretary of Agriculture has made before the committee, in terms of the positive program of the administration, or at least the acknowledged program of the administration in the field of agriculture, now we are told that, although the Department accepts these particular price levels, it believes that the bill would be even better if it permitted prices to be lowered even more, and if the bill did not provide for any floors.

Mr. McLain, the Assistant Secretary of Agriculture—as I shall state in the course of my subsequent remarks on the bill—said the Department would prefer to have no price floors provided by the bill. He also said that once this bill is enacted, the Department will give the same treatment to tobacco and to wheat. So there is more in the offing.

I have also been told that although the Department of Agriculture accepts Senate bill 4071, and although we have been assured that the President will sign it, and that if the bill is passed and is enacted into law the Secretary of Agriculture will not be angry, but will be able "to live with it," the Department's representatives also say that, really, the bill is sponsored by the American Farm Bureau.

So we notice that the administration and the Department have two or three escape hatches. On the one hand, they say the bill is "acceptable" or that they can "live with it." Next, they say that the principles on which the bill is based do not represent the principles of the administration, but that essentially they are the recommendations of the American Farm Bureau.

In case somebody points out, as the Senator from Wisconsin is pointing out, that this bill repudiates the commitments of the Congress in the act of 1938, that this bill is a complete reversal of agricultural policy, and the greatest single reversal since 1933, that is just a nice way of letting the administration say, "Oh, we didn't do it. We didn't do that. A Democratic Congress did that." If it does not go over in some areas where there is a strong Democratic majority, they are going to say, "We didn't do this. We only accepted it. It was all we could get. It was the American Farm Bureau." So everybody is going to be a scapegoat while the Department of Agriculture gets its way.

I appreciate the action of the Senator from Wisconsin in being so generous with his time as to yield to me for these observations, but I predicted in the Senate, in the debate of 1954, that the objective of the administration was not flexible price supports, that the objective of the administration was not 100 percent in the market place, but that the objective of the administration was no price supports, or, at best flexibility from zero to 90, with emphasis on the zero.

I must say I do not think I shall have to wait to be many years or many months older before that objective will be made plain for all to see—the great plan of the Department to scuttle the price-support program, the premeditated plan of the Department of Agriculture to do away with the production controls which are necessary for an effective farm program. That plan will be unfolded in its ugly nakedness for all to see.

It is being unfolded. We are getting a strip tease now. This is merely a little teaser. Just wait until the full act comes on for the boys in the back room. That is what is going to happen. This is only the beginning. We have had a forewarning from the Assistant Secretary of Agriculture, Mr. Marvin McLain, a very fine man, who has told us this bill has weaknesses, that it goes too far in providing price floors, but that it was the best that could be gotten out of committee, but he has more to offer next time for wheat and tobacco.

So let me assure my colleagues, as they read the RECORD tomorrow, there is going to be a boobytrap for everyone—not a prize, but a boobytrap. Right now only a few are getting it.

I thank the Senator for yielding to me.

Mr. PROXMIRE. I thank the Senator from Minnesota. I should like to add that I think this strip tease has gone too far. In fact, I think the strip tease has gone so far that, to carry the analogy further, it is about time to raid it. I think it is fantastic that the Department of Agriculture should say they are accepting this bill with reluctance, when its program has constantly been to drive down farm prices. Certainly the effect of this bill will be to drive down drastically the prices of corn, cotton, and rice. Of course, the effect on dairy products and meat products is going to be most unfortunate and most serious.

Mr. HUMPHREY. Mr. President, will the Senator yield further?

Mr. PROXMIRE. I yield.

Mr. HUMPHREY. The feed grain amendment in this bill for the first time considers the average price in the market place for 3 years, and in order to sort of trick the people, because they have automatic reflexes, it is said 90 percent of the average price in the market place will be taken, and that will be the price-support level. That part of the bill has been justified in public print as one of the reasons why there is no need for an increase in the price of dairy products. The spokesmen for the Department of Agriculture say that if there is cheap feed, there is really no need for a fair and a decent price for dairy products, because if there is cheap feed, farmers will be able to supply feed required for a dairy herd, so they can afford to take a cheaper price for dairy products.

While that has been the justification which has appeared in public print and has appeared in many journals, I may say that, on the other hand, when the Department witnesses were asked whether cheap feed would not ultimately result in cheaper beef and cheaper hogs for the farmers, they said "Yes."

The record is filled with testimony, in hearing after hearing on agricultural policy, that when the prices of feed grains are reduced, two things happen. The prices of cattle and swine are reduced, and there is a tendency for the prices of fowl to decrease—chickens, turkeys, and ducks. The record also shows there is a tendency to increase production. These are not statements by the junior Senator from Minnesota; that was the testimony brought out in hearing after hearing held by the Committee on Agriculture and Forestry, which traveled from one part of the Nation to the other. We went all over the country and held hearings. I believe that was in 1955. One hearing was held in Brookings, S. Dak.; one was held in Minneapolis, Minn.; one was held in Oklahoma; one in South Carolina. Hearings were held everywhere. In all the hearings, witnesses testified to the fact that it is economic law in agriculture that cheap feed means cheap beef; when we have cheap feed and cheap beef, we have a cheap agriculture.

I warn my colleagues that once we start with cheap agricultural prices in a high economy, we are in trouble. The cost indexes show that consumers pay high prices and farmers receive low prices. Now the Senate has a bill before it which has as its primary objective maximum production at cheap prices; unlimited production at cheap prices. This is merely a further chapter in the premeditated plan to choke off and to kill off effective price supports and market controls.

Mr. PROXMIRE. May I point out that cheap feed also means cheap milk?

Mr. HUMPHREY. For the producer.

Mr. PROXMIRE. For the producer, that is correct; not for the consumer.

Mr. HUMPHREY. I hope someone will bring forth the testimony to show how consumers are "benefited," according to the Department of Agriculture release, at the time milk-support prices are reduced. I hope somebody will be able to demonstrate the assertion that when the farmer's price for the milk he is able to produce is cut, the consumer will save money. There are only two examples of such price reduction. One was in Washington, D. C., when some of the chainstores temporarily reduced the price of butter. But the price crept up afterwards. The Secretary would rather be right for a week than stand by a good price-support program. After the price dropped for 1 or 2 weeks, it edged up again. I want someone to show me that in New York, Philadelphia, Chicago, Pittsburgh, and in other large cities where 80 percent of the population lives, the price of fluid milk in the bottle which is served to the families in America has gone down 1 penny a quart. I may say that the dairy producer's income has come down hundreds of millions of dollars. The Senator from Wisconsin comes from the greatest dairy State in the Union. I come from one of the great dairy States.

I say to my friends that the drop in price supports on milk in Minnesota has cost our economy millions and millions of dollars, and there has not been as much as one-tenth of a cent saving to the consumer in the price of milk.

Mr. PROXMIRE. As a matter of fact, the price of milk has gone up in many, many markets, at exactly the same time the price of milk for the farmer has gone down.

Mr. HUMPHREY. The Secretary of Agriculture listed as 1 of the 3 or 4 reasons to justify his cutting the price support levels on milk—and a very important reason, according to his statement—that it would reduce the cost of living and it would reduce the price of dairy products to the consumer. I say the burden of proof is upon the Secretary and his followers—upon the Secretary and those who stand with him—to show that such has happened. I charge they cannot show it. I say all that has resulted is a reduction in the producer's income, with no substantial reduction in consumer prices.

Mr. PROXMIRE. The Senator is exactly right.

Mr. President, setting fixed dollar-and-cents support floors is tantamount to guaranteeing that the fixed price support will continuously become a smaller and smaller percentage of the parity price. No one expects that in the years ahead the prices farmers must pay for production and living items and services will go down. The parity index measuring these prices paid by farmers has gone up 3 percent in the past year. Its continuous rise is expected. As farmers' expenses rise, the fixed dollar and cents support floors will be less and less adequate, and farm commodities will buy less and less. If farmers' costs continue to rise as there is every danger that they will, the fixed dollar-and-cents minimums established in the bill may actually turn out to be lower than disaster-level prices very soon.

Dependence on fixed dollar-and-cents support floors is a delusion. It will place the farm program on quicksand which will melt away as pressure is put on it from rising farm costs.

But the literal, longer-range meaning of the bill—changing from a parity yardstick to 10 percent below the recent average market—will place farmers on an even more treacherous economic foundation.

To set supports each year at 10 percent below the average market price for the preceding 3 years is practically to provide no supports at all. The proponents of this proposal base their case on figures for recent past years. The figures are shown in the committee report, in the tables on pages 5 and 10. The figures for the 3-year moving averages are based upon past years in which more nearly adequate farm programs were in effect. Neither the proponents of the proposal nor the committee report projects the estimates forward into years when the entire 3-year moving average will be established under the programs proposed in this bill.

I have had some studies made of what these provisions would mean to manufacturing milk and butterfat, if the same provisions that this bill applies to corn, rice, and cotton, were to be applied to milk.

Application of the 10 percent below market price supports formula for butterfat would have a disastrous result for many hundreds of thousands of milk producers in Wisconsin, Minnesota, Iowa, South Dakota, and other States. It would mean a rapid reduction of the support price of butter toward a level approximately 10 percent below the wholesale market price for oleomargarine. Under such defenseless conditions as a 10 percent per year decline from average prices would place dairy producers, and with the unmanageable production that collapse of the overall farm programs would lead to, the premium value of butterfat would substantially be sacrificed. Under such a program, butterfat prices again would skid down toward the price of oleomargarine, as it did in the 1930's. This would mean, within a few years, that the butterfat support level of 58.6 cents per pound in 1957 would be cut to something like 20 cents per pound. Dairy producers who sell butterfat in cream, who already receive among the lowest incomes of any commercial family farmers in the Nation, simply could not survive a financial blow of this magnitude.

For manufacturing milk, application of the 10 percent below market price support formula would, within a few years, drop the support level from the current level of over $3 per hundred pounds, to 10 percent below the export price. This would be the price at which we could ship our surplus production of dairy products to Europe or Japan, pay the ocean freight, and compete in those markets with dairy products produced in other nations.

Mr. President, this is the logical result of the program which is embodied in the bill.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Minnesota.

Mr. HUMPHREY. I wish to get the RECORD perfectly straight, because I think the Senator is bringing out a point which is not well understood among the lay public or even among those who convey information to the people of the United States. I have not read this information, for example, in the press or in the weekly journals.

Do I correctly understand that the Senator from Wisconsin is saying the formula which is in this bill, used, for example, with respect to cotton and the feed grains, but particularly with respect to feed grains, if applied to manufacturing milk, would result in a continuously lower price-support level?

Mr. PROXMIRE. Exactly.

Mr. HUMPHREY. Is the reasoning of the Senator to the effect that by taking the average market price for the most recent 3 years, and applying 10 percent less than that as a support level, such will be the result?

Mr. PROXMIRE. The Senator is correct.

Mr. HUMPHREY. At the end of the 3-year period that would become the permanent formula; is that correct?

Mr. PROXMIRE. That is my understanding.

Mr. HUMPHREY. The bill does not provide for a 3-year temporary program?

Mr. PROXMIRE. The Senator is correct.

Mr. HUMPHREY. The bill provides that at the end of the 3-year period it shall become a permanent program?

Mr. PROXMIRE. The Senator is correct.

Mr. HUMPHREY. So that we have a constant effect of the low market price being shaved another 10 percent.

Mr. PROXMIRE. Every year.

Mr. HUMPHREY. Every time the price supports are announced.

Mr. PROXMIRE. That is correct.

Mr. HUMPHREY. This is what may be called a sort of planned emaciation. This is an economic diet, an economic reduction for farmers. The farmers do not have to go to any reducing parlors to get flesh rubbed off; they do not have to take pills; all the farmers have to do is have the flesh sliced off. Their economic flesh is being sliced off.

Mr. PROXMIRE. It is being amputated.

Mr. HUMPHREY. No matter how thin the farmers get, another 10 percent will be taken off what is left. Finally the farm economy will be so slim that if it stands sideways it will be marked absent.

Mr. PROXMIRE. Mr. President, the price that could be obtained for the small export surplus of American-produced milk products would set the price for all milk in the United States, if the principles provided in this bill were applied to milk. The price received by farmers for all milk at wholesale has already declined disastrously under this administration's policy, of weakening the bargaining strength of farmers. The average in the years 1947–49 was $4.42 per hundred pounds. By June 1958, it had slumped to only $3.70. Under the principles of this bill, the average price of all milk at wholesale might well drop to no more than $1.75 or $2 per hundred. As each successive year's lower market prices were cranked into the moving average base and the support level was reduced therefrom by 10 percent, the support level and domestic market price of United States produced milk would move downward toward the European price minus freight charges across the Atlantic.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Minnesota.

Mr. HUMPHREY. I urge the Senator to take his time in stating these economic facts. These facts are simply not known. There are not a handful of people in the country who realize what is involved in the principles which are in the bill in terms of depressing market prices. We have plenty of time.

I say very candidly that I think the people of Wisconsin ought to know what the Senator from Wisconsin is saying. This is a very documented, constructive message. It demonstrates great thought and application to the facts. I am hopeful the message will go to every milk producer in the State of Wisconsin and every milk producer throughout the Nation.

I say to the Senator, although at this hour most of the farmers have had to go to bed, so that they can get up tomorrow morning to undertake their duties as dairy farmers, the Senator should take his time in presenting his facts.

The farmers nowadays have to work a little longer. They get an average now of about 45 cents an hour for their wages.

Mr. PROXMIRE. The Senator is exactly correct with respect to Wisconsin, according to the figures of the Department of Agriculture.

Mr. HUMPHREY. That is correct. The farmers have to get up bright and early, Mr. President, in order to make a living. I am hopeful that tomorrow, however, the Senator from Wisconsin will at least review the parts of his splendid statement which cite the economic philosophy of the bill as to feed grains, which, if applied to dairying, will mean that cows will be exhibited in the Smithsonian Institution, as the last of a famous breed.

Farmers cannot afford to carry on dairy production under the kind of scale—not a sliding scale, but a collapsible scale—which the Senator is describing.

Mr. PROXMIRE. Collapsible and collapsing.

Producers of milk under Federal milk marketing orders would not be exempt from the disastrous effects if the principles embodied in this bill are established in our national farm policy.

Make no mistake about it, the philosophy that is represented in this program of reducing price supports by 10 percent a year below the previous 3-year average price is fully intended to be applied to Federal milk orders as well as to other commodities. The former Assistant Secretary of Agriculture, Mr. Earl Butz, was and continues to be a most articulate spokesman of the theory and philosophy of the Department of Agriculture. Last year, Mr. Butz gave notice to a dairy organization in Michigan that the official policy is that milk-marketing orders must not be regarded as "price-supporting devices." Mr. President, dairy producers in the fluid-milk markets should be warned—and I hereby give them warning by repeating the warning they should have heard 1 year ago from the Department of Agriculture itself—that the Federal milk orders will not be permitted to give support to the producers' bargaining power if the ruling philosophy in the Department of Agriculture has its way.

I think our good friends, Senators from other States—because virtually every State is a dairy producer to some extent—from States which do not produce so much of their milk for the manufacturing market as do Minnesota and Wisconsin, should awaken to this fact. This applies not only to dairy producers in Wisconsin and Minnesota, but in Michigan, Vermont, New York, Virginia, and Florida. One of the big reasons—in fact, the overwhelming reason—why dairy farmers have had more adequate incomes is that milk orders have been effective. Here is an expression of the Department of Agriculture to the effect that it intends to eliminate that protection.

If the principles of this bill are applied to the price criteria for fluid milk in the Agricultural Marketing Act of 1937, the effectiveness of the Federal milk-marketing orders in providing bargaining power to farmers will be completely destroyed.

Every year, each of the Federal milk-marketing orders would have to be reconsidered as to price for class I milk. If a surplus of milk were available in the district to fill class I needs, the price of class I milk would be reduced to 90 percent of the previous 3 years' price. Each year, this 10-percent reduction would take place, until the price of class I milk would be lowered to the prevailing level of prices for manufacturing milk. True, the proponents of the bill will say that it does not apply to Federal milk orders but once this policy of eliminating the producer's bargaining power in the pricing of farm commodities is embodied in the law for such politically and economically important commodities as corn, cotton, and rice, it will certainly be applied eventually also to milk. Let us be realistic as we look down the road which the proponents of the bill beckon us to enter.

Mr. President, the principle embodied in this bill is a dangerous threat to the present tobacco price-support program. Tobacco producers in Wisconsin benefit greatly from the present tobacco program which provides firm 90 percent of parity price supports through effective marketing quotas. I must warn the tobacco producers in my State, and those of my colleagues in the Senate from tobacco-producing areas, that a triumph for the principles of this bill in respect to cotton, corn, rice, and feed grains, will certainly raise the question whether the same program should not be applied

to tobacco. I have not heard of a single tobacco grower in my State who wishes to give up tobacco's status as a basic commodity, and the present effective program of price protection through supply adjustment. Application of the principles of this bill to tobacco would abandon the basic parity concepts of the tobacco program just as surely as the language now removes corn.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. HUMPHREY. I think the Senator should forewarn his constituents, as he is doing here—and he can do it in specific terms and with a degree of assurance, even though it is a sad assurance—that one of the Assistant Secretaries of Agriculture has already said that as soon as this program is over, the next step is to take care of tobacco and wheat. The Senator does not need to have any doubts about it. One thing we can say about the Department of Agriculture is that it likes to give equality of mistreatment to all. I have reason to feel that the Assistant Secretary meant every word he said. We can rest assured that the commitment which was made recently, that the program would be extended to other crops—and tobacco and wheat are mentioned—will be carried out. So the Senator should prepare his constituents for the information.

There is one way this program can be stopped. We shall have a little rendezvous with the ballot box this fall. The ballot box in our part of the country, and in other parts of the country, may have a great deal to do with determining the kind of policies to be enacted into law by the Congress of the United States.

Mr. PROXMIRE. I remind the distinguished Senator from Minnesota that this is a Democratic Congress. That means that the pending bill is extremely important to Democrats and Democratic candidates all over America.

The distinguished Senator from Minnesota says that tobacco and wheat are to be next. I say to my dairy farmers in Wisconsin, If that be so, can dairy products be far behind?

I am reliably informed that, in all probability, elimination of effective marketing quotas and application of the principle of reducing price protection levels by 10 percent per year below recent average prices for tobacco, would in very few years bring a reduction in tobacco supports by as much as 75 percent. The price received by United States tobacco producers would, in all probability, decline ultimately—this is again the objective, the end of the line—to the Rhodesian export price, minus freight charges across the Atlantic Ocean. As in the case of milk products, the exportable surplus of American production, at whatever it could be sold for in Europe minus freight, would set the price for all United States tobacco.

To my colleagues from tobacco-growing areas I say: Stop, look, and listen before we embark upon a course which, by every rule of logic, is likely to sweep up the tobacco program in a general movement toward the total abandonment of family farmers to the mercies of a marketing system in which they can exercise no bargaining power on their own behalf.

Mr. President, I have asked the Library of Congress to prepare for me an estimate of the probable effect upon the prices of feed grains, livestock, and livestock products of the abandonment of farm price support programs. Make no mistake about it—this is the door through which this bill, in its present form, would lead us.

Yesterday I received a report on this study by Dr. Walter W. Wilcox, senior specialist in agriculture of the legislative reference service of the Library of Congress. Dr. Wilcox is a nationally-known authority on agricultural economics. Incidentally, he came to the Library of Congress staff from the University of Wisconsin, where he made an exceptionally distinguished record. He is widely acknowledged as one of the foremost authorities on agricultural economics in the country.

Dr. Wilcox' study bears out what I have said about the disasterous consequences that would follow from abandonment of farm price support programs—which is the plain and logical next step beyond the bill that is before us.

Mr. President, Dr. Wilcox' analysis is so extremely impressive, its conclusions are so extremely shocking, that I wish to read it so that every Senator can consider fully the grave consequences that will logically follow from adoption of this bill in its present form.

Dr. Wilcox says:

Only 14 percent of the corn in the commercial corn area and 11 percent of the total corn crop in 1957 was grown by farmers complying with corn acreage allotments. The percentage of compliance is not expected to be much different in 1958. For this reason existing corn acreage allotment and price support legislation is having very little effect on supplies and prices of feed grains.

Farmers placed 6.6 million acres of corn land and 5.3 million acres of wheat land in the acreage reserve program in 1958, however, a program which will not be continued after this year.

Most of this reserve acreage will be utilized to produce feed grains in future years. Hence, we may expect corn and total feed grain production in 1959 and later years to increase unless some new feed grain program is adopted.

Perhaps the most dramatic way to illustrate the probable price and income consequences of these expected developments is to cite two current relationships.

First, technicians in the Department of Agriculture estimate that if farmers had expanded hog production sufficiently last fall and this spring to utilize the 400 to 500 million bushels of 1957 corn, or its equivalent in other feed grains, which will be added to carryover stocks this fall, hog prices would be about half the current levels this summer and fall.

Second, at the end of this crop marketing year, October 1, we will have feed grain stocks equivalent to two-thirds of a normal corn crop; sufficient to feed all the hogs produced in 1959, and to feed all the dairy cows, horses and sheep in the United States for a full year without drawing on the crop now growing in the fields.

Fall farrowings of pigs are expected to expand 14 percent this year over 1957 with further increases in farrowings next spring. Without some type of program to restrict the supplies of feed grains and hogs moving to commercial markets in the fall of 1959 and subsequent years, sharp price declines are almost certain.

Superabundant and low-priced feed grains lead to the expansion of all types of livestock production which utilize them. Producers of turkeys, broilers, milk, lambs, beef cattle, and hogs finding abundant supplies of cheap feed grains available have an incentive to expand their operations.

That is the point the distinguished Senator from Minnesota has been making.

Only in the case of hog producers, however, is the supply and price of feed grains the dominant economic force in determining production plans.

Turkey, broiler, and egg producers adjust their operations from season to season and year to year, based on the prices they received in the recent past. The cost of feed is only one of the important costs for these producers. Dairymen also make only limited changes in their production plans in response to changes in the price of feed grains.

Hog producers and beef cattle feeders are more sensitive to feed grain prices than poultrymen and dairymen and may be expected to expand their operations most as a result of the large supplies of cheap feed grains. In fact, because of the modest adjustments of poultrymen and dairymen, a 10-percent increase in feed grain supplies usually leads to more than a 10-percent increase in hog production and in grain fed to beef cattle.

Unless an effective feed grain price support and production control program is adopted, feed grain prices will quickly drop to 50 to 60 percent of parity with hog prices dropping to equally low levels within a year or two. Supplies and other livestock products will not expand as rapidly as hog production, and prices will not fall as drastically, but the burdensome feed grain supplies will tend to expand the production of all livestock products and push prices lower than in recent years.

WALTER W. WILCOX,
Senior Specialist in Agriculture.

I desire to reemphasize the major point which Dr. Wilcox's analysis makes:

If last year's crop of corn and other feed grains had been converted into livestock in the normal relationship, hog prices this fall would be in the neighborhood of $10 or $11 per hundred pounds.

Mr. President, economic disaster for the livestock industry is locked up in the grain bins of America—right now. Only because 400 to 500 million bushels more than normal of last year's corn and other feed grains was kept in storage, instead of being converted into hogs, fat cattle, chickens, turkeys, lamb, and dairy products, was it possible to avoid this impending economic disaster in this year.

But the impending collapse of the livestock economy has not been escaped—it has only been postponed. The 400 or 500 million bushels of 1957 corn that was stored instead of being fed is still with us. Eventually, it must be sold—and it must be sold on the hoof. And in any year that this quantity of feed-converted-into-livestock hits the market, in addition to a normal year's demands, we can expect hog prices as low as 50 percent of parity.

But even this is not the full picture of the calamity that is hanging over the heads of livestock producers. For this year again there will be a record or near-record feed crop. There will be another 400 to 500 million bushels of feed produced above what the year's markets can absorb in the form of livestock products at reasonable prices, added to the surplus carried over from last year.

And next year, if the provisions of this bill go into effect, without correcting amendments to greatly strengthen our feed grain programs, the consequences almost defy comprehension.

There will still remain 400 to 500 million bushels of 1957 feed grain, unless it has already started to market on the hoof, to the accompaniment of depression-level prices for livestock.

There will be another 400 to 500 million bushels of 1958 feed grain hanging over the market, unless that too is marching to market on the hoof, to the tune of depression-level prices.

Next year there will be another huge normal crop in the fields of comparable magnitude, plus the yield from 12 million acres of wheat and corn land which has been kept out of production in the acreage reserve of the Soil Bank during 1958 and 1957.

Mr. President, the handwriting is on the wall for all to see.

The pending bill in no way responds to the desperate emergency that confronts the entire livestock industry. On the contrary, it would add impetus to the collapse that is ahead.

Mr. President, at this point I should like to suggest that we consider the gross injustice of a 10 percent cut every year. Let us suppose that it should be applied to the labor laws which have been passed. Let us suppose that a Senator should introduce a bill proposing that the minimum wage be reduced every year by 10 percent of the preceding 3-year average, or something of that kind. The injustice of such a proposal would be perceived immediately. I am sure it would never be suggested, because, contrary to what has been happening to the farm population, the working population of the country has increased, and their political power has increased accordingly.

Suppose a 10-percent cut per year were applied by every public utility commission in America. Suppose that they adopted the policy of reducing their rates by 10 percent a year. Suppose that policy were applied to the price of steel. Suppose it were applied nationally.

The cries which would arise from those who were affected would be immense and loud indeed. Congress would not stand for that kind of proposal. The fact is that only a farmer is expected to operate today under the unseen hand of Adam Smith. Adam Smith was a great economist, who contributed to a greater understanding of economics. However, Adam Smith lived a long, long time ago. There has been a great advance in economic science since the days of Adam Smith.

It has been discovered, on the basis of careful observation of economic behavior, that it is only the farmer who has no control over his production. Only the farmer is expected to operate as one of many, and only the farmer has a combination of a homogeneous product, and a vast number of competitors who sell the homogeneous product and are in competition with him. He does not have any control, not even the slightest degree of control, over prices. The merchant who sells a brand of toothpaste has some control over prices. He may be a small-business man, and he may not have much control, but he has some control.

A labor union exercises a considerable degree of control, thank heaven, over the price at which a labor union member sells his labor. Certainly in the large industries throughout the country a firm hand is kept on prices. That is true of steel companies and automobile companies and other industries.

Only the farmer is expected to have no control at all. The only control he has had in recent years has been through the parity concept and through the kind of farm programs which have been adopted. If the pending bill should be passed, he would lose a very large share of that control.

Mr. President, I realize we are considering this bill in the shadow of the President's veto of the Agricultural Act of 1956, and in the more recent shadow of the veto of the price-support and acreage-allotment bill freeze resolution adopted earlier this year. I realize also that we are working right now under a threat of another veto by the President if we should enact legislation that will strengthen rather than weaken the existing protections afforded to farm families.

But the threat of a defeat by veto, Mr. President, does not justify surrender. It does not justify a retreat from the ground we now hold. The bill we are now considering is not merely a change in emphasis, not merely an adjustment of support levels and acreage allotments. This bill, if we accept it, would start us down an entirely different road, toward the complete reversal of the basic fundamental concepts of the farm program as it has operated over the past 30 years.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. HUMPHREY. I compliment the Senator on his splendid message and his grasp of the economic factors involved in our great agricultural economy. The Senator from Wisconsin is a keen student of economics. He is a sensitive observer of the developments in his own State and, indeed, throughout the Nation and the world.

I ask the Senator if it is not true that we have seen, since 1952, a constant whittling away at the basic farm policies which had stood us so well during the preceding years?

Mr. PROXMIRE. There can be no question about that. There has been a constant whittling away, which has certainly not benefited the consumer; heaven knows, it has not benefited the taxpayer; and it has been disastrous for the farmer.

Mr. HUMPHREY. The Senator recalls, I think, that in 1952, in Minnesota as in other States, the present incumbent of the White House, who was then a candidate, assured the producers that they could look forward to 100 percent of parity in the market place, and at least 90 percent of parity price supports upon the basic commodities. Does the Senator recall that?

Mr. PROXMIRE. I remember that very well. I remember what Mr. Eisenhower said at Kasson, Minn., and at Brookings, S. Dak. He pledged 90 percent. He said the Republican Party guaranteed a 90-percent price support. It was a solemn promise.

Mr. HUMPHREY. Our experience under it is now recorded in one of the chapters of American political history—a rather tragic and sad chapter, but at least we have gone through that experience.

The Senator may recall that in 1954 the administration came before Congress and asked for the flexible price support program of 75 to 90 percent.

The theory was that as the farmers accumulated, through excess production, surplus agriculture commodities, the price supports would drop and thereby remove the incentive for production which, according to the logic of the Department of Agriculture and this administration, would have a tendency to reduce production which, in turn, once production was reduced, bringing supply into closer relationship with demand, would result in a rise in the market price. Does the Senator recall that?

Mr. PROXMIRE. I recall that so well.

Mr. HUMPHREY. It is a matter of recorded testimony. The Senator may recall that in 1956 Congress passed a basically good act, indeed we passed two of them, and both of them were vetoed, and also we adopted Senate Resolution 152 this year, which also was vetoed. A major accomplishment of the present administration in agriculture is the excessive use of the veto. There is only one other place where the veto is used more often. That is in the Security Council, and by the Soviet Union.

The Senator may recall that after 1956 the administration started to complain that when the supplies were leveled off, due to many factors, such as drought, pestilence, acreage reserves, tremendous expenditures for cutting back production, and so forth—when the supply was lowered a bit, then the Secretary said, "Now, see what has happened to us. The market price is going up." There were cries of anguish heard throughout the land.

The Secretary said, "See what is being done to us. Prices are beginning to go up. That means, of course, that the supply of some of the commodities is a little less than it has been. If the supply continues at this level, it will mean that we will have to raise the price supports."

So after the program had worked a little bit, not due to the administration,

but due to acts of nature—there were floods, droughts, and an instance of pestilence—there was a cutback in the supplies of some commodities.

There was a great export program under Public Law 480 for cotton and wheat. When some of those programs began to show a little effect, the Secretary of Agriculture came charging down to Congress on his pure white steed and said, "Gentlemen, you do not know what is happening. I have a serious complaint to make. Prices are beginning to go up. We have simply got to whittle down the price support program."

That is exactly what has been happening. I hope the American farmer understands it, because it has not happened by accident. Oh, no. I compliment the administration. They know how to plan for lower agricultural prices. There is no doubt about that. They have had a design, and the design has been to weaken production controls, to weaken price supports, and to get what they call a free market. They are coming very close to it. Now they are driving hard. They are tasting a little blood.

The Secretary's program has taken effect. I am told he is more popular in some areas. I think that may be true. Popularity seems to go up or down according to the economic indexes. But, be that as it may, popular or not, the handwriting is on the wall. One does not have to be an Old Testament prophet to predict it. One does not have to be a David or a son of David; or an Isaiah or an Ezekiel. He can simply be a United States Senator, an average, lay person. He can predict what will happen.

What is happening is that the Department has now set a formula which has within it all the symbols, all the words which people were accustomed to hearing about farm price supports, such as the average price over 3 years—90 percent of the average price.

I recall when "90 percent" was almost a dirty word in the Senate. The administration almost laid down a moral edict and said that all those who said "90 percent" would have their mouths washed out for evil pronouncements. Now we have 90 percent. Does the Senator see how that rings bells?

There was an old Russian scientist by the name of Pavlov. Pavlov found that one could get conditioned reflexes. He did this with dogs. He had a dog go to get a piece of meat. Every time the dog would get the piece of meat, Pavlov would ring a bell. When the dog saw the meat, the dog would salivate. The saliva would come to his mouth. When the dog heard the bell, he knew it was time to go get the meat. After Pavlov had conditioned the dog long enough, he did not have to put the meat out any more; he simply rang the bell, and the dog would start to drool, but there was no meat.

The American people now know that 90 percent of parity is reasonably fair. It is 10 percent less than fair. Do not misunderstand me. It is reasonably fair. The very phrase "90 percent" in the field of agricultural economics has signified to the American farm producer that this is a reasonably fair percentage for one to consider.

Now we have it fixed up. The Department uses the same words, "90 percent," but it is 90 percent of the average market price for 3 years—the preceding 3 years—which under the formula of the administration is always a decreasing price.

I call the attention of the Senator to our minority views, to which the Senator from Wisconsin contributed so much, and which, together with the junior Senator from Missouri, I also signed. They point out—and these are from the Department of Agriculture statistics—that the total carryover of feed grains at the end of the 1957–58 marketing year will be 62 million tons, almost double the 1952–56 average.

I regret that we did not go back before 1952, because it is over 300 percent greater prior to 1952.

This administration has really had a farm program which has filled the grain bins.

Mark you, Mr. President, the administration has been telling the American people through the columns of the Reader's Digest, the Saturday Evening Post, and the daily newspapers—through every conceivable medium—that their program would save the taxpayer money. I charge that the taxpayer has had the greatest roller-coaster ride he has ever had in his life; the most expensive farm program the Nation has ever known.

This administration has spent 600 percent more money on agriculture in a year than the preceding administration spent in any single year—six times as much this year. How many of our citizens know that? The administration has spent $6 billion in 1 year. It results in more trouble.

Last year the administration spent $5 billion. That man Harry Truman, who was assailed day after day in this Chamber, and that man Charles Brannan, a former Secretary of Agriculture, who was called every name in the book—Harry Truman, Charlie Brannan, and all the New Deal and Fair Deal planners put together could not figure out how to spend more than a billion dollars.

But another crowd came into power. They are used to living on caviar. They like expensive living—vicunas and all. They have spent $6 billion in 1 year. What have they got for it? They have 300 percent more feed grain stored up than ever before. They have twice as much as we had as the average in the years 1952–56.

Comparing 1952 with 1957, the prices of feed grains declined 29 percent. Is that not interesting? This administration says that if the prices are cut down a little bit, dear fellow citizens, if they are leveled off a little, it means that the farmers will not produce so much. There will not be so much incentive to get prices down.

The whole philosophy of the administration is a depressed-price philosophy. The lower the prices, the more production. The lower the prices, the more unsatisfactory the business. The more stored grain, the lower the prices, the fewer the farmers. What a system. If we stayed up all night and locked ourselves in a madhouse, we could not come up with a worse system.

Mr. PROXMIRE. The Senator is so right. The lower the price, the greater the production. Why? We only have to talk to a dairy farmer; he will tell us why. The fact is that when the price of milk drops, the dairy farmer, who has fixed costs which he has to meet, has, somehow or other, to get enough money to be able to buy the bare necessities of life for his family. In those circumstances, can he produce less milk, and get along on even less income? Of course not. Instead, he is forced to get the last drop of milk he can from his cows, and he is forced to increase the size of his herds or to use feed concentrates or to do anything else he can to increase his production of milk.

Of course, the farm income protection programs that have been in effect have not been uniform or fully adequate. Yet, in a very fundamental way, they have been based upon several sound, workable concepts.

The farm-income and price-support programs have been based upon the concept of parity. Let me read it from the Agricultural Adjustment Act of 1938, as amended:

> It is hereby declared to be the policy of Congress to (develop various programs for) assisting farmers to obtain, insofar as practicable, parity prices for such commodities and parity of income.

As defined in section 301 (a) (2) of that act, "parity as applied to income" is described as follows:

> Shall be that gross income from agriculture which will provide the farm operator and his family with a standard of living equivalent to those afforded persons dependent upon other gainful employment.

Mr. HUMPHREY. Mr. President, will the Senator from Wisconsin read that again? I hope he will read it again, because it is basic scripture. It is the American dream, the American pledge, the American promise; and I want the occupants of the gallery and those who read the CONGRESSIONAL RECORD to know what the Congress is contemplating doing.

The Congress is contemplating making a pledge that promises nothing more nor less than that the principle of equal treatment is to be scuttled. In this case, it is proposed that Congress base its pledge on 90 percent of the prices for the last 3 years, which, comparatively, were the worst 3 years agriculture has had.

Of course, it is interesting to note that not even a 5-year average is proposed to be used for agriculture.

On the other hand, when industry wishes to arrive at an index, it bases it on 10 years; and for income-tax purposes, in connection with figuring the "ins" and the "outs" in the case of corporate losses, a period of 5 years is used.

But in this case there are some who say, "After all, do not give the farmers so much." I have heard some persons around Washington say, "Well, today there are fewer farmers, so we do not

have to worry about them so much, any more."

So, in the case of the farmers, the prices for the last 3 years are proposed to be used. But the last 3 years were the worst years. Nevertheless, now it is proposed that the farmers receive 90 percent of the prices they received during the roughest time they have ever had; and it is said that that will constitute justice.

Mr. President, I believe that should almost be a subject of conversation at the next meeting of the United Nations Security Council. I think Khrushchev would understand that kind of assistance.

Mr. PROXMIRE. Mr. President, in response to the request of the Senator from Minnesota, I shall read that portion of the act again, because this is the scripture that will be provided by the pending bill:

As defined in section 301 (a) (2) of that act, "parity as applied to income" is described as follows—

shall be that gross income from agriculture which will provide the farm operator and his family with a standard of living equivalent to those afforded persons dependent upon other gainful employment.

Mr. President, in all the farm-income legislation enacted since 1938, provisions for price support and for use of marketing agreements and orders are based on this concept of parity farm prices and incomes. The pending bill does not repeal that legislation in so many words. Instead, the bill in effect repeals the parity concept in farm programs, by setting up an entirely new standard in its place.

The new standard proposed by the bill is far from the parity concept. It is about as far from the parity concept as one could go. The price-support standard proposed by the bill for farm programs is, by definition, 10 percent below the previous market price.

What is the point in having supports that do not support? Why must Congress make a mockery of our farm programs? It would be more accurate and more candid to tell farmers frankly that the intention is to strip away the effective programs which have given them some bargaining power in the past 30 years, and to return them to the same economic helplessness that destroyed hundreds of thousands of farm families during the 1920's and the early 1930's.

Mr. President, for many farmers the 1920's and early 1930's were what the 1880's and 1890's were for the laboring people. Some of the laboring people can recall—and others, who are not old enough to recall, can read about those matters in the history books—the 12-hour day, the wages of 10 cents an hour, and the other terrible conditions which existed before the unions became effective and before there were anything like minimum wages or maximum hours or a beginning on the long trail up the hill.

But the program proposed by means of the pending bill would force the farmers and their families to return to the economic helplessness that resulted in the tragic conditions for such great numbers of farm families in the 1920's and early 1930's. This is why the fight which those of us who oppose the pending bill are making is so crucial and critical, insofar as the farm families of America are concerned.

Mr. President, at this time I shall impose on the Senate long enough to read something which I believe it essential for the Senate to have in mind. I realize that it will be an imposition; but the book from which I shall read is one of the finest books on economics written in the last century. It has been written by a Harvard economist, John Kenneth Galbraith. I shall read from the book because an understanding of his concept of security is absolutely essential to an appreciation and understanding of the entire principle embodied in the pending bill.

Professor Galbraith points out that security is something all of us strive with all our might to get for ourselves and for the economic group in which we are involved; but that when others are involved, we regard security as socialism.

In his book, he points out the following:

The massive reduction in risk that is inherent in the development of the modern corporation has been far from fully appreciated. This is partly because the corporation, unlike the worker, farmer, or other individual citizen, has been able to reduce its insecurity without overtly seeking the assistance of government. It has required elaborate organization, but this has been the product of continuous evolution from the original entrepreneurial enterprise. Farmers, workers, and other citizens, by contrast, have had to seek the assistance of government or (as in the case of the unions) they have had to organize specially for the purpose of reducing insecurity. Consequently their search for greater security has been notorious. By contrast the corporate executive, whose concern pioneered the escape from insecurity, has been able to suppose that security is something with which only workers or farmers are preoccupied.

Myth has also played a part in concealing the effort of the modern corporation to minimize insecurity. There is a remarkable conviction, even on the part of the executives of the largest business corporations, that they live dangerously. As this is written—

And it was written only this year—

no large United States corporation, which is also large in its industry, has failed or been seriously in danger of insolvency in many years. The security of tenure of corporation executives is remarkably high. So is their remuneration. Certainly these bear no resemblance to the insecurity of the fortunes of the business entrepreneur of the competitive model. Individual decisions of corporate management may still turn out to have been wrong. But in the large, diversified corporation, in contrast with the small and more specialized firm, such decisions are rarely fatal.

The riskiness of modern corporate life is in fact the harmless conceit of the modern corporate executive, and it is vigorously proclaimed. Precisely because he lives an orderly and careful life the executive is moved to identify himself with the dashing entrepreneur of economic literature. For much the same reason, the commander of an armored division, traveling in a trailer and concerning himself with gasoline supplies, sees himself as leading an oldtime cavalry charge. Nothing has been more central to the purpose of General Motors or General Electric than to encompass and eliminate the perils to which the one-time entrepreneur was presumed to be subject. Nothing would be more damaging to an executive reputation in General Motors or General Electric than to launch a product without testing the market, to be caught napping by a technological development, to be unprotected on one's raw material supply or to be caught in a foolish price war. These were once the commonplace risks of entrepreneurship.

But the large corporation has been only the leader in the retreat from risk. Nearly everyone else has participated to the best of his ability and ingenuity, and in the thirties there was an especially widespread effort to mitigate the economic perils of the average man.

That is what we are talking about in this case.

I read further from Professor Galbraith's book:

The Federal Government intervened for the first time with relief and welfare funds to protect the individual from economic misfortune.

This was followed by social security—unemployment insurance and old age and survivor's pensions. Farmers, through public payments and support prices, were protected from some of the insecurity associated with competitive market prices. The unions developed rapidly during this decade. Along with their redress of bargaining power, they provided the worker with protection against capricious or adventitious firing or demotion and thus increased his security in his job.

A little later:

But the effective mitigation of insecurity required another and parallel effort of a far more general sort. The position of the worker who is protected against arbitrary firing by a sound seniority system is far from ideal if he receives an entirely nondiscriminatory discharge as the result of an insufficiency of demand for the product he is making. This is especially so if a general shortage of demand keeps him from finding a job elsewhere. While unemployment compensation is better than nothing, a job is better than either. Even with an effective enforcement of the laws preventing price discrimination—roughly the use by a large firm of its size to exact and offer prices which small competitors cannot obtain or quote—the competitive position of the small retailer in a time of depression is not happy. Regardless of the conditions of competition, it is much better when the demand for everyone's product is good. Farm-support prices are a useful protection against sudden adverse price movements. But a demand for farm products that holds such prices reliably above support levels will be preferred by every rational farmer.

At a time, as during the thirties, when there was great interest in the microeconomic measures to increase security, it would have been surprising indeed had there been no macroeconomic effort with its greater efficiency to the same end. The two efforts would be in the highest degree complementary. In fact, the reduction of insecurity by macroeconomic measures was central in the economic policy of the time. Efforts to eliminate or mitigate the business cycle and to stabilize the economy at a level where the labor force would be more or less fully employed were a principal goal of public policy.

Then, as since, economic stabilization was regarded as an end in itself, but it will now be clear that it was only one part of the broad effort to escape the insecurity which was assumed to be inherent in economic life. The change in attitudes on macroeco-

nomic security during the thirties was remarkable. At the beginning of the decade it was almost uniformly assumed that cyclical fluctuations with accompanying price and employment uncertainties were inevitable. It was hoped by many that they would not be violent. But there was no general confidence that depressions could be tempered by Government action without the risk either of eliminating the self-corrective features of the cycle or simply making things worse. By the end of the decade, under the combined influence of Keynes and the sanguine and experimental mood generated by the New Deal, there was a widespread belief that depressions could be at least partially prevented. The notion that they must be allowed to run their course was virtually extinct. These measures to enhance security in the thirties, the microeconomic and the macroeconomic together, were numerous and massive in their effect, and they were concentrated in the brief span of a few years.

I may say one of them is the very thing we are discussing now. One was the farm bill, the parity bill, which cropped up in our economy.

(While it is convenient to speak of a decade, most of the drive for increased economic security occurred in the 5 years from 1933 to 1938.) Conservatives and liberals alike looked at the measures, and at the mass approval they evoked, and concluded that something new and different had been added in economic motivation.

In the thirties the average man was simply showing the commonplace reaction to the insecurity of the competitive system. In doing so he was following a path that had been pioneered by the modern business firm. He was showing, as ever, that insecurity is something that is cherished only for others.

It was inevitable that farmers and workers in general would be the last to concern themselves with security. Before a man will try to protect himself from sudden changes in his economic fortune, he must have some fortune to protect. Businessmen were first to develop a stake in economic society. They were first, as a result, to become concerned with means, explicit or unrecognized, for safeguarding that stake. In the grim world of Ricardo and Malthus the ordinary citizen could have no interest in social security in the modern sense. If a man's wage is barely sufficient for existence, he does not worry much about the greater suffering of unemployment. Life is a heavy burden in either case. Men who are engaged in a daily struggle for survival do not think of old age, for they do not expect to see it. When the normal expectation of life is very low, sickness and death are normal hazards. A man of 80 does not take out life insurance. He reconciles himself as best he can to the prospect of death. To the landless worker in an Indian village, one of the world's most unfortunate individuals, unemployment is not even a misfortune. It is his normal fortune.

With increasing well-being all people become aware, sooner or later, that they have something to protect. In the very early stages of the evolution of a business concern, the entrepreneur is not much concerned with security. He has little equity to conserve. Only later do he or his descendants begin to talk about their responsibilities to their stockholders. Henry Ford could gamble on the untested idea of producing in a single model the cheapest possible car for the people. It was a breathtaking step. His colleagues discouraged him, but he had nothing much to lose. His grandsons would indeed be derelict were they similarly to risk the present assets of the Ford Motor Co. No criticism attaches to the effort of the modern corporation to minimize risk. It would be delinquent in its responsibilities if it failed to do so. It would be gambling where it could be sure.

The development in the labor market is similar. As the real wage of the worker increases and also as employment becomes more certain, unemployment and the absence of income acquires its contrasting horror. With increasing income it also becomes possible to think of old age: the individual expects to survive, and old age without income is differentiated, as it was not before, by the prospect of discomfort. And as health and physical hazard decline, men come to think of them as abnormal rather than normal afflictions. It is not the poor but the well-to-do farmers who find onerous the uncertainties of the market. In the mountain country of Kentucky and Tennessee a depression is not a grievous hazard. Farmers have little to sell; their property has small value. They are therefore little affected by declining prices and not much concerned about declining property values. In the well-to-do regions things are different. In the 1930's it was the comparatively rich farmers of Iowa who threatened the judges who presided over foreclosure proceedings. From these farms came the demands for farm relief. Unlike those of the Appalachian Plateau, these farmers had something to lose.

Thus the notion, so sanctified by the conventional wisdom that the modern concern for security is the reaction to the peculiar hazards of modern economic life, could scarcely be more in error. Rather it is the result of improving fortune—of moving from a world where people had little to one where they had much more to protect. In the first world misfortune and suffering were endemic and unavoidable. In the second they have become episodic and avoidable. And as they became episodic and avoidable, reasonable men saw the merit of measures to avoid them and the possibilities for so doing.

I have more pertinent quotations which directly and sincerely concern the bill, from which I should like to read; but the hour is very late and I understand there has been an agreement that the Senate should recess until tomorrow morning.

Mr. HUMPHREY. Earlier this evening I indicated to the Senator from Wisconsin that it was desired to recess at about 10:15 p. m. If it is satisfactory to the Senator, I should like to move that the Senate recess.

Mr. PROXMIRE. Before the Senator so moves, I simply should like to say, first, that I thank the distinguished Senator from Minnesota for his very, very great help in the colloquy. I appreciate the expert way in which he has brought out the important points of my presentation. I should like to thank the present Presiding Officer, the Senator from North Carolina [Mr. JORDAN], his predecessor, the distinguished Senator from Georgia [Mr. TALMADGE], and my other colleagues and employees of the Senate who have been present. I deeply appreciate it, and apologize for keeping everyone here so long.

I should like to conclude, as I started, by saying that this bill is enormously important to me and to the people I, in part, represent. I feel I have a duty to do my level best to explain the bill in detail, to do my best to explain my reasons for opposing the bill, and to fight it, with all my heart.

Mr. HUMPHREY. Mr. President, I commend the Senator from Wisconsin for his fine presentation. No one questions the Senator's sincerity and dedication to the well-being of the people of his State and of the Nation. I am sure tomorrow we will hear a great deal of valuable information. I am happy we will be able to hear further from the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, before the Senate takes a recess, as a matter of convenience, since this will only take a minute or two, and I think it is extremely important, I have here an amendment to provide for loans to farmer associations for the establishment of processing and marketing enterprises. This program would operate very similarly to the present Rural Electrification Administration program, which has been such a remarkable success in the field of rural electrification. I offer this amendment, and ask that it be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

Mr. PROXMIRE. Mr. President, I offer another amendment which would provide for the distribution of additional food commodities in adequate supply through the school lunch program and directly to State and local welfare agencies. I ask that this amendment be printed and permitted to lie on the table.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

Mr. PROXMIRE. Mr. President, I offer a third amendment which would provide for a national security and safety reserve of food, fiber, and biological oils. I request that this amendment be printed and permitted to lie on the table.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

Mr. PROXMIRE. Finally, Mr. President, I offer an amendment which would provide for the expansion of farm exports, by authorizing the President to explore with other nations the possibility of establishing an International Food and Fiber Reserve Bank, and by authorizing the use of surplus farm commodities for financing capital improvements under the Public Law 480 program. I ask that the amendment be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, July 23, 1958, he presented to the President of the United States the following enrolled bills:

S. 1785. An act designating the reservoir located above Heart-Butte Dam in Grant County, N. Dak., as Lake Tschida, and for other purposes;

S. 1939. An act to amend the Federal Seed Act of August 9, 1939 (53 Stat. 1275), as amended;

S. 2266. An act to provide a method for regulating and fixing wage rates for employees of Portsmouth (N. H.) Naval Shipyard;

S. 3076. An act to amend section 12 of the act of May 29, 1884, relating to research on foot-and-mouth disease and other animal diseases;

S. 3437. An act authorizing the Department of Highways of the State of Minnesota to construct, maintain, and operate a free highway bridge between International Falls, Minn., and Fort Frances, Ontario, Canada;

S. 3478. An act to insure the maintenance of an adequate supply of anti-hog-cholera serum and hog-cholera virus;

S. 3608. An act to revive and reenact the act authorizing the State Highway Commission of the State of Maine to construct, maintain, and operate a free highway bridge between Lubec, Maine, and Campobello Island, New Brunswick, Canada; and

S. 3677. An act to extend for 2 years the period for which payments in lieu of taxes may be made with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments.

RECESS TO 10:30 A. M. TOMORROW

Mr. HUMPHREY. Mr. President, pursuant to the order previously entered, I now move that the Senate stand in recess until 10:30 a. m. tomorrow.

The motion was agreed to; and (at 10 o'clock and 22 minutes p. m.) the Senate recessed, the recess being, under the order previously entered, until tomorrow, Thursday, July 24, 1958, at 10:30 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate July 23, 1958:

UNITED NATIONS

The following-named persons to be representatives of the United States of America to the 13th session of the General Assembly of the United Nations, to serve no longer than December 31, 1958:

Henry Cabot Lodge, of Massachusetts.

Michael J. Mansfield, United States Senator from the State of Montana.

Bourke B. Hickenlooper, United States Senator from the State of Iowa.

Herman Phleger, of California.

George McGregor Harrison, of Ohio.

The following-named persons to be alternate representatives of the United States of America to the 13th session of the General Assembly of the United Nations, to serve no longer than December 31, 1958:

James J. Wadsworth, of New York.

Miss Marian Anderson, of Connecticut.

Watson W. Wise, of Texas.

Mrs. Oswald B. Lord, of New York.

Irving Salomon, of California.

COAST AND GEODETIC SURVEY

Subject to qualifications provided by law, the following for permanent appointment to the grade indicated in the Coast and Geodetic Survey:

To be ensign

Will Connell.

Robert P. Michaud.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 23, 1958:

POSTMASTERS

ALABAMA

Oscar A. Lindbergh, Cottondale.

Homer W. Hopwood, Sheffield.

ALASKA

John G. Williams, Sr., Yakutat.

ARIZONA

Ethel V. Rogers, McNeal.

ARKANSAS

Dan C. Griffin, Crawfordsville.

CALIFORNIA

Kerg B. Key, Alameda.
John L. Cross, Healdsburg.
William A. Thorne, Irvington.
Howard Neubauer, Pacific Grove.
Walter C. Whitman, Pittsburg.
Ruth E. Christman, Robbins.
Ulis C. Briggs, Ukiah.

COLORADO

Helen I. Horsman, Boone.

CONNECTICUT

Arthur R. Cleary, Bethel.
Leslie S. Mallinson, West Cornwall.

FLORIDA

Howard B. Walker, Dinsmore.

GEORGIA

William Leroy Hogue, Carrollton.
Felton T. Cochran, Dallas.
Leo J. Russell, Rome.

HAWAII

Irene R. Afflerback, Spreckelsville.

INDIANA

Hubert D. Moughler, Waterloo.

IOWA

Lloyd M. Thoensen, Blue Grass.
Donald C. Leinen, Onslow.

KANSAS

Chloe E. Huffman, Englewood.
George Paul Gerardy, Hanover.
Jack D. Warnock, Stafford.

KENTUCKY

Minnie M. Staley, Lackey.

LOUISIANA

Billy R. Johnson, Harrisonburg.
Roberta G. Landry, Mathews.
William A. Bulcao, Slidell.
Alcus W. Magee, Varnado.
Robert P. Kennedy, Zachary.

MAINE

Chandler Bryant Paine, Bar Harbor.
George M. Roberts, Bridgewater.
Grace M. Sullivan, Oakfield.
Raymond M. Flynn, Sanford.
Donald L. LaPointe, Van Buren.

MASSACHUSETTS

Edwin J. Culver, Dalton.
Katherine C. Brown, Littleton Common.
James H. Bradley, Woburn.

MICHIGAN

William Z. Todd, Allen.
Victor J. Haughey, Camden.
Edward A. Bumhoffer, Elkton.
James H. Dorsey, Empire.
Ivan M. Vernon, Flushing.
James Evans, Mackinaw City.
Roby G. Brown, McMillan.
Benjamin E. Voorhees, Jr., Midland.
Roy J. Murray, Port Huron.
Byard G. Raeburn, Sault Ste. Marie.
Hazen J. Smith, South Lyon.
Wayne R. Ignatz, White Pigeon.

MINNESOTA

Edward J. Shega, Babbitt.
Russell C. Rapp, Cleveland.
Arthur Peter Hein, Excelsior.
Cleve R. Austin, Minneapolis.

MONTANA

Neal E. McCurdy, Broadus.

NEBRASKA

James C. Dowding, Bellevue.
Edward W. Divis, Brainard.
Malcolm E. Jensen, Emerson.
Albert W. Metcalf, Hyannis.
Ruth E. Fouts, Maxwell.
Anton Semrad, Prague.
Clement J. Suchanek, St. Paul.

NEW HAMPSHIRE

Clyde R. Seavey, Candia.

NEW JERSEY

Margaret M. Powell, Crosswicks.
Lawrence P. Ivins, Hightstown.
Ellen E. Benson, Lawnside.
Harvey F. Johnson, Monroeville.
Lawrence H. Emmons, Sergeantsville.

NEW YORK

Richard E. Braack, Almond.
George J. Smith, Armonk.
Arthur G. Wood, Ballston Spa.
William Francis Dietz, Blauvelt.
Peter S. Tosi, Boiceville.
Nathan Cyrus Hamblin, Boonville.
Harmon A. Parmele, East Bloomfield.
Lois O. Fancher, Groveland.
Paul Armstrong, Jr., Levittown.
Howard N. Bishop, Little Valley.
Grace E. Pfeiffer, Middle Island.
Minor J. Leonard, Odessa.
Alice B. Larsen, Peconic.
Mildred A. Wolfe, Pike.
Clarence B. Wilmot, Rushford.
Edmund U. Burhans, Saugerties.
William Metcalf, Sound Beach.
Berta R. Fellows, South Salem.
Ronald F. Morse, Windham.

NORTH DAKOTA

Edward J. Ziman, Dodge.
Andrew S. Persson, Edgeley.
Frithjof J. Thorson, Park River.

OHIO

Adeline E. St. John, Bristolville.
Charles Terwilleger, Cozaddale.
Blaine S. Way, Dexter City.
Don D. Farquharson, Hoytville.

OREGON

Robert E. Smith, North Powder.

SOUTH CAROLINA

Urban B. Milhous, Jr., Denmark.
Nenie White Ridlehoover, Plum Branch.

SOUTH DAKOTA

George F. Mortimer, Belle Fourche.
Maynard G. Hatch, McLaughlin.
Helen Olvia Putnam, Quinn.

TENNESSEE

James E. Vann, Flintville.
Hardy W. Walker, Wildersville.

TEXAS

Jacob Truett Welch, Royse City.

UTAH

Roger A. Clark, Emery.
Daniel Clair Whitesides, Layton.

VERMONT

Harold B. Wright, White River Junction.

VIRGINIA

Arthur P. McMullen, Hot Springs.
Elmer H. Kirby, Stanleytown.

WEST VIRGINIA

Victor G. Overbeck, Albright.
Ruby N. McGlothlin, Berwind.
Elmer R. Shafer, Caldwell.
Dale Lilly Dempsey, Coal City.
Lawrence L. Boyles, Mill Creek.
Franklin N. Phares, Valley Bend.

WISCONSIN

Ruth M. Bergstrom, Comstock.
William J. Perlberg, Franksville.
Seth E. Liebenstein, Grafton.
Clarence L. Sutter, Kohler.
Keith R. Gissal, Lannon.
Mike Krultz, Jr., Neillsville.
John A. Zervic, Pewaukee.
George W. Schultz, Stoughton.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JULY 23, 1958

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Romans 15: 1: *We then that are strong ought to bear the infirmities of the weak, and not to please ourselves.*

Most merciful and gracious God, we are daily praying that the soul of men and nations may be touched and transformed by the spirit of brotherhood and good will.

Inspire us to dedicate all our capabilities and capacities to the supreme task of building a civilization ruled by the principles and ideals of the Prince of Peace.

Show us how we may extend and widen the horizon of our sympathy and understanding.

Grant that we may seek to belong to that glorious succession of men and women who have not lived for self and personal advantage.

Hear us in the name of our blessed Lord who went about doing good. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 12591. An act to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BYRD, Mr. KERR, Mr. FREAR, Mr. MARTIN of Pennsylvania, and Mr. WILLIAMS to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7153) entitled "An act giving the consent of Congress to a compact between the State of Oregon and the State of Washington establishing a boundary between those States."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 13121) entitled "An act to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes."

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 59–2.

DEPARTMENT OF DEFENSE REORGANIZATION BILL

Mr. VINSON. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services may have until midnight tonight to file a conference report on the bill—H. R. 12541—to promote the national defense by providing for the reorganization of the Department of Defense, and for other purposes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

AUGUST WIDMER

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 7729) for the relief of August Widmer, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 3, after "act" insert ": *Provided further*, That the exemption granted herein shall apply only to a ground for exclusion of which the Department of Justice or the Department of State has knowledge prior to the enactment of this act."

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

RELIEF OF CERTAIN ALIENS

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the resolution (H. J. Res. 589) for the relief of certain aliens, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, strike out lines 3 to 8, inclusive, and insert "That, for the purposes of the Immigration and Nationality Act, Annie Bertha Yarnold shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited or prescribed by section 213 of the said act."

Page 1, strike out line 11 and insert "Ngow Lee), and Maximo C. Angeles."

Page 2, after line 20, insert:

"SEC. 4. For the purposes of the Immigration and Nationality Act, Helen Demouchikous shall be held and considered to have been lawfully admitted to the United States for permanent residence as of September 17, 1948, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available."

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

LEGISLATIVE BRANCH, APPROPRIATION BILL, 1959

Mr. NORRELL. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 13066) making appropriations for the legislative branch for the fiscal year ending June 30, 1959, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. NORRELL, KIRWAN, ROONEY, CANNON, HORAN, BOW, and TABER.

CALL OF THE HOUSE

Mr. SPRINGER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 140]

Ashley	Gavin	Prouty
Bass, Tenn.	Gordon	Radwan
Boggs	Gwinn	Sadlak
Buckley	Hoeven	St. George
Burdick	Hoffman	Shuford
Dies	James	Smith, Kans.
Dowdy	Jenkins	Talle
Eberharter	Kearney	Taylor
Edmondson	Morris	Trimble
Engle	Moulder	Vursell
Feighan	Poage	Watts
Friedel	Powell	Williams, N. Y.

The SPEAKER. On this rollcall 394 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENSION OF RECIPROCAL TRADE AGREEMENTS ACT OF 1930, AS AMENDED

Mr. MILLS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. MILLS, GREGORY, FORAND, REED, and SIMPSON of Pennsylvania.

AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The SPEAKER. The unfinished business is the question of suspending the rules and passing the bill, S. 3420, as amended, which the Clerk will report by title.

The Clerk read the title of the bill.

Mr. JUDD. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. JUDD. Mr. Speaker, this motion comes under suspension procedure on the bill we considered Monday, so it takes a two-thirds vote to pass it?

The SPEAKER. The Chair thinks that is generally true.

Mr. JUDD. If one-third of the Members of the House——

The SPEAKER. That is not a parliamentary inquiry. The gentleman is trying to make a speech.

The question is, Will the House suspend the rules and pass the bill, S. 3420, as amended?

Mr. JUDD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The question was taken; and on a division (demanded by Mr. JUDD) there were—ayes 195, noes 52.

So, two-thirds having voted in favor thereof, the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

MEDAL FOR DISTINGUISHED CIVILIAN ACHIEVEMENT

The SPEAKER. The further unfinished business is the question on suspending the rules and passing the bill H. R. 488 to provide for the conferring of an award to be known as the Medal for Distinguished Civilian Achievement.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

COMMITTEE ON PUBLIC WORKS

Mr. FALLON. Mr. Speaker, I ask unanimous consent that the Committee on Public Works may have permission to sit this afternoon during general debate.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet tomorrow at 11 o'clock a. m.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

SMALL BUSINESS INVESTMENT ACT OF 1958

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 618 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 3651) to make equity capital and long-term credit more readily available for small-business concerns, and for other purposes. After general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. MADDEN. Mr. Speaker, House Resolution 618 makes in order the consideration of S. 3651, the Small Business Investment Act of 1958. The resolution provides for an open rule and 2 hours of general debate on the bill.

At the present time the business loan program of the Small Business Administration is limited to providing short-term and intermediate-term credit to small businesses when such loans are not available from private financial institutions. This bill establishes a Small Business Investment Division within the Small Business Administration. The Division is authorized to charter privately owned small business investment companies. An additional $250 million in appropriations to the existing revolving fund of the Small Business Administration is authorized to provide the financial assistance to help meet the initial capital requirements of these new investment companies, as well as for the expansion of their operations. Certain requirements must be met by these companies before loans can be made, and these requirements are spelled out in the bill.

These small business investment companies would, in turn, provide equity-type capital to small business concerns through the purchase of convertible debentures. The manner in which equity capital is to be furnished is set out in the bill. In addition, these companies may make long-term loans under certain conditions for 20 years. Such loans may be extended or renewed for up to 10 more years if necessary to aid in the orderly liquidation of these loans.

The bill also authorizes the SBA to make loans to State and local development companies to enable them to more effectively assist small businesses.

The Securities and Exchange Commission is authorized to exempt securities which are issued by small business investment companies from the regulatory provisions contained in the Securities Act of 1933 and the Trust Indenture Act of 1939; limited exemption from the Investment Company Act of 1940 is also included in the bill for those small business investment companies which may be subject to regulation under that act.

It is hoped that the provisions of this bill will stimulate the availability of capital funds to small business since it is apparent that small-business firms have a real need for long-term and equity type financing.

I urge the adoption of House Resolution 618.

Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN] and reserve the balance of my time.

Mr. ALLEN of Illinois. Mr. Speaker, I yield such time as he may require to the gentleman from Connecticut [Mr. SEELY-BROWN].

Mr. SEELY-BROWN. Mr. Speaker, I support the rule and I support the legislation made in order by this rule.

Mr. SEELY-BROWN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. SEELY-BROWN. Mr. Speaker, I rise in support of S. 3651, as amended by the House Committee on Banking and Currency.

As has already been stated, the primary purpose of the bill we are considering today is to make equity-type capital and long-term credit more readily available for small-business concerns. This would be achieved through encouraging the establishment of privately owned—and I emphasize the words "privately owned"—small business investment companies.

In order to do this job, the proposed legislation would provide financial assistance to help meet the initial capital requirements of these new investment companies and also for a proper expansion of their operations. These new investment companies would in turn make equity-type loans and extend long-term credit to the small-business concerns needing this type of help.

Also included in the bill is a provision which will make possible Federal assistance to State and local development corporations in order to enable them to provide help to small business.

This entire program would be carried out through a new Small Business Investment Division established within the Small Business Administration. No new agency is created. In order to carry out the provisions of this legislation a revolving fund of $250 million is authorized.

Since this program is an entirely new one and is "on trial," I favor very strongly a constant review by the Congress. Not only will this program be reviewed by the Committee on Banking and Currency, but since its funds must be obtained through annual appropriations, it will also be reviewed by the Committee on Appropriations.

This program does not compete with those presently being carried forward by our conventional financial institutions. In my opinion it gives these existing institutions an opportunity to provide even greater service within the proper limits of our free-enterprise system. Through their own participation in the establishment of privately owned small business investment companies they will be able to increase the service they are presently rendering the small-business community.

Mr. ALLEN of Illinois. Mr. Speaker, I know of no opposition to the rule. It is my understanding there may be some amendments offered. At this time I yield 2 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, I shall support this rule and I shall support the bill. However, at the request of many of my friends around the country and particularly at the request of the American Bar Association, in compliance and in line with the resolution of the American Bar Association, I propose at the proper time, during consideration of the bill under the 5-minute rule, to offer an amendment. The amendment deals with this proposition. This bill provides for Federal chartering of these profit corporations in the various States for a period of 3 years. The contention in the report is that the State laws are not properly devised to provide for the chartering and hence we need this 3-year arrangement.

The American Bar Association has made a careful study of all the State statutes and can establish beyond any question of a doubt that all of the States do have such legislation as will enable them to grant these charters. So I cannot for the life of me see why we should set up an additional bureaucracy here in Washington to grant the charters, charters of the very same sort that have been granted in the States ever since the beginning of the Republic.

At the proper time under the general debate, and I shall not delay the matter further at this time, I will discuss the matter further and read a memorandum given to me by the American Bar Association and its representatives and, as I say, I will offer an amendment at the proper time to strike out the provision for Federal charter for the 3 years, and have this function carried on in the States, where we have not only the necessary laws but all of the personnel already in existence trained in these matters to do the chartering of these organizations to be created.

Mr. MADDEN. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

THE SMALL BUSINESS INVESTMENT ACT OF 1958

Mr. PATMAN. Mr. Speaker, the action which the House takes today on this Small Business Investment Act will be one of the most important actions taken in many years. This bill, if enacted, may well mark the turning point for small business in this country. I earnestly hope that the House will pass the bill without adding to it any further restrictive or crippling amendments.

THE PROBLEM IS WELL KNOWN

Now as to the problem the bill is intended to help solve, I believe this is well understood; and there is general agreement as to what the problem is.

We have a capitalistic, free-enterprise system in this country and we want to keep this system. One of the reasons, however, that the system has been moving toward monopoly is the capital squeeze on small business. The amount of capital required to organize and operate an efficient small firm has been increasing. More machinery, more equipment, and more labor-saving devices of all kinds are required. At the same time, however, the number of families in the local communities with large amounts of personal wealth has been shrinking.

How, then, are small firms to obtain capital funds from the savings of large numbers of families whom the small-business man does not know on a personal basis? How are the savings of those families who would like to invest in small firms with good profit prospects to find their way to these firms? The big corporations obtain equity capital and they obtain long-term debt capital from the centralized stock and bond markets. Where is the machinery whereby small firms might have access to equity capital and to long-term debt capital? There is none. On this there is agreement. As the representative of the American Bankers Association told our Small Business Committee:

> The banks, as this committee knows, are not set up, they are not capitalized, they are not organized for the purpose of providing equity capital, and they are certainly not organized for the purpose of providing long-term loans.

This about sums up the problem.

THERE IS AGREEMENT ON PRINCIPLES FOR THE SOLUTION

Now as to the solution of the problem. There have been varying proposals, but almost everybody concerned with the problem has been in agreement on certain principles which are these:

First. It is entirely appropriate for the Federal Government to take action to assist private enterprise in finding a solution to its problem, particularly since in this case the problem affects the welfare of all of our people.

Second. In taking this action, we should have two goals for the system which we would help to set up. First, the individual investment decisions should be made not by a bureau in Washington, but by local businessmen who will be backing their decisions with substantial amounts of their own money.

The second goal of the system is that it should provide for private capital to come in and take over complete ownership and operation of the system, so that there will be no need for the Government to remain in these operations and the Government will be retired from any part in these operations.

A number of specific proposals to meet these goals has been considered. One proposal which was earlier given primary consideration is found in the small business capital bank bill, which was introduced by the Democratic members of the House Small Business Committee, Representatives EVINS, MULTER, YATES, STEED, ROOSEVELT, BROWN of Missouri, and myself.

After these bills were introduced in the House, the distinguished majority leader of the Senate, the Honorable LYNDON B. JOHNSON, introduced it in the Senate, and immediately set to work to try to obtain agreement on that bill. The upshot was that wide agreement could not be obtained, and I have reason to believe that the administration expressed a strong opposition to the bill.

As a consequence, Senator JOHNSON of Texas then had worked out and introduced the bill which is before us now—the Small Business Investment bill. I introduced the bill in the House, believing strongly that it is the best bill on which wide agreement could be obtained. The bill does not contain many of the provisions which I would like to see in it. Principally, it does not contain provisions for setting up a regional capital bank system which I believe is needed to assure a continuing program and one which will be fully attractive to private capital. It is, however, a good bill; it takes a giant step in the right direction, and in the Senate it has already received wide agreement. For the success with which the bill has met so far, the country is deeply indebted to the highly-skilled and devoted efforts of Senator LYNDON JOHNSON, to the chairman of the Small Business Subcommittee of the Senate Committee on Banking and Currency, Senator CLARK, to the many years of skilled and devoted preparatory work which has been done by Senator SPARKMAN and other members of the Senate Small Business Committee, as well as to the very able and devoted staffs of the Senate Banking and Small Business Committees.

THE BILL SHOULD BE ACCEPTED WITHOUT SUBSTANTIVE AMENDMENTS

As I indicated on Tuesday of last week, I will offer a few amendments to the bill which I will discuss later. These are, however, merely conforming amendments. They will do nothing more than to give permanent authority to the program set out in this bill, in order to conform the bill in this respect with the change which has been made and accepted in the Small Business Administration bill, since this bill was passed by the Senate. The Small Business Administration will now have a continuing life until such time as Congress sees fit to terminate its authority; and so, too, the conforming amendments I will offer will put this bill on the same basis.

I hope that the Members will not insist ony any substantive changes in the bill, at least in any change which would further restrict the assistance to small business which is now contained in the bill. The House Committee on Banking and Currency has already adopted 10

amendments to the bill. On the whole these are restrictive amendments which tend to cut back or handicap use of the authority provided in the Senate bill.

Now as to what the bill does.

It authorizes an appropriation of $250 million to the Small Business Administration which will be used to aid in a new type of small-business financing. It is intended that small firms will be able to obtain through this program both equity capital and long-term loans, loans for periods of up to 20 years.

HOW INVESTMENT COMPANIES WILL BE FINANCED

The bill authorizes the formation of local small-business investment companies. These companies will be formed voluntarily, and they may be formed by as few as 10 local businessmen. If the SBA sees fit to charter such a company, the company is in business.

To begin operations, however, a small-business investment company must have at least $300,000 of capital. Of this amount it may obtain half, or $150,000, from the Small Business Administration. In putting up this $150,000, the SBA will take from the investment company subordinated debentures. By subordinated debentures it is meant that these will not have the first priority claim on the assets of the investment company. They will stand much in the position of preferred stock in case of liquidation of an investment company.

The local company may then obtain additional risk capital from private sources, and it may obtain additional loans from private sources. In addition, it may obtain additional loans from the SBA on terms and conditions that are satisfactory to the SBA, but with one restriction which is set out in the bill. The restriction is that the SBA cannot lend to an investment company an amount which is greater than 50 percent of the capital of the investment company. So much for the way in which the investment company will obtain its funds.

INVESTMENT COMPANIES MAY INVEST IN OR MAKE LOANS TO SMALL CONCERNS

Now as to how the small-business investment company may make capital available to small firms.

It may do this in either of two ways. The investment company may make loans on convertible debentures of the small-business firm. This, however, gives an option to the small-business investment company of converting these debentures to stock in the companies at a later time, if it should care to do so. A second authority which the investment company has is to make outright loans to a small-business firm for a period running up to 20 years. It may make equity capital available to a small-business firm, in which case it will take in exchange for its capital, convertible debentures. These debentures will give the investment company the option of exchanging for common stock of the small-business firm at a later time, if the investment company cares to do so. In case an exchange is made, it will be made at a fair value of the stock determined at the time the convertible debenture is accepted.

In addition, the investment company may make loans to the small-business company which are so soundly secured as reasonably to assure repayment. Such loans may be made either by the investment company alone, or by the investment company in participation with private lenders.

Now there is a limitation as to the amount of capital which the investment company can put into any one small-business firm. Counting both the equity capital and the loan capital, if any, the investment company may not lend to any individual firm more than 20 percent of its total capital. In the case of loans, SBA will determine the interest rate. So much for the methods of financing through local investment companies.

SBA MAY LEND TO STATE DEVELOPMENT COMPANIES

Under the authority contained in this bill, the SBA may also make loans to State-chartered development companies. The bill contains two authorities for this.

First, the SBA may make a loan to a State-chartered development company, for the general purposes of this act, provided only that it may lend the State development company no more than the company has borrowed from other sources.

In addition, the SBA may make other loans to both State and local development companies where the funds are to be re-lent to specific small-business firms, but such lending can be only for the purpose of plant construction, conversion, or expansion. The limitation on the amount of these loans is that the SBA may lend no more than $250,000 for each identifiable small-business firm involved in the project.

Interest rates on loans to State development companies will be determined by the SBA Administrator.

Let us now look at this bill as a whole and try to appraise it. What kind of program does it provide? Does it provide for a vast outpouring of Federal funds to small business? Does it create a subsidy for small firms which will bring about an unfair situation for their big-business competitors? Let us consider the size of the program first, as compared to the need.

FEDERAL FUNDS SMALL COMPARED TO THE NEED

According to authoritative estimates, such as those made by the Department of Commerce, business investment even in this recession year of 1958 will be in the neighborhood of $30 billion. This means that about $30 billion will be spent on new plants, new retail outlets, new business equipment of all kinds to expand or modernize physical equipment.

The question of who will make this tremendous investment is one of utmost importance to our free-enterprise system and to the welfare of the whole Nation. Will this expansion and modernization of business equipment be made almost exclusively by the big corporations, as has been the case in previous years? Or will small firms participate in better proportion than in the past?

The bill provides $250 million of Federal funds for the entire small-business program. This would be only a drop in the ocean even if the full $250 million were to be lent or invested in a single year. In other words, if the program provided not $250 million for all time, but $250 million a year, each year, these Federal funds would amount to less than 1 percent of the amount of new business investment being made each year.

FEDERAL FUNDS SMALL COMPARED TO SUBSIDIES TO BIG BUSINESS

Now how does this tiny amount of Federal funds compare with the Federal subsidies going to big business? Let me take just one example which is directly related to new investment in business equipment.

Since the beginning of the Korean hostilities, the Office of Defense Mobilization has given out some $28 billion in tax amortization certificates to business firms. This has been almost exclusively a big-business program and a big-business subsidy. The sketchy reports which have been made on this program in the past have indicated that big business received more than the lion's share of these tax amortization certificates. What are these certificates?

The general agreement is that these certificates are in effect long-term loans, and not only that, they are interest-free loans. The business firm receiving one of these certificates pays for new, modernized, or expanded business equipment out of taxes, usually within a period of 5 years. For example, a hydroelectric dam which would be good for 50 or 100 years can be written off out of taxes in 5 years. But the certificate is not an outright gift. Writing off a new plant in 5 years, instead of the normal 25 or 30 years, simply means that the company pays back what are in effect borrowed funds in future tax years. So this $28 billion of tax amortization certificates has amounted to $28 billion of loans to business—and mostly to big business—on an interest-free basis for about 25 to 30 years. Certainly, we are providing nothing in this program for small business which is nearly as generous; and the program which is provided will not begin to offset, or even up the Federal subsidies which have gone into big-business investment through this tax program alone.

LESS THAN THE ANNUAL INTEREST ON INTEREST-FREE LOANS TO BIG BUSINESS

I might add that while the tax amortization program was enacted on the theory of building up productive strength for defense purposes, in reality almost every conceivable kind of business has been eligible for these certificates and has received these certificates. About the only kinds of businesses which have not been considered as adding to our economic strength for defense purposes are entertainment, finance, insurance and real estate businesses.

How does the cost of this small-business bill compare with the tax amortization certificates of the past 8 years? We might compare it this way: If the companies that have received these certificates were paying interest on their interest-free loans from the Government at a reasonable rate, those interest payments would amount to several times $250 million each and every year.

In other words, if these companies were paying 3 percent interest, this would amount to $840 million a year. So, the whole $250 million of Federal funds in this bill is less than 1 percent of the annual interest on the $28 billion of tax certificates that have been handed out, mostly to big business.

The $250 million in this bill is not, of course, to be made available in 1 year. It is the amount authorized to be made available for many years to come. And actually none of this money is being made available by this bill. The bill as it has been amended by the House committee only authorizes this amount of money to be appropriated. So, after we pass this bill, there is still a question whether any money will be appropriated for the program, and if so, when and how much.

BIG BUSINESS RAISES "COSTLESS CAPITAL" BY TAKING IT FROM THE PUBLIC

Big business receives many other kinds of subsidies which help it to raise capital. Probably the greatest and most direct subsidy of all comes about from the fact that most of the big corporations are so insulated from competition that they can raise all, or almost all, of the capital they want for expansion, taking it away from the public in the prices they charge for their products and services.

For example, how many times have we seen announcements from the steel industry over the past 5 years that the steel companies were raising prices because they needed money to expand productive capacity? How many times have we seen the big auto manufacturers build new plants out of funds which they have taken away from the public? The truth is that the big auto companies really do not need to go into the capital markets to get expansion funds. They simply add $50 or $100 onto the price of their automobiles to raise these funds which are over and above the amount of the profits they take in order to pay the stockholders handsome dividends.

In other words, by allowing the monopolistic corporations, the so-called administered-price corporations, practical exemptions from both the moral laws and the statutes against monopoly, the Federal Government is, in effect, giving these corporations the power to tax the public to raise whatever funds they wish to have for expansion and for other purposes. This is a subsidy for which the public pays and a subsidy which benefits only the existing stockholders and the corporate managements. According to the traditional principles of the capitalistic system, the corporation that wants to expand should go to the market for new capital and sell stock to those who want to invest in the new venture. But what the big corporations are doing is forcing consumers to make involuntary investments in the corporations and giving consumers no rights or returns for their investment.

TAX STRUCTURE SUBSIDIZES BIG BUSINESS INVESTMENT

Add to this the peculiarities of our tax system which practically force feed investment funds into the big corporations and we have a complex of Federal policies which is bound to channel investment funds into the big, already-established corporations. And as available investments funds are channeled into expansions of monopoly power, these funds are necessarily channeled away from new firms and away from firms that are insufficiently capitalized. What big stockholder would want to draw all of his share of the annual profits out of the corporation, knowing that he is going to reinvest a portion of those profits? Why would any stockholder of sound mind want this and pay the individual income tax on income which is going to be reinvested anyway? Why not leave the income with the corporation to invest and avoid the income tax?

So, our tax structure provides still another subsidy. The big corporations not only have what is in effect the power to tax the public, they also have the power to relieve their stockholders from taxes on what they take away from the public.

Considering this Small Business Investment Act realistically then, it is an extremely modest program. It is a good program. It is necessarily experimental in many of its features and after it has been tested by practical experience, amendments to the program will no doubt prove to be needed. We cannot hope to write a perfect bill, a bill that will anticipate all of the problems likely to arise. But certainly this bill is no off-hand matter. A great deal of intense and careful work has gone into it. I hope the House will accept it. If the SBA makes a devoted and vigorous use of the authority which the bill provides, it will be a great forward step for small business. In this, SBA will have an extremely grave responsibility. If that agency fails to use promptly and vigorously the authority provided in the bill, if it fails to encourage local investment companies to form and to pursue the objectives of this bill, it will in the matter of a year or so kill off this program, kill off the small-business financing idea, and kill off the hope of maintaining small firms in our business system.

ESSENTIAL TAX PROVISIONS ARE YET TO COME

Now, there are certain tax provisions yet to come which are essential to the success of this program. These are provisions to fit the new investment companies which are to be formed under this bill into the tax structure.

As the bill was originally introduced in the Senate and in the House, it contained provisions to amend the Internal Revenue Code with respect to these new investment companies in two respects:

First, with reference to the investment company's position under the corporate income tax: There is a provision which would make 100 percent exempt from this tax the dividends which the investment company might receive on any stocks it may hold in small business firms. The normal exemption for corporations is 85 percent.

Second, with reference to the Federal income tax on individuals: There is a provision which would allow the individual who invests in the stocks of one of the local investment companies and suffers a loss on that stock, to treat this as an ordinary loss, rather than as a capital loss. And this would also allow the small business investment company to treat such losses as ordinary losses. In other words, this would extend to the small business investment companies, and to individuals investing in these companies the same kind of privilege which the 1954 Revenue Code gave to banks and trust companies with reference to their losses on investments in bonds.

Since the Senate acted on the bill before the House had acted, these two tax provisions were removed from the Senate bill for the reason the provisions are technically revenue measures, and such measures cannot constitutionally originate in the Senate. It is the Senate bill, with amendments, which is before the House today. It is our understanding, however, that the tax provisions have been incorporated in another bill, H. R. 8381, the Technical Amendments Act of 1957, and that an agreement has been reached with the Ways and Means Committee and the Senate Finance Committee that both the House and the Senate will be given an opportunity to vote on these provisions. This understanding is set out in the report submitted by our distinguished chairman of the House Committee on Banking and Currency to accompany the bill we are discussing today—House Report No. 2060, 85th Congress, 2d session, to accompany S. 3651, page 10. We trust that will be the case, because, as I have indicated, we feel that these amendments to the Revenue Code are essential to the success of this small-business financing program.

We have reason to be confident, furthermore, that the House will pass these provisions, if given a chance to vote on them. The action of the House on Monday in passing the Small Business Tax Revision Act of 1958 illustrates the basis of such confidence. The Small Business Tax Revision Act, while it provides only technical amendments and not a general tax reduction for small business, these technical amendments nevertheless provide substantial benefits for small firms. It is extremely heartening that the House passed that bill by a suspension of the rules requiring a two-thirds vote, and it passed the bill almost unanimously. This action has demonstrated that this Congress is aware and deeply concerned about the problems that are working against small business and wants to pass sound measures to correct these problems.

EXCERPTS FROM REPORT OF THE HOUSE SMALL BUSINESS COMMITTEE

Before taking up the conforming amendments which I will offer, I would like to insert at this point in the RECORD the introduction, the conclusions, and the recommendations from our Small Business Committee's report on this small-business financing legislation—from House Report No. 1889, 85th Congress, 2d session—and also two letters from a small-business man which are complimentary to our committee's report.

Furthermore, I commend to all the Members a reading of our Small Business Committee's entire report. The members of the Small Business Committee have, in my opinion, done a landmark job in their investigation, hearings, and report on this legislation. The members of the Small Business Committee, of which I am highly honored to be chairman, are as follows: Hon. JOE L. EVINS, Democrat, Tennessee; Hon. ABRAHAM J. MULTER, Democrat, New York; Hon. SIDNEY R. YATES, Democrat, Illinois; Hon. TOM STEED, Democrat, Oklahoma; Hon. JAMES ROOSEVELT, Democrat, California; Hon. CHARLES H. BROWN, Democrat, Missouri; Hon. WILLIAM S. HILL, Republican, Colorado; Hon. R. WALTER RIEHLMAN, Republican, New York; Hon. HORACE SEELY-BROWN, JR., Republican, Connecticut; Hon. WILLIAM M. MCCULLOCH, Republican, Ohio; Hon. TIMOTHY P. SHEEHAN, Republican, Illinois; Hon. ARCH A. MOORE, JR., Republican, West Virginia.

PROBLEMS OF SMALL-BUSINESS FINANCING

I. INTRODUCTION

The Select Committee on Small Business was reestablished in the 85th Congress by the House of Representatives on January 31, 1957 (H. Res. 56). By this resolution the committee was authorized to conduct studies and investigations of the problems of all types of small business.

One of the problems presented to the committee by representatives of small business said to be of vital importance are the difficulties faced in securing adequate capital. It was alleged that small business cannot survive and grow unless it can find the capital needed for use in day-to-day operations, research, and development, modernization, and expansion. The representatives of the Smaller Business Association of New England, Inc., a voluntary nonprofit association of small-business men, were among the first to present their views of this problem to the committee. Their presentation was well organized and effectively placed before the committee in a visual demonstration prepared by Technifax, Inc. The presentation was repeated near the beginning of each of the sessions of the 84th Congress and during each of the sessions of the 85th Congress.

Previously a number of studies had been made of small-business financing in the United States. One was made by the United States Department of Commerce in 1935. Others were made by Dun & Bradstreet, the Committee for Economic Development, the Subcommittee on Investment of the Joint Committee on the Economic Report in 1949, by the Federal Reserve Board in 1952 and again in 1955, and by the Department of Commerce in 1955. Almost without exception the conclusion was reached that under the existing setup of our economic structure that steps should be taken to assist in preserving—"an open door for investment in little and local businesses in terms of ownership as well as in terms of debt."

On May 5, 1950, the President of the United States presented to the Congress a message regarding the problems of small-business financing (see H. Doc. 584, 81st Cong., 2d sess.). In that message the conclusion was reached that financial institutions are not meeting the expansion needs of small business. It concluded with the words: "This gap should be filled. * * * I, therefore, urge the enactment of legislation * * *."

When the House Small Business Committee adopted its program of study and investigation of the problems of small business on March 12, 1957, it included as one of its principal projects a study of the problems of small-business financing. Soon thereafter the chairman of the committee sought up-to-date factual information on the subject from the Board of Governors of the Federal Reserve System. The following exchange of correspondence took place:

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM,
OFFICE OF THE CHAIRMAN,
Washington, D. C., May 10, 1957.

Hon. WRIGHT PATMAN,
House of Representatives,
Washington, D. C.

DEAR MR. PATMAN: This is in reply to your letter of April 30 expressing interest in certain data relative to small-business financing along the line of material included in the Board's survey of bank loans to business as of October 1955.

There is a very real need for solid information on the financial position and problems of small business that goes far beyond the type of data obtainable by surveying bank loans. That need is for the best and most comprehensive factual and analytical material it is possible to develop on this matter of wide and vital interest.

This is a question with which the Board has been concerned for some time. However, it is not a matter of concern to the Board alone, nor one exclusively in the Board's domain. The matter is of equal concern to a number of committees of the Congress and several departments and agencies of the executive branch.

The problems of small business, in respect to credit and capital and related matters, have, for example, drawn the attention for some years of the Small Business and the Banking and Currency Committees of the House and Senate, the Joint Economic Committee, the Council of Economic Advisers, the Commerce and Treasury Departments, the Small Business Administration, the Federal Trade Commission, the Securities and Exchange Commission, and others. Also, the subject will doubtless be of interest in connection with the study of financial matters that the Senate Finance Committee is planning at this time.

If the true needs for information relative to the financing problems of small business are to be met, it would appear to us highly desirable that an effort be made on the part of all these groups to formulate means of arriving at material that will at once be comprehensive and broad enough to cover the informational requirements of these groups and be of a scope and quality satisfactory to all. The Board would cooperate to the full in efforts to formulate and carry out such a study. The Board recognizes that such an undertaking would involve a considerable expenditure of time and money. To be worthwhile, such an undertaking would have to be comparable in breadth of coverage to the study of consumer installment credit undertaken by the Board at the request of the President. As you know, this study required about 12 months' intensive efforts of part of the Board's comparatively small staff, plus the use of several outside survey and research organizations. As you further know, that study entailed direct costs approximating $380,000.

The necessity for such a comprehensive undertaking has been highlighted by efforts in the past, both on our part and on the part of others, to obtain certain limited information by means readily at hand. Recently, for example, we developed what we believed to be revealing data on the trends in bank lending to businesses of various sizes from a quarterly survey on interest rates charged by banks on business loans. The information has been given to members of your staff. This material, while informative as far as it goes, is not sufficient to meet the basic needs which you, as well as we, have in mind.

The same inadequacy is true, unfortunately, for the type of information obtainable in a bank-loan survey. Such a survey would be extremely complicated and time consuming, yet would add little to the data on bank financing of small business available from the existing quarterly survey and the regular call reports.

In view of the above, the Board has requested our Director of Research, Mr. Ralph A. Young, to deliver this letter to you personally and to discuss the matter with you.

Sincerely yours,

WM. MCC. MARTIN, JR.

JUNE 25, 1957.

Hon. WM. MCC. MARTIN, JR.
Chairman, Board of Governors of the Federal Reserve System, Washington, D. C.

DEAR MR. MARTIN: This is with further reference to your letter of May 10, in which you suggest the possibility of a broad study of small business financing problems which would meet the needs and interest of several other committees of both the House and the Senate.

Frankly, when Mr. Young brought this letter by my office and presented it as an alternative to my earlier request for information on small-business financing, I was not favorably impressed with the suggestion since, among other reasons, it occurred to me that a proposal which hinges upon obtaining cooperation and agreement among so many different committees would unnecessarily delay matters.

After further reflection on your letter, however, and upon rereading it, I am now of the view that your suggestion for a broad fully rounded study of all aspects of small-business financing is one of considerable vision which I did not immediately appreciate.

Consequently, I am now exploring this proposal with some of the other committees which you mentioned, and it seems to me quite possible that this will eventuate in a later request for a study of the kind that you have suggested.

I am,

Sincerely yours,

WRIGHT PATMAN.

On May 20, 1957, the chairman of the committee wrote to officials of the leading banking and life-insurance institutions, requesting their assistance in accumulating factual data on this subject. Those requests prompted lengthy conferences and negotiations with representatives of life-insurance companies and leading banking institutions and their representatives in the American Bankers Association. The result was the working out of an arrangement providing for the life-insurance companies to make a survey of their activities respecting small business and report the results of that survey through the offices of the research director of the Life Insurance Association of America. An additional understanding was reached that the requests submitted to the leading banking institutions would be held in abeyance providing that they and other member banks of the Federal Reserve System cooperated in the making of a survey to be conducted under the supervision of the Board of Governors of the Federal Reserve System regarding the advances of finances by members banks to small-business concerns.

A comprehensive report was submitted to the committee by the research director of the Life Insurance Association of America. It appears in the record of the committee's hearings on the problems of small-business financing, pages 125–185. Parts I and II of the study on financing small business, which was conducted under the supervision of the Board of Governors of the Federal

Reserve System, were put in writing and reported on April 11, 1958, to the Committees on Banking and Currency and on Small Business of the Senate and the House.

In the meantime, the House Small Business Committee has continued its study of the problem. Hearings were held November 19, 20, 21, and 22, 1957, and on April 16, 17, and 28, 1958. The record of those hearings contained 607 printed pages, and includes the testimony of a large number of prominent experts in the world of finance. The Chairman and all members of the Board of Governors of the Federal Reserve System testified, as did 4 of the presidents of the 12 Federal Reserve banks. The Secretary of the Treasury and other high policymaking officials of the United States Government appeared before the committee and testified. The president of the Committee for Economic Development and representatives of other private research organizations presented their views for inclusion in the record. The record is replete with statements setting forth the views of representatives of small business.

* * * * *

VI. CONCLUSIONS

Financial needs of small business

1. Financial needs of small business can be divided into short-term credit, which is credit required for period of less than 1 year; long-term credit, which is credit required for periods in excess of 1 year; and equity financing, which is permanent investment capital.

2. Short-term credit is not as much of a problem as long-term financing. About two-thirds of small firms are in retail trade and service industries. In these lines working capital needs, some of which are of a seasonal nature, are apparently fairly adequately, even though expensively, taken care of by commercial banks, business suppliers, and specialized financial institutions, such as sales and finance companies. An additional fifth of small business is accounted for by wholesale trade and construction, where the short- and medium-term credit facilities of existing institutions do not present the problem in long-term financing.

3. Although the largest segment of small business, retail trade, needs mainly short-term credit, most of the unsatisfied demand of small business in general is for long-term loans, equity, or equity-type capital. This demand arises from firms that are able and willing to grow. It is usually the small business with ambition to grow, and to grow rapidly, that is most aggressively seeking additional funds.

4. Although the core of the small business financing problem seems to be in the manufacturing area, small firms in some segments of the service industries, as well as the mining, construction, and trade fields, have financing problems. The unsatisfied demands that appear to have greatest economic justification are mostly those of new firms or concerns with new lines or processes. Such firms need working capital as well as funds to finance plant and major equipment installations. This need is for long-term credit or equity capital.

5. The major needs of small businesses for long-term loans or equity financing are to provide venture capital at the inception of a new business; capital for growth of the established small business which includes expansion needs and survival or maintenance of market position; and funds for continuity of the business or transference of ownership; sometimes necessitated by death of one partner or part owner and sometimes by estate tax problems.

6. Many small businesses are in the short-term capital market because of the inadequacy of long-term capital. A small-business operator on friendly terms with his banker may actually borrow on a short-term basis with both himself and the banker knowing that he intends to renew the loan at maturity. Thus, a series of renewals of short-term loans is in reality a long-term loan. The banker enters into this relationship to help the small-business operator until he can establish long-term credit while the businessman himself is forced into the short-term credit arrangement as being the only means of securing capital. Should long-term capital be made available to small business in greater amounts, additional short-term capital would be freed to satisfy the unsatisfied demand for short-term capital.

7. If a dynamic small-business community is to be maintained, equity and long-term financing facilities must be provided to permit small business to grow. Therefore, the balance ofthis summary will deal with equity and long-term debt financing.

Sources of equity and long-term debt financing

1. Sources of capital for business growth are retained earnings, debt, and equity financing. Because of the tax structure and the decreasing value of the dollar, the extent of growth from retained earnings is severely limited.

2. Long-term debt and equity financing of small businesses by the major financial intermediaries such as banks, insurance companies, large institutional investors, small investment funds, personal trust funds, and pension funds is negligible because these financial intermediaries seek seasoned securities in large blocks with active national markets. There is no incentive to seek out riskier investments or to invest in small amounts in small concerns.

3. Current business-loan programs, centered on the Small Business Administration, but also involving the Veterans' Administration, are essentially limited to the provision of intermediate-term credit for working-capital purposes. They do not provide equity financing. Government financing of small business has not been large. At the end of 1957, the combined loan and commitment total for SBA and VA was equivalent to less than 4 percent of small-business loans actually outstanding at member banks a few months earlier.

4. The lending activities of development credit corporations created in recent years has, likewise, been small. At the end of 1957, it was about 2 percent of small-business loans of commercial banks in the States in which development credit corporations were active.

5. When the small-business operator is able to obtain a loan, he pays a much higher rate of interest than his large-business counterpart.

6. Equity capital is provided through the public sale of securities in the capital market and through private sale. When small security issues are offered, the cost of flotation is considerably greater than for large issues.

7. From the standpoint of private sale of securities by the small-business operator, even if he has access to private investors, he is limited to a relatively small number of investors who may be willing to provide capital only at a relatively high cost or who do not have sufficient knowledge to judge the prospects of the firm, in particular when the concern is new.

8. Small firms have obtained equity funds mainly through personal, informal contracts. Personal sources make for an uneven distribution of available equity funds with the result that among firms with equally valid claims to additional resources, some may obtain them and others not.

9. Wealthy men, as individuals, as partners in investment banking houses, or as corporate officers, are the backbone of the venture-capital market for small business.

Need for Government assistance

1. A properly functioning economic system should allocate financial resources according to the potential profitability of their use, without regard to the size of the receiving unit. Since the Government controls the financial mechanism of our economy, it becomes the responsibility of public policy to keep the process of allocation of financial resources from being disturbed or distorted by imperfections in the financial mechanism.

2. Provision for anticipated and realized losses is an important expense item in the operating results of Government credit programs. This risk element in a borrowing clientele previously denied credit by private lenders is a major deterrent to any private program. Many innovations in private lending practices to small business have come through the leadership of Government and following direct-lending programs by Government agencies. Unless private capital can lead the way, it is up to the Government to lead and experiment in providing adequate sources of equity and long-term debt capital to small business.

3. The program should be set up to encourage the development of private institutions to take over the financing program once the Government has led the way and established the program.

4. Emphasis should be placed on security for the loan, including insurance on the life of the small-business operator where practical, and maximum investment by the small-business operator to the reasonable extent of his ability.

5. The procedure of loan processing should involve intelligent planning on the part of the small-business operator and counseling on business planning and management by the administrators of the program.

6. Loans evidenced by debenture bonds under any program should be considered partly equity and partly loaned funds. There is a very narrow line between equity and loaned funds when the collateral is insufficient to cover the loan in the event of a mistake in business judgment. In effect, long-term debt many times substitutes for capital deficiency. The successes wherein the equity portion of successful ventures would yield high returns would be required to offset the loans or equity capital furnished to ventures which turned out unsuccessfully.

7. There should be flexibility in the administration of the program, administration not by a set of rigid rules or formulas applicable to all business regardless of type, but rather administration on the basis of intent of the program which is to lead the way for the channeling of private funds into long-term debt and equity financing for the small-business community.

8. The program should provide for and encourage immediate participation by private individuals including dissemination to potential investors of the functioning of the program, its purposes, and investment opportunities. Through the program the Government could encourage private capital such as the many small investment clubs in local communities to invest in local small businesses in need of financing for the mutual benefit of both.

Summary

1. The committee concludes and finds there is a gap in the existing structure of financing institutions, which lies in the areas of long-term debt and equity capital for small business. The result is that small-business concerns are faced with a real difficulty in obtaining on any reasonable terms the volume of long-term loans and equity capital required for adequate growth and development.

2. Where the existing structure of financing institutions provides long-term debt and equity capital for small business, small-business concerns are under handicaps and at disadvantages when compared to the financing of larger concerns. This is true because—

(a) Small concerns are required to provide gilt-edged securities in the form of mortgage bonds in order to secure long-term financing, while larger concerns are required, as a rule, to provide only unsecured debenture bonds; and

(b) The smaller concerns usually are required to pay substantially higher interest rates on borrowed money than the larger concerns are required to pay.

3. Federal Government leadership is required in authorizing, promoting and assisting in the establishment of new facilities to provide long-term loans and equity capital for small business. It is only through such leadership and action that facilities for financing small business can hope to succeed in building a national market with public acceptance and purchase of securities based, in turn, upon the securities provided by individual small-business concerns for needed capital.

VII. RECOMMENDATIONS

The committee recommends that legislation be enacted promptly which would provide for Federal Government leadership in authorizing, promoting, and assisting in the establishment of new facilities (for example, small-business investment associations) to provide long-term loans and equity capital for small business. It is further recommended—

1. That the establishment of such new facilities should provide for a national market including public acceptance and purchase of debenture bonds in exchange for the capital needed in providing long-term and equity capital for small business;

2. That the legislation should provide for ultimate private ownership of the newly established facilities even though some financing by the Federal Government is required initially;

3. That the policymaking powers regarding the financing of small business be placed in the hands of officials not in a position to exercise Cabinet control over it; and

4. That the legislation should provide to the greatest extent, consistent with good management, for removing from Washington and Federal Government bureaucracy to the grassroots and into the hands of small-business men the power of decision regarding the financing of any specific business enterprise.

EDWARD J. VAGIM & CO.,
Fresno, Calif., June 27, 1958.

Mr. WRIGHT PATMAN,
Chairman, Select Committee on Small Business, House of Representatives, Washington, D. C.

DEAR MR. PATMAN: I am enclosing copies of two letters addressed to Mr. B. F. SISK, the Representative from this district.

Having been a small-business man for all of the years since I left high school 25 years ago I have been vitally interested in the activities of Congress in all matters pertaining to small business.

The subject report is a masterpiece and I hope that it will be the foundation upon which simple and adequate legislation will be promptly enacted.

My sincere thanks to you and every member of your committee for a job well and expertly done.

Sincerely yours,

EDW. J. VAGIM.

EDWARD J. VAGIM & CO.,
Fresno, Calif., June 27, 1958.

B. F. SISK,
Member of Congress, House Office Building, Washington, D. C.

DEAR BERNIE: The report of the Select Committee on Small Business of the House was received and I thank you very much for it.

I have just finished reading the report and want you and the committee to know that I think it is one of the most lucid and concise Government reports that I have ever encountered. The people who prepared this report have covered the entire field of small-business financing in a most comprehensive and intelligent way. Every small-business man should be encouraged to read the report.

Now may I direct your kind attention to the summary and the recommendations at the bottom of page 108 and on page 109. Let's get on the ball and do something about this need. If you have read the report you will know that it is replete with platitudes offered by various groups and individuals over the years. Now that the committee has isolated the problem and posed it in a recognizable way, I hope that Congress will have the courage to tackle and solve it with concise and simple legislation along the lines of the farm credit system.

I am positive that the continued growth and prosperity of our great country will be tremendously enhanced by this kind of legislation. Please send me two more copies of the report as I want to do what I can to stimulate interest in the legislation here. I am writing a separate letter to you in connection with special working capital problems that must be met by small business engaged in the processing of fruits here in California.

Very truly yours,

EDW. J. VAGIM.

Now as to the amendments which I will offer.

The first is intended to remove any time limitation on the authority of SBA to charter small-business investment companies. The amendment is as follows:

Strike lines 9 and 10, page 10, being the last two lines of section 301 (a).

The second amendment will eliminate the time limitation within which State development companies may, with the approval of the SBA, be converted into federally chartered investment companies. This amendment is as follows:

Strike the words "prior to July 1, 1961," and revise the remainder of line 21, page 23, being the first line of section 401 (a), to read as follows: "Any investment."

The third amendment will eliminate the time limitation within which SBA may make loans to State development companies. The amendment is as follows:

Strike lines 16 and 17, page 27, being subsection (6) of section 502.

House Report No. 2060, as does Senate Report No. 1652, explains that the termination date of June 30, 1961, of the authority of the Small Business Administration to charter small-business investment companies was placed in the bill with the thought that within 3 years all States should be in a position to enact the necessary enabling legislation to provide for the chartering of small-business investment companies to operate under this program. Consequently, it was thought that the chartering function in the Small Business Administration would be unnecessary after June 30, 1961.

It is believed that since SBA has now been approved as a permanent agency, the chartering of small-business investment companies by SBA should not terminate June 30, 1961. We should not burden any State with the necessity of chartering small-business investment companies in order to insure the help we are trying to provide for small business. Perhaps in State A small-business men will form small-business investment companies before June 30, 1961, but will not get around to doing that in State B before July 1, 1961. Therefore, unless S. 3651 is amended as I propose, State B will, of necessity, be burdened with the function of chartering small-business investment companies or small business in that State will then be left without the financing facilities we are seeking to provide.

Of course it is recognized that in about 20 States where State and local development corporations are now in existence, extra means are provided in S. 3651 for supplying small business with needed financing. Small business in those States without State and local development corporations are in a less fortunate situation. For that reason we should make certain that no provision in the bill will operate to restrict in the future small-business men from forming small-business investment companies in those States where State and local development corporations do not exist. For that and other reasons I have mentioned, the amendments I propose should be adopted.

I see no real reason for opposition to these proposed amendments. Therefore, it is hoped that they will be adopted.

Now as part of the background to this legislation, I believe the Members will be interested in the following summary of the history of the development and growth of State development companies.

STATE DEVELOPMENT COMPANIES

Although community industrial development corporations have existed for more than 50 years and are now present in several thousand communities of the Nation, similar privately financed State development credit corporations first came into being with the formation of the Maine Development Credit Corporation in 1949. Quickly the idea took root and spread throughout New England. All States in that region have formed State development credit corporations and all are actively functioning except the one in Vermont. A State-sponsored development credit corporation was established in the latter State in 1953. Since then, the idea has spread with the result that State development credit corporations have been formed in 11 States in other areas and their formation is proposed in 15 additional States in various sections of the country.

The following tabulations list the States in which State development credit corporations have been formed showing the dates on which they were formed and whether they are active or inactive:

TABLE I.—*Active State development credit corporations in the New England area*

State:	Year of legislation
Connecticut	1953
Maine	1949
Massachusetts	1953
New Hampshire	1951
Rhode Island	1953

TABLE II.—*Active State development credit corporations in areas other than New England*

State:	Year of legislation
North Carolina	1955
New York	----

TABLE III.—*Inactive State development credit corporations*

State:	Year of legislation
Arkansas Development Finance Corp.	1957
Florida Development Credit Corp.	1955
Georgia State Credit Corp.	1955
Hawaii Business Development Corp.	1957
Kansas Development Credit Corp.	1955
Michigan Development Credit Corp.	1956
Minnesota Business Development Corp.	1957
South Dakota Business Development Corp.	1957
Vermont Development Credit Corp.	1953
Wisconsin Industrial Credit Development Corp.	1955

TABLE IV.—*States where development credit corporations proposals are pending*

Alabama, Alaska, Arizona, Illinois, Kentucky, Montana, New Jersey, New Mexico, North Dakota, Oregon, South Carolina, Tennessee, Virginia, Washington, West Virginia.

TABLE V.—*States or Territories in which industrial credit authorities are active*

Pennsylvania, Mississippi, Puerto Rico.

The State industrial authorities are to be distinguished from State development corporations in that the State development corporations are privately financed organizations while the industrial authorities are publicly owned or publicly supported.

From the foregoing tables, it is shown that of the 48 States 7 have active State development credit corporations, 2 have active State industrial authorities, 10 have inactive State development credit corporations, and in 15 proposals are pending for the establishment of State development credit corporations or authorities, thus accounting for action in that regard in 34 States.

The North Carolina Business Development Corp. is the only true active credit corporation outside of the New England area. The New England area has active development corporations as above noted in the States of Maine, New Hampshire, Connecticut, Massachusetts, and Rhode Island. Although the earliest corporation in the New England area was Maine, established in 1949, the most active and the most successful is the Massachusetts corporation, which was established in 1953. In fact the Massachusetts corporation appears to be the prototype for most of the activities which are now taking place through the corporations, not only in New England but in other areas. Therefore, a discussion of the Massachusetts Business Development Corp. would appear to be of value.

The Massachusetts Business Development Corp. operates on the philosophy that small- and medium-size businesses need long-term capital to expand and stay in business under conditions of rising working capital requirements. That factor is to be distinguished from the need for short-term credit. House Report 1889 from the House Small Business Committee, June 19, 1958, on the problems of small-business financing discussed in detail small-business needs for equity and long-term capital and pointed out that day-to-day and short-term financing of small business is far less of a problem than that of long-term financing.

Although there are differences in the details of their organization and operations, the State development corporations do not differ fundamentally. The stock in each is sold to public utilities, industrial and commercial enterprises, and to individuals interested in the economic welfare of the State. Members of a corporation, who are banks and insurance companies, agree to lend a small part of their resources on a pooling arrangement so that a small amount from each of many members creates a sizable loan pool. The outstanding loans from members cannot exceed a certain ratio. In Massachusetts, for example, the maximum is $8 debt for each dollar of share capital. This ratio varies among the States. The ratio in Massachusetts is 12 to 1, in Connecticut 10 to 1, but in most instances the corporations have not yet sold enough stock to enable them to borrow the full amount already pledged to them from member lending institutions.

There is a close connection in the administration of the State development corporations with the executive personnel of the lending banks and insurance companies. Ordinarily a State development will not make any loan that a member lending institution itself will make to the applicant for the loan.

The potential resources of the existing State development corporations are far greater than the amounts which have been pledged by their lending members. In Massachusetts the lending members have pledged about $11 million out of a potential of approximately $20 million. Therefore, the problem appears to be one of selling more shares of stock in many of the States that have the State development corporations. The capital stock authorization for the State development corporations ranges from $150,000 in Maine to $4 million in Massachusetts. Originally the development credit corporation of Maine had an authorization for only $50,000 capital stock. It subsequently was increased to $150,000 and only $92,000 has been sold. Of the $4 million authorized capital stock of the Massachusetts Business Development Corporation, $763,510 had been sold as of June 30, 1957.

The limitations upon the growth of the State development corporations in New England and elsewhere are fixed by the limit of the amount of funds available, the limit of the cooperation of lending members, and to some extent by the limit of the borrower-demand factor.

The borrower-demand factor appears to be elastic. It grows as funds are found to be available and can be secured by small-business concerns filing formal applications with the development corporations. However, the record regarding the handling of such formal applications by State development credit corporations is much the same as the record of the handling of formal applications for loans by SBA. In other words, high standards have been set for approval. The result is a high rate of rejections.

In Massachusetts of the 204 formal applications received, 110 were rejected. In Connecticut of the 172 formal applications received, 120 were rejected. In Maine of the 238 formal applications received, 167 were rejected. New Hampshire rejected 42 out of 89 formal applications received; Rhode Island rejected 75 out of 96; and North Carolina rejected 54 out of 86 formal applications. The New York Business Development Corporation was more liberal and apparently did not adhere to such a rigid standard as was adhered to by the corporations in other States. It rejected only 51 out of 129 formal applications.

In New England the interest rates on loans made by the development corporations have been as low as 5 percent in Maine, but most of them have adhered to the 6 percent interest rate. Only two or three of the State development corporations have added a service charge to the interest rate. In those instances it has been 1 percent of the net amount of the loan for the first year. When the State development corporations secure funds from members for lending, it is usually borrowed from them at ¼ of 1 percent above the prime rate, but in some of the newer proposed corporations it would vary from 2 percent down to ¼ of 1 percent above the prime rate. These funds are usually borrowed by the State development corporations on paper having maturity from 6 months to 5 years.

In addition to funds secured from lending members, State development credit corporations have borrowed funds from the SBA. However, it appears that up to 1957 SBA had made fewer loans in the amounts of $100,000 or more in New England than had been made in that area by the New England State development corporations between the years 1949 and 1957. Although individual loans made by SBA in amounts of less than $100,000 were in far greater number, therefore, the aggregate amount loaned by SBA in New England was considerably larger than the aggregate amount of loans made in New England by State development corporations.

The State development credit corporations in making loans to business enterprises, although requiring security in the form of mortgages on buildings and in some instances on machinery and other types of equipment, have nevertheless shown more liberality than SBA in accepting such security, in that the State development corporations have been willing in many instances to accept second mortgage collateral on older properties and for longer maturities than banks, and often with greater liberality than afforded by SBA.

The average maturity of loans made by the State development corporations in New England is 6½ years. Seven percent of the maturities were from periods of more than 10 years.

The record of hearings—pages 524 to 526—before the House Small Business Committee on the problems of small-business financing contains summaries

showing the amount of SBA business loans disbursed in those States and Territories which have active State development credit corporations or authorities, and in those which have inactive corporations as well as in those States where proposals are pending and all other States. That tabulation shows that in all States and Territories through September 30, 1957, SBA had disbursed business loans in the amount of $256,884,000. In New England and New York, where there were six active State development corporations, SBA disbursed business loans in the amount of $22,306,000, whereas the State development corporations had disbursed loans in the amount of $14,930,000. In the additional State of North Carolina, where there was an active State development corporation, SBA had disbursed business loans in the amount of $4,594,000, whereas the State development corporation there has disbursed business loans in the amount of $1,898,000.

The following tabulation shows the present status of State development credit corporations or industrial credit authorities comparing the loan activities of each with the dollars of SBA loans disbursed within each such State to and including June 30, 1957:

TABLE VI.—*Present status of State development credit corporations or industrial credit authorities, comparing loan activities with totals of SBA loans disbursed within each State*

Credit development corporation in State or Territory	Number of SBA business loans to Sept. 30, 1957	Amount of SBA business loans to Sept. 30, 1957	Number of State development credit loans to June 30, 1957	Amount of development credit loans to June 30, 1957	Stock sold June 30, 1957	Amounts pledged June 30, 1957	Amounts called	Number of formal loan applications	Number rejected	Loans repaid in full or part
Alabama [1 2]	122	$5,703,000								
Alaska [1]	30	1,340,000								
Arizona [1]	48	1,778,000								
Arkansas Development Finance Corp. [3 4]	161	5,648,000			$100,000					
California (none)	409	20,855,000								
Colorado (none)	111	2,823,000								
Connecticut Development Corp	53	3,134,000	31	$1,300,900	126,700	$1,805,000	$1,204,900	172	120	$429,609
Delaware (none)	13	544,000								
Florida Development Credit Corp. [4]	94	4,615,000								
Georgia State Credit Corp. [4]	244	10,360,000								
Hawaii Business Development Corp. [4]	30	701,000								
Idaho (none)	44	2,607,000								
Illinois [1]	177	8,542,000								
Indiana (none)	150	6,340,000								
Iowa (none)	208	6,868,000								
Kansas Development Credit Corp. [4]	345	9,934,000								
Kentucky [1 2]	102	4,256,000								
Louisiana (none)	47	2,957,000								
Maine Development Credit Corp	42	1,993,000	53	1,504,783	92,000	938,000	708,700	238	167	746,967
Maine Industrial Building Authority [3]										
Maryland (none)	48	2,527,000								
Massachusetts Business Development Corp	167	6,850,000	62	8,123,716	763,510	10,577,260	3,500,000	204	110	3,833,000
Michigan Development Credit Corp. [4]	158	10,392,000								
Minnesota Business Development Corp. [4]	102	6,753,000								
Mississippi Agricultural and Industrial Board [2 4]	64	3,519,000								
Missouri (none)	197	7,274,000								
Montana [1]	96	4,054,000								
Nebraska (none)	158	5,423,000								
Nevada (none)	12	772,000								
New Hampshire Business Development Corp	23	1,400,000	40	897,800	103,700	1,252,050	607,870	89	42	221,020
New Hampshire Industrial Development Authority [3]										
New Jersey [4]	123	5,564,000								
New Mexico [1]	26	1,351,000								
New York Business Development Corp	131	8,034,000	23	1,960,950	429,900	12,711,000	1,000,000	129	51	115,156
North Carolina Business Development Corp	91	4,594,000	32	1,898,000	1,000,000	4,326,000		86	54	
North Dakota [1]	51	733,000								
Ohio (none)	196	11,977,000								
Oklahoma (none)	94	3,447,000								
Oregon [1]	80	4,652,000								
Pennsylvania Industrial Development Authority	240	14,801,000								
Puerto Rico Industrial Development Co. [3]	58	1,154,000								
Rhode Island Development Co	24	895,000	18	1,082,750	152,000	1,657,000	704,000	96	75	482,587
South Carolina [1]	53	1,532,000								
South Dakota Business Development Credit Corp. [4]	40	1,461,000								
Tennessee [1 2]	147	5,878,000								
Texas (none)	348	16,976,000								
Utah (none)	28	1,467,000								
Vermont Development Credit Corp. [4]	29	1,568,000			47,000					
Virginia [1]	80	5,243,000								
Washington [1]	136	6,119,000								
West Virginia [1]	39	1,690,000								
Wisconsin Industrial Development Credit Corp. [4]	145	6,312,000			14,100					
Wyoming (none)	20	724,000								
District of Columbia (none)	16	750,000								

[1] Officials considering formation of State credit development corporations; with few exceptions, not yet in legislative bill stage.

[2] Mississippi, further advanced on revenue bond plan of local governments, but Alabama, Tennessee, and Kentucky in process; degree of supervision by State varies with more control in Mississippi and less in new proposals.

[3] Credit authorities, publicly owned or supported.

[4] Relatively inactive, or pending specific legislative proposal, or legislation has been repealed.

NOTE.—Maine pledged credit of State to insure loans to 90 percent made by financial institutions for construction or expansion of industrial buildings with a $500,000 revolving fund; Mississippi has a review board which approves revenue bond financing to acquire land and build for incoming industry; Pennsylvania State government lends money to local development corporations (30 percent of project) to bring in companies to new industrial sites in Pennsylvania, 100 percent financing is arranged; Arkansas $5,000,000 of bonds to be purchased by State; Puerto Rico, $19,000,000 from treasury of Puerto Rico.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. ROOSEVELT] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, I want to take this opportunity to congratulate the able and experienced chairman of the House Banking and Currency Committee and its members for bringing to the floor of the House for consideration the Small Business Investment Act of 1958.

The purpose of the bill as expressed in section 102 of the bill—Statement of Policy—clearly and unequivocally in a most concise manner states the purpose of this legislation:

The policy of the Congress and the purpose of the act to improve and stimulate the national economy, and particularly the small-business segment thereof, by establishing a program to stimulate and supplement the flow of private equity capital and long-term loan funds which small-business concerns need for sound financing and for growth, expansion and modernization, but which are not available in adequate supply. This program is to be carried out in such manner as to insure that private financing sources will participate to the maximum extent possible and that it will not result in increased unemployment in any area of the country.

The experiences I have had in investigating and studying the problems of small business as a member of the Select Committee on Small Business have clearly demonstrated to me and the other members of the House Small Business Committee that small-business concerns must have access to capital—equity and long-term capital—that there is a need

for the program designed to supply long-term and equity-type financing to small business.

Our present commercial banking system is not prepared or equipped to meet this urgent need of small business.

All of the investigations held to date have clearly established that generally short-term and intermediate credit needs for small business are being met through existing financial institutions and Government agencies.

However, desperately needed long-term and equity type financing is lacking—it is, therefore, our duty to pass this legislation to assure small business that the type of financing so needed by it—but presently not available—be made available.

The solution of the problems of small business will not be found in merely granting short or intermediate type loans, the answer to small business is permanent capital which they may keep in operation and help small business grow and prosper.

The Senate in Report No. 1652—85th Congress, 2d session—has properly stated:

> The present financial institutions which do provide a source of venture capital are not able to assist smaller firms. The cost involved in the public sale of securities is prohibitive to small business issuers. As a result there is no institutional source to which small business may turn to meet its capital needs. Unlike large business concerns, small-sized businesses must seek long-term funds in a most haphazard fashion which, by its very nature, does not provide for the economic growth of small firms that is possible and desirable.

William McChesney Martin, Jr., chairman of the Federal Reserve Board of Governors, has stated:

> There is a gap in the existing structure of financing institutions which lies in the long-term debt and equity capital areas.

It is this institutional gap which this legislation is designed to fill.

This legislation is designed and conceived to carry out the following purposes:

First. To supplement rather than supplant existing private facilities.

Second. To operate under a simple and flexible organizational structure.

Third. To operate and be accounted for in complete separation from other Federal small-business programs.

Fourth. To utilize to the maximum possible extent the facilities of State and local development credit corporations, and

Fifth. To concentrate upon meeting the equity and long-term credit needs of small-business concerns.

There can be no doubt as to the need for this vital legislation. The responsibility is ours. Let us act quickly and effectively and pass it with an overwhelming majority.

Mr. SPRINGER. Mr. Speaker, I yield such time as she may desire to the gentlewoman from New Jersey [Mrs. DWYER].

Mrs. DWYER. Mr. Speaker, within the past month the Congress has taken action on three major pieces of legislation which, taken together, represent perhaps the most extensive assistance ever made available to American small business.

The present bill (S. 3651), to make equity capital and long-term credit more readily available to small-business concerns marks the climax in the dramatic series of new developments in the world of small business.

I wholeheartedly support this bill, as I earlier supported legislation extending and liberalizing the Small Business Act and the legislation providing tax revision and assistance for small business. All three bills are of great importance in themselves; they have been framed after long and careful study and with the benefit of considerable experience in the problems and difficulties of small-business men, and they have been designed to bring real help in meeting real problems, especially in the field of financing small business.

Congress has appreciated and been deeply concerned at the unfortunately high rate of small business failure as a result of the present business recession. It is encouraging, therefore, to note in this respect solid evidences that our economy has begun to take on new vigor, new energy, and has started on the upward road to healthy growth and expansion. The action of Congress at this time in dealing with several of the major problems of small business with such farsighted wisdom seems to be especially appropriate; by strengthening the basis on which small business is financed and by encouraging the means of successful small-business activity we are helping to stabilize this extremely important area of the American economy. And the increased strength and stability of small business can only serve the best interests of all our people in the future.

The legislation before us today is clearly the most striking departure from past patterns of Federal assistance to small business. While many proposals have been advanced and some legislation enacted in the general area of small-business financing during the past 25 years, none of the programs established to date have met the need of small business for equity-capital financing or long-term credit. The need for new sources of such long-range financing has been thoroughly established as a result of the experience of the interested Congressional committees, the Department of Commerce, and the Small Business Administration, and the many organizations and institutions in the world of business which have dealt with this problem for many years. There is unanimous agreement that there is a major gap in the economy's present financial mechanism which prevents the small businesses of the country from obtaining needed long-term and equity-type financing.

The Committee on Banking and Currency and the Select Committee on Small Business deserve the thanks and appreciation of the Congress for the work they have done in helping to meet this need. The present bill is sound and reasonable and carefully designed to approach with major assurance a heretofore uncharted field.

As I see them, the major provisions of direct concern to small-business men of the country included in this bill are the following:

First. The bill establishes in the Small Business Administration a new and autonomous Small Business Investment Division, headed by a Deputy Administrator to be appointed by the Administrator of the Small Business Administration, who would exercise functions provided in this bill separately and distinctly from the other functions of the Small Business Administration.

Second. The bill authorizes an additional $250 million of appropriations to the existing revolving fund of the Small Business Administration, which additional funds can be used only to carry out the purposes of this Small Business Investment Act.

Third. The Small Business Investment Division of SBA is authorized to charter small-business investment companies up to June 30, 1961.

Fourth. Ten or more persons will be required to sign the articles of incorporation of a proposed small-business investment company. Upon approval by SBA the investment company would be established as a Federal corporation with the usual powers necessary to do business. In giving its approval SBA must consider (a) the need for small-business financing in the area where the proposed company is to operate; (b) the character of the proposed management of the company; (c) the number of such companies already formed in the United States and the volume of their business; (c) other related factors.

Fifth. Each small-business investment company must have not less than $300,000 of paid-in capital and surplus before commencing business, and SBA is authorized to provide a maximum of $150,000 to such company through the purchase of subordinated debentures which would then be treated as paid-in capital.

Sixth. To encourage formation of such small-business investment companies, national banks are authorized to purchase stock, as are State member banks and nonmember insured banks where compatible with State law. No such bank may hold shares in these companies in amounts aggregating more than 1 percent of the bank's capital and surplus.

Seventh. SBA is also authorized to lend money to a small-business investment company up to a maximum not exceeding 50 percent of the paid-in capital and surplus of such companies. The company may also borrow additional funds from private sources under such conditions as SBA may prescribe.

Eighth. In turn, small-business investment companies are authorized to provide equity-type capital to small-business concerns through the purchase of convertible debentures, which are considered extremely suitable financing instruments for such a program, in view of their attractiveness to speculative investors who want an opportunity to share in the future prosperity of the business beyond the fixed claim of ordinary debt.

Ninth. Whenever an investment company provides capital to a small-business concern through purchase of convertible debentures, such concern must purchase stock in the investment company in an amount equaling from 2 to 5 percent of the amount of the capital provided, as a means of building up the investment of private funds and in due course making Federal participation unnecessary.

Tenth. Small-business investment companies may also make loans to small-business concerns, both incorporated and unincorporated, either directly or in participation with other lending institutions. The maximum interest rate is to be set by SBA, while the maximum maturity of such loans is 20 years, although an investment company may extend the maturity an additional 10 years to aid in the orderly liquidation of a loan.

Eleventh. The total amount which a small-business investment company may lend and invest in a single small-business concern may not exceed 20 percent of the combined capital and surplus of such investment company, without special approval of the SBA.

Twelfth. The bill authorizes certain exemptions from regulations of the Securities and Exchange Commission for securities issued by small-business investment companies, as a means of facilitating special financial activities. The Small Business Administration, however, may prescribe necessary regulations and limitations in this field.

Thirteenth. State chartered investment companies may also qualify for SBA loans and investments. Such a State chartered company may, with SBA approval, operate as a small-business investment company with the same rights and obligations as an SBA chartered company, or it may convert into an SBA chartered company with SBA's approval by a vote of shareholders having a majority of the stock.

Fourteenth. The Small Business Administration may make loans to any State development company in a total amount not exceeding the amount borrowed by the company from all other sources. Approximately half of our States now have active State development companies or are considering proposals for establishing such companies, while approximately 1,800 communities have established local industrial corporations.

Mr. MADDEN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. BROWN of Georgia. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 3651) to make equity capital and long-term credit more readily available for small-business concerns, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill S. 3651, with Mr. WALTER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Kentucky [Mr. SPENCE] will be recognized for 1 hour and the gentleman from Iowa [Mr. TALLE] will be recognized for 1 hour.

The Chair recognizes the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I believe the Members of the House are familiar with the principal provisions of this bill. It is the Small Business Investment Act of 1958.

An appropriation of $250 million is authorized for the Small Business Administration to be used in furnishing capital to small-business investment companies. Each small-business investment company must have a minimum capital and surplus of $300,000. One-half of that must come from private sources; the other half is invested by the Small Business Administration.

After the organization of the small-business investment company, the Small Business Administration my lend them half of their capital and surplus, which would be at least another $150,000. So the Government will invest at least $300,000 in each of these small-business investment companies, if the companies desire to obtain that sum from the Government. Private sources must invest at least $150,000.

It is also provided that loans may be made to State development organizations, or local development organizations, for the purpose of securing sites and building plants. These loans may be made in amounts up to $250,000 for each small-business concern benefited. In that way the loan limit is multiplied by the number of small-business concerns which will benefit from the loan.

What is the justification for the Government's going into this field? There is no private financial institution designed to make loans for equity capital on a long-term basis as small businesses so often need, and as is so often necessary for their preservation. So the Government, if it wants to see that small business is preserved in the free enterprise system must give them some help.

Are we justified in doing this? Independence has been a great word in this country since 1776. The small-business enterprise in America is just as American as that declaration that announced our independence. If you want to continue as we have continued, if you want to open the door of opportunity to all who are willing to knock at it and to profit by it, you must preserve small business. I think there could be nothing more justifiable than these loans by the Government to preserve the institutions that have made America great, that have formed the character of its people, and that have carried out our aspirations and our hope. They are part of our national economy, they are part of the national life of America, they are part of the opportunity that is given to every young man to go into business for himself and to profit as his character and ability permit. That is something it seems to me that should be preserved, and I feel that this bill is essential to their preservation. There is no doubt but that in a competitive field the small-business man is at a great disadvantage. He cannot get this kind of credit.

The big institution that is nationally known, that has a financial status, that attracts the investing public to buy its debentures and obligations, has no trouble in acquiring this character of capital and of reserves. The small-business man cannot get that support. He has no established credit with the public. He must go to his bank. If he wants a 20-year loan his bank cannot make it. His bank cannot make a 20-year loan except on one subject and that is a mortgage on the home.

These loans are for 20 years, with a renewal opportunity of 10 more years. The loans that are to be made to the development companies for the acquisition of sites and the building of plants are for 10 years plus the period of construction. This is something that the small-business man needs. The question is whether you want to preserve him. I think you do. I know this will cost the Government but very little.

I remember when we organized the Home Owners Loan Corporation we made over $2 billion of loans to the home owners at the time of the deepest depression in 1933 and the following years. It saved the homes of many millions of persons. We made over a million loans and that must have saved the homes of 5 million people. When the Home Owners Loan Corporation liquidated they put 14 million dollars into the Treasury of the United States.

The loans provided for in this bill are good loans for good people, patriotic people, who have their own interest and the interest of the Government at heart. I am sure every businessman in America wants to pay his obligations.

The funds cannot be obtained except by an appropriation of $250 million. This will be paid back into the Treasury as these new small-business investment companies grow and prosper.

I ask you to vote for the bill and I think you will take great pleasure in doing so.

Mr. KILBURN. Mr. Chairman, I yield myself such time as I may desire.

Mr. Chairman, I am against this bill. I am against the principle of it because no matter how many investment companies the money goes through the Federal Government is furnishing money for risk capital. I do not think we have ever done that before. We certainly did not do that in the Home Owners Loan case. We had the house as security and if the people could not pay up we would take the house. Here the Government is putting money into risk capital in connection with a large or small business. If the business makes good the business takes the profit; if it loses money the Government takes the loss. That is why I am against this bill.

Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Chairman, unlike my colleague who just preceded me, I shall support this bill and vote for it on final passage. However, as I said in the brief remarks I made on the rule, there is a provision in here that I just think is completely unnecessary and should be taken out of the bill.

Before I go further, because some of you may not have been here, the provision to which I refer is an arrangement by which these charters of these private corporations will be issued by the Federal Government here in Washington, which simply means that if a group of individuals in your State or in mine want to get one of these charters, they come down here to Washington to get it, hire lawyers here in the District and proceed with the incorporation here.

I say that there is plenty of authority in the States to carry on that operation. I checked with my own secretary of state out in Indianapolis this morning who tells me that our law is most adequate; that they already have a staff of four men there in the secretary of state's office and that they can issue all of the charters that anybody out in Indiana may want.

The ostensible reason for putting this provision in the bill is found in the committee report at the bottom of page 6 running over to the top of page 7, which says this:

> Your committee has provided for a termination date (June 30, 1961) of the authority of SBA to charter small-business investment companies. Thereafter such companies must be chartered under State law and may be given permission to operate under this program provided they qualify and are approved by the SBA.

Of course, obviously, before the Government down here is going to let them have the money, they have to establish that they are entitled to the money. Then the committee in the report says this:

> Within 3 years all States should be in a position to enact the necessary enabling legislation to permit the chartering of small-business investment companies to operate under this program; consequently the chartering function in SBA will be unnecessary after June 30, 1961.

Now, then, the report does not mention a single, solitary State that does not have ample statutory authority at this time, and I call on the members of the committee who subscribe to this report to name the State that does not have adequate stautory authority at this time, because I will promptly call up the secretary of state of that State to find out.

This matter was called to my attention just a few days ago by different people around the country who are members of the American Bar Association and on particular committees in that association dealing with this particular problem, and I probably can best get at what I think ought to be done here by reading to you a letter addressed to me by Mr. Charles W. Steadman, of the Cleveland and Washington Bar Associations, confirmed by one of the eminent lawyers in my State out in Indianapolis, who addresses me in these words:

STEADMAN & COLLIER,
Washington, D. C., July 17, 1958.

Hon. CHARLES A. HALLECK,
House Office Building, Washington, D. C.

DEAR MR. HALLECK: This letter is with respect to certain provisions of S. 3651, which is pending before the House, and I am presenting this to you as the representative and on behalf of the American Bar Association.

Section 301 of S. 3651 provides for the Federal rather than the State incorporation of the small-business investment companies which would operate under this bill. These so-called small-business investment companies would be business enterprises organized for the purpose not of lending money to small business, such as banks or other lending institutions might do, but for the purpose of investing in small businesses to provide equity capital. The American Bar Association has taken an official position opposing such Federal incorporation provisions. The reasons for this opposition are embodied in my memorandum of July 7, 1958, which accompanies this letter.

I have a copy of that memorandum, and I shall include it with my remarks. The memorandum is as follows:

S. 3651 has passed the Senate and is pending before the House. It is a bill intended to provide financial assistance to small business and among other things for the establishment of "small-business investment companies." By virtue of section 301 these companies would be Federal rather than State corporations. They would be created in the exercise of broad discretionary powers by the Small Business Administration, which would issue a charter after having approved the articles of incorporation.

The apparent objective of section 301 is to give the Small Business Administration control over the form of organization of small-business investment companies as a requisite to their qualifying to do business and receive the benefits of the act. There may be considerable question as to whether this is desirable to the extent contemplated by the bill. Certainly, even if it were desirable, the method selected for its accomplishment raises some very disturbing questions.

The same problems are present here that were discerned in the suggestions made in the past for Congressional legislation which would have provided for Federal incorporation of business enterprises. Such suggestions have never found favor. It has been opposed for the same principal reasons that hold it to be undesirable and stand in opposition to section 301 in this instance. These are: (1) Such legislation is an encroachment upon the historical and traditional power and authority of the States over the incorporation of business enterprise; (2) it raises serious constitutional questions respecting powers reserved to the States and those delegated to the Federal Government; and (3) it is unnecessary for achieving the objectives of the bill.

Let us examine each of these points.

1. Federal incorporation of business infringes upon a field historically governed by the laws of the States, and State incorporation and administration is preferable. The creation of business corporations, the form of their organization, and the conduct of their internal affairs has historically and traditionally been governed by the laws of the States. The whole body of corporate law in America has developed upon this basis. It would be unwise to disturb these concepts that have become such an important part of American commercial life. Such would be the result arising from the introduction of a new corporate creature coming into existence under Federal charter. There would be no certainty what rule of law would govern an action of a Federal corporation, the creation of which is authorized by section 301 in the multitude of circumstances which are there left without rule or direction, except perhaps for rules that might be devised by the Small Business Administration in its discretion. Section 301, it will be observed, contains only the barest statement of what the articles of incorporation shall contain and of powers which this Federal corporation would have. What is to happen with respect to the remaining questions which arise in the conduct of corporate enterprise is wholly unknown. To create such uncertainty would be unwise. The corporate laws of the States developing over a period of many years deal fully with these matters.

Federal incorporation of business enterprise here would provide a dangerous precedent, and would be a broadening of Federal authority in a field of law where the authority of the States has functioned effectively and well. The administration of corporate laws has developed in the States as a correlative to the power over business corporations which they have historically exercised. A group of administrators has grown up in each State under the secretaries of state skilled in the administration of business corporation law, and this work is being competently and effectively handled. Presumably, it would be necessary for the Small Business Administration to duplicate in a substantial measure work that is already being done very well by the States, and which the States are better qualified to do. Here it would seem to be necessary for the Small Business Administration to establish a staff to administer these incoporation provisions of the act, and ultimately to deal with all manner and kind of problems relating to incorporation which are completely unrelated to the purposes of the act.

In essence, the power over the incorporation of business and the administration of the laws governing incorporation are local in nature and can best be left as the responsibility of the States.

Federal incorporation under the National Bank Act should be distinguished from the situation at hand. There, Federal incorporation is predicated upon a special and limited circumstance unrelated to the situation contemplated by S. 3651. Small-business investment companies would not be banking institutions in the sense of those encompassed by the National Bank Act. These small-business investment companies would be business enterprises to provide equity capital for small business, and not lending organizations in the traditional concept of banking.

2. Constitutional considerations: There are some very serious constitutional objections which may be made to any legislation which provides for Federal incorporation of business enterprises. As has been pointed out above, the power and authority concerning the creation of business corporations has been historically and traditionally exercised by the States and governed by their laws. In this posture it would appear that this is one of the powers reserved to the States under the Constitution, and it seems highly doubtful that the Constitution delegates to the Federal Government power in the area of incorporation of business enterprise.

3. There is no necessity for Federal incorporation: The achievement of the major purposes of this bill is not dependent upon small-business investment companies being incorporated as Federal rather than State entities. Section 301 is not germane to the purposes of S. 3651. There is nothing that is contemplated by the proposed legislation which cannot be accomplished through such companies being incorporated under State laws. It may be that section 301 of S. 3651 in providing that they would be chartered by the Small Business Administration "in the absence of appropriate State law," is derived

from an assumption that State incorporation laws might not permit the incorporation of such investment companies.

An examination of this matter leads me to the conclusion that such an assumption is without foundation and there is no necessity for this provision in section 301, therefore, no need for such other provisions of the bill that augment section 301. If it is considered to be desirable for the Small Business Administration to have some supervision over the internal character and form which such a corporation should have in order to qualify for doing business under the act, this can be readily achieved by other means. Reasonable standards can be drawn with which such investment companies would be required to comply. Certification by the Administration when it is satisfied that an investment company incorporated under State law is properly qualified could establish that fact. Such certification would then make the investment company eligible for the loans and special tax benefits which this legislation would confer. It would not, however, be necessary in any sense for the Small Business Administration to have the power to create the corporation. This could and should be left to the law of the State in which such an enterprise would become incorporated.

In conclusion, let me reiterate that Federal incorporation of business enterprise would set a dangerous precedent. It would infringe upon a field of law well governed and administered by the States under powers reserved to them. Constitutional issues make incorporation of business by the Federal Government unwise. Moreover, there is no need to provide for the Federal incorporation of small-business investment companies as suggested in this proposed legislation. And, insofar as I can find, no one has come forward to show such a need. Any such showing, and I do not think one can be made, ought to be one of the most compelling nature before Federal incorporation should be favorably considered.

May I respectfully suggest, therefore, that S. 3651 be amended to give recognition to the objections made here.

Respectfully submitted for the American Bar Association.

CHARLES W. STEADMAN.

JULY 7, 1958.

The letter continues:

There seems to be a misunderstanding with respect to there being a need for Federal enabling legislation to provide for Federal rather than State incorporation of the small-business investment companies contemplated by S. 3651. There is no need for such Federal enabling legislation. The American Bar Association, through the research facilities of the American Bar Foundation has examined this point very carefully. As a result of this study this conclusion was reached:

While the statutes are of varying degrees of general adequacy, there is none as brief and as rudimentary in its provisions as section 301 of the proposed act. There is none of the 52 acts that is not adequate for the creation of a business corporation including the small-business investment companies.

There is, therefore, no reasonable excuse for encroaching upon a power which the Constitution has reserved to the States, namely the incorporation and chartering of business enterprises.

Section 301 has a termination date of June 30, 1961, for such Federal chartering. All small-business investment companies organized after this date would be chartered under State law.

House Report No. 2060 and Senate Report No. 1652 indicate that this 3-year period during which small-business investment companies could be organized under Federal charter, was included in the bill upon the supposition that within the 3 years so provided, States could amend their corporation laws to provide for the incorporating of the small-business investment companies for operation under the program encompassed by S. 3651. These two reports in this respect support the Federal incorporation provision upon some supposed omission in the corporation laws of the States, and thus on a basis of need. This is predicated upon a condition contrary to the fact.

In the light of this circumstance, I commend to you on behalf of the American Bar Association, the elimination of the Federal incorporation and chartering provisions of S. 3651.

In order to accomplish this objective it is respectfully urged that you offer the amendments to S. 3651 which are set forth in my memorandum of July 9, 1958, which is also attached to this letter.

It may be suggested that legislation for Federal incorporation which is limited to a 3-year period would not be harmful. If I may venture this observation, temporary legislation all too often becomes permanent. That such is likely to be the case in this instance is well illustrated by the remarks of the Honorable WRIGHT PATMAN with respect to S. 3651, which appear at page 13876 of the CONGRESSIONAL RECORD for July 15, 1958. Mr. PATMAN proposes to eliminate from S. 3651, the temporary 3-year provision for Federal incorporation of small-business investment companies and to make such Federal chartering a permanent feature of this legislation.

It would not burden the States to handle the incorporation of these small-business investment companies. An assertion to the contrary undoubtedly arises from a lack of understanding of the procedures and facilities available in the States for the incorporation of business enterprises, which facilities have existed since the early years of this Republic. The secretary of state in each one of the several States has an experienced staff for handling the incorporation of all kinds of business enterprises. These facilities, which need not be duplicated in the Federal Government, are available at all times, and it is highly inconceivable that any unreasonable burden would be placed upon them by the chartering of such additional business enterprises as may be engendered by the passage of this legislation.

Your thoughtful consideration and active cooperation in support of the position of the American Bar Association will be most highly esteemed and is solicited.

Yours very sincerely,

CHARLES W. STEADMAN.

It seems to me that that is a well-reasoned and entirely justified statement as to why this Federal provision is not needed. Certainly, I have no great desire, speaking for myself, to require any of my constituents out in Indiana who may want to create one of these companies to come down here to Washington to get their charter. I would just as soon have that business taken care of in Indiana. Let them hire their lawyers out there; let the incorporation be made out there. After they get their incorporation, and before they get their Federal money, they have to come down here and establish their right to the money. They have to establish that they are qualified, that they are competent, that they are the sort of people who qualify under the rules and regulations that would be created. But for the life of me I cannot see why we need to set up an additional function here in the Government in Washington, additional bureaucracy, additional expense, when the States themselves already have the statutes, the personnel, the skill, the facilities and everything else to do whatever needs to be done.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Chairman, the House today is paving the way for a new type of private financial institution, to fill a gap in our existing financial system. Small businesses urgently need equity-type capital and long-term loans, and this bill will foster a new system of investment companies, privately owned, to help meet this need.

This bill has been developed in a spirit of harmony and compromise, with help from the Federal Reserve Board, the Small Business Administration, other Government agencies, and many segments of private industry. For example, the American Bankers Association recognized the need for stimulating the flow of equity capital to small business, and appointed a special committee to determine how this could be done, consistent with the principles of free enterprise and sound financing practice. This committee prepared a report recommending establishment of a system along substantially the same lines as those embodied in the bill we are considering today. I am happy to say that one of my constituents, Mr. Monroe Kimbrel, executive vice president of the First National Bank of Thomson, Ga., and chairman of the committee on Federal legislation of the American Bankers Association, served on this committee. This is a splendid example of public-spirited citizens working to improve our economy, and this committee and the other groups of private citizens who have worked hard to perfect this proposal deserve our warmest thanks.

There is a basic difference between this bill and the regular business loan program of the Small Business Administration. That program involves short-term and intermediate-term loans. For the most part, needs for this type of credit are met by commercial banks. To avoid Government competition with these private financial institutions, SBA's regular small-business loans are limited to cases where the applicant cannot get a loan on reasonable terms from sources other than SBA. Most of SBA's loans are made in participation with commercial banks; but in cases where no participation is available, SBA may make a direct loan to a small-business concern.

Under this bill, on the other hand, there will be no direct Government lending to small-business concerns. The bill will promote the establishment of private investment companies for that purpose. The Government's role will be limited to chartering these institutions, supervising them, and supplying part of the funds they will need. SBA will furnish up to $150,000 to help a small-business investment company in getting started; this will be done by SBA taking the company's subordinated debentures. In addition, SBA may make a loan to the company of up to one-half of the company's capital and surplus. This arrangement provides some Government

financial help for these companies, but avoids Government ownership of any stock in them.

These private investment companies, in turn, will furnish capital to small businesses by purchasing their debenture bonds, convertible at the option of the investment company into stock of the borrowing concerns. At the same time, the borrowing concern will be required to buy stock in the investment company in an amount ranging from 2 percent to 5 percent of the capital so provided. Thus, a steady flow of private capital into the investment company is assured, so that in time all Government funds may be repaid and the company will be financed completely by private sources.

As an alternative to supplying capital through buying convertible debentures, the new small-business investment companies may also make long-term loans to small-business concerns. This alternative is necessary, particularly for unincorporated businesses. Maturities of these loans could range up to 20 years. The loans must be of such sound value, or so secured, as reasonably to assure repayment; this same standard applies to SBA business loans today.

I am sure all Members will agree that we must maintain an economic climate in this country in which small, independent businesses may grow and flourish. We are hampered today in our efforts to reach this goal because no adequate source of long-term loans and equity financing exists for small business. This bill represents a reasoned, practical approach toward meeting this need. I urge all Members to support it.

Mr. KILBURN. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. McDONOUGH].

Mr. McDONOUGH. Mr. Chairman and members of the committee, I doubt if there is anyone who does not feel friendly to small business and who does not want to do anything that is possible to stimulate its activity and the economy of this Nation. I think every precaution that can be placed in legislation that controls the financing of small business should be provided in the legislation. I cannot disagree with my colleague, the gentleman from Indiana, who believes that the State ought to be the source from which these agencies should be chartered, because if there is control at the local level, the State officials know these communities better than the Federal Government and there is much better cooperation and coordination. Where Federal funds are involved, there should be that precaution. I do not know how many States do not have that authority. I doubt that there are many who do not have that authority. However, the report indicates there are some 1,800 communities in the United States that do have industrial development corporations where they obtain funds from local financial sources to expand and promote small business. This bill supplements that by providing Federal funds for that purpose. There are several safeguards. The loans are protected. In the bill the loans must be such that cannot be obtained from another source. The local financial houses have to be thoroughly canvassed and the institution that is financed must also be a going concern so that we are not attempting to use any Federal funds or any help for small business that is a fly-by-night affair. The report on the bill contains a survey that was made by the Federal Reserve Board which I think is very significant and revealing as to the need for this type of financing, in addition to direct loans, we provide in the Small Business Administration.

Another point about the bill is that it does not add a new bureau to the already growing bureaus and Government corporations. There is only one Deputy Administrator to be added and that is not too much for the job that he will have to perform. I do not think that there is much opposition to the bill. I think it will help the industrial economy and promote and expand small business. I urge approval of the bill.

Let me read from the report on the bill the following pertinent parts of the bill which describe the functions:

NEED FOR LEGISLATION

From time to time during the last 25 years the Congress has considered proposals to augment existing institutions for supplying capital and credit to small businesses. While many bills have been enacted in this general area, none of the programs established to date have met the needs of small business for equity capital financing or long-term credit.

Testimony received by the committee from representatives of the American Bankers Association, the Committee for Economic Development, and the United States Chamber of Commerce, as well as the testimony received from the Department of Commerce and the Small Business Administration indicates that these organizations are agreed that there is real need for a program designed to supply long-term and equity-type financing to small businesses. These witnesses were also in agreement that on the whole, short-term and intermediate credit needs of small businesses are being satisfactorily met through existing financial intermediaries, private and Government.

A recent and most authoritative study of this matter was made by the research staff of the Board of Governors of the Federal Reserve Board with the knowledge and encouragement of the four Congressional committees having primary interest—the Banking and Currency Committees and the Select Committees on Small Business of both Houses of Congress. House Report No. 1889 (85th Congress 2d sess.) of the Select Committee on Small Business issued on June 17, 1958, also covers the problems of small-business financing.

The Federal Reserve Board's study on the financing problems of small business had several objectives. One of these objectives was to assemble information bearing on the question of the economy's facilities serving these needs.

The Board's study found that the financial needs of small business vary among different categories of small concerns and that such needs are most complex. Information and data compiled clearly indicated that most of the unsatisfied demand of small business is for long-term loans, equity, or equity-type credit. The commercial banking system is not prepared or designed to satisfy needs for equity or long-term credit. Traditionally their operations have been confined to short and, to a limited extent, intermediate-term loans.

As indicated by the Federal Reserve Board's study, the unavailability of long-term loan and equity capital is clearly one of the most important problems of small business today. Such investment capital must necessarily come from the personal savings of the people and most of these savings are going into existing financial intermediaries such as our large insurance companies, savings banks, and others which in turn reinvest these funds. The question then may well be asked why these institutional investors do not undertake investment of this type.

Institutional investors generally are limited by law in the choice of their investments. When these institutions can exert judgment in the matter of making investments it is found they prefer investing their funds in those securities which have active national markets. Information available to the committee indicates that institutional investors have shown little desire to invest in small concerns on a long-term basis and it is unlikely that their investment policies will change in this respect.

The business loan program of the Small Business Administration is limited to providing short-term and intermediate-term credit when such loans are unavailable from private financial institutions. This program does not provide equity financing. The Federal Government, therefore, at this time has no program which would make available long-term loans and equity capital to small business.

Most of the testimony received by the committee, and in particular the study of this problem by the Federal Reserve Board, points to the fact that there is a real need at this time to stimulate the availability of capital funds to small business; and there is a gap in the economy's present financial mechanism which prevents the small businesses of the country from obtaining needed long-term and equity-type financing. Your committee believes that Federal legislation is needed to meet this problem. The bill as reported is designed to establish a sound and effective program to help meet the long-term capital needs of small business. The bill in our judgment provides for a carefully reasoned and needed approach to a heretofore unchartered field.

ESTABLISHMENT OF A SMALL BUSINESS INVESTMENT DIVISION IN THE SMALL BUSINESS ADMINISTRATION

The bill would establish in the Small Business Administration a Small Business Investment Division. This Division would be headed by a Deputy Administrator who would be appointed by the Administrator of the Small Business Administration. All powers which would be conferred by the act upon the administration would be exercised by the Small Business Investment Division; and those powers which would be conferred upon the Administrator would be exercised by him through the Deputy Administrator. The Small Business Investment Division would be a semiautonomous division within the Small Business Administration. The new functions provided for in the bill would be separate and distinct from the other functions of the Small Business Administration.

Appointment and confirmation of deputy administrator

The committee seriously considered including in the bill a provision requiring that the Deputy Administrator appointed to head the new division be appointed by the President and confirmed by the Senate. It believed that such a method of selection would give added stature to the new office and would place the Deputy Administrator in a stronger position to administer the provisions of the act in an independent manner. The committe, however, recognized the organizational problems that would result from such a provision since the administration already has three deputy administrators established by law who are appointed by the administrator. Accordingly, the bill would provide that the

new deputy administrator should likewise be appoin ed by the administrator.

* * * * *

PROVISION OF FUNDS

The bill would provide funds for the program by authorizing an additional $250 million of appropriations to the existing revolving fund of the Small Business Administration which was established by the Small Business Act of 1953. These additional funds, however, could be used only to carry out the purposes of the Small Business Investment Act.

The Small Business Administration obtains its funds through annual appropriations. The committee believes that funds necessary to carry out the purposes of this new program, which would be administered through a division within the Small Business Administration, should also be obtained through annual appropriations.

SMALL BUSINESS INVESTMENT COMPANIES

Organization of small business investment companies

The Small Business Administration (Small Business Investment Division) would be authorized under the bill to charter small-business investment companies. This authority would terminate as of June 30, 1961, but this termination would have no effect upon the continuing activities of any small-business investment companies chartered under this authority.

The bill would require 10 or more persons to sign the articles of incorporation of the proposed small-business investment company which would be filed with the Small Business Administration. Such articles of incorporation, when approved by SBA, would establish the company as a Federal corporation with the usual powers necessary to do business and to carry out the purposes for which they are established. In issuing any permit, the SBA would consider (1) the need for small-business financing in the area where the proposed company is to operate; (2) the character of the proposed management of the company; (3) the number of such companies already formed in the United States and the volume of their business; and (4) other related factors.

Your committee has provided for a termination date (June 30, 1961) of the authority of SBA to charter small-business investment companies. Thereafter, such companies must be chartered under State law and may be given permission to operate under this program provided they qualify and are approved by the SBA. Within 3 years all States should be in a position to enact the necessary enabling legislation to permit the chartering of small-business investment companies to operate under this program, consequently the chartering function in SBA will be unnecessary after June 30, 1961.

Capital stock requirements

The bill would require that each small-business investment company have not less than $300,000 of paid-in capital and surplus before commencing business.

In order to encourage the formation of small-business investment companies, the SBA is authorized to provide a maximum of $150,000 to each such company formed, through the purchase of subordinated debentures. These subordinated debentures are in fact debt obligations of the company occupying a junior position to other debt incurred by the company. However, in applying the following three limitations in the act the subordinated debentures would be treated as paid-in capital: (1) minimum capital required for formation of investment company, (2) the general limitation that other loans from SBA may not exceed 50 percent of paid-in capital and surplus of the company, and (3) the limitation that loans to an individual small-business concern may not exceed 20 percent of the capital and surplus of the investment company.

To facilitate further the formation of small-business investment companies the bill would authorize national banks to purchase stock in such companies. It would also authorize State member banks and nonmember insured banks to purchase such stock, where compatible with State law. However, no such bank would be able to hold shares in these companies in amounts aggregating more than 1 percent of the bank's capital and surplus.

Your committee wishes to make it quite clear that the bill would in no way preclude other types of institutions from purchasing stock of these companies. Their ability to do so, however, would depend entirely upon applicable Federal or State laws.

SBA loans to investment companies

The bill would also authorize the SBA to lend money to a small-business investment company on terms and at a rate of interest established by the Administration. The total amount loaned, however, could not exceed 50 percent of the paid-in capital and surplus of such company. The company would be authorized to borrow additional funds from private sources under conditions, limitations and regulations as the SBA may prescribe.

Your committee hopes and expects the major portion of the operating funds of these companies to come from private sources. On the other hand the committee realizes that initially a greater demand will be for funds from the Government until the experience of these companies and their success have been proven.

Equity-type capital for small businesses

Small-business investment companies are authorized to provide equity-type capital to small-business concerns through the purchase of convertible debentures which shall contain such terms and interest rates as the companies fix under SBA regulations. These debentures are to be convertible at the option of the company or a holder in due course, up to and including the date of call, into stock of the small-business concern at the sound book value of such stock as determined at the time the debentures were issued.

The committee believes that the use of convertible debentures, which has been developed to a high degree in recent years by many large, publicly financed companies, is the most suitable financing instrument for this type of program. This type of debenture is attractive to speculative investors who want an opportunity to share in the future prosperity of a business beyond the fixed claim of ordinary debt. In view of the risk inherent in, and the admittedly experimental nature of the financing which this bill seeks to encourage, consideration must be given to encouraging such speculative investors.

Before an investment company purchases any such convertible debentures, it may require the small-business concern to refinance its outstanding indebtedness so that the investment company is the only holder of indebtedness of such concern. Furthermore, to protect the investment company, such small-business concern my be required to agree not to incur further indebtedness without approval of the investment company.

Whenever an investment company provides capital to a small-business concern through the purchase of convertible debentures, such concern is required to purchase stock in the investment company in an amount equaling from 2 to 5 percent of the amount of the capital provided, as established by SBA regulation. The purpose of this stock-purchase requirement is to build up the investment of private funds and, in due course, to make Federal participation unnecessary.

Loans to small-business concerns

Small-business investment companies are authorized to make loans of such sound value, or so secured, as reasonably to assure repayment to small-business concerns, both incorporated and unincorporated. These loans may be made directly or in participation with other lending institutions. The maximum interest rate on such loans is to be set by the SBA. The maximum maturity of such loans is 20 years, but an investment company may extend the maturity of a loan for an additional 10 years if such extension will aid in the orderly liquidation of a loan. If, for example, a company grants a 20-year amortized loan of $20,000, payable in annual $1,000 payments, and after 15 payments have been made the borrower finds it impossible to continue payments at that rate, the company would be free to reduce the remaining payments and extend the maturity of the loan, up to 10 additional years so as to retire the balance of the debt at the reduced rate of payment. The company presumably would delay granting the extension until the loan matures, but the existence of this extension authority would permit the accommodation of the borrower, in appropriate cases, during the life of the loan.

Without approval of the SBA, the total amount which a small business investment company may lend and invest in a single small-business concern may not exceed 20 percent of the combined capital and surplus of such investment company (subordinated debentures purchases by the SBA under this bill are treated as part of capital and surplus for purposes of this limitation).

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. McDONOUGH. I yield.

Mr. BOW. Could the gentleman tell us the number of employees that would be required under the investment company charter? How many new people would be added to set up that branch of the Small Business Administration?

Mr. McDONOUGH. Does the gentleman mean Federal employees?

Mr. BOW. Yes.

Mr. McDONOUGH. I do not anticipate any Federal employees, because if we adopt the amendment of the gentleman from Indiana it would be the local agencies that would have the job of issuing these charters.

Mr. BOW. But in order to charter those companies, to set up the new division and to do the chartering.

Mr. McDONOUGH. That I could not answer, as far as the number of employees is concerned. Of course, if we amend the bill to eliminate the Federal Charter Investment Corporation, then we would not have that problem at all.

Mr. BOW. If you set it up, you will have to have some new Government employees, and perhaps to police the corporations that have been set up. I am wondering if the gentleman from Indiana [Mr. HALLECK] is not correct, that it should go back to the States where this provision has already been made.

Mr. McDONOUGH. I agree. Otherwise we would have to add Federal employees to provide for issuing these charters here in Washington. I agree that the State agency is the proper level.

I yield.

The CHAIRMAN. The time of the gentleman from California [Mr. McDONOUGH] has expired.

Mr. LANE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Chairman, the phenomenal growth of big business is a fact known to almost everyone. The success-prestige of these large companies makes it easy for them to obtain long-term credit and equity capital. Big business secures part of the money for expansion or for replacement of equipment out of retained earnings. It also obtains equity capital by selling stock to those who are willing to become shareholders in its prospects. In addition, it borrows capital on a long-term basis by selling bonds or by giving notes to individuals or other institutions.

Small business is unable to raise the money it requires in this manner.

In the development of our economy, no provision has been made to supply this essential need of small business.

There is no institutional source to which small business may turn to acquire the necessary capital.

As a result, there are many obstacles in the way which constrict the operations of small business, and curtail the functioning of regular business competition.

This serious lack, and various possible remedies for it, have been earnestly studied by the Committee on Banking and Currency of the Senate, and by the committee of the same name in the House.

They were impressed by the urgent necessity for broadening present banking facilities in order to make capital loans and equity capital available to small enterprises. In this conviction, they were supported by similar problems in other capitalistic nations, and the steps that were taken to open up new channels of financing for them.

This is not a case of the Government itself going into the banking business. It is an assist from the Government to encourage the development of new institutions that will provide the lifeblood of capital for small businesses.

S. 3651 will stimulate the creation of small-business investment companies, chartered by the Small Business Administration, and eligible for long-term loans from the SBA. State and local development credit corporations will also qualify for such assistance.

With no direct contact between the Government and small enterprises, and with a minimum of Federal activity, this new program will realize the following objectives:

First. To supplement, rather than supplant, existing private facilities;

Second. To operate under a simple and flexible organizational structure;

Third. To operate and be accounted for in complete separation from other Federal small-business programs;

Fourth. To utilize to the maximum possible extent the facilities of State and local development credit corporations; and

Fifth. To concentrate upon meeting the equity and long-term credit needs of small-business concerns.

The consensus of opinion among witnesses who appeared before the committee is summed up in the words of Chairman William McChesney Martin of the Federal Reserve Board who advised: "That there is room for a Government program to foster the flow of private investment funds to small business."

It is obvious that existing financial institutions in the United States, are not designed and are not equipped to meet the long-term credit and equity needs of smaller enterprises. Commercial banks are not able to furnish such financing; their function lies primarily in short and intermediate-term lending; they do not supply venture capital or long-term credit. The present financial institutions which do provide a source of venture capital are not able to assist smaller firms. The cost involved in the public sale of securities is prohibitive to small-business issuers.

These needs can be met by the establishment of new private financial institutions. S. 3651 will fill that need.

Most of us believe that these new private institutions can be profitable. This bill is designed to provide Government impetus and assistance. When these purposes have been served, Federal participation can be eventually retired.

Small businesses, because there are so many of them are the foundation of economic enterprise.

Adequate financing on reasonable terms must be provided to insure their growth and development.

S. 3651 is a carefully considered method to fill this institutional gap.

Upon all the evidence available, it is well worth the venture.

Mr. SPENCE. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Chairman, this bill that comes before us from the House Committee on Banking and Currency is intended to fill a real need. All who have considered the matter, whether bankers, economists, lawyers, or legislators, agree that there is no place in our economy today to which small business can turn for help in order to get equity or risk capital. There is no place where small business can go to get a 20-year loan. The bankers concede that existing law prohibits that in most instances. In any event, they will not advance such risk or equity capital.

At the outset I would like to make clear that this bill is not intended to take the place of any other program that exists today, either privately or under Government sponsorship. This is a supplementary program to fill a need that cannot otherwise be filled. The bill of course treads upon new ground. It will undoubtedly be required to follow uncharted courses. It is a new program. We admit and recognize that it is experimental in nature. All who have studied the problem concede that we must do something for small business in this connection, without which it cannot possibly get the help that it needs.

Objection has been raised to one particular provision of the bill. We are told that it comes from the American Bar Association. The argument that was made in part against the provision of the bill for the national chartering of small business investment companies that are called for in this bill is that it is going to take business away from the lawyers back home and bring it to the lawyers in Washington. Any lawyer who is worthy of the right to practice law in his home city or town knows that he does not have to come to Washington to form a Washington corporation. If he has had the slightest corporate experience, he knows that he did not have to go to Delaware to form a Delaware corporation. Lawyers are forming Delaware corporations every day without going there and without hiring counsel in Delaware. The same is true of the District of Columbia. If today a lawyer wants to form a new corporation in the District of Columbia, all he need do is prepare his certificate of incorporation and send it not to a local lawyer but to the Superintendent of Corporations of the District of Columbia. If his papers are in order they will be filed, the superintendent will take his fee, and his company is incorporated. It is no different in the District of Columbia than it is in any State of the Union.

So this figment of someone's imagination, that some lawyer back home will lose some business if we have national charters under this act is ridiculous.

Another point that is raised is that this provision for the national charter of corporations will result in more corporations at the Federal level than at the State level. Let me point out to you that this is a banking function that you are setting up under this bill. Call it investment if you will, call it what you will, it is a banking function. True, the banks up to the present time have not entered into this field. In many instances that is because the home States prevent their entering the field; in other instances on the national level the Federal statutes prevent their entry into this field.

We have had a dual banking system recognized in this country from time immemorial: We have commercial banks on the State level, and we have national commercial banks on the Federal level. We have credit unions—the very smallest financial institutions of our country—on the State level and on the Federal level. They are organized at their choice under State law or under Federal law. The same thing is true of savings and loan associations. They may be organized either under State laws or under Federal laws. We have the same situation as to commercial banks. They organize under either State laws or the National Banking Act.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Connecticut.

Mr. SEELY-BROWN. I wonder if the gentleman will address himself to the other argument presented by the gentleman from Indiana in which he read the letter from the American Bar Association. Do you know—and I am asking for information—do you know of any State where existing State law does not permit

the charter of small-business investment companies as envisioned by the passage of this act?

Mr. MULTER. It is my belief that there are a number of such States. I cannot name the States, but it is my opinion that there are very few States that presently permit the organization of small investment companies such as envisioned by this bill. This is a new program. Few, if any, State laws ever contemplated this type of business. It is my considered opinion that in the State of New York you could not heretofore have organized one of these companies which would have complied with its banking statutes; I know that in New York, you could not use the word "investment" as part of the name of the company without the permission of the State banking department.

But let me as a further answer to that question call your attention to page 981 of the hearings before our Committee on Banking and Currency. There you find set forth the proposed administration bill on this very problem, and in section 501 of that bill we find this provision:

SBA—

The Small Business Administration—

can make loans to small business investment associations, chartered under State law or (in the absence of State authority) by SBA.

So the administration in preparing this bill recognized the fact that there must be some States that would not permit a corporation such as this to be organized under State law.

Mr. SEELY-BROWN. The gentleman along with me attended all the hearings and heard all the testimony. Was there any testimony whatever indicating the position of the American Bar Association on this particular item?

Mr. MULTER. There was not.

Mr. HALLECK. Mr. Chairman, will the gentleman yield at that point?

Mr. MULTER. Let me first yield to the gentleman from Georgia, Mr. BROWN, please.

Mr. BROWN of Georgia. Is it not true that the American Bankers Association has approved this bill in principle?

Mr. MULTER. Not only in principle, sir, but as to this specific provision for national charters. Now, we did not follow their exact recommendation because they had a slightly different provision as to the three-year period, but they approved this very idea of national charters.

Mr. BROWN of Georgia. I would rather have the approval of this association than the approval of some lawyers.

Mr. MULTER. Let us put it this way, that the American Bar Association and the banks which are members of it have some mighty good lawyers working for them. Had any of those lawyers discovered anything wrong with this provision we would have heard about it.

Let me answer further, and I think it will answer the question the gentleman from Indiana has in mind, with reference to the American Bar Association. Where have they been all this time? This matter has been under study for a long time.

In the other body, when they were considering this bill, a gentleman by the name of Mr. Steadman, the same gentleman who wrote to the distinguished gentleman from Indiana [Mr. HALLECK], appeared before the Senate committee and said:

I want to make it perfectly clear that I am appearing here this morning as a private individual, principally for the reason that no section of the American Bar Association is entitled to take a specific stand with respect to any legislation until such has been approved by the board of governors.

After giving his testimony in which he objected to this provision, his attention was called to the fact he had come in at the last minute before the other body to make this objection. As a matter of fact one Member of the other body said to him: "I must say it comes with rather bad grace to the bar association, although this is not the bar association but merely an individual, to rush in here on the very last morning of the hearings to object to a provision that has been under serious consideration for practically a year."

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. MULTER. Mr. Chairman, in the other body the chairman of the Committee on Banking and Currency concluded with this witness, Mr. Steadman, by saying:

We are going into executive session on this bill next week. Get to us your specific objection or proposed amendments so that we can consider them.

Nothing further was heard from the gentleman.

We did not start hearings on this bill before the House Committee on Banking and Currency until April of this year. The public hearings were concluded in May of this year. I say to the gentleman who raises this question that no member of the bar association, and no one, speaking for the American Bar Association, to my knowledge, communicated to our committee a single such objection. There was no request to be heard orally and no request to incorporate in our record anything on this subject.

I say that the gentleman from Indiana is wrong when he says that this bill requires national charters. It does not. It says you can have a State corporation which will qualify under this act if the State law permits, but if the State law does not permit it you can get a national charter. In either event if it qualifies, it can get the benefits of this statute and get the loans that are available to such corporations and, in turn, be enabled to make long-term loans and investments in small businesses.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Indiana.

Mr. HALLECK. First of all, I would like to say that it has been represented to me in respect to the protest of the American Bar Association and their representative that there were no hearings held on this bill. I made inquiry about that; and if there were any hearings on this legislation, apparently they were in connection with some broad overall matter going on before the gentleman's committee. I do not believe he can be charged with any dereliction in that regard.

Mr. MULTER. Let me stop the gentleman there. This bill was considered not only by the Banking and Currency Committee of both Houses, and ample public notice was given to all concerned and to all interested, but there were special hearings on this very problem conducted by the House Small Business Committee. They, too, were amply and fully publicized.

Mr. HALLECK. When was this bill introduced?

Mr. MULTER. The Senate bill?

Mr. HALLECK. The House bill.

Mr. MULTER. We are considering the Senate bill; but the House Committee on Banking and Currency considered the Talle bill on this very subject, it considered the Multer bill on this subject and the Patman bill on this subject, and I think 4 or 5 other bills, all dealing with this precise subject.

Hearings were held on all of those bills, and after we concluded our hearings the other body then having also had similar bills before it brought forth this bill as a composite of its best thinking on these bills. We considered that Senate bill and brought it here with our amendments.

Mr. HALLECK. Of course, whether or not they protested at that time does not really have any bearing upon the merits of the problem before us. That is something that we have to decide. But, again I insist there was no special legislation that would have alerted anyone, by reasonable care, that this proposition might come up.

Secondly I would like to say this.

Mr. MULTER. First let me note for the RECORD that I most vigorously disagree with the last statement of the gentleman.

Mr. HALLECK. The gentleman spoke of Mr. Steadman's testimony before a committee in the other body.

Mr. MULTER. Yes.

Mr. HALLECK. What was the date of that testimony?

Mr. MULTER. That was on May 2, 1958.

Mr. HALLECK. Now, I would like to say to the gentleman that I have in my hand a memorandum with these words:

With respect to this proposed legislation the American Bar Association on June 24, 1958, through its board of governors, adopted the following resolution, a certified copy of which is attached to this memorandum:

"*Resolved*, That the inclusion in any statute adopted by the Congress of the United States of any provision requiring or permitting the Federal incorporation of business enterprises should be opposed."

So, it is an official action of the American Bar Association, of which I am proud to be a member, may I say, and for which association I have a high regard.

Mr. MULTER. I have a high regard for the association and its membership and its board of governors, but again I say to you that that is action by its board of governors and not by the membership at large, and it is unfair for them to come in with that kind of a resolution after all of the hearings are closed. They are as wrong as they possibly can be. I think in this instance we are better off to take the advice and suggestion of the lawyers in the banking field, acting for the American Bankers Association and the banks, and when they say on this point that this is good legislation, I say that we can take their word for it and go along with them on this rather than with the board of governors of the American Bar Association.

Mr. KILBURN. Mr. Chairman, I yield 1 minute to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Chairman, I would just like to again point out that no one has come up with the name of a State that lacks sufficient statutory authority to grant these charters. As against that we have the definite statement of the American Bar Association as the result of a study made by the American Bar Foundation, that after a careful examination of all the State statutes—contrary to the wrong assumption contained in the report of the committee—every State has proper statutory authority to grant these charters.

Now, we hear a lot of talk around here about States rights. Everybody seems to be for it. Well, if we are for it, if we want to avoid further centralization here in Washington, if we want to continue State authority and prerogatives, then I say the amendment I propose to offer here should be adopted, because these charters can be granted back in the States as they have been ever since the founding of the Republic.

Mr. KILBURN. Mr. Chairman, I yield 6 minutes to the gentleman from Ohio [Mr. BETTS].

Mr. BETTS. Mr. Chairman, I am supporting this bill because I believe that somewhere it might be of some assistance to small business in a limited way. But I think it represents the wrong kind of thinking about small business which has been taking place in Congress for many years. It proceeds on the basis that the average small-business man wants money or credit. That is not true. He wants an atmosphere in which he can do business without having to borrow money or go in debt. He does not want more Government in his affairs—he wants less.

About 100 members of the National Federation of Independent Business sent ballots to my office revealing their views on pending legislation. I think they represent the general thinking of small-business men in my District. Recently I wrote each one and asked him to tell me the one thing he thought would help small business. The answers were revealing and point up the fact that this bill is not the answer to their prayers. Not a single answer mentioned easier terms for borrowing as of first importance, although three letters referred to it in passing.

Here is what most concerns and disturbs the small-business man in the Eighth Ohio District, "burdensome taxation," "unnecessary Government spending," "interference from labor unions," "complicated redtape," "too much foreign aid," "discount houses"—but most of all taxation and extravagance. In other words, it all adds up to too much Government. They feel that the bigger Government gets, the farther away it moves from small business.

To them the pattern of Government spending is difficult to explain—the never-ending construction of luxury office buildings for Federal officials, the always increasing bureaucracy of the National Government with its increase of necessary and time-consuming bookkeeping. All of it is hard to reconcile with the struggle of the small-business man who regards the Federal Government as extravagant, which extravagance brings him no relief from oppressive taxation.

Here are some excerpts from typical letters:

Some sort of tax relief for the small business. It is hard, if not impossible, to pay off a capital investment out of current income and still build a business, since to grow means increasing inventories, etc. Try it sometime.

Any legislation that will give tax relief is basic and vital if the small-business man as he is known today is to survive. Now I realize that in order to reduce the tax load the Federal Government will need to reduce expenses. Most businessmen with whom I am acquainted are opposed to the endless subsidies, giveaway foreign programs, and the seemingly wasteful operations that Government takes part in.

He is fearful of expansion of minimum-wage laws, the monopoly of labor unions geared to a program of increasing wages with consequent rise in prices of products he has to buy. The fact that none of my informants expressed any fear over the recession indicates they are more fearful of the economic squeeze from inflation—increasing cost of living—than of a temporary lag in business. Here is an excerpt from another letter:

Another thing Congress ought to do and that is curb these monopolistic labor unions. Industrywide bargaining ought to be banned; unions should be required to make financial reports to the Government and their members annually; control over some labor practices should be returned to the States; strikes should be subject to secret ballot vote; elections should be required periodically; other unfair practices as developed by the McClellan committee should be curbed. You can't have yearly rounds of wage increases with its consequent price increases without sooner or later pricing goods out of the market. In my opinion the present recession is a "buyer's strike" labor induced.

Some small merchants are fearful of competition from large industries. In this area they feel the factors which hurt them are unfair price cutting and company-operated units. As a small-town jeweler put it, "In our line of business, the so-called discount houses and the manufacturers have just about run us out of business." An owner of a market in a typical midwestern community wrote me:

I firmly believe that, unless some sort of protection is established to protect and encourage small business, it soon will be devoured and the small-business man along with his right to be independent will be gone.

It is not my purpose to comment on the merits of these statements. Every small-business man will be heartened to learn of the action of the House yesterday in passing the bill which affords some tax relief.

I merely recite these views from letters coming to my desk to show that in passing the tax-relief bill, as well as this bill, we have still left untouched some areas where small business feels the need of real and immediate relief.

So, Mr. Chairman, as I have stated, I shall support this bill only because I hope it will do some good. Those who return to this Chamber next January can take a bolder approach to the problems of small business. Something perhaps along the lines outlined in the letters I have received from genuine small-business men.

Mr. KILBURN. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey [Mr. WIDNALL].

Mr. WIDNALL. Mr. Chairman, I believe this legislation can serve a very useful purpose. I also agree substantially with the remarks of the gentleman from Ohio [Mr. BETTS], who preceded me, as to the essential needs of small business. In supporting this legislation, and to emphasize the need, I will read some excerpts from the committee report:

A recent and most authoritative study—

Of the type of equity financing for small business and supplying long-term credit—

was made by the research staff of the Board of Governors of the Federal Reserve Board with the knowledge and encouragment of the four Congressional committees having primary interest—the Banking and Currency Committees and the Select Committees on Small Business of both Houses of Congress.

The Federal Reserve Board's study on the financing problems of small business had several objectives. One of these objectives was to assemble information bearing on the question of the economy's facilities serving these needs.

The Board's study found that the financial needs of small business vary among different categories of small concerns and that such needs are most complex. The commercial banking system is not prepared or designed to satisfy needs for equity or long-term credit. Traditionally their operations have been confined to short and, to a limited extent, intermediate-term loans.

We have an existing facility, the Small Business Administration, that has been operating well, that has been administered well, and that has been commended by the Congress. Under the terms of this proposal there would be established within the Small Business Administration a Small Business Investment Division run by a deputy appointed by the Administrator of the Small Business Administration. Two hundred and fifty million dollars is authorized to go into an existing revolving fund of the Small Business Administration. That will be earmarked for this particular purpose, and cannot be used for other purposes of the Small Business Administration.

I definitely believe the need exists for this type of financing and hope the Congress will approve this legislation.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Maine [Mr. COFFIN].

Mr. COFFIN. Mr. Chairman, I believe that we have reached a major landmark in this Congress in recognizing small business as a vital factor in the strength and diversity of our national economy. First of all we have made the Small Business Administration a permanent agency and we have declared its continuing independence of any other department or branch of the executive department. If we had done no more, this would have been a substantial gain.

Small business and methods by which the Federal Government can best insure its survival, have been one of my major concerns since I came to Congress. I have followed each phase of the development of legislation on this matter through House and Senate committees and branches of Congress. I have testified more frequently on this subject than on any other.

I was understandably proud when recent legislation to make the Small Business Administration a permanent agency carried my proposal to direct SBA to make continuing studies of the problems of small business. From my own experience in my own State where well over 90 percent of the businesses can be termed "small" within the definition of SBA, this amendment is very necessary to programing the kind of help that is really needed.

Today we are again breaking new ground. The Small Business Investment Act, to be administered by the SBA, provides new, badly needed sources of capital and credit. It is a new experiment but one that I believe will work and I have recommended its passage in testimony before House and Senate committees.

In testifying before the Senate Small Business Subcommittee of the Banking and Currency Committee, which approved this bill before it came to the House, I advocated two specific and very important amendments. Both of them are contained in this bill.

In my testimony, I expressed serious doubt that there would be many substantial pools of investment capital available, at least in Maine, to form companies with at least $250,000 of private investment. I urged that this amount be reduced to $150,000. The bill before us in effect meets my objection. The total paid-in capital and surplus must total $300,000, but half of this amount can be loaned by SBA. This 50 percent which would come from the purchase by the Small Business Administration of the company's debentures would be subordinate to any of the company's other obligations and would be deemed part of its capital and surplus.

A second amendment which I proposed to this bill, as well as to the Small Business Act, would provide SBA loans to nonprofit development companies. This amendment is contained in this bill under title VI. This provision will, I am confident, encourage the town-meeting approach to the problem of attracting new industries. Local money can be made to go much further in helping to bring new prosperity to the community. I regret that a similar provision was not included in the Small Business Act. I am gratified, however, that this bill, which will be administered by SBA, has combined equity capital with lending functions, thus providing greater flexibility in SBA's lending operations—an objective which I have supported very vigorously.

It seems to me that the House Banking and Currency Committee has acted most wisely in insisting that the administration of this new experiment in the field of small-business financing be placed with SBA. It has been my feeling that an additional agency, set up to administer equity capital, would necessarily overlap many of the functions of SBA and perhaps create additional avoidable costs.

Mr. Chairman, I want to emphasize my earnest belief that this Congress has done more for small business than we can perhaps appreciate. Approval of the pending measure will complete this very excellent record.

Mr. SPENCE. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. PATMAN].

HALLECK AMENDMENT

Mr. PATMAN. Mr. Chairman, before discussing the bill more fully, I want to comment on the amendment that is proposed by the distinguished gentleman from Indiana [Mr. HALLECK]. I find myself in disagreement with him. I know he is a good, fine, conscientious, able Member of this body, and I know he has, in the past, been very helpful to legislation for small business. I know he is sincere in his advocacy of this particular amendment, but I think it would be a very damaging amendment if it were adopted.

The small-business man, whether he gets his loan from the Small Business Administration or a bank, or regardless of whom he gets his loan from, by the time he gets through paying the deductions from it, does not have near the amount of the principal left.

The deducts, for different reasons, get a large part of his loan.

So, if we are going to have another deduction for the lawyers, earmarked for the lawyers, the small-business man will have even less. I know the lawyers will do this work of drawing up the articles of incorporation anyway, and the lawyers will be satisfied to take their chances. Not one lawyer in the District I have the honor to represent has asked me to support this type of legislation on any bill that has been before Congress, since I have been a Member starting 30 years ago. Lawyers are not interested in having a tollgate. Lawyers are not interested in making the people go through a tollgate and make a contribution to them for a specific purpose. Lawyers are competitive. They are a good, honorable, honest, outstanding group of Americans. I am privileged to belong to that group. I have been in the practice of law. I know about the initial starvation period. It is not fiction. It is real. I know something about the practice of law. But I have never known a lawyer to insist that a tollgate be set up for him or for the legal profession. Lawyers will take their chances.

If I were writing the amendment to carry out what the purpose of the amendment offered by the gentleman from Indiana, I would write it something like this: To provide that no small-business investment company shall be chartered unless the articles of incorporation for such company are prepared and presented to the administration by an attorney licensed to practice in the State where the principal office of the small-business investment company is located. That is exactly what it means—to require the use of lawyers in a certain place. I am a realist, and I know that the lawyers will do this work anyway. Only lawyers can prepare these papers. But why set up a State tollgate and say "You have to pay the lawyers." Of course, these State legal organizations sometimes even fix the fees that you must pay; and that could be a great handicap to the administration of this act.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. SEELY-BROWN. Is it not true in fact that regardless of whether you have a national charter or a State charter, the local lawyer is going to do 99 percent of the work?

Mr. PATMAN. Certainly. The local lawyer is not asking for this amendment.

But there is another reason for this amendment: Over the years we have had a difficult time impressing the American people and the Congress that small business does not have a place to get adequate financing. But, now we have the proof—we have the proof from the American Bankers' Association, and we have the proof from the Investment Bankers' Association of America and we have proof from everybody to the effect that the commercial banks are not set up to do equity financing or long-term financing for small business. We have it down now in black and white and presented overwhelming proof, for the first time that it has ever been presented to Congress.

Heretofore it has always been argued—"let the banks do this—the banks can finance small business, so there is no need for Federal assistance in setting up a program that will compete with the banks."

But, now we have the proof. It is admitted that there is no place for the American small-business man to go to obtain adequate financing in this American economy of ours. In this private enterprise system, the best system on earth, there is a vacuum.

So, the question is: Are we going to fill that vacuum? Are we going to let the small-business man have an opportunity—mind you, not an unfair opportunity, not something that is discriminatory in his favor, but an equality of opportunity to get capital, just as big business can raise capital. That is all we want for small business. We have a bill here that will give the small-business man an equality of opportunity to obtain capital.

The bill as now written permits state chartered associations—there is nothing in here to prohibit state chartered associations. They are provided for in this bill, and Federal charters are also provided for in this bill.

We will have a little competition between the States and the SBA. Possibly it will be good for small business. If they cannot get a State charter, let them get a Federal charter. We have that in banking. We have State charters and we have Federal charters. Do you not think the small-business men should have the same chances of obtaining a charter for their small business? I have not heard the gentleman from Indiana (Mr. HALLECK) arguing against Federal charters for national banks. I have not heard him or the other supporting this amendment argue any against Federal charters for Federal land banks or for production credit associations or for savings and loan associations or for others I could mention. Why would they just object when a bill comes up just for the small-business man? Why should it now be for the first time that a tollgate be put into the legislation for small business?

The small-business man has to pay here and pay there and now this tollgate. He will not even have his shirt left if we keep putting in these deductions for him to pay. We want fewer deductions; we want to give these small-business people a chance.

This amendment would handicap this bill for two reasons: First, it would channel all business through the 48 States. All the States' supervisors of financial institutions are not friendly to small business. They do not know the problem as we do. We have studied it. The State officials will probably not be sympathetic to this program. They would put it under the banking agencies or banking associations. The banks would not be sympathetic to it. To require a State charter, under present State laws, would be a handicap and small firms would be deterred in their efforts to get loans as they have in the past. So let us not turn this back to the 48 States and say, "See your local lawyer and go through your State." This is a Federal proposition. It affects our national economy. It affects the economy in the 48 States. It is not just a State matter.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. BROWN of Georgia. Is it not true that State savings and loan associations are asking to become Federalized?

Mr. PATMAN. Yes. Many are becoming Federalized now. They prefer it. It is the same setup here. If the small-business investment company wants a State charter, they can have it. If they want a Federal charter, they can get a Federal charter.

It has been argued that it will require more Federal employees to grant Federal charters. It will require no more people, because it will require just as much work to pass upon whether a State chartered company is eligible to do business with the SBA, as it will to issue a charter in the first place.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. McDONOUGH. May I call the gentleman's attention to the section of the bill that provides for the Federal charter investment corporations that may be converted to State chartered investment corporations. The gentleman is not opposed to that; is he?

Mr. PATMAN. No.

Mr. McDONOUGH. But you do say that most of them should go to the Federal Government for a charter rather than to the State?

Mr. PATMAN. No. I am for the State charter, too; I say give the small man a choice. But I am not for the tollgate, where they have to make a compulsory contribution to lawyers. I do not object to the lawyers doing the work, and I do not object to them getting a fair fee for it, but I do object to a compulsory tollgate.

The CHAIRMAN. The time of the gentleman from Texas [Mr. PATMAN] has again expired.

Mr. KILBURN. Mr. Chairman, I yield 6 minutes to the gentleman from Illinois [Mr. McVEY].

Mr. McVEY. Mr. Chairman, we have had some excellent talks on this legislation this afternoon. But I would like to bring together some of the essential provisions in this bill, because upon the merits of those essential provisions we are going to vote up or down this legislation.

I have made a note of the principal provisions to which I think we should direct our attention.

It has been said many times that this legislation provides for only long-term capital, and that investment is not to be made directly to business concerns, but is to be made to the small investment companies. Those companies may be chartered in Washington or in the locality of the investment company.

These loans are made by the Small Business Administration through the Deputy Administrator appointed to administer the provisions of this bill. We have legislation already enacted for short-term loans. Bills of that character are on the statute books. There is at the present time a sufficient amount of money provided for short-term loans to small business. This bill, as I have said, provides long-term capital loans for small business.

The need for this legislation has been expressed by the United States Chamber of Commerce, the American Bankers Association, and the Committee for Economic Development. To my mind it is a safe and sound bill, and one we can support if we understand its provisions thoroughly.

These investment companies will at all times be under the supervision of the Small Business Administration.

A revolving fund of $250 million is provided. This fund according to the bill before us cannot exceed the $250 million ceiling.

This bill has been reported favorably by the Banking and Currency Committee before which hearings were held, and much time was given to the consideration of the merits of the bill. I wish to support it and recommend its passage.

Mr. WIDNALL. Mr. Chairman, will the gentleman yield?

Mr. McVEY. I yield.

Mr. WIDNALL. Is it not true that under the provisions of this bill a company would have to start with not less than $300,000 in paid-up stock?

Mr. McVEY. The gentleman is correct.

Mr. WIDNALL. And the maximum that can be furnished by the Small Business Investment Company to any one concern is $150,000?

Mr. McVEY. The gentleman is correct.

Mr. WIDNALL. Is it not also true that any borrower would have to purchase from 2 to 5 percent stock in the Small Business Investment Company?

Mr. McVEY. That is true.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. McVEY. I yield to the gentleman from Ohio.

Mr. VORYS. I have heard of a minimum for the Small Investment Company; is there any maximum?

Mr. McVEY. The maximum loan to any particular company is $150,000.

Mr. VORYS. One hundred and fifty thousand dollars?

Mr. McVEY. Yes.

Mr. VORYS. Is there any upward limitation on what size the company would have to be? I mean, would it be possible for a $10 million or a $20 million company to organize and get a $150,000 loan?

Mr. McVEY. No; they could get only $150,000 for purposes of organization. That is the maximum that the organization or the administration can supply.

Mr. VORYS. Is there any limitation in this bill on the size of a business called a "small business"?

Mr. McVEY. The bill does not define the term "small business." I suppose the customary acceptance of what a small-business concern is would apply in this case.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. McVEY. I yield to the gentleman.

Mr. JONAS. What is the reason for the requirement that at least 10 persons must subscribe to the articles of incorporation before a Small Business Investment Company can be organized? In my State, for example, 3 people may form a corporation, but this requires 10. I wonder why.

Mr. McVEY. I do not know that I can answer the question correctly, but it seems to me it is provided for the purpose of spreading responsibility in these investment organizations.

Mr. NEAL. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. NEAL. Mr. Chairman, the ordeals imposed upon small business during recent years have increased as inavailability of capital funds has shrunken, as Federal taxation has failed

to recognize inequity and as the trend toward big business operations has reduced their competitive advantages.

The distribution of economic well-being of our Nation will depend more and more upon the successful operation of local industry and business where local employers and local tax contributions can help toward building and supporting aggressive forward-looking communities.

The Small Business Administration, empowered to grant short-time loans to new and hard pressed businesses has established a creditable record for saving local establishments from financial ruin. There is a great need for longer term availability of funds to encourage development and profitable operation of this type of local endeavor. This bill gives promise of meeting this need. It should be approved by the Congress after adoption of the amendment to eliminate the provision that small-business investment companies must be chartered by the Federal Government. The Federal Government's authority over rights and privileges belonging to the State under our Constitution have already been too frequently preempted.

Mr. KILBURN. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. HENDERSON].

Mr. HENDERSON. Mr. Chairman, I shall possibly give voice to some of the unuttered questions of my colleagues here concerning this legislation. I am sure there are many such questions because this is legislation which marks an uncharted venture for the Federal Government.

I approach the subject with many misgivings because it does not require too much perception for me to see in this device a step in the direction of public ownership and its accompanying control of business. Of course I realize that the amount of Federal money loaned, but in reality invested, in a given enterprise will in no event approach a majority of the total capitalization, but we are aware that an effective minority can have a powerful voice in the operation of a business venture, especially if that minority should happen to be the sovereign state. I realize too, that there is no statement of intent that there be any control, and certainly no permissive or mandatory language that would give the Government any control, but both of those can come in later legislation after the initial step has been taken.

The bill has been carefully worded, and the provision for the establishment of small-business investment companies by private individuals who can obtain up to 50 percent of their financing from the Federal Government, seemingly breaks the chain which would link the Federal money and the company which needs it. We are providing for the establishment of a middle man to parcel out the Federal money which we authorize by this bill. It is hoped that this maneuver will remove the taint of possible Federal control of the commercial activity or of public ownership. These are the dangers which we should guard against. Time and experience in the years ahead will determine whether we have provided effective safeguards.

Most of the advisory bodies and organizations which have studied this proposal as well as the committees of Congress are convinced that there is a need for funds to provide small business with long-term equity capital. The American Bankers' Association which would appear to have reason to be critical of such a proposal has indicated that there is a need for this type of financing which the banking industry has not met. The Committee for Economic Development, the United States Chamber of Commerce, the Federal Reserve Board, the Department of Commerce and the Small Business Administration all seem to indicate that there is a need for such funds.

Authorization is contained in this bill for a revolving fund of $250 million to be established from appropriated funds. These funds will be administered by the Small Business Investment Division of the Small Business Administration. The Division would be authorized to charter small-business investment companies incorporated by 10 or more persons. The SBA would have discretion in issuing the charters and could take into consideration many pertinent factors in its consideration of the request of the proposed company for a charter. Each small business investment company would be required to have not less than $300,000 of paid-in capital and surplus before commencing business. The SBA is authorized to provide a maximum of $150,000 to each company formed, through the purchase of subordinated debentures. The SBA could also make other loans to the investment companies not to exceed 50 percent of the paid-in capital and surplus.

These small-business investment companies having been formed and provided with a mixture of private and Federal funds could then provide equity-type capital to small-business concerns through the purchase of convertible debentures, containing terms and interest rates as the companies fix under SBA regulations. Parenthetically, I would like to mention, that here is a measure of control, not over the operation of the borrowing company, but over the terms of the funds. The investment companies will not be free agents.

Loans may be made directly or in participation with other lending institutions, at a rate of interest established by the SBA for terms up to 20 years with a provision for an extension for 10 more years.

This is a brief summary of the provisions of the Small Business Investment Act. No Federal control over the operation of the borrowing company seems apparent, yet I know of no reason why the SBA cannot suggest or even demand a course of conduct as a condition to an investment company's granting a loan. Thereafter, the borrowing company knowing that it may need an extension of that loan at some time in the future, will be inclined to pretty well follow a suggested course of conduct; and when the time comes to approach the investment company for an extension of the loan, many, many conditions can be incorporated.

I wonder what a borrowing company will think about this new partner that enters his concern. Reports, reports and more reports could be the order of the day. Inspection on the heels of inspection can be his fate. Congress, heretofore lacking authority over the internal management of a business entity may find it convenient to enact regulations and codes of conduct to apply to those firms which have found it necessary to resort to this new type of financing.

The need for funds is conceded by most all of us. The method suggested by this bill may bring some surprises, as Uncle Sam assumes a new role as Uncle Sam, silent partner. Will he remain silent?

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. HENDERSON. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. I should like to inquire as to what is meant by small business? We have been using the term loosely here for a number of years as that business which has less than 500 employees. How do we use the term "small business" in a definitive sense in this act with reference to that loosely accepted definition here?

Mr. HENDERSON. I will be pleased to yield to the chairman to answer the question.

Mr. FLOOD. I think the gentleman from Texas [Mr. PATMAN] can help us.

Mr. PATMAN. Of course, the term "small business" is relative. It depends on the type of business. In some lines of business $250,000 or $350,000 would probably be a monopoly—in the case of needlecraft and things like that. In other lines of business, such as the automobile business, it would not mean much. It is a relative term. One definition of it has been "small business is any business that is not large enough to have a Washington representative."

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. HENDERSON. I yield to the gentleman from Connecticut.

Mr. SEELY-BROWN. I think I am correct when I say that the definition as to what small business will be is subject to determination by the SBA. It has the authority under the enabling act which created the Small Business Administration and a new act has just recently been passed by each House.

Mr. HENDERSON. That is correct.

Mr. SEELY-BROWN. That definition will be determined by the SBA in accordance with the ground rules laid down by this Congress itself.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. HENDERSON. I yield to the gentleman from Michigan.

Mr. MEADER. I am very much concerned about the creation of corporations by the Small Business Administration as is set up in title III, the matter that the gentleman from Indiana called attention to. Now, I wonder if the gentleman from Ohio has given any particular study to that phase of the bill and how it may affect the operation of the corporation statutes of the several States.

I know that in the State of Michigan, for example, to incorporate, the incorporators have to pay filing fees; corporations have to make annual reports and

pay franchise fees, and a considerable amount of revenue to the State of Michigan is derived from that source.

I do not know what limits are going to be insisted upon by the Administrator as to the type of business that one of these small-business investment companies might engage in, but conceivably, if you do not have to pay any franchise fees or filing fees and are not subject to the corporation laws of any State because you have a Federal charter, I can see a possibility of disturbing the corporation laws of this country by the provisions of title III and giving the Administrator of the Small Business Administration the power to create corporations. I wonder if my fear is unfounded.

Mr. HENDERSON. I might say to the gentleman that there are two questions involved: Regardless of where the entity comes from, whether it be Federal or State, the Small Business Administration still has the authority to determine whether or not it will recognize it to do business under this act; in other words, questions relative to the need in the particular community, and a great number of other questions must be answered before the SBA will authorize a small-business investment company, whether State chartered or otherwise, to do business and to use Federal funds. The second question, of course, is the method of organization. The two questions should not be confused.

Mr. MEADER. I would like to complete this matter, if the gentleman can clear it up for me. It seems to me that this might be an avenue through which the Small Business Administration could create corporations. Now, their charter might require them to do nothing but loan to a small-business enterprise, and maybe the Administrator could say "Well, you are not doing that kind of business; you are out buying bonds on the general market and securities of concerns that are not small business, and we will not let you operate under this act any more." But, they still have their charter; they can still do business. What policing is there by the Federal Government that is comparable to the policing that a State government does in reference to corporations created under State law?

Mr. HENDERSON. I might say to the gentleman that the investment companies once formed, were they to violate the regulations imposed upon them, would not be able to use Federal funds, would not be eligible to borrow SBA funds to continue to operate, and could not, as such, lend any Federal funds. Line 20, page 11, of the bill suggests this limitation.

Mr. MEADER. But, would they still not be an incorporated business able to do business?

Mr. HENDERSON. A State-chartered corporation would be. The fate of a Federal corporation is in doubt.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. SPENCE. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. The bill provides that the term "small business concern" shall have the same meaning as found in the Small Business Act of 1953.

Section 203 of the act reads:

> For the purpose of this title, a small business concern shall be deemed to be one which is independently owned and operated and which is not dominant in its field of operation. In addition to the foregoing criteria the Administration, in making a detailed definition, may use these criteria, among others: Number of employees and dollar volume of business.

So, that definition, I believe, is as good as any definition that could be arrived at, and I think it is satisfactory. It puts on SBA the responsibility of setting standards and criteria depending upon the type of business the firm is engaged in.

Mr. KILBURN. Mr. Chairman, I ask unanimous consent that all Members may have permission to extend their remarks at this point in the RECORD.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. EVINS. Mr. Chairman, the chairman and the members of the Banking and Currency Committee are to be commended for bringing to our consideration in this session this far-reaching legislation. This small-business investment bill attacks one of the most serious problems facing small business and offers an effective tool to help preserve the position of small business in our economy and thereby to insure a continuation of the climate of opportunity which has been one of the most important characteristics of our American system.

The most immediate assistance that we could give to small business would be an equalization in tax treatment. Earlier this week we took some steps in this direction. It is regrettable that the economic conditions of our country and the fiscal position of our Government makes it impossible at this time to go as far in this direction as most of us know we ought to go.

Our inability to act in the field of taxation gives us all the more compelling reasons for taking action to help small business in this equally vital area of providing a better source of capital for the expansion of present small business and the creation of new small businesses.

Seldom has there been as complete unanimity as to the need for legislation as there has been in regard to the need for providing better and more easily available sources of investment capital for small business. The Small Business Committee of this body has held hearings in this area since last fall. The equivalent committee in the other body has also held hearings on this matter in the past few months. We heard testimony from high officials of the executive branch, from the Governors of the Federal Reserve System, from the Department of Commerce, from private bankers, from economists, and from businessmen. The testimony has been unanimous as to the need for some access to long-term capital on conditions small business can meet.

Furthermore, Mr. Chairman, economic studies indicate clearly that the position of small business has been deteriorating rapidly in the past few years and that the disadvantages it suffers in the field of financing have been becoming more and more serious. Big business has access to ample sources of capital for expansion. The effects of our own Government's fiscal policies have tended to open the doors to additional capital wider for big business and to close them for small business. For example, the repeal of the excess-profit taxes freed for big business a tremendous source of capital for expansion. Similarly the so-called tight money policy tended to put small business at a far greater disadvantage in this respect. It is time we took action in this field and I am pleased to see this bill before the committee today.

Since this is a new venture into a field where we have had little previous experience there have been differences of opinion as to the best way of meeting this great need. Nobody really knows whether this is the best way to do the job. But it is a big step in the right direction. I am confident it will work and that with greater experience we can eventually devise a system which meets the needs of small business in this area efficiently and effectively.

The facilities we will set up in passing this bill will not be in competition with private financing institutions or other sources of capital but will supplement and augment them. It is designed to fill a real need which no present institutions could fill adequately. It has been approved by the bankers themselves. It will be of special value, in my judgment, in the rural and less developed areas of our country where opportunities for business have been declining recently and where sources of investment capital are the most limited.

Mr. Chairman, as a member of the Small Business Committee, I want to urge all my colleagues to vote for this bill. By passing it we can strike an effective blow to preserve the equality of opportunity and the system of free enterprise which have been among the great glories of our way of life.

The need is present. The opportunity here exists to be of real service in an area where some assistance is pressing and I trust this bill will be approved.

Mr. McCARTHY. Mr. Chairman, this bill was designed to make available more equity capital for small-business investment. It should improve the competitive position of small business in the capital market of the United States.

I am assured that the authors of the bill and the committee reporting it are confident that the institutions resulting from the passage of this bill will not in practice be in competition with small, independent commercial banks.

Mr. Chairman, I favor the passage of this bill.

Mr. BROWN of Missouri. Mr. Chairman, this Small Business Investment Companies Act of 1958 may well be and certainly should turn out to be one of the finest achievements of the 85th Congress.

It is not a highly advertised or glamorized measure, and it may sound a little confusing to many small-business men. But it is an historic step toward protecting the future of small business, and I am proud to have played a part in the

long, hard committee work that started the ball rolling and hammered out this bill.

This act seeks to fill a void in the American financial community, a void that has existed for a long time. With this act, Government is stepping forward and asking American investors to invest venture capital in small business. With this act, Government is trying to encourage a reasonable flow of private capital into worthy smaller enterprises.

And in a constructive positive way, we are striking a blow against monopoly and giantism by strengthening competitive forces.

Now, I am sure that many people feel that nothing can really be done to keep big business from eating up the small. It has become a fad, to say blithely that big business is more efficient than small business. They point to quantity purchasing, fancy equipment, and so forth to prove that the giants will inevitably own it all. Well I have had some experience with some of the Nation's largest businesses. I have a wholesome respect for their operations. But let me tell you that efficiency and economy are not always their greatest attributes.

When a big business gets giant size, just the simple task of informing each other—holding meetings and conventions and talking over long distance telephone—becomes an appalling expense. Further, they often become slow-acting and sluggish. They cannot react to a changing situation as rapidly as a smaller firm.

In most fields, the good small business may well be more efficient than a big business, especially in distribution—wholesaling, and retailing.

If they are good, small businesses join buying groups and buy at quantity discount. They purchase advertising at local instead of higher national rates. Their operation is not unwieldy or cumbersome.

If this act works as it should work, there will be hundreds of small business investment companies scattered over America performing investment banking service for small business. The little man will be able to get well-rounded tailormade financing help quickly, just as the giant corporations get it at investment houses on Wall Street.

And this is a crying need. Generally speaking, the good small business can get short-term working capital. Commercial banks are performing this service.

But when it comes to long-term loans for equipment and plant or when it comes to expanding facilities, the little man has a real problem.

Occasionally, a small business gets an insurance company to make a real estate mortgage loan. But by and large, most small business equipment purchases are financed by chattel mortgages held by suppliers—short-term paper, heavy monthly payments, and high interest rates.

Let me give you an example. There are two clothing stores on the public square of your hometown. One is owned and operated by John Smith—a local man who grew up in the clothing business, a good operator highly respected.

The other is a good operation, too, 1 of some 500 stores owned and operated by a national chain which is listed on the New York Stock Exchange and whose stock is widely held by small individual investors around the country.

John Smith and this national chain are competing heatedly, each getting a share of the town's clothing business.

Pursuant to a national expansion, the chainstore decides to modernize and remodel.

The company comptroller at the national headquarters goes to an investment bank probably on Wall Street and unfolds an elaborate brochure, showing what the company wants to do, and winds up by saying we need $2 million.

The investment bankers, experienced financial men, go over the plans and arrive at a complete financial program. A portion will be handled by long-term bonds or preferred stock, another part in common stock, so much in mortgage debt to be held by insurance companies. A complete financing program.

The company agrees and the investment bank writes them a check for $2 million. Then the company proceeds to modernize their stores all over the country, while the investment bank is selling the bonds and the stock to thousands of small investors all over America.

The investment banks, the insurance companies, the mutual funds, the whole financial community thinks primarily in big business terms. The best service is for big business.

It's so much easier to handle a $2 million capital program than it is to fool around with 200 different $10,000 programs. Investors are educated to it. It's a natural flow. And where capital flows, business volume will follow almost without exception.

So, the national chain operation gets capital. But what happens to John Smith who must modernize and improve his operation to compete? Well, first, he talks to his local banker. The banker tells him that it's a good idea; but explains that, under the banking laws, the commercial bank is designed for short-term loans, working capital to cover inventory and accounts receivable and emergencies. They're not set up to serve long-term capital needs.

So, together, they contact an insurance company. But the answer is that the insurance company is not very much interested in a small loan of that size. Only some 6 percent of their total dollar loan volume has been going to small businesses.

Certainly, investment banks and most stock brokerage houses are not interested in John Smith's clothing store on Main Street.

So, unless the merchant can persuade the wealthy widow or the rich uncle to help him out, or unless he makes a mistake and loads himself down with short-term chattel mortgages to equipment suppliers, he is sunk. He just cannot modernize.

A serious void exists in the financial community; small business does not have adequate sources for equity capital and long-term loans. Congress recognized this void years ago and adapted the Reconstruction Finance Corporation as a new source for small-business long-term loans. That Government agency was a lifesaver to many a small business.

Later, the Congress created the Small Business Administration as a source for semi-long-term loans for small business. That agency exists today. It has helped some small businesses. It is now doing a better job than it did. But it is not anywhere near the solution to the problem.

In the first place, the total loans made by the SBA represented seven-one-hundredths of 1 percent of the Nation's expenditure for new plant and equipment last year. It is a mere drop in the bucket.

And even expanding the SBA is not an adequate answer to this vast problem.

First, the SBA is a loan agency. It is not authorized to solicit capital for small-business firms. There are no aggressive SBA salesmen out selling investors that they should invest in small business. And that is what small business needs. They need a source for capital that is similar to investment-bank service for big business.

Second, the SBA is a Government institution. No one's salary in the SBA offices around the country is dependent on making loans. So what if they delay a decision on an application? So what if they make $50,000 worth of loans this quarter instead of the $1 million they should have made? Everybody will get his paycheck just the same. Small business needs a source for long-term loans operated by a company that has to make loans to survive, and has to make good loans or go broke.

This Small Business Investment Companies Act seeks to establish investment-banking service for small business. This bill creates investment companies around the country which are to interest investors in investing in small-business investment companies that will make long-term loans or sell equity shares in small businesses that have a right to a future, investment companies that will correlate and handle the financing problems of a small business, like John Smith's clothing store.

These investment companies will eventually be owned almost entirely by private capital. They will be started with some Government assistance, but Government money will be a minor part of the picture.

The directors and management of the small-business investment companies will have a monetary interest, a profit incentive, in soliciting investment funds for small business and in ferreting out good small businesses to employ those funds.

Small-business men who would otherwise be handicapped in growth by lack of knowledge of stocks and debentures and business finance will have an investment company's skilled assistance readily accessible.

If this plan works as we who have fathered it believe it will work, small business will in time have more adequate sources for equity financing and long-term loans.

If the plan works as it should work, good efficient small businesses will be able to hold their own against giantism concentration.

The young man with skill and know-how will be able to take a new idea to his small business investment company and, if it has merit, get financial assistance in launching it.

If this plan works, and is expanded, it could well be the most effective anti-trust and antimonopoly legislation yet, because it is a positive step, a constructive approach toward strengthening competition.

Instead of relying on "anti" legislation to slow down this headlong dash to giantism, instead of always trying to "bust 'em up," let us strengthen the other clubs in the league. This bill can mean more competition, less concentration.

Now, these good things can happen and will happen if this bill is administered by people who believe in it and who will set out to make it work. If it gets halfhearted, insincere handling, if it is bogged down in red tape and legal jargon by eye-dotters and tee-crossers who lose sight of the total picture by concentrating too intently on their own personal interests, this bill will not achieve what we want it to achieve.

But I believe in this bill. In the long range, it can and should prove to be a monumental legislative achievement. This is a big step, a step that we should be able to look back on with pride one of these days.

Let us pass it; and let us see to it that it is administered with tender loving care.

Mr. RAY. Mr. Chairman, I rise in opposition to S. 3651. In principle it seems to me just bad practice for the Government to enter the field of furnishing long-time loans to provide equity capital as contemplated by this bill.

The $250 million fund and the cost of administering the Federal Government's functions under the bill seem exorbitant and extravagant in relation to the speculative benefits small business might get under the bill. The $250 million figure is just a start, of course, if this program is embarked upon.

Mr. Chairman, small business needs and should have tax relief and accelerated depreciation opportunities. In the absence of legislation for those purposes, S. 3651 seems to me an idle gesture. I have had no request from constituents to support this bill.

Mr. ROGERS of Florida. Mr. Chairman, the Small Business Investment Act of 1958, S. 3651, will provide investment capital and long-term credit for small-business concerns of our Nation, very much needed to aid all of our economy but especially small business.

The bill will establish a program to stimulate and supplement the flow of private equity capital and long-term loan funds which small-business concerns need for the sound financing of their business operations and for their growth, expansion, and modernization, and which are not available in adequate supply. The bill provides for the maximum participation of private financing sources.

The program under this bill will be administered through the Small Business Administration. The present business loan program of that agency is limited to providing short-term and intermediate-term credit when such loans are unavailable from private financial institutions. This program does not provide equity financing. This bill under consideration would provide the long-term loans and equity capital now needed by small business.

This legislation will be a big help to all sections of our economy and the small business units will particularly benefit. At the present time the country's financial institutions are unable to make equity loans and the small-business men have most of their assets tied up in buildings and equipment, and are not able to get the needed money for expansion and improvements. S. 3651 will provide this new capital, and at long-term rates that will encourage this needed progress.

Mr. Chairman, I sincerely hope that this bill will receive the assistance of each Member, so that we may see speedy passage of this bill which will do so much toward strengthening the position of our small-business men, and thereby strengthening our entire economy.

Mr. KILBURN. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. ALGER].

Mr. ALGER. Mr. Chairman, I had not intended to take part in the debate today, but I had no idea the kind of bill that was coming to the floor of the House or how little opposition there would be to this proposal, the Small Business Investment Act of 1958.

By the way, Mr. Chairman, I must observe that there is no minority report, to which I take exception, because I know that several members of the committee were opposed to the bill, and I believe there is a viewpoint that needs to be expressed.

Mr. Chairman, I now want to refer to the hearings at page 977. Lest anyone think there were no hearings, let me quote from one of those who testified. He directed his remarks specifically to equity capital and long-term credit for small business. The witness is Mr. Wendell B. Barnes, Administrator, Small Business Administration, and this is what he said:

> In the case of equity capital financing, however, there is no equally objective method of evaluating the risk and determining eligibility. Thus, if no objective method of determining eligibility exists, it is most difficult to determine to whom equity capital financing shall be extended and, therefore, what the limits of the program shall be; the demand for equity capital may be limitless. In the case of credit financing, collateral can protect the lender; in the case of equity financing, the investor is protected only to the extent that he has correctly analyzed the potentiality of the business and is granted an opportunity to have a voice in control of the management. This is a function for which the Government is ill adapted.

Then he proceeds to outline 10 points which I think—at least as far as I am concerned—proves without a doubt that this bill is self-defeating. I leave those for your own consideration. I just wanted the Members to know that they are here in the record of the hearings.

I was one of those who opposed making permanent the Small Business Administration. I realize what a small minority that places me in. But I must tell you that there are a great many people across this country, and certainly down where I come from, contrary to what anyone may think from listening to other Representatives, who do not believe that this is the function of the Federal Government.

As to equity capital, why can the small-business man not get it from the banks? Because they are a poor risk? Is that any reason for Uncle Sam to step in? I hardly think so. Also, let me tell you that this will expand Government personnel considerably. Read the bill. Section 201 specifies a whole new division and also mentions other employees that are involved and where they would be as to their civil service grades.

Mr. Chairman, who are going to get the loans? Here is one of the most challenging matters in the bill. Unless everybody gets a loan it is not fair. And obviously we cannot afford to give everybody a loan. Who is so wise to grant loans to some and deny them to others? This is not the function of government. Government financing with taxpayers' money is unfair advantage for the benefited businessman over his competitors. In fact, it is the taxpayer's own money that is subsidizing his competitor.

It also applies to the smaller loans. It seems to me it is quite likely that we will be subsidizing poor business operation, since the loans will be made only if the loan is not available elsewhere.

At a time when this Government is running a terrific national debt; at a time of national emergency, this is no time for us to play fast and loose with the taxpayers' money. In view of the amount of the national debt, and the deficit we are facing this year, I decry this alleged help to small-business men who are able to stand on their own feet.

Mr. Chairman, also I take exception to the definition of small business. I defy anybody to tell me what that definition of small business really means. I cannot figure it out, and I include the one that was given to us on the floor earlier today.

How are we going to help small business? One very simple way that we can is to cut the spending that we are doing so recklessly in Congress. If we do that, then we will be able to cut back taxes, so that some small-business men do not have to get loans to pay their taxes, or ask for these equity loans.

Secondly, we need a balanced budget more than we need inflation at this time as a real help to the small-business man. And no amount of wording or complicated provisions such as are in this bill is going to help the small-business man.

I happen to have the feeling, and I am sure many of the Members do, that what the people want most of all, including the small-business men, is a tax cut. And only by opposing some of these large spending measures can we help get that tax cut for the small-business man.

The thing that appalls me the most is that there is not any division of opinion particularly here today in this new venture by the Federal Government. If one political party conceives an idea, the other party has got to beat them to the punch. So today we have a bipartisan push behind this new venture which even the proponents of the bill call an experimental field. We are treading on brandnew ground. This is not the time for us to tread on new ground with the taxpayers' money.

Mr. Chairman, it seems to me that this is a time of crisis and we need national solvency more than we need to add to the $15 or $20 billion deficit staring us in the face.

I conclude, Mr. Chairman, by saying to you that this is self-defeating legislation under which businessman is set against businessman at the expense of the voiceless or forgotten taxpayer.

Mr. KILBURN. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. MEADER].

Mr. MEADER. Mr. Chairman, I have asked for this time because I should like somebody on the committee or perhaps somebody on the Committee on the Judiciary to give me some enlightenment on title III of this measure.

Title III authorizes the Small Business Administration to charter corporations, small-business investment companies. I realize it is for a period of only 3 years that the act gives that authority to the Small Business Administrator, but any corporation created within the next 3 years could have a life of 30 years, and would not be dissolved even though the authority of the Administrator to grant new charters expired.

Under State laws there are rather elaborate provisions for the governing of corporations and their permission to do business as corporations. I am concerned about granting this rather broad power to the Administrator and its effect upon the operation of the corporation statutes of the several States.

I know that in the State of Michigan corporations are required to pay a filing fee, they are required to pay a certain amount on the stock they are authorized to issue, they are required to pay annual franchise fees, and substantial revenues are derived by the State of Michigan from that source. But from a federally chartered concern no fees of any kind are required either to incorporate or to conduct business each year, as is required by most State laws.

Certainly, if the powers are broad enough to do what a small investment company should do, it could engage in almost any kind of business, I believe, and still not impair its corporate authority. I can see that this might be a fine thing for people who want to incorporate but do not want to pay fees and taxes for State incorporation, for they can simply run down to the Small Business Administration and get a charter. But I wonder what effect it will have on State laws.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from North Carolina.

Mr. JONAS. Is there any provision in title III for supervision of corporate activity by the States? Who will be in charge of supervising these activities?

Mr. MEADER. That is a question I should like to have answered by a member of the commtitee.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from New York.

Mr. MULTER. I will try to answer some of the gentleman's questions.

This is not a novel procedure or a new method of forming Federal corporations or corporations with national charters. The language we have used in this bill is similar to that which is used in at least three other instances.

No. 1, credit unions. We have a Credit Union Act on the Federal statute books, under which the Federal Government charters Federal credit unions, quite apart from each State having the right to do the same thing. The States do it and the United States Government does it.

Second, we have a Federal statute which permits the chartering of savings and loan associations. Every one of the 48 States has similar laws. There is no interference one with the other.

Third, and most important, and what probably has the longest legislative history, is the chartering of banks. Every State in the Union charters State commercial banks and so does the National Government under a Federal statute. It is under our National Banking Act, that our national banks are organized.

We have tried to use as nearly as possible the language of the statutes as to credit unions, savings and loan associations, and banks, so that these new companies will not have carte blanche to do anything and everything they please. A corporation that will be organized under the authority of this act when chartered by the Small Business Administrator will be limited to the authority as set forth in the act. At the same time, each State has the authority to enact legislation to permit the organization of this same kind of corporations. If existing State law permits that, then the State corporation can go to the Small Business Administration and have all of the benefits of a nationally chartered corporation under this act.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield.

Mr. JONAS. The Federal Government has national bank examiners and we also have examiners in the savings and loan field to which the gentleman referred. Where is the provision here for any supervision by any Government agency over the activities of these corporations that you propose to charter?

Mr. MULTER. We also have supervision through the Federal agency of the credit unions and you will have the same thing here by the rules and regulations that will be set up by the Administrator for the chartering, operation, and supervision of both the Federal and the State corporations.

Mr. JONAS. It would take an army of investigators to do that.

Mr. MULTER. The provisions for examiners and examinations at the expense of the companies and not at Government expense, are in this bill at page 20 as a part of section 308.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KILBURN. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. SHEEHAN].

Mr. SHEEHAN. Mr. Chairman, I rise in support of the small business bill under consideration. I do realize some objections have been made to certain parts of the bill as to its method of operation, but I am sure the House in its wisdom can clear up these objections with the proper amendments. I am sure that in the agreement with the other body that the bill will bring forth conditions and terms which the small business community can all look forward to living with. A previous speaker talked about the fact that what small business needs is not so much legislation of this sort as it needs tax relief. I agree with that very much, with this exception—that small business cannot get adequate tax relief.

In 1953 and 1954, I was a member of a Small Business Subcommittee under the chairmanship of the gentleman from Connecticut [Mr. SEELY-BROWN]. We heard many firms testify before us to the problems that they had encountered in their growth because of the tax situation. Many firms told us how they grew and how they would make over $25,000 a year. Taxes would hold down their expansion. They needed money for plant expansion. Unfortunately, the Government after $25,000 of profits took 52 percent of their profits and they could not save money because of the tax situation.

This year when the Committee on Ways and Means began hearings with regard to tax relief for small business, I was fortunate to be the first witness to testify in behalf of the small business tax bill which I and other Republican members of the Small Business Committee, had introduced. I pointed out at that time to the Committee on Ways and Means that every committee in the Congress had given help to small business except the Committee on Ways and Means. I cannot say that any more for the simple reason that last week a bill came out of the Committee on Ways and Means giving a certain amount of tax relief to small business. Unfortunately, I do not think the tax relief afforded by that bill will be adequate.

What small business needs is risk capital. As long as banks and the stock market and other financial institutions cannot provide business with small capital, then it seems to me this bill provides an avenue for help for small business. I feel although there is a point that the gentleman from Texas made, that Government should not be interfering and that we should have regard for the taxpayers' pocketbooks, if there is no other way possible of getting help for small business, then I support the provisions of this legislation.

Mention was made of risk capital. The banks will give small business money if they need it on their inventory and if they need it on their accounts receivable, but the small-business man who wants to

build a building which will take 20 or 30 years to depreciate or who wants to buy machinery which will take 10 or 15 years to depreciate cannot possibly get that money from banks or savings and loan institutions or from practically any other financial institution today. Therefore, in many cases, his last resort is to come to the Government and to see whether the possibility is there for him to obtain money for expansion or risk capital.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. SHEEHAN. I yield.

Mr. SEELY-BROWN. I think the gentleman made a very good point. While this bill should be helpful, I think all of us can agree that the most helpful thing we can do for small business is to provide proper revision of our tax laws along the general terms outlined by the gentleman who is now addressing us.

Mr. SHEEHAN. The gentleman from Connecticut [Mr. SEELY-BROWN], is eminently correct. The gentleman knows all of the Republican members of the Small Business Committee as well as all the Democrat members of the Small Business Committee in their tax bills, which they introduced, tried to provide a ceiling of $100,000 or $150,000 before the surtax tax rates would apply.

In these tax bills the small-business man on his earnings up to $100,000 or $150,000 would only have to pay 30 percent, the normal tax rate. That would give him money to expand. Under our present tax laws he does not have the money to expand, nor do I see, in the immediate future, his getting adequate tax relief. So this legislation is the only means I can see at this time where small business has a chance of getting help for such capital and equity expansion.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. SHEEHAN. I yield to the gentleman from New York, who has done such a tremendous lot of work for the small-business community.

Mr. MULTER. I thank the gentleman for those kind words. I would like to recall to the gentleman that all of these small-business bills when originally introduced had tax features written into them. Those tax features have been eliminated from this bill on the assurance of the other body and the House Ways and Means Committee that a bill will be enacted which will cover the tax situation so as to create additional incentives to carry out this program.

Mr. SHEEHAN. I thank the gentleman for his observation.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. SHEEHAN] has expired.

Mr. SPENCE. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Chairman, I would like to quote from the testimony of Mr. Wendell B. Barnes, Administrator of the Small Business Administration, when he appeared before our committee. Here is what he said, which appears on page 980 of the hearings:

> I would like to recommend to this committee favorable consideration of H. R. 12057, entitled "Small Business Capital Act of 1958," which on April 22, 1958, was introduced by Mr. TALLE. A number of similar bills have been introduced by other Members of the Congress.

I have just talked to Mr. Barnes out here, and he says he is for this bill.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. COAD].

Mr. COAD. Mr. Chairman, today the House is considering an important piece of progressive legislation and I am pleased to be among those urging its enactment. Today the House is demonstrating its willingness to face up to the realities of economic life by dealing directly with one of the inequitable conditions under which the small-business man is required to compete. The situation to which I refer is that wherein the small-business man finds himself handicapped because of his inability to obtain long-term loans and equity capital financing in any fashion commensurate with that enjoyed by his giant competitors.

This discriminatory situation has received the attention of economists and Government leaders for many years but it is refreshing to realize that today, by the enactment of this bill, we will be helping to remove one of the barriers to the advancement of the small business segment of our economy.

As a means of demonstrating the fact that today we are dealing with the most important group of our country's businessmen, let me tell you that a recent report of the House Small Business Committee discloses that 99 percent of all firms doing business in the United States employ fewer than 100 employees; that those companies employing fewer than 500 employees accounted for 99.8 percent of all business firms doing business in this country. There are between 4 and 5 million such small business concerns doing business in this Nation, but despite this amazing bit of statistical information, we must recognize that big business dominates our economy. We are certainly justified therefore in passing legislation that will help correct any discriminatory aspect in our economy that serves to retard and jeopardize the progress of these 4 to 5 million manufacturers and merchants.

Inasmuch as the financial problems of small business have been studied by Government officials and economists during the past 20 years or more, there exists a wealth of evidence pointing to the fact that financing opportunities available to small business are wholly inadequate. The sources of capital for big firms are many and adequate; the sources for small firms are few and scarce. More than 10 years ago, the Committee for Economic Development asserted that one of the fundamental needs of small and medium size business is more adequate financing—more ownership funds are needed as compared with borrowing funds. Within the past several months Mr. Alfred Neal, president of the Committee for Economic Development told the House Small Business Committee that capital in the form of either equity capital or of long-term debt is required by growing businesses to finance investment in plant and equipment and for permanent expansion of working capital.

The Assistant Secretary of Commerce also testified before the House Small Business Committee recently. He stated that the greatest problem facing small business in their financing requirements is long-term money, that is, anything longer than what we ordinarily know as commercial banking. He continued his testimony by asserting that in his opinion well-organized companies with good earnings have little difficulty in getting short-term financing, but that all of them have trouble getting long-term financing.

A representative of the American Bankers Association told the House Small Business Committee that the banks are not set up—they are not capitalized—they are not organized for the purpose of providing equity capital and they certainly are not organized for the purpose of providing long-term loans.

It is thus made clear that in enacting the Small Business Investment Act of 1958, the Congress is not creating a Government agency that will compete against existing private lending institutions. Indeed, it is in reflection of the fact that privately owned sources of credit are not available for use by small-business concerns in obtaining long-term loans and equity capital, that the need for this legislation has arisen. The problem is one which the Congress must solve.

We are all aware of the substantial increase in population that our country has enjoyed since the end of World War II. We are also aware of the radical changes that have occurred in the economy of our country. We have witnessed wave after wave of corporate mergers leading to a dangerously high degree of concentration in many industries. We have watched the growth and application of modern merchandising methods, the successful creation of suburban community shopping centers, giant chain organizations, supermarkets, and other changes demonstrating the dynamics of the modern businessman serving the consumer's needs today.

If the small merchant is to continue to constitute an important competitive factor in our economy, he must keep pace with the modern tempo. He must replace obsolete fixtures and equipment. He must be able to participate in, and be included among, those companies comprising the suburban shopping centers. He must offer services commensurate with the supermarkets. In short, he must modernize, be aggressive and effective in his overall merchandising operations. It costs money to keep pace with such a program and this kind of money cannot be obtained by the small-business man by going to his local banker and borrowing money for 90 days. He must be able to obtain money on a long-term basis. But today there are virtually no sources to which he can turn for such assistance.

His giant competitors, the large chain stores, experience no difficulty in obtaining long-term loans or equity capital and it is this discrimination that exists between these two classes of merchants

that must be eliminated, lest the small-business man himself be eliminated.

There is a consistency in the evidence showing that the legislation being considered today must be enacted today because time is running out. Every Member of this House is fully aware of the frightening rate at which business failures are occurring and have occurred during the past year. And we all know that it is our small business firms that account for the vast majority of these failures. These days no one ever hears of a big business concern becoming bankrupt. It follows therefore that our consideration of this bill is especially timely and it also follows that no delay in passing this bill can be tolerated. We have waited long enough. We must act now.

It might be that some of the Members feel that the Congress, in creating the Small Business Administration, took all the action that was necessary in order to supply small business with appropriate financial assistance, but such is not the case. It is my opinion that Congress acted wisely in creating that agency and we now know that its operations have proved to be of inestimable value to the small-business man. I always favored legislation designed to make it a permanent agency and it is heartening to know that recent Congressional action has now made it permanent, but as set forth in the report of the House Banking and Currency Committee pertaining to the Small Business Investment Act of 1958, the business loan program of the SBA is limited to providing short-term and intermediate-term credit. Its program does not include, and indeed it is not authorized to provide, equity financing. The Federal Government at this time has no program which would make available long-term loans or equity capital to small business.

The legislation being considered today will create an additional activity of the Federal Government but this fact need provide no reluctance upon the part of any Member to embrace its provisions. The services rendered by our Government to its people cannot remain static. Like our economy it must keep pace with the times and must be reflective of the needs and demands of the people. If the enactment of this measure is considered to constitute bold action by the Congress, let me remind you that some degree of boldness is necessarily associated with all progressive legislation. The Small Business Investment Act of 1958 is progressive legislation but this time, even though we are pioneering we have the benefit of an abundance of competent, trustworthy evidence which supplies complete justification for our action. All of the Governors of the Federal Reserve Board have announced their approval of the principle of this bill. They have advocated action by the Government to fill in this gap in the financial lending structure of our country's economy.

As pointed out by the report of the House Banking and Currency Committee, the Small Business Investment Act of 1958 will create—not a new agency, but merely a new division within the present Small Business Administration. This Division will be semi-autonomous in nature and permitted to devote its undivided attention to this specific problem. The existing revolving fund of that agency will be increased by $250 million which increment will be earmarked to carry out the provisions of the act.

The bill provides for the creation of small business investment companies chartered and approved by the SBA. These small business investment companies must have paid-in capital and surplus before commencing business of at least $300,000 of which $150,000 may be advanced by the SBA through the purchase of debentures of the investment company. National banks become authorized to purchase stocks in these companies.

The Small Business Administration will lend money to these small investment companies to augment the funds obtained by these companies from private sources.

It is the small-business investment companies that will loan the money to the small-business concerns. In return they will receive convertible debentures of the small firm. Other safeguards are provided which appropriately protect the Government's interest and assure recovery of the money advanced.

Before a small-business company may obtain such assistance, it must purchase stock in the investment company in an amount ranging from 2 to 5 percent of the amount of the capital provided, thereby building up the investment of private funds which ultimately will permit Federal participation to disappear.

The Small Business Administration is authorized to lend money to State-chartered companies that would operate as small-business companies under the act. At this time about half of the 48 States, or I should say 49, now have or are about to have State development companies.

The small-business companies benefited by this measure may be either incorporated or unincorporated, and the loans granted to them need not be repaid until the expiration of 20 years. This term may be extended for 10 additional years by the investment company.

The Small Investment Act of 1958 is a good bill. It reflects a tremendous amount of study and investigation. It deals squarely with an important but wholly unresolved problem confronting the 4½ million small-business concerns doing business in our country. In some respects, it may be argued that the provisions of the bill are too conservative in that the funds made available to the SBA for this purpose are inadequate. Moreover, it might have been better if a separate agency was formed to administer its provisions, but time does not permit further vacillation. The objectionable features of the bill are outweighed by its many advantages. Time and experience will demonstrate the effectiveness of this measure, which in turn will permit the Congress to bring about improvements and perfections in the law. As presently constituted, the measure is constructive and progressive because it will strengthen the competitive capacity of the small-business man. It will, therefore, improve the health of our entire economy. It provides for appropriate safeguards to protect the money invested by the Government. It is in the public interest; it is good legislation. It merits favorable consideration by every Member of this House.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, I am very happy to see this bill brought to the floor by the great Committee on Banking and Currency, and I am certainly 100 percent in support of it.

I listened with some amazement a few minutes ago to the gentleman from Texas [Mr. ALGER] when he made the statement that he opposed this bill, in view of the fact that this bill does not offer subsidies to small business, but merely offers a service, a loan service, in which the Federal Government participates only to the extent of making a certain amount of credit available to an investment company organized under State or Federal charter.

I think it is about time we do something for small business. I have been a small-business man since the time I was 16 years of age. I have been engaged in my own business and I know something about the problems of small business in getting financing. When I think of the subsidies that are being extended to big business operators in this Nation, I say that this bill is a very modest attempt to give some service and not some subsidy to small-business men.

I only have to call your attention to the fact that in the past few years we have granted $32 billion—and I use the word "billion," not "million"—worth of tax amortization to the big corporations, allowing them to write off out of their profits their capital investment over a period of 5, 7, or 8 years. Small business had no such opportunity.

I point out to you the subsidies that we have given to the airlines in actual cash, subsidies for operating expenses and subsidies we continue to give them in the way of certain types of navigational service from Government-supported institutions.

I point out to you the subsidies that we give to the merchant marine. We have just authorized some $60 million recently for the building of a great liner for the private shipping interests on the theoretical assumption that we might be able to use this ship sometime in war

I could go on down the line and refer to the guaranties that we give to the building industry and those people under the FHA and the Veterans' Administration housing program. The list is limitless of the aid and assistance and subsidies we have given to big business.

We now offer a modest and small program to give a few small-business men—I fear there will be too few who will qualify—an opportunity to borrow on their own equities over a longer term than they can get from commercial banks and we find Members who come down into the well of the House and decry the action of the committee in furnishing this modest service to small business.

Mr. WESTLAND. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Washington .

Mr. WESTLAND. I have been a strong supporter of SBA. I think it has done a fine job in my own Congressional District. Most of the talk I have heard here this afternoon has been in terms of minimums, in other words $150,000 must be raised by the local interests and you get the other $150,000 from the Federal Government. I guess you can get another $150,000 after that. But I see nothing in here about the maximum. I would be interested to know whether or not a small-business investment corporation, for example, could set itself up as a $10 million concern, and I suppose they could get $5 million from the Federal Government, and maybe they could get still another $5 million.

Mr. HOLIFIELD. I will ask the gentleman to direct that question to the committee.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Texas.

Mr. PATMAN. It is limited to $250,000.

Mr. HOLIFIELD. That is to the individual borrower?

Mr. PATMAN. That is $250 million overall. Divided up that means about $83,000 per county in the United States, which is entirely too small.

Mr. HOLIFIELD. And the limit is $250,000 to 1 borrower?

Mr. PATMAN. That is identifiable.

Mr. HOLIFIELD. One identifiable small business borrower.

Mr. WESTLAND. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Washington.

Mr. WESTLAND. I would like to get this cleared up if the gentleman will listen a little further.

Mr. HOLIFIELD. I was fortunate enough to get only 5 minutes.

Mr. WESTLAND. I will delay my question and will get it over on this side.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Connecticut.

Mr. SEELY-BROWN. I believe I can answer the question that the gentleman raised about the $10 million. Let us take a $10 million corporation. One hundred and fifty thousand dollars would have to be provided, and the private investors would put up the $10 million. You add the two figures together and divide and you will find the amount that the SBA can loan.

Mr. WESTLAND. That is not an answer to my question.

Mr. HOLIFIELD. Mr. Chairman, I appreciate the work the committee has done on this. I am going to support the committee on this bill, and I am going to vote against any amendments that may be offered to the bill. I have read it, and I think this is a long overdue and belated effort on the part of the Congress to give the little fellow a chance to obtain some service as a result of Government credit.

Mr. SPENCE. We have no more requests for time, Mr. Chairman.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc.,

TITLE I—SHORT TITLE, STATEMENT OF PURPOSE, AND DEFINITIONS

Short title

SEC. 101. This act, divided into titles and sections according to the following table of contents, may be cited as the "Small Business Investment Act of 1958."

TABLE OF CONTENTS

Title I—Short title, statement of policy and definitions

Sec. 101. Short title.
Sec. 102. Statement of policy.
Sec. 103. Definitions.

Title II—Small Business Investment Division of the Small Business Administration

Sec. 201. Establishment of Small Business Investment Division.
Sec. 202. Provision of funds.
Sec. 203. Purposes of revolving fund.

Title III—Small business investment companies

Sec. 301. Organization of small business investment companies.
Sec. 302. Capital stock and subordinated debentures.
Sec. 303. Borrowing power.
Sec. 304. Provision of equity capital for small-business concerns.
Sec. 305. Long-term loans to small-business concerns.
Sec. 306. Aggregate limitations.
Sec. 307. Exemptions.
Sec. 308. Miscellaneous.
Sec. 309. Approving State chartered companies for operations under this act.

Title IV—Conversion of State chartered investment companies and State development companies

Title V—Loans to State and local development companies

Title VI—Changes in Federal Reserve authority

Sec. 601. Repeal of section 13b of Federal Reserve Act.
Sec. 602. Fund for management counseling.

Title VII—Criminal penalties

Statement of policy

SEC. 102. It is declared to be the policy of the Congress and the purpose of this act to improve and stimulate the national economy in general and the small-business segment thereof in particular by establishing a program to stimulate and supplement the flow of private equity capital and long-term loan funds which small-business concerns need for the sound financing of their business operations and for their growth, expansion, and modernization, and which are not available in adequate supply: *Provided, however,* That this policy shall be carried out in such manner as to insure the maximum participation of private financing sources.

It is the intention of the Congress that the provisions of this act shall be so administered that any financial assistance provided hereunder shall not result in a substantial increase of unemployment in any area of the country.

Definitions

SEC. 103. (a) As used in this act—

(1) the term "Administration" means the Small Business Administration;

(2) the term "Administrator" means the Administrator of the Small Business Administration;

(3) the term "company" means a small business investment company organized as provided in title III;

(4) the term "United States" means the several States, the Territories of Alaska and Hawaii, the District of Columbia, and the Commonwealth of Puerto Rico;

(5) the term "small-business concern" shall have the same meaning as in the Small Business Act of 1953;

(6) the term "investment companies" means investment companies as defined in section 3 of the Investment Company Act of 1940 which are subject to the provisions of that act; and

(7) the term "State and local development companies" means enterprises incorporated under State law with the authority to promote and assist the growth and development of small-business concerns in the areas covered by their operations.

TITLE II. SMALL BUSINESS INVESTMENT DIVISION OF THE SMALL BUSINESS ADMINISTRATION

Establishment of Small Business Investment Division

SEC. 201. There is hereby established in the Small Business Administration a division to be known as the Small Business Investment Division. The Division shall be headed by a Deputy Administrator who shall be appointed by the Administrator, and shall receive compensation at the rate provided by law for other deputy administrators of the Small Business Administration. The powers conferred by this act upon the Administration shall be exercised by the Administration through the Small Business Investment Division, and the powers herein conferred upon the Administrator shall be exercised by him through the Deputy Administrator appointed hereunder. In the performance of, and with respect to the functions, powers, and duties vested by this act, the Administrator and the Administration shall (in addition to any authority otherwise vested by this act) have the functions, powers, and duties set forth in the Small Business Act of 1953, and the provisions of sections 209 and 219 of that act, insofar as applicable, are extended to apply to the functions of the Administrator and the Administration under this act.

Provision of funds

SEC. 202. (a) In order to finance activities as provided in section 203, the Administration is authorized and empowered to issue to the Secretary of the Treasury notes and other obligations in an amount not exceeding $250 million outstanding at any one time: *Provided,* That the total amount of such notes and other obligations which may be outstanding during the first year after enactment shall not exceed $50 million and during the second year after enactment shall not exceed $150 million. Such notes and other obligations shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as may be prescribed by the Administration, with the approval of the Secretary of the Treasury. Such notes and other obligations shall bear interest at a rate determined by the Secretary of the Treasury which shall not be more than the current average yield on outstanding marketable obligations of the United States of comparable maturities as of the last day of the month preceding the issuance of such notes and other obligations. The Secretary of the Treasury is authorized to purchase any notes and other obligations of the Administration issued hereunder and for such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act are extended to include any purchases of such notes and other obligations. The Secretary of the Treasury may at any time sell any of the notes and other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes and other obligations shall be treated

as public debt transactions of the United States.

(b) Funds borrowed under this section and any proceeds therefrom shall constitute a revolving fund which may be used by the Administration in the exercise of its functions under this act.

(c) There are hereby authorized to be appropriated such sums as may be necessary and appropriate for the administrative expenses of the Administration.

Purposes of revolving fund

SEC. 203. The Administration is authorized to use its revolving fund—

(1) to purchase the subordinated debentures of small business investment companies as provided in section 302;

(2) to make loans to small business investment companies as provided in section 303; and

(3) to make loans to State and local development companies as provided in sections 501 and 502.

TITLE III—SMALL BUSINESS INVESTMENT COMPANIES

Organization of small business investment companies

SEC. 301. (a) Small business investment companies may be formed for the purpose of operating under this act by any number of persons, not less than 10, who shall subscribe to the articles of incorporation of any such company: *Provided*, That no such company shall be chartered under this section after June 30, 1961.

(b) The articles of incorporation of any small business investment company shall specify in general terms the objects for which the company is formed, the name assumed by such company, the area or areas in which its operations are to be carried on, the place where its principal office is to be located, and the amount and classes of its shares of capital stock. Such articles may contain any other provisions not inconsistent with this act that the company may see fit to adopt for the regulation of its business and the conduct of its affairs. Such articles and any amendments thereto adopted from time to time shall be subject to the approval of the Administration.

(c) The articles of incorporation and amendments thereto shall be forwarded to the Administration for consideration and approval or disapproval. In determining whether to approve the establishment of such a company and its proposed articles of incorporation, the Administration shall give due regard, among other things, to the need for the financing of small-business concerns in the area in which the proposed company is to commence business, the general character of the proposed management of the company, the number of such companies previously organized in the United States, and the volume of their operations. After consideration of all relevant factors, the Administration may in its discretion approve the articles of incorporation and issue a permit to begin business.

(d) Upon issuance of such permit, the company shall become and be a body corporate, and as such, and in the name designated in its articles shall have power—

(1) to adopt and use a corporate seal;

(2) to have succession for a period of 30 years, unless extended as provided in section 309 (f), or unless sooner dissolved by the act of the shareholders owning two-thirds of the stock or by an act of Congress, or unless its franchise becomes forfeited by some violation of law or regulation issued hereunder;

(3) to make contracts;

(4) to sue and be sued, complain, and defend in any court of law or equity;

(5) by its board of directors, to appoint such officers and employees as may be deemed proper, define their authority and duties, fix their compensation, require bonds of such of them as it deems advisable and fix the penalty thereof, dismiss such officers or employees, or any thereof, at pleasure, and appoint others to fill their places;

(6) to adopt bylaws regulating the manner in which its stock shall be transferred, its officers and employees appointed, its property transferred, and the privileges granted to it by law exercised and enjoyed;

(7) to establish branch offices or agencies subject to the approval of the Administration;

(8) to acquire, hold, operate, and dispose of any property (real, personal, or mixed) whenever necessary or appropriate to the carrying out of its lawful functions;

(9) to act as depository or fiscal agent of the United States when so designated by the Secretary of the Treasury;

(10) to operate in such area or areas as may be specified in its articles of incorporation and approved by the Administration; and

(11) to exercise the other powers set forth in this act and such incidental powers as may reasonably be necessary to carry on the business for which the company is established.

(e) The board of directors of each small business investment company shall consist of nine members who shall be elected annually by the holders of the shares of stock of the company.

Capital stock and subordinated debentures

SEC. 302. (a) Each company organized under this act shall have a paid-in capital and surplus equal to at least $300,000 before it shall commence business. In order to facilitate the formation of small business investment companies, the Administration is hereby authorized, notwithstanding any other provisions of law, to purchase the debentures of any such company in an amount equal to but not more than $150,000. Any debentures purchased by the Administration under this subsection shall be subordinate to any other debenture bonds, promissory notes, or other obligations which may be issued by such companies, and shall be deemed a part of the capital and surplus of such companies for purposes of this section and sections 303 (b) and 306 of this act.

(b) The shares of stock in any small business investment company shall be eligible for purchase by member banks of the Federal Reserve System, nonmember insured banks, financial institutions, insurance companies, corporations, partnerships, or other persons. In no event shall any member bank of the Federal Reserve System or any nonmember insured bank hold such shares in small business investment companies in an amount aggregating more than 1 percent of the capital and surplus of such bank.

(c) The aggregate amount of shares in any such company or companies which may be owned or controlled by any stockholder, or by any group or class of stockholders, may be limited by the Administration.

Borrowing power

SEC. 303. (a) Each small business investment company shall have authority to borrow money and to issue its debenture bonds, promissory notes, or other obligations under such general conditions and subject to such limitations and regulations as the Administration may prescribe.

(b) To encourage the formation and growth of small business investment companies, the Administration is authorized to lend funds to such companies through the purchase of their obligations which shall bear interest at such rate, and contain such other terms, as the Administration may fix. The total amount of obligations purchased and outstanding at any one time by the Administration under this subsection in any one company shall not exceed 50 percent of the paid-in capital and surplus of such company.

Provision of equity capital for small-business concerns

SEC. 304. (a) It shall be a primary function of each small business investment company to provide a source of needed equity capital for small-business concerns in the manner and subject to the conditions described in this section.

(b) Capital shall be provided by a company to a small-business concern under this section only through the purchase of debenture bonds (of such concern) which shall—

(1) bear interest at such rate, and contain such other terms, as the company may fix with the approval of the Administration;

(2) be callable on any interest payment date, upon 3 month's notice, at par plus accrued interest; and

(3) be convertible at the option of the company, or a holder in due course, up to and including the effective date of any call by the issuer, into stock of the small-business concern at the sound book value of such stock determined at the time of the issuance of the debentures.

(c) Before any capital is provided to a small-business concern under this section—

(1) the company may require such concern to refinance any or all of its outstanding indebtedness so that the company is the only holder of any evidence of indebtedness of such concern; and

(2) except as provided in regulations issued by the Administration, such concern shall agree that it will not thereafter incur any indebtedness without first securing the approval of the company and giving the company the first opportunity to finance such indebtedness.

(d) Whenever a company provides capital to a small-business concern under this section, such concern shall be required to become a stockholder-proprietor of the company by investing in the capital stock of the company, in an amount equal to not less than 2 percent nor more than 5 percent of the amount of the capital so provided, in accordance with regulations prescribed by the Administrator; except that the Administrator may by regulation permit any such concern to defer the purchase of such stock for a period of not to exceed 3 years.

Long-term loans to small-business concerns

SEC. 305. (a) Each company is authorized to make loans, in the manner and subject to the conditions described in this section, to incorporated and unincorporated small-business concerns in order to provide such concerns with funds needed for sound financing, growth, modernization, and expansion.

(b) Loans made under this section may be made directly or in cooperation with other lending institutions through agreements to participate on an immediate or deferred basis.

(c) The maximum rate of interest for the company's share of any loan made under this section shall be determined by the Administration.

(d) Any loan made under this section shall have a maturity not exceeding 20 years.

(e) Any loan made under this section shall be of such sound value, or so secured, as reasonably to assure repayment.

(f) Any company which has made a loan to a small-business concern under this section is authorized to extend the maturity of or renew such loan for additional periods, not exceeding 10 years, if the company finds that such extension or renewal will aid in the orderly liquidation of such loan.

Aggregate limitations

SEC. 306. Without the approval of the Administration, the aggregate amount of obligations and securities acquired and for which commitments may be issued by any small business investment company under the provisions of this act for any single enterprise shall not exceed 20 percent of the

combined capital and surplus of such small business investment company authorized by this act.

Exemptions

SEC. 307. (a) Section 3 of the Securities Act of 1933, as amended (15 U. S. C. 77c), is hereby amended by inserting at the end thereof the following new subsection (c):

"(c) The Commission may from time to time by its rules and regulations and subject to such terms and conditions as may be prescribed therein, add to the securities exempted as provided in this section any class of securities issued by a small business investment company under the Small Business Investment Act of 1958 if it finds, having regard to the purposes of that act, that the enforcement of this act with respect to such securities is not necessary in the public interest and for the protection of investors."

(b) Section 304 of the Trust Indenture Act of 1939 (15 U. S. C. 77ddd) is hereby amended by adding the following subsection (e):

"(e) The Commission may from time to time by its rules and regulations, and subject to such terms and conditions as may be prescribed herein, add to the securities exempted as provided in this section any class of securities issued by a small-business investment company under the Small Business Investment Act of 1958 if it finds, having regard to the purposes of that act, that the enforcement of this act with respect to such securities is not necessary in the public interest and for the protection of investors."

(c) Section 18 of the Investment Company Act of 1940 (15 U. S. C. 80a) is amended by adding at the end thereof the following:

"(k) The provisions of subparagraphs (A) and (B) of paragraph (1) of subsection (a) of this section shall not apply to investment companies operating under the Small Business Investment Act of 1958."

Miscellaneous

SEC. 308. (a) Wherever practicable the operations of a small-business investment company, including the generations of business, may be undertaken in cooperation with banks or other financial institutions, and any servicing or initial investigation required for loans or acquisitions of securities by the company under the provisions of this act may be handled through such banks or other financial institutions on a fee basis. Any small-business investment company may receive fees for services rendered to banks or other financial institutions.

(b) Each small-business investment company may make use, wherever practicable, of the advisory services of the Federal Reserve System and of the Department of Commerce which are available for and useful to industrial and commercial businesses, and may provide consulting and advisory services on a fee basis and have on its staff persons competent to provide such services. Any Federal Reserve bank is authorized to act as a depository or fiscal agent for any company organized under this act. Such companies may invest funds not reasonably needed for their current operations in direct obligations of, or obligations guaranteed as to principal and interest by, the United States.

(c) The Administration is authorized to prescribe regulations governing the operations of small-business investment companies, and to carry out the provisions of this act, in accordance with the purposes of this act. Each small-business investment company shall be subject to examinations made by direction of the Administration by examiners selected or approved by the Administration, and the cost of such examinations, including the compensation of the examiners, may in the discretion of the Administration be assessed against the company examined and when so assessed shall be paid by such company. Every such company shall make such reports to the Administration at such times and in such form as the Administration may require; except that the Administration is authorized to exempt from making such reports any such company which is registered under the Investment Company Act of 1940 to the extent necessary to avoid duplication in reporting requirements.

(d) Should any small business investment company violate or fail to comply with any of the provisions of this act or of regulations prescribed hereunder, all of its rights, privileges, and franchises derived therefrom may thereby be forfeited. Before any such company shall be declared dissolved, or its rights, privileges, and franchises forfeited, any noncompliance with or violation of this act shall be determined and adjudged by a court of the United States of competent jurisdiction in a suit brought for that purpose in the district, Territory, or other place subject to the jurisdiction of the United States, in which the principal office of such company is located. Any such suit shall be brought by the United States at the instance of the Administration or the Attorney General.

(e) Whenever in the judgment of the Administration any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of this act or of any regulation thereunder, the Administration may make application to the proper district court of the United States, or a United States court of any Territory or other place subject to the jurisdiction of the United States, for an order enjoining such acts or practices, or for an order enforcing compliance with such provision, or regulation, and such courts shall have jurisdiction of such actions and, upon a showing by the Administration that such person has engaged or is about to engage in any such acts or practices, a permanent or temporary injunction, restraining order, or other order, shall be granted without bond.

(f) Any small business investment company may at any time within the 2 years next previous to the date of the expiration of its corporate existence, by a vote of the shareholders owning two-thirds of its stock, apply to the Administration for approval to extend the period of its corporate existence for a term of not more than 30 years, and upon approval of the Administration, as provided in section 301 hereof, such company shall have its corporate existence extended for such approved period unless sooner dissolved by the act of the shareholders owning two-thirds of its stock, or by an act of Congress, or unless its franchise becomes forfeited as herein provided.

(g) Nothing in this act or in any other provision of law shall be deemed to impose any liability on the United States with respect to any obligations entered into, or stocks issued, or commitments made, by any company organized under this act.

Approving State chartered companies for operations under this act

SEC. 309. Any investment company chartered under the laws of any State expressly for the purpose of operating under this act may with the approval of the Administrator be permitted to operate under the provisions of this act. Upon such approval, which shall be given with due regard to the factors specified in section 301 (c) with respect to organization of small business investment companies, such State investment company shall have the same powers and privileges and shall be subject to the same duties, liabilities, and regulations, in all respects, as are prescribed by this act for companies organized under section 301 as small business investment companies.

TITLE IV—CONVERSION OF STATE CHARTERED INVESTMENT COMPANIES AND STATE DEVELOPMENT COMPANIES

SEC. 401. (a) Prior to July 1, 1961, any investment company or any State development company may, by the vote of the shareholders owning not less than 51 percent of the capital stock of such company, with the approval of the Administration, be converted into a small business investment company under this act; except that nothing contained herein shall be construed to supersede the laws of any State.

(b) In such case the articles of association and organization certificate may be executed by a majority of the directors of the corporation, and the certificate shall declare that the owners of 51 percent of the capital stock have authorized the directors to make such certificate and to change or convert the corporation into a small business investment comany. A majority of the directors, after executing the articles of association and the organization certificate, shall have power to execute all other papers and to do whatever may be required to make its organization perfect and complete as a small business investment company. The shares of any such company may continue to be for the same amount each as they were before the conversion, and the directors, regardless of number, may continue to be directors of the corporation until the election of the board of directors is held in accordance with regulations of the Administration.

(c) When the Administration has given to such company a certificate that the provisions of this act have been complied with, such company shall have the same powers and privileges and shall be subject to the same duties, liabilities, and regulations, in all respects, as are prescribed by this act for companies originally organized as small business investment companies.

TITLE V—LOANS TO STATE AND LOCAL DEVELOPMENT COMPANIES

SEC. 501. (a) The Administration is authorized to make loans to State and local development companies to assist in carrying out the purposes of this act; except that no such loan shall be made to any local development company after June 30, 1961. Any funds advanced under this subsection shall be in exchange for obligations of the development company which bear interest at such rate, and contain such other terms, as the Administration may fix, and funds may be so advanced without regard to the use and investment by the development company of funds secured by it from other sources.

(b) The total amount of obligations purchased and outstanding at any one time by the Administration under this section from any one State or local development company shall not exceed the total amount borrowed by it from all other sources.

SEC. 502. The Administration may, in addition to its authority under section 501, make loans for plant construction, conversion, or expansion, including the acquisition of land, to State and local development companies, and such loans may be made or effected either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis: *Provided, however,* That the foregoing powers shall be subject to the following restrictions and limitations:

(1) All loans made shall be so secured as reasonably to assure repayment. In agreements to participate in loans on a deferred basis under this subsection, such participation by the Administration shall not be in excess of 90 percent of the balance of the loan outstanding at the time of disbursement.

(2) The proceeds of any such loan shall be used solely by such borrower to assist an identifiable small-business concern and for

a sound business purpose approved by the Administration.

(3) Loans made by the Administration under this section shall be limited to $250,000 for each such identifiable small-business concern.

(4) Any development company assisted under this section must meet criteria established by the Administration, including the extent of participation to be required or amount of paid-in capital to be used in each instance as is determined to be reasonable by the Administration.

(5) No loans, including extensions or renewals thereof, shall be made by the Administration for a period or periods exceeding 10 years plus such additional period as is estimated may be required to complete construction, conversion, or expansion, but the Administration may extend the maturity of or renew any loan made pursuant to this section beyond the period stated for additional periods, not to exceed 10 years, if such extension or renewal will aid in the orderly liquidation of such loan. Any such loan shall bear interest at a rate fixed by the Administration.

(6) No loan shall be made under this section to any local development company after June 30, 1961.

TITLE VI—CHANGES IN FEDERAL RESERVE AUTHORITY

Repeal of section 13b of the Federal Reserve Act

SEC. 601. Effective 1 year after the date of enactment of this act, section 13b of the Federal Reserve Act (12 U. S. C. 352a) is hereby repealed; but such repeal shall not affect the power of any Federal Reserve bank to carry out, or protect its interest under, any agreement theretofore made or transaction entered into in carrying on operations under that section.

Fund for management counseling

SEC. 602. (a) Within 60 days after the enactment of this act, each Federal Reserve bank shall pay to the United States the aggregate amount which the Secretary of the Treasury has heretofore paid to such bank under the provisions of section 13b of the Federal Reserve Act; and such payment shall constitute a full discharge of any obligation or liability of the Federal Reserve bank to the United States or to the Secretary of the Treasury arising out of subsection (e) of said section 13b or out of any agreement thereunder.

(b) The amounts repaid to the United States pursuant to subsection (a) of this section shall be covered into a special fund in the Treasury which shall be available for grants under section 207 (c) of the Small Business Act of 1953. Any remaining balance of funds set aside in the Treasury for payments under section 13b of the Federal Reserve Act shall be covered into the Treasury as miscellaneous receipts.

(c) Section 207 of the Small Business Act of 1953 is amended by adding at the end thereof a new subsection as follows:

"(c) The Administration also is empowered to make grants to any State government, or any agency thereof, State chartered development credit or finance corporations, land-grant colleges and universities, and colleges and schools of business, engineering, commerce, or agricultural studies, research, and counseling concerning the managing, financing, and operation of small-business enterprises and technical and statistical information necessary thereto in order to carry out the purposes of subsection (b) (4) of this section by coordinating such information with existing information facilities within the State and by making such information available to State and local agencies. Only 1 such grant shall be made within any 1 State in any 1 year, and no such grant shall exceed an aggregate amount of $40,000. Such grants shall be made from the fund established in the Treasury by section 602 (b) of the Small Business Investment Act of 1958."

TITLE VII—CRIMINAL PENALTIES

SEC. 701. (a) The first paragraph of section 217 of title 18, United States Code, is amended by inserting after "farm credit examiner," the following: "or of any small business investment company."

(b) Section 218 of such title is amended by inserting after "National Agricultural Credit Corporations," the following: "or an examiner of small business investment companies."

SEC. 702. (a) The first paragraph of section 221 of title 18, United States Code, is amended by inserting after "United States," the following: "or a small business investment company."

(b) The second paragraph of such section 221 is amended by inserting after "Congress," the following: "or any small business investment company."

(c) The heading of such section 221 is amended by striking out "farm loan or land bank" and inserting in lieu thereof "farm loan, land bank, or small business."

(d) The table of sections for chapter 11 of such title 18 is amended by striking out "farm loan or land bank" in the reference to section 221 and inserting in lieu thereof "farm loan, land bank, or small business."

SEC. 703. Section 657 of title 18, United States Code, is amended by inserting after "Federal Savings and Loan Insurance Corporation," the following: "or any small business investment company."

SEC. 704. Section 1006 of title 18, United States Code, is amended by inserting after "Federal Savings and Loan Insurance Corporation," the following: "or any small business investment company."

SEC. 705. Section 1014 of title 18, United States Code, is amended by inserting after "a Federal Reserve bank," the following: "or of a small business investment company."

Mr. SPENCE (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Page 1, lines 3 and 4, strike out "purpose" and insert "policy."

The committee amendment was agreed to.

The Clerk read as follows:

Page 2, strike out the table of contents and insert the following:

"TABLE OF CONTENTS

"*Title I—Short title, statement of policy, and definitions*

"Sec. 101. Short title.
"Sec. 102. Statement of policy.
"Sec. 103. Definitions.

"*Title II—Small Business Investment Division of the Small Business Administration*

"Sec. 201. Establishment of Small Business Investment Division.
"Sec. 202. Provision and purposes of funds.

"*Title III—Small business investment companies*

"Sec. 301. Organization of small business investment companies.
"Sec. 302. Capital stock and subordinated debentures.
"Sec. 303. Borrowing power.
"Sec. 304. Provision of equity capital for small-business concerns.
"Sec. 305. Long-term loans to small-business concerns.
"Sec. 306. Aggregate limitations.
"Sec. 307. Exemptions.
"Sec. 308. Miscellaneous.
"Sec 309. Approving State-chartered companies for operations under this act.

"*Title IV—Conversion of State-chartered investment companies and State development companies*

"*Title V—Loans to State and local development companies*

"*Title VI—Changes in Federal Reserve Authority*

"Sec. 601. Repeal of section 13b of the Federal Reserve Act.
"Sec. 602. Transfer of funds.

"*Title VII—Criminal penalties*"

The committee amendment was agreed to.

The Clerk read as follows:

Page 4, line 18, strike out "(a)."

The committee amendment was agreed to.

The Clerk read as follows:

Page 4, strike out lines 23 and 24 and insert the following: "(3) the terms 'small-business investment company' and 'company' mean a small-business investment company organized as provided in title III, including a State investment company which has obtained the approval of the Administrator to operate under the provisions of this act as provided in section 309 and a company converted into a small-business investment company under section 401 of this act."

Mr. HALLECK. Mr. Chairman, I offer a substitute for the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. HALLECK as a substitute for the committee amendment: On pages 4 and 5 delete subsection 103 (3) and insert in lieu thereof the following:

"(3) the terms 'small-business investment companies,' 'company,' 'small-business investment company,' and 'company organized under this act,' mean a small-business investment company or companies chartered under State laws for the purpose of operating under this act and authorized by the administration as provided in title III to operate under this act;"

Mr. HALLECK. Mr. Chairman, this is the amendment to which I have referred in previous statements principally in general debate on the bill.

Now, in simple terms here is the situation before us. The bill provides for Federal chartering by the Small Business Administration of small-business investment companies. There have been some suggestions made here trying to explain why that provision is in this bill by citing certain other situations, such as the chartering of national banks, as a precedent for this action.

To my mind, those arguments should not prevail. I do not think they are effective. But, be that as it may, the committee itself in its report undertook to justify the inclusion of this provision for Federal chartering for a period of 3 years on the presumption—and I say it is nothing more than a presumption—that State statutes now in existence are inadequate.

I read the resolution and the memorandum of the American Bar Association; the resolution adopted by the board

of governors making the action the official action of that organization, stating that they had caused to be made through the American Bar Foundation a careful study of State statutes and they found that in every instance in the 48 States and in the Territories covered by this act these corporations can be organized in the States under existing law. Now, I have asked the committee to name the single first State whose statute is inadequate.

That single first State has not yet been named.

I called the secretary of state of my State and he said, "Why, we have got ample authority and, what is more, we have the personnel on the job. We have the experience, the know-how. We can charter these profit corporations. You do not have to take that chartering down to Washington. Leave it back here in Indiana where we are prepared to take care of it."

Why should we ship this function to Washington where, without any question, as has been developed, you would have to put more personnel in the Small Business Administration to process these applications for incorporation? And if you were to incorporate them and properly process them then certainly you ought to make provision for the supervision of the operations of these corporations. The question is, Do you want to move that to Washington, or do you want to leave it in the States where there are ample facilities and there is ample authority to take care of the whole business?

The gentleman from Texas [Mr. PATMAN] sought to argue something here that I must say was slightly obscure to me, about how I was trying to set up some sort of a toll gate for the lawyers. I do not need to set up any toll gate for the lawyers. I take it, whether it is an Indiana lawyer or a Texas lawyer or a Washington, D. C., lawyer, you would have to get some lawyer to set up your articles of incorporation. If the gentleman wants to argue on that basis—and I say that it is not much of a basis to argue on—then those of us who are lawyers know that if a group in Indiana or in Texas or any other State wants to incorporate down here in Washington, you get your local lawyers and then you have got to come down here and get some Washington lawyers. And I have understood that Washington lawyers come pretty high. So I would not be surprised, if you want to protect the small-business man who is finally going to get one of these loans, if you want to keep down the overhead, let the incorporation be done in the States where the country lawyers will have a chance at some of the business.

After all, Mr. Chairman, as I said earlier, we talk about the preservation of the rights of the States, and we all protest that that is what we want to do. Then why go into a procedure that departs from the traditional constitutional practices of our Government from the first day of its beginning? Certainly here is one place where we can say, "Now, wait just a minute; there is ample authority in the States at the present time to take care of this." No one has established here that they cannot, and as long as that is the situation why resort to Federal charters?

Mr. SPENCE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman's amendment is based upon a presumption that we should not invade the States for these purposes: I am ardently in favor of States rights and have supported every measure I thought had that objective. But it seems to me that if we want control over these agencies we can get more effective control at the start by organizing them under the laws of the United States. It may take a long time to organize these investment companies under the laws of the States. But expeditious organization may be provided under the supervision of the Small Business Administration here.

I do not think that this could be called an invasion of States rights. The Government is taking no right away from the States. It is furnishing funds to the people of the States to the interest of the States. This is a pilot bill. It is experimental. It has not been tried before. It has every opportunity, it seems to me, to become a great institution for the benefit of the people who need it most. But certainly you cannot say we are invading States rights when the Federal Government is going into the States to help people, not to impose restrictions upon them, not to take away their rights, but to attempt to help them in their hours of distress.

Mr. Chairman, I hope the amendment will be defeated.

Mr. BOW. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HALLECK. Mr. Chairman, will the gentleman yield so that I may make the very brief statement I did not have time to conclude when I had the floor a few moments ago?

Mr. BOW. I yield to the gentleman from Indiana.

Mr. HALLECK. May I point out, since several suggestions have been made to me that it may possibly develop, although I cannot see why it should in view of my information, that some State statutes would be inadequate, that there should be some saving language to meet that situation. All I should like to suggest at this point is that, since the language providing for Federal charters is in the Senate bill, if my amendment prevails the matter goes to conference, and in conference it could then be determined after careful study. It could be worked out in connection with the conference report so that we would not do violence to States rights and certainly would not be shutting off any opportunities to small business.

Mr. BOW. I certainly agree with the gentleman.

I am glad the gentleman from Indiana has raised this question and offered his amendment because I am interested in this from the standpoint that I am a member of the subcommittee that handles appropriations for the Department of Commerce and also the Small Business Administration. I have been with those Members handling appropriations for some time. It has been our effort to keep the cost of administration down so that funds would be available to help small business.

It seems to me the question the gentleman from Indiana has raised here touches on three things we have been considering in this Congress for some time: First, the question of overlapping of facilities; second, the question of economy; and third, the question of States rights. I believe the gentleman's amendment reaches each one of these objectives.

If we have within the various States agencies now set up to do this job of incorporating these companies, then I can see no reason why we should appropriate funds to set up a new agency, a new Secretary of State within the Small Business Administration, to issue these charters. If we issue the charters there, then we are going to set up further bureaus and have further Federal employment to go out and police these corporations. I think that would be unnecessary. As a member of the Committee on Appropriations, I hope we will not have to do that.

There is the question of economy, too, of cutting down the cost of government. Let us cut the cost of government in Washington, particularly in those areas where the States are able to carry on, because if we reduce the cost of government in Washington then the day will eventually come when, in addition to giving this type of service, we will be able to give relief in the form of tax reduction. We cannot do it if we are continually raising the cost of government here in Washington. We have agencies in the States able to carry on. Why must we now say, "Bring it to Washington"?

Then there is the question of States rights. I have been for States rights, I will say to the distinguished gentleman from Kentucky, since I have been a Member of Congress, and I shall continue to be. Wherever the States can do these things they should be given the opportunity to do them. The gentleman has said we should bring this work down here so it can be done expeditiously. I do not know of a single function handled by the States that is performed more expeditiously when you bring it to Washington. It seems to me that when we bring these things to Washington we slow down the procedure, we increase ad infinitum the redtape that must be gone through. Give a Washington bureau the opportunity and they will block it for you. In the States it would be a very simple matter.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield.

Mr. VORYS. It seems to me that the matter of policing by, for instance, the local courts, not merely as to the corporate reports but for instance as to legislation, would not these federally incorporated corporations always be able to claim diversity of citizenship?

Mr. BOW. Certainly. They would be in the Federal courts and then we

would have to have more Federal judges and the whole thing, as I look at it, is just a new snowballing of Federal activities. We really now have the right within the State to do the job. Let us keep it there and let us keep down the size of the job.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PATMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the distinguished gentleman from Indiana has suggested that a District of Columbia lawyer would have to be employed. The Small Business Administration, under Mr. Wendell B. Barnes, has successfully decentralized a large part of its operations. Of course, that is the way it should be. There is no reason why small-business people should have to come to Washington on a matter of this kind.

Now, the amendment being offered is new. After we have spent weeks and months on this legislation, and after we have considered every word that is in the bill, some Member brings an amendment up on the floor of the House that we have not had a chance to study. We have not even considered this. We do not know what effect it will have on the rest of the bill. A Member presents and urges the adoption of a completely new amendment. I do not think that is fair to the committee. I think it should have been submitted to the committee and, if not submitted to the committee, then a copy of it should have been given to the majority Members, and to all Members, so that they could study it and know what they are voting on. I do not know who drew the amendment, but the language of this amendment is devastating. It will be devastating to New England. It will be devastating to New York. It will be devastating to North Carolina.

The few States that have adequate State development companies are now out in front. I congratulate them. I commend them. They have been working on this matter for years. They know what the score is. They have more to gain as of this moment by the passage of this bill than all the other States. They are way ahead of the other States in this field. They know what this legislation is and they know what it means. If this amendment is passed you jeopardize the existence of every one of these fine State development corporations. I do not believe you want to do that. Yet this is just a fair sample of what happens when you try to legislate on such an important matter here on the floor of the House, without giving these matters proper consideration before the committee that is holding hearings on the legislation. This would be a dangerous thing.

Section 3 of the bill, providing the definitions, is very carefully drawn. It is several lines long. It goes from line 25 on page 4 to line 7 on page 5. It refers to several sections of the bill, and it is very carefully drawn so as to protect the State development companies. It reconciles and coordinates every one of the sections of this bill. The gentleman from Indiana comes in and proposes to throw in the wastebasket everything that we did in that regard. Just throw it away and tear it up. Throw it out the window. Yet the gentleman did not have the benefit of the testimony of the witnesses, and I doubt if he has even read the hearings. One Member said, mistakenly, that there were no hearings on the bill. We had hearings for weeks on the bill. We could not be sure what we would be doing by adopting this amendment. But I know enough about it to know that it would be devastating to those States, 7 of them, 5 in New England and New York and North Carolina that now have State development corporations that can very quickly lend themselves to the provisions of this act and could operate on it quickly.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. MEADER. I ask the gentleman if development companies are not dealt with in another section and are not touched by the gentleman's amendment.

Mr. PATMAN. No; they are touched.

Mr. MEADER. Paragraph (6) at the bottom of page 5 refers to development companies. The gentleman's amendment relate only to small-business investment companies.

Mr. PATMAN. Now, I am a member of the committee. I have worked on this for months. Every member of this committee has worked on it for months, and we know what all these sections mean. When we referred to 309, and that has not even been mentioned in the gentleman's amendment, we knew exactly why we put 309 in the bill. When we put section 401 in this act we knew why it was put in there. The gentleman's amendment does not even mention it.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. HALLECK. These development companies to which the gentleman refers have been organized under State laws, and they will continue to operate as they have in the past. Second, if my amendment is adopted, I have an amendment to subsequent sections of the bill that would bring the rest of the bill in line with what I have been arguing for.

Mr. PATMAN. Anyway, this is a very dangerous way to legislate. I have heard the gentleman make some mighty fine speeches about how dangerous it is to draft legislation on the floor of the House. I can hear him now objecting to drafting legislation the committee has not had an opportunity to study and consider. I can hear him now screaming out how dangerous it is to legislate on the floor. The committee has worked on this legislation for weeks and months.

I hope this amendment is defeated.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. SHEEHAN. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Indiana [Mr. HALLECK].

In spite of the remarks of the gentleman from Texas [Mr. PATMAN], the gentleman from Indiana [Mr. HALLECK] served for a long number of years as a member of the Small Business Committee and should know enough about small business so that we cannot question his knowledge and his desire to help small business.

The gentleman from Kentucky [Mr. SPENCE] in his remarks said that we, meaning the chairman, himself, and his members want control over these investment companies. To my way of thinking, that is the last thing we want—Federal control over the investment companies.

Mr. COAD. Mr. Chairman, will the gentleman yield?

Mr. SHEEHAN. As soon as I finish, please.

Certainly the statement of the gentleman from Indiana [Mr. HALLECK] to the effect that he thinks it desirable that the control, if we must use the word, lies with the local people, and it is to my way of thinking the best possible answer that whatever control which is implied remains with the local people. As one Member who in my 8 years in Congress consistently supported States rights legislation, I think this is basic States rights legislation. As the gentleman from Indiana [Mr. HALLECK] has well said, if there is a question in the minds of the Members that some States might be deprived of benefits under this law because they are not able to qualify, the gentleman from Indiana certainly stated it well when he said in conference the bill can be fixed up so that those few States could be properly taken care of and would not be deprived of their rights.

It seems to me, from my own experience in the business world, that a businessman is much better off dealing with his local people than he is in dealing with people in Washington. I have had occasion, and I know many other Members have had occasion, when small-business men in their communities were not able to get proper cooperation from the local offices of the Small Business Administration, they had to come here to Washington and we as Members have had to help them get a proper audience so that their problems could be put before the proper official in Washington. The program of the gentleman from Indiana [Mr. HALLECK] and the gentleman who heads the Small Business Administration, Mr. Wendell Barnes, in getting this whole program down to the local level where it belongs.

Mr. COAD. Mr. Chairman, will the gentleman yield?

Mr. SHEEHAN. I yield.

Mr. COAD. Is not the gentleman confusing the fact of the issuance of charters with the regulation of the actual procedure of lending the money? You are talking about two different things; I think you have grouped them into one. On the one hand we have the actual chartering of the investment companies; and that, of course, under the provisions of this bill is under the direction and actual supervision of the SBA; they have to come up to certain standards.

Secondly, you are also including here the actual policing of the operation of lending the money. They should not be grouped together, in my opinion.

Mr. SHEEHAN. As I understand the gentleman from Indiana, in his explana-

tion of the situation he wants to make sure that all of these programs possible start at the local level and be kept at the local level, which means the lending of the money as well as the incorporation of the investment company.

Mr. COAD. Should not standards be set up?

Mr. SHEEHAN. Certainly standards should be set up, but the control should be at the local level.

I yield to the gentleman from Indiana.

Mr. HALLECK. Of course, the fact remains that the provision inserted by the committee is a 3-year provision. It contemplates that after 3 years presumably the States that are deficient can perfect their statutes and bring them in line; then the whole thing will operate not on Federal charters, but at the State level.

The point I want to make again is this: Certainly before the money is advanced certain regulations of the SBA would have to be complied with. But we all know that when corporations are chartered the State exercises a degree of control through State regulation of those corporations. Certainly they cannot regulate these federally incorporated organizations such as we are going to have here and certainly it would take an army of agents if the Federal Government is going to supervise this program, checking the operations of these companies.

Mr. SHEEHAN. I agree with the gentleman from Indiana, and I hope his amendment carries.

Mr. MULTER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the point the distinguished gentleman from Iowa tried to make was a very sound one. Much confusion has been injected into the debate because of failure to discriminate between the two things that are being done in this bill.

First we set up the small-business investment companies.

Second, the small-business investment companies will make loans or make the investment of the risk capital in small-business concerns.

These are two distinct features and functions.

The gentleman from Indiana tells us that the differences can be ironed out in conference if his amendment is agreed to. I, for one, believe it is our duty to write legislation in the Chambers of the Congress and not in conference.

Conferees do important work in adjusting differences. It is our duty, however, to determine the principles.

Nothing in this bill preempts to the Federal Government the right to organize these companies. On the contrary, it puts both on an equal footing.

Under the bill, as reported by our committee, the State corporations, if such corporations can be organized, will be able to function side by side with the national corporations which receive a charter from the SBA.

To be sure that we do not invade States rights we say in this bill in so many words, and I refer you to the language on page 24, lines 1 and 2 of section 401, which read:

> Nothing contained herein shall be construed to supersede the laws of any State.

There is not any doubt, the way this this bill is set up, you will have your State corporations if the State law permits it, and you will have your national corporations if they can qualify.

But whether they be State or National they will have to comply with the rules and regulations as laid down by SBA under the authority of this bill. State and national corporations both will have to qualify and must come to Washington to get the Federal loans that are provided for by this bill, if they want such money. If we are not going to make the funds available to the small-business concerns in this manner, we do not need this bill. I suggest that this amendment should be defeated, that the bill is properly written to protect the States, State laws, and State lawyers. If the amendment is defeated the intent of the bill, which is very clear, can be carried out in accordance with the very specific language of the bill.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from California.

Mr. HOSMER. The gentleman speaks of State and Federal corporations standing side by side in this field. I am wondering what the advantage is of having Federal corporations if there does in fact exist in a State the proper statutory situation for a State corporation to handle this?

Mr. MULTER. I do not concede that there is proper State statutory provisions in all States. This bill continues the dual banking system, and this is a banking function. Despite what the distinguished gentleman from Indiana has said, and I do not try to dispute what his State law may provide, there are many States, the gentleman from Texas named some of them, where you will not be able to qualify under State law as it exists today in order to get the benefits of this statute. It would be unfair to go on for 2 or 3 years in those States, having no means of qualifying in order to get this help until their State legislatures had acted. While this bill has a 3-year limitation on national charters, no one today has a right to say what the Congress will do 3 years hence. If this program works out we may continue the dual chartering. If it does not, we may let that function expire or we may amend it to make it more effective.

Mr. HOSMER. I will say to the gentleman I have not yet been convinced what the advantage is of the duality. When life is as complicated as it is for the businessman and his lawyer, it seems to me that we ought to encourage the elimination of complications.

Mr. MULTER. There is nothing complicated about this. If the dual system of banking is good for the credit unions and for the savings and loan associations and for the commercial banks, it is good for this important banking function, which provides for investments in small-business companies.

Mr. PATMAN. The gentleman agrees, I am sure, that there is more involved than just the charter. This is a national credit policy that a State cannot effectively administer and enforce. It is a national policy. For that reason this bill should go through as it is proposed so that the States and the Federal Government can cooperate together, as he suggested with reference to credit unions, savings and loans associations, national savings and trust institutions and so forth.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. JONAS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to ask the gentleman from Texas [Mr. PATMAN] a question. I heard the gentleman mention the State of North Carolina. I do not understand why he said this amendment would affect the situation that obtains in North Carolina where we have a development company now in existence.

Mr. PATMAN. I have a list of them. There are only seven in the United States.

Mr. JONAS. That is not the question.

Mr. PATMAN. I am getting down to that. Five of them are in New England, New York, and North Carolina. The way the amendment is written I am apprehensive that the language being used "expressly authorized or provided under this act" will only apply to subsequent charters and not to existing charters. We were very careful in the writing of this language to make sure it refers to the different parts of the bill, to make sure that these State development corporations were taken care of because they have pioneered this field.

Mr. JONAS. Tell me how the amendment proposed by the gentleman from Indiana could possibly affect the North Carolina development corporation, because it is already in existence.

Mr. PATMAN. Any amendment you do not know anything about, you have to analyze and be careful.

Mr. JONAS. His amendment would encompass all State corporations?

Mr. PATMAN. You will see in the amendment that they must be organized expressly under this act.

Therefore, that jeopardizes existing corporate laws.

Mr. HALLECK. I am almost led to believe that it might be well to have a little more consideration of this bill. Actually there are other provisions in the bill that provide for the benefits of this legislation to go to existing corporations. What the gentleman from Texas refers to are existing operations, and they would not in any way be affected by this amendment. To say that he is apprehensive or to say that we do not know about it certainly is no proof of the statement he makes. As a matter of fact, again I say that the listing of those three States is not the listing of a single State that at the present time could not have corporations formed to take advantage of this act, and no one has been able to answer that.

Mr. JONAS. Mr. Chairman, frankly I would like to have the amendment read again.

Mr. PATMAN. I have it here. I can read it.

Mr. JONAS. Because we do have a development corporation in my State, and I certainly would not want to participate in any amendment that would affect it adversely.

Mr. PATMAN. This amendment reads:

> The terms "small-business investment companies," "company," "small-business investment company" and "company organized under this act" mean a small-business investment company or companies chartered under State laws for the purpose of operating under this act and authorized by the administration, as provided in title III, to operate under this act.

It does not have the safeguarding language that our amendment has that was written by the committee after careful and deliberate consideration over 2 weeks of time.

Mr. JONAS. There is no safeguarding of corporations authorized under Federal law now.

Mr. PATMAN. This says "organized under this act."

Mr. HALLECK. Mr. Chairman, will the gentleman yield further?

Mr. JONAS. I yield.

Mr. HALLECK. I am quite sure that articulate and persuasive as is the gentleman from Texas, he is not going to confuse this issue quite as much as he thinks he is. Actually, the language of my amendment follows the precedent of the committee language except it provides for State charters for these corporations instead of Federal charters. That is all in the world it does. Again I say that the committee itself must have recognized the validity of State charters, because they say that after 3 years we will have it all State charters and you will not have Federal charters. If that is true, why have Federal charters at this time?

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. JONAS. I yield to the gentleman from Connecticut.

Mr. SEELY-BROWN. It is my understanding, in answer to the question the gentleman has raised, on page 25 of the bill, title V provides for loans to State and local development companies, and that is completely different than the question we have been arguing here regarding the chartering of small-business investment companies. In other words, as I understand the situation in North Carolina, you are concerned, as I am in Connecticut, where we have loan development credit corporations. Those corporations are taken care of under title V, as I understand it. Is that not correct, may I ask the gentleman from Texas?

Mr. PATMAN. Yes, but the preamble to title V is over in the definitions that the gentleman from Indiana seeks to strike out.

Mr. JONAS. As I understand the gentleman's amendment, it does not touch the provision on line 19, page 5, does it?

Mr. HALLECK. Of course not. It does not interfere with the definition. This is merely substitute language for the committee amendment.

Mr. HOLIFIELD. Mr. Chairman, I move to strike out the last word.

Well, now, I am concerned about the language of the substitute offered by the gentleman from Indiana. I have it here in my hand, and I am going to read it again, because I think the gentleman from North Carolina should be very careful today how he votes on this particular amendment, and I will be careful, because we have some investment companies in my State. Here is the language:

> The terms "small-business investment companies," "company," "small-business investment company" and "company organized under this act" mean a small-business investment company or companies chartered under State laws for the purpose of operating under this act and authorized by the administration, as provided in title III, to operate under this act.

Now, was your company in North Carolina organized for the purpose of operating under this act?

Mr. JONAS. Not under this act, but that amendment does not go to the rest of the section beginning on line 19. That is a different definition.

Mr. HOLIFIELD. It would mean nothing to any company that is organized in his State, because it says "chartered under State laws for the purpose of operating under this act," and therefore it looks to the future and not to the past.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I am glad to yield, because I am confused on this myself.

Mr. HALLECK. Well, I am not a bit confused. It is obvious that the definition that the committee seeks to put in the bill, the definition that I would substitute, contemplates small business investment companies to be organized here to take advantage of this act.

Mr. HOLIFIELD. What about those that are already organized?

Mr. HALLECK. There are others already organized, and the bill in specific terms, which terms could not be changed by any definition as a straight matter of legal interpretation and legislative effort—those other provisions clearly point to the fact that existing development companies are permitted to take advantage of the provisions of this act.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Connecticut.

Mr. SEELY-BROWN. Mr. Chairman, I think the real answer to the gentleman's question will be found on page 25 of the bill—title V—Loans to State and Local Development Companies.

As I understand this legislation we are referring there to the ability of the administration to make loans to the State development companies that are already in existence, such as the one in North Carolina, such as the one in my State, to carry forward the purpose of the act. And we spell out that language in section 501. As I understand it, the amendment offered by the gentleman from Indiana [Mr. HALLECK] does not apply to a local development company. It applies only to a small business investment company, which is different.

Mr. HOLIFIELD. Will not the gentleman agree with me that under section 309 any of these investment companies chartered under the law of a State expressly for the purpose of operating under this act may be permitted; and in section 401 any State development company may by a vote of 51 percent of the shareholders change over into this type of organization. But until that changeover, is it not true that they are not allowed to participate?

Mr. SEELY-BROWN. No, because under the terms of this bill—and the gentleman will correct me if I am wrong—the State development corporation may borrow money and still remain a State development corporation. It does not have to become a small business investment company in order to borrow money. It may borrow money directly and maintain its original entity; is not that correct?

Mr. MULTER. If the gentleman will yield to me, I think that is correct.

Mr. SEELY-BROWN. That is certainly my understanding.

Mr. MULTER. If the gentleman will yield further, I think we ought not to confuse the loans to development corporations with the loans to small business investment companies.

Mr. SEELY-BROWN. That is right.

Mr. MULTER. The gentleman from Connecticut [Mr. SEELY-BROWN] is quite right. In those States where there are development companies, they are ready to go in, if this act is passed, and ask the Small Business Administration to lend them some money. The difficulty is that without the provision for national charters, they will be put in a favored or a preferential position as against these small business investment companies. There are many State law restrictions now in existence that can be immediately overcome by the provisions in this bill so that all these companies State and Federal can operate on an equal footing.

The CHAIRMAN. The time of the gentleman from California [Mr. HOLIFIELD] has expired.

Mr. GRIFFIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to say that I am going to support the amendment offered by the gentleman from Indiana [Mr. HALLECK]. However, I should like to be certain that a Federal charter would be available in any State where the State laws would not authorize the incorporation of a small-business investment company for the purposes indicated in this bill. In the event that the amendment of the gentleman from Indiana [Mr. HALLECK] would prevail, I believe an amendment should then be made to title III which should read something like this:

> In the event that under the laws of any State or States a small-business investment company cannot be chartered so as to qualify for operation under this act, then investment companies formed in such State or States may be chartered under this title.

The CHAIRMAN. The question is on the substitute to the committee amendment offered by the gentleman from Indiana [Mr. HALLECK].

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 105, noes 44.

So the substitute for the committee amendment was agreed to.

The CHAIRMAN. The question is now on the committee amendment as amended by the substitute.

The committee amendment as amended was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 5, line 13, strike out "of 1953."

Mr. PATMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I had intended to offer an amendment to strike out the limitation of 3 years, but in view of the fact we want just as few amendments as possible on this bill, I will not offer the amendment because we can, a year from now or 2 years from now, after we have had experience under this act, move to change it if we desire to do so.

I think this is a good bill. It is intended to help small business in an area where it cannot get accommodations now. The bankers testified before our Committee on Small Business last year to the effect that there is a vacuum in our national financial machinery, so much so that small and independent businesses cannot get equity financing or long-term loans. For the first time in history a bill is brought before Congress with overwhelming proof to that effect. Heretofore the proposition has been questioned; heretofore it has been in doubt. Members would argue that the banks could do this, that there are plenty of facilities now to make the proper long-term loans or equity financing available to small business, but no longer is that argument made. It is undisputed that there is no financial institution in America today that is authorized to do business that will fill the vacuum that this particular bill fills.

I know the bill is weak in some respects. The amount of money itself, $250 million, is not as strong as we should like it to be. If you divide $250 million by 3,070 counties you will find it is only $83,000 per county. It is a very small amount. But this is a right step in the right direction, although a short step.

I think we should have some experience under this bill. I have a feeling it will be sympathetically administered, because the Small Business Administration has become increasingly important and has become better administered every day, I think, that it has been administered.

I will concede that the Small Business Administration did not have precedents to follow in every instance, and it had to plow new ground. It was pioneering in many fields. But I think now it is making fine and rapid progress. I believe the Small Business Administration under Mr. Barnes, administrator, will administer this law sympathetically. I believe that there will be a demand and a need, particularly if this depression continues, for its enlargement in the future to serve more independent businesses. I know the committee and the Congress today are more conscious of the needs of small business than ever before. Only in recent years have we had small business committees to alert the country to the needs and special problems of small business. But, now we not only have small business committees in the House and in the Senate, but every agency of our Government that has to do with business generally has a small business division. I think that is due to the fact that we started here in the House of Representatives many years ago. The gentleman from Indiana [Mr. HALLECK] had a great deal to do with it. I also worked in that direction. In 1941, we set up the first small business committee, 7 days before Pearl Harbor. The committee was appointed by the Speaker of the House, Honorable Sam Rayburn. That was the first small business committee in the House of Representatives. I feel that great progress has been made and that great progress is being made here in this bill. I hope we do not have many amendments, or at least not major amendments, and that we can get this bill through as quickly as possible, so as to get it upon the statute books and get the organization going.

Mr. HALLECK. Mr. Chairman, I have sent a number of perfecting amendments to the desk and I ask that they be considered en bloc.

The CHAIRMAN. Is it to the pending amendment which is on page 5, line 13, to strike out "of 1953"?

Mr. HALLECK. No; it does not refer specifically to that, Mr. Chairman. It refers to the different sections in the bill, for the purpose of bringing subsequent sections in line with the amendment that has just been adopted.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 5, insert "and" after the semicolon in line 13; strike out lines 14 through 17; and strike out "(7)" and insert "(6)" in line 18.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 5, line 18, strike out "State and local."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 6, line 22, strike out "of 1953."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 6, line 22, strike out "209 and 210" and insert "13 and 16."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

10. Page 6, after the period in line 25, add the following new sentence: "Subject to the standards and procedures under section 505 of the Classification Act of 1949, as amended, not to exceed three positions in the Small Business Investment Division of the Administration may be placed in grades 16, 17, and 18 of the general schedule established by that act, and any such positions shall be additional to the number authorized by such section or otherwise."

Mr. DAVIS of Georgia. Mr. Chairman, I make a point of order against the committee amendment and reserve the point of order and move to strike out the last word.

The CHAIRMAN. The gentleman from Georgia is recognized.

Mr. DAVIS of Georgia. Mr. Chairman, this committee amendment would provide for three positions in grades 16, 17 and 18 which are known as super-grade positions. The jurisdiction of this question properly comes under the House Post Office and Civil Service Committee. In the bill, S. 734, the classified civil service employees salary bill, which was just recently passed, there were provided 277 additional super-grade positions to be allocated among the Government agencies by the Civil Service Commission. Also the Post Office and Civil Service Committee of the House, through its Manpower Utilization Subcommittee, held 8 hearings in May and June on the subject of super-grades and invited the various Government agencies to come in and justify their requests for additional super-grade positions. That committee now is in the process of evaluating that testimony for the purpose of introducing legislation for such additional super-grade positions as have been justified. This agency first should apply to the Civil Service Commission for such additional super-grades as it needs, to be allowed from the recently authorized 277 new super-grade positions. The Civil Service Commission advised us today that they have notified all Government agencies to apply for critical needs for super-grade positions and to have their applications in by August 1. That affords relief if it can be granted under that provision. Also, they could justify to the House Post Office and Civil Service Committee these new positions, if they are justifiable, and that committee will give them relief if they justify the request. I have discussed this with the chairman and he is agreeable for the amendment to go out.

Mr. SPENCE. Under the circumstances, we concede the point of order.

Mr. PATMAN. Mr. Chairman, we have got to have something in here to administer this act. We are setting up a separate division in the Small Business Administration. I hope the gentleman will let it go through. It will be in conference, and then we can talk with the Senators; but to strike it out, it goes to the very heart of this bill.

Mr. DAVIS of Georgia. I have discussed it with the chairman and he has agreed that it would go out under the statement I have made.

Mr. PATMAN. But we have to have a separate proposition to properly administer it.

Mr. DAVIS of Georgia. The Civil Service Commission now has 277 new super-grade positions to allocate.

Mr. PATMAN. But it will require this language to administer it.

The CHAIRMAN (Mr. WALTER). The Chair understands the gentleman from Kentucky [Mr. SPENCE] asked unanimous consent that the language contained at the bottom of page 6, line 25, through line 6 on page 7 be stricken from the bill.

Mr. DAVIS of Georgia. That is correct.

Mr. PATMAN. Reserving the right to object, the reason we put that in there is because we hope we are nearing the end of the session. The Senate did not have a similar provision in the bill. We wanted to provide for the administration of this important law. If we strike this out, how will it be administered? We have set up a division, and we must provide for some help.

The CHAIRMAN. The Chair is more interested in knowing what the gentleman's argument is against the point of order.

Mr. PATMAN. The Chairman has agreed to it, so I shall not object.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky that the amendment be withdrawn?

There was no objection.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 7, line 7, strike out the balance of page 7, page 8, down to and including line 6 on page 9, and insert:

"PROVISION AND PURPOSES OF FUNDS

"SEC. 202. (a) Section 4 (c) of the Small Business Act is amended—

"(1) by striking out '$650,000,000' each place it appears and inserting in lieu thereof '$900,000,000';

"(2) by inserting before the period at the end of the fourth sentence the following: ', and in the exercise of the functions of the Administration under the Small Business Investment Act of 1958'; and

"(3) by inserting after the seventh sentence the following new sentence: 'Not to exceed an aggregate of $250,000,000 shall be outstanding at any one time for the exercise of the functions of the Administration under the Small Business Investment Act of 1958.'

"(b) There are hereby authorized to be appropriated such sums as may be necessary and appropriate for the administrative expenses of the Administration under this act."

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that the remaining committee amendments may be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. The Clerk will report the remaining committee amendments.

The Clerk read as follows:

Page 11, line 17, strike out "309 (f)" and insert "308 (f)."

Page 13, strike out line 20 and all that follows down through page 14, line 3, and insert the following:

"(b) Shares of stock in small business investment companies shall be eligible for purchase by national banks, and shall be eligible for purchase by other member banks of the Federal Reserve System and nonmember insured banks to the extent permitted under applicable State law; except that in no event shall any such bank hold shares in small business investment companies in an amount aggregating more than 1 percent of its capital and surplus."

Page 16, strike out the semicolon in line 19 and all that follows down through line 22, and insert a period.

Page 17, after the period in line 8, add the following new sentence: "In agreements to participate in loans on a deferred basis under this subsection, the participation by the company shall not be in excess of 90 per centum of the balance of the loan outstanding at the time of disbursement."

Page 19, line 11, strike out "80a" and insert "80a–18."

Page 25, in the sentence beginning in line 6, strike out "and local", and strike out the semicolon and all that follows and insert a period.

Page 25, line 19, strike out "or local."

Page 25, after the period in line 21, add the following new sentence: "Funds advanced to a State development company under this section shall be treated on an equal basis with those funds borrowed by such company after the date of the enactment of this act, regardless of source, which have the highest priority, except when this requirement is waived by the Administrator."

Page 28, line 3, strike out "Fund for Management Counseling" and insert "Transfer of Funds."

Page 28, strike out lines 14 through 20 and insert the following:

"(b) The amounts repaid to the United States pursuant to subsection (a) of this section shall be covered into the Treasury as miscellaneous receipts."

Page 28, strike out line 24 and all that follows down through page 29, line 19.

The CHAIRMAN. The question is on the committee amendments.

The committee amendments were agreed to.

Mr. HALLECK. Mr. Chairman, I have a series of amendments at the desk bringing the bill in line with the amendments already adopted. I ask unanimous consent that the amendments may be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Clerk read as follows:

On page 10, line 3, delete the word "Organization" from the subtitle to section 301, and insert in lieu thereof, the word "Qualification."

On page 10, delete subsection 301 (a) (lines 5 through 10) and insert in lieu thereof, the following:

"SEC. 301. (a) Small business investment companies formed by any number of persons, not less than 10, chartered under State laws for the purpose of operating under this act, may be authorized by the Administration to operate under this act."

On page 10, delete the last sentence of subsection 301 (b) beginning in line 20.

On pages 10 and 11, delete all of subsection 301 (c) and the initial portion of subsection 301 (d) to and including subparagraph "(2)" thereof; and insert in lieu thereof, the following:

"(c) The articles of incorporation and amendments thereto shall be forwarded to the Administration for consideration. In determining whether to authorize such a company to operate under this act, the Administration shall give due regard, among other things, to the need for the financing of small-business concerns in the area in which the proposed company is to commence business, the general character of the proposed management of the company, the number of such companies previously organized in the United States, and the volume of their operations. After consideration of all relevant factors, the Administration may in its discretion grant authority to such a company to operate under this act.

"(d) Prior to the grant of such authority, the company must have power—

"(1) to adopt and use a corporate seal;

"(2) to have succession for a period of 30 years."

On page 13, delete subsection 301 (e) in lines 1 through 4.

On page 13, line 6, strike out "organized" and insert "authorized to operate."

On page 13, line 8, strike out "before it shall commence business."

On page 21, delete from lines 12 and 13, in the second sentence of subsection 308 (d), the following words and punctuation: "company shall be declared dissolved, or its rights, privileges, and franchises forfeited,"; and insert in lieu thereof, the following word and punctuation: "forfeiture,".

On page 22, delete subsection 308 (f).

On page 23, delete section 309, including its subtitle.

On pages 23, 24, and 25, delete all of title IV and renumber the succeeding titles and sections accordingly.

Mr. HALLECK. Mr. Chairman, first of all I would like to say to my very good friend from Texas [Mr. PATMAN] that I well recall those earlier years when we served together on the Small Business Committee of the House of Representatives. He has always been a stalwart champion of small business, as I have sought to be also a stalwart champion of small business.

I said earlier in the discussion on the rule and in general debate on the bill, and in my statement on the amendment, that I intended to support the rule and the bill. I have been asked by a number of Members from my State about my personal position. I want all of them to understand that I shall vote for the bill. I do not know how effective the measure will be. Certainly it offers great promise. I have some concern about entering this new field as a Federal endeavor, at least through the use of Federal credit; but I certainly express the hope that the bill will be effective for the purposes and objectives for which it is created.

I would like to say one thing further. The gentleman from Michigan spoke of an amendment that he expected to offer that would undertake to provide that if there is any deficiency in any existing State law, and I say there has been no evidence that there is any, the Federal charter provision would operate. He has come to the conclusion, in view of the general tenor of the bill, that his amendment would not add substantially but probably would only confuse the general issue. As I have said, undoubtedly this matter will go to conference. In the meantime, if anyone wants to develop any more accurate or definite information as to any State deficiency, certainly they will have that opportunity; but at this point I am convinced this careful

study made by the American Bar Association is correct, that the existing laws in the various States are completely adequate.

The amendment I have offered is simply designed to bring the rest of the bill in line with the amendment previously adopted, which provides for the State chartering of these companies rather than for Federal chartering.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendments offered by the gentleman from Indiana [Mr. HALLECK].

Mr. Chairman, I know that the gentleman from Indiana is sincere in what he says and that he believes these are implementing amendments. Incidentally, there are 17 of them. It rewrites the bill fully and completely.

Naturally, this bill must go to conference now, because we cannot run the risk of adopting 17 substantive amendments, in addition to the one that has already been adopted, without sending the bill to conference to make sure of what we are doing. We do not know what we are doing here. I know that the gentleman from Indiana is sincere, I repeat, and I will take his word for the fact they are just implementing amendments; therefore, I will not resist them further but depend upon the conferees to iron out the changes.

I hope that the bill will pass without any further amendment, to the end that we can very quickly get a conference agreed upon between the two Houses and get the differences ironed out and get this bill, which is a good step in the right direction, started on its way.

Mr. MULTER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have followed very carefully the reading of the amendments just offered by the gentleman from Indiana, and while I, too, join with the gentleman from Texas [Mr. PATMAN] in endorsing the sincerity of the gentleman from Indiana in offering the amendments, I suggest to the Committee of the Whole that the adoption of these amendments guts the bill. If the bill is enacted in this form, it will do very little, if anything, for small business. These amendments, together with the one offered by him and already adopted eliminates one of the very important features of the bill. Such action by us will put in a preferred position, the few State development corporations now operating and, at the same time, keep out the private investors this bill sought to interest in this program.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Indiana [Mr. HALLECK].

The amendments were agreed to.

Mr. MULTER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have three amendments at the desk which I intended to offer. I am not going to offer them. I ask unanimous consent that I may revise and extend my remarks, at which time I will incorporate the amendments in my remarks.

The reason I am not offering them is because I am firmly of the opinion that because of the adoption of the amendments offered by the gentleman from Indiana, we now have before us a bill that will do nothing of any consequence for small business.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The amendments referred to follow:

Page 13, lines 12 and 13, strike out "not more than $150,000" and insert in lieu thereof "the amount of paid-in capital and surplus but in no event more than $350,000."

Page 23, line 3, insert "(h) (1) in order to encourage participation by private enterprise generally in the development of small business investment companies, the Administration, upon terms and conditions prescribed by it and subject to the limitations of this subsection, shall issue a limited guaranty to each private corporation, partnership, and other person purchasing shares of stock in such a company, and to the United States with respect to the purchase by the Administration of the debentures of such a company under section 302 (a), against any loss which may be incurred because of the failure or insolvency of such company or its inability for other reasons to retire or redeem such shares of stock or debentures in accordance with their terms to the extent of the initial cost of the stock or the amount advanced pursuant to such debentures.

"(2) The Administration shall impose and collect a premium charge in connection with any purchase of shares of stock or debentures with respect to which a guaranty is provided by this subsection. Such premium charge (which shall be collected from the small business investment company at the time of the issuance of the shares of stock or debentures involved) shall be in an amount equal to one-half of 1 percent of the face amount of the shares of stock or debentures purchased; and all such charges shall be placed in a special fund in the Treasury of the United States to be used exclusively for the purposes of this subsection. Amounts in such special fund not currently needed for payments under paragraph (3) shall be invested in interest-bearing obligations of the United States or obligations guaranteed as to both principal and interest by the United States.

"(3) Any payments required to be made as a consequence of a guaranty under this subsection shall be made from the special fund established under paragraph (2); and if in any case the amount available in such fund is insufficient to make payment under such guaranty in full, payments under such guaranty shall be made on a prorated basis to all persons entitled thereto to the extent of the amounts so available.

"(4) The provisions of this subsection shall apply to any company converted into a small business investment company under section 401, from and after the date of its conversion; and in addition any such company shall pay, at the time of and as a condition of such conversion, the premium charge described in paragraph (2) on all of the shares of its stock then outstanding and held by private corporations, partnerships, and other persons, basing such charge on the original purchase price of such shares.

"(5) In the event of the failure or insolvency of any small business investment company or its inability to retire or redeem its shares of stock and debentures according to their terms, or the dissolution of any such company under subsection (d), where payment under guaranties made by the Administration under subsection (h) will be required, the Administration, notwithstanding any other provisions of law, shall take over and wind up the affairs of such company under the same procedures (insofar as appropriate) as those which are applicable to the liquidation of an insured bank under the Federal Deposit Insurance Act, and shall take any and all other actions which may be necessary and appropriate to insure to the maximum extent practicable that payment will be made from the assets of the company to all creditors of the company and thereafter the balance, if any, paid pro rata to holders of its stock and debentures and thereafter the deficiency, if any, paid under such guaranties to the extent provided for in this subsection."

Page 25, line 24, strike out the figures "250,000" and insert in lieu thereof the figures "350,000."

Mr. MULTER. My amendments at pages 13 and 25 of the bill change the maximum amounts of the loans that may be made by SBA to $350,000.

You will recall that we but recently amended the Small Business Administration Act, which has now been signed into law, so as to change the maximum amounts of those loans that SBA can make from $250,000 to $350,000. While I recognize that this is a new and experimental program, there can be no justification for having different amounts in the two bills. It would, therefore, have been much more logical and sensible to have provided the same maximum, to wit, $350,000 for the loans that could be made in each instance. It is ridiculous to provide that a small-business concern can go directly to SBA and borrow $350,000 but that a small-business investment company, which is to finance small business, can itself borrow not more than $150,000.

My third amendment was intended to set up a limited guaranty fund for the benefit of those who would be induced to make investments in these new ventures. I believe that such a provision in this bill would go a long way toward bringing private funds into this new field of endeavor. I concede that the idea of guaranteeing such investments is new but it is no newer today than was the original idea to insure deposits in our banks, or the idea of insuring shares in savings and loan associations, or, for that matter, the idea of guaranteeing mortgages as we do with VA loans and FHA loans. It is hardly as revolutionary as credit insurance.

I am in agreement with all those who label invested capital as risk capital, as well as with the idea that the prospect of gain and the fear of loss are important regulators of our economic system.

If we had adhered to the more restrictive application of those principles, however, we would never have developed the tremendously profitable insurance industry, which includes guaranty and indemnity principles.

I am sure you will recall that in the early days of insurance, policies were nothing more than gambling contracts. Even today, Lloyd's of London will issue what amounts to strictly a gambling contract under the guise of an insurance policy.

As insurance law developed, legislative bodies eliminated, in most jurisdictions, the speculative features so that today most of these laws require an insurable interest and limit recovery to the amount of actual loss.

Today, we have credit insurance, mortgage insurance, and deposit insurance only because businessmen and legislators dared to venture into uncharted fields.

While I do not pretend that my amendment has all the answers, I do think the principle is sound and should be encouraged.

A tax advantage will, of course, be somewhat of an incentive to the investor in the high income-tax bracket. It will be no incentive to the average investor, particularly that small investor who reports his capital gains as straight income because there is no tax advantage to his doing otherwise. It is my thought that the small business investment companies, while organized to help small business, will themselves have to be big business in order to be able to do the job. At the same time, I would like to see them developed into big business by bringing into them the average investor rather than only the big investor.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. MULTER. Surely.

Mr. HALLECK. I have tried to use temperate language and have tried to present my position on this matter in complete sincerity and in fair terms. I must say, however, that I cannot let go unchallenged the statement of the gentleman that the amendments that I have offered here, which have been adopted in the Committee of the Whole, have gutted the bill. They have done no such thing. All they have done is to bring about a situation which the gentleman, himself, with his committee, would have provided for 3 years hence, which is that the organizations to be chartered shall be chartered by the States rather than the Federal Government. Now, if any fair-minded person can find in that arrangement any basis for a statement that I gutted the bill, I fail to understand it.

Mr. MULTER. Mr. Chairman, I regret that the distinguished gentleman thinks my language was intemperate. I vigorously disagree with him as to what he thinks he has accomplished by his amendments. I do urge that his amendments have made the bill inoperative in a most important area. I think that is temperate language. I do not in any way attack his motives or his sincerity, but I do say we now have a bill in its present form, thanks to him, which will do nothing for small business.

It is sheer absurdity to say that a bill providing for Federal loans should be restricted to making those loans to State corporations. The bill very properly requires that these Federal loans may be made only to State or National corporations organized "expressly for the purpose of operating under this act." That is the language in section 309 on page 23 of the bill.

Mr. TEWES. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, my purpose in rising is to establish a legislative record of Congressional intent concerning this bill. I would appreciate it therefore if I could direct several questions to the gentleman from Texas concerning that part of the bill which has not received much consideration here, namely, the loans to State and local development companies.

It was my privilege in Wisconsin to be the small-business representative and chairman of a governor's commission which looked toward improving our industrial development. As a result of this State encouragement, local communities established industrial development corporations. Some of them are actually incorporated; some are not. If they are, they are incorporated by private individuals under the statutes of Wisconsin.

Now, my question is this: Is it the intention of this legislation that such corporations be entitled to receive funds under title V on page 25 of this bill?

Mr. PATMAN. I believe it is obvious, under the House amendments, that local associations are excluded from section 501, which appears on page 25. That section would apply only to State associations.

Mr. TEWES. This applied to title V on page 25 which does not apply to the amendments which have previously been adopted on the floor of the House.

Mr. PATMAN. In section 501, where the phrase "State and local development companies," appeared in the Senate bill, the phrase "and local" was stricken out, leaving it just "State development companies."

Mr. TEWES. But, is there not another section of the bill which provides that for the purpose of purchasing land and constructing plants, local industrial development corporations could participate?

Mr. PATMAN. Yes, but that is different. Authority with more rigid limitations. That is under section 502. Local associations are eligible under section 502.

Mr. TEWES. Such a local corporation as I have mentioned here would be eligible?

Mr. PATMAN. Yes; for plant construction, conversion, or expansion, including the acquisition of land, loans may be made to either State or local associations for specific, identifiable small business concerns and for sound business purposes approved by SBA.

Mr. TEWES. Is there any limit on the amount of those loans made to local corporations?

Mr. PATMAN. That is an interesting question. That is where the State development companies come in so well. Under subsection 3 a loan of $250,000 can be made to each identifiable small business concern through that association, and that means that one association possibly could make loans amounting to $5 million or $10 million. It is conceivable. There is no limit to the number of identifiable small business concerns to which loans of $250,000 each could be made through a single local or State development company. So, there is where the State development companies that are already organized have such a great advantage. They are ready to go ahead. I have put in the RECORD a list of these State development companies.

Mr. TEWES. Then a corporation, which has been organized in my State by, let us say, 3 private individuals for the purpose of developing this community industrially would be authorized to receive loans for the purpose of buying land which would be used for new industry in that locality; is that a fair statement?

Mr. PATMAN. I am not sure at the moment if the number 10 is required to be eligible.

Mr. TEWES. But would a corporation which has been established and recognized by the State for the purpose of developing industry be eligible?

Mr. PATMAN. My attention has been called, under "definitions" the term "State development companies" means enterprises incorporated under State law with authority to promote and assist the growth and development of small-business concerns in the area covered by their operations. Obviously then, any number of members admitted by State law would be eligible. So a company with 3 members, if admitted under State law, would be eligible under this provision.

Mr. TEWES. I shall rephrase my question in the light of this new information. A corporation recognized by the State in a local municipality, for the purpose of developing itself industrially, would be recognized to receive loans under the terms of this section?

Mr. PATMAN. There are hundreds and thousands of industrial corporations, organized by chambers of commerce usually, to promote the interests of their respective towns and cities—and they are to be commended—but I am not sure how far SBA could go under this. I would not want to state that all of these different kinds of local associations will have certain rights that I am not sure that they will have.

Mr. TEWES. Neither is the word "development" any clearer as it is used in the language of the bill.

Mr. PATMAN. The pertinent definition appears on page 5, section 103, subsection (6). I cannot see anything there that would exclude industrial corporations.

Mr. TEWES. That is what I wanted to clarify. I thank the gentleman.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WALTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 3651) to make equity capital and long-term credit more readily available for small-business concerns, and for other purposes pursuant to House Resolution 618, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on passage of the bill.

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 131, noes 5.

So the bill was passed.

A motion to reconsider was laid on the table.

COMMITTEE ON HOUSE ADMINISTRATION

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Subcommittee on Elections of the Committee on House Administration may be permitted to sit during general debate while the House is in session the remainder of the day.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 638 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 11805) to promote the national defense by authorizing the construction of aeronautical research facilities by the National Advisory Committee for Aeronautics necessary to the effective prosecution of aeronautical research. After general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. DELANEY. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN], and yield myself such time as I may require.

Mr. Speaker, House Resolution 638 makes in order the consideration of H. R. 11805, unanimously reported by the Committee on Armed Services.

This bill authorizes funds for the construction program of the National Advisory Committee for Aeronautics in the amount of $29,993,000. These funds are for new research facilities, modernization of existing research facilities and supporting facilities and general plant and utility improvements. The bill lists the construction and equipment programs at Langley Laboratory, Va., Ames Laboratory, Calif., Lewis Laboratory, Ohio, and the pilotless aircraft station, Wallops Island, Va.

The work of the NACA involves scientific research in aeronautics, particularly in the fields of hypersonic, subsonic, transonic and supersonic speed ranges. This research is extremely important to our national defense and I urge the adoption of House Resolution 638.

Mr. ALLEN of Illinois. Mr. Speaker, I know of no objection to the adoption of the rule.

Mr. DELANEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. DURHAM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 11805) to promote the national defense by authorizing the construction of aeronautical research facilities by the National Advisory Committee for Aeronautics necessary to the effective prosecution of aeronautical research.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 11805, with Mr. PERKINS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. DURHAM. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the Armed Services Committee has unanimously reported out H. R. 11805, the NACA construction bill for fiscal year 1959.

The total authorization sought this year is $29,933,000. This is substantially less than the fiscal year 1958 authorization, which was in the amount of $44,700,000.

All of us are familiar with the National Advisory Committee for Aeronautics and with the fine work in the field of research and development that they have carried on over the past many years. NACA, of course, will become the nucleus of the new National Aeronautics and Space Administration.

The construction program for this year is divided into four general areas, as follows:

(a) New research facilities, $23.5 million.

(b) Modernization of existing research facilities, $5.3 million.

(c) Modernization of supporting facilities, $260,000.

(d) General plant and utility improvements, $887,000.

On page 4 of the report, the program is broken down in greater detail and shows the particular items which are to be constructed at four NACA facilities: Langley Laboratory, Virginia; Ames Laboratory, California; Lewis Laboratory, Ohio; and Wallops Station, Virginia.

In addition to these breakdowns of the program, the report also sets out in considerable detail descriptions of the individual items. For example, the most costly single item in the program is a high-temperature structural dynamics facility at the Langley Laboratory. This project involves the construction of a high-temperature blow-down tunnel capable of simulating heating and loading experienced by hypersonic aircraft structures.

I might state at this point that the terms used by NACA in describing their complex research facilities are sufficiently unfamiliar to the layman that I have had inserted in the report a glossary of terms. One of these terms that I just used in describing the Langley facility is "hypersonic." This term refers to speeds greater than 5 times the speed of sound, which is in the order of 4,000 miles an hour. Other terms used in the program descriptions appear on pages 15 through 18 of the report.

Langley Laboratory: The $12 million high-temperature facility at Langley is required because advances in aerodynamics and propulsion have increased the speed capabilities of aircraft and missiles so that flight up to and including satellite velocity is now possible.

Of course, when an air frame reaches a speed such as this, the high temperatures and heating rates encountered and the vibrations caused by propulsion systems create new problems which must be solved.

Also, at the Langley Laboratory the program requests authority to construct an ultra-high-temperature materials facility. This will provide facilities to simulate the aerodynamic conditions encountered during the entry into the atmosphere of a long-range ballistic missile.

Today the extreme conditions of high temperatures, high velocity airflow encountered into the entry into the atmosphere of long-range ballistic missiles cannot be accurately simulated in ground apparatus except on an extremely small scale. For this reason, it has been necessary for ballistics missiles to serve as their own test vehicles to obtain this information. Obviously the provision of a facility of this kind will permit numerous tests in this area at a fraction of the cost involved in using missiles themselves as test vehicles. Indeed, a single flight test of a vehicle may be as costly as the complete facilities proposed for construction. This facility will cost almost $2.7 million.

Ames Laboratory: At the Ames Laboratory, there are 3 items involved. The most costly of these is a 12- by 12-inch hypersonic helium tunnel. This facility will cost $1,685,000. It will be used to measure the Mach number, the Reynolds number, heat transfer, and skin friction on various very high-speed aircraft and missile components and forms.

Here again we have terms not wholly familiar to the layman and in the glossary of terms, the definition of Mach and Reynolds number are given. Mach number indicates speed. For example, Mach I equals 763 miles per hour—the speed of sound at sea level. Reynolds number, in layman's language, indicates the closeness to actual conditions of flight that are represented by the model being tested. For example, if wind tunnel experiments are conducted in air which is compressed to 10 times the density of atmospheric air, the results obtained would be applicable to an airplane 10 times as large as the model tested.

Lewis Laboratory, Ohio: At the Lewis Laboratory in Ohio, there are 6 items totaling almost $8.9 million. Among the items proposed for construction is a high-energy rocket-engine research facility. The construction involves 3 test cells equipped for studies on new high-energy rocket-propellant systems. This will be tied into existing facilities in order that measurements and instrumentation equipment presently in existence can be used. This, of course, involves a most important area of research today.

Wallops Station: At the pilotless aircraft station, Wallops Station, Va., there is only 1 item and this involves beach erosion control in front of the north half of the seawall at this installation.

Of course, there are numerous additional details which could be presented but I feel that I have dealt with some of the important highlights of the program and the report will permit even a highly detailed study by individual Members.

So, the whole program totals $29,933,000. It is all for construction and involves the kind of facilities without which we cannot remain in the forefront of aircraft and missiles.

In closing, I would like to say I have enjoyed handling all of the authorization legislation for this agency over the years. I have seen it grow from what I felt was a very small agency until at the present time when it is one of the most important research facilities that we have in America.

I also want to say I have never worked with an agency of the Government where the people who are doing the job are more interested in carrying out what is assigned to them, and doing their duty. They are top scientists. They are sincere in their work. They are dedicated men. I hope the committee that handles this legislation in the future will enjoy working with them as I have over the many years.

Mr. CUNNINGHAM of Iowa. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the chairman of the subcommittee has presented a fine statement of what this bill is designed to do and I will, therefore, not repeat any of the facts which he has presented. The bill, in its essential elements, is identical to similar bills which Congress has passed for several years authorizing construction for the National Advisory Committee for Aeronautics.

The construction items themselves, as you read them in the bill, give somewhat of a picture of the work which NACA carries on. But I do not believe that we all understand the true importance of the National Advisory Committee for Aeronautics to our whole airplane and missile program. For this reason, I would like to deal briefly with some of the specific problems which are faced by NACA and invariably solved by this very fine organization.

Among the most important of the problems in the ballistic-missile field today is that relating to the reentry of the missile into the earth's atmosphere. The development of these missiles involves a matter of great national urgency and is supported by literally billions of dollars today.

The long-range ballistic missile, moving many thousands of miles per hour as it enters the earth's atmosphere, encounters aerodynamic heating of great magnitude. So serious and so large are these problems of heating that success or failure of the whole long-range ballistic-missile program hinges on their practical solution.

Many NACA facilities have been brought to bear on the problems. Aerodynamic studies at the Ames Laboratory; powerplant investigations at the Lewis Laboratory; structural and aerodynamic research at the Langley Laboratory and at the latter's Wallops Island Pilotless Aircraft Research Station—all have contributed to the growing fund of missile technology.

In 1957 the NACA publicly reported two significant steps taken at its Ames Aeronautical Laboratory toward eventual solution of the heat problem for missiles. One was a new concept of shaping the missile nose cone. The second was the design of a relatively simple laboratory tool to simulate with useful accuracy the aerodynamic heating and resulting thermal stresses experienced by a missile entering the atmosphere.

In this connection, NACA scientists have worked closely with the military organizations and industry groups engaged in developing intercontinental and intermediate range ballistic missiles. Every effort has been made to assure that newly won laboratory knowledge passes rapidly into the industry. NACA staff members frequently furnish consulting services, and in one recent instance proposed a redesigned missile shape, superior in heating resistance, aerodynamic stability and ease of packaging. This and other contributions have made NACA a key organization in this major national undertaking.

Last year a particular matter relating to the intercontinental ballistic missile was presented quite dramatically to the committee, and, with your indulgence, I would like to review this interesting item very briefly.

The rocket motor of the German V–2 burned for about 70 seconds. Purely for illustration, let us say the burning time of one concept of an ICB might be about three times that, some 200 seconds. During that time—3⅓ minutes—the fuel and oxidant might be pumped into the combustion chamber at the rate of about a ton a second.

Calculations indicate that if the missile is going to destroy a priority target, the rocket motor must operate with a degree of precision which has not been used before in devices of this size or complexity. In 5 minutes a missile must reach an altitude of 500,000 to 1 million feet, traveling at a velocity of 18,000 miles per hour. If the velocity is 18,005 miles per hour, it misses the target by 5 miles. Likewise if 1 percent of the propellant is not used, the miss may be measured in hundreds of miles.

But NACA is engaged not only in producing more efficient aircraft and missiles from the standpoint of speed, stability, and dependability. It is also delving into a matter which is of concern not only to every Member of the House but to virtually every individual in the United States, and that is the subject of the noise caused by aircraft.

The noise produced by aircraft and missile powerplants have reached such high levels that the orderly development of aviation is being impeded. The noise is objectionable to those living near airports, can be physically damaging to personnel near the noise source, and, as noise is a fluctuating pressure wave, can damage the structure, equipment, and control systems of the engine and the vehicle.

As the power produced by jet and rocket engines increases, we know that the noise levels will also increase unless methods are discovered with which to control the noise. The NACA has under way a three-way research program aimed at alleviating aircraft-noise problems. One part is a basic study of the amount of noise and ways in which it is produced by aircraft and missiles and their powerplants. Another part is aimed at reducing the amount of noise being produced, and the third part concerns research on aircraft structures and equipment able to withstand the noise pressure.

Jet and rocket engines operating on the ground and during takeoff produce about the loudest nonexplosive noises known to man. Research has demonstrated that this noise is caused by the mixing of the high-speed exhaust gas with the surrounding air, and that the amount of noise can be related to the area of the jet and the velocity of the jet. The noise fields around various operating turbojet and rocket engines have been mapped at distances from a few feet to several hundred feet from the engines.

The NACA is continuing its basic research on the manner in which this noise is produced, since an understanding of the mechanisms of noise production is required in order to properly estimate the noise fields for new jets, as well as to show the way toward reducing the noise at its source.

In order to reduce the noise produced by the mixing of the jet with the air outside the tailpipe exit, the NACA has been investigating methods of altering this mixing process so as to reduce the noise. A large number of tailpipes of various shapes have been tested, as well as such other shapes as long narrow slots such as might be used with a jet flap.

These suppressors have been tested on full-size jet engines under stationary conditions in an open field and those showing best noise-suppression characteristics have been tested in wind tunnels where flight operations were simulated, and the aerodynamic performance of the nozzles determined.

The strong shock waves encountered in supersonic flows such as those of a rocket exhaust produces extremely loud sound waves at certain frequencies, and other nozzles are being developed which reduce these shocks and their noise.

The air flowing over an aircraft flying at high speeds is another source which

produces a considerable amount of noise. The magnitude and nature of this aerodynamic noise is being studied in subsonic and supersonic flight tests with aircraft such as the F–94, B–47, and research airplanes, as well as in wind-tunnel tests by the NACA and by the California Institute of Technology under an NACA research contract. The effects of a sonic boom produced by an aircraft flying at supersonic speeds near another aircraft have been investigated.

The effect of propeller blade shape on the noise field produced by subsonic propellers has been investigated with a view toward determining the best shape for minimum noise. A theoretical method has been established for estimating the noise field around a propeller in subsonic flight for various blade loading conditions. Experiments have been conducted on the noise characteristics of supersonic propellers. The shock fields created by these propellers produce very loud noises which are a major handicap to the use of such propellers for high-speed aircraft. However, static tests have been made of supersonic type propellers in which the operating conditions of the blade have been varied so that while maintaining its efficiency, the tip speed is subsonic and the noise level is about the same as conventional propellers.

Noise levels around aircraft and missiles have increased to such intensity that parts of the structures and equipment are being destroyed or damaged so as to impair the proper operation of the vehicle. The third area of NACA noise research concerns how the noise is transmitted to and through the structure and thereby the equipment, and how to most efficiently design the structure so as to withstand the noise loads. Various types of aircraft structures are being tested to destruction by the noise pressure from such sources as jet and rocket engines, air jets, and laboratory sirens, and the information obtained is being used to devise methods for designing better structures.

I, for one, certainly hope that the NACA will be successful in its solution of the noise problem because I know that every Member of this House has received mail from constituents who are being adversely affected one way or the other by reason of the noise caused by both military and commercial airplanes.

From these few examples of NACA research and development, I hope I have given a fairly clear picture of the essentiality of NACA to our whole missile and aircraft program.

The organization is made up of truly dedicated people and I consider it an unquestionably wise decision to have this fine organization form the nucleus of the new National Aeronautics and Space Administration.

And this raises the question as to whether this bill should be amended in order to make the authority in it available to the new Agency. I can tell the House that I have looked into this matter carefully and I find that there is no requirement to modify the bill in any respect. All of the authorities which have been or are in the near future provided for the National Advisory Committee for Aeronautics will be available to the new Agency under the provisions of the new Agency's basic law.

I urge, therefore, that every Member of this House give his wholehearted support to this measure as an essential part of our legislative program to insure that we stay in the forefront of the airplane and missile race.

Mr. ALLEN of California. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM of Iowa. I yield to the gentleman from California.

Mr. ALLEN of California. Mr. Chairman, Ames Laboratory is within a few miles of my home in California. I have visited it on occasion. I agree with the gentleman from Iowa and with the gentleman from North Carolina as to the great work that is being done by a very dedicated group of men, and I think that the scientific knowledge that we have accumulated through their efforts is reassuring to anyone who has had the opportunity to see what they have done. For the money that we have spent I think we have had one of the greatest returns in practical knowledge, in scientific advancement, of any money that we have authorized to be spent in this House.

Mr. CUNNINGHAM of Iowa. I thank the gentleman.

Mr. DURHAM. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That, pursuant to subsection (b) of section 1 of Public Law 672, approved August 8, 1950 (50 U. S. C. 151b), the National Advisory Committee for Aeronautics is authorized to undertake additional construction and to purchase and install additional equipment at the following locations:

Langley Aeronautical Laboratory, Hampton, Va.: High-temperature structural dynamics facility, a cable tie, instrumentation of a dynamics systems research airplane, and an ultra-high-temperature materials facility, $16,583,000.

Ames Aeronautical Laboratory, Moffett Field, Calif.: Hypersonic helium tunnel, hypervelocity research laboratory, and modifications to the flight research laboratory, $4,321,000.

Lewis Flight Propulsion Laboratory, Cleveland, Ohio: Air heater for the unitary plan tunnel, modifications to the altitude tunnel, improvements to the propulsion systems laboratory, hypersonic missile propulsion facility, modifications to the materials research laboratory, and a high-energy rocket engine research facility, $8,892,000.

Pilotless Aircraft Station, Wallops Island, Va.: Erosion control, $137,000.

SEC. 2. Any of the approximate costs enumerated in section 1 of this act may, in the discretion of the Director of the National Advisory Committee for Aeronautics, be varied upward 5 percent to meet unusual cost variations, but the total cost of all work so enumerated shall not exceed $29,933,000.

SEC. 3. Any funds appropriated for the construction of facilities pursuant to this act may, with the approval of the Bureau of the Budget, be used for emergency repairs of existing facilities when (1) such existing facilities are made inoperative by major breakdown, accident, or other circumstance; and (2) such repairs are deemed by the Chairman of the National Advisory Committee for Aeronautics to be of greater urgency than the construction of new facilities.

SEC. 4. Not to exceed $500,000 of the funds appropriated for the construction of facilities pursuant to this act may, with the approval of the Bureau of the Budget, be used for the construction of new research facilities or for the modernization of existing research facilities not specifically authorized herein when such construction or modification is deemed by the Chairman of the National Advisory Committee for Aeronautics to be of greater urgency than the construction of the facilities authorized by this act: *Provided, however*, That no such funds shall be used for the construction or modernization of any facility for which funds may previously have been denied by the Congress.

SEC. 5. There are hereby authorized to be appropriated such amounts as may be required to accomplish the purposes of this act.

The CHAIRMAN. If there are no amendments, under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PERKINS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 11805) to promote the national defense by authorizing the construction of aeronautical research facilities by the National Advisory Committee for Aeronautics necessary to the effective prosecution of aeronautical research, pursuant to House Resolution 638, he reported the bill back to the House.

The SPEAKER. Under the rule the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

ESTABLISHING BOUNDARY BETWEEN OREGON AND WASHINGTON

Mr. CELLER. Mr. Speaker, I call up the conference report on the bill (H. R. 7153) giving the consent of Congress to a compact between the State of Oregon and the State of Washington establishing a boundary between those States, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 2234)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7153) giving the consent of Congress to a compact between the State of Oregon and the State of Washington establishing a boundary between those States, having met, after full and free conference, have agreed

to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment.

EMANUEL CELLER,
E. E. WILLIS,
JACK BROOKS,
KENNETH B. KEATING,
WILLIAM C. CRAMER,
Managers on the Part of the House.

JOSEPH C. O'MAHONEY,
ESTES KEFAUVER,
ALEXANDER WILEY,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7153) giving the consent of Congress to a compact between the State of Oregon and the State of Washington establishing a boundary between those States, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

SENATE AMENDMENT

The Senate passed H. R. 7153 with an amendment eliminating section 2 of the bill which expressly reserves to Congress the power "to alter, amend, or repeal this Act." The Senate conferees have agreed to withdraw that amendment thereby restoring section 2 to the bill.

The amendment is based on the premise that compacts between States as to their boundaries are expressions of sovereign prerogative which is not within the Federal authority to change without the consent of the States concerned (*Washington* v. *Oregon* (211 U. S. 127, 131 (1908)); *Louisiana* v. *Mississippi* (202 U. S. 1, 40–41 (1906)); *New Mexico* v. *Colorado* (267 U. S. 30, 41 (1925)); *Poole* v. *Fleeger* (36 U. S. 184, 208)).

CITED CASES NOT CONTROLLING

It is felt that the cases cited in support of this view are not dispositive of the issues here. They involve neither a change of State boundary by the Federal Government nor the right of Congress to alter, amend, or repeal its act of consent. Three cases, *Washington* v. *Oregon*, *Louisiana* v. *Mississippi*, and *New Mexico* v. *Colorado*, were suits by one State against another to require recognition of an existing boundary, and *Poole* v. *Fleeger* was a suit between two private individuals to determine, as between them, the title to certain land.

POWER OF CONGRESS TO WITHDRAW CONSENT TO COMPACTS INVOLVING STATE BOUNDARIES

The real question involved in the Senate amendment is whether or not Congress has the power, when giving its consent to an interstate compact, to expressly reserve the right to alter, amend, or repeal its act of consent.

There is no case which has directly decided this question. However, there is a case which, by analogy, could be controlling. It upheld the right of Congress, by subsequent inconsistent Federal legislation, to impair a compact between the States of Pennsylvania and Kentucky. In that case, *Pennsylvania* v. *Wheeling Bridge Co.* (18 How. 421 (1855)), a Congressional statute, the effect of which was to obstruct the Ohio River, was upheld despite Congress' previous consent to a compact between Pennsylvania and Kentucky whereby the States agreed to keep the river free from obstruction. In so holding, the court pointed out that any other result would be irreconcilable with the rule of the supremacy clause. The same reasoning would seem pertinent to the question of Congress' power to terminate or supersede a compact by the withdrawal of its consent at some later date, especially where it expressly reserves that right in the act granting consent.

The Federal Government has a continuing interest in rivers forming boundaries between States (the Columbia River forms part of the instant boundary compact), in navigation and in commerce thereon and their use in matters concerning the national defense and welfare.

A threat to the supremacy or efficiency of the Federal Government or to the interests of other States may develop or appear after a compact is consented to as well as before Congress gives its consent. In such circumstances Congress needs the power to take corrective action.

It is possible that the present compact will not actually settle the boundary dispute between Washington and Oregon. Latent defects may be discovered in the future which would cause the continuance of the dispute. The compact describes the boundaries by points of longitude and latitude, but it does not guarantee to the Congress that disputes will not arise in the same way that disputes have arisen in the past over boundary descriptions. Such disputes conceivably could affect the rights of citizens, other States, and even the national interest.

Congress, under the Constitution, passes upon and sets the boundaries of new States seeking admission to the Union. The only express constitutional prohibition with respect to the territorial integrity of the States is contained in article IV, section 3, which provides that no State shall be formed or erected out of a territory belonging to another State, or by the junction of two or more States without their consent.

FEDERAL POLICY ON WITHDRAWAL POWER CLAUSE

There has been an unprecedented rise in the number of interstate compacts in recent years. In the period from 1783 through 1920 the States ratified only 36 interstate compacts. In the period of the last 38 years since 1920 some 65 compacts have become effective with at least 6 or 7 more pending. Not only has there been a rapid rise in the number of compacts, but of much more importance is the fact that the use of interstate compact devices has been extended to a wide variety of complex subjects. There has developed an enthusiasm for the compact device as a panacea for the ills of our Federal system in the fields of interstate and Federal-State relations. Because of this circumstance it is most important that Congress seriously consider any proposal which could possibly tie its hand and set a precedent for future compacts.

Congress, generally, has been reserving the right to withdraw its consent to interstate compacts at least since the year 1911. It is not clear why this procedure was adopted. However, a case which was in litigation at that time and which was decided by the Supreme Court in 1912 (*Choate* v. *Trapp*, 224 U. S. 665) held that a subsequent Congressional revision could not impair vested rights obtained as a result of Federal statute. Apparently, in an effort to give constructive notice that compacts which Congress approved would be subject to later revision by the Congress, and that rights obtained under the compacts would therefore be subject to change and even extinguishment by Congress, it adopted the procedure of expressly reserving the right to withdraw its consent.

As a practical matter, the provision reserving the right to amend the Congressional act should remain in the bill. If the reasoning underlying the Senate amendment is correct, namely, that Congress may not later impair the boundaries of a State without its consent, then putting a reservation provision in the Congressional consent act cannot affect such right, and no harm will be done by leaving such a provision in the bill. On the other hand, if the contention is not correct, then it would seem the wiser approach to leave the provision in the bill if for no other reason than the fact that Congress has been doing so in many instances for some 47 years and omitting it from the legislation could give rise to the inference that Congress is foreclosing itself from amending the act at some later date.

EMANUEL CELLER,
ED. E. WILLIS,
JACK BROOKS,
KENNETH B. KEATING,
WILLIAM C. CRAMER,
Managers on the Part of the House.

Mr. CELLER. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

UNITED STATES MUST EXTEND AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT

Mr. AVERY. Mr. Speaker, I ask unanimous consent that the gentleman from West Virginia [Mr. MOORE] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. MOORE. Mr. Speaker, I want to take this opportunity to voice my support of legislation to extend Public Law 480, the Agricultural Trade Development and Assistance Act. It is most regrettable that Congress has let this vital program expire. It is even more unfortunate that the bill which we have under discussion today would cripple and handicap the Secretary of Agriculture in dealing with this problem of disposal of our huge supply of surplus farm commodities.

There has been much criticism of the farm programs advocated by the Secretary of Agriculture, although I for one do not believe such criticism has had any basis in fact. But, in regard to this program of disposing of our surplus farm products on the world markets either in exchange for other goods or for foreign currencies, there has been apparent accord that this is a good and well managed program even among the most outspoken critics of the administration's policies. Consequently, it is difficult, if not impossible, to rationalize or justify the amendments S. 3420 would make to Public Law 480, which would impose certain mandatory requirements on the Secretary of Agriculture in dealing with the disposal of surplus commodities. Such stringent requirements would destroy the flexibility of the program which has been largely responsible for its success during the past 4 years.

I urge my colleagues to support S. 3420, and to vote for appropriate amendments which will strike the mandatory provisions and allow the program to be used at the discretion of the Secretary of Agriculture whenever and wherever such disposal, sale or trade of these surplus commodities will inure to the best

interests of the United States Government and to promote the economic well-being of our Nation's farmers.

THE NORTHWEST FACES A POWER SHORTAGE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Oregon [Mr. PORTER] may extend his remarks at this point in the RECORD, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PORTER. Mr. Speaker, it is necessary that I take the floor today to show that, unless reversed, the administration's shortsighted power policy will lead us into a very serious power shortage in the Pacific Northwest. We must look beyond today's soft aluminum markets and the general economic recession, which have sharply reduced the demand for power in the Northwest; we must remember that we will not always be favored with a greater than normal runoff, as in the winter just past; and we must take action now to expedite planning and construction of additional Federal hydroelectric power projects which will permit a continuation of the economic growth and development of the great Northwest.

CRITICAL YEARS AHEAD

Informed persons, interested in the growth of the economy of the Pacific Northwest, have been predicting that our region faces a critical power shortage by the middle 1960's, if not sooner. Therefore, I was greatly surprised when Secretary of the Interior Seaton stated last February in Portland, Oreg., that he did not see that the Pacific Northwest faces a power shortage. I immediately wrote the Secretary and asked for the supporting data on which his conclusions were based, including detail with regard to the projects under construction and in the planning stage which he thought would prevent a power shortage in the immediate future.

Not surprisingly, in response to my inquiry, Secretary Seaton advised that he had assumed that his statments were merely confirming the consensus as reported in an article in the Portland Journal. The article referred to, of course, was based on information given by the Secretary's own Bonneville Power Administrator, Dr. William Pearl, and Paul B. McKee, president of a large Portland-based private utility. One might almost suspect that the story had been planted to carry out the Secretary's purpose of leading the Northwest to believe that all was well on the power front, so as to draw attention away from the administration's partnership policy, the Hells Canyon giveaway, and other mistakes made by the administration in this field.

Nevertheless, to substantiate his position, the Secretary presented charts and statistics purporting to show that, while there would be insufficient hydroelectric power for firm loads beginning in 1963 under critical water-year conditions, by the use of all resources, including high-cost steam power and possible imports from other regions, the shortage would not be felt by firm loads until 1965. The Secretary's charts show that after 1958–59, no hydroelectric power will be available for interruptible loads under critical water conditions, but that such loads can be met in critical water years by the use of high-cost steam power and possible imports until 1964.

The Secretary dismisses these shortages by calling attention to the fact that the charts also show that under median month water years there will be enough hydro power for the interruptible loads until 1966, and that by the use of the high-cost steam power and possible imports, the interruptible loads could be carried through 1967.

After examination of the Secretary's analysis, I find it necessary to take issue with him on several counts.

FORECASTS ARE LOW

First, the Secretary's load forecasts are very probably too low. Traditionally, requirements for electrical power in the United States have about doubled every 7 years. Secretary Seaton's charts are based on an estimate of only a 50-percent increase in electric power requirements in the northwest power pool from 1958 to 1967. At that rate it would take 15 years for the Northwest power loads to double.

Or contrast the Secretary's predictions with those contained in Electrical World's last annual forecast of the electrical industry, published September 2, 1957. It predicts that use of electrical energy in the United States will increase about 100 percent in the 1958–67 period. Even this is a slower rate of growth than has been experienced in the past.

Does the Secretary think the recession, with its attendant reduction in demand for power is going to last so long that the Nation's power load growth will be cut in half? Or does he think that our great Northwest, which in essence is and has been the very frontier of expanding economic and industrial development, is going to become, powerwise, and in terms of new industry, one of the more backward regions of the United States?

Secondly, the Secretary's reliance on the prevalence of median month hydro conditions to show a surplus of power over requirements does not give weight to the fact that critical water year conditions might appear at any time, and that median month conditions will be achieved only half of the time.

Has the Secretary been lulled by the soft aluminum market, the general economic recession, and the fact that the Pacific Northwest has just experienced one of the best water years on record, into thinking that the Northwest's power needs in a critical year can be met with capability based on median month year water conditions? Or does the Secretary want to slow down the growth of the power-consuming industries in the Northwest that depend on low-cost hydro power for their very existence?

WHERE IS THE MARGIN?

Thirdly, the Secretary says nothing about the need for a margin of capability over peak loads in order to take care of possible equipment failure, and to have power available to induce new industries to locate in the Pacific Northwest. I can well understand the Secretary's reluctance to mention this factor, because recent surveys of the electric power industry by the Edison Electric Institute published in the institute's semiannual electric power survey of October 1957, show that the power system in the area served by the West Division of the Northwest Power Pool has the lowest margin to be found anywhere in the United States. For the estimated December 1957 peak loads, the Edison Electric Institute showed the Northwest to have only a 3.9 percent margin under median hydro conditions, compared with an average of a 16.7 percent margin for the United States as a whole.

Had we experienced an adverse water year, the institute shows that the Northwest's capability would have been 11.8 percent less than needed to carry the estimated December 1957 peak loads—in other words, a deficit in power that would have had to have been made up by importing power from other areas or by artificial curtailment of loads, had not the Secretary been bailed out by a good water year and an easing of the demand for power.

Furthermore, the Edison Electric Institute's survey forecasts a continuing deficit in margin in the Northwest through 1960—the last year of the survey—under adverse hydro conditions. For the United States as a whole, the institute shows a favorable margin of from 13.8 to 20 percent, even under adverse hydro conditions. Will the Secretary continue to be lucky enough to have a combination of uncommonly high water and reduced economic activity coincide to assist in overcoming the power deficit in the Northwest?

Although the Secretary relies heavily on the article in the December 29, 1957, Portland Journal to support the position he is taking, it is interesting to note that the Portland Oregonian has not been misled in the same manner. In an editorial entitled "Weak Spots in Power," on April 27, 1958, the Oregonian included the following statement:

> As of this moment, Bonneville has surplus power to sell, both firm and interruptible. But the firm power it has to offer in big chunks is on a temporary basis. And, of course, interruptible power, as its name implies, must be withdrawn if low water stages makes its delivery impossible.
>
> This temporary surplus of power is not attractive to big power-using industries because it cannot be sold on contracts long enough to assure repayment of plant investments and long-time profits.

From my study of the material sent me by the Secretary of Interior, I can only conclude that he is deliberately pursuing a policy that is intended to deprive the Northwest of the use of its natural endowment—low cost hydroelectric power—in attracting and holding new power consuming industries.

I believe that this policy must be reversed. We must continue to harness the great natural resources of the Northwest in order to make new opportunities for our people by attracting new industries, and by strengthening and

expanding our existing industries. Strengthening the economic base of the Northwest will, in turn, strengthen the entire Nation.

OREGON UNEMPLOYMENT CONTINUES HIGH

I think it should be noted for the record that Oregon's unemployed in mid-June totaled 42,500. This is a decline of 11,600 from the previous month, according to the State unemployment compensation commission. But the 42,500 total far exceeds the mid-June 1957 figure of 25,600.

The Oregon State Unemployment Compensation Commission reported payment of $1,958,460 in benefits in June, or nearly $900,000 more than in June 1957. A year ago the State agency paid $1,061,553 in benefits.

How do we strengthen the economic base of the Northwest?

As a positive major step now, I will continue to urge a speed-up in planning of power development projects in the Northwest, followed by immediate construction funds. There is pressing need for construction of Little Goose, lower Granite, and lower Monumental Dams on the Snake River above Ice Harbor Dam in the State of Washington. There is need for a speed-up in construction of John Day Dam in eastern Oregon. And there is a current and future need for an accelerated construction program for Green Peter Dam in Linn County in the Fourth Congressional District of Oregon.

Mr. Speaker, under unanimous consent I insert Secretary Seaton's April 4, 1958, letter to me in the RECORD at this point:

THE SECRETARY OF THE INTERIOR,
Washington, D. C. April 4, 1958.

Hon. CHARLES O. PORTER,
House of Representatives,
Washington, D. C.

DEAR MR. PORTER: Your office was advised on March 14, 1958, that we would defer replying to your letter of February 25 regarding the power situation in the Pacific Northwest until we could make available charts and other materials then in the process of reproduction. In your letter you express surprise at finding that I "do not see that the Pacific Northwest faces a power shortage" and add that many persons from that section "have been in my office to tell me that a very serious power shortage is anticipated in the next few years."

While the item from the Portland Journal which you attached is described in your letter as an account of my recent speech in Portland, it should be noted that the newspaper item in fact grew out of and relates to statements made by me at a press conference. Since those statements were made from notes, I am unable to accommodate you in your request for a copy of a speech relating to Northwest power. I am pleased, however, at the opportunity to discuss briefly with you the bases for my comments regarding the power situation in the Pacific Northwest, a subject which I know is of interest to both of us.

In replying as I did to a question at the Portland press conference involving the power situation in the Northwest I had assumed that my statement would be viewed as nothing more than confirmation of the consensus of opinion in that area in light of the overall increased power production capacity during the past several years. To demonstrate, first, my point that my statement reflected rather widespread local belief I would like to quote from sources located in your own State of Oregon and then make brief reference to official records of this Department upon which I based my conclusions.

Almost exactly 6 weeks before my Portland press conference the Portland Journal carried an article on the same subject written by Editor at Large Tom Humphrey, the accuracy of which I have been unable to challenge. A story published in the Journal of December 29, 1957, carried the headline "Power Shortage End Promises Northwest Growth." I should like to quote excerpts from that article:

"Headline of the year, as far as many prospective new industries are concerned, is that this area's power shortage is over.

"Only exception is a possible lack for huge power users, in relation to employment, such as aluminum reduction—and expansion in that area isn't being contemplated anyway.

"Even median water conditions now will assure enough power, Federal and non-Federal combined, for all ordinary industrial and domestic demands in the next decade. * * * A power shortage, even in a critical water year, is unlikely before 1965–66 for this region.

* * * * *

"The optimistic figures are not guesswork or wishful thinking. They are the concensus of such power authorities as Dr. William Pearl, Bonneville Power Administrator, and Paul B. McKee, president of Pacific Power & Light. They are backed by thoroughgoing engineering studies and by the fact that seven Federal projects now under construction will increase capacity of the BPA system by more than 2 million kilowatts by June, 1967.

* * * * *

"Here is how Dr. Pearl puts it: 'We are no longer on a power shortage basis. Power now is available for any normal industrial demand. We are not entirely out of the woods, but the situation is much brighter than it was even a year ago.'"

On January 31, 1958, in a speech before a City Club meeting in Portland, the chairman of the Oregon Water Resources Board, L. C. Binford referred to "the desperate need of the Northwest for power," and then declared—significantly it seems to me in light of your questioning of my statement—

"If all the hydro plants under construction or licensed are completed on schedule we may, except for bad water periods, have enough hydro power to keep up with the load until 1963."

It will be noted that this statement refers only to hydro power.

In its February, 1958 issue (vol. XII, No. 2, p. 1) of the bulletin, the Pacific Northwest Development Association carried this statement:

"Despite many obstructionary forces, during the past few years reclamation, flood control, river improvement, and conservation projects have been moving forward at a good rate. Energy producing projects, most of which are non-Federal, along with the Federal multipurpose projects, are now being constructed fast enough to meet the normal foreseeable needs for the next 5 or 6 years."

I turn now to summaries prepared within the Department by the Bonneville Power Administration and the Bureau of Reclamation and bearing on the subject of Pacific Northwest power. All of the figures given, as well as the attached tables, apply to the Federal and non-Federal powerplants in the West Group Area of the Northwest Power Pool, i. e., the area generally recognized as the area of operation of the Columbia River power system.

In terms of name plate ratings, the installed capacity in the West Group Area as of January 1958 stood at 7,602,000 kilowatts. An additional total of 4,995,200 kilowatts were actually under construction, of which 2,728,250 were Federal and 2,266,950 kilowatts were non-Federal. Kilowatts licensed by the Federal Power Commission for construction but not under way stood at 1,090,000; and, finally, a total of 2,773,000 kilowatts were actively in the planning stages by non-Federal entities, that is, permit or license requests were pending before the Federal Power Commission.

This means that completion of projects now actually under construction will bring installed capacity before 1968 up to 12,597,200 kilowatts—for an increase of more than 65 percent in installed capacity during the 10-year period 1958–68.

To graphically illustrate the power supply outlook for the Northwest Power Pool, west group area, and for use in its mid-March presentation before the House and Senate Appropriations Committees, the Bonneville Power Administration prepared three tables, and makes this comment concerning them:

"Based on current generation schedules and use of total available resources, all firm loads in the area can be carried each year up to the fall of 1965. Actually, during this period there will also be available sufficient resources to carry all, or most, of the interruptible loads under critical conditions. Beginning with the 1965–66 storage drawdown season, new resources will be needed to meet the load requirements."

The three charts, copies of which are attached, show load estimates, loads and resources (hydro only, 1958 through 1967), and loads and resources (all resources, including steam and imports, 1958 through 1967).

Chart A, attached, gives the load growth estimate for the Northwest Power Pool. The estimate closely follows that of the Federal Power Commission.

Chart B, attached, shows firm and interruptible loads of the area. Except for the winter of 1958–59, practically all firm loads can be carried by hydro resources alone up to the fall of 1963 under critical water conditions, BPA advises; both firm and interruptible loads can be carried with hydro alone to 1965 under median water conditions, and even in 1965 most interruptible can be carried.

Chart C, attached, shows the same firm and interruptible loads of the area. This shows, according to BPA, that all firm loads and a substantial part of interruptible loads can be carried up to 1965 under critical conditions through use of all available resources, including steam and imports; under median conditions there is a substantial surplus up to 1967 for this condition.

There is also attached a copy, made available only last week, of the 1957 Report, United States Columbia River Power System, containing the details of the financial results of operations, summary of operations, and the auditors' report after two decades of development.

Taken together, these constitute some of the bases for my recent statements at Portland.

None of us, it seems to me, can afford to relax our efforts to assure full development of power resources in the Pacific Northwest. To that end, this Department is constantly reviewing and reassessing its forecasts and projections of power requirements and power capacity in that area. And, based on the best advice obtainable to me—from both in and out of Government—I can only equate the data available into my conclusions that I do not see that the Pacific Northwest faces a power shortage in the immediate future.

Your interest in this matter of such direct concern to the Department is appreciated.

Sincerely yours,

_____,
Secretary of the Interior.

PANAMA CANAL: OBJECT OF IRRESPONSIBLE POLITICAL EXTORTION

The SPEAKER. Under previous order of the House, the gentleman from

Pennsylvania [Mr. FLOOD] is recognized for 10 minutes.

Mr. FLOOD. Mr. Speaker, in the course of my previous addresses to the House on the Panama Canal, I have developed at length the pattern of demands that have been so strenuously pressed by extreme and radical elements in the Republic of Panama. Yet, their full scope was not publicly revealed until the recent visitation there, July 12–16, 1958, by Dr. Milton Eisenhower as special representative of the President of the United States.

Published after arrival cf Dr. Eisenhower, the demands include not only the officially expressed views of the Panamanian Government but also those of Panama university students. The latter call for what is termed a "fundamental revision" of the basic canal treaties.

Though not reported comprehensively in the press of the United States, the story of the Eisenhower mission has been well covered in the press of Panama and summarized in news stories in a few United States newspapers by informed American correspondents resident on the isthmus. These accounts I have now had an opportunity to study, and shall include in my remarks so that they may be examined by all in authority.

It is pertinent here to state that when the late President Jose A. Remón, of Panama, was confronted with political interferences on the part of university students, he took effective measures to keep them out of politics. Yet, recently in Panama, even during the visit of Dr. Eisenhower, university students have been injecting themselves not only into matters of domestic concern but, as well, into questions of foreign policy affecting the relations of that country with the United States. To describe these demands with candor, they constitute irresponsible political extortion. If acceded to they can only produce new demands for greater extortion.

Though the range of the demands is extensive, there are three of special significance, emphasized in the Spanish press of Panama:

One. Closing down of all business activities in the Canal Zone.

Two. Flying of the Panamanian flag in the Canal Zone and on vessels in transit.

Three. Adopting Spanish as the official language in the Canal Zone.

As to the operation of business enterprises in the Canal Zone, these are absolutely essential for Panama Canal and other United States personnel, including the Armed Forces.

The flying of the Panamanian flag in the Canal Zone and on vessels in transit would constitute a symbol of sovereignty that does not in fact exist. If this demand were ever acceded to, it would be followed immediately by others for mineral oil, and gas explorations, farming and miscellaneous business enterprises, as well as for settlement of all lands in the Canal Zone not in actual use for canal or defense purposes.

In this connection, Mr. Speaker, President Taft, by Executive order of December 5, 1912, pursuant to the Panama Canal Act of 1912 and in conformity with treaty, declared that—

> All land and land under water within the limits of the Canal Zone are necessary for the construction, maintenance, operation, protection and sanitation of the Panama Canal.

Title to all such land was acquired by the United States, making the Canal Zone a Government reservation. Every consideration requires the continuation of this policy not only for the best interests of Panama but also for the future well-being of the great project from which Panama derives the major part of its income. Furthermore, without this authority of the United States over the Canal Zone it would be impossible to operate the Panama Canal.

As for the third point, the proposal for adopting Spanish as the official language of the Canal Zone is obviously designed to force out North Americans from employment in the canal enterprise. Its effect, however, would not stop there for any such language requirement would necessarily apply to civilian employees of the Armed Forces engaged in protecting the canal. In either case, it would introduce security situations too complicated to comprehend.

The Panama Canal, Mr. Speaker, is an interoceanic public utility operated by the United States pursuant to law and treaty. It is a business proposition entirely distinct from the Republic of Panama for the benefit of world commerce. As such it must be prevented from becoming the victim of further political extortion.

Because many Panamanian leaders, when presenting their case, have repeatedly quoted former Secretary of War William H. Taft out of historical context, I wish to set the record straight as to what his exact views on the sovereignty question were.

In an address on the Panama Canal work, delivered in New Orleans, February 9, 1909, when he was President-elect of the United States, he included the following statement:

> It is said that the Lord looks after children and drunken men. Well, I think we ought to include the United States, too. * * * If the Hay-Herrán Treaty of 1903 had been confirmed by the Colombian Senate, a failure to do which aroused our national indignation, we would not have been at all in the favorable position we are now to complete that canal.
>
> Because under the treaty with Panama we are entitled to exercise all the sovereignty and all the rights of sovereignty that we would exercise if we were sovereign, and Panama is excluded from exercising any rights to the contrary of those conceded to us. Now that may be a ticklish argument, but I do not care whether it is or not. We are there. We have the right to govern that strip, and we are going to govern it. And without the right to govern the strip, without the power to police it, and without the power to make the laws in that strip bend, all of them, to the construction of the canal, we would not have been within 2 or 3 or 4 years, hardly, of where we are in the construction.

Now, Mr. Speaker, those unqualified words of President-elect Taft, who, as Secretary of War, had been confronted with Panamanian sovereignty demands are even more applicable today than they were then. First, because of 50 years of interpretation and application of the policy thus defined by President Taft and because the Panama Canal is now one of the two principal commercial crossroads of the world.

Once again, Mr. Speaker, I wish to emphasize the urgency for a Congressional policy declaration on the Panama Canal sovereignty question, for which purpose I introduced in the last session House Concurrent Resolution 205, the text of which was last published in my remarks in the RECORD of July 15, 1958.

In order that the story of the Eisenhower mission to Panama and its impact as described in the Latin American press and as interpreted by resident North American reporters may be adequately recorded, I include as part of these remarks the following selected news stories:

[From the Star and Herald, Republic of Panama, of July 14, 1958]

REPUBLIC OF PANAMA FLAG ISSUE LAID BEFORE DR. EISENHOWER—DE LA GUARDIA CITES NEED OF ECONOMIC AID—3-HOUR WORK SESSION HELD BY TEAMS OF PANAMA AND UNITED STATES OFFICIALS SUNDAY AFTERNOON

President Ernesto de la Guardia, Jr., told Dr. Milton Eisenhower yesterday that flying the Panamanian flag in the Canal Zone would contribute to a better moral climate for cooperation between Panama and the United States.

The proposal was made by the Panamanian Chief Executive at a 3-hour work session which he and his advisers held with the brother of the President of the United States at the Hotel El Panama. Dr. Eisenhower is in Panama on a fact-finding mission for his brother which will take him to Central America and Puerto Rico.

A communique issued by the Presidential press office listed, in outline form, a wide range of subjects discussed at the conference between President De la Guardia and Dr. Eisenhower and their high-level advisers. The topics were listed under three main headings: Contractual relations between the United States and Panama; creation of a better moral climate of cooperation between the peoples of Panama and the United States; and problems of economic and social development of Panama.

The Panama Government's announcement did not give details of the discussions, nor did it even suggest what was the reaction of Dr. Eisenhower and his advisers.

Dr. Eisenhower himself declined to give any details of the discussions, saying only that the Panamanian officials "presented their views on a great many problems" and that there would be "more to follow" when he goes deep-sea fishing with the President tomorrow.

He said that when he has completed his study tour of Central America he expected to make recommendations to his brother. He indicated these probably would be an extension of the recommendations on United States policies which he made in a report on his South American tour in 1953.

President De la Guardia's reference to the flag issue recalled that there has been agitation recently in Panama—particularly by students—for flying the Panamanian flag in the Canal Zone in recognition of Panama's claim of sovereignty over that strip of land.

Previous requests by Panama along that line have been turned down by the United States Government. The last time the question was formally raised was during the negotiations for the Remón-Eisenhower treaty of 1955.

On May 2, the University Students Union carried out "Operation Sovereignty" in the Canal Zone. It consisted of planting around 70 Panamanian flags in Canal Zone territory. At a student demonstration in connection with that operation, President De la Guardia pledged that his administration would take the matter up officially with the United States. The matter was referred to the National Council of Foreign Relations and yesterday's proposal by the President was the first official mention of the issue since that time.

The communique did not give details of the President's proposal. In listing the points which the President submitted to Dr. Eisenhower, the communique said:

"B. Creation of a better moral climate of cooperation between the peoples of Panama and the United States. The national flag of Panama in the Canal Zone and the adoption of Spanish as the official language."

The text of the communique issued by the Presidential press office is as follows:

"In an atmosphere of the greatest cordiality, the President of the Republic and members of his cabinet reviewed fully with Dr. Milton S. Eisenhower and his party, the relations between Panama and the United States for the purpose of arriving at means of strengthening them on the basis of the gains made along that way up to the present, particularly in connection with the approval by the Congress of the United States of the laws required for the implementation of the 1955 agreements, in which measures the action of President Eisenhower has been decisive.

"Immediately after that, the President of the Republic submitted to Dr. Eisenhower the following points:

"A. Contractual relations between the United States and Panama.

"1. Fair interpretation of the agreements in force.

"2. Guaranteeing the Canal Zone market to Panamanian commerce and industry. Purchases by the Canal Zone in Panama (Items 8 and 9 of the Memorandum of Understandings Reached). Cessation of economic activities other than those connected with the purposes for which the Canal treaty was signed.

"3. Rates for supplying water to Panama.

"4. The single wage scale.

"5. Refund of import duties on liquors sold to the Canal Zone.

"B. Creation of a better moral climate of cooperation between the peoples of Panama and the United States. The flag of Panama in the Canal Zone and the adoption of Spanish as the official language.

"C. Problems of economic and social development of Panama.

"1. The United States should have primary interest in Panama's development of its full economic possibilities as the only means of meeting the needs and requirements of a rapidly growing population.

"2. The Panamanian State and its obligations with regard to economic development and the furnishing of education, health and social improvement services.

"3. Mutual advantage for the United States and Panama from a plan for cooperation and economic aid, on an emergency basis, in some cases, and on a long-range basis, in others, for the immediate improvement of the unemployment situation and for enlarging and strengthening the basis of Panamanian economy.

"4. An economic cooperation plan.

"With respect to the economic cooperation plan, the President of the Republic divided it into two parts, one referring to funds for an emergency program and the other to long-term measures connected with the future development of the country. The President of the Republic submitted to the consideration of the visitors various projects prepared by the National Government, some of which were examined in detail and all of which awakened such interest that it was agreed that they would be discussed more fully before Dr. Eisenhower's departure."

The work session at the Hotel El Panama was attended by:

In the Panama team: President De la Guardia, Foreign Minister Migual Moreno, Jr., Minister of Government Max Heurtematte, Minister of Finance Fernando Eleta, Minister of Public Health Heraclio Barletta, Minister of Agriculture and Commerce Alberto Boyd, Minister of Education Carlos Sucre, Minister of Public Works Roberto Lopez, Comptroller General Roberto Heurtematte, Ambassador to Washington Ricardo Arias, and Administrative Assistant to the President Inocencio Galindo.

In the United States team: Dr. Eisenhower; Roy R. Rubottom, Assistant Secretary of State for Inter-American Affairs; Dempster McIntosh, Managing Director of the Development Loan Fund; Tom Coughran, Assistant Secretary of the Treasury; Samuel C. Waugh, President of the Export-Import Bank; United States Ambassador to Panama Julian F. Harrington, and Lt. Col. Vernon Walters, who acted as interpreter.

Dr. Eisenhower and President De la Guardia were together for 4½ hours in a meeting that started with a luncheon in a private dining room of the Hotel El Panama and then moved to the presidential suite. Three hours of that time were devoted to a discussion of Panama's problems.

Dr. Eisenhower's official program for Sunday started at 10 a. m., with a courtesy call on President De la Guardia at the Presidential Palace. The automobile ride along Central Avenue was uneventful. There was scattered applause at some points. Some spectators complained that the official motorcade traveled too fast.

In the Yellow Hall of the Presidential Palace, Dr. Eisenhower presented De la Guardia with a glass cigarette box and ash tray, a gift from President Eisenhower.

Then Dr. Eisenhower went to the Canal Zone to call on Governor W. E. Potter (who had returned from Washington at 6 a. m., Sunday) and Lt. General Ridgely Gaither, Commander-in-Chief of the United States Caribbean Command.

Governor Potter said Dr. Eisenhower asked for background information on some questions he expected would be raised at his meeting last evening with representatives of Canal Zone non-United States-citizen labor unions. These included housing and wage rates. Potter said Dr. Eisenhower also made an inquiry on a Panamanian complaint about the importation of beef in the Canal Zone. The Governor quoted figures of 1 million pounds of Panamanian beef purchased annually by the Canal Zone as against 50,000 pounds of imported beef.

General Gaither said he and Dr. Eisenhower discussed the weather in Baltimore. Both are Baltimoreans.

The afternoon was devoted to the work session, which was followed by the conference with the labor delegation.

In the evening, Dr. Eisenhower and his daughter, Ruth, were guests of honor at a dinner tendered in the Balboa Room of El Panama by President and Mrs. De la Guardia.

Dr. Eisenhower's program for today will be announced this morning. It is known, however, that he will make a trip through the Panama Canal accompanied by Roberto Heurtematte, Panama's Comptroller General, and Ricardo Arias, Ambassador to Washington.

Will Discuss Labor's Issues With Zone, Says Eisenhower

Dr. Milton Eisenhower yesterday promised to take up with Canal Zone officials a seven-point memorandum listing wage and treatment issues raised by representatives of non-United States citizen labor.

President Eisenhower's brother received the labor delegation, composed of officers of locals 900 and 907, AFL–CIO, at the United States Embassy residence where he is staying during his visit in Panama.

Elimination of the segregation that still exists in the Zone was one of the issues voiced by the labor group.

"You gentlemen," Dr. Eisenhower told the group, "probably realize that my brother has perhaps done more than any other President to do away with segregation. He is opposed to segregation but you gentlemen realize you cannot change the minds of all the people at one time."

The local-rate labor delegates also presented their bid for a 10 percent wage hike to match that recently awarded the classified civil service employees. They disagreed with the policy of fixing wages based on the area of recruitment. They described to him the unions' low-cost housing project.

The group which called on Dr. Eisenhower included W. H. Sinclair, AFL–CIO international representative, Harold W. Rerrie, president of local 900; Alfred J. Morris, president of local 907; Jose de la Rosa Castillo and Ricardo Martin.

Dr. Eisenhower was accompanied by Under Secretary of State Roy Rubottom; Dempster McIntosh, managing director of the Development Loan Fund Corp.; United States Ambassador to Panama Julian F. Harrington and Robert Cox, labor attaché of the Embassy.

The labor group later said it had received the following statement from an Embassy representative: "Dr. Eisenhower, as personal representative of the President of the United States, has invited you into his temporary home in Panama to discuss problems with him and to assist him in his fact-finding mission. Certainly no official or employee of the United States Government would attempt to detract in any way from this effort either now or in the future."

The seven points submitted by the labor group to Dr. Eisenhower were:

1. A 10-percent wage increase for all Panamanian employees in the Canal Zone who will not receive any substantial increase from the application of the single wage scale.

2. That the adjustment of incumbents into the single-wage structure be made according to the grade and step presently held by the incumbent so as to protect his seniority.

3. We disagree with the present policy of fixing wages based on the area of recruitment. Experience has taught us that this is not the most practical or fair method. The Panamanian Government fully supports this point of view.

4. It is necessary that the United States Government support and back the efforts of AFSCME, AFL–CIO, and the local unions to put over their low-cost housing project for Panamanian workers in the Canal Zone.

5. The elimination of segregation that still exists in the Canal Zone.

6. More support to Panamanian union in the Canal Zone, by United States Government agencies.

7. We insist that Panamanian workers in the Canal Zone should have representation on the Canal Zone Board of Appeals.

Text of the unions' statement on the conference with Dr. Eisenhower is as follows:

"AFSCME, AFL–CIO international representative William H. Sinclair said last night that he and other union officials who met with Dr. Milton Eisenhower and members of his delegation were very satisfied with the cordial manner and friendly atmosphere in which the conference was held.

"Harold W. Herrie, chairman and spokesman for Local 900 at the meeting, expressed great satisfaction in meeting with Dr. Eisenhower and the opportunity afforded to the

Canal Zone noncitizen labor groups to present their views on a number of issues.

"Both Sinclair and Rerrie agreed that Dr. Eisenhower expressed great interest in the low-cost housing project being sponsored by the international union for noncitizen workers of the Armed Forces and Canal Company Government. Dr. Eisenhower said that he had already received some information on the acute housing situation in Panama and was apparently definitely pleased with the efforts being made by the labor unions to help find a permanent solution to this tremendous problem.

"Dr. Eisenhower said he knew President Arnold S. Zander personally, which led union spokesmen to believe that the highest sources in Panama, the Canal Zone, and the United States will give full backing to the union's housing program which is scheduled to get underway as soon as the AFSCME's housing adviser arrives on the isthmus later this month.

"The question of a 10-percent wage increase for noncitizen workers in the Canal Zone, which was denied by the Canal Zone Administration recently, was also raised at the conference where union officials brought Dr. Eisenhower up to date on the steps already taken by the local unions in the zone and the international union in Washington.

"This and other matters raised at the conference by spokesmen for local 907 would be taken under advisement, Dr. Eisenhower said. He will discuss a number of the issues with local officials in the Canal Zone, then make a full report to his brother, President Dwight Eisenhower, when he returns to Washington.

"Spokesmen for local 900 and the international union were very firm in pointing out to Dr. Eisenhower that they want to see a labor man on the Canal Zone Board of Appeals. The House of Representatives recommended in H. R. 6708 that Canal Zone Panamanian employees be represented on the board.

"Sinclair and Rerrie insisted, however, that they did not want anyone on the board who would be a 'yes man,' but they wanted someone instead, preferably from noncitizen labor unions, who would stand up for the rights of the workers on all issues.

"Sinclair and Rerrie told Dr. Eisenhower they wanted a labor man on the board because if he did not do a good job they would want to remove him right away.

"The labor spokesmen were very elated, however, over the great interest Dr. Eisenhower expressed in connection with the low-cost housing project which is a point of superlative importance to the local union's and international union's platform."

REPUBLIC OF PANAMA STUDENTS REITERATE INVITATION

The University Students Union of Panama yesterday wrote Dr. Milton Eisenhower, reiterating its invitation for a meeting in the National University.

The union's letter was in reply to a communication from Dr. Eisenhower which turned down the students' demand that any meeting with him should be held in the university.

A United States Embassy spokesman said last night that Dr. Eisenhower will not reply to the students' letter and that the matter is regarded as closed.

The students' letter, which was delivered by hand to the United States Embassy residence at La Cresta, said:

"DEAR DR. EISENHOWER:

"The Union of University Students regrets that the tight schedule arranged for you, prior to your departure, by the United States State Department makes it impossible for you to accept the invitation that was cabled directly to you in Washington on July 11 at 9:58 p. m.

"We deplore that those responsible for arranging the program of conversations to acquaint you with the problems of the respective countries that you are visiting should fix the site for these at the Embassy residence, which, under international agreements, is territory under the jurisdiction of the country it represents.

"We reiterate to you our invitation to the National University at your convenience or when you are not traveling on such a 'tight' schedule as you mentioned in your letter yesterday, and under the same arrangements; namely, accompanied by your personal escort and under our protection."

[From the Star and Herald, Republic of Panama, of July 15, 1958]

EISENHOWER, STUDENTS WAIT FOR EACH OTHER—RECTOR KEEPS APPOINTMENT AT EMBASSY HOME—DISCUSSIONS WITH PANAMA OFFICIALS WILL CONTINUE TODAY DURING ALL-DAY FISHING TRIP

Dr. Milton Eisenhower and his Panamanian colleague, Dr. Jaime De la Guardia, rector of the National University, had a friendly chat last evening, but students stayed away from the meeting at the United States Embassy residence. Instead, they waited for Dr. Eisenhower to show up at the university.

Dr. Eisenhower, who is president of the Johns Hopkins University, and the University Students Union had exchanged invitations to meet, but at different places. He is on a fact-finding tour for his brother, the President of the United States. He declined to come to the university campus because of a tight schedule. The students refused to go to the Embassy residence at La Cresta because that technically is foreign territory.

The invitation from Dr. Eisenhower was for a delegation of students, plus the university rector. Only Dr. De la Guardia showed up. They had a friendly chat about their administrative responsibilities as university heads.

Yesterday's program for Dr. Eisenhower still listed at 6:30 p. m. appointment with a student group at the Embassy residence, despite student announcement that it would not be kept. At that hour a delegation of five students waited for him in the university administration building atop a hill in plain sight of his temporary home.

The students, who are at odds with the Panamanian Government, enforced their own security precautions and posted armed student guards in the campus area. They had announced that members of neither the Panama National Guard nor the secret police would be permitted on the campus as security guards for Dr. Eisenhower.

For the benefit of photographers, the student delegation that was to have met with Dr. Eisenhower sat down around the table set aside for the meeting. At the head of the table was an empty chair with the sign "Mr. Eisenhower." The student delegation was composed of Virginia Ramirez and Ricardo Quiroz, of the Union of High School Students; Julio Rovi and Carlos Arellano, of the University Students Union; and Blas Bloise, of the Federal Council of the Students Federation.

At noon yesterday, about three score students carrying posters demonstrated peacefully opposite the United States Embassy office building, which is in a different section of the city from the Embassy residence. One poster said: "Milton Go To the United States of America." Others dealt with Panama's claims of sovereignty over the Canal Zone and with student demands for a 50–50 split of Canal revenue between the United States and Panama. Still others made reference to allegations that the United States Armed Forces in the Canal Zone supplied arms to the National Guard during the disorders last May in which several students were killed.

The demonstrators dispersed 45 minutes later without incident after being informed by a National Guard officer that neither Dr. Eisenhower nor Ambassador Julian F. Harrington was in the building.

At that hour, Dr. Eisenhower was on a trip through the Panama Canal. He told newsmen last night that "if I had been there, I would have invited them to send a delegation in and discuss all they wanted to discuss."

Dr. Eisenhower has been on the isthmus since Saturday. Panama is the first stop in his study mission which will take him through the Central American countries.

The impasse with the university students about where to meet has been the only incident in his Panama visit. Of the students' refusal to visit him at the Embassy residence because it is foreign territory, Dr. Eisenhower said yesterday, "If I took the same attitude, I would not have come to Panama. I have discussed problems with various groups. Any delegation which the students may have sent would have been received as cordially as any of these groups."

Dr. Eisenhower declined to comment for publication on Panama's touchy proposal to have the Panamanian flag flown in the Canal Zone, but he said that in the discussions Sunday with President Ernesto de la Guardia, Jr., there was no suggestion of the revision of any of the treaties between Panama and the United States.

A student statement of topics which would have been discussed with Dr. Eisenhower listed the "fundamental revision" of those treaties as the main item. It gave the following as the "minimum aspirations" of students:

1. Express reaffirmation by the United States of the sovereignty of the Republic of Panama over the Canal Zone territory.

2. Liquidation of the Panama Canal Company because it is a violation of the terms of existing treaties between the two countries.

3. Substitution of the term "in perpetuity" in the 1903 Canal Treaty by a period which will be in keeping with the principles of international law.

4. Sharing on an equality basis of economic benefits resulting from the canal enterprise.

5. Express recognition of Panama's civil, penal, fiscal, and labor jurisdiction over nonmilitary affairs in the Canal Zone.

6. Elimination of discriminatory policies in the Canal Zone.

7. The free use by Panama of the terminal ports of Balboa and Cristobal.

8. Enforcement in the Canal Zone of the principle of equal pay for equal work.

9. Preferential use of the Canal Zone market for Panamanian industry and commerce. Elimination of private commercial companies in the Canal Zone.

10. Raising of the Panamanian flag in the Canal Zone and recognition of Spanish as official language.

11. Elimination of United States postage stamps and exclusive use of Panamanian postal service in the Canal Zone.

12. Refund of the rentals collected by the United States on land formerly owned by the Panama Railroad Company.

Under the heading, "Specific Items To Be Discussed with Dr. Milton Eisenhower," the students listed the following:

1. Release of Lester Greaves, who is serving a 50-year penitentiary term in the Canal Zone on a charge of rape.

2. Elimination of military training for the National Guard, which should be limited only to police functions.

3. Nonrecognition by the United States of dictatorships.

4. Greater cooperation between the United States and Latin American countries to enable the latter to create their own economy.

5. Hemispheric solidarity on a basis of equality and mutual cooperation.

6. "Cessation of provocative and offensive acts on the part of Canal Zone residents and

Members of Congress of the United States against national dignity."

7. Ratification of the stand of the National Congress of Students for the nationalization of the Canal.

Student spokesman at the university contrasted the attitude of Dr. Eisenhower, a university man, of refusing to come to the campus with that of Vice President RICHARD M. NIXON who braved stones to talk with South American students.

Dr. Eisenhower's discussion with Panamanian officials will continue today during an all-day deep-sea fishing trip to which President Ernesto de la Guardia, Jr., has been invited.

He and the President met for 3 hours Sunday to discuss a wide range of problems. These referred to relations between Panama and the United States and to economic aid. Of his discussions with the President, Dr. Eisenhower said yesterday:

"We had a most helpful visit with the President and we will continue it tomorrow (Tuesday) during the fishing trip. A large part of the discussion dealt with Panama's economic situation and with plans of the Panamanian Government which would call for immediate short-term and long-term help."

Some of the Panamanian Government's proposals, Dr. Eisenhower declared, may be "quite eligible" for private financing.

"I have no doubt", he added, "that other projects will be developed with a view to obtaining credit from other sources, such as the Export-Import Bank, the Development Loan Fund, or the World Bank."

He remarked that he considered "the presentation by President De la Guardia and his associates thorough and well thought through." He added that he thought that those projects which would require credit "all would be repayable."

Dr. Eisenhower said that most of the subjects of discussion dealt with the aspirations of the Panamanian leaders to better the economic conditions of the people.

Today's fishing trip will bring to a close Dr. Eisenhower's official visit to Panama. He leaves early Wednesday for Tegucigalpa, Honduras, where his arrival is scheduled for 10 a. m.

Dr. Eisenhower spent practically the entire day yesterday in the Canal Zone, observing the operation of the waterway and visiting military installations.

He first stopped at Miraflores locks, where Governor W. E. Potter and Marine Superintendent W. S. Rodiman acted as tour directors. The party then traveled to Pedro Miguel to embark on the canal tug *Culebra* for a 3-hour trip through the cut and across Gatun Lake.

Lunch was served aboard the tug.

From the Gatun boat landing, Dr. Eisenhower and his party were taken on a tour of Army installations which included the United States Army Caribbean Latin American School at Fort Gulick, the Jungle Warfare Training Center at Fort Sherman, and the historic Fort San Lorenzo.

Dr. Eisenhower's party consisted of 26 persons. Guests included Roberto Heurtematte, Comptroller General of Panama; Fernando Eleta, Minister of Finance, and Ricardo Arias, Panamanian Ambassador to Washington.

At a briefing for newsmen later, a Panama Canal spokesman said the canal trip afforded an opportunity for Dr. Eisenhower and Governor W. E. Potter to discuss items pertaining to the Canal Zone which were raised by President De la Guardia at the work session Sunday with Dr. Eisenhower.

The spokesman said Dr. Eisenhower showed considerable interest in the mechanics of the waterway and that he was impressed by the durability of the 50-year-old waterway.

An Army representative said Dr. Eisenhower expressed interest in the activities of the Latin American School to acquaint Latin American officers with United States-style democracy.

The party returned to the Pacific side by military plane at 4 p. m.

The meeting with University Rector Jaime de la Guardia was next on Dr. Eisenhower's schedule.

In the evening, United States Ambassador and Mrs. Julian F. Harrington tendered a dinner in honor of President De la Guardia and Dr. Eisenhower. This was followed by a reception for 100 additional guests.

[From the Panama American of July 14, 1958]

REPUBLIC OF PANAMA STUDENTS PICKET UNITED STATES EMBASSY—QUIT WHEN TOLD EISENHOWER, HARRINGTON TRANSITING CANAL

About 50 Panamanian high-school students picketed the United States Embassy in Panama City this afternoon carrying placards proclaiming "Milton, the Canal Is Ours," "50 percent of the Canal" (a reference to the claim that the United States should split the gross revenue of the canal 50–50 with Panama) and "We Don't Want Communism."

Later they displayed their signs along the 4th of July Avenue, at the National Institute.

They announced their intention of remaining at the Embassy till they saw Dr. Milton Eisenhower or United States Ambassador Julian F. Harrington. A National Guardia prowl car detachment led by Maj. Bartolomé Carrión moved them back from the entrance to the Embassy, but told them they could stay across the street in the sun if they wished. Carrión also told them that Eisenhower and Harrington were transiting the canal today, and would not be at the Embassy. The pickets left shortly afterward.

Meanwhile, University Student Union president Carlos Arellano Lennox announced that the university students would be all ready to greet Eisenhower at the University at 6:30 this evening. The students would institute their own security precautions for Eisenhower on the campus of the autonomous university, Arellano announced.

Eisenhower will not be there. An Embassy spokesmen announced that following the students' refusal yesterday to send a delegation to meet Eisenhower in the United States Embassy residence on La Cresta (El Panam á Milton) this evening, Eisenhower regarded the matter as closed.

The students stated that their refusal to meet Eisenhower there was based, among other reasons, on the fact that the Embassy residence is technically United States rather than Panamanian territory.

Eisenhower and Harrington, together with the Canal Zone Gov. William E. Potter, marine director, Capt. W. S. Rodiman, Eisenhower's daughter, Ruth, who is acting as his official hostess on his present trip, Mrs. Potter, Mrs. Harrington, other members of the Eisenhower team and representatives of the Canal Zone brass were aboard the Panama Canal Company tug, *Culebra*, enjoying a sunny day on the glistening waters of the canal between Pedro Miguel locks and Gatun. Also on the trip were Ricardo Arias, Panama's Ambassador to the United States, and Finance Minister Fernando Eleta.

The lunch on board would not be quite the same as regular clubhouse fare, Potter allowed.

Commanding the bright, shiny *Culebra* is Capt. Edward K. Wilborn, who has A. T. Van Gelder as engineer, and a crew of 10.

After arriving at Gatun this afternoon the Eisenhower party was scheduled to visit the USARCARIB Latin American School at Fort Gulick and the Jungle Warfare Training School at Fort Sherman.

They were to fly back to Albrook from the small Fort Sherman strip by military light aircraft.

Tonight Harrington is giving a dinner for Eisenhower and President Ernesto de la Guardia, Jr. This dinner will be followed by a reception.

Tomorrow the Eisenhower party, top military and civilian brass from the Canal Zone, along with President De la Guardia and many of his top officials are to put out to Panama Bay on the most brass-bound fishing expedition known in their area for years.

Discussion on the trip is likely to include money and marlin, collateral and corbina, sovereignty and sailfish, as the party informally carries on the closed-door session which ran into 90 minutes overtime at El Panama Hilton yesterday.

The United States team at yesterday's session consisted of Eisenhower, Harrington, Assistant Secretary of State for Latin American Affairs Roy R. Rubottom, Assistant Secretary of the Treasury Tom B. Coughram, Export-Import Bank President Samuel C. Waugh, and Development Loan Fund Manager Dempster McIntosh.

At the table for Panama were President De la Guardia, Panamanian Ambassador to the United States Ricardo M. ("Dicky") Arias, Foreign Minister Miguel J. Moreno, Jr., Treasury Minister Fernando Eleta, Minister of Government and Justice Max Heurtematte, and Comptroller General Roberto Heurtematte.

Other members of the De la Guardia cabinet sat behind the Panama team.

An official Panamian Government statement later announced that President De la Guardia presented the following points to Eisenhower:

"A. Contractual relations between the United States and Panama.

"1. Fair interpretation of the agreements in force.

"2. Guaranteeing the Canal Zone market to Panamanian commerce and industry. Purchases by the Canal Zone in Panama (Items 8 and 9 of the Memorandum of Understandings Reached). Cessation of economic activities other than those connected with the purposes for which the Canal Treaty was signed.

"3. Rates for supplying water to Panama.

"4. The single wage scale.

"5. Refund of import duties on liquors sold to the Canal Zone.

"B. Creation of a better moral climate of cooperation between the peoples of Panama and the United States. The flag of Panama in the Canal Zone and the adoption of Spanish as the official language.

"C. Problems of economic and social development of Panama.

"1. The United States should have primary interest in Panama's development of its full economic possibilities as the only means of meeting the needs and requirements of a rapidly growing population.

"2. The Panamanian State and its obligations with regard to economic development and the furnishing of education, health, and social improvement services.

"3. Mutual advantage for the United States and Panama from a plan for cooperation and economic aid, on an emergency basis, in some cases, and on a long-range basis, in others, for the immediate improvement of the unemployment situation and for enlarging and strengthening the basis of Panamanian economy.

"4. An economic cooperation plan."

The Panamanian Government statement said Mr De la Guardia divided his economic cooperation plan into two parts.

One part referred to funds for an emergency program, and the other to long-term measures connected with the future development of Panama.

Arellano Lennox said today that the reference to the flying of the Panamanian flag in the Canal Zone was just what the university students had in mind when they launched "Operation Sovereignty," the flag planting

foray into the Canal Zone May 2. He added that a Panama University student convention 2 years ago had resolved that Spanish should be the official language of the Canal Zone.

A student spokesman also denied that the university students intended to exploit Eisenhower's refusal to meet them in the university.

The spokesman said: "To exploit implies the use of coercion to force the acceptance of our ideas. This would mean conducting the student movement along lines contrary to the principles of a democratic organization. We reject such conduct.

"On the other hand, upon seeing it played up in certain North American newspapers that the University Students Union is led by Communist principles, we want to make it clear once and for all that while the university includes students of all shades of political opinion, the University Students Union has maintained an all-out fight against the Communist philosophy and against everything that means totalitarianism."

The current issue of "The University Voice," a newspaper published by the Students Union, describes the present government of Panama as being "infiltrated by confessed and repentant Communists." The publication declared, presumably in reply to charges that there is communism in the student movement, "Communism is in the government, not in the student movement. The knowledge escapes no one that an avowed Marxist is to be found behind the Presidential chair."

This is taken to be a reference to Presidential adviser Diogenes de la Rosa.

The Eisenhower appointment yesterday with greatest impact on the Canal Zone was probably his meeting at La Cresta with representatives of locals 900 and 907 of the American Federation of State, County, and Municipal Employes, AFL–CIO.

Calling on Eisenhower were local 900 president Harold A. Rerrie; local 907 president Alfred J. Morris; AFSCME international representative William H. Sinclair; local 907 secretary-treasurer Ricardo Martin, and local 907 adviser Jose de la Rosa Castillo.

They presented to Eisenhower the following list of their aspirations:

1. A 10-percent wage increase for all Panamanian employes in the Canal Zone who will not receive any substantial increase from the application of the single wage scale.

2. That the adjustment of incumbents into the single wage structure be made according to the grade and step presently held by the incumbent so as to protect his seniority.

3. We disagree with the present policy of fixing wages based on the area of recruitment. Experience has taught us that this is not the most practical or fair method. The Panamanian Government fully supports this point of view.

4. It is necessary that the United States Government support and back the efforts of AFSCME, AFL–CIO, and the local unions to put over their low-cost housing project for Panamanian workers in the Canal Zone.

5. The elimination of segregation that still exists in the Canal Zone.

6. More support to Panamanian Union in the Canal Zone, by United States Government agencies.

7. We insist that Panamanian workers in the Canal Zone should have representation on the Canal Zone Board of Appeals.

In answer to a question by Eisenhower, the union leaders conceded that in their viewpoint the segregation situation in the Canal Zone had improved considerably over the last 5 or 6 years.

Eisenhower told them his brother, President Dwight D. Eisenhower, was strongly opposed to segregation, and had probably done more to eliminate it than any other American President. "But," said Eisenhower, "it was well known that the minds of all the people could not be changed at one time."

Sinclair said today that Eisenhower told union leaders that final passage of the single wage bill is only a routine matter now.

Sinclair added that he and other members of the labor groups were very pleased with the cordial and friendly atmosphere in which the conference was held.

Rerrie expressed great satisfaction in meeting with Eisenhower and members of his delegation and the opportunity afforded to the Canal Zone noncitizen labor groups to present their views on a number of issues.

According to Sinclair, Eisenhower "expressed great interest in the low-cost housing project being sponsored by the International union for noncitizen workers of the Armed Forces and the Panama Canal Co. Eisenhower said he had already received some information on the acute housing situation in Panama and was apparently definitely pleased with the efforts being made by the labor unions to help find a permanent solution to this tremendous problem."

In a statement issued by Sinclair he said: "Union leaders felt particularly happy over the fact that Eisenhower knows AFSCME President Arnold S. Zander personally, which made them feel that the highest sources in Panama, the Canal Zone, and the United States will be backing the housing project, scheduled to get under way with the forthcoming arrival of Martin Frank, housing adviser to the union, and Thomas Morgan, international director of organization for AFSCME.

"Rerrie informed Eisenhower of the actions taken locally and in Washington in connection with the unions' bid for a wage increase of 10 percent, equal to that recently received by United States citizens employed in the Canal Zone and particularly since the single wage bill will not provide for any overall wage increases for the vast majority of workers who will remain on locality rates."

According to the statement, "Sinclair and Rerrie were very firm in pointing out to Dr. Eisenhower that they wanted to see someone representing zone workers appointed to the Canal Zone Board of Appeals as set forth in the suggestions made by members of House Committee on Post Office and Civil Service in H. R. 6708.

"They stated that they did not want to see a yes man appointed to the Board, but instead they wanted someone, preferably a labor man, placed on the Board who would stand up for the rights of the workers at all times, and be removed in the event he fails to do so. The union officials said the White House will hear a great clamor if this important suggestion made by the House of Representatives is bypassed.

"Other matters raised by spokesmen of local 907 in connection with discrimination, support of labor unions in the zone by Government agencies, the fixing of wage rates and adjustment in the single wage structure, would be discussed locally and a full report on the entire conference will be made to President Eisenhower, Eisenhower said.

"Another important issue in which the local unions are now interested cover the reduction or elimination of a 30-percent tax levied against aliens receiving civil service retirement benefits was not discussed at the conference yesterday, but was referred to the Foreign Minister for him to take up with Eisenhower, inasmuch as this would involve a tax treaty or convention between the two Governments.

"The Foreign Minister promised to discuss the matter with Eisenhower and take the necessary steps to seek an agreement which would benefit all those employees who will be covered by the civil service retirement benefits in the future and those who are already receiving such benefits."

Social highlight of yesterday's schedule was a dinner given by President De la Guardia at El Panama-Hilton last night for Eisenhower and a total of 57 guests.

Eisenhower had entertained the President and his cabinet at lunch.

The Panama Canal tugboat *Culebra*, which is often used to take tourists on sightseeing tours of the canal was decked out like a Mississippi riverboat to receive the distinguished passengers.

She was all gleaming brass and fresh paint and under the canopy on the afterdeck, green canvas chairs were set out together with tables decked with shining silver coffee pots and refreshments.

The Eisenhower party arrived on schedule at 9:15 a m. in a motorcade of black official cars which drove down onto the wharf by Pedro Miguel Locks where the *Culebra* was waiting.

Potter had arrived a few minutes earlier and was the first to greet Eisenhower and his daughter, Ruth, at the gangway.

Eisenhower, wearing a sports shirt and a Panama hat, lost no time in getting aboard and was moving around chatting informally with the other guests as the tug steamed away up the Canal in brilliant sunshine.

[From the Americas Daily, Miami Springs, Fla., of July 15, 1958]

United States Mission Gets Panama's Economic Plan

Panama.—The Presidential Office published last night the following communique on the conference held yesterday between the United States mission presided by Dr. Milton Eisenhower and a group of Panamanian officials presided by President de la Guardia:

"In an atmosphere of the greatest cordiality, the President of the Republic and the members of the Cabinet extensively revised with Dr. Milton Eisenhower and his group the relations between Panama and the United States, with the aim of finding ways to strengthen them, on the basis of the progress made to date, in particular regarding approval by the United States Congress of the laws necessary to bring into effect the agreements of 1955 measures in which the intervention of President Eisenhower has been decisive.

"Immediately after, the President submitted to Dr. Eisenhower the following points:

"Paragraph A. Treaty relations between the United States and Panama.

1. A fair interpretation of agreements in effect.

2. Guaranty of the Canal Zone market for Panamanian commerce and industry.

3. A rate for supply of water to Panama.

4. A single wage scale (in the Canal Zone).

5. Refund of import duties for liquors sold in the Canal Zone.

Paragraph B. Creation of a better moral climate of cooperation between the peoples of Panama and the United States.

The flag of Panama in the Zone and adoption of Spanish as the official language.

Paragraph C. Problems of economic social development:

1. The United States must take primary interest in the development of all Panamanian economic possibilities as the only way to face the needs and demands of her population, which is rapidly increasing.

2. The Panamanian state and development, rendering services its obligations regarding economic in education, health and social improvement.

C. Reciprocal convenience for the United States and Panama of a plan of cooperation and emergency economic aid in some cases and at long term in others, to improve immediately the situation of unemployment and to expand and strengthen the foundations of Panamanian economy.

"The President submitted to the consideration of the visitors several projects drafted by the National Government, some of which were examined in detail and all of which awakened interest, to the point that it was

agreed to discuss them more thoroughly before Dr. Eisenhower's departure.

[From the Christian Science Monitor of July 15, 1958]

PANAMA VIEWS EXPLORED—DR. EISENHOWER FISHES

(By Ralph Skinner)

PANAMA CITY, PANAMA.—In a double sense, it was a fishing expedition.

United States Government planes flew Dr. Milton S. Eisenhower and his party with Panama President De la Guardia and advisers to an island in the Pacific off Panama.

There a Panama Canal tug and two launches, plus United States Army launches took Dr. Eisenhower and the Panama President fishing.

PANAMA VIEWS PRESSED

As they fish, they will discuss the problems of Panama, economic and otherwise, continuing a discussion started July 13 with their staffs participating. It was to be a real sport-shirt conference without interruption except possibly when marlin or sailfish took the trolling bait.

The party was to stay overnight on the boats and return to Balboa early July 16 when Dr. Eisenhower is scheduled to leave for Honduras.

Since July 12, Dr. Eisenhower has been getting a thorough immersion in Panama's problems as presented by representatives of the ruling families here who also are Panama's top government officials.

All his information is presented from a strictly Panamanian viewpoint. Even during his visit July 14 in the Canal Zone, Dr. Eisenhower was accompanied by top Panama politicos.

One of them is Finance Minister Fernando Eleta, who has visited the Dr. Eisenhower home in the United States. The last time was only 3 weeks ago, Minister Eleta entertained Dr. Eisenhower on the evening of his arrival and is considered a personal friend.

There is some worry expressed by Americans here that Dr. Eisenhower may become so saturated with Panama propaganda that he cannot make a proper evaluation of the United States view in controversial matters. Others discount this by pointing out Dr. Eisenhower's astuteness and recalling that he is here for the purpose of learning Panama problems—which are basically internal ones.

SPECIAL PROBLEMS RISE

Panama has presented such problems as flying the Panama flag and making Spanish the official language in the Canal Zone. These are sops to students and nationalistic groups.

Panama's real need is money and plenty of it. A desperate need exists for a solution to the unemployment problem, low-cost housing, agricultural impetus, feeder roads, and rural development.

A new approach to the United States relations with Panama is long overdue, some think.

NEW APPROACH FAVORED

Perhaps Dr. Eisenhower, through his recommendations to his brother, can suggest a monetary gift to Panama in a decent, orderly fashion in some form of foreign aid. But it should be completely divorced from Panama Canal operations and should not be paid as blackmail to stop Panama's threats of nationalizing or internationalizing the canal, observers say.

Treaty rights of the United States to fly the United States flag in the Canal Zone should not be subject to such constant harassment nor made the subject of demands as was done July 13, observers here believe. Dr. Eisenhower rebuffed students who arrogantly demanded that he should come to their campus not to lecture them but to listen to them. He invited them to send representatives to talk to him at the American Embassy but they refused.

STUDENTS HOIST PLACARDS

Immature students have caused considerable trouble here, and on July 14 paraded with crude placards calling on "Milton" to go home, to note that the canal was Panama's, and that they demanded 50 percent of Panama Canal earnings.

Extreme security precautions reportedly exceeding those for the 1956 meeting of 20 American presidents indicated concern for Dr. Eisenhower's safety which did not make for good public relations here.

Indifference to the Eisenhower visit has marked the general attitude of the people of Panama, implying that the visit was to the ruling hierarchy. People in the street have the attitude we couldn't care less when the Eisenhower party drives through the capital city.

There is no opposition, just indifference.

[From the Washington Daily News of July 18, 1958]

MORE PANAMA DEMANDS LIKELY—IKE'S BROTHER STIRS TROUBLE

(By Edw. Tomlinson)

PANAMA CITY, July 18.—As a result of Dr. Milton Eisenhower's visit here the seeds of future trouble over the Panama Canal have been sowed.

Dr. Eisenhower referred to his trip as a "study mission" and said anything he discussed with officials would be reported to his brother and other Washington authorities only as an expression of Panamanian Government "aspirations."

Hardly had the doctor and his party left the Isthmus, however, when some extreme Nationalists passed the word Uncle Sam is now committed to negotiate with Panama concerning new treaty demands.

To some politicians, extremists and especially merchants this would mean virtual Panamanian domination of the economic and political life of this strategic waterway.

WHAT WE'VE GIVEN

Only in the last 10 days, the United States Congress appropriated $20 million to construct another bridge across the canal connecting the northern and southern portions of the Republic.

A few days later legislation was completed which makes the wages and salaries of Panamanians working in the Canal Zone equal to those paid United States citizen employees.

At the urgent request of Isthmian merchants we have refused Panamanian employees the right to trade in Canal Zone commissaries and shops. We also upped the annuity which we were paying the Republic from $450,000 to $1,130,000. And we turned over to the Republic approximately $25 million worth of land and real estate in the cities of Colon and Panama City.

JUST BEGINNING?

Apparently these concessions were considered chicken feed.

We now are called on to discontinue all commercial activities in the Canal Zone. This would force 40,000 United States employees and their families to purchase all necessities, from food to medicine in the Republic.

Politically, they insist that the United States raise the Panamanian flag in what one fiery student described as equal majesty with the Stars and Stripes over the zone, the canal and all ships passing through.

Among other things, they also think we should agree to compel our citizens and officials in the zone to forget English and speak Spanish exclusively.

In the original canal treaty of 1903, the Republic of Panama granted the United States in perpetuity all rights, power, and authority within the zone" as if the United States were sovereign of the territory. We have refused to change that document.

As the current Panamanian politicians see it, we have in effect agreed to discuss modifications of this agreement. They argue that Dr. Eisenhower came as special ambassador representing the President and that he heard highest Panamanian officials outline what they expected—and they point out these requests were put in an official communique.

Next day Dr. Eisenhower himself praised President De la Guardia for what he called a well-thought-out program. So far as the general public, particularly the Nationalists, are concerned this sounded like a commitment for future negotiations. The crusading students aren't going to let them forget it.

[From the Christian Science Monitor of July 19, 1958]

MILTON EISENHOWER STUDY MISSION—THE 21-DAY VISIT OF THE PRESIDENT'S BROTHER TO CENTRAL AMERICA INCLUDES FISHING IN ECONOMIC WATERS AS WELL AS PANAMA BAY

(By Ralph Skinner)

PANAMA CITY.—Almost all day Tuesday two fishermen sat side by side in special swivel chairs on the stern of a United States Army launch. Watching baited lines twist and jump through quiet waters of Panama Bay, the fishermen discussed United States-Panama relations and the solution of Panama's problems, which are almost entirely economic.

The fishermen were Dr. Milton Eisenhower on a 21-day fact-finding mission through six Central American nations, and Panama President de la Guardia.

The big topic was money from the United States and how to blow some strong winds on the Panamanian economic doldrums.

The money was requested on a repayable loan basis. Finance Minister Fernando Eleta told this correspondent no gifts or grants were requested by Panama, although, of course, they wouldn't be refused.

Interrupting piscatorial discussions was the word that American marines had landed in Lebanon. United States Undersecretary of State Roy R. Rubottom and Panama Foreign Minister Miguel S. Moreno flew back to Panama City immediately.

Immediate result of the 3-day visit, as seen by Finance Minister Eleta in an exclusive interview, is the better comprehension by Dr. Eisenhower of localized problems confronting Panama in relation to the Canal Zone. The Canal Zone Governor is under the Defense Department and not the State Department. Señor Eleta wants more Canal Zone purchases directed into Panama to bolster its economy and underwrite expansion of cattle, dairy, and agricultural industries. He emphasized Panama will not abuse the captive market it desires.

PANAMA "SATISFIED"

Panama officialdom is "quite satisfied" with the attention given Panama demands and proposals by Dr. Eisenhower and his team.

Panama expects priority to be given its needs and requests on account of the Eisenhower visit and expects that the United States will make feasible financing of Panama projects presented.

Señor Eleta, identifying Dr. Eisenhower as one of President Eisenhower's most trusted advisers, considers his recommendations will carry great weight. His authoritative opinion will be heard not only by his brother but by all in the United States Government concerned with Panama's future.

Señor Eleta is a personal friend of Milton Eisenhower and has visited [illegible] home many times. He expects to make repeated trips to

Washington, pushing continuance of financial negotiation with the United States.

Señor Eleta said, "We want to get started on financial negotiations as soon as we can." The Finance Minister said most of the immediately realizable Panama projects should be under way by the end of this year. Long-range projects will be taking longer but all financial arrangements are expected to be accomplished prior to the 1960 termination of the De la Guardia administration, although actual projects may be incompleted by them.

MID-EAST SEEN BOOST

Señor Eleta sees the Middle East crisis as aiding Panamanian chances of getting aid. Raw materials and oil from Latin America are becoming more essential to the United States and emphasize the need of better Latin-American relations.

Señor Eleta said, "Obviously the only true friends the United States has, aside from the NATO block, are the Latin nations." Señor Eleta said Panama's definite planned projects are ready to start immediately on receipt of United States funds. Great emphasis was put on hydroelectric power, even more than on eduction, low-cost housing, feeder roads, or agriculture. Señor Eleta said, "I believe wealth, productivity, and the standard of living is directly proportionate to electric power per capita any country generates."

Whereas students talk unceasingly of the sovereignty of Panama in the Canal Zone, Señor Eleta said not one word was mentioned in the Eisenhower discussions on this topic.

More important, he indicated, is for Canal Zone Governor Potter to be relieved of the necessity to show a profit on Panama Canal operations, enabling him to give more impulse to the Panamanian economy, while he allegedly is sacrificing to get a profit for his canal operations.

Panama complained about the high cost of water sold by the United States in the Canal Zone to the Panama Government for resale to private citizens. Panama makes a profit at the present rate, but wants a bigger profit to finance sewerage systems and other public works.

Intensification of point 4 activities here was requested from Dr. Eisenhower. Furnishing United States funds for contemplated projects is not enough, as Panama's people must be educated to use the projected facilities.

The background furnished the Eisenhower team of United States leading lending organization officials included a statement that the population is increasing at a faster rate than the gross national product, with per capita income lower than in 1953. Sixty percent of Panama's population is under 25 years and a great number under 15. Dependency on the family breadwinner is too high. The ratio between Government fiscal income and the gross national product is 20 percent, indicating people are taxed so heavily that reproductive capital is not being accumulated for further investment.

Señor Eleta said: "We cannot by ourselves in Panama solve our economic problems, which in time become social and political problems. The United States, needing political stability in Panama, should have a primary interest in development of Panamanian economic possibilities."

Dr. Eisenhower's contacts here were limited to American officials and ruling families of Panama. Señor Eleta summed up the attitude of Panama's average man to the Eisenhower visit as "intense expectation of what will result from the visit."

Monday's setting sun backlighted La Cresta Hill, where Dr. Eisenhower waited at the United States Embassy residence for a student delegation, which never came since they had requested him to meet them in the valley below.

Panama newspapers which front-paged the Panama President's proposals to Dr. Eisenhower one day, on the following day front-paged the students' minimum demands on Dr. Eisenhower. The students are desirous of dictating United States foreign policy and demanded United States intervention in the Panamanian Government, among other things. Mirroring current preoccupation with what students think, a Panama Cabinet Minister said, "I think it would have been a good thing if Dr. Eisenhower had met with the students."

"NO CRITICISM"

Asked if any criticism of Dr. Eisenhower was voiced in Panama during his stay, Señor Eleta said, "None. Dr. Eisenhower carried himself cordially and amiably and with the dignity always characteristic of himself and his family."

The Wednesday morning drive from the capital to Toucmen Airport offered Dr. Eisenhower a reminder of Panama's economic needs. Observers wondered if Dr. Eisenhower, engrossed in protocol calls, fishing parties, formal dinners, and midnight receptions, noticed Panama subsistence farmers using centuries-old agricultural methods, and boys almost men stark naked along the road, and flimsy, thatched-roofed homes with palm sidewalls.

As the Military Air Transport plane with the Eisenhower party became airborne for Honduras, the question arose how much the recollection of the Panama visit can withstand the impact of heavy schedules in five countries to be visited and remain vivid and vital for reporting to the President.

Backed by intimate personal relations with Dr. Eisenhower, Señor Eleta says he is unafraid of this. Said Señor Eleta: "Panama's position is so clear, so logical everything will be all right. We extracted our conversations and sent a summary to President Eisenhower."

HON. MORGAN M. MOULDER

Mr. PRICE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE. Mr. Speaker, it is with a sense of duty as chairman of the Subcommittee on Research and Development of the Joint Committee on Atomic Energy that I take a moment of the House time today to acknowledge a debt of the subcommittee to the gentleman from Missouri, the Honorable MORGAN M. MOULDER, for the time and the effort given by him in assisting in the development of legislation important to many State-supported universities.

I refer to a measure which, by permitting the Atomic Energy Commission to waive insurance requirements of State universities, before issuing licenses for reactor operations, will prevent delay on the part of such institutions in participating fully in nuclear research. Mr. MOULDER contacted the subcommittee some weeks ago on this problem and cooperated in writing legislation designed to solve a very serious problem.

While Mr. MOULDER'S interest may stem from his close contact with the University of Missouri, his work on this matter will help every State-supported university and every nonprofit educational institution in the country.

I have been impressed with the efforts of Mr. MOULDER in connection with this problem, but I must admit that I have had many previous opportunities to observe the effectiveness of his work as an influential Member of the House of Representatives. Respected for his legal and judicial judgment, he has been of invaluable service to the Congress because of important assignments on the Committee on Interstate and Foreign Commerce and the Committee on Un-American Activities. His colleagues in the House have observed with great admiration his effective work on the Special Subcommittee on Legislative Oversight, which is charged with the responsibility of investigating influence peddling and improper activities in the Federal regulatory agencies.

Mr. MOULDER has been a consistent champion of rural electrification and no Member of Congress has a better voting record on REA or other rural or agricultural program than MORGAN MOULDER. His constituency can certainly point with pride to his voting record and to his many accomplishments during his service in the House.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. WATTS (at the request of Mr. PERKINS) for an indefinite period, due to the illness of his mother.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mrs. ROGERS of Massachusetts, for 10 minutes on today, for 10 minutes on Thursday, and for 10 minutes on Friday.

Mr. CHRISTOPHER (at the request of Mr. MCCORMACK), for 30 minutes, on tomorrow.

Mr. MULTER, for 10 minutes, on Tuesday next, vacating his special order for today; and for 10 minutes on Wednesday next.

Mr. HASKELL (at the request of Mr. AVERY), for 1 hour, on Monday, July 28.

Mr. FLOOD (at the request of Mr. MCCORMACK), for 10 minutes, on today, and to revise and extend his remarks.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. MORANO.

Mr. PATMAN, to revise and extend the remarks he made today in Committee of the Whole and include extraneous matter.

Mr. ROBERTS (at the request of Mr. PRICE) and to include extraneous matter.

Mr. DONOHUE in two instances and to include extraneous matter.

Mr. CELLER.

Mr. BERRY (at the request of Mr. AVERY) and to include extraneous matter.

Mrs. BOLTON (at the request of Mr. AVERY) and to include extraneous matter.

(At the request of Mr. McCORMACK, and to include extraneous matter, the following:)

Mrs. KNUTSON.

Mr. ABBITT.

Mr. DIGGS in two instances.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 13121. An act to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1785. An act designating the reservoir located above Heart-Butte Dam in Grant County, N. Dak., as Lake Tschida, and for other purposes;

S. 1939. An act to amend the Federal Seed Act of August 9, 1939 (53 Stat. 1275), as amended;

S. 2266. An act to provide a method for regulating and fixing wage rates for employees of Portsmouth, N. H., Naval Shipyard;

S. 3076. An act to amend section 12 of the act of May 29, 1884, relating to research on foot-and-mouth disease and other animal diseases;

S. 3437. An act authorizing the Department of Highways of the State of Minnesota to construct, maintain, and operate a free highway bridge between International Falls, Minn., and Fort Frances, Ontario, Canada;

S. 3478. An act to insure the maintenance of an adequate supply of anti-hog-cholera serum and hog-cholera virus;

S. 3608. An act to revive and reenact the act authorizing the State Highway Commission of the State of Maine to construct, maintain, and operate a free highway bridge between Lubec, Maine, and Campobello Island, New Brunswick, Canada; and

S. 3677. An act to extend for 2 years the period for which payments in lieu of taxes may be made with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills of the House of the following titles:

On July 22, 1958:

H. R. 11645. An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1959, and for other purposes.

On July 23, 1958:

H. R. 7902. An act to authorize travel and transportation allowances in the case of certain members of the uniformed services;

H. R. 9369. An act to authorize refunds by the Veterans' Administration of amounts collected from former servicemen by the Government pursuant to guaranty of life insurance premiums under the original Soldiers' and Sailors' Civil Relief Act of 1940;

H. R. 10321. An act to authorize the Secretary of Agriculture to exchange lands comprising a portion of the Estes Park Administrative Site, Roosevelt National Forest, Colo., and for other purposes;

H. R. 11253. An act to authorize the Secretary of Agriculture to exchange land and improvements with the city of Redding, Shasta County, Calif., and for other purposes;

H. R. 11504. An act to amend title 10 of the United States Code to permit enlisted members of the Naval Reserve and Marine Corps Reserve to transfer to the Fleet Reserve and the Fleet Marine Corps Reserve on the same basis as members of the regular components;

H. R. 11518. An act to authorize the construction of modern naval vessels;

H. R. 11626. An act to amend section 6911 of title 10, United States Code, to provide for the grade, procurement, and transfer of aviation cadets;

H. R. 11700. An act to authorize civilian personnel of the Department of Defense to carry firearms;

H. R. 12161. An act to provide for the establishment of townsites, and for other purposes; and

H. R. 12694. An act to authorize loans for the construction of hospitals and other facilities under title VI of the Public Health Service Act, and for other purposes.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 45 minutes p. m.), under its previous order, the House adjourned until Thursday, July 24, 1958, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2153. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation entitled "A bill to provide a revolving fund for certain loans by the Secretary of Agriculture, for improved budget and accounting procedures, and for other purposes"; to the Committee on Agriculture.

2154. A letter from the Acting Secretary of the Treasury, transmitting a report covering claims paid during the 6-month period ending June 30, 1958, on account of the correction of military records of Coast Guard personnel, pursuant to title 10, United States Code, section 1552 (f); to the Committee on Armed Services.

2155. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation entitled "A bill to amend the act entitled 'An act to regulate the placing of children in family homes, and for other purposes,' approved April 22, 1944, as amended"; to the Committee on the District of Columbia.

2156. A letter from the Comptroller General of the United States, transmitting a report on the review of certain requirements determinations and related procurement for spare parts for aircraft and aircraft accessories, Oklahoma City Air Materiel Area (OCAMA), Department of the Air Force; to the Committee on Government Operations.

2157. A letter from the Administrator, General Services Administration, transmitting a draft of proposed legislation entitled "A bill to amend the Federal Property and Administrative Services Act of 1949 to extend the authority of the Administrator of General Services to pay direct expenses in connection with the utilization of excess property, and for other purposes"; to the Committee on Government Operations.

2158. A letter from the Assistant Secretary of the Interior, transmitting a proposed concession contract with the Superior Bath House Co., Inc., which will authorize it to obtain hot waters from Hot Springs National Park, Ark., for a period of 20 years from January 1, 1958, pursuant to the act of July 14, 1956 (70 Stat. 543); to the Committee on Interior and Insular Affairs.

2159. A letter from the Administrative Assistant Secretary of Agriculture, transmitting a report of all claims paid by the Department of Agriculture for the period July 1, 1957, to the end of the fiscal year, June 30, 1958, pursuant to the Federal Tort Claims Act (28 U. S. C. 2671–2680); to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FALLON: Committee on Public Works. H. R. 12808. A bill to amend the Federal-Aid Highway Act of 1958 to extend for an additional 2 years the estimate of cost of completing the Interstate System; without amendment (Rept. No. 2254). Referred to the Committee of the Whole House on the State of the Union.

Mr. WALTER: Committee on the Judiciary. H. R. 13451. A bill to amend section 245 of the Immigration and Nationality Act; with amendment (Rept. No. 2258). Referred to the House Calendar.

Mr. O'BRIEN of New York: Committee on Interior and Insular Affairs. H. R. 9445. A bill to amend the Hawaiian Organic Act, and to approve amendments of the Hawaiian land laws, with respect to leases and other dispositions of land; with amendment (Rept. No. 2259). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H. R. 9740. A bill to provide that the United States shall hold certain land in trust for members of the Makah Tribe of Indians; with amendment (Rept. No. 2260). Referred to the Committee of the Whole House on the State of the Union.

Mr. VINSON: Committee of Conference. H. R. 12541. A bill to promote the national defense by providing for reorganization of the Department of Defense, and for other purposes (Rept. No. 2261). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HYDE: Committee on the Judiciary. House Joint Resolution 659. Joint resolution for the relief of certain aliens; without amendment (Rept. No. 2255). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary: House Joint Resolution 660. Joint resolution to facilitate the admission into the United States of certain aliens; with amendment (Rept. No. 2256). Referred to the Committee of the Whole House.

Mr. HYDE: Committee on the Judiciary. House Joint Resolution 661. Joint resolution to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens; without amendment (Rept. No. 2257). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BALDWIN:

H. R. 13511. A bill prescribing the manner in which the claims of the Indians of California against the United States shall be presented to the Indian Claims Commission, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. DENTON:

H. R. 13512. A bill to permit all wheat farmers (including those who plant less than 15 acres of wheat) to vote in any wheat marketing quota referendum; to the Committee on Agriculture.

By Mr. HILL:

H. R. 13513. A bill to provide for further research relating to new and improved uses which offer expanding markets for farm and forest products, and for other purposes; to the Committee on Agriculture.

By Mr. THOMPSON of Louisiana:

H. R. 13514. A bill to amend the act of December 22, 1928, relating to the issuance of patents to tracts of public land held under color of title, to provide that patents may be issued under such act without reservation of minerals, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WILLIS:

H. R. 13515. A bill to amend the act of December 22, 1928, relating to the issuance of patents to tracts of public land held under color of title, to provide that patents may be issued under such act without reservation of minerals, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mrs. BLITCH:

H. R. 13516. A bill to establish the United States Study Commission on the Savannah, Altamaha, St. Marys, Apalachicola-Chattahoochee, and Alabama-Coosa River Basins, and intervening areas; to the Committee on Public Works.

By Mr. McCARTHY:

H. R. 13517. A bill to increase the amounts authorized to be appropriated for each fiscal year for the programs of maternal and child health services, services for crippled children, and child welfare services provided for by title V of the Social Security Act; to the Committee on Ways and Means.

By Mr. THOMPSON of Louisiana:

H. R. 13518. A bill to incorporate the Blinded Veterans Association; to the Committee on the Judiciary.

By Mr. DIGGS:

H. J. Res. 662. Joint resolution to establish the Emancipation Proclamation Centennial Celebration Commission, and for other purposes; to the Committee on the Judiciary.

By Mr. ANDERSON of Montana:

H. Con. Res. 365. Concurrent resolution to express the sense of Congress with respect to the size of the Army Organized Reserve; to the Committee on Armed Services.

By Mr. BROOKS of Louisiana:

H. Con. Res. 366. Concurrent resolution to express the sense of the Congress with respect to the size of the Army Reserve Force; to the Committee on Armed Services.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURNS of Hawaii:

H. R. 13519. A bill for the relief of Felicidad Caletena; to the Committee on the Judiciary.

H. R. 13520. A bill for the relief of Alfredo T. Ordonio; to the Committee on the Judiciary.

By Mr. JACKSON:

H. R. 13521. A bill for the relief of Mrs. Tristana C. Rossi; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Impartial and Nonpunitive Legislation Is Always in the Best National Interest

EXTENSION OF REMARKS
OF
HON. HAROLD D. DONOHUE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 23, 1958

Mr. DONOHUE. Mr. Speaker, I have been privileged to sit in this, and other legislative assemblies, long enough to know that there will never be any such thing as a perfect bill composed by human minds, without divine assistance. May I further say that within my experience I have never seen a measure of purely punitive intent accomplish any real or lasting good.

In the enactment of legislation under our democratic processes we have come to expect the efforts of special groups to interject their passions, prejudices and particular interests. As conscientious legislators it is our duty to closely examine these pressures and concentrate our attention upon the enactment of a reasonable compromise designed primarily to inspire observance of the law with good will because of its essentially impartial nature.

In this respect there is pending before us a so-called labor-management reform bill which was approved in the Senate by an overwhelming bipartisan vote of 88 to 1. No one with good sense claims that this measure is perfect but, even according to a great many members of the Industrial Relations Research Association, it unquestionably, if adopted, would contribute to union reform and sound industrial relations. However many contentious provisions the measure may be said to contain, it undoubtedly occupies a middle and compromise ground between the extreme demands of employer and union groups. Its enactment would tend to restrain a great many of the worst abuses plaguing some of the country's largest unions and it would provide more control by union members over the affairs of their organizations. Certainly it would discourage the unbridled ambitions of those few unscrupulous individuals whose main objective appears to be personal use of big union trust funds for their own interest.

There are also provisions in this bill placing additional restrictions upon unwarranted management practices; provisions designed to prevent scheming employers from entering into collusive arrangement with any tempted union official for the purpose of perverting real collective bargaining.

The revelations of the McClellan committee have demonstrated the need for reasonable legislation to encourage labor-management, internal activity reform. The general public expects a responsive impartial reaction of the Congress to that need. The great majority of labor unions have taken the first and biggest step in the best method of correction, from within, by their adoption of strict ethical codes of practice. With a temperate measure of impartial and reasonable, which is always the wisest, legislative encouragement we can entertain good hope for increasing good will and cooperation between labor and management for the national benefit. In pursuit of that wholesome objective, I most earnestly hope that this labor-management reform bill will be presented to the House before adjournment, so that it may be discussed, debated, and acted upon in accord with our democratic legislative traditions.

Wool Industry Needs Law

EXTENSION OF REMARKS
OF
HON. E. Y. BERRY
OF SOUTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 23, 1958

Mr. BERRY. Mr. Speaker, it is impossible to impress upon the Members of this body the absolute necessity for the extension of the National Wool Act prior to the adjournment of this Congress.

I appreciate that there are many on Capitol Hill who are saying that since the present act does not expire until March of 1959 there is plenty of time next session to extend the act.

I want to emphasize, Mr. Speaker, that the wool business is a great industry, a great private industry dependent upon private financing. I want to impress upon the Members of this Congress that within the next 30 or 45 days the sheep and wool men will have sold this year's crop of wool and lambs and will be going to their banker to arrange for financing for next year's operation. I want to impress upon each of you that no banker is going to finance any industry if that industry does not know or have a pretty good idea what its income will be.

When a sheep rancher has sold his wool, when he has sold his lambs, he takes his checks to the bank and makes settlement with his banker, and at the same time he arranges for credit for the following year's operation. Unless the National Wool Act is extended, the banker will be forced to compute the income of his client on the basis of 35-cent wool instead of on the basis of about 65-cent wool. I need not tell you what this

means to the sheep men. It means putting a great many of them out of business.

At this time when the Nation is so gravely concerned over our national defense, it would be pretty stupid for Congress to further reduce the national output of one of the most critical of all defense commodities, namely wool, and compel this Nation to depend for two-thirds or more of its wool supplies upon ocean shipments of from 5,000 to 10,000 miles.

The National Wool Act was instituted to build up the domestic wool industry. The build-up has started. Certainly this is no time to junk a program as vital to our national defense as the National Wool Act.

Appeal for Development of Coosa-Alabama River

EXTENSION OF REMARKS
OF
HON. KENNETH A. ROBERTS
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 23, 1958

Mr. ROBERTS. Mr. Speaker, the members of the Alabama delegation are joined in a concerted effort to appeal to our colleagues for development of one of the Nation's greatest waterways, the Coosa-Alabama River.

The Senate has seen fit to appropriate $150,000 for planning and design of the Millers Ferry lock and dam on the Alabama River. Soon, the House and Senate conferees will meet to decide what the public works appropriations shall be.

It is our sincere hope and desire that this appropriation for the Alabama River will be approved.

Those of us along the Coosa-Alabama Basin have written to the House conference members, appealing for their support in retaining the Millers Ferry item.

This letter, which I wish to insert in the RECORD, is signed by Congressmen BOYKIN, GRANT, RAINS, SELDEN, and ROBERTS, of Alabama, and by Congressman MITCHELL, of Georgia. It was addressed to each of the House conferees.

The letter follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., July 3, 1958.

MEMBER OF CONGRESS,
House of Representatives,
Washington, D. C.

MY DEAR COLLEAGUE: As a member of the conference appointed on H. R. 12858, the 1959 public works appropriations bill, you are no doubt aware of the action of the Senate Appropriations Committee amending this bill to include an item of $150,000 for planning and design of the Millers Ferry lock and dam on the Alabama River in the State of Alabama. We are taking this means respectfully to urge you and the other House conferees to accept this item as provided in the Senate version.

It is our sincere belief that an early beginning of construction on this already authorized project would not only benefit Alabama and the South, but would provide vast benefits for the entire Nation.

The Coosa-Alabama River, draining a basin 650 miles long and covering 22,800 square miles, flows from Rome, Ga., to Mobile, Ala. It is the second largest river flowing from headquarters in the Appalachian Mountains. Among the major centers along its bank are Rome, Anniston, Gadsden, Talladega, Montgomery, and Selma. More than 1.4 million people live in this basin and the great cities of Birmingham and Atlanta lie just outside its boundaries.

Full development of this waterway and basin would mean adequate hydroelectric power for industrial purposes, employment for its people, cheap water rate transportation, freedom from floods, and enjoyable recreation areas. The defense bulwark of our Nation would be substantially aided by the fast, safe movement of vital defense elements such as petroleum, chemicals, pulp, building materials, and ore. For the Coosa-Alabama Basin is rich in resources. Steel and iron mills along the river use ore coming into this country through the port of Mobile. Vast coal deposits are available for wider distribution if afforded river transportation.

Recognizing the staggering potential of this waterway, the 79th Congress in 1945 enacted Public Law 14, authorizing development of the Coosa-Alabama, including construction of a multipurpose dam at Millers Ferry, and two other dams on the Alabama River. Since then, a private concern, the Alabama Power Co., has begun a multimillion dollar series of dams on the upper stretches of the waterway. The Federal Government has not kept the pace, and the work authorized 12 years ago on the Alabama River remains unstarted.

We believe that the time for this construction is compelling. We express the sentiment of the entire Alabama delegation, and affected sections of Georgia, when we again ask that funds in the amount of $150,000 be appropriated for this purpose at this time.

Very sincerely,

FRANK BOYKIN,
Member of Congress.
GEORGE GRANT,
Member of Congress.
ALBERT RAINS,
Member of Congress.
KENNETH ROBERTS,
Member of Congress.
ARMISTEAD SELDEN,
Member of Congress.
ERWIN MITCHELL,
Member of Congress.

Bathing

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 23, 1958

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following excerpt from a broadcast over radio station WINS, New York, Sunday, July 20, 1958:

BATHING

And now I turn to a subject on a lighter vein, but nevertheless, one that is very much a part of our daily existence. This topic was sparked by an account I read, emanating from the Public Health Service, as a result of some questions involving procedures to keep well.

Among the questions was, Are fewer baths advisable in winter? Public Health Service says that the skins of some people dry out in winter, but this is attributed to the low humidity in heated rooms or from harsh soaps that remove oil from the skin. Most bath soaps are mild. Public Health Service goes on to say how frequently you bathe is up to you to decide.

The Public Health Service mustn't read those soap ads, which very clearly imply that if you wish to be socially acceptable and not have your best friends not tell you, you had better climb in that old tub each and every day—rain or shine—hot or cold.

Upon looking into the origins of the ritual of the now daily bath and the relentless battle to keep Junior clean behind the ears, I came upon some odd but interesting bits of information. Such as—prehistoric man had a bed, shelves, and something like a cupboard—but no bath. Europe's first written records, the Bronze Age epics of Homer, indicate that the Greek tribes used to bathe in their rivers. If you couldn't swim, you weren't in the current social swim of that age and the Joe Miller of that day, commenting on unpopular foreigners, uttered the canard that they got washed but three times in their lives—when they were born, when they were married, and when they died. In the old days, the women washed their clothes with themselves—a trick they might be able to do today, considering how much nylon the ladies are wearing.

In the Old and New Testaments, many incidents relating to washing and the magical properties of water are recounted.

In India, Gandhi wrote of an acquaintance that he would pour water over himself—but never washed. The Hindu bathing customs go back some three or four thousand years and from the earliest records, the orthodox carefully sprinkled themselves, using little jars for the water, with the idea of spiritual purification rather than physical cleanliness. These ablutions were believed to be watched by demons and a detail overlooked could bring on disaster.

The priests of ancient Egypt drenched themselves with Nile water, often several times a day. They hoped to remove their sins—not their skins.

Besides the sprinkling, Hindus have given great importance to the idea of full immersion in water. It is considered a sort of insurance premium—to secure good luck or to avoid reincarnation as a maggot or a mango. For unknown centuries, Indian pilgrims have been making arduous journeys to holy rivers, pools, wells, and reservoirs connected with shrines.

The early Christians resorted to triple immersion for baptism. The practice of a single immersion for baptism was not adopted until the last years of the sixth century and persisted for 1,500 years. Today, a child may be baptized by anointing his head with holy water.

The Russians developed the most elaborate of bathing techniques from an ancient ritual of dipping newly born infants through a hole in the river that had been blessed. The Scythians, who inhabited what is now the Ukraine, on special occasions, would soap and rinse their heads and then crawl into small tents made of fleece draped over wood tripods. Inside, would be a dish of red hot stones, on which the bather threw hempseed. The smoke turned the tent into an excellent vapor bath and while sweating it out, the bather would apply plasters, made of moistened sawdust from aromatic trees. These were kept on overnight and the next day, the ancient would emerge sweet-smelling and glowing. The American Indians followed a similar technique before they ever laid eyes on a white man, as did the Mexicans. A similar arrangement was discovered in Ireland, and, of course, the Finns enlarged on this basic idea to accommodate 10 or more people. After beating themselves

with birch twigs, the Finns take a brisk plunge in the snow.

The ancient Greek washed himself at a bath—rather than in one. You were expected to be clean then—but not too clean.

The use of hot water in the bath was roundly condemned by Homer and Hesiod as an unmanly practice. Although many Greeks were fond of open-air plunges in thermal springs—opinion for many years was against the use of hot water in the family basin or public wash houses. An old Athenian law actually forbade it. Nevertheless, most of the latter-day Greeks were oiled, scoured and rinsed—and with hot water—every day. Small and somewhat luxurious bathhouses for men had sprung up during the fifth century B. C. There were others for women. You followed a cold wash with a warm one—a custom afterward reversed by the Romans. All was quiet and respectable. Hippocrates advised that a bather should be orderly and reserved in his manner and it was considered the last word in boorishness to resort to a song in the bathroom.

During the heyday of Julius Caesar's grandfather, a 9-day interval between baths was quite common. There were a few public baths from 312 B. C. onward, but cold water was the only water on tap. Under the emperors, however, public bathing was popularized on a vast scale, and by the fourth century A. D., there were some 952 baths in Rome and the fad—shall we say—had spread elsewhere. * * * Gaul, Spain, Algeria and—less opulently—in Britain. Two famous baths were named for despotic emperors, Caracalla and Diocletion. Diocletion's was a trifle smaller than Madison Square Garden. It included a fair sized theater and a swimming pool 290 feet long. Caracalla's had lecture rooms and a library, the forerunner, no doubt, of the magazine rack in our modern bathrooms. The wealthy maintained smaller versions in their mansions and some of these so aroused Seneca, the tutor of Nero, that he held forth about the decadent luxury of the rich.

In those days, bathing was restricted by law and custom to an hour or so in midafternoon. The routine in these baths seems somewhat like that in our modern Turkish bath, the Romans not adding much to Greek practices. It is interesting to note that centrally placed furnaces supplied the heat for the various rooms and the rich could relax in smaller rooms where they listened to musicians, discussed business deals and drank wine served by waiters. There were lotion rooms, and scent rooms, lined with beautiful mosaics—and all this cost but a few coppers, and if you were poor you could get it at public expense. The fall of Rome has been attributed to many things but there are some historians who maintained that the cause was due to the Romans spending so much time at the baths.

After the Arabs conquered former Roman territory, some of Mohammed's followers—despite his opposition—took over the baths at Alexandria and later generations, regardless of the religious tradition, built their own public baths, which were on a much more modest scale.

Down through the centuries, many people objected to bathing—but it made slow progress. Medieval Europe originated the bath proper—a functional piece of furniture, which, on some occasions could accommodate two people, with a tray stretching between them for meal service. Some were oval—some were circular—and some had tentlike superstructures—and some looked like sabots but in the 18th century, the bathtub as we know it today, began to shape up. Its evolution is much more easily traced in France and it is reported that one of Napoleon's relatives was the first in France to use a truly modern type bathtub.

The 17th century, it is believed, proved the stimulus for the revival of washing in general, altho some royalty were considered rather malodorous through the years, perhaps in more ways than one. The Grand Monarque of France, for instance, had the most sumptuous bath then in existence but he rarely went near it.

The Japanese are considered the cleanest people on the face of the earth. There was usually very little privacy in their baths. Every house in Japan has a bathroom with a big wooden tub and in 1895 there were 800 public baths in Tokyo, serving 300,000 persons a day. The Japanese believe in the psychological benefits derived from the water. The tired laborer is expected to sing and feel at peace, once he is immersed.

Surprisingly enough, baths for private homes were denounced in America as repugnant to the American way of life. The White House did not have a bath until 1851, with President Fillmore standing firm against the most intense opposition. Americans may lay claim to inventing the shower as we know it in our well-equipped bathrooms and I think Americans may well lay claim to the steadfast barrage of information as to the effectiveness (socially and otherwise), of our soaps and detergents. Oil was used as the first washing material. Then soap, made of boiled goat's tallow and causticised beech ashes. Soap came into wider use in the latter part of the Middle Ages in Italy, and then in France, and in the 13th century, a factory at Marseilles made soap cakes with olive oil. England made soap from the 14th century on. American pioneer women made their own. Modern soap making dates from the discovery, in 1791, of the Leblanc process for the manufacture of soda from brine.

Speaking for myself, I think there is nothing more relaxing then a good warm shower or bath, with plenty of soapsuds, old Homer notwithstanding.

Need for Facilities for Vital Army Activities at Fort Lee

EXTENSION OF REMARKS
OF
HON. WATKINS M. ABBITT
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 23, 1958

Mr. ABBITT. Mr. Speaker, we are in a critical and perilous time, internationally speaking. The Mid-East is in an uproar, as we all know. The United States has made many commitments and I am indeed shocked to see that the House Appropriations Committee has made such drastic cuts in the administration's request for construction of permanent buildings and facilities of the Armed Forces.

This is no time to pull in and cut down on the Armed Forces program. The only thing that has prevented another world war has been the might and destructive force at our command. I do not know what motivated the committee. I do know, of course, that they have done what they thought was best and just under the evidence before them at the time they considered this bill. It seems to me, however, that since the hearings were conducted before the subcommittee the entire picture has changed. New demands are being made on our Armed Forces and their functions and programs have been vitally affected. I believe that the whole matter needs to be restudied in view of this situation.

I cannot speak authoritatively for the necessity for all of the projects contained in the request of the Defense Department. No doubt certain of these cuts maye be in order but I do know, however, that the new construction items requested at Fort Lee, Va., in my Congressional District, are badly needed. The original request from Fort Lee for fiscal 1959 contained several items which were later deleted within the Department but the two principal items deleted by the committee are essential to the proper functioning of the vital Army activities at Fort Lee. This is the home of the Quartermaster Training Command and is one of the most important Army installations.

The Quartermaster Corps has requested the construction of a permanent academic building for the quartermaster school and from my knowledge of the situation this is badly needed and will greatly benefit the quartermaster program. I feel that the deletion of this item will be detrimental to the training of quartermaster personnel. I earnestly hope that the Congress will approve the necessary funds to construct this academic building as it not only is a benefit to Fort Lee and to my District but to the entire country inasmuch as the quartermaster training there performs a vital service for the entire Army.

In addition to the academic building the committee has deleted funds for a nurses' quarters and this, too, is vitally needed at Fort Lee where a new hospital is shortly to be built and considerable medical activity is necessary.

I expect to pursue this matter further with the committee as well as in the other body. Of course, I have already taken this up with the Department of the Army and I can report that the Army is very upset about the action of the committee.

It is my feeling that we must keep our Armed Forces as strong as possible and provide these essential items.

The Housing Act of 1958

EXTENSION OF REMARKS
OF
HON. HAROLD D. DONOHUE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 23, 1958

Mr. DONOHUE. Mr. Speaker, as we progress toward the conclusion of this session, I most earnestly hope that the so-called omnibus housing bill of 1958, recently acted upon in the Senate, will not be overlooked in the logjam that so often accompanies the rush toward adjournment. Failure to act on this bill, in my opinion, would be placing an unhappy and unnecessary blemish upon an otherwise commonly admitted constructive record of this 85th Congress.

One basic reason, among many, why action on this measure is vitally important is the admitted effect it would have as a further antirecession bulwark and production and employment stimulus.

The emergency housing bill that was earlier passed has demonstrated that a stimulation of the building industry, with the associated trades affected, is one of the wisest and most economical methods through which any further deterioration of our overall economy can be restrained.

It is universally recognized that our economy has been in a recessionary trend for a year or more and, although current indicators have shown some improvement, most authorities agree that we are far from being on safe ground. The unemployment situation, as revealed by the most recent figures, is still deeply disturbing. These figures unquestionably establish that approximately 5 million Americans are yet out of work and more than 1½ million persons have been reduced to part-time work. The most optimistic interpretation of these statistics demonstrate that more than 7 million families in this country are directly experiencing the hardship results of the economic recession. We have at hand an economical way and instrument to substantially relieve their distress.

This housing bill would undoubtedly assist in the revival of our lagging economy by encouraging investment activity in the construction field, with an accompanying increase in production and employment.

Embodied also in this housing bill is the foundation purpose of promoting better housing throughout the country, giving further impetus to operating programs designed to combat slum areas, and providing needed assistance to the continuation and expansion of the veterans home loan program.

Another primary objective of the measure is to further the advancement of scientific and academic knowledge, by helping our hard-pressed institutions of higher learning to provide the vitally needed dormitories, classrooms, and scientific laboratories which are pitifully inadequate to meet the ever-increasing enrollment. Obviously, one of our essential national goals is to compete with, and surpass, the scientific achievements and progress of Soviet Russia, and we cannot hope to do it unless the fullest facilities are made available to students through our colleges and universities.

In this most blessed country in the world, we have only begun to attack the problems of providing decent housing for our elderly citizens, expanding FHA insurance, encouraging wider recognition of the necessity of urban renewal, and relocating families displaced by wholesome and healthy slum clearance.

The foundation unit of any nation is the family. The best guaranty of wholesome family life is a home of their own in decent surroundings. Reasonable encouragement of better housing for American families and American citizens, is one of the wisest investments we can make toward the future safety and progress of this great country. In order to make this wise investment, I hope that the housing bill will be presented to us for debate and action at the earliest possible date.

Plea to President Eisenhower To Retain National Guard at Full Strength

EXTENSION OF REMARKS
OF
HON. COYA KNUTSON
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 23, 1958

Mrs. KNUTSON. Mr. Speaker, commendation is in order on the action of the House yesterday in passing House Concurrent Resolution 333, expressing the sense of the Congress that the National Guard strength should not be reduced below 400,000 nationally. In line with this action, under unanimous consent, I include letters sent to the President and to Secretary of Defense McElroy urging the President to reverse his proposed decision to reduce the National Guard strength:

JULY 18, 1958.

The Honorable DWIGHT DAVID EISENHOWER,
President of the United States,
Washington, D. C.

DEAR MR. PRESIDENT: May I respectfully, but strongly, protest the reductions in National Guard strength throughout the country, and urge, instead, an increase in the guard's unit strength and number of units. Minnesota is probably no harder hit by the proposal than other States, but the net effect of the proposed reduction in Minnesota is shattering.

I am enclosing a copy of the letter I have received from the Honorable Orville L. Freeman, Governor of Minnesota. Governor Freeman ably evaluates the effect of the proposed cut for Minnesota. For all intents and purposes, the cut spread thinly throughout the country will destroy the effectiveness of the guard—and its usefulness in the national defense picture.

The greatest moral force in our country has always been the quiet patriotism and dependability of our people. In any kind of crisis, the people gather their spiritual strength to do "what has to be done." They accept their responsibilities as you accept yours. Our people willingly provide the civilian army which has made it possible for this country to win every war in which it has been engaged throughout its history. The National Guard is the exemplification of this sense of responsibility of the citizens of this country. It performs its duties in peace and in war. It is composed of people who serve and train voluntarily. It is a "grassroots" arm upon which the military must depend.

Today, we are faced with serious international troubles, different from the troubles of past years. Today the threat of terrible destruction from nuclear forces hangs heavy over every head and every heart. Despite this, the people of the country, according to news reports, have accepted your decision on the Middle East with reactions ranging from resignation to approval, whatever they may think are the reasons and causes of our present difficulties in that area. This is the way the American people perform.

Persistence with the decision to cut back the National Guard will be not only detrimental to the morale of the people, but it will also seem to them, unwise and shortsighted in the extreme. The times demand forthright action. If a mistake has been made in proposing the cutback, the administration should be willing, for the safety of the country and the morale of the people, to reverse the decision and withdraw the proposal at once.

Respectfully,

Congresswoman COYA KNUTSON.

[Copy to Secretary McElroy.]

STATE OF MINNESOTA,
EXECUTIVE OFFICE,
St. Paul, July 14, 1958.

The Honorable COYA KNUTSON,
Member of Congress, Washington, D. C.

DEAR CONGRESSWOMAN KNUTSON: The proposed reorganization of the Army National Guard to conform to the Army's concept of military requirements for modern warfare has given me, as I know it has given you, deep concern. While we have been in full agreement with and fully support reorganization and modernization of the Army, which, of course, includes the Army National Guard, our concern has been that in effecting the reorganization, the Pentagon planners would administratively do that which the Congress never has, or would legally do, authorize the emasculation and relegation of the National Guard to an inferior position in the Nation's scheme of defense. There is strong evidence that there is a desire among military planners in the Pentagon to do this, and the proposed plan for the reorganization of the reserve elements of the Army is indicative of this desire.

Yesterday my office received a tentative list of the proposed Army National Guard troop basis for the State of Minnesota, and I am attaching hereto a statement drawing a comparison between the present and proposed troop basis. It will be seen that we now have 107 company, battery, and detachment size units in Minnesota organized in 65 communities, and we are being asked to reorganize on the basis of 80 comparably sized units in the reorganization program. Spreading these units thinly over the 65 stations in which we now have armories and strong and active units organized, it may be possible to continue to carry on National Guard activities in these communities through the medium of splitting some unit between 2 communities, a practice in which we have not heretofore engaged and one which does not contribute to an efficient and effective military unit. We have been given to understand that the troop basis is subject to negotiation, and we will make strong representation to increase the unit allotment beyond 80.

Our immediate concern is in connection with the maximum strength authorized under the proposed reorganizaton. Currently the Army National Guard of Minnesota has a strength of 8,792 officers and men available for service and we are 67 percent of authorized war strength. Under the proposed reorganization, all but a few of our units will be authorized to be organized on only a 52 percent of war strength basis, with a maximum of 7,150. This will result in a loss of over 1,600 officers and men and will be seriously felt in all of the 65 communities in Minnesota in which the Army National Guard is organized. It is evident that this proposed allotment of 7,150 officers and men is predicated on a national overall strength of the Army National Guard of 360,000 and not the 400,000 which Congress has heretofore authorized and is in the process of authorizing for the current year. I sincerely trust that you will strongly support the strength figure of 400,000 in the respective committees and on the floor of Congress for this is vital to reducing the seriousness of the impact of this reorganization throughout the State of Minnesota.

I wish to also add that it is apparent that once the 400,000 strength is authorized by the Congress, it will be necessary to vigorously follow up the authorization to see that administration officials proceed with the reorganization of the National Guard on a 400,000 strength basis in accordance with the will of Congress and the desires of the States.

It is quite evident it is the intent of the Department of Defense to ignore the Congress and the strong position in support of a nationwide strength of 400,000, which the governors of all the States and Territories

took at their recent Miami conference, in the Army's announced action establishing the Army National Guard on the basis of 360,000. In the light of the international situation and our scores of global mutual-security agreements, reduction of the National Guard both as to units and officer and enlisted strength at this time would appear to be ill conceived if not dangerous. It is difficult to understand that the announcement of the Secretary of the Army concerning this reorganization of Reserve Forces should, on the one hand, contemplate the destruction of well trained units in being of the National Guard and the organization of 15 of the National Guard Divisions at less than full organizational strength, while directing the organization of new units of other elements of the Reserve and prescribing an organizational plan for Reserve divisions, which authorizes all organizations of the division to be organized. There exists a strong suspicion in the minds of many of our governors, which I am beginning to share, that there are many in authority in the Pentagon and perhaps elsewhere in Washington, who do not like the State-Federal status of the National Guard and would destroy it or render it impotent. I am sure that this is not the will of our people and that you and I and all others who may reflect their voices and actions in supporting a strong and virile National Guard, will be ever vigilant in seeing that this does not occur.

Yours very truly,

ORVILLE FREEMAN,
The Governor, State of Minnesota.

State of Minnesota Army National Guard—Allotment of troop units

PROPOSED ALLOTMENT OF UNITS

Type of organization or separate unit:	Number of units
1 State headquarters and headquarters detachment	1
1 field artillery battalion 155-millimeter howitzer tow	5
1 signal area operation battalion	5
1 transport truck battalion	4
1 infantry division (less 2 battle groups)	65
Total number of units	80
Maximum authorized strength	7,150

CURRENT ALLOTMENT OF UNITS

1 State headquarters and headquarters detachment	1
1 infantry division (less 1 regular combat team)	87
1 transport truck battalion	4
1 antiaircraft artillery group	15
Total number of units	107
Present strength	8,792
Total proposed reduction in units	27
Total proposed reduction in strength	1,642

JULY 18, 1958.

Hon. NEIL M. MCELROY,
Secretary of Defense,
The Pentagon, Washington, D. C.

DEAR MR. SECRETARY: Since you are the President's chief civilian adviser in the military and on military matters, I am taking the liberty of forwarding to you a copy of a letter I have just sent to him, urging reversal of the decision to cut back the National Guard strength.

May I respectfully ask that you use your influence with the President to secure withdrawal of the proposal to cut back which would do immeasurable damage to this portion of our citizen army. As a civilian, you will perhaps regard these matters a little differently from the President whose views naturally are colored by his long service in the military. Your understanding of the basically civilian-minded nature of the people of this country will perhaps be of assistance to the President in his review of the need and importance of the National Guard.

I wish to thank you in advance for your courtesy and cooperation in this important matter. As time is pressing, may I ask an early reply to this request.

Respectfully yours,

Congresswoman COYA KNUTSON.

Observance of the 100th Anniversary of the Emancipation Proclamation in 1963

EXTENSION OF REMARKS
OF
HON. CHARLES C. DIGGS, JR.
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 23, 1958

Mr. DIGGS. Mr. Speaker, January 1, 1963, will mark the 100th anniversary of the issuance of the Emancipation Proclamation by President Abraham Lincoln. I am introducing today a joint resolution which would establish a Commission to develop and execute suitable plans for the observance of this historic event in 1963. The significance of this document as a milestone in forwarding the principles of democracy throughout the world is so tremendous that the Federal Government of the Nation which declared its concept would be remiss not to take the initiative in developing plans to commemorate and honor its issuance.

Historically, the Emancipation Proclamation has taken its place alongside of all of the great democratic movements of the ages. Historians place it in background against the growth of humanitarian feeling in the age of enlightenment in the 18th century, the spread of the doctrine of the inherent equality of men in the Rousseau movement and others, and the French Revolution in its battle for the rights of man—all leading to the increase of democratic sentiment and consequently to a growing attack on slavery.

While the Emancipation Proclamation was executed by Lincoln as a measure of military necessity and its provisions of freedom were limited to persons held as slaves within specified areas in rebellion against the United States, yet it is recorded in history that because it was the majority will of the people this edict did in fact result in abolition becoming a war aim. The Emancipation Proclamation is, therefore, in reality the ax which laid the first major blow to the shackles of slavery of millions of bondmen. Moreover, it was the Emancipation Proclamation which led to the reaffirming in our National Constitution of the guaranties of life, liberty, justice, and equality inherent in a democratic government for all people. On January 13, 1865, the United States House of Representatives proposed the 13th constitutional amendment, using the language "in honor of the immortal and sublime event." To remove questions of the legal validity of the proclamation as issued under the war power of the President and to liberate slaves everywhere in America and to assure their status from legal doubt, this national measure of ultimate emancipation was effected by the antislavery amendment to the Constitution.

It is herein that the massive and lasting significance of the Emancipation Proclamation lies. Democratic government is the product of a national faith that only in liberty, without hindrance, are the creative powers of men released that they might be what God intended them. The conflict between its founding principles and its practices had long bitten hard upon the conscience of the Nation. Freedom for all men, the prohibition of slave trade, was discussed when the Constitution of the United States was drawn up. Even earlier than this, on July 13, 1787, the Congress under the Articles of Confederation had passed the ordinance creating the Northwest Territory in which was provided that there should be neither slavery nor involuntary servitude in the said Territory otherwise than in punishment of crimes whereof the party shall have been duly convicted. Congress, itself, by summer of 1862 had imposed emancipation of slaves as a sweeping penalty upon rebels.

The Emancipation Proclamation, reaffirming the fundamental concepts of democracy, thus placed itself before the world as another landmark in man's undying struggle of the ages for civil, political, and personal liberty. For the Negro citizen of America, it is the base from which he has carried forward his struggle for the safeguarding, guaranty, and enforcement of these liberties to the present-day issues of enforcement of voting rights, school desegregation, the right not to be denied job opportunities because of race, the right to travel in human dignity, to be safeguarded by equal protection of the laws—all of the like matters of human rights with which we are today concerned as a Nation. The pursuit of liberty moves forward and will not be turned back.

The profound significance of this first effective document to apply the principles of our national faith to all men is seen today in the world all about us. That the desire for liberty is deathless and unrestrainable is evidenced in the revolts which engulf the world. Our own willingness to bear the costliness of our faith in liberty is starkly dramatized as we move today, as a nation, to give our assistance in preserving democracy.

In initiating now plans to honor the occasion of the issuance of this document on its 100th anniversary in 1963, the Government of the United States will again be reaffirming its faith and again giving leadership in a time when democracy is in crisis.

Arms for Israel

EXTENSION OF REMARKS
OF
HON. ALBERT P. MORANO
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 23, 1958

Mr. MORANO. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include the text of a letter

which I sent to President Dwight D. Eisenhower, urging that mutual security aid be accorded to the State of Israel so that the free nation will be equipped to defend itself against aggression in the seething Middle East.

I have also asked that if it will result in swifter arms assistance for the Israelites, that the Israeli Government be permitted to purchase arms on the open market pending the closing of agreements entitling them to mutual security aid.

I also include a press release on this vital subject.

The letter and press release follow:

JULY 18, 1958.

Hon. DWIGHT D. EISENHOWER,
President of the United States,
The White House,
Washington, D. C.

DEAR MR. PRESIDENT: It is essential that the United States mobilize all possible strength to oppose the current threat to those nations of the Middle East which have demonstrated their friendship for the United States and look to the United States for support.

The State of Israel during the decade of its existence has effectively demonstrated its opposition to international communism and its determination to defend its independence at all costs.

In view of recent developments in the Middle East, and because the recent meetings between Nasser and Khrushchev may result in the Soviets furnishing additional arms to the United Arab Republic headed by Nasser, Israel has urgent need for adequate supplies of modern weapons and military equipment. I respectfully urge that you make use of the authority which you possess under the Mutual Security Act to provide such weapons and equipment to Israel on a grant basis, and, if such action would expedite the sending of arms and equipment, that you authorize the immediate sale to Israel of items most urgently required pending the completion of other arrangements.

Sincerely,

ALBERT P. MORANO,
Member of Congress.

Representative ALBERT P. MORANO, Republican, of Connecticut, has asked President Eisenhower to authorize shipments of modern weapons to Israel.

MORANO, a member of the House Foreign Affairs Committee, suggested in a letter to the President that due to the critical situation in the Middle East Israel should be furnished military weapons under the mutual security program.

He emphasized that Communist arms have been going to the Arab forces, and that additional armaments were certain to result from the recent Nasser-Khrushchev meeting, making it imperative that Israel be equipped to defend its territorial borders and the cause of freedom should developments require such action.

MORANO said that if bringing Israel into the family of nations receiving mutual security aid would entail too much delay, then Israel should be permitted to purchase arms on the open market at once, pending the signing of MSA agreements.

"It is essential that the United States mobilize all possible strength to oppose the current threat to those nations of the Middle East which have demonstrated their friendship for the United States and look to the United States for support," MORANO said.

Visit of Ghana Prime Minister to the United States

EXTENSION OF REMARKS
OF
HON. FRANCES P. BOLTON
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 23, 1958

Mrs. BOLTON. Mr. Speaker, today we are honored to welcome a distinguished visitor once again to our country, the Honorable Kwame Nkrumah, Prime Minister of Ghana. As one who has enjoyed the warm hospitality of the Prime Minister and his countrymen on two separate occasions, I should like to extend my heartfelt greeting to the Prime Minister and members of his delegation. It is my sincere hope that this visit will further strengthen the bonds of friendship between our two countries, and enhance our understanding of one another.

It has been only little more than a year ago—March 6, 1957—that Ghana attained its independence from Great Britain, thus becoming the first African-governed Dominion in the British Commonwealth. The excitement of that moment has remained in the memory of those of us who were privileged to attend the independence ceremonies in Accra. Emotion rode high as the old assembly was dissolved upon the stroke of midnight, and jubilation swept the massed thousands who stood on the Polo Grounds outside. Born in an atmosphere of confidence and determination, the new nation is best symbolized by the Prime Minister himself.

To Kwame Nkrumah, long champion of freedom for his people, has fallen the responsibility of guiding the young State in its formative years. To bring his country safely out of tribal law into the freedom of a republic as we understand the term is a grave undertaking. He and his councilors will undoubtedly make mistakes. Let us hope that each such experience may bring him greater tolerance and wisdom, for all of Africa looks to Ghana, the symbol of the hope of all Africans south of the Sahara for eventual independence. Upon Dr. Nkrumah's success in dealing with these problems will depend in large measure the date of independence for millions of others. I believe that the Prime Minister is well aware of his responsibility to all of Africa and so to the world.

Much has happened since independence day. The first conference of independent African States was held in Accra; representatives to the United Nations and to certain countries have been appointed; development projects are receiving assistance at the rate of over $2,800,000 per month; trade missions have been exchanged with West Germany, India, Pakistan, Ceylon, Burma, and Israel; technical and economic assistance agreements have been entered into with the United States, the United Kingdom, and the United Nations; the Black Star shipping line has been inaugurated and a Ghana airline is in process of being negotiated; construction of a $22 million harbor is under way at Tema; pure water systems and electric power are being made increasingly available; road improvements in all regions of the country are underway; health campaigns have been organized; and educational facilities are being constantly expanded. In fact, no less than $36,400,000 have been allocated to education services in all fields at primary, secondary, teacher-training, technical, and university levels since the accelerated plan for education was commenced in 1951.

Nature has been generous to this small country of 4½ million people—a generosity that needs only the technical and economic assistance of more-developed nations to unlock her storehouse of abundance. Gold, manganese ore, bauxite, diamonds, palm oil, rubber, and timber are but a few of the resources with which she has been endowed. Water resources abound providing a potential source of vast industrial power, but as yet remain largely untapped. The great Volta Dam project symbolizes Ghana's industrial future. As the technological leader of the West, it is quite properly to us that the people of Ghana look for the assistance that is so necessary to the development of their economy.

I am confident that the Prime Minister and his people will not find us unresponsive to Ghana's needs and aspirations. Recognizing that her sound economic and political growth is in the best interests of the Free World, we should be prepared to extend whatever technical and economic assistance we are able, consistent with her ability to progress. Already an American team has been dispatched to survey the possibilities of large-scale production of electric power and aluminum on the Volta River. A United States technical cooperation mission has been established and projects initiated to help expand the cattle industry, establish a veterinarian and farmer's training institute, develop an agricultural extension service, and conduct further surveys of agricultural and livestock potential. Let us hope that this is only the beginning of a long and constructive era of cooperation between our two nations.

Mr. Speaker, in conclusion may I once again express my pleasure on this occasion of Prime Minister Nkrumah's official visit to the United States. It is my profound belief that both our countries will be enriched by this experience. That it be followed by an increasing interchange of people and ideas, of understanding and of common interest is my hope.

Visit of Prime Minister Kwame Nkrumah of Ghana

EXTENSION OF REMARKS
OF
HON. CHARLES C. DIGGS, JR.
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 23, 1958

Mr. DIGGS. Mr. Speaker, we are pleased to have the Right Honorable

Kwame Nkrumah, Prime Minister of Ghana, pay us a state visit this week. Dr. Nkrumah's visit has especial significance in its timing. It comes when the smoldering political hotbed in the Middle East begins to erupt into open flame. It comes following a tete-a-tete between President Gamal Abdel Nasser of Egypt and Premier Nikita Khrushchev of the Soviet Union, with Nasser thereafter openly proclaiming his intention to bring all of Africa and most of Asia under the domination of the United Arab Republic. It comes when the Congress has been trying to resolve the question of how much money to appropriate for our 1959 mutual security program.

Prime Minister Nkrumah and other Government officials in Ghana frankly express their hope for close ties with the United States, as the recognized leader of the Free World. It is of paramount importance to the Free World that leaders like Dr. Nkrumah and President Tubman of Liberia be upheld in their determination not to swap their precious political independence for economic or military dependence on the Communist bloc.

The countries of Asia and Africa make a third of the membership of that most important body, the United Nations. Generally, these countries have maintained neutrality as between communistic and Free-World concepts. If their good will and the balance of power they hold are lost to democracy's cause, Communist domination through the United Nations Assembly is assured.

Last week's coup d'etat in Lebanon is part of a well-organized campaign, Communist inspired, to overthrow the forces of democracy in the Middle East. Even as the United Nations argues the propriety of United States action in sending requested military aid to the duly constituted Government of Lebanon in its valiant and desperate struggle to keep its alliance with the forces of democracy, radio Cairo is blasting forth with intensified effort to incite the people of neighboring Jordan to rise up and slay their leader who also sides with democracy.

If the independent countries of Asia are to succumb one by one to communism under the guise of Arab nationalism, while the United Nations ponders its ability under the U. N. Charter to cope with this type of indirect aggression, the continent of Africa will become the only remaining frontier toward which the Free World can look with hope—the last line of defense to block the forces of worldwide communism. If the Free World does not win Ghana and other independent nations of Africa as permanent allies, the alternative will be their alliance with the Communist bloc as its satellites. Africa, with its vast untapped or underdeveloped resources will ultimately become the focal point in the struggle between democracy and communism for domination of the world. We recognize this, and the Soviet Union is acutely aware of it, too. It is no secret that the Communist bloc is perhaps the most ardent wooer of Africa's expanse of potential wealth. We know, for example, that the Soviet Union already has diplomatic relations with Ethiopia, that it has been trying to establish such relations with Liberia and with Ghana, and that it has concentrated economic and military aid on Egypt and Sudan. Our special study mission to the Middle East and Africa reports instances of cultural exchanges between the Soviet Union and Ghana. The Soviet Union has offered scholarships to Ghanian students and has invited Prime Minister Nkrumah and a delegation from the Ghana Parliament to visit the Soviet Union. Communism, as such, is banned in Ghana, and the people eagerly embrace democratic concepts and institutions. The Soviet Union, however, is not discouraged by this setback. Through its scholarship and cultural exchange program, it plans to train a corps of individuals, indoctrinated in Communist concepts, who can initiate Communist front organizations within the country.

Aside from such offensive moves to gain a strong foothold on the African Continent, Communist countries have concurrently taken full advantage of every opportunity to undermine the confidence of African peoples in leading countries of the Free World. Communist propaganda machines play upon racial discrimination and segregation practiced against Negroes in the United States. It capitalizes on instances where individual Africans suffer the indignity of racial discrimination in the United States and in Great Britain. The objective of such propaganda is to portray democracy in a most unfavorable light and hold Communist countries up before the eyes of the peoples of Africa as the real champions of racial equality.

One conclusion reached by members of our special study mission to the Middle East and Africa is that African nations are not now ready for independence and that, their colonial regimes removed, they will require economic assistance far into the unforeseeable future.

I cannot agree that the countries of Africa are not ready for independence simply because they are not economically self-sufficient—because they are not able to accomplish their own aims without external aid or cooperation. What nation—even among the long-established free nations of the world—is able to do so? The inability of nations to produce independently all the things their people need and want has been increased by higher living standards and by the fact that modern-day living has cosmopolitan aspects and strong tastes for foreign goods have been cultivated. Let us take the United States for an example. With all our wealth of natural resources, we are economically dependent upon the Continent of Africa for 100 percent of our diamonds, over 50 percent of our cobalt, and large percentages of our chromite and manganese. Thus, the interdependence of nations is more a natural and a technological phenomenon, not an index of weakness or a justifiable reason for excluding any of them from the society of free men. We have for years been going to the military and economic assistance of other independent nations, and I firmly believe that the interdependence of nations is by now well established enough for us, as the Free World's leading power, to cease debating the idea of foreign aid or mutual assistance as if it were some untried and unproven principle and get on with the all-important task of seeking the most effective means and areas for applying the greatest amount of aid we can give.

I am aware that many Africans will themselves readily admit that they are not prepared to assume the full financial burden of self-government. But two world wars have brought strong hope to the colonial peoples of Africa as to those elsewhere. Thousands of them fought in World War I and more thousands in World War II. They witnessed in these wars the collapse of colonial empires. They have, meanwhile, watched the progress of India and other nonwhite governments in the Middle East. These developments have keenly whetted their appetites for independence and they are willing to learn to govern themselves the hard way, if necessary, through their own trials and errors. It is a key factor that the fires of nationalism have been unextinguishably kindled throughout Africa. Therefore—the continuing economic dependence of the area notwithstanding—the only question left of major concern is, Who is going to render the necessary aid—the Free World or the Communist nations? With the intensity between democracy and totalitarianism mounting to explosive proportions, it is foolish to ponder whether we can afford to give necessary aid to the underdeveloped areas of Africa. More appropriately, can we afford not to give it? Our military bases in Africa are vital to the defense of the entire Free World.

The Government of Ghana strongly desires to reinforce its political independence by strengthening its economic independence. Undoubtedly, other countries in Africa recognize this same necessity. On the anniversary of its independence, Ghana reported on its progress during the past year and its aspirations for the future. It was unanimously welcomed into the United Nations shortly after independence. It lost no time in establishing diplomatic relations with England, India, France, Liberia, and the United States. It has sent ministerial delegations to other independent nations in Africa and Asia. It has joined the International Bank for Reconstruction, the World Bank, and the International Monetary Fund. Its basic crop is cocoa, but Ghana is working toward greater agricultural productivity. Research programs are underway to eliminate tropical diseases and to stimulate employment. Efforts are being made to broaden the scope of education, to improve roads and other internal facilities, and to encourage foreign investments.

It is of foremost importance that other colonial regimes in Africa pressing toward independence are looking to leaders like Nkrumah to develop independent African states which prove to the world the equal capabilities and potentialities of the black man once he is freed of his

yoke. These colonial regimes will be guided in their resistance to Communist penetration by the success of Ghana and other independent nations in obtaining needed, effective aid from the United States and the rest of the Free World.

The Free World has an edge over the Communist nations, inasmuch as African nations express an overwhelming preference for democratic concepts. We cannot, however, afford to take an attitude of nonresponsibility with respect to their economic needs, for, as drowning nations, they would have no alternative but to grasp eagerly even the straw which communism would offer them.

In my visit to Africa last year to attend Ghana's independence celebration, I was keenly impressed by the evident confidence and belief in the dignity of man I witnessed, the dignity which comes only when man is truly free. Most assuredly, those people have no intention of trading their European masters for totalitarian rulers. As Vice President NIXON pointed out last year after his visit to Africa, it is not enough that we talk democracy, we must practice it in our domestic affairs and in our relations with other nations. Any assistance we give to other free nations must not be offered in an air of superiority or paternalism. There must be no question that we value and respect their friendship. And true friendship is a horizontal relationship. It does not follow vertical paths. You do not look down on friends; you look across at them.

In this spirit and cognizance, I join with the rest of the citizens of this country in extending a most cordial welcome to Prime Minister Nkrumah.

SENATE

THURSDAY, JULY 24, 1958

(Legislative day of Wednesday, July 23, 1958)

The Senate met at 10:30 a. m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Almighty God, in knowledge of whom standeth our life, we turn from the tumult of an angry world, not that we may escape from it, but that we may face the perplexing maze of its tragic problems with strong spirits and quiet minds.

God the all-merciful, earth hath forsaken meekness and mercy and slighted Thy word. Let not Thy wrath in its terrors awaken. Give to us peace in our time, O Lord.

God the all-righteous, man hath defied Thee. Yet to eternity standeth Thy word; falsehood and wrong shall not tarry beside Thee; give to us peace in our time, O Lord.

We ask it in the name of that One whose is the kingdom and the power and the glory. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, July 23, 1958, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7153) giving the consent of Congress to a compact between the State of Oregon and the State of Washington establishing a boundary between those States.

COMMITTEE MEETING DURING SESSION OF THE SENATE

Mr. KNOWLAND. Mr. President, at the request of the acting majority leader, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there may be the usual morning hour for the transaction of routine business, and that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

PLANS FOR WORKS OF IMPROVEMENT IN CERTAIN STATES

A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, transmitting, pursuant to law, plans for works of improvement on Adobe Creek, Buena Vista Creek, Central Sonoma, Calif., upper Nanticoke River, Del., Donaldson Creek, Ky., Mud Creek, Nebr., Peavine Mountain, Nev., Indian Creek, Tenn., and Miss., and Coon Creek, Wis. (with accompanying papers); to the Committee on Agriculture and Forestry.

AMENDMENT OF ACT RELATING TO PLACING OF CHILDREN IN FAMILY HOMES

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to amend the act entitled "An act to regulate the placing of children in family homes, and for other purposes," approved April 22, 1944, as amended (with an accompanying paper); to the Committee on the District of Columbia.

REPORT PRIOR TO RESTORATION OF BALANCES, DEPARTMENT OF JUSTICE

A letter from the Administrative Assistant Attorney General, transmitting, pursuant to law, a report prior to restoration of balances, in that Department, as of June 30, 1958 (with an accompanying report); to the Committee on Government Operations.

SUMMARY REPORT ON EXAMINATION OF ARMY CONTRACTS WITH BIRDSBORO ARMORCAST, INC.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a summary report on examination of Department of the Army contracts and subcontracts with Birdsboro Armorcast, Inc., Birdsboro, Pa., dated July 1958 (with an accompanying report); to the Committee on Government Operations.

REPORT ON REVIEW OF PROCUREMENT OF CERTAIN AIRCRAFT PARTS, DEPARTMENT OF THE AIR FORCE

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on review of requirements determinations and related procurement for spare parts for aircraft and aircraft accessories, Oklahoma City Air Materiel Area, Department of the Air Force, dated July 1958 (with an accompanying report); to the Committee on Government Operations.

REPORT ON TORT CLAIMS PAID BY DEPARTMENT OF AGRICULTURE

A letter from the Administrative Assistant Secretary of Agriculture, transmitting, pursuant to law, a report on tort claims paid by that Department, for the period July 1, 1957, to June 30, 1958 (with an accompanying report); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A letter in the nature of a petition from the Good Citizens Club of Metropolitan Detroit, Mich., signed by Selma Rice, secretary, endorsing certain suggestions with respect to the omnibus housing bill (with an accompanying paper); to the Committee on Banking and Currency.

The petition of George W. E. Spratt, of Ramsey, N. J., praying for a redress of grievances in regard to tariff increases granted by the Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce.

The petition of T. H. Sutherland, M. D., secretary-treasurer, the Aero Medical Association, of Marion, Ohio, praying for the enactment of legislation providing for the establishment of a medical department in the Civil Aeronautics Administration; to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce, without amendment:

H. R. 9196. An act to authorize the construction of a nuclear-powered icebreaking vessel for operation by the United States Coast Guard, and for other purposes (Rept. No. 1931).

By Mr. HAYDEN, from the Committee on Rules and Administration, without amendment:

S. 4174. A bill to authorize the distribution of copies of the CONGRESSIONAL RECORD to former Members of Congress requesting such copies (Rept. No. 1933);

S. Con. Res. 102. Concurrent resolution accepting the statue of Dr. Florence Rena Sabin, to be placed in the Statuary Hall collection (Rept. No. 1934);

S. Con. Res. 103. Concurrent resolution to place temporarily in the rotunda of the Capitol a statue of the late Dr. Florence Rena Sabin and authorizing ceremonies on such occasion (Rept. No. 1936);

S. Con. Res. 104. Concurrent resolution to print the proceedings in connection with the acceptance of the statue of Dr. Florence Rena Sabin;

S. Res. 329. Resolution increasing the limit of expenditures for investigation of problems of American small and independent business (Rept. No. 1938);

S. Res. 330. Resolution authorizing a study of United States relations with the American Republics (Rept. No. 1939);

S. Res. 335. Resolution to continue study on the problems of world disarmament (Rept. No. 1940);

S. Res. 336. Resolution to authorize a study of United States foreign policy (Rept. No. 1941); and

S. Res. 339. Resolution authorizing additional funds for the Select Committee on Improper Activities in Labor or Management Field (Rept. No. 1942).

By Mr. GREEN, from the Committee on Foreign Relations, without amendment:

S. 3112. A bill to provide for the appointment of an assistant to the Secretary of State to be known as the Assistant for International Cultural Relations (Rept. No. 1932).

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 2001. A bill for the relief of AlaLu Duncan Dillard (Rept. No. 1943);

S. 3972. A bill for the relief of Knud Erik Didriksen (Rept. No. 1945);

H. R. 1331. An act for the relief of Sadie Lobe (Rept. No. 1946);

H. R. 5219. An act to provide tax relief to the Heavy and General Laborers' Local Unions 472 and 172 of New Jersey pension fund and the contributors thereto (Rept. No. 1947);

H. R. 7267. An act for the relief of Charles J. Jennings (Rept. No. 1948);

H. R. 7944. An act for the relief of the Spera Construction Co. (Rept. No. 1949);

H. R. 8015. An act for the relief of the Harmo Tire & Rubber Corp. (Rept. No. 1950);

H. R. 8147. An act for the relief of Kenneth W. Lenghart (Rept. No. 1951);

H. R. 8252. An act to amend section 3237 of title 18 of the United States Code to define the place at which certain offenses against the income tax laws take place (Rept. No. 1952);

H. R. 8875. An act for the relief of Mr. and Mrs. George Holden (Rept. No. 1953);

H. R. 9397. An act for the relief of William T. Manning Co., Inc., of Fall River, Mass. (Rept. No. 1954); and

S. Res. 83. Resolution to refer to the Court of Claims the bill (S. 819) for the relief of Mary A. Ford (Rept. No. 1955).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 571. A bill for the relief of George P. E. Caesar, Jr. (Rept. No. 1956); and

H. R. 1827. A bill for the relief of Annunziata Gambini and Tomaso Gambini (Rept. No. 1957).

By Mr. EASTLAND, from the Committee on the Judiciary, with amendments:

H. R. 7941. An act for the relief of Mrs. Harry B. Kesler (Rept. No. 1958).

By Mr. O'MAHONEY, from the Committee on the Judiciary, without amendment:

H. R. 7684. An act to provide that the Secretary of the Navy shall transfer to David J. Carlson and Gerald J. Geyer certain interests of the United States in an invention (Rept. No. 1959).

By Mr. O'MAHONEY, from the Committee on the Judiciary, with an amendment:

H. R. 8826. An act to amend the act entitled "An act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of international conventions, and for other purposes," approved July 5, 1946, with respect to proceedings in the Patent Office (Rept. No. 1960).

By Mr. CHAVEZ, from the Committee on Appropriations, with amendments:

H. R. 12738. An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1959, and for other purposes (Rept. No. 1937).

By Mr. ANDERSON, from the Joint Committee on Atomic Energy, without amendment:

S. 4166. A bill to amend the Atomic Energy Act of 1954, as amended (Rept. No. 1944).

ROSE C. FISKE, THOMAS P. ROBINSON, AND JAMES J. ROBINSON

Mr. HAYDEN, from the Committee on Rules and Administration, reported an original resolution (S. Res. 343) to pay a gratuity to Rose C. Fiske, Thomas P. Robinson, and James J. Robinson, which was placed on the calendar, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Rose C. Fiske, sister of Mary Louise Robinson, and Thomas P. Robinson and James J. Robinson, brothers of Mary Louise Robinson, an employee of the Senate at the time of her death, a sum to each equal to 3⅓ months' compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

LENOIR CITY-ALCOA BUS LINES—REFERENCE OF BILL S. 2394 TO COURT OF CLAIMS

Mr. KEFAUVER, from the Committee on the Judiciary, reported an original resolution (S. Res. 344) referring the bill S. 2394 to the Court of Claims, and submitted a report (No. 1935) thereon; which resolution was placed on the calendar, as follows:

Resolved, That the bill (S. 2394) entitled "A bill for the relief of R. M. Clark, an individual doing business as Lenoir City-Alcoa Bus Lines", now pending in the Senate, together with all the accompanying papers, is hereby referred to the Court of Claims; and the court shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28 of the United States Code and report to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal, or equitable, against the United States and the amount, if any, legally, or equitably due from the United States to the claimant.

EXECUTIVE REPORTS OF COMMITTEE ON ARMED SERVICES

Mr. BUSH. Mr. President, from the Committee on Armed Services, I report favorably a total of 1,387 nominations for appointment and promotion in the Regular Army, in the grade of lieutenant colonel and below.

These names have already appeared in the CONGRESSIONAL RECORD, so to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Vice President's desk for the information of any Senator.

The PRESIDENT pro tempore. Without objection, the nominations will lie on the desk, as requested by the Senator from Connecticut.

The nominations ordered to lie on the desk are as follows:

William H. Anderson, and sundry other officers and persons, for appointment and promotion in the Regular Army of the United States.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HUMPHREY:

S. 4181. A bill to establish a people's program for peace, to provide for investments in peace through the United Nations, to permit deductions from personal income taxes for payments made thereto, and for other purposes; to the Committee on Finance.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. DOUGLAS:

S. 4182. A bill for the relief of Safija Laica; to the Committee on the Judiciary.

By Mr. BIBLE (for himself, Mr. MORSE, and Mr. BEALL):

S. 4183. A bill to reduce the number of trustees on the board of trustees of Group Hospitalization, Inc.; to the Committee on the District of Columbia.

By Mrs. SMITH of Maine:

S. 4184. A bill for the relief of certain employees of the Department of the Navy; to the Committee on the Judiciary.

By Mr. ALLOTT (for himself and Mr. CARROLL):

S. 4185. A bill to authorize the coinage of silver dollar pieces in commemoration of the 100th anniversary of the settlement of the State of Colorado and the establishment in Colorado of the United States Air Force Academy; to the Committee on Banking and Currency.

By Mr. MARTIN of Iowa:

S. 4186. A bill to prohibit the imposition by any State of migratory waterfowl hunting restrictions which discriminate unduly against citizens of other States, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DIRKSEN (for himself and Mr. COOPER):

S. J. Res. 192. Joint resolution providing for a joint session of Congress for commemorating the 150th anniversary of the birth of Abraham Lincoln; to the Committee on Rules and Administration.

RESOLUTIONS

The following resolutions were reported or submitted, and referred, or placed on the calendar:

Mr. HAYDEN, from the Committee on Rules and Administration, reported an original resolution (S. Res. 343) to pay a gratuity to Rose C. Fiske, Thomas P. Robinson, and James J. Robinson, which was placed on the calendar.

(See the above resolution printed in full, which appears under the heading "Reports of Committees.")

Mr. KEFAUVER, from the Committee on the Judiciary, reported an original resolution (S. Res. 344) referring the bill S. 2394 to the Court of Claims, which was placed on the calendar.

(See the above resolution printed in full, which appears under the heading "Reports of Committees.")

UNITED NATIONS INVESTMENTS IN PEACE ACT OF 1958

Mr. HUMPHREY. Mr. President, I introduce, for appropriate reference, a bill which will allow taxpayers to claim tax credits amounting to 2 percent of their Federal income tax for contributions made to a special U. N. fund, "U. N. Investment for Peace," which would support programs of technical assistance and economic development.

I have long been advocating an increase in economic and technical assistance to those nations needing it, under the auspices and direction of the United Nations. I have also urged incentives to encourage channeling of more of our private capital into such investments for peace. Clearly, it is to the advantage of our private industries to do so. With the current economic interdependence of the nations of the world, it is obvious that a strong world economy is of tremendous importance in strengthening and bolstering our own.

Moreover, the recent calamitous developments in the Middle East situation serve to underscore many times the need for positive action in these underdeveloped countries, not through mere stopgap measures in hours of crisis, but in long term plans which would be in effect every day of the year. Such programs would be a positive force in meeting the revolution of rising expectations—before the revolution takes a dangerous and literal sense in even more countries than Lebanon and Iraq.

This bill would, if enacted, enable us to put private capital to work for this very purpose, by providing an income tax credit as incentive for contributions. The help would come under the best possible auspices—under the jurisdiction of the United Nations, providing the additional advantage of the capital and know-how of other member nations. It is estimated that, if everyone contributed, $700 million would be collected in the United States alone. It would, of course, be hoped that the people of the other member nations also assist with their time, effort, and money in this investment for peace.

Mr. President, I strongly urge passage of this bill as an important, positive step in the direction of world peace and prosperity.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 4181) to establish a people's program for peace, to provide for investments in peace through the United Nations, to permit deductions from personal income taxes for payments made thereto, and for other purposes, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Finance.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. DIRKSEN:

Statement on the death of Archbishop Michael, the head of the Greek Orthodox Diocese in North and South America.

NOTICE OF HEARING ON NOMINATION OF I. JACK MARTIN TO BE ASSOCIATE JUDGE, UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS

Mr. O'MAHONEY. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Thursday, July 31, 1958, at 10:30 a. m., in room 424 Senate Office Building, upon the following:

I. Jack Martin, of Maryland, to be associate judge, United States Court of Customs and Patent Appeals, vice William P. Cole, Jr., deceased.

At the indicated time and place persons interested in the above nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Wisconsin [Mr. WILEY], and myself, as chairman.

THE BLESSINGS AND PERILS OF OIL

Mr. FLANDERS. Mr. President, in the continuation of my remarks on the Middle East situation, I wish to address myself to the two items in my concurrent resolution of July 18 which relate to oil. That resolution contains these two whereases:

Whereas the access of the nations of Western Europe to the oil resources of that area is thereby threatened; and

Whereas cutting them off from that supply would cause distress, lower their standard of living and put their future under bond to Communist domination.

It is fashionable for sentimental liberals to take the position that any action or attitude favorable to the Western petroleum interests in the Middle East is by definition deplorable. Nothing that the great oil companies have done, are doing, or could do will in their eyes deserve support. I am asking that this Middle East crisis, so far as it relates to oil, be considered in the light both of the well-being of the Arab peoples and of the needs of Western Europe. Benefits to both are at present being rendered by the oil companies and no satisfactory substitute for their services has as yet been proposed.

The Middle East area around the shores of the Persian Gulf and the Mesopotamian Basin has been blessed with the most abundant proved oil reserves to be found in the world. The other great supply on the Eurasian Continent lies within the territory ruled by the Soviet Government. It serves the purposes of that Government to gain control over the supply around the Persian Gulf as well; and all of its activities in the Middle East are directed toward that end. The end is largely concealed, but the direction of movement, political and economic, is unmistakable.

The equities of the Arab nations must continue to be recognized. The oil lies beneath their lands; but it lies there dormant until it is developed by modern engineering and business ability. With the flow of oil unimpeded from the subterranean strata to the Western users, a corresponding reverse flow of funds to the Arab world, on an equitable basis, can be applied to enhance the well-being of the Arab population. Depending on the internal policies of the Arab governments, that well-being is already being enhanced to a greater or lesser degree.

The need of Western Europe for an oil supply cannot be questioned. The modern world depends on oil for its transportation. Whether by automobiles, trucks and buses over the highways, through the air by cargo and passenger planes, or over the railways by diesel locomotives, everything depends on the internal combustion engine, and the internal combustion engine burns one or another of the derivatives of petroleum.

Furthermore, the great chemical industries which are an essential part of modern living find a principal source of basic materials in petroleum. Finally, the convenience and transportability of oil and its efficiency as a fuel have led to its widespread use in power stations generating electricity. These items of chemical sources and power-station fuel are of great importance to the economy of the Western nations. The need for petroleum derivatives in land, sea and air transportation is critical.

The point which needs to be made is that the flow of oil to Western Europe is not merely a matter of prosperity and profit to oil companies and great industries. Basically, it is a source of the material elements of the good life for the Arabs from whom it comes, and for the citizens of Western Europe, to whom it goes. By the increasing use of petroleum, their standard of living has been and is being raised. If that supply is to be cut off and thereby made difficult to attain and high in cost, the standard of living of the people on both continents will be lowered.

Should the Soviet Government obtain control of the production of oil in the Middle East, or even of its channels of distribution, it might well permit the continued flow to Western Europe, but it would have to be on Soviet terms. That great area of the Free World would be living under bond to a Communist government, which would be able to bring heavy pressure to bear on the people and their governments by the very fact that the production or transport of oil was in Communist control. In other words, that control would be an effective step in bringing the Free World of Western Europe under the power of the Soviet Government. As to material benefits for the Arab world, there are no flickering indications in the crystal ball.

It may be asked, Mr. President, what concern that is of ours. When the isolationist is faced with this question, he does not find a satisfactory answer. We all know that if Western Europe goes, the rest of the world will go, too. With our Latin American friends placed under such pressure that they can scarcely exist, this will leave only Canada and the United States as beleaguered citadels of freedom surrounded by a totalitarian world.

This possibility we cannot face with equanimity. We must not face it at all. We must be prepared to prevent it. We have been trying to prevent it, but in such a bungling and, in many respects, immoral set of attitudes and actions that we can scarcely expect to succeed in preserving the world of freedom.

Time goes relentlessly onward. Opportunity after opportunity is mishandled and lost. The time is coming when it will be too late to remedy our mistakes. But that time has not yet been reached. There is still a chance that we may regain some of the lost ground and reestablish our position as a strong point, from whose shelter the Free World may be protected, increased, and provided with a constructive program for maintaining the freedom of the world.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

STANDING COMMITTEE ON AERONAUTICS AND SPACE SCIENCES

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1960, Senate Resolution 327.

The PRESIDENT pro tempore. The resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 327) to create a Standing Committee on Aeronautics and Space Sciences.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the resolution, which had been reported from the Committe on Rules and Administration with amendments on page 1, line 10, after the word "activities", to insert "as that term is defined in the National Aeronautics and Space Act of 1958,"; on page 2, line 4, after the word "of", to insert "such"; on page 3, line 1, after the word "activities", to strike out the parentheses and the period and insert "of the National Aeronautics and Space Administration".", and, on page 4, line 3, after the letter "(b)", to strike out "Effective" and insert "Unless otherwise determined, effective"; so as to make the resolution read:

Resolved, That (a) paragraph 1 of rule XXV of the Standing Rules of the Senate (relating to standing committees) is amended by inserting therein, immediately after part (o) thereof, the following new part:

"(p) (1) Committee on Aeronautical and Space Sciences, to consist of 15 Senators, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating primarily to the following subjects:

"(A) Aeronautical and space activities, as that term is defined in the National Aeronautics and Space Act of 1958, except those which are peculiar to or primarily associated with the development of weapons systems or military operations.

"(B) Matters relating generally to the scientific aspects of such aeronautical and space activities, except those which are peculiar to or primarily associated with the developments of weapons systems or military operations.

"(C) National Aeronautics and Space Administration.

"(2) Such committee also shall have jurisdiction to survey and review, and to prepare studies and reports upon, aeronautical and space activities of all agencies of the United States, including such activities which are peculiar to or primarily associated with the development of weapons systems or military operations."

(b) Part (c) of paragraph 1 of rule XXV of the Standing Rules of the Senate (relating to the Committee on Armed Services) is amended by adding at the end thereof the following new subpart:

"13. Aeronautical and space activities peculiar to or primarily associated with the development of weapons systems or military operations."

(c) Part (j) of paragraph 1 of rule XXV of the Standing Rules of the Senate (relating to the Committee on Interstate and Foreign Commerce) is amended by inserting in subpart 4, immediately preceding the period at the end thereof, a comma and the following: "except aeronautical and space activities of the National Aeronautics and Space Administration."

(d) Paragraph 6 (a) of rule XVI of the Standing Rules of the Senate (relating to the designation of ex officio members of the Committee on Appropriations) is amended by adding at the end of the tabulation contained therein the following new item:

"Committee on Aeronautical and Space Sciences	For aeronautical and space activities and matters relating to the scientific aspects thereof, except those peculiar to or primarily associated with the development of weapons systems or military operations."

SEC. 2. (a) Effective for the remainder of the 85th Congress, paragraph 4 of rule XXV of the Standing Rules of the Senate is amended to read as follows:

"4. (a) Each Senator shall serve on 2 standing committees and no more; except that not to exceed 24 Senators of the majority party, and not to exceed 12 Senators of the minority party, who are members of the Committee on the District of Columbia, the Committee on Government Operations, the Committee on Post Office and Civil Service, or the Committee on Aeronautical and Space Sciences may serve on 3 standing committees and no more.

"(b) In the event that during the 85th Congress members of 1 party in the Senate are replaced by members of the other party, the 36 third-committee assignments shall be distributed in accordance with the following table:

"Senate seats		Third-committee assignments	
Majority	Minority	Majority	Minority
48	48	26	10
49	47	24	12
50	46	22	14
51	45	20	16"

(b) Unless otherwise determined, effective at the beginning of the 85th Congress, paragraph 4 of rule XXV of the Standing Rules of the Senate is amended to read as follows:

"4. Each Senator shall serve on 2 standing committees and no more; except that not to exceed 22 Senators of the majority party, and not to exceed 10 Senators of the minority party, who are members of the Committee on the District of Columbia, the Committee on Government Operations, the Committee on Post Office and Civil Service, or the Committee on Aeronautical and Space Sciences may serve on 3 standing committees and no more."

Mr. JOHNSON of Texas. Mr. President, I ask that the committee amendments be agreed to en bloc.

The PRESIDENT pro tempore. Without objection, the committee amendments are agreed to en bloc.

Mr. JOHNSON of Texas. Mr. President, the resolution creates a Standing Committee on Aeronautical and Space Sciences, similar to the House committee. The resolution was unanimously approved yesterday by the Committee on Rules and Administration.

The resolution now before the Senate for consideration represents a needed form of legislative organization to meet the challenge of a new universe which is opening before us with startling rapidity.

In the short space of a year, our whole concept of our position in the universe has changed completely. We have discovered that we are no longer bound irrevocably to the earth.

The magnitude of the changes that are before us is evident from the mere fact that it is possible for us to set up this new committee without any significant reduction in the jurisdiction of existing committees of the Congress. We are dealing with a new dimension which brings new and previously unknown responsibilities.

The new committee would have jurisdiction over the newly created National Aeronautics and Space Administration. Its responsibilities would cover aeronautic and space sciences.

It will not, however, have legislative jurisdiction over defense aeronautical and space activities, nor will it have jurisdiction over civil aviation matters except those included in the research aeronautical and space activity which is the responsibility of the new Aeronautics and Space Administration.

The committee would be composed of 15 members. Membership on it would be regarded as a third committee assignment.

Exploration of space will require a cooperative undertaking unmatched in

all previous history. It calls for the mobilizing of tremendous resources—materials, manpower, and brain power.

Congress has done many things to launch this venture. We have appropriated money for research. We have appropriated money for development. We have created a new agency to direct and guide the effort.

One more step remains to be taken in this session. It is to provide the mechanism through which Congress itself can play its proper role.

It is urgent that Congress place itself in such a position. We are dealing with a dimension which will occupy the minds and dominate the lives of men for centuries to come. I hope that this resolution will be approved speedily by the Senate.

The PRESIDENT pro tempore. The question is on agreeing to the resolution, as amended.

The resolution (S. Res. 327) as amended, was agreed to.

Mr. MANSFIELD. Mr. President, I move that the vote by which Senate Resolution 327 was agreed to be reconsidered.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PRINTING OF ADDITIONAL COPIES OF HEARINGS ON INQUIRY INTO SATELLITE AND MISSILE PROGRAMS

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1968, Senate Concurrent Resolution 107.

The PRESIDENT pro tempore. The concurrent resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A concurrent resolution (S. Con. Res. 107) to print additional copies of hearings on Inquiry Into Satellite and Missile Programs.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the concurrent resolution.

Mr. JOHNSON of Texas. Mr. President, the concurrent resolution provides for the printing of additional copies of hearings on the Inquiry Into Satellite and Missile Programs. The additional copies are very much needed.

The PRESIDENT pro tempore. The question is on agreeing to the concurrent resolution.

The concurrent resolution (S. Con. Res. 107) was agreed to.

Mr. JOHNSON of Texas. Mr. President, I move that the vote by which Senate Concurrent Resolution 107 was agreed to be reconsidered.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PRINTING OF ADDITIONAL COPIES OF REPORT ENTITLED "WATER DEVELOPMENTS AND POTENTIALITIES"

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar 1958, Senate Resolution 328.

The PRESIDENT pro tempore. The resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 328) to print with additional copies the joint report entitled "Water Developments and Potentialities."

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the resolution, which had been reported by the Committee on Rules and Administration with amendments at the beginning of line 5, to insert "with illustrations", and, in line 6, after the word "printed", to strike out "five" and insert "two", so as to make the resolution read:

Resolved, That the joint report entitled "Water Developments and Potentialities", prepared by the Texas Board of Water Engineers, the Corps of Engineers, the Soil Conservation Service, and the Bureau of Reclamation, shall be printed with illustrations as a Senate document.

SEC. 2. There shall be printed 2,000 additional copies of such Senate document for use of the Members of the Senate.

Mr. JOHNSON of Texas. Mr. President, the resolution simply provides for the printing of additional copies of a very much needed report, which is in great demand, on the subject of water development potentialities in Texas.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendments.

The amendments were agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the resolution as amended.

The resolution (S. Res. 328), as amended, was agreed to.

Mr. JOHNSON of Texas. Mr. President, I move that the vote by which Senate Resolution 328 was agreed to be reconsidered.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TELEVISION PROGRAM, NBC'S COMMENT, SUNDAY, JULY 20, 1958

Mr. MANSFIELD. Mr. President, last Sunday, July 20, 1958, from 5:30 to 6 o'clock p. m., the National Broadcasting Co.'s television network presented a program entitled "NBC's Comment." The panelists, who discussed the crisis in the Middle East, were Merrill Mueller, Hanson W. Baldwin, Harry Ellis, Joseph C. Harsch, and John Chancellor.

In my opinion, the program was one of the best expositions of the picture or story in the Middle East. I ask unanimous consent that the synopsis of the program be printed at this point in the RECORD. I hope the Senate will give most careful and serious consideration to what these outstanding correspondents and commentators had to say.

There being no objection, the synopsis was ordered to be printed in the RECORD, as follows:

COMMENT, SUNDAY, JULY 20, 1958

The ANNOUNCER. NBC News brings you Comment, qualified correspondents, and news analysts commenting on important topics in the news.

Today on the Crisis in the Middle East, Comment brings you five top correspondents. Merrill Mueller, NBC News.

Mr. MUELLER. The ultimate danger will grow, if Western leaders believe that any policy of expediency is the right policy for servants of the people.

The ANNOUNCER. Hanson W. Baldwin, of the New York Times.

Mr. BALDWIN. You can do everything with bayonets, except sit on them.

The ANNOUNCER. Harry Ellis, the Christian Science Monitor.

Mr. ELLIS. What will happen to King Hussein and to President Chamoun if Western troops now leave the Middle East?

The ANNOUNCER. Also to be heard on Comment today by film report and direct shortwave conversation with our correspondents in the studio will be Joseph C. Harsh, NBC senior news correspondent from London, and John Chancellor, NBC News, Beirut.

During the past week, NBC News correspondent Merrill Mueller has become a familiar figure to television viewers as he reported the actions of the Security Council directly from the United Nations.

He comments now on the course ahead for the U. N.

Mr. MUELLER. The question of the hour: Will there be a summit conference bypassing the United Nations in an effort to solve the Middle East crisis without World War III? This afternoon the answer seems to be "Yes," but with this important modification. The West can accept a summit meeting which physically takes place within the United Nations.

With your permission I propose to be extremely blunt and brief because in my humble opinion the question of who gets credit for avoiding World War III, the West or Russia, is irrelevant. All that is important now is the fact that there are six different actions under way this afternoon, all looking toward peaceful solutions to the crisis of these grave days, and all showing remarkable degrees of common ground. At the same time I must warn that in recent days of covering the United Nations debates, I have been repeatedly alerted by the highest American and British sources that Western moves in the Middle East are designed to make it unmistakably clear that we have thrown up a stop sign for any further sacrifice of smaller nations by subversion or aggression.

Western actions are no longer passive. Of the actions under way now that I mentioned, the most important is that of the urgent need for replies to Khrushchev's letters suggesting a summit meeting in Geneva on Tuesday. India has officially accepted, providing such a meeting takes place. France wants to accept.

Secretary General Dag Hammarskjold of the United Nations cannot accept because even though Khrushchev would have the summit meeting report back to the U. N. Security Council, Hammarskjold's appearance would be tantamount to admittance that the U. N. cannot handle the crisis at this time.

That leaves only the United States and Britain. Secretary Dulles and Foreign Minister Lloyd have reached what Lloyd calls

substantial agreements on a reply to Khrushchev. Note it is substantial, not complete agreement.

Lloyd conferred here with Dag Hammarskjold and then returned to London where the Foreign Office has already leaked several clues to what to expect. The United States and Britain will reply to Khrushchev that they cannot meet with him in Geneva on Tuesday. That sounds negative, but it is not a rejection. The West will suggest another date and slightly different conditions. To put Khrushchev on the spot of honoring his own offer to meet anywhere convenient and report back to the U. N.

The Anglo-American replies are likely to suggest a summit meeting be held as early as possible under the following timetable: (1) That the Japanese compromise resolution before the United Nations be studied and if acceptable, approved by the Security Council tomorrow—more on this in a moment; (2) that all parties can carry out commitments under the Japanese resolution to clear the way for an urgent meeting of the United Nations General Assembly, regardless; (3) that the urgent General Assembly be convened in Geneva or New York, but Geneva is more likely to be acceptable, to be attended by the presidents and prime ministers of the member nations.

Thus Khrushchev's summit call to hear a full report from the United Nations observer group in the Middle East becomes a summit in the U. N. Assembly. The whole purpose of this plan is to prevent the weakening of the total U. N. influence in settling any world problem and to reemphasize the West's position that it sent troops into the Middle East only until such time as the U. N. was strong enough to handle the situation.

The first key to this plan now becomes the Japanese resolution before the Security Council tomorrow. It is believed no country will object to enlarging the UN observer group in Lebanon, possibly expanding its work to Jordan, provided it is coupled with simultaneous withdrawal of Anglo-American forces, but Russia will object to giving Dag Hammarskjold unlimited powers to deal with the situation.

Many amendments may appear to the Japanese resolution.

The next key to the Assembly summit plan involves the Government of Switzerland who stated officially this afternoon it will do everything possible to be ready for a major conference as earily as Tuesday of this week. Finally other forces at work:

The neutral nations like India and the smaller powers like Yugoslavia, are pressing on the outside for an urgent General Assembly to be called by 41 member nations despite the Security Council or major power activity.

President Tito has written a number of nations after Yugoslavia announced it would press for such an assembly. The Indian Ambassador at the U. N. while serving as the runner for the Japanese resolution is also busy on the idea of having the General Assembly call itself into session.

Two other late developments: Egypt's President Nasser surprisingly conferred in Damascus with Prince Abdullah Subah, the head of the richest oil state in the world, Kuwait, on the Persian Gulf. If Kuwait joins Nasser's Pan-Arab movement there need not be another military crisis but it will constitute another severe blow to Britain's waning prestige in Arabia as well as our own.

And finally, President Eisenhower called Vice President Nixon, Secretary Dulles, Defense Secretary McElroy, Assistant Secretary Herter, and Joint Chief Chairman General Twining into the White House this afternoon to draft a formal reply to Khrushchev. The White House said Khrushchev will get more consideration, but nothing will be done that would conflict with U. N. activities.

Later in our program we will get to the military issues and to the rights of small countries that are threatened, as well as a roundtable discussion with my colleagues here and in Beirut and London. All I would like to say before we go on is this: World war III is no closer this week, though the ultimate danger will grow if Western leaders ignore the most unusual conciliatory tone of Nikita Khrushchev's latest note, and if Western leaders believe that any policy of expediency is that right policy for servants of the people.

The ANNOUNCER. NBC News correspondent John Chancellor has been covering this latest fast-breaking crisis in the Middle East since it began.

He comments now by film from Beirut, Lebanon.

Mr. CHANCELLOR. The main question in my mind concerning the presence of American troops in Lebanon is, who cashed the check? The United States had given Camille Chamoun, the President of Lebanon, as everyone knows, an I O U to be used if necessary for American invervention in the Lebanese rebellion.

Chamoun the other day cashed the check in a great hurry and he cashed it apparently because of a situation in Iraq and not because of any major change in the internal situation in Lebanon.

Therefore many people here feel that the United States Government, aroused by the trouble in Baghdad must have had a hand in the game and possibly we cashed our own check. On the other hand, we at least allowed Chamoun to cash it on our terms and at our timing.

Now that we are here in Lebanon with several thousand marines in battle dress adding to the already colorful population in Beirut, we ought to consider what we have stepped into. Either because of the timing of events, or because of the internal difficulties of his own, it seems President Chamoun didn't tell anybody we were coming. The classic and bewildering example of this secrecy is best shown in the well-documented case of Gen. Fuad Shehab, the commander in chief of the Lebanese Army. General Shehab was told apparently of the arrival of the Americans just 2 hours before the Marines hit the beach. Now he didn't want the Marines here and according to the peculiar powers given to Middle Eastern commanders in chief, he ordered his tanks stationed near the airport to swivel their turrets and their guns in the direction of the oncoming Americans. At that time General Shebab was ready to fight. Somebody talked him out of it fortunately and therefore saved the United States from an almost unbelievably embarrassing battle. Now General Shebab has been criticized by many for his nonchalant conduct in the Lebanese trouble, but he remains as the Chief of the Army here and a considerable power in his own right. How long he will maintain his reluctant alliance with the United States, no one knows, but if he should defect, his army, already of uncertain quality, will break up into warring and shooting groups and then we will have to fight all kinds of people.

Another example of the curious silence of President Chamoun with his own people comes from Ah-dell O-so-rahri, who is Speaker of the Lebanese Chamber of Deputies.

O-so-rahri says in Parliament that the Parliament was not told of the American arrival and he is calling, along with rebel leaders, for a special Parliament session designed to get the Americans out. If this is not completely unsettling news, there is more. The rebels in Tripoli are seeking a cease-fire with the army in Tripoli trying to build up a combined force that will fight the Americans. And rebel leaders in both Tripoli and Beirut are threatening to call in foreign volunteers to get the Americans out of the country.

They are joined in this anti-American activity by the forces of the Syrian Socialist Nationalist Party, an extreme right wing group with a rather high-muzzle velocity that has been outlawed by the government, but has been given arms incidentally by the government to fight the rebels. These people have been pro-Chamoun; because of the arrival of the Marines, they have turned on him.

There is one very unhappy result in this situation and that is the possibility exists here that the Lebanese population, because of grotesquely internal complications, may turn on the Americans, and the Americans would then be forced to defend themselves, fighting foreign nationals on foreign soil.

The comparison with the Russians in Hungary has already occurred, incidentally, in the neutral nations but if the volatile and trigger-happy Lebanese turn their limited firepower against the weapons of the Second Provisional Marine Force, the Marines will be forced to allow a lot of Lebanese to commit suicide and we will have a bloodbath. The alternative is withdrawal and international humiliation.

The middle ground is where we are now and our stability in that middle ground within Lebanon depends partly, at least, on Gen. Fuad Shehab, and President Amil Chamoun.

John Chancellor, NBC News, Beirut.

The ANNOUNCER. The American action in sending troops to the Middle East has raised important questions of a military nature and to answer them, Comment calls on the military editor of the New York Times, Hanson W. Baldwin.

Mr. BALDWIN. "You can do everything with bayonets except sit on them."

This paraphrase of an old quotation symbolizes the Anglo-American dilemma in the Middle East. We are trying to sit on bayonets and the seat is an uneasy one, indeed.

The American intervention in Lebanon and the British landing in Jordan represented a quick reaction to the pro-Nasser coup in Iraq. The tide of Arab nationalism appeared to be rolling to the flood. It seemed clear that the only way to prevent the rather swift overthrow of the present Western oriented government in Lebanon and Jordan was to bolster them with United States and British troops.

The action we took was fully legal with many precedents in international law. It was in response to requests of the constitutional governments of the countries concerned. The military phases were conducted on the whole efficiently and rather rapidly, although the slow air movements verified what was already known, that the United States does not have enough immediately available military airlift to meet all the demands of a sudden emergency.

World tension has eased somewhat in the past 2 days. There is no evidence of mobilization or unusual civil defense measures in any country. Some eight thousand American troops are in Lebanon, more than enough to prevent any internal coup, and ample, backed up as they are by the Sixth Fleet, to discourage any open external aggression against Lebanon.

Some of our friends in the Middle East, notably Turkey, have been encouraged by last week's evidence of United States power and determination and Washington has given a global warning, at long last, of our strength.

We have built dikes in the Middle East against the rising tide of Arab nationalism, but what next?

Our landings unfortunately may ultimately help to produce the very thing we are trying to prevent. In Lebanon, some of those who formerly sided with President Chamoun now

have turned against him because of his request for American aid, and the Lebanese Army, 40 percent of it Moslem, has made no greater effort since the American landings than it had before to end the rebellion against its government. The kid glove approach to the rebels still continues.

The truth is, of course, that Western troops in Arab countries, particularly in countries engaged in their own domestic squabbles, are like a red flag on a bull, we have been put in the position of propping up with our bayonets regimes which have limited popular support and which are faced with strong active opposition from Arab nationalism.

Our military actions, in other words, may well have weakened the political support of our friends. It seems clear that the future of pro-Western governments in Jordan and Lebanon is bright only as long as our bayonets remain. For the strategic key in the Middle Eastern dilemma is Iraq. Jordan and Lebanon are sideshows. The inescapable conclusion is that we have either done too much or we have not done enough. Thus our long-term military objective in the Middle East appears to be fuzzy and undefined and the use of the limited forces we have so far employed may well handicap, not help, the attainment of our political objective.

There are some lessons to be learned. First, Arab nationalism is here to stay. We must accommodate our policies to this fact.

Second, Russia is interested in the Middle East and this interest is certain to continue. Ironically, one of the adverse results of our intervention may be that we have strengthened the foothold of communism in the area.

Third, it is wrong to equate Arab nationalism and communism. There are Communists in every country but communism does not dominate any of the Middle Eastern nations. It may, however, if we drive them together.

Fourth, we can perhaps sit on bayonets for a short time but the longer we remain in Lebanon the less comfortable the seat will be. And finally the best we can expect from most of the Arab States of the Middle East is neutralism in the world conflict. Not a clear-cut alinement with the West. We can and must insist on real neutralism. But if we attempt to force Arab nationalism completely into Western channels, we shall have to use a lot more bayonets in many more areas of the Middle East and we shall have to sit on them for a long time to come.

The ANNOUNCER. Harry Ellis, the assistant overseas editor for the Christian Science Monitor, has served as a correspondent in the Middle East and is the author of Israel and the Middle East and Heritage of the Desert. Mr. Ellis comments now on the American dilemma.

Mr. ELLIS. The big question at the moment is, will war result from British and American intervention in the Middle East?

But behind this question lurks another: What will happen to the King of Jordan and the President of Lebanon if Western troops are withdrawn? To protect these two men after all is why American forces in Lebanon and British paratroopers are in Jordan. The answer is clear. If, through fear of a big war, the United States and Britain were to pull out their troops under present circumstances, King Hussein and President Chamoun would fall.

Look at it this way: The real threat to King Hussein is that a majority of Jordanians believe the King is an outmoded ruler, the last remaining symbol of Western control of Jordan. To these Jordanians, Colonel Nasser represents true Arab leadership and they want a government of their own friendly to Nasser.

This tide of Arab nationalism has been about to engulf King Hussein as his cousin King Faisal was engulfed when the British stepped in to protect him.

Let us be clear on this point: Only the presence of British troops now keeps King Hussein on this throne and no political settlement between Russia and the West will change the minds of Jordanians who want their king out.

The situation in Lebanon is different. Many Moslem Lebanese look back bitterly on the French controlled Lebanese census of 1932 which found Christian Lebanese in a 55 to 45 percent majority over Moslems. The resulting governmental setup in Lebanon gave the top hand to Christians.

For some years most Lebanese have demanded a new census on the grounds their higher birthrate plus the emigration of Christian Lebanese out of the country have reversed this percentage. Therefore, say the Moslems, hold a new census and see whether the top hand in Lebanon including the Presidency should not go to Moslems.

The Christians, whose ancestors fought hard to carve out a sanctuary in the Moslem world, have opposed a new census. This issue now has allied itself to Colonel Nasser's clear call on the Arabs to unite under Cairo's leadership. A possible solution exists in Lebanon. If rebels and government can decide on a compromise candidate, Parliament may elect a new President of Lebanon July 24. If Chamoun agrees to step down immediately, rather than serve out his term until September 23, the present crisis might be ended.

The Lebanese of both sides, Moslems and Christians might agree to revive their old partnership in government. Such a solution would permit the withdrawal of American troops from Lebanon.

In Jordan, as we have seen, no such solution appears possible. Western troops presumably will have to remain there, so long as Washington and London want to keep King Hussein on his throne.

Another point we should not forget: Unless King Hussein or the West tries to win back Iraq, President Nasser will have gained a new ally far more important to him than either Lebanon or Jordan. That ally is oil-rich Iraq, with a glittering possibility of Kuwait, beyond.

The ANNOUNCER. NBC senior European correspondent Joseph C. Harsch from his base in London comments now by film on the British attitude.

Mr. HARSCH. The sudden swift succession of dramatic events in the Far East over the last few days means three things to Britain. First it means that the estrangement of the Suez crisis between their government and ours is over, and the times we sat in lofty moral judgment on them, punished them, withheld oil from them, threatened to strangle their economic life, those times are over. For better or worse, Britain and America are in the Middle East together now in harness. We are together in the defendant's dock at the United Nations. What we two have done, we have done together, planned it together and executed it together, and we face the consequences together. There is one Middle East policy between us, a joint Anglo-American policy. To Britons who still smart from our moral disapproval over Suez, and remember keenly our awful threat to their economic life at that time, this is, if by their standards a bit tardy, still a very good thing. They prefer to be with us. They are profoundly relieved that once again we two are together. Right or wrong, for better or for worse.

Second, this means that there is a long road ahead for this revived Anglo-American partnership in the Middle East. If anyone at home thinks that we are going to settle the Middle East with 5,000 marines in Lebanon in a few weeks or months, then no one here entertains any such illusions. We have started something together, we and the British. There isn't much point in starting unless we expect to see it through together. Seeing it through can mean years. It might mean indefinitely. It certainly means more than just stabilizing the status quo in Lebanon and Jordan. At the very least it must mean reclaiming Iraq and Syria for the West.

In the end it may well mean a decisive settlement with President Nasser of Egypt. This the British understand and accept. They always thought it should be done. What they wanted to do at the time of Suez. It is what they trust we understand now. They are ready for it, as long as the two of us are working together. Are we?

Third, it means a sudden and drastic disturbance of the domestic British political pattern. Unintentionally, perhaps unconsciously we were allied with the British Labor Party here over Suez. That party opposed Suez just as our Government did and for the identical reasons. That party objected to the use of force as we did, opposed outside of the U. N., regarded intervention as being wrong and a smacking of outdated colonialism.

The old Suez crisis identity of our American Government policies with Socialist Party beliefs here has suddenly overnight been broken. In effect we have gone over to the Tory side of the case. We Americans are now using force in the Middle East and not through the U. N. or with its blessing. Just as the Tory government did at the time of Suez.

Our policies are now in harmony with those of the Tory government here, and out of step with the policies and beliefs of the Socialist Party.

Of course we have not done this in order to change the domestic balance here in Britain between Tories and Socialists, but inevitably it has that effect.

Six months ago it seemed a foregone conclusion that the Labor-Socialist Party would win the next British election. However, tonight that pattern has been thrown out the window. Unless the new Middle East policy fails, the Tories are bound to benefit from it. It is a popular policy, it brings Britain and America together again, also popular here.

By sending our troops to Lebanon we have probably given the next British election to the Tories. We have certainly divided the Labor Party. We perhaps have even struck a fatal blow at the British Labor Party.

This is Joseph C. Harsch, NBC News, London.

Mr. MUELLER. And Joe is standing by on a live circuit with me and with Mr. Baldwin and with Mr. Ellis right now. Also standing by on the same circuit is Jack Chancellor in Beirut. I will turn to Jack in just a moment, but right now I would ask Joe, since I have already indicated that London is saying more on the summit replies to Mr. Khrushchev, I will ask Joe Harsch to cut in and give us the latest developments there.

Mr. HARSCH. The latest development is that the Foreign Office has been working all day on what the answer should be to the Khrushchev business. Mr. Macmillan has set a note of calm and restraint and absence of a hurry. He spent the morning at his home in the country doing the normal thing, reading the lessons at church. He went to a benefit garden party in his garden this afternoon and then casually at teatime he came in to hear what his experts had figured out.

One main point here is to get across the idea that there is no panic, that everybody is perfectly calm about the whole thing.

There is no sense of any serious threat of war, and they are just thinking about what to do next, and the idea is very clear that what we ought to do is keep this thing

in the U. N. where it is now, and where everybody here thinks it belongs.

Mr. MUELLER. Thank you, Joe.

Now, gentlemen, I would ask you all to listen rather carefully to the answers of a series of questions I am going to put to John Chancellor in Beirut.

John, if you are reading me, the first question: Any panic or trouble? What is the general position of American troops at this hour tonight, there?

Mr. CHANCELLOR. We have about 9,200 here in Beirut. One thousand Marines aboard ship. As you know we are operating within a perimeter that runs about 9 miles along the shore and they are holding that without any difficulty. The Marines, particularly those near the airport, are being sniped at regularly and they have had to return this fire upon occasions.

There have been other foreign harassments. A soft drink vendor brought a wicker basket of soft drinks into a Marine compound and left it on the ground. A few minutes later a bomb went off. Didn't hurt anyone, but ended all soft drink sales in that area. Otherwise everybody seems to be fine.

Mr. MUELLER. Any comments, gentlemen around the table, or Joe in London?

We pass, Jack.

The next one: Do the Lebanese rebels at all appear ready to stop the shooting and convert their efforts to politics?

Mr. CHANCELLOR. The rebels in Beirut, it seems to me, have always been more ready for politics than shooting. Their shooting has never been very effective, I don't think. So far the rebels have held their fire, as you know, against American troops. One rebel leader, Side Salon, says his people won't fire on the Americans, at least now, because he says they have—his people have more wisdom than Eisenhower and won't start a third world war.

However, Salon and other rebel leaders are mad at the Americans because they came in. However, they are sticking with their pre-intervention plan for a compromise presidential candidate and the shooting is no more than usual, really.

Mr. MUELLER. Any comments anywhere, gentlemen?

Mr. ELLIS. If a new president is elected July 24, is President Chamoun going to want to serve out his term until September 23?

Mr. CHANCELLOR. We haven't that much information from President Chamoun. Although I am convinced, as most observers are here, that he will not run again, of course.

Mr. BALDWIN. Exactly what is the Lebanese Army clothing?

Mr. CHANCELLOR. I am not sure I can answer that, Mr. Baldwin. The Lebanese Army are still in town. The Americans have not moved out of their perimeter and I have no evidence that the Americans may have replaced any Lebanese soldiers so that they can go and fight the rebels.

Mr. MUELLER. I will ask you a question I know you can answer: You have indicated there are two chief political candidates for the presidency. Could you give us any comparison of their positions on three things: pan-Arabism, the American forces, and the United Nations observers?

Mr. CHANCELLOR. It is very difficult under existing conditions here, to give you these statements and positions. One high military leader who has been mentioned as a possible candidate for the Presidency has been more or less a neutral in this. We have an up-country lawyer named Ulard Bohos who is running and his position on the Americans is unclear.

As far as Pan-Arab sentiments are concerned, there is, of course, the understandable lure of a state built upon an acknowledgement of the Arab language, geography, and culture. The other kind of Pan-Arabism is reflected by Nasser's United Arab Republic with its striking nationalism. It is not absolutely popular in Lebanon at this time. As to the relations with the United Natons, I think I can say that many Lebanese feel now, after the American intervention, that the U. N. is not such a bad outfit after all.

Mr. MUELLER. Any comment, Joe Harsch in London?

Mr. HARSCH. No; I am satisfied.

Mr. BALDWIN. The military leader, of course, to whom you refer is Brig. Gen. Fuad Shehab, the Chief of the Lebanese Army?

Mr. CHANCELLOR. I am afraid I can't comment on that from here, Mr. BALDWIN.

Mr. MUELLER. A final question: We may lose you in the meantime: What is your expectation of this situation between the election of a new President on the 24th of July and his taking office on the 24th of September.

Mr. CHANCELLOR. Most of the reporters here say the lead has shifted to the United Nations and other summit conferences, and I am going to end with a cliché and say that nobody knows what will happen between those dates.

COALINGA'S VENTURE INTO SALINE WATER CONVERSION

Mr. KUCHEL. Mr. President, our Nation's ever-mounting needs for water for agricultural, industrial, municipal, and domestic purposes present a continuing problem to all agencies and levels of Government—from Congress to the town trustees of remote communities. The threat, which increases steadily, that the growth and expansion of America is overtaking available supplies, at least in some sections of our country, has necessitated a variety of programs and projects to conserve and impound water obtained through natural precipitation. It was this situation which recently prompted the Senate to adopt unanimously a resolution—of which I was happy to be a cosponsor—providing for a 5-year, $10 million field test program of methods of bolstering water supplies through conversion of saline and brackish water.

The urgency of the problem has been dramatically pointed up by the plight of a long-suffering community in my State of California. This is Coalinga—I am sure the President pro tempore is acquainted with it—which ever since the start of the present century has been compelled to rely on tank-car importations for drinking and household water for its citizens, who now number more than 6,000.

The city of Coalinga has paid heavily for sweet water for its residents. Last year the freight bill for hauling water from sources 45 miles away amounted to $43,000.

Within the past few weeks, the city has taken a bold step to alleviate its own acute problem. In the best American tradition, Coalinga has virtually undertaken to pull itself up by its own bootstraps. This community, the business center of an oil-producing area which includes Kettleman Hills, and of the cotton fields on the west side of the San Joaquin Valley, has become the first municipality in the United States to install its own water conversion plant.

In view of growing requirements for cooking and drinking water and the burdensome expense of importing water from outside sources, Coalinga has contracted for construction of a 28,000 gallon-a-day plant which will use electrolytic methods to remove excess minerals from the water from its brackish-water wells. It also will expand by 50 percent the drinking water supply. According to Mayor Joseph Steele, tests have indicated that most people in Coalinga are unable to tell any difference between the converted brackish water and the city's imported water.

The city of Coalinga merits commendation for this progressive venture. I believe the installation will be an important milestone beside the road the United States is following in the search for a solution of our acute water problem.

Mr. President, I make this statement to the Members of the Senate in order to indicate that progress is being made, not only by means of the appropriate legislation which the Congress has passed, but also by means of the action taken by intrepid city governments, such as that of the city of Coalinga, in my State.

AGRICULTURAL ACT OF 1958

Mr. MANSFIELD. Mr. President, in view of the fact that the Senate is meeting today following a recess, and inasmuch as the pending business, Senate bill 4071, has been temporarily laid aside in order to permit the handling of morning business, I now move that the Senate resume the consideration of Senate bill 4071, the Agricultural Act of 1958.

The motion was agreed to; and the Senate resumed the consideration of the bill (S. 4071) to provide more effective price, production adjustment, and marketing programs for various agricultural commodities.

PROPOSED SUMMIT CONFERENCE AT THE UNITED NATIONS IN NEW YORK CITY

Mr. HUMPHREY. Mr. President, I should like to make three brief points on the proposed summit conference which apparently will be held within the framework of the United Nations, and, as it now appears, in the city of New York, in the very near future.

First, I should like to commend the United Nations for the opportunity it is affording for the summit discussions. Again the United Nations has proved to be an invaluable instrument of foreign policy for all nations, as a great, constructive force for peace. Once more the sheer availability of the United Nations as a forum for discussion—both public and private—has preserved the possibility of negotiations, and perhaps has averted a downward plunge into war.

The sheer existence of the United Nations as an institutional framework for discussions which otherwise would be difficult, if not impossible, has been a gravitating influence for our own Government's hesitating acceptance of the summit proposal.

The United Nations provides the environment and the machinery conducive to fruitful negotiations. It has been a

common assumption that events at the United Nations must be largely public-relations events—in the glare of television cameras and propaganda handouts. In fact, this fear has been expressed by many responsible persons, particularly in regard to the proposed summit conference under the auspices of the United Nations. But my own experience at the United Nations convinces me that there is much more depth to the situation than mere public relations and propaganda. This leads me to my second point:

Second. The United Nations offers an opportunity for quiet, secret, informal talks, as well as public-platform appearances. This point needs to be stressed today to the American people, because I am afraid that all too often our references to the United Nations have been in terms of a public forum, rather than a solid instrument for effective diplomatic negotiations.

I have been immensely heartened to know that the Secretary General of the United Nations has once more taken the initiative in proposing a tentative plan for just such quiet negotiations.

I ask unanimous consent that two articles from the New York Times, one, from yesterday's edition, entitled "Charter Allows U. N. Summit Talk," and one, from this morning's edition, entitled "Secret Summit Conference Is Proposed by U. N. Chief," be printed at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

CHARTER ALLOWS U. N. SUMMIT TALK—TRYGVE LIE ONCE PROPOSED HIGH-LEVEL CONFERENCE TO HALT COLD WAR

UNITED NATIONS, N. Y., July 22.—The machinery for getting the heads of state together for a security council session on the Middle East already exists in the United Nations Charter and the Council's rules of procedure. However, the machinery has not been tested since the United Nations began operating in January 1946.

Former Secretary General Trygve Lie attempted unsuccessfully to persuade the big powers to have such a session in the hope that this would get the Soviet Union and the West to call off the cold war.

This effort was made in the spring of 1950, at a time when Moscow had begun its United Nations boycott because the Western powers refused a seat to Communist China.

Mr. Lie's private negotiating efforts were overtaken by the Communists' surprise attack on South Korea in June 1950, which put an end for the time being to his efforts to patch up the East-West quarrels.

PLAN IS PRESSED

The basic idea of a top-level council meeting still appeals to many diplomats and is being pushed seriously as pointing a possible way out of the Middle East dilemma.

Under article 28 of the charter, provision is made for the holding of periodic meetings at which the Council's 11 members may be represented by specially designated persons, such as ministers or government leaders.

The Security Council's own rules envisage this by stipulating that the head of a government or foreign minister may sit at the Council without submitting the customary credentials required for delegates.

Those who favor a Council meeting at a high level feel that it would encourage a more fundamental approach to the problem than can be attempted at the usual delegation level.

LIE PLAN ENDORSED

Eight years ago, Mr. Lie managed to line up considerable support for this idea, including the backing of three former Presidents of the General Assembly: Brig. Gen. Carlos P. Romulo of the Philippines, Dr. Herbert Evatt of Australia, and Dr. Oswaldo Aranha of Brazil.

Any new attempt to call such a Council meeting would have to overcome certain obvious obstacles. For example, would Soviet Premier Nikita S. Khrushchev come from Moscow to sit at the table with Generalissimo Chiang Kai-shek of Nationalist China. The Soviet Premier also has made clear Moscow's wish to include India in summit talks and India is not a member of the Council at this time.

This presents no great difficulty, however, since the Council rules allow other governments to be invited to participate. However, even if these minor procedural snags could be resolved, many here have doubts that President Eisenhower, Prime Minister Harold Macmillan and other heads of government would deem it appropriate to sit as Council members.

ALTERNATIVES URGED

Among other alternatives being considered is the suggestion from Lester B. Pearson of Canada that the Council name a subcommittee that would meet under the chairmanship of Secretary General Dag Hammarskjold.

Under such a procedure, the Council could name any governments it wished, such as those of the United States, France, Britain, the Soviet Union and perhaps India or others.

This would obviate any decision on a place for China. It would also get the top leaders together for face-to-face talks without the binding restrictions of Council procedures and rules.

SECRET SUMMIT CONFERENCE IS PROPOSED BY U. N. CHIEF

(By Thomas J. Hamilton)

UNITED NATIONS, N. Y., July 23.—Secretary General Dag Hammarskjold has drawn up tentative plans under which the proposed summit meeting would be held under the auspices of the Security Council but behind closed doors.

Under the plan, President Eisenhower, Soviet Premier Nikita S. Khrushchev and the other heads of government would not actually take their seats at the Security Council's horseshoe table.

Reliable sources emphasized tonight that these plans were subject to modification in the light of the Soviet announcement that Mr. Khrushchev would be willing to come to New York for a Security Council meeting Monday.

The announcement insisted upon the participation of Prime Minister Jawaharlal Nehru, of India, which is not a member of the Council, and an undetermined number of Arab leaders.

PROCEDURE IS SUGGESTED

Under Mr. Hammarskjold's plan, as prepared before the Soviet announcement, the Council would meet in the normal way, with the permanent representatives at the 11 members at the table.

The four powers originally proposed by the Soviet Union for the meeting would thus be represented by Henry Cabot Lodge of the United States, Sir Pierson Dixon of Britain, Pierre de Vaucelles, the French deputy representative, and Arkady A. Sobolev of the Soviet Union. Mr. Hammarskjold would have his usual place at the right of the President of the Council.

As soon as the Council convened, one of these delegates would announce that the four governments intended to discuss the Middle East crisis at the heads-of-government level and that Mr. Nehru and Mr. Hammarskjold also would participate.

Alternately, Mr. Nehru's participation could be requested by the Council itself.

The Council's rules of procedure authorize it to invite any member state whose interests are affected to take part in a Council discussion. Since the Council is also authorized to invite members of the United Nations Secretariat, or even private citizens, to take part, there would be no difficulty about arrangements for Mr. Nehru's participation.

SECRET TALKS PROPOSED

In any event, the Council would promptly adjourn to permit President Eisenhower, Premier Khrushchev, Prime Minister Nehru, Mr. Hammarskjold, British Prime Minister Harold Macmillan and Premier Charles de Gaulle to begin their discussions.

These would be secret, and could be held in Mr. Hammarskjold's office on the 38th floor of the United Nations building, where the Foreign Ministers of Britain, France, and Egypt conferred in October 1956, during the earlier phase of the Suez crisis.

However, meetings could be held anywhere in the United States, or in a foreign country for that matter, depending on the accommodations that could be arranged for the large staff that would accompany the five heads of government.

The Security Council would not meet again until the summit meeting had been concluded and Mr. Hammarskjold was ready to report the conclusions reached.

There would be nothing, of course, to prevent the heads of government from participating in the actual proceedings of the Council if they wished. Under the monthly rotation system, France will hold the presidency of the Council for August and General de Gaulle would preside if the heads of government decided to be present when Mr. Hammarskjold presented his report.

COMPLICATIONS FORESEEN

However, the Secretary General's tentative plan would overcome many of the complications that would arise if the heads of government participated in the Security Council meetings. Among these are the following:

The Security Council chamber is not large enough to accommodate the large staffs that would accompany the heads of government, and the circus-come-to-town atmosphere would hardly be conducive to fruitful negotiations.

The possibility that Generalissimo Chiang Kai-shek, President of Nationalist China, might take his seat at the same table with Mr. Khrushchev and Mr. Nehru. Since he would not participate in the heads-of-government meeting, however, there would be no occasion for General Chiang to come.

The question of security. The possibility of holding the heads-of-government meeting outside New York would greatly reduce the problem of guarding Mr. Khrushchev against an attack on his life. It has been suggested that it might be better for the Soviet Premier to stay in Mr. Hammarskjold's 1-bedroom apartment on the 38th floor if the discussions were held at United Nations Headquarters.

Mr. HUMPHREY. Mr. President, it would be well for us to study the background of the United Nations Security Council operations, and particularly the comments of Mr. Trygve Lie, formerly Secretary-General of the United Nations, who in 1950 proposed a summit conference to halt the cold war. At that time he outlined a program under the terms of Article 28 of the Charter, and pointed out that provision is made for the holding of periodic meetings at which the Council's 11 members may be represented by specially designated per-

sons, as well as by ministers or government leaders. Then, as the article in the New York Times points out—

> The Security Council's own rules envisage this by stipulating that the head of a government or foreign minister may sit at the Council without submitting the customary credentials required for delegates.

I note, Mr. President, that Mr. Hammarskjold has been carefully preparing a suggested proposal to allow the Security Council to convene, possibly request the participation of nonmembers, such as India, and her Prime Minister, Mr. Nehru—and, indeed, others may be requested to attend as I shall mention in a moment—and then adjourn in favor of informal, secret talks among the heads of state.

It seems to me, Mr. President, that Mr. Hammarskjold's proposal is admirably designed to meet the fears and criticisms of those who feel that the United Nations is nothing more than a public-relations forum.

So I hope a subcommittee on agenda will be appointed, so that prior to any formal meeting of the heads of state, an agenda may be organized, and thus the proposals to be considered in overall study by the heads of state will have been agreed upon beforehand.

My third point, Mr. President, is to stress the invaluable opportunity at the United Nations for direct person-to-person negotiations which might not otherwise take place. I say this with reference not only to the summit chiefs—Mr. Khrushchev and President Eisenhower—but also with reference to the leaders of other states, and, in this instance, certain of the Middle East states. For example, I believe that President Nasser, of Egypt, should come to the United Nations. I believe that Prime Minister Ben-Gurion of Israel should come to the United Nations, and should be invited to come. I earnestly hope that they and other Middle Eastern leaders will come to New York during this session. I believe that the possibilities of private, behind-the-scenes talks are not limited to talks between the summit leaders; I think progress can be made on other levels, as well. In fact, this meeting at the United Nations may very well be the most important one ever held in terms of resolving the difficulties in the Middle East.

For example, is it not time that the leaders of the great nations and also the leaders of the smaller nations understand that some means of settling the Arab-Israeli conflict must be found? In that connection, what could be better than to have talks between representative, responsible leaders of the Middle East States, such as Ben-Gurion, of Israel, and Nasser, of Egypt, along with others, and with members of the Security Council, in order to promote such a settlement? Surely the problem of the Palestinian refugees needs to be discussed, and I certainly hope that during these summit conferences, consideration will also be given to economic matters and economic programs, such as an economic program through a Middle East agency.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, in connection with my remarks, an article entitled "Nasser Favors Plan, Wants an Invitation," which was dispatched from Cairo by Osgood Caruthers, a very enlightened and well-informed writer. The article was published in today's issue of the New York Times.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NASSER FAVORS PLAN, WANTS AN INVITATION

(By Osgood Caruthers)

CAIRO, July 23.—President Gamal Abdel Nasser is reported to be hopeful that the proposed meeting of heads of government at the United Nations Security Council will take place and that he will be invited to attend as an observer.

Informants close to the President of the United Arab Republic, who reported this, said also that the leader of Iraq's revolutionary government, Premier Abdul Karim el-Kassem, planned definitely to take his country's seat at the Security Council if such a summit meeting took place.

President Nasser, in a revolution day speech last night, said he fully supported the proposal by Mr. Khrushchev for a meeting of heads of government to discuss ways of preserving peace in the Middle East. He made this declaration before he had received news of the counterproposal by the United States and Britain that such a meeting be held in the Security Council in New York.

Without waiting to learn whether Mr. Khrushchev would accept this proposal officials in Cairo began circulating reports of President Nasser's acceptance of the idea.

For one thing, the Arab nationalist leader feels he should be a party to any international talks about the area in which he is playing so prominent a role.

Moreover, President Nasser on several occasions has expressed a desire for a personal meeting sometime with President Eisenhower. Even if he were to be seated in a Security Council summit meeting only as an observer, or interested party, he would have opportunities outside the chamber for personal talks with General Eisenhower, in which he would hope to bring about improvement in the present strained relations between the United States and his own new republic, formed by the union of Egypt and Syria.

It was clear that Cairo officialdom also was thinking hopefully of the possibilities that President Nasser would be able to have private talks with Prime Minister Harold Macmillan of Britain and Premier Charles de Gaulle of France about the restoration of relations severed since the Suez invasion in 1956.

ACCORD ON NEUTRALITY SOUGHT

The primary desire of the Cairo regime, of course, is that leaders of the eastern and western powers would agree to allow the Arab Middle East to remain neutral.

Spokesmen for the Nasser government have been holding out hope this would bring an end to the vehement anti-Western sentiments that exist naturally in the Middle East and during these times are being fanned by propaganda from Cairo and Damascus.

Informants said today that if such a proposition on Arab neutrality were accepted, full political, economic, and social relations with Britain and France could be resumed immediately. The Soviet Union already heartily supports President Nasser's type of Arab neutralism, solely with the idea of denying the strategic Middle East to the West.

Mr. HUMPHREY. Mr. President, I believe our Government should really seize this opportunity to have a meeting at the United Nations, and should make the most of it. Our representatives must go there with definite plans, must know in advance what our objectives are, and must have in mind an agenda which will be meaningful and realistic.

The United States must not seek to solve at one time every problem in the world. Instead, the agenda should be limited to problems which are susceptible of solution, particularly to the immediate problem which faces us.

In conclusion, Mr. President, I think our own Government should reverse its foot-dragging approach to the summit and start taking an affirmative view toward these negotiations. We have an opportunity again to demonstrate to the world that we are a peace-loving people, who adhere to lofty principles; that we know how to achieve peace; that we know how to make sacrifices to attain it.

The United Nations is to be commended for the role it has undertaken. Maximum use should be made of quiet diplomacy under United Nations auspices and the opportunity should also be seized for private consultations on a variety of issues among various statesmen who could meet only under auspices like these.

Mr. President——

The PRESIDENT pro tempore. The Senator from Minnesota.

INSPECTION FOR DISARMAMENT

Mr. HUMPHREY. Mr. President, yesterday a book of special interest was issued in the field of disarmament. The book is entitled "Inspection for Disarmament," and is edited by Dr. Seymour Melman, associate professor of industrial and management engineering at Columbia University. Specialists contributing to this study have made an invaluable contribution, and the Institute of War and Peace Studies, under whose auspices the report has been completed, deserves the gratitude of all of us who have concerned ourselves with this critically important subject.

As one who had an opportunity to examine the report in advance, I pay tribute to the excellence of many of the essays contained in the book. I cannot, of course, associate myself with all of the varying ideas presented by the authors or by the editor, Dr. Melman, but I am convinced that Inspection for Disarmament is a valuable contribution toward filling the tremendous gaps in available information on this crucial subject. Although the limitations and capabilities of an inspection system will play a major role in molding the shape of future arms-control agreements, very few studies on inspection have been undertaken or made public. This book is full of useful information on inspection problems and, I feel sure, will be provocative reading to all who are interested in safeguarded disarmament.

The New York Times of Wednesday, July, 23, Mr. President, contains an excellent summary of this report. I ask unanimous consent that the Times story entitled "Arms Pact Can Be Controlled, Columbia University Study Finds," be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ARMS PACT CAN BE CONTROLLED, COLUMBIA UNIVERSITY STUDY FINDS

International disarmament agreements can be effectively inspected and controlled, according to an investigation undertaken by a group of scientists, engineers, and other specialists for the Institute of War and Peace Studies at Columbia University.

The project report said that an early agreement on the cessation of nuclear bomb and missile testing was necessary "to preserve the human species and to prevent a world holocaust."

The report contended that such an agreement could be a highly effective first step toward comprehensive disarmament.

More than 50 persons with specialized technical competence in a wide variety of fields aided the investigation, which was organized by Dr. Seymour Melman, associate professor of industrial and management engineering at Columbia University.

The Institute of War and Peace Studies was created in 1951, largely on the initiative of General of the Army Dwight D. Eisenhower, who was then on leave as president of Columbia University to head the allied armies of the North Atlantic Treaty Organization. The study was undertaken with a grant from the Institute for International Order.

Dr. Melman edited the 24 papers written by specialists that comprise the bulk of the report and also wrote a general analysis. His main conclusion was that workable systems of inspection could be devised to insure compliance with a wide variety of disarmament agreements.

The report says that a relatively modest network of monitoring stations could achieve reliable control over nuclear bomb and high altitude missile testing.

The proposed network would consist of about 25 ground monitoring stations in the Soviet Union and about 7 in the United States. Several additional stations would be located along the borders of both countries. The network would be uniformly distributed so that any test in either country would be within 300 miles of at least 1 station. The report says that other stations might be required for Pacific Ocean areas, Australia and China.

It might occasionally be difficult to identify positively some shocks as earthquakes using stations 300 miles apart. To overcome this, seismic stations could be installed 100 miles apart in the seismic belts. In the case of the Soviet Union, about six additional stations in the Kurile Islands and the Kamchatka peninsula would be required.

This monitoring system was suggested in a paper by Jay Orear, associate professor of physics at Columbia. He contended that such a network of observatories, equipped with instruments to detect acoustic and seismic waves, electro-magnetic radiation and radioactivity, would record even low-yield underground nuclear explosions.

The report thus contradicted the opinions of Lewis L. Strauss, recently retired chairman of the Atomic Energy Commission, and of Dr. Edward Teller, who played a leading part in the development of the hydrogen bomb.

Mr. Strauss and Dr. Teller have contended that small underground nuclear explosions might elude detection and have cited this as an argument against cessation of tests.

DETECTION HELD POSSIBLE

But Dr. Orear concluded that deep underground tests with a force of only one kiloton (or 1,000 tons of TNT) probably could be detected within the 300-mile network. (The atom bombs dropped on Japan during World War II had a force of 20 kilotons).

He also pointed out that such an inspection system might be acceptable to the Soviet Union. He recalled that at the United Nations disarmament talks in London on June 14, 1957, the Soviet Union proposed a testban agreement which should be implemented by scientific control posts to be set up in the United States, U. S. S. R., United Kingdom and Pacific Ocean areas.

Copies of the report have been sent to the American delegates to the East-West technical disarmament talks in Geneva. Two copies also have been dispatched to the Soviet Academy of Science which had energetically requested them, Dr. Melman disclosed.

The report does not discuss the political difficulties of attaining a comprehensive disarmament treaty. Its basic concern is estimating the technical feasibility of inspection methods.

NOT DISASTERPROOF

No disasterproof alarm system was envisaged by the investigators. Dr. Melman wrote:

"It is not possible to design and operate a system by which perfect compliance with international disarmament agreements could be guaranteed.

"Let it be clear at the outset that perfection cannot be guaranteed here, nor in any natural or social phenomenon. Indeed, foolproof and flawless reliability in inspection for disarmament is not only unattainable; it is not necessary for workability."

The report probed both the capabilities and the limitations of a wide variety of inspection methods. Dr. Melman concluded that the strong points were more than sufficient to form the basis for an optimistic estimate of workability.

He added: "The gains that could be obtained for the security of humankind by the relaxation of the arms race are so substantial as to be well worth the risks of successful evasion that may be involved in concluding disarmament agreements."

Urging speed in nuclear disarmament, Dr. Melman painted a gloomy picture of what the world would be like without such an agreement.

He warned that nuclear weapons would soon be available to many small nations. Then, "If a warhead should be set off in some city, it might be impossible to identify the aggressor, because of the number of countries possessing bombs and the variety of possible ways for delivering nuclear explosives."

Thus it would be impossible even to threaten retaliation unless the aggressor were known. Consequently, the strategy of a balance of terror would fail as a deterrent against nuclear attacks, Dr. Melman said.

DETECTION METHODS LISTED

Six general methods of inspection were evaluated in the report. The strengths and weaknesses of each were assessed as follows:

1. Aerial inspection: A powerful device for checking on industrial and military installations, and for giving warning of the massing of large military forces. But aerial inspection is almost useless in detecting well-concealed underground sites, nor can it be relied on to identify clandestine modes of nuclear weapons delivery.

2. Government budgets: It is easy to hoodwink budget examiners. Dr. Jesse Burkhead, professor of economics at Syracuse University, who submitted a paper on this method of inspection, believes that a dozen key officials in Washington could conspire to conceal $100 million and divert that sum to armaments without the fiscal control system's being aware of it. Dr. Burkhead pointed out the United States fiscal controls were not designed to thwart complicity.

He cited as examples the secret Manhattan atom-bomb project of World War II, which had spent about $2 billion before its existence was publicly disclosed in the summer of 1945, and the Central Intelligence Agency, whose heavy annual expenditure is hidden in the Federal budget.

3. Detection of bomb and missile testing: The proposed minimum network of observatories could provide reliable control against attempts to test nuclear bombs.

4. Radiation inspection: Existent medical control systems for checking radiation hazards could be tied in with inspection for disarmament.

5. Scientific and technical personnel: Modern weapons development and research require large concentrations of highly trained specialists. The monitoring of scientific personnel could help detect clandestine production of weapons.

6. Public support for inspection: Since clandestine operations can succeed only with a large measure of public support, an effort should be made to convince people that compliance with a disarmament agreement is mankind's shield against mutual extermination.

EVASION METHODS LISTED

The report also contains a detailed study of evasion methods that might be employed to frustrate a supranational inspectorate. Three evasion teams were set up to devise strategic plans for concealment of weapons inventories and secret arms production. Two of these teams were American, and one British. Each consisted of eight to ten scientists and engineers. Dr. Melman preferred to keep their identities secret.

Team A reported that the chances of a successful clandestine arming operation would be quite favorable, even in the presence of a very large inspectorate, in countries where nationalist sentiments could be used to rationalize evasion attempts.

It said that although the secret production of 200 to 400 modern missiles would require a substantial and highly skilled work force, economic dislocations caused by disarmament would facilitate the recruitment of sufficient numbers of effectively motivated malcontents.

But, said Team A, "this task would become progressively more difficult as working on instruments of death ceased to be regarded as a fine exercise for the scientific mind or manual skill and was instead looked upon as a grave offense against society."

With the spread of sentiment against arms production there would be an increase in the number of people willing to inform on violators "provided that the security of informers can be guaranteed," the team said. It found that, paradoxically, a politically divided population was good guarantee against clandestine armament.

OTHER TEAM PESSIMISTIC

Team B was oppressed by the fear that a power might falsify its arms inventories prior to the adoption of a disarmament treaty. The team contended that no single reliable method existed for disclosing secret stockpiles. It argued, in effect: Let us accept the fact that the inventory of existing stocks cannot be checked and that mutual destruction capabilities will continue to exist in the United States and the Soviet Union no matter what agreement is signed. Let us concentrate on the effective prevention of future weapons development, production, and accumulation anywhere in the world.

Team B also warned that during the long negotiating period prior to adoption of a disarmament plan both the United States and the Soviet Union would seek an ideal weapon that could be concealed at the bottom of the seas, in polar wastes, deserts, jungles, or perhaps even within neutral or enemy territory.

This hypothetical weapon would be capable of maintaining a readiness state for years.

It would be capable of remote firing by sonic, thermal or radio signal. Finally, it would be capable of establishing its own point of origin, and of integrating this information with the preset or in-flight destination instructions, so that the need for precise location of the weapon or even precise knowledge of its location would be eliminated.

Team B said that with such a weapon it would be possible for the United States to deposit in the seas enormous stores of nuclear warheads delivered by egg-laying submarines or by merchant vessels equipped to carry them suspended under the hull. On appropriate remote signal these missiles would rise to the surface, determine their own location and proceed to the target on instructions.

Team B explored even more fantastic proposals: the ideal weapon would be continuously orbiting around the earth with the capacity to be directed into a military path at any time, or inventories of such weapons might be emplaced on the moon.

CONCEALMENT DIFFICULT

Team C, which was British, reported that second-rank powers, such as Britain and West Germany would find it impossible to prepare 200 to 400 intercontinental ballistic missiles under secret conditions. Such powers were too small in area and lacked the industrial capabilities to conceal such an effort from an inspectorate.

The British believed that evasion would be easier in the Soviet Union, with its traditions of secrecy, than in the United States.

In his general report Dr. Melman suggested that a multiple approach, using several of the six general methods of inspection evaluated in the report would be more effective than the use of any one approach.

Dr. Melman conceded that the effectiveness of material inspection methods for insuring compliance with a disarmament agreement would be limited not only by possible clandestine production and concealment of weapons but by the availability of technological alternatives, such as biological warfare in place of atomic bombs.

A paper on biological warfare by Dr. Vincent Groupe, professor of virology in the Institute of Microbiology, Rutgers University, said that research and development in this field could be carried out in existing university, industrial, and governmental laboratories and that it would be virtually impossible for an inspection team to differentiate such work from the usual programs in public health and agriculture.

But production and field trial of highly dangerous material would be more difficult to conceal, he said. This involves large scale operations and vast proving grounds.

"It is common knowledge," he said, "that such a proving ground exists in Dugway, Utah, and that one of the major centers for biological warfare is Fort Detrick in Frederick, Md. Both of these installations are large and could be observed from the air."

Control of the production and testing phase of a biological warfare program should be sufficient to cripple an effective offensive program, he said.

The general report gave these estimates of manpower requirements for carrying out inspection of various types of disarmament agreements in the United States:

	Minimum	*Maximum*
Aerial inspection	550	750
Nuclear bomb testing	50	50
High altitude missile testing	180	180
Nuclear reactors control	600	1,500
Fissionable materials plants	300	2,400
	1,680	4,880

In addition various groups of industrial plants capable of missile production would require an average of 10 to 20 men per factory.

SMALL-BUSINESS RELIEF

Mr. HUMPHREY. Mr. President, 2 months ago I called to the attention of the Senate the businesslike manner in which Congress was addressing itself this year to the major legislative needs of the small-business community. I noted in my speech that longstanding small-business problems were being attacked in this session with a force and dedication of purpose which seemed certain to produce successful results.

Today I am happy to report again that 1958 is rapidly taking shape in Congress as a year in which small business may confidently expect some important legislative benefits. Already, Congress has passed legislation making the Small Business Administration a permanent guardian of small-business interests. The Small Business Investment Act, a measure designed to provide equity financing and long-term credit for small firms, has been passed by the Senate, and is scheduled to be acted upon this afternoon by the House of Representatives. In the field of antitrust, S. 721, a bill calling for more effective and expeditious enforcement of Clayton Act orders to cease and desist from monopolistic practices, has passed the Senate by unanimous vote, and prompt action on the bill by the House seems assured. And, most importantly, the House passed on Monday afternoon a small-business, tax-adjustment bill.

Fortunately, the early passage by the House of this tax bill for small business affords the Senate an ample opportunity for full study of the measure. My own feeling is that, while the House-passed bill contains many major tax benefits for small entrepreneurs, it should be strengthened in certain respects if we are to discharge properly our responsibilities to the small-business community. Therefore, I was most gratified yesterday afternoon when the Senator from Alabama [Mr. SPARKMAN], chairman of the Senate Small Business Committee, told the Senate of his plan to submit to the Finance Committee all of the information gathered by our committee during its comprehensive tax study of last year. I shall support the Senator from Alabama as vigorously as possible in his efforts to insure that the small-business tax bill, to be passed by the Senate, shall incorporate the recommendations which resulted from our study. The Congress can no longer temporize in granting practical justice to the small-business community in the area of Federal taxation.

SANITATION FACILITIES ON INDIAN RESERVATIONS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be laid aside temporarily, and that the Senate proceed to the consideration of Calendar No. 1909, Senate bill 3694. It has been cleared with the minority leader.

The PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 3694) to amend the act of August 5, 1954 (68 Stat. 674), and for other purposes.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Montana?

Mr. ELLENDER. Mr. President, reserving the right to object, may I ask the Senator from Montana how long it will require to consider the bill?

Mr. MANSFIELD. About 1 minute.

Mr. THYE. Mr. President, reserving the right to object, I wish to say, as acting minority leader, I have been assured that there is no objection to the consideration of Calendar No. 1909, S. 3694, a bill introduced by the Senator from Utah [Mr. WATKINS].

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Public Welfare, with an amendment, on page 4, line 12, after the word "section", to strike out the comma and "and with the Commissioner of Indian Affairs on matters of general Indian policy involved in the administration of this section", so as to make the bill read:

Be it enacted, etc., That the act of August 5, 1954 (68 Stat. 674), is amended by adding at the end thereof the following new section:

"SEC. 7. (a) In carrying out his functions under this act with respect to the provision of sanitation facilities and services, the Surgeon General is authorized—

"(1) to construct, improve, extend, or otherwise provide and maintain, by contract or otherwise, essential sanitation facilities, including domestic and community water supplies and facilities, drainage facilities, and sewage- and waste-disposal facilities, together with necessary appurtenances and fixtures, for Indian homes, communities, and lands;

"(2) to acquire lands, or rights or interests therein, including sites, rights-of-way, and easements, and to acquire rights to the use of water, by purchase, lease, gift, exchange, or otherwise, when necessary for the purposes of this section, except that no lands or rights or interests therein may be acquired from an Indian tribe, band, group, community, or individual other than by gift or for nominal consideration, if the facility for which such lands or rights or interests therein are acquired is for the exclusive benefit of such tribe, band, group, community, or individual, respectively;

"(3) to make such arrangements and agreements with appropriate public authorities and nonprofit organizations or agencies and with the Indians to be served by such sanitation facilities (and any other person so served) regarding contributions toward the construction, improvement, extension and provision thereof, and responsibilities for maintenance thereof, as in his judgment are equitable and will best assure the future maintenance of facilities in an effective and operating condition; and

"(4) to transfer any facilities provided under this section, together with appurtenant interests in land, with or without a money consideration, and under such terms and conditions as in his judgment are appropriate, having regard to the contributions made and the maintenance responsibilities undertaken, and the special health needs of the Indians concerned, to any State or Territory or subdivision or public authority thereof, or to any Indian tribe, group, band, or community or, in the case of domestic appurtenances and fixtures, to any one or more of the occupants of the Indian home served thereby.

"(b) The Secretary of the Interior is authorized to transfer to the Surgeon General for use in carrying out the purposes of this section such interest and rights in federally owned lands under the jurisdiction of the Department of the Interior, and in Indian-owned lands that either are held by the United States in trust for Indians or are subject to a restriction against alienation imposed by the United States, including appurtenances and improvements thereto, as may be requested by the Surgeon General. Any land or interest therein, including appurtenances and improvements to such land, so transferred shall be subject to disposition by the Surgeon General in accordance with paragraph (4) of subsection (a): *Provided*, That in any case where a beneficial interest in such land is in any Indian, or Indian tribe, band, or group, the consent of such beneficial owner to any such transfer or disposition shall first be obtained: *Provided further*, That where deemed appropriate by the Secretary of the Interior provisions shall be made for a reversion of title to such land if it ceases to be used for the purpose for which it is transferred or disposed.

"(c) The Surgeon General shall consult with, and encourage the participation of, the Indians concerned, States and political subdivisions thereof, and the government of the Territory of Alaska in carrying out the provisions of this section."

SEC. 2. Section 6 of such act is amended by striking out the word "This" and inserting in lieu thereof the words "Sections 1 to 5, inclusive, of this."

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. MANSFIELD. Mr. President, S. 3694, sponsored by the distinguished Senator from Utah [Mr. WATKINS], and my distinguished colleague from Montana [Mr. MURRAY], as well as Senators NEUBERGER, BARRETT, ANDERSON, MALONE, BIBLE, and GOLDWATER, is an extremely important legislative proposal. It is especially important to our efforts in trying to improve conditions on many of our Indian reservations throughout the country. This Indian sanitation facilities bill will permit broad sanitation improvements on reservations.

The bill permits making of arrangements for participation in projects by Indian groups, local authorities, and other public or nonprofit organizations, both in construction costs and maintenance and operation. This legislation would authorize acquisition of necessary interests in lands—including acquisition through transfer from the Department of Interior—acceptance of contributions, and ultimate transfer of completed facilities upon appropriate terms to local or State authorities or Indians themselves.

I have addressed the Senate on numerous occasions about the deplorable conditions that exist on several of the reservations in Montana. Unemployment is high; they are plagued with welfare problems because of the lack of sufficient food and adequate housing. Sanitation is generally a problem that arises in these various situations.

At the present time a polio epidemic has broken out on the Blackfeet Indian Reservation. The Public Health Service has the situation under control, but I feel that inadequate diets and unsanitary conditions contributed to the epidemic.

The approval of S. 3694 will do much to prevent the reoccurence of this and other epidemics.

The enactment of this bill will be most helpful in our fight to improve the economic and health standards on our Indian reservations.

Mr. President, I ask unanimous consent that an editorial entitled "Blackfeet Polio Epidemic Spurs Public Health Action," from the July 15, 1958, issue of the Great Falls Tribune, be printed at the conclusion of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BLACKFEET POLIO EPIDEMIC SPURS PUBLIC HEALTH ACTION

With 13 cases reported to date, and 1 death, the polio epidemic on the Blackfeet Indian Reservation is classed by public health authorities as the worst to strike Montana since 1955.

The cooperative efforts that are now properly being made by medical and public health authorities and the Indian Service to combat and curb the epidemic should also serve to impress on all concerned a lamentable lack in earlier preventive sanitation and immunization programs on the reservation.

As was called to attention in a United Press International news account published in Sunday's Tribune, the Blackfeet Tribal Council at Browning is midway in collecting data on reservation housing. The objective of this survey is to convince Federal authorities of the need for a federally administered loan program to provide better housing for a major part of the Montana Blackfeet Tribe.

Adequate housing and sanitation are closely interrelated, and on the Indian Reservation they are also related to the education program.

The United States Public Health Service administers the official Indian reservation health program in Montana and throughout the Nation.

Observation in Montana leads us to conclude that the service rendered is sadly inadequate to meet the needs. Like many other phases of the Indian program, action is taken mainly on an emergency basis.

We hope that the attention now directed to combating the polio affliction on the Blackfeet Reservation will stimulate a more active continuing health and sanitation program for the future on Montana reservations and on all reservations throughout the country.

The PRESIDENT pro tempore. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 3694) was ordered to be engrossed for a third reading, read the third time, and passed.

FEDERAL SUPPORT OF INCREASED RESEARCH IN FIELD OF CANCER AND ALLIED DISEASES

Mr. NEUBERGER. Mr. President, another giant stride forward has been taken at this session of Congress in the financing of a more adequate program of research into the riddle of cancer. Conferees on Department of Health, Education, and Welfare appropriations have agreed to allocate $75,268,000 for the work of the National Cancer Institute. This is an increase of $18,866,000 over the appropriations for fiscal 1958, or some 33 percent. The added funds will improve opportunities for further investigation in the relationship between viruses and cancer, and in cancer chemotherapy. Encouraging progress is being made in these urgent fields.

Credit for this accomplishment—of great significance to all mankind—is due to the untiring leadership of the senior Senator from Alabama [Mr. HILL]. As chairman of the Appropriations Subcommittee and chairman of the Senate Committee on Labor and Public Welfare, he has been largely responsible for nurturing and developing the program of the Federal Government for unlocking the grim enigma of cancer. Research into the curbing of this deadly killer appears to be at least nearing the threshold of victory. When this eventual success is won, it will be a lasting tribute to the unceasing efforts and humanitarianism of the senior Senator from Alabama.

Advancement in the cancer-research program of the National Institutes of Health is the subject of an article which I wrote recently for the Denver Post, a fine newspaper which has mobilized public opinion in this vital sphere. I ask consent to include the article, entitled "America's Best Investment," with my remarks. It was published in the Denver Post for July 15, 1958.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AMERICA'S BEST INVESTMENT

(By Hon. RICHARD L. NEUBERGER, U. S. Senator from Oregon)

When people ask me for my opinion of the outstanding legislative feats with which I have been associated, they expect the answer to describe spectacular bills such as statehood for Alaska, the immense John Day Dam or repeal of the Federal transportation tax.

Instead, I reply: "The vast increase in appropriations for the National Cancer Institute."

Some of my friends find this answer difficult to fathom.

Yet, to me, the justification for my answer is found in a grim and sinister table. It is a table which shows the deaths in the United States from cancer for each year since 1950:

1950	211,000
1951	216,000
1952	223,000
1953	229,000
1954	235,000
1955	242,000
1956	245,000
1957	250,000

When I first came to the Senate in 1955, funds for the National Cancer Institute totaled some $21 million annually. The latest sums allocated by the Senate for this vital and urgent purpose have amounted to some $81 million. I know of no increase so thoroughly justified—or so much in need of still further expansion.

For example, the National Health Education Committee has reported that research in this field already has produced 16 chemical compounds which cause temporary clinical improvement in patients with various types of the disease.

If we thus are lurking on the frontier of a major breakthrough, can we risk delay or failure merely becaues of a lack of funds? The question answers itself when we consider the quarter-of-a-million Americans doomed to die this year and the next from

cancer—and on into the distant future, unless some effective cure can be discovered for this insidious plague of human cells running wild.

The President's budget for 1959 had allocated $55,923,000 for work of the National Cancer Institute. Incredibly, this figure approved by the President was some $500,000 below the appropriation for the previous year.

In recognition of the fact that our research experts believe they are on the threshold of important new discoveries, the majority of Senators agreed with me that the administration program was entirely inadequate. Instead, an increase of nearly 40 percent was provided the National Cancer Institute. We all hope that these added funds will open the door of cancer's enigma.

Possible relationships between viruses and cancer are becoming of increasing scientific interest. Senators wanted to make sure that enough money was available so the cancer institute could fully explore this promising channel.

Dr. Wadell Stanley, a Nobel prize winner, told the Senate Appropriations Committee that "it is difficult to escape the conclusion that viruses may be the etiological agent for most, if not all, cancer, including cancer in man, and this represents by far the most intellectually satisfying working hypothesis which is consistent with all presently known facts."

A major share of the Senate-approved funds would go to finance additional research in this highly specialized field of cancer research. Programs for cancer chemotherapy also will be greatly expanded next year.

Since the speedup of Government funds for cancer research in 3 short years, many advances have been scored. It is now possible through the use of preventive medicine to prevent a few cancers of the type related to occupation.

It is now possible to detect a few cancers quite early when cure by surgery is effective and relatively simple. Chemical cure of at least one type of uterine cancer also has been added to the gains. The added funds have brought many other real results.

It must be recognized that the expenditure of money alone may not reduce proportionately the time involved in the eventual unraveling of the riddle of cancer. However, we must make certain that the talents of all available investigators and of all research facilities are mobilized at peak level. We can never know in advance which laboratory test will deliver the answer.

A good deal of preaching is heard about economy in Government. Here is one sphere of governmental effort for which error on the side of liberality finds justification. These funds affect all mankind.

Think of the psychological impact on the world if American scientists were the first to smash the heart-chilling threat of cancer. The Soviets' success with sputniks would seem less convincing if peoples around the globe realized that the dollars of Uncle Sam made possible the conquest of one of man's most haunting fears.

NEED FOR INCREASED SOCIAL-SECURITY PAYMENTS

Mr. PROXMIRE. Mr. President, is morning business concluded?

The PRESIDENT pro tempore. If there is no further morning business, morning business has been concluded. The pending business is the so-called farm bill.

Mr. PROXMIRE. Mr. President, yesterday's tentative action of the Ways and Means Committee of the House of Representatives in approving a 7-percent increase in social-security benefits will be greeted with heartfelt approval by the overwhelming majority of Americans, young and old. This is the first step and a big and important step in winning more adequate pensions for our old people. The House bill provides for a minimum increase of $3 per month and a maximum increase of $14. This is not much. It should be more. But it is something. It is an important beginning.

Mr. President, I suppose some will ridicule the proposed $3 monthly increase as inconsequential. Certainly it is pitifully inadequate. We should fight to increase it. But, we should not lose sight of the fact that for the aged person who will receive it, who now is trying to get along on $30 or $35 monthly, the $3 a month will be a great blessing.

It is becoming clearer every day, Mr. President, that it is likely to be squarely up to this body to act in behalf of our aged citizens, so many of whom desperately need increased assistance. On July 18 I announced to the Senate that I would rise every day until the session was in adjournment, if necessary, to plead for an increase in social-security benefits. I hope we can pass the bill before that, of course. But I have done what I had promised. In view of the action of the House, I intend to redouble my efforts for increased social-security payments.

The Senate is about to be faced by a genuine challenge of conscience. I plead with my fellow Senators to think long and hard about the urgent needs of America's old people. I am sure that if the Members of this body will each spend some time in solemn reflection on the right or wrong of social security improvements, this proposal will receive overwhelming support in this body. I am told that this is going to be a tough, hard, odds-against, uphill fight. There is no economic fight that faces this Congress which is more eminently worth while.

IMPORTANCE OF FEDERAL AID TO EDUCATION

Mr. CASE of New Jersey. Mr. President, in our city, from time to time, important statements, many of which represent weeks and months of study and the effort and considered judgment of many people, are prepared and published. Many of these are of great significance, breaking new ground in the development of public policy. For a day or two they hold the spotlight in our news mediums. For this brief period the sheer soundness of such statements shines through like a beacon of light. People agree with them; they read that wheels have been set in motion and they sit back, assured "things are on the track". But if the wheels go forward only briefly, if the wheels then continue spinning without any real progress, the warning of these sentinels of our security is wasted.

In the last 2 years, there have been a number of studies, both governmental and nongovernmental, in the field of education, involving proposals for Congressional action. Yet it now appears that unless some steps are taken quickly, that this session of Congress may adjourn without the Members of the United States Senate having had an opportunity to vote on such legislation.

Last November, Dr. Alan T. Waterman, Director of the National Science Foundation, in summarizing the findings of some of these studies, declared:

We do know that statistically only about 50 percent of high-school graduates who are judged capable of receiving college training go on to college. We know that many potentially able scientists and engineers, as well as leaders in other fields, are lost as a result of the failure of this 50 percent to receive advanced training. We must, therefore, redouble our efforts to attract into our institutions of higher education the potential that is now being lost; and within this group we should make special effort to reach those with aptitudes for science and mathematics.

Dr. Waterman concluded:

Let us hope that the Sputnik adventures will serve to awaken every citizen of the country to the importance of certain "musts" if we are to maintain leadership in the fields of science and technology. Every citizen must realize the importance of adequate school facilities in his neighborhood and the need for improved science teaching in the secondary schools. We do not want to claim for these fields any more than their fair share of gifted boys and girls, but we must see that every student who is capable of receiving higher education is enabled to get that education. We must see that those with special aptitudes for scientific or technical fields are aware of the fact and given an opportunity to pursue the fields for which they are best suited. We must also realize the importance of some knowledge of science for all educated people, even though they have no intention of following science as a career.

Shortly after Congress convened, on January 23, 1958, the distinguished majority leader, Senator JOHNSON of Texas, in reporting on a study by the Senate Preparedness Subcommittee, addressed the Senate in a similar vein:

Our country is entering a new period of history in which the total resources of America must be brought to their greatest development. No segment of our economy or of our life must be ignored or neglected.

Our programs, our policies, and our practices must all be in good working order. A full national effort is required and this can be achieved only by people working together.

The goal is not merely to imitate some Soviet missile or some Soviet achievement. This attitude could lead us into a hypnotic trance in which we would forget that our true strength is our freedom.

That is a fundamental which we must not forget.

We would lose much more than we would gain if we tried to match totalitarian accomplishments by adopting totalitarian methods and values.

Our need to mobilize today flows from a necessity of forging ahead to broader frontiers of freedom—not merely from the need of catching up with the Soviets.

We must not fail because we sell short the potential of a free society. We must suceed by unleashing our minds, unleashing our capacity, and moving forward with the great force, vigor, and imagination of which we are capable.

The majority leader emphasized the importance of education with these words:

It is obvious that all our plans for the future will be frustrated if we don't foster the training of our children along broad

lines through greater concentration on science and mathematics without neglecting the humanities * * * there can be no adequate defense for the United States except in a reservoir of trained and educated minds.

On the same day the distinguished majority leader, in commenting again on educational needs, predicted action on an education bill in the present session of Congress this year.

Later that day, the majority whip, Senator MANSFIELD, the distinguished Senator from Montana, introduced a bill to provide an expanded program of Federal scholarships for study in the sciences and linguistics. In discussing his bill, he said:

We can enact Federal-aid legislation which would help high schools and colleges improve and add additional laboratory facilities in their science departments.

Finally, we can and must enact a broad graduate and undergraduate scholarship program in the sciences and engineering. An expanded Federal scholarship program would do much to increase our supply of these professionals.

Six months later the Rockefeller Brothers Fund issued a report on Education and the Future of America, an apt title indeed. In this report, prepared by a distinguished panel of educators, journalists, scientists, and administrators, there appeared this report on the unhappy conditions in our Nation's schools:

Our schools are overcrowded, understaffed, and ill-equipped. In the fall of 1957, the shortage of public-school classrooms stood at 142,000. There were 1,943,000 pupils in excess of normal classroom capacity. These pressures will become more severe in the years ahead. Elementary school enrollments will rise from some 22 million today to about 34 million by 1960–61. By 1969 high schools will be deluged with 50 to 70 percent more students than they can now accommodate; by 1975, our colleges and universities will face at least a doubling and in some cases a tripling of present enrollments.

If we are to meet these pressures, our schools will need greatly increased public support and attention, and much more money. But they also need something besides money; an unsparing reexamination of current practices, patterns of organization and objectives.

From time to time one still hears arguments over quantity versus quality education. Behind such arguments is the assumption that a society can choose to educate a few people exceedingly well or to educate a great number of people somewhat less well, but that it cannot do both. But a modern society such as ours cannot choose to do one or the other. It has no choice but to do both.

I agreed with all of these statements when they were made—in November of 1947, on January 23, 1958, and on June 23, 1958. I agree with these statements today. Their message is clear—the need for a tremendous effort to improve our schools has not passed.

But it is clear, as we enter what may be the closing weeks of this session of Congress, that Members of the United States Senate are not being given an opportunity to debate and vote on the necessary measures to strengthen our scientific and educational effort. The Senate Committee on Labor and Public Welfare has completed lengthy hearings on several educational bills. The 1,602 pages on the subject have been neatly bound in a 2-inch-thick transcript. The hearings were concluded on March 13. Last week marked the completion of 4 full months since the ending of the hearings. The Senate Committee on Labor and Public Welfare has completed its work on several other matters since then. However, insofar as educational legislation is concerned, the committee has not been heard from for the past 4 months.

The legislation which has been pending before the Senate Committee on Labor and Public Welfare for the past 7 months could do a great deal to overcome these shortages. The administration bill before the committee would create 10,000 new Federal scholarships each year for 4 years; it would assist local schools in the development of better scientific and mathematics programs; it would assist in the development of more well-trained college teachers, encourage and improve the teaching of foreign languages, as well as provide better statistical data on American education so that proper steps may be taken as needed. Senator LISTER HILL, the chairman of the committee, has a bill with similar objectives pending before the committee.

The school-construction bill which the administration proposed in 1957, although defeated in the House that year, is still pending before the Senate committee. The need for this legislation is as great as ever. The effects of the shortage of classrooms go far beyond the 1,943,000 pupils in excess of normal classroom capacity, for it is not just the 10 or 15 too many pupils crowded into some classrooms that suffer—it is the whole class. Principals and teachers have been forced to strain existing facilities, establishing makeshift classrooms in basement boiler rooms, in school corridors, or even worse, in limiting classes to half sessions, in order to give some education to all students. The inevitable result has been a decline in quality.

Further, as many school officials strive to meet the need for bricks and mortar in order to house students, they are, perforce, obliged to dedicate limited revenues for construction, rather than teachers' salaries.

The Senate has been meeting early and late on many pressing and important problems of the Nation. It is not an easy task to select and schedule legislation for Senate action. I would argue emphatically, however, that our school children are being overlooked by the United States Senate. If we adjourn this session without substantial education legislation, we will have failed in a national emergency.

THE PEOPLE-TO-PEOPLE PROGRAM—WHAT THE AVERAGE AMERICAN CAN DO TO HELP GET ACROSS THE AMERICAN STORY ABROAD

Mr. WILEY. Mr. President, on a great many occasions I have been pleased to point out to our people the outstanding job which as been performed by the private, voluntary, people-to-people program.

I have introduced into the CONGRESSIONAL RECORD excerpts from the literature published by the various active people-to-people committees. Thereafter, I have distributed, on request, considerable quantities of reprints of my remarks through these various committees for circulation all over the United States, and yes, abroad as well.

A great many achievements have occurred since the inception of the people-to-people program.

GROWING PAINS OF THE PROGRAM

I would be less than frank if I did not advise that inevitably some of the committees have proceeded faster than others and on a wider, more effective basis.

I would, likewise, point out that the problem af raising private financing for the work of the committees has sometimes been a serious impediment in operations.

After all, the American public voluntarily supports a great many private causes with financial contributions. And it is not easy, considering the many appeals which the public receives, to mobilize funds for still additional causes. Therefore, some of the hoped-for private financing has not yet materialized.

These problems, however, like problems of changing personnel and problems of voluntary coordination, are growing pains. They are the same sort of growing pains which almost any similar private nonprofit enterprise, or group of enterprises, will experience in getting under way.

COMMITTEES ARE OVERCOMING PROBLEMS

The basic fact that the various independent people-to-people committees are still at work and are expanding their operations is a tribute to their devotion. It is a tribute to their ability to grow past the hard early stages and to fulfill their fine role, irrespective of the financial and other problems.

It is a tribute to the patriotism of busy citizens who are willing and eager to take time out from their everyday labors in earning a living to shoulder this burden voluntarily in the name of international friendship.

INTEREST IN FOREIGN DIPLOMATIC CORPS

Here in Washington I have been glad to be in touch with the Honorable Cyrus Ching, the active chairman of the speakers' committee, as well as with other chairmen.

Moreover, I and members of the Foreign Relations Committee staff have received and have responded to inquiries from foreign embassies here relative to contacts between more groups in their homelands and similar groups in the United States.

We Americans, as private citizens, have still only scratched the surface insofar as cementing our ties with like-minded individuals and groups abroad is concerned. Civic groups to civic groups, business groups to business groups, hobbyists to hobbyists, advertising groups to advertising groups, fine-art and music groups to their counterparts abroad—this is the unfolding pattern of strengthened relationships.

WHAT THE INDIVIDUAL CAN DO

I send to the desk a helpful leaflet entitled "What You Can Do in People

to People." This leaflet helps to answer the vital question which so many Americans ask themselves and ask their legislators, "What can I, as one lone individual, do to help my country abroad?"

The answer is that the so-called lone individual can do a great deal.

Indeed, so many lone individuals have done so very much, individually, and then in concert with like-minded Americans, that no person need feel frustrated or unable to serve his country in this noble program of peace and good will.

I ask unanimous consent that the text of this leaflet be printed in the body of the RECORD and that it be followed by a listing of the various committee chairmen now serving the people-to-people program.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WHAT YOU CAN DO IN PEOPLE-TO-PEOPLE: YOU CAN WELCOME OUR OVERSEAS VISITORS

Every year, about 700,000 people from other lands come to the United States. They include students, teachers, businessmen, scientists, and just plain people.

Some come as private travelers, others under the auspices of a variety of public or private agencies. Almost every community in the United States has one or more of these people as a guest, eager to see, hear and learn about America.

The impression each of these visitors gets—the warmth and sincerity of interest shown in him and his country, his opportunity to observe American ways of life, his feeling that there is mutuality of interest—through such things are friends won or lost.

Many visitors come and go without ever stepping inside an American home. But the many who get the opportunity give eloquent expression of their pleasure.

Just before Christmas a year or two ago an Austrian student was traveling by bus from New Mexico. He was using the holiday time to visit an acquaintance in the East. Enroute he struck up a friendship with the bus driver. Arriving in South Carolina, the end of his run, the bus driver urged the Austrian boy to stop and visit his family. "I have a son your age," he said.

"I replied I could not," the boy later reported. "I was due in Philadelphia the next day. The driver then offered to buy me a plane ticket to Philadelphia if I would stop for 12 hours with his family. I accepted, and had a most delightful experience."

Many incidents demonstrate that Americans can and do extend hospitality to foreign visitors in thoughtful ways. What to do or how to do it is no problem for those who really want to extend the hand of understanding and friendship. Once they have the desire to do something, they find the way.

Should you need help in getting started, help is available from a number of sources. In many cities hospitality groups are in action. These usually are community undertakings to coordinate the work of many organizations. Operations and names differ from place to place, but can usually be located by contracting the mayor, Rotary, Chamber of Commerce, World Affairs Council or a similar local group.

Such agencies can tell you about the possibilities for people-to-people friendship and how you can make your help most effective. But don't depend entirely upon somebody else. Here's where your ingenuity can make a contribution.

Suppose that you are a young man not yet 20. You have little money but a lot of energy. What can you do to help people of other lands learn a little bit more about America?

Harry Morgan, a young man in Salinas, Calif., found an answer.

"When I was a kid," says Harry, "I couldn't understand why some folks thought foreigners were a strange kind of human being. It didn't seem right."

Harry Morgan felt people should know each other better. He set out to help and took off on a hitch-hiking trip to Europe. He reached the Netherlands just when the 1953 flood waters were receding, and pitched in with the relief work.

"It was while working there," he explains, "that I realized that the only difference among people of different countries is the language barrier. Once you communicate the difference disappears."

This thought lingered with Harry Morgan after he returned home and entered the Air Force.

"I used my spare time to give talks about my experiences in Europe. I discovered that a lot of other citizens were also interested in bringing about people-to-people understanding and friendships."

Harry Morgan's enthusiasm succeeded in raising $1,150. Businessmen in Dayton, where he was stationed, farmers in the nearby countryside, bunkmates and church members helped him.

With this money Harry brought to America in December 1956, two people with whom he had become friends while in Holland. One was a school teacher and the other was a garbage collector.

For two weeks Harry Morgan's foreigners had a chance to visit America at the grass roots. They went back enthusiastic to tell their friends and relatives about what they had learned.

Airman First Class Harry Morgan resumed his talks and lectures. He appeared before any group that would listen—Lions, Rotary, Kiwanis, church groups. By this time he was expounding the idea of additional visitors.

"Everybody seemed to think it was a good idea," says Harry. "When people would shake my hand they would hand me a dollar. Before I knew it I had several hundred dollars." This led Harry to enlist more widespread citizen support. He offered people-to-people certificates for $1 each.

"Money started to pour in. A 90-year-old woman wrote me she had taken a job as a baby sitter to raise her dollar; two 9-year-olds sold lemonade and sent me $2.41."

Morgan himself took leave and went to Europe to select four young folks to make the people-to-people visit. In all he interviewed 123 people.

In mid-summer 1957, Gunter from Germany, Robert from France, Ole from Denmark and Waltrout from Austria spent 2 weeks visiting homes in Ohio and places of interest in New York, Washington and other cities.

Just before taking off for home, they told a nationwide television audience what they had learned about America. It's a friendlier place, they said, than they had expected to find.

What individual Americans through hospitality have done in behalf of greater international understanding is just part of the picture. Through organizations of one kind or another opportunities are multiplied manifold.

Once again, results depend upon what you do to get action started. You might investigate what your civic club, service group, women's club or church organization is doing. Perhaps your company or business association is ready to join a people-to-people project.

Suppose you are a club member, as is Kenneth I. Faulkner, of Melrose, Mass. He's a member of the Rotary Club. He was the club's international service chairman a few years ago when his organization initiated an unusual plan for fostering the friendship of people from other countries.

Each week the Melrose Rotary is host to two seamen from a foreign ship that is docked in Boston.

"Our purpose," says Ken Faulkner, "is nothing more than friendship for other people and a desire to promote understanding."

The Melrose Rotary has a working arrangement with the Boston Seamen's Friend Society. The society's official who regularly visits incoming ships is an honorary member of the club, and he selects the two seamen each week and brings them to a luncheon.

A member of the club is appointed to act as host for each seaman. The host has responsibility for the guest's comfort and for making him acquainted with the other Rotarians.

"Nothing is asked of the seaman," explains Mr. Faulkner, "except that he enjoy himself. We try to stimulate conversation and try to learn something from him about his native land. The club president gives a brief biography of the guests when he introduces them."

After lunch photographs are taken of each seaman with his host and the club president. These are mounted in a suitable inscribed souvenir folder and given to the visitors.

The chairman of the club's international service committee writes to the rotary president in the seaman's home port and encloses a copy of the picture.

"This is not a form letter," says Mr. Faulkner, "each one is personal and describes what we are trying to do. We ask the rotary president to present the picture to the seaman's nearest relative and extend the greetings of our club. We tell them how much we enjoyed sharing this fellowship with the visiting seaman."

Mr. Faulkner estimates that 500 seamen have been guests of the Melrose Rotary Club during the 5 years that the project has been in operation. A great many countries have been represented including Formosa, India, Lebanon, Greece, the Scandinavian countries, most of the European countries and parts of South America and Africa.

"We placed on the wall at our meeting place a world map and pinned up pictures of our seamen guests," says Mr. Faulkner. "At one time we had strings running from the picture to the seaman's home country but we had to quit this practice because we got too many strings. So now we simply type the seaman's country at the top of his picture."

What are the results? Mr. Faulkner declares that the reaction of the overseas clubs, the seamen and their families "proves to us the worthiness of every effort that we can put into this project."

YOU CAN BE A TRAVELING CITIZEN AMBASSADOR

When you go abroad, you are, whether you like it or not, a representative of the United States in the eyes of the people you visit. What you say or do contributes to the impression your hosts have of this country and our people.

Is this of any importance?

President Eisenhower considered it of sufficient importance to authorize a special message over his signature addressed to every citizen receiving a passport.

"In * * * most lands," he says, "there exists a reservoir of good will for the United States and knowledge of what we stand for. In some areas, our country and its aspirations are less well understood. * * *

"As you travel abroad, the respect you show for foreign laws and customs, your courteous regard for other ways of life, and your speech and manner help to mold the reputation of our country."

What the President outlines in his letter to American travelers abroad is an opportunity to do something positive for the cause of people-to-people.

"You represent us all," he says, "in bringing assurance to the people you meet that the United States is a friendly Nation and one dedicated to the search for world peace and to the promotion of the well-being and security of the community of nations."

What you do and how you do it, as in the case of all people-to-people activities, is bounded only by your own ingenuity and your own desire to extend a friendly hand.

James MacFarland is an American overseas, stationed at Hamburg. We came upon him in the north German city of Kiel one day when we were visiting a huge garden show. Right in the middle of the exhibition hall was a little stand decked out with American and German flags. A curious crowd milled around it. They were looking at a display of about 75 squash, various types and sizes. An overhead banner read, "The first squash contest ever held in Germany."

Mr. MacFarland was talking to a fascinated group of visitors. He was telling them about squash—what it tastes like, how it is grown and how it is cooked. The jostling and the number of people—which in 6 days ran into some 36,000—were clear-cut signs of keen interest.

We learned that Mr. MacFarland who also was chief judge of the squash contest is a passionate garden-hobbyist. No matter where in the world he happens to be living, he says he always has a small garden where he specializes in American vegetables. He explains that it is good fun, gives him fresh food and, most important, gives him a better chance to know and understand the people.

When he came to Germany, Mr. MacFarland got himself a small garden and joined the Kleingarten club. He is still the only American member.

What intrigued MacFarland's fellow members the most about his garden was the squash. For some reason they had not grown squash and to them, as to most Germans, it was a novelty. Mr. MacFarland gave them some seed and that fall the club members were eating squash and enjoying it.

The TV Chef, a Hamburg television personality, heard of the new vegetable and visited MacFarland's garden. The Chef received a few samples, was obviously impressed and returned for more. These he put into his freezer. Came spring and he took them out so that German TV-viewers could see the marvel.

Prior to the telecast, the TV Chef asked MacFarland if he could provide some seed packets in the event any of the TV-viewers might be interested. The Chef estimated about 100 packets would be sufficient and MacFarland wrote to the Burpee Seed Co. which shipped him 300 sample packets.

The telecast took place in mid-April, a few weeks before planting. The TV Chef told about Kleingartner MacFarland's success in raising squash. He demonstrated squash cooking and showed the viewers the tasty new dish.

Within 10 days the TV station was swamped by 10,000 requests—letters, cards, telephone calls and even telegrams. Two hundred requests came from the Soviet Zone. The TV Chef had to go on the air to call a halt. MacFarland cabled Burpee company for help. Burpee responded by sending 10,000 packets airmail and free of charge "in the interest of promoting German-American friendship over the garden fence."

The TV Chef was back on the air with this news and the station had to hire a special firm to handle the avalanche of requests. All who asked for seed packets received them along with translated instructions.

Thereafter MacFarland received 4 or 5 letters a day from German Kleingartners telling him about their experiences in raising squash. And their organization presented him with a silver pin and a special citation for "meritorious service to the German Kleingarten movement."

We are told he is the first American ever to be so honored in the group's 60-year history.

Even if you yourself are situated so that you cannot travel abroad, there are many opportunities in this people-to-people activity. Perhaps you can encourage your club or company to sponsor an exchange visit with someone overseas. Or you might decide to help one of the many organizations now working to encourage and make more meaningful the visits of Americans to other lands.

"If people learn to talk to people," thought Donald B. Watt more than a quarter of a century ago, "world peace and understanding will prosper."

Acting on this thought Donald Watt set up what he called The Experiment in International Living to help young Americans go overseas and spend time living with people in other countries.

Today, 25 years later, a nonprofit corporation with no political or religious affiliations (still the Experiment in International Living) is carrying on that program. Supported financially by members' fees, foundation grants, contributions and a modest endowment, this organization in 1957 sent 80 groups of Americans to live in homes and make friends in 20 countries throughout the world.

A typical experiment begins when you and 9 other group members meet your leader at a port of embarkation. On board ship you get tips designed to help in your new life in another land. Then when you arrive in your new hometown abroad you are greeted by your host family. For 1 month they will be your family and you will take part in their activities just as if you were a son or daughter. During that time, also, you will meet other young people of the area.

The second month you and your group members and your new friends will make an informal trip through the country, traveling by bus, bicycle, train or hiking. You will see the ancient sights and the modern life through the eyes of the country's own people as you go about with your new-found friends.

In this manner, through this organization alone, 7,000 young Americans in the last 25 years have made lifelong friendships, people to people.

YOU CAN WRITE LETTERS

Face-to-face association with friends overseas is not always possible. But fortunately there are many other ways, such as letterwriting, for communicating friendship.

The effectiveness of letterwriting has been well demonstrated through our history. In America's early days, letters from the frontier helped spur the Western migration. And what the settlers in the New World wrote to their friends and relatives back home about the freedom and opportunity in the growing country did much to create a long-remembered picture of America.

These same possibilities for letterwriting exist today.

You can use letters to learn more about other countries—their people, culture and ways of living. Your letters will enable you to get better acquainted with people who have similar interests, professions, businesses, and hobbies.

Finding a correspondent is the first step, but this is no serious problem. If you don't know someone overseas you would like to write to, your friends or relatives or your business associates or a fellow member of your church or club may possibly be able to help you. From there, your approach is no different than it would be any time you seek to establish friendship.

John Harriman is a hard-boiled reporter on the Boston Globe. For 4 years he had watched his daughter, Jane, keep up a correspondence with Lizette Monnet who lives in France.

Then one day Harriman got an assignment that took him to France. Jane begged that he look up her pen pal. As fathers will, he gave a tentative promise. But that was enough, because the Monnets took care of the rest—they looked him up.

"The Monnets received me warmly," M. Harriman wrote in his dispatch to the Globe. "Suddenly I was talking about home, my children, and finding that this French family knew all about us in Cambridge—how Jene was doing at her school and where she hoped to go to college, and how much longer Gay had before college, even about our 2 cats and our little dachshund.

"For the first time since coming to Europe I was no longer a traveler in a strange land eating in cafes and hotels, but a man sitting down with friends in their home."

When the time came for Reporter Harriman to go about his business, he said, "I found that I was very moved, and began to reflect on what a wonderful thing this pen-pal arrangement was, how it must foster international understanding, and if every American family could know one French family—and so on and so on."

YOU CAN SHARE YOUR HOBBY

Your favorite hobby may be the starting point for an enriching exchange of ideas and experiences with someone in another country. There are perhaps no people who have a more common bond than those who share an interest in the same hobby.

There are many examples of just such hobby exchanges.

Harry Matthews is a Dallas typesetter, and for many years tape recording has been his hobby. When his son was in Korea, Harry hit on the idea of sending him tape-recorded letters from home.

The response was immediate. Not only did young Matthews like to hear his parents' voices, but the rest of the men in his company got a big lift out of the friendly conversation of folks back home. Harry even got a letter from the commanding officer telling how much it meant to the servicemen to hear what was going on in the United States of America.

This reaction gave Harry Matthews a bigger inspiration. Why not send tape recordings to English-speaking people the world over?

"My wife and I took an atlas," says Mr. Matthews, "and selected remote towns and cities throughout the globe and addressed letters to 'Newspaper Editor' in each place, asking tape-recording enthusiasts who wanted to exchange tapes with people in the United States to send me their names and addresses and some of their interests."

Harry figures that about 85 percent of his letters were run on the front page of the newspaper. Scores of people wrote to him asking for tape exchanges.

That was the beginning of World Tape Pals which is now more than 5 years old.

Harry Matthews' house is turned into a sort of world headquarters for the club which has 2,500 members in 59 countries.

Whatever your hobby, whether it be stamps, coins, ham radio, photography, antiques, or any one of the hundreds of other hobbies, you can be sure there are people in other lands who share your interests. By getting in touch with them, there's much you may be able to learn as you enjoy the stimulation of sharing your interest with someone else.

YOU CAN SHARE INFORMATION

Understanding is nurtured by the exchange of information and ideas as well as by neighborly association, and there are many opportunities for you to help.

Worthwhile books and magazines are good examples of what you can send to friends overseas. They are appreciated everywhere because so many people in other lands read English.

People of all countries turn to American magazines and books not only out of curiosity, but for very practical reasons. Housewives follow homemaking and fashion trends with eager interest. Tailors, dressmakers, furniture designers and other producers of goods, teachers, students, researchers, persons who work with their hands, those who cultivate the soil—all look to American magazines for ideas. Those interested in international current events follow intensely the news of the United States and its relations with other nations of the Free World.

Representative American books and magazines that fulfill these needs find their way to eager readers—in homes, schools, libraries, hospitals, public centers, business places, and rural fairs.

You can send subscriptions or your own back issues to a friend abroad. Or, if you prefer, back issues can be sent to the United States Book Exchange, Inc., 1816 Half Street SW., Washington 4, D. C.

Magazines should be up-to-date, in good condition, and of course not of a sensational type. Family magazines, such as Good Housekeeping, Life, National Geographic, etc., are especially recommended.

Back in 1947, Prof. Albert Croissant, a member of Occidental College's English faculty, looked at the magazines in his Pasadena home and thought that something ought to be done with this inexhaustible supply of reading material that clutters every American home.

He made a list of universities in Europe, Asia, and South America and as an experiment began addressing his old magazines to the professors of English and the librarians of these institutions.

The response was amazing.

But Mr. Croissant realized that unaided he could never hope to accomplish what might be accomplished. He told students, friends and neighbors, local clubs and churches—and soon was flooded with requests for speeches and instruction sheets.

"It wasn't easy," says the professor. "Many thought the way to do their bit was to unload their old magazines on our front porch. Our problem was to get help in moving the magazines abroad."

In 1951, H. R. Wilson read an editorial about Croissant and his Magazines for Friendship in the Pasadena Independent. Through Mr. Wilson's effort the chamber of commerce adopted the project and offered to supply stationery and pay postage.

This boost helped get the professor's idea going and since then the Magazines for Friendship have been going to all parts of the world.

Mr. Croissant treasures such letters as this one from Prof. Takeshi Haruki in Japan: "People throughout the East read many words about friendship, cooperation, and world peace. They need more than words. And such a simple concrete act as the sending of a good magazine will be far more effective than is commonly realized."

In selecting books for shipment overseas, a good rule is to send a book you would like to keep. Technical books and specialized books are highly prized. So are good children's books. For the general adult reader, you might send modern fiction or nonfiction, especially that which gives a good picture of present-day American life and thought. Other possibilities are literary classics in modern editions, dictionaries, encyclopedias, almanacs, and other standard reference works, in complete, modern sets.

For $30, you can send through CARE a 99-volume, paperback portable library. All the books are new; included are significant titles typical of books Americans are reading. The price includes all shipping charges as well as guaranteed delivery. You may send the library to any individual or group of your choosing. Or you may leave the selection to CARE, in which case the books will be sent to overseas schools, libraries, and other information centers.

YOU CAN STIMULATE GROUP ACTION

What you do by yourself is important, but what you do to get your associates to help you can be even more important. Group action depends upon some individual to start it. Will this be you?

Your company, your professional association, your organization, whether civic, social, religious, educational, or some other provide opportunities for you to take the lead.

When you pool your efforts with your colleagues, the range of what you can do expands tremendously. Examples are almost everywhere.

Editors in New York State and Pennsylvania invited the United Nations press corps to a joint seminar.

The Atlantic Insurance Co. sent information about insurance work to a former exchange student in Brazil.

Students at Berklee School of Music in Boston sent American jazz compositions, arrangements, and tapes to students in Prague.

Annapolis High School sent three special editions of its newspaper to students in Karachi, Pakistan.

Cleveland Polish-Americans sent tape-recorded greetings to be played over the Poznan radio.

Caltex offered scholarships for indigent children of deceased Filipino veterans.

Louisville's International Center supports a library in Karachi.

Johnson's Wax gave the winner of a French home economics contest a free trip to the United States.

Employees of St. Paul insurance companies began writing letters to insurance workers overseas.

The Cosmopolitan Club of Montclair, N. J., sent 14,000 magazines overseas in the last 3 years.

The Public Relations Society of America invited overseas friends to its annual convention.

Standard-Vacuum Oil Co. gave United States picture maps to schools in the Far East.

Hagerstown, Md., has exchanged visitors, students, teachers, exhibits, letters, and songs with Wesel, a German city adopted as a sister city.

The University of Pennsylvania has exchanged students, professors, literature, and research data with the University of Kanazawa in Japan.

The American Medical Association adopted an international film program as part of its annual convention.

The Ambler (Pa.) Gazette published a freedom edition honoring Coburg, Germany, on its 900th anniversary.

The Neiman-Marcus Co. led Dallas in citywide salute to France.

Philadelphia, in a citywide drive, collected 100,000 books for distribution overseas.

The Boys' Club of America gave overseas trips as prizes in boy-of-the-year and family-of-the-year contests.

American Symphony League has set up a world music bank to lend music to conductors, composers, educators, and critics everywhere.

Ted Mack, of TV amateur hour, put talented amateurs from Europe on his program.

National Association of Food Chains was joint sponsor with Department of Commerce of Supermarket USA at Zagreb International Fair.

Aero Club of Bolling Air Force Base invited Ethiopian fliers to correspond.

This can be but a sampling and is offered only to stimulate ideas that will develop in your mind as you join the vast effort which must, in the words of President Eisenhower, "work out not one method but thousands of methods by which people can gradually learn a little bit more of each other."

PEOPLE-TO-PEOPLE PROGRAM—COMMITTEE CHAIRMEN AND COCHAIRMEN

Advertising organizations: Theodore S. Repplier, president, the Advertising Council, Inc., 1200 18th Street NW., Washington, D. C.

Armed services: Charles C. Finucane, Assistant Secretary of Defense for Manpower, Personnel, and Reserve, Department of Defense, Washington, D. C.

Banking: Fred F. Florence, chairman, executive committee, Republic National Bank of Dallas, Dallas, Tex.

Books: George P. Brett, Jr., president, the Macmillan Co., 60 Fifth Avenue, New York, N. Y.; Francis St. John, librarian, Brooklyn, Public Library, Brooklyn, N. Y.

Business organizations: Harry A. Bullis, chairman of the board, General Mills, Inc., Minneapolis, Minn.

Cartoonists: Al Capp, 33 Beaver Place, Boston, Mass.

Milton Caniff, New City, Rockland County, New York, N. Y.

Civic: Mark Bortman, chairman, Boston National Historic Sites Commission, 183 Essex Street, Boston, Mass.

Education: Dr. Albert Jacobs, president Trinity College, Hartford, Conn.; Dr. Corma Mowrey, director professional services, West Virginia Education Association, 1558 Quarrier Street, Charleston, W. Va.

Farm groups: Allan B. Kline, 4209 Grove Avenue, Western Springs, Ill.

Fine arts groups: Dr. David E. Finley, Chairman, United States Commission of Fine Arts, Department of the Interior, Washington, D. C.

Foreign affairs: Dr. Brooks Emeny, 221 Elm Road, Princeton, N. J.

Foreign service alumni: David McKendree Key, 2543 Waterside Drive NW., Washington, D. C.

4–H Clubs: Warren Schmidt, the National 4–H Club Foundation, 8561 Fenton Street, Silver Spring, Md.

Fraternal organizations: H. Sanders Anglea, Warner Building, Nashville, Tenn.

Handicapped: Maj. Gen. Melvin J. Mass, USMC (retired) Chairman, President's Committee on Employment of the Physically Handicapped, Department of Labor, Washington, D. C.

Hobbies: H. L. Lindquist, president, National Federation of Stamp Clubs, 153 Waverly Place, New York, N. Y.

Hotel industry: Robert K. Christenberry, Ambassador Hotel, Park Avenue and 51st Street, New York, N. Y.

Insurance: Frederic W. Ecker, president, Metropolitan Life Insurance Co., 1 Madison Avenue, New York, N. Y.

Labor: George Meany, president, AFL–CIO, 815 Sixteenth Street NW., Washington, D. C.

Learned societies: No chairman at present.

Legal societies: Chief Justice Robert G. Simmons, Nebraska Supreme Court, Lincoln, Nebr.

Letter writing: Miss Anna Lord Strauss, 45 East 65th Street, New York, N. Y.

Magazines (tentative): Robert Kenyon, president, Magazine Publishers Association, 232 Madison Avenue, New York, N. Y.

Medicine and the health professions: Dr. Louis H. Bauer, secretary general, World Medical Association, 10 Columbus Circle, New York, N. Y.

Motion pictures: Y. Frank Freeman, chairman, Association of Motion Picture Producers, Inc., 8480 Beverly Boulevard, Hollywood, Calif.

Music: Mrs. Helen Thompson, executive vice chairman, Box 383, Charleston, W. Va.

Nationalities groups: No chairman at present.

Public relations: No chairman at present.

Radio and television: Dr. Frank Stanton, president, Columbia Broadcasting System, Inc., 485 Madison Avenue, New York, N. Y.

Harold E. Fellows, president and chairman of the board, National Association of

Radio and Television Broadcasters, 1771 N Street NW., Washington, D. C.

Religious groups: Dr. Eugene Carson Blake, president, National Council of Churches of Christ in the U. S. A., 510 Witherspoon Building, Philadelphia, Pa.; His Excellency Howard J. Carroll, bishop of Altoona-Johnstown, Altoona, Pa.; Dr. Abraham J. Feldman, president, Synagogue Council of America, 110 West 42d Street, New York, N. Y.

Science and engineering groups: Dr. Joseph W. Barker, chairman of the board, Research Corp., 405 Lexington Avenue, New York, N. Y.; Robert B. Lea, 350 Lakeville Road, New Hyde Park, Long Island, N. Y.

Service organizations: John L. Stickley, past president, Lions International, Charlotte, N. C.

Speakers: Cyrus S. Ching, 1625 I Street NW., Washington, D. C.

Sports: Edward P. F. Eagan, 48 Wall Street, New York, N. Y.

Talent group for the entertainment industry: George L. Murphy, 205 South Beverly Drive, Beverly Hills, Calif.

Transportation agencies: John W. Hanes, Olin Mathieson Chemical Corp., 460 Park Avenue, New York, N. Y.

Travelers: Ralph T. Reed, president, American Express Co., 65 Broadway, New York, N. Y.

Veterans: Capt. Edward V. Rickenbacker, chairman of the board, Eastern Air Lines, 10 Rockefeller Plaza, New York, N. Y.; Lewis K. Gough, 15 North Euclid Avenue, Pasadena, Calif.

Women's groups: Mrs. William Barclay Parsons, Jr., president, National Council of Women of the United States, 345 East 46th Street, New York, N. Y.

Writers: William Faulkner, Random House, Inc., 457 Madison Avenue, New York, N. Y.; Harvey Breit, 116 East 64th Street, New York, N. Y.

Youth: Dr. Arthur A. Schuck, chief scout executive, Boy Scouts of America, New Brunswick, N. J.

DECISION TO SEND TROOPS TO LEBANON—CONSULTATION?

Mr. FULBRIGHT. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article entitled "The New Pentagon Bill—Legislation and Lebanon Decision Seen Enhancing Dangerous Trend," written by Hanson W. Baldwin, and published in the New York Times of July 24, 1958.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE NEW PENTAGON BILL—LEGISLATION AND LEBANON DECISION SEEN ENHANCING DANGEROUS TREND

(By Hanson W. Baldwin)

The Defense Department reorganization bill, passed in differing versions by the House and Senate, was approved by a conference committee yesterday just after the United States had assumed the risk of major war in the Middle East.

The coincidence is instructive. For the final version of the bill, although it rejects some of the President's most emphasized requests, endorses a dangerous trend, well illustrated by the decision to intervene in Lebanon.

That trend is toward the development of a party-line strategy, upon military decisions based upon the advice of one or a few men, rather than upon strategy formulated by many and decisions based upon a careful canvassing of all available military advice.

Prior to his decision to intervene in Lebanon, President Eisenhower consulted at the White House Donald A. Quarles, Deputy Secretary of Defense, and Gen. Nathan F. Twining, chairman of the Joint Chiefs of Staff.

SERVICE CHIEFS NOT CONSULTED

So far as is known the Joint Chiefs of Staff were not personally consulted, either as a body or as individuals, even though both responsibility and authority are coupled in the service chiefs and even though they know better than any other persons the capabilities and the limitations of their services.

The Lebanese intervention—like any other strong military action the United States may take in the nuclear age—ran the risk of war. This risk must be faced from time to time in the life of any nation that calls itself great. But it should never be faced without the widest possible stock taking by the executive branch of Government, in consultation, when possible, with the legislative branch.

It is particularly important that varying shades of military opinion be consulted, and that the responsible heads of each of the services be asked for their advice, individually and collectively.

There are two reasons for this. One is that one or even several men may be wrong in their assessment of a military situation; a minority viewpoint may be right.

This was true of the position taken by Gen. Matthew B. Ridgway, then Army Chief of Staff, at the time of the Dienbienphu battle in Indochina.

MINORITY VIEW WON OUT

If General Ridgway had not had the courage of his convictions and the right to take his case personally to the President, the United States might well have been involved in a drawn-out major war in Indochina, with no sound military objective in sight. In this case, General Ridgway's minority point of view prevailed, fortunately for the Nation.

There is another reason why all members of the Joint Chiefs of Staff, rather than the chairman alone, should be consulted on key military questions. These members are bound to have varying capabilities, and varying personalities.

Sometimes in a democracy such as ours charm plus service and national politics may elevate to the top of his service or to the position of chairman a man undistinguished either for strength of character or professional wisdom. But it is very unlikely that all four service heads and the chairman would simultaneously be yes men or stuffed shirts.

There is strategic wisdom in numbers. The demand, reiterated again and again since the war, for a single military voice, a single military party line from the Pentagon could represent one of the most dangerous possible developments.

Yet the Pentagon reorganization bill continues de facto as well as de jure a trend toward centralization within the Pentagon, and within the executive branch.

PARTY LINE IS SEEN

The President's own strong preference for a single voice from the Pentagon, plus the emphasis given by this bill to a long-term trend in this direction, will inevitably contribute to the development of a military party line. This need not necessarily result, but it will take stout men of moral courage, in and out of uniform, to stand up and be counted.

The reorganization bill, while continuing the trend toward centralization of power over the military within the executive branch of Government, strongly and emphatically rebuffs the President in what Congress correctly interpreted as attempted encroachments of Executive upon legislative authority.

Three key provisions, which the President bitterly opposed, retain some major Congressional grants of power over the military services.

The reorganization bill, in final form, is far less important than the attention paid to it. It contains a few positive achievements; the unified commands, for instance, are better defined.

But it will work no miracles; it will save no money, and it will result in little, if any, increase in either combat readiness or administrative efficiency. It does nothing to reduce the swollen civilian bureaucracy in the Pentagon, nor does it lessen the influence of politics upon the services. And sooner or later there will be more demands for more sweeping change.

Mr. FULBRIGHT. I call the attention of my colleagues especially to the passage in the early part of the article relating to the extent of the consultation of the President with the Joint Chiefs of Staff, or the lack of it, with regard to the decision to send troops to the Middle East.

That passage fortifies the suspicion that the decision to land troops in Lebanon may have been taken without adequate consideration and without any supporting policy to justify it.

I also ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an editorial entitled "The Pitfalls of Silence," published in the Wall Street Journal of July 23, 1958, relating to the crisis in Lebanon.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE PITFALLS OF SILENCE

It is over a week since the United States Marines were dispatched to Lebanon and, in the intervening days, Washington has been wrapped in a strange silence.

There have, of course, been many announcements and comments on the rapidly changing developments. But there has been almost nothing by way of official explanation or debate on what is still the central issue, the basic decision to intervene in the Middle East.

Congress has received one brief message from the President and the public, at least in some areas, has heard an equally brief statement read by the President on filmed television. Both of these dealt with the immediate moves, explaining that the Marines were sent at the request of the President of Lebanon to protect American citizens and the Lebanese Government.

But the President has not followed his previous practice, notably in the Suez crisis, of giving the public a complete and carefully reasoned statement of what the Government intends and why. The Secretary of State moreover, has hardly been heard from at all.

Those in Congress who have doubts about what we are doing have been equally silent. Senator FULBRIGHT of Arkansas is one of the few Members of Congress to raise basic questions. The Democratic leaders in both Houses, for example, have used their influence to stifle questions; Speaker RAYBURN even went so far as to rebuke a Member of the House who started to make some criticisms of the Government's action.

Now it is possible to sympathize with the reasons for this silence. The President, and his Secretary of State, may feel themselves too busy dealing with rapid problems to have time for explanations; or they may feel it best not to explain. Those who have qualms about the action may feel under the necessity to rally around, to do or say nothing that might undermine confidence in the Government at a time when war threatens.

Still, it is a disturbing silence. Across the ocean, in the British Parliament, there were no such inhibitions. Prime Minister Mac-

millan, supporting the American action, went directly to the Parliament to explain in great detail why he did so. In fact, his presentation of the case for intervention is by far the best we have seen; it is calm, carefully reasoned, and impressive.

Nor did Mr. Macmillan act as if questions about Government policy were improper. Mr. Gaitskell, the leader of the opposition, accepted his duty to ask questions. He made it quite clear that his party did not intend to divide the House; but he also made it clear that the policies of the Government were going to be thoroughly examined.

The result of that debate is that the members of the British Parliament and the British public are in a better position to understand all that is being done, and to judge it, than are Americans. And we cannot believe that the welfare of Britain is damaged by this kind of open debate.

On the contrary. In a country of free men it is essential to real unity that those who lead explain to people carefully and thoughtfully the courses they pursue. People not only have a right to be told what is being done; they must understand why. And they cannot have that understanding if all questions, doubts, qualms, and counterarguments are quashed out of fear that mere mention of them somehow constitutes an unpatriotic act.

There may be, as some would argue, some pitfalls in too much discussion of foreign policy moves. But there is a far more dangerous pitfall in silence when the United States is walking close to war.

Mr. FULBRIGHT. Mr. President, in addition, I believe that the broadcast by Mr. Howard K. Smith, of the Columbia Broadcasting System, on Sunday, July 20, 1958, was extremely enlightening. I believe it would be very helpful to Members of the Senate and the American people in understanding the very confused situation in the Middle East.

There being no objection, the text of the broadcast was ordered to be printed in the RECORD, as follows:

Today this broadcast series is shifted to this new time, and incorporated in our program the World Tonight. I hope the change has not inconvenienced any who listen regularly. The change to a later time will add years to the life of this reporter who no longer has to start work at 3 or 4 in the morning to meet the former deadline.

The past week has been one of the most confusing weeks of news for the American public since World War II. The crisis that began on Monday when in Iraq, radical nationalists overthrew the pro-Western government, has the distinction of being without doubt the most ambiguous crisis in years.

President Chamoun, of Lebanon, feared the rebel success in Iraq would inspire rebels in his own country to overthrow him. In Jordan, King Hussein felt the same fear.

We and the British had to accede to their two requests to come in and help them or see Western prestige and influence collapse in all the Middle East.

But one of the things that makes the crisis so uncommonly ambiguous is though we had to go in to keep from losing prestige, our act of going in is causing us to lose prestige. Two-thirds of the pro-Western parliament of Lebanon we went in to protect is said to be opposed to our coming in. Anyone who knows those countries can be sure that at least half the Lebanese people and probably 90 percent of the Jordanian people oppose us for coming in.

Underlining ambiguity our interest in the Middle East has always been to keep Russia and Communists out. Now in the supreme crisis, we march in, but there is not a single Russian soldier around. There is no real evidence of important Communist participation in the crisis and none whatever of Communist leadership. We, the champions of national independence, find ourselves on Arab soil confronting Arab nationalists.

We say that the countries we have gone in to protect were imperiled by foreign invasion. Our sources of information on this are not substantiated. A U. N. observer team there has a different version—there is infiltration, but the difficulties are largely internal. The U. N. observer team is one we voted sometime ago to send in. Its chief figures are so overwhelmingly pro-American they would be very likely to give us any benefit of doubt. But on this they do not substantiate our case.

The reason the crisis is so ambiguous, confusing, and contradictory is, I would suggest, because the policy on which it is based is in discord with some fundamental realities. It is a policy for the Middle East based on such wrong premises that it was bound to lead into dead ends in which, no matter which way you move, you are blocked; no matter what you do it is wrong.

This eventuality has long been forecast by many—by British Laborites, by Mr. Walter Lippmann, to name an American with clear vision, by people in the State Department, by Middle Easterners themselves. If we manage, thanks to the United States great reserves of prestige and strength, to pull out of the present mess, we will, assuming our policy remains the same, be back in a similar mess again before long.

American thinking on the Middle East is clouded and warped by several things. One, just as audiences at silent films used to have to have a villain with a mustache so they could understand the plot, so America must have a Communist villain or a crisis makes no sense.

A year or so ago, this reporter followed Vice President NIXON on a tour of Africa. The chief thing noticeable was the encouraging lack of any serious Communist penetration in that continent alone. Yet, in his report back, Mr. NIXON emphasized the Communist threat to Africa. I asked a high American official—who must be nameless—why this was done. He answered: "Unless you dramatize a question in Communist terms you cannot get Congress to act to give Africa aid or whatever is needed."

Well, in the Middle East, despite the oversimplifying and misrepresenting political cartoons in some of our papers, communism is a pretty minor thing. It plays no important role. To assume otherwise is to assume falsely, and to mislead ourselves into situations like the present one.

Another warping force is the Israeli question. In 1948, Arabs joined forces in a nefarious effort to try to destroy Israel. The ugly act so incensed Americans that it created a view of the Arabs—or a prejudice—to which our thinking on Middle Eastern problems has been a slave ever since. Any reporter who tries now to point out simple basic facts about the Arab world finds himself denounced as pro-Arab or anti-Semitic. But, again, as long as we blind ourselves to realities, we can expect to go on walking into open doors with damaging consequences—like those we are experiencing in the Middle East today. Some day we will have to learn that, without in any way ceasing to support Israel, it is possible to recognize some unalterable realities about the Arab world and start basing a sane policy on them.

Another reason we are wrong is the United States has not had great experience in Middle East policy. That part of the world has been a preserve of our friends the British. When British influence collapsed in the dismal dead end of the Suez fiasco 2 years ago, we stepped in. Not knowing what to do, we took over British policy wholesale—with all its archaisms and fallacies. We have continued to base our position there on kings not on peoples—as the British did—and on a status quo that ceased to exist, as the British did.

As said, many people in the State Department are fully awake to all this. But we understand that Mr. Dulles tends to be a one-man State Department. It is said that he is a supremely self-confident man who takes genuine advice from no one. So the advice of many of his Middle Eastern experts is not heeded.

As to what is wrong with our policy, I suggest to you the following analysis of the situation in the Middle East.

Far the dominant all-consuming force there is Arab nationalism which I suppose can be defined as a suddenly rediscovered fierce pride and identification of Arabs with one another and a desire to run their own affairs in a dramatic and progressive way. Whether one likes Nasser or not, he is the symbol and leader of the movement, as is clear from the omnipresent pictures of him in every home and hovel in most Arab lands.

Among Arabs, national boundaries mean very little. Most of them were drawn by foreigners. It is said that Jordan's frontiers for example were carved out of the desert by Winston Churchill one evening over brandy and cigars. So it is not very meaningful in some cases to talk of Arabs on one side of such a border aggressing against Arabs on the other side. There is a fierce sentimental wish for all Arabs to be united.

Among all new nationalists there is an overwhelming urge to be left alone, to have a period of isolationism, noninvolvement. George Washington stated this eloquently for the new America in his Farewell Address. To leap the centuries, Nehru has repeatedly stated it for the new India. The Arabs have even more repeatedly stated it. They are barely aware there is a cold war on; they are not interested, and want no part of it.

Our great fallacy is to disregard this and to strive to force Arabs into a bloc on our side against Russia. When Britain was negotiating to give up Suez, she made it a prime condition that Egypt join our bloc. Egypt refused to the point of using violence. Britain tried 2 years ago to stuff Jordan into our bloc. Jordanians rebelled in the streets, tore a British officer limb from limb; and Jordan promptly withdrew from the alliance.

The main reason there is any Russian influence in the Middle East is that, on the rebound, in anger at us, some Arabs have been enlisting Russia to counterbalance our pressure. Until we started that there was no Russian influence there.

In Lebanon, President Chamoun's distinctive policy is to tie Lebanon to the western bloc. When Chamoun recently indicated plans to change the constitution to become permanent President, for he knew any popular election would reverse his policy, there was a rebellion against him. That is the main fact about the crisis now in Lebanon.

Iraq was the chief Arab nation on our side. Our pact was named after her capital city, the Baghdad Pact. The current rebellion is aimed to take Iraq out of that pact and give the new rising middle classes of the Arab world predominance.

The point should be as clear as repeated bloodshed can make it—the Arabs don't want to take part in the cold war. Our persistent effort to force them in makes them turn to our foes for balance against us. This policy requires us to base policy on a few kings or governmental chiefs we can trust to stay with us, and a commitment to go in with force and hold their peoples at bay when their peoples rebel. It is that kind of commitment that has got us in the position we are now in.

There are many differences, but basically, in one respect the parallel with China is not exaggerated. The main force sweeping China was a genuine nationalism. We failed to recognize it, let communism discover it and

take it over, and thus lost China to communism. Though there is a little affinity for communism among Moslems, if we persist in our present policy, we may in the end succeed in making communism predominant, and losing the vastly rich and strategic Middle East as we lost China.

A way out suggests itself. Awakened British politicians have been suggesting it for a long time. We have let Khrushchev see the obvious and beat us to the draw at proposing it.

The Arab world must simply be declared out of bounds to the cold war. Much as Switzerland was declared off limits to the quarrels of Europe for the past century and a half, so Araby should be left to itself, not an object of contention among the great powers.

The question of what to do about all that western-controlled oil in the Middle East arises. The answer is—give it to those to whom it belongs, the Arabs. We will then simply have to buy the oil from them. We may have to pay a little more than we now pay, but that won't be fatal to anybody's economy.

Is there a danger the Arabs will not ship us the oil, but either keep it or sell it to Russia? The answer is, there seems little danger of that. They have to sell it to live. Russia has no need for it, having more oil at home than she needs. The only market, the only people who have the complex marketing and distributing mechanism are westerners, so it will be sold because the Arabs have to, and will be sold to us.

There will be many complications to negotiating an arrangement to neutralize the Arab world. Russia cannot be expected to negotiate in good faith, so we will have to insist on self-enforcing checks. There will be other complications. But the road to follow is clear. At the very least we should stop going down the opposite road.

This is Howard K. Smith in New York.

AGRICULTURAL ACT OF 1958

The Senate resumed the consideration of the bill (S. 4071) to provide more effective price, production adjustment, and marketing programs for various agricultural commodities.

Mr. PROXMIRE. Mr. President, last night I was speaking with respect to the farm bill presently under consideration, and I expressed my very strong and deep opposition to it. When I concluded last night, I was discussing the enormous importance to our farm population of the parity principle—the concept of parity—and the overwhelming importance to the farmers of having some provision for economic security. I was pointing out that one of the great inconsistencies in economic life is that all of us attempt very hard to acquire security for ourselves and the people with whom we can identify economic interests, while firmly opposing the same for everyone else. I pointed out that large corporations have achieved a very great measure of security, and that practically no large corporations have failed. I pointed out that labor unions have achieved a large degree of security, and that working people generally, even those who are not members of labor unions, by reason of minimum-wage and maximum-hour legislation, have achieved security. Through tariff legislation and through subsidies to industry, we have provided a great deal of security throughout the American economy.

Despite that, somehow when we discuss security for farmers through price-support operations the idea is considered to be un-American, or in opposition to the free-enterprise system.

I should like to conclude my quotation from the great book by John Kenneth Galbraith, The Affluent Society, by reading an extremely pertinent statement on this very point. Dr. Galbraith says:

> The desire for economic security was long considered the great enemy of increased production. This attitude was firmly grounded in the belief that the insecurity of the competitive model was essential for efficiency. Along with the carrot of pecuniary reward must go the stick of personal economic disaster. Both were essential. To remove the stick, which must be the consequence of increasing economic security, would be to remove half the incentives by which men were inspired. This belief still has a considerable role in the conventional wisdom. The efforts of farmers to minimize uncertainty, although in many respects far less effective than those of larger corporations or trade unions, have inspired especial alarm. In the recent view of a leading agricultural economist—

Referring to Karl Brandt, writing in the Journal of Farm Economics for May 1952—

> When millions of able (farm) entrepreneurs have regained the self-confidence to operate without the social harness of bureaucratic guidance and universal risk insurance, it is an event that may amount to a decisive victory in the free, anticollective world.

Dr. Galbraith proceeds:

> But even in modern corporate life, the conventional wisdom gives great credit to the threat of adversity. "The characteristic of European businessmen as a class as distinguished from Americans is their complacency, their timidity, and their instinctive looking to each other and to government for protection against the rude shocks of the contemporary world. And the thing they fear most is price competition."

The last statement is taken from Mr. Clarence Randall's "A Creed for Free Enterprise."

This is the answer:

> Plainly, however, the notion that economic insecurity is essential for efficiency and economic advance was a major miscalculation—perhaps the greatest in the history of economic ideas. (It was the common miscalculation of both Marxian and orthodox economists. Marx and his followers were deeply persuaded that capitalism would be crippled by efforts to civilize it. To cite one obvious example, unemployment compensation would ruin the operation of the industrial reserve army in regulating wages.)

That is the theory of Marxian economics. Incidentally, it is also too widely believed among classical economists.

> In fact the years of increasing concern for economic security have been ones of unparalleled advance in productivity. Those spokesmen who have been most alarmed over the debilitating effects of the search for security have often remarked most breathlessly on the improvements in productivity which have occurred at the same time. The economist whose views were just cited—

He is speaking about Mr. Brandt—

> on the alarming dangers of universal risk insurance in agriculture characteristically observed in the same paper that, "during the last few decades, breath-taking technological evolution has been opening new frontiers in agriculture, and the progress has been most spectacular in the United States and Canada. Not only did it assist greatly in World War II, but it also kept millions of people in Europe and Asia alive." Part of this technological advance in agriculture may have been the result of price-support legislation which reduced price and income uncertainty. Farmers were thus able to invest in new technology with increased confidence. But this notably plausible possibility has no standing in the conventional wisdom. Hence it is forthrightly ignored.

I depart from the writings of Dr. Galbraith at this point simply to add that there is no question in the minds of thousands of Wisconsin farmers to whom I have talked, that a great reason why they were able to mechanize their farms, bring electricity to their farms, and were able vastly to increase economic productivity was that the Government stepped in and gave them some security. The fact is that back in 1932 1 farm in 4 in Wisconsin had a tractor, 1 farm in 10 had electricity, and 1 farm in 20 had milking machines.

After 20 years of New Deal farm programs, after the REA program had been adopted, after the farm loan programs were put into effect, and after the farm price-support programs came into being, technology on the farm and productivity on the farm had vastly increased, so that by 1952 there were more tractors in Wisconsin than farms; in fact, there were about 5 tractors for every 4 farms, while 9 out of 10 farms had electricity, and 19 out of 20 farms had milking machines. The result was a tremendous increase in productivity.

There simply is no question in my mind that the way to expand the wealth of America and the way to support, improve, and encourage agricultural productivity is to provide economic security through farm programs such as the price-support program, which, unfortunately, is sought to be crippled by the proposed legislation we have before us.

To go back to the quotation from Dr. Galbraith:

> The data on what has happened to output in the age of security could scarcely be more impressive. In the 20 years prior to the 1930's, the decade when the concern for security first became a source of uneasiness, labor productivity—national income produced per man-hour—increased from 89.6 cents in 1900, to 113.3 cents in 1929. This was a total of 23.7 cents or at a rate of about 1.2 cents a year. In the 10 years following the thirties the total increase was from 131.5 cents to 179.2 cents or by 47.7 cents. This was by an average of 4.8 cents a year, or 4 times the amount of the earlier period. The increase continued in the decade of the fifties. Plainly the increased concern for security, so far from being in conflict with increased productivity, was consistent with a greatly accelerated rate of advance. The most impressive increases in output in the history of both the United States and other Western countries have occurred since men began to concern themselves with reducing the risks of the competitive system.
>
> It must be repeated that in the conventional wisdom such empirical evidence is not necessarily decisive. The consequences truly depicted by the conventional wisdom are, it is held, lurking just out of sight. To respect the evidence is only to evince an unsubtle mind. Yet in this instance the real-

ity is somewhat difficult to evade. The increase in economic security and the increase in economic product are accomplished facts. The conflict between security and progress, once billed as the social conflict of the century, doesn't exist.

If there is one idea I hope to get across in this debate, it is that this bill would vastly reduce the security of the American farmer. The idea I wish to get across is that the evidence is overwhelming that that would be a disaster, not only for the American farmer, but for our whole productive enterprise system.

As defined in section 301 (a) (2) of that act, parity as applied to income, is described as follows: "shall be that gross income from agriculture which will provide the farm operator and his family with a standard of living equivalent to those afforded persons dependent upon other gainful employment."

In all the subsequent farm income legislation enacted since 1938, provisions for price support and for use of marketing agreements and orders are based on this concept of parity farm prices and incomes. This bill does not repeal this legislation in so many words. Instead, the bill in effect would repeal the parity concept in farm programs by setting up an entirely new standard in its place.

The new standard proposed by the bill is far from the parity concept. It is about as far from the parity concept as we could get. The price support standard proposed by the bill for farm programs is by definition "10 percent below the previous market price."

What is the point in having supports that do not support? Why must we make a mockery of our farm programs? It would be more accurate and more candid to tell farmers frankly that the intention is to strip away the effective programs which have given them some bargaining power in the past 30 years, and to return them to the same economic helplessness that destroyed hundreds of thousands of farm families during the twenties and early thirties.

For 5 years, the Eisenhower administration has been doing everything it could to discredit the concept of parity for farmers. The administration spokesmen have tried to shame farmers into believing there is something sinful in parity.

The administration has even tried to make city consumers believe that farm surpluses were the cause of high prices, and that farm programs were the cause of surpluses.

All of us in the Senate know that these stereotypes are not true. Yet we know also that much of the antifarmer propaganda of the administration has been effective in discrediting the farm program among the nonfarm population.

Of course, it has been effective, because it has been poured out in enormous abundance by the Reader's Digest, which has the largest circulation of any publication in the world, by the Saturday Evening Post, by Life and Time magazines, and by virtually all the large newspapers of the United States. They have all given one side, and only one side. I have read these publications carefully and searched the indexes. I have never found an article giving the other side, the side in favor of providing some kind of real economic security for our farmers. That side has not been told to the American people, except through thin, small voices like mine, when I make speeches on the floor of the Senate and try somehow to reach the American people. Yet I have found that with this relatively weak voice, even with the overwhelming preponderance of money, capital, and propaganda on the side of discrediting the parity concept, not only do the farmers of Wisconsin overwhelmingly approve of it, but a surprisingly large number of people off the farms approve.

I recall that last February or March there occurred an interesting debate on the postal bill. In the course of that debate it was pointed out that the Government provides enormous subsidies for the Reader's Digest, Life magazine, Time magazine, and the New York Times. It provides huge subsidies for which, of course, those publications fight; and they have every right in the world to fight for them.

For many publications subsidies are about equal to their total profits. In the case of Life magazine, as I recall, the subsidy was in the neighborhood of $9 million. The subsidies for the Reader's Digest and the Saturday Evening Post are very great. Subsidies provide for such publications a great measure of security.

This is not, however, the important kind of security which the Reader's Digest, the New York Times, and the other great publications have. They have control over their own production. They can fix their own prices. During the past 30 years, such prices have always gone in one direction—up. I can remember when the Chicago Tribune cost 2 cents a copy. It costs a nickel a copy today, which represents a very large percentage increase.

Advertising rates in these publications have gone up steadily and relentlessly—always in one direction. This has not been true, however, of farm prices. They have fluctuated; and every fluctuation represents a heavy degree of insecurity for American farmers.

As I have said, this propaganda has not influenced the Wisconsin dairy farmer to think that reductions in milk prices should be accepted without resistance and objection. That is why I am speaking on the floor of the Senate today.

A recent poll by the Wisconsin Agriculturist and Farmer reports that less than one-twentieth of the farmers of Wisconsin think that Secretary of Agriculture Benson is doing a good job.

Think of that. Only 1 out of 20 farmers think Secretary Benson is doing a good job. When the present President of the United States is at the low ebb of his popularity, something like 53 percent of the people think he is doing a good job. When President Truman reached the bottom of his popularity, 35 or 40 percent of the American people thought he was doing a good job. But in Wisconsin the farmers, who are directly concerned, who have the greatest knowledge of, and certainly the greatest experience with the kind of job the Secretary of Agriculture is doing, do not believe that he is doing a good job. Nineteen out of 20 failed to say that he was doing a good job. Only 1 in 20 agreed that the Secretary of Agriculture is doing a good job for them. Not the least of their reasons for feeling this way is the stubborn, continuous campaign that Secretary Benson has waged to discredit farmers and farm programs in the eyes of the public.

The present programs were based on the parity concept. Their objective is that which still stands in the existing farm laws to "provide the farm operator and his family with a standard of living equivalent to that afforded persons dependent upon other gainful employment."

Let me repeat that, because the parity concept is essential for the well-being of our farmers. It is that concept which is being eliminated by the pending bill. The objective is to "provide the farm operator and his family with a standard of living equivalent to that afforded persons dependent upon other gainful employment."

The programs are not and never were perfect; they are not fully adequate to the needs of farm families in the present day. But when administered with a sincere determination to help improve and protect farmers' prices and incomes, they operated with reasonable success and at moderate cost to taxpayers.

In contrast to the generally successful record of the first 20 years, the present Secretary of Agriculture has somehow managed to operate those programs, since 1953, in such a way as to reduce their effectiveness, while at the same time enormously increasing the cost to taxpayers.

It is no secret that farm income has dropped sharply at the same time farm costs have increased. However, even though most taxpayers are conscious of their taxes, very few taxpayers realize what a tremendous burden the Department of Agriculture has imposed on them. The greatest foe of the American taxpayers today is Ezra Taft Benson.

The fact is that last year, as the distinguished Senator from Minnesota [Mr. HUMPHREY] stated last night, the cost to the taxpayer for our farm program under the present administration was six times the cost during the year of the greatest expenditures for such purpose under the preceding Roosevelt and Truman administrations, during the 20 years of those administrations. The fact is that the taxpayers should be crying for Secretary Benson's scalp.

The fact is also, of course, that taxpayers, unless they are engaged in farming, have no immediate, practical, or insistent reason for becoming interested in farm programs or problems. They read about them through their great newspapers and periodicals, and they get the impression that while Secretary Benson may not be so friendly to farmers, and while he is taking an "objective" view

of the farm interests, he is a great friend and a great champion of the taxpayer.

I have heard it said that the present farm program is in error, is unpopular, and must be changed, mainly because of its great cost to the taxpayers. My argument is that the administration of the program can be improved. We have had 20 years of approximately the same kind of laws; yet under the Truman and Roosevelt administrations we did not have the enormous, overwhelming cost to the taxpayers that we have today.

I believe also that, in all fairness, some changes must be made in our basic farm law. That is why I have submitted a series of amendments which would improve and increase farm income. At the same time I am sure we can greatly reduce the cost to the American taxpayers. The fact is that there is no one in the American economy, with the possible exception of the small businessman, who more completely opposes a subsidy system or a giveaway system than the American farmer. He wants to get off the taxpayers' back as fast as he can. We recognize the nature of the farm program and we recognize the tremendous importance of getting the farmer off the taxpayers' back. Let me note at this point that if we insisted on requiring other people in the economy to produce unlimited amounts of their products, to produce as much as they could produce, they, too, would produce great surpluses, and they, too, would have to rely on the taxpayers to provide some economic security for them.

To top off this paradox of enormous spending by the Benson administration, while at the same time providing no real support for farm income, during the past 5 years, the prices paid by consumers for food have risen and the prices received by farmers for farm food commodities have fallen. Let me repeat that. The prices received by farmers have declined, while the prices paid by consumers have increased. As former President Truman has said, "It takes a real magician to accomplish that."

I read an article in this morning's Washington Post stating that General Foods has raised its dividend to 60 cents a share.

Mr. President, on the very day when the Senate is considering a farm bill to hammer down farm income through chopping a hole in the income farmers now receive, the huge General Foods Corp. announces a fat increase in their dividends. What is happening is that the American farmer is receiving less and less, the consumer is paying more and more, and the middleman, the big corporate processor, is benefiting enormously through his widening margin.

We cannot blame the processors. They take advantage of the situation. There is in the Department of Agriculture a tremendously able and experienced group of processing executives. Their whole background dictates that farm prices are considered costs, which are to be kept as low as possible; and that what the consumer pays is income, which is to be pushed as high as possible.

If there has been one successful consequence—and it is about the only one in the Benson administration—it is that this processing viewpoint, this particular economic outlook, has certainly flourished in our economy during the past 5 years. The margin is certainly widening. Prices are at an alltime high. The farmer has suffered and the consumer has suffered.

According to Economic Indicators, a monthly statistical publication prepared by the President's Council of Economic Advisors, the retail price of food has risen from 112.8 in 1953 to 121.6 in April 1958. The newspapers of Washington report that official Government statistics show that food prices in Washington grocery stores are at an alltime high record.

Meanwhile, Economic Indicators reports, on page 25, that prices received by farmers have dropped by more than one-tenth. Here are some more economic miracles accomplished by the administration of Secretary Benson. First, let me say again that the bill, if passed, will further depress farm income enormously, far more than it has been depressed during the past 5 years, and will depress it relentlessly and steadily and toward the end which I demonstrated last night. It will end up by reflecting the European price or the Japanese price, minus the freight charges across the Atlantic or the Pacific.

Prices paid by farmers for food have gone up 7 percent, while prices received by farmers for food commodities have gone down 7 percent. Truly, as former President Truman said, "It takes a magician to bring that about."

From 1952 to 1956, the total retail food bill of all our consumers rose by $3 billion, from $44.5 billion in 1952 to $47.5 billion in 1956. Yet farmers' sales of food commodities dropped by $1.6 billion in value during this period—from $20.1 billion in 1952 to $18.5 billion in 1956.

The margin is widening. $47.5 billion is what the consumer has to pay. The farmer gets only $18.5 billion. The farmer's share of the consumer's dollar is dwindling down to 39 cents. The program under the pending bill will drive the farmer's share down further. Any consumer who has the idea that the program will help him, should recognize what has been happening under the kind of administration of the farm program experienced during the past 5 years.

These figures are dramatic testimony of the kind of job Secretary Benson has done, and for whose benefit he has done it. The amount of the American consumer's food bill, which is pocketed by the middle man, has increased by $4.6 billion dollars.

With the exception of the presidential election year of 1956, Secretary Benson has reduced supports, which were holding up farm prices, at every opportunity presented to him under the law.

Mr. President, I ask unanimous consent that a table comparing the farm price support levels for various farm commodities in the years 1952 through 1958 be inserted in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Support price of farm commodities (established by Secretary of Agriculture under applicable laws)

Commodity	1952	1955	1956	1957	1958
Wheat	$2.20	$2.08	$2.00	$2.00	$1.82
Corn	1.60	1.58	1.50	1.40	1.36
Cotton	.31	.32	.29	.29	.31
Peanuts	.12	.12	.11	.11	.11
Rice	5.04	4.66	4.57	4.72	4.33
Tobacco (11-14)	.506	.483	.49	.51	.54
Butterfat	.692	.562	.586	.586	.566
Milk, manufacturing	3.85	3.15	3.25	3.25	3.06
Wool	.542	.62	.62	.62	.62
Barley	1.22	.94	1.02	.95	.93
Oats	.78	.61	.65	.61	.61
Rye	1.42	1.18	1.27	1.18	1.10
Sorghum, grain	2.38	1.78	1.97	1.86	1.83
Flaxseed	3.77	2.91	3.09	2.92	2.78
Soybeans	2.56	2.04	2.15	2.09	2.09
Beans, dry edible	7.87	6.36	6.31	6.31	6.18
Cottonseed	66.70	46.34	48.60	46.20	45.00
Index of farm costs	287	281	286	292	305

NOTES

(1) ⅝-inch official grade for support purposes. Support prices of average grade are about 2 cents per pound higher than figures shown.

(2) Corn produced in compliance with acreage allotments. Noncompliance corn was supported at $1.25 in 1956 and $1.10 in 1957.

Mr. PROXMIRE. I should like to indicate how drastically and relentlessly the farmers' prices have been hammered down.

Wheat, in 1952, was $2.20. It dropped to $2.08 in 1955, to $2 in 1956 and 1957, and to $1.82 in 1958.

Corn was $1.60 in 1952. It dropped to $1.58 in 1955, to $1.50 in 1956, to $1.40 in 1957, and to $1.36 in 1958.

Cotton has remained fairly stable at 31 cents. Of course the cotton farmer has suffered because his production has declined in many areas of the country, and because, like every other farmer, his costs have risen.

Peanuts have gone down to 11 cents.

Rice has gone down. It was $5.04 in 1952. It is $4.33 in 1958.

Tobacco has increased in price. That is a very interesting point. Tobacco has increased. Why has it increased? The tobacco farmers in Wisconsin will be interested. It is because the concept of parity has been lived up to in connection with tobacco. Production controls are enforced, and they work. The tobacco farmers of Wisconsin would come to Washington en masse if they thought they would lose their program. I tell the tobacco farmers of Wisconsin that they will very likely lose their program if the pending bill is enacted, because the bill establishes a policy which, on the basis of statements made by officials in the Department of Agriculture, is to be applied to other commodities, and specifically and especially to tobacco.

Butterfat has declined from 69 cents to 56 cents.

Manufacturing milk is an enormously important product in Wisconsin. The State of Wisconsin exports more milk than do the next five milk-producing States combined. Milk is the backbone of Wisconsin's economy. It is the backbone not only of our farm economy, but of our whole economy in Wisconsin. It affects the small town economy, because

if farmers cannot buy, the small-business man in the village or town cannot sell. It means that they are in trouble.

The figures show what is happening to manufacturing milk under Benson. In 1952 the price was $3.85. In 1955 the price had gone down to $3.15. Now it is down to $3.06. The recent flurry of increases in the prices of some farm commodities have not affected milk in the least. The price of milk is down now as low as it has been for a long, long time.

The price of wool has increased. There, again, is a program which is working. I may say, incidentally, although I do so with a little political reluctance, that I am very happy about and support enthusiastically the wool amendment to the bill. I shall support it because I think the bill should be improved in every possible respect. Wisconsin has very few wool farmers—practically none—but I think all farmers must stick together. I think we shall not get a decent farm bill passed unless something is done not only for cotton and rice, but something also for the wool and dairy farmers.

The price of barley has dropped from $1.22 in 1952 to 93 cents in 1958.

The price of oats has dropped from 78 cents to 61 cents. The price of rye has dropped steadily from $1.42 to $1.10.

The price of sorghum grain has dropped from $2.38 to $1.83.

Flax seed has dropped from $3.77 to $2.78.

Soybean prices have dropped from $2.56 to $2.09.

Dry, edible beans have dropped from $7.87 to $6.18.

The price of cottonseed has dropped from $66.70 to $45.

In the meantime, while the income of the farmers has been dropping, their costs have risen steadily and relentlessly from an index of 287 in 1952 to 305 in 1958. There is the real squeeze, there is the terrible injustice, to the American farmer.

In general, Secretary Benson has pushed farm support prices down from the level of about 90 percent of parity, which prevailed generally in 1952, to 75 percent of parity, or a little less.

Under the existing law, the Secretary was not permitted to do this in the case of tobacco. With the support price of tobacco fixed by law at 90 percent of parity, the support price has been rising as farmers' costs have climbed, as I have just pointed out.

The parity index of prices paid by farmers for production and family living needs has risen during the administration of Secretary Benson from 287, in 1952, to a record high of 306, in April of 1958. This illustrates the quicksand quality of dollars-and-cents price support floors, such as those included in the bill. This 19-point increase in farmers' costs means that the $1.10 floor supports for corn, if the cost of farming continues to rise in the future as it has in the immediate past, would shrink in purchasing power within 5 years to barely $1.

The same is true of the 30-cent cotton floor and the $4 rice floor. Fixed dollars-and-cents support floors have a built-in sliding scale which will reduce purchasing power as farm costs go up. This, of course, is directly opposite to the parity concept which Congress originally wrote into our farm laws.

I believe this is something which all the American people can understand. Assume the support price is fixed at a dollar amount. We have had steady inflation. The reports in today's newspapers are that temporarily, for this month, there seems to be a little surcease in it. But on the basis of experience during the past several years, considering the great monopolistic forces in our economy, particularly in steel production, there is no question that prices are much more likely to increase in the next few years than they are likely to decrease. In fact, it is almost inevitable that prices will go up, and go up steadily. If the international situation worsens, prices may go up drastically.

Under these circumstances, the $1.10 fixed support price for corn is not helpful; it is extremely harmful. The consequence of this kind of operation is to force farmers off the farm. Some persons say that the way to solve the farm problem is to have fewer farmers producing. They say that the efficiency of farm operations has increased, and that farmers can produce more. Therefore, the way to handle the situation is to have fewer farmers operating, and, therefore, with a drop in farm income, the fewer number of farmers dividing the income will receive more money.

This has not been working very effectively. Although farmers have been leaving the farms, per capita income of the remaining farmers from farm sources certainly has not risen. I think it can be established that the per capita income from all sources has gone down, and gone down seriously.

The injustice of this operation can be seen particularly at present. I do not think it is any secret to any United States Senator or to most of the American people that the country is confronted with a serious unemployment problem.

The Milwaukee Journal, in my State of Wisconsin, made a study of the proportion of Wisconsin farmers who have taken work off the farm to supplement their farm income. It was found that 40 percent of the farmers of Wisconsin, although they worked 12 hours a day, 7 days a week, on the farm, had some kind of substantial off-farm employment to supplement their meager farm income. What kind of extra work can those farmers do today?

I know of an employer in Waterloo, Wis., who got some splendid workers from the farms, but they were persons who during the spring, summer, and fall would have to spend most of their time on the farm. Therefore, they were the last hired and the first who had to be let go. In this kind of surplus labor market, it is very difficult for the farmer to find off-farm work.

That is not all. What about the farmer who has been driven completely off the farm? What does he find when he goes to Chicago, to Detroit, to Boise, to Butte, or to Houston? What does he find when he looks for work. He finds there is not enough work for the people who have been working in those places, who have established seniority, who have skills. What kind of job can the farmer find?

It is extremely unjust to drive the farmer off the farm under those circumstances. Farmers have been leaving the farms under somewhat more comfortable circumstances during the past 10 years. They left the farms in large numbers before the depression. It is not necessary to have terrible economic insecurity, it is not necessary to have low farm income, to cause farmers to leave their farms. They are leaving the farms anyway. As the older farmers die, the young children, after they are educated, instead of continuing with farming, enter some other occupation. This is the healthy course, the proper course, the human way to proceed. But to drive farm income down, as the bill would do, is not the proper thing to do.

I call the attention of the Presiding Officer to the fact that many people in the cities, people who have been reading the Reader's Digest, and the Chicago Tribune, feel that farmers, after all, have it coming to them. They say that farmers have been getting help from the Government. If they were efficient, if they worked hard, they would not be suffering. After all, the farmer is the master of his fate. He has an investment; he has his own job. He can make or break his own business.

The fact is that that is not true. The fact is that the farmer has improved his efficiency and his productivity more than any other group in our economy. The President's economic report for this year, which was on the desk of every Senator at the beginning of the year, shows that since 1947 our agricultural economy, our farmers, have increased their efficiency by more than 80 percent, while people off the farms have increased their efficiency by only about 27 percent.

The farmer has improved his technological efficiency in the past 12 years 3 times as much as have the persons who live off the farms. No one questions that a farmer works long hours. A recent study in Wisconsin showed that farmers worked 12 hours a day. They work with efficiency. They have a capital investment. What do they get for it?

On the basis of studies made by the Department of Agriculture and the College of Agriculture of the University of Wisconsin, in 1958, farmers in Wisconsin are making 45 cents an hour. These are not marginal farmers; they are among the best, most productive, and efficient farmers in the country. They are farmers who have, on the average, an investment of from $40,000 to $45,000 a farm. They are working efficiently and are increasing their efficiency. Yet they are making from 45 to 50 cents an hour. The bill would even drive that amount down.

Not all commodities have had specific price-support programs and established price-support levels even before

1953. But the general support programs, established for the major commodities, such as milk, butterfat, wheat, cotton, corn, and tobacco, have served to establish the general level of farm prosperity and general level of farm prices.

This is true for two major reasons.

I may say, incidentally, that the general support programs which have established this sort of thing have also established something very important to the rest of us, something very important to those of us who are not on the farms—namely, a high level of prosperity. In the mind of any economic historian, there is no question that every serious depression the United States has had has been farm led and farm fed. The depressions have started on our farms, because the farmer is an enormously important customer.

The fact is that the farmer buys more steel than does any industry, including the automobile industry, in the United States. In only 1 year—I believe it was 1955—did the automobile industry buy more steel than the farmers did. In all the other years the farmers have been the most important customers of the steel industry.

The same is true in the case of rubber and many of the other most important industries of the United States. The farmer is an extremely important customer. The program for butterfat and the other farm programs thus have been the backbone of our security and our prosperity. So, Mr. President, when we abandon the parity concept—as the pending bill clearly would do—we not only dig a grave for the American farmer, but we lengthen the unemployment lines in New York, Detroit, Boise, and elsewhere throughout the country.

It is true that the basics, including milk and butterfat, have been supported. But that has been true for two major reasons.

The first is the competition of crops for land use and other farm resources. The farmer keeps shifting his production to the best of his ability, in order to put his resources to the most profitable use. If the support level for feed grains is reduced and if the level of support for milk is left unchanged, many farmers stop raising grain for sale, and turn, instead, to producing milk. They will, in effect, sell their grain crop out of a milk pail, instead of out of a bushel basket, if thereby they can hope to get a better net return.

Mr. President, that phrase is very important. It is one that the farmers of Wisconsin recognize—namely, that a farmer can sell his grain crop out of a milk pail, instead of out of a bushel basket. And the pending bill would have that result, because it would enormously decrease the supply of feed grains. It would enormously and very quickly increase the production of milk. That would inevitably and certainly mean that the price of milk would be driven down, and it would put added pressure on milk programs, would build up surpluses, would reduce the proportion of costs that could be recaptured in disposition outlets, and, as a result, the Government's costs for the milk program would soar. Then the clamor would begin for a reduction of the support level for milk.

Second, if prices of the major commodities are supported at 90 percent of parity, that will help hold the market prices of other, substitutable commodities at a similar level, even though they may not be protected directly by a specific support program.

The prospect which the bill holds out to producers of soybeans illustrates how the bill threatens the entire farming economy. The bill does not give any protection to the producers of soybeans. The support level of soybeans could be dropped as far down the scale as the Secretary of Agriculture might wish—and since he took office in 1953, Secretary Benson has cut the price support on soybeans from $2.56 a bushel to $2.09, in 1958.

In industry, in the food trade, in feed, and in manufacturing, the products of soybeans and the products of cottonseed are almost completely interchangeable. An increase in the supply of cottonseed reduces the price of soybeans just as surely as if the supply of soybeans had been increased by a similar amount. Soybean producers and their associations have been doing a good job of foreign marketing in private trade and through Public Law 480.

But now, under this bill, the soybean producer is faced with a direct and certain threat. The bill provides a cotton program that will make it attractive to individual cotton producers to plant an additional 40 per cent of acreage. An additional 40 percent of acreage will increase the supply of cottonseed by 40 percent. That will have exactly the same crushing effect upon the soybean market as if there were a sudden increase of approximately 10 percent in soybean production.

I hope the Senators from the corn and soybean growing states will give sober consideration to the effect of the bill upon the soybean market. The bill not only would eliminate corn as a basic and would reduce the support levels for barley and oats, but the fact that it also provides for a vast increase in cottonseed production means that it would result in reducing the returns that farmers can earn from soybeans, at the same time that it would reduce the support level on corn from $1.26 this year to $1.10 for next year. Thus, if a farmer did not like to produce corn at the new, lower support level, the bill would make his decisions doubly difficult by also cutting his soybean prospects out from under him. Surely it would be contrary to the interests of the great corn-producing States to enact this bill without providing some kind of protection for soybean producers from the enforced increase in the supply of cottonseed that the bill would insure.

Mr. President, the changes in the farm program that are needed are in exactly the opposite direction from those proposed in this bill.

The effectiveness of the farm program has been continuously whittled down year after year under Secretary Benson and President Eisenhower. Farm prices have been allowed to drop by 19 percent; the parity ratio has been allowed to drop by 18 points; but total farm production has gone up 6 percent, in spite of record carryovers.

Mr. President, that point alone should awaken every Senator to a realization of the fact that we cannot win by driving down prices. That does not cut production, and it will not cut production. The statistics show overwhelmingly that as prices are driven down, the farmer is forced to produce more. Of course he has to; that is the only way he can live.

What happens to a Wisconsin farmer when he finds that the price per hundredweight of milk has gone down? Does he then proceed to produce less milk? Of course not. Instead, he has to produce more milk. If he were to produce less milk, he would have no chance to meet the fixed costs he has to meet, including taxes and the costs of the bare necessities of life.

Instead, as prices go down, he produces more. This may be a mystery to agricultural economists, but it is no mystery to the farmer.

I have talked to as many farmers, I think, in the past 2 years as has anyone else in public life. I have talked to farmers all over the State of Wisconsin. I find that the farmers recognize much more readily than does anyone else that when the prices of what they produce go down, they have to increase their production.

In the old days this principle used to be applied in the sweatshops—before organized labor acquired strength: When wages were lowered, the workers had to work longer hours, in order to produce more. They had, if they were to remain alive. Today, the same principle is being applied to the farmers.

Realized net income of farm operators has gone down by one-fifth, to the lowest point since 1942. The purchasing power of farm income has dropped by almost one-fourth and farm debt, at more than $20 billion, is at a record high.

Average net income per farm, in spite of a 12-percent drop in the farm population, has dropped from $2,800, in 1952, to only $2,500, in 1957.

Think of that, Mr. President. The average net income per farm—not per person, but per farm, for all the people who rely on a farm for their living—has dropped to $2,500.

Mr. President, how would you or I like to try to support our families on $50 a week? But $2,500 a year does not amount to quite that much a week. And $2,500 a year is the average, not the low, for the American farmers.

In contrast, the average per family income of non-farm families has increased from $5,400 to $6,100. Of course, all of us applaud that; and we hope that average will rise even more. Part of our job as Senators is to pass laws to help create an economic climate which will permit that amount to increase. But another part of our job as Senators is to do all we can to see to it that justice is done to all parts of the economy; and certainly the present situation does not amount to justice for the farmers.

Furthermore, it looks now as if 1959 will be much worse than 1957, even if the bill is not passed to further weaken the support programs. During 1958, farmers will be receiving over $700 million in income from the operation of the acreage reserve of the Soil Bank. This program will not be continued in 1959.

Moreover, all the acres now in the acreage reserve will be turned loose, to go back into commercial production. Each 1 percent by which these additional acres adds to total farm production will mean a 12 percent drop in farm prices, and a 10 percent drop in farm gross income, according to the latest research conducted by Dr. Willard W. Cochrane, of the University of Minnesota.

Mr. President, last night the distinguished Senator from Minnesota [Mr. HUMPHREY] pointed out how, under the provisions of the pending bill, the farmer's income will be whittled down. A little bit will be taken from his income this year, and a little bit more will be taken from his income next year, and his income will continuously be whittled down. In fact, under the provisions of this bill, his income will go in only one direction—namely, down—until, as the Senator from Minnesota pointed out, if the farmer were to turn sidewise, the shadow he would cast would be so narrow, because he would be so thin, that he would be marked absent.

The Senator from Missouri [Mr. SYMINGTON] pointed out that when he came to the Senate he heard the distinguished Senator from Georgia [Mr. RUSSELL] make an extremely eloquent speech, the burden of which was that the farmer was not getting a fair break. The Senator from Georgia pointed out that farmers represented 13 percent of the population, and received only 6 percent of the income. As the Senator from Missouri pointed out last night, today farmers represent 12 percent of the population, but receive only 3½ percent of the national income.

If this bill is passed, the 3½ percent will be further reduced. I do not think there has been a bill which has been before the Senate in a long time in which the question or the issue of economic justice is so clearly focused.

The fall pig crop forecast is up. No one knows for sure when ranchers will slow down the rate at which they are rebuilding their foundation herds, and thus release more livestock on the food market. Egg production is rising.

Mr. President, this bill will, if enacted, start a new chain of economic forces into motion, which will result in a further wave of reductions in farmers' prices, purchasing power, and standard of well-being. It will move American agriculture further along on the dismal road on which it has been driven for 5½ years by Ezra Taft Benson. It will drive the American farmer the rest of the way back to the condition he was in during the 1930's. This is the wrong direction.

Instead of taking action here to destroy and weaken the supply management programs that we have, instead of further lowering the already too-low price stabilization levels, what we ought to be doing is to strengthen these programs.

As I said, and I am more sure of this than I have been of anything in my life, the strengthening of the programs will result in a lesser cost to the American taxpayer, if we recognize the simple fact that the farmer must be allowed to limit production and to tailor his production to demand, just as everybody else in the economy does. That fact should be branded on the intelligence of every Senator, and he should realize that the only way we are going to solve the farm problem is by permitting farmers to limit production.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Louisiana.

Mr. ELLENDER. How would the Senator from Wisconsin apply to the dairy producers the formula of limiting production to fit the demand? We have been wrestling with that problem for many years. Does the Senator want to kill off some of the cows?

Mr. PROXMIRE. Absolutely not.

Mr. ELLENDER. What would the Senator do? How would he handle the problem?

Mr. PROXMIRE. This is a problem that has been wrestled with for some time, I will say to the chairman of the committee, who is so extremely well informed on the farm program, who has the welfare of the farmer in mind, and who, I know, is working hard for the farmers.

In the State of Wisconsin the problem of how to limit production is of great concern. There have been many meetings in my State to consider the subject. Both the Republican and the Democratic Parties have sponsored the meetings. We have finally come to an agreement as to how the problem can be worked out equitably and fairly under a self-help program. It has been presented to Congress. I think the Senator from Louisiana is aware of this program, as he is of other programs. I am also sure he disagrees with our views. I am convinced that if this program is given half a chance, it will work. I do not know how we can lose if we give the dairy farmers an opportunity to work out the program. They are willing to provide a sufficient margin as between those who will live by their quotas, and those who will not, so there will be a sharp and strong incentive to reduce production. I feel if the program is given half a chance it will work.

Mr. ELLENDER. As the Senator from Wisconsin knows, the so-called self-help program has appeared before the Congress for the past 15 years. The first proposal entailed an expenditure, in advances from the Treasury to the agency which would manage the program, of $500 million. The last program has been cut back to a $200 million loan from the Treasury. I do not believe the taxpayers would endorse such a program.

Another fault with the proposal, as I have pointed out, is that we would be transferring legislative authority to the commission which would handle the program. I presume the Senator will offer to the bill his amendment, on the so-called self-help program.

Mr. PROXMIRE. I intend to.

Mr. ELLENDER. We can discuss the question when the amendment comes up.

Mr. PROXMIRE. I should like to say to the distinguished Senator from Louisiana that in all this discussion I mean in no way to reflect on the very fine character of the Senator from Louisiana and his very sincere feeling for the farmer. Not only that, but he has an unusual and a remarkable competence in this field. However, we do sincerely disagree.

Mr. ELLENDER. I wish to thank the Senator for his statement. As he knows, during the questioning of Secretary Benson before the Agriculture Committee, the Secretary and I engaged in a heated discussion as to what he described as the losses sustained by the Commodity Credit Corporation.

A good many of the losses which were attributed to the Commodity Credit Corporation were in reality expenditures to support the school milk program, to help our friends abroad, and to furnish food supplies to disaster areas. I think we eventually showed that the losses sustained by CCC were not so great as claimed by the Secretary.

Let me point out to my good friend from Wisconsin that the milk program has been, as he knows, on the statute books since the opening days of World War II. We sought ways and means to curtail production so that it would remain in keeping with demand, but we never were able to find the solution.

I wish to call to the attention of the Senator from Wisconsin that the loss sustained by the Commodity Credit Corporation on milk and dairy products as a whole has almost equaled the losses sustained on all the other basic commodities combined.

Mr. PROXMIRE. I reply to the Senator from Louisiana by saying that the fact is the Wisconsin farmers feel very deeply about wanting to change the program and modifying it so they can limit their production and eliminate the high cost of the support program.

I point out that the $200 million appropriation would not be an annual appropriation. The first cost would be the end.

Mr. ELLENDER. I understand.

Mr. PROXMIRE. It would be an investment, and I think it would be a wonderful investment. In the long run, if the program worked, it would save the American taxpayers money. I think it would work. Perhaps the Senator from Louisiana thinks it would not work. If it should work, it would result in a saving to the American taxpayer, as well as be a great boon to the American dairy farmer.

Mr. ELLENDER. Ever since the first self-help milk program was presented to the Committee on Agriculture, I have urged objection to it. I think I am on solid ground when I say it would be wrong for us to hand over to a commission which would handle the program, legislative authority. That is what the Senator from Wisconsin is requesting. He would be giving to the commission the

right and the power to tell a milk producer that he must reduce production, instead of letting the prerogative remain with Congress.

We shall come back to a full discussion of this proposition at a later time. When the Senator presents his amendment I should like to go into more detail about my objections to the proposal.

Mr. PROXMIRE. I thank the distinguished Senator from Louisiana for his remarks and colloquy, which help to clarify our position on this matter.

Mr. President, this Congress ought to restate its dedication to the goal of parity farm income. Our present parity price formulas should be replaced by parity income equivalent price formulas, which will show what farm commodities must sell for in order for farmers to earn a return on their investments comparable to the returns which are earned on investments in other businesses, and a return on the labor and management effort of the farm owner-operator and his family comparable to the return which is earned in other business enterprises of equivalent size and complexity.

I fully agree with the need for a realistic and meaningful new definition of "parity" that is expressed in a statement to the Committee on Agriculture and Forestry by Mr. William Rawlings, executive secretary of the Virginia Peanut Hog Producers' Association, and chairman of the parity formulas subcommittee of the National Conference of Commodity Organizations.

Mr. President, I am taking great pains to point out this parity improvement possibility, because once again I want to say we should not go downhill on parity, we should go uphill and strengthen the concept.

Mr. Rawlings statement, which was in the nature of a report and recommendation by the parity formulas subcommittee of the National Conference of Commodity Organizations, is as follows:

The word "parity" was once, and is still intended to be, a concept of fairness and equity. The degree to which farmers are able to attain it has been considered to be a measure of the economic health and well-being of farm people in relation to the economic health and well-being of nonfarm people.

Today, however, it is becoming more and more apparent that parity as it is now figured, is a highly misleading concept extremely damaging to the economic health and prospects of agriculture. Parity expressions today are reckoned in terms of price. Yet price parity is an inadequate measurement of agriculture's economic well-being. Farmers are concerned about income—and particularly about net income.

Price parity as a measure compares to income parity about as a 19-inch yardstick compares with a 36-inch yardstick. Attainment of 100 percent price parity could still leave farm people far short of income parity. To put it in different language, attainment of 100 percent price parity would not yield farmers a return on their labor, investment, risk, and management comparable to the nonfarm returns for labor, investment, risk, and management.

We believe that agriculture should be able to obtain returns for their labor, capital, risk, and management that are comparable to the nonfarm returns for these factors. We would call this parity of income. We believe this is a fair goal for farmers.

We recognize that income to farmers is now lagging substantially behind nonfarm income in the returns for the four factors mentioned. Simple economic justice requires that they be brought more nearly into a reasonable approximation of parity.

Unless this is done, agriculture is certain to be downgraded, finally to a low estate. If substandard income continues, and prevents farmers from maintaining a level of living to which their labor and investment would otherwise justify, then agriculture will be unable to attract and hold the independent, self-employed farmer as we have known him throughout American history.

I wish to say at this point, Mr. President, before I return to this extremely important statement of Mr. Rawlings, that I have been talking almost solely in economic terms. It perhaps is true that the strongest argument which can be made for my viewpoint as to the bill is not in economic terms at all, but is in social and political terms.

What is at issue here is the preservation of the family farm. There is no institution in America which is more important in preserving and developing character, independence, and all the qualities which have helped build this country than the family farm. The family farm provides a wonderful social unit through which the child, while growing up, is able to work with his father and mother to develop thrift, hard work, and other qualities so enormously important in later life.

I might say also, with respect to the welfare of this country, Thomas Jefferson stated the proposition very well long ago when he expressed the fear that we were going to lose the influence of the simple farmer in our public life, and that if we lost such influence it will be a severe loss. That influence has not always been on the side of the party or political philosophy I represent in Wisconsin. By and large farmers have been conservative, and by and large farmers have been Republicans, but they have believed very deeply and very strongly in a political and economic system of freedom.

A system of freedom depends on the attitude, training, and character of the people of the country. That is why I think it is enormously important to do all we can to stand in the way of and stop any bill which would do what the bill presently under consideration would do, namely, endanger the very existence of the family farm.

Mr. President, I continue to read from Mr. Rawlings' statement:

If continued, we believe substandard income returns would inevitably lead to the domination of agriculture by either Government or nonfarm business interests.

In short, we cannot emphasize too strongly, the urgency for shifting from price to income as the basis for measuring our degree of parity with the rest of the American economy.

We recognize that we cannot expect major gains in farm income—and a closer approximation of real parity—in a few months. Realistically, we are dealing with a matter of years.

There is no reason, however, why farmers and the full American public should not be told and reminded regularly of the true parity (or lack of parity) facts.

Certainly the American public has been told exactly the opposite. How many people in America recognize that 100 percent of parity would not give the farmer income equality or even close to it? One hundred percent of parity would put the farmer in a position of about 60 percent of income equality, so he would be far from income equality.

Public understanding of these facts, we believe, is an essential prerequisite for the kind of commodity programs producers need to improve their marketing and income positions.

The returns to farmers for their labor, we believe, should be comparable to the annual earning rate of nonfarm workers.

The returns to farmers for their capital investment, we believe, should be comparable to prevailing farm mortgage interest rates.

In addition, of course, farmers seek returns for their production expenses.

In 1956, the estimated gross farm income necessary to permit returns for labor and capital equal to such returns in other occupations would have been $54.1 billion.

This would have included a return of $5.9 billion on capital, a return of $30.7 billion for labor, and a return of $17.4 billion for production expenses.

The actual realized gross farm income for 1956 was $34.4 billion, almost $20 billion less than it should have been if agriculture had been in a reasonable parity position with nonfarm segments of the economy.

Obviously we cannot and should not expect to attain a multi-billion-dollar increase in gross farm income immediately. We can, however, do two practical things:

1. We can provide for public recognition of the real extent of our departure from parity; and

2. We can begin to take appropriate steps to narrow the discrepancy.

The calculation or measurement of parity in terms of income is already authorized in the Agricultural Adjustment Act of 1938, as amended.

Mr. Rawlings concludes as follows:

We recommend that this existing authority now be utilized, as a substitute for present price parity calculations, and that income parity be used as the basis for calculations necessary in any commodity loan, storage, and price-support operations that are now, or may be authorized.

We recommend that proposed legislation be drafted at the earliest opportunity to accomplish these several purposes.

The approach to parity of income, we recognize, is dependent on the development and use of improved commodity programs. There is a need for farmers to obtain a greater degree of control over the marketing and inventory of their commodities so that supplies going to market more nearly balance effective demand.

Such programs are essential to upward adjustment in price-support levels.

Mr. President, if the farm bill which is before the Senate is passed without substantial amendment—and this is extremely important—it will mark the first successful reversal in 25 years of a fundamental economic reform initiated by the New Deal. Let me repeat that statement, Mr. President: If the farm bill which is before the Senate is passed without substantial amendment it will mark the first successful reversal in 25 years of a fundamental economic reform initiated by the New Deal, because it will mean the abandonment of the very heart and soul of the farm program, which did so much to take the farmer off his back during the 1930's.

It is just as significant as though the Congress should throw out the minimum

wage and maximum hour law. Of course, the difference is that the farmer does not have the kind of organization labor has. The farmer does not have the political numbers labor has. However, to the farmer, the parity concept is just exactly as important as is the minimum wage and maximum hour law to the workingman. That is what is in question. That is what is being destroyed.

This bill would abandon the parity principle which has been the foundation of our agricultural policy for a quarter century and the goal of the American farmers' struggles since almost a generation before that.

It would turn away also from the principle that farmers should have the opportunity to control their marketings in accord with demand, in order to realize effective bargaining power in a market place that is rigged against them by the predominant power of big business, big finance, and big labor.

It is a fatal compromise with the dreadfully wrong policy which has been pursued with such painful results for family farmers by Secretary of Agriculture Benson during the past 5½ years.

If this bill is adopted without substantial amendment, it will plunge American agriculture swiftly back to the helplessness and hopelessness that characterized the lot of our farm families during the 1920's and the early 1930's. In this sense it is truly and literally reactionary in the very worst sense of the word.

I choose that word very carefully, and with all due respect. I hope it does not offend Members of the Senate who disagree with me. The word "reactionary" has become a "smear" term. It should be used with great care. The bill would require our farm program to revert to the disastrous situation of our farmers in the 1920's and early 1930's.

The farmers of America were the first victims of the tragic depression of the 1930's. They have been the first and hardest hit victims of each recession since then.

If our farm families are now to have the fundamental safeguards and protections that were born in the wasteful misery and despair of the depression swept away, then surely every other group in our Nation must fear for their own fate.

If the rights of the farmers are destroyed, how long will it be before social security might be dismantled in a similar wave of reaction, and the old-age security of our elder citizens torn back down to the level of misery that prevailed in 1933?

If the farmers' economic protections are stripped away, how long will it be before investors and bank depositors will be left nakedly exposed again to the depredations of the swindlers and speculators?

How long will it take thereafter for the rights of collective bargaining, of minimum wage and maximum hours standards, to be destroyed for the working people of our mines and mills and shops?

It will be a long time, because there are 11 million Americans on social security. It will be a long time, because other Americans know that someday they, too, will be on social security. They have relatives on social security. They are acquainted with the social-security program. It will be a long time. I think the evidence is pretty clear. Yesterday the House Ways and Means Committee acted to provide a substantial improvement in social security—not enough, but a substantial improvement.

Think how unjust the situation is. The farmer is diminishing in numbers, and therefore diminishing in political influence and strength. It is difficult for him to obtain political and economic justice.

Mr. President, I am convinced that the significance of the attempt to dismantle the parity concept and the programs based on it to protect the economic security of the farmers is not lost upon the American people, neither in the cities nor in the rural areas.

The attack against the parity concept originates today right where it always did—among those who profit from the insecurity and helplessness in the market place that is the farmers' inescapable lot in the absence of effective protection through Government programs.

The same interests who fought against the establishment of farm programs 25 years ago, and who have fought against maintaining and adapting them to current conditions down through the years, are the real inspiration of this bill. Their spokesman and champion in today's battles is the Secretary of Agriculture, Ezra Taft Benson.

The economic interests and the philosophy that are behind today's attack upon the parity principle for farmers were not less opposed to other fundamental reforms initiated a quarter-century ago, after their own control over our national Government had led us to the ruinous debacle of the great depression. They have not dared to attack these reforms head-on. But their enmity for the programs to help America's ordinary citizens is as unrepentent and unregenerate today as it was when they fought with all their strength against the early farm program legislation, social security, minimum wage, maximum hours standards, Securities Exchange Commission, banking reform, and all the rest.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. ANDERSON. I have listened to only a small part of what the Senator has had to say, because I have been attending committee meetings.

I wonder how the Senator thinks Members of Congress who stood for 90 percent of parity are going to explain to their constituents that they have switched to 90 percent of the market price. Does the Senator believe there will be some difficulty in persuading the farmers, or are the farmers smart enough to know the difference?

Mr. PROXMIRE. The farmers are very smart. A Senator who has argued that he has always voted for 90 percent of parity and is proud of his record, and who now votes for the pending bill, which does not provide 90 percent of parity, but 90 percent of the market price over a period of 3 years, will have a difficult time explaining his position to the farmers.

Mr. ANDERSON. As the Senator knows, I have not been a supporter of rigid 90-percent price supports. I have supported flexible price supports consistently. I note in the bill a provision with reference to cotton, which allows a support price of 15 parity penalty points in case the farmer takes a larger acreage.

Looking at page 4 of the report I note that it suggests that under choice (B) it would go down to 60 percent of parity.

The able Senator from Vermont [Mr. AIKEN] is on the floor. I regard the Senator from Vermont as sound a man on agricultural programs and policies as I have ever known. The Senator from Vermont, in 1948, brought before the Senate the agricultural bill submitted by President Truman. It had been my privilege to submit the bill originally to President Truman. As the result of the rewriting of the bill, the so-called Aiken modification of the Hope-Aiken bill contained a flexible provision which ran from 60 percent of parity up to 90 percent of parity.

It was my belief—and it is still my belief—that the effective rate in the so-called Aiken bill was actually 72 percent of parity. At any rate, it would never have gone as low as 60 percent.

The Senator from Vermont and others were harshly criticized because of the 60 percent of parity provision. At that time I went to a conference at the White House to talk about an agricultural bill. The one thing that some persons demanded was the repeal of the Aiken bill by name, so that this horrible proposal of 60 percent of parity might be expunged from the books and that no one would ever refer to it again.

In the pending bill, I see a choice support level of 60 percent of parity. I wonder whether the Senator from Wisconsin believes this provision may be somewhat disconcerting to some person who said 60 percent of parity was a horrible thing.

Mr. PROXMIRE. It should be extremely disconcerting. I do not know how they will be able to live with it. Not only the farmers of Wisconsin, but also the farmers of New Mexico and Louisiana and Vermont, understand farm programs better, almost, than any other group. I believe they have long memories of the decisions Senators and Representatives have made. I believe the farmers will watch the vote very closely. Important as the vote will be, with falling farm prices and all, this legislative history is important, too.

Mr. ANDERSON. As the Senator from Wisconsin knows, I have favored flexible price supports right along. When the able Senator from Vermont introduced the bill, I praised his action. I have praised it since. I have never changed my opinion about his original proposal, and I do not intend to.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. AIKEN. When the Agricultural Act of 1948 was passed, the Senator

from New Mexico was Secretary of Agriculture.

Mr. ANDERSON. When it was introduced.

Mr. AIKEN. Yes; when it was introduced. The Senator from New Mexico supported it.

Mr. ANDERSON. I did.

Mr. AIKEN. It was also supported by every major farm organization. It was vigorously supported by the National Grange, the American Farm Bureau Federation, the American Milk Producers Association, and the Farmers Union. Mr. Patton, of the Farmers Union, gave very strong testimony in support of the provisions of the bill. I might add that it was also supported in public speeches by President Truman. At Los Angeles he made a very strong speech, urging Congress to approve that bill.

Mr. ANDERSON. I believe I should add, if the Senator from Wisconsin will indulge me, that President Truman made a speech in Omaha, in which he referred to the modern and progressive farm legislation which the able Senator from Vermont had presented and which the Senate had adopted.

Subsequently, during the campaign, former Senator Barkley, who was the Democratic candidate for Vice President, and who was elected Vice President, also supported it. As a matter of fact, the Democratic policy committee in its report on legislative accomplishments praised that legislation.

I mention this merely to show the Senator from Wisconsin that some of us are especially shocked by the provision in the pending bill, because we have advocated flexibility for a long time. However, I am wondering what is going to happen to people who advocated rigid 90 percent of parity when they find themselves with 90 percent of the 3-year average price in the market place.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. ELLENDER. I wish to point out to my good friend from New Mexico—and of course he knows it—that the present price support formula will remain for cotton and for rice as it is now through 1960. The provision for a cotton price support of 15 parity points less than that established by the Secretary of Agriculture in return for being allowed to plant an additional 40 percent of the allotment is optional; it is not mandatory. If a cotton farmer desires to plant more acres for less support, he may do so; it is left up to him. It is not mandatory.

Mr. ANDERSON. I did not raise that question at all. I hope I can say, while the able Senator from Louisiana is on the floor, that any remarks I shall direct to the farm bill or to the report made on the bill by the able Senator from Louisiana, will have to be made by me with a recognition of the part the able Senator from Louisiana has played in trying to reduce the expenditures of our Government.

I have said to him in private, and I might as well repeat it in public, that the things he does at the meetings of the Appropriations Committee in trying to save money have resulted in the saving of millions of dollars to the American taxpayers. This might be just as good a place as any to put that statement in the CONGRESSIONAL RECORD.

I was referring to what would happen when the 90 percent of the 3-year average price in the market place provision goes into effect.

I am not too worried, as the Senator from Wisconsin knows, about giving more flexibility to the Secretary of Agriculture. If I had my way about it, Congress would pass a broad price-support bill with a sliding scale, which would leave full discretion to the Secretary of Agriculture within certain limits set by Congress. For example, if it provided a level of from 75 percent to 90 percent, he could set the support at any figure between those two figures. I am not worried about that particular provision of the bill, as I have said. I merely say that it must seem strange to others that the Senator from Wisconsin, is standing on the floor of the Senate and carrying the battle for a recognition of 90 percent of parity as against the concept of 90 percent of the sales price in the market place, especially when there have been so many people who have so strongly supported 90 percent of parity for such a long time. I commend him for his zeal, even though I disagree with his conclusions.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. AIKEN. I might add that the times have changed since we enacted legislation in 1948, 1949, 1954, and even 1956. At that time, we had the support of all the farm organizations, and we undertook to write a new parity formula which would be a formula to end all formulas, because it would be adjusted to a moving base.

Three or 4 years after that formula was enacted into law it was virtually obsolete, for practical purposes. We had not counted on the coming of antibiotics, vitamins, cross breedings, and other developments, which have taken their place in the field of agriculture since that time.

For example, the poultry growers were then producing broilers in 16 weeks. A few years later they were producing broilers in 9 weeks. The cost had been reduced. The break-even point, instead of being 25 or 26 cents a pound, is now down to about 18 cents a pound. No way has been found to write those new developments into the parity formula, or to write antibiotics or cross breeding into the formula. If it can be done, we have not found out how to do it, anyway. That is what has made the parity formula of today so unfair to certain commodities and has given great advantages to others. The present parity formula no doubt has worked hardship on the dairy industry. I think the dairy industry should be the first to take a step toward getting on to some other basis for computing its parity prices.

Mr. ANDERSON. Mr. President, will the Senator from Wisconsin yield, so that I may comment on the statement by the Senator from Vermont?

Mr. PROXMIRE. I yield.

Mr. ANDERSON. I merely desired to say that what the Senator pointed out was the reason why many times I have praised the Senator from Vermont for the forward looking approach which he took in the early agricultural legislation. At that time an attempt was made to recognize that the parity formula had to be a moving, changing device; that new processes were being developed; that alterations would have to be made; and that, therefore, it was desirable to keep the program on a sort of moving basis.

I know how he was criticized, because I received the same criticisms. Our names were linked in the agricultural legislation of 1948, because I had proposed it, and he had introduced it. He introduced the bill of a Democratic President in a Republican Congress, and saw it through the Senate. I praise him for it. I think it indicated his desire to try to devise a sensible program.

At the same time, I was associated with him in the work of drafting the 1949 bill, which did not repeal many of the provisions of the 1948 bill, but tried to alter them a little, so as to relieve us from some of the criticisms which had been made. But in that discussion, there was much strong language about what the Senator from Vermont and the junior Senator from New Mexico had tried to accomplish by having a parity formula which was adjustable.

Mr. AIKEN. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. AIKEN. Although the Senator from New Mexico escaped from the office of Secretary of Agriculture with the fewest scars of any Secretary in the past 25 years, nevertheless he was almost accused of trying to starve the American people because he scraped the bottom of the grain elevators to get grain in order to keep our foreign commitments.

Mr. PROXMIRE. Mr. President, the Senator from New Mexico has put his finger on the issue which is before us in the bill. Knowing of his great competence and his tremendous experience in this field, I think his word should carry great authority. He pointed out that what the bill does is to abandon the parity principle. This is something which every farmer in America should realize.

Mr. President, the present assault upon the principle of parity is the first overt, head-on attempt to repeal the New Deal law. It is not plausible to expect, if this attack succeeds, that it will be the last.

I serve notice that the people who live in our cities will not be blind to their own stake in the attempt which is being made to isolate the farmers so that their basic economic protections can be legislated away.

Within the past few days, I have received returns from a mail questionnaire. The returns strongly bear out what I have said about the fundamental sympathy for the rights of farmers which exists among city people. My eyes were really opened by this questionnaire. I was delighted and astonished by the answers which were made.

One of the questions asked was:

Do you favor a self-financing plan that will permit dairy farmers to tailor their production to demand so as to avoid price-depressing surpluses?

That question was asked in the city of Milwaukee. It was not asked of farmers, but of persons in the city of Milwaukee.

The question strikes at the very heart of the kind of program which dairy farmers—or any other group of farmers—need and should have to provide a solid foundation for economic security.

In tabulating the replies to this questionnaire, I have segregated all of the replies which have been received so far from the city of Milwaukee. I was frankly surprised—and tremendously pleased—by the tremendous expression of sympathy and support for the rights of the farmers which was evidenced by the replies from Milwaukee.

More than four out of five—81 percent—of the replies from residents of Milwaukee, selected at random, answered this question with a "yes."

Yes, Mr. President, the people of Wisconsin—on the farms, in the small towns, and in the big cities alike—are in favor of a practical program to protect the rights of our farm families.

I am convinced that an overwhelming majority of the people of America will rise in startled indignation to rebuke those who now expose their basic hostility to the reforms which were incorporated into American life as a result of the lessons of the great depression. The parity principle for farmers is one of the pillars of the new outlook on the rights of the people of America which were adopted to secure us all against any repetition of the tragic failure which the depression represented.

Mr. President, the bill offers not one whit of help to the dairy farmers of America—not even in the shortest short run.

This is a real dump-dairy farm bill. Far from resulting in help, it would, on the contrary, result in an immediate and direct incentive to the creation of extremely damaging competition, both from the extra dairy production which would result from the huge oversupply of cheap feed which the bill would make inevitable, and from the huge increase, of about 40 percent, in the supply of cottonseed oil.

It gives no recognition to the fact that dairy producers are among the most poorly paid of any group in American agriculture. It gives no recognition to the fact that dairy producers are in serious immediate trouble, as a consequence of the cut in dairy support prices which was ordered into effect last April 1.

The situation in my own State of Wisconsin is particularly serious. Wisconsin farmers, contrary to the general situation in most of the other sections of the country, suffered a serious drought last spring. As a result, crop and pasture conditions are seriously below normal. On top of this, their prices are down.

Some of the people of America have, perhaps, less sympathy for the farm problem. I am afraid that that statement applies to some Senators, too. That feeling may be accounted for by the fact that farm prices have risen in the first 4, 5, or 6 months of this year. Now the prices are on the way down. But I think we should recognize that not all farm prices went up. Did the price of milk go up? The fact is that the price of milk stayed down, is down, and has gone down further as a result of the action of Secretary Benson on April 1 of this year.

It is true that some fruit farmers, some beef farmers, and some hog farmers have enjoyed relatively prosperous conditions. But certainly the dairy farmer has not had prosperity. The dairy farmer has been forgotten.

I feel deeply that the pending bill must be amended very substantially before it will be acceptable. I feel deeply that our agricultural economy needs immediate practical help in the way of strengthened farm programs, if we are to prevent the continued erosion of our American agricultural pattern of family ownership and family operation.

In consideration of the imperative needs I have outlined, I have prepared a number of amendments which I propose to call up for action when we are ready to begin voting.

I have already submitted an amendment to add a new title to the bill to establish a Dairy Products Marketing Act of 1958. This is the dairy program which I have worked out with farm leaders in my own State and nationally, and with other Congressional leaders. In my opinion, this represents the kind of dairy program that dairy farmers want and which will provide a workable and long-range solution to the problems of the dairy industry. Incidentally, it will also save a substantial amount of money for the American taxpayers.

Mr. President, I have also submitted an amendment to provide for a self-help dairy stabilization program. This amendment is not to be confused with my first one. This amendment provides for a plan which has been developed, after years of careful study and discussion, by leaders of dairy producers organizations. In fact, the amendment is identical with a bill introduced earlier in the session by the Senator from Minnesota and my good friend and colleague from Wisconsin [Mr. WILEY] and myself.

Last night I submitted four other amendments; they would set up an REA-type program of loans to farmers' associations, in order to provide for processing and marketing enterprises; to provide for distribution of additional food supplies, through the school-lunch program and State and local welfare agencies; to provide a national security and safety reserve of agricultural commodities; and to authorize the President to initiate negotiations with other nations for the establishment of an international food and fiber reserve program.

Mr. President, I am informed that additional amendments will be offered by other Senators. For my part, I welcome every effort that can be made to make constructive improvements in the bill.

To my colleagues who wish, as I do, to amend the bill so that it will make a constructive improvement in our farm programs, I make this pledge: I will support every sound and constructive amendment that is offered if it will help improve our farm programs in the direction of strengthening farmers' bargaining power, protecting the prices farmers receive for their products, and improving farmers' incomes.

I wish to make it clear, especially since I have been speaking about the wool amendment, that I intend to support that amendment enthusiastically. I think the wool program is a good one. My only reluctance—and in the past I have been reluctant to have the wool bill passed separately—is because I think all farm commodities should be dealt with together. I think that is essential to political survival. But I believe the wool bill belongs in this omnibus bill; and certainly an adequate dairy bill belongs in it, too.

I have always upheld, as a central principle of my stand on farm policy, that the farmers of America must stand solidly together. Unless the milk producer, the cotton farmer, the wheat farmer, the corn-hog producer, the cattle rancher, the wool grower, and the sugar producer fight shoulder to shoulder, in the long run each will be doomed to fall separately.

Mr. President, one of the most eloquent and convincing statements of this principle that I have ever heard was made in this Chamber, 4 months ago, by the distinguished senior Senator from Georgia [Mr. RUSSELL]. His statement was made during the debate on a resolution which would have prevented any reduction in the price supports for dairy commodities during the present marketing year. The Senator from Georgia spoke in opposition to that attempt by representatives from the dairy States to "go it alone" in the hope that a resolution affecting dairy commodities alone might escape a veto by the President.

I have before me the CONGRESSIONAL RECORD for March 13, 1958. The record of that debate appears on page 4265.

Mr. President, at this time I wish to read from the speech the Senator from Georgia [Mr. RUSSELL] made at that time. But, first, let me say that, as one who supported the dairy amendment, I was convinced that probably that amendment would be adopted; and I believe it would have had an excellent chance of being signed by the President. I believe the speech made on that occasion by the Senator from Georgia [Mr. RUSSELL] was a key speech. As he was making it, we could almost see the votes falling away.

After the Senator from Georgia concluded his speech, I spoke to him, and said to him that it was the most effective speech I had ever heard since I had been a Member of the Senate. In fact, Mr. President, if the people of Wisconsin permit me to remain here a while longer, I believe that speech by the Senator from Georgia will still stand out as one of the most effective speeches to be made in the Senate in many, many years.

I read now from that speech by the Senator from Georgia:

I wish to be perfectly frank with the Senator as to why I ask my question. This procedure appears to be a very nice way to split

the agricultural interests of the country into pieces. It appears to be a very nice way to place us in a position where we cannot ever get any general farm legislation. If we follow this practice of a single resolution embracing all the commodities, and then take up for consideration and pass a nearly identical resolution for a specific commodity, in a separate piece of legislation—

A little later he said:

It seems to me important that we have had one record vote. What we are trying to do now, Mr. President, appears to be dangerous. The only reason I consider it to be worthwhile to bring the matter to the attention of the Senate is that I feel this procedure simply gives a number of Senators an opportunity to eat their cake and have it, too. They can vote against the general farm bill and can go back to tell their constituents, "Oh, I voted against that general farm bill which would have kept prices up." But they can also go to the only agricultural industry they have in their States, to the dairy farmers, and say, "I helped to have passed the bill for you to raise your prices and hold them up."

The Senator can go into the city the same night and make a speech setting forth that he fought against increasing all agricultural price supports.

I think if we are going to follow this kind of policy simply to give some Senators an opportunity to eat their cake and have it, too, we are planting a seed which will completely destroy any hope of enacting any general farm legislation.

The Senator from Georgia concluded by saying:

Mr. RUSSELL. Indeed that may well be. Not only that, it will tear the groups which should be interested in agriculture to pieces. Every Senator knows that, as a general proposition, one agricultural commodity does not have sufficient strength to secure passage of general legislation by the Senate.

Mr. President, the situation we now face is just the reverse of the one which was before the Senate at the time when the Senator from Georgia [Mr. RUSSELL] made that outstanding speech. Today, there is before the Senate an omnibus farm bill which excludes the dairy farmer and the very important area of our farm economy that is embraced by dairy farming.

However, in a very large number of the States of the Union, dairying is the No. 1 cash crop. But the pending bill, as it now stands, would "sell the dairy farmer down the river," and he would be forgotten.

I believe that in all good conscience the Senators who, last March, voted against the dairy proposal—and at that time they voted against it because they felt that dairying should be dealt with, along with all other phases of agriculture, in a general farm commodity price freeze—now should consider whether it will be consistent for them to vote to exclude dairying from the program under the pending bill.

Mr. President, I conclude, as I did last night, with apologies to the distinguished occupant of the chair, to my other colleagues, and to the fine employees of the Senate, all of whom have been detained at great length by this speech. It has been an unusually long speech, particularly for a freshman Member. I have made it with great reluctance; but I have made it because I felt I had to make it. I have made it because I feel this issue very, very deeply. It affects tremendously the people of Wisconsin who are on the farms, the people of Wisconsin who live in the small towns which depend on the farms, and the people—both those on the farms and those off the farms—all over the Nation, because the bill abandons the basic parity concept which is the backbone of the farm program this country has adopted.

I cannot, in good conscience, vote for the bill. I must oppose it with all my strength and all my heart, unless the bill is seriously and substantially modified and amended.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CHURCH in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Without objection, it is so ordered.

Mr. BENNETT. Mr. President, I call up my amendment designated 7-23-58-C, which is an amendment in the second degree to the amendment, as modified, offered by the Senator from North Dakota [Mr. YOUNG], which is now pending, and ask that my amendment be read and made the pending question.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. In the amendment of Mr. YOUNG it is proposed to insert at the proper place the following:

(c) Section 708 of such act is amended to read as follows:

"SEC. 708. The Secretary of Agriculture is authorized to enter into agreements with, or to approve agreements entered into between, marketing cooperatives, trade associations, or others engaged or whose members are engaged in the handling of wool, mohair, sheep, or goats or the products thereof for the purpose of developing and conducting on a National, State, or regional basis advertising and sales promotion programs for wool, mohair, sheep, or goats or the products thereof. Provisions may be made in such agreement to obtain the funds necessary to defray the expenses incurred thereunder through pro rata deductions from the payments made under section 704 of this title to producers within the production area he determines will be benefited by the agreement and for the assignment and transfer of the amounts so deducted to the person or agency designated in the agreement to receive such amounts for expenditures in accordance with the terms and conditions of the agreement. No agreement containing such a provision for defraying expenses through deductions shall become effective unless—

"(1) the Secretary conducts a referendum, over a period of not more than 6 consecutive days, of the producers who, during a representative period determined by the Secretary, have been engaged, within the production area he determines will be benefited by the agreement, in the production for market of the commodity specified therein, to determine whether they approve or favor such agreement;

"(2) at least 33⅓ percent of such producers participate in such referendum;

"(3) at least two-thirds of the total number of producers, or two-thirds of the total volume of production, as the case may be, represented in such referendum, indicate their approval or favor."

Mr. KEFAUVER. Mr. President, once again we are faced with the responsibility of acting on proposed legislation which will vitally affect the welfare of our farming population and indirectly the consuming public. The Senate has previously acted in the present session to protect the farmers against disastrous declines in their income but was met with a veto by President Eisenhower. The bill before us is perhaps the most important single piece of proposed legislation to come before Congress affecting Tennessee, and deserves the most serious consideration. I sincerely hope that we will be able to pass the bill in a form in which it will be signed into law.

No one will pretend that the bill is designed to solve all of the problems of agriculture. In the first place, the bill deals only with a limited number of commodities: cotton, rice and corn. I realize fully that other producer groups are in need of remedial legislation, and I am in sympathy with their desires. However, in view of the necessity of obtaining a Presidential signature and the desperate need of the producers of cotton in particular, I hope that the other commodities can be treated in separate legislation in which their problems can be fully met.

As a representative of a State which is a major producer of cotton, I am greatly concerned with the status of cotton in our economy. Cotton farmers in my State of Tennessee have faced the dual problems of limited acreage, which prevents the small farmer from having sufficient acreage to make an adequate income, and price supports which threaten to price domestically produced cotton out of the market.

I would like to emphasize, Mr. President, that Tennessee is primarily a State of small cotton farmers. There are few large cotton farms, the overwhelming preponderance being under 15 acres. These small farmers have been consistently reduced in their acreage, to the point where they shortly will have to cease operations entirely. Even with high price supports, such operations are most difficult, since costs are proportionately higher as the acreage is reduced. The only salvation for these farmers is the right to increase their acreage. Unless the bill is passed the minimum acreage allotment would be 5 acres or the highest acreage planted in the previous 3 years, whichever is smaller. The bill will provide a minimum of 10 acres or the 1958 allotment, whichever is smaller. It is estimated that this measure will add 21,328 acres to allotments of the smaller farms in Tennessee. Although such an increase is insufficient to fully meet the needs of our farmers, I am certain it is a step in the right direction.

Section 101 of the bill provides the cotton farmers with two alternatives, giving them a flexibility and choice which will allow them to meet their own peculiar economic problems. The farmers may choose to accept the acreage allotment and price supports under existing law, or they may increase their

acreage by 40 percent and receive a price support reduced by 15 percent of parity.

One of the difficulties cotton farmers have faced relates directly to the impact of the price support program on the use of domestically-produced cotton both here and abroad. With high price supports and therefore high market prices, domestic cotton has not been able to compete with many synthetic fibers in spite of its superior characteristics. In the world market American export cotton has been put on a competitive basis only because the United States Government has absorbed the difference between the support price and the market price. With many of the larger cotton farmers willing to expand their production at a lower price, domestic producers will be able to compete in foreign markets without the large amounts of Government support now necessary.

The emergency nature of the situation for the cotton farmers of the Southeast, including Tennessee, is indicated by the reductions in acreage which will occur if this proposed legislation is not enacted. Acreage allotments for 1958 totaled 17½ million acres. With no new legislation, this acreage allotment will be reduced to approximately 14 million acres. For farmers in Tennessee this will mean a reduction from 575,762 acres to 466,018 acres, or about a 20-percent reduction. The bill under consideration will result in reductions under the basic allotment formula, the national acreage allotment being 16 million acres. It is estimated that Tennessee will receive an allotment of 529,684 acres. While not enough, this is certainly an improvement over the situation which will result if we fail to take action now.

Much hope was held out for the Soil Bank as a means of helping the farmer. The result, however, has been economic stagnation in many of the small towns and villages in Tennessee which are primarily dependent on agriculture. With reduced acreage, the farmers have bought less fertilizer, gasoline for their tractors, and equipment to operate the farm. Additional acreage will tend to restore prosperity to our rural communities and raise the general level of economic activity.

I recognize that there are many differences of opinion on the proper method of promoting farm prosperity. I think it is clear that we cannot afford to return completely to a free-market situation in which farmers are unable to control their production or their prices. However, in my opinion, it is necessary to give our cotton farmers more opportunity to adjust their production and prices to the market conditions which prevail from year to year. For that reason, I enthusiastically support this bill. It will be a means of staving off complete elimination of many of our farmers from agriculture, and will help to restore a measure of prosperity to them. I hope the Senate will pass S. 4071.

Mr. President, I have always voted in favor of legislation to help the dairy farmers and other groups of agricultural producers. We know that if we add too many amendments to the bill presently under consideration there will be difficulty in passing the bill in the House, and it may meet a Presidential veto. I hope we can pass this important piece of proposed legislation, since it is very necessary and of vital importance to the cotton farmers.

Mr. President, the farm groups in my State—the Tennessee Agricultural Council, the Farm Bureau, and others—are strongly in support of the bill. I certainly hope it will be passed.

Mr. JOHNSTON of South Carolina. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, first I wish to compliment the distinguished junior Senator from Wisconsin [Mr. PROXMIRE] for his very fine presentation relating to the pending bill, Senate bill 4071, the proposed Agricultural Act of 1958. I believe that the Senator from Wisconsin presented statistical information and economic analyses which were very revealing as to the inadequacies and weaknesses of the proposed legislation. He has demonstrated a knowledge of agricultural economics and agricultural policy which is reassuring to his colleagues, and I am sure is very gratifying to his constituents.

Mr. President, in my considered opinion the legislation before us, S. 4071, the proposed Agricultural Act of 1958, is unbelievably bad, and I believe it could be economically very dangerous.

It is unbelievably bad because, for the sake of expediency in trying to solve a few problems, it threatens to create far more problems for America's family farmers, for the Congress, and for the taxpayers in years to come.

It is economically dangerous, because the long-range implications to all commodities are being deliberately glossed over under the guise of temporary relief to a few commodities, and too few people have taken the time or trouble to really analyze what this legislation would actually do.

It is not just merely simple legislation to prevent a cut in rice acreage, or avoid further cutbacks in cotton production, or merely to satisfy the acreage needs of feed-grain producers.

It is far more than that. I fully recognize that there is a need for adjustments in cotton acreage, and undoubtedly in the acreage of other commodities. It should be noted here that if there is a need for cotton acreage adjustment, all that is required is a joint resolution by the House and Senate, which would be signed by the President, to extend the acreage which is available this year into the next crop year. That could be done, and it might very well be a practical alternative so far as the acreage needs of cotton producers are concerned.

I am not unmindful of the problems which face certain cotton producers with respect to the need for additional acreage, and I would be perfectly willing to support legislation which would answer that need. I believe there are problems in the cotton-producing areas which require the attention of Congress. I believe there are needs and problems in the rice-producing areas which require the attention of Congress. I wish to cooperate all the way in the accomplishment of desirable programs for producers of rice and cotton. But, as I shall point out in my remarks today, I believe that the proposed legislation goes much further than meeting those basic needs. Indeed, the proposed legislation would abolish some fundamental principles of agricultural policy which have been with us for about 20 years.

Behind these facades, in a fundamental sense it abandons the very basic principles upon which our farm program has been built over the past 25 years.

During those years there have been several historic farm policy debates in this great deliberate body. Primarily, these debates have been over differences of viewpoint as to the proper level of price protection for our agricultural economy, and differences in legislative philosophy over whether such protection should be established at certain fixed levels in return for farmer compliance with production adjustment efforts, or whether they should remain flexible under a sliding scale—based either on formula of available supplies or on the complete discretion of the Secretary of Agriculture within certain criteria established by law.

In the main, such debates involved sincere differences of opinion as to the best means to the same end objective, the end objective being full parity income for farmers, preservation of the family farm system, and the realization for our agricultural producers of equality of treatment in the economic market place.

Never, to my knowledge, during these many debates, to which I have alluded, were the fundamental objectives of our basic farm policy seriously challenged—or openly repudiated.

Never, until now, has this administration or any past administration, since the parity concept first was written into law, openly abandoned the objective of seeking to bring farm prices and farm purchasing power into closer relationship with farm costs and the levels of the rest of our economy.

I repeat that it has been a source of pride to every Member of Congress and to the American people that we have on the statute books as the basic objective of American agricultural policy the concept of parity, which is another word for equality of agricultural producers with the rest of the economy.

Whatever differences may have existed between supporters of higher levels and lower levels of price supports, all swore allegiance to the fundamental parity concept long accepted as a matter of public policy and still on our statute books as a key objective of farm income protection.

Indeed I know of no candidate for office, including the present occupant of the White House, who has ever said anything else but that he supported the concept of full parity for agricultural

producers; in other words, supported the basic act of 1938 and the preamble to that act, which outlines the whole philosophy of agricultural legislation.

Parity has become established as the accepted measuring device for comparing how agriculture is doing in relation to the rest of our economy. It is agriculture's economic yardstick. Parity prices merely relates the price the farmer receives for what he sells to the price he must pay for what he buys.

That is a reasonable proposal and a very acceptable economic concept. Parity income relates the amount of income required from agriculture to provide the farm operator and his family with a standard of living equivalent to those afforded persons dependent upon other gainful occupations. Such a concept is as American as the Fourth of July.

The concept was enacted into law as public policy in the original Agricultural Adjustment Act of 1933. When that act was invalidated by the Supreme Court on other grounds, on January 6, 1936, Congress made clear its continuing intent by enacting new sections of the Soil Conservation and Domestic Allotment Act on February 29, 1936, declaring it the policy of Congress to secure "reestablishment, at as rapid a rate as the Secretary of Agriculture determines to be practicable and in the general public interest, of the ratio between the purchasing power of the net income per persons on farms and that of the income per person not on farms that prevailed during the 5-year period August 1909 to July 1914, inclusive, as determined from statistics available in the United States Department of Agriculture, and the maintenance of such ratio."

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. HUMPHREY. I am happy to yield to my friend from Oklahoma.

Mr. MONRONEY. I thank the distinguished Senator from Minnesota for his championship, continuing over many years, of the cause of parity income for farmers. It is often hard for people to understand that we are not talking about any special privilege when we refer to parity. I hope the explanation the distinguished Senator from Minnesota is making will be noted by some of our industrialists and some of our bankers, who oppose this program but think there is nothing wrong with adjustments in return on investment to reflect changes in the cost of living.

In trying to explain what may appear to be a very complicated matter, it might not be amiss to oversimplify it by saying that if a bushel of wheat in 1914 would buy a pair of overalls, then a bushel of wheat should still buy a pair of overalls for the farmer. If a pound of cotton would buy a gallon of gasoline at that time, it should still buy a gallon of gasoline today.

We are not talking about any special privilege. We are trying to keep the farmer's income properly related to the cost of the things he buys. No one in his right mind can fail to understand that it is necessary to maintain the parity concept in farm prices in order to help equalize the farmer's cost of doing business.

Mr. HUMPHREY. The Senator from Oklahoma has contributed a very cogent and informative explanation of what we are attempting to do here by his description of a parity price or parity income policy.

I thank the Senator from Oklahoma. He has always been in the forefront of the struggle in Congress for better and more equitable farm legislation. That is what we are trying to do now, to provide that kind of legislation. That is the purpose of my remarks.

I wish again to express my thanks to the Senator from Oklahoma for his participation in the discussion and for his stating the parity principle in words that everyone can understand. Nothing is very complicated once we expose it to the light of day and have someone state it in simple, yet profound, words.

The objective of the farm policy, with the policy declaration of Congress, still stands on our law books. It has never been repealed.

In fact, I know of no time since 1933 when a real effort has been made to repeal it, except now. For the first time we are faced with a basic revision of agricultural policy. For the first time in more than 25 years we are being called upon to revert to the pre-1930 period of agricultural economic policy.

I wish my colleagues to know that that is what they are going to be called upon to vote on, regardless of all the formulas in the bill, regardless of all the averages in the bill. What it really boils down to is that for the first time Members of the Senate are being asked to repeal the parity concept for agricultural production. There can be no doubt about it. As I said last night, the Department of Agriculture has been very clever. They have not said that this is the Department's bill. They say it is acceptable to the Department. The Department spokesmen have said that many of the principles in the bill are principles of a great farm organization, the American Farm Bureau Federation. When someone is critical of the Department of Agriculture for endorsing the repeal and repudiation of the parity concept, they say, "Oh, we do not endorse it. It was recommended by the committee. We accepted it. We went along with it."

In fact, departmental spokesmen have said openly that they know the parity concept is being repudiated and repealed by the express language of the bill. However, they say, these were the recommendations of a farm organization, not the recommendations of the Department. I must say that the Department recommended this year a lowering of flexibility with respect to certain scales of the price supports. Instead of 90 percent to 75 percent, they recommended 90 percent to 60 percent. In some instances they recommended 90 percent to 0. However the parity concept would be maintained, as would the promise of full parity.

Mr. President, we have before us a measure which, when it finally goes into effect in the third year, will base price-support levels not upon parity, not upon what is a fair relationship between what is the cost of goods which the farmers produce or the price of goods which farmers must produce, as compared with the price of goods which farmers buy; it will base price supports instead upon the average price of the last 3 years, less 10 percent.

So, if the price of a particular commodity for the last 3 years averaged, let us say, 60 percent of parity, the support levels which would be offered by the Department of Agriculture for a farm producer would be 10 percent less than 60 percent of parity, or 50 percent of parity, but never stated in parity terms.

There is some trick phraseology. I said last night that one of the factors which psychologists and psychiatrists note is what are called conditioned reflexes. A conditioned reflex is an automatic response to a particular situation or to a particular sound or set of actions. A conditioned reflex is spontaneous.

For a long time the American people have been told that there are two kinds of price supports—flexible and firm. In all that time, the phrase "90 percent" has been used. It is either "75 to 90 percent" or "90 percent" or "60 to 90 percent." But the phrase "90 percent" has been used again and again and again. But it was always "90 percent of parity" or 90 percent of true equality in the economic market place.

The bill before us contains the term "90 percent," but it is not related to anything with which it was associated in the past. The bill says that for certain commodities the price-support levels will be 90 percent of the average market price for the past 3 years. The average market price, in the instance of feed grains, as I shall point out, could be as low as 55 or 60 percent of parity, if it is calculated on the parity principle.

That is the support level which the Government would offer, and the price would be 10 percent less than 55 or 60 percent, a parity price which was already 40 percent less than being fair.

I want our friends to know that 100 percent of parity means an "even Stephen" break for the farmers; 100 percent of parity is the same sort of thing which a wage earner gets when he has an escalator clause in his contract. Many wage earners work under union contracts with management, contracts which have had wages negotiated at from $1.75 to $2 an hour. If the cost of living goes up 1 percent, the contract wage is calculated so that the worker's income then goes up, let us say, another few cents an hour, to keep the worker's wage at parity or equality.

The same is true of management. Management says that when wages go up, when the cost of operation goes up, when taxes go up, when advertising costs go up, it is necessary to have a little more money for its commodity. That is what management calls parity. Believe me, they get it.

The steel industry knows how to get its parity. The steel industry is the greatest industry in America. Whenever the managers of that industry announce a price increase, what do they do? They tell the American people that the price increase is justified because the costs of operation have risen. That is the way

the steel industry interprets equality of treatment. The steel industry says it cannot pay more taxes, more rent, more interest on the money it needs to expand its business, more wages, without raising the price of its finished product. The price of the finished product is what the industry calls the parity price for steel.

Similarly, it is what the maritime industry or shipbuilding industry calls the parity price for shipping. By the way, Mr. President, fellow taxpayers, and constituents, when the United States merchant marine is provided for by Congress, it is provided with 100 percent of parity. We give subsidies to our shipping industry. I am not opposed to that. I simply want all those who have been feasting at the public board to admit it. We need a merchant marine. We need one just as we need the farmers of America.

One of the greatest elements of strength in America today is the family farm. One of the greatest threats to the future is the corporate farm. The only difference between the American corporate farms and the collective farms of the Soviet Union is that in the Soviet Union the government owns the farms; here a handful of people own them. But both types are big, massive, mechanized, and corporate. One type is collective; the other is corporate. One type is public ownership; the other is semipublic ownership.

I want the RECORD to be perfectly clear that I have not yet heard a single Member of Congress advance the proposition that the shipping interests of America ought to receive from the Government the average 3-year market price for their shipping, less 10 percent.

I have not heard anyone say that the steel companies of America ought to receive the average 3-year market price for their product less 10 percent. I have not heard anyone say that the way to treat the railroads of America, which recently had a bill passed by Congress which provides hundreds of millions of dollars of guaranteed loans, is to take the average income of the last 3 years of "lousy" business, knock off 10 percent below that, and say that that is fair.

But that is exactly what the present proposal intends to do to the farm producers of America. I am here to give some news. I do not intend to let it happen, if I can help it.

On February 16, 1938, Congress enacted a new Agricultural Adjustment Act strengthening and broadening the Soil Conservation and Domestic Allotment Act—and providing the basic legislation for all of our price support programs since that date. It has been amended frequently since, but it is still our basic farm legislation—and its basic purposes and policies stand unchanged today.

It declared it to be the policy of Congress to assist farmers "to obtain, insofar as practicable, parity prices for such commodities and parity of income," and then defined parity as applied to income as "that gross income from agriculture which will provide the farm operator and his family with a standard of living equivalent to those afforded persons dependent upon other gainful occupation."

I hope no Member of Congress really thinks that farmers ought to have a lower standing of living than other people have. Here, for the first time in 25 years, we are contemplating the enactment of legislation which will repeal the objective of every public law, promise, and pledge which Congress has enacted or given for 25 years—for a quarter of a century—that a farm operator and his family are entitled to a standard of living equivalent to that afforded to other persons dependent upon their gainful occupations.

My colleagues will have some fun trying to explain this one out on the stump this fall, because I am going to be around telling the folks, too. My colleagues will have some trouble explaining to farm families why they thought those families ought to get 10 percent less than a bad price.

While limes may be selling at 400 percent of parity, corn has been selling in my State at 58 percent of parity. I shall not vote for a bill which will let it be sold for 10 percent less than that.

We do not need to let this happen, regardless of the differences we may have over what are fair levels of price supports. I hope we will not pass a measure which will repudiate the whole doctrine of parity. We can cure the condition in the bill simply by an amendment to each section of the bill, which will make it quite clear that while the percentage of price supports may be lower, the concept of parity is still the objective of American agricultural policy.

I am not arguing whether the program should be 60 percent, 70 percent, 80 percent, or 90 percent of parity; but certainly we should remain true and faithful to the standard and the objective of American agricultural policy since 1933.

Mr. President, one major country in the world has repudiated the concept of parity; it is Soviet Russia. But certainly I never thought Congress would depart from the parity concept, in providing for the agricultural policy for the United States.

Of course, one of the glaring weaknesses of the Soviet Union is its agricultural setup.

On the other hand, in Western Germany, 100 percent of parity is an objective and a reality for most farmers.

In France, 100 percent of parity is an objective and a reality for most farmers.

In Great Britain, 100 percent of parity is an objective and a reality for most farmers.

In Canada, 100 percent of parity is an objective for farmers.

In every civilized country in the Western World, including the countries of Latin America and the countries of Western Europe, the government has a policy of seeking parity of income for farmers.

Only one country, one empire, does not have the parity concept; Nikita Khrushchev and the other boys in the Kremlin apparently dashed, a long time ago, the hopes of the Russian farmers for parity. However, Mr. President, I do not wish to get from such a source my inspiration in regard to agricultural philosophy; oh, no. Furthermore, the whole collective system of agriculture in the Soviet Union has broken apart at the seams, and today that is a weakness in the Soviet structure which holds the Soviet Union more to a course of nonbelligerency than does anything else.

Mr. President, the quotations I gave a few minutes ago were from the Agricultural Adjustment Act of 1938—sections 2 and 301 (c) (2), United States Code, section 1281.

During all the conflict over fixed supports or flexible supports, never once was it argued that we should abandon parity as our standard of measurement for whatever program we accepted.

I can imagine what would have happened in this country in 1956 if Dwight Eisenhower and Ezra Benson had said, "We oppose parity." If they had said that, just imagine what would have happened at the ballot boxes. But instead, they said, "Do not vote for Mr. Stevenson; he does not favor as much parity as we do."

In the elections of 1952, 1948, 1944, 1940, 1936, and 1932, the parity concept was the one which was favored. Even Herbert Hoover was in favor of the parity concept; and he made a valiant effort to fulfill that pledge and promise.

But at this time, in the year 1958, after parity platforms have been announced, after candidates have run for office, after some of them have been elected, and after organizations have taken their stand in favor of the parity concept and have told the American farmers and communities that they favor it, the Congress is asked literally to dig a grave for parity and to bury it alive.

Mr. President, in the past our country has had firm support programs. The United States has also had flexible support programs. It has also had discretionary support programs. But all of them have been based on the original parity concept, as provided in the law.

There have been arguments and serious debates over the proper formula to use in arriving at our "parity" measuring device. Attempts have been made to improve the parity formula, and I believe it has been improved; and from time to time changes have been made in the parity formula. But we have never abandoned the principle. We have had different procedures for the purpose of achieving the objectives. Sometimes we have proceeded by means of crop loans; sometimes, by means of acreage reserves; sometimes, by extensions of credit; sometimes, by means of the Soil Bank. We have had a host of means and methods, to be used to attain the parity objective. But we have never repudiated that objective.

Yet that is what the pending bill proposes that the Congress provide. That is why I say the bill proposes the greatest change in agricultural policy since 1933, for it calls for a reversal, and for a return to the policy of the 1920's.

Contrary to the very policies of the basic law which this bill amends, for all intents and purposes the bill abandons the parity concept, and accepts in lieu therefor 10 percent less than the free market.

No longer would price and income protection programs for the commodities covered, at whatever level and to whatever degree Congress, in its wisdom, may determine should exist, have any relationship to the changing costs of the things a farmer must buy, changing taxes, interest, and other prices he must pay, or changes in the rest of the economy.

Instead, any Government protection afforded the farmers would be under what he could normally expect to get in the free market—10 percent under.

Instead of having farm programs designed and directed to bolster the free market, they, themselves, would become a downward drag on the free market—with an automatic downward escalator of less and less protection for the farmer in the years ahead.

Mr. President, one of the great achievements of the support program of the past was that it maintained high standards. But do my colleagues realize that recently, when the Secretary of Agriculture announced that he would buy some turkeys for the school-lunch program, in order to stabilize or improve turkey prices, the very fact that the announcement was made resulted, in just 1 day, in an increase of more than 2 cents a pound in the price of turkeys. In fact, that increase occurred before the Secretary of Agriculture even bought one turkey. Do my colleagues also realize that if, tomorrow morning, the Secretary of Agriculture were to announce that $2 a bushel would be paid for wheat, solely as a result of the announcement, the price of wheat would rise? Why? Because no other market compares to the market afforded by the Government of the United States. The purchases for the armed services and the purchases for our strategic reserves, in a world of tension, make the Government of the United States the greatest single purchaser the world has ever known. So when the head of the Department of Agriculture states the price he will pay, the entire market takes on a new look. On the other hand, when the Secretary of Agriculture or any other leading official of that Department says prices are too high, down they go.

Mr. President, can you imagine how long the Secretary of Commerce would remain in office if he were to advocate that stock market prices come down? In that case, certainly there would be a march on Washington—by some of the best-dressed men in the Nation, either with vicuna coats or without vicuna coats. To Washington they would come, and they would go to the White House. They would park their coats outside; and then they would go inside the White House, and would say to the President, "Mr. President, in the Commerce Department you have a man who recommends that stock prices be 10 percent lower than the market prices. Get rid of him before you ruin the country."

And I would agree with them; if any Secretary of Commerce were to say such a thing, he should be fired.

Mr. President, can you imagine how long a Secretary of Labor would remain in office if he were to state that he thought minimum wages were too high, and should be reduced; or if he were to state that minimum wages paid under Government contracts should be reduced? A Secretary of Labor who made such a statement would not remain in office long enough to take a second breath before he said, "I resign." He would be gotten out of town faster than the Russians launched the sputnik.

But Secretary of Agriculture comes before certain of the Congressional committees at a time when, for 5 years, the agricultural economy has been decreasing, agricultural indebtedness has been rising, the number of persons on the farms has been growing smaller and smaller every year, and the number of farms has been growing smaller and smaller every year; and under those circumstances the Secretary of Agriculture testifies, before the Congressional committees, "I think agricultural commodity prices are too high. We must do something about the situation. We must get rid of the parity concept, and we must get down to the market-price level. In fact, the market price is too high, and we shall have to cut it by 10 percent. And after that, there will have to be a further cut in price, before a depression psychology sets in."

Mr. President, I am told by some persons that such a philosophy can be made popular. Lately, I have heard that the Department of Agriculture and the Secretary of Agriculture have taken on new popularity—that they are popular in the cities, because the urban consumers feel that it is good to have lower agricultural-commodity prices.

Mr. President, I can tell you how the Secretary of Labor can be made popular in the country: Reduce labor prices. That would make him popular in some quarters. And I can show you, Mr. President, how to make the Secretary of Commerce popular, too, with the folk who have already taken a licking on stock prices. Just have him say he thinks everybody else should take a loss.

One of the greatest public-relations campaigns America has ever known has been under way in an attempt to build up the policies of the present Department of Agriculture. I say, most respectfully, that, if the United States information program were half so effective abroad, in being able to combat Communist subversion and in being able to carry the message of American democracy to peoples in other lands, as the Madison Avenue experts have been in describing the policies of the present administration at home to the American people, we would have the cold war won.

It has always amazed me how we can have such an ineffective overseas propaganda program and such a very effective administration propaganda program at home. I hope this is no indication that we are bigger "suckers" than others. I do not think so. I think the truth is that the efforts of the experts are spent on fooling the American people, when it would be well if we would try to have the experts tell the truth to the American people and people abroad.

About an hour ago I had a reporter ask me, "Senator, is it not true that word has gone out that no one should say anything against Secretary Benson because his political strength is considerably better now than it has been?"

I said, "Well, the first thing about that is it is a part of the propaganda campaign. A part of the propaganda is to make the American people, and even Congress, believe that Ezra is to be untouched, that he is already popular, that he is one of the great political assets of the administration."

That may be. The administration is pretty short of assets. Maybe the administration can call him an asset.

Mr. President, I do not want to be personal about it. I happen to think Mr. Benson is a fine, decent, wholesome man, of good morals and character; but I disagree with his philosophy of government, and I disagree with his philosophy of agricultural economics. That is an honest disagreement. He thinks he is right; I think I am. I am going to show that while he may think he is right, the results of his policies have been exceedingly destructive.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MONRONEY. We all can, as I do, respect the sincerity and the moral character of the Secretary of Agriculture, but we can sometimes doubt very seriously his judgment and his assessment of the facts. As the distinguished Senator knows, and as he has told the Senate so many times, when the Secretary points the finger of scorn and of blame at the American farmer for the high cost of living, he should know better. The reports of his own Bureau of Economic Statistics show that the prices the farmer receives for agricultural products have fallen while their cost to the consumer has risen. It seems that every time the price of wheat falls, the price of bread goes up. The farmers get hit in one direction with falling prices while the consumers get hit in the other direction with rising prices, often on the same agricultural commodity.

Mr. HUMPHREY. The Senator from Oklahoma is stating a very pertinent fact. Farm prices got down to about 80 percent of parity. That included all prices fixed by marketing orders, and there are many of them. Marketing orders are permitted by an escape clause in the antitrust laws which makes it possible to have marketing agreements, which, literally, through a program of scarcity, force prices up. That is what a marketing order does. All farm prices are included in the overall parity analysis. The administration's farm program finally got farm prices of all commodities, on everything from limes and lemons down to rutabagas—I think the Department even included rattlesnake meat and snails—down to 80 percent. Prices went down so far that, a few months ago, everybody was wondering how long the farmers could take it. Speech after speech related to the depression in agriculture. Now that prices have gone up 2 or 3 percent, we are told farmers are much better off. It is the same as saying, when Khrushchev goes around glowering like a tiger, that he

is mad, and then saying, when he smiles, "Look at Khrushchev. He is a nice fellow" Do not kid yourself, Mr. President; he just does not happen to have a stomach ache on the day he smiles.

Merely because farm prices go from 80 percent of parity to 83 percent of parity does not mean the policies of the Department of Agriculture are any better. What it means is that because of variable conditions, as a result of acts of nature, such as droughts and floods, or a freeze in the Southeast, which killed many citrus plants and trees in Florida and other parts of the Nation —because Divine Providence moved in to rescue Benson at great cost to the farmers, the administration claims its policies are a great success.

Do not misunderstand me, Mr. President. I likes limes. My whole family likes limes. My father's and mother's families before us liked limes. But I want you to know, Mr. President, we have a tough time raising limes in Minnesota. We have not been able to do it. I do not think it is right to contemplate an agricultural policy on the basis of 400 percent parity for lines, and 300 percent for lemons. I am in favor of the farmers having the benefit of those prices, but I think it is better to contemplate also the prices of other commodities.

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. ERVIN. I was going to ask the Senator if, as a matter of fact, the administration's farm program is not working according to the administration's plans. As I understand the administration's farm policy, it is that if farming can be made sufficiently unprofitable that many farmers will abandon their farms, surpluses will disappear, and the problem, from the administration's viewpoint, will be resolved. I am wondering if the policy is not working according to the plans of the administration.

Mr. HUMPHREY. I think the analysis of the Senator from North Carolina is correct. There is a principle in economics called the Malthusian principle. It is that population growth has a relationship to production of foodstuffs, and production of foodstuffs has a relation to population growth. As the population grows, it will out-eat itself, much of the population will die off, and there will be a resulting balance of production and population.

There is now a Bensonian principle. The Bensonian principle is that if we have surpluses of agricultural commodities, rather than try to reduce the surpluses or rather than control the production which results in the surpluses, the thing to do is to control the situation by the process of economic attrition of the producers of the products. Do not control the products, says the Department. Do not control the end product. Do not try to have an effective control of the marketing. Do not try to stimulate consumption by broad programs. But the thing to do is let the laws of nature, let Adam Smith's philosophy of the rule of the jungle in economics, take care of the producers. As producers are driven off the farms into the cities, we may be able to lower the amount of production. I will say to the Senator from North Carolina, in the language of the day, they have even "loused up" that.

Mr. ERVIN. In such a case the only surplus left to bother with is a surplus of unemployment.

Mr. HUMPHREY. The Senator is correct. We have not only a surplus of corn, of wheat, and of feed grains, but also a surplus of 5.2 million unemployed people in our States. What is more, the administration is now conditioning us to the fact that we have to expect such a situation to continue for some time. All the latest economic reports are to the effect that production is up, income is up, and everything is jolly, except, of course, that somewhere or other there seems to be a skeleton in the closet, in the room in the northeast corner, and that skeleton is about 5.2 million people who are unemployed. If we could get folks to forget about that, say the economists of the administration, we could point to the fact that housing starts are up and steel is up to about 65 percent of capacity, and other things are improving. The trouble is that the economists always have to face the fact that people are around. That is what really bothers them—people.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MONRONEY. Is it not a fact that the economists and the "brain trust" of the Benson shop seem to have myopia when they are examining the relation of farm prices to the parity index, but they have the sharpest sight and the greatest ability to accent and overpublicize when the per capita farm income goes up. The "brain trust" is shooting for a high per capita farm income. However, the Benson policy, so ably explained by the distinguished Senator from Minnesota and the distinguished Senator from North Carolina, is that we can double the per capita farm income by simply reducing the number of farmers to half.

Mr. HUMPHREY. The Senator is correct.

Mr. MONRONEY. It seems an effort is made to do exactly that. The liquidation of farmers during the Benson period has established an alltime record. Moreover, the movement is accelerating. In another 3 or 4 years we will be able to show, on the basis of the same income, if the farmers are able to hold the income they had 2 years ago, that the per capita income of farmers has doubled, because we will then have about half as many farmers who are able to live on the farms of the Nation.

Mr. HUMPHREY. The Senator is very correct.

It is said that one can give persons around the table a bigger piece of pie in two ways. One is to have a bigger pie, for the same number at the table; the other is to have the same size pie, or a smaller pie, and get rid of some of the persons at the table. The administration has said, "Look, the house is crowded anyway, and we never liked some of these folk in the first place. Oh, we invited them in; every election year we invited them in, but they are not really our kind." That is what the administration spokesmen feel; so they either keep the same piece of pie, or get a smaller pie, and get rid of about half the guests. Then they say, "Are you folk not happy? Look at what you have. You have a big piece of pie here."

Of course, those who are outside in the rain are wondering when they are going to get some pie. They have not quite caught on, though most of them have now caught on to the fact that they are the unwanted guests and that really the invitation was a phony.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. PROXMIRE. I should like to congratulate the Senator from Minnesota for a superb presentation, and I should also like to point out, lest the eloquent statement be misinterpreted, that the piece of pie the farmer is getting, when we talk about the individual farmer, is not getting any bigger. The piece of pie is getting smaller.

Mr. HUMPHREY. Indeed it is.

Mr. PROXMIRE. Mr. Benson is a real magician, who has not only driven people away from the table, but has reduced the size of the piece of pie that each remaining farmer receives. Not only that, farmers are being driven away from the table in this day and age and are leaving, as the Senator implies, but as I want explicitly to state, they are going to a market in which there are no jobs available. The farmers who leave the farms cannot find work. They join the lines of unemployed in Chicago, Detroit, Milwaukee, and Minneapolis. They cannot find work.

The Milwaukee Journal made a very interesting study in Wisconsin and found that 40 percent of the farmers of Wisconsin had to have outside work in order to supplement their income. Forty percent of the farmers had outside work. I tell the Senate that the farmer is the last to be hired and the first to be fired. Not only has farm income been diminished, but jobs are vanishing, and there are no other jobs for those farmers in Wisconsin, Minnesota, North Carolina, or Oklahoma. They cannot even find extra work. The recession has hit the farmer, the small businessman and the industrial worker.

What is not fully understood is how surely and disastrously conditions have hit the farmer. The farmer has been pushed by Secretary Benson, under the disastrous policies of this administration, into a market where there is a diminishing supply of jobs, so that he has suffered, and suffered terribly.

Mr. HUMPHREY. I think the Senator's statement as to the farmer who has to take part-time work being the last one hired and the first one fired is a very pertinent observation. I am sure my colleagues who go home to talk to their constituents know that to be the truth.

Let me say to anybody who thinks we are trying to be melodramatic that we are quite candid. Many farm families

are doing very well. Some farmers are doing exceedingly well. By making that statement, we do not mean they have been given special privileges. We simply mean that through mechanization, heavy investment, careful management, and long hours of work, some farmers have done fairly well.

What we are talking about is not whether the farmers have done fairly well or very badly. We are talking about the principle of equality of treatment. We are talking about whether a farmer in the State of Minnesota is entitled to equal treatment.

A farmer in Minnesota must have an average investment of over $50,000. I want my colleagues to realize that. More than $50,000 of invested capital is necessary, and the farmer works an average of 14 hours a day, 6 days a week, and puts in a good bit of work on Sunday. The average hourly wage for a farmer in Minnesota, on the basis of his $50,000 investment, is less than 60 cents an hour. The average hourly wage is between 50 and 60 cents an hour. That is what the farmer gets.

I submit to my colleagues that the man who washes automobiles at the filling station gets more than that, yet he has no investment.

We are talking about whether, in a high priced economy for agricultural producers as well as for other producers, a man is entitled to at least have an opportunity to earn a reasonable return on his investment. That is what the discussion is about.

I say this, because I can almost hear the response which will come. I can almost hear someone say, "The Senator from Minnesota tried to portray the American farmers as if they were poverty stricken." That is not the case at all. Our farmers are too proud to be placed in that category. Our farmers will work at three jobs before they will let that happen to them.

But, Mr. President, when industry insists upon the right to earn 6 percent on its investment, and when utilities are protected by law so that they earn 6 percent or more on their investment, it is not fair for a farmer who has a $50,000, $60,000, or $70,000 investment to earn less per hour than the most common laborer for his work and for his family. Incidentally, that figure includes the value of the food he eats from his farm, also.

That is why people are not going to the farms to live. Senators can ask any young man who has a high-school education, and perhaps a year or two of college work, what his plans are, and whether he wants to go on a farm.

As an example, in my State, according to the Farmers Home Administration, it takes a minimum loan of $20,000 to get started. The minimum loan to start a farm is $20,000.

That is a great deal of money, I will say to my friends. How many young fellows are going to be able to borrow $20,000 at high interest rates of 6 or 7 percent, depending upon where the money is borrowed? They cannot borrow at 5 percent now. The interest rates are 6 or 7 or 8 percent. How many young men desiring to engage in farming can, first of all, obtain the proper credit? Such a young man can only get a loan if his father signs up and his mother signs up, and it just happens that young man has married the daughter of a fairly well to do farmer.

How many young men are going to go on the farms in those circumstances? The young men are not going to go to the farm, when they know, according to statistical analyses made by our own university, that the average wage per hour is under 60 cents. Why, Mr. President, there is not a business in Minnesota which does not pay more than that to its meanest employee. We have a minimum wage law which provides that if one works in interstate commerce he must receive a minimum of 75 cents an hour, if he is 18 years of age; he must receive that much, without any investment. I know youngsters 17 or 18 years of age who are receiving $1.75 an hour. Yet, Mr. President, we expect farm producers to continue their labors for 50 or 60 cents an hour.

In Washington, D. C. there is less knowledge of what goes on on the farm than almost anywhere else in the United States. I can think of no place where it is more difficult to tell the farm story than in Washington. This city is immunized from any kind of objective analysis of what really transpires in either industrial or rural America. About the largest thing in Washington that looks like a farm is a small plot of petunia plants. When it comes to industry, the main industry is real estate. So it is pretty difficult to tell the story of agriculture in this environment called Potomac fever. It is difficult to get the picture of agriculture.

Nothing would help agriculture in America more than to move the capital into the central part of the United States, where people could see what it really means to live in an agricultural community. In Virginia, and in the countryside of Maryland and Pennsylvania, if one travels a little he can see the picture. We work here from morning to night. If we do not get home to our constituency, we start to believe what we read about agriculture; and when we do that, there is about as much relationship between that and the truth as there is between fact and fancy.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. NEUBERGER. I always learn something when I hear the Senator from Minnesota discuss agriculture. He is one of the best informed men I have ever listened to on the subject of farming.

However, as a Senator from a State which does not participate very extensively in the price support program, there is one point which troubles me. Recently the president of the Oregon State College, which has a very outstanding school of agriculture, pointed out, in a letter to the Oregonian, that about three-fourths of the farms in America do not qualify for any Government supports or subsidies. Dr. A. L. Strand, who made that statement, is thoroughly and accurately informed, as is the Senator from Minnesota. I believe his statement to be authentic.

I think I was 1 of only 7 Senators who voted last year to do away with the acreage reserve feature of the Soil Bank. I support the conservation reserve, but it seems to me that the acreage reserve has not been very effective, and has largely helped a few large one-crop farmers, rather than the small, diversified farmers.

This is my fourth year as a Member of the Senate. As a Senator from Oregon, I have seen very little legislation come before the Senate which would help the comparatively small farmer in my State. If what we are concerned with is the small farmer, it perplexes me to know what we are doing for him here. For about a quarter of a century there have been six so-called basic crops. If I am not mistaken, I should like to have the Senator from Minnesota, with his superior knowledge, correct me on this. The basic commodities are rice, corn, wheat, peanuts, cotton, and tobacco. Is that correct?

Mr. HUMPHREY. Yes.

Mr. NEUBERGER. In other words, we say that peanuts and tobacco, for example, are basic crops; but apples, peas, butterfat, meat, potatoes, oranges, grapefruit, carrots, rutabagas, and many other things which probably contribute far more greatly to nutrition than the three first-named products I have mentioned above are not basic.

I happen to come from a State where only one of the so-called basic crops is raised, and that is wheat. It is raised abundantly east of the Cascade Mountains, on the great upland plateau. On the Coastal Plain and in the Willamette Valley, where by far the largest number of Oregon farmers live, there is nothing raised in commercial quantities which qualifies for price supports. Hardly any of those farms were included in the Soil Bank. Is there anything in the bill which offers those farmers some relief?

Let me make one further observation, and then I shall be interested in the reply of the Senator from Minnesota, whose knowledge of this subject I greatly respect.

There are quite a number of turkey growers in Oregon. They have asked the Government to assist them in a self-help program whereby they can try to maintain the price of their turkeys by restricting the output, so that there can be some fair value in the price of turkeys per pound. They have not been able, to my knowledge, to get such legislation to the floor of the Senate, although we have fervent hope that it may still reach there.

What I should like to have the Senator from Minnesota tell me, in order that I may go home and relate it to my people in Oregon, is this: What kind of program offers real prospective help to the small, diversified, family sized farm which does not produce any of the so-called basic commodities in commercial quantities?

Mr. President, I have great respect for the members of the Senate Agriculture Committee, who wrestle with the

infinite problems presented by the complexities of modern agriculture. It may be an utter impossibility to write rules and regulations that will be equally fair to every commodity, or for that matter to treat equitably everyone operating in a given commodity group. Of course, we have our great farm organizations who speak nationally in regard to general farm policy, and we have the national commodity groups who press forward for programs in support of a particular commodity. For instance, there is a National Association of Wheat Growers, whose president this year is Mr. Floyd Root, an Oregonian. The potato growers have a national organization with its headquarters in Washington. The dairy people, in great number, are represented by the National Milk Producers Federation. There are many more. Each of these organizations is interested in long-range agriculture legislation affecting his own category and has, I am sure, offered its counsel to the committee.

I am wondering, Mr. President, how satisfied the leaders of these farmer organizations are with the bill that is now before us. This was brought home to me forcefully by a wire I received Monday from my good friend H. D. Rolph, president of the Oregon State Farmers Union, who feels that the commodities he names have been ignored in S. 4071, the bill to provide more effective price, production adjustment and marketing programs for various agricultural commodities.

This, I believe, is the chief criticism expressed in the minority views included in the committee report. I come from a State that has a most diverse agriculture. Authorities tell me that over a hundred different Oregon farm commodities are marketed annually, but the present bill, centering its attention on cotton and rice, has little interest or attraction for the producers of these many commodities. In fact, wheat, the one basic commodity that Oregon produces in quantity, is completely overlooked by this measure. Dairying predominates in the agriculture of Oregon's coastal counties. I find nothing in this bill that resolves the very serious problems of the dairy industry.

Mr. President, I see in this measure nothing that will ease the financial pain of Oregon's turkey growers, who now find it economically more feasible to ship in corn from Nebraska than to feed surplus Oregon wheat to their growing flocks.

There are several questions that I believe are fundamental and pervading which must be answered if we are going to offer the farmers of the United States a measure having any just claim to the descriptive title long range.

First. How can the average farmer who must keep pace with technological advance in agriculture, manage the mounting capital investment modern agriculture requires?

Second. If technological advance is accompanied by continuing surpluses, how can the farmer expect stability of income without adhering to some sort of system of controls and allotments?

Third. Has the committee ever considered the possibility that agriculture may have to be viewed as a public utility?

Fourth. Has the Department of Agriculture ever made a study of the far-reaching changes that may be expected in the pattern of rural life, if commercial farming becomes firmly established in this country?

Fifth. If the trend to larger and larger agriculture units continues, as appears certain with technological advance, how may the intrinsic values of rural life be preserved?

Sixth. In the present situation, an average Oregon wheatgrower is reduced to raising a wheat crop on a fourth of his wheatland, since his practice of summer fallowing cuts his acreage approximately in half, and his allotment slices in two that remaining half. How will he survive, with wheat prices perhaps falling to the lowest figure in years?

Seventh. What has the committee to say to the dairy farmers who find all their costs continuing to increase, at the time milk prices are perilously low so far as he is concerned?

Mr. HUMPHREY. The Senator from Oregon has placed before us again one of the most difficult problems facing the Congress in the field of agricultural legislation. His questions are also perfectly timed for the pending bill. There is not a thing in the bill which would help the producers of agricultural commodities in the State of Oregon. With respect to the feed-grain producers—and there are a few feed-grain producers in Oregon—the prices of feed grains will be down instead of up. So this bill is a minus for the producers of Oregon. There is nothing in the bill which relates to wheat. There is nothing which relates to fruits, vegetables, and some of the other commodities the Senator mentioned.

What is there available in agriculture policy for the diversified farm, and for the producers of commodities other than those which the Senator listed as basics?

Let me tell the Senator some of the things which are available for fruit producers. There are Federal marketing orders. A marketing cooperative can be organized to exercise control, under marketing orders, in terms of distribution, thereby controlling prices. That method has been very effective for citrus producers.

There is another possibility one should keep in mind under existing agricultural policy. The State of Minnesota is the second largest turkey-producing State in the Union. I believe it is the second or third largest egg-producing State in the Union. When the price of eggs goes down, and the price of turkeys goes down, there is trouble. By the way, turkeys are a very perishable commodity. They are difficult to raise, and sometimes difficult to market. So when the price of turkeys goes down there is trouble. There is a large cash investment involved. There is a great deal of hazard in their production.

What authority is there for the Government to be of any assistance? There is the authority in connection with section 32 funds, which are accumulated from tariffs on the importation of commodities. The tariffs are placed in a fund, and such fund is utilized for the purchase in the American domestic market of commodities which are in excess production.

Also there should be authority in the Commodity Credit Corporation for the purchase of commodities to stabilize market prices, and to make commodities available for relief purposes in the United States—purposes such as the school-lunch program, veterans hospitals, and, I hope, in time, such commodities will be available for old people's homes and for other charitable and relief purposes.

If these policies are used on a timely basis they can be effective. For example, eggs can be purchased when the market price of eggs is down. I remember, years ago, when grade A eggs were selling in my State for 18 or 19 cents a dozen. My wife was paying 75 cents a dozen in Washington for the same quality eggs. In Minnesota, around St. Cloud, in Stearns County, pullet eggs were worth 8 cents a dozen. I used to say that it was hardly worth the wear and tear on the pullet. Every hen must be a pullet one time in her life.

What can we do to bolster that price under existing policies? A timely purchase of eggs for the school lunch program or the Military Establishment or for relief purposes—or even the announcement of such a program—improves and stabilizes the market.

What is more, we are greatly in need of credit. In further response to the question of the Senator from Oregon, I have felt for a long period of time that our farm credit structure is inadequate for the present needs of a modern agricultural economy. The credit policy had its inception in the 1930's. We have improved credit availability, but not nearly enough. All too often the Farmers Home Administration conducts its policies on the standards of the American Bankers Association. I do not want anyone to misunderstand me. I believe that most credit should be extended through private credit channels. However, if we are to have for the Farmers Home Administration the same standards as those used by the American Bankers Association, we obviously do not need the Farmers' Home Administration. There is then no need to have the Farmers Home Administration. The purpose of the Farmers Home Administration should be to supplement private sources of credit.

To return to and to conclude my answer to the Senator from Oregon, it is perfectly true that the agricultural policies, as they have been designed by Congress in past years, have not been adequate to meet the needs of diversified agriculture.

That is why I have supported a broadening of the powers of the Secretary of Agriculture so as to permit purchases and compensatory payments. Is it not interesting that only a short time ago we should have passed the Brannan plan for minerals?

Mr. NEUBERGER. The Senator is absolutely correct.

Mr. HUMPHREY. Secretary Brannan missed his calling. He should have been Secretary of the Interior. If he had been the Secretary of the Interior, he would have been a hero. We have now passed the Brannan plan for minerals. If our colleagues knew how much iron and other minerals there are in some agricultural products, they would agree with me. If Secretary Brannan had translated the chemistry of agriculture and had told us about the amount of copper and iron and tungsten contained in some agricultural commodities, Congress might have approved his Brannan plan.

The Secretary of the Interior of this business administration, this anti-Socialist administration, this antisubsidy administration, comes to Congress with a plan for compensatory payments and for subsidies for mineral producers, and in no time at all it is reported by the committee and is before the Senate and is passed by the Senate, with hardly a dissenting vote.

I do not want anyone to misunderstand what I am saying. I am delighted that we did something for the mineral producers. I support the general idea embodied in that proposal. However, is it not interesting that when our former colleague, a very fine and distinguished man, the Secretary of the Interior of the Eisenhower administration—that businesslike and conservative Republican administration—comes to Congress with a compensatory production payment plan for minerals, we are asked to support this great, farseeing, imaginative proposal.

Poor Charley Brannan came to Congress and suggested that perhaps compensatory payments might be a good idea and would be helpful to some rather difficult commodities which are perishable. It is very expensive to store perishable commodities, and the expense of storing them yields nothing constructive. So he said perhaps it would be a good idea if we would think in terms of production payments or compensatory payments.

What happened to Secretary Brannan should not happen to a fellow American. The roof fell on him. With the roof came the whole National Republican Committee—and some of them are rather heavy. [Laughter.] Is it any wonder that poor Charley Brannan lost his hair? At long last that principle was embodied in a bill the Senate passed a few days ago.

Mr. NEUBERGER. As I stated a few minutes ago, I have received a very pertinent telegram from my good friend H. D. Rolph, president of the Oregon State Farmers Union. Mr. President, I ask unanimous consent that it may be printed in the RECORD at this point.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

SALEM, OREG, *July 7, 1958.*

Senator RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.:

Senate agriculture bill in its present form, with no provisions for milk, wheat, vegetables, wool, livestock, is not satisfactory to us. Also the feed grain provision. We hope you will be able to check on the amendments which will be offered to improve the bill. You are doing a fine job. We do appreciate your cooperation.

H. D. ROLPH,
President, Oregon State Farmers Union.

Mr. NEUBERGER. Does the Senator from Minnesota believe, inasmuch as we have now established in the Senate, at the urging of the administration, the Brannan plan for lead and zinc, that some of us may in the future propose the Brannan plan for eggs and apples, without expecting so much fierce criticism as Secretary Brannan received?

I ask that question in all gravity and seriousness. I ask the Senator if we are not almost on the threshold of the time when perhaps we will have to consider very seriously something like the compensatory payments contemplated by the Brannan plan for small, diversified farmers, who raise perishables and who are outside the umbrella of almost any Government protective program?

Mr. HUMPHREY. I think so. I do not believe that merely saying we ought to have the principle of compensatory payments available for our agricultural policy or our agricultural law means that we are about ready to give away the Federal Treasury, or to raise hobgoblins which some of the commentators see in these programs.

If we are to fight a war, we had better have in our arsenal every weapon we can use in fighting and winning it. If we are trying to stabilize agricultural prices, and if we are attempting to have orderly marketing procedures, so that there will be no price-depressing floods in one month, and a scarcity the next month, and there will be reasonable conditions in the market place for farmers, we ought to have a whole galaxy of means with which to do the job.

What are some of them? There are production payments, crop loans, marketing agreements, farm credit, timely purchases of surplus commodities, farmers' cooperatives. There is also the right of cooperatives to join together in marketing associations.

What I am trying to get at is this: There used to be a time in the life of prehistoric man when there were witch doctors who used the same treatment for every ill. Not so long ago I went to the Medical Museum of the International College of Surgeons in Chicago. It is a wonderful medical museum. If the Senator has a chance to see it the next time he is in Chicago, it would be well worth his while to visit that museum.

Years ago when anyone had a headache, there was one treatment for it: Bore a hole in the head. Modern medical science has found that, although there may be a need at times for a hole in the head, there are also other treatments for headaches. [Laughter.] Sometimes what appears to be a headache, is not a headache at all, but something else. When we treat an economic problem of agriculture, we should not treat it with only one kind of remedy. We should have available a variety of remedies.

As we seek justice and discretionary authority—and I make special note of this—I have not sought in any proposal though I have made many, or in any amendment I have offered to require the Secretary of Agriculture to make compensatory payments. I have, however, offered amendment after amendment which has provided that the Secretary of Agriculture may use compensatory payments, along with other methods.

Do Senators know what happened? We got no place fast. It was because someone has made the words "compensatory payments" nasty words, except when they are applied, as the Senator has said, to sugar or lead or zinc or wool.

I wish to make it quite clear that I will vote for the Wool Act again, as I voted for it previously. I have voted for relief for lead and zinc, and I will vote for it again. I have voted for the sugar bill, and I will vote for it again. All I say is, "If you bless my neighbor's children, how about a little blessing for my own?"

Mr. NEUBERGER. What the Senator says is true, of course. A great deal of this is simply a matter of words. In the comparatively short time I have been a Member of the Senate, I have discovered that "what the Government does for me is a service, but what it does for the other fellow is a subsidy." That is the only difference. That is the way the words are used.

I wish to ask an additional question. I think it is timely while the distinguished Senator from Kansas [Mr. CARLSON] is in the Chamber.

One of the most able speeches I have ever heard in explanation or in defense of the two-price plan for wheat was made one evening by the able Senator from Kansas when I had the honor of presiding over the Senate. This epitomizes the problem with which we in Oregon are confronted.

In the eastern part of Oregon, as I have said, there is a very substantial wheat-growing industry. In the western half of the State, along the Pacific seaboard, and in the Willamette Valley, there are a great many farm families who raise chickens and many turkeys. The natural feed for their flocks of poultry is the surplus wheat grown in eastern Oregon. However, the wheat is under a price-support program I have endorsed that program, and shall continue to vote for it, but the very nature of the price-support program on wheat tends to make the price too high for the poultry raisers in the western part of Oregon, although the wheat is the logical feed for their birds.

Does not the Senator from Minnesota think that the two-price plan, which was voted in by the Senate several years ago and which expired, I believe, with the veto of the farm bill of 1956, is the most practical solution of this problem? Does he not think that this particular program would offer the wheatgrowers a fair price and a supported price for that portion of their crop which went into domestic consumption for human needs, whereas there would be a much lower world price for that portion of their wheat which would be fed to livestock or to poultry?

What is the opinion of the Senator from Minnesota about that particular

program? I know there has been some geographical disagreement on the subject. There is a divided Middle West opinion and a divided Far West opinion. There is a divided opinion in the upper tier of the Middle West and a divided opinion in the lower tier of the Middle West. What is the opinion of the Senator about the two-price wheat plan?

Mr. HUMPHREY. I suppose the simplest answer is that I voted in committee to report the 2-price plan for wheat; and when the Senator from Kansas offered the 2-price plan in the Senate, I voted for it. I was not at all sure then, and I am not at all sure now, that it is the most effective plan. But I think the farmers ought to have a right to try it. That was the main reason why I supported the plan.

The problem in the section of the country from which the Senator from Oregon comes, where wheat is used more as feed than it is in the Middle West, is different from that in my section. It is true that the feeling along the eastern seaboard—and it is my feeling, too—is that the wheat program is not working too well, so it might not be too bad to try something else.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CARLSON. The Senator from Minnesota earlier said there was nothing in the bill about wheat. I am happy that the Senator from Oregon has raised this issue. We are raising this year what will probably be our largest wheat crop. As of June 1, it was reported to be 1,271,000,000 bushels. I believe that when the spring wheat has been harvested, the amount will be larger than that.

On July 1 of this year we had a carryover of 970 million bushels of wheat. The estimate as of July 1 was that there will be a wheat surplus or carryover of 1,200,000,000 bushels. That shows that the present program is one which will have to receive serious thought. I sincerely hope that the Senator from Minnesota, who is a member of the Committee on Agriculture and Forestry, will keep this in mind next year, when we will have to come before Congress with an even greater surplus than there has been to date.

Mr. HUMPHREY. If the Senator from Kansas planned to offer an amendment to the bill relating to wheat and wheat production along the lines of the one he offered before, it might serve a very meritorious purpose. But the sooner we begin to try something different from what we have, the better off we will be.

Mr. CARLSON. I had not planned to offer an amendment to the bill, simply because I thought we were close to the end of the session, and there is some farm legislation which is urgently needed at this particular time.

I am firmly convinced that the wheat problem has not been solved by the present program, and that we shall have to give consideration to the domestic parity program for wheat. I appreciate the help I have had, and expect to discuss this matter before the Senate votes on passage of the bill.

Mr. HUMPHREY. Is it not true that the National Grange has supported the program of the two-price system?

Mr. CARLSON. Very definitely.

Mr. HUMPHREY. I remember Mr. Newsom, whom I consider to be one of the foremost agricultural statesmen, favors the system. I really believe that Herschel Newsom is an agricultural statesman.

Mr. CARLSON. I am thoroughly in accord with the Senator's statement. Also, the State farmers' unions of Kansas favor it. I cannot speak for the National Farmers' Union but I am sure they are not unsympathetic to domestic parity. The national organization that I know which supports the two-price system for wheat is the National Wheat Growers Association.

They are sponsoring that type of proposal. I should think they would know the problem of the wheat growers. The National Association of Wheat Growers is convinced the wheat problem will not be solved except through a domestic parity program. This program would save the Government money and assure a sound farm economy.

Mr. NEUBERGER. The present president of the National Wheat Growers' Association is an outstanding resident of my State, Mr. Floyd Root, of Wasco, Oreg. He is a stanch supporter of the two-price plan, of which the Senator from Kansas has been the foremost advocate in the Senate.

I thank the Senator from Minnesota and the Senator from Kansas for helping to enlighten me on the very important question which now confronts us in the Senate.

Mr. HUMPHREY. Mr. President, instead of having farm programs designed and directed to bolster the free market, the present system would lend itself to becoming a downward drag on the free market, with an automatic downward escalator of less and less protection for the farmer in the years ahead.

Now, it is true that this drastic, fundamental change in farm policy under this bill concerns only cotton, rice, and corn and other feed grains.

But certainly there is no Senator on this floor so naive to assume that once this door has been opened to throw basic policies of 25 years' standing out the window on these commodities, the parity concept could long be preserved alone for tobacco, wheat, or other remaining commodities.

We need to know what we are doing, in voting on this legislation—and where the road will end that we are embarking upon.

However they may vote, Senators from tobacco-producing States, for example, must realize that they are voting for eventual dependence on the free market for tobacco prices if they support this legislation.

However, they may vote, all Senators from wheat-producing States should realize that this is not just a matter of expanding cotton and rice acreage—it is actually reversing the entire basis of fundamental public policy on agriculture, whatever the differences on how that policy would be implemented.

If all that is needed is to take care of the acreage adjustments for cotton and rice—and I think that is needed—it can be done very simply by a joint resolution of the Senate and the House, which will have the effect of law when signed by the President. All that is needed is a joint resolution to extend for one more marketing year the extra acreage which was granted on an emergency basis last year for cotton. I submit that that might be a very reasonable alternative.

As a reminder to my friends where the Farm Bureau is the predominant farm organization, who seem to take reassurance in the fact that the Farm Bureau is supporting the bill, let me remind them and the Farm Bureau that it developed its greatest strength, made its greatest progress, and won the widest acceptance from American farmers when it pioneered the parity concept and joined hands with other farm organizations to insist upon its enactment into law.

Mr. SPARKMAN. Mr. President, will the Senator from Minnesota yield upon the condition that he will not lose the floor, in order that I may suggest the absence of a quorum, and that the Senate may then receive a visitor from a foreign country?

Mr. HUMPHREY. Mr. President, upon those terms, I yield to the Senator from Alabama.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the Senator from Minnesota may yield so that I may suggest the absence of a quorum, with the understanding that he will not lose the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPARKMAN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). Without objection, it is so ordered.

ANNOUNCEMENT OF MEMORIAL SERVICES FOR THE LATE SENATOR SCOTT, OF NORTH CAROLINA, AND THE LATE SENATOR NEELY, OF WEST VIRGINIA

Mr. JOHNSON of Texas. Mr. President, for the information of the Senate, I announce that on Monday, August 4, the Senate will convene at 10 o'clock, if that is agreeable to the Members; and there will be memorial services for the late Senator Scott, of North Carolina, and the late Senator Neely, of West Virginia.

Mr. President——

The PRESIDING OFFICER. The Senator from Texas is recognized.

RECESS

Mr. JOHNSON of Texas. Mr. President, there is in the Capitol the distinguished Prime Minister of Ghana, the

Honorable Kwame Nkrumah. I ask unanimous consent that the Senate now stand in recess, subject to the call of the Chair, and that the Chair appoint a committee of Senators to escort the Prime Minister to the Senate Chamber.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair appoints, as the members of the committee, the Senator from Texas [Mr. JOHNSON], the Senator from California [Mr. KNOWLAND], the Senator from Rhode Island [Mr. GREEN], and the Senator from Wisconsin [Mr. WILEY].

Thereupon (at 3 o'clock and 8 minutes p. m.) the Senate took a recess, subject to the call of the Chair.

VISIT TO THE SENATE BY THE HONORABLE KWAME NKRUMAH, M. P., PRIME MINISTER OF GHANA

During the recess,

The VICE PRESIDENT. The committee heretofore appointed to escort the distinguished visitor into the Chamber will now proceed to the performance of their duty.

The Honorable Dr. Kwame Nkrumah, Prime Minister of Ghana, escorted by the committee appointed by the Vice President, consisting of Mr. JOHNSON of Texas, Mr. KNOWLAND, Mr. GREEN, and Mr. WILEY, entered the Senate Chamber, accompanied by His Excellency D. A. Chapman, Ambassador of Ghana to the United States; the Honorable Kojo Botsio, M. P., Minister of Trade and Industries; the Honorable Kofi Baako, M. P., Minister of Information and Broadcasting; Mr. A. L. Adu, O. B. E., Permanent Secretary, Ministry of Defense and External Affairs; Mr. Enoch Okoh, Acting Secretary to the Cabinet; and the Honorable Kimla A. Gbedemah, Minister of Finance.

The VICE PRESIDENT. Members of the Senate and our guests in the galleries, it is my great honor to present to the Senate a dynamic leader of a new nation, and a friend of the United States, the Prime Minister of Ghana.

[Applause, Senators, and occupants of the galleries rising.]

ADDRESS BY THE HONORABLE KWAME NKRUMAH, M. P., PRIME MINISTER OF GHANA

Thereupon, from his place on the rostrum, the Prime Minister of Ghana delivered the following address:

Mr. President, Honorable Senators, I wish to express my appreciation for your invitation to come here today. It is indeed a great honor to stand before a Senate whose deliberations have guided, and will continue to guide, the destinies of the American Nation, and whose decisions affect people in every corner of the world.

I speak to you on behalf of the Government and people of Ghana—one of the youngest of nations, but one dedicated to those same ideals of liberty and justice which have always guided your own great country. I trust that my visit, at the kind invitation of your great President, will strengthen the ties of friendship which already exist between your country and mine.

I have some appreciation of the weight of responsibility and the burden of work which presses on the distinguished Members of this great Senate, and I therefore have no intention of talking to you at length. I simply wish to emphasize six basic points.

First. Like you, we believe profoundly in the right of all peoples to determine their own destinies. We are therefore opposed to all forms of colonialism—old and new—and we want to see all nations and their peoples genuinely independent and seeking a higher standard of life. In this respect we have a special concern for those of our fellow Africans whose countries are not yet independent.

Second. Like you, we seek a world of peace where men and women may bring up their children in tranquillity and security. Our foreign policy is one of nonalinement, but let no one misinterpret our position in matters affecting the independence of our own nation or the independence of others. I know that you will always finds us alined with the forces fighting for freedom and peace.

Third. We give our full support to the United Nations and its Charter.

Fourth. We pray that your deliberations may succeed in achieving some relaxation in world tension and thus ease the vast burden of expenditure on armaments which weighs so heavily on this country and others. If that can be achieved, we hope that part of the resources thus saved could be used to banish poverty, disease, and illiteracy from the less fortunate parts of the world.

Fifth. I pay tribute to you and your people for the wonderful generosity which you have displayed over the last 13 years in assisting nations devastated by war, and the many other countries which have needed economic help. I am sure that this remarkable record will be enshrined in the history of the world for all time.

Sixth. I do not come to the United States asking for direct financial aid. We need American investment—both Government and private—but only for projects which can stand on their own feet, and ultimately repay the original capital with reasonable interest.

I thank you, Mr. President, and Members of the Senate, for according me this honor. You can be assured of our enduring friendship and good will, and I am certain that the friendship which today exists between the United States and Ghana will endure so long as our two countries exist.

Again, I thank you, Mr. President. [Applause.]

The VICE PRESIDENT. We also have as guests of the Senate today members of the Prime Minister's Cabinet. I should like to ask them to stand, so that the Members of the Senate and our guests will know them.

The Honorable Kojo Botsio, Minister of Trade and Industries.

The Honorable Kofi Baako, Minister of Information and Broadcasting.

The Honorable Kimla A. Gbedemah, Minister of Finance.

Mr. A. L. Adu, permanent secretary, Ministry of Defense and External Affairs.

Mr. Enoch Okoh, acting secretary to the Cabinet.

(The distinguished visitors rose, and were greeted with applause, Senators rising.)

The VICE PRESIDENT. I also introduce a distinguished guest whom we all know, the Ambassador of Ghana to the United States, His Excellency D. A. Chapman.

(Mr. Chapman rose, and was greeted with applause, Senators rising.)

The VICE PRESIDENT. As is our custom, we shall now have the opportunity to meet the Prime Minister in the well of the Senate.

The Prime Minister of Ghana was escorted to a position on the floor of the Senate in front of the Vice President's desk, and was there greeted by Members of the Senate, who were introduced to him by Mr. JOHNSON of Texas and Mr. KNOWLAND.

Following the informal reception, the Prime Minister and those accompanying him were escorted from the Chamber.

RESUMPTION OF LEGISLATIVE SESSION

At 3 o'clock and 32 minutes p. m., the Senate reassembled when called to order by the Presiding Officer (Mr. COTTON in the chair).

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting nominations was communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. TALMADGE in the chair) laid before the Senate a message from the President of the United States submitting several nominations, which were referred to the Committee on Interstate and Foreign Commerce.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 3420) to extend and amend the Agricultural Trade Development and Assistance Act of 1954, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the bill (S. 3651) to make equity capital and long-term credit more readily available for small-business concerns, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H. R. 11636) to repeal section 6018 of title 10, United States Code, requiring the Secretary of the Navy to determine that the employment of officers of the Regular Navy on shore duty is required by the public interest.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 12541) to promote the national defense by providing for reorganization of the Department of Defense, and for other purposes.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 488. An act to provide for the conferring of an award to be known as the Medal for Distinguished Civilian Achievement; and

H. R. 11805. An act to promote the national defense by authorizing the construction of aeronautical research facilities by the National Advisory Committee for Aeronautics necessary to the effective prosecution of aeronautical research.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

H. R. 7153. An act giving the consent of Congress to a compact between the State of Oregon and the State of Washington establishing a boundary between those States;

H. R. 7729. An act for the relief of August Widmer;

H. R. 13066. An act to fix and regulate the salaries of officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia, of the United States Park Police, and the White House Police, and for other purposes; and

H. J. Res. 589. Joint resolution for the relief of certain aliens.

HOUSE BILL REFERRED

The bill (H. R. 488) to provide for the conferring of an award to be known as the Medal for Distinguished Civilian Achievement, was read twice by its title and referred to the Committee on Labor and Public Welfare.

AGRICULTURAL ACT OF 1958

The Senate resumed the consideration of the bill (S. 4071) to provide more effective price, production adjustment, and marketing programs for various agricultural commodities.

Mr. HUMPHREY. Mr. President, there are some members of this body who still remember the late, great Ed O'Neal, who built the American Farm Bureau Federation into an effective national force for agriculture—by advocating successfully the very parity concept we are now being asked to destroy.

While there are many other serious flaws in this farm bill, the most basic of all is the abandonment of the parity principle and a return to the Hoover-era conditions of the early thirties.

Yet almost equally dangerous is an entering wedge to abandon devices and machinery by which farmers may adjust market supply into reasonable balance with demand.

The twin arms of basic farm legislation have been the willingness of Congress to offer a degree of price and income protection in return for participation of farmers in efforts of their own to adjust supply closer to effective demand.

Now we are seeking to chop off both arms.

Mr. President, I want Members of the Senate and the American public to understand that the pending bill provides price supports and no production controls. The only way I can interpret this kind of measure is that it is based upon a desire to kill off all effective price support legislation.

Frankly, I do not believe that an effective price support program is possible without production controls; and when I see a program being advanced which permits unlimited acreage, unlimited production, with price supports at the same time, I say that it can only add up to an economic disaster.

If at the present time, as the distinguished Senator from Kansas said not long ago, we have more than 1,200,000,000 bushels of surplus wheat, despite the fact that we have taken out of production 35 percent of the entire wheat acreage, imagine what would happen if we ever permitted unlimited production of any and all acres the farmers could plant, with a price support program in addition. I do not see how that kind of legislation could be justified.

On the one hand the administration complains about the surplus, and the American taxpayer has reason to complain about the cost of a farm program. On the other hand, the proposal before us, which is supported by the administration, would permit increased acreage—in the cotton situation, up to a 40 percent increase in acreage, and in the case of corn, no allotments whatsoever and no acreage controls at all. Already there are hundreds of millions of bushels of corn in surplus.

It seems to me that the only way to justify such a program is on the ground that the proponents are looking forward to the day when the surplus situation will be so bad, and the price situation so bad, that we shall scuttle every price support program. I hope I may be wrong in that prediction, but I can see very little to indicate that this program would do anything else but increase production by a very large measure, and thereby reduce prices.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. PROXMIRE. I ask the Senator from Minnesota if it is not true that a farm program of price supports without production controls is a prescription for disaster to the taxpayer?

Mr. HUMPHREY. I should say that if we have price supports and no production controls, particularly if the program covers all commodities, and there is no way to take acreage out of production with payments, it is bound to add up to increased supply, which, in turn, means lower prices.

Mr. PROXMIRE. It means, in the first instance, that the taxpayer will have to pay more and more and more in order to make it possible to support the surplus production, if there is no limitation on production.

Mr. HUMPHREY. That is my feeling.

Mr. PROXMIRE. In the second place, does it not follow, as night follows day, that, in view of the fact that only 12 percent of our people live on farms, and the 88 percent are taxpayers—of course, the farmers are also taxpayers—whose immediate economic interest, which is being catered to by propaganda, and so forth, is such as to cause them to be opposed to paying taxes to support farm programs, it is logical for those people to oppose supporting farm prices under such conditions.

Mr. HUMPHREY. That is correct. I believe there is a premeditated plan to aggravate the agricultural surplus problem to the point where the taxpayers become as utterly disgusted with it as they became disgusted with the potato fiasco.

I remember when I became a Member of the Senate in the 81st Congress, one of the first things we had to do was to repeal the potato price-support program. Why? It was because there were price supports with no production controls. There were price supports and unlimited production. Potatoes were piling up. We were putting blue ink on potatoes. We were destroying potatoes. We were spending hundreds of millions of dollars on potatoes, only to find that the American people became so utterly disgusted with the whole program that we had to throw it out.

Mr. PROXMIRE. The argument that follows, of course, and the argument which some Senators have made and which many people are making, is that many farm commodities are not supported.

Mr. HUMPHREY. Yes.

Mr. PROXMIRE. And that if we take support off the commodities which are supported, those commodities may not be hurt but, instead, benefited. Does it not follow, again as day follows night, that cheap feed will mean cheap milk so far as the farmer is concerned?

Mr. HUMPHREY. The Senator is correct. In fact, I have a little pamphlet in my hand entitled "Farmers Never Win Gambling With Cheap Feed." It states:

> You can't beat that old shell game, and here's why.

The pamphlet points out some very interesting facts. I will read some of the headlines:

> Cheap feed means cheap hogs. When somebody loses, somebody wins. Cheap feed means cheap cattle. Cheap feed means cheap milk.

Mr. PROXMIRE. That means cheap milk for the farmer, not cheap milk for the housewife.

Mr. HUMPHREY. The Senator from Wisconsin is quite right. He will recall that I have a standing offer that those who support the present farm program and the bill should come forward and demonstrate what the reduction in price supports on dairy products would mean to the consumer.

The galleries of the Senate are filled with consumers who, like my family, buy milk and cottage cheese and other kinds

of cheese. The Government price-support program, which has reduced the farmers' income by hundreds of millions of dollars, has been disastrous. In my State the loss of income is more than $25 million. That is like taking $25 million and throwing them into the Mississippi River at floodtime, to be flushed down the river into the Gulf of Mexico. The price of milk has not gone down 1 cent.

Mr. PROXMIRE. That is, the price of milk to the housewife has not gone down.

Mr. HUMPHREY. To the housewife; yes. The price of butter has not gone down. The price of cheese has not gone down. The only thing that has not gone down is the income of the processor. That has gone up.

The pamphlet I have in my hand, which contains information from Government sources, reveals, for example, some very interesting statistics with respect to some packers. It shows the balance sheets of the three important packinghouses for the year ending October 1955, a little more than 2 years ago.

For example, Swift & Co. made a net profit of $22,893,155, an increase in profit over the previous year of 20 percent. Wilson & Co. made a net profit of $4,571,051, which is an increase in net profit over the previous year of 46 percent. The Rath Packing Co. made a net profit of $2,637,300. That is an increase in the net profit over the previous year of 86 percent.

Mr. PROXMIRE. At this point I should like to remind the Senator from Minnesota that this morning the Washington Post carried an article which announced that General Foods had increased its dividends by a large amount. That is being done at the very time the Senate is considering a bill which will reduce very sharply the prices the farmers will receive for their products.

Mr. HUMPHREY. The pamphlet reveals that, while cattle prices were down, so were feed prices down. Feed prices were cheap. Cattle prices were cheap. However, the profits of the processors were rather good.

I do not wish anyone to misunderstand me. I am not opposed to processors making a good profit. They have a big investment. Merely because farmers get into trouble, I do not mean to say that everyone else should get into trouble also. What we should attempt to do is design a policy which will permit those who are in difficulty to get out of the difficulty without in any way jeopardizing the economy or the profits or the economic position of those who are not in trouble.

Mr. PROXMIRE. I agree with the Senator from Minnesota. There is no question about the fact that high profits are good, just as are high wages and high farm income.

I should like to conclude by asking one more question of the Senator. Is it not true that the bill, if passed, will mean cheap feed and that cheap feed will mean cheap milk—cheap milk for the farmer, not cheap milk for the housewife—with an ever-widening spread which will lead relentlessly to economic depression in town and city?

Mr. HUMPHREY. The Senator is absolutely correct.

At this point in the RECORD I ask unanimous consent to have printed a table on feed grains.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Feed grains: Average price received by farmers

	Corn (bushel)	Oats (bushel)	Barley (bushel)	Sorghum grain (hundredweight)	United States average market price to producers manufacturing milk (hundredweight)	Production of milk on farms (million pounds)
1952	$1.47	$0.79	$1.37	$2.82	$4.00	114,671
1953	1.42	.74	1.17	2.36	3.46	120,221
1954	1.38	.71	1.09	2.25	3.15	122,094
1955	1.21	.60	.92	1.75	3.19	123,128
1956 [1]	1.21	.69	.99	2.05	3.31	125,474
1957	1.02	.61	.89	1.72	3.29	126,381

[1] Note that in 1956—an election year—feed grain prices rose. After the presidential veto of the 90-percent-of-parity farm bill in early 1956, feed grain price supports were temporarily raised.

Mr. HUMPHREY. The table shows that in 1952 the price of corn was $1.47 a bushel. In 1957 it had dropped to $1.02.

The price of oats dropped from 79 cents in 1952 to 61 cents in 1957.

The price of barley dropped from $1.37 in 1952 to 89 cents in 1957. Sorghum grain dropped from $2.82 a hundredweight in 1952 to $1.72 in 1957. The average market price to producers of manufacturing milk dropped from $4 a hundredweight in 1952 to $3.29 a hundredweight in 1957.

What happened to the price of milk in the grocery stores from 1952 to 1957? If the occupants of the galleries could respond, and I were to ask the housewives what happened to the price of butter and milk since 1952, and what they had to pay for milk and butter in the grocery stores since 1952, they could give only one answer, and that is that the price has gone up.

The price of the feed the farmer uses to feed his cattle has gone down, and the prices the farmer receives for his products have gone down. At the same time, of course, as I said, the prices in the grocery stores have gone up. The price of butter and the price of cheese have gone up.

Nevertheless the Department of Agriculture says that if we reduce the farmer's prices, we reduce surpluses. That is the greatest hoax which has ever been perpetrated on the American people. It is unmitigated nonsense.

Production of milk on farms went up from 114,671,000,000 pounds in 1952 to 126,381,000,000 pounds in 1957. At the same time, the average market price to producers of milk went down from $4 to $3.29. There was an increase of 12 billion pounds in the production of milk. At the same time, there was a decrease of 71 cents in the price of milk the farmer received.

It is about time we called some people on the carpet and asked them to prove all the public relations nonsense which is spewed out all over the land. They have tried to lead persons to believe that if we cut the farmer's price, the supply will be reduced. In other words, if we punish him, the farmer, he will cut back the supply. The truth is he does not cut back the supply. He cannot cut back the supply. He must have a certain amount of money with which to pay his taxes. He has to have a certain amount of money to pay the doctor. Doctors' bills have not gone down. Taxes have not gone down. The price of gasoline has not gone down. Nothing has gone down except the cheap advice the Department of Agriculture gives to the farmers. Everything the farmer touches has gone up. I say again that it is about time that those who continue to mouth and reiterate that by reducing prices, production is reduced, should prove their statements. They cannot do it. They cannot produce one scintilla of evidence. But they continue to say it again and again and again.

There is only one other place in the world where there is that much concerted lying. There is only one other place in the world where there is that much official lying—and that is what it is: It is a lie, and a big lie. It is an expensive lie. There is only one other place in the world where such lying is done, outside the allegations and public relations of our agricultural policy, and that is in the Kremlin. Again and again the American people have been led to believe that all that was necessary was to reduce the price, and the farmer would then reduce his production. I assert, without fear of successful contradiction, that that is pure, unmitigated misrepresentation; it is an outright falsehood.

Mr. President, the proposed legislation lessens or takes away price protection; at the same time, it deliberately abandons any vestige of trying to discourage overproduction of corn and feed grains.

Which commodity will be the next to have the door thrown wide open, to the detriment of producers and the benefit of processors? I shall have much more to say later about the corn and feed grain situation and its implications on other commodities, because I shall offer some amendments on that very section of the bill. For the time being, however, suffice it to erect a "caution" flag against abandoning such a fundamental principle of farm legislation.

My third major objection to this bad legislation is in its omissions, rather than its commissions.

It is ridiculous to talk about an omnibus farm bill that shuts its eyes to the acute economic problems of wheat, dairying, and other farm enterprises just as significant to our total economy or even more so than some involved in this legislation.

It is bad enough to neglect entirely great segments of American agriculture needing help.

It is worse to chart blindly a course for other commodities without regard for the adverse effect such a course itself will have on the neglected commodities.

For example, opening the door to unlimited expansion of corn and feed grain production, at a time we already have serious surplus problems, spells new troubles ahead for our entire livestock economy.

I warn Congress that next year there will be no more acreage reserve. The acreage reserve will be out. The acreage reserve has absorbed millions of acres of land by taking it out of production. If the bill shall pass, next year farmers will have the opportunity for unlimited production. The acreage reserve will be a thing of the past. That will mean 66 million acres, which have been taken out of production by either acreage allotments or acreage reserve payments, will be available for planting. We can look forward to having most of those 66 million acres go back into production.

The bill provides a $1.10 minimum price support for corn. Oh, Mr. President, there will be so much corn in America's countryside when millions and millions of acres of land have been put back into production that what will happen to the market price of corn will be nothing short of scandalous. I make that prediction.

I made a prediction in the Senate in 1956 when we amended the law to provide a $1.25 minimum price for corn—which we did in 1956. It was for corn which was not under acreage allotments. The price was $1.25 for corn which was in no way controlled. Anybody who wanted to plant an acre of corn was guaranteed $1.25 a bushel. Of course, that was an election year. Such a plan had never been undertaken before in the history of the country. Moreover, it was a presidential year. It was worth 15 cents more in a presidential year. This year is simply a Congressional election year. Now the administration proposes to pay only $1.10. Prices are better in a presidential year, when the big show is on.

What was the result of that $1.25 guaranteed price? What was the result of the first break into that acreage allotment system, which had been used in the case of corn for years? The result was a 3-billion-bushel surplus. Think of it. The result was an unbelievable surplus of corn production. We have never gotten it off our backs since.

Before that, it was normal to have at least a 2- or 3-months' corn supply on hand. But, as a result of that kind of what I call agricultural politics, which came from so-called highminded and highprincipled men, the Nation had the greatest surplus of feed grain America had ever known. It has been depressing the corn and feed grain markets ever since.

I find that the American farmers are perfectly willing to accept controls. The wheat farmers are taking controls. They voted for them again only recently. They are willing to take controls, particularly if they are given a fair price. They do not desire to flood the market with their products.

But if one goes to Mr. Farmer and says, "Here is $1.25 for any bushel of corn you can produce, so go ahead and produce it; do not worry about a thing; produce, produce, and produce," particularly if it is a presidential election year, and particularly if it looks as if the party is not doing too well in the corn belt, there will be plenty of corn production.

The taxpayers of America pay for it. It ought to have been added, somewhat, to the campaign costs.

Mr. President, opening the door to a vast expansion of cotton acreage to meet textile needs cannot help but mean a similar expansion of cottonseed production, because when cotton is produced, cottonseed also is produced. From this production comes new price-depressing competition to soybean oil, lard, even butter, and, yes, linseed oil.

By now Congress should have learned the interlocking relationship of our farm economy, and realize that we must consider the whole picture. It is not enough to try and cure one problem, if we are creating a dozen more. Before I am through in this debate, I shall document for the Senate in more detail just how devastatingly dangerous this bill would be to vast segments of agriculture who might, on the surface, think they are not even involved.

One of the great dangers of the bill is the subterfuge of its design, to sound relatively innocent with provisions that hide or belie the real intent.

Many who have advocated support of this measure, I am convinced from some of the communications I have received, have not the slightest idea of all that is entailed. They are taking a limited view of what might be some short-run gains for the textile industry, for example, and, I believe, shutting their eyes to the total consequences in our economy.

The Senate must beware of selling the farmer's birthright of just treatment for a mess of pottage around which a tremendous propaganda campaign has been built.

Mr. President, perhaps the most honest appraisal of this measure which I have seen is the analysis by the National Farmers Union which looks behind the surface language to find what is in the fine print—and what is behind the fine print. I ask unanimous consent that the analysis be printed at this point in my remarks.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SPECIAL AND URGENT REPORT ON LEGISLATIVE DEVELOPMENTS—REPORT ON S. 4071, PROPOSED AGRICULTURAL ACT OF 1958

This bill is unbelievably bad. If enacted, it would represent a 180 degree turn away from kind of farm policy favored by Farmers Union. Specifically, it greatly weakens the existing price-support programs for corn, cotton, rice, sorghum grain, rye, oats, and barley.

But its long-term fundamental implications are even more threatening and disastrous than the rather sizable immediate cuts it makes in the support levels of these specific commodities. The very serious threat of this bill to family farming takes a little time to soak in. But when it hits, the impact is tremendous. This bill, if enacted, could well set into motion the economic and political process by which vertical integration by nonfarm corporations would replace family farming as the basic structure of American farming.

1. The bill adopts the reactionary concept that the so-called free market, rather than parity, should be the goal and measuring guide of farm programs. Price support levels based on parity are replaced by (a) fixed dollar and cents floors and (b) the ever-falling support level of 10 percent below the average market price of preceding 3 years.

2. Bill abandons or seriously weakens the idea that market supply management through marketing quotas and similar devices shall be used to enable farmers to acquire bargaining power. Acreage allotments for corn completely eliminated. Function of marketing quotas in cotton and rice programs completely changed.

3. If program is enacted for such politically important commodities as corn, cotton, and rice, it would probably be only a matter of a few years until the above two principles would be applied to wheat, tobacco, milk, and other commodity programs.

Bill is a suck-in subterfuge so designed as to sound relatively innocent, with provisions that hide or belie the real intent.

CORN

For example, the fundamental principles of the bill are applied immediately and fully only to corn. Corn is removed from the category of basic commodities. The acreage allotment program and price supports based upon a percentage of parity is repealed effective in 1959. Instead of making the existing corn program more workable, the whole program is abandoned and a new program with a built-in dual highway back to the completely free market is established in its place. Corn supports in the bill are set at (a) not less than the fixed dollar and cents figure of $1.10 or (b) 10 percent below the average market price of the preceding 3 years. With prices paid by farmers rising every year by 3 percent or more the fixed $1.10 would mean less and less as years go by. With 3 years of $1.10 support levels and market prices the support level under the other formula would drop to 90 percent of $1.10 or 99 cents per bushel.

OTHER FEED GRAINS

The support levels for grain sorghum, rye, oats and barley are set at feed value equivalent to corn supports or 60 percent of parity. After a few years, if 60 percent of parity got secondary feed grain supports out of line with the dropping support price of corn, you can be sure that Congress would be pressured by the proponents of this approach to eliminate the 60 percent floor.

It should also be noted that the 60 percent floor for the secondary feed grains is 14½ percent below the 70 percent of parity support level established for 1958 by Secretary

Benson. For grain sorghum, for example, this would mean a support level of $1.62 per hundredweight as compared with the 1958 support price of $1.83. Incidentally, the feed value equivalent of grain sorghum to 99 cent corn is $1.77 per hundredweight. The effect of the bill on rye, oats, and barley would be similar to that I have described on grain sorghum.

COTTON AND RICE

Bill puts off the free market pricing for cotton and rice by 2 years. That's the suckin feature. A Farm Bureau witness frankly explained the reason to a House subcommittee recently. He said cotton and rice farmers weren't willing yet to accept price supports based on 90 percent of the free market. But with 2 years educational program, he thought they would be willing.

For all intents and purposes, the long-term program for cotton and rice is the same as for corn and the other feed grains. Prices would be supported at not less than 10 percent below the average market price during the immediately preceding 3 years. Marketing quotas and acreage allotments would be relaxed considerably more than economic application of the price inelasticity of demand would indicate, and surpluses would continue to pile up in CCC forcing still further reductions in support levels.

COTTON

For cotton, in 1959 and 1960 each individual producer would be given the option of taking (B) his share of 16 million acre national allotment plus 40 percent more acres and 60 percent of parity supports; or program (A) his share of 16 million acres with supports at whatever the sliding scale calls for with the supply percentage calculated to include the additional cotton that would be produced in program B. (Thus, the temporary support level for even program A would probably be no more than 75 percent of parity in 1959.) Note that the 16 million acreage allotment for 1959 is a rather severe cut from the 1958 national acreage allotment of 17.7 million acres. The program is thus loaded so that most producers will be forced to add 40 percent extra acres, take 60 percent supports and thus get in line to fit into the 10 percent below market price supports that are scheduled to go into effect in 1961. As an added feature to suck in the southeastern cotton areas with attractive bait, acreage allotments of 10 acres or less would not have to be cut below the 1958 allotment.

The bill now provides that in no event shall the market price of cotton be allowed to drop below 30 cents per pound for middling 1 inch; that's about 26 cents a pound for seven-eighths-inch middling which is currently the official grade for price-support purposes. The 26 cents compares with a 1958 support price of 31 cents.

RICE

Bill freezes 1958 rice acreage allotments permanently, and removes rice from category of basic commodities whose support level would be calculated according to the supply percentage table in the 1949 act. Thus, even if rice supplies are reduced the floor support level would not be raised. Instead, for 1959 and 1960, the support floor for rice would be a simple 75 percent of parity. Beginning in 1961 the rice support level would be calculated as 10 percent below the average market price for the preceding 3 years. Sets $4 per hundredweight as minimum. (Which is subject to later change by Congress, of course.)

LONG-TERM PRICE IMPLICATIONS FOR COVERED COMMODITIES

This bill, which applies specifically to cotton, rice, corn and the other feed grains is a highly dangerous entering wedge to making a reactionary reversion to the fully flexible free market farm price policy of the early 1920's.

The reversion to free market pricing without market supply management and without compensatory payments goes into effect for corn and other feed grains in 1959 and for cotton and rice in 1961. Thus, the support and market prices of these commodities would swiftly fall to the long-term equilibrium free market level as during the 1920's and in the early 1930's, after the Federal Farm Board went out of business. The United States price of cotton and rice would be the price established in European and Japanese markets in competition with cotton grown in other lands minus the cost of transportation across the Pacific or Atlantic Oceans. The United States price of feed grains would be established by the United States free market price of livestock which would be the Polish and Scandinavian price plus freight to the British Isles and France. Practically all economic statisticians who have studied the matter believe that corn would never rise above 95 cents in the Chicago market.

IMPLICATIONS OF BILL FOR COMMODITIES NOT SPECIFICALLY COVERED

More important to American agriculture as a whole, than even the destruction of the corn, cotton and rice programs by enactment of the bill, would be the economic and political time bombs that its enactment would set up for future destruction of all the other farm income programs provided in existing law.

WHEAT, TOBACCO, AND PEANUTS

The implications of the bill for wheat, tobacco and peanuts are practically obvious. If 10 percent below the free market and little or no market supply management is good enough for 3 of the basics (cotton, rice and corn) it ought to be good enough for the other 3. In addition, weakening the price support structure for cotton and corn will put added pressure on the wheat market in two ways (1), in the competition for land use and (2), in the market. And even more important, Congress could not be expected indefinitely to maintain existing programs for wheat, tobacco and peanuts, if the other 3 basics were operating on the 10 percent below market price formula.

If, as seems inevitable to me, the bill's principles were applied to these other basic commodities, then the wheat, tobacco and peanut marketing quota programs would be repealed and price supports for those commodities would be placed on the basis of 10 percent below the average of the previous 3 years with unlimited production.

No one knows for sure how far the price of tobacco would fall, certainly to the figure below which Rhodesia could no longer raise tobacco with what amounts to practically slave labor. The support level for wheat would drop to 10 percent below the domestic United States market price for corn plus 4 or 5 cents. Wheat would be lucky to average $1 per bushel, year in and year out, with the price much below that in years of heavy world wheat supply in relation to the supply of corn and sorghum grain.

The support price for peanuts in this event would drop to 10 percent below the price the market would pay for their use for oil.

MILK AND DAIRY PRODUCTS

The bill has no provisions specifically for milk. As of now the existing 75 percent of parity floors for butterfat and manufacturing milk would remain in effect, as would the provisions under which Federal milk marketing orders are established.

But with feed grains and wheat on a 10 percent below market price support program, there would not be any lack of farm program wreckers who would spend a lot of time pointing to the unusually favorable milk-feed ratio and start raising cain. Moreover, they would have some economic facts to point to. With feed grains and wheat on the free market, with livestock prices dropping to fit free market feed grain prices, there would be a great incentive for everybody who could to go into the business of producing milk for sale to the Government at the then relatively favorable 75 percent of parity fixed floor. Government purchases of dairy products would greatly increase; the amount of costs recoverable in distribution outlets would fall, and the net Government costs of the dairy program would soar. This would set the stage for a great hue and cry to add butterfat and manufacturing milk to the list of commodities that had been placed on the 10 percent below market price support program.

BUTTERFAT

If butterfat were placed on the 10 percent below market price support floor, it would be only a matter of years until the support price for butterfat would drop to 10 percent below the wholesale price of oleomargarine; this would mean a drop from the 1957–58 support level of 58.6 per pound to less than 20 cents per pound.

MANUFACTURING MILK

If the support floor for manufacturing milk were placed upon a 10 percent below free market basis, the volume of consumption of ice cream would undoubtedly increase by more than the price fell. But the price of cheese, of dry milk solids and of evaporated milk would probably drop to the Philippine or Venezuelean free market price minus freight. The price of dry milk solids would fall to feed value, or less than the cost of transporting skim milk from the farm to the drying factory. United States cheese prices would drop to the European price minus Atlantic Ocean freight.

CLASS I FLUID MILK UNDER FEDERAL MARKETING ORDERS

This type of milk, and the producers thereof, would be affected by this bill in three possible ways.

First, most of these producers bring to market a surplus of milk above that which goes into class I bottles for delivery to housewives. All of such surplus milk would drop in price as indicated above for manufacturing milk and butterfat. Consequently, the blended average price of participating milk producers in Federal order areas would fall as a result of lower prices for class II milk.

Second, in most market order areas the price placed on class I milk is determined, at least in part, by the market prices of manufacturing milk and butterfat. Thus the class I price would be deflected downward.

But, the third implication of this bill is probably the most dangerous to milk order area producers. The Federal milk orders, under the Agricultural Marketing Agreements Act, have special criteria for pricing of class I milk. But is it reasonable to suppose, politically, that if all other farm commodities and all other kinds of milk and milk products are being priced and supported under the 10 percent below market price theory, the the Federal milk order legislation will not also be changed to use the 10 percent below market formula rather than the criteria now specified in the law.

Former Assistant Secretary Earl Butz and present Assistant Secretary of Agriculture Don Paarlberg have in various speeches both pointed out that the same points made in favor of the Benson philosophy for manufacturing milk in relation to artificial supports were equally applicable to class I milk pricing under Federal orders. The implications of these statements, taken in relationship to the provisions of the Senate committee bill, seem clear and prophetic.

It would be just a matter of time until all milk was reduced to the uncontrolled free

market level. Nobody now knows for sure how long that might be, but reliable estimates put it in the neighborhood of $1.75 to $2 per hundredweight compared with a current average price of all milk wholesale of $4.11.

SUMMARY

As is relatively clear from the foregoing discussion, I feel that the hidden and long-term implications of S. 4071, the Senate committee farm bill, are more dangerous and sinister than even the injustices specifically done to corn, cotton, rice, sorghum grain, rye, oats, and barley.

As I understand the deals that have been made, the administration has agreed to sign the bill as passed out of the Senate committee.

Because it provides for freezing rice acres at the 1958 level, reduces the scheduled cut in cotton acres, and eliminates corn allotments entirely, the bill has a certain amount of surface attractiveness to someone who takes only a quick look at its provisions.

Actually, the bill is a first step down a long road that ends in the kind of farm price situation that came about in 1932 after the Federal Farm Board beginning was abandoned.

It will be extremely difficult to defeat the committee bill. Lots of people hate to vote against a farm bill. The offer of the administration to sign it and give cotton and rice producers some acreage relief in 1959 will be persuasive. Every possible effort is being made to prevent any widespread knowledge of the provisions of the bill from becoming widely known prior to Senate floor consideration. The first effort by its proponents was to rush the bill through to passage even before Alaska was admitted to the Union.

Senator HUMPHREY stopped that by putting up a flag in the Democratic policy committee that the bill was controversial. Now it would appear that the bill will not be debated prior to the middle of next week, and probably not until July 11.

However, the committee report does not explain the true nature of the bill, but wraps the whole thing up in soothing sirup, as you can tell from reading it. Time was not adequate for HUMPHREY, PROUTY, and SYMINGTON to make a complete and comprehensive analysis of the bill in drafting their minority views.

This bill goes a long way in the direction of adopting the major provisions that Benson and Eisenhower recommended at the beginning of the session. In fact, the bill differs only in minor particulars for the commodities to which the principles are applied in the bill.

Support levels of proposed bill compared with that which would otherwise be in effect for 1959 are shown in the following table:

EXISTING PROGRAM

Cotton: 35 cents per pound.
Rice: $4.72 per hundredweight.
Corn: $1.36 per bushel.
Sorghum grain: $1.83 per hundredweight.
Oats: 61 cents per bushel.
Rye: $1.10 per bushel.
Barley: 93 cents per bushel.

PROPOSED FOR 1959 IN SENATE BILL

Cotton: 29 cents per pound.
Rice: $4.33 per hundredweight.
Corn: $1.10 per bushel.
Sorghum grain: $1.60 per hundredweight.
Oats: 57 cents per bushel.
Rye: 96 cents per bushel.
Barley: 90 cents per bushel.

In later years, of course, the prices of all these commodities would fall from year to year until the free market price stabilized at the world price or whatever other level it might stabilize at. Serious as these specific weaknesses of the Senate bill are they are outweighed by the long-term implications discussed above.

Since the Senate bill, if enacted into law, sets up the economic and political time bombs that could and probably would return all farmers to the unregulated unaided free market, it seems to me that this would largely open the way to usher in the era of farming by vertically integrated nonfarm corporate management, probably most commonly chainstores.

Unless the trend in that direction were stemmed and changed, it would spell the doom of the family farm and family farm rural communities as we have known them. The agricultural producers then would not need farm organizations but a specialized type of bargaining agency somewhat similar to industrial labor unions.

Mr. HUMPHREY. Mr. President, this particular analysis is very concise. It covers each commodity—feed grains, corn, cotton, and rice. It shows the long-term price implications; the implications of the bill on commodities not specifically covered. It depicts the implications of the bill for wheat, tobacco, and peanuts. It gives a very fine portrayal of what will happen to milk, dairy products, butterfat, manufacturing milk, and, yes, indeed, class I fluid milk, which ordinarily is protected or taken care of under milk-marketing orders.

The summary analysis which has been prepared by the National Farmers Union legislative service on this particular bill is worthy of the careful consideration of every Member of the Senate.

Let me give as one example a comparison of the support levels of the bill with what is now in existence or what would go into effect for 1959 under the present law. Let us consider cotton. Under the present law, cotton would be supported at 35 cents a pound.

Under the present law, the price of cotton would be 35 cents a pound. Under the pending bill, it would be 30 cents a pound.

Under the present law, the price of rice would be $4.72 a hundredweight. Under the pending bill it would be $4.33.

At the present time, under the price-support levels, farmers who participate in the acreage-allotment program are receiving $1.36 for corn. Under the pending bill the price would be $1.10.

Under the existing law, which is not too good, the price of grain sorghums averages $1.83. Under the pending bill, the price would be $1.60.

Under the present law the price of oats is 61 cents a bushel. Under the pending bill, it would be 57 cents a bushel. So all Senators who voted for the bill would be able, when they returned home, to announce proudly in all the counties of their States in which oats are produced that they voted to cut the price of oats to 57 cents a bushel. Certainly that would be a cheerful message to the hard-pressed oats producers.

Mr. SYMINGTON. Mr. President, will the Senator from Minnesota yield to me?

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Missouri?

Mr. HUMPHREY. I am glad to yield.

Mr. SYMINGTON. No one understands more thoroughly than does the distinguished Senator from Minnesota [Mr. HUMPHREY] the agricultural problems of the country. All of us know of his devotion to the farmers of the Nation.

In a case of this sort, it is true, is it not, that facts are the things that count the most?

Mr. HUMPHREY. That is correct.

Mr. SYMINGTON. I should like to develop several facts, if I may, with the distinguished Senator from Minnesota.

The distinguished Senator mentioned, first, corn. It is true, is it not, that, in 1957, $179 million of the money of the taxpayers was put into the Soil-Bank program, to reduce the production of corn; but the Government ended up with 222 million more bushels of corn in the Commodity Credit Corporation stocks? That is a fact, is it not?

Mr. HUMPHREY. It is.

Mr. SYMINGTON. Moreover, there was no cross-compliance. Therefore, in my State, and, I am sure, in other States, the greatest change that occurred in the farmers' fields in 1957, as compared with the situation in the previous year, was the large amount of sorghums grown. Is not that correct?

Mr. HUMPHREY. Yes; and the sorghums have a high feed equivalent.

Mr. SYMINGTON. I believe it is about the same as corn.

Mr. HUMPHREY. Yes.

Mr. SYMINGTON. Is it not also true that many farmers placed corn acreage into the Soil Bank, received payment on the retired acres, and then proceeded to produce a crop with more feed value than had ever been grown on the farm?

Mr. HUMPHREY. Either as much, or more.

Mr. SYMINGTON. It is also true, is it not, that in the same year—as the Senator from Minnesota has well brought out—in which the compliers were paid $1.50 for corn, the noncompliers were notified that they would not be paid anything? Yet later, for reasons which I am sure are well known to the distinguished Senator from Minnesota, it was announced that $1.25 would be paid to the noncompliers.

Mr. HUMPHREY. Yes; the price for corn grown by farmers who did not come under the control program was $1.25; and those farmers were permitted to plant all the corn they wanted to.

Mr. SYMINGTON. Is it not also true that today the basic problem may well be that the Department of Agriculture has never really tried to apply the controls which are provided by the law? Is not that a fair statement?

Mr. HUMPHREY. It is my view that the Department of Agriculture has looked with disdain on production controls, has endeavored to weaken the ones we have, and has felt that it could rely upon having the democratic process operate in the case of the prices—a plan which has not worked.

Mr. SYMINGTON. In 1933, the principle of parity was established, was it not?

Mr. HUMPHREY. Yes; in the 1933 act.

Mr. SYMINGTON. Over a period of 20 years, from 1933 to 1953, as the able Senator from Louisiana [Mr. ELLENDER] once pointed out—there was a total loss on all price-support activities of approximately $1 billion. This included a loss of

approximately half a billion dollars in the case of potatoes. Is not that correct?

Mr. HUMPHREY. The total, aggregate loss on all the operations of the Commodity Credit Corporation for 20 years was approximately $1 billion plus, or the equivalent of 35 cents for each person in the Nation.

Mr. SYMINGTON. Whereas, in the case of cotton, there was actually a profit of approximately $265 million; was there not?

Mr. HUMPHREY. That is correct; the operations in respect to cotton were very profitable.

Mr. ELLENDER. The actual figure is $267 million.

Mr. SYMINGTON. I thank the distinguished chairman of the Committee on Agriculture and Forestry.

We know that because of weather conditions and floods in my State, there is a shortage of good-quality cotton. We also realize that cotton acreage will be reduced for the 1959 crop and that something must be done in regard to cotton. I believe the same general problem exists in the case of rice.

However, under the pending bill, the principle of parity, the basis of our farm program for 25 years would, in effect, be abandoned.

Mr. HUMPHREY. So far as the feed grains are concerned—oats, rye, barley, and grain sorghums—the bill would preserve the parity concept at 60 percent. But so far as the others are concerned, the parity concept would be abandoned.

Mr. SYMINGTON. The bill would maintain 60 percent of parity minimum price support on the feed grains; is that correct?

Mr. HUMPHREY. Only in the case of the commodities I have just now enumerated.

Mr. SYMINGTON. The floor is $1.10 on corn, regardless of the value of the dollar. We have already heard of efforts to lower that floor. After 2 years the parity concept for cotton would be abandoned.

Mr. HUMPHREY. That is correct; and that is a subject to which I have directed my attention today.

Mr. SYMINGTON. Because of the marking up of the Department of Defense appropriation bill, I did not have an opportunity to hear all the Senator's remarks.

The cotton farmers accepts the abandonment of parity in order to get a little more acreage in 1959, as would be the case under S. 4071. The effect may be similar to taking a narcotic in order to ease the pain at the moment: Momentarily the pain would be eased; but later it would be all the greater.

Mr. HUMPHREY. That is my view.

Mr. SYMINGTON. I thank the Senator from Minnesota. It is also my view.

If the basic reason for the pending bill is a desire to prevent sharp cuts in acreage of cotton and rice, is there any reason why that could not be done by means of a joint resolution passed by the Senate and the House of Representatives?

Mr. HUMPHREY. I believe a joint resolution, which requires Presidential signature, and is the same as statutory law, would suffice; and in that way we would be able to meet the acreage requirements for cotton and rice.

Mr. SYMINGTON. Then the only question would be whether the President would veto such a measure; is that correct?

Mr. HUMPHREY. Yes.

Mr. SYMINGTON. Some persons now are saying that if such a measure were passed by both Houses, the President would veto it. Does the distinguished Senator from Minnesota think the President ever would have an opportunity to veto Senate bill 4071, even if it were passed by the Senate?

Mr. HUMPHREY. I believe that Senate bill 4071, the pending bill, will not reach the President. I have no positive assurance on that score; but from my conversations with Members of the other body, I find that Senate bill 4071 is not favorably regarded; and the Members of the Committee on Agriculture in the other body have indicated privately to Members of this body that they will not take action on the bill.

It is true that that is only a feeling. On the other hand, it is just as much of a feeling as the feeling of those who say that they feel that the President would veto the measure.

Mr. MANSFIELD. Mr. President, is the Senator from Minnesota willing to yield at this time, in order that we may consider the conference report of the Department of Defense reorganization bill?

Mr. HUMPHREY. Certainly.

REORGANIZATION OF DEPARTMENT OF DEFENSE—CONFERENCE REPORT

Mr. RUSSELL. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 12541) to promote the national defense by providing for reorganization of the Department of Defense, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of July 24, 1958, pp. 14963–14968, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. RUSSELL. Mr. President, I move that the report be adopted.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Georgia.

Mr. SALTONSTALL. Mr. President, is the conference report being taken up, or is it being agreed to?

Mr. RUSSELL. I have moved that the report be adopted. The Senate had already proceeded to consider the report.

Mr. SALTONSTALL. I simply wish to say to the chairman of the Committee on Armed Services that I think the bill in its present form is an excellent example of cooperation between the Congress and the Executive in assisting in the reorganization of the Defense Department at a time when we all know the security of our country means so much.

I congratulate the Senator from Georgia and the Representative from Georgia in reconciling the differences between the two versions of the bill in a way which I am confident will be satisfactory to the Executive, and which will result in a better bill than either the bill which was originally reported in the House or in the Senate. The two gentlemen from Georgia can take a great deal of the credit for this bill, which I know will be helpful to the security of our country.

Mr. RUSSELL. I am very grateful to the distinguished Senator from Massachusetts for his very kind remarks. They are all the more generous when we consider that he is one of the prime architects of the bill, and participated in its enactment at every stage of the proceedings and through the conference which was held on yesterday.

Mr. SYMINGTON. Mr. President, I should like to join my distinguished colleague from Massachusetts in commending the distinguished Senator from Georgia for the magnificent job he has done with reference to the defense-reorganization bill. Most wishes of the President have been granted. As the Senator knows, I think the bill does not go far enough; but, because of his diligence and his parliamentary efforts, we have a bill which is satisfactory to the administration. I believe it will be of great help to our national security.

Mr. RUSSELL. I thank the Senator from Missouri. He is one of the outstanding members of the Committee on Armed Services, and contributed most effectively to the formulation and passage of the bill.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from North Dakota.

Mr. LANGER. Will the Senator tell me what happened with respect to the provision concerning the National Guard?

Mr. RUSSELL. The House accepted the Senate amendment which made the National Guard Bureau a statutory agency.

Mr. LANGER. I thank the Senator. I join the Senator from Massachusetts and the Senator from Missouri in thanking the Senator from Georgia for his work. I think such legislation is long overdue.

Mr. RUSSELL. I am grateful to the distinguished Senator from North Dakota for his kind remarks. I share the hope that the enactment of the bill will contribute to economy in the administration of the Department of Defense, and, above all, in giving the Nation the means of defending that which we all hold dear—what we call the American way of life.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. JOHNSON of Texas. This Congress will enact no more important legis-

lation than that embodied in this conference report. In my opinion, the conference report is before us today in the good shape it is in because of the diligence and dedicated and very able work of the senior Senator from Georgia. There is no Member of this body who enjoys higher respect in the Senate and in the country, and it is certainly justified, as demonstrated by the job he has done in connection with this extremely complex and controversial piece of legislation. I express to him my personal gratitude for the long hours he has spent in resolving this extremely important matter for the sake of the Nation.

Mr. RUSSELL. I am very grateful to the Senator from Texas. In turn, I wish to thank him for his contributions to the progress of the bill. They were numerous and very helpful.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

READJUSTMENT OF RETIREMENT BENEFITS OF CERTAIN INDIVIDUALS ON EMERGENCY OFFICERS' RETIRED LIST

Mr. RUSSELL. Mr. President, I ask that the Chair lay before the Senate the amendments of the House of Representatives to Senate bill 1732, in order that I may make a privileged motion.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1732) to readjust equitably the retirement benefits of certain individuals on the emergency officers' retired list, and for other purposes, which were, on page 2, line 12, strike out "such grade" and insert "the base and longevity pay which any such officer received while serving on active duty in that grade during the period September 9, 1940, to June 30, 1946"; on page 2, after line 15, insert:

(c) All erroneous payments of emergency officers' retirement pay made after September 30, 1949, and prior to the effective date of this act to any individual advanced by virtue of the authority contained in this act on the basis of service credits certified by the military department concerned, are hereby validated.

And on page 2, line 16, strike out "(c)" and insert "(d)."

Mr. RUSSELL. Mr. President, I move that the Senate concur in the amendments of the House to Senate bill 1732.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Georgia.

The motion was agreed to.

FISCAL STRAITJACKET AGAIN DOMINATES DEFENSE

Mr. SYMINGTON. Mr. President——

The PRESIDING OFFICER. The Senator from Missouri.

Mr. MANSFIELD. Mr. President, if the Senator will yield, I ask unanimous consent, under the circumstances, that as soon as the Senator from Missouri has completed his statement, the Senator from Minnesota [Mr. HUMPHREY] may again have his right to the floor.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. SYMINGTON. Mr. President, it is becoming increasingly clear that the fall of 1958 will see a repetition of last year's cash crisis in the Pentagon.

This can only mean that once more there will be a tightening of expenditure ceilings; and cutbacks, stretchouts, and postponement of payments.

There are two sets of circumstances which may well bring this about.

First, as a consequence of the disastrous results of last year's cash crisis, the Department of Defense does not intend to again let itself get into the position of going through half a year before specific expenditure controls are intensified.

The Department has not forgotten that contractors' expenditure estimates were about 16 percent high last year. Nor have they forgotten that this caused the cancellation of some essential programs which might otherwise have survived.

In order to obtain a better job of planning, contractors are now being asked to furnish monthly expenditure estimates. While these are not actually called ceilings, they have the same net effect, because they put an immediate damper on any rising defense expenditures.

This action can only make defense contractors fearful of the consequences of exceeding their estimates; and, therefore, will bring on slowdown tactics—in effect, the opposite of efficient management.

Thus, we see once more the practice of placing fiscal considerations ahead of defense requirements. That is actually going on today, despite the current situation in the Middle East.

The second and more serious reason why cutbacks may be expected is the fact that the debt ceiling will not be high enough, at $280 billion, to permit the Government to finance its programs for fiscal 1959 or 1960.

Administration fiscal experts have already announced that the Government deficit for the fiscal year 1958 was $2,813,000,000; and it is universally agreed the deficit will be considerably greater in the fiscal year 1959.

Experts predict a 1959 deficit of between 8 and 15 billion dollars. A report issued 2 weeks ago by the Joint Congressional Committee on Internal Revenue Taxation leans toward the higher figure.

As clouds continue to gather in various parts of the world, the danger in this situation has even broader significance; especially because it is clear the debt ceiling in the second half of 1957 contributed to the administration's curtailment of defense programs.

It is also recognized that these curtailments were an important cause for the current recession.

In coming months, when increases in Government expenditures would stimulate economic recovery, the current debt ceiling could operate to choke off these expenditures, just at the time they were most needed.

Although the administration did ask for a temporary debt increase during the 3 previous years, last year it failed to make such a request. On the contrary, the debt limit was used as an excuse for failing to provide an adequate defense effort.

Because of recent world developments, this year the administration may ask for an increase in the debt limit prior to the recess of the Congress; or it may again wait until the Congress adjourns and then again try, by referring to the debt ceiling, to blame the Congress for administration failure to carry out the defense programs.

Therefore, at this time the administration should ask the Congress to increase the debt limit to that extent required by the national program.

Moreover, the law should be amended so the debt limit applies to the year-end situations, rather than throughout the year.

Some observers believe that the administration is worried primarily about inflation and a balanced budget, despite President Eisenhower's assuring last November 14 that we "would not sacrifice security worshiping a balanced budget."

Those were his words, not mine.

It is becoming more and more clear, however, that these words are not being turned into action.

Since the President gave that assurance, let us look at the record.

According to the official statistics prepared by the Department of Labor, and thereupon analyzed by the President's Council of Economic Advisers, the value of the dollar has decreased some 2 percent since October 1957.

Based upon the 1957 gross national product of $440.3 billion, this would amount to a decline in dollar value equal to $8.8 billion.

The defense supplementals for the fiscal years 1958 and 1959 reflect, in budgetary terms, the reaction of this administration to the growing danger.

These two supplementals—one for $1.3 billion, the other for $1.6 billion—added together amount to less than seven-tenths of 1 percent of the 1957 gross national product of the United States.

There we have the picture: A 2-percent decline in the value of the dollar, and a seven-tenths of 1 percent increase in defense budget requests.

This of course reveals that since last October there has actually been a decrease in our defense effort; and the accuracy of that latter statement is nailed down by the fact that, according to the Department of Commerce, from October 1957 to April 1958, defense expenditures decreased at the rate of 3 percent.

Unless there is a decision with respect to the debt ceiling, we can be assured that even less will be done in the future than has been done in the past.

Last year the administration concluded that a $5 billion increase in the debt limit was enough to handle an anticipated deficit of some $1.5 billion for the fiscal year 1958.

Obviously, therefore, it is important to know, now, while the Congress is in session, how much of an increase in the

debt limit is needed to handle the much greater estimated deficit for the fiscal year 1959.

Otherwise, regardless of any and all assurances, our defense effort will have to be curtailed.

If the administration does not make the proper request now, the problem engendered by the debt ceiling can only plague and endanger us later on.

With the world situation as it is, the people have the right to know the truth, so they can demand whatever action is necessary to meet the growing danger.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 2447. An act to authorize and direct the Secretary of the Interior to undertake continuing studies of the effects of insecticides, herbicides, fungicides, and other pesticides, upon fish and wildlife for the purpose of preventing losses of those invaluable natural resources following application of these materials and to provide basic data on the various chemical controls so that forests, croplands, wetlands, rangelands and other lands can be sprayed with minimum losses of fish and wildlife; and

S. 2617. An act to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, as amended.

AGRICULTURAL ACT OF 1958

The Senate resumed the consideration of the bill (S. 4071) to provide more effective price, production adjustment, and marketing programs for various agricultural commodities.

Mr. SYMINGTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the unanimous-consent agreement, the Senator from Minnesota is recognized.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that I may yield to the Senator from South Carolina [Mr. THURMOND], who has a statement to make, without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, I suggest that my remarks appear at the conclusion of the address of the Senator from Minnesota.

The PRESIDING OFFICER. Without objection it is so ordered.

(The remarks of Mr. THURMOND appear in today's RECORD following Mr. HUMPHREY's speech.)

Mr. HUMPHREY. Mr. President, I am particularly interested in the observations which have been made about the bill being a step in the right direction. I suppose if the bill is measured in terms of steps, it might be said that it is somewhat a step in a new direction, except that it is not the right direction; it is a step that is as slippery as a banana peel. I am afraid that the step in this direction would be like stepping on the proverbial banana peel. Without going into a physiological description of what happens to a person when he steps on a banana peel, even though the step might be in a new direction, the end result of the step would generally be disastrous.

The proposed legislation, quite frankly, is a patchwork product reflecting the frustration of Members of the Senate who are unable to reconcile their differences with a stubborn Secretary of Agriculture.

I do not think any members of the Agriculture Committee are very proud of this legislation, even those who support it. For the most part, it is the result of submission to what is virtually legislative blackmail—giving in to Secretary Benson, under the fear of otherwise getting nothing at all.

Repeatedly during the deliberations of the Committee on Agriculture and Forestry, as the present Presiding Officer, the distinguished Senator from Georgia [Mr. TALMADGE] well knows, when amendments were offered by some of us, we were told that if the amendments were adopted, no matter how meritorious they might be, we could expect the bill to be vetoed. In fact, in some instances when amendments were offered members of the Committee on Agriculture and Forestry suggested that it would be good to offer the amendments as new bills at a later time. It was admitted that the proposals were meritorious and sound, but we were told that the Secretary of Agriculture had informed the committee—and his representatives, his own technicians, were sitting in the committee room—that any amendments to the bill would mean that the bill would be vetoed.

That is a most unusual way for Congress to legislate. I believe in the separation of powers. I think it is fitting and proper that we receive advice and consultation from the Department; but to be told, time after time, as we offered meritorious proposals, that any amendment to the bill would result in its veto is, to my mind, unwarranted interference by the executive branch in the activities of the legislative branch.

Even in the debate thus far, we have heard the proponents of the bill say that if any amendments are made to the bill, other than those which the administration wants, such as the wool amendment, the bill will be vetoed. This was told to the junior Senator from Minnesota as he attempted to amend the feed grain section of the bill with nothing more than an alternative proposal containing no mandatory provision at all.

It is no secret that for more than 10 days there has been a conscientious effort on the part of some Senators to reach areas of agreement on proposed amendments which would improve the bill. It is no secret that the leadership of the Senate has suggested to some of us who are members of the Committee on Agriculture and Forestry that we should attempt to find areas of agreement on amendments which would make it possible for use to expedite action on the bill. I have sat in conferences seeking that very objective. Those conferences have ended in utter futility, simply because in each and every instance the word came back that any amendments to the bill which were not approved by the Secretary of Agriculture would result in the veto of the bill.

Today there are in Washington many representatives of the agricultural producing States, particularly the States where cotton is a major crop, urging that the Senate pass the bill as it is, even though it is known that the bill is not adequate. They are urging that no amendments be adopted, because if amendments are adopted, so those leaders or representatives of the organizations say, the bill will be vetoed.

I can plainly understand why my friends from the States in which cotton and rice are produced do not want to have the bill tampered with in any way. I want my friends and my colleagues from those States to know that I am ever mindful of their problems.

No better presentation of the problem of the producers of cotton was made before the Committee on Agriculture and Forestry than was made by the present Presiding Officer, the distinguished junior Senator from Georgia [Mr. TALMADGE]. He pleaded the cause of the farmers of his State with logic, eloquence, and persuasiveness. Adjustments were made in the bill because of the very effective persuasion by the Senator from Georgia.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. PROXMIRE. I should like to add to the statement by the Senator from Minnesota by saying that I was greatly impressed by the excellent presentation made by the junior Senator from Georgia before the Committee on Agriculture and Forestry on behalf of the cotton farmers of his State. He made a remarkable fight. It was a fight which improved the bill, as it would not have been improved had it been dictated completely by the Department of Agriculture. The Senator from Georgia made a great fight.

I may also say that I was disappointed the Senator from Georgia did not get what he asked for to begin with. Instead, he had to compromise. But I think he made a great fight and a tremendously persuasive fight for the farmers of his State.

Mr. HUMPHREY. Certainly that is also my recollection. I only wish that I could have been as persuasive as was he.

Mr. PROXMIRE. Furthermore, I wish to state that I was very happy to support the Senator from Georgia 100 percent in the committee, in regard to the cotton section of the bill.

Mr. HUMPHREY. The Senator from Wisconsin has pointed out that, as we developed the bill in the committee—and we worked with perserverance and care-

ful attention to details, and we held long hearings, at which we listened to representatives of every commodity group in the agricultural economy—suggested provisions which modified, or even improved the bill somewhat, I believe, were incorporated in it. For example, I point to the provisions for price floors, such as $4 for rice, 30 cents for cotton, 60 percent of parity for the secondary feed grains—oats, barley, and rye—and $1.10 for corn. All those changes were made during the committee's deliberations; and I believe those amendments or changes improve the bill.

But I still say that whenever we proposed, in regard to dairying, an amendment which would have done very little—it would merely have restored what was provided for last year—or whenever we proposed, in regard to feed grains, an amendment which would have allowed the farmers to have an alternative, as between a production-control program and unlimited planting, without control—in other words, whenever a proposal was made, not for compulsion, but merely to allow a choice—we were told that if such an amendment were added to the bill, the bill would be vetoed.

So now the Senate has before it a bill which provides for the very minimum that is needed by the producers of some of the agricultural commodities.

Therefore, I had to say in all seriousness, and most respectfully, to the distinguished chairman of the committee [Mr. ELLENDER], for whom I have the highest regard, and with whom I have been pleased to work—and I have tried to be a helpful and a faithful member of the committee "the trouble with this bill is that the farmers in northern Minnesota simply have a hard time raising cotton and rice."

Mr. President, I did not become a United States Senator in order to drive an economic dagger into the backs of the farmers of Minnesota.

Therefore, when the feed-grains amendment was added to the bill, then—as the Presiding Officer, the gentleman from Georgia [Mr. TALMADGE] knows—I made up my mind that there would be a scrap.

If our friends who represent the areas in which cotton is produced and our friends who represent the areas in which rice is produced are satisfied with the provisions of the bill which pertain to cotton and to rice, that is one thing. However, the farmers in Minnesota do not produce those crops. I regret that the principle of parity as it relates to those crops, has been forsaken.

On the other hand, who am I to tell farmers in Louisiana and South Carolina who produce cotton the kind of cotton program they should have. I may have some economic views on that subject, but I think the Members of Congress from that area have a fairly good, basic idea regarding the kind of program needed for the production of that commodity. So we have gone along; we have tried our best to accommodate ourselves to the needs of the farmers in those particular areas.

However, Mr. President, in the State of Minnesota, in the great Midwest, which is the breadbasket of America, large quantities of corn, grain sorghums, oats, barley, rye, flax, and soybeans are produced. I must say that I am not ready to vote for proposed legislation which in my honest, sincere judgment would mean economic trouble for the agricultural-commodity producers of the Midwest, and also for the merchants whose living is dependent upon them, and also for the wholesalers and the manufacturers.

Mr. President, vast quantities of oats are produced in Minnesota. Dodge County, Minn., is the largest oats-producing county in the Nation. Dodge County is the home county of Kasson, Minn.

Mr. President, do you remember of hearing of Kasson, Minn.? Do you remember that in 1952, Dwight Eisenhower and Adlai Stevenson made speeches there? But, Mr. President, in 1952 neither one of them promised that the price of oats would be less than the average market price for the last 3 years. I know more people in Kasson, Minn., than I know in Washington, D. C.; and I know the farmers of Dodge County. It is a wonderful agricultural county; and at Kasson, both of the two principal candidates for the presidency lifted their eyes to the heavens and, invoking the name of Divine Providence, pledged to the farmers of the Nation—and the pledge was made in the course of a nationwide radio and television program broadcast from Kasson—that they favored 100 percent of parity; and the present incumbent of the White House said that he favored 90 percent of parity prices supports and 100 percent of parity in the market place.

But now we are confronted with a bill which, in effect, would say to the agricultural commodity producers of my State, who have been receiving 61 cents a bushel, and sometimes less than that, for the oats they produce—in fact, during the last 3 years, the prices they have received have been the lowest in a decade—"You will have, as a price support, 10 percent less than the average price you have received for these commodities during the last 3 years, even though the prices in the last 3 years have been the lowest prices you have received during the last decade."

Mr. President, I submit that when we examine the speeches made by Dwight Eisenhower, Ezra Taft Benson, Democratic candidates, or others who ran for office, we do not find that even one of those political office seekers or office holders ever said, either in 1952 or in 1956, when they were seeking votes, that they would "stick" the farmer with 10 percent less than the average price for the last 3 years, which have been the worst years the farmer has had in more than a decade. However, that is exactly what the bill provides.

In the Senate Committee on Agriculture and Forestry, I said to my colleagues, "If you want to 'mess around' with cotton and rice because they are produced in the areas you represent, that is your privilege. But do not try to tell the farmers of my State that they are not entitled to a better 'shake' than the one this bill provides."

One way by which the rice producers and the cotton producers can have some agricultural legislation enacted by Congress is to eliminate from the bill the present feed-grains section.

In fact, better yet, I shall offer an amendment which will permit any farmers who may wish to operate under that section of the bill, if that is really their desire, to go right ahead and do so.

But I believe that farmers who believe in crop controls and production controls should have an option. So we are going to submit, here in the Senate—as I submitted in the committee— a proposal which will give farmers an opportunity to take a chance with a production-control program which will provide higher price support, and will result in removing from production 20 percent of his acreage, and will make it subject to cross-compliance, and will place it in the conservation reserve for 3 years. That is the way to reduce the production of feed grains; and any farmer willing to do that would be entitled, under our proposal, to receive 85 percent of parity for corn; and in the case of other crops, he would be entitled to be paid on the basis of the parity equivalent and the feed value of corn.

So, Mr. President, we offered a good, honorable choice. But what was the response? Instead, the farmers of the Nation were confronted with a proposal which was advanced as a panacea for the feed-grain producers, although in my opinion it would be only a kind of quack remedy which would lead to further complications.

Mr. PROXMIRE. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. PROXMIRE. I believe the Senator from Minnesota is making a great speech and a basically conservative speech. It is a speech in favor of the family farm and in behalf of attempting to preserve for the family farmer as much economic security as can be preserved.

I wish to call to the attention of the Senator from Minnesota an article, which was published today in the Washington Star which reads in part as follows:

> Secretary of Agriculture Benson charged today that unnamed leftwing elements within the Democratic Party are trying to prevent the passage of farm legislation this year by attaching unsatisfactory amendments.

The article then states that the Secretary of Agriculture also said that the bill moves in the right direction.

The article also states that the Secretary of Agriculture would like very much to have added to the bill an amendment which would substitute slightly lower minimum supports for rice and cotton—slightly lower, Mr. President.

Mr. HUMPHREY. Imagine that. Will the Senator repeat that so the Presiding Officer, the Senator from Georgia [Mr. TALMADGE], will be sure to hear what the Secretary has in mind for us?

Mr. PROXMIRE. The Secretary has protested the amendments we have suggested or submitted. The article reads:

The Secretary said the administration would like very much to add one amendment to the pending bill. This would substitute slightly lower minimum supports for rice and cottton. And he said the administration is suggesting that the minimum supports voted be limited to a 2-year period, when Congress could take another look at the question.

I am used to being called names. We like our politics rough and ready in Wisconsin. But it does not dignify the office of the Secretary of Agriculture to be calling Senators who stand up and fight for their convictions leftwing elements in the Democratic Party. We are in pretty good company, in view of the fact that I hold in my hand an article from the St. Paul Dispatch. Let me read a portion of it.

Mr. HUMPHREY. Before the Senator does so, if he will yield, I may say we really appreciate the personal attention which the Secretary gives our fine producers in Minnesota, our good folk of religious faith, people of Nordic, Teutonic, and Scandinavian stock, whom the Secretary of Agriculture likes to abuse by calling them socialistic and leftwingers. The Secretary does not know his right hand from his left hand, so he certainly does not know what he is saying when he uses such epithets.

Mr. PROXMIRE. Let me read from an article appearing in the St. Paul Dispatch:

Wearing a big smile and an Ike button, Secretary of Agriculture Benson got off an airplane in the Twin Cities today and declared he wants to get the Government out of the grain business and every other kind of business suitable to private enterprise as fast as possible.

The article states, a little further on:

The socialistic tag is, however, one he has pinned on leaders of northwest grain co-ops who have fought him and the Minneapolis Grain Exchange on issues of higher and firmer Federal price supports.

Let me also call to the attention of the Senator from Minnesota the fact that on July 10 of this year I put into the RECORD a statement from the National Catholic Rural Life Conference. No one can accuse it of being communistic or socialistic or a leftwing group.

Mr. HUMPHREY. The Senator means no one should.

Mr. PROXMIRE. No one should who understands the background of the group. Let me read from the policy statement adopted on June 18 of this year by the National Catholic Rural Life Conference:

We recommend that Congress consider limited direct payments to assist farmers in making necessary readjustments in production and marketing. These payments should be limited in three ways: (a) There should be a limit to the amount payable to any recipient, lest our Government should subsidize an already large and profitable farm enterprise. (b) The time during which governmental assistance will be given should be limited to that period in which the desired readjustments of production and marketing can be made. Subsidizing the overproduction of a particular commodity for many years is indefensible. (c) Payments should be made only to those who abide by production and marketing quotas, whenever they exist, and who observe stipulated soil-conservation practices.

These are exactly the safeguards the Senators from Missouri, Minnesota, and Wisconsin have been urging—safeguards for the taxpayers; conservative measures, not leftwing or extreme radical proposals, but measures which would help preserve our family farms and do it in a fiscally responsible way.

I am shocked and unhappy to read that the Secretary of Agriculture is resorting to this kind of smear technique. I cannot say I am depressed. I am flattered whenever the Secretary of Agriculture abuses me, whether by name or otherwise, but it demonstrates the feelings he has.

Mr. HUMPHREY. I do not think the Secretary meant us in particular. He does not mention us by name. He talks about a certain kind of element. Of course, the description does not fit me. Since it does not apply to me personally, I shall have to pass it on to other members of the Democratic Party and let them see whether or not it fits them. I doubt if it does.

It would be interesting if we could send the National Catholic Rural Life Conference program to the Secretary and ask him what he thinks about it. The Department of Agriculture opposes production payments, which the National Catholic Rural Life Conference sponsors or recommends. We tried to get cutoffs on price supports. The Department did not support it, even though the President announced he was in favor of it.

One advantage of this administration is that the President may be for something, but it does not have much influence on officials in his administration. The President was for a summit conference. The Department of State said we should not participate in one. It is somehow hard to get messages over in this administration. There is something wrong in the switchboard at 1600 Pennsylvania Avenue.

I remember when the President supported the whole idea of limiting the amount of price support payments to any one farm. I supported it. I offered an amendment in favor of that proposition. When it was submitted to the Department of Agriculture, it was said such a proposal would not work. Support of it was announced only for publicity purposes.

Mr. President, we have two shows going on all the time. In one show Eisenhower smiles and says nice things. Then we have another show going on where other officials really go to work on these projects and put the finishing touches on them—and I mean "finishing" touches.

I think the RECORD ought to be clear tonight that the Secretary of Agriculture has seen fit to claim that the leftists block the farm measure. If we can block the farm measure, I do not think we can be called leftists. I think we can be called protectors of the public interest and the Public Treasury. The Secretary says the bill now pending moves, on the whole, in the right direction. What he means is that it moves in the right direction "to the hole." He just got that sentence mixed up. As I stated earlier, one can be moving in the right direction, but he can also fall into one of the holes. That is what is happening in the case of this proposal.

Mr. President, very real problems exist for cotton and rice. Members of our committee have been anxious to provide corrective legislation. All of us are willing to do so. Yet Secretary Benson has made it abundantly clear that he will only let protective legislation for cotton and rice become law at a price—the price of slipping into the legislation an indirect way of achieving his objective of eventually doing away with our historic farm programs.

What we are witnessing is the direct result of this administration's use of its veto power to thwart the will—and the judgment—of the majority of the legislative branch.

Ever since this administration came into power, there have been sharp differences of opinion between the legislative and executive branches over agricultural policy.

Such differences became more pronounced when the people of this country entrusted control of the legislative branch to the Democratic Party while the Republican Party still controlled the executive branch.

Under our constitutional system, it is the responsibility of the legislative branch to establish legislative policy, and of the executive branch to carry out such policies.

Yet the veto power resting in the President gives the executive branch the power, when it decides to use it, to completely repudiate the majority will of the Congress.

I am sure it will be recalled that the Senate passed Joint Resolution 152, which proposed to maintain for this crop year the same price support levels and the same acreage levels which were in effect the previous year. The previous year's program was the administration's program. We said it might be a good idea to continue it for another year. It was an election year, and it was a bad time to legislate on farm policy. Secondly, as to certain parts of the program a greater trial was needed to enable us to ascertain how they were working. But, no, the administration decided it simply had to tamper with the program a little more. It had to reduce the price support levels and reduce acreage, so the President vetoed our resolution.

It was my hope, when the resolution was passed, that two things would take place. First, it was my hope that the resolution would give us at least a holding action for this year, so that when the next Congress came into session, after another Congressional election, we could get an expression of what the people wanted in terms of agricultural policy. My second hope was that the resolution would give us time to develop long range agricultural policy. Both of those hopes were crushed. We see today the administration forcing its will, because of the plight of some agricultural producers.

The administration says, "All right; we will give you more cotton acreage. We will even sponsor that; but the price is to do away with the parity concept in agricultural legislation. We will give you more rice acreage, but the price is to do away with the parity concept. And later on, 3 years from now, there will be lower prices."

The same thing is true with respect to feed grains, with the exception of what are called secondary grains, as to which a minimum floor of 60 percent of parity was provided by a committee amendment. I want the RECORD to be clear. The administration does not want that amendment. The administration wants lower price supports and does not want any floor. As the Secretary said, the pending legislation moves in the right direction, on the whole. What he meant was, "in the hole." He does not want any floor.

Though my colleagues know this already, I want them to understand clearly that, as I said earlier, the objective is to take care only of cotton and rice and leave other commodities out. But the administration also exacted another price. The administration says, "We will help you with cotton acreage and allow up to 40 percent more cultivation," although only a year ago there was complaint about surplus cotton. The administration also says, "We will help you with rice acreage and give you a great deal more. We will even permit some minimum floors. But we have been trying to get rid of the price-support program on corn, so we would like to take a good whack at that." That is what the administration says. It is not going to do a merciful killing; that is, do it all at once. It is going to tease it to death, with a little clip here and a little clip there.

So corn for the first time since 1933, Mr. President, is no longer to be a basic crop. What is more basic in agriculture today than corn? Corn is to be denied the status of a basic commodity. No longer will there be a parity concept relating to corn, which is the basic agricultural commodity of America. No; corn is to be treated like some sort of ragweed; but for a little while, because the committee members insisted—and I was one of them who did—we are going to have a minimum price on corn of $1.10. That does not mean, of course, there is a relationship to dollar value. Senators should not misunderstand the situation. As the dollar loses purchasing power, which it has continued to do each year because of inflation, there will be no adjustment upward in price. The minimum price will still be $1.10 for corn. If there were a parity price-support level the minimum would come up as the purchasing power went down because of inflation.

I want to forewarn my colleagues. We are going to have a campaign this year, and I am going to be in it. I am going to talk to some good farm audiences. I talked to many such audiences in the last campaign. I am receiving invitations, as other Senators are, by the dozen, to talk to farm audiences. Those invitations come not only from my State, but from State after State. I am going to talk to some of those audiences. We are going to have it out as to whether the farmers think they are entitled to parity or whether they are entitled to less than parity, 10 percent less than the lowest prices they have had in the past 10 years. That is what the farmers will get under the bill presently under consideration.

Mr. PROXMIRE. They will get 10 percent less every year.

Mr. HUMPHREY. The Senator is correct. They will get, every year, 10 percent less than the average of the last 3 years' prices. The last 3 years' prices in the past decade have been the lowest 3 years the farmers have had.

I have great faith in the American people. I do not think they expect to have special privileges, but they would like to have reasonably equal treatment. When we talk to farm audiences we will say, "Do you remember 1952? I think oats were selling at about 80 cents a bushel, and now oats are down to around 60 cents a bushel. In the past 3 years, oats have been off about 15 cents a bushel from the price in 1952 and 1953." Do Senators think the farmers will not be interested, when they are told that the program which was supported by the administration and passed by Congress is a program in which the oats farmer will get a price equal to the average price of the 3 worst years he has had since the end of World War II? He will get the average price of the 3 worst years. Then he will get 10 percent less than that, and each year he will get 10 percent less than the worst he had the previous year.

I want to work on that talk. I am going to make it a good talk.

Mr. President, recognizing that such a situation could lead only to a stalemate in which farm people are the unwilling victims, most of us interested in agriculture in the majority party in Congress have seriously endeavored to find reasonable compromises which the administration would accept—knowing from the start that we would have to yield considerably in many of our viewpoints, but hoping to find a similar reasonableness in the executive branch.

Unfortunately, all such efforts have been rebuffed. All the yielding had to be from the legislative branch.

A good example is the farm price and acreage freeze enacted earlier by both the Senate and the House—only to be vetoed by the President, is bowing to Secretary Benson's wishes.

When it became apparent early this year that at least some of agriculture's most urgent problems had to be met, whether we were able to agree or not on future long-range policy, some of us sought to explore the very simplest way of clearing the atmosphere of farm-policy conflict.

We merely asked to preserve the status quo. We did not seek fundamental changes in farm policy. We did not even ask that farm-income protection be improved, as urgently as it was needed. We only asked that the administration accept our appeal to hold the line—to keep prices from being pushed down yet further, and to keep acreage from being pushed down still further on cotton and rice.

If that temporary freeze had been accepted, the door would have been opened for the legislative and executive branches to work closer together in tackling at least some of the individual commodity problems—and we might well have been able to produce some constructive farm policy changes in such a cooperative spirit.

But the door was slammed in our faces. The price-freeze resolution was vetoed.

And when it became apparent that the Congress lacked, by a mere handful, enough votes to reach the two-thirds required to override the veto, the Secretary of Agriculture became emboldened enough to renew insisting that things be done his way or not at all.

I regret and deplore such an arrogant attitude on the part of any nonelected governmental official—placing himself above the combined vision of our legislative processes.

In my humble judgment, most Cabinet members of either political persuasion, finding themselves lacking the confidence of a majority of the Congress, would do either of two things:

First. Get out, and give someone else a chance to see if ways could not be found to achieve something for the farm families he is supposed to represent; or

Second. Go to work at trying to reconcile his differences with Congress, in the hope of regaining the confidence that is now lacking.

Secretary Benson did neither.

Secretary Benson was given a majority vote of no confidence earlier in this session. Yet, instead of getting out or trying to reconcile his differences and win back majority support, Secretary Benson arrogantly seized upon the threat of Presidential veto as a new weapon to try and force his will upon the Congress.

Rather than showing real concern about cotton- and rice-acreage problems, he seized upon them to use as a tool to gain other objectives which Congress has otherwise declined to accept.

Just as Secretary Benson has repeatedly in the past endeavored to play one group of commodity producers against another, to the detriment of all agriculture, he once again has used his divide-and-conquer tactics to try to force a fundamental change in farm policy through this Congress as the price for averting further cuts in cotton and rice acreage.

Some have reluctantly bowed to this threat.

Others of us refuse to do so, because we believe reasonable ways can be found to meet the immediate problems of cotton and rice without yielding to any blackmail price.

Let me call attention to a portion of the minority report on this legislation, which reads:

> As much as we recognize the need for corrective action on cotton- and rice-acreage allotments, we cannot concur in blindly accepting the dictates of any Secretary of Agriculture as to what can be in a bill, or what cannot be.
>
> We welcome the Secretary's recommendations. We have always given them serious

study. But we are not ready to delegate to him our legislative powers and our legislative responsibility.

We are not convinced that a majority of the Senate committee really believes this bill is satisfactory legislation. We think the cotton section could have been better. We think that the rice section could have been better.

We think, too, that a majority of the committee stands ready to support and report more effective legislation for corn and feed grain producers, for wheat growers, and for dairy farmers—except for the constantly repeated threat of a veto, and the fear that even the compromise cotton and rice provisions would be rejected if the committee took any action on these other commodities of which the Secretary did not approve.

We cannot subscribe to abandoning our legislative responsibilities and permitting such usurpation of legislative power by the executive branch.

We are unwilling, in the face of the serious plight of farm families, to support legislation for corn and feed grains, for example, which offers no corrective cures but instead merely reduces what meager income protection these farmers already have.

The test that was applied to alternative proposals in the Senate committee's decision was not whether it was good for the farmer; the test became whether or not the proposal would be accepted by Secretary Benson. We submit that the veto power rests in the President, and should not be delegated to the Secretary of Agriculture and used by him to control drafting of legislation in our committee.

That is the end of my quotation from the minority report.

It summarizes our attitude toward this pending bill. It raises a serious question of the proper relationships between the legislative and executive branches of our Government, under our Constitution.

If we bow now, we are merely proving that Secretary Benson's arrogance is well founded in deciding there is no need to heed at all the views of the Congress; we may well find that same arrogance spreading still further in a lame duck administration no longer too responsive to the needs and desires of the American people.

For that reason many of us feel that we must make a stand, for what we feel is right and just—whether Secretary Benson approves or not.

Our purpose is not just to block this bill, nor just to invite another veto for political propaganda purposes.

Our purpose is to preserve fundamental principles, while still endeavoring to meet the urgent problems of cotton, rice, corn, and feed grain, and dairy producers in a moderate form that could and should be accepted by the administration without a veto if it is willing to meet us even part way in reasonableness.

Rather than just destroy this bill or even defeat it, those of us opposed to it hope to rewrite it through a series of amendments designed to make it more acceptable to all.

I hope those supporting this bill, because of their concern for cotton and rice, will seriously consider these amendments, and consider the spirit and attitude in which they are being offered.

They are being offered in the hope of making the bill acceptable, not only to many of us in the Senate, but to the House as well.

Spokesmen for the agricultural committee of the other body have already indicated the bill in its present form is wholly unacceptable.

Chairman COOLEY of the House Agriculture Committee has declared publicly that he does not believe we can enact any farm legislation this session, in view of the attitude of the administration.

Congressman JOHNSON of Wisconsin, member of the House committee, strongly attacked the present version of the Senate bill in a statement on page 13177 of the CONGRESSIONAL RECORD for July 8 entitled, "Shall We Cut the Farmers Income in Half?"

I urge my colleagues to read that statement. Representative POAGE, of Texas, ranking Democrat on the House Agriculture Committee, has indicated his concurrence in Representative JOHNSON'S views.

These are facts of life that confront this legislation.

I repeat to my friends from cotton and rice producing States: simply yielding now to Secretary Benson by no means assures you this legislation will ever become law. Our task, rather than just please Secretary Benson, is to seek minimum, moderate, solutions acceptable to ourselves, acceptable to the House, acceptable to the farm people in whose behalf we are acting, and, at the same time, acceptable to the President. Let us keep our perspective in proper order.

It would be a deception to mislead cotton producers and rice producers into thinking this legislation has more chance of success if it remains unchanged.

Unless it is amended, many of the stanchest friends of agriculture in this Chamber will be compelled, on principle, to vote against it.

Unless it is amended, it invites the automatic opposition of midwestern and western agricultural areas controlling substantial blocs of votes in the House—and further divides agriculture by forcing regional differences when we should be working together for the best interests of all farmers, everywhere.

Unless it is amended, it stands little or no chance of ever getting out of the House Committee on Agriculture.

The burden of what happens to farm legislation at this session rests on the shoulders of those who brought this bill to the floor, and support it; not upon those of us seeking to improve it.

If this is merely another idle gesture to permit some recorded votes, with no serious intent of the bill ever becoming law and helping farmers, then let it be voted up or down on its merits—or, more likely, lack of merit.

If, however, this is a serious effort on the part of some to find corrective answers to problems of the cotton and rice industries, then in good faith, I call upon them to join those of us opposed to the bill in its present form in a sincere effort to make it more acceptable not only to the Senate but to the House as well.

In my opinion, to become acceptable the legislation would have to at least undergo these moderate changes.

First. Without endeavoring to change the proposed new price support levels for the next 2 years, the bill must at least preserve the parity concept by abandoning the shift to pegging the future support level for cotton and rice to 10 percent less than the free market price in the third year. This means restoring the parity concept to the bill.

Second. Without rejecting the determined effort of the administration to throw the gates wide open for unlimited production of corn and feed grains at lower support levels, the bill must at least preserve the opportunity for the individual farmer who prefers retiring part of his acreage in the hope of bringing production more nearly in balance with demand by offering him the incentive of a reasonably higher support level in return for doing so under strict conditions of cross-compliance and acreage reduction.

Third. Without endeavoring to provide an entirely new program so urgently needed for dairying, the bill must at least reflect the concern of Congress with the serious economic plight of dairy farmers by, at the very minimum, providing a support floor near where the ranking Republican on the Senate Agriculture Committee has repeatedly indicated the administration might have accepted had it not been included in a general freeze of all farm prices.

Fourth. Without endeavoring to tie the hands of the Secretary of Agriculture with any compulsory program, the bill must at least authorize him to purchase and divert for overseas relief purposes an amount of edible oil equivalent to any increased cottonseed oil production resulting from the expanded cotton acreage proposed under the bill, which would otherwise result in millions of dollars in lost income on competing products through depressing prices of soybean oil, lard, and butter.

I repeat, this is merely discretionary authority. There is no mandatory requirement. I merely feel that the Secretary should have such authority if we are to expand the cotton acreage.

Let me emphasize that these are the very minimum of improvements that need to be made. Amendments will be offered to provide for each. Other amendments will be proposed that go much further, and I shall support some of them because I believe they are right.

But in the spirit of reasonableness and fairness with which I am attempting to approach the legislative problems confronting this legislation, I have attempted in full candor to set forth the minimum changes which I feel must be made to ever gain acceptance of this legislation by the present Congress.

I have said this to the majority leader. I have told this to the chairman of the Senate Committee on Agriculture and Forestry. I have mentioned these four minimum amendments to most of the members of the Senate Committee on Agriculture and Forestry. I have found that most of my colleagues feel that those amendments are reasonable, but I have also found that even though they consider them to be reasonable, the administration lays down the law and says, "If you accept any of these amendments you can expect the bill to be vetoed."

Possibly there is one exception. I am hopeful that the administration will be willing to accept the so-called vegetable

oil amendment. I have reason to believe that if we take a firm position in the Senate on the vegetable oil amendment, it will be accepted by the administration.

I ask any reasonable person, Are those four amendments very radical? Do they sound like the product of leftwingers? One amendment merely proposes to restore the parity concept contained in the law in 1933.

The next amendment proposes a dairy price support program of the kind which the ranking minority member of the Committee on Agriculture and Forestry thinks is fair.

Another amendment relates to feed grains, as to which a farmer will have a choice. If he wishes to produce at lower prices, with unlimited production, let him do so; but if he believes that production should be cut back, that some acres should be retired and put into the conservation reserve on a 3-year contract, with cross-compliance, he is entitled to a little better price-support program.

These are the most modest amendments anyone could offer. All I am attempting to do is to have a bill for which I can vote. Some of my friends from the South need some relief with respect to cotton acreage and rice acreage. I want to vote for a bill which provides such relief, but I do not wish to do so and, at the same time, destroy every principle in connection with agricultural policy in which I have always believed.

I am not asking for higher price supports. We are not even trying to raise the price supports. We are merely saying, "We would like to give the corn farmer a free choice." If there is to be brought into the market a large quantity of cottonseed as the result of an expanded cotton acreage, we want to see that our soybean producers are not destroyed. That is a fair request.

We are saying to the Secretary, "We are not going to compel you to do anything, but here is the authority in case we get into trouble because of an increase in cotton acreage and cotton seed production. You may buy vegetable oil for overseas relief purposes."

Everyone knows that edible oil is like gold overseas. People are crying for it.

Finally, we are saying that we would like to have a feed grain program under which farmers could stand by their convictions. Thousands of farmers really believe that if there is a price-support program, there should be some controls. They are fairminded people. They do not believe in a free ride.

I have never in my life experienced the kind of adamant obstructionism and stubbornness I have experienced in this situation.

Many a member of the press has asked me: "Senator HUMPHREY, why is it that a farm bill is not coming up?" I should like to state why a farm bill has been delayed. First of all, there was not very much support for it in the Policy Committee. That is one reason. The Policy Committee, of course, schedules legislation for consideration. The Policy Committee always feels a responsibility to the chairman of the committee which reports a bill. More importantly, there were responsible Members of the Senate who tried to find an area of agreement on some reasonable, moderate, and token amendments.

Just as I break this pencil with my fingers, the Secretary of Agriculture said, "No. You will get nothing." Well, Mr. President, he is going to get a fight. He is not going to put an economic curse on the farm producers of my State without at least my standing here and fighting him. I did not come to Washington merely to please an appointed official of the President. I did not come to Washington to sacrifice my principles. My father before me spoke up for parity and price supports in the legislature of my State. This is a matter of faith with me. It is not a matter of political expediency.

I am one of the Senators who are not farmers. I cannot even claim to have been born on a farm. But I know enough about economics to be aware that unless agriculture has a reasonably good break, there will be no drug stores or grocery stores or department stores, or that they will be in trouble.

I was in South Dakota not long ago. I visited my mother and brother there. We have a business there. We do business with rural people. Rural people understand farm prices. They understand price supports. They understand parity. Woe to the member of this body from a rural community—and this applies also to the House—who thinks farmers do not understand parity. Anyone who votes for this measure to repudiate the principle of parity will have a nice retirement into private life. He will have it deservedly, Mr. President. Oh, I know it is possible to get by with it in the great metropolitan areas, where people are not particularly attuned to agricultural economics. That is one of the sorry things which has developed. The Government of the United States has been a party to it. I refer to dividing our city people from our farm people, and spreading discontent among them.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Is it not true that an examination of the voting records in the House will disclose that the Democratic Members from the large cities have a better voting record on farm issues than the Republican Members from country districts?

Mr. HUMPHREY. The Senator is essentially correct. I do not believe we would have had many farm bills passed in Congress if that had not been the case. I must say that it becomes rather discouraging for some Representatives from cities to vote for farm measures, only to have the President of the United States veto them, and then have the Secretary of Agriculture proudly proclaim the veto, and then have the newspapers say that the Secretary is getting more popular every day.

He is not winning any popularity polls in my State. I do not intend to run against the Secretary of Agriculture. He is not a candidate. Of course, if he wants to do so, I hereby issue an invitation to him. He can take out residence in Minnesota. It takes only a year to establish residence. He can establish residence in a year and file for State and local office.

However, it is not a question of Senator HUMPHREY versus Secretary Benson. That is not the issue. The issue is an economic one. The issue is a social one. It is not a personal squabble. I find the Secretary to be a very pleasant man whenever I meet him on social occasions. I know of his strong convictions and of his personal attitudes. I am not getting involved in those matters. I do not like to deal with personalities. However, I must say that the economic philosophy of the Secretary of Agriculture is something I cannot stomach.

Even with changes, the bill will certainly not be a satisfactory solution to pressing economic problems of our farm families.

But with these changes, it will at least preserve the historic principles of our farm programs, instead of abandoning them.

And with these changes, it will change the legislation from a bill primarily of regional southern concern to one of nationwide interest and effect that could possibly mobilize the needed support for passage in the House.

All of the changes proposed as a minimum are purposely moderate to such a degree that they should be completely acceptable to the administration—except for sheer pique. None go beyond principles which spokesmen for the administration themselves have espoused.

If they were accepted, I have no doubt that this legislation could be quickly approved in this body—possibly with a big enough vote to assure no threat of any further vetoes.

If that happens, there is a reasonably good chance of similar favorable action in the House—a far better chance, at least, than on the legislation as it now stands. I certainly hope no one is deceived for one moment that the blocking of a rule for the House omnibus farm bill means Secretary Benson has any chance of achieving a working majority in the House for farm legislation bearing the distinct stamp of his personal dictates.

However, until there is some evidence that there has been enough awakening to the realities of this situation, and awareness of the fundamental dangers in the present legislation before us, I feel compelled to serve ample notice on my colleagues that this issue will not be disposed of quickly.

Considerable time may be required to make the record perfectly clear as to what is really involved in this fight, what is happening in agriculture today, where we may be headed if we make the dangerous mistake of blindly accepting the expediency of this new course in farm policy. There is much to be said on all these points, much that needs to be said. And I intend to say it. I do not begrudge the time, nor the energy—when I feel so deeply that the future well-being of all American agriculture is at stake.

I may say at this point that speaking here is not particularly a very popular thing to do, because very little of what is

said here is reported to the people. I do not say that it is not reported. It simply does not get to the people. As has been said by one of my colleagues, most of the weekly newspapers will carry it in a critical manner so far as the junior Senator from Minnesota is concerned. I do not see any good publicity coming out of all this. I can think of many other items, from a purely personal point of view, to which I could devote my time and effort with more enjoyment to myself.

However, I believe these things need to be said. When the Secretary of Agriculture or any of his spokesmen try to redesign the agricultural policy to the detriment of the farmers of America, particularly the farmers I, in part, am privileged to represent, although I may not be the best scrapper in the Chamber, I am nevertheless not ready to run for cover. There will have to be some discussion of every amendment.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. PROXMIRE. I should like to say to the Senator from Minnesota that there is no better scrapper in the Senate than the Senator from Minnesota. The farmers of Wisconsin have long considered him to be their true champion. The Senator from Illinois has made an extremely good point. It has taken real courage for Representatives from our cities to stand up as they have. I point proudly to the Representatives from my State who represent the city of Milwaukee, CLEMENT ZABLOCKI and HENRY REUSS. They have as good a record as any Democratic Representative from a rural district, and far better than any Representative in the Republican Party. It is a record which has taken real dedication and conviction to establish. I say that particularly because the newspapers of my State, as is true of the newspapers of Illinois and Minnesota, are overwhelmingly on the wrong side of the agricultural issue. They are not truly reflecting the interests of not only the farm population but of all of the people. As the Senator from Minnesota has made clear in his speech, we cannot have a prosperous America in the cities unless we have a prosperous America on the farms.

I should also like to point out that our small towns and villages and crossroads have suffered severely from the 6-year farm depression. On the farms of Wisconsin it is not merely a recession; it is a full-scale depression. It is a full-scale depression when the average—not the low—the average hourly income of our farmers is 45 cents an hour. That is a full-scale depression. It is a full-scale depression when we are driving literally thousands of farmers off the farms in Wisconsin, and hundreds of thousands off the farms of America.

That is why I believe it is so important that somehow the message be gotten across to the American people. As I said earlier, it is an exceedingly thin voice that comes from a very junior Senator as he takes his place in this battle. I say with all my strength and all my earnestness that the story from the farm standpoint and from the standpoint of the farmers of America has not been told to the people of America. It is almost impossible to get the story through the paper curtain of the Reader's Digest, the Chicago Tribune, and the Milwaukee Journal. I have great respect for the Milwaukee Journal. However, it is dead wrong on this issue, as most great newspapers in America are. I thank the Senator from Minnesota for yielding to me.

Mr. HUMPHREY. I am very grateful to the Senator from Wisconsin. In the 9½ years I have served in the Senate I have spoken many times on the subject of agriculture. I hope I have also spoken with some effectiveness. I have spoken for long hours, in the hope of getting the message across. The Senator from Wisconsin is a wonderful partner. I welcome him into the fold and into the battleline here.

Now I yield to the Senator from Illinois.

Mr. DOUGLAS. I congratulate the Senator from Minnesota for the speech he is making. On page 17 of the bill it is stated:

> That the level of price support for any crop of corn shall not be less than $1.10 per bushel.

Mr. HUMPHREY. Yes; that is correct.

Mr. DOUGLAS. Am I correct in assuming that this is about 62 or 63 percent of parity.

Mr. HUMPHREY. The Senator is essentially correct. I believe it is a little more than 62 percent.

Mr. DOUGLAS. On page 18 of the bill I observe that the level of price support on rice for the next 2 years is to be 75 percent of parity.

Mr. HUMPHREY. That is correct; "not less than 75 percent of the parity price."

Mr. DOUGLAS. Earlier in the discussion of the price of the floor support for cotton, the price was stated as 30 cents a pound.

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. What percentage of parity is that?

Mr. HUMPHREY. That is more than 75 percent.

Mr. DOUGLAS. It is about 80 percent, is it not?

Mr. HUMPHREY. I think the Senator is correct. It is about 79 or 80 percent. In round numbers, I think it is about 80 percent of parity, perhaps higher.

Mr. DOUGLAS. Why should cotton have approximately 80 percent protection, rice 75 percent protection, but corn only 62 percent protection?

Mr. HUMPHREY. If I knew the answer to that question, I think we would have a better agriculture bill. I have tried to get the answer to the question. The answer I see here is that the Department of Agriculture is willing to support those figures.

By the way, I am not complaining about this. I hope the Senator knows my position is that I think rice and cotton are entitled to those price supports.

Mr. DOUGLAS. So long as corn is to have only 62 percent of parity, I am opposed to rice having 75 percent and cotton 80 percent.

Mr. HUMPHREY. I know that what the Senator from Illinois really means is that he would like to see a better deal for corn. We do not want to tear anyone down; we would like to get our segment of the economy a little way up. Is not that correct?

Mr. DOUGLAS. I have voted for a general, comprehensive farm bill to protect cotton and rice along with other commodities.

Mr. HUMPHREY. The Senator from Illinois certainly has.

Mr. DOUGLAS. But the moment I see corn dealt out and certain other commodities dealt in, then I protest.

Mr. HUMPHREY. I am delighted that the Senator from Illinois has protested. His voice is always strong, powerful, and courageous. It would be well if we had more protesters around here.

Mr. DOUGLAS. I point out that corn is also removed as a basic commodity.

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. What is more basic in American agriculture than corn? It is the greatest food we have.

May I ask the Senator another question?

Mr. HUMPHREY. Certainly.

Mr. DOUGLAS. It is stated that the administration will support a wool bill, which is to be grafted onto the bill we are now considering. So we will once again have a farm alliance of the cotton-growing States, the rice-growing States, and the wool-producing States; a merging together; but with the Middle West dealt out once more.

What is the present price-support proposal for wool?

Mr. HUMPHREY. I assure the Senator from Illinois that it is not 1 cent less than 90 percent of parity. Last year it was 106 percent.

Mr. DOUGLAS. Yes; exactly; 106 percent of parity for wool, but 62 percent of parity for corn.

Mr. HUMPHREY. The Senator is correct.

Mr. DOUGLAS. How can that be reconciled?

Mr. HUMPHREY. It cannot be reconciled. I have been trying to say, time after time, that one of the cleverest politicians in Washington is the Secretary of Agriculture. He has learned how to divide and conquer. He has fought, time after time, to split our ranks.

It is no secret that in 1956 there was a special program offered for cotton. Another special program was offered, at the tail end of the year, for corn.

As I said earlier, in 1956, when consumer prices were not so high as they are now, and during the presidential election year, there was a floor of $1.25. The farmers were told they could plant all they wanted to plant at $1.25.

Now the floor is $1.10. That proves that presidential years are more expensive than Congressional election years. The price of $1.25 for corn in 1956 filled the bins. We have been in feed grain trouble ever since.

Mr. DOUGLAS. This problem is of great importance to my State, because its two great crops are corn and soybeans.

Mr. HUMPHREY. Both those crops are given the works in this bill.

Mr. DOUGLAS. Illinois is the second largest corn producing State, next to Iowa. In 1 year we surpassed Iowa. Illinois is the first State in soybean production.

Mr. HUMPHREY. Minnesota is the second State in soybean production.

Mr. DOUGLAS. Does the Senator agree that there will be an increase in cottonseed production?

Mr. HUMPHREY. I am quite sure of it.

Mr. DOUGLAS. How much will the increase be?

Mr. HUMPHREY. When the question was first discused with the Department of Agriculture, they thought there would be an increase in the total amount of edible oils—by the way, that is the way the amount must be figured, because one product is competitive with the other—of between 3 and 4 percent.

Mr. DOUGLAS. How much of that will be in cottonseed?

Mr. HUMPHREY. There will be an increase of about 3 to 4 percent in total edible oils.

Mr. DOUGLAS. How much of an increase in cottonseed will there be?

Mr. HUMPHREY. About 30 or 40 percent.

Mr. DOUGLAS. An increase of 30 or 40 percent in cottonseed?

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. And oil?

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. How much will the increase be in soybean oil?

Mr. HUMPHREY. The point is that no one knows what the soybean situation will be, except that it will be worse. We have no indication of the increased amount of plantings of soybeans. What we are talking about is that cottonseed is competitive with or supplemental to soybeans.

Mr. DOUGLAS. Certainly.

Mr. HUMPHREY. Under the bill, there can be an increased acreage of as much as 40 percent for cotton.

Mr. DOUGLAS. Does not cottonseed come from cotton?

Mr. HUMPHREY. If the total edible oil stocks are increased 3 or 4 percent, the price of edible oils will be reduced as much as 5 percent.

When the Department learned that I had an amendment, they did a retake. We were first sort of fishing, assuming theoretically; but when we got down to pay dirt, down to where it was necessary to fish or cut bait, we said we had an amendment, and we wanted to know what the effect of the amendment would be. We wanted to know what the effect of the new plantings of cotton would be.

The Department then reduced its estimates. I believe the new estimates of total edible oils were one-half of the original estimate, or about 2 percent, which would result in about a 3-percent drop in price.

I think these are very conservative estimates. All I can say is that whenever we legislate so that an incentive is placed upon an increase of a certain commodity which is competitive with another, but do not provide any protection for the second commodity which is competitive, we are opening up a Pandora's Box of trouble.

Mr. DOUGLAS. From what the Senator from Minnesota has said, the price of soybeans and of soybean oil will go down in the coming year.

Mr. HUMPHREY. That is correct. That is our estimate.

Mr. DOUGLAS. What is in the bill for the farmers of Illinois?

Mr. HUMPHREY. My silence is indicative of what is in the bill for the farm producers of Illinois. There is something more than nothing in the bill: Trouble.

Unless some amendments are adopted, to make certain that the volume of edible oils can be properly utilized and properly managed with orderly marketing procedures, the soybean producers of Illinois, Minnesota, Indiana, Iowa, Michigan, and other States will be in trouble. Soybeans have become one of our large crops. It has been a crop with respect to which there has been no trouble, because all the way through the program, I have seen to it, as one member of the Committee on Agriculture and Forestry, that the price support levels for soybeans and cottonseed were always in balance. For the first time, the balance is being destroyed.

Mr. DOUGLAS. As I understand, the support levels on the so-called competitive feed grains, namely, rye, oats, barley, and grain sorghums, will be tied to the feed equivalent of corn.

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. So as corn goes down, all the competitive feed grains will go down, too.

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. Therefore, is not the bill a direct blow at the upper Mississippi Valley?

Mr. HUMPHREY. I interpret the bill to have no beneficial effects for the upper Mississippi Valley, for the Middle West, and even many sections, I may say, of the feed-grain producing South. There are many areas in the South and in the West, and along the eastern seaboard in which there will be no beneficial effects.

Mr. DOUGLAS. How can such a monstrosity be brought to the floor of the Senate?

Mr. HUMPHREY. I will tell the Senator how. Some increased acreage is needed for cotton producers. Congress passed a law last year which provided a 1-year extension of some increased acreage. That extension is running out. It would have been taken care of had the President signed a resolution which the Senate adopted. The Senator from Oregon [Mr. MORSE], the Senator from Illinois [Mr. DOUGLAS], and the Senator from Louisiana [Mr. LONG], were among those who voted for the resolution to extend the acreage amounts and the price-support levels for cotton. The President vetoed it.

So now the acreage cuts—and they are very drastic ones—go into effect. Therefore, in the name of obtaining acreage adjustments, a brand new program has been brought into being; and it has had the blessing of the Legislative Division of the American Farm Bureau, and even more than that, it has the support of, and acceptance by, the Department of Agriculture. It does not have the support of the National Farmers Union. It is not the program of the commodity groups which met in Washington for many months. Every Senator knows that, for a whole year, there were meetings, in Washington, D. C., of the various commodity groups—including the wheat, cotton, rice, and tobacco producers—under the coordination of the National Milk Producers Association. All of them met together; and they testified before our committee.

The program I have proposed for feed grains—which would meet the needs of some of my constituents and the needs of some of the constituents of other Senators—was defeated in the committee by only one vote; and that was because of the statement that if any amendment were added to the bill, the bill would be vetoed.

Mr. DOUGLAS. Although I would prefer a general farm bill which would provide decent protection for all the farm segments of the States, I did not come to the Senate to preside over the liquidation of Illinois agriculture.

Mr. HUMPHREY. Neither did I.

Mr. MORSE. Mr. President, will the Senator from Minnesota yield to me?

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Does the Senator from Minnesota yield to the Senator from Oregon?

Mr. HUMPHREY. I yield.

Mr. MORSE. I wish to ask several questions in regard to some of the points raised by our mutual good friend, the Senator from Illinois [Mr. DOUGLAS].

I believe that in his colloquy of the last few minutes with the Senator from Minnesota, the Senator from Illinois really has stated an obligation of statesmanship which confronts Senators in connection with the pending bill. I do not think Senators can escape it or can run away from it. Instead, each and every Member of the Senate must write his record on it, because, after all, here in the Senate, Senators not only represent their respective States; they also represent the entire Nation. And in my view, the obligation of Senators to the Nation is primary and controlling.

The Senator from Illinois has pointed out—and his statements have been reinforced by the comments made by the Senator from Minnesota—that in this case the Senate is confronted with an attempt by the Secretary of Agriculture to divide and conquer or divide and rule, in connection with the legislative function, and that there is now before the Senate a bill which would be of benefit to the so-called cotton Senators, and would provide some benefits to the so-called wool Senators—and I suppose I would be numbered among the latter group, because my State is an important wool-producing State—but that the pending bill would not do justice to American agriculture as a whole.

Mr. HUMPHREY. The Senator from Oregon is correct.

Mr. MORSE. However, I think it is our national duty to see to it that the bill will be of benefit to American agriculture as a whole.

I shall vote for the wool amendment because, in my judgment, the principle of the wool amendment should be applied to wool. But it should also be applied to many other agricultural commodities.

I understand that is also the position of the Senator from Minnesota.

Mr. HUMPHREY. That is correct.

Mr. MORSE. I understand that that is the position he has taken in the excellent speech he has made in the Senate this afternoon. That speech is really a great academic speech, and it should be assigned as required reading for all college and university students who take courses in agricultural economics.

However, the bill also includes other amendments, such as those referred to by the Senator from Minnesota.

I wish to make it clear that I do not intend to disregard my national obligations, simply because the wool amendment has been slipped into the bill. I am not willing to "sell down the river" or "push down the economic drain" the other farmers of my State or the other farmers of the Nation, simply in order to have the wool amendment included in the bill.

I shall vote for the adoption of the wool amendment. But I shall also vote for the adoption of other amendments which will make the bill well rounded, just, and fair for the other farmers of the Nation.

If we cannot have such additional amendments included in the bill, I shall vote against the bill in its final form, because if the Senate permits any administration—whether Republican or Democratic—to divide it in the way that, in my judgment, the Senate is being divided as regards its position on the pending farm bill, and if Senators permit themselves to be conquered, so to speak, and prevented from carrying out their national responsibilities, then in my judgment the Senate will have ceased to carry out its primary obligation to the entire Nation.

Therefore, to the Senators from the regions which would receive the so-called benefits of the bill, I plead, "Do not permit yourselves to be bought."

Mr. HUMPHREY. Mr. President, I wish to thank the Senator from Illinois [Mr. DOUGLAS] for his very fine participation in the debate, and also for the important points he has developed and properly emphasized. He has made it perfectly clear that the proposed legislation is parochial, very limited, filled with what I consider to be economic boobytraps, and that it would result in harm to a major part of Illinois agriculture.

I also wish to thank the Senator from Oregon [Mr. MORSE] for his statement. I concur in every word he said. It is my intention to vote for the wool amendment. I believe that the principle of compensatory payments, which is embodied in the wool amendment, could well be applied to some other agricultural commodities, although I do not say it should be applied to all. But that is a principle and an instrument of agricultural economic policy which could well be applied to agricultural products of other areas.

As the Senator from Illinois said, there are some who feel that if the wool amendment is adopted, it will be possible to obtain enough votes to pass the bill. That may be so; but unless there are further changes the bill will not be a good one, and in that case the Senators who vote for the bill will later rue the day when they did so.

So I ask my Democratic colleagues to remember that our party is the party that wrote into the law the parity concept; and if, in connection with the consideration of this bill by the Senate, the Democratic Party participates in the elimination of that concept from the law, then the Democratic Party will stand as a betrayer of the people.

Mr. President, I will not vote to do that. The people of my State expect me to keep my word; and I have given my word, and for years I have worked diligently and sincerely for the parity concept; and I shall keep my word.

Mr. DOUGLAS. Mr. President, will the Senator from Minnesota yield further to me?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. The Senator from Minnesota is a very skillful parliamentarian. I hope that when the Senate begins to vote on the amendments, he will see to it that adequate amendments which deal with corn and soybeans will be submitted.

Mr. HUMPHREY. They have already been submitted.

Mr. DOUGLAS. I hope they will be considered by the Senate before it considers the wool amendment.

Mr. HUMPHREY. I regret to say that the wool amendment was first submitted.

Mr. DOUGLAS. Is that amendment the pending question?

Mr. HUMPHREY. Yes; and the Senate will proceed to vote on it tonight.

Mr. DOUGLAS. I regret that very much.

Does the Senator from Minnesota think there is very little chance for the provision of protection for corn?

Mr. HUMPHREY. If the Senator from Illinois means to ask whether I think there is much chance for the adoption of our feed-grains amendment, which includes corn, I shall reply by stating that I believe that amendment will be adopted, because, according to the responses of the leaders in the other body, unless the feed grains are included, no agricultural bill will be passed by this Congress. In other words, Senators who may wish to pretend that the Senate will vote to make provision for only cotton, rice, and a few other agricultural commodities, can go through the exercise of debating the bill, if they wish to do so; but in such event, their activities will amount merely to verbal gymnastics, because a bill so greatly limited will not be enacted.

Mr. DOUGLAS. Why should we let the full responsibility lie on the House of Representatives? Why should we not do something here to get a balanced bill which will be fair to all, will not give special benefits to a minority.

Mr. HUMPHREY. I assure the Senator that we will try; and, with the Senator's brilliant help and courageous assistance we are going to do our level best. There are many amendments at the desk. More will probably be offered. It is my intention to ask for a yea and nay vote on all my amendments. In fact, I intend to do so on all the amendments.

Mr. DOUGLAS. I hope the Senator sticks to that intention, even though we have to stay here all night long.

Mr. HUMPHREY. I assure the Senator I will stick to it. I want to say another thing to him. There has been no agreement whatsoever to limit debate. There has been no agreement to do anything but to seek to be responsible and to get legislation. I do not seek to delay. I seek to get legislation. We have reasonable, moderate amendments. I did not propose a program which, from the point of view of the Senator from Minnesota, is as extreme or as far-reaching as I think it ought to be. I have suggested four minimum requirements, which I feel are most moderate.

Mr. DOUGLAS. I may say to my good friend from Minnesota that it may be all right for the Senator from Oregon to vote for a wool amendment, and then trust to faith or luck that there will be other amendments to protect other crops; but the Senator from Illinois does not intend to take things on faith. I am not here to logroll, but when everybody else is under the mistletoe and is being accepted, but corn and soybeans are left out, then in self-defense I must protect the commodities grown in my State and the farmers who grow them. I refuse to have distress inflicted on commodities grown in the Upper Mississippi Valley. I am here to resort to decent methods of self-defense.

Mr. HUMPHREY. Those methods are most effective. The Senator from Illinois will find a companion in the primitive existence he wishes to pursue in terms of defense of our agricultural commodities. I regret we find ourselves in a situation wherein we cannot vote on other amendments first, but the truth is that in the very beginning of the debate an amendment was offered by our very dear friend of agriculture, the Senator from North Dakota [Mr. YOUNG]. I feel there should be a yea and nay vote on that amendment. There is a desire on the part of some Senators to have a voice vote, but I should like to see yea and nay votes on all these amendments. I want the corn, soybeans, and other feed grain farmers to find out who is for them and who is against them.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MORSE. Does the Senator have any question as to whether we can obtain a yea-and-nay vote on the wool amendment?

Mr. HUMPHREY. I am sure our colleagues will honor us with a yea-and-nay vote. There is a display of fair play in evidence. I am sure we can have one.

Mr. MORSE. Will the Senator yield further?

Mr. HUMPHREY. Yes.

Mr. MORSE. I am in complete sympathy with the point of view expressed

by the Senator from Illinois. I think we are in a very difficult parliamentary situation. Some amendment has to be voted on first. I did not know that the wool amendment was first. The wool amendment is now pending. I shall vote for the wool amendment. I shall vote for the Senators' other amendments. Then if we do not get what he has described as a reasonably fair bill, I shall vote against the bill. I think that is the obligation I owe to my responsibilities here. I see nothing inconsistent between what I have just said and what the Senator from Illinois has said.

Mr. HUMPHREY. That is exactly the intention of the Senator from Minnesota.

Mr. McNAMARA. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. McNAMARA. I should like to ask a couple of brief questions. It appears from the colloquy now going on that consideration is being given to almost every branch of the agricultural industry except the dairy industry.

Mr. HUMPHREY. I assure the Senator there is no provision in this proposed legislation that affects the dairy industry except adversely.

Mr. McNAMARA. That is true. I can go along with many provisions that do not particularly concern the people of my area, but the dairy industry is very important in the State of Michigan. Why should it be considered so utterly impossible to adopt an amendment which would be of benefit to the dairy farmers? I do not understand such a philosophy. There are many things about this bill I do not understand; that is just one. Does the Senator have any answer to that question? Why is it that every other commodity can be taken care of, and we are ready to listen to the pleas of every phase of the agricultural industry except the one which I think has been grossly neglected and abused recently by Secretary Benson? I do not think such an attitude makes any sense.

I have in my hand a record of the vote on the last dairy bill. The vote was 50 to 43. We lost by a very few votes.

Mr. HUMPHREY. The Senator refers to the resolution, does he not?

Mr. McNAMARA. Yes, on dairy price supports. I have read from a compilation by the majority leader, not by me. This is gospel; there is no question about the authenticity of it. What explanation does the Senator from Minnesota have as to that question?

Mr. HUMPHREY. I would say to my good friend from Michigan the only explanation is that the Secretary of Agriculture is a stubborn man. He has decided the price-support levels for milk are high enough according to his standards, and that is the way they are going to be. When the junior Senator from Minnesota offered an amendment on dairy products to restore milk prices to $3.25 a hundredweight, it lost by 1 or 2 votes in the committee. The main reason it lost was that it was stated openly in committee that if the amendment was added to the bill, the bill would be vetoed.

Mr. McNAMARA. We are hearing that statement again today.

Mr. HUMPHREY. What is really being stated here, before any amendment is even adopted, even before there is a chance to look at it, is that an edict has come down from on high. The Secretary of Agriculture says he will write the policy. The Constitution of the United States provides that Congress shall write the policy.

Mr. McNAMARA. It appears we are wasting a lot of time late at night on something that has been predetermined.

Mr. HUMPHREY. I do not believe in letting the Secretary or anybody else bluff us. In international affairs we constantly hear that if we do this or do that, the Soviet may attack. If we are going to live by that kind of blackmail, we will have to throw the sponge into the ring early.

In legislative matters I do not believe in having rumors or statements by second division or second-level personnel handed to us and being told, "If you do this or adopt such and such an amendment, the President is going to veto the bill." The only time I know that the President vetoes something is when he actually vetoes it, and when we get the veto message. If the President wants to veto the bill, it is his constitutional privilege. I do not think he will veto it as fast if there is a dairy amendment attached to a cotton and rice provision as he would if there were a dairy amendment alone.

Mr. McNAMARA. I agree with the Senator. I am going to be in favor of giving serious consideration to appropriate supports for dairy products.

On another phase of the bill, I should like to say that I am a little surprised to hear the Senator from Minnesota, who is a distinguished member of the Committee on Agriculture and Forestry, say he is going to support the wool amendment. My inclination is not to support the wool amendment at this point. I should like to know what is wrong with my reasoning. It seems to me the one part of the agricultural program which has worked well has been the wool program. The wool growers seem to be well satisfied with it. Why should we try to amend the law? I know that there is a question as to certain funds not being so readily available any more, but is not the day when this action should be taken 9 or 10 months away? Why do we have to take such action now? Why can we not go on as we are for another year?

Mr. HUMPHREY. The Senator makes a good point. The wool authorization does not run out, I believe, until March of 1959.

Mr. McNAMARA. What is the rush?

Mr. HUMPHREY. There is time. I would be less than honest if I did not say I find in the wool bill many meritorious provisions. I know it has been proposed that the Wool Act be amended with respect to the source of the necessary funds with which to make payments, but I am going to support the wool amendment.

Even among those of us who see eye to eye on most legislation in the Congress there is occasionally a point upon which we differ. That is one of the great joys of being relatively independent.

The Senator has asked me why we should support the wool amendment now. I will give two reasons.

First, I think basically the wool amendment is a good amendment. Second, I think one of the best friends of American agriculture, the Senator from North Dakota [Mr. YOUNG], who is sponsoring the amendment, deserves some recognition for his untiring efforts in these matters.

The second reason obviously is a personal reason and should be given secondary consideration.

I will state that I supported the wool amendment in the committee, and I shall support it on the Senate floor. I would prefer to vote on the wool bill as a separate bill.

Mr. McNAMARA. I would also.

Mr. ANDERSON. Mr. President, will the Senator yield to me at this time?

Mr. McNAMARA. I will say, in conclusion, I am not convinced I should vote for the wool amendment. I still think I shall vote against it.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. ANDERSON. I am happy to hear the Senator from Minnesota state that he will support the wool amendment. I am happy to hear the Senator say that the Senator from North Dakota is entitled to a great deal of consideration. I hope the Senator from Minnesota will not overlook the fact that the able Senator from Wyoming [Mr. O'MAHONEY] proposed virtually the same thing in 1946 and submitted it to the Department of Agriculture, where he received the support of the Department of Agriculture.

So far as I am concerned, the Senator from Wyoming who does not seem to get much credit for the wool act, is entitled to a tremendous amount of credit, because he was the original sponsor of it and brought it to the attention of the Congress.

I think more than any single individual the Senator from Wyoming has tried to bring the wool act to fruition.

I say that because sometimes we forget the mute, inglorious Miltons who only stand and wait, when really able to say, "This, after all, is my proposal." That is absolutely true of the Senator from Wyoming. I regret that the Senator from Wyoming is not on the floor at this time to hear me say this on his behalf.

Mr. HUMPHREY. I am delighted the Senator from New Mexico has made those remarks on behalf of the Senator from Wyoming.

I regret that I was unmindful of the early leadership of the distinguished Senator from Wyoming, who has been giving every bit as much leadership as to the current bill, with respect to wool.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Since it is rumored that the alliance now being built up is an alliance of Senators primarily representing cotton, rice, and wool areas, and that the corn, soybean, and dairy areas

are to be left out, would it not be more wise for us to defeat the wool amendment, and to defeat it by a big vote, with the whole upper Mississippi Valley voting against it? Then if corn and soybeans and dairy products are brought in for consideration the wool amendment could be revived in a proper but not an improper form.

Mr. HUMPHREY. That is one possibility, I will say to my good friend from Illinois.

Another possibility, which I have heard some of our colleagues mention, is to recommit the bill to the committee with some instructions.

Mr. ANDERSON. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. ANDERSON. The Senator from Minnesota and I have been as far apart as to parity as two people could possibly be.

Mr. HUMPHREY. Not as to parity, but as to how to obtain it.

Mr. ANDERSON. I accept the Senator's correction. I also note that the Senator and I took part at one time in a very interesting program, in which we were supposed to be on opposite sides, when both of us were trying to accomplish the same goal. I have many times said to the Senator from Minnesota that I do not agree with all the conclusions he reaches, but he has been outstanding in his stalwart championing of the rights of farmers.

Mr. HUMPHREY. I thank the Senator very much. His remarks are very kind.

Mr. ANDERSON. The Senator knows that commendation is only a small part of what is due him for the things he does for the American farmer.

I will say that unless there can be changes in the bill—not so complete as the Senator from Illinois suggests, but changes in the bill—the part of wisdom might be to recommit the bill to the committee.

For example, there is a provision in the bill which calls for 1.6 million acres for rice. There is no possibility that we can use more than one million acres of rice production.

Mr. HUMPHREY. What is the present acreage?

Mr. ANDERSON. I regret to say the Senator from Minnesota has asked me a question which I cannot immediately answer. I am not as familiar with the figures as I ought to be. However, it is contemplated we will have 1.6 million acres of rice, as is provided for in the bill, which will produce about 49 million hundredweight, while the American market is ready to consume about 27 million hundredweight. The other 22 million hundredweight will have to be put in storage, along with all the other rice we have in storage.

I will say to the Senator from Minnesota, if we are going to follow such a procedure in that circumstance it might be well to say, "What about doing the same in many circumstances?"

The Senator from Minnesota knows that I come from a State which produces cotton. I think my State produces very, very good cotton.

In the bill presently under consideration there is a suggestion that it might be possible to increase the cotton acreage by 40 percent, by taking some 15 penalty points reduction in support prices. If such is done—and it may be desirable to do so—I think it is worthwhile to bear in mind that such action might present some problems for the soybean producers.

The Senator from Illinois mentioned that item a moment ago. Whatever we do in the bill presently under consideration to improve the situation of the cotton farmers I think we ought to recognize the implications with respect to the soybean farmers, and we ought to write into the bill a provision that if the bill increases the acreage for cotton, and thereby increases cottonseed oil and cottonseed cake and other production, the Secretary of Agriculture can take into consideration what effect such production might have upon the production of soybeans.

I hope the Senator from Minnesota will keep insisting on that point. I will not be at all alarmed if the Senator from Illinois keeps insisting upon it, too. It is not possible to write a sound agricultural program by buttering only a few slices of bread. We can only write a sound agricultural program when we recognize that all segments of agriculture tie together and that if we do something for one segment of agriculture we have to recognize the effects upon other segments.

I am glad the Senator from Minnesota and the Senator from Illinois have raised this question. No soybeans are produced in my State, but that does not change the responsibility of the Congress to look at the problems of the soybean producer in the consideration of a bill of this nature.

Mr. HUMPHREY. I am grateful to the Senator from New Mexico for his comments.

Of course, from him words of commendation mean a great deal because of my high regard for the Senator's point of view and for his expert knowledge.

It is true that as to the matter of how we would gain what we call parity, the Senator from New Mexico and the junior Senator from Minnesota have at times disagreed, but our objective has been the same.

Mr. ANDERSON. Yes.

Mr. HUMPHREY. Very much the same.

Mr. ANDERSON. If the Senator will yield further, I should like to say that I do not understand some of the things provided in the bill, because it refers to 90 percent, but it is 90 percent of the average price of the last 3 years. I do not observe anybody standing up to talk about 90 percent of parity anymore. I made a comment to the Senator from Wisconsin [Mr. PROXMIRE] today that I was glad he stated his convictions, because he still believes that 90 percent of parity for farmers is a desirable thing. It happens I do not so believe. I believe in flexible price supports. I have advocated such supports since 1947, when I conveyed such a message to the Congress.

I wonder what this bill will do for the people who have been standing up beating their breasts for 90 percent of parity, when they suddenly fail to remember it anymore? I am glad the Senator from Minnesota remembers what he stood for. There is eternal faith still in his breast, and I commend him for that.

Mr. HUMPHREY. I thank the Senator.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MORSE. I think the Senator from New Mexico has put the issue very well for at least some of us in the Senate. I am not going to sit in the Senate and vote to destroy parity.

I want to say I also join with the Senator from New Mexico in his observations with respect to the leadership of the Senator from Wyoming [Mr. O'MAHONEY] on wool issues in the United States Senate for many years past.

I was in the Senate in 1946. I was following the leadership of the Senator from Wyoming on wool issues then. The CONGRESSIONAL RECORD will so show.

I should like the attention of the Senator from Illinois for a moment, because he has troubled me by the position he has just taken on the floor of the Senate. I want to be sure that I understand it. He may be right. I wish to say to my friends from Illinois and Minnesota that I would vote to recommit the bill. I think that should be done first.

I am troubled about the parliamentary technique in which we would involve ourselves if we were to follow the suggestion of the Senator from Illinois, that if the wool amendment comes up first, Senators representing soybean, corn, and other interests should vote against it until they can have soybean and corn amendments adopted. Then they will say to Senators representing wool interests, "We will now favor you with our votes on the wool amendment."

That is what bothers me. I do not believe that that kind of bartering on the floor of the Senate is the way to legislate. I want the Senator from Illinois to know that I am not critical. I am trying to see if we cannot find a principle which we can consistently follow, in order to avoid starting to divide among ourselves when our objectives are common.

Mr. DOUGLAS. Mr. President, I have always voted for the national interest on the floor of the Senate.

Mr. MORSE. I know that.

Mr. DOUGLAS. I also represent my State. If other Senators are to discard the national interest and merely work in behalf of particular commodities, I do not propose to be a pacifist and a nonresistant in these matters. I am not a masochist. I do not take pleasure in having pain inflicted upon me, or upon the farmers of my State. If cotton, rice, and wool producers are to say that they are to get their feet in the trough, I will say, "If you do not do justice to

corn, soybeans, and possibly dairy products, get away from the trough." I do not think it is a trough at all, but I have ceased to be a nonresistant. The worm has turned. The grave nature of the upper Mississippi Valley has been betrayed too many times. I am now adopting the motto of the Albany Confederation of the 1750's, "Don't tread on me."

Mr. MORSE. Let me say good-naturedly to my friend from Illinois that what he is really arguing for in regard to the parliamentary tactics outlined here is that he will insist on getting his nose in the trough first.

Mr. HUMPHREY. I suggest that we change the simile.

Mr. MORSE. We have made it perfectly clear that we shall vote against the bill in the national interest if it is not a fair bill. That is why, if I vote for the wool amendment and it goes into the bill, and the soybean amendment does not go in, I will vote against the bill.

Mr. DOUGLAS. Do not deal out corn, rye, sorghums, and the other competitive feed grains.

Mr. MORSE. I am using soybeans only as illustrative of the whole group of commodities which the Senator from Illinois and the Senator from Minnesota have been discussing. I do not believe the Senator from Illinois should put some of us in the position where we shall have votes cast against us on the wool amendment unless he and his group can get some amendment in first, because I respectfully say that I do not think that would be voting in the national interest.

Mr. HUMPHREY. Mr. President, I am convinced that before we are through with this discussion we shall all be pulling together in harness for the legitimate objectives we seek. I am delighted to have had this participation by some of the most able Members of this body, who know how to speak with conviction and sincerity.

A few days of educational process might be helpful. At least, it would give some of my colleagues a chance to hear from the folks at home, instead of having our farmers suddenly discover too late that the Senate has sold them down the river by surrendering unconditionally to Secretary Benson.

I am sure that some of my colleagues who have in the past proven stalwart champions of agriculture will join me, if necessary, in seeing that ample time is devoted to thoroughly exploring the road down which Secretary Benson is trying to take American agriculture. On the other hand, of course, we may be able to persuade them to withhold their fire, to a degree, if some evidence is forthcoming of a willingness to at least explore the chances of perfecting this legislation into something a friend of the farmer can live with.

In due time I shall discuss at considerable length each of the constructive amendments I am proposing, and explain the necessity for including them in this bill.

But for the purpose of this more-or-less preliminary warm-up, merely setting the stage for the main fights to come, I shall confine myself to the rather broad outlines of why agriculture urgently needs better legislation, the dangers of the road down which this present legislation would take agriculture, the tremendous propaganda effort that is being put forth to deceive the public about that shift in farm policy, and some better alternatives that we should be seriously considering.

Each of these topics could and should be a full-dress presentation in its own right, and I do not intend to neglect any part of this discussion.

First of all, let us take a careful look at how our farmers are doing.

Despite all the glowing cover-page stories in Life magazine and all the reassuring statements from Secretary Benson, the farmer's pocketbook and his purchasing power—his take home pay upon which so much of the rest of our economy is dependent—is the best measurement of what is really happening. And it is not good.

There may be room for different points of view as to what should be done about our agricultural problems, but there can be little difference of opinion over the fact that our agricultural economy is out of balance with the rest of the economy—even during a period when the rest of the economy has slipped a cog and headed downward.

This administration takes great delight with the passage of years in seizing upon any temporary slight upturn in some farm prices to compare the situation favorably with its own low points—instead of comparing the situation today either with where farmers stood under the previous administration on, or with the rest of the economy even today.

One can do all kinds of tricks with statistics. He can fool himself—but it is hard to fool the farmer, or the small town businessman for whom the farmer is the best customer.

Before taking a look at the national picture, I should like to start closer to home—in Minnesota. I know my farm people, and I try to keep track of what is happening to them. Soaring fruit and vegetable prices as a result of weather conditions in Florida may influence the national parity figures, but they do not mean much to Minnesota farmers.

On June 15, 1958, the average parity price for the 17 leading commodities in Minnesota, averaged according to the relative importance of the products, was 74 percent of parity.

Corn was only 61 percent of the effective United States parity price. All milk sold wholesale was only 57 percent of United States parity.

Oats were also 57 percent of parity.

These are the figures from our university, and they count with our farmers.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table from the July 10 issue of Minnesota Agriculture, published in St. Paul by the Minnesota Farmers Union, entitled "How Far From Parity?" showing a comparison of the United States effective parity price and the average price received by Minnesota farmers for the 17 leading commodities in our State.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

How far from parity?—June 15, 1958

Crop or product	United States effective parity price	Average price received by Minnesota farmers [1]	Short of parity per unit	Minnesota average price as a percent of parity [2]
Corn.....bushels..	$1.76	$1.07	$0.69	61
Hogs hundredweight..	22.10	21.20	.90	96
Cattle.....do.....	23.20	23.10	.10	99
Milk, wholesale hundredweight..	5.08	2.90	2.16	57
Butterfat...pounds..	.76	.62	.14	81
Oats.....bushels..	.88	.52	.36	59
Eggs.....dozen..	.49	.28	.21	57
Soybeans...bushels..	3.04	2.04	1.00	67
Calves hundredweight..	25.60	26.20	0	113
Flax.....bushels..	4.33	2.62	1.71	60
Barley.....do.....	1.35	.92	.43	68
Wheat.....do.....	2.43	2.11	.32	87
Turkeys.....pounds..	.38	.29	.11	71
Potatoes.....bushels..	2.46	2.20	.26	89
Chickens...pounds..	.287	.15	.13	52
Sheep hundredweight..	10.30	6.70	3.60	65
Wool.....pounds..	.71	.30	.41	42

[1] Prices are as received by farmers at the point of first sale out of the farmer's hands and should not be confused with prices of specific grades or classes at central terminal markets.

[2] Parity price average, 17 leading commodities, Minnesota, 74 percent (averaged according to relative importance of products).

Mr. HUMPHREY. Now, Mr. President, in all fairness to areas where prices might be better, I would also like to ask unanimous consent to have printed at this point a table of average prices received by farmers for farm products nationwide, comparing June 15, 1957, with May 15, 1958, and June 15, 1958, and another table making the comparison between June 15, 1958, with June 15, 1951.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Average prices received by farmers for farm products, United States, June 15, 1958, with comparisons

Commodity and unit	June 15, 1957	May 15, 1958	June 15, 1958
Wheat.....bushel..	$1.91	$1.93	$1.70
Rye.....do.....	1.04	.963	.952
Rice, rough hundredweight..	4.91	5.06	5.05
Corn.....bushel..	1.22	1.15	1.19
Oats.....do.....	.661	.594	.615
Barley.....do.....	.881	.869	.907
Sorghum grain hundredweight..	1.89	1.76	1.76
Hay, all baled.....ton..	18.60	17.70	17.10
Cotton:			
American upland..pound..	.3189	.2910	.2909
American-Egyptian..do.....	.591	.544	.544
Tobacco, types 11-37...do.....	.512	.470	.435
Cottonseed.....ton..	(1)	(1)	(1)
Soybeans.....	2.18	2.13	2.13
Peanuts.....pound..	.109	.110	.110
Flaxseed.....bushel..	2.72	2.58	2.64
Potatoes.....hundredweight..	1.31	2.37	1.65
Sweetpotatoes.....do.....	5.72	5.91	5.52
Beans, dry edible.....do.....	7.22	7.94	8.09
Peas, dry field.....do.....	3.57	3.01	3.16
Hogs.....do.....	18.40	21.70	21.60
Beef cattle.....do.....	17.80	23.10	22.30
Calves.....do.....	18.90	25.70	24.70
Sheep.....do.....	5.70	7.64	7.19
Lambs.....do.....	20.20	20.50	21.20
Butterfat, in cream..pound..	.591	.576	.573
All milk, wholesale hundredweight..	3.80	3.74	3.70
Milk, retail.....quart..	.207	.209	.209

Average prices received by farmers for farm products, United States, June 15, 1958, with comparisons—Continued

Commodity and unit	June 15, 1957	May 15, 1958	June 15, 1958
All chickens, live.....pound...	$0.196	$0.196	$0.203
Farm chickens, live do....	.134	.166	.160
Commercial broilers, live do....	.207	.201	.210
Turkeys, live.....do....	.233	.271	.256
Eggs.....dozen...	.289	.355	.339
Wool.....pound...	.554	.363	.377
Adjusted for seasonal variation:			
All milk, wholesale hundredweight...	4.22	4.19	4.11
Eggs.....dozen in carton...	.314	.390	.368

[1] Not available.

Source: Agricultural Prices (June 27, 1958). Published by Agricultural Service, U. S. Department of Agriculture.

Average prices received by farmers for farm products, June 15, 1958, compared with June 15, 1951

Commodity	Average, 1951	June 15, 1958	Percent change
Wheat	$2.11	$1.70	Down 19
Rye	1.52	.952	Down 37
Rice, rough	4.82	5.05	Up 5
Corn	1.66	1.19	Down 28
Oats	.820	.615	Down 25
Barley	1.26	.907	Down 28
Sorghum grain	2.32	1.76	Down 24
Hay, all baled	25.60	17.10	Down 33
Cotton, American upland	.377	.2909	Down 23
Tobacco, types 11-37	.420	.435	Up 4
Cottonseed	60.30	(1)	(1)
Soybeans	2.73	2.13	Down 22
Peanuts	.104	.110	Up 6
Flaxseed	3.72	2.64	Down 29
Potatoes	1.63	1.65	Up 1
Sweetpotatoes	3.03	5.52	Up 82
Beans, dry edible	7.91	8.09	Up 2
Hogs	20.00	21.60	Up 8
Beef cattle	28.70	22.30	Down 22
Calves	32.00	24.70	Down 23
Lambs	31.00	21.20	Down 32
All chickens, live	.271	.203	Down 25
Turkeys, live	.374	.256	Down 32
Adjusted for seasonal variation:			
All milk, wholesale	4.58	4.11	Down 10
Eggs	.478	.368	Down 23

[1] Not available.

Source: Agricultural Prices (June 27, 1958), Agricultural Marketing Service, U. S. Department of Agriculture.

Mr. HUMPHREY. These tables show the average prices received by farmers for farm products. Comparing 1951, for example, with 1958, to give a few illustrations, turkeys are down 33 percent, chickens 25 percent, lambs 32 percent, flaxseed 29 percent, soybeans 22 percent, grain sorghums 24 percent, barley 28 percent, oats 25 percent, corn 28 percent, and rye 37 percent. This is the picture which these tables reveal.

While I hope my colleagues will study these tables, I cannot help but refer to them briefly, as I have done. For example, rye, for which this pending legislation means a further cut in price, is already down 37 percent from 1951. Oats, also facing a new threat under this bill, are already down 28 percent. The same is true for sorghum grain. Soybeans, facing new competition under the proposed expansion of cottonseed production, are down 22 percent in price.

To get the true perspective, you must compare these drastic price declines with what has happened to prices paid by farmers for the same period.

Interest payments per acre have gone up 79 percent. Taxes paid per acre have gone up 39 percent. These are figures from Secretary Benson's own reports. I hope he reads them. I hope he recognizes that the biggest increases in the farmers' costs are from higher interest and higher taxes, much bigger than the increases in production supplies and farm-machinery equipment. Somehow, Secretary Benson tries to blame all of the farmer's increased costs on labor in industry, but the facts of his own reports do not seem to support him. Mr. President, I ask unanimous consent to have printed at this point a table of the index of prices paid by farmers from the report, Agricultural Prices, issued by the Agricultural Marketing Service of the United States Department of Agriculture.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Index of prices paid by farmers (1910–14=100)

Item	Average 1951	Apr. 15, 1958 [1]	Percent change
Interest paid per acre	98	175	Up 79.
Taxes paid per acre	335	464	Up 39.
Cash wage rates	470	567	Up 21.
Motor supplies	150	169	Up 8.
Motor vehicles	342	420	Up 23.
Farm machinery	297	361	Up 22.
Farm supplies	264	294	Up 11.
Building and fencing	346	391	Up 13.
Fertilizer	152	151	Down 1.
Average, above 6 items.	258	299	Up 16.
Household operation	189	212	Up 12.
Household furnishings	277	277	No change.
Building materials, house	384	407	Up 6.
Autos and auto supplies	267	323	Up 21.
Average, above 4 items.	256	287	Up 12.
Food	265	288	Up 9.
Clothing	309	326	Up 6.
Average, above 2 items.	280	301	Up 8.
Feed	236	203	Down 14.
Feeder livestock	490	392	Down 20.
Seed	232	212	Down 9.
Average, above 3 items.	314	262	Down 17.
Prices paid for all family living items (average).	268	293	Up 9.
Prices paid for all production items (average).	273	271	Down 1.
Prices paid, commodities and services taxes and wage rates.	282	306	Up 9.

[1] Or last available data.

Source: Agricultural Prices, (Apr. 30, 1958), Agricultural Marketing Service, U. S. Department of Agriculture.

Mr. HUMPHREY. Any comparison of the farmers' conditions with his own conditions of the past is inadequate without taking a look at how everybody else is doing.

For that information, let us turn to the Economic Indicators, published by the President's Own Council of Economic Advisors. For these figures, we have the full 1957 returns compared with the annual average of 1947–49.

In a nutshell, it shows what every farmer knows—farmers are worse off, and everybody else is better off—but particularly corporations and stock owners.

While income from interest—the money made by bankers primarily on other people's money, not their own—was soaring 109 percent during that period, farmers total net income fell 25 percent.

Of course, the administration makes a great fetish of saying that such declined total net income for farmers was divided up among fewer farmers—because of their success in driving more people off the farm.

But even at that rate, the per family total net income of farmers, in current dollars, declined 6 percent while dividend income, for example, went up 70 percent and per person income of nonfarm people went up 39 percent.

Mr. President, it might be helpful if I could have unanimous consent to have printed at this point a series of tables of how farmers are doing compared with others.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

How farmers are doing, compared with others—Farmers worse off, everybody else better off, particularly corporations and stockowners

	Annual average, 1947–49	1957	Percent change
Interest.....billion dollars..	9.0	18.8	+109
Dividends.....do....	7.1	12.1	+70
Corporation profits:			
Before taxes.....do....	29.5	41.0	+39
After taxes.....do....	18.1	20.0	+11
Rental income.....do....	7.2	10.4	+45
Business and professional proprietors..billion dollars..	20.8	28.7	+40
Weekly earnings of manufacturing workers..dollars..	53	82	+55
Per person income, nonfarm people.....dollars..	1,473	2,045	+39
Per person income, farm people [1].....dollars..	848	993	+17
Farm income parity ratio percent..	88	45	.....
Farmers total net income:			
National..billion dollars..	15.4	.....	−25
Per family, current dollars..	2,654	2,490	−6
Number of farms....millions..	5.8	4.9	−16

[1] From nonfarm and farm sources.

Source: Economic Indicators (Council of Economic Advisers) and Farm Income Situation published by Agricultural Marketing Service, U. S. Department of Agriculture.

How farmers are doing, compared with others—Farmers worse off, everybody else better off, particularly corporations, bankers, and stockowners

	1951	1957	Percent change
Interest.....billion dollars..	11.6	18.8	+61
Dividends.....do....	9.1	12.1	+33
Corporate profits, after taxes.....billion dollars..	18.7	20.2	+8
Rental incomes.....do....	9.1	10.4	+14
Business and professional proprietors billion dollars..	24.8	28.7	+16
Weekly earnings of manufacturing workers:			
Current dollars billion dollars..	65	82	+26
1957 dollars.....do....	70	82	+17
Farmers total net income:			
National billion dollars..	16.3	11.6	−29
Per family:			
Current dollars.....	2,951	2,388	−19
1947–49 dollars.....	2,083	1,901	−24
Number of farms..millions..	5.5	4.9	−11

Source: Economic Indicators, published by Council of Economic Advisers to the President of the United States, June 1958, and Farm Income Situation (July 1958), published by Agricultural Marketing Service, U. S. Department of Agriculture.

DO FARM FAMILIES GET PARITY INCOME?

Per person incomes, farm and nonfarm compared

	1951	1957	Percent change
Income per person of people on farms:			
From farming	$741	$651	−17
Government payment	10	43	+400
From all sources (current dollars)	983	967	−2
From all sources (1957 dollars)	1,032	967	−6
Income per person of people not on farm	1,763	2,082	+18
Farm family income, percent of parity income	56	46	

Source: Farm Income Situation (July 1958), published by Agricultural Marketing Service, U. S. Department of Agriculture.

Farmers' share of national income and population

	1947–49	1951	1957	
	Percent	Percent	Percent	
Farm people were	18.0	15.7	11.9	of national population.
And received	11.2	9.4	5.9	of national income.

NOTE.—Income figures for farm people include income from off-farm sources as well as income from farming.

Source: Agricultural Marketing Service, Farm Income Situation (July 1958).

Per farm real income down one-fourth in 6 years

	1951	1957	Percent change
Farm operators' gross income:			
Including inventory change, billion dollars	38.5	35.1	−9
Excluding inventory change, billion dollars	37.3	34.3	−8
Farm production expenses, billion dollars	22.2	23.5	+6
Farm operators' net income:			
Including inventory change:			
United States total, billion dollars	16.3	11.6	−29
Per farm, current dollars	2,951.0	2,388.0	−19
Per farm, 1947–49 dollars	2,683.0	2,034.0	−24
Excluding inventory change:			
United States total, billion dollars	15.2	10.8	−29
Per farm, current dollars	2,739.0	2,232.0	−19
Per farm, 1947–49 dollars	2,490.0	1,901.0	−24
Number of farms, million	5.5	4.9	−11
Prices paid by farm family for living items (Index)	$268	$286	+7

Source: Farm Income Situation (July 1958), published by Agricultural Marketing Service, U. S. Department of Agriculture.

Per farm real income down

	1951	1st half, 1958
Farm operators' gross income:		
Including inventory change, billion dollars	38.5	37.5
Excluding inventory change, billion dollars	37.3	37.7
Farm production expenses, do	22.2	24.4
Farm operators' net income:		
Including inventory change, United States total, billion dollars	16.3	13.1
Excluding inventory change, United States total, billion dollars	15.2	13.3
Prices paid by farm family for living items, index	268	280

Source: Farm Income Situation (July 1958), published by Agricultural Marketing Service, U. S. Department of Agriculture.

Nineteen hundred and fifty-eight farm income less than half of parity income goal

	Parity farm income [1]	Actual 1957 [2]	Farm income, 1st half 1958 [2]
Farm operators' net income:			
Including inventory change:			
United States total, billion dollars	26.2	11.6	13.1
Per farm, dollars	5,347	2,388	(3)
Excluding inventory change:			
United States total, billion dollars	26.2	10.8	13.3
Per farm, dollars	5,347	2,232	(3)
Farm production expenses, billion dollars	25.4	23.5	24.4
Farm operators' gross income:			
Including inventory change, billion dollars	51.6	35.1	37.5
Excluding inventory change, billion dollars	51.6	34.3	37.7

[1] Calculation based on definition in Agricultural Adjustment Act of 1938, as amended.
[2] Data from Farm Income Situation (July 1958), published by Agricultural Marketing Services, U. S. Department of Agriculture.
[3] Not available.

Mr. HUMPHREY. I suppose it is understandable that a man as hopelessly bankrupt over ideas about improving conditions in agriculture as Secretary Benson has proved to be should continue to whistle in the graveyard, and seize on every opportunity or excuse for misguiding the public about what is really happening under his stewardship.

Yet one of his classic comments that will live to haunt him was a statement a few months ago that "Agriculture has been a source of strength in the current recession."

Now, I suppose Secretary Benson can take a degree of pleasure in the fact that agriculture, with the rug already pulled out from under it several years earlier, finally escaped being alone in a tumbling economy when other segments also got into trouble.

But if he really feels the fact that farmers were already so broke they could not get much worse is a "source of strength" in our economy, I pity the fate of our economy.

Undoubtedly, Secretary Benson welcomed the fact that trouble in the rest of the economy temporarily took the spotlight off him as the greatest source of weakness in our entire economic picture.

Yet he forgets that many of us were warning 2 years ago about what would happen to industry and labor and business generally if farm purchasing power were permitted to remain depressed, while Secretary Benson was voicing bland reassurances that trouble in agriculture could not bother the rest of the country, because agriculture "was not as important" as it used to be.

Perhaps it is understandable that American farmers take Secretary Benson's statements with a big grain of salt, in view of his past record of blind misguidance as long as it served his propaganda purposes.

In assuring the country that agriculture was a bright spot in our recession, Secretary Benson used the occasion to make general observations about the role of farmers in the economy, concluding on this cheerful note:

The main impact of the recession, on agriculture, has been to restrict very substantially the job opportunities available to our farm people. As you know, one-third of the income received by farm people is obtained from nonfarm jobs and other nonfarm sources.

The Secretary of Agriculture did not point out that the decline in farm income—the farm depression—started several years ago. He did not point out that the estimated realized net income of $13 billion income for this year is almost 14 percent below the actual net farm income of $15.1 billion in 1952.

"Agriculture has been a source of strength in the current recession"—April 14, 1958—must take its position alongside other famous quotes of Secretary Benson on the subject of farm income.

Here are samples:

February 11, 1953:

Analysis leads us to expect no major changes (in farm prices) during the next several months.

October 21, 1953:

It's my belief that the major price declines are behind us.

November 18, 1953:

The retreat of farm prices and incomes * * * seems to have been stopped a few short months after we took office.

December 16, 1953:

Let me assure you * * * considerable progress has been made along the road to recovery. I believe that 1953 has marked the turning point—in the right direction.

December 15, 1954:

We are headed in the right direction at last.

January 7, 1955:

I am convinced that for agriculture the road ahead will be smoother than the one we have been traveling.

February 4, 1955:

Farm income has been stabilized for some months—of one thing you can be certain. The better farmers will make money * * * because there is real opportunity in agriculture today.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Is this a variation on the theme of an old song: "The music goes round and round, but it comes out just the same"?

Mr. HUMPHREY. That is correct. It is the Department of Agriculture's variation of that old theme.

January 16, 1956:

A new buoyancy in the market place, a new hope, a new vigor and zest, can be anticipated. * * * Surely it should be reflected promptly in prices and incomes.

August 17, 1956:

Farm prices and the parity ratio have not only stopped falling—they are definitely climbing.

Of course they promptly dropped. I may digress to say that the Department must have obtained a new public relations man, who concocted that spontaneous and exotic language.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Did they use the phrase that the decline in prices has now bottomed out; or is that a more recent phrase?

Mr. HUMPHREY. That came later. September 11, 1956:

We are on the right track. The downward slide in prices * * * has been checked. Yes, we are on the right track, and we are going to stay on it.

Mr. President, farmers are not being fooled. Whatever temporary improvements in farm prices may have occurred were certainly not the results of Secretary Benson's farm policies.

If it were not so tragic it would be amusing. When he appears before our Senate committee, every time it is pointed out that his policies have failed completely, he always blames the weather or some other facts of nature beyond his control.

Whenever the Senator from Missouri has pointed to discrepancies and to the inadequacy of the farm program, the response usually was that it was due to weather conditions and seasonal adjustments.

Mr. SYMINGTON. In other words, the operation was always successful, but the patient always died.

Mr. HUMPHREY. That is correct.

But when there was a slight lift in farm prices resulting from a combination of factors over which he had nothing to do, he was quick to claim full credit and boast that his "policies" were now proving right.

Out in Iowa—once a good Republican State, coming more and more our way these days—the farmers are more realistic.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial from the May 17 issue of the Wallace's Farmer, one of the Nation's leading farm publications published in the heart of the Midwest farm area at Des Moines, entitled "Guard Against Too Much Optimism."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

GUARD AGAINST TOO MUCH OPTIMISM

Secretary Benson and some USDA agencies have really been playing up the favorable farm price situation.

They've predicted a 5 to 10 percent increase in net cash income this year. Benson, Farm Bureau, and others point out that now their program of "more freedom" is starting to work.

City papers have run with the ball, even to talking about a "boom" in rural America.

Farm prices did react favorably the first 3 months of this year. And we're glad to see folks get a decent return on their livestock operations.

But let's not lose our heads, and think that all our troubles are over. Mother Nature, pure chance, and farmers themselves are largely responsible for higher farm prices this year.

First, a highly unusual frost destroyed a lot of vegetable and citrus production in Florida. Prices soared because of the immediate shortage of these products on the market.

Growers elsewhere profited, partly at the expense of Florida producers. A short crop nets farmers more than a big crop.

Second, it was pure chance that all three classes of livestock are being held back to build up herds at the same time. It is one of the few times that trends for the three have coincided.

Third, the beef price strength is almost entirely farmer-made. Ranchers are holding back large numbers of cows and heifers to build up their herds. Feeders have delayed their marketings 30 to 60 days.

Hog growers, too, had a hand in making the good 1958 livestock prices. They voluntarily held 1957 farrowings stable to prevent a bust in prices this year.

Then, to top things off, egg production dropped 4 percent the first 3 months of this year. This boosted prices about 20 percent, on the average.

There is no real scarcity of meat or protein food. But the slightly reduced marketings across the board created a little price boom.

Then the boom started feeding on itself, since it encouraged further holding back of breeding stock.

The strong livestock prices helped boost corn prices, too. Corn went up about 16 cents at Chicago between mid-March and mid-April.

We're happy about the situation, along with Mr. Benson. But let's appraise the facts accurately.

Farm people have plenty of problems ahead. And most of them center around surplus productive capacity.

A big segment of farmers will be in trouble most of the time, as long as we keep on producing a little more than our customers want, most of the time.

Mr. HUMPHREY. Mr. President, that same skepticism is nationwide, in agriculture. Here is one more example—an editorial from the current month's edition of the Missouri Farmer, entitled "Missouri's Agricultural Picture." Mr. President, I ask unanimous consent that the editorial referred to be published at this point in my remarks, summarizing the depressed situation in the great State of Missouri.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MISSOURI'S AGRICULTURAL PICTURE

Recent figures from USDA for the last several years show the Missouri agricultural picture like this:

Total gross cash receipts from farm marketings: about the same.

Production expenses: up sharply.

Number of farmers: decreasing steadily.

Net income per farm family: gradually declining.

The big problem which keeps plaguing all farmers is the continuous spiral of higher and higher production costs, and the steady slipping of the level of the average of all farm prices.

Let's look at some cost comparisons. Taxes on Missouri farms have gone up from a total of $22 million in 1949 to more than $34 million by 1956. That all-important item of interest on mortgages has climbed from $7.7 million to $13.5 million in the same period—up more than 75 percent. Due to the necessary use of more machinery, and more expensive machinery, depreciation costs have mounted from $75 million to almost $120 million in this 8-year period.

In 1956 all farm production expenses accounted for 70 cents out of every $1 of gross income. When the figures are in for 1957 this may rise to nearly 75 cents out of each dollar. Back in 1949 these expenses took only about 57 cents per dollar of gross income.

Even though there are fewer farms to account for this total income, these production costs have eaten into this figure so far as to return less net income—not only to the State's agriculture as a whole, but also to each family left on the farm. In 1949 net income per Missouri farm was $2,041. The estimate for 1957 is $1,851. This presents an impossible condition. It's not just that it means lower profits and thus pressure on living standards for farm families, but it also jeopardizes the progress of agriculture.

How can a farmer justify long-range improvements—fences, lime, terraces, new buildings and machinery—when he is confronted with the very real possibility that he may be next on the list of disappearing farmers?

Hr. HUMPHREY. Mr. President, let me read the concluding paragraph of that editorial, to show how depressed farm income affects the entire economy:

How can a farmer justify long-range improvements—fences, lime, terraces, new buildings, and machinery—when he is confronted with the very real possibility that he may be next on the list of disappearing farmers?

Mr. President, I can say in all honesty that the sentiment in Minnesota agrees with that expressed by these editors in Iowa and Missouri.

All the Madison Avenue propaganda in the world cannot gloss over the fact that farm income has been steadily and consistently declining, during a period of rising production costs.

Farmers are getting further and further away from the goal of equality of farm income with income in other segments of our economy, which was declared the intent and policy of Congress so many years ago.

In establishing that goal, which still stands in existing law today, Congress recognized the fact that farm people and the resources they own make at least as much contribution on the average to the Nation's economic welfare as do nonfarm people.

The risk in invested capital in farming is greater, not less, than the economy-wide average.

Modern family farming requires more skill and as great human strength and attention to details as does average nonfarm work.

Modern family farming requires as high type of management ability as that required of the average manager of nonfarm business enterprises.

In terms of pure interest return on invested funds, a dollar should be a dollar throughout the economy. Unfortunately, however, the farmer pays a higher interest rate on borrowed capital and earns a lower return on the funds he invests in his own business than any other businessman in the economy.

Farm income is far too low today, and it is not only farmers who should be concerned about it.

Inadequate farm income has not only retarded the economic and social development of rural areas; it has acted to prevent the Nation as a whole from the maximum attainment of its economic goals.

We cannot expect to go on having farm income decline a billion dollars a year, and farm indebtedness go up by about the same amount, without serious consequences for the entire economy.

According to the Department of Agriculture itself, the return to the farm

operator for himself and family per hour on typical commercial family-operated farms was less on many types of farms in recent years than the average hourly wages paid to hired farm labor on those same farms.

Last year, the Secretary of Agriculture himself reported to Congress that in 1956 the national average return per hour of farm operator and family farm labor was approximately 70 cents per hour, 30 cents per hour less than the statutory minimum wage for non-farm workers set by Congress under the Fair Labor Standards Act.

This disparity between farm income and non-farm income is becoming greater each year, despite our declared goals of public policy toward bringing them closer together. Current trends and current farm policies are not moving in the direction of closing the gap.

I do not want to appear pessimistic in reviewing these sad facts of our economic life today, because I do not believe such conditions have to continue. But I do believe these hard facts need to be emphasized to awaken the American people to the urgent need for concern over what is happening to agriculture. Farmers do not need to be told; their own pocketbooks and bank balances are warning enough. But the rest of the American people need to be shaken out of their complacency—a complacency, unfortunately, that the current administration has fostered by wishful thinking and repeated assurances that all's well when all is not well. The same complacency has been exposed in the field of science and satellites, by Sputnik I and II.

A depressed agriculture acts as a drag or brake on the rest of the economy. A depressed agriculture may not immediately pull the economy into a general business depression during a period of unbalanced inflation—but a depressed agriculture will most certainly hold down the level of total national income, and unless that contraction is offset by expansion in some other part of the economy, falling farm income would mean a reduced rate of national economic growth. We are already beginning to see that happen. We should have learned from experience, and heeded the warning that has been there for all to see for the last several years. Our so-called prosperity was meaningless when we were confronted with runaway inflation in some segments of our economy, and serious deflation in others.

What have we been doing about it? And, what is more important, what are we going to do about it?

I am endeavoring to avoid political partisanship, although it is hardly a secret that I believe Secretary of Agriculture Benson has given American agriculture its worst setback in several decades. As much as I regret being personal, it is impossible to review our farm situation without looking at what the present Secretary of Agriculture's misguided efforts have already done to our farm economy, and what these policies still threaten to do unless we call a halt.

Bensonism and its basic premise of lower prices has given our farm economy a hefty downhill push, while perpetuating a lot of myths in the minds of the non farm public.

What did this administration promise when they offered lower price support levels as the cure-all for your farm problems?

They said it would improve farm income by gaining better prices in the free market. Yet farm income has declined faster and further, and farm prices have steadily dropped. The parity level for all farm prices was at 100 on election day in 1952. It is 84 today.

They said it would curtail production. Yet production has increased, instead of declined. The individual farmer has been forced to increase his production to attempt to keep his income from dropping as a result of the falling prices.

They said it would reduce surpluses. Yet CCC inventories today are nearly five times as high as they were at the end of 1952, and far higher than when the so-called flexible program went into full effect in 1955—despite many new tools provided for surplus removal.

They said it would lower the cost of farm programs to the Government. Yet the realized loss on price support operations has been more than twice as much in the last 5 years as in the preceding 20.

The simple truth is that the flexible theory of regulating output through lowered prices has been a complete failure—resulting in nothing but further depletion of farm income.

And yet all that President Eisenhower and Secretary Benson have recommended to the Congress is more of the same—more flexibility, still lower prices.

It is time to call a halt, and cry "enough."

It is also time to challenge these great myths being peddled to the American people about the Eisenhower-Benson farm policies.

I have yet to see any published results of sound scientific, statistical and economic research of current significance that indicates any connection or relationship between market prices or farm income and the volume of farm production and marketings.

But I do know these facts:

From 1929 to 1932, prices received by farmers dropped by 56 percent, the parity ratio dropped by 37 percent, national farm gross income dropped by 54 percent, national net income dropped by 67 percent, and net income per farm dropped by 53 percent. Yet total farm output did not drop; farm output per man-hour increased by 2 percent.

From 1951 to 1956, prices received by farmers dropped 22 percent, the parity ratio dropped 25 points—23 percent—national farm gross income dropped 11 percent, national farm net income dropped 38 percent, and per farm net income, adjusted for price change, dropped by 23 percent. Yet per man-hour farm output increased 10 percent, and total output increased by 7 percent.

All the argument about reducing prices and lowering production does not seem to hold true.

In no extended period when farm prices and income fell over a long period of years—and the drop from 1951 to 1956 is the longest sustained drop since the United States Department of Agriculture began keeping records in 1910—did either total or per man farm output decrease.

How, then, does Secretary Benson justify his bland assertions that production can be curtailed by cutting prices? And why does the American press blandly accept that theory as fact—when the facts prove otherwise?

The truth is that high fixed overhead costs make it necessary for farmers to keep producing.

Another fallacy that needs to be nipped in the bud is the Benson theory that lowering farm prices can increase farm income through stimulating consumption. Available economic studies indicate it would take at least a 5 percent cut in unit prices to obtain a 1-percent increase in volume of consumption, and this ratio appears to be rising. Even that assumes the entire reduction in farm prices would be passed along to the consumer—and recent history of widening marketing margins makes that unlikely.

Yet with all the economic evidence to the contrary, the administration persists in seeking still lower price support levels because of its fetish against interference in any way with so-called free markets.

That phrase "free markets" has an attractive sound to many, but slogans are not enough to save the farm economy. Let us look at what they are talking about, when they ask for farmers to return to a free market.

The idea of the so-called competitive free market for farm commodities involves a situation where no farmer or group of farmers would be assisted or allowed by government to exercise any control over marketings to raise prices.

Carried to the ultimate, such a policy would eliminate the price protective features of marketing agreements and orders for fruits, vegetables, and nuts. It would probably bring chaos to the fluid milk marketing industry. It would place United States wool and sugar production in full competition with imports without any protection of tariffs, import quotas, or Government payments.

In a competitive free market, the prices of cotton, rice, tobacco, and wheat and all other farm commodities would be allowed to drop to the unprotected world level established by unrestricted production. The prices of corn, other feed grains, soybeans, flaxseed, and cottonseed, would be allowed to drop to the level where the entire year's production would move into channels of trade during the year—with no reserves for any emergency.

Importers would be allowed to import as large a volume of competitive farm commodities as they saw fit. The International Wheat and Sugar Agreements would be abolished.

Farmers would be free to produce and market as much of any quality or any and all commodities as they could, but the Government would not stand by as now to buy up or make loans on such commodities in order to hold up the average annual price above the free market level.

That, in effect, is what Secretary Benson is crusading for—if he is sincere in talking about wanting free markets. By

his own words, he would use price support loans only to prevent wide swings in seasonal fluctuations but not to hold average annual prices above the so-called free market level.

If the farmer is expected to survive in such a visionary free market, what about the rest of the economy from which he must purchase his supplies, obtain his labor, and sell his product?

Is industry ready to give up tariffs and embargoes that keep out competing imports? Is it ready to abandon cost-plus contracts? Are the railroads, trucks, airlines, electric power, gas, and telephone companies ready to give up the Federal protection of monopoly control and regulations to insure profits on their investments, along with big salaries to management personnel? Is the businessman ready to abandon price maintenance safeguards and protection of law against predatory price cutting? Are the working men and women of the country ready to give up minimum wage and maximum hour legislation, as well as protection of collective bargaining?

I do not think so, and neither does anyone else in his right mind.

The truth is that we do not have completely free markets in our economy.

The prices of things that farmers buy, both production and family living items, are retail prices like the prices all consumers pay. These retail prices are based on the wholesale prices behind them, which are administered prices—prices set by manufacturers, money-market bankers, railroad companies, and many others, on the basis of their Government-sanctioned ability to withhold supply to maintain the set price.

The farmer not only buys his needs in an administered-price market dominated by sellers, but also farmers sell their products into markets where buyers have the upper hand.

The farmer does not sell, usually, to the final consumer of food and fiber products. Farm commodities must move through processing and marketing channels, where those who perform these services possess enough control over supply of their services to enable them to administer or control the prices they receive for such services. Since 1951, for example, the processing and marketing agencies have had enough bargaining power to obtain for themselves the entire drop in farm returns without sharing any with the consumer.

I have often wondered whether some of the loudest advocates of free markets for agriculture would be quite so vocal if it was a seller's market, instead of a buyer's market—if the farm producer had the upper hand in bargaining power. I am afraid if that was the case these same people would be appealing for Government regulation, instead of insisting upon free markets.

Perhaps one of these days we will have an opportunity to find out, whether we want to or not.

Farmers are at a bargaining disadvantage in the market place today, as they always have been. They need stronger bargaining power.

They have sought to strengthen their bargaining power, in many ways. They have done it through banding together in cooperatives. They have done it through working out programs of price maintenance and control of market supply through their Government, just as other segments of our economy have sought to protect their position through Government action.

But, somehow, the public has been led to believe it is wrong for farmers to turn to the Government for price and income protection even though it is accepted as a matter of right for railroads, airlines, utilities, industry, and labor.

To be sure the Government's role in our free society should never be one of dominating the market place. But it influences the market place every day in many ways. Its role should be as the "public interest policemen," seeking to keep a fair balance in our economy. This has been the purpose of our farm programs.

With agriculture now at such a disadvantage in the economy, farmers have every right to turn to the Government for help in ways to strengthen their bargaining power.

It is rather amazing to see that right being challenged. The interest of Government in agriculture is nothing new.

There is a 185-page compilation of United States Statutes designed in one way or another to strengthen the bargaining power of farmers in the commodity market, and to protect and improve farm income in other ways. Much of this legislation goes back many decades.

Although farm income is currently too low, farm gross income would be at least a third less, and farm net income would be more than a third lower, if it were not for the exising Federal farm programs.

Yes, farm income could be considerably higher if there was a will and a determination in the Department of Agriculture to use these laws enthusiastically and persistently.

While we need to improve our price support programs, modernize and expand our farm credit facilities, expand our research both for production efficiency and new uses for farm products—much more for the benefit of farmers could and should be done with the laws we already have.

Instead, most of the Federal programs have been whittled down in effectiveness by administrative decisions over the past 4½ years, some of which whittling was made possible when mandatory minimum levels of support were reduced in the Agriculture Act of 1954—after the President's veto of a more effective measure.

Unless this existing legislation can be made more effective, farmers must strengthen their bargaining power in other ways. Farmers may turn to united action on their own, by collective bargaining through producers co-ops, to establish prices and incomes nearer to equality with other segments of our society.

The balance of bargaining power may well shift from buyers to sellers of farm products. Those now so anxious for free markets may be the first to prefer a new look at effective price-support levels or direct-payment methods of achieving more equality in farm income.

The sad truth is that this administration has literally wrecked our farm program already, and has no alternative to offer besides wrecking it the rest of the way.

Never before have we had a Secretary of Agriculture so costly to the taxpayers, and yet producing so little results for farmers.

The amazing thing is how well he has been protected by our great mass media of public information, in keeping the truth from the people.

How much longer can the public be deceived?

How much longer can the press go along defending Benson, yet attacking costs of farm programs and complaining about surpluses—when it is under Benson that costs have soared, and it is under Benson that surpluses have reached their peaks?

It is under Benson's legislation, asked for by Benson and the President, and administered by Benson, that farm income has collapsed while costs to the Treasury have soared—and production has added new surpluses to repudiate Benson's theory that lower prices would solve the surplus problem.

Mr. President, I ask unanimous consent to have printed at this point an article from the July 2 issue of the New York Times, headed "United States Expects Peak in Farm Subsidies."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNITED STATES EXPECTS PEAK IN FARM SUBSIDIES—COST OF PROGRAM NOW PUT AT 6 BILLION, UP 1.4 BILLION FROM BUDGET FIGURES

(By Edwin L. Dale, Jr.)

WASHINGTON, July 1.—Record farm subsidy payments—not defense or anti-recession spending—are expected to push the Federal Government's expenditures to a peacetime peak in the 1959 fiscal year, which began today.

Government experts now estimate spending at about $78 billion, perhaps a little less. The budget deficit will depend on the course of the recession and with its impact on tax receipts.

If recovery is brisk, the deficit may be in the comparatively modest range of $6 billion to $8 billion instead of the $12 billion to $12 billion that has been foreseen.

The irony is that the weather, not sputniks or unemployment, has been the chief cause of the upward revision in spending estimates.

The weather has produced good crops and hence the prospect of larger price support outlays by the Government.

Budget experts forecast today that the farm program would cost about $6 billion in the fiscal year, against $4,600 million in the budget submitted in January.

This would be about $1 billion over the record set in the fiscal year that ended yesterday, when farm spending reached about $5 billion.

The previous peak of peacetime spending was $74,300 million in the fiscal year ended June 30, 1953.

The farm increase is easily the biggest single rise over the January estimates and will probably amount to more than all the antirecession measures together.

The rise is coming about despite constant, and generally successful, efforts of the administration to reduce price support levels

on the basic crops. Farmers continue to grow record crops despite—or perhaps because of—the lower prices.

One fiscal official put it this way today:

"I never dreamed I would see the day when a Republican administration would be spending $6 billion on the farmers—and getting blamed at the same time for reducing farm prices."

SOIL BANK A FACTOR

Besides big crops, an enlarged Soil Bank and a new export subsidy program will contribute to the increase in farm spending over both the fiscal year just completed and the January estimates.

Elsewhere, there will be increases in defense spending (perhaps $500 million to a total of $40.8 billion), highways, Government workers' pay, and several minor programs.

All the increases would add about $4 billion to the original estimated budget total of $73.9 billion.

Few experts believe spending will reach $80 billion—the upper figure mentioned by the Secretary of the Treasury, Robert B. Anderson, and the Director of the Budget, Maurice H. Stans.

However, experts caution that projections at this stage involve a great amount of guesswork and that almost any figure is possible.

WARNING TO CONGRESS

Still, it is understood that a major motive of Mr. Anderson and Mr. Stans has been to ward off still further spending schemes pending in Congress. Thus there has been a natural tendency to use the upper range of available estimates.

As for the deficit, there is a fair degree of confidence among the experts in various agencies that it can be handled without necessarily creating a serious inflationary problem.

Although there is concern about this problem, the potential inflationary effect can, at least in large part, be offset by appropriate Federal Reserve policy. This is a view taken in both the administration and the Federal Reserve.

Besides, it is generally felt that a deficit of the expected size would not be seriously inflationary at a time when the economy was operating well below its potential output.

The real issue, officials believe will be whether appropriate anti-inflation policies are adopted once recovery gets well under way.

Several leading officials are much less worried about the deficit than about the new higher "plateau" of spending that the fiscal year beginning today is likely to establish.

Their reason is that such a level of spending—in the range of $78 billion and upward—will foreclose significant tax reduction for a long time.

Tax reduction is still viewed within the administration as essential to achieving more rapid economic growth. Hence the glum view of the spending prospects, even though the deficit may prove fully manageable.

Mr. HUMPHREY. Mr. President, this particular article reveals that the cost of the farm programs has more than exceeded $5 billion; in fact, it is now about at the $6 billion mark—$1.4 billion over the budget estimate. Still, the program is not working.

Where are our great economy advocates in Congress? Are they not concerned about this mounting expense with no results to show for it?

Yet look around and count them, these men who have made a specialty of voting for economy, and of calling some of us reckless spenders.

They voted for Benson. They voted for Benson's policies. They voted for this reckless waste of funds because they would not heed the lessons of experience in farm legislation.

Will they continue blindly to follow this foolish path of more Bensonism, regardless of cost?

Every time Secretary Benson has asked Congress to lower farm prices, claiming it would save the Government money, it has ended by costing us more.

I should like to see some of these economy advocates really justify their support of Secretary Benson, the great conservative who would pay any price to destroy farm legislation.

The sad part of it is that effective propaganda has made consumers and the public generally think Benson is a hero—the man who is against all this expenditure—when actually he is the man who has caused it and asked for it.

After running up the costs, and then using them as a reason for trying to destroy farm programs, Secretary Benson has next moved to turn consumers against farmers by unjustly trying to convince them that farm programs are responsible for the high costs of food in the retail market.

That myth was effectively answered last month by Chairman COOLEY of the House Agriculture Committee, in an address before the Livestock Marketing Congress in New Orleans, when he publicly charged that the Secretary of Agriculture, Ezra Taft Benson, "by word and deed, is carrying the impression throughout the country that farmers are responsible for high food prices, when, in fact, the prices received by farmers today are substantially below their levels when he took office a little more than 5 years ago."

Let me quote from more of Chairman COOLEY'S appropriate remarks about Benson:

> Why doesn't he tell the people that the Nation's consumers purchased 11 percent more farm-produced food in 1957 than in 1952, but paid farmers $600 million less for this increased quantity of food?
>
> Why doesn't he tell you that, in contrast, consumers paid to the processors of food and to marketing middlemen $6.1 billion, or 25 percent more, in 1957 than in 1952?

Chairman COOLEY had many more effective facts to present—facts that need to be studied by any colleague willing to seriously reappraise his views on agricultural legislation.

Mr. President, because I think the speech is so good, I ask unanimous consent to have printed in the RECORD at this point a press statement summarizing highlights of Representative COOLEY'S remarks.

There being no objection, the press statement was ordered to be printed in the RECORD, as follows:

HIGHLIGHTS OF A TALK BY HON. HAROLD D. COOLEY, OF NORTH CAROLINA, CHAIRMAN OF THE HOUSE COMMITTEE ON AGRICULTURE, BEFORE THE NATIONAL LIVESTOCK MARKETING CONGRESS, SPONSORED BY THE AMERICAN NATIONAL LIVESTOCK AUCTION ASSOCIATION, NEW ORLEANS, LA., JUNE 14, 1958

Mr. COOLEY charged that Secretary of Agriculture Ezra Taft Benson, "by word and deed, is carrying the impression throughout the country that farmers are responsible for high food prices, when in fact the prices received by farmers today are substantially below their levels when he took office a little more than 5 years ago."

Mr. COOLEY said "one must suspect that this new propaganda fits into Mr. Benson's program for cutting farm price supports down to 60 percent of the parity or fair price," and he asked "why doesn't he tell the people the truth, instead of prejudicing the consumer against the farmer?

"Why doesn't he tell the people that the Nation's consumers purchased 11 percent more farm produced food in 1957 than in 1952, but paid farmers $600 million less for this increased quantity of food? Why doesn't he tell you that, in contrast, consumers paid to the processors of food and to marketing middlemen $6.1 billion, or 25 percent more, in 1957 than in 1952?

"Why doesn't the Secretary, the principal spokesman of agriculture in the country—or should be—point out to worried consumers that in 1952 net income per farm in the United States averaged $2,789, and dropped in 1957 to $2,496 per farm, while the average income of a nonfarm family of three persons increased from $5,499 in 1952 to $6,135 in 1957?"

Mr. COOLEY warned that the livestock industry, although currently enjoying reasonable prices, confronts an inevitable crash unless Government policies are formulated forthwith to forestall a buildup of market gluts of cattle and hogs.

He appealed to the members of the American National Livestock Auction Association, and all others gathered in New Orleans for the marketing congress, to work for a sound Government program that will assure stable and fair income for livestock producers and for all segments of agriculture, and which "will be fair to farmers and consumers alike."

"Mr. Benson has been in the process of destroying the farm program for 5 years," he said, "He seems now to be going about the job of convincing the public that farmers never had it so good. That impression certainly would be useful to his efforts in Congress to reduce farm price supports as low as 60 percent of parity. But the facts and figures assembled by the Agriculture Department's own technicians and statisticians absolutely refute Mr. Benson.

"The Department estimates each month, on the basis of current prices, the annual costs on basic items of food for the average American family. The reports on this family annual "market basket" show that, on the basis of prices prevailing during the first 3 months of this year, farmers will get $436 in 1958 for all the items in the basket, a decrease of $46 from the $482 received in 1952, while the consumer will pay $1,054 in 1958, an increase of $20 over the $1,034 paid in 1952. Thus, while returns to farmers declined, the cost of processing and distribution has increased from $552 in 1952 to $618 in 1958. The items covered include meat and dairy products, poultry and eggs, bakery and cereals, fruits and vegetables and fats and oils."

Moreover, Mr. COOLEY pointed out that, even with the substantial increase in the costs of food between the farmer and the consumer, the average wage of factory workers will buy substantially more food today than in 1952 and in prior years.

"In 1929," he said, "the average wage for 1 hour of factory labor throughout the country would buy 6.4 loaves of bread, and in April 1958, 11 loaves; the hour's average wage in 1929 would buy 1.2 pounds of round steak, in April 1958, 2 pounds; pork chops in 1929, 1.5 pounds, and in 1958, 2.3 pounds; sliced bacon, 1929, 1.3 pounds, 1958, 2.7 pounds; butter, 1929, 1 pound, and 1958, 2.9 pounds; cheese, 1929, 1.4 pounds, and 1958, 3.6 pounds; milk, 1929, 3.9 quarts, and 1958, 8.5 quarts; eggs, 1929, 1.1 dozen, and 1958,

3.6 dozen; and potatoes, 1929, 17.7 pounds, and 1958, 25.7 pounds."

Mr. COOLEY told the Livestock Marketing Congress that the Nation's farm program came into being to rescue agriculture from bankruptcy during the great depression, and that it served agriculture well, "until Mr. Benson began dismantling it." He noted particularly that feed grain production adjustments and price supports helped maintain stable price for livestock for many years.

"I earnestly request all of you here to look at what has happened. Look at the 20-year program prior to 1953, and compare it with the 5-year program under the present Secretary.

"The official reports of the Department of Agriculture show that the price support program through the Commodity Credit Corporation operated for 20 years prior to 1953 at an actual profit of over $13 million on the programs for the basic crops, and the loss on all crop operations at the end of the 20 years was only $1,064,000,000, whereas losses in the last 5 years have amounted to over $4 billion. It should be pointed out, moreover, that with price supports at 90 percent of parity for 11 consecutive years prior to 1953 the actual farm prices were at 100 percent of parity or better, and farm program costs were negligible, whereas during the recent years of falling farm prices, program costs have skyrocketed. And larger and larger stocks have accumulated in our warehouses.

Turning specifically to the livestock situation, Mr. COOLEY said:

"Secretary Benson in recent weeks has attributed the current increase in livestock prices to the administration's farm policies. I only wish this were true. But, unfortunately, we are again witnessing a gross misunderstanding and misinterpretation of agriculture's basic economic position.

"The higher farm prices this year are the combined work of farmers themselves, Mother Nature—and pure chance.

"By chance, cattle, hog, and sheep producers all decided to hold back animals and rebuild their breeding herds in the same year. The ending of the 7 years of drought in the Plains States last summer was an important factor, as all of you well know, in the demand for cattle, as cattlemen from the Plains have bought heavily at your auction markets, to restock their lands that are flourishing again.

"Let us appraise the facts.

"Livestockmen and all farm people confront problems that relate to their very survival. Most of these problems center on our vast surplus productive capacity.

"I am sure that every one of you here is interested in a fair return for the producer of the livestock that runs through your markets. In my way of thinking there is no room in the livestock marketing business for anyone who is not concerned with the well-being of the livestock producers.

"Now let us look realistically at the livestock situation and the dangers ahead.

"I am reliably informed by livestock specialists that had hog production expanded sufficiently to utilize fully the 1957 production of feed grains hog prices would be about 50 percent lower than they will be this summer and fall.

"Even if no feed grains at all were produced this year, we would have enough in the bins to feed out a normal pig crop in 1959, with enough left over to feed our dairy cows, and other animals a full year. And listen to this: feed-grain production this year, with excellent moisture conditions throughout the country, promises to establish a new record, to pile surplus upon surplus.

"This feed must be fed.

"Unless we are able to deal effectively with these huge surpluses, to influence orderly marketing of livestock through adjustment of feed production and utilization, under an effective program, the livestock industry must expect disastrous prices in not many months ahead.

"We in the House Committee on Agriculture have been working days, weeks, and months to write legislation that will prevent such a bust, with its disastrous effects upon many thousands of livestock producers and farmers. We have drawn legislation for presentation to the House which would deal directly with the feed surplus problem. At the same time we have been working on legislation aimed at enabling the livestock industry to finance a program for promotion of greater consumption of meat, and we have sought to hold jurisdiction of the livestock industry within the Department of Agriculture, resisting efforts to turn this largest segment of agriculture over to another agency of Government.

"In our efforts to deal with the feed surplus problem we have had no cooperation from Mr. Benson. In fact, we have had nothing but opposition.

"The Secretary has no program for livestock, except to beat down the price of feed grains. He has asked the Congress to let him reduce the support price on corn as low as 60 percent of parity.

"Cheap feed makes cheap livestock—and try as you will, you can't escape it. What Mr. Benson seems never to have comprehended is the fact that livestock producers go broke most often during periods of cheap and abundant feed and that they enjoy their greatest prosperity in times when the prices of feed are stable and at a level profitable to feed producers. All our experience proves that.

"Corn dropped to 55 percent of parity in February and March of this year. A continuation of the administration's policies, for cheaper and cheaper feed, would mean that corn and hog producers must expect prices to average 50 to 60 percent of parity in the next few years. They cannot expect corn prices to average more than 80 cents to $1 a bushel and hogs to average more than $10 to $12 per hundredweight. The effect of cheap feed upon livestock prices may be longer arriving, but it surely would come. These are the warnings of sound economists, not theorists.

"Surely those who look upon the current temporary improvement in farm income as a vindication of the administration's policies are doomed to bitter disappointment and their disappointment will be realized within as short a period as 18 months."

Mr. COOLEY told the Livestock Marketing Congress that it is not necessary to embark upon direct controls for cattle and hog production, to forestall the trouble that now looms ahead. He concluded:

"I am confident that, if we had the cooperation of Mr. Benson, we could avoid catastrophe for the livestock industry, by an effective program adjusting the supply and price of feed grains. I pledge you that, whatever course Mr. Benson may pursue, I shall keep on striving to assure to the livestock industry and to agriculture generally a fair return for their contribution to our economy, our health, and to our strength as a Nation."

Mr. HUMPHREY. Mr. President, fortunately, some writers are no longer willing blindly to buy the myth of Secretary Benson's infallibility. Some are looking at the facts, and are bringing them out into the open. Some are insisting that the public should know the truth.

One of them is Tris Coffin, a distinguished and objective reporter and writer, who told this story in an impressive manner last March in an article written for the New Leader under the title "Farm Income Lowest Since 1942—Down 24 Percent Under GOP."

Because it contains facts pertinent to the issue before us, Mr. President, I ask unanimous consent to have printed at this point in my remarks the article by Tris Coffin to which I have referred. I commend it to my colleagues for serious reading. It exposes the myth of Bensonism, and tarnishes the halo which this Cabinet member has tried to create for himself.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FARM INCOME LOWEST SINCE 1942—DOWN 24 PERCENT UNDER GOP

(By Tris Coffin)

Secretary of Agriculture Ezra Taft Benson, whose piety is as well advertised as his dislike of farm subsidies, has performed a miracle. It is the very opposite of the miracle of the loaves and the fishes. The story emerges from statistics dug out of the Department of Agriculture and Labor and the Securities and Exchange Commission:

During Benson's 5 years in office, the price the housewife pays for food has increased enough to inhibit buying of other goods. In Consumer Price Index, food prices have risen 5.4 points (112.8 to 118.2) from January 1953 to January 1958.

Farmers' net income has dropped 24 percent. Last year witnessed a fall of 4 percent, from $12.1 billion to $11.5 billion—the lowest total since 1942. Prices paid to farmers have slipped 16 percent, and the farmers' share of consumer food spending fell from 47 to 40 percent in 5 years.

The Government's losses on farm prices supports are 3½ times greater than in all the 20 years before Benson took office.

The budget of the Agriculture Department, a la Parkinson's law, has soared from less than $1.5 billion to $7 billion. Nearly 20,000 employees have been added to the payroll.

Surpluses have piled up, and three times as much corn is on hand now as when Benson took office.

The farm population has decreased by more than 2 million.

Farm debt has increased by $8.2 billion.

The farm foreclosure rate has doubled.

Distribution of surplus food to schools and charitable institutions has failed to keep up with needs. Last year, at a time when Benson was warning Congress of enormous dairy surpluses, the Department of Agriculture shut off distribution of butter, at least in Wisconsin, for 10 months to publicly operated mental hospitals, orphanages, homes for retarded children, youth correctional schools, prisons, and needy persons; the reason given was a threatened shortage of butter.

Senator WILLIAM PROXMIRE, Democrat, of Wisconsin, who has become one of Benson's most vexing earthly banes, reported in the magazine Presbyterian Life: "In 1954, the United States Government sold the entire supply of dried skim milk in Government storage to animal-feed manufacturers. The dried milk was high quality and fit for human consumption. This sale of more than half a billion pounds of dried milk took place while millions of little children in Asia, Africa, and Latin America suffered from the dreaded disease, kawashiorkor. This malady causes both mental and physical deformity, and costs the lives of half the

victims receiving hospital treatment. For this ugly killer and maimer of the world's most unfortunate children, a little bit of milk reconstituted from dried milk powder is a complete cure."

There is, however, another side to the Benson story:

Profits of food and kindred products manufacturers increased 36 percent from 1952 through 1956. Food chains and food processors have, in fact, been the chief beneficiaries of the Benson policy, as the spread between the farmer's take and the housewife's bill has continued to widen. Between 1952 and 1956, representative chains and processing firms increased their profits by the following percentages: Borden, 33.8; National Dairy Products, 50.1; Beatrice Foods, 83.2; Cudahy Packing, 186.9; Wilson & Co., 111; Armour & Co., 105.2; Quaker Oats, 69.9; Corn Products Refining, 51.4; National Starch Products, 162.2; General Mills, 28.1; Fairmount Foods, 210.7; Safeway Stores, 246.5; Super-Valu Stores, 172.4, and Food Fair Stores, 90.1.

Secretary Benson is asking frantic Midwest Republican Congressmen to run on his record this November. Thus far, one Congressman—neither a farmer nor a Midwesterner, but a New Hampshire lawyer with banking connections—has taken his advice.

Ezra Taft Benson arrived in office after a political campaign in which General Eisenhower and his party accused the Democrats of being too miserly toward the farmers. Eisenhower at the 1952 national plowing contest near Kasson, Minn., promised 100 percent of parity. (This has since been denied, but at least five farm-belt newspapers, the Milwaukee Journal, Lincoln Journal, Dubuque Telegraph-Herald, Minneapolis Star, and Indianapolis News, so reported at the time.)

Benson was no stranger to Washington. He had been executive director and chief Washington lobbyist for the National Council of Farmer Cooperatives from 1939 to 1943. Its members included the huge California fruit Growers Exchange, whose products bear the Sunkist label. In this job, he fought effectively against OPA, worked to curb the power of organized labor (he wanted to outlaw the closed shop during the war), and criticized the Agriculture Department for setting up wage and working condition standards for imported Mexican labor. A statement from his office in November 1942 said: "Refusal of the (Roosevelt) administration to discard its prewar concept of the use of labor in industry has resulted in disgraceful inefficiency and a wastage of labor that is retarding the war effort."

Soon after General Eisenhower announced his appointment, Benson gathered his advisers (many of them from food processors and large food chains) and set up temporary offices in the Washington suite of Avco Manufacturing. There he was the guest of its farm consultant, Karl Butler, who became his number one aide. Very recently, according to the Chicago Daily News, Benson consulted A. P. Davies, of the American Meat Institute, in framing his reply to worried GOP Congressmen. Keynote of the reply was this sentiment: "Concern for the political fortunes of individuals cannot transcend the very function of Government, which is to protect and help its citizens."

Most important was the new Secretary's philosophy. Fundamentally, he opposes subsidizing the farmer, believes agriculture should be returned to the basic laws of supply and demand, and wants marginal farmers removed from the land. (He has never proposed, however, any orderly program for training these deportees in new skills and for finding jobs for them.) He seems to regard the small farmer as shiftless, devoid of the virtues of thrift and hard work, and admires the efficiency of the large corporation-type farm. His philosophy was revealed in a "General Statement on Agricultural Policy" issued shortly after he took office. It said in part:

"It is doubtful if any man can be politically free who depends upon the State for sustenance. * * * Inefficiency should not be subsidized in agriculture or any other segment of our economy. * * * Too many Americans are calling on Washington to do for them what they should be willing to do for themselves."

What this has meant in practical terms is lower price supports, through the Benson flexible parity plan, on a wide variety of farm products. Critics note that relatively high prices have been maintained for sugar and wool, two commodities raised in his State of Utah.

Secretary Benson treats his revolution of the farm economy as a semireligious mission. He is one of the 12 Apostles of the Mormon Church, a position roughly equivalent to a Catholic cardinal. Congressional critics who storm into his office are chastened by a religious picture and softly voiced religious phrases.

In a speech promoting the philosophy of freedom in agriculture, the Secretary said:

"This objective did not originate with me. I firmly believe that it was laid down by God in Whom we trust as a proper plan for the lives of men everywhere. * * * As a citizen, as a churchman, and as a public official, I feel compelled to do all in my power to advance toward this essential goal as God may give the wisdom and strength to do so."

Similar expressions are: "The President has asked Congress to give us the tools. Give us the tools so that we can help farmers help themselves and with God's help build a constructively sound agriculture for you and your children. * * * While the Department is my responsibility, I shall work as fully to that end as God gives me the wisdom and strength to do."

Representative EUGENE MCCARTHY (Democrat, of Minnesota), in a House debate, questioned the Secretary's use of religion to sell his program. MCCARTHY noted: "The Secretary did tell the people of Utah that he had received a witness from the Almighty that he was acting as he should in being Secretary of Agriculture. * * * Also, I heard him at the grain exchange dinner in Minneapolis, talking about the President, say that this man—the President—could reach out and put his hand on the unseen power and use it when he needed it.

The religious side of Secretary Benson has won him the unswerving support of President Eisenhower, who is not usually as firm as he has been in his defense of Benson. Those who know Mr. Eisenhower claim he regards Ezra Benson as something of a saint who is being martyred by pagans. The story is told that last year Benson offered to resign, and the President replied with deep emotion: "If you go, Ezra, I go, too."

Secretary Benson's policies and their results have added to the general feeling of hopelessness in dealing with the vast farm problem. The average American farmer is unable to hold his own in the great struggle for the dollar. He is being pushed off by corporation-type farms run like Ford assembly plants, by giant food processors, and by the food chains. Yet, if the small farmer cannot be encouraged to stay on the land and produce, agriculture, too, will be swallowed up by the giant corporations which, more and more, dictate the economy, morale, and living styles of the American people.

Congressional leaders know they can never go back all the way to the rigid price-support program. Nor can they let Benson continue to carve away at farm subsidies. A combination of many ideas, old and new, must be thrown together. Senator PROXMIRE has filed a bold 103-page bill which would, among other things, do the following:

Change the parity formula and provide payments of 80 to 100 percent.

Limit the amount individual farmers could receive for restricting production.

Apply a tax on processors.

Create a tariff formula for duties on such imported foods as dairy products.

Set up a food, fiber and fat stockpile program as a reserve against natural disasters, insect pests, disease and war, just as certain metals and equipment are stockpiled now under Government subsidy.

Liberalize loans to farmers and co-ops.

Create a food-stamp program so that low-income families could obtain enough food to maintain a dietary standard.

Enlarge the school-lunch program to provide each child with a pint of milk a day.

Set up an International Food and Fiber Reserve Bank to prevent famines, help absorb temporary world market surpluses, and finance economic and social development programs.

PROXMIRE's plan would be controlled in large part by farmers through a national board and local committees. His bill parallels in many ways the thinking of former Secretary of Agriculture Charles F. Brannan, who would set up a multiprice system. Farm commodities would seek their normal competitive levels in the market place, and the farmer would receive the difference between the price he receives and parity. In addition, the Agriculture Department would sell surplus food to low-income and aged persons at prices they can afford.

Senator PROXMIRE's omnibus bill is lying in the Senate Agriculture Committee with little chance of action. At this time, given all the other economic woes with which it must contend, it seems doubtful that this Congress will attempt any basic reforms in the farm program. Instead, mindful of the election ahead, it is likely to pass high and rigid price supports for commodities (such as dairy products) whose growers are facing acute crisis.

Mr. HUMPHREY. Mr. President, the farm policy being pursued by this administration certainly has proved extremely costly to farmers. It has squeezed hundreds of thousands of them right out of their economic existence.

But that is only part of the toll taken. The cost to taxpayers has been tremendous, despite the lack of results to either farmers or consumers.

This administration's policies have been designed to lull city consumers into believing that low farm prices would continue indefinitely to subsidize the cost of living. This is Secretary Benson's big bid for urban support behind his low-farm-price legislation. It is unfair, of course, to mislead consumers this way, and may prove dangerous to the entire national economy.

To determine what it costs the city wage earner to feed his family, workers in the United States Department of Agriculture keep a running check on farm prices of 60 food items which go to make up the "family market basket."

In 1947, when farm prices were at a peak, that food basket cost the city consumers $911 for the year. The farmer got $467 of that.

In 1957, with farm prices at low levels, the family market basket cost increased to $1,007; yet the farmer's share dropped down to $400.

The city housewife has often blamed the farmer for the increased cost of food items in her market baskets. The facts do not justify this: (a) Retail food prices climbed 16 percent in the last 10 years, while farm prices went down 14 percent; (b) farmers received only 40 cents of each consumer food dollar in 1956, compared with 52 cents in 1946.

Here is a table showing what happened to the various items in the typical market basket between 1946 and 1956:

	Retail cost (percent)	Farm value (percent)
Bakery products and cereals	Up 34	Down 7.
All bakery products	Up 31	Down 16.
Dairy products	Up 15	Down 5.
Meat products	Down 5	Down 29.
Poultry and eggs	Down 13	Down 21.
Fruits and vegetables	Up 12	Up 7.

In 1947, farmers got 2.9 cents for the wheat in a 12.5-cent loaf.

In 1955, farmers got 2.7 cents for the wheat in a 17.7-cent loaf.

In 1947, farmers got 10.3 cents for a quart of milk retailed at 18.8 cents.

In 1955, farmers got 10.2 cents for a quart of milk retailed at 22.5 cents.

Clearly, the farmer is not benefiting from higher food prices. As the consumer pays more, the farmer gets less. The gap between farm value and retail price is widening steadily.

This gap is called the marketing margin or price spread. It includes the charges for handling, transporting, and processing farm commodities from the time they leave the farm until they end up in the consumer's market basket.

These in-between charges for middleman services account for increasing retail prices and declining farm returns.

The consumer who knows enough not to blame the farmer for higher prices is inclined to put the blame on labor. This is because food processors and retailers have put on a high-powered campaign to persuade both farmer and consumer that rising labor costs are responsible for widening market spreads.

The food industries claim that they cannot absorb wage and salary increases and must pass them on to the consumer in the form of higher prices—and backward to the farmer in the form of lower returns.

But the facts disprove this claim:

First. Wage and salary increases in the food industries account for only a fraction of the terrific drop in farm receipts.

Second. Most wage increases were justified by increased productivity—output per man-hour—and even if they were not, food industry profits were high enough to absorb them.

Third. Food industry profits have been increasing: (a) in 1952, food industries earned 7.6 percent after taxes—16.8 percent before taxes—on stockholders' equity; (b) in 1955, they earned about 9 percent after taxes—18 percent before taxes—on stockholders' equity; (c) in 1956, food processors' profits rose 7 percent over 1955, and retail chainstore profits were up 29 percent.

These damaging facts explain why corporate middlemen are so anxious to find a whipping boy. By pitting consumer against farmer, or consumer and farmer against labor, they hope to distract attention from their own gains made at the expense of other groups.

It is unlikely the family farmer and the wage earner will fall for this. They know they are each other's best customers and that their economic well-being is inseparably interwoven.

Mr. President, this strange situation of soaring food prices while farm income collapses was discussed last month in an enlightening column by Drew Pearson. Every consumer should read it.

Mr. President, I ask unanimous consent to have printed in the RECORD the Drew Pearson article entitled "Profits Zooming for Food Firms."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PROFITS ZOOMING FOR FOOD FIRMS

(By Drew Pearson)

Most interesting question the housewife and the farmer would like to have answered is why prices on the farm go down while prices in the grocery stores go up.

Since 1952, the year Ezra Taft Benson became Secretary of Agriculture, to 1957, the prices paid to farmers dropped by 16 percent while prices paid by the housewife went up 2 percent. When she went to the grocery store she just did not get any advantages from the fact that farm prices had dropped.

Furthermore, this trend is continuing. During a recession prices usually drop. People who lose their jobs have at least the opportunity to buy food cheaper. But during 1958, according to the Bureau of Labor Statistics, the price of food is still going up.

The question—why this widening gap between food on the farm and food in the grocery store?—is one of the most important in the Nation, and here is an attempt to answer it.

Answer No. 1: Can be gleaned from the stock market. During the big stock market crash of October 21–22 last year when 4,670,000 and 5,090,000 shares were sold, food stocks hardly budged. The wise guys on Wall Street knew they were making money and didn't trade them short.

General Mills, biggest flour firm in the Nation, went down only one point. General Foods, biggest food company, went down only five-eighths. Swift, the big meatpacker, went down half a point; Cudahy down three-eighths, and Armour a point and a half. Safeway chainstores dropped only one-quarter, Food Fair by only three-quarters.

ZOOMING PROFITS

Again, on November 26, the day of Mr. Eisenhower's cerebral attack, the stock market took another slump with $5 billions of profits wiped out. But food stocks stood like financial rocks of Gibraltar. General Mills went up one point. Food Fair went up a quarter of a point. Swift, Armour, Cudahy, Safeway dropped by mere fractions.

Since then, food stocks and grocery stocks have enjoyed a healthy, consistent climb—General Mills up around 10 points, General Foods up 12 points; Swift, Armour Cudahy, all up three; Food Fair up eight.

Answer 1A: It is part of the same answer, but if you look at the financial statements of these companies on file at the Securities and Exchange Commission you can understand why their stocks stand firm and how they are making money while both the housewife and farmer suffer.

Safeway Stores' profits under Mr. Eisenhower and Benson increased 246 percent between 1952–56. Food Fair Stores during the same period went up 90 percent; Super-Valu Stores up 172 percent.

The meat packers also fared well. Cudahy profits went up 186 percent under Ike; Wilson & Co. went up 105 percent; Armour up 105 percent. The only meat firm which went down was Swift & Co., which made $21,698,000 in 1952 under Mr. Truman and $13,462,000 in 1956 under Mr. Eisenhower.

The big dairy firms did all right, too. Borden's profits went up 33 percent under Ike; National Dairy Products went up 50 percent, while Beatrice Foods went up 83 percent.

The big cereal companies did not do badly either. Quaker Oats, whose executives are heavy contributors to Mr. Eisenhower's campaign funds, saw their profits go up 89 percent. Corn Products went up 51 percent; General Mills up 26 percent; National Starch 162 percent, and Fairmont Foods up 210 percent.

Answer No. 2: What's the reason for these tremendous profits? Part of it is failure to enforce the antitrust laws. With the virtual disappearance of the corner grocery store and with retailers more and more dependent on the giants of the food business, the only protection of the housewife is enforcement of the antimonopoly laws.

However, the Justic Department's Antitrust Division has become a political instrument, as recently shown by Congressman CELLER's investigation of the telephone company. And Secretary Benson, who is supposed to enforce the antimonopoly laws against the meat industry, has as one of his best friends Aled Davies, lobbyist for the American Meat Institute. Davies is now trying to block the O'Mahoney bill which would transfer the enforcement of the monopoly laws regarding the meatpackers away from Benson and put them with the Federal Trade Commission.

Answer No. 3: This is the manner in which Secretary Benson has taken representatives of the big meatpackers, the big dairy companies, the big grain processors into his Agriculture Department and made them, not the farmers, the chief beneficiaries of his administration.

This is an important story which will have to be reserved for another column.

Mr. HUMPHREY. Mr. President, consumers should be alert to where their own best interest really rests. It is easy to talk about free markets and letting supply and demand determine prices—when one is a buyer and knows there is an oversupply that will force prices down.

But consumers should look at the other side of the coin and see what the supposed purpose of the so-called free market approach to farm policy really is. The purpose, its spokesmen say, is to discourage enough producers and enough production to bring supply in line with cash demand, and achieve 100 percent of parity in the marketplace. Now, I wonder if consumers realize what such a scarcity philosophy could and would do to prices—particularly with the natural hazards hanging over agriculture that can so quickly turn balanced supply into serious scarcity. I wonder if businessmen really want supply trimmed exactly to demand—with no cushion to protect them from shortage.

If agricultural supply and demand were in balance in this country today—the objective everybody seems to profess—we would be faced with demands for price controls to keep food prices from soaring.

The truth is that the cushion of excess production beyond immediate ef-

fective demand is the public-interest stake in farm policy—a stake for which in all fairness some public price must be paid to keep it from penalizing the farmer.

Clearly, our Nation needs a new and different farm policy, and it needs it now. It must be based upon a recognition of the need for a rising net income for agriculture—not alone for the sake of farmers, but for the sake of our entire economy. It must be based upon recognition of the public interest stake in abundance rather than scarcity—both for the sake of our own consumers, and for the sake of our international commitments. It must be based upon recognizing that American agriculture has assumed a changing role, and having to be concerned with world needs rather than merely our own domestic needs. It must also be based upon recognizing that changes are under way within agriculture itself, changes which could further serve or seriously harm the public's interest, depending upon how they are directed as a matter of public policy.

Encouraging abundant production as a matter of public policy need not mean blindly perpetuating overproduction of commodities for which no real foreseeable need exists. Rather, it means encouraging shifts in production toward commodities better serving our long-range needs.

The basic question is whether desirable shifts, in the public's interest, should be encouraged by incentive, or forced by economic hardship which really would just shift an economic and social problem from rural America to the relief rolls in our cities. Quite frankly, I can see little wisdom in policies designed to speed the movement of people off farms into our cities, looking for alternative opportunities for making a livelihood at the very time unemployment is becoming a serious national problem.

Unfortunately, nothing in the proposed legislation offers any real long-range solution to current problems in our farm economy—and at best only provides makeshift short-range solutions. Even those are offered at a price of backing away from fundamental principles without any real examination of where we are headed.

Regrettably, the administration is still clinging to false assumptions as the basis of its recommendations—assumptions that history has proved to be erroneous and unfounded. Basically, the problem starts from clinging to the theory that lower prices would bring everything into proper adjustment, and would stimulate enough consumption to solve the farm problem.

It is time someone paid heed to scholarly works contradicting the assumptions on which administration policies are based.

Dr. Willard Cochrane, professor agricultural economics at the University of Minnesota, is the author of such a work in a challenging book entitled "Farm Prices: Myth and Reality," published by the University of Minnesota Press.

This is not the propaganda of a farm organization. This is not merely some political stump speaker. This is a careful analysis by a foremost agricultural economist, a nominee for the presidency of the American Farm Economic Association, a former economist with the Food and Agriculture Organization of the United Nations, and with the United States Department of Agriculture. It is a factual presentation about where farm prices come from—and should be must reading for any serious students of the farm problem.

In presenting the book, the University of Minnesota Press declared:

Farm prices are constantly fluctuating, and out of this price variability emerge such serious and continuing farm problems as variable incomes, low incomes over extended periods, and uncertainty in production planning.

In this study, Professor Cochrane seeks to get at the root of the trouble by, first, exploring and exposing what he considers a basic falacy in our present day thinking and approach to the farm problem. This is the widely held myth of an automatically adjusting agriculture, an agriculture that is always out of balance because of an emergency. This myth, he points out, beclouds the issues involved in the whole farm problem.

The farm price myth splits two ways in the public mind, Mr. Cochrane explains, but these divergent attitudes represent differences only in mechanics, not in principle, and they are equally effective in obscuring the real picture. One segment of the public believes that agriculture, if left alone for a while, would gravitate toward and stabilize at some desirable level and pattern of prices, production, and incomes. The other segment believes that the same result would occur if agriculture were given a temporary helping hand by the Government. Mr. Cochrane shows the fallacies inherent in both of these convictions by presenting an integrated, overall picture of farm price behavior as it really exists. On the basis of this realistic view, he presents the two alternatives or hard policy choices that he believes the American farmer faces today.

That is what the University of Minnesota Press had to say of Dr. Cochrane's book.

A constructive review of the same book was written and published recently by Dr. Howard R. Tolley, who has held impressive positions in the agricultural policy field.

Dr. Tolley has been Chief of the Bureau of Agricultural Economics, Administrator of the Agricultural Adjustment Administration, and economic adviser to the Food and Agriculture Organization of the United Nations.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD Dr. Tolley's review of the Cochrane book, published in the May issue of the National Union Farmer, under the heading "Where Farm Prices Come From."

There being no objection, the review was ordered to be printed in the RECORD, as follows:

WHERE FARM PRICES COME FROM

(By Howard R. Tolley)

Many of the conclusions and recommendations in Willard Cochrane's interesting and stimulating book point up the need for the bargaining power farm program of the National Farmers Union—especially the farm market proration and supply adjustment phases aimed at keeping market supplies in balance with demand.

The ups and downs of farm prices and incomes and the effects of the changing farm programs of the past 25 years are analyzed and explained. The theoretical and technical principles and concepts are stated in straightforward language which a large number of people can understand. At the same time, professional economists and other social scientists will find much that is new and stimulating concerning the behavior of farm prices.

Professor Cochrane dispels the free market myths, still accepted by many, that there is some desirable level and pattern of prices, of production and of income for agriculture at which it would stabilize if left alone for a little while. His analysis leads to the conclusion that if all farm programs were stopped, farm prices and incomes would fluctuate widely and in general would be much lower than prices and incomes in other parts of the economy.

From the standpoint of future agricultural policy and programs, the explanation of why wide swings in the level of food prices bring only minor changes in total consumption is probably the most important contribution of the entire book.

CONSUMER DEMAND INELASTIC

The author stresses the important fact that the consumer behaves very differently with respect to a change in price of a single food item than he does with respect to all food. For example, if the price of pork chops rises relative to other food items, the consumer will cut back his consumption of pork chops and substitute other items—beef and poultry for example—but the total quantity of all food purchased and consumed changes very little.

Thus the explanation of ups and downs of the level of all food prices cannot be found in an analysis of the changes in prices of single commodities, and the author concentrates his analysis on the "aggregate demand for food"—the quantity of total food that all consumers will take at varying levels of food prices.

Retail prices must fall 10 percent to move 2 percent more food into consumption. Since farmers now receive less than 40 percent of the consumer's food dollar, and marketing charges for handling, storing, transporting and processing are unaffected in the short run by retail price changes, this means that "farm prices must fall in the neighborhood of 25 percent to move 2 percent more food into consumption."

And conversely, a reduction of 2 percent in the overall amount offered in the market would raise farm prices by 25 percent. Further, Dr. Cochrane finds that demand "is becoming progressively more inelastic."

FARM PRICES FALL HARD

This has tremendous implications for agriculture. When the supply coming to market increases, farm prices fall so drastically that farmers' total cash receipts are greatly reduced.

Turning to the effect of changes in the farm-price level on the volume of production, Dr. Cochrane says:

"Falling farm prices have not reduced total farm output. The increases in total farm output which have occurred in the past 35 years have resulted from the adoption of cost-reducing production practices, and once adopted those practices have not been abandoned with falling prices. Just as they serve to minimize profits under good prices, they serve to minimize losses under low prices."

FARMERS ON TREADMILL

This the author calls the agricultural treadmill. The incentive to reduce costs

(on the many small farms across the country) guarantees a rapid and widespread adoption of new technologies.

"Truly the American farmer is on a treadmill. He is running faster and faster in quest of higher incomes growing out of the adoption of new and more productive techniques, but he is not gaining incomewise. He is losing."

With regard to the years ahead, it is the judgment of the author, based on other studies as well as his own, that—unless counteracted in some effective way—the supply of food may well continue to expand more rapidly than demand even if the population continues to grow at the present rate and we have an expanding economy with full, or nearly full, employment.

Whether production will be slowed down depends on the kinds of governmental action taken. If prices and incomes are supported in some way but production controls remain ineffective as in the past, the answer is probably no.

In the final chapter of the book, past and present national agriculture policies and programs are appraised, and suggestions made for the future. Here Dr. Cochrane deliberately and courageously steps out of his role of analytical economist. In an intriguing discussion of the Economist as a Policy Adviser he says: "Economics is not a synonym for policy, or policy for economic."

The principal conclusions are:

1. A return to the free market would precipitate a major price level decline in agriculture. The price cost squeeze would in time slow down expansion and possibly reduce output, and in 5, 10, or 15 years the farm price level would begin to move upward again.

2. Flexible price supports—lower supports when supplies are heavy, and higher supports when supplies decline—will not reduce output and restore farm prices and incomes to satisfactory levels without first letting prices and incomes fall to levels unacceptable to farm people and other groups friendly to agriculture.

3. If agriculture were transformed into many large-scale, highly efficient commercial farms, all employing the best production practices, production would increase markedly and, in a free market, prices would decline drastically.

4. Fixed price supports protect farmers against precipitous declines in income and remove much of the uncertainty concerning year-to-year price changes. But fixed supports at levels which producers consider fair and equitable encourage them to expand production. Without production and marketing controls much more effective than those developed in the past, huge surpluses will accumulate, and society will not continue indefinitely to pay billions of dollars annually for farm price and income supports.

5. Greater consumption of food, especially by low-income undernourished groups, is a worthy social objective. The school-lunch and milk-for-children programs might well be expanded and a food-stamp food-allotment program inaugurated. This would make a modest contribution to the overall demand for food. This alone, however, would by no means solve the price and income problems for commercial agriculture. It can be considered as only a supplement to other approaches.

Mr. HUMPHREY. Mr. President, I want to emphasize three of Dr. Cochrane's conclusions:

First. A return to the free market would precipitate a major price level decline in agriculture.

Second. Lower supports when supplies are heavy and higher supports when supplies decline—the Benson flexible theory—will not reduce output and restore farm prices and incomes to satisfactory levels without first letting prices and incomes fall to levels unacceptable to farm people and other groups friendly to agriculture.

Third. If agriculture were transformed into many large-scale, highly efficient commercial farms, all employing the best production practices, production would increase markedly and, in a free market, prices would decline drastically.

These are significant conclusions of a recognized authority in his field, and should be heeded.

For this is the very direction this bill proposes to take.

Make no mistake about that. The door is being opened on corn and cotton and rice, but the intention behind it is to move next into wheat and tobacco with the same price-depressing changes in our basic law.

Officials of the Department of Agriculture have admitted it.

Mr. President, in an interview with the top farm writer for United Press International a few weeks ago, Assistant Secretary of Agriculture Marvin L. McLain confirmed that if Congress approves this bill, administration officials will next turn their attention to changes for two major commodities left untouched by the measure—wheat and tobacco. I call the attention of my colleagues from wheat- and tobacco-producing areas to Mr. McLain's statements.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a copy of the article written by Bernard Brenner, of United Press International, and carrying a Washington, July 12, dateline.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

(By Bernard Brenner)

WASHINGTON, July 12.—A high-ranking administration farm official said today he was "fairly optimistic" about chances for Senate passage next week of the administration-backed omnibus farm bill.

If the legislation becomes law it could produce lower cotton prices and ward off a potential increase in the price of rice next year. It also could result in reducing corn price supports and dropping Federal attempts to control production of corn.

Assistant Secretary of Agriculture Marvin L. McLain said the big problem is to head off efforts of antiadministration Senators to load the measure with price-raising amendments aimed at reversing administration farm plans. The administration hopes to increase crop sales and farm income by fixing price supports closer to market levels.

McLain added in an interview he believes most farm belt Senators now are interested in getting an acceptable bill through. He said that if Congress approves the bill, administration officials will turn their attention next to two major commodities left untouched by the measure—wheat and tobacco.

The administration will make sure that lawmakers from wheat and tobacco areas "know exactly what's facing them next year," McLain added. "Changes will have to be made in those programs or we'll be in serious trouble."

He gave no indication what changes would be proposed in the price support production control programs for wheat and tobacco. He pointed out, however, that last January the President asked for authority to reduce price support floors and eventually ease acreage controls on these and other major crops.

Wheat supports under present law range between 75 and 90 percent of parity. Tobacco is pegged at 90 percent as long as marketing quotas remain in effect. For both crops, the administration had asked authority to fix supports between 60 and 90 percent of parity.

McLain said "prospects for passage of the Senate cotton-rice-feed grain bill were brightened by a changed attitude among many farm lawmakers." He said "it's entirely different than anything I've seen in my 5 years here—they finally realize that something must be done."

The legislation would repeal all Federal acreage control on corn beginning in 1959 and drop the farm parity price formula—dating back to New Deal days—as the basis of price support. In place of parity, supports would be based on 90 percent of the average open-market price for the past 3 years.

Cotton and rice would move to the open market support plan after a 2-year transition period. During the 2 years cotton growers would be allowed to choose individually between relatively big planting allotments with low price supports or smaller allotments with higher supports. Rice growers would maintain their present acreage allotments with supports for the 2 years ranging between 75 and 90 percent of parity, at Agriculture Secretary Ezra Taft Benson's discretion.

Without this or other acreage legislation, allotments for all cotton and rice growers would be cut sharply in 1959. This threat has brought many southern lawmakers to reluctant support of the Benson-backed package bill.

Many of the southerners ordinarily would back Senator HUBERT H. HUMPHREY (democrat of Minnesota), and others in scheduled efforts to write in higher supports for feed grains and dairy products. But the threat of a presidential veto, killing the cotton and rice acreage features, was expected to weigh heavily against antiadministration amendments.

McLain indicated the administration would welcome proposed amendments adding extension of a farm surplus disposal act and the wool subsidy price support program to the Senate bill.

The power administration farm planners wield over Congressional farm law writers has been demonstrated twice this year. On March 31, President Eisenhower followed Benson's advice and vetoed a measure freezing 1958 price supports at 1957 levels. Several weeks ago, the House refused even to consider an earlier omnibus farm bill which Benson had attacked as an economic monstrosity.

Mr. HUMPHREY. Mr. President, from repeated assertions of Administration spokesmen, there can no longer be much doubt as to the road down which Secretary Benson hopes to lead American agriculture.

Before travelling that road, Congress had better consider carefully all the economic and sociological implications of deliberately encouraging such a major change in our agricultural pattern.

Just in case there is still doubt in the minds of some that powerful forces are at work to shift our agriculture from its historic family farming pattern to an industrialized type of farm production, I call attention to a recent address in Washington by one of Secretary Benson's former Assistant Secretaries, Earl L. Butz, whose views have often coin-

cided closely with those of administration farm leaders.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article written by Charles Bailey, published in the Minneapolis Sunday Tribune of May 4, reporting on Mr. Butz' Washington address, during which he compared the coming shift in agriculture from a family basis to a big business basis with similar shifts in our industrial economy.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EX-BENSON AID FANS FLAMES OF FARM DEBATE

(By Charles Bailey)

WASHINGTON.—A flat-voiced Hoosier returned here last week and fanned the flames of farm debate with some of the coolest, frankest and most definite words that have been heard here in some time.

Earl L. Butz, former Assistant Secretary of Agriculture under Ezra T. Benson and now dean of agriculture at Purdue University, spent no time arguing for or against farm policy proposals.

Instead, he merely predicted—in the cold, matter-of-fact manner that always marked him as something less than the smoothest Congressional relations expert in town—what he thinks is going to happen to farming.

Butz' analysis, delivered to the annual meeting of the United States Chamber of Commerce, covered these major points:

Capital requirements for farming are going up—per farm and per man.

"It is becoming increasingly difficult for an individual during his productive years, to accumulate a sufficient amount to finance an economically sized operating unit," he said. "This will become increasingly true in the decade ahead."

He called it inevitable for business units in agriculture to get bigger and bigger, with ever more capital required.

The trend to larger and fewer commercial farms will continue.

"This is not a new trend. It has only been accelerated in the present decade," he said. "It will accelerate still more. All the power of Government and politics can't stop it. Nor should it."

Butz compared this trend to the shift in the pattern of other businesses from "family entrepreneurial" units to "larger units, with more capital, higher levels of management, more specialization of labor, and, if you choose, with a higher degree of integration.

"Management has become the key factor in successful farm operation."

"For one thing," Butz said, "managerial ability is even harder to inherit than farmland. A generation or two ago it was not difficult for son to apprentice under father, and take over the family farm, provided son had a strong constitution and a propensity for hard physical work. The latter factors are no longer limiting. The limiting factor now is managerial capacity."

Butz sees the possibility that ownership of some family farms will pass into the form of family shares of ownership, with professional farm-management outfits moving in between the owners and the operator of a farm.

Commercial farms will come to look more and more like manufacturing establishments, with farm managers giving more attention to assembling custom-built packages of technology in the farming operation, with a bigger share of receipts going back into production costs, gross margins shrinking, and profits depending increasingly on growing sales volumes.

Finally, Butz sees our countryside becoming "rurbanized" with a growing percentage of country dwellers depending on nonfarm employment for their living and thus breaking up the all-farm character of rural areas.

"Farmers," he said, "ultimately will lose their vocational identity as members of the community. At this point farming no longer will be a way of life, but will be a way of making a living, just the same as other business enterprises.

"Political leaders will resist the trend toward large, well capitalized units in agriculture," he said, "both in their oratory, in their Congressional hearings and in their legislation."

Butz, a frequent target of Democrat attacks during his years here, put no party label on this statement. Instead, he depicted it as a struggle between politics and economics in which economics is bound to win. But the fight, he indicated, will be bitter.

Mr. HUMPHREY. Mr. President, the squeeze-out of family farms is regarded by some as natural and desirable on the grounds that it will lead to the modernization and increased efficiency of agriculture through organization along the lines of large-scale industry.

But the implication that family farming is inefficient is absurd in the face of $7 billion worth of unconsumed commodities now on hand. Taking the farm economy as a whole, its productivity has outstripped that of the nonfarm economy. Between 1947 and 1955, farm productivity increased more than 48 percent, while nonfarm productivity increased only 29 percent.

Moreover, all available evidence shows that the family farm is the most efficient unit of production. While many manufacturing industries have increased efficiency through large-scale operation, farming does not lend itself to the same mass-production techniques. There is an upper limit to the size of farm operation beyond which it is pointless to go in pursuit of increased efficiency.

The real problem of agriculture is how to turn efficiency gains into income gains. In their competitive, small-business type of economy, family farmers lack the strong bargaining power of large industrial corporations. Thus when the advocate of industrialized agriculture talks of "increased efficiency" all he means is that he has a foolproof way to turn farm efficiency gains into increased profit—usually for himself.

With farm production and marketing dominated by a few corporations, it would be easy to control output and price. Every stride forward in efficiency could then be turned into corporate profits.

Before swallowing the corporate efficiency line we must ask ourselves: "Efficiency for whose benefit?" What effect would the centralized control of production and marketing of food have on the welfare of the city worker, the small-business man, the consumer, on all American citizens?

Effect on city workers: The industrialization of agriculture would bring about the dispossession of millions of farm families. Some would stay on the land as hired hands, but many would flood labor markets in the cities. Wanting to provide for their families, migrating farmers would have to compete with city workers for available jobs—as is already happening in some cities.

Effect on small-business men: Rural small business could not survive without family farming. A Special Committee To Study Problems of American Small Business, created by the 79th Congress, compared a community of small, family-type farms with one of large-scale farms. It found more than twice as many thriving small businesses in the family-farm community and an altogether more satisfying rural way of life.

Effect on consumers: We would be more than naive if we expected corporate producers with their new-found power for controlling production and fixing prices to pass the benefits of advancing productivity along to consumers in the form of lower food prices. We have this to go on: Although farm prices dropped 23 percent in the past 5 years, consumer food prices rose 3 percent, powerful "in-between" processing and marketing corporations reaping most of the benefit of low farm prices. With the corporate integration of both marketing and production of food, we could expect bread, meat, and potatoes to fetch premium prices of gold-rush days.

Effect on the American way of life: Pocketbook reasons apart, industrialized agriculture would mean the end of true competitive free enterprise so cherished in this country. Our family-farm pattern was started as the economic foundation of our political liberties by early-day colonists who fled the feudal concentration of wealth in the old countries.

Through our homestead laws, and, in this century, through sound farm programs, we have repeatedly reaffirmed our faith in family farming. Are we now prepared to abandon these traditional principles which have fostered individual initiative since our Nation began?

Quite frankly, I have never been ready to concede that sheer bigness in agriculture is necessarily the most efficient way of producing our food and fiber, unless it is bigness subsidized through exploitation of human resources, as a result of low wages.

Perhaps, for the present, big, absentee-owned and absentee-manager corporate farming enterprises can get enough cheap labor to take markets away from family-owned and family-operated farming enterprises.

But, certainly, nothing in the history of our industrialization indicates that, if we turn to such mass farming operations as the general pattern rather than the exception, the farm laboring class will remain permanently satisfied at the bottom of the economic ladder.

If the opportunity is denied farm people to work toward getting and operating a farm for themselves—if the only future they see is remaining as hired farm laborers—we can rest assured that the time will come when they will follow the pattern of workers in other fields and organize to insist upon economic bargaining power for themselves.

When that day comes, with the problems it could pose in handling the Nation's food supply, the public may well

wish it had preserved a system of dispersed family-farm production in the hands of thousands of family farmers instead of permitting it to be concentrated as a big business.

In my opinion, in the long run, family farming is not only more desirable sociologically, not only more desirable from the standpoint of the human values of rural life and rural living, but actually will prove the most efficient method of food and fiber production.

The small-business nature of farming is a strong bulwark of political stability for a democracy, and a real safeguard against inroads of either communism or fascism.

Yet, by its very nature, it leaves the individual farmer without protection of bargaining power in the market place.

By lending the strength of our Government to offset the bargaining weaknesses of agriculture, we can prevent the development of industrialized agriculture which will prove so disastrous to the great majority.

City workers, small-business men, and family farmers have mutual interests. They are one another's best customers. The protection of the economic rights of each of them best serves to advance the economic interests and political liberties of all.

Because of the different economic conditions of each group, techniques for achieving income and prosperity goals understandably differ. Yet each—not simply the farmer alone—has turned to the Government for help in creating a climate in which they can achieve just treatment in our economy.

That is the purpose of our farm programs and our farm legislation.

It is foolish to be debating proposed new farm legislation if we ignore or lose sight of the objectives we are trying to reach.

As I indicated at the outset of these remarks, we are at a stalemate, unfortunately, in developing adequate new programs to serve these objectives properly. Until that situation changes, the least we can do is prevent steps backward; prevent our blindly going off in the wrong direction.

That is my purpose in this discussion, and my purpose in seeking minimum amendments to the pending legislation.

We must keep our eyes on objectives and principles, rather than merely quibble over crossing a T and dotting an I.

With this general background statement of my views, I shall endeavor to cooperate in trying to improve the bill.

I am not in any way seeking to obstruct the enactment of a farm bill, if it does not contain booby traps for the future.

I have prepared amendments which I believe are worthy of careful and thoughtful consideration. They would make the bill more acceptable to the House of Representatives. They would make it more acceptable to farm people. Yet they were certainly not designed to invite another veto.

In due course I shall discuss these amendments in more detail, as each is called up for consideration.

In the meantime, my only plea to my colleagues is to consider well what they are doing in voting on the bill for they may have to live with their decision for a long, long time.

Mr. President, I am very grateful to my colleagues for their participation in the debate.

I have outlined some of the basic features of the bill, and also some of the amendments which I believe to be desirable; and we have indeed had a very splendid debate.

Mr. President, I yield the floor.

Mr. THURMOND. Mr. President, it has been a matter of serious concern to me that Congress has reached this advanced point in the session without the enactment of a general farm bill. The time for adjournment is almost upon us, and legislation is urgently needed to insure that the position of the farmer—already poor—will not rapidly get worse.

I recognize the difficulties in drawing up such legislation. The problems of the farmer are complex. They are not the same problems in all sections of the country. It is always a difficult task to write sound, long-range farm legislation which will meet with general approval in Congress.

I recognize, too, that many Members of Congress have kept the farm problem in the forefront of their thinking and have been working diligently to bring suitable farm legislation to the floor. As a temporary measure, Congress passed a joint resolution in March, calling for a stay of any reduction in support prices or acreage allotments. The purpose of the resolution was to maintain the farmer's standard of living while work proceeded on measures of a more permanent nature. I was both alarmed and disappointed when the President vetoed that salutary resolution.

During the 5 years from 1952 to 1957, the deterioration of the farm position can be documented by the following facts, among others:

First. During the 5-year period, farm prices declined 16 percent.

Second. Realized net farm income declined 19 percent.

Third. The purchasing power of farm income declined 23 percent.

Fourth. Farm population declined 12 percent from 24,283,000 in 1952 to 20,396,000 in 1957.

Fifth. In 1957, the returns to all farm workers for their labor and management reached a low of 69 cents per hour, while the average wage of industrial workers reached a high of $2.07 per hour.

I am glad that American industrial workers are sharing as they are in the fruits of production. I hope that they will continue to maintain their high standard of living. The farmer, like the industrial worker, has been increasing his productivity, but, unlike the industrial worker, the farmer's increased productivity has not been rewarded. It is time that we take constructive steps to bring the income of the farmer more in line with his productivity, and more nearly on a par with the income of the industrial worker.

With the conditions which I have mentioned handicapping the farmer, it is small wonder that 12 percent of the Americans who lived on farms in 1952 had moved off the farms by 1957.

There are those who say that this is as it should be—that overproduction on the farm should be eliminated by abandoning the farms, and that we should tell the farmer who fails to support himself on the farm to go out and find himself a job in industry. This oversimplified solution is heartless, unrealistic under present conditions, and, in the long run, it is unsound.

It is heartless because it is shabby treatment for the people who love the land and labor on it, and who deserve a fair reward for their toil. It is unrealistic because it would throw on the industrial labor market men who are untrained and inexperienced in factory work to compete for jobs with the skilled workers. It is an unsound policy to abandon the farms because, in the long run, a strong agricultural economy is essential to the well-being of the whole Nation.

Our Nation's farmers will be called upon, in years to come, to produce the food, the cotton, and the wool to feed and clothe our expanding population. In the event of war, we will call upon our farmers—as we have called upon them in past emergencies—to expand their production quickly. The Nation's farms are as much a part of our war mobilization base as our steel mills.

I am particularly concerned about the plight of the small farmer. He has been described too often, in recent years, as a marginal farmer, because he is not as productive as the large-scale mechanized farmer. In times of depression on the farms, the small farmer is the first to be affected and the last to recover.

Nevertheless, the small farmer is needed and deserves a better fate than to be forced off his land. It has been estimated that agriculture serves as a basis for 35 to 40 percent of the jobs of all workers in this country, even though only 12 percent of the people make their living directly from the farm. It is important to the total economy that the purchasing power represented by the farm population be maintained in the small-farm States as well as in the large-farm States. It is important that the elements of our agricultural economy be well distributed, so that the effect on production of a severe drought in one region of the country may be offset by a good crop year in another region.

The Nation's farmers do not share in the direct benefits of many Federal programs in the field of public welfare. Neither are they the recipients of the various fringe benefits—paid vacations, overtime pay, health insurance, pensions, and the like—which many industrial workers now receive as a matter of course.

Our farmers have not asked for a welfare program. They have asked only for a chance to stay in business and keep their homes, to maintain that portion of God's land which is in their trust, and to have the opportunity to earn a decent living.

I do not intend to tell the Senate today that I believe that S. 4031 is a perfect farm bill or that it will solve all of

our agricultural problems. I do believe, however, that it is the best general farm bill that can be passed, under the circumstances, at this session of Congress. The Senate Agriculture Committee has worked diligently to bring this bill out, and the committee should be commended for its efforts.

The bill does not do everything that it should do for the farm economy, but it is a good program of minimum agricultural assistance.

I am glad to support the bill in its present form.

Mr. FULBRIGHT. Mr. President, for some years now I have become more and more concerned by the problems confronting our farmers. Arkansas is predominantly an agricultural State, and we are vitally affected by the fortunes of agriculture. The problem, however, is a national one and goes far beyond the boundaries of any one State.

Many times during recent months, Senators on both sides of the aisle have pointed to the dangerous decline in farm income. Many statistics pointing up the critical problem are familiar to all of us, but I should like to mention several significant ones:

First. During the 5 years from January 1953 to January 1958, farmers' net income declined 24 percent. Last year, farm income fell from $12.1 billion to $11.5 billion, which is the lowest total since 1942.

Second. In the last 5 years, the farm population has declined by more than 2 million.

Third. Farm debt has been rising, and in the 5-year period, increased by $3.2 billion. The farm foreclosure rate has doubled.

The policies of Secretary Benson have been in a sense miraculous. At the same time, the American farmer was steadily sinking into the mire of a depression, the food price index increased from 112.8 points to 118.2, and food chains and food processors enjoyed great prosperity. To mention only a few, Borden profits rose 33.8 percent; National Dairy Products, 50.1 percent; Wilson & Co., 111 percent; Quaker Oats, 69.9 percent; Safeway Stores, 246.5 percent; and General Mills, 28.1 percent. These figures, Mr. President, tell the story in a nutshell. They are more eloquent as to the trouble in agriculture than anything I can say.

Cotton is the principal agriculture product of Arkansas, and I am, therefore, especially concerned with this segment of the entire agricultural economy. Most Members of this body realize, I am sure, that the cotton industry is a vital part of the overall national economy. Eight hundred sixty-four thousand farms are directly engaged in cotton farming, and the value of cotton produced on American farms during 1957 was $1,854,000,000. Cotton is the foundation of a vast industrial complex, involving oil and textile mills, ginners, farm machinery manufacturers, small distributors, chemical and fertilizer industries, and myriad employees.

I doubt, however, that it is generally realized that cotton farmers have faced year after year drastic reductions in their acreage allotments and in market prices for the product of their labor. For instance, in 1951, without production controls, farmers planted 28,195,000 acres. In 1955, only 18,113,000 acres were allotted; and in 1957 and 1958, allotments were frozen at about 17½ million acres. A decrease of one-third in 6 years. Since 1952, price supports for cotton have been reduced 12 percent, and price supports for cottonseed have been lowered 33 percent.

Not only has the cotton economy declined, but virtually every other segment of agriculture has been similarly affected. Farm prices have on the average fallen 24 percent since 1952, and the farmers' share of the national income has decreased by 20 percent. Last year, the Chairman of the Federal Reserve Board stated frankly that the farmer paid for the stability which was maintained in our economy during the so-called Eisenhower prosperity. I quote Mr. Martin's statement:

> Now the great shame to me and the thing that worried me most, starting in 1955, was that we, the United States, kept stability in the dollar from 1953 on to the early part of 1956 by declining farm prices, which was being offset in the picture by a rise in manufactured prices. In other words, the stability was not a balanced stability, it was farm income going down and manufactured products going up, the net result being stability.

Mr. President, I would like to review briefly the provisions of S. 4071 relating to cotton. The bill reported by the committee offers a choice to cotton farmers. The plan recommended by the committee allows the farmer in 1959–60 to choose between, first, the acreage allotment and support price determined under existing law, and, second, a 40-percent increase in his cotton acreage with a 15-percent reduction in the support price. The additional acreage allowed under the second choice would not be used in establishing history for determining future acreage allotments. This provision permits the farmer to choose the plan which would be most advantageous to his own peculiar type of farming.

The optional program mentioned is available for 1959–60. Beginning with the 1961 crop, cotton will be supported at 90 percent of the average market price during the last 3 years. The bill stipulates that the support price cannot be less than 30 cents per pound for middling 1-inch cotton.

The marketing-quota and acreage-allotment sections of the bill have caused me much concern, and I have cosponsored an amendment introduced by Senator STENNIS to ease the effects of these provisions on Arkansas. I will discuss these sections in more detail in a moment. The bill provides for a minimum marketing quota for 1958–59 sufficient to provide a national acreage allotment of 16 million acres. This compares with the allotment of approximately 17,500,000 acres for the current crop year. The national acreage allotment proposed would be allotted among the States in the same proportion that they shared in the 1958 allotment. For 1961 and subsequent years the national marketing quota would be set to provide a normal supply of cotton for domestic consumption and exports but in no case would the quota be less than that required to provide a national allotment of 16 million acres.

The above provisions would be modified to the extent that each State will receive a minimum acreage allotment of 4,000 acres or the highest acreage planted to cotton in any one of the preceding calendar years. Minimum-farm-allotment provisions are also included in the bill. A minimum allotment of 10 acres or the 1958 allotment, whichever is smaller, is included in the bill. This contrasts with the present law which provides for a minimum of the smaller of either 4 acres or the highest acreage planted in any 3 preceding years. A national reserve of 310,000 acres is established to provide these minimum acreage allotments.

I mentioned a moment ago that I am deeply interested in the Stennis amendment. Under the present provisions of the bill, as reported by the committee, the national acreage allotment for each year is to be apportioned among the States on the basis of the same proportion which each State shared in the national acreage allotment in 1958. This, in effect, prevents present provisions of law related to adjustments for trends from becoming operative. As a result, Arkansas would be allocated 34,285 less acres in 1959; 43,749 less acres in 1960; and 26,266 acres less in 1961, than would be the case under the formula set forth in the present law. The Stennis amendment is, I believe, equitable and should be adopted.

Mr. President, the farm problem is acute and I feel that it is of vital importance to enact farm legislation prior to the adjournment of this Congress. I realize that there is disagreement as to what our long-term farm program should be and that even the great farm organizations have been unable to come to a meeting of minds on the proper course to pursue. With this in mind, Congress early this year approved Senate Joint Resolution 162 which would have frozen price supports and acreage allotments on the basic commodities for 1 year. At least, we hoped to prevent further reductions in price supports and further decreases in acreage allotments.

The reduction in acreage of cotton alone is likely to be 3 million acres—17½ million to 14½ million—if no farm bill is enacted into law. Yet, despite the fact that Senate Joint Resolution 162 was only a stopgap measure, it was vetoed by President Eisenhower on March 31.

Now it is perfectly clear that Senate Bill 4071 is our last chance for farm legislation this year. The Committee on Agriculture deserves great credit for the time and effort which its members have devoted to the seemingly endless pursuit of a solution to the farm problem. The chairman and members of this key committee will admit, I am sure, that Senate Bill 4071 is not a panacea, but it does contain many important provisions which will benefit the farm economy.

Mr. President, I pay tribute especially to the chairman of the committee, the

distinguished Senator from Louisiana [Mr. ELLENDER], who is one of the stanchest friends of agriculture in the Senate, and to the other members of the committee who gave so much of their time and effort to the development of the bill.

I believe, that insofar as cotton is concerned, S. 4071 is a step in the right direction. If cotton is to survive and prosper in the long run, there are several objectives which must be met. The main objectives are, I believe:

First. To regain and keep an equitable share of the expanding textile market at home and abroad, the price of cotton must be competitive with synthetics and foreign growths.

Second. The income of cotton producers must be protected during the transitory period of expanding production and until such time that lower production costs are attained.

Third. Provisions should be made for the protection of farmers who through location or size of operation are faced with higher production costs, and at the same time to provide an opportunity for the more efficient farmers to make a concession in price in return for additional allotted acres.

Fourth. Expand research for new and better uses of cotton.

Fifth. Provision for orderly marketing through normal trade channels.

The pending measure, which I strongly support, does not achieve all of these objectives, but its enactment will give countless farmers throughout the land an opportunity to begin the long hard struggle back to a level of moderate prosperity.

Mr. SYMINGTON. First, Mr. President, I wish to congratulate the distinguished Senator from Minnesota [Mr. HUMPHREY] for his excellent address in regard to the farm problems of the country and their relationship to the pending bill.

Mr. President, the farm bill now before the Senate provides for substantial and far-reaching changes from the past and present course of farm legislation.

In many respects, the pending bill is a repudiation of the farm policies and programs we have known since the early 1920's.

The provisions of the bill will have serious effects, not only upon the approximately 20 million people living on farms, but also upon other millions in industries related to agriculture, and also upon citizens in their capacity as consumers and taxpayers.

The effects of this bill would be felt particularly in States such as Missouri, where one-fourth of the population lives and works on the farms, and where agriculture is a billion-dollar industry.

This farm bill is not just another minor modification of the basic farm legislation. It is a radical departure from the concepts and principles which have been developed as the foundation of the Government's farm policy for over 30 years.

The bill would guarantee a sharp reduction in total farm income, despite the fact that farm income already is down 20 percent since 1952.

The bill would result in stimulating production to new record levels. Based on the experience of the past 5 years, that would result in additional cost to the Government.

From 1952 to 1957, farm prices declined 16 percent; but total farm production increased 6 percent.

Despite reduced prices, production has increased during this 5-year period; and, as a result, the Department of Agriculture expenditures have doubled—from $2.5 billion, in the fiscal year 1954, to an estimated $4.9 billion in the fiscal year 1958.

Only recently we have seen reports that even greater production this year will increase the costs of the Department of Agriculture to an estimated $6 billion for the fiscal year 1959.

The bill abandons the most basic principle upon which farm legislation has been founded for over one-quarter of a century—namely, the parity concept.

A dollar wage, or dollar price, or dollar salary, or dollar income, has little meaning except in terms of what that specific amount will buy—in other words, its purchasing power.

Recognizing this fact, Congress has, by means of the use of the parity formula, consistently tied farm legislation to a measure of the purchasing power.

If the Senate were to pass the pending farm bill as is, the Senate would, in effect, be abandoning the concept that farm families are entitled to an income and a standard of living approximately equal to those of other Americans.

Even with acceptance of the parity principle, our farm programs have been less than successful in the attempts to attain true parity for the farmer with other Americans who work in other segments of the economy.

In recent years, under the policies of the present administration, the position of the farmer has very much worsened.

Fortunately, the parity concept has limited the steady efforts to drive down farm prices and farm income.

But now the Senate is considering the abandonment of that very concept—the parity concept.

Mr. President, in effect, the bill would announce to the 20 million American farmers who have survived the past 5 years that no longer are they entitled to an opportunity for reasonable economic equality with other Americans.

It is apparent that the Government is no longer concerned with 100-percent parity for the farmers and their families—or even 90 percent, or even 75 percent.

Instead, they are to have support at 10 percent less than what they have been getting in the market place.

In 1957, family farm purchasing power fell to the lowest point in 17 years—the lowest since 1940.

Since 1952, farm purchasing power has dropped 24 percent.

This tragic loss of purchasing power spread from the farms to the towns, and finally to the cities, and contributed to the current depressed economic conditions throughout the country.

In recent months, there has been some improvement in farm prices and income. But these are insignificant, when compared to the income losses suffered by farm families since 1952.

During those 5 years, farm income continually declined and the accumulated loss to farmers has been $14.4 billion—or a loss of almost $3,000 for every farm in the United States.

The pending bill would add to that loss; it would result in lower farm income. The bill would result in less farm purchasing power. But even worse, the bill would abandon the very concept of purchasing power—the parity formula.

In 1941, one of the truly great farm leaders, President Ed O'Neal, of the American Farm Bureau Federation, stated before a Congressional committee:

> The Congress of the United States has again and again declared as its policy that the prices and income of farmers should be restored and maintained on a basis of parity with industrial wages and industrial prices. * * * We interpret this action by Congress as a determination on its part to redeem its pledge to American agriculture, and to carry out the parity policy, which it has so often declared. We wish to commend, in the highest terms, this action by Congress * * *. The American Farm Bureau Federation takes the position that we must have a program which will assure full parity, not only to the five basic crops, but to all American agriculture.

That statement by Mr. O'Neal is indicative of the type of thinking which has prevailed for many years, but which the pending bill now proposes to abandon.

Mr. HUMPHREY. Mr. President, at this point will the Senator from Missouri yield to me?

Mr. SYMINGTON. I am glad to yield to my able friend, the Senator from Minnesota.

Mr. HUMPHREY. I understand that the Senator from Missouri has just concluded reading from a statement by the late, beloved, and illustrious Ed O'Neal. Is that correct?

Mr. SYMINGTON. Yes—the former president of the American Farm Bureau Federation.

Mr. HUMPHREY. Yes; and it is one of the great American farm organizations.

Is it not fair to say that Ed O'Neal was possibly of more importance and greater effect in connection with the effectuation of a proper farm policy and program than any other American of his time?

Mr. SYMINGTON. That is correct.

Mr. HUMPHREY. And that program was based on the parity concept, was it not?

Mr. SYMINGTON. That is correct; the Senator from Minnesota has put his finger on the principal reason why I read that statement by Mr. O'Neal.

Mr. HUMPHREY. Is it not ironical that today, in 1958, that great landmark of legislative achievement—namely, the parity concept, as embodied in the legislative provisions contained in the acts of 1933 and 1938, and then endorsed by the American Farm Bureau Federation, is now repudiated?

Mr. SYMINGTON. The bill now before the Senate would abandon parity.

Mr. HUMPHREY. Is it not even more ironical that the American Farm Bureau Federation today should be lending itself to the effort to repudiate the parity concept? Certainly, I am very unhappy about it. I am sure the county farm bureaus in Minnesota do not agree that the parity concept should be abandoned or repudiated. I go to many of their meetings, many of their community picnics, and many of their other gatherings; and I find that the members of all our farm organizations, regardless of the different approaches which they may make to that objective, nevertheless agree on the objective; they agree that the objective of any agricultural bill must be the attainment of parity income and parity prices; and they want them provided in the law—really provided in the law, not just placed in the atmosphere. They want it in the law, Senator. They do not want it just in the atmosphere.

Mr. SYMINGTON. Let me say to my distinguished friend, that when I was in business the trade associations that I was familiar with worked steadily for the members of their organization. It has been my experience that banking associations, State and national, are consistently working to better the position of banks. Based on my knowledge of trade unions, they are interested in bettering the working conditions, hours of work, and wages of those who are members of their organizations.

As I have studied the basic problems of agriculture, what has surprised me more than almost anything has been the fact that many persons in the field of agriculture apparently do not work for the welfare of the family-sized farmer in America.

I believe legislation should be based on the idea that farm families are entitled to a reasonable amount of the same support from their Government that is given other segments of our economy.

One of the reasons behind the consistent efforts to break down and destroy our farm programs concerns the cost of those programs. It is hard for me to understand the strong attacks on subsidies for agriculture at the same time nearly all other segments of our economy receive heavy supports from their Government.

A House Agriculture Committee print entitled "Government Subsidies—Historical Review," revised June 25 of this year, points out that:

CCC farm-price support losses from 1933 to January 1, 1958, have cost the taxpayers less than subsidies to business through postal deficits alone during the 10-year period 1946–56. Moreover, the losses connected with price supports for farmers have amounted to only a fraction of the cost of business reconversion payments, including tax amortization, and other financial aids to industry during the past few years.

I ask unanimous consent that a table setting forth Federal expenditures for business aids and special services from the aforementioned publication be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Mail subsidies (10-year period, 1946–56)	$5,968,000,000
Business reconversion payments (including tax amortization)	43,262,000,000
Subsidies to maritime organizations (1938 through fiscal 1957)	3,500,000,000
Subsidies to airlines (1938 through fiscal 1957)	614,000,000

Mr. SYMINGTON. Mr. President, some of the same groups being so heavily supported by their Government, as indicated by this table, are the ones which lead the attack on our farm programs.

I believe that farm families are entitled to a reasonable amount of the same support from their Government that is given other segments of the economy.

The provisions of S. 4071, which cast aside the parity concept, would apply immediately—in 1959—in the case of corn and the feed grains, and, beginning 2 years later, on cotton and rice.

I shall have a little to say about tobacco and wheat in a moment.

Could this be part of a master plan to cut off one commodity at a time from parity, and thereby make it more palatable to those interested in other commodities not forced to bear the immediate effect of this drastic action?

Mr. President, those people interested in wheat and tobacco should be interested in an article printed in the Champaign (Ill.) News-Gazette of July 13, 1958, which I ask unanimous consent to have printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OPTIMISTIC ON CHANCES FOR SENATE BILL—LEGISLATION WOULD END ALLOTMENT OF ACREAGE, CUT SUPPORT PRICES

(By Bernard Brenner)

WASHINGTON—A high ranking administration farm official said Saturday he was "fairly optimistic" about chances for Senate passage next week of the administration-backed omnibus farm bill.

If the legislation becomes law it could produce lower cotton prices and ward off a potential increase in the price of rice next year. It also could result in reducing corn price supports and dropping Federal attempts to control production of corn.

The legislation would repeal all Federal acreage controls on corn beginning in 1959 and drop the farm parity price formula dating back to New Deal days—as the basis of price support. In place of parity, supports would be based on 90 percent of the average open-market price for the past 3 years.

Assistant Secretary of Agriculture Marvin L. McLain said the "big problem" is to head off efforts of antiadministration Senators to "load" the measure with price-raising amendments aimed at reversing administration farm plans. The administration hopes to increase crop sales and farm income by fixing price supports closer to market levels.

McLain added in an interview that he believes most Farm Belt Senators now are "interested in getting an acceptable bill through." He said that if Congress approves the bill, administration officials will turn their attention next to two major commodities left untouched by the measure—wheat and tobacco.

The administration will make sure that lawmakers from wheat and tobacco areas "know exactly what's facing them next year," McLain added. "Changes will have to be made in those programs or we'll be in serious trouble."

He gave no indication what changes would be proposed in the price support-production control programs for wheat and tobacco. He pointed out, however, that last January the President asked for authority to reduce price support floors and eventually ease acreage controls on these and other major crops.

Wheat supports under present law range between 75 and 90 percent of parity. Tobacco is pegged at 90 percent as long as marketing quotas remain in effect. For both crops, the administration had asked authority to fix supports between 60 and 90 percent of parity.

McLain said prospects for passage of the Senate cotton-rice-feed grain bill were brightened by a "changed attitude" among farm lawmakers. He said it's "entirely different than anything I've seen in my 5 years here—they finally realize that something must be done."

Mr. SYMINGTON. Mr. President, reporting on an interview with Assistant Secretary Marvin McLain regarding the chances for approval of S. 4071, the article states:

He said that if Congress approves the bill, administration officials will turn their attention next to the two major commodities left untouched by the measure—wheat and tobacco.

This would seem to destroy whatever notion some people might have that tobacco and wheat are not included in the overall efforts to destroy the farm program.

Mr. President, during consideration of this farm bill in the Senate Agriculture and Forestry Committee, some Senators justified the abandonment of the parity concept on the grounds that a price floor would nullify the effect of this action. But even before the bill came up on the Senate floor, efforts were being made to remove or to lower these minimum price support levels.

In a press conference on July 15, in discussing the 30-cent-per-pound floor on cotton, Secretary of Agriculture Benson stated:

We would like to see this amendment to set the minimum at 28 cents per pound, not more than 28 cents.

Turning to rice, Mr. Benson stated:

We have a similar situation in rice in the bill. It provides for minimum support of $4 per hundred, which is about 66⅔ percent of parity. This is about 10 percent above the minimum which we suggested of $3.60 or 60 percent of parity. We think the $3.60 level should prevail in the best interest of the rice growers and the rice industry.

While Mr. Benson did not suggest a lower floor in the case of corn, he indicated his opposition, stating:

However, we think, generally speaking, that minimums in dollars and cents may get us into some difficulty when we move from the basis of the average of the last 3 years, 90 percent of the average for the last 3 years.

The Champaign, Ill., News-Gazette article states:

McLain said prospects for passage of the Senate cotton-rice-feed grain bill were brightened by a changed attitude among farm lawmakers.

Mr. President, let me assure Mr. McLain and others that my attitude on the farm situation remains unchanged.

I believe that farm families have an equal right with other Americans to assistance from their Government in obtaining a reasonable share of our national income.

I shall stand by that belief, not only during consideration of this farm bill, S. 4071, but until the farm families of our country secure reasonable economic equality.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield to my friend from Minnesota.

Mr. HUMPHREY. Before the Senator from Missouri takes his seat, I want to commend him on his very forceful remarks. The Senator from Missouri has been a stalwart champion on behalf of American agriculture in the deliberations of the Committee on Agriculture and Forestry. He has never wavered in his support of the family farm. He has taken a broad national view on agricultural policy. The Senator from Missouri knows that earlier today I indicated there was a difficult road ahead for this proposed legislation, even if it passed the Senate. I pointed out that certain leaders in the House had expressed great doubts about the bill.

I now note that in a press release for today, which was distributed by the public relations committee of the North Carolina Cotton Promotion Association, there is an indication of some change in the sentiment of the other body.

I say, first of all, I am sure every Senator has been called many times by people who are concerned about the pending bill. I have had lots of letters from chambers of commerce and from people who are in the cotton-industry field. I respect those contacts. I respect that interest.

The chairman of the House committee I understand has now indicated the House may take action upon a bill along the lines of the Senate bill, except that the House bill, I think it should be noted, according to the release, will have within it the parity principle and will not have the formula the Senate bill has, which emasculates that parity principle.

If the Senator will permit, I shall read excerpts from this release:

> It was agreed, both by Mr. COOLEY and the farm and cotton leaders of North Carolina, that in the House this bill would be strengthened by reestablishment of the principle of parity. Mr. COOLEY took action immediately in this direction with his committee members.

I quote, further on:

> Abandonment of the parity principle in 1961 in the present Senate bill, by basing support price for cotton on a formula related to the 3-year average market price rather than parity, has been the major criticism of the Senate bill.

That is the very point which the Senator from Missouri has emphasized tonight. I am hoping that the Senator from Missouri or some other Senator will offer an amendment to the section of the bill which deals with cotton. Since the Senator comes from a State which produces a vast amount of cotton, and since cotton is an important crop to his State, I hope he will offer an amendment to restore the parity principle to the bill.

Mr. SYMINGTON. We might as well face up to what is going on. It is becoming very clear. We are considering a bill to destroy parity.

Mr. HUMPHREY. Of course.

Mr. SYMINGTON. The distinguished junior Senator from New Mexico [Mr. ANDERSON] knows a great deal about the farm picture. Few, if any, know more. The Senator has been the Secretary of Agriculture. I understand he is considering an amendment to send the bill back to the committee and to freeze cotton and rice acreage. Such an amendment would handle the most serious problem facing cotton and rice farmers.

Speaking for the cotton farmers in my own State, I have become increasingly worried about the approach of S. 4071. It is much like taking a narcotic when one is in pain. There may be a few more cotton acres in the year 1959, but when parity is taken off cotton entirely, except on the basis of a dollar floor, what will happen? Will not the pain be greater after the narcotic wears off, especially for the small farmer? Of course that situation would even be worse with respect to corn, because it would apply to corn in 1959.

The more I learn about this bill the more I believe that it is designed to destroy what has been built up for the American farmer since the early 1930's, that is, the concept of parity.

Mr. HUMPHREY. I should like to make a final observation, if the Senator will permit. Is the Senator from Missouri familiar with an article which was published in this evening's issue of the Washington Star entitled "Benson Claims Leftists Block Farm Measure"?

Mr. SYMINGTON. No; I am not. I have not seen it.

Mr. HUMPHREY. Those of us who are debating this measure are classified as leftists. The article reads:

> Secretary of Agriculture Benson charged today that unnamed leftwing elements within the Democratic Party are trying to prevent the passage of farm legislation this year by attaching unsatisfactory amendments.

Later on the Secretary goes further and says:

> "The truth of the matter," declared Secretary Benson, "is that the leftwing elements do not want any farm bill this year."
>
> He asserted these elements were being subjected to influences of the Farmers Union.

Let me give the Secretary of Agriculture some news. I want to let him in on something. The Farmers Union of Minnesota is an important farm organization, the largest farm organization in terms of family farms, and it is not leftist. It is not rightist. It is Minnesota, and its members are good American citizens. I am getting sick and tired of having the Secretary of Agriculture get that red brush out and splash it around. If the Secretary of Agriculture wants to go around looking like an Indian on the warpath, that is his business, but he should not go around splashing me with ink and paint and feathers. I am sick of it.

Mr. SYMINGTON. Mr. President, one of the finest farmers in my State is Fred Heinkel. He is the president of the Missouri Farmers Association, the largest farm organization we have. Just a few days ago Mr. Heinkel said: "The more I study the bill, based on my knowledge of what the Department of Agriculture is attempting to do to the American farmer, the more I am against it."

Mr. President, I certainly hope Secretary Benson was not referring to people who have an honest difference of opinion as to the merits of S. 4071.

It is unfortunate that the Secretary of Agriculture has to classify people who disagree with him as leftist and imply that their motives are any less patriotic than his own.

Mr. HUMPHREY. Mr. President, will the Senator yield further?

Mr. SYMINGTON. I have noticed that certain commodities seem to be well taken care of, while at the same time the Secretary of Agriculture has been driving down the prices and income in my State and the State of the distinguished Senator from Minnesota.

Mr. HUMPHREY. Will the Senator yield for one final observation?

Mr. SYMINGTON. I am glad to yield.

Mr. HUMPHREY. If one is to speak about leftists, of course, left of center as to agricultural policy, I suppose, would be someone who would favor any policy which tends to collectivize agriculture, to make it big business, whether it be state capitalism or private capitalism. Big business agriculture would fit the pattern of the Marxist, Communist development in agricultural policy. I will just let the record stand, if we are going to start having a name-calling contest, as to which policies have contributed to the collectivization of agriculture and the corporate system of agriculture. There has been more abandonment of family farms in recent years than for many years. There has been more and more concentration of agricultural production in fewer and fewer hands. There is only one country which has had more rapid progress in the concentration of agricultural production in fewer hands than the United States of America in recent years. Since the Soviet Union had already collectivized, the one country is China, under the Communists.

I do not accuse anyone of having a premeditated plan to collectivize American agriculture; but before the Secretary starts to get out his paintbrush and splash around, hit and miss, with no target except anyone he can hit, I suggest that he examine his own policies. His own policies have not contributed to what I call the private entrepreneur. They have not contributed to individual private enterprise. They have not contributed to the family farm. They have contributed to industrialization, big business, and corporate structure in American agriculture. It is up to him to demonstrate to the contrary, because the statistical facts from his own Department prove that I am correct.

Mr. SYMINGTON. Mr. President, the article entitled "Benson Claims Leftists Block Farm Measure," written by J. V. Horner and published in the Washington Evening Star of July 24, 1958, has been made a part of the RECORD.

Part of the article reads in part as follows:

"The truth of the matter," declared Secretary Benson, "is that the leftwing elements do not want any farm bill this year."

He asserted these elements were being subjected to influences of the Farmers Union.

Mr. President, the Farmers Union is not an important organization in my State.

Nevertheless I think it is unfortunate for a member of the President's Cabinet to attack one of the country's leading farm organizations.

I do not believe such action is in accordance with our principles and our traditions.

Mr. MARTIN of Iowa. Mr. President, on Sunday, July 20, the St. Louis Globe-Democrat published an editorial praising the policies of Secretary of Agriculture Ezra Taft Benson and urging enactment of the farm bill now pending before the Senate. Its logic and reasoning are so sound and cogent that I think its words might be of benefit to all of us.

I ask unanimous consent that the editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CONGRESS MUST END FOOTDRAGGING AND BACK THE BENSON FARM PROGRAM

Hard-sense policies of Ezra Taft Benson won a smashing victory last month when the House killed the Democrat-sponsored omnibus farm bill, properly indicted by the Agriculture Secretary as an absurd "monstrosity." But that was 3 weeks ago.

Congress in the interval has failed to pass vital, urgently needed legislation to support the Nation's farm program. There has been too much hassling and bootless delay.

Some of the Agriculture Department's most essential functions have been deadended for lack of funds. Planning and schedules hang in an administrative near-vacuum without required laws. And target date for adjournment of Congress is less than a month away.

Two extremely important agriculture measures are in Capitol Hill hoppers.

One is Senate bill 4071, a constructive proposal dealing with supports and acreage allotments for cotton, rice, corn, and feed grains. The other provides for extension of the 1954 act, authorizing disposal of surplus farm products through sale for foreign currency, through barter and as donations to needy abroad.

Senate farm measure 4071 is a radical departure from previous agriculture bills. It seeks to abandon high support techniques. It is designed to bolster crops at figures under current market prices—not dish out lavish Federal subsidies.

Such subsidies, often higher than prices, have created our fantastic, costly and wasteful surpluses.

There is no iota of sense in growing foods except to eat. That is the Benson philosophy, and nothing could be more rational.

The Senate proposal moves sturdily in this direction. Its Agriculture Committee has reported out the measure, though without dairying provisions, and it is now on the Senate Calendar.

In the case of corn and feed grains, so important to the Midwest, the Senate bill would knock out all acreage allotments and set supports for next year at 90 percent of the last 3 years' market price.

This obviously makes props a kind of insurance, in case of a bad crop year. It does not offer tax bounties for overproducing, which is the core of the surplus plight.

A similar approach is made in cotton, but more moderately. Cotton growers would be enabled to trade higher acreages for lower price supports. Current market prices, based on a prior 3-year average, would be the basis for cotton supports beginning in 1961. Other variants of the policy to let farmers plan their own crops, acreages and management—free of Federal dictation and bounty lagniappe—are contained in provisions for rice, oats, barley, rye, and sorghum.

The Senate has already passed an extension of the surplus disposal law, known as the Agricultural Trade Development and Assistance Act. The House has not acted but had a provision covering this extension in its defeated omnibus measure.

Chief difference between Senate and House measures is that the Senate extends the law for 2 years, the House for 1. Mr. Benson prefers a 1-year extension.

This valuable law has incurred antipathy from Canada, Mexico, South American States, and other nations, because it tends to curtail their grain markets.

State Department and Secretary Benson are concerned over this aspect of the program and wish only a year's continuation of the act to emphasize the policy is only temporary.

Another divergence between House and Senate legislation on this issue is that the Senate proposal gives the Agriculture Secretary discretion in bartering farm surpluses. House thinking had been to compel the Secretary to barter wherever possible, regardless of harm to our international friends and foreign policy. Manifestly the Senate bill is much superior.

Extension of this law is compulsory and probably will be voted.

Mr. Benson's program in surplus disposal is at a standstill. The old act expired June 30, and the Agriculture Department has no money to carry on a splendid schedule that has got rid of $3,934,000,000 of surplus farm products through sales, barter, and donations abroad.

Both Senate bill 4071 and extension of Public Law 480 for surplus disposal are giant strides in establishment of a rational national farm policy—a policy that has made the farmers alone show rising prosperity while almost every other segment of the economy has been hit in the recession.

America most sorely needs a commonsense policy in agriculture. It must shuck the bounty thesis that has cost taxpayers $15 billion, shackled farm progress, and piled up waste surpluses. Secretary Benson has plotted away, and these two measures will speed the day.

The country has to stop trying to fix farm prices. It must liberate agriculture from controls and quotas, continue to promote markets abroad, dispose of existing surpluses approximating $7 billion in Government bins. Then we must use research to find new crops and new uses for old.

The best panacea for farmers is to help them to help themselves.

That, we firmly believe, would be mightily advanced by enactment of the two farm proposals now before Congress. They clearly should be passed.

PERSONAL STATEMENT BY SENATOR CASE OF SOUTH DAKOTA

Mr. CASE of South Dakota. Mr. President, I shall take only a moment or two to state why I shall not be present to vote when the wool amendment comes up in connection with the farm bill.

The Senator from South Dakota, along with the Senator from Oklahoma [Mr. MONRONEY], the Senator from West Virginia [Mr. HOBLITZELL], and the Senator from Delaware [Mr. FREAR] are designated to attend the meetings of the Interparliamentary Union at Rio de Janeiro. I must board a plane in about an hour.

I am confident that the so-called wool amendment will be adopted, because it is necessary for the wool industry to know now what its operating plan will be for next year. I have not heard of any opposition to the amendment, and I assume that it will be adopted. My vote would be for extension of the Wool Act.

On final passage of the bill, I would vote "yea," because I think some farm bill is needed at this session. I am assuming that no destructive amendment will be adopted.

Personally, I favor a trial of the corn plan proposed in the bill, recognizing that the present corn plan has not been too effective. There has been no true reduction in production, at least in my State. I am in favor of the elimination of the distinction between commercial and noncommercial corn counties. I think that is well justified, because corn is corn, whether it is grown on one side of the county line or the other.

In conclusion, let me say that I hope the bill will pass. I would vote "yea" on final passage.

Mr. MONRONEY. Mr. President, in connection with the subject matter to which the Senator from South Dakota is addressing himself, I wish to express my gratitude to him for attending the Interparliamentary Union. I hope I may be able to obtain a reservation on a later plane.

I have received word from Rio that in connection with the meetings of the Interparliamentary Union, which embraces some 60 nations of the world, both free and Iron Curtain countries, the Russian delegation of 41, including staff members and interpreters, arrived in an 80-passenger jet plane, and members of the delegation have carried the propaganda and the publicity of the Soviet Union to this convention. They are loaded with resolutions condemning the policy of the United States in the Middle East.

Our delegation and our diplomatic representation in Rio are asking that all members who have been named, appointed, and authorized to represent the Senate get to the conference as soon as possible.

The distinguished majority and minority leaders have agreed that one Democrat may leave for each Republican. Therefore during the week the delegates will be gone, to some degree absences on one side of the aisle will be offset by absences on the other.

Let me say to my distinguished colleague that I expect to leave very shortly, on the earliest plane on which I can obtain reservations.

Mr. CASE of South Dakota. Mr. President, personally I am very glad to hear that the distinguished Senator from Oklahoma is planning to go to Rio

as a member of our delegation. We have our work cut out for us. I hope we may be able to make some contribution to the result which we all desire to achieve.

Mr. MANSFIELD. Mr. President, as acting majority leader, I wish to state that the Senators from Oklahoma and South Dakota are making a sacrifice to attend the conference at the specific and urgent request of the administration and the Senate leadership. We know that it is their personal wish and desire to remain here, because important legislation is under consideration, but the leadership feels that the interests of the country as a whole take priority over any particular legislation. They are needed at their post of assignment for very important national reasons. We wish them luck and know they will represent our country with honor and distinction.

Mr. DOUGLAS. Mr. President, the Senator from Missouri [Mr. SYMINGTON] was compelled to leave the Chamber. I wish to congratulate him for the work he has done in committee, and for the statement he has just made in connection with the attack by the Secretary of Agriculture upon Members of the Senate who are trying to amend his bill and make it a better bill.

Let me say that long ago I became very distrustful of men who went about with a Bible in one hand and a tar brush in the other.

I also have become distrustful of men who begin each meeting with a prayer and end the meeting with a smear. I think the Secretary of Agriculture should review his statements in the light of his professed Christian principles.

Second, let me say that possibly the Secretary of Agriculture is confused as between "left" and "right." These are designations which are modeled upon the arrangement in European parliaments, which have semicircular halls such as ours. I visited the French National Assembly a number of times. Both in the French National Assembly and in the other semicircular halls, the left is designated as that section to the left of the speaker or presiding officer as he faces the body. So in this hall the Republican Party would be on the left and the Democratic Party on the right. The Democratic Party is generally in the right.

The Republican Party usually gets left. So possibly Secretary Benson may have been denouncing his own party members. If that be so, I wish to defend members of the Republican Party. I do not believe they are leftists. I do not believe that they should be smeared in this fashion, any more than Democrats should be smeared.

THE SITUATION IN THE MIDDLE EAST

Mr. MORSE. Mr. President, before I make a brief speech on the pending amendment, I ask unanimous consent to have printed in the RECORD as a part of my remarks a letter which I have received from an American Fulbright student, signed "Fulbright Student to France."

The student has traveled extensively in the Middle East, and writes a letter exceedingly critical of American policy in the Middle East. The student sets forth some points of view so well that I believe the letter should be made a part of the RECORD, without disclosing the name of the student.

I ask unanimous consent that it may be printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 18, 1958.

Senator WAYNE MORSE,
United States Senate,
Washington, D. C., U. S. A.

DEAR SENATOR MORSE: The Iraqian rebellion will no doubt reap a harvest of misinterpretations back home. Its only surprise for me—a recent visitor to the country—was that our Intelligence couldn't see a violent eruption in store from a people that had overlong contained and repressed its political grievances. If an inquiring mind wanted to penetrate beneath the superficies of Iraqian politics which showed at the level of Nuri Said and cohorts (apparently the only aspect of Iraq visible to our State Department), it would discover that outside this narrow little sphere of rulers, there was nothing but discontent ravaging popular opinion.

Peasants and landless laborers, living in miserable depths of poverty, small sheiks with land in their hands, tradesmen and city merchants, students government-educated abroad, civil employees at every level (including students returned and employed as engineers, scientists, doctors, teachers, etc.), lawyers and even members of the congress—all felt the top government absolutely insupportable—to put it mildly. Each was disgruntled with—if not the whole—then one aspect or another of a rule imposed upon them against their wills. Was there ayone who didn't decry the hypocrisy of Nuri Said and his collusion with the British?

I thought in the religious pilgrimage sites where puritanical prohibitions stifle out any whiff of social change it would be different. I found a seething, angry spirit, antigovernment in the extreme. No matter what nuance of political opinion a man might have—left, right, Communist or anti-Communist or in between—utter despise for the powers that then were was a constant. Often among the uneducated and illiterate it came out in a nihilism: Let the government be destroyed, that's our aim. What after that? Often they had no idea. The end result of total exasperation.

Land reclamation, dam and highway building had been pursued with extravagant waste, and there was very little to show for it (except perhaps for costly portfolios in government offices of projected engineering works, done up fancy by the ivory tower crew to impress whomever in the government need be impressed, studies often taken from hypothetical, nonexistent conditions, longwinded, time consuming, a waste engineeringwise, and a shame when what the country so desperately needed was the actual dams, irrigation systems, roads themselves). Foreign engineering contractors had hoodwinked the government right and left with poor materials and bad construction. They built two lane highways (so as to bid lowest and get the contract) where four lanes would scarcely suffice even today's traffic. The new roads buckled so badly often that traffic preferred to take to the open desert. A professor in the College of Engineering, Baghdad told me that not one of the highways on the five year plan had ever been completed, though many had been started.[1]

First things—such as public health (in very low state, considering the numerous diseases endemic to many localities—tuberculosis, malaria, trachoma and other serious and very prevalent eye diseases, hookworm, schistosome and numerous other parasites, and acute asthma from desert dust—to name a few)—first things came second on the list of things to do of the Iraqian Board of Development. The government went in for big things, like spectacular dams. It seemed to have that under-developed-nation complex of wanting impressive industry, whether feasible or not. Meanwhile it made feeble efforts to conquer disease and illiteracy. Right next to the town of Najaf population c. 15,000) it built a tuberculosis hospital, with 40 beds. The doctor in charge of that hospital told me the incidence of tuberculosis there was 90 percent.

While it sent thousands of students abroad every year for a university education, it left out of its education program the multitudes of illiterates. It often allowed these university students to linger abroad on into doctors of philosophy and beyond, when the country urgently needed them as rough-and-ready college graduates. When its ivory tower scholars did finally come home, there was often no place for them in the economy—they were often too specialized. Nobody was more disgruntled than they to find the government had not actually envisaged a position for them that would make some little use of their training. The idea had apparently been to create a corps of young men grateful and loyal to the government. What a miscarriage that was. (All the foreign-trained scholars I knew had remained bachelors, for when they got home they couldn't find any women who were educated.) The contrast between this highly favored few and the vast majority of illiterate people reflects just how far the Iraqian Government's application of democratic principles went. There were very few who didn't mock the government's sincerity. And very few of the government students took their job seriously. Most didn't care one way or the other and took the attitude of blaming corruption at higher levels for what didn't get done. Nobody was really willing to spend himself to accomplish anything; they were so skeptical of what could be done with the government so corrupt. Perhaps this completely negativistic attitude—something much more negative than passive resistance—accounts for the United States misinterpretation of the situation in Iraq. What a contrast between this and the positive, hopeful spirit in Syria and Egypt.

So much for a few of the more obvious aspects of acute discontent that met me on my recent visit to the eastern villages of Iraq and the capital.

The unfortunate apparition of a choice between the existing corruption, or alinement with Nasser, drove the Iraqis his way. You may perhaps know (though the American press never seems to reveal it) that the government of Nuri Said had long ago put an iron clamp on freedom of the press, of speech and of assembly (as did Jordan's Hussein, much later, following suit), and for years threw whomever it cared to call Communist in jail forevermore (Hussein likewise when last year's trouble between Syria and the United States began). With the popularity of Nasser greatly enhanced after Suez, pressure got worse in Iraq, and when the explosion would come, it seemed bound to have the violence of the French Revolution. After so much sup-

[1] Some of the dams that American engineering firms had taken over, however, have reached the point where some use is derived from them. They were written up in Engineering News Record this year.

pression, I'm surprised there hasn't been more slaughter. Perhaps it's only because a small faction of very vested interests would care to perpetuate the Nuri Said regime. If there is more fighting, it's most likely to be an attempt by some individualist (Iraqis are extremely so) with a different idea of what the revolution should bring.

There was no moderation in the opinions I listened to in the villages, only extremist, lawless, cruel opinions of what should be done with the "tyrants" and "traitors." Was it Radio Cairo that had whipped up the pace? Evidently.

What are we going to do in such a volatile, treacherous situation? By force of arms impose what governments in the Middle East are most easy to deal with—governments like Nuri Said's and Hussein's that crush out civil liberties, all the while talking in flattering terms about having made a decision between communism and the West? Or are we going to let this poverty-stricken, desolate desert land go its neutral way and benefit from a little peace under whatsoever government the people choose? Certainly an effort on the part of our Intelligence to discern what popular opinion really is, would have saved the State Department the shock of the revolt. How could it have gone on—now for a matter of years—completely unaware while the situation was building up?

Across the deserts in Baghdad and in the villages and mud huts, I know how they are taking our armed interference in Lebanon, especially because it was accompanied by a move of the British characteristic (in colonial people's minds) of gunboat diplomacy of the 19th century—as you well know. "Imperialism," they will say, and the Communists will be triumphant, jubilant.

After this very crude move, Iraq's esteem for America has fallen to the bottom, I despair. Perhaps there is still hope, if our State Department decies in the end to inform itself on the Middle Eastern situation. What proposal I would make at home would no doubt be decried by a host of red-blooded flag-waving Congressmen as idealistic, is this: a positive propaganda campaign that, instead of speaking about the American way, offers practical applications of American developments—a medical-help program that reaches the level of the common people, and is plainly and boldly labeled as aid from the United States of America wherever and whenever it appears. A few more military coups against governments we support, coups using arms that we provided to keep those governments in power, and perhaps our State Department will learn that hard-headed ideas of force are not winning us the Middle East.

Mr. MORSE. Mr. President, I have received a copy of a telegram which a group of distinguished Americans have sent to the President. I ask unanimous consent that it be printed in the RECORD at this point as a part of my remarks.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

President DWIGHT D. EISENHOWER,
The White House,
Washington, D. C.:

Ill-considered use of armed force is seriously weakening position of United States throughout world. Urge you immediately abandon military intimidation as approach to world problems, cease undermining authority of United Nations, and seek to establish friendly relations with successor regimes in Middle East.

MORRIS A. COPELAND,
CHANDLER MORSE,
JOHN A. BRITTAIN,
NORMAN KAPLAN,
ROYAL E. MONTGOMERY,
DOUGLAS F. DOWD.

Mr. MORSE. Mr. President, I have also received a cablegram sent, it states, by Iraqi graduates of American universities, protesting American foreign policy in the Middle East.

I ask unanimous consent that it be incorporated in the RECORD at this point in my remarks.

There being no objection, the cablegram was ordered to be printed in the RECORD, as follows:

BAGHDAD, *July 19, 1958.*

Senator MORSE,
United States Senate,
Washington, D. C.

DEAR MR. MORSE: On behalf of graduates of American universities in Iraq, we appeal to you in the most urgent manner to stop United States aggression in our sister Arab State, Lebanon, the aggression against our sister State, Jordan, and the aggression being contemplated against our own beloved country. It is not possible for us to see how the United States, with complete disregard of the principles of the United Nations and without paying any heed to the report of the United Nations Commission in Lebanon, can give itself the right to land troops in Lebanon which is, according to the report of the U. N. Commission, torn by civil war. The United States position on the revolution in Iraq is equally deplorable. It is well known that the previous royalist regime was a police state, intensely hated by the people of Iraq, who staged several unsuccessful revolutions to overthrow it in 1941, 1948, 1952, and 1956. We should not have to remind you that the right to revolution is an inherent right of the people of any country, and the United States of American was founded by such a method. Our young republic which came into being a few days ago enjoys the support of the overwhelming majority of our people whose slogan on the day of the revolution was, This is the day we have wanted. How could such a revolution then, arouse the ire of Mr. Henry Cabot Lodge and be used as a pretext for intervention in Lebanon and possible intervention in Iraq? Such Western intervention in Iraq as is being prepared will not deceive world public opinion, no matter under what pretext it is carried out, even though it may deceive the American people, thanks to the lies and distortions of the monopoly press. If such aggression be unleashed against us, we will meet it with all the forces at our disposal, including the support of the Asian-African and Socialist countries, and the sympathy of decent people all over the world. Should this lead to an atomic war, which may well be the case, it will indeed be tragic, but the responsibility will clearly and entirely rest upon the shoulders of the United States. We sincerely hope that commonsense and simple human decency will prevail and will curb the hotheads in Washington, who seem to be insistent on drawing the world into the abyss and that world peace and our freedom will be saved.

ADNAN RUBAII,
President of the Society of Iraqi Graduates of American Universities.

Mr. MORSE. Mr. President, I have in addition received a cablegram from 172 physicians, 40 nurses, 55 technicians, and a group of medical students, criticizing American foreign policy in the Middle East. I ask unanimous consent that it may be inserted in the RECORD at this point in my remarks.

There being no objection, the cablegram was ordered to be printed in the RECORD, as follows:

BAGHDAD, *July 20, 1958.*

Senator MORSE,
Senate, Washington:

We, members of the Iraqi medical profession, protest to you in the strongest terms possible the landing of troops in Lebanon, the invasion of Jordan, and threats against the Republic of Iraq and other Arab states.

No amount of lies and distortions could hide the fact that this is a flagrant violation of the Charter of the United Nations to which your governments have pledged their allegience.

It is an act of clear aggression, worse than Suez, since it is taking place in the presence of the United Nations Commission in Lebanon and with complete disregard to its opinions and those of the Secretary General of the United Nations.

We cannot condemn too strongly the Western position on the latest events in Iraq, which are purely the concern of the Iraqi people. Our revolution, which overthrew the hated royalist regime, has enjoyed the complete support of the people.

An attempt by the West to overthrow the republic, under whatever pretext, will be met with the strongest resistance possible from the Iraqi people who, surely, will not find themselves alone in this fight to defend their freedom and independence.

As loyal citizens of our country we cannot tolerate this threat to our sovereignty and the denial of our right to choose the system under which we live.

As members of the medical profession, we are greatly disturbed by the great danger of atomic war involving the death of millions of people. Western brink-of-war-policy is putting us face to face with this possible outcome.

We appeal to you, in the name of humanity, to put an immediate end to Western intervention in the internal affairs of other nations and thereby save world peace.

(Signed by 172 physicians, 40 nurses, 55 technicians and medical students.)

Mr. MORSE. Mr. President, this afternoon I had the very interesting experience of participating with my good friend, the Senator from Kentucky [Mr. COOPER] in a trans-Atlantic discussion with two members of the British Parliament, one a member of the Liberal Party, and the other a member of the Conservative Party. The discussion was moderated by a distinguished Canadian, Mr. Robert MacKenzie.

All I wish to say about the discussion at this time—because at a later time when the transcript of the discussion is available, I shall ask to have it inserted in the RECORD—is that it was most informative to listen to the British points of view presented by those two distinguished Members of the British Parliament.

It was very refreshing to me to find that, as in the Congress, there is far from unanimity in support of the use of military force by the United States Government and by the British Government in the Middle East. I made clear in the discussion that, so far as I am concerned, and speaking only for myself, and I do not consider my views to be singular in America, for millions of American citizens are in no mood to send American boys to the Middle East to give up their lives in order to protect British oil in some Arab sheikdom—the two great citadels of freedom in the

world, Great Britain and the United States, should move, and move quickly, through the United Nations, to get their troops out of Lebanon and out of Jordan, and to get United Nations forces into those countries. We should stop giving the impression to the world that we are willing to resort to what I had hoped was a discarded notion in international relations, that any country any longer can impose its will upon the choice of peoples of other countries by military force.

I stressed the fact, in that trans-Atlantic discussion, as I have expressed it on the floor of the Senate, that I believe the President of the United States has exceeded his constitutional power to the extent that he seeks to justify the sending of troops into Lebanon on the basis of a commitment to Chamoun to defend the so-called independence of Lebanon.

By what authority did he make the commitment? He certainly did not make the commitment with the approval of the legislative representatives of the American people.

Under the inherent Commander in Chief powers of the Constitution, it is pretty well established and settled in constitutional law that no President has the right to send troops into any country except to protect American lives and property. That is the limited purpose, and, accordingly, of course, there should be an evacuation of the Americans in that area. We are not doing that in Lebanon.

Because of the confusion which has been spread in America in regard to the basis for having marines in Lebanon, let the RECORD show that we now know that the so-called civil war or revolution in Lebanon was such a lackadaisical affair that the casualties on each side averaged less than one a day, for days and days. At no time has there been the type of military conflict in Lebanon which even begins to meet what we refer to when we use the phrase "civil war" or "revolution."

For the most part, Lebanon has divided itself into Christian sectors and Moslem sectors. The Lebanese have been glaring at each other across their barriers and destroying some property, but, for the most part, under circumstances which made fairly clear that lives would not be lost although property was being destroyed.

In a situation of this kind we sent marines into Lebanon, and by this act we have done ourselves terrific damage in all Africa, Asia, and the Middle East.

We have just heard the Senator from Oklahoma [Mr. MONRONEY] inform the Senate that our American delegation to the Interparliamentary Union meeting in Rio de Janeiro have already received notice of what the Russians will try to do at the conference in the next few days. They will try to capitalize, with their vicious lying, subversive, and propaganda technique, on what was the great mistake of our military intervention in the Middle East.

In the discussion I had this afternoon, I was impressed with the members of the British Parliament and with their great concern over the question of "How are you going to get out?" Think of it, Mr. President. Think of the real problem which faces the United States Government tonight in regard to the Middle East, of how to save face and get out of Lebanon. We never should have gone in there in the first place, because the very steps which will have to be taken now, to get the United Nations forces into Lebanon should have been taken before we ever moved in.

Oh, I know that when one dares to take the position I have taken in opposition to the risking of American lives in Lebanon, he will be subject to a certain amount of criticism and abuse. But, as I said to my friends from the British Parliament in the discussion this afternoon, when they were talking about the crux of the problem, is it not the real crux of the problem, the British desire for oil from the Middle East? I think the problem of the supply of oil can be worked out by negotiations, diplomatic conferences, and United Nations procedure without the use of military force on the part of Great Britain and the United States.

As I said to my British friends, one of the salient principles of American foreign policy has been our support of the precious right of self-determination of the people of a given nation. What happens to that right in Lebanon when the United States sends in marines and announces that they have landed to support the Chamoun group, against whom other Lebanese are in revolt? We cannot square our support of the principle of the right of self-determination with the policy which the President of the United States is following in Lebanon when he gives as 1 of his 2 reasons for sending the marines in support of the Chamoun government that a commitment had been made to support the Chamoun government.

That is why I say it is so important to make American foreign policy known to the American people, so they will exercise their right to determine for themselves what American foreign policy is, rather than to have the President of the United States and the Secretary of State proceed to make commitments in violation of the principle of self-determination, and follow these commitments up by sending American boys to protect a government and to risk their lives, when back of it all we know we cannot eliminate the factor of oil for Europe.

I do not propose to sacrifice the lives of American boys for oil for Europe. Rather, I propose, as I said on the broadcast this afternoon, to seek to put to work the peaceful procedures of the United Nations Charter, as set forth, for example, in the judicial article of the charter, to which we seldom refer, in an attempt to settle international disputes which threaten the peace of the world.

I wanted to make this statement because one in my position can never know—and never can foretell—what representations will be made about an attitude he takes. I have not the slightest idea what representations will be made about the position I took on the trans-Atlantic discussion this afternoon. Therefore, I owe it to myself to make this statement in the Senate tonight.

In my opinion, both Great Britain and the United States have made a serious mistake, Great Britain in sending troops into Jordan, and the United States in sending troops into Lebanon. I said to my British friends that I think both countries ought to proceed to withdraw their forces and to join in making certain that all our influence is brought to bear in the General Assembly of the United Nations to get General Assembly support for sending United Nations police forces into those areas. I hope the Secretary General of the United Nations, Mr. Hammarskjold, will proceed, as he has the legal authority to do, to strengthen the United Nations observation team in Lebanon, because I think that is a first and necessary step to a broadening of the use of a United Nations police force in the Middle East.

Mr. President——

The PRESIDING OFFICER. The Senator from Oregon.

PROPOSED CHANGES IN CHARTER OF GROUP HOSPITALIZATION, INC.

Mr. MORSE. Mr. President, earlier this afternoon the chairman of the Committee on the District of Columbia, the distinguished Senator from Nevada [Mr. BIBLE], introduced a bill proposing changes in the charter authorizing the operation of Group Hospitalization, Inc., in the District of Columbia. I am happy to associate myself with him and with the ranking member of the minority on the committee, the distinguished Senator from Maryland [Mr. BEALL], in cosponsoring this needed legislation.

The objective of the bill is to achieve a greater degree of participation by the Commissioners of the District of Columbia in the ratesetting operations of this nonprofit public-service corporation.

In cosponsoring the bill, I am reserving judgment as to the necessity or desirability of the recent 42 percent increase in rates. That is properly a matter to be determined by competent and objective quasi-judicial proceedings. I am very much interested, however, to assure myself that proper procedures are set forth in the charter to assure the subscribers to this plan that rate changes are made only to the extent necessary to maintain a sound financial position for the operation.

It is my belief that the bill as introduced will accomplish this purpose, and it is my intention to take such action upon it, as chairman of the Subcommittee on Public Health, Education, and Safety of the of the Senate Committee on the District of Columbia, as is possible during this session of Congress.

Some of us on the Committee on the District of Columbia were besieged, shortly after the bill increasing the salaries of Federal employees was passed, by protests from some employees because the Group Hospitalization authorities in the District of Columbia pro-

ceeded to raise the cost of group hospitalization. I do not know whether there was any cause-to-effect relationship between the salary increases provided in the bill passed by the Congress and the decision of the hospitalization group thereafter to raise the hospitalization costs. But I think the subscribers to the service certainly are entitled to have the Senate District Committee look into the situation.

To that end also, I am happy to join in the cosponsorship of the bill which the chairman of the committee introduced this afternoon.

AGRICULTURAL ACT OF 1958

The Senate resumed the consideration of the bill (S. 4071) to provide more effective price, production adjustment, and marketing programs for various agricultural commodities.

Mr. MORSE. Mr. President, I intend to support the pending amendment designed to incorporate in the omnibus farm bill the Wool Act extension provisions of S. 2861. In doing so, I wish to make it perfectly clear, as I think I did earlier this afternoon in my colloquy with the Senator from Minnesota [Mr. HUMPHREY] and the Senator from Illinois [Mr. DOUGLAS], that I reserve the right to cast a negative vote on the bill itself, because, in my judgment, unless a number of amendments to the farm bill are adopted, it will be a measure difficult to support and justify to the farmers and small-business men of my State and of the Nation.

In fact, I would prefer to vote for the extension of the Wool Act by the adoption of S. 2861, rather than to have that bill attached to the farm bill as an amendment. However, the amendment is perfectly germane to the bill; therefore, it is highly proper to offer it to the bill.

Unless the farm bill is so amended that I can honestly say to myself that I am voting for a bill which is just and fair to the farmers across the Nation, which is just and fair to the farmers of my State who raise agricultural products other than wool, then I cannot vote for the bill in its final form, even though it has a desirable wool amendment in it.

I was very much interested in the discussion between the Senator from Minnesota [Mr. HUMPHREY] and the Senator from Illinois [Mr. DOUGLAS] this afternoon, in which they sought to point out that they feel a parliamentary strategy is being used in the Senate in an effort to divide the Senate on a regional or agricultural product basis; that an appeal is being made to the so-called cotton State Senators and the so-called wool State Senators to support the bill, because cotton and wool, if the wool amendment is added to the bill, will be placed in an advantageous position.

I said in the colloquy this afternoon, and I reiterate the statement now in my speech on the wool amendment, that I do not think Senators should permit themselves to be so victimized. Unless we stand together for a bill which is fair to all segments of agriculture, then we will only illustrate the historic utterance that "if we do not hang together, we will hang separately," so far as this matter is concerned.

Therefore, Mr. President, after I vote for the wool amendment, I want my friends in the Senate who will submit other amendments, in order to make the bill a fair one, to know that I shall vote for their amendments, too.

But if the final form of the bill is such that, for all intents and purposes, it is a cotton and a wool bill, I shall vote against it, because I believe that the farmers of the Nation are entitled to a farm bill which will do justice to all segments of American agriculture.

However, I believe that the amendment to extend the Wool Act thoroughly deserves, on its own merits, the favorable consideration of all Senators who have at heart the best interests of the sheep and wool industry.

Mr. President, sheep raising is carried on in every county of Oregon. According to the Atlas of Oregon Agriculture, an official publication of Oregon State College, in 1954, nearly 8,000 Oregon farms had on them 860,650 sheep and lambs, valued at $14,787,908. Those animals, as I have said, are distributed among all 36 counties, but the greatest concentration is in Eastern Oregon and the Willamette Valley.

In 1956, Oregon wool producers received $3,737,000 for their 8,124,000 pounds of production. In addition, because of value added in grading, handling, and marketing of wool, there came into our economy another $447,000, 65 percent of which went into wages. A sizable portion of that increase was spent in local stores. Thus, when I speak in favor of an extension of the Wool Act, I speak not only in behalf of the farmer-producer, but also in behalf of the workers and the small-business men of my State.

This is not a new position for me to take. In 1947, under the leadership of the distinguished Senator from Wyoming [Mr. O'MAHONEY], I voted for price supports for wool. In 1954, I voted against a ceiling on wool price supports. I supported the original Wool Act, and I voted for earlier extensions of those supports; and tonight I shall again vote for those supports.

Mr. President, a great number of Oregonians have written to urge that I do all in my power to see that the Wool Act is extended this year. I pledge to them that I shall do so. If the omnibus bill to which the amendment to extend the Wool Act is proposed does not survive the vicissitudes of debate; or if the bill is not amended sufficiently to become a fair farm bill; or if as a result of amendment, it should face a veto, I shall, in conjunction with others friends of the wool growers, move to have Senate bill 2861, which now is on the calendar, called up for action prior to adjournment.

A portion of a memorandum which was forwarded to me by proponents of the extension of the Wool Act price-support provisions impressed me because it gave a very clear indication of why early enactment of this proposed legislation is imperative. The memorandum reads, in part, as follows:

> In order to maintain the gains toward increased wool production already underway, an incentive price for the 1959 marketing year which begins next April must be announced this summer. Otherwise, our domestic woolgrowers will figure that they cannot count upon more than the free market price for their wool after March 31, 1959, when the authority for incentive payments under the present act expires. Without assurance of continuance of an incentive level, they will not have the confidence to retain ewe lambs for breeding stock.
>
> Increases in sheep and wool production due to the very nature of the enterprise can be only gradual even under the most favorable conditions. Considering the time it takes to hold back more ewe lambs for breeding and getting those lambs into production, a 3 or 4 percent increase annually is about all that can be expected in practical operations. Raising more sheep is not like raising more wheat where the seeding of one more bushel of wheat can result in 30 or 40 more bushels within a few months.
>
> Due to the longtime nature of the sheep and wool enterprise, a continuing program is essential to give growers the confidence needed for them to make plans for increasing wool production. The incentive price must be announced at the time they are deciding whether or not to hold back their ewe lambs for future breeding purposes and thus long before the increased production from those lambs will reach the market.

Mr. President, I believe that memorandum makes a very sound presentation of the basic reasons why the Wool Act extension measure should be enacted, either as an amendment to a fair agricultural bill, or as a separate bill in the form in which Senate bill 2861 now is awaiting consideration by the Senate.

Mr. President, I have received from Oregon a number of communications in which residents of Oregon comment on the proposed extension of the Wool Act. I ask unanimous consent to have the communications printed at this point in the RECORD, in connection with my remarks.

There being no objection, the telegrams and letters were ordered to be printed in the RECORD, as follows:

KLAMATH FALLS, OREG., *July 24, 1958.*

Hon. WAYNE MORSE,
United States Senate,
Washington, D. C.:

We urge renewal of the 1954 Wool Act, Senate bill 2861.

BOARD OF DIRECTORS, KLAMATH PRODUCTION CREDIT ASSOCIATION.

PORTLAND, OREG., *July 23, 1958.*

WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

As passage of National Wool Act is essential for survival of Oregon woolgrowers suggest all possible effort for renewal of act before Congress adjourns.

PORTLAND WOOL TRADE ASSOCIATION,
THOMAS B. BISHOP, *President.*

VALE, OREG., *July 20, 1958.*

Hon. WAYNE MORSE,
Washington, D. C.:

Urgently request your full support for passage of S. 2861. Industries desperately in need of Wool Act extension.

Kindest regards,

JULIAN ARRIEN.

BROOKINGS, OREG., *July 20, 1958.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
I urge you to do everything possible for passing of the National Wool Act.
GENE COLEGROVE.
HARBOR, OREG.

BROOKINGS, OREG., *July 20, 1958.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.
HONORABLE SIR: We urgently request that you act immediately on the National Wool Act before Congress adjourns this session.
Sincerely,
DELMER COLEGROVE, Sr.

PORTLAND, OREG., *July 19, 1958.*
Honorable WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
We understand that the agricultural omnibus bill containing the wool incentive program was defeated. This is a serious blow to the sheepmen of Oregon and urgently request your assistance in introducing and supporting new legislation which will continue the present program for another 4 years. As we are financing a large portion of sheepmen in the Northwest we realize the value of the incentive program. In our estimation this program has definitely carried out the original intent and has been beneficial in stabilizing the sheep industry in our area; therefore we feel that it would be very unwise to discontinue this program now.
NORTHWEST LIVESTOCK PRODUCTION CREDIT ASSOCIATION.

HEPPNER, OREG., *July 21, 1958.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
Urgently request your efforts be directed toward extension of National Wool Act thi session.
SHIRLEY AND GEORGE RUGG.

ARLINGTON, OREG., *July 20, 1958.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
We urgently request you make every effort to have the wool bill brought out of the Agriculture Committee to the floor of the Senate for action before Congress adjourns. The fate of the sheep industry is at stake. Further liquidation can be stopped only by extension of this act.
GEORGE SHANE & SON.

HEPPNER, OREG., *July 21, 1958.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
Urgently request your efforts be directed toward extension of National Wool Act this session.
VIRGINIA AND DICK WILKINSON.

HEPPNER, OREG., *July 21, 1958.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
Urgently request your efforts be directed toward extension of National Wool Act this session.
WAVEL WILKINSON.

ONTARIO, OREG.
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
Request support and immediate action for extension of National Wool Act.
D. F. FRASER.

COQUILLE, OREG.
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
Request your immediate efforts to bring bill to extend Wool Act from committee and through Congress this session. Wool support ends this year unless this bill is passed now.
HOLLIS MAST,
President, Coos County Livestock Association.

LAKEVIEW, OREG., *July 23, 1958.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
Urgent get action renew Wool Act. Request your help.
FREMONT SHEEPMAN'S ASSOCIATION.

REDMOND, OREG., *July 22, 1958.*
The Honorable WAYNE MORSE,
United States Senate Office Building,
Washington, D. C.:
The Agriculture Committees of both Houses have favorably acted on the wool bill but it has not come to the floor of the House for action. We would like to urge your support on this matter since you realize the importance of the Wool Act to the sheep industry and the welfare of our community. The sheep industry cannot survive in the face of foreign competition without sufficient tariffs and without any support program.
W. C. HAYS,
Secretary-Treasurer, Central Oregon Production Credit Corporation.

THE DALLES, OREG.,
July 22, 1958.
Hon. WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
Would appreciate any help you can give to get bill S. 2861, Wool Act, on Senate floor for favorable consideration.
J. MERTON STEIN,
Secretary-Treasurer, Mid-Columbia Production Credit Association.

PORTLAND, OREG.,
July 23, 1958.
Hon. WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
May we call your attention to renewal of Wool Act of 1954, now favorably acted on by Agricultural Committees of both House and Senate, but has not been permitted to come to floor for action. Renewal of this act before adjournment of present session is vital to survival of western sheepmen and to woolen industry of this country. It is our hope that you will be able to give enactment of bill your active support.
C. M. BISHOP,
President, Pendleton Woolen Mills.

ECHO, OREG., *July 22, 1958.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
Understand the bill to extend the National Wool Act beyond its present expiration date has not been permitted to come to the floor of either House for action. I hope that you and others of the Oregon delegation to Congress will earnestly endeavor to get action on this bill. I will also contact NEUBERGER and Representative ULLMAN.
GAYLORD MADISON,
President of Umatilla Wool Growers.

ROSEBURG, OREG., *July 21, 1958.*
Senator WAYNE MORSE,
United States Senate,
Washington, D. C.:
Douglas County Livestock Association requests your support toward renewing National Wool Act. We feel it essential to our sheep industry. Your assistance urgently needed to get this legislation through before present act expires.
DARLEY WARE,
President.

NORTH PORTLAND, OREG., *July 24, 1958.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
We urgently request your help in introducing and supporting legislation necessary to extend the present Wool Act. Failure to extend the act would be a serious blow to the expanding sheep industry in the State of Oregon.
W. E. WILLIAMS,
President, Portland Union Stockyards.
PROSSER E. CLARK,
Secretary, Livestock Exchange.

CURRY COUNTY
LIVESTOCK ASSOCIATION,
Gold Beach, Oreg., July 21, 1958.
DEAR SENATOR MORSE: The sheep industry and wool income is of vital importance in Oregon. While we are generally opposed to subsidies we must admit that the wool incentive payment is most economically sound and of most vital importance to our total economy and preparedness.
Our sheep population in the United States is approximately half the number on farms during the early OPA uneconomic regulations period when WAYNE MORSE made his daily speech opposing restrictions on lamb marketing. At that time he predicted it would put our sheepmen out of business, and it did, many of them. During World War II Southern Hemisphere wool was stockpiled again, making the woolgrower a victim of controlled economy disadvantages. The sheep industry plays a very important part in good land use and should be encouraged.
Now we are threatened with political negligence. The Agriculture Committees of both Houses have favorably acted on the wool bill but it has not been permitted to come to the floor of either House for action. There is now a grave danger that Congress will not act at this session and there may be less than 3 weeks left before they adjourn.
We urgently request that the Oregon delegation use their combined influence and united action to get the wool incentive bill on the floor before Congress adjourns this session. Thank you very much.
Yours very truly,
CHARLES R. KNOX,
President.

OAKLAND, OREG., *July 22, 1958.*
Hon. WAYNE MORSE,
United States Senator,
Washington, D. C.
DEAR SENATOR MORSE: I am writing relative to the Wool Act.
Woolgrowers are faced with ruinous low prices if the Wool Act is not renewed. Wool is an important commodity from the standpoint of defense, and our growers are an important segment of our Oregon agricultural economy.
I would urge every effort on your part to see that this important piece of legislation is passed before Congress adjourns.
Sincerely yours,
EUGENE H. FISHER,
Member, Pacific Wool Growers Board of Directors.

Mr. MORSE. Mr. President, in conclusion, I wish to say to the wool producers of my State that if, in the next few hours, or on tomorrow, if the debate on the farm bill continues until then, I find, at the conclusion of the debate, and when the Senate is asked to vote on the farm bill, that I am confronted

with a choice between voting for a bad farm bill which contains only a few good provisions, such as the wool amendment, and voting against the bill—in the hope that if the bill is defeated, we shall be able to pass a better bill—I shall vote against the bill.

If we cannot obtain the adoption of what I consider to be the amendments which must necessarily be adopted if the bill is to be a fair one—and the wool amendment is one such amendment; but it is only one, among others—then I shall vote for a motion to recommit the bill, in the hope that the committee will report a better bill.

I make that statement tonight, so the RECORD will show it, because I am well aware that there will be those who will be so much concerned with their own immediate economic interests that they will be very much disappointed should I vote against the bill if it contains a provision which will be of immediate benefit to them.

However, Mr. President, as I pointed out in the Senate earlier this afternoon, once again, so far as my representation of the people of Oregon in the United States Senate is concerned, I am confronted with the necessity of making a choice between voting to carry out what I consider to be my primary obligation in serving as a United States Senator from Oregon for the Nation and voting to carry out my obligation as a Senator from Oregon, and for Oregon alone, in the United States Senate.

As I have said over and over again in my State, I believe that I best serve the long-time interests of my State when I vote for proposed legislation in accordance to my answer to the question, "Will this measure best promote the interests of the Nation as a whole?"

Mr. President, in my judgment the pending bill in its present form will not best promote the interests of American farmers across the Nation as a whole; and, on the question of final passage, if the bill then is in its present form, I will not vote for it.

However, I sincerely hope that by the time the third reading of the bill is reached, there will have been added to the bill amendments along the line of those suggested in the debate this afternoon by the Senator from Minnesota [Mr. HUMPHREY], the Senator from Illinois [Mr. DOUGLAS], and the Senator from Wisconsin [Mr. PROXMIRE], because I believe such amendments will make the bill a national farm bill, not a bill—as it is, in its present form—for only a selected group of farm interests.

THE WOOL AMENDMENT TO THE FARM BILL SUBSIDIES VERSUS TARIFFS

Mr. MALONE. Mr. President, I join the distinguished Senator from North Dakota [Mr. YOUNG] in supporting his amendment which will add the National Wool Act of 1954 to the pending bill, since it is absolutely necessary that there be a subsidy for wool, so long as the free-trade principle has been extended by the Congress.

Mr. President, the bill to extend the National Wool Act is Senate bill 2861. It has been reported to the Senate, and it would extend the Wool Act for 4 years. That is exactly what the amendment which now has been submitted to the pending farm bill will do.

It continues appropriating 70 percent of the specific duties on all wool imported into the United States to be used to make incentive payments.

In addition, it authorizes the use of more money, if it is required, in order to accomplish the purposes of this act, which is to increase wool production to 3 million pounds of shorn wool production in the United States as compared to the present production of 2,300,000 pounds.

Under the 1935 Tariff Act if the 1934 Trade Agreements Act had not been extended the tariff—under the equalization of costs of production principle—the tariff would have represented the difference in cost of production here and in the chief competing country; and the producers would be back in business.

Being a 2-product industry, the growers definitely feel that they need this provision, and have been highly pleased with the results of the wool subsidy act up to now.

Prior to the promotion program, we could always sell a leg of lamb and lamb chops at a good price, but had no demand for the lesser known cuts. With the promotion, such sales have been possible under this act for 3 years, and demand has been created for those lesser known cuts, and it has helped the entire market.

I urged that the bill be adopted without crippling amendments.

I want to say again, so long as we have a free trade principle established in the United States, through Congressional act transferring its constitutional responsibility to regulate foreign trade to the President, who has the authority to destroy any industry through trading it for his foreign policy, there is no opportunity for the 1930 Tariff Act principle to take over in this or in any other field, then a subsidy is necessary if we are to keep producing this strategic material—and Mr. President, it is just as simple as that.

If the 1934 Trade Agreements Act had not been extended, we would have reverted to the 1930 Tariff Act and the Tariff Commission, which is an agent of Congress, would have regulated tariffs under section 336 of the 1930 Tariff Act. In that section there is a provision for what is called the equalization of cost of production principle, under which the Tariff Commission would have determined the cost of producing wool in this country—not the high cost, nor the low cost, but the reasonable cost—as compared to the reasonable cost of the production of that commodity in the chief competing nation, which in this case probably would be Australia, and the difference is made up by the tariff. If that provision had come into play no subsidy would have been necessary in this field.

It is well known that a sheep unit, a ewe and a lamb can be produced in Australia for about one-fifth, or 20 percent, of the cost of producing that unit in the United States.

Without going into detail, the difference in the standard of living in Australia as compared with the United States is well known. I was over much of Australia in 1943. The wages there are very low. The range is good. The available production is very high. Of course, the cost of water transportation for the product is very low. So with our standard of living it means either a tariff or a subsidy or going out of the business.

Mr. President, I have a letter from John Carpenter, of Elko, Nev., and I ask unanimous consent that the letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ELKO, NEV., *July 21, 1958.*

Senator GEORGE MALONE,
Washington, D. C.

DEAR SIR: I am writing you in regard to the wool bill. It is very important that we get this bill extended.

No need to go into the details, as you have always supported the sheepmen in their attempt to survive.

I sincerely hope you will give this important matter your utmost attention.

Sincerely yours,

JOHN CARPENTER,
Magnuson Ranch.

Mr. MALONE. Mr. President, I also have a wire from Pete Elia, Smith Creek Livestock Co., Elko, Nev. I ask unanimous consent that the telegram be printed in the RECORD at this point.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

ELKO, NEV., *July 24, 1958.*

Hon. GEORGE MALONE,
Senate Office Building,
Washington, D. C.:

Your immediate efforts in passing the bill to renew the Wool Act at this session of Congress is strongly urged. I am sure you are aware that the future of the sheep industry is at stake. Your work on this behalf will be appreciated by the entire sheep industry.

PETE ELIA,
Smith Creek Livestock Co.

Mr. MALONE. Mr. President, I also have a wire from Earl Edgar, Itcaina Livestock Co., Elko, Nev., which I ask unanimous consent to have printed at this point in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

ELKO, NEV., *July 24, 1958.*

Hon. GEORGE MALONE,
Senate Office Building,
Washington, D. C.:

As you are aware the renewal of the Wool Act at this session of Congress is very important to our sheep industry. Appreciate your doing your utmost for us.

EARL EDGAR,
Itcaina Livestock Co.

Mr. MALONE. Mr. President, I also have a wire from Joe Echegaray, of Elko, Nev., asking that the Wool Act be extended. I ask unanimous consent that the telegram be printed in the RECORD at this point.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

ELKO, NEV., *July 24, 1958.*

Hon. GEORGE W. MALONE,
Senate Office Building,
Washington, D. C.:

Please try to pass renewal of Wool Act this session. Your efforts on behalf of sheep industry will be greatly appreciated.

JOE ECHEGARAY.

Mr. MALONE. Mr. President, I have wires and letters from Gov. Charles H. Russell; Fred M. Strosnider; F. M. Fulstone, Jr., F. M. Fulstone, Inc.; Roberts Sheep Co.; Domingo Calzacorta, Blue Dick Sheep Co.; Celso Madarieta; George N. Shallow, Nevada Wool Marketing Association. I ask unanimous consent that they be printed in the RECORD at this point.

There being no objection, the telegrams and letters were ordered to be printed in the RECORD, as follows:

CARSON CITY, NEV., *July 22, 1958.*

Hon. GEORGE W. MALONE,
Senator for Nevada,
Senate Office Building,
Washington, D. C.:

Nevada wool growers unanimously are in favor of support of extension of the Wool Act as a protection to one of our basic industries. I concur with them that extensons is essential. Please file copies of this telegram with committee.

Regards,

CHARLES H. RUSSELL,
Governor.

YERINGTON, NEV., *July 22, 1958.*

Senator GEORGE MALONE,
Senate Office Building,
Washington, D. C.:

Assurances here passage of National Wool Act before August adjournment would greatly benefit wool growers of Nevada. Urge your best efforts for such legislation.

Kind personal regards,

FRED M. STROSNIDER.

YERINGTON, NEV., *July 22, 1958.*

Senator GEORGE MALONE,
Senate Office Building,
Washington, D. C.:

We urge immediate action for renewal of the Wool Act.

F. M. FULSTONE, Jr.
F. M. FULSTONE, INC.
ROBERTS SHEEP CO.

ELKO, NEV., *July 21, 1958.*

Hon. GEORGE W. MALONE,
Senate Office Building,
Washington, D. C.:

Have been advised that the wool bill might not be passed before adjournment of Congress. As you are aware this wool program has been the salvation of the industry. Therefore would appreciate your immediate efforts on behalf of this wool bill.

DOMINGO CALZACORTA,
Blue Dick Sheep Co.

ELKO, NEV., *July 21, 1958.*

Hon. GEORGE W. MALONE,
Senate Office Building,
Washington, D. C.:

I have been urged by the sheepmen to contact you regarding action to renew the Wool Act before adjournment of Congress. Your efforts on behalf of the sheep industry at this time will be gratefully remembered.

CELSO MADARIETA.

NEVADA WOOL MARKETING ASSOCIATION,
Ely, Nev., July 10, 1958.

Hon. GEORGE MALONE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MALONE: We understand the farm bill will be coming up next week for further consideration. Wool growers in Nevada will appreciate your support for adding to the farm bill the extension of the Wool Act as reported by the Senate Agriculture Committee.

We will also appreciate it if you will fight amendments which will cause the farm bill to be vetoed.

I am sure that you realize enactment of favorable wool legislation is vital for the continuance of the sheep industry in Nevada.

Best personal regards,

GEORGE N. SWALLOW, *Manager.*

Mr. MALONE. Mr. President, in the referendum conducted under section 708 of the National Wool Act, under which ballots were mailed to sheepgrowers all over the United States, sheepgrowers were given from June 27 to August 18, a period of 54 days, to make a determination, to mark, and to mail in their ballots.

The proposed amendment which would limit the voting period to 6 days would work a hardship in many cases, particularly in Western States where there are large flocks of sheep. In my State some of the sheepgrowers are out on the range for weeks at a time. Some of them do not even receive their mail in more than 6 days.

It would not only be impractical, but it is an effort on the part of any such amendment to insure that the referendum will not meet the deadline, since there is a requirement that a certain percentage of voters must vote in the referendum before section 708 can be used to comply with the growers' own self-help promotion and advertising program, paid by the growers. It is an unusual request simply because it is not practical.

Every sheep organization and other general farm organization in the United States is supporting the continuation of section 708 in its present language, and opposing the position taken by certain organizations that seem either not to understand the conditions or that are opposed to the program.

Sixty-seven thousand two hundred and eighty-eight producers out of 335,974 producers in the United States voted in the 708 referendum under the Wool Act. This represents 20 percent of the producers. In view of the fact that 80 percent of all producers have less than 50 head of sheep, this was considered to be a large percentage of voters, because to the small producer, sheep is a sideline. It is also indicated by the fact that those producers have 12,918,165 sheep out of the 31,582,000 sheep in the United States. Thus, 41 percent of the sheep in the United States were represented in this referendum.

Mr. President, I have a table showing the figures on percentage of growers voting in the latest marketing referendums held on cotton, wheat, peanuts, and rice, and I ask unanimous consent that the table appear at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Figures on percentage of growers voting in latest marketing referendums held on cotton, wheat, peanuts, and rice

Marketing year	Total votes cast	Estimated total eligible to vote	Percentage voting
Cotton:			
1957	231,678	1,263,773	23.1
1958	229,315	1,222,087	18.8
Wheat:			
1958 (June 20, 1957)	235,039	894,960	26.3
1959 (June 21, 1958)	230,300	881,619	26.1
Peanuts: 1956	39,138	152,672	25.6
Rice: 1958	6,827	25,205	27.1

Mr. MALONE. Mr. President, the Wool Act—that is, the bill which was introduced to extend the Wool Act, and which now has been offered in the form of an amendment to the farm bill by the Senator from North Dakota [Mr. YOUNG]—would suffice to carry on this important industry for another 4 years.

I note that the Senator has asked that all of us who joined in introducing the original bill be now joined as sponsors of the amendment.

I am in favor of the amendment, Mr. President, to be voted as an amendment to the bill, without any crippling amendments to the Young amendment.

I want to say again that I am not generally in favor of subsidies. We opposed the subsidy in the first instance, 3 years ago—1955—until Congress had again extended the 1934 Trade Agreements Act for 3 years, allowing the President of the United States and the organization of 36 foreign competitive nations in Geneva to write off any industry in our country to further a foreign policy. They could then sell any American industry down the river through an Executive order, by an Executive decision, or by a multilateral trade agreement in Geneva, without reference to the Congress.

The Senate Committee on Finance did amend the 1934 trade agreements extension bill this year, and provided that the President, if he decided to bypass the Tariff Commission in an escape-clause action, had to get the consent of a majority of both Houses of Congress. I am sorry to say that amendment lost in this body; however, we did retain 5 amendments which I hope the conference will hold in the bill.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. YOUNG. Is it not true that the sheep producers of this Nation would much prefer a little tariff protection to the passage of the bill we are considering tonight? The sheep producers would much rather have no program at all and only a little tariff protection, which would take care of their needs. That would be the simple way to handle it.

Mr. MALONE. I will say to the distinguished Senator from North Dakota there is no question but what the principle adopted in 1789, in the first Tariff Act, was a principle of protection of the American investor and the American workingman. That principle was carried through until 1934. It was exemplified by the 1930 Tariff Act, which was called the equalization of the cost of production act.

In other words, under that act the Tariff Commission would simply determine on its own motion, on request of the President, on request of the Congress, or on request of a producer or a consumer, the difference in the fair cost of production in this Nation and in the chief competing nation.

The cost equalization principle was laid down in 1930, in section 336 of that act. The Tariff Commission on its own motion or by request would simply determine the difference in cost and that would become the tariff.

In the present case under the 1930 Tariff Act, the Tariff Commission would determine the cost of producing wool in this country. It would not consider the high or the low cost, but would consider the reasonable cost of production in the United States and the reasonable cost of production in the chief competing nation, which in this case might be Australia or any other low labor cost nation. That difference would be recommended as a tariff.

That was a 150-year-old principle, laid down by the Congress of the United States, until upset by the 1934 Trade Agreements Act—an international socialistic program.

Mr. YOUNG. Is it not true that prior to the adoption of the Wool Act nearly 4 years ago, the sheep population in the United States had dropped to the lowest level in 70 years? In fact, it had dropped to such a dangerously low level that in the event of war we would have found ourselves with a very difficult problem on our hands.

Mr. MALONE. The distinguished Senator from North Dakota is entirely correct. The sheep industry was on the way out, like the crockery industry is now gone and like the glass industry is now going. The textile industry is on the way out. We had an exhibition, last year and at the beginning of this year, when the Free Trade Act, the extension of the 1934 Trade Agreements Act, was under consideration, with respect to the fact that textiles in this country are being absolutely destroyed. The Secretary of State made a great show of consulting Japan, to see if Japan would temporarily decrease its shipments of textiles into the United States, so that some of our textile companies might survive.

If someone, 25 or 30 years ago, had said—especially since we were about to go to war against Japan, and did go to war against them, and will again one of these days if we keep this procedure up, only the next time Japan will probably join with Russia—that we would have to depend on the philanthropy and good will of Japan toward the United States to stay in the textile business, so that some of our own textile mills might survive, I think that man would have been put into an insane asylum. Indication of something like that at that time would never have been considered possible, yet we have reached such a condition of dependency.

In 1955 when the Wool Act passed the Congress we were actually at the mercy of Australia and all the cheap producing countries, simply because we had extended the Free Trade Act another 3 years. Now we have extended the act for 3 years in the bill as it passed the Senate and for 5 years in the bill as it passed the House, and nobody knows what the conference committee will do. At least the act will be extended for 3 years to the utter abandonment of the workingmen and investors of this Nation.

Frankly, without any subsidy, which is what it is, the wool business is gone under the free-trade policy to which this Nation is committed. Mr. President, we know what will happen if the bill is not passed to provide a subsidy, with an extension of 3 or 4 or 5 years, or whatever the conference committee agrees upon, of the 1934 Trade Agreements Act. If this subsidy bill is not passed and there is no tariff adjustment the sheep will not be brought out of the mountains next year. They will be a total loss.

Mr. President, there is only one chance for the sheep business, and that is a tariff or a subsidy to keep in production a strategic material. This sheep business provides something we could not fight a war without. We certainly could not get the wool from across the ocean, from Australia, if there were a war on, considering the submarines.

Some of us have had experience in this field. During World War II, I was a consultant to the Senate Military Affairs Committee, which is now the Armed Services Committee of the Senate. I was also consultant to the Secretary of War.

I am the person who was sent into Dutch Harbor behind the Japs. The War Production Board sat in conferences—and I sat with them sometimes—worrying about getting strategic materials from Africa and from other places, while 90 percent of the ships were being sunk, Mr. President, during the first 6 months. Of course, and that could happen again.

I am saying nothing about the economic effect of the business in this country, with reference to the economics of the country. I am happy to know we retained the five amendments to the Trade Agreements Act.

We retained 5 of the 6 amendments which the Committee on Finance of the Senate added to the bill for extension of the 1934 Trade Agreements Act. One of those amendments was the one instructing the President, when considering national defense, that he must consider the economic structure of the country, and the importance of the industry to a healthy economic structure.

That is the way we ran this country the first 150 years. If a person could compete with other Americans he was in business. Now he would not be in business unless he could complete with Siam, Australia, and 75 other foreign nations.

We did put an amendment on the bill, Mr. President, to the effect that in considering national defense we should consider the economy of this country and the economic structure of this country, and the President must do that if the conference committee leaves the amendment in the bill. I hope the conference committee will leave the five amendments in the bill, as was done by the Senate.

In more direct answer to the Senator from North Dakota, I should like to observe that the Senator made a fine presentation of his amendment when he offered it last night. I compliment the Senator on his presentation.

We have only 1 of 3 choices. Either the industry will go out of business, we will pay the subsidy, or we put a tariff on the wool representing the difference in cost. This country was operated for 150 years on that policy, so that Americans could compete with Americans in the production of a product. Not only wool, but 5,000 other products are concerned. An American should be able to stay in business if he can compete with other Americans, who pay about the same wages and the same taxes, with the same expense of doing business. Then, if he can get himself financed, he is in business, if his judgment is correct.

But now one can spend his money and get started in business and in Washington, D. C., through an Executive order, an industry can be utterly destroyed. It is being done every day.

Mr. President, I hope this amendment will be adopted, without crippling amendments.

Mr. WATKINS. Mr. President, the Young amendment to this bill is identical to S. 2861 which is now on the Senate Calendar. In fact, S. 2861 has been on the calendar since April 21, 1958—nearly 2½ months now. Under these circumstances, I hope the Senate will enact this amendment. While it is true that the National Wool Act does not expire until March 31, 1959, nevertheless failure to extend that act during this Congress will produce uncertainty on the part of wool growers as to their production plans at the very time we are trying to encourage the annual domestic production of 300 million pounds of wool.

In section 702 of the National Wool Act of 1954, Congress declared:

> It is hereby recognized that wool is an essential and strategic commodity which is not produced in quantities and grades in the United States to meet the domestic needs and that the desired domestic production of wool is impaired by the depressing effects of wide fluctuations in the price of wool in the world markets.

The same provisions of law declared it "to be the policy of Congress, as a measure of national security and in promotion of the general economic welfare to encourage the annual domestic production of approximately 300 million pounds of shorn wool, grease basis, at prices fair to both producers and consumers in a manner which will have the least effect upon foreign trade."

Sections 703 and 704 authorize the Secretary of Agriculture, through the Commodity Credit Corporation, to obtain this level of domestic production by use of incentive payments. The payments, when added to the national average price received by producers, are to provide producers a national average return equal to the support level set by the Secretary.

Congress thus recognized that certain impediments, which are inherent in the nature of the wool industry, interfere with the natural price mechanism to such an extent that the market alone cannot be relied upon to guarantee an annual domestic clip of 300 million pounds. For example, an incentive must be provided during the period of expansion of this industry, if producers are to be able to incur increased costs of, first, acquiring additional range land; second, carrying out range improvements on presently held lands so as to increase forage yields; and, third, obtain competent herders at wages comparable to what these people can get in other occupations.

All these things must be done and growers cannot, over the relatively long period of time it takes to increase sheep numbers and thereby wool production, by themselves finance such an undertaking without at least a guarantee of receiving 100 percent of parity.

For this reason, during the 1955 and 1956 marketing years, the actual payment rates were set at levels—19.2 cents per pound and 17.7 cents per pound, respectively—which when added to the national average prices received in the market place—42.8 cents and 44.3 cents respectively—would give growers a total return of 62 cents per pound, or 106 percent of parity. Preliminary data provided by the USDA indicates that the total return for the 1957 clip probably will be between 100 and 101 percent of parity.

I think it is appropriate for the Senate to evaluate the progress which the industry has made during the past 3 years toward expanding production upward so as to provide an annual domestic clip of 300 million pounds of shorn wool. In this connection, I think it well to call to your attention the last paragraph of the Department of Agriculture's favorable report on S. 2861, which reads as follows:

> With regard to the progress being made toward increased production of wool in accord with the intent of the act, sheep numbers and wool production continues at low levels. Shorn wool production in 1957 is estimated at 226 million pounds compared with the 300 million pound goal under the act. The net decline in wool production the last few years has been primarily due to reductions in sheep numbers in Texas and several of the Western States where severe drought conditions prevailed. Due to the nature of the enterprise, year-to-year increases in wool production can be expected to be only gradual even under most favorable conditions.

Concerning the effect of the drought, I would point out that wool production in the Western States for the years 1955, 1956, and 1957, at 112.2, 111.0, and 107.3 million pounds, respectively, was well below the 10-year average—1946–55—for the Western States of 112.8 million pounds.

Other factors not mentioned in the USDA favorable report on the bill, which served to mitigate the effect an incentive payment program normally would have upon productions, include these: First, when the Wool Act of 1954 became effective, the Commodity Credit Corporation had some 150 million pounds of wool in its inventories. This served to depress market prices which made growers move cautiously in the direction of increasing sheep numbers. Second, this effect upon domestic production was reinforced by the then low prevailing world price for wool.

On the other hand, several things have occurred recently which in my opinion point to much better prospects for gradually increasing domestic production to an annual clip of 300 million pounds—that is, if the incentive provided by the National Wool Act are extended to growers.

First, the drought has been broken; the western range conditions are the best in several years.

Second, there is some indication that a buildup of flock and herd numbers is beginning to take place and that shorn wool production, although sheep and lamb prices in 1958 may not average much differently than those in 1957, will be up somewhat in 1958. For example, the Department of Agriculture reported in the March 1958 Wool Situation Report that—

> An increase in shorn wool production appears to be in prospect this year. The number of stock sheep and lambs on January 1 of this year, 27.4 million head, was 3 percent larger than a year earlier and the largest since January 1, 1953. * * *
>
> The number of ewe lambs was up 16 percent. Ewes 1 year old and older increased 1 percent.
>
> Stock sheep numbers in the 11 Western States, Texas, and South Dakota increased 3 percent, the first gain in 6 years. * * * These 13 States accounted for 65 percent of the total number of stock sheep. Inventories were up in 8 of these States. Stock sheep in Texas, the leading sheep State, increased 5 percent. Range conditions in most areas in the West last year were the best of several years.
>
> Stock sheep numbers continued to increase in the native sheep States, where they were up 4 percent from a year earlier and 28 percent from January 1, 1950. January 1 inventories in 21 of the 35 native sheep States were up from a year earlier (p. 10).

Third, only a few months ago the Commodity Credit Corporation disposed of the last pound of its wool stocks, which were acquired under the nonrecourse loan program prior to passage of the National Wool Act of 1954.

There are, however, several problems which may prevent realization of the Congressionally expressed goal of getting an annual domestic clip of 300 million pounds, unless the Congress takes appropriate steps to remedy them. First is the need to insure that adequate funds will be available to make incentive payments to growers.

There is some doubt that the present method of providing these funds will be sufficient in the years immediately ahead, as the following portion of the United States Department of Agriculture's report on the bill before us implies:

> Under the act, the total payments are limited to 70 percent of the specific duties collected on wool and wool manufactures since January 1, 1953. These amounts have ranged from 25 to 35 million dollars a year—$28 million last year. Through March 1957, which includes the years 1953 and 1954 plus the first 2 years of the new program, the total was $128 million. Payments totaled approximately $58 million the first year and around $53 million the second. Deducting these $111 million in payments from the amounts available for payments, leaves a $17 million balance for the current and later years to cover payments in excess of duty collections.

For this reason, the Agriculture Committee has amended the bill so as, first, to authorize "the appropriation of such additional sums as may be necessary to carry out the purposes of the act"; and, second, to "repeal the proviso which limits total payments under the act to 70 percent of the specific duties on wool and wool manufactures"—report, page 2.

I realize there has been some objection to the self-help promotional program authorized by section 708 of the National Wool Act. This criticism seems to come mainly from those people who prefer a program of publicity, research, and information conducted on a national basis for all meat products by one organization.

I interpolate here in the text of my remarks that certain organizations, notably the Farm Bureau and the Wool Growers Association in my State are very closely related. As a matter of fact, most of the woolgrowers, I understand are now members of the Farm Bureau. It is the Farm Bureau which has the overall program of publicity for all kinds of meat products.

The sheep industry, however, seems to feel that such an approach, as far as it is concerned, is and would be inadequate, since sheep are dual-purpose animals, whose major products, wool and lamb, require an entirely different promotional effort than do other forms of livestock. That is a very convincing argument, so far as I am concerned.

In this connection, also, I want to point out that the American Sheep Producers Council, the promotion organization authorized to carry out the approved program, has been handicapped in its efforts to increase wool and lamb consumption at better prices to growers by the drought, which caused heavy marketing of cattle, as well as sheep and lambs, and resulted in lower returns to growers. To date the administrative costs incurred by the council have been modest. Through May 1958, they amounted to only 5 percent of total disbursements of $3.3 million. As of the same date, receipts in excess of disbursements are slightly in excess of $3 million as well. In my opinion section 708 should remain as part of the National Wool Act.

REFERENDUM PROVISIONS UNDER SECTION 708

Section 708 of the National Wool Act of 1954 provides a method for growers to organize and conduct advertising and sales promotion programs for the industry's products and the financing of such programs by deductions from their payments. It thus permits growers to use their own money in efforts to increase the demand for and the returns from lamb and wool in the free market and thereby reduce the amount of payments from the Government to accomplish the objectives of the act. It is all in the interest of promoting the use of wool and lamb, the two products which come from this operation. As sales increase, the need for calling upon the fund from which the incentive payments are made will become less. Thus the growers will be permitted to use their own money in efforts to increase the demand for lamb and wool, and thereby help to reduce the amount of the payments, as I have already indicated.

Soon after passage of the act, growers and grower groups organized the American Sheep Producers Council to conduct advertising and sales promotion programs for lamb and wool. Growers, in a referendum held in 1955, approved deductions of not to exceed 1 cent a pound from incentive payments on shorn wool and not to exceed 5 cents per hundredweight from the payments on unshorn lambs for financing the advertising and sales promotion programs. Upon ex-

tension of the National Wool Act, it is planned that the Secretary will hold another referendum to determine the continued willingness of growers to use a portion of their payments to conduct advertising and sales promotion of their products.

Over 67,000 growers, or more than 20 percent, voted in the referedum in 1955. The sheep represented by their vote aggregated 13 million head, or nearly 50 percent of the total number of stock sheep and lambs in the United States. Since the deductions from the payments for advertising and sales promotion are related to the volume of production, it was announced that the outcome of the referendum would be based on the number of sheep owned by the growers voting rather than the number of growers. As it turned out, there was close correlation between the number of growers balloting and the vote on the basis of sheep numbers, 71.27 percent of the number of growers and 71.98 percent of the sheep represented being for approval. I am referring to the way it worked the first time. That is the program which ought to be adopted; not a restricted program requiring a heavier percentage, and that sort of thing.

In such a referendum, every effort is made to conduct it in a manner that will obtain the largest possible participation of growers. Wide publicity is given to encourage growers to vote. All growers, therefore, have knowledge of the referendum and the opportunity to vote one way or another if they have sufficient interest to do so.

There would be no advantage in requiring that a minimum percentage of growers vote in a referendum for the results to be conclusive. As a matter of fact, such a requirement could work to disadvantage and serve to increase the work and expense of conducting a referendum. Because of the large number of farms and ranches with only a few sheep each, there would be many growers who will not take the time to vote. It is doubtful whether many of them will vote regardless of the effort made to get them interested.

The reason for that is that they will not receive very much in the way of actual dollars for their own benefit because of the small production they have. For that reason they are not likely to give up their work and spend considerable time in the voting procedure. With about 80 percent of the growers actually producing a small percentage of the wool and lamb, of course, the larger growers, who have greater interests and who produce very heavily, will be the ones most vitally interested, and they will vote. But, the small sheep owners will not take the time and trouble to vote. At most, it will be very difficult for them to meet the requirements of the amendment which has been offered by my colleague from the State of Utah [Mr. BENNETT].

Furthermore, the requirement that two-thirds of those voting be in favor for approval serves to protect those who do not vote. There must be 2 votes in favor to offset each 1 voting against and the requirement of such a majority serves as a safeguard for those not voting at all.

A requirement that a certain percentage must vote in a referendum for the vote to be considered an expression of the opinion of the producers would not be consistent with the general method of popular voting. In all of our popular elections, only those who vote decide the issue.

I should like to point out that in bond referendums, held practically everywhere in the United States, when the people are favorable to a bond issue, there is usually a light vote. There has never been any question of the efficacy of that kind of voting. So far as I know, there is no requirement in most States—certainly not in my own State—that a certain percentage of voters must vote on a bond issue. Sometimes a bond issue is adopted by a very small percentage of the total vote, perhaps as small as 10 percent of the total vote. We have not found that that procedure has been disastrous, or that it is not the right kind of procedure in the case of bond referendums. Huge sums of money are authorized to be borrowed, and the security of the taxpayers is put up. I cannot understand why in an activity of this kind such stiff requirements should be provided.

I have the feeling that the wool growers themselves ought to have more voice than anyone else in this matter, because they are the owners who will have a deduction made from their income to pay for the program.

While I am a member of the Farm Bureau and some other organizations which wish to impose restrictions, or insist that a certain percentage of the sheepowners must vote, I feel that in this instance the amendments are not practical. It is an unnecessary requirement. As a matter of fact, I believe it is unfair to the wool growers and the lamb growers of the country. For that reason I am opposed to the amendment.

From a practical operating standpoint, the determination as to whether a proposed agreement under section 708 should be made effective should be left to the administrative discretion of the Secretary. If he feels that the number voting or the volume of production represented in a referendum has not been adequate due to lack of producer interest, or if there are other factors indicating that the agreement should not be made effective, the Secretary should have latitude to determine that the agreement should not be made effective. In such cases, the Secretary should be counted upon to use his best discretion in the interest of the producers and the general public.

With the long period of successful operation under the referendum provisions of the type which are now in the Agricultural Marketing Agreement Act of 1937, as amended, the National Wool Act of 1954 should be extended without any change in section 708. Any change in that language might influence attempts to make changes in the referendum provisions of the Agricultural Marketing Agreement Act for which there appears to be no need and would only serve to disturb the so far successful operation of that act.

Mr. President, I have received numerous telegrams and letters from the people of my State, from the Governor of the State, from many of the county commissions of the 29 counties of Utah, from interested business groups and Chambers of Commerce, from the Utah Wool Growers Association, and from many of the wool growers themselves.

I ask unanimous consent that these communications be printed at this point in the RECORD.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

SALT LAKE CITY, UTAH, *July 17, 1958.*

Hon. ARTHUR V. WATKINS,
United States Senate, Senate Office Building, Washington, D. C.:

Urge your support of wool bill. Sheepmen want it. I believe it is vital to economy of State and Nation.

GEORGE D. CLYDE, *Governor of Utah.*

SALT LAKE CITY, UTAH, *July 22, 1958.*

Hon. ARTHUR V. WATKINS,
United States Senate, Senate Office Building, Washington, D. C.:

Sheepmen of Utah are very much concerned over attacks on extension of Wool Act. This legislation is vital to the Utah sheep industry. I again urge that you do everything possible to secure passage of legislation extending this act during this session of Congress.

GEORGE D. CLYDE,
Governor of Utah.

EXHIBIT 1

STATE OF UTAH,
OFFICE OF THE GOVERNOR,
Salt Lake City, January 17, 1958.

Hon. ARTHUR V. WATKINS,
Member of Congress, Senate Office Building, Washington, D. C.

DEAR SENATOR WATKINS: I have recently reviewed the report to Congress from the American sheep industry. I have long been aware of the problems of the sheepmen in Utah and have watched with interest the effect of the incentive-payment program provided by the National Wool Act. I am sure it has been helpful to the sheep and wool industry. It has brought stability to the industry and in many cases prevented the liquidation of longtime sheep operators. The sheep and wool industry is not entirely out of the woods, but it is improving. I believe an extension of the National Wool Act is essential to continued improvement and stability of this industry.

Sincerely,

GEORGE D. CLYDE.

(Copy to Mr. James A. Hooper, Utah Wool Growers Association, Salt Lake City, Utah.)

EXHIBIT 2

THE STATE OF UTAH,
DEPARTMENT OF AGRICULTURE,
Salt Lake City, January 29, 1958.

Hon. ARTHUR V. WATKINS,
United States Senator, Senate Office Building, Washington, D. C.

DEAR SENATOR WATKINS: We, the Utah State Department of Agriculture, would like to be placed on record at the hearings to be held February 6 and 7 as very much in favor of the continuation of the 1954 Wool Act.

The sheep industry was very much in favor of a protective tariff that would protect the industry from imports of wool coming into this country and sold below the cost of production in the United States.

Inasmuch as it was impossible to get a tariff high enough to protect the industry,

the 1954 Wool Act was passed. We feel that the act has saved the sheep industry from bankruptcy.

When foreign wool is allowed to be purchased in this country at prices lower than the cost of production, the sheep industry would be in jeopardy and would result in sheep numbers being reduced to a point where we may find ourselves in a bad position so far as national defense is concerned. We all know that wool is a very important product in times of war; in clothing our soldiers as well as our people at home.

The sheep industry plays an important part in our agricultural economy in the Western States. The crop can be harvested from many millions of acres of mountain ranges and desert lands by sheep that would otherwise go to waste.

Anything you can do to secure the passage of this bill will be greatly appreciated, as the future of the sheep industry is dependent upon such legislation.

With very best regards.

Yours sincerely,

UTAH STATE DEPARTMENT OF AGRICULTURE,
ALDEN K. BARTON,
Livestock Commissioner.

(Copies to Senator BENNETT, Representative DAWSON, Representative DIXON.)

WOOL HANDLERS, INC.,
Salt Lake City, Utah, July 16, 1958.

Hon. ARTHUR V. WATKINS,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WATKINS: I am taking this liberty of writing you a note regarding the pending Wool Act that hasn't been passed or acted upon up to this time during this session of Congress.

Senator WATKINS, I am not only a wool grower of Utah, but I am in the wool business, covering all of these Western States, and I am asking you in all sincerity to get back of this passing of the Wool Act, and have the same acted upon during this session of Congress. If this is not passed, and domestic wool is not supported we can figure that the wool industry, especially in the range States will pass out of the picture. The Wool Act of 1956 is the only thing that has saved the wool growers of the West from having to liquidate their sheep outfits.

As stated above, please do everything possible to have the Wool Act passed during this session of Congress.

Very truly yours,

G. A. HANSON.

UTAH FARM PRODUCTION CREDIT ASSOCIATION,
Salt Lake City, Utah, July 18, 1958.

Senator ARTHUR V. WATKINS,
United States Senate,
Washington, D. C.

DEAR SENATOR WATKINS: We have just received a letter from Senator BENNETT, informing us of the difficulties encountered in securing passage of the National Wool Act. We have been aware through news in the press of the obstacles encountered but have been hopeful that favorable action would be taken in this session of Congress.

Dealing as we do with many of the sheepmen of Utah, we recognize the necessity for the continuation of the present program. We are grateful to you for your past help on matters pertaining to agriculture and trust that you will do everything possible at this time to assure passage of this important legislation.

Very truly yours,

E. K. WINDER,
General Manager.

EVANSTON, WYO., *July 22,1958.*

ARTHUR V. WATKINS,
Senate Office Building,
Washington, D. C.:

Please support National Wool Act. Do everything possible to get this act passed. Very important.

FRANCIS FRAZIER,
Chairman, Rich County Commission, and a Wool Grower.

EPHRAIM, UTAH, *July 21,1958.*

Senators WATKINS and BENNETT,
Senate Office Building,
Washington, D. C.

DEAR SENATORS: We urge continuation of Wool Act sponsoring incentive payments. We cannot compete with low-cost production foreign wools. Payments no burden to Government, wool tariff takes care of that.

MANTI NATIONAL FOREST WOOL GROWERS ASSOCIATION,
ADIN NIELSON, *President.*
P. C. PEERSON, *Secretary.*

RICHFIELD, UTAH, *July 21, 1958.*

Senator ARTHUR V. WATKINS,
Senate Office Building,
Washington, D. C.:

We feel that the Wool Act which expires with the 1958 session should be extended for another 5-year period. It has been invaluable to the sheep men in stabilizing the industry. We would appreciate any support you could give its extension.

PIUTE COUNTY WOOL GROWERS,
DOUGLAS Q. CANNON.

SALT LAKE CITY, UTAH, *July 17, 1958.*

Senator ARTHUR V. WATKINS,
Senate Office Building,
Washington, D. C.:

We thank you for your support on request of the sheep industry to extend National Wool Act and urge that you do all you possibly can to get extension passed before adjournment of Congress.

Sheep industry in precarious position and without the extension of the Wool Act it could be very serious.

UTAH LIVESTOCK PRODUCTION CREDIT ASSOCIATION.

SALT LAKE CITY, UTAH, *July 18, 1958.*

Senator ARTHUR V. WATKINS,
Senate Building,
Washington, D. C.:

Renewal of National Wool Act very vital for the welfare of sheep industry even with incentive help the average outfit is only realizing very nominal return on its investment. It is my judgment that without incentive help for wool liquidation of a large number of sheep outfits will be necessary.

I. H. JACOB,
President, Producers Livestock Loan Co.

SALT LAKE CITY, UTAH, *July 18, 1958.*

Hon. ARTHUR V. WATKINS,
United States Senate,
Washington, D. C.:

We strongly urge you support S. 2861 extending National Wool Act. Feel extremely important this legislation be passed this session to prevent collapse of wool industry in Utah and surrounding States.

GEORGE S. ECCLES,
President, First Security Corp.

CEDAR CITY, UTAH, *July 18, 1958.*

Hon. ARTHUR V. WATKINS,
United States Senate,
Washington, D. C.:

Due to the low price of wool at the market place, I feel it is imperative that Congress renew the Wool Act, in order that the grower might have a chance to stay in business, therefore, I sincerely urge that you do everything you can to get this legislation through Congress this session.

CARLOS JONES.

CEDAR CITY, UTAH, *July 18, 1958.*

Hon. ARTHUR V. WATKINS,
United States Senate,
Washington, D. C.:

We urge you to do everything possible to get the Wool Act extended this session of Congress. We cannot jeopardize our industry and the advertising and promotion program now so well started by taking a chance with a later session action favorably on this bill.

ALEX WILLIAMS.

CEDAR CITY, UTAH, *July 18, 1958.*

Hon. ARTHUR V. WATKINS,
United States Senate,
Washington, D. C.:

Word has come Congress may not act on extension of Wool Act before adjournment. Sheepmen feel we cannot survive without this program. Much progress in the promotion and advertising activities would be lost if this act is not extended. Urge you to do all possible for extension now.

L. N. JONES.

SALT LAKE CITY, UTAH, *July 17, 1958.*

Senator ARTHUR V. WATKINS,
Senate Office Building,
Washington, D. C.:

Thanks for recent letter promising support, but fearful Congress will adjourn without extension of Wool Act so vital to Utah and the West. Please spend every possible effort to get Senate passage this bill at once.

KEN GARFF,
DAVID FREED,
DAVID A. ROBINSON,
MILO S. FARSDEN,
Deseret Livestock Co. with 200 Stockholders.

CEDAR CITY, UTAH, *July 21, 1958.*

Senator ARTHUR V. WATKINS,
Senate Office Building,
Washington, D. C.:

As director of the Utah Wool Growers, I urge you to make every effort to bring to the Senate floor and support extension of National Wool Act.

WENDAL JONES.

WOODS CROSS, UTAH, *July 21, 1958.*

Senator ARTHUR V. WATKINS,
Senate Office Building,
Washington, D. C.:

We are an old established sheep and cattle company in the fourth generation raising over 1 million pounds lamb and one-quarter million pounds beef each year. Without the wool incentive in 1957 our company would have made less than 3 percent on its investment. If the wool industry in the West is to survive we must have an extension of the National Wool Act.

HATCH BROS. CO.

MONTICELLO, UTAH, *July 21, 1958.*

Senator ARTHUR V. WATKINS,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: Please use every means available to see bill to extend Wool Act is passed this session Congress. This bill vital to Utah sheep industry.

A. JAY REDD.

MOUNT PLEASANT, UTAH, *July 21, 1958.*

Senator ARTHUR V. WATKINS,
Senate Office Building,
Washington, D. C.:

Do all you can to renew Wool Act. It has been a lifesaver to the wool growers.

JENSEN BROS. INC.
SPRING CITY, UTAH.

MANTI, UTAH, *July 21, 1958.*
Senator ARTHUR V. WATKINS,
Senate Office Building,
Washington, D. C.:
Wool Act passage this session absolutely necessary. Sheep men need this bill. San Pete County best industry. Sheep are off 80 percent from the thirties.
WILFORD WINTCH.

MANTI, UTAH, *July 21, 1958.*
Senator ARTHUR WATKINS,
Senate Office Building,
Washington, D. C.:
Push National Wool Act with every effort at your command.
ARTHUR H. NELL.

KAYSVILLE, UTAH.
Senator ARTHUR V. WATKINS,
Senate Office Building,
Washington, D. C.:
We strongly urge that section 708 of National Wool Act be left intact without restrictive amendments as proposed by Farm Bureau.
Mrs. THORNLY K. SWAN,
President, Utah Wool Growers Auxiliary.
Mrs. J. WILLIAM SWAN,
Chairman, State Make-It-Yourself-With-Wool Contest.

MONTICELLO, UTAH, *July 22, 1958.*
Senator ARTHUR V. WATKINS,
Senate Office Building,
Washington, D. C.:
We would like to solicit your full support of passage of National Wool Act in this session of Congress.
SAN JUAN WOOL GROWER,
LISLE ADAMS, *Secretary.*

WASHINGTON, D. C., *July 9, 1958.*
Senator ARTHUR V. WATKINS,
Senate Office Building,
Washington, D. C.:
Senators YOUNG and MUNDT have announced their intention of offering the bill to extend the National Wool Act as an amendment to S. 4071, the farm bill. The proposed amendment is identical to S. 2861 cosponsored by you and 47 other Senators and as unanimously approved by the Senate Committee on Agriculture. We sincerely hope you will support this proposal. Congressional action is urgent because sheep growing is a longtime enterprise and next year's incentive payment program must be announced this summer or growers and their financing agencies cannot properly plan for even next year's operation. We also sincerely hope you will oppose any crippling or limiting amendments to the Wool Act extension, particularly section 708 under which a successful program is underway to promote lamb and wool at the grower's own expense. The combination of incentive payments and the self-help program has made this act successful and effective. This telegram is sent on behalf of 97 United States sheep organizations as listed in the record of hearings on S. 2861 who have authorized us to speak for them in urging extension of the present Wool Act at this session as vital to the wool-growing industry.
NATIONAL WOOL GROWERS ASSOCIATION,
EDWIN E. MARSH, *Executive Secretary.*

SALT LAKE CITY, UTAH, *July 17, 1958.*
Senator ARTHUR V. WATKINS,
Senate Office Building,
Washington, D. C.:
Urge passage vital wool bill. Notify Utah delegation this stand.
UTAH STATE DEPARTMENT OF AGRICULTURE.

EPHRAIM, UTAH, *July 23, 1958.*
Hon. ARTHUR V. WATKINS,
Senate Office Building,
Washington, D. C.
DEAR SENATOR WATKINS: Any extra effort to expedite passage of Wool Act this session would be appreciated by 40 members of Ephraim Lions Club.
EPHRAIM LIONS CLUB,
CLIFFORD H. SONDRUP,
President.

MOUNT PLEASANT, UTAH., *July 22, 1958.*
Senator ARTHUR V. WATKINS,
Senate Office Building,
Washington, D. C.:
We urge you to make every effort to get the National Wool Act passed during this session beyond its present expiration date. You no doubt understand how much this industry and the individual growers have at stake in this area.
SAN PETE COUNTY COMMISSION,
A. REEVE NORMAN,
Member of Commission.

COKEVILLE, WYO., *July 22, 1958.*
Senator ARTHUR V. WATKINS,
Senate Office Building,
Washington, D. C.
DEAR SENATOR: We are alarmed for the extension of the Wool Act, 1954. Will you do your best for us in this session. We will be able to return the favor in November.
Best wishes,
L. B. JOHNSON.
RANDOLPH, UTAH.

VERNAL, UTAH, *July 23, 1958.*
Senator ARTHUR V. WATKINS,
Senate Office Building,
Washington, D. C.:
We, the members of Uintah Woolgrower Association, consisting of 63 members and operating 100,000 sheep, urgently request that you do all in your power to get the Wool Act passed. The future of the sheep industry vitally depends upon the passage of this bill.
Sincerely,
CLIFFTON MCCOY,
President, Association.

TREMONTON, UTAH, *July 23, 1958.*
Senator ARTHUR V. WATKINS,
Senate Office Building,
Washington, D. C.:
We, 28 members representing 35,000 sheep, request your influence for the continuance of the National Wool Act. Future of sheepman and the business he supports is at stake as well as the need for meat and wool. In any national emergency your last pitch effort to extend this act is imperative to economy of the sheep business.
CACH FOREST WOOL GROWERS.
BILL GORING, *President.*
LOGAN, UTAH.

EPHRAIM, UTAH, *July 23, 1958.*
Senators WATKINS and BENNETT,
Senate Office Building,
Washington, D. C.:
Request your immediate support in continuation of Wool Act program.
JOHN ARMSTRONG & SONS, INC.
CURTIS ARMSTRONG, *President.*

BLANDING, UTAH, *July 23, 1958.*
Hon. ARTHUR V. WATKINS,
United States Senate,
Washington, D. C.:
Request your assistance in getting National Wool Act extended.
REED BATLES,
Jones Bros. Sheep Co.
(By Vincent Jones).

PRICE, UTAH, *July 23, 1958.*
Hon. ARTHUR V. WATKINS,
United States Senate,
Senate Office Building,
Washington, D. C.:
We urge you to exercise your utmost efforts for the renewal of the present Wool Act which is to expire at the end of 1958.
The loss of the incentive payment on wool would surely doom the sheep industry in the Western United States. It must be renewed at this session of Congress if we are to survive in the face of foreign competition.
Very truly yours,
WILLIAM MARSING.

PRICE, UTAH, *July 23, 1958.*
Hon. ARTHUR V. WATKINS,
United States Senate,
Senate Office Building,
Washington, D. C.:
We urge you to exercise your utmost efforts for the renewal of the present Wool Act which is to expire at the end of 1958.
The loss of the incentive payment on wool would surely doom the sheep industry in the Western United States. It must be renewed at this session of Congress if we are to survive in the face of foreign competition.
Very truly yours,
ORSON L. MARSING.

MOUNT PLEASANT, UTAH, *July 23, 1958.*
Senator ARTHUR V. WATKINS,
Senate Office Building,
Washington, D. C.
DEAR SENATOR: The sheep business cannot exist without a substantial income from wool. This product is a vital national asset and should not be allowed to deteriorate or be lost. Your interest in extension in this incentive program is appreciated. Please use every effort to have it continued.
JOHN K. MADSEN,
Rambouillet Farms, Inc.

MOUNT PLEASANT, UTAH, *July 23, 1958.*
Senator ARTHUR V. WATKINS,
Senate Office Building,
Washington, D. C.
DEAR SENATOR: The wool incentive program is the best means yet devised to protect this domestic industry against foreign competition. Sheep men cannot stay in business without it. Your utmost effort for its extension at this session of Congress is strongly urged and will be greatly appreciated.
JOHN S. MCALLISTER,
Manager, Fairview Land and Livestock.

PRICE, UTAH, *July 23, 1958.*
Hon. ARTHUR V. WATKINS,
United States Senate,
Senate Office Building,
Washington, D. C.:
We urge you to exercise your utmost efforts for the renewal of the present Wool Act which is to expire at the end of 1958.
The loss of the incentive payment on wool would surely doom the sheep industry in the Western United States. It must be renewed at this session of Congress if we are to survive in the face of foreign competition.
Very truly yours,
LEON MOYNIER,
President, Carbon County Woolgrowers.

OGDEN, UTAH, *July 23, 1958.*
Senator ARTHUR V. WATKINS,
Senate Office Building,
Washington, D. C.:
I would like to see action taken on the Wool Act before Congress adjourns.
KENNETH BRYAN.

PRICE, UTAH, *July 23, 1958.*
Hon. ARTHUR V. WATKINS,
United States Senate,
Senate Office Building,
Washington, D. C.:

We urge you to exercise your utmost efforts for the renewal of the present Wool Act which is to expire at the end of 1958.

The loss of the incentive payment on wool would surely doom the sheep industry in the Western United States. It must be renewed at this session of Congress if we are to survive in the face of foreign competition.

Very truly yours,

JAY PAGANO.

MORONI, UTAH, *July 23, 1958.*
Senator ARTHUR V. WATKINS,
Senate Office Building,
Washington, D. C.:

Thank you for your efforts to extend the National Wool Act. We feel the survival of our industry depends upon this act. We urgently request you get bill for extension on floor before Congress adjourns.

PHARES NIELSON,
President, Jericho Wool Growers.

MONTICELLO, UTAH, *July 23, 1958.*
Senator ARTHUR V. WATKINS,
Senate Office Building,
Washington, D. C.:

Bend effort to extend the Wool Act.

BOARD OF SAN JUAN COUNTY COMMISSIONERS.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. YOUNG. I listened with great interest to the very thorough discussion of the wool producers' problem by the distinguished senior Senator from Utah. I commend him for his great interest in the farmers, ranchers, and small-business men of the Nation. I have noticed throughout the many years I have served with the senior Senator from Utah that he has been very close to them and has always come to their rescue whenever they needed help.

Mr. WATKINS. I have never been a woolgrower myself, except in a very small way. I think I had, at one time, 25 pet lambs which were picked up on the farm as the sheep herds went by. They were orphan lambs.

But in the course of my practice as a lawyer, I have represented many woolgrowers of my area in mortgage matters when they were in extreme difficulties, operating under the conditions of the Reciprocal Trade Act, I may say. They were having a desperate time to continue in business. I tried to help them solve problems so they could keep out of bankruptcy.

I have felt, over the years, that there would have been far more success, and we would have had no necessity for establishing incentive programs to produce more wool, if we had had the protection of the tariff we once had. But since that has been done away with, and we now have the reciprocal trade program, we do not have sufficient tariff protection.

So it is only fair now that this program be kept in effect. It has been operating successfully since it was first enacted a few years ago. We should keep it in effect. Whatever the cost may be should be charged against the international policies, the so-called foreign-aid program of the United States. It is done in the interest of helping our friends, neighbors, and allies to be prosperous. I think that is the proper place to make the charge. It is a subsidy, in effect, to those people, and not to our own people.

Mr. YOUNG. The Senator does not claim to be a sheepherder himself, but he knows their problems.

Mr. WATKINS. I have lived on sheep ranches. I have had much to do with the activities of sheep raising. At one time I came very close to being involved in a sheep feeding operation. Fortunately, I was not too heavily involved, but some of my colleagues were, and they lost heavily in the operation, because of the fact that one can never depend on the market from one year to the next.

Sheep raising is a long-range operation. It requires the purchasing of rangelands; it requires the purchasing of equipment; it requires the leasing of Bureau of Land Management areas for winter range, spring range, and fall range. Then it is necessary to get forest permits for summer range. The Department of Agriculture and Forest Service begin to make cuts and then further cuts. Business begins to dwindle, and one does not know whether he will be able to remain in business.

Sheep raisers have all those difficulties to contend with. They are some of the reasons, in addition to the others I mentioned earlier this evening, why the sheep industry has had a difficult time in the past 25 years.

Mr. THYE. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. THYE. I commend the distinguished senior Senator from Utah for his most intelligent and enlightening statement on the problems of the wool producer and the sheep owner. It is a type of business which is hazardous in every conceivable manner, both in the care of the lamb at lambing time, the handling of the sheep, and the protection against the many diseases with which the flock can be infected. Sheep raising is a highly skilled and hazardous profession.

Unless we give it some protection, such as is proposed in the bill, it will not be possible to continue to produce sheep and wool in sufficient quantities. Wool, of course, is a strategic material in the economy of the entire Nation.

I commend the distinguished Senator from Utah, not only for his courageous stand on the question, including what he proposes and opposes, but also for his intelligence in outlining to us the need for effective legislation.

Mr. WATKINS. I thank the Senator from Minnesota for his very gracious remarks. I may say, once again, that I think we should not put restrictions on the program for voting in the referendum to determine whether a deduction should be made for a sales promotion program. To me, such a program is very important.

I know that many persons do not know the value of lamb as a food. I myself have had occasion to do the family shopping. I have gone into the markets of this area and have found that lamb is not generally carried in stock.

I have said to the wool growers of my State, "You are in difficulty. Why not get busy and tell the people of the country about your lamb product and about wool. Don't let the synthetics take over your wool market. Do not let other meats crowd out the use of lamb. There is a place for all these products."

In the turkey industry, for instance, which is getting to be one of the really big industries in the agricultural field, it was found necessary to devise a program which would require an agreement or an arrangement to be approved by the vote of the turkey producers, whereby sums could be deducted from the sales of their products, so that the industry could be promoted.

It seems to me that we should encourage that type of program in this field, rather than discourage it. We should not place impediments in its way.

I hope the National Farm Bureau Federation, my own local Farm Bureau, and other similar organizations, will do everything they can to promote this type of program. I understand those organizations favor it, but there seems to be some difference of opinion between the wool growers and the National Farm Bureau Federation as to the method of conducting a referendum.

The 6 days for voting which have been mentioned in the amendment offered would be completely impractical, because of the very nature of the sheep growing industry, particularly in the Western States. There ought not to be a requirement for a certain percentage of the small farms throughout the United States to participate in the referendum. The referendum could be conducted in such a way as to be fair to all, and without requiring such a heavy percentage.

Mr. President, I hope the amendment offered by the Senator from North Dakota, without any crippling amendments added to it, will be adopted.

Mr. ANDERSON. Mr. President, I hope the Young amendment to include the wool bill will be adopted. I shall speak briefly about the amendment, and then shall speak generally about the farm bill itself.

It happens that the wool bill, which has been offered as the Young amendment, has had long and distinguished sponsoring by a good many groups. I hope the Senate will adopt it because the wool situation is quite different from that of many of the other agricultural situations throughout the country.

When the agricultural output of an area is only a small portion of the world output, and the world output is about ready to drop onto our shores at bargain prices, it becomes important that something be done to protect the prices of the domestic industry.

I hope all Members of the Senate will vote for the Young amendment, which will add the wool bill to the farm bill, even though I am not too enthusiastic about all sections of the pending farm bill.

The wool bill was carefully considered as far back as 1946; and the following

year it was presented by the Senator from Wyoming [Mr. O'MAHONEY]—not in a form identical to that of the pending amendment, but substantially the same. I believe that the 1954 or 1955 extension of the wool act was added to the farm bill on my motion.

Therefore, I believe it proper for the wool bill to be included as an amendment to the pending farm bill, so the wool farmers will be told that the Congress intends them to have this much support.

Mr. President, I intend to address myself to a few phases of the farm program, and to suggest that the pending farm bill will not solve all our agricultural problems, and that it might be well for us to consider the possibility of handling these matters one at a time, by means of separate bills, in the hope of obtaining the enactment of sounder legislation than that likely to be obtained by combining only a sufficient number of provisions to make it possible for a farm bill to be reported from committee.

In fact, if a few more votes had been needed in the committee, probably the bill would now include a provision in regard to soybeans. But in the committee there were just enough votes to report the bill; it was reported by a vote of 8 to 7. However, I suggest that that is not the best way to proceed.

Wheat and tobacco are encountering difficulty at the present time. I hope that, in time, Congress will be in a position to deal with these agricultural commodities a little more definitely than the way in which I believe it is dealing with them in the pending bill.

I realize the great difficulties involved. I have sat—as have the able Senator from Vermont [Mr. AIKEN] and the able Senator from North Dakota [Mr. YOUNG]—in conference after conference in which the Senate's position was sustained for a long, long time, although the position taken by the House was completely opposite; and many times such positions by the Senate have finally been enacted into law. In fact, I may say that, only a few years ago, the wool bill which was enacted into law contained some provisions which the House of Representatives did not favor. On the other hand, in conference it is not always possible, of course, to sustain the position voted by the Senate and reject the position voted by the House. So I do not blame my colleagues for not always achieving everything they set out to achieve.

I was very much interested in an article entitled "We Are in a Mess With Our Wheat," which was published in the July-August 1958 issue of Nation's Agriculture, the official publication of the American Farm Bureau Federation.

Let me say that I regretted that earlier in the session today reference was made to a publication in which the Secretary of Agriculture, Mr. Benson, was quoted as referring to leftist groups as those who oppose enactment of the pending bill. I have not talked to the Secretary of Agriculture about that matter; but I believe he was not referring to Members of Congress, for I do not believe the Secretary of Agriculture regards any Members of Congress, even those who may be opposed to the policies he favors, as being members of leftist groups.

So I believe the reference to which attention was called earlier in the session today, in connection with the debate on the farm bill, was an unfortunate one.

In the current edition of the official publication of the American Farm Bureau Federation, we find the article I have mentioned, which reads, in part, as follows:

> Some may have been fooled into thinking the present program—

That is to say, the present program in regard to wheat—

> was working because the carryover was whittled down by 125 million bushels in 1956–57.

A little farther along in the article, we find the following:

> As a result of this combination of circumstances, the United States captured 43 percent of the entire world trade in wheat, in the record year for international trade.
>
> But the tide is now running the other way. The experts figure that domestic uses during 1957–58 will fall 16 million bushels below the earlier estimates. Exports may be 50 million bushels less than forecast and almost 200 million bushels less than last year.

I believe that is of a great deal of interest to the Congress.

The new leader of the Canadian Government has suggested that he does not view kindly the possibility that the United States may be dumping wheat in markets all over the world; and that fact may mean something to wheat farmers throughout the United States.

In the article we also find the following:

> The billion-bushel winter wheat crop expected this year was produced with the national wheat allotment at the legal minimum and with 5.3 million allotted acres in the soil bank.

If that allotment is not applied in future years, we may accumulate a still larger surplus.

The article also points out something to which I think we need to pay some attention, namely:

> Here is another proof that acreage controls and quotas just won't work.
>
> Over the last 5 years, yields per acre have increased at an average rate of 1.3 bushels annually.
>
> Average yields of the last 3 years have been 50 percent greater than the 1935–39 average.
>
> With the increased yields of recent years, the 55 million acre national allotment—when viewed from the production standpoint—is actually 50 percent greater than in 1939 when the minimum allotment was established.
>
> In other words, the 55-million allotment today is equal to about 82 million 1939 acres.

Mr. President, 82 million acres of wheat were all right in 1941 and 1942, when the other nations of the world were looking to the United States for food. We could even sustain a crop of that size in 1946, and perhaps in 1947, while the agriculture of other nations was getting on its feet—and when, in fact, agriculture in all parts of the world was getting on its feet.

But the present-day equivalent of 82 million acres in 1941 and 1942—namely, 55 million acres of wheat—is far too much for us to have in the years 1957 and 1958.

I think these figures tend to indicate that a farm bill which deals with only 2 or 3 commodities, is not all it should be. An omnibus farm bill should deal with a great many agricultural commodities—although I would prefer to have the agricultural commodities dealt with 1 by 1, by means of separate bills, and in that way try hard to have the legislative provisions for the individual commodities stand on their own feet.

Mr. CARLSON. Mr. President, will the Senator from New Mexico yield to me?

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from New Mexico yield to the Senator from Kansas?

Mr. ANDERSON. I yield.

Mr. CARLSON. I appreciate the fine statement the Senator from New Mexico is making in regard to wheat. I intend to discuss the subject rather briefly in connection with the pending bill, although I shall not submit amendments in that connection.

But I was pleased to hear the Senator from New Mexico say that the Nation has a wheat problem.

Mr. ANDERSON. It has, for there is on hand a 4-year supply of wheat.

Mr. CARLSON. There is no question about that.

This year the United States probably will export 575 million bushels of wheat. Next year the United States probably will be lucky to export 375 million bushels.

So I have been very much pleased to have the distinguished Senator from New Mexico discuss this matter; I can think of no one whom I would prefer to have discuss proposed wheat legislation.

Mr. ANDERSON. I thank the Senator from Kansas.

There are in the Senate Chamber this evening some Members who are very devoted friends of wheat farming; I refer, among others, to the Senator from Kansas [Mr. CARLSON] and the Senator from Minnesota [Mr. THYE].

I merely say that when we come to consider a general farm bill, it is extremely difficult to patch together adequate provisions for all agricultural commodities.

I may be wrong, but I believe we probably shall never have an omnibus farm bill which will include, with any success, provisions dealing with all agricultural commodities. So the day may come when Congress will feel bold enough to tackle this problem commodity by commodity, by means of separate bills. When that day comes, I shall be very happy to support the attempt of the able Senator from Kansas to secure the enactment of some good wheat legislation.

Mr. CARLSON. I thank the Senator from New Mexico.

Mr. THYE. Mr. President, will the Senator from New Mexico yield to me?

Mr. ANDERSON. I yield.

Mr. THYE. I am happy to join the Senator from Kansas [Mr. CARLSON] in

paying tribute to the distinguished Senator from New Mexico [Mr. ANDERSON], formerly a distinguished Secretary of Agriculture, because he understands these problems. Not only is he a student of them, but his knowledge of them is all the broader because of the fact that he has been an operator in that field.

Let me say that, over the weekend, I was in Minnesota. For the past few days the wheat combines have been at work on the farms in Minnesota; and the elevators are paying $1.71 a bushel for the wheat. So we can imagine the problem with which the wheat farmer is faced, when the wheat is piling up, and when a 4 years' supply already is on hand, and when $1.71 a bushel is now being offered for wheat. If it were not for some kind of support, I do not know where the price of wheat would be today, in view of the fact that the wheat combines are in operation all the way from the panhandle of Texas to the Northwestern States.

Today, the situation is far different from the situation in the old days, when the threshing machines had a 60-day to 90-day run, with the result that the wheat would trickle in from the Southwest, and then would trickle in from the Northwest.

But, today, in 1 week the entire wheat crop from Kansas comes in, and the entire wheat crop from Oklahoma comes in, and the entire wheat crop from the Dakotas comes in.

So if it were not for the floors in the support price, I do not know where we would be so far as the wheat market is concerned. But I come back to the question. Wheat was selling for $1.71 at the Minnesota elevators as of last Monday morning. We need to do something with regard to wheat before many months go by, because we cannot continue to pile up wheat in the manner in which we are piling it up. We are trying to develop a market for wheat under Public Law 480, but we cannot continue to fill our warehouses as we are doing. We are going to have to take a cold, hard, intelligent look at this question before many months go by. Otherwise the farm economy will be shattered on the rocks.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield to the Senator from North Dakota.

Mr. YOUNG. I wish to commend the Senator from New Mexico for his analysis of the wheat situation. For the past 4 years, under quotas, wheat production dropped from 1,450,000,000 bushels to 950 million bushels. This year there will be a production of about 1,400,000,000 bushels. Quotas are breaking down. Either we are going to have to make quotas work or eliminate them. As the Senator from New Mexico has pointed out, farmers can grow and sell up to 15 acres of wheat without penalty. There are other reasons for this increase in wheat production: There are new varieties of wheat which bring higher yields; we have improved methods of farming; and increased use of fertilizer have greatly increased wheat production.

I think the main reason why the committee did not consider wheat at the present time was that there was a wide difference of opinion on how to deal with the problem. I think we shall need the assistance of the Senator from New Mexico in devising a better wheat program next year.

Mr. ANDERSON. I want to suggest to the Senator from North Dakota, and I hope the Senator from Mississippi will hear the next few words I say, that perhaps the cotton producers can take a lesson from the wheat producers. As the Senator from North Dakota will recall, when the amendment was proposed to allow farmers to grow wheat on 15 acres, without penalty, and statistics were introduced to show that it would not cause any great trouble, that only a tiny bit of wheat would be produced under the provision, and that only a few farmers would be permitted a few acres, I had words to say about the proposal. I said it would open the door. The bill was passed. The provision with respect to the 15 acres was enacted.

Now the proposal is being made that there be a similar arrangement with respect to 10 acres planted to cotton. It is said it is a minimum, that only a few acres of cotton are involved, only 300,000 acres, and that just a little bit of additional cotton will be produced. Somehow, ways will be found to carve up cotton fields, and pretty soon there will be a whole new crop of farmers who will have 10 acres of cotton. That may not be a serious problem where production is 400 pounds to the acre, but a week ago tonight I was standing in a field of the finest cotton I had ever looked at. That particular farm last year had 21,000 acres of cotton, and the owner marketed 75,000 bales of it. About $15 million was realized from that farm.

Mr. EASTLAND. Mr. President, will the Senator yield for a question?

Mr. ANDERSON. Yes.

Mr. EASTLAND. That farmer produced, on 21,000 acres, 75,000 bales of cotton.

Mr. ANDERSON. Yes; he did.

Mr. EASTLAND. He made a lot of money.

Mr. ANDERSON. Yes; he did.

Mr. EASTLAND. Yet the Senator would deny a minimum acreage allotment of 10 acres, which amounts to only a fraction of 1 percent of our national allotment, but which would enable hundreds of thousands of small farmers to live.

Mr. ANDERSON. It is the same story which was told with respect to wheat. It is said that only a few acres will take care of a few people. Let me read from this publication. I am sorry I have to depend on what the American Farm Bureau Federation carries in its publication. I have not had time in the last few weeks to devote myself to farm statistics.

Mr. EASTLAND. Mr. President, will the Senator yield for another question before he reads from the article?

Mr. ANDERSON. Yes.

Mr. EASTLAND. The Senator from New Mexico has a very distinguished record. I think he knows I hold him in the very highest regard. I consider him to be a man of tremendous ability. I think he is sincere. I think he is conscientious. I know of no Member of this body who holds the Senator from New Mexico in higher regard than I do. The Senator from New Mexico is opposed to this bill, is he not?

Mr. ANDERSON. Yes; I think it would be safe to say I am opposed to this bill.

Mr. EASTLAND. The Senator would offer amendments or motions that would kill the bill——

Mr. ANDERSON. Well, I have not——

Mr. EASTLAND. Let me finish my question. Because the Senator is sincerely and honestly opposed to the enactment of this bill.

Mr. ANDERSON. Let me say to the able Senator from Mississippi that I have not offered any amendments. I have not taken any part in the offering of any amendments. I have felt, and I still feel, that a better job could be done with an agricultural bill than has been done with this one. I am willing to concede in advance that it is most difficult to prepare such a bill. I say the innocent little proposals which are made, for 10 acres here and there, may lead to trouble.

The Senator from North Dakota [Mr. YOUNG] and I had an extended discussion in the Committee on Agriculture and Forestry about the 15-acre question when it came up. Neither one of us had figures to prove it, but both of us definitely felt it might lead to difficulties. What did it lead to? In 1957 the 15-acre exemption, which was only to affect a few acres, was used by 620,000 growers, including 230,000 who did not have an acre of wheat in their allotment.

I say that runs into a very, very substantial acreage, and a very, very substantial production.

One of the reasons why we have a 4-year supply of wheat on hand, and cannot possibly curb it, is that we have allowed a group of farmers to plant to 15 acres whether they had allotments or not. If we are to have controls, they should be real controls; we cannot have loopholes. A 10-acre loophole in cotton acreage will in time lead to as bad a situation with reference to cotton as we now have with reference to wheat.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield to the chairman of the committee.

Mr. ELLENDER. I should like to point out to the Senator from New Mexico that the 15 acre minimum for wheat farmers is not to be compared with the provision in the farm bill currently before the Senate. What we are trying to do in this bill is simply provide that all cotton farmers who planted 10 acres or less in 1958 shall not lose any acreage next year. In other words, if a cotton farmer had 10 acres this year, he will continue to get 10 acres. If he planted 7 acres he will continue to get 7; he will not get 10 acres. The purpose of this portion of the bill is to permit the cotton farmer who plants 10 acres on down to as little as 1½ acres, to be granted the right to plant the same acreage next year and the year after that, as he planted this year.

The purpose of the provision is not to hand out to each cotton farmer a minimum of 10 acres, in the same manner as every wheat farmer was provided with a minimum of 15 acres, but to allow cotton farmers who are now planting on 10 acres or less, the right to plant exactly the same acreage next year. That is all the proposal does. There is no absolute minimum acreage allowance that all cotton farmers will receive. Instead every cotton farmer in the Nation who planted 10 acres or less of cotton this year will be given exactly the same amount of cotton acreage next year. The purpose of this measure is simply to make sure that cotton acreage cuts are not put upon the shoulders of those who can least afford it—the small family cotton farmer who tills 10 acres or less.

Mr. ANDERSON. Let me say to the Senator, who has stated the situation correctly, that some persons have scars in their systems from the fights they have gone through. There was a time when farmers who were planting tobacco objected to the reduction they were going to get in acreage. A minimum was provided below which the farmer could not be reduced. That minimum, as I remember it, was something like four-tenths of an acre. It looked fairly innocent. What did we do? If 40,000 acres of tobacco were taken out of an area and certain farmers could not have their acreage cut, the farmer whose acreage was cut was a large producer, and his acreage was very drastically cut.

Some farmers are cultivating 1,000 acres of cotton. If we apply a minimum-acreage provision, and then reduce a State's allotment down to what is necessary in order to bring the State into balance, it will be necessary to take acreage from all the large producers, from all the successful farmers, and give it to the small farmers. If we were tomorrow to establish a cotton acreage which had some regard for what the market could use, there would be planted about 8 million acres of cotton, and that would cut the acreage in half. Therefore, the total for every State would be cut in half. If we let every farmer have 10 acres, if he had ever planted 10 acres, then the acreage of the large farmers would be reduced by 50 percent, 75 percent, or 80 percent.

That situation always causes people to say, "Look at this program. You are taking the best farmland in our county out of production. Jim Jones is the best cotton producer we have. You are giving this small farmer, who has 10 acres, the full amount, but you are cutting Jim Jones 50 percent or 75 percent."

I will say that is not provided in the bill presently under consideration, but I have seen bills which did so provide.

Mr. ELLENDER. Mr. President, if the Senator will yield, I should like to point out again that such action is not included in the bill under consideration.

Mr. ANDERSON. There is a cut to 16 million acres, which is a reduction of about 1½ million acres.

Mr. ELLENDER. I understand.

Mr. ANDERSON. If that is applied across the board, together with a 10-acre limitation, there will be some very heavy reductions.

Mr. ELLENDER. No.

Mr. ANDERSON. Then later we will have a bill to consider, as we always do, because people will say, "You cannot do that this year. Next year you can do it, yes, but you cannot do it this year." So this year we give the extra acreage, and then some more, and then there is accumulated a tremendous supply of cotton in the warehouses once more.

Mr. ELLENDER. Mr. President, will the Sentor yield?

Mr. ANDERSON. I yield.

Mr. ELLENDER. Mr. President, may I point out to Senators present that the bill under consideration has no provision that would work as the Senator has indicated. Instead, each cotton farmer would be given an allotment on the basis of a national 16 million-acre allotment. However, if the farmer falls into the category of those who planted less than 10 acres this year, then that acreage necessary to bring up his farm to the level of what he planted this year would be taken from an additional 310,000 acres, which is provided under the bill in addition to the national 16-million-acre cotton allotment. This 310,000 acres to take care of the small farmer is a definite total which is specifically spelled out in the bill.

Mr. ANDERSON. Yes.

Mr. ELLENDER. That total of 310,000 acres cannot be increased, unless there is additional legislation.

Mr. ANDERSON. Unfortunately we do not legislate for only 1 year. If there results an accumulation of cotton, then somebody will say, "Let us do something about that next year." Then in the next year we would lower the acreage to 10 million, and down the whole thing would come. The reduction would take place as I have said it would take place.

There is a final example I should like to suggest to the Senate. In one Illinois county in the 1930's there were 126 farmers growing wheat, while last year in the same county there were 1,200. Those farmers could get the 15-acre minimum, and produce in good style.

I am willing to grant that is not the situation with reference to the bill presently under consideration, at all.

Mr. ELLENDER. I am glad the Senator makes that point.

Mr. ANDERSON. I have served too long with the able Senator from Louisiana to try to say that this bill does something it does not do, or to try to mislead anybody as to the contents of the bill. I merely point out that there are some bad influences which could come into being. I recognize the difficulties involved in getting the bill reported by the committee, but I recognize that many bad things can happen after the bill has been reported by the committee.

In the New York Times on Tuesday, July 22, there was carried a story under the headline "Big World Grain Surplus Seen as Asians Face Rice Shortage."

There is a great deal of information as to how great a shortage actually exists in certain supplies of grain, yet we are now being tied up by situations which do not let us get rid of a good deal of our products and keep us in a condition which brings criticism of the farm program, which it should not be possible to level at it.

I should like to say a few words about rice. The bill under consideration would fix a national acreage allotment for rice of 1.6 million acres. The use of 1.6 million acres for rice will generally produce about 49 million hundredweight of rice. We are able to consume about 27 million hundredweight of rice, and we have to export the rest. In normal times export of the rice might not be too difficult. We do have a domestic need, as I say, for a little more than half of what we can produce.

Mr. ELLENDER. I should like to point out that, according to figures supplied me, domestic consumption is approximately 62 percent of production.

Mr. ANDERSON. Perhaps it is 62 percent.

Mr. ELLENDER. My figures show that we consume about 62 percent of our production.

Mr. ANDERSON. I only say that I have figures which start in 1910 and go up to 1957 and 1958. I notice in the years 1956 and 1957 we had about 1.6 million acres or 1.7 million acres of rice production, and there was a production which ran 49 million hundredweight. With 1.6 million acres we might get something like 43 million hundredweight. We use 27 million hundredweight. Perhaps that is 62 percent, but there still remains 38 percent to be exported. This is a time when people around the world do not have too much money with which to buy things. The Government will have to step in and buy a great deal of the rice crop, a great deal of the cotton crop, and a great deal of the wheat crop. I do not believe that is the best thing for us to do.

I am naturally curious as to what is going to be said by those who vote for this bill and who have been voting for 90 percent parity supports. I have heard 90 percent of parity talked about for a long time. I have taken a look at the provision in the bill. Clause (c) on page 4 at line 18 reads:

> The Commodity Credit Corporation is directed, during the period beginning August 1, 1959, and ending July 31, 1961, to offer any upland cotton owned by it for sale for unrestricted use at not less than 10 percent above the current level of price support prescribed in choice (B).

It is not necessary to be in the commodity business very long to know that in this instance the same law applies which applies to the question of good and bad money. Bad money always drives out good money. The low-priced cotton always moves into the market, and the high-priced cotton always moves into the loan category. Therefore, the market price of cotton, if there is an 81-percent provision with respect to the supply, will go down 15 points, or down to 66 percent, and the farmers will get perhaps 90 percent of that. By 1961 we will have 59 percent of parity, and by 1962 the support price for cotton will be about 54.6 percent of parity. Where will the people who have been talking about 90 percent of parity be then? They will say,

"We talked about the matter. We voted for a bill which brought the support down to 54.6 percent by 1962, but we discussed the matter."

I do not believe this provision will affect the States represented, in part, by the able minority leader, by the Senator from Arizona, and by the Senators who live in the delta of the Mississippi, and it will not affect the people of my State, perhaps as much as others will be affected. I believe, however, it will be a severe blow to certain areas in the Deep South, where the production cost of cotton uniformly has been far above what it is in other sections.

I recently saw hundreds of acres of penalty cotton. The producer of the penalty cotton was saying, "Yes; I only get 50 percent on the cotton. I have to pay 50-percent penalty, but I will come out on the deal all right. I am not going to plow up one acre of my penalty cotton. I am going to leave all the cotton in, because I can make money." And he can make money, particularly if he has a program of skip-rowing, which we see throughout the West.

Our people can live with the program. We would like to have a history for the cotton, and I think we ought to have a history for the cotton, especially if we have to take a penalty; but we can live with the program.

I hope those who have talked, and talked very loudly about 90 percent of parity will recognize that they are not voting for 90 percent of parity when they vote for the bill under consideration.

I hope the provision the able Senator from Arizona [Mr. HAYDEN] has offered, with reference to extra long staple cotton, will be agreed to. The extra long staple cotton had a move down from 90 percent to 75 percent, and when that cotton did not get its share of the market at 75 percent the growers voluntarily asked that they be placed under a 60 percent provision. I think the growers of that cotton ought to be allowed to continue the program, because their production of cotton and consumption of cotton has been going up rapidly. I hope that the amendment to be offered by the able Senator from Arizona will be agreed to.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. ELLENDER. I have already discussed this matter with the Senator from Arizona. I wish to confess it was an error to put this provision in the bill, because it was only recently that we lowered the support price for extra long staple cotton at levels ranging from 60 to 75 percent of parity. I am sure there will be no objection on the part of the committee to restoring a price between 60 and 75 percent of parity.

Mr. ANDERSON. I am happy to have the able chairman of the committee say that. I stand beside another friend [Mr. JOHNSTON of South Carolina] who helped us to get through the provision for 60 percent, and I am very happy to know that that figure will be allowed to continue.

Mr. ELLENDER. There was an oversight on the part of the committee.

Mr. ANDERSON. That is very fine. I thank the able chairman.

I am not in a position to say that this bill is an extremely bad bill. I do not wish to condemn it wholeheartedly. I merely wish to say that there are a great many things to be considered in connection with a farm bill.

I am sorry the floors have remained in the bill at the level at which they are. I have found myself in disagreement at times with the present Secretary of Agriculture, but I must say openly and publicly that I think the floors he suggested, of $3.63 for rice, 28 cents for cotton, and $1 for corn are better figures to use than $4 for rice, 30 cents for cotton, and a figure for corn of $1.10. Some day we must make these commodities a little more competitive than they are. We must keep these programs moving along. I believe it might be well to reduce the floors. I do not believe that a farm bill which does not take some recognition of wheat in its present situation is a complete bill.

I know the problems of the committee. However, I hope the Committee on Agriculture and Forestry, in the short time remaining in this session, will make an effort to do something about the wheat situation. Personally, I think we ought to make a test to determine whether the 15-acre provision can be removed from the bill without too much danger. I think it could. A great many farmers who have made use of the 15-acre provision could very well not have planted that wheat. That would have been a great help to the wheat-producing areas of Kansas, Texas, and Oklahoma.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. CARROLL. Let me say to the distinguished Senator from New Mexico that I have been following with great interest the debate with reference to wheat. As I observe the estimated carryover on July 1, 1959, of 1,200 million bushels, the thought occurs to me that with the great experience of the Senator from New Mexico and the chairman of the Committee on Agriculture and Forestry, who is present in the Chamber, as well as the junior Senator from Georgia [Mr. TALMADGE], the situation could be explained to me in such a way that I could explain it to the wheat farmers back home in my State.

The Colorado wheat growers have said to me, "Acreage control is not practical." I think there is proof of it today, because of the 900-million bushel carryover we are facing today with the 1958 crop. I am referring to stable businessmen, farmers who have substantial holdings. They want to know why the Congress does not adopt bushel control or unit control, which I think is provided for in the so-called Talmadge farm bill.

Year after year we face the question of surpluses. We talk about acreage control. Wheat farmers vote each year on controls as they did last month. They want marketing quotas. They want price support. They voted in favor of quotas this year by 84 percent. And still we give them a program which does not meet their needs nor the best interest of the Nation.

Is there some reason why we cannot have unit or bushel control on wheat, or pound control on cotton and devise a sensible program? I note the presence in the Chamber of the junior Senator from Georgia [Mr. TALMADGE], whose farm bill would provide for such sensible and workable controls. The chairman of the Committee on Agriculture and Forestry is also present and I invite his recommendations.

I have also talked with Members of the House about unit control as against the present acreage controls which, in effect, offer no control.

Would such a unit control program be administratively feasible? Is there some reason why the Congress cannot devise a comprehensive, sound, intelligent, workable program, as the Democrats pledged in their convention in 1956, when they said they were going to offer the people of the country an agricultural bill of rights. Do we have one before us this evening, upon which we are to vote tomorrow? Are we giving the farmers at home the type of program they themselves want? Do the Democrats know what they are proposing here today? Is this the promised "agricultural bill of rights"? Is there not a feasible farm program which can be presented to the country?

I do not address my remarks entirely to the Senator from New Mexico, but he has a fine background of experience, and I have great confidence in his judgment. I would appreciate his comment on the subject.

Mr. ANDERSON. Mr. President, I would rather have the Senator from Louisiana or the Senator from Georgia answer that question.

I point out to the Senator from Colorado that acreage controls, when we have prices which are pretty strong incentives, have never worked, so far as I know. I doubt if they ever will work.

At the present time we have a system of trying to administer cotton acreage. I was about to say something about the State represented, in part, by the able Senator from California [Mr. KNOWLAND]. In the State of California there is a great deal of skip-row cotton. The farmer plants 4 rows and skips 4 rows, so that there are four outside rows.

I went through two fields which were lying side by side. I do not like to say this about anything that grows in the State of California, but there is a wonderful color to cotton when it is the finest cotton in the world. I have never seen such color in cotton in my life as I saw in the cotton in the State of California.

This particular farmer had two practices. In one field he was growing cotton planted solidly. In the next field he was skip-rowing cotton. He picked 3 bales from the solid growth, and 4 bales from the skip-row cotton.

The Department of Agriculture needs to watch that practice pretty carefully. Not every farmer can afford a program of skip-rowing, but it makes a tremendous difference in the yield. In the State of Texas there is in operation a different program. They plant 2 rows and skip 2 rows, so that every row is

an outside row. That makes production several times what it would be in the solidly planted fields.

As soon as controls are put into effect, the farmers buy extra fertilizer and adopt improved farming practices. The Senator from California well knows that his State has moved ahead because the farmers have spent their money for fertilizer and good farming practices. The result is enormous yields of the finest cotton I have ever seen in my life.

Mr. CARROLL. Would that situation be corrected by unit control?

Mr. ANDERSON. It could be corrected by bale control of production, with penalties.

In connection with one field in Arizona last year, the farmer paid a $900,000 penalty for planting thousands of acres of penalty cotton. Subsequently he received a refund of several hundred thousand dollars because the cotton did not turn out as well as he thought it would.

It is that sort of thing that is bothersome about the program. If we had bale control, we could say how large the crop should be, and anything over that amount would move under penalty. It is very difficult to administer such controls in connection with a crop like wheat, when thousands of producers are under the 15-acre provision and they do not have to account for any of their wheat. But if a farmer in the State of Kansas, South Dakota, Colorado, or Texas, in a large farming area, overplants wheat, he must plow it up. He must account for every acre he has. But there are areas where that is not true, and those are the areas where wheat production has expanded most rapidly. The time has arrived when the strictest controls must be imposed or else the controls must be on an entirely different basis.

Mr. CARROLL. Mr. President, will the Senator further yield?

Mr. ANDERSON. I should like to answer the question completely.

Mr. CARROLL. I do not wish to draw the junior Senator from Georgia into this discussion, except for the RECORD. It is very clear to me that wheat is not to be treated at all in the bill before us, perhaps because of the heavy carryover, perhaps because of existing law, and perhaps because of existing price supports. This is not my field. I am not an expert in this field. However, my wheat farmers at home tell me, "If you will give us bushel control, we will know what our price-supported income will be, and all overproduction of grain can be placed in storage as insurance. If we are hailed out or blown out or dried out next year, we shall have something to go on." Farmers could plant whatever acreage they please but the normal supply needed by the Nation could be calculated in bushels and controlled at that level regardless of production per acre.

That seems to me to be a far more sensible program, if it is administratively feasible. It seems to me to be a more sensible program to place before the taxpayers of the country, when we think of the enormous sums they are required to pay for support of surplus farm commodities.

If the junior Senator from Georgia, who is the sponsor of the particular measure to which I refer, would care to respond at this time, I should be very happy to hear from him.

Mr. TALMADGE. I shall comment for a moment or two. First let me say that I am not an authority on wheat. I do not pretend to be an authority on the subject. However, on the Committee on Agriculture and Forestry there are several of the Nation's outstanding authorities on the subject. I refer to the distinguished Senator from North Dakota [Mr. YOUNG] and the distinguished Senator from South Dakota [Mr. MUNDT]. We also have the distinguished Senators from Kansas [Mr. SCHOEPPEL] and Minnesota [Mr. HUMPHREY and Mr. THYE]. They can answer any questions with reference to wheat far better than I can.

However, while I do not wish to make an extensive observation on the subject, I should like to say that there is a minimum wheat-acreage allotment of some 50 million acres and that no provision has been placed in the omnibus bill with reference to wheat.

Second, with reference to unit measures of control, I could not agree more with the Senator in his observations. Certainly, we have learned that with an allotment of a certain number of acres of cotton, we do not know how many bales of cotton those acres will produce. Certainly, with an allotment of corn acres we do not know how many bushels of corn will be produced. It will depend upon the efficiency of the farmer, the amount of fertilizer he uses, the fertility of the soil, and on a great many other factors.

Therefore I believe it can be stated with certainty that an allotment of acres will not control production to the degree we seek to control it in the various bills. However, we have used the acreage allotment control heretofore, rather than a unit measurement.

I introduced a bill at this session of Congress, which is pending before the Committee on Agriculture and Forestry. As yet no hearings have been held on it. I have not requested the distinguished chairman of the Committee on Agriculture and Forestry to hold hearings on it, because I know, with the present climate in the Department of Agriculture and the attitude of the President of the United States at this time, there is no chance whatever of having the bill passed by Congress this year.

We have begun an educational campaign, which I hope will be of some benefit at some future date in writing a farm bill which will give the farmers the same degree of protection which is now enjoyed by people who work under the minimum-wage law, and by people who are fortunate enough to belong to labor unions.

It has been stated on the floor of the Senate many times during the debate on the farm bill that the farm population now amounts to about 12 percent of the total population of the country; yet the people who till the soil for a living earn only slightly more than 3 percent of the Nation's income. It can be readily seen, therefore, that those who farm for a living earn about 25 percent of what the nonfarmers earn. That is a sad situation, particularly when we realize that farmers produce all the food we eat and produce all the raw fiber that we use to make clothing. They grow the timber that we use to build our homes and churches and other public buildings.

I believe that ultimately the answer to the farm problem must be predicated upon a system of domestic allotments, the domestic allotments for the basic commodities amounting to the farmers' individual share of the domestic market. Upon these commodities the farmer ought to be paid 100 percent of parity. After he receives his domestic allotment he should be permitted to produce whatever he sees fit to produce. This would give the farmer freedom to farm.

I am one who believes that an abundance of agricultural commodities in this country is a blessing, not an evil. I suggest that we let those commodities seek their level in price, and let them be exported, and let us continue to produce them for export. Every time we reduce our acreage in this country, it is increased overseas, and that applies whether it be cotton, tobacco, or any other commodity.

Therefore I say we should let each farm commodity seek its own level. I would have the Government, by compensatory payments, make up the difference between the domestic parity allotted to the individual farmer and the base level of the crop.

Such a program has been criticized as the Brannan plan. It is not the Brannon plan. All it does is to provide that the farmer who produces a basic commodity will receive the same fair share of the national income that is received by every other citizen in our country.

It would do for the farmers what the minimum-wage law does for the people who work in interstate commerce. It would do for the farmer what the power of collective bargaining does for the people who are fortunate enough to belong to unions. It would do for the farmer what tariff protection laws do for industry. It would give the farmer a fair share of the national income. It would recognize the fact that the standard of living in the United States is greater than in Brazil or India or Pakistan, and that we are not going to let the farmers of the United States compete with the farmers of Pakistan or India or Brazil for a standard of living.

Mr. CARROLL. I thank the junior Senator from Georgia for his very illuminating explanation, and also the distinguished Senator from New Mexico for his observations on the subject.

I have only this to say. Last year we had a farm bill before us. We talked about how that bill failed to live up to the promises made in the platforms of both political parties. Now here we are this year with a worse farm bill than last year. Unless we adopt a progressive and intelligent farm program, we will come back in 1960 with some new political programs but no real practical solution of the basic farm problems.

This is what we said in 1956: There are two soft spots in our economy. One

has to do with small business and the other has to do with the farm program.

We are now about to go home and as yet we have not squarely met these problems. The Democrats promised an agricultural bill of rights, and we have this weak bill before us today. Nor are there any stimulating farm ideas coming from the Republican side or from the Department of Agriculture.

I say to the distinguished Senator from Georgia [Mr. TALMADGE] that, although I do not fully comprehend the full implications of all he has said, I am impressed with the vigor with which he presented his ideas. At least he understands the concept of unit control. The Senator from New Mexico [Mr. ANDERSON] understands the concept of unit control. He did not deny the validity of that viewpoint. The view expressed by the Senator from Georgia certainly merits consideration by the chairman of the Committee on Agriculture and Forestry and by the members of his committee, as well as by the House Committee on Agriculture. We must move forward in this field. We are not doing that. The House has rejected a good farm bill. It was because the city people are getting sick and tired of carrying a heavy tax load caused by the great food surpluses which are being piled up as a result of a negative farm policy.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. CARROLL. I yield.

The PRESIDING OFFICER (Mr. CLARK in the chair). The Chair points out that the Senator from New Mexico had the floor when he yielded to the Senator from Colorado for a question.

Mr. CARROLL. In the absence of the Senator from New Mexico, I claim the floor.

Mr. BENNETT. I raise a point of order. How did the Senator from Colorado get the floor? He was not recognized.

Mr. CARROLL. The Senator from New Mexico yielded it to him, to leave the floor.

The PRESIDING OFFICER. Does the Senator from Utah raise a point of order?

Mr. BENNETT. I am questioning the transferring of the floor——

Mr. CARROLL. I have no desire to take the floor away from any Senator who wishes it in his own right. I received the floor from the distinguished junior Senator from New Mexico. I propounded a question to him, and I assume he went out to do some research on it. [Laughter.] I now have the floor.

Mr. BENNETT. I raise the point of order and ask for the floor.

The PRESIDING OFFICER. The Chair reluctantly is compelled to rule that the Senator from New Mexico yielded to the Senator from Colorado, under the rules, for a question, and that the Senator from Colorado does not have the floor in his own right.

Mr. CARROLL. If I do not have the floor, I shall have to yield it.

The PRESIDING OFFICER. The Chair recognizes the Senator from Utah.

Mr. BENNETT. Mr. President, I shall begin by apologizing to my colleague from Colorado. If the situation were not what it is, I would not have interrupted in this matter.

Interestingly, the Senator from New Mexico [Mr. ANDERSON] assured me an hour and a half ago that he intended to speak for only 5 minutes.

I am the sponsor of the pending amendment; and I have been under some pressure from the leadership on the other side of the aisle to get on with the business, so that Senators may vote tonight, and that voting can begin. So on that basis I have presumed, rudely, to claim the floor in order that the Senate may return to its orderly business.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. BENNETT. I am happy to yield.

Mr. CARROLL. I appreciate the courtesy of the Senator from Utah, and perhaps the time will come when I shall be able to repay in kind.

Mr. BENNETT. Mr. President, there is at the desk an amendment, which is the pending question, which, because of the nature of the parliamentary situation, has to be identified as an amendment to S. 2861. It is designated as "7-23-58-C." This amendment was intended to be offered to the wool bill, if that bill had been offered as a separate bill. Now that the wool bill has been offered as an amendment to the agriculture bill, the designation of the amendment, of course, must be an amendment in the second degree to the amendment, as modified, offered by the Senator from North Dakota [Mr. YOUNG].

I wish to make two modifications in my amendment. On page 2, line 13, the word "6" should be changed to "21."

On line 22, after "(3)", insert "of those who participate."

The PRESIDING OFFICER. Will the Senator from Utah restate the modification he desires to make? The Chair is in some doubt.

Mr. BENNETT. The first modification is on page 2, line 13, to change "6" to "21."

The second modification is on line 22, after "(3)", to insert "of those who participate," so that the sentence will read:

(3) of those who participate, at least two-thirds—

And so on.

The PRESIDING OFFICER. The Senator from Utah has a right to modify his amendment. The Senator may proceed.

Mr. BENNETT. I stand here tonight in an interesting, perhaps an unenviable, position. Most of my fellow Senators from the western wool-growing States have already spoken in opposition to the amendment I have offered. This fact might create the impression that I am antagonistic to the wool bill. The truth, of course, is far from that. I am very desirous of having the wool bill passed at this session, so as to continue the present program in its essential and important features.

However, one problem has been raised which I think is of sufficient importance to warrant the study and consideration of the Senate. I hope that the wool bill will be passed either as an amendment to the agricultural bill or as a separate bill, if that should become necessary.

S. 2861, the original wool bill, has been on the Senate Calendar for many weeks. During that time, a question has arisen over a matter of principle involving provisions of section 708 of the present law, which would be continued as law if the pending amendment of the Senator from North Dakota should be adopted and finally become law.

Under section 708, a program is provided whereby funds can be obtained to promote the greater use of wool and meat from sheep and goats. Under the present law, all those who raise sheep and goats are privileged to vote in a referendum; and if two-thirds of those who vote agree, a small fraction of the growers' benefits will be withheld by the Secretary of Agriculture, under an agreement, and expended for the promotional program.

So far as I know, there is no opposition among the wool growers to the continuation of the withholding program. My question arises because under the present program there is no provision for a minimum number or a percentage of the growers who must vote in the referendum before the results become binding on the industry. As things now stand, it is theoretically possible to put this program into operation if only 3 growers voted and 2 of them voted for the program. I recognize the fact that that sounds ridiculous, but it is theoretically possible.

In any event, a comparatively small percentage of the growers could make the decision and require the withholding of funds from every benefit paid to every grower in the United States.

In the last referendum, approximately 23 percent of the growers voted, and more than the necessary two-third voted for the program. So approximately between 16 and 17 percent of the sheep-growers in the United States put the program into operation, and effectively imposed a tax on the other 83 or 84 percent of the growers. I realize that the percentage was higher than that in terms of the total number of sheep; but that is the situation.

What bothers me, in addition to that, Mr. President, is the experience we have had with other programs in agriculture involving referendums. The record has been that when a referendum was new and interesting, a comparatively large number of growers voted; but as the referendum became a matter of accepted experience, the number has tended to diminish.

It is interesting to see that between 1954 and 1958—5 years—the number who voted in the wheat referendum dropped from 54½ percent of the growers to 26$\frac{3}{10}$ percent. That was a drop of more than half in 4 years.

In the cotton referendum, in 1955, 27 percent of the growers voted; in 1958, only 18 percent voted.

But the cotton picture becomes even more interesting, if we go back to 1938. The number of growers who voted in the upland cotton referendum in 1938 was 1,527,000. The number of growers who voted in 1958 was 229,000. Five-sixths

of those who voted the first time, said "Oh, what's the use? It is going to go through, and we are not bothered."

If the wool situation follows that pattern, we can expect in a year or two to find 10 percent of the wool growers of the United States imposing this tax on the other 90 percent.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. GOLDWATER. What is the tax used for?

Mr. BENNETT. It is turned over to an organization which develops a promotion program for the greater use and sale of lamb and wool and wool fabrics. I am sure Senators have seen advertisements to that effect in the national magazines and the local newspapers.

Mr. GOLDWATER. Was not the wool act intended to protect the American wool grower from foreign imports?

Mr. BENNETT. I am sure that is correct.

Mr. GOLDWATER. I do not say this as speaking against the Senator's amendment, but I think it will be of interest. The other day I saw a cigarette lighter carrying the inscription: "Lamb's my meat." That lighter was a giveaway or a present by the American Wool Growers Association. Does the Senator from Utah know where that lighter was made?

Mr. BENNETT. I would be interested to know.

Mr. GOLDWATER. It was made in Japan.

Mr. BENNETT. Fortunately for the American wool grower, so far as I know, sheep are not grown commercially in Japan. At least, we are not importing wool from Japan. We are importing much cotton. Maybe the Japanese will follow that lighter up. I hope not.

Mr. President, I think it is time for Congress to face this question as a matter of basic policy.

There are now before Congress proposals from other segments of agriculture which suggest the use of similar withholding programs, based on the same device of conducting a referendum within the industry. Following in the pattern set up in existing law applicable to the wool industry, these new proposals also suggest no minimum limit in the case of those whose votes would be permitted to bind the whole industry.

Therefore, I think it essential that we now consider the problem specifically, and begin to establish a policy pattern for every industry which wishes to use this device.

Obviously, there are two sides to the question. Already this evening the Senate has heard my colleague and very fine friend, the senior Senator from Utah [Mr. WATKINS], as well as other Senators from the West, attack the proposal I am making, and indicate that they do not support it.

There are those who are opposed to any requirement that a minimum number of those eligible to vote must vote if the referendum is to be valid. They argue that everyone who really is interested will have an opportunity to vote, and that the program should not be jeopardized because of indifference. On the other hand, there are those who feel that to accept this idea is to permit taxation without representation, so to speak—in other words, the establishment of a rule by which a small minority could impose a checkoff on a whole industry. I am one of those who do not believe that to be a sound principle; and for many weeks I have been urging my friends who take opposing views to try to find a common ground, so the question would not be involved in our consideration of the bill here in the Senate. Unfortunately, that has not happened.

Mr. YOUNG. Mr. President, will the Senator from Utah yield to me?

Mr. BENNETT. I am glad to yield.

Mr. YOUNG. Would the Senator from Utah be willing to have applied to wool the same principle that is applied in the case of milk marketing orders, meat marketing orders, wheat quotas, tobacco quotas, and so forth?

Mr. BENNETT. I think the time has come when we should consider adopting that principle as a basic one.

Unfortunately, as the Senator from North Dakota knows, the Senator from Utah is not directly involved in the handling of the agricultural program in the Senate, and thus he is not able to pass judgment on that particular question.

Mr. YOUNG. In Utah, there are many woolgrowers who have large herds, whereas in North Dakota the average herd of sheep is quite small.

Of course, in the case of wheat, when the total number of farmers who produce wheat is considered, it includes farmers who produce wheat on only 10 acres or 15 acres, and who therefore have no vote in the referendums. They are not permitted to vote, even if they wish to.

Mr. BENNETT. However, the heading on the publication of the Department of Agriculture is "Estimated Total Number of Those Eligible To Vote."

In the case of wheat, the number has dropped from 54½ percent of those eligible to vote to 26.3 percent of those eligible to vote.

Mr. MUNDT. Mr. President, will the Senator from Utah yield to me?

Mr. BENNETT. I am glad to yield to my friend, the Senator from South Dakota.

Mr. MUNDT. It seems to me that the proposal of the Senator from Utah [Mr. BENNETT] might lead to the adoption of a rather dangerous precedent; I refer to the proposal that, in order for an election to be valid, a certain percentage of the eligible voters must vote. For instance, if that principle were to be extended in its application, it might result in endangering the election of Senators.

I am sure that a principle such as the one now suggested by my colleague for application in this case would not be properly applied to presidential elections, Congressional elections, elections of school-board members, and so forth.

Mr. BENNETT. But today there is such a rule in the Senate; theoretically, unless 49 Senators are present, no action taken by the Senate is valid.

Mr. MUNDT. But I am referring to the election of Senators. No such rule applies to the election of Senators from Utah or from South Dakota, for instance. In such cases there is no rule that, in order to have a valid senatorial election, a certain percentage of the eligible voters must vote.

So I do not believe we should impose such a rule on the wool industry, when we would be unwilling to impose a similar rule upon ourselves.

Mr. AIKEN. Mr. President, will the Senator from Utah yield to me?

Mr. BENNETT. I yield.

Mr. AIKEN. I am afraid the Senator from South Dakota is unduly alarmed. It is common knowledge that the most successful and the most widely used marketing orders today are the milk-marketing orders; and in order to have a valid milk-marketing order, 66⅔ percent of the total number of producers are required to vote in favor of the order.

So what the Senator from Utah [Mr. BENNETT] proposes—and I do not say this as an argument in favor of his amendment—is far, far less than what is required today of the dairy producers.

I have said that in the case of milk-marketing orders, the requirement is that 66⅔ percent of the total number of producers vote. I believe that is true, although I am not sure that it is true in all areas. But I know it is true in the marketing areas with which I am most familiar.

Mr. BENNETT. Mr. President, I appreciate the statement the Senator from Vermont has made.

Mr. GOLDWATER. Mr. President, will the Senator from Utah yield to me?

Mr. BENNETT. I yield.

Mr. GOLDWATER. I wish to try to answer the Senator from South Dakota, without at the same time giving an equally good argument to my friend, the Senator from Utah. I may point out that in the past few years this body decided that more than 50 percent of the eligible voters would be required to vote, in order to have democratic processes applied in connection with the functioning of the unions of the country.

So, actually, what the Senator from Utah is proposing is less stringent than that proposal.

Mr. MUNDT. Mr. President, will the Senator from Utah yield further to me?

Mr. BENNETT. I yield.

Mr. MUNDT. I think it would be manifestly unfair to impose on the wool industry and the sheep industry such a new rule—namely, that in order for a referendum to be valid, a certain percentage of the eligible voters would have to vote.

It seems to me that in that connection it would be more in keeping with equity to evaluate the votes on the basis of the number of sheep in the flock of each individual voter—just as, in effect, a similar rule applies in the case of voting by stock owners.

However, in the case of the present proposal, there would be an additional restriction, namely, that a certain number of the persons who have sheep, and who are eligible to vote, must vote if the referendum is to be valid. I think such a restriction would vitiate the act.

Mr. BENNETT. Mr. President, obviously the Senator from South Dakota and I do not agree.

Mr. YOUNG. Mr. President, will the Senator from Utah yield further to me?

Mr. BENNETT. I yield.

Mr. YOUNG. One of the reasons why I oppose the amendment is the situation which exists in my own State. In North Dakota, sheep raising is a sideline; there are not more than one dozen large operators in the entire State. In fact, the average number of sheep in all the flocks on all the farms of the Nation is only seven.

So when sheep raising is only a sideline, those who raise sheep are not interested in taking the time and the trouble to vote; voting in connection with such matters does not mean that much to them.

In the case of the dairy farmers, inasmuch as most dairy farms are more or less of average size, it might be possible to impose such a requirement.

But in this case, I believe such an amendment would destroy this part of the program.

Mr. BENNETT. I should like to have a little discussion about arithmetic with my friend, the Senator from North Dakota. According to the best information I can obtain, there are between 315,000 and 320,000 woolgrowers or sheep owners in the Nation. But it seems to me that on the floor of the Senate it has been stated, this evening, that the sheep population is 30 million. Does the Senator from North Dakota know what the correct figure is?

Mr. YOUNG. According to the information I have, there are approximately 300,000 producers in the Nation.

Mr. BENNETT. That is correct. How many sheep are there?

Mr. YOUNG. Approximately 30 million.

Mr. BENNETT. If there are 30 million sheep and 300,000 sheep owners in the United States, the average flock in the United States is 100 sheep; it is not 7.

Mr. AIKEN. I suggest that the time of year makes a great difference as to the number of sheep. Lambs come into the picture from the end of February to June, which means that at that time of year there will be at least one-third more sheep than there were at the end of January.

Mr. BENNETT. But, of course, that number does not represent the difference between 7 and 100.

Mr. AIKEN. That is quite a difference.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. BENNETT. I am glad to yield.

Mr. LAUSCHE. I wish to ask a question for the purpose of obtaining information. Is there in the statutes anywhere a program providing for the advertising of a specific farm product the financing of which is done through a law such as is suggested by the Senator from Utah?

Mr. BENNETT. Yes. A sheep program has been in effect for 2 years. An advertising program is in operation. It is a fact. This bill would continue it.

Mr. LAUSCHE. What are the provisions of the present program with regard to the voting formula?

Mr. BENNETT. Two-thirds of those who vote must vote for the program. There is no minimum as to the number who must vote.

Mr. LAUSCHE. Do I understand correctly that is the present law?

Mr. BENNETT. That is correct.

Mr. LAUSCHE. That when two-thirds vote——

Mr. BENNETT. No; when two-thirds of those who vote.

Mr. LAUSCHE. Then the deduction becomes allowable?

Mr. BENNETT. It becomes mandatory as to everybody who receives a benefit under the program.

Mr. LAUSCHE. Is a similar program existent as to any other farm product?

Mr. BENNETT. Not that I know of; no program which involves the deduction of money .

Mr. LAUSCHE. A final question: What does the amendment of the Senator from Utah provide with regard to the existing law?

Mr. BENNETT. The amendment of the Senator from Utah is an amendment to the amendment offered by the Senator from North Dakota. The Senator from North Dakota proposes that the existing law should be continued for 4 years, practically without change. The Senator from Utah suggests this change.

Mr. THYE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. To whom does the Senator from Utah desire to yield?

Mr. BENNETT. Perhaps I had better conclude my colloquy with the Senator from Ohio. The amendment of the Senator from Utah would require that one-third of the growers must participate before the election referendum can become valid. If less than one-third participate, then there has been no decision.

Mr. THYE. Mr. President, will the Senator yield?

Mr. BENNETT. I yield to the Senator from Minnesota.

Mr. THYE. Who would conduct the election?

Mr. BENNETT. The Secretary of Agriculture.

Mr. THYE. Has not our philosophy been to have less regimentation and red tape, and would this not be adding to regimentation and red tape?

Mr. BENNETT. The amendment of the Senator from Utah does not change the law in that respect.

Mr. THYE. Those who desired to be regimented and to cast a vote could cast a vote; but those who did not care to vote were not compelled to vote.

Mr. BENNETT. They were not compelled to vote, but the money was taken from them.

Mr. THYE. That is correct, and the producer has not complained about it; but in this instance the Senator is proposing to make it mandatory that a certain percentage vote.

Mr. BENNETT. That is true.

Mr. THYE. Therein lie regimentation and mandatory provisions.

Mr. BENNETT. I do not think it is regimentation to ask that one-third of those eligible must vote before they bind the other two-thirds. Again, that is a difference of opinion between me and my friend.

May I continue with my statement, Mr. President?

In applying this principle to the wool bill, there were those who felt strongly that the minimum should be set at 40 percent of the wool growers who should be required to participate. I personally feel this percentage is too high, considering that there has been no limitation during the life of the present wool bill. I think the principle can be established if a smaller minimum participation is required.

I have selected the figure of 33⅓ percent because my conversations with both sides of this argument indicate that this seems to be the lowest figure that can be sustained without developing opposition which might be sufficient to jeopardize the whole bill. I agree that 33⅓ percent still represents a minority, but if it will serve to establish the principle, it can be adjusted up or down later, after we have had experience with it. At the same time, I realize that this requirement sets a very difficult task for the wool growers who favor this promotion program, and for the organizations that represent them.

In 1954, the latest date for which the Department of Agriculture has figures, there were approximately 315,000 producers of wool who would be eligible to vote. Eighty percent of these have small farm flocks, from 50 head down to 5.

Under this amendment, and if the number of producers has not grown materially, about 105,000 growers would have to participate to validate the referendum, and 70,000 would have to approve the program to put it into effect. In the last referendum some 67,000 voted. In effect, the number of voters would have to be increased by 38,000, or a little more than 50 percent. I agree that this would be difficult, but I do not think it is impossible to attain. In the past there was no need to work for total vote, and therefore no point in following through to get out a big vote. If the total vote becomes as important as a big affirmative vote, and I believe the two can be attained together, I believe this program can be sustained. Before, people could be indifferent without risk. The very knowledge that a minimum exists, and that to abstain is in fact to vote against the program, should encourage participation. Then, too, there has been a specific program in operation whose benefits can be pointed out and the whole continuation can be justified.

As I have said, Mr. President, I know our woolgrowers need this bill. I know, too, that without some such amendment as mine, there might be enough opposition to the bill as to put its passage in jeopardy. Therefore, I earnestly urge my colleagues to support the amendment and then support the Young proposal to include the wool bill in the general bill before us. By doing this, I think we shall not only make extension of the Wool Act easier and safer, but we shall set this principle of minimum participation up as a Senate policy for similar programs that may be considered in the future.

Mr. LAUSCHE. Mr. President, will the Senator yield for a further question?

Mr. BENNETT. I yield.

Mr. LAUSCHE. Where will the producers be if and when the time comes when, with respect to each farm product, there will be a similar situation prevailing as that which now prevails in the case of the woolgrowers? By that I mean when the producers of pork, lamb, beef, and other farm products find themselves, by legislative fiat, required to pay a certain amount of money into the fund for advertising purposes. My answer to the question, if I may answer my own question, is that they will be in the identical position they would be in if no law had ever been passed requiring compulsory contributions for advertising purposes.

Mr. BENNETT. It is the opinion of the Senator from Utah, judging by the record in the referenda with respect to other crops, it might well be that after a few years a small group in each area would control the situation and the rest of the growers would have given up and assumed they had no say or no need to have a say. I believe this is an important matter.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. AIKEN. I should like to make it plain that my reference to milk marketing orders a few minutes ago did not imply that a milk marketing order under Federal law permits any checkoff or deduction of funds for promotion purposes. There are several million dollars a year spent in promoting the use of milk and its products, but the funds for that purpose are all provided by voluntary checkoff on the part of the producer, or in some cases under State law where the checkoff is authorized for the promotion of dairy products within the State. There is no Federal law permitting a checkoff system for dairy producers for promotional purposes.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. BENNETT. I am happy to yield.

Mr. LAUSCHE. In Ohio efforts were made to secure the passage of a law dealing with one of the fruits, though I do not recall now which fruit. I took the position that such action would place upon many unwilling growers a burden which ought not to be imposed upon them by law, and that, if they wanted such a program, they ought to subscribe to it voluntarily and provide the necessary funds. I was opposed to the program. I would be opposed to this program if it were now initially before the Senate.

Mr. BENNETT. This program was adopted by the Senate 2 years ago. It is the hope of the Senator from Utah that it can be stiffened.

Mr. President, I have no desire to continue this discussion further. I hope a vote can be taken soon.

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. NEUBERGER. Mr. President, I rise, as we near a vote, to speak very briefly in favor of the Young amendment, which contains the provisions of the Wool Act, and to oppose the proposal by the distinguished Senator from Utah to modify the Young amendment.

When I was a member of the legislature in my State, we enacted laws to provide for the use of funds from the milk producers, dairy producers, and growers of wheat to advertise and promote those products. This program was set up by law. The program has been successful in my State. I doubt if very many dairy producers or wheat growers would like to see those laws repealed in Oregon. They have been very successful laws.

I learned only a few moments ago from the very able Senator from Kansas, who has been a leader in the field of agriculture, that somewhat similar legislation with respect to wheat was enacted in his State of Kansas. I believe the operation of the law is successful in that State.

I support the Young amendment without the modifying features proposed by the able Senator from Utah.

Mr. President, there is great interest among the woolgrowers of Oregon in the action the Senate takes relative to S. 2861, the important features of which are embodied in the Young amendment. I have had several communications expressing that interest, with all of them urging action on the bill as it came from the Committee. As cosponsor of this measure, I ask unanimous consent that wires and letters from Oregonians, including the Governor of Oregon, the Honorable Robert D. Holmes, be printed in the RECORD at this point in my remarks.

There being no objection, the telegrams and letters were ordered to be printed in the RECORD, as follows:

SALEM, OREG., *July 22, 1958.*

Senator NEUBERGER,
Senate Office Building,
Washington, D. C.:

Oregon sheepmen deeply concerned over lack of Senate action to date on Senate 2861 to extend the National Wool Act which understand has been on Senate Calendar past couple months. To plan their operations for 1959 including number of ewes held for breeding sheepmen must know promptly what conditions they will face during coming season. Your best effort toward calling this important bill up for Senate action without further delay will be greatly appreciated.

ROBERT D. HOLMES,
Governor of Oregon.

PORTLAND, OREG.

The Honorable RICHARD L. NEUBERGER,
Senator, Senate Office Building,
Washington, D. C.:

On behalf of the sheepmen of Oregon, I seek your assistance to get S. 2861 on the Senate Calendar. This bill extends to National Wool Act, and it is vitally important to the sheep industry that the National Wool Act receive favorable consideration by the Congress.

C. B. STEPHENSON,
President, First National Bank of Portland.

MAUPIN, OREG., *April 28, 1958.*

Senator RICHARD NEUBERGER,
United States Senate,
Washington, D. C.:

Woolgrowers of this area strongly urge immediate consideration of S. 2861 to extend Wool Act as Senate Agriculture Committee reported; also urge you oppose any amendments which might prevent accomplishing purposes of this act.

GEORGE WARD.

WASCO COUNTY.

FOSSIL, OREG., *April 28, 1958.*

Senator RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.:

Request you seek quick consideration of S. 2861 to extend Wool Act as approved by Senate Committee. We oppose any injurious amendments to promotion and self-felt program. Urge that you oppose such amendments on Senate floor.

J. P. STEIWER,
Secretary, Oregon Wool Growers.

CORVALLIS, OREG.

Senator RICHARD NEUBERGER,
Washington, D. C.:

Our members would appreciate your help in seeking early action on S. 2861 relative to extension of Wool Act reported by Agricultural Committee of Senate. We further request you use your influence in opposition to any amendments injurious to the intent of the act.

AMERICAN ROMNEY BREEDERS ASSOCIATION,
H. A. LINDGREN, *Secretary.*

LAKEVIEW, OREG., *June 23, 1958.*

Senator RICHARD NEUBERGER,
Senate Building,
Washington, D. C.:

Urgent get action renew Wool Act. Request your help.

FREEMONT SHEEPMANS' ASSOCIATION.

REDMOND, OREG., *July 22, 1958.*

The Honorable RICHARD L. NEUBERGER,
United States Senate Office Building,
Washington, D. C.:

The Agriculture Committees of both Houses have favorably acted on the Wool bill but it has not come to the floor of the House for action. We would like to urge your support on this matter since you realize the important of the Wool Act to the sheep industry and the welfare of our community. The sheep industry can not survive in the fact of foreign competition without sufficient tariffs and without any support program.

CENTRAL OREGON PRODUCTION CREDIT ASSOCIATION, REDMOND, OREG.,
By W. C. HAYS, *Secretary-Treasurer.*

THE DALLES, OREG., *July 22, 1958.*

Hon. RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.:

Would appreciate any help you can give to get bill, S. 2861, Wool Act on Senate floor for favorable consideration.

J. MERTIN STEIN,
Secretary-Treasurer, Mid-Columbia Production Credit Association.

ROSEBURG, OREG., *July 21, 1958.*

RICHARD NEUBERGER,
United States Senate,
Washington, D. C.:

Douglas County Livestock Association requests your support toward renewing National Wool Act. We feel it essential to our sheep industry. Your assistance urgently needed to get this legislation through before present act expires.

DARLEY WARE, *President.*

REDMOND, OREG., *July 21, 1958.*

Senator RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D .C.:

Please use best efforts to pass the Wool Act.

HENRY E. ROOPER.

ANTELOPE, OREG.

PORTLAND, OREG., *July 23, 1958.*
Hon. RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.:

May we call your attention to renewal of Wool Act of 1954, now favorably acted on by Agricultural Committees of both House and Senate, but has not been permitted to come to floor for action. Renewal of this act before adjournment of present session is vital to survival of western sheepmen and to woolen industry of this country. It is our hope that you will be able to give enactment of bill your active support.

PENDLETON WOOLEN MILLS,
C. M. BISHOP, *President.*

ECHO, OREG., *July 22, 1958.*
Senator RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.:

The Agricultural Committees of both Houses have favorably acted on the Wool bill to extend National Wool Act beyond 1958 marketing year. However, up to now, has not been permitted to come to the floor of either House. It would be bad for Oregon sheepmen to lose this support along with past reductions in tariff which the Wool Act is to reimburse growers. For I do not agree with the stand of the American Bureau of Federation, feel they should be ignored in this matter.

GAYLORD MADISON,
President of Umatilla Wool Growers.

CURRY COUNTY LIVESTOCK ASSOCIATION,
Gold Beach, Oreg., July 21, 1958.
Oregon Delegation in Congress: WAYNE MORSE, RICHARD NEUBERGER, WALTER NORBLAD, Mrs. EDITH GREEN, AL ULLMAN, CHARLES PORTER:

The sheep industry and wool income is of vital importance in Oregon. While we are generally opposed to subsidies we must admit that the wool incentive payment is most economically sound and of most vital importance to our total economy and preparedness.

Our sheep population in the United States is approximately half the number on farms during the early OPA uneconomic regulations period when WAYNE MORSE made his daily speech opposing restrictions on lamb marketing. At that time he predicted it would put our sheepmen out of business, and it did, many of them. During World War II southern hemisphere wool was stockpiled again, making the woolgrower a victim of controlled economy disadvantages. The sheep industry plays a very important part in good land use and should be encouraged.

Now we are threatened with political negligence. The Agricultural Committees of both Houses have favorably acted on the wool bill but it has not been permitted to come to the floor of either House for action. There is now a grave danger that Congress will not act at this session and there may be less than 3 weeks left before they adjourn.

We urgently request that the Oregon delegation use their combined influence and united action to get the wool incentive bill on the floor before Congress adjourns this session. Thank you very much.

Yours very truly,
CHARLES R. KNOX,
President, Curry County Livestock Association.

WESTERN OREGON LIVESTOCK ASSOCIATION,
McMinnville, Oreg., April 28, 1958.
Hon. RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.:

I want to take this opportunity to urge that you seek early consideration and action on S. 2861, to extend the Wool Act as reported by the Senate Agriculture Committee.

Since wool is classed as a strategic commodity and production below a safe level in the United States, I surely oppose any tieup with any other commodity.

Checked on prices here in Yamhill County, Oreg., today; 36 cents per pound long grades, 31 cents per pound lamb wool and short wool. Last year as of April 28 was 64 cents per pound.

The sheepman, both large and small, needs this act extended and intact.

Sincerely yours,
WALTER A. SHUMWAY,
President, Western Oregon Livestock Association.

PACIFIC WOOL GROWERS,
Portland, Oreg., July 10, 1958.
The Honorable RICHARD NEUBERGER,
United States Senate,
Washington, D. C.

MY DEAR SENATOR NEUBERGER: I had intended to write you this letter previous to the time that the debate in the Senate came up on the farm bill. However, I expect that progress has not gone so far but what we may present our views, which might be helpful to you.

Naturally, we hope that you will support vigorously, the extension of the Wool Act, which, as you know, is vital to the preservation of the domestic sheep industry.

It is our understanding that you have on hand a separate wool bill, S. 2861, which is still on the calendar and might be brought up separately if the Wool Act is not extended as a part of the farm bill, should it pass. Of course, if the farm bill should be defeated, every effort should be made to have the Wool Act passed separately. This is the considered opinion of the entire industry, both manufacturers and producers.

Your cooperation and support in accomplishing the end sought, will be sincerely appreciated. We also hope that you will oppose any amendment intended to cripple the operation of the Wool Act, as we understand such a move might be in the offing.

Mr. Edwin E. Marsh, who is secretary of the National Wool Growers Association, is in Washington, staying at the Hotel Continental. His telephone number is National 8-1672. If there is any information you require concerning the legislation from the standpoint of the domestic woolgrowers, he will be very glad to furnish it to you.

Cordially,
R. A. WARD,
General Manager.

EUGENE, OREG., *July 17, 1958.*
Senator RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.:

The Oregon Wool Growers Auxiliary asks you to please not allow any amendments to be added to section 708 of the National Wool Act Renewal.

Mrs. MARION G. KREBS,
President, Oregon Wool Growers Auxiliary.

ARLINGTON, OREG., *July 20, 1958.*
Senator RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.:

We urgently request you make every effort to have the wool bill brought out of the Agriculture Committee to the floor of the Senate for action before Congress adjourns. The fate of the sheep industry is at stake. Further liquidation can be stopped only by extension of this act.

GEORGE SHANE & SON.

PORTLAND, OREG., *July 19, 1958.*
Hon. RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.:

We understand that the agricultural omnibus bill containing the wool incentive program was defeated. This is a serious blow to the sheepmen of Oregon and urgently request your assistance in introducing and supporting new legislation which will continue the present program for another 4 years. As we are financing a large portion of sheepmen in the Northwest we realize the value of the incentive program. In our estimation this program has definitely carried out the original intent and has been beneficial in stabilizing the sheep industry in our area; therefore, we feel that it would be very unwise to discontinue this program now.

NORTHWEST LIVESTOCK PRODUCTION CREDIT ASSOCIATION.

VALE, OREG., *July 19, 1958.*
Hon. RICHARD L. NEUBERGER,
Washington, D. C.:

Urgently request your full support for passage of S. 2861. Industries desperately in need of Wool Act extension.

Kindest regards.

JULIAN ARRIEN.

HEPPNER, OREG., *July 21, 1958.*
Senator RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.:

Urgently request your efforts be directed toward extension of National Wool Act this session.

VIRGINIA and DICK WILKINSON.

HEPPNER, OREG., *July 21, 1958.*
Senator RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.:

Urgently request your efforts be directed toward extension of National Wool Act this session.

WAVEL WILKINSON.

HEPPNER, OREG., *July 21, 1958.*
Senator RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.:

Urgently request your efforts be directed toward extension of National Wool Act this session.

SHIRLEY and GEORGE RUGG.

BROOKINGS, OREG., *July 20, 1958.*
Senator NEUBERGER,
Washington, D. C.

HONORABLE SIR: We urgently request that you act immediately on the National Wool Act before Congress adjourns this session.

Sincerely,
DELMAR COLEGROVE, Sr.

BROOKINGS, OREG., *July 20, 1958.*
Senator NEUBERGER,
Senate Office Building,
Washington, D. C.:

I urge you to do everything possible for passing of the National Wool Act.

GENE COLEGROVE.
HARBOR, OREG.

ONTARIO, OREG., *July 21, 1958.*
Senator RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.:

Request support and immediate action for extension of National Wool Act.

D. F. FRASER.

COQUILLE, OREG.
Senator RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.:

Request your immediate efforts to bring bill to extend Wool Act from committee and through Congress this session. Wool support ends this year unless this bill is passed now.

HOLLIS MAST,
President, Coos County Livestock Association.

PORTLAND, OREG., *July 23, 1958.*
RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.:

As passage of National Wool Act is essential for survival of Oregon woolgrowers, suggest all possible effort for renewal of act before Congress adjourns.

PORTLAND WOOL TRADE ASSOCIATION,
THOMAS B. BISHOP, *President.*

KLAMATH FALLS, OREG., *July 24, 1958.*
Hon. RICHARD NEUBERGER,
United States Senate,
Washington, D. C.:

We urge renewal of the 1954 Wool Act, Senate bill 2861.

BOARD OF DIRECTORS, KLAMATH PRODUCTION CREDIT ASSOCIATION.

COOPERATIVE EXTENSION WORK IN AGRICULTURE AND HOME ECONOMICS,
STATE OF OREGON,
McMinnville, May 5, 1958.

Hon. Senators WAYNE MORSE, RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.

GENTLEMEN: It has been called to our attention that Senate bill 2861 regarding the extension of the wool program is about to be brought before the Senate for vote.

The price of wool in Yamhill County is lower this year than it has been for several years. Our sheep producers feel they need the support given them through this Wool Act. Therefore, the Yamhill County Livestock Association solicits your support in helping to pass this bill.

Sincerely yours,
VERYLE JONES,
President of Yamhill County Livestock Association.

OAKLAND, OREG., *July 22, 1958.*
Hon. RICHARD L. NEUBERGER,
United States Senator,
Washington, D. C.

DEAR SENATOR NEUBERGER: I am writing relative to the Wool Act.

Woolgrowers are faced with ruinous low prices if the Wool Act is not renewed. Wool is an important commodity from the standpoint of defense, and our growers are an important segment of our Oregon agricultural economy.

I would urge every effort on your part to see that this important piece of legislation is passed before Congress adjourns.

Sincerely yours,
EUGENE H. FISHER,
Member, Pacific Wool Growers Board of Directors.

Mr. NEUBERGER. Mr. President, S. 2861 was reported by the Senate Agriculture and Forestry Committee April 21. I believe I have heard of no particular opposition to the measure, although there may be a minority who would favor moderate amendments. Judging by my constituents, it has unanimous backing from the wool growers and equally strong support from allied industries.

I would like to emphasize the point made by the Governor of Oregon, in his wire, in which he invites attention to the fact that woolgrowers are at this time planning their operations for 1959. In determining the number of ewes to be held for breeding, sheepmen should know very shortly the conditions under which they will operate next year. Favorable action now on the wool measure would help greatly in this respect.

The urgency of this bill was especially emphasized to me yesterday by ex-State Senator W. H. Steiwer, of Fossil, Oreg., an official of the National Wool Growers Association and a past president of the Oregon Wool Growers Association, with whom I discussed the problem. Mr. Steiwer has raised sheep for many years in the Blue Mountain area of eastern Oregon, and is a recognized authority on matters pertaining directly to wool production.

Mr. President, in supporting the bill we are not experimenting but rather putting our stamp of approval on the tested program, which has won support from all segments of the wool industry. I urge prompt and favorable action, and I should like to ask unanimous consent to have printed in the CONGRESSIONAL RECORD, at this point, a letter I wrote to the able Senator from Utah [Mr. BENNETT] earlier this week, on the urgency of extending the Wool Act.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 22, 1958.
Hon. WALLACE F. BENNETT,
Cochairman, Conference of Western Senators,
United States Senate,
Washington, D. C.

DEAR SENATOR BENNETT: I am pleased to hear that you have asked the majority leader to call up S. 2861 separately if it is determined S. 4071 is not to be considered.

I have heard from the wool people in Oregon who are concerned over the question of incentive price and the question of the number of ewe lambs to retain. Of course, they must decide these questions in the next few weeks. The action taken on the wool bill will, I know, determine the decisions of the woolgrowers in this respect. As a cosponsor of S. 2861, I appreciate your sending me a copy of your letter in which you have very properly brought this matter to the attention of the Majority Leader just at this time.

With kind regards, I am,
Sincerely,
RICHARD L. NEUBERGER,
United States Senator.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. YOUNG. Mr. President, I will take only a half minute.

The Secretary of Agriculture now has authority to do exactly what the Senator from Utah is proposing. The Secretary can require that higher percentage of producers vote if he wants to. This is a good program. I believe the amendment would kill this very good program.

Mr. BENNETT. Mr. President, I am afraid I must ask the Senator from North Dakota to explain his statement. It is my understanding the Secretary of Agriculture has the power to require a higher percentage of those who participate, but no power to set a minimum on the participation.

Mr. YOUNG. The Secretary has the authority to require a higher percentage of participation.

Mr. BENNETT. Of those who participate?

Mr. YOUNG. Yes.

SEVERAL SENATORS. Vote! Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Utah [Mr. BENNETT] to the amendment, as modified, offered by the Senator from North Dakota [Mr. YOUNG]. [Putting the question.]

The amendment to the amendment was rejected.

Mr. HUMPHREY. Mr. President, I ask for the yeas and nays on the Young amendment.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from California will state it.

Mr. KNOWLAND. Is the request of the Senator for the yeas and nays on the Young amendment?

Mr. HUMPHREY. The Senator is correct.

The PRESIDING OFFICER. The Senator from Minnesota requests the yeas and nays on the Young amendment. Is there a sufficient second?

The yeas and nays were ordered.

Mr. ALLOTT. Mr. President, I want to state briefly my support of the amendment offered by the hard-working junior Senator from North Dakota [Mr. YOUNG]. The modifying language he has developed, which provides a ceiling of 85 percent of parity on wool supports from tariff receipts, is unquestionably fair, reasonable and equitable.

As has been noted earlier by the able senior Senator from Wyoming [Mr. BARRETT], who is one of this country's truly distinguished authorities on our wool industry, the Wool Act must be extended if we are to keep the sheep industry safely on the road to recovery.

The Department of Agriculture has recommended extension of the Wool Act. Our own Agriculture and Forestry Committee has recommended it. Our domestic industry cannot survive without it. And, Mr. President, I know of no reason for not continuing this eminently successful program.

To illustrate how some of the people in Colorado feel about this matter, I would like to have printed in the RECORD some of the telegrams and letters I have received, and for that purpose ask unanimous consent.

There being no objection, the telegrams and letters were ordered to be printed in the RECORD, as follows:

GYPSUM, COLO., *July 23, 1958.*
Senator GORDON ALLOTT,
Senate Office Building,
Washington, D. C.:

We want and need the National Wool Act extended. Please contact Congressmen W. S. HILL and J. E. CHENOWETH. Please do all you can for us.

Thanks.

J. LEROY MAYNE.

ASPEN, COLO., *July 23, 1958.*
Senator GORDON ALLOTT,
Senate Office Building,
Washington, D. C.

DEAR SIR: Respectfully urge your efforts on behalf of the wool bill.

Appreciatively.

A. PERRY CHRISTENSEN.

SALIDA, COLO., *July 23, 1958.*
Hon. GORDON ALLOTT,
Senate Chambers,
Washington, D. C.:
The sheep industry in Colorado urgently needs the extension of the Wool Act.
E. E. NYWMYER.

SALIDA, COLO., *July 23, 1958.*
Hon. GORDON ALLOTT,
Senate Chambers,
Washington, D. C.:
We urge you to expend all possible effort toward immediate passage of Wool Act.
WILLIAM E. BRAY,
GEORGE MIKE YOUNG,
MARSHALL HUGHES,
ROY DAVIS,
EDWIN JACOBS,
FLOYD KINION,
San Miguel Wool Growers Association.
REDVALE, COLO.

SALIDA, COLO., *July 23, 1958.*
Hon. GORDON ALLOTT,
Senate Chambers,
Washington, D. C.:
The survival of our sheep industry is in the extension of the Wool Act.
HIXON RANCH CO.
REX HIXSON.
ORDWAY, COLO.

SALIDA, COLO., *July 23, 1958.*
Hon. GORDON ALLOTT,
United States Senate,
Washington, D. C.:
Please do everything possible to get the wool bill passed.
T. C. ALEXANDER,
Member, Board of Directors, President of Saguache County Wool Growers Association.

SALIDA, COLO., *July 23, 1958.*
Senator GORDON ALLOTT,
Senate Chamber,
Washington, D. C.:
Would appreciate all you can do to urgently pass the Wool Act.
JOSEPH R. BERNARD,
Saguache County Wool Growers.

SALIDA, COLO., *July 23, 1958.*
Hon. GORDON ALLOTT,
Senate Chamber,
Washington, D. C.:
Respectfully request your immediate support of the Wool Act.
M. R. RIGGENBACH,
President, Rio Grande Wool Growers.
MONTE VISTA, COLO.

RIFLE, COLO., *July 23, 1958.*
Senator GORDON ALLOTT,
Senate Building,
Washington, D. C.:
Your efforts to extend the wool bill before adjournment will be appreciated by our organization and the sheepmen of western Colorado.
RIFLE PRODUCTION CREDIT ASSOCIATION.

NATIONAL WOOL GROWERS ASSOCIATION,
Salt Lake City, Utah, July 21, 1958.
Hon. GORDON ALLOTT,
Senate Office Building,
Washington, D. C.
DEAR SENATOR ALLOTT: Thank you for your letter of July 10 in response to my recent telegram regarding the National Wool Act extension.

Since the sheep industry is a long-range operation and requires considerable planning ahead, it is most important for growers to know this summer what returns they can expect next year so that they can know what to pay for ewe lambs and also to arrange financing for 1959. If the National Wool Act is not extended, increased liquidation of sheep numbers will result. We, therefore, hope that action can be taken either through amending the Senate farm bill to include the Wool Act extension or by bringing S. 2861 to the floor for separate action.

Any assistance you can give us in this connection will be greatly appreciated.

Sincerely yours,
EDWIN E. MARSH,
Executive Secretary.

RIO GRANDE COUNTY FARM BUREAU, INC.,
Monte Vista, Colo., July 21, 1958.
Senator GORDON ALLOTT,
Washington, D. C.
HONORABLE SIR: It has been brought to my attention that the Wool Act for 1959 has not been acted upon in the current legislature.

The Agriculture Committees of both the Senate and House have favorably acted on the wool bill, but it has not been permitted to come to the floor of either House for action.

If there is no Congressional action, when the present Wool Act expires at the end of the 1958 marketing year, there will be no law authorizing a support program for wool and no promotion program, either.

The domestic wool industry cannot survive in the face of foreign competition without sufficient tariffs and without any support program.

We trust that you and the Senate will consider this very important matter before adjourning this year.

Yours very truly,
GLEN W. NASH,
Legislative Chairman.

FARMERS AND MERCHANTS BANK,
Monte Vista, Colo., July 22, 1958.
Hon. GORDON ALLOTT,
United States Senator from Colorado, Senate Office Building, Washington, D. C.
DEAR MR. ALLOTT: As you no doubt realize, the sheep business is very important to the Rocky Mountain empire. With the incentive payment the growers have been making a small progress with their deals, but without it many would have been forced out of business.

It is imperative that the wool program be renewed, and I hope you will use your influence to get the Wool Act renewed before Congress adjourns.

Very truly yours,
C. W. DORNEY.

MONTE VISTA, COLO., *July 22, 1958.*
Senator GORDON ALLOTT,
Senate Office Building,
Washington, D. C.
DEAR SENATOR ALLOTT: Will you please lend your support to the passing of the wool bill before the end of the current session of Congress?

I understand the Agriculture Committees of both Houses have acted favorably on this bill, and we need it here in the West. Your support of this program will greatly be appreciated.

I would also like to urge your support for Federal aid to vocational education. Our vocational agriculture programs are a great asset to our community, State and our Nation.

Thanks for your attention to these matters.

Sincerely,
ROBERT P. KELLY.

Mr. WILLIAMS. Mr. President, I am opposed to the extension of the Brannan plan for the wool industry for another 4 years.

For the past 4 years we have spent over $180 million in subsidy payments to the producers of wool. Under this formula the farmers can sell their wool in the open market and not be in the least concerned as to the price received since they can bill the United States Government for the differential between the price received and the support price, which for the past several years has been fixed at 62 cents per pound.

The argument is advanced that these subsidy payments go to more than 250,000 wool producers; however, statistics show that while there may be over 250,000 wool producers in America, a substantial part of the benefits goes to a small percentage of the lot.

For instance, in 1956 subsidy payments from the Government in the amount of $51,870,000 were mailed to 287,229 producers; however, statistics show that while 287,000 producers participated in the 51.8 million subsidy payments in 1956, 6,426, or only 2¼ percent, of this number received 44 percent of the total, or $22,891,243.93.

As an example of some of the so-called small farmers who are being helped by this Brannan plan subsidy, the record shows that in 1956 Armour & Co., meatpackers in Chicago, received $80,990.78, while Swift & Co., also meatpackers in Chicago, received a total of $58,892.21.

I ask unanimous consent to have printed in the RECORD a table showing breakdown of the distribution of payments of $1,000 and over by size groups for the year 1956.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Payments under the National Wool Act of 1954 [1]—Distribution of payments of $1,000 or more by size groups

	Shorn wool payments		Unshorn lamb payments	
	Number	Amount	Number	Amount
$60,000 and over	1	$61,983.80	----	----
$50,000–$59,999	2	109,905.37	----	----
$40,000–$49,999	6	262,329.62	----	----
$30,000–$39,999	12	395,542.92	----	----
$25,000–$29,999	25	682,606.94	----	----
$20,000–$24,999	30	802,529.60	----	----
$15,000–$19,999	71	1,195,604.04	1	$19,529.35
$10,000–$14,999	209	2,518,648.01	7	78,657.25
$5,000–$9,999	774	5,321,018.30	38	247,172.04
$3,000–$4,999	1,108	4,285,128.21	99	376,175.38
$2,000–$2,999	1,253	3,067,174.43	151	361,450.72
$1,000–$1,999	2,926	4,128,775.69	667	915,748.11
Total 1,000 and over	6,426	22,891,243.90	963	1,996,732.85

Compiled by Livestock and Dairy Division, CSS, U. S. Department of Agriculture from listings submitted by ASC county offices pursuant to Notice LD-40 (Jan. 28, 1958) and telegram Feb. 7, 1958, to ASC State offices requesting a special report on payments made by each ASC county office. Payments to the same grower by more than 1 county office have not been combined and are shown in this report as separate payments.

[1] Growers receiving payments of $1,000 or more on either shorn wool or unshorn lambs for the 1956 marketing year listed according to amount of payment.

Mr. WILLIAMS. There were 365 wool producers who received $10,000 or more each, as shorn wool payments, or a total of $6,089,147.30, which represents an average of over $16,500 each.

These 365 producers, out of the total of 287,000 wool producers received 11½ percent of the payments, yet they represented only about one-eighth of 1 percent of the number of producers.

When this program was first started the proponents argued that it would be self-supporting by setting aside the cus-

tom payments received on the importation of wool. At the time the fund had an accumulated balance of $68,655,000. In 1955, 1956, 1957, and 1958 collections in the amounts of $31,480,000, $28,157,000, $23,390,000, and $33,015,000 were added, bringing the total to $184,697,000. Total payments under the wool-subsidy program for the years 1955, 1956, 1957, and 1958 were listed as follows:

1955	$58,000,000
1956	53,100,000
1957	30,900,000
1958	42,000,000

Figures for the years 1957 and 1958 are estimates.

As indicated from this report the fund is broke, and there is not enough money available at the present time to continue making payments even under the existing law. This is recognized by the proponents of this legislation when under section (b) of the pending proposal there is contained the enabling authorization for the appropriation of whatever further amounts may be necessary.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. YOUNG. That provision was changed after the bill left the committee. The price support is now limited to 85 percent of parity if there is not sufficient income from the tariff.

Mr. WILLIAMS. The amendment still carries enabling legislation to appropriate whatever money may be necessary to make the payment, up to 85 percent; does it not?

Mr. YOUNG. That is correct.

Mr. WILLIAMS. That is what I said.

Imagine the potential cost should this socialistic formula be extended to all agriculture programs as was advocated under the preceding administration and as will be advocated again unless this principle is stopped. There is not money in the Federal Treasury to advance such a wholesale giveaway program.

Only recently this same socialistic formula was approved by the Senate for practically the entire mining industry, and that measure is now pending before the House of Representatives.

With our Government currently spending at a rate of over $1 billion per month in excess of its income it is time for the Congress to call a halt to these expensive programs—otherwise, we will be responsible for touching off another round of inflation.

Let us not overlook the fact that our national debt is already bumping the ceiling, and the most conservative estimate for the next fiscal year is that at a minimum we will have a deficit in excess of $10 billion. This has got to stop, and the time to stop it is now. Let us stop authorizing these socialistic gravy trains for every special group.

I ask unanimous consent to have inserted in the RECORD a list of those subsidy payments which were made to the wool producers of $10,000 or more.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Warren Livestock Co., Cheyenne, Wyo., $61,983.80.
M. & R. Sheep Co., Oildale, Calif., $56,831.49.
Armour & Co., West Fargo, N. Dak., $53,073.88.
Bolthauser & Moyer, Inc., Fargo, N. Dak., $46,501.95.
Covey Bagley et al., Cokeville, Wyo., $46,035.35.
Salyer Land Co., Corcoran, Calif., $44,001.78.
Blair & Hay Land and Livestock, Rock Springs, Wyo., $42,792.03.
Deseret Livestock Co., Salt Lake City, Utah, $41,623.37.
Paul Blood, Morrill, Nebr., $41,375.14.
Bruneau Sheep Co., Boise, Idaho, $39,327.25.
Herman Werner, Casper, Wyo., $36,603.87.
Hendricks Co., Flying H, N. Mex., $36,233.56.
J. E. White & Sons, Marfa, Tex., $34,051.14.
C. B. Land & Cattle Co., Ely, Nev., $31,661.84.
Flat Top Sheep Co., Jerome, Idaho, $31,613.91.
Ray W. Willoughby, San Angelo, Tex., $31,608.89.
Frank A. Hubbell Co., Albuquerque, N. Mex., $31,243.44.
Redd Ranches, LaSalle, Utah, $31,148.49.
Table Mountain Co., Willow Creek, Mont., $30,881.31.
Emmett Elizondo, Fruita, Colo., $30,803.14.
C. M. French, Willows, Calif., $30,366.08.
James Iriart, Bakersfield, Calif., $29,835.20.
J. R. Broadbent, Evanston, Wyo., $28,839.58.
Palm Livestock Co., Elk Mountain, Wyo., $28,748.99.
Seaton Ranch Co., Fort Shaw, Mont., $28,510.46.
Swift & Co., Omaha, Nebr., $28,364.35.
Bridegaray & Sagardia Bros., Fresno, Calif., $28,241.37.
Gaston Erramouspe, Rock Springs, Wyo., $28,230.86.
John D. O'Conner & Sons, Klamath Falls, Oreg., $28,087.95.
C. F. Flower, Sunnyside, Wash., $27,905.14.
Wardlaw Bros., Del Rio, Tex., $27,809.30.
Werner, Inc., Casper, Wyo., $27,651.38.
Jumpcreek Sheep Co., Boise, Idaho, $27,570.82.
J. P. White, Jr., Roswell, N. Mex., $27,425.22.
Paradise Sheep Co., Phoenix, Ariz., $27,337.06
Sutter Basin Corp., Robbins, Calif., $27,299.62.
Hatch Bros. Co., Woods Cross, Utah, $27,065.53.
E. R. E. Sheep Co., Bakersfield, Calif., $27,030.64.
Mortons, Inc., Douglas, Wyo., $26,617.87.
Cow Creek & Pioneer Co., Rawlins, Wyo., $26,578.74.
Fowlkes Bros., Marfa, Tex., $26,105.22.
G. N. Nelson & Sons, Denver, Colo., $26,005.96.
Diamond Ring Co., Casper, Wyo., $25,555.27.
Bidart Bros. & Tejon Co., Bakersfield, Calif., $25,340.06.
Sullivan Co., Medicine Bow, Wyo., $25,269.79.
Joseph Mouren & Sons, Huron, Calif., $25,177.56.
Bar X Sheep Co., Rock Springs, Wyo., $24,968.17.
Sieben Livestock Co., Helena, Mont., $24,860.32.
Hixson Ranch, Ordway, Colo., $24,605.83.
Fred W. Bennett & Son, Mountain Home, Idaho, $24,444.49.
W. T. Jenkins Co., Battle Mountain, Nev., $24,281.12.
AJA Sheep Co., Buckeye, Ariz., $24,167.75.
Faure & Servel, Quincy, Wash., $24,117.51.
Perry Land & Livestock Co., North Salt Lake, Utah, $24,071.38.
L. U. Sheep Co., Worland, Wyo., $23,824.89.
Mervin Derue, Starbuck, Wash., $23,805.49.
Fine Sheep Co., Nyssa, Ore., $23,353.79.
Carl E. Nicholson, Boise, Idaho, $23,206.26.
Bacon Ls Co., Inc., Jerome, Idaho, $23,063.58.
E. Quintana, Marsing, Idaho, $22,421.54.
Ramon Perez, Vaughn, N. Mex., $22,409.91.
Imperial Land & Cattle Co., Imperial, Calif., $22,306.87.
A. J. Vey, Echo, Oreg., $22,242.27.
A. T. McDannald, Hurtsel, Colo., $22,101.76.
YO Ranch, Mountain Home, Tex., $22,098.16.
C. A. Lewis, Cowley, Wyo., $21,855.22.
Frisco Mt. Sheep Co., Phoenix, Ariz., $21,757.86.
Sieben Ranch Co., Helena, Mont., $21,684.19.
Sycamore Feed Yard, Sycamore, Ill., $21,648.41.
Ray Eyherabide, Bakersfield, Calif., $21,569.20.
J. P. Ansolabehere, Bakersfield, Calif., $21,318.13.
L. L. Sheep Co., Casper, Wyo., $21,200.57.
Joe Mendiburu, Oildale, Calif., $21,137.85.
Stratton Sheep Co., Rawlins, Wyo., $21,128.48.
Lee B. & Harold Corn, Roswell, N. Mex., $21,025.78.
Two Bar Livestock Co., Casper, Wyo., $20,634.07.
E. V. Wing, Gerber, Calif., $20,508.56.
Midland Dunten Sheep Co., Rock Springs, Wyo., $20,198.
Soulen Livestock Co., Weiser, Idaho, $20,124.81.
J. D. Aldecoa & Son, Boise, Idaho, $20,112.38.
Jack Lane, Ketchum, Idaho, $20,111.59.
Simon Harriet & Sons, Buffalo, Wyo., $20,076.48.
H. H. McGee, Roswell, N. Mex., $20,061.24.
Shamrock Ranch Co., Casper, Wyo., $20,023.38.
Pat & Abb Rose, Del Rio, Tex., $20,002.31.
Manger Ranches, Inc., West Sulphur Springs, Mont., $19,975.87.
Burke Sheep Co., Casper, Wyo., $19,752.20.
Miller Bros., Inc., Cleveland, Mont., $19,588.
Espil Sheep Co., Glendale, Ariz., $19,564.93.
Parrott Investment Co., Chico, Calif., $19,290.13.
Green River & Big Sandy Livestock, Rock Springs, Wyo., $19,160.31.
George Coutis, Worland, Wyo., $18,958.36.
Kuhr Land & Livestock, Cleveland, Mont., $18,909.40.
R. H. Bennett & Son, Mountain Home, Idaho, $18,805.72.
Magagna Bros., Rock Springs, Wyo., $18,770.47.
Milton Rudnick, Bakersfield, Calif., $18,752.15.
Pete Itiana, Deeth, Nev., $18,637.81.
W. H. & W. E. Corn, Roswell, N. Mex., $18,576.77.
Field Bros., Sonora, Tex., $18,349.39.
Lloyd Sorensen, Elko, Nev., $18,318.96.
Smith Creek Livestock Co., Elko, Nev., $18,182.47.
Leo Sheep Co., Rawlins, Wyo., $18,164.58.
Bill Smith, Boise, Idaho, $18,156.87.
National Livestock Co., Carlsbad, N. Mex., $17,795.71.
Grabbart Bros., Emblem, Wyo., $17,772.77.
Sylvan Pauly, Deer Lodge, Mont., $17,691.99.
R. C. Rich Sheep Co., Burley, Idaho, $17,684.91.
John & George Arkoosh, Gooding, Idaho, $17,583.86.
John Ellis, Casper, Wyo., $17,459.07.
Big Timber Livestock Co., Billings, Mont., $17,357.67.
Leland Ray Smith, Craig, Colo., $17,349.68.
Charles Lau, Idaho Falls, Idaho, $17,263.18.
Hammett Livestock Co., Hammett, Idaho, $17,237.21.
Peter H. Anderson, Alder, Mont., $17,202.72.
Coffin Sheep Co., Yakima, Wash., $17,103.89.
Highland Livestock & Land Co., Emmett, Idaho, $17,091.32.

McGregor Land & Livestock Co., Hooper, Wash., $17,030.88.
Estate of J. A. Manterola, Peoria, Ariz., $16,739.46.
Clayton Long, Shoshoni, Wyo., $16,707.27.
Spencer Sheep Co., Idaho Falls, Idaho, $16,667.83.
Frank Runyan, Hope, N. Mex., $16,582.33.
Buzzard Ranch Co., Alcova, Wyo., $16,363.38.
Cokeville Land & Livestock, Cokeville, Wyo., $16,314.44.
Taylor Ranch Co., Midwest, Wyo., $16,239.30.
J. B. Saldubehere, Bakersfield, Calif., $16,126.23.
Idaho Livestock Co., Challis, Idaho, $15,922.98.
Ralph Faulkner, Gooding, Idaho, $15,909.94.
J. L. Sprinkle Co., Chinook, Mont., $15,868.60.
Dan J. Cavanugh, Twin Falls, Idaho, $15,867.22.
Macrae Sheep Co., Paul, Idaho, $15,780.92.
Noriega Sheep Co., Bakersfield, Calif., $15,730.09.
Cunningham Sheep Co., Pendleton, Oreg., $15,695.88.
Mauricio Guerry & Son, Castleford, Idaho, $15,639.39.
Spring Valley Livestock Co., Caldwell, Idaho, $15,601.74.
Gilbert Livestock Co., Alder, Mont., $15,588.18.
J. Perry Olson, Grand Junction, Colo., $15,578.50.
John Pouchoulou, Montrose, Colo., $15,568.50.
J. & F. Ansolabehere, Bakersfield, Calif., $15,567.97.
E. W. Clarkson, Belle Fourche, S. Dak., $15,559.41.
Silver Lake Ranches, Inc., Brackettville, Tex., $15,552.12.
B. B. Dunbar, Uvalde, Tex., $15,477.50.
Dolph Briscoe, Jr., Uvalde, Tex., $15.475.11.
Rosebud Livestock Co., Winnemucca, Nev., $15,410.27.
Fernandez Co., San Mateo, N. Mex., $15,409.40.
Pickett Sheep Co., Oakley, Idaho, $15,366.28.
Yparrea Bros., Fresno, Calif., $15,363.30.
Bertrand Paris, et al., Cherry Creek, Nev., $15,361.42.
Brailsford Bros., Inc., Hagerman, Idaho, $15,314.32.
Herbert M. Corn, Roswell, N. Mex., $15,295.15.
N. J. Meagher, Vernal, Utah, $15,179.07.
John G. Indart, Fresno, Calif., $15,157.80.
H. C. Dobson, Mesa, Ariz., $15,122.66.
Charles F. Waller, Roswell, N. Mex., $15,104.34.
Marley & Whitney, Roswell, N. Mex., $15,032.18.
Mau Sheep Co., Rock Springs, Wyo., $15,002.16.
Fred N. Laidlaw, Inc., Muldoon, Idaho, $14,975.83.
Ben Roberts, Alcova, Wyo., $14,946.44.
W. F. Waller, Roswell, N. Mex., $14,924.11.
Tom Drumheller, Ephrata, Wash., $14,877.47.
John Mitchell, Ozona, Tex., $14,844.82.
Mark Davis, Casper, Wyo., $14,842.94.
Meagher Co., Hayden, Colo., $14,838.41.
Big Trails Sheep Co., Worland, Wyo., $14,834.31.
Allison Ranch Co., Fort Stockton, Tex., $14,780.79.
Harry Katseanes, Blackfoot, Idaho, $14,759.64.
George Clements, Picacho, N. Mex., $14,716.13.
B. E. Wilson, Del Rio, Tex., $14,696.37.
E. F. Noelke estate, Rankin, Tex., $14,680.49.
W. A. Sterrett, Roswell, N. Mex., $14,666.47.
J. P. Espy, Fort Davis, Tex., $14,652.27.
A. Saldubehere, Lancaster, Calif., $14,613.32.
Ray Jarret, Britton, S. Dak., $14,589.35.
John P. Cooney & Sons, Harlowton, Mont., $14,550.28.
L. W. Roberts, Cokeville, Wyo., $14,466.78.
William S. Young, Coalville, Utah, $14,386.80.
B. B. Brooks Co., Casper, Wyo., $14,381.66.
White Acorn Sheep Co., Rock Springs, Wyo., $14,345.68.
Little & Wilson Sheep Co., Emmett, Idaho, $14,304.49.
John Iberlin & Sons, Buffalo, Wyo., $14,260.76.
Russell Spencer Et al., Sanderson, Tex., $14,182.73.
Louis Larsen Sheep Co., Rawlins, Wyo., $14,088.03.
Uinta Livestock Corp., Lyman, Wyo., $14,059.07.
James Schied, Jerome, Idaho, $14,021.62.
Dan H. Hughes, Montrose, Colo., $13,988.72.
Sario Livestock Co., Gardnerville, Nev., $13,888.09.
Pine Grove Livestock Co., Rawlins, Wyo., $13,886.02.
Arambel & Erreca, Los Banos, Calif., $13,858.27.
Frank Williams, Grand Junction, Colo., $13,765.48.
Simon Martinez, Sunnyside, Wash., $13,740.47.
Rath Packing Co., Waterloo, Iowa, $13,716.36.
Erreca & Laxague, Los Banos, Calif., $13,716.24.
E. B. Elgorriaga, Madera, Calif., $13,694.76.
Owen Bros., San Saba, Tex., $13,692.41.
Berg Christianson Co., Dillon, Mont., $13,666.47.
James Barquin, Riverton, Wyo., $13,654.11.
Pete Yrueta Co., Winnemucca, Nev., $13,642.33.
Cohn Livestock Co., Hermiston, Oreg., $13,616.10.
Fremont Sheep Co., Riverton, Wyo., $13,582.77.
John Narbaitz, Firebaugh, Calif., $13,460.70.
Little Land & Ls Co., Howe, Idaho, $13,430.81.
Albert Holland, Worland, Wyo., $13,429.71.
M. & G. Bertagnole, Salt Lake City, Utah, $13,389.37.
Ohaco Sheep Co., Casa Grande, Ariz., $13,285.22.
J. H. Clements, Jr., Hope, N. Mex., $13,260.69.
Yellowstone Sheep Co., Rawlins, Wyo., $13,251.89.
Victor I. Pierce, Ozona, Tex., $13,188.14.
J. Burton Tuttle, Snowmass, Colo., $13,187.23.
Holmes Livestock Co., Chico, Calif., $13,152.21.
Bradley Neff Sheep Co., Kemmerer, Wyo., $13,104.96.
Cherry Creek Sheep Co., Ingomar, Mont., $12,972.92.
Alfred Kuhn, Sacramento, Calif., $12,951.45.
Pratt Cattle Co., Brackettville, Tex., $12,941.18.
W. D. Beers & Son, Salt Lake City, Utah, $12,868.48.
S. L. Stumberg, Sanderson, Tex., $12,855.35.
F. V. Cauhape, Hope, N. Mex., $12,847.69.
Williams & Tavenner, Deer Lodge, Mont., $12,805.65.
S. Clyde Marley, Roswell, N. Mex., $12,773.80.
Bar C Ranch, Fort Collins, Colo., $12,748.95.
C. P. Johnson & Sons, Casper, Wyo., $12,675.38.
Nick Muir, Harlowton, Mont., $12,652.34.
Runyan Bros., Pinon, N. Mex., $12,652.02.
R. I. Oil & RFA Co., Dillon, Mont., $12,649.87.
Etcheverry Sheep Co., Cokeville, Wyo., $12,637.02.
Labarge Livestock Co., Rock Springs, Wyo., $12,631.64.
Kuhn & Miller, Sacramento, Calif., $12,621.83.
Castle Mountain Co., White Sulphur Springs, Mont., $12,603.30.
Elbert Overton & Son, Yeso, N. Mex., $12,590.03.
Ray Finley, Cutbank, Mont., $12,587.08.
Van Irvine, Midwest, Wyo., $12,576.44.
Andrew Little, Jr., Emmett, Idaho, $12,572.10.
J. L. Sheep Co., Inc., Muldoon, Idaho, $12,555.34.
John Uhalde & Co., Ely, Nev., $12,549.99.
G. L. Livestock Co., Rawlings, Wyo., $12,497.82.
John Briggs & Son, Dell, Mont., $12,476.08.
H. Robison, Ely, Nev., $12,462.81.
John H. Anderson, Jr., Alder, Mont., $12,447.74.
Hormer J. Brown, Dixon, Calif., $12,435.23.
Martin Paternain, Los Banos, Calif., $12,368.73.
G. A. Hanson Sheep Co., Salt Lake City, Utah, $12,361.36.
Ball Bros., Lewisville, Idaho, $12,360.75.
Wickahoney Sheep Co., Bruneau, Idaho, $12,336.18.
Broadbent Livestock Co., El Centro, Calif., $12,315.58.
J. B. Blakeney Ranch, San Angelo, Tex., $12,307.75.
A. Steidlmayer & Sons, Colusa, Calif., $12,299.37.
Adams & Haliday, Blanding, Utah, $12,179.30.
J. C. Siddoway & Son, Teton, Idaho, $12,146.58.
Borda Land & Sheep Co., Carson City, Nev., $12,096.92.
John Aldasoro, Telluride, Colo., $12,092.99.
Estate of Ray Talbott, Los Banos, Calif., $12,059.72.
Ruehl & Arnstein, Inc., Spokane, Wash., $12,059.17
L. Pache Co., Tinnie, N. Mex., $12,024.02.
Phil Hoon, Moses Lake, Wash., $12,014.37.
Tobe Foster Estate, Capitan, N. Mex., $11,998.82.
Tom D. White, Roswell, N. Mex., $11,991.05.
Wyatt Livestock Co., Yakima, Wash., $11,987.11.
Jose Azparren, Fresno, Calif., $11,917.55.
Hislop & Son, Spokane, Wash., $11,907.76.
Alden K. Barton & Sons, Manti, Utah, $11,907.10.
Petersen Ranch, Brackettville, Tex., $11,893.45.
J. G. Lewis, Jr., Dixon, Calif., $11,875.51.
Ellison Ranching Co., Tuscarora, Nev., $11,828.26.
Adolph Stieler, Comfort, Tex., $11,817.26.
Hudspeth Land & Livestock Co., Prineville, Oreg., $11,799.84.
Slaughter Ranch, Roswell, N. Mex., $11,765.97.
Labonte Ranch, Douglas, Wyo., $11,693.48.
J. S. Woosley & Son, Ten Sleep, Wyo., $11,676.
Glen Knapp, Caldwell, Idaho, $11,664.10.
George Stover, Weiser, Idaho, $11,659.71.
Mitchell Lecertua & Son, Shoshone, Idaho, $11,616.15.
Eugenio Perez Ranch, Vaughn, N. Mex., $11,552.31.
L. W. Goffena, Roundup, Mont., $11,524.44.
A. S. Patterson, Roswell, N. Mex., $11,468.16.
Allied Land & Livestock, Elko, Nev., $11,461.69.
Red Hill Sheep Co., Wickenburg, Ariz., $11,457.46.
Thousand Peaks Livestock Co., Salt Lake City, Utah, $11,441.37.
Eusebio Astorquia, Gooding, Idaho, $11,437.54.
Owen Prather, Pinon, N. Mex., $11,435.39.
Rochelle Sheep Co., Arminto, Wyo., $11,398.33.
Blake Sheep Co., Rawlins, Wyo., $11,395.58.
Hart & Ingram, Fowler, Colo., $11,384.03.
Nich Chournos, Tremonton, Utah, $11,353.01.

J. W. Newman, Twin Falls, Idaho, $11,335.28.
Alfonso Sario, Reno, Nev., $11,334.44.
Tooby Bros., Eureka, Calif., $11,315.21.
Reynolds & Asbill, Yeso, N. Mex., $11,294.07.
J. G. or D. A. Broadbent, Lyman, Wyo., $11,253.78.
E. C. Longmire Co., Willows, Calif., $11,246.95.
T. M. Sanders, Glenwood Springs, Colo., $11,243.05.
Lockett Sheep Co., Phoenix, Ariz., $11,212.97.
Hutto Bros., Carta Valley, Tex., $11,207.17.
Wm. E. Crews, Jr., Marfa, Tex., $11,203.41.
Pleas Childress, Ozona, Tex., $11,191.48.
Byron J. Taylor, Selden, Kans., $11,181.51.
Mrs. Annie F. Long, Shoshoni, Wyo., $11,169.90.
Harold Thompson Estate, Cokeville, Wyo., $11,122.13.
Frank Oneida & Sons, Shoshone, Idaho, $11,026.23.
E. A. Stolworthy & Sons, Idaho Falls, Idaho, $11,021.31.
Clarence Quinlan, Antonito, Colo., $11,001.58.
Charles R. Kippin, Morgan, Utah, $10,982.15.
Thompson Bros., Mountain Home, Idaho, $10,970.34.
J. Golden Bair, Glenwood Springs, Colo., $10,955.82.
Joe B. Mayer, Big Lake, Tex., $10,939.42.
Magnuson Ranch, McGill, Nev., $10,928.86.
E. E. McPherrin, Live Oak, Calif., $10,900.82.
Rees T. Jenkins, Susanville, Calif., $10,865.64.
Ansolabehere Bros., Bakersfield, Calif., $10,846.39.
Mayland Bros., Emblem, Wyo., $10,842.66.
Dick and Tom Moore, Douglas, Wyo., $10,838.07.
D. Eyherabide, Bakersfield, Calif., $10,781.20.
Colby Sheep Co., Great Falls, Mont., $10,765.91.
Claude Collins, Jr., San Angelo, Tex., $10,757.75
N. D. Blackstone II, Ozona, Tex., $10,741.79.
Taft Paxton, Kanosh, Utah, $10,725.72.
Edward Sargent, Chama, N. Mex., $10,720.96.
Neidiffer Strickland Rubin, Holtville, Calif., $10,713.80.
Geo. O. Teel, Hope, N. Mex., $10,696.48.
Itchnina and Arram Bide, Malta, Mont., $10,675.17.
Graig Cornell Co., Dillon, Mont., $10,667.84.
Sandstone Sheep Co., Rawlins, Wyo., $10,657.20.
Lloyd Keller, Ogden, Utah, $10,632.76.
Ray Anchprdpguy, Red Bluff., Calif., $10,622.28.
Fernando Glocaechea, Elko, Nev., $10,610.53.
William I. Moore, Sheridan, Wyo., $10,605.98.
W. C. Bates, Carlsbad, N. Mex., $10,598.11.
Dick Alexander, Brownwood, Tex., $10,581.71.
Cross Mt. Sheep Co., Casa Grande, Ariz., $10,569.86.
Dubuque Packing Co., Dubuque, Iowa, $10,563.60.
Bud Wilson, Lucille, Idaho, $10,549.50.
Glenn Briggs, Murtagh, $10,543.30.
Angus McIntosh, Las Animas, Colo., $10,522.56.
The Merriam Co., Moneta, Wyo., $10,519.77.
Cargile & Son, San Angelo, Tex., $10,517.35.
Austin Milspaugh, Ozona, Tex., $10,515.76.
A. R. Pardue, Cut Bank, Mont., $10,483.90.
Clyde Earwood, Brackettville, Tex., $10,483.46.
Lockhart Oil & Livestock, San Antonio, Tex., $10,478.96.
Frank Jouglard, Soda Springs, Idaho, $10,471.86.
N. & N. Land & Livestock Co., Miles City, Mont., $10,459.61.
P. H. Livestock Co., Rawlins, Wyo., $10,456.30.
Patrick Rose, Jr., Del Rio, Tex., $10,453.72.
Frank Paxton & Family, Montrose, Colo., $10,422.08.
D. Olcomendy & Son, Stockton, Calif., $10,416.49.
Herman Goodrun, Picacho, N. Mex., $10,415.26.
Frank Wilkinson & Sons, Heppner, Oreg., $10,349.90.
Werner Irvine, Inc., Casper, Wyo., $10,313.91.
Cow Creek Co., Rawlins, Wyo., $10,303.63.
Ed C. Mayfield, Sonora, Tex., $10,277.60.
W. N. & L. R. Reed, Sterling City, Tex., $10,274.27.
John Childress, Ozona, Tex., $10,274.16.
Howard Sheridan, Hoover, S. Dak., $10,251.33.
Velma C. Clark, Lincoln, Calif., $10,243.56.
Alfred J. Burke, Hoover, S. Dak., $10,237.89.
Continental Rambler Co., Rawlins, Wyo., $10,236.79.
Pendleton Ranches, Pendleton, Oreg., $10,219.09.
Ben Etchegoin, Fresno, Calif., $10,216.49.
S. & A. Sheep Co., Bakersfield, Calif., $10,177.75.
Evans Ranch Co., Sanderson, Tex., $10,136.80.
Parley Probst, Heber, Utah, $10,134.72.
Dan McIntyre, Hotchkiss, Colo., $10,129.40.
Double Springs Livestock Co., May, Idaho, $10,111.86.
Black Butte Sheep Co., Billings, Mont., $10,095.93.
Lester Stratton, Wentworth, S. Dak., $10,083.47.
Frank Peters, Tinnie, N. Mex., $10,072.91.
Hindi Sheep Co., Duran, N. Mex., $10,065.98.
Whitney Ranch, Sacramento, Calif., $10,052.88.
Idaho Agricultural Experiment Station, Moscow, Idaho, $10,028.81.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD prior to the vote on the Young amendment a statement I have prepared thereon.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

WOOL AMENDMENT

(Statement by Senator HUMPHREY)

As a cosponsor of the bill now on the Senate Calendar providing for extension of the Wool Act, I am naturally anxious to see favorable action before Congress adjourns. It is my hope to get such action, one way or another, so the wool industry will know where it stands.

However, I have indicated my doubts about the strategy of seeking to tack the Wool Act extension onto the pending farm bill before the Senate, as an amendment, because of the weaknesses in the farm bill itself.

Perhaps I would not be so dubious about such a course if there were any reasonable assurance this bill can be improved sufficiently to hold some promise of acceptance in the other House.

In my judgment, it would have been a wiser course to wait until we have neared completion of work on this bill before calling up the wool amendment.

However, the Senator from North Dakota has called up the amendment. He has been a good friend of agriculture, and has not let partisan lines stand in the way of trying to improve our farm legislation whenever possible.

For that reason I shall support his amendment, but only with the word of caution that I may yet find it impossible to vote for this bill until further improvements are made. I hope our friends from wool States who have been so concerned about this wool legislation will show equal concern for other commodities, and help improve the rest of the bill. I am quite sure that the final test as to whether or not many of us now willing to vote favorably on the wool amendment can vote for the final bill will depend on how much help we get in making other needed changes in the bill.

Part of our problem in getting action separately on the wool legislation has been quite frankly the failure of many Wool Act supporters to cooperate with other commodity groups. I am saying this as a friend of the wool producers: the reason they have had trouble getting this Wool Act extended, to a large degree, has been the lack of interest of some wool spokesmen in problems of other farm people.

All agriculture is a minority, and we cannot get anywhere by further splitting up the voice of the minority group. Farm groups need to cooperate and work together. The wool industry is no exception.

I hope we can count on some help from the wool group in meeting the problems of corn and feed-grain producers, and dairy producers.

Unless we do, many Senators who would otherwise support the wool legislation will likely vote against this bill.

Mr. COOPER. Mr. President, I ask unanimous consent to have printed in the RECORD, at a point before the vote on the Young amendment, a statement in support of the amendment.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR COOPER

Kentucky has historically been one of the leading farm flock States. For many years, the Bourbon Stockyards, in Louisville, was the greatest spring lamb market in the world.

In Kentucky sheep numbers had sharply decreased from 1949 to 1954. But since the inauguration of the Wool Act the decline in production has been reversed.

For example, on January 1, 1957, there were 605,000 head of sheep in Kentucky. On January 1 of this year, 1 year later, there were 623,000 head of sheep. The Wool Act is producing an increased production in Kentucky.

Ten thousand eight hundred and eighty-five farm flock operators in Kentucky participated in the incentive program last year. We produce one of the better wools in the fleece wool States of the Nation. It is recognized as a clean wool, for our sheep are raised on good grass with very little dirt, and our wools bring a premium price.

I think the Senators from the Western States will agree that Kentucky furnishes a prime market for the ewe lambs they sell. Their blackface western ewes come to Kentucky as replacements and to increase production. The Wool Act has been, as Congress intended, an incentive to increase production of this basic livestock industry, in which we do not produce in sufficient supply for our own civilian consumption.

To our wool growers in Kentucky, one of the most important sections of the Wool Act has been the self-help program included in section 708. Through this program our growers join with the other growers of the Nation in promoting the use of wool and lamb.

An incentive program for wool, without the self-help plan, enables our growers to promote their own products. The more they can promote the sale of lamb and wool, the smaller will be the cost of this incentive program.

I joined as cosponsor of the bill introduced to renew the National Wool Act,

which is now offered as an amendment to the pending farm bill.

I strongly urge the renewal of the National Wool Act, and associate myself with my good friends, the Senator from North Dakota [Mr. YOUNG] and the Senator from South Dakota [Mr. MUNDT], on this amendment to extend the act for 4 years, and I strongly endorse a continuation of the self-help promotion feature of section 708.

Mr. BIBLE. Mr. President, I ask unanimous consent to have printed in the RECORD, prior to the vote on the Young amendment, a statement I have prepared in support of the amendment.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BIBLE

In earlier remarks, I reviewed the background of the Wool Act and pointed out how it has been of immeasurable benefit to the Nation's wool producers.

In reviewing some figures, I discovered that the gradual deterioration of the wool industry in the United States in the last half century has been both startling and lamentable. In my own State of Nevada, for example, the shorn wool production in the year 1910 amounted to 8,029,000 pounds. By 1942 this annual figure had dropped to 5,521,000 pounds, while in 1957 the total plummeted to 3,873,000 pounds.

The overall objective of this legislation is to raise the production of wool in the United States to 300 million pounds. We are still more than 50 million pounds short of that figure, but continuance of this legislation gives strong hope that the goal can be achieved in the not too distant future.

Before remedial legislation of this type was enacted, our wool industry faced virtual extinction because of competition with imports of foreign wools and, in more recent years, with increasingly stiff competition from synthetic fibers.

This act has had a beneficial, double-barreled effect. It has brought stability to the wool industry through incentive payments and, at the same time, through the self-help program established under section 708 of the measure, has boosted considerably the industry's other product which is lamb.

In a referendum held in 1955, growers approved deductions of not to exceed 1 cent a pound from incentive payments on shorn wool and not to exceed 5 cents per hundredweight from the payments on unshorn lambs for financing an advertising and promotion program. Thus the growers are increasing the demand for their products in the free market through programs which they themselves have organized and financed. As the demand for wool products increases, the amount of payments required from the Government to accomplish the objectives of the act will be reduced.

Since this act was passed in 1954, we have witnessed a decided stimulus in the wool industry. In Nevada, for example, producers received payments totalling $687,700 for the 1955 marketing year through October 31, 1957.

By providing for an extension of the National Wool Act we will be performing a distinct service, not only to an important segment of our economy that is producing a strategic commodity, but to millions of Americans who rely on wool as one of their basic needs.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment offered by the Senator from North Dakota [Mr. YOUNG] for himself and the Senator from South Dakota [Mr. MUNDT]. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNINGS], the Senators from Florida [Mr. HOLLAND and Mr. SMATHERS], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

The Senator from Delaware [Mr. FREAR] is absent on official business attending the Interparliamentary Union in Rio de Janeiro as an official delegate of the Senate.

The Senator from Massachusetts [Mr. KENNEDY] is absent because of illness.

The Senator from Arkansas [Mr. MCCLELLAN] is absent because of a death in his family.

I further announce that if present and voting, the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNINGS], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Florida [Mr. SMATHERS], and the Senator from Texas [Mr. YARBOROUGH] would each vote "yea".

I further announce, on this vote, the Senator from Delaware [Mr. FREAR] is paired with the Senator from Florida [Mr. HOLLAND]. If present and voting, the Senator from Delaware would vote "nay" and the Senator from Florida would vote "yea."

Mr. DIRKSEN. I announce that the Senator from West Virginia [Mr. HOBLITZELL] and the Senator from South Dakota [Mr. CASE] are absent because of official business having been appointed by the Vice President to attend the 49th Congress of the Interparliamentary Union in Rio de Janeiro, and, if present and voting, they would each vote "yea."

The Senator from Connecticut [Mr. BUSH], the Senator from Kentucky [Mr. MORTON], and the Senator from New Jersey [Mr. SMITH] are detained on official business.

The Senator from Vermont [Mr. FLANDERS], and the Senator from Michigan [Mr. POTTER] are necessarily absent.

If present and voting, the Senator from Kentucky [Mr. MORTON] and the Senator from New Jersey [Mr. SMITH] would each vote "yea."

The result was announced—yeas 67, nays 9, as follows:

YEAS—67

Aiken	Bridges	Curtis
Allott	Carlson	Dirksen
Anderson	Carroll	Dworshak
Barrett	Case, N. J.	Eastland
Bennett	Chavez	Ellender
Bible	Church	Ervin
Bricker	Cooper	Goldwater
Hayden	Long	Robertson
Hickenlooper	Magnuson	Russell
Hill	Malone	Saltonstall
Hruska	Mansfield	Schoeppel
Humphrey	Martin, Iowa	Smith, Maine
Jackson	Martin, Pa.	Sparkman
Javits	McNamara	Stennis
Jenner	Monroney	Symington
Johnson, Tex	Morse	Talmadge
Johnston, S. C.	Mundt	Thurmond
Jordan	Neuberger	Thye
Kefauver	Pastore	Watkins
Kerr	Payne	Wiley
Knowland	Proxmire	Young
Kuchel	Purtell	
Langer	Revercomb	

NAYS—9

Beall	Clark	Ives
Butler	Cotton	Lausche
Capehart	Douglas	Williams

NOT VOTING—20

Bush	Green	Murray
Byrd	Hennings	O'Mahoney
Case, S. Dak.	Hoblitzell	Potter
Flanders	Holland	Smathers
Frear	Kennedy	Smith, N. J.
Fulbright	McClellan	Yarborough
Gore	Morton	

So the modified amendment offered by Mr. YOUNG, on behalf of himself and other Senators, was agreed to.

Mr. MANSFIELD. Mr. President, I move that the Senate reconsider the vote by which the amendment was agreed to.

Mr. HAYDEN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SYMINGTON. Mr. President, I offer an amendment.

The PRESIDING OFFICER. The amendment will be stated.

The amendment offered by Mr. SYMINGTON is as follows: On page 5, beginning with line 2, strike out all down through line 2 on page 6, and insert in lieu thereof the following:

"SEC. 102. (a) Section 101 (b) of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof the following: '*Provided*, That the level of price support for upland cotton may be less than the minimum level provided in the foregoing table, but not less than 65 percent of the parity price, if the Secretary, after consideration of the applicable factors specified in section 401 (b), determines that such lower level is desirable and proper'."

(b) Title I of such act is amended by adding at the end thereof a new section as follows:

"SEC. 103. Middling 1 inch and grade numbered 3, one and seven-sixteenths inches shall be the standard quality of upland and extra long staple cotton, respectively, for purposes of price support under this act."

(c) The amendments made by this section shall be effective with respect to the 1961 and subsequent crops of cotton.

On page 15, beginning with the comma in line 6, strike all through the word "that" in line 10.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Missouri [Mr. SYMINGTON].

ORDER OF BUSINESS

Mr. JOHNSON of Texas. Mr. President, I wish to announce that we will have no further votes this evening. The Senate will meet tomorrow at 10 o'clock, if it is agreeable. Nothing controversial will be considered this evening.

PRINTING OF PUBLIC HEARINGS ON PHYSICAL RESEARCH PROGRAM AS IT RELATES TO THE FIELD OF ATOMIC ENERGY

Mr. PASTORE. Mr. President, I ask unanimous consent that the unfinished business, the farm bill, be temporarily laid aside and that the Senate proceed to the consideration of Calendar 1969, House Concurrent Resolution 325.

The PRESIDING OFFICER. The concurrent resolution will be read.

The concurrent resolution was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Joint Committee on Atomic Energy be authorized to have printed for its use 10,000 copies of the public hearings on "Physical research program as it relates to the field of atomic energy," held by the Subcommittee on Research and Development during the 85th Congress, 2d session; and be it further

Resolved, That the Joint Committee be authorized to have printed 10,000 copies of the report on the above hearings; and be it further

Resolved, That the Joint Committee be authorized to have printed 2,000 copies of the index of the above hearings.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution (H. Con. Res. 325) was considered and agreed to.

Mr. PASTORE. Mr. President, I ask unanimous consent that a statement explaining House Concurrent Resolution 325 be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR PASTORE

I support House Concurrent Resolution 325, providing for the printing of 10,000 copies of hearings held last February by the Research and Development Subcommittee of the Joint Committee on Atomic Energy on the AEC physical research program. The resolution also provides for an equal number of copies of a subcommittee report. Some 50 of our leading research scientists throughout the country testified at these hearings and the document represents a valuable source of information on the basic research activities going on in this country's laboratories and universities.

Estimated cost of printing the additional copies, over and above normal printing costs for the first thousand copies, is $9,428. I believe this is a good investment in view of the fact that these hearings are to be given wide distribution throughout America's scientific community and to the public through Members of Congress.

ORDER FOR ADJOURNMENT UNTIL 10 A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate completes its business this evening, it stand in adjournment until 10 o'clock tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

AGRICULTURAL ACT OF 1958

The Senate resumed the consideration of the bill (S. 4071) to provide more effective price, production adjustment, and marketing programs for various agricultural commodities.

Mr. AIKEN. Mr. President, during the course of the debate this afternoon the junior Senator from Minnesota [Mr. HUMPHREY] referred to a press release issued by the public relations committee of the North Carolina Cotton Promotion Association, and approved by HAROLD D. COOLEY. The Senator from Minnesota quoted briefly from the press release. In order to have the full text before the Members of the Senate, I ask unanimous consent to have it printed in the RECORD at this point.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., July 24, 1958.—Hope for farm legislation before Congress adjourns has received new life in the House this week, Congressman HAROLD D. COOLEY, chairman of the House Committee on Agriculture, said today.

In an effort to expedite action, the Cotton Subcommittee of the House Committee on Agriculture met yesterday to begin work on a proposal in harmony with the farm bill now receiving attention in the Senate.

As the Senate nears final action on its bill, the House will be in a favorable position to take affirmative action, Mr. COOLEY said. Any differences in the two bills can be worked out in conference following House action, the North Carolina Congressman pointed out.

In a conference Tuesday of this week with A. C. Edwards, executive vice president of the North Carolina Farm Bureau; Robert F. Morgan, chairman of the North Carolina Senate Agricultural Committee; F. H. Heidelberg, executive vice president of the North Carolina Promotion Association; and by phone, with Harry B. Caldwell, master of the North Carolina State Grange, Mr. COOLEY was urged, and agreed, to take this action toward legislation in view of the disastrous situation facing cotton in North Carolina, and throughout the Cotton Belt.

It was recognized in the Tuesday conference that the legislation now under consideration in the Senate has some undesirable features, the principle one being abandonment in 1961 of the parity principle. However, in view of the critical situation, the helpful aspects of the Senate bill merit support. Without remedial farm legislation at this session of Congress, cotton farmers face an automatic reduction of more than 20 percent in their present acreage allotment.

It was agreed, both by Mr. COOLEY and the farm and cotton leaders of North Carolina, that in the House this bill would be strengthened by reestablishment of the principle of parity. Mr. COOLEY took action immediately in this direction with his committee members. The North Carolina group advising with him left the conference to work with other cotton leaders from other States of the Cotton Belt now in Washington. Their support, it is believed, will help smooth the way for favorable action by the House.

Abandonment of the parity principle in 1961 in the present Senate bill, by basing support price for cotton on a formula related to the 3-year average market price rather than parity, has been the major criticism of the Senate bill by Mr. COOLEY, North Carolina's farm organizations and cotton leadership, and leaders in many other sections of the Cotton Belt.

The principal provisions of the farm bill under consideration would provide for a national minimum quota of 16 million acres of cotton in 1959 and 1960. A choice these 2 years for cotton farmers—to plant their share of this acreage and receive a support price based on present law, or plant additional acres at a lower support price. Farmers with a 10 acre or less allotment in 1958 would retain their 1958 acreage.

Mr. AIKEN. Mr. President, also during the discussion this afternoon the distinguished junior Senator from Missouri [Mr. SYMINGTON] inserted in the RECORD a news item from the Washington Star of this afternoon. In the course of the discussion it might have been inferred that the Secretary of Agriculture had referred to some Members of the Senate as leftists.

A call from the Secretary of Agriculture advises me that he never referred to any Member of the Senate as a leftist. It is well known that there are leftists in the United States who will infiltrate either major party at every opportunity which may be presented. So I do not regard that statement as being very serious.

It was also inferred that the leftists, so-called, of a certain farm organization would like to load down the bill so heavily that it would be killed. If anyone wishes to look at the RECORD of the day before yesterday he will find a statement from that farm organization to the effect that if the bill cannot be amended in such a manner as to be totally unacceptable to the administration, it ought to be killed.

Those are simple, factual statements; but, in all fairness, they ought to be placed in the RECORD.

OUTDOOR RECREATION RESOURCES REVIEW COMMISSION

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter dated July 11, 1958, which I have received from Mr. David R. Brower, executive director of the Sierra Club, of San Francisco, and an editorial entitled "Recreation Survey Calls for 'Slow Bell,'" published in the Eugene, Oreg., Register Guard of July 6, 1958, relating to a review of outdoor recreation resources.

There being no objection, the letter and editorial were ordered to be printed in the RECORD, as follows:

SIERRA CLUB,
San Francisco, July 11, 1958.

The Honorable WAYNE MORSE,
Senate Office Building,
Washington, D. C.

DEAR WAYNE: Word has just reached us that the President, on June 28, signed the act establishing the Outdoor Recreation Resources Review Commission—legislation which you sponsored and helped on its way through Congress.

This is just a note of our appreciation for what you have done. This concept was one close to our heart, as you will note from the enclosed reprint concerning our own efforts in 1956 and 1957.

We hope the Commission will soon be established, financed, and working effectively. Most important, as you may have noted in our testimony, we are especially anxious that the Commission devise means of putting up that closed-during-inventory sign on scenic resources that might otherwise be lost prematurely and permanently.

We offer you, in your work with the Commission, and we offer the Commission itself, our full cooperation in its important work—for whatever benefit our 66 years' experience and 12,000 members can contribute.

Sincerely,

DAVID R. BROWER,
Executive Director.

RECREATION SURVEY CALLS FOR "SLOW BELL"

It was all too apparent to weekenders who headed for the freedom of the great outdoors over the long holiday that the great outdoors is getting crowded. Fishermen jested that they were apparently expected to bring their own rocks to stand on. Those who headed for forest camps found other campers practically in their laps. Thus we know, but only in a general way, that some of the recreational resources of the country are sadly overcrowded. But we don't know, exactly, how great the crowding will be a year or two hence, nor where it will be. Nor do we know just what plans to make to accommodate new crowds which in future years will be spending their longer vacations in their high-powered cars, flitting from vacation spot to vacation spot.

Thus we welcome Congressional passage of S. 846, a law providing for a national inventory of the Nation's outdoor recreation resources, the first such survey in our history. Twenty-four outdoor organizations, notably the Izaak Walton League of America, sought the survey. So did six States by legislative action. Among the States were Washington and California, but not Oregon. The survey, which will be made of both private and public land, will culminate in a report by September 1, 1961. A bipartisan 15-member commission will direct the survey, with help from an advisory council made up of representatives of Federal agencies and outdoor organizations. Special studies may be made, notably of the experiences of the Swiss and the Swedes in meeting their recreation needs.

This is of the essence. An example is the 1935 experience of the National Park Service which in that year could have bought a 30-mile stretch of seashore at Assateague Island in Maryland for wildlife protection for $9,000 a mile. Now the same land, being turned into subdivisions, costs $111,000 a mile. Some resources, dissipated in years gone by, can be restored. Some cannot be.

In the past half century the Nation has been diligent in taking inventory of many of its resources—its timber, its oil, its mineral wealth, its agricultural potential. But there has been no comparable effort to weigh our future recreational needs against our present and future recreational assets. Until now. This survey could be as important a milestone in conservation as creation of the national park system or the setting aside of Federal forest reserves.

In the 3 years between now and the expected presentation of the report, reclassification of public lands should be at a minimum. Only where extreme urgency can be shown should we permit drastic changes in land use patterns. Examples nearby are the reclassification of the Waldo Lake limited area and proposed reductions in the enormous Glacier Peak primitive area in northern Washington. Perhaps changes in these and similar areas should be made. Perhaps not. The facts we have are as yet incomplete. We know, pretty well, about our need for timber and water. We know much less about our need for recreational areas.

If we proceed now at slow-bell, awaiting results of this national survey, we can then make our national decisions from a knowledgeable position. They will more likely be decisions we can live with, decisions our grandchildren will not regret we made.

PROTECTION OF EMPLOYEES OF FORESTRY AND LOGGING OPERATIONS—RESOLUTION

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a resolution adopted by the Western Council of Lumber and Saw Mill Workers, of Portland, Oreg., concerning the exclusion from protection of the Fair Labor Standards Act of 1938 of certain employees engaged in forestry and logging operations.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION ON FAIR LABOR STANDARDS ACT EXEMPTIONS

Whereas an amendment enacted in 1949 excludes from the protection of the Fair Labor Standards Act of 1938 employees of forestry and logging operations in which not more than 12 employees are employed; and

Whereas even major lumber producing employers in the western lumber industry are now exploiting their employees, through this amendment, by contracting their logging operations to small groups of 12 or less employees; and

Whereas this results in eliminating from the protection of the Fair Labor Standards Act of 1938 approximately one-third of all the employees of a major western industry; and

Whereas this leads to longer hours at lower wages and to increased unemployment in a basic western industry already afflicted with serious unemployment and economic insecurity; and

Whereas this exemption encourages unfair competition to fair logging operators who try to maintain fair wages, hours, and safe working conditions: Therefore, be it

Resolved, That the Western Council of Lumber and Sawmill Workers and each district council of lumber and sawmill workers and each affiliated local union immediately demand of their respective Congressional delegations immediate repeal of any exemption from the Fair Labor Standards Act of any employees of the logging and lumbering industry; and be it further

Resolved, That each district council and local union immediately present copies of this resolution to local, central or State labor bodies with which they are affiliated for concurrence and action as set forth herein.

COMMITTEE MEETING DURING SENATE SESSION TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Subcommittee on Preparedness of the Committee on Armed Services may sit during the session of the Senate tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

ADDITIONAL REPORT OF A COMMITTEE

Mr. CHAVEZ, from the Committee on Public Works, to which was referred the bill (H. R. 6701) granting the consent and approval of Congress to the Tennessee River Basin Water Pollution Control Compact, reported it favorably, with amendments, and submitted a report (No. 1961) thereon.

AGRICULTURAL ACT OF 1958—AMENDMENTS

Mr. HUMPHREY submitted amendments, intended to be proposed by him, to the bill (S. 4071) to provide more effective price, production adjustment, and marketing programs for various agricultural commodities, which were ordered to lie on the table, and to be printed.

HOUSE BILL REFERRED

The bill (H. R. 11805) to promote the national defense by authorizing the construction of aeronautical research facilities by the National Advisory Committee for Aeronautics necessary to the effective prosecution of aeronautical research, was read twice by its title, and referred to the Special Committee on Space and Astronautics.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, July 24, 1958, he presented to the President of the United States the following enrolled bills:

S. 2447. An act to authorize and direct the Secretary of the Interior to undertake continuing studies of the effects of insecticides, herbicides, fungicides, and other pesticides upon fish and wildlife for the purpose of preventing losses of those invaluable natural resources following application of these materials and to provide basic data on the various chemical controls so that forests, croplands, wetlands, rangelands, and other lands can be sprayed with minimum losses of fish and wildlife; and

S. 2617. An act to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, as amended.

ADJOURNMENT UNTIL 10 A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I move, pursuant to the order previously entered, that the Senate adjourn until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 10 o'clock and 53 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Friday, July 25, 1958, at 10 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate July 24 (legislative day of July 23) 1958:

INTERSTATE COMMERCE COMMISSION

The following-named persons to be Interstate Commerce Commissioners for terms of 7 years expiring December 31, 1965 (reappointments):

Everett Hutchinson, of Texas.
Robert W. Minor, of Ohio.

HOUSE OF REPRESENTATIVES

THURSDAY, JULY 24, 1958

The House met at 11 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Psalm 37: 25: *I have not seen the righteous forsaken, nor his seed begging bread.*

Eternal and ever-blessed God, we have entered upon this new day assured that Thou wilt not withhold from us any needed blessing if we walk uprightly.

We beseech Thee to mediate unto us that divine wisdom which will enable us to see our duties more clearly, understand them more wisely, and discharge them more faithfully.

Help us to fully realize that for calmness and courage, for faith and fortitude in these times of crisis, we need the strengthening and sustaining ministry of Thy spirit.

Grant that in our prayers we may remember more frequently and fervently all who, in the council of nations, are striving to make the principles of righteousness and justice regnant in the life of the world.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate has passed without amendment a bill and a concurrent resolution of the House on the following titles:

H. R. 13088. An act to fix and regulate the salaries of officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia, of the United States Park Police, and of the White House police, and for other purposes; and

H. Con. Res. 332. Concurrent resolution relative to the establishment of plans for the peaceful exploration of outer space.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 7576. An act to further amend the Federal Civil Defense Act of 1950, as amended, and for other purposes; and

H. R. 13132. An act to amend the District of Columbia Teachers' Salary Act of 1955.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1864. An act to authorize an increase in the membership of the Board of Appeals to the Patent Office; to provide increased salaries for certain officers and employees of the Patent Office; and for other purposes.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 2447. An act to authorize and direct the Secretary of the Interior to undertake continuing studies of the effects of insecticides, herbicides, fungicides, and other pesticides, upon fish and wildlife for the purpose of preventing losses of those invaluable natural resources following application of these materials and to provide basic data on the various chemical controls so that forests, croplands, wetlands, rangelands, and other lands can be sprayed with minimum losses of fish and wildlife; and

S. 2617. An act to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, as amended.

ESTABLISHMENT OF A NATIONAL LOTTERY

Mr. FINO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FINO. Mr. Speaker, the recent report that the Federal Government ran almost $3 billion in the red for the fiscal year ending June 30 is very discouraging news. But more alarming is the prediction among some of our fiscal experts that the deficit for next year will skyrocket to over $11 billion.

Mr. Speaker, these disturbing reports demand that Congress become more realistic in handling its fiscal responsibilities. The question is how can we solve this problem?

Mr. Speaker, this Congress can drastically curtail and limit some of the essential services to the American people. But, can we do this without seriously affecting the economy of our country? Can we do this without tearing down the high standard of living we have grown accustomed to? I do not believe so.

Mr. Speaker, Congress can, as another alternative, further increase taxes. But, can we, in good conscience, even think of adding to the unconscionable tax burden already borne by the wage-earners of America? Not unless we want to create a tax rebellion in the United States.

Mr. Speaker, I believe the time has come for us to face the fiscal facts of life. Failure to act now can only place us in a more precarious position. As I see it, there is only one avenue for relief—the enactment of a national lottery which would mean $10 billion a year in additional revenue. This tremendous new income to the Federal Treasury would be the answer to our mounting fiscal headaches. This is the answer to our dream for a tax cut.

Mr. Speaker, we can no longer continue to be stubborn or hypocritical on this issue. The Government needs additional income—the American taxpayers want and need tax relief. A national lottery is the only solution to this ever-growing crisis. Let us have the courage to face this situation now before it is too late.

SUBCOMMITTEE ON ELECTIONS OF COMMITTEE ON HOUSE ADMINISTRATION

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Subcommittee on Elections of the Committee on House Administration may be permitted to sit during general debate for the balance of the week.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. GROSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GROSS. What is the order of business?

The SPEAKER. The order of business is the conference report on the Defense Department Reorganization.

DEFENSE REORGANIZATION ACT—CONFERENCE REPORT

Mr. VINSON. Mr. Speaker, I call up the conference report on the bill (H. R. 12541) to promote the national defense by providing for reorganization of the Department of Defense, and for other purposes; and I ask unanimous consent that the statement be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia [Mr. VINSON]?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 2261)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 12541) to promote the national defense by providing for reorganization of the Department of Defense, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That this act may be cited as the 'Department of Defense Reorganization Act of 1958.'

"AMENDING THE DECLARATION OF POLICY

"SEC. 2. Section 2 of the National Security Act of 1947, as amended (50 U. S. C. 401), is further amended to read as follows:

"'SEC. 2. In enacting this legislation, it is the intent of Congress to provide a comprehensive program for the future security of the United States; to provide for the establishment of integrated policies and procedures for the departments, agencies, and functions of the Government relating to the national security; to provide a Department of Defense, including the three military Departments of the Army, the Navy (including naval aviation and the United States Marine Corps), and the Air Force under the direction, authority, and control of the Secretary of Defense; to provide that each military department shall be separately organized under its own Secretary and shall function under the direction, authority, and control of the Secretary of Defense; to provide for their unified direction under civilian control of the Secretary of Defense but not to merge these departments or services; to provide for the establishment of unified or specified combatant commands, and a clear and direct line of command to such commands; to eliminate unnecessary duplication in the Department of Defense, and particularly in

the field of research and engineering by vesting its overall direction and control in the Secretary of Defense; to provide more effective, efficient, and economical administration in the Department of Defense; to provide for the unified strategic direction of the combatant forces, for their operation under unified command, and for their integration into an efficient team of land, naval, and air forces but not to establish a single Chief of Staff over the armed forces nor an overall armed forces general staff.'

"STRENGTHENING THE DIRECTION, AUTHORITY, AND CONTROL OF THE SECRETARY OF DEFENSE

"SEC. 3. (a) Section 202 (c) of the National Security Act of 1947, as amended (5 U. S. C. 171a (c)), is amended to read as follows:

"'(c) (1) Within the policy enunciated in section 2, the Secretary of Defense shall take appropriate steps (including the transfer, reassignment, abolition, and consolidation of functions) to provide in the Department of Defense for more effective, efficient, and economical administration and operation and to eliminate duplication. However, except as otherwise provided in this subsection, no function which has been established by law to be performed by the Department of Defense, or any officer or agency thereof, shall be substantially transferred, reassigned, abolished, or consolidated until the expiration of the first period of thirty calendar days of continuous session of the Congress following the date on which the Secretary of Defense reports the pertinent details of the action to be taken to the Armed Services Committees of the Senate and of the House of Representatives. If during such period a resolution is reported by either of the said committees stating that the proposed action with respect to the transfer, reassignment, abolition, or consolidation of any function should be rejected by the resolving House because (1) it contemplates the transfer, reassignment, abolition, or consolidation of a major combatant function now or hereafter assigned to the military services by section 3062 (b), 5012, 5013, or 8062 (c) of title 10 of the United States Code, and (2) if carried out it would in the judgment of the said resolving House tend to impair the defense of the United States, such transfer, reassignment, abolition, or consolidation shall take effect after the expiration of the first period of forty calendar days of continuous session of the Congress following the date on which such resolution is reported; but only if, between the date of such reporting in either House and the expiration of such forty-day period such resolution has not been passed by such House.

"'(2) For the purposes of paragraph (1)—

"'(A) continuity of session shall be considered as broken only by an adjournment of the Congress sine die; but

"'(B) in the computation of the thirty-day period or the forty-day period there shall be excluded the days on which either House is not in session because of an adjournment of more than three days to a day certain.

"'(3) (A) The provisions of this paragraph are enacted by the Congress—

"'(i) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

"'(ii) with full recognition of the constitutional right of either House to change such rules (so far as relating to the procedure in such House) at any time, in the same manner and to the same extent as in the case of any other rule of such House.

"'(B) For the purposes of this paragraph, any resolution reported to either House pursuant to the provisions of paragraph (1) hereof, shall for the purpose of the consideration of such resolution by either House be treated in the same manner as a resolution with respect to a reorganization plan reported by a committee within the meaning of the Reorganization Act of 1949 as in effect on July 1, 1956 (5 U. S. C. 133z et seq.) and shall be governed by the provisions applicable to the consideration of any such resolution by either House of the Congress as provided by sections 205 and 206 of such Act.

"'(4) Notwithstanding the provisions of paragraph (1) hereof, the Secretary of Defense has the authority to assign, or reassign, to one or more departments or services, the development and operational use of new weapons or weapons systems.

"'(5) Notwithstanding other provisions of this subsection, if the President determines that it is necessary because of hostilities or imminent threat of hostilities, any function, including those assigned to the military services by sections 3062 (b), 5012, 5013, and 8062 (c) of title 10 of the United States Code, may be transferred, reassigned, or consolidated and subject to the determination of the President shall remain so transferred, reassigned, or consolidated until the termination of such hostilities or threat of hostilities.

"'(6) Whenever the Secretary of Defense determines it will be advantageous to the Government in terms of effectiveness, economy, or efficiency, he shall provide for the carrying out of any supply or service activity common to more than one military department by a single agency or such other organizational entities as he deems appropriate. For the purposes of this paragraph, any supply or service activity common to more than one military department shall not be considered a "major combatant function" within the meaning of paragraph (1) hereof.

"'(7) Each military department (the Department of the Navy to include naval aviation and the United States Marine Corps) shall be separately organized under its own Secretary and shall function under the direction, authority, and control of the Secretary of Defense. The Secretary of a military department shall be responsible to the Secretary of Defense for the operation of such department as well as its efficiency. Except as otherwise specifically provided by law, no Assistant Secretary of Defense shall have authority to issue orders to a military department unless (1) the Secretary of Defense has specifically delegated in writing to such an Assistant Secretary the authority to issue such orders with respect to a specific subject area, and (2) such orders are issued through the Secretary of such military department or his designee. In the implementation of this paragraph it shall be the duty of each such Secretary, his civilian assistants, and the military personnel in such department to cooperate fully with personnel of the Office of the Secretary of Defense in a continuous effort to achieve efficient administration of the Department of Defense and effectively to carry out the direction, authority, and control of the Secretary of Defense.

"'(8) No provision of this Act shall be so construed as to prevent a Secretary of a military department or a member of the Joint Chiefs of Staff from presenting to the Congress, on his own initiative, after first so informing the Secretary of Defense, any recommendations relating to the Department of Defense that he may deem proper.'

"(b) Section 202 (d) of the National Security Act of 1947, as amended (5 U. S. C. 171a (d)), is further amended to read as follows:

"'(d) The Secretary of Defense shall annually submit a written report to the President and the Congress covering expenditures, work, and accomplishments of the Department of Defense, accompanied by (1) such recommendations as he shall deem appropriate, (2) separate reports from the military departments covering their expenditures, work, and accomplishments, and (3) itemized statements showing the savings of public funds and the eliminations of unnecessary duplications and overlappings that have been accomplished pursuant to the provisions of this Act.'

"(c) Section 2201 of title 10, United States Code, is repealed and the analysis of chapter 131 of title 10 is amended by striking out the following item:

"'2201. General functions of Secretary of Defense.'

"(d) Section 2351 of title 10, United States Code, is repealed and the analysis of chapter 139 of title 10 is amended by striking out the following item:

"'2351. Policy, plans, and coordination.'

"CLARIFYING THE CHAIN OF COMMAND OVER MILITARY OPERATIONS

"SEC. 4. (a) Section 3034 (d) (4) of title 10, United States Code, is amended to read as follows:

"'(4) exercise supervision over such of the members and organizations of the Army as the Secretary of the Army determines. Such supervision shall be exercised in a manner consistent with the full operational command vested in unified or specified combatant commanders pursuant to section 202 (j) of the National Security Act of 1947, as amended.'

"(b) Section 5081 (c) of title 10, United States Code, is amended to read as follows:

"'(c) Under the direction of the Secretary of the Navy, the Chief of Naval Operations shall exercise supervision over such of the members and organizations of the Navy and the Marine Corps as the Secretary of the Navy determines. Such supervision shall be exercised in a manner consistent with the full operational command vested in unified or specified combatant commanders pursuant to section 202 (j) of the National Security Act of 1947, as amended.'

"(c) Section 5201 of title 10, United States Code, is amended by adding at the end thereof a new subsection (d) to read as follows:

"'(d) Under the direction of the Secretary of the Navy, the Commandant of the Marine Corps shall exercise supervision over such of the members and organizations of the Marine Corps and Navy as the Secretary of the Navy determines. Such supervision shall be exercised in a manner consistent with the full operational command vested in unified or specified combatant commanders pursuant to section 202 (j) of the National Security Act of 1947, as amended.'

"(d) Clause (5) of section 8034 (d) of title 10, United States Code, is renumbered '(4)' and amended to read as follows:

"'(4) exercise supervision over such of the members and organizations of the Air Force as the Secretary of the Air Force determines. Such supervision shall be exercised in a manner consistent with the full operational command vested in unified or specified combatant commanders pursuant to section 202 (j) of the National Security Act of 1947, as amended.'

"(e) Section 8034 (d) is amended by striking out clause (4) and by renumbering clauses (6) and (7) as clauses '(5)' and '(6)', respectively.

"(f) (1) Section 8074 (a) of title 10, United States Code, is amended to read as follows:

"'(a) The Air Force shall be divided into such organizations as the Secretary of the Air Force may prescribe.'

"(2) Subsections (b) and (c) of section 8074 of title 10, United States Code, are repealed, and subsection (d) is redesignated as subsection '(b)'.

"(g) Section 3032 (b) (1) of title 10, United States Code, is amended to read as follows:

"'(1) prepare for such employment of the Army, and for such recruiting, organizing,

supplying, equipping, training, serving, mobilizing, and demobilizing of the Army, as will assist in the execution of any power, duty, or function of the Secretary or the Chief of Staff;'.

"(h) Section 8032 (b) (1) of title 10, United States Code, is amended to read as follows:

"'(1) prepare for such employment of the Air Force, and for such recruiting, organizing, supplying, equipping, training, serving, mobilizing, and demobilizing of the Air Force, as will assist in the execution of any power, duty, or function of the Secretary or the Chief of Staff;'.

"CLARIFYING THE ORGANIZATION AND DUTIES OF THE JOINT STAFF

"SEC. 5. (a) Section 143 of title 10, United States Code, is amended to read as follows:

"'§ 143. Joint Staff

"'(a) There is under the Joint Chiefs of Staff a Joint Staff consisting of not more than 400 officers selected by the Joint Chiefs of Staff with the approval of the Chairman. The Joint Staff shall be selected in approximately equal numbers from—

"'(1) the Army;

"'(2) the Navy and the Marine Corps; and

"'(3) the Air Force.

The tenure of the members of the Joint Staff is subject to the approval of the Chairman of the Joint Chiefs of Staff, and except in time of war, no such tenure of duty may be more than three years. Except in time of war, officers completing a tour of duty with the Joint Staff may not be reassigned to the Joint Staff for a period of not less than three years following their previous tour of duty on the Joint Staff, except that selected officers may be recalled to Joint Staff duty in less than three years with the approval of the Secretary of Defense in each case. The number of such officers recalled to Joint Staff duty in less than three years shall not exceed 30 serving on the Joint Staff at any one time.

"'(b) The Chairman of the Joint Chiefs of Staff in consultation with the Joint Chiefs of Staff, and with the approval of the Secretary of Defense, shall select the Director of the Joint Staff. Except in time of war, the tour of duty of the Director may not exceed three years. Upon the completion of a tour of duty as Director of the Joint Staff, the Director, except in time of war, may not be reassigned to the Joint Staff. The Director must be an officer junior in grade to each member of the Joint Chiefs of Staff.

"'(c) The Joint Staff shall perform such duties as the Joint Chiefs of Staff or the Chairman prescribes. The Chairman of the Joint Chiefs of Staff manages the Joint Staff and its Director, on behalf of the Joint Chiefs of Staff.

"'(d) The Joint Staff shall not operate or be organized as an overall Armed Forces General Staff and shall have no executive authority. The Joint Staff may be organized and may operate along conventional staff lines to support the Joint Chiefs of Staff in discharging their assigned responsibilities.'

"(b) Section 202 of the National Security Act of 1947, as amended, is amended by adding at the end thereof the following new subsection:

"'(j) With the advice and assistance of the Joint Chiefs of Staff the President, through the Secretary of Defense, shall establish unified or specified combatant commands for the performance of military missions, and shall determine the force structure of such combatant commands to be composed of forces of the Department of the Army, the Department of the Navy, the Department of the Air Force, which shall then be assigned to such combatant commands by the departments concerned for the performance of such military missions. Such combatant commands are responsible to the President and the Secretary of Defense for such military missions as may be assigned to them by the Secretary of Defense, with the approval of the President. Forces assigned to such unified combatant commands or specified combatant commands shall be under the full operational command of the commander of the unified combatant command or the commander of the specified combatant command. All forces not so assigned remain for all purposes in their respective departments. Under the direction, authority, and control of the Secretary of Defense each military department shall be responsible for the administration of the forces assigned from its department to such combatant commands. The responsibility for the support of forces assigned to combatant commands shall be vested in one or more of the military departments as may be directed by the Secretary of Defense. Forces assigned to such unified or specified combatant commands shall be transferred therefrom only by authority of and under procedures established by the Secretary of Defense, with the approval of the President.

"AUTHORIZING THE DELEGATION OF DUTIES BY THE MILITARY SERVICE CHIEFS

"SEC. 6. (a) Section 3035 of title 10, United States Code, is amended by adding at the end thereof a new subsection (c) to read as follows:

"'(c) The Vice Chief of Staff has such authority and duties with respect to the Department of the Army as the Chief of Staff, with the approval of the Secretary of the Army, may delegate to or prescribe for him. Orders issued by the Vice Chief of Staff in performing such duties have the same effect as those issued by the Chief of Staff.'

"(b) Section 5085 (b) of title 10, United States Code, is amended to read as follows:

"'(b) The Vice Chief of Naval Operations has such authority and duties with respect to the Department of the Navy as the Chief of Naval Operations, with the approval of the Secretary of the Navy, may delegate to or prescribe for him. Orders issued by the Vice Chief of Naval Operations in performing such duties have the same effect as those issued by the Chief of Naval Operations.'

"(c) Section 5202 of title 10, United States Code, is amended by adding at the end thereof a new subsection (c) to read as follows:

"'(c) The Assistant Commandant has such authority and duties with respect to the Marine Corps as the Commandant, with the approval of the Secretary of the Navy, may delegate to or prescribe for him. Orders issued by the Assistant Commandant in performing such duties have the same effect as those issued by the Commandant.'

"(d) Section 8035 of title 10, United States Code, is amended by adding at the end thereof a new subsection (d) to read as follows:

"'(d) The Vice Chief of Staff has such authority and duties with respect to the Department of the Air Force as the Chief of Staff, with the approval of the Secretary of the Air Force, may delegate to or prescribe for him. Orders issued by the Vice Chief of Staff in performing such duties have the same effect as those issued by the Chief of Staff.'

"CLARIFYING THE ROLE OF THE CHAIRMAN OF THE JOINT CHIEFS OF STAFF

"SEC. 7. Section 141 (a) (1) of title 10, United States Code, is amended by striking out the words ', who has no vote'.

"REDUCING THE NUMBER OF ASSISTANT SECRETARIES OF MILITARY DEPARTMENTS

"SEC. 8. (a) Section 3013 (a) of title 10, United States Code, is amended to read as follows:

"'(a) There are an Under Secretary of the Army and three Assistant Secretaries of the Army in the Department of the Army. They shall be appointed from civilian life by the President, by and with the advice and consent of the Senate.'

"(b) (1) Section 5034 of title 10, United States Code, is amended to read as follows:

"'§ 5034. Assistant Secretaries of the Navy: appointment; duties

"'(a) There are three Assistant Secretaries of the Navy in the Department of the Navy. They shall be appointed from civilian life by the President, by and with the advice and consent of the Senate.

"'(b) The Assistant Secretaries shall perform such duties as the Secretary of the Navy prescribes.'

"(2) Section 5035 of title 10, United States Code, is repealed.

"(3) The analysis of chapter 505 of title 10, United States Code, is amended by striking out the following items:

"'5034. Assistant Secretaries of the Navy: appointment; duties; compensation.

"'5035. Assistant Secretary of the Navy for Air: appointment; duties; compensation.'

and by inserting the following in lieu thereof:

"'5034. Assistant Secretaries of the Navy: appointment; duties.'

"(c) Section 8013 (a) of title 10, United States Code, is amended to read as follows:

"'(a) There are an Under Secretary of the Air Force and three Assistant Secretaries of the Air Force in the Department of the Air Force. They shall be appointed from civilian life by the President, by and with the advice and consent of the Senate.'

"ESTABLISHING THE DIRECTOR OF DEFENSE RESEARCH AND ENGINEERING

"SEC. 9. (a) Section 203 of the National Security Act of 1947, as amended, is amended by redesignating subsections '(b)' and '(c)' as subsections '(c)' and '(d)', respectively, and by inserting a new subsection '(b)' as follows:

"'(b) (1) There shall be a Director of Defense Research and Engineering who shall be appointed from civilian life by the President, by and with the advice and consent of the Senate, who shall take precedence in the Department of Defense after the Secretary of Defense, the Deputy Secretary of Defense, the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force. The Director performs such duties with respect to research and engineering as the Secretary of Defense may prescribe, including, but not limited to, the following: (i) to be the principal adviser to the Secretary of Defense on scientific and technical matters; (ii) to supervise all research and engineering activities in the Department of Defense; and (iii) to direct and control (including their assignment or reassignment) research and engineering activities that the Secretary of Defense deems to require centralized management. The compensation of the Director is that prescribed by law for the Secretaries of the military departments.

"'(2) The Secretary of Defense or his designee, subject to the approval of the President, is authorized to engage in basic and applied research projects essential to the responsibilities of the Department of Defense in the field of basic and applied research and development which pertain to weapons systems and other military requirements. The Secretary or his designee, subject to the approval of the President, is authorized to perform assigned research and development projects: by contract with private business entities, educational or research institutions, or other agencies of the Government, through one or more of the military departments, or by utilizing employees and consultants of the Department of Defense.

"'(3) There is authorized to be appropriated such sums as may be necessary for the purposes of paragraph (2) of this subsection.'

"(b) Section 7 of Public Law 85-325, dated February 12, 1958, is amended to read as follows:

" 'SEC. 7. The Secretary of Defense or his designee is authorized to engage in such advanced projects essential to the Defense Department's responsibilities in the field of basic and applied research and development which pertain to weapons systems and military requirements as the Secretary of Defense may determine after consultation with the Joint Chiefs of Staff; and for a period of one year from the effective date of this Act, the Secretary of Defense or his designee is further authorized to engage in such advanced space projects as may be designated by the President.

" 'Nothing in this provision of law shall preclude the Secretary of Defense from assigning to the military department the duty of engaging in research and development of weapons systems necessary to fulfill the combatant functions assigned by law to such military departments.

" 'The Secretary of Defense shall assign any weapons systems developed to such military department or departments for production and operational control as he may determine.'

"(c) Section 171 (a) of title 10, United States Code, is amended by renumbering clauses '(6)', '(7)', '(8)', and '(9)' as clauses '(7)', '(8)', '(9)', and '(10)', respectively, and inserting the following new clause (6) after clause (5):

" '(6) the Director of Defense Research and Engineering;'.

"REDUCING THE NUMBER OF ASSISTANT SECRETARIES OF DEFENSE

"SEC. 10. (a) Subsection (c) of section 203 of the National Security Act of 1947, as amended (5 U. S. C. 171c), as redesignated by section 9 (a) of this Act, is amended as follows:

"(1) By striking out the word 'three' and inserting the word 'seven' in place thereof.

"(2) By striking out the word 'and' after the word 'Navy,'.

"(3) By inserting the words ', and the Director of Defense Research and Engineering' after the words 'Air Force'.

"(b) Section 3 of Reorganization Plan No. 6 of 1953 (67 Stat. 638) is repealed.

"AUTHORIZING THE TRANSFER OF OFFICERS BETWEEN THE ARMED FORCES

"SEC. 11. Chapter 41 of title 10, United States Code, is amended as follows:

"(1) By adding the following new item at the end of the analysis:

" '716. Commissioned officers: transfers between Army, Navy, Air Force, and Marine Corps.'

"(2) By adding the following new section at the end:

" '§ 716. Commissioned officers: transfers between Army, Navy, Air Force, and Marine Corps.

" 'Notwithstanding any other provision of law, the President may, within authorized strengths, transfer any commissioned officer with his consent from the Army, Navy, Air Force, or Marine Corps to, and appoint him in, any other of those armed forces. The Secretary of Defense shall establish, by regulations approved by the President, policies and procedures for such transfers and appointments. No officer transferred pursuant to this authority shall be assigned precedence or relative rank higher than that which he held on the day prior to such transfer.'

"NATIONAL GUARD BUREAU

"SEC. 12. Section 3015 of title 10, United States Code, is amended by redesignating subsections '(a)', '(b)', and '(c)' as subsections '(b)', '(c)', and '(d)', respectively, and by inserting a new subsection (a) to read as follows:

" '(a) There is a National Guard Bureau, which is a Joint Bureau of the Department of the Army and the Department of the Air Force, headed by a chief who is the adviser to the Army Chief of Staff and the Air Force Chief of Staff on National Guard matters. The National Guard Bureau is the channel of communication between the departments concerned and the several States, Territories, Puerto Rico, the Canal Zone, and the District of Columbia on all matters pertaining to the National Guard, the Army National Guard of the United States, and the Air National Guard of the United States.'

"EFFECTIVE DATE

"SEC. 13. Sections 8 and 10 of the Act shall become effective six months after the date of enactment of this Act."

And the Senate agree to the same.

CARL VINSON,
OVERTON BROOKS,
PAUL J. KILDAY,
CARL DURHAM,
By R. W. S.
L. MENDEL RIVERS,
L. C. ARENDS,
L. H. GAVIN,
JAMES E. VAN ZANDT,
WILLIAM G. BRAY,
Managers on the Part of the House.

RICHARD B. RUSSELL,
HARRY F. BYRD,
LYNDON B. JOHNSON,
By R. B. R.
LEVERETT SALTONSTALL,
STYLES BRIDGES,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 12541) to promote the national defense by providing for reorganization of the Department of Defense, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment struck all after the enacting clause in the House bill. Except in three major areas, the Senate amendment is for practical purposes almost identical with the bill as it passed the House.

The three major areas of difference involve:

(1) The method by which the military Secretaries will function under the Secretary of Defense.

(2) The authority of the Secretary of Defense to transfer, reassign, consolidate, or abolish combatant functions.

(3) The right of a member of the Joint Chiefs of Staff, including the Commandant of the Marine Corps in matters pertaining to the Marine Corps, and a military Secretary, to present to the Congress, on his own initiative, recommendations relating to the Department of Defense.

Under the House bill, each military department was to be separately organized under its own Secretary and was to function under the direction, authority, and control of the Secretary of Defense, with that direction, authority, and control "exercised through the respective Secretaries of such departments."

The Senate amendment provided that each military department would be separately organized under its own Secretary and would function under the direction, authority, and control of the Secretary of Defense. The words "exercised through the respective Secretaries of such departments" were deleted. In addition, the Senate amendment provided that the Secretary of a military department would be responsible to the Secretary of Defense "for the efficient and economical operation of such department." Likewise, under the Senate amendment, an Assistant Secretary of Defense was authorized to issue orders to a military department but only if the Secretary of Defense delegated authority to such Assistant Secretary to issue such orders and in addition, such orders were issued through the Secretary of such military department or his designee.

The House and Senate conferees agreed to language which provides that each military department (the Department of the Navy to include naval aviation and the United States Marine Corps) shall be separately organized under its own Secretary and shall function under the direction, authority, and control of the Secretary of Defense. In addition, the Secretary of a military department will be responsible to the Secretary of Defense for "the operation of his department as well as for its efficiency."

That part of the Senate amendment which made each Secretary responsible to the Secretary of Defense for the "efficient and economical operation" could have been construed as words of limitation with respect to the responsibility of the military Secretary. Thus, under this portion of the conference report, the military Secretary will be responsible to the Secretary of Defense for the entire operation of his department as well as its efficiency.

Likewise, the House and Senate conferees agreed that no Assistant Secretary of Defense would have authority to issue orders to a military department except as provided in the conference report. Under the conference report, no Assistant Secretary of Defense can issue an order to a military department unless two requirements have been fulfilled:

(1) the Secretary of Defense must specifically delegate to such an Assistant Secretary in writing the authority to issue orders with respect to a specific subject area, and

(2) such orders must be issued through the Secretary of the military department or his designee.

The only exception to these requirements is in cases where there are specific provisions of other law which grant Assistant Secretaries of Defense the right to issue orders.

The House and Senate conferees agreed to the remainder of that portion of the Senate amendment which provides that it shall be the duty of such military Secretary, together with his civilian assistants and military personnel of his department, to cooperate fully with personnel of the Office of the Secretary of Defense in a continuous effort to achieve efficient administration of the Department of Defense and to effectively carry out the direction, authority, and control of the Secretary of Defense.

Thus, under the conference report:

(1) Each military department will be separately organized under its own Secretary;

(2) Each military Secretary will be responsible to the Secretary of Defense for the operation of that military department;

(3) No Assistant Secretary will issue orders to a military department unless the Secretary of Defense has given him a specific delegation of authority in a specific area;

(4) Even when an Assistant Secretary of Defense issues an order based upon his specific delegated authority, such an order must be "issued through" the military Secretary or his designee.

As a result, the original position of the House, which sought to retain the separate identity of the military departments has been sustained. In addition, the Assistant Secretaries of Defense will not be senior to, or have greater authority than, the military Secretaries. The Assistant Secretaries of Defense will, for practical purposes, remain as principal staff assistants to the Secretary of Defense, and even when acting for the Secretary of Defense, their decisions will be "issued through" the military Secretaries. This chain of civilian command will permit an orderly administrative procedure, and will eliminate the confusion that might otherwise have developed if statutory restrictions on the authority of the Assistant Secretaries

of Defense had not been provided, and if the orders issued by such assistants were not channeled through the military Secretaries.

The second area of disagreement dealt with the transfer, abolition, consolidation or reassignment of combatant functions. Under the House bill, the Secretary of Defense was authorized to transfer, reassign, consolidate, or abolish any function now or hereafter authorized by law to be performed by the Department of Defense, except a major combatant function, by notifying the Congress and then waiting 30 days. To prevent such action required the passage of a law. Under the House bill, a combatant function assigned to one of the military Services pursuant to the roles and missions contained in the National Security Act could have been transferred, reassigned, consolidated, or abolished upon the recommendation of the Secretary of Defense after he had consulted with the Joint Chiefs of Staff with respect to such action and had reported his proposed action to the Congress. However, if one or more of the Joint Chiefs of Staff had objected to the proposed transfer, consolidation, reassignment or abolition, the House bill required the Secretary of Defense to advise the Congress that he proposed to transfer, reassign, consolidate or abolish a major combatant function. In other words, under the House bill, a combatant function became a major combatant function when one or more members of the Joint Chiefs of Staff opposed a proposed transfer, abolition, consolidation or reassignment of a combatant function. Under the House bill when the Secretary of Defense proposed to transfer, reassign, consolidate, or abolish a major combatant function the Congress could have prevented such action by adopting a concurrent resolution in opposition to such action.

Thus, under the House bill, both Houses of the Congress had to act to prevent the consolidation, transfer, reassignment, or abolition of a major combatant function.

Under the Senate amendment, the Secretary of Defense may not substantially transfer, reassign, consolidate or abolish any function established by law to be performed by the Department of Defense or any officer or agency thereof until the expiration of the first period of 30 calendar days of continuous session of the Congress following the date on which the Secretary of Defense reports the pertinent details of the action to be taken to the Armed Services Committees of the Senate and House of Representatives.

Under the Senate amendment either Committee may report a resolution to its House stating that the proposed transfer, reassignment, consolidation, or abolition should be rejected because:

(1) It contemplates the transfer, reassignment, consolidation or abolition of a major combatant function assigned to the military services by the National Security Act, and

(2) If carried out, would impair the defense of the United States.

After such a resolution has been reported to either House, the proposed action cannot take place until the expiration of the first period of 40 days of continuous session of the Congress following the date on which the resolution is reported. If either House adopts a resolution in opposition to the proposed action, then the proposed transfer, reassignment, consolidation or abolition cannot be effected.

Under the Senate amendment, such resolutions of disapproval are privileged and a simple majority of either House is sufficient to prohibit the proposed transfer, reassignment, abolition, or consolidation.

The House conferees agreed to the Senate amendment with three modifications. The modifications contained in the conference report deal with the resolution that may be filed by either committee. Under the conference report such resolutions may apply to major combatant functions "now or hereafter" assigned to the military services by the National Security Act. In addition, the resolution shall state that in the judgment of the resolving House, the action, if carried out, would "tend to" impair the defense of the United States.

The words "now or hereafter" are added so as to be applicable to major combatant functions that have now been agreed upon as well as those that may be agreed upon hereafter. Once agreed upon, they should be subject to congressional review.

The words "tend to" were agreed upon since it appears unreasonable to require that the Congress must definitely state that a proposed transfer, abolition, consolidation, or reassignment of a major combatant function would impair the defense of the United States rather than "tend to" impair the defense of the United States. Obviously, no resolution of disapproval will be recommended unless the defense of the United States is involved, but to justify the judgment of the Congress on the grounds that the proposed action flatly "impairs" the defense of the United States requires a finding that might be construed as impugning the motives of the Secretary of Defense.

The only other changes with respect to this portion of the Senate amendment dealing with the transfer, reassignment, consolidation, or abolition of combatant functions deals with the reference to the Reorganization Act of 1949. Under the Senate amendment, any resolution reported to either House shall be treated in the same manner as a resolution with respect to a reorganization plan reported by a Committee within the meaning of the Reorganization Act of 1949.

Since it is the intent of both the House and Senate conferees that a simple majority, rather than a Constitutional majority, is all that is required to approve such a resolution, the conferees agreed to add the language "as in effect on July 1, 1958" with respect to the Reorganization Act of 1949. Prior to the act of September 4, 1957, a Constitutional majority was required to set aside a proposed reorganization plan. Thus reference to the Reorganization Act of 1949 of and by itself might have been construed, at some future date, as requiring a Constitutional majority rather than a simple majority as is now the case in the Reorganization Act of 1949, as amended by the act of September 4, 1957.

In addition, under the language agreed to by the conferees, any future changes in the Reorganization Act of 1949 will not affect the simple majority requirement with respect to proposed consolidations, transfers, reassignments, or abolitions of major combatant functions under the conference report.

Thus the provision agreed to with respect to combatant functions recognizes the responsibility of the Congress as provided in the Constitution of the United States. It preserves to the Congress its prerogative of making the final determination as to the military needs and requirements of our nation.

The third area of disagreement deals with the right of the Secretary of a military department, or a member of the Joint Chiefs of Staff to present to the Congress, on his own initiative, after informing the Secretary of Defense, any recommendations relating to the Department of Defense that he may deem proper.

The Senate amendment eliminated this right with respect to a Secretary of a military department, and in addition, the Senate amendment provided that a member of the Joint Chiefs of Staff or the Joint Chiefs of Staff as a body could present to the committees of the Congress, rather than to the Congress, recommendations relating to the security of the United States, rather than recommendations relating to the Department of Defense.

The House bill reenacted the law which has been in existence for the past nine years which provides that a military Secretary and a member of the Joint Chiefs of Staff shall have the right to come to the Congress on his own initiative, after first advising the Secretary of Defense, with respect to any recommendations relating to the Department of Defense that the military Secretary or member of the Joint Chiefs of Staff deem proper. The Senate conferees agreed to the language that was contained in the House bill. Thus it is a simple repetition of existing law.

Minor changes were also made with respect to the provision dealing with unified or specified combatant commands.

Under the House bill, the President with the advice and assistance of the Joint Chiefs of Staff and acting through the Secretary of Defense, was authorized to establish unified and specified combatant commands for the performance of combatant missions.

The Senate amendment contained the same language, but referred to the missions as "strategic" missions. The words "combatant missions" were objected to on the grounds that they carried a connotation of combat, whereas some unified commands, such as those in the Antarctica and other areas, might be considered noncombatant in nature, but of strategic importance. On the other hand, the use of the words "strategic missions" in a strict military interpretation might be interpreted so as to preclude the establishment of tactical missions. The House and Senate conferees agreed to substitute the words "military missions" in lieu of "combatant missions" or "strategic missions." The words "military missions" are sufficiently broad to include combatant missions, strategic missions, and tactical missions.

The Senate amendment, with respect to unified and specified commands, also provided that each military department would be responsible for the administration of the forces assigned from its department to such combatant commands "except when the Secretary of Defense determines that for the purposes of efficiency such responsibility should be assigned to another military department." The House bill permitted the responsibility for the support of forces assigned to combatant commands to be vested in one or more military departments as directed by the Secretary of Defense. However, the House bill did not permit the Secretary of Defense to place the responsibility for the administration of forces from one military department to be placed in the hands of another military department.

There may be times when the support of such combatant commands should be placed in the hands of one military department for the purposes of efficiency and economy, but the administration of such forces carries with it far greater connotations dealing not only with discipline, promotion, and personnel policies, but could conceivably be construed to include almost all policies under which the military department operates and are separately organized. The Senate conferees agreed to the deletion of the words "except when the Secretary of Defense determines that for the purposes of efficiency such responsibility should be assigned to another military department."

The Senate amendment also provides a statutory basis for the National Guard Bureau, including its Chief. The House agreed to this portion of the Senate amendment.

In addition, the Senate amendment provides that the elimination of three Assistant Secretaries of the military departments plus the reduction from 9 to 7 of authorized Assistant Secretaries of Defense, should not become effective until six months after the

enactment of this legislation. The House conferees agreed to this provision.

All other provisions of the Senate amendment which were agreed to by the House conferees are technical in nature and deal with code references, changes in section numbers, and the elimination of unnecessary language.

CARL VINSON,
OVERTON BROOKS,
PAUL J. KILDAY,
CARL DURHAM,
By R. W. S.
L. MENDEL RIVERS,
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L. H. GAVIN,
JAMES E. VAN ZANDT,
WILLIAM G. BRAY,
Managers on the Part of the House.

The SPEAKER. The question is on the conference report.

Mr. VINSON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. VINSON. Mr. Speaker, I submit a unanimous conference report on the bill H. R. 12541, a bill to reorganize the Department of Defense. Yesterday the conferees of the House and Senate reached a unanimous agreement, and therefore we bring a unanimous conference report to the House.

Immediately after the conference was agreed to, the President issued this statement:

I warmly congratulate Chairman RUSSELL and Chairman VINSON and their colleagues on the defense reorganization bill.

And further:

Except in relatively minor respects, the bill adequately meets every recommendation I submitted to the Congress on this subject.

And:

It is my conviction that the Armed Services Committees of both Houses have done a praiseworthy job on this important legislation, and that the result for America will be a more efficient and more economical national defense.

In the same connection, Secretary of Defense McElroy stated:

I am confident that the legislation * * * provides the means which has been sought by the President for improving the unity, the administrative efficiency, and combat capability of our Armed Forces.

Mr. Speaker, you will recall that when the House debated the bill reported by the House Armed Services Committee, three issues were involved. Those issues were, first, the manner in which the military Secretaries would function under the direction, authority, and control of the Secretary of Defense; second, the authority of the Secretary of Defense to transfer, reassign, consolidate, or abolish combatant functions assigned to the military services pursuant to the National Security Act; and third, the right of a military chief of a service or a military Secretary to present to the Congress on his own initiative, recommendations relating to the Department of Defense.

The bill, as it passed the House, provided that each military department would be separately organized under its own Secretary and would function under the direction, authority, and control of the Secretary of Defense with that direction, authority, and control exercised through the respective Secretaries of such departments.

The words "exercised through the respective Secretaries of such departments" were objected to by the President, but the House sustained the position of the Armed Services Committee.

Now the Senate, after carefully considering the matter, amended the House bill to provide that each military department would be separately organized under its own Secretary and would function under the direction, authority, and control of the Secretary of Defense. The Senate deleted the words "exercised through the respective Secretaries of such departments." Instead, the Senate amendment provided that the Secretary of a military department would be responsible to the Secretary of Defense for the efficient and economical operation of his department and in addition, the Senate amendment provided that an Assistant Secretary of Defense would have the authority to issue orders to a military department but only if the Secretary of Defense delegated to such Assistant Secretary the authority to issue such orders and such orders were issued through the military Secretary or his designee.

Now I call your attention to the fact that the orders of the Assistant Secretary of Defense, in the Senate amendment, had to be issued through the Secretary of the military department, that the Secretary of Defense had to delegate his authority to an Assistant Secretary of Defense, and finally, and most importantly, under the Senate amendment, the Secretary of a military department was to be responsible to the Secretary of Defense for the efficient and economical operation of his department.

The conferees modified this part of the Senate amendment and have agreed upon language which provides:

First. That each military department will be separately organized under its own Secretary.

Second. Each military department shall function under the direction, authority, and control of the Secretary of Defense.

Third. The Secretary of a military department shall be responsible to the Secretary of Defense for the operation of his department as well as its efficiency.

Fourth. No Assistant Secretary of Defense shall have authority to issue orders to a military department unless he has received a specific delegation of authority in writing from the Secretary of Defense to issue orders with respect to a specific subject area. Even after getting that delegation of authority, these orders must be issued through the Secretary of the military department concerned, or his designee.

The language agreed upon in the conference report produces the same results that the House attempted to attain when we used the words "exercised through the respective Secretaries of such departments."

We wanted to retain the separate identity of the military departments; we wanted the military Secretaries to be responsible for the operation of their own departments; we wanted the Assistant Secretaries of Defense to function only under a specific delegation of authority; and we wanted any orders issued by an Assistant Secretary of Defense to go through the military Secretaries so that they would be continuously informed of what was going on in their own department.

Thus, the language agreed upon in the conference report sustains the position of the House in preserving the clear line of civilian command that is essential if the Department of Defense is to be operated efficiently and effectively.

Now the second issue that was debated on the House floor and which was considered carefully by the Senate, deals with the transfer, reassignment, consolidation, and abolition of combatant functions.

You will recall that in the House bill the Secretary of Defense was given the authority to transfer, reassign, consolidate, or abolish all functions authorized by law to be performed by the Department of Defense, by notifying the Congress and then waiting 30 days. Congress could pass a law if it objected to this action on the part of the Secretary of Defense, but we made an exception for major combatant functions assigned to the Armed Forces under the National Security Act.

We felt that Congress had dealt with these combatant functions in clear and unmistakable language in the National Security Act and that the Secretary of Defense should not have authority to change these functions by simply notifying Congress and then waiting 30 days for the Congress to pass a law if it objected. So the House bill provided that if a member of the Joint Chiefs of Staff objected to the transfer, consolidation, reassignment, or abolition of a combatant function assigned to one of the services under the National Security Act, then that action on the part of the member of the Joint Chiefs of Staff would convert the combatant function to a major combatant function.

Then the Secretary of Defense, when he presented his proposed action to the Congress, would have to advise the Congress that he was proposing to change a major combatant function. In such an event, Congress could disapprove the proposed action by adopting a concurrent resolution, which did not require the signature of the President.

In the Senate amendment and the conference report, instead of a member of the Joint Chiefs of Staff deciding whether the function involved is a major combatant function assigned to one of the services pursuant to the National Security Act, the Committee on Armed Services of the House of Representatives or the Senate, will be called upon to decide whether the function to be transferred, reassigned, consolidated, or abolished is a major combatant function.

The committees have 30 days of continuous session in which to report a resolution. If no resolution is reported within that 30-day period, the proposed action goes into effect. But, if either committee reports a resolution to the House objecting to the proposed trans-

fer, reassignment, consolidation, or abolition on the grounds that it is a major combatant function and that the proposed action, if carried out, tends to impair the defense of the United States, then 40 days must elapse after that resolution is reported before the proposed action can take place.

And if either House adopts a resolution of disapproval then the action proposed by the Secretary of Defense cannot take place.

But, Mr. Speaker, I feel strongly that neither of the Committees on Armed Services—nor the House or Senate—will treat these matters lightly. These determinations will always have to receive the most careful consideration.

Now, what has happened: The conference report gives either body the right to determine whether a major combatant function is involved, and gives either House the right to decide whether this action tends to impair the national defense. It is important to note that under the Senate amendment and the language agreed to by the conferees, either House can prevent the proposed action from taking place by the adoption of a resolution by a simple majority.

Thus the Senate amendment and the conference report strengthen the responsibility of the Congress under the Constitution of the United States to provide for an Army and Navy, and to make rules and regulations for all of our Armed Forces.

Now, the third issue which was debated on the floor of the House deals with the right of a member of the Joint Chiefs of Staff, including the Commandant of the Marine Corps when Marine matters are involved, and a military Secretary, to present to the Congress, on his own initiative, any recommendations with respect to the Department of Defense that he may deem proper after first advising the Secretary of Defense of his intention to do so.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. VINSON. I yield.

Mr. GROSS. Do I understand that the conferees retained intact the language of the House which permits a civilian secretary to present his views to Congress?

Mr. VINSON. Yes. I may say in that connection that that is a matter I am coming to. We retained the law which had been on the statute books for 9 years that permits the military Secretaries and members of the Joint Chiefs of Staff to come to Congress just as they have in the past.

Mr. GROSS. But you did follow faithfully the provision as enacted by the House?

Mr. VINSON. Exactly; we used the very words. That is the law today.

Mr. GROSS. I want to commend the gentleman from Georgia and the conferees.

Mr. VINSON. I thank the gentleman.

The Senate amendment sought to modify this provision of law, which has been in effect for 9 years, by eliminating the right of the military Secretary to come to the Congress and by limiting the recommendations to matters concerning the security of the United States, rather than recommendations relating to the Department of Defense in general.

However, I am happy to reiterate to the House that the Senate agreed to the House language which was simply a restatement of the law that has existed for 9 years.

As a result, a military Secretary and a member of the Joint Chiefs of Staff will continue to have the right to come to the Congress on his own initiative after first advising the Secretary of Defense, to discuss with the Congress any matters he deems proper concerning the Department of Defense.

The House conferees also accepted language contained in the Senate amendment dealing with the National Guard Bureau and the Chief of that bureau. This was to preserve the National Guard Bureau and the House conferees completely concurred in this portion of the Senate amendment.

In addition, the House conferees agreed to another part of the Senate amendment which postpones the elimination of three Assistant Secretaries of the military departments, and two Assistant Secretaries of Defense, until 6 months after the conference report becomes law.

Only one other item, that was not debated on the floor of the House, was contained in the Senate amendment. This involves the unified command structure.

Under the House bill, the President was authorized to establish combatant commands for the performance of combatant missions. The Senate amendment changed the words "combatant missions" to "strategic missions" on the grounds that there may be some noncombatant areas where unified commands should be established. We objected to the words "strategic missions" because it might be construed so as to prevent the establishment of combatant commands for the performance of tactical missions. We agreed upon the words "military missions."

And finally, the conferees agreed to eliminate a portion of the Senate amendment which could have given the Secretary of Defense the right to assign the responsibility for the administration of all forces assigned from the military departments to just one military department.

This language might well have been misconstrued in the years ahead since "administration" could cover much more than just discipline, promotion, and personnel policies. It might well have been construed to include all policies under which the military departments operate and are separately organized. As a result, the conferees agreed to eliminate this portion of the Senate amendment.

Other changes were technical in nature, dealing with code references and section numbers.

Mr. Speaker, I think the House Armed Services Committee and the Senate Armed Services Committee, and the conferees from both committees, have produced an excellent vehicle for the proper reorganization of the Department of Defense.

We have made clear the authority of the Secretary of Defense.

We have retained the separate identity of the military departments to the extent that separate identity is necessary for the proper administration of this tremendous organization.

We have preserved and strengthened the constitutional responsibility of the Congress in this vital area of national security.

I sincerely hope that the conference report will be unanimously approved by the membership of this House.

Mr. Speaker, I yield to the distinguished gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Speaker, there is little to be added to what has already been said with respect to this important measure. I do not believe any bill has come before us that has been more thoroughly considered, in committee, on the floor, and in conference, on both sides of the Capitol. In a very real sense, the finished product we now have before us was hammered out on the legislative anvil of debate.

The distinguished chairman of the Armed Services Committee, the gentleman from Georgia, [Mr. VINSON], is to be commended in the highest terms for the excellent job he has done in this whole legislative process. What is now before us is the end product; there is complete agreement between the Senate and House conferees. To the best of my knowledge this conference report is in accord with the wishes of those who sponsored the original proposal for the reorganization of the Defense Department.

This may not be exactly what everyone might like to have done by way of the Defense Department reorganization. That is invariably so in connection with any legislation. But, in my judgment, this is a constructive piece of legislation which will contribute much for making our whole defense organization more efficient, both in its military and civilian aspects, and will doubtless realize economies in this extensive Department of Government.

Mr. BRAY. Mr. Speaker, the defense reorganization bill reported by the conference committee contains the principal features the President requested and at the same time safeguards Congressional authority over our armed services. The compromise version is a happy solution to a problem which had promised to be the source of much bitterness and controversy. Compromises, perhaps never completely satisfactory to anyone, can generally be acceptable to all parties and that is what we have accomplished on this reorganization legislation.

Under the conference version the President will have sufficient control to make the command changes that may be necessary, but orderly procedure through customary channels is retained. Language of the Senate version was accepted which will safeguard the service branches, including the National Guard, against attempts to eliminate them or destroy their effectiveness.

One of the most important features of the bill is that the conferees refused to

place a gag in the mouths of the service chiefs to prevent them from talking freely to Congress about defense policy. This is a most important matter not only for the American people but for the good of the services themselves. To lock the honest and qualified opinions of our military leaders in silence can only tend to perpetuate mistakes and limit our best judgment in vital defense decisions.

Congress has not yielded any of its constitutional powers and duties regarding its control over the Armed Forces. I urge my colleagues to accept the conference version of the bill to speed final enactment of this measure.

GENERAL LEAVE TO EXTEND

Mr. VINSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their remarks on the bill and on the conference report.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

REGULATING SHORE DUTY OF OFFICERS OF THE REGULAR NAVY

Mr. KILDAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 11636) to repeal section 6018 of title 10, United States Code, requiring the Secretary of the Navy to determine that the employment of officers of the Regular Navy on shore duty is required by the public interest, with Senate amendments thereto and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Strike out all after the enacting clause and insert "That section 6018 (2) of title 10, United States Code, is amended by striking 'and his determination to that effect is stated in the officer's orders to shore duty'."

Amend the title so as to read: "An act to amend section 6018 of title 10, United States Code, requiring the Secretary of the Navy to determine that the employment of officers of the Regular Navy on shore duty is required by the public interest."

Mr. ARENDS. Mr. Speaker, reserving the right to object, will the gentleman make a short explanation of that procedure?

Mr. KILDAY. Mr. Speaker, there is an old law under which there are restrictions on the assignment of naval officers to shore duty, requiring a finding by the Secretary of the Navy, and so forth. The House bill would have repealed that entirely, but the Senate amended it by requiring that the Secretary's determination need not be stated in the officers' orders to shore duty.

Mr. ARENDS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

MILITARY CONSTRUCTION APPROPRIATION BILL, 1959

Mr. SHEPPARD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 13489) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1959, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate on the bill be limited to 2 hours, one-half of the time to be controlled by the gentleman from North Carolina [Mr. JONAS] and one-half of the time by myself.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from California.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 13489, with Mr. KILDAY in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement the gentleman from California [Mr. SHEPPARD] will be recognized for 1 hour and the gentleman from North Carolina [Mr. JONAS] will be recognized for 1 hour.

The Chair recognizes the gentleman from California [Mr. SHEPPARD].

Mr. SHEPPARD. Mr. Chairman, I yield myself such time as I might require.

Mr. Chairman, I respectfully request the membership to permit me to complete my statement, at the termination of which I will be pleased to respond to any inquiries that the Members of the House may care to propound.

Before discussing the appropriations contained in this bill I would like to thank individually and collectively the members of the Subcommittee on Military Construction who have worked so hard and diligently to formulate the bill now before you. Their wholehearted cooperation during the hearings and the markup was the chief factor which enabled us to report one to you in such a short period of time. An example of this cooperation was found in the action of the subcommittee in holding hearings on the 4th of July in order that the House might have consideration of this bill at the earliest moment. I thank them for it and commend them to you. Also Mr. Frank Sanders and his assistants for the splendid job they have done.

In the committee's consideration of the fiscal year 1959 military construction program, the committee adopted several policies in determining the projects and the funds to be approved.

The first and most important of these was that projects not clearly essential to the military needs of this country at the present time should be eliminated. We face at least an immediate future when the direction and amount of spending of military funds could change on a short notice. The committee did not feel that in times like these items such as a million-dollar officers' club for the Air Force on Guam, family housing in the Middle East, and similar items in other areas should be funded.

Under this policy the committee refused funds for the replacement of facilities not clearly essential. For example, the Army requested funds for the replacement of barracks. They plan, however, to hold the barracks for mobilization and other purposes. If such facilities are good enough to hold in standby the committee can see no reason why they should not be used in lieu of new construction.

It should be noted that the Supplemental Defense Appropriation Act, 1958, approved earlier in this session of the Congress, included $520 million for military construction. These funds were for high-priority projects lifted from the proposed fiscal year 1959 program. The acceleration of the funding of these items had the effect of decreasing the overall essentiality of the 1959 program considered by the committee and necessarily is reflected in the reduction approved.

Second, the committee insisted that the services make all possible use of unobligated funds remaining from prior appropriation acts and carry forward into fiscal year 1960 only realistic unobligated balances.

Third, the subcommittee eliminated projects for which the military services were requesting funds on the basis of a blank check type operation. In other words, where plans were nonexistent and the type of facility to be constructed was a mere gleam in some military planners' eye.

Fourth, the subcommittee insists that the services make maximum use of existing facilities, particularly those which are inactive or not fully used. They have been most derelict in not doing this. In this regard, I call your attention to page 3 of the committee report.

With these major policies in mind, the committee considered budget estimates in the amount of $1.7 billion and recommends appropriations of $1.2 billion, a decrease of $511 million in the estimates. A detailed tabulation of the construction projects approved by the committee will be found at the end of the report and the specific reductions will be found in the body of the report accompanying the bill.

Many of you have asked questions about armory and Reserve-type construction. I would like to point out that the committee has approved all of the funds requested for the Reserve programs of the three services. This program for the construction of Reserve and National Guard armories raises a vexing problem for the committee. Maximum use must be made of joint facilities constructed for the Reserve components of the military services. All too frequently we see examples of National Guard arm-

ories and Reserve armories being constructed in the same town with little or no joint use. Certainly, money could be saved by an increased joint utilization of these facilities. The problem is a complex one, especially due to the jurisdiction of the States in National Guard affairs. The committee calls on the Secretary of Defense to initiate a study requiring greater utilization of Reserve facilities by all units of the Reserve components and, if necessary, request legislation to achieve the desired end. To implement this, the committee has addressed a letter to the Secretary of Defense on this matter.

Now, in a brief form, this is what the committee has recommended to you in the accompanying bill.

Department of the Army: The committee approved $214.6 million for the Department of the Army.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. SHEPPARD. I yield to the gentleman from Florida.

Mr. SIKES. The gentleman is making a good statement, as he always does, but before he gets into a breakdown of the respective services I would particularly like to urge that the Members read pages 3, 4, 5, and 6 of the committee report which give a very careful summary of the actions taken in reporting the bill. I think a reading of that report will answer most of the questions that may arise concerning the overall policy of the committee in taking the action it did in bringing the bill to the House in its present form.

Mr. SHEPPARD. The gentleman from California thanks the gentleman from Florida for his contribution and strongly recommends that procedure.

DEPARTMENT OF THE ARMY

The committee approved $214.6 million for the Department of the Army. These funds when added to unobligated balance from prior years appropriations will make $345.8 million available for obligation by the Army in fiscal year 1959.

Typical of the projects approved by the committee were the guided missile training facilities at Fort Bliss, Tex., and the surface-to-air tactical missile facilities for the Army family of Nike missiles.

DEPARTMENT OF THE NAVY

The amount of $274,800,000 was approved for the Navy, which when added to carryover funds from prior years will make $417,700,000 available for obligation in fiscal year 1959. A large portion of the approved Navy program is in support of the fleet ballistic missile weapon system—Polaris—antisubmarine warfare and essential support for the carrier striking force.

DEPARTMENT OF THE AIR FORCE

For the Air Force the committee approved $687,400,000. This amount when added to carryover balances and anticipated reimbursements will provide $1,557,400,000 for the Air Force program in fiscal year 1959. Programs funded include continuation of the SAC dispersal and alert capabilities, ballistic, strategic and defense missile program and essential support facilities for other operational missions.

SUMMARY

In total, the bill as approved by the committee will make available $2,320,900,000 for the fiscal year 1959 construction program. Surely over $2 billion is enough money to give the country a realistic military construction program.

The question will be raised whether in making this reduction we are crippling the national defense. I can think of no better way to meet that question than head-on. If deleting a million-dollar officers' club on Guam, family housing in the troubled areas of the Middle East where dependents certainly have no business at this time, $38,000 air-conditioned houses in Hawaii, and similar items elsewhere—if insisting that the Defense Department make the maximum use of existing facilities instead of buying more land and building more permanent structures—if doing these things cripples the defense effort of the country, then perhaps we have. But, I do not believe that there is a single dollar which has been denied that will in any way, shape or form retard or damage our present defense effort. Rather I believe that the action taken by the committee, upon the unanimous recommendations of the subcommittee, will not only make additional funds available for our military forces if they are needed, but will cause the Department of Defense to give more detailed, accurate, and realistic consideration to the construction program instead of blindly requesting funds for more and more facilities and more and more land.

The subcommittee unanimously agreed and the full committee approved a reduction of $90 million in the ballistic-missile program of the Air Force. Why? Because they requested a blank check for the construction of operational facilities for squadrons in support of a missile which has not even flown. This was not a request for testing or development facilities, but for operational facilities. The design of the facilities has just begun and will not be completed until next year. No site has been selected. It would take a crystal ball to find out when the detailed plans will be ready and what a firm cost estimate might be.

Your committee refuses to write blank checks for appropriations even in this important but costly field. It has found in the past that such a procedure, as everyone in this House knows, is a costly and stupid one. So we have eliminated $90 million of the funds requested and told the Department of Defense that if additional funds are required the committee will be happy to consider the need for them when plans are in a more definitive state and cost factors are realistic and not the figment of someone's imagination.

Mr. Chairman, this bill is a good bill. It will not satisfy every military service, nor will it satisfy every person in this House, but it is a solid bill, based on long hours of searching, exhausting hearings. I recommend it to you and urge its passage, with the promise that if it and the accompanying report are implemented by the Department of Defense, as directed, money will be saved, existing facilities used, a realistic construction program formulated, and the national defense of this country strengthened.

I think it is high time that this House take unto itself the prerogatives of control of the purse strings. We have been in many instances, in my personal opinion, rather reluctant and somewhat dilatory in letting the Defense Department and the military services have too free access to the spending of the taxpayers' funds without justification. Insofar as your subcommittee handling your construction bill is concerned, I want you to know we are diametrically opposed to that type of operation and to the degree possible are going to change that procedure.

At this point in my remarks I would like to insert the body of the committee report on this bill.

Summary of the bill

Budget estimates considered by the committee were contained in House Document No. 395 and total $1,730,653,000. The committee recommends appropriations of $1,218,815,000, a decrease of $511,838,000 in the budget estimates and $781,685,000 below the funds appropriated for these purposes in fiscal year 1958.

It should be noted that the Supplemental Defense Department Appropriation Act, 1958, approved earlier in this session of the Congress, included $520 million for military construction. These funds were for high-priority projects lifted from the proposed fiscal year 1959 program. The acceleration of the funding of these items had the effect of decreasing the overall essentiality of the 1959 program considered by the Committee and necessarily is reflected in the reduction approved.

The following tabulation lists in summary form appropriations for fiscal year 1958, estimates for fiscal year 1959 and the committee action on the 1959 request.

Title	Appropriation, 1958	Budget estimates, 1959	Recommended in bill, 1959	Bill compared with—	
				Appropriation, 1958	Budget estimates, 1959
Title I. Office of the Secretary of Defense	----------	[1] ($50,000,000)	[1] ($50,000,000)	(+$50,000,000)	----------
Title II. Interservice activities	$5,500,000	20,000,000	20,000,000	+14,500,000	----------
Title III. Department of the Army	310,000,000	340,900,000	214,564,000	−95,436,000	−$126,336,000
Title IV. Department of the Navy	265,000,000	368,253,000	282,751,000	+17,751,000	−85,502,000
Title V. Department of the Air Force	1,420,000,000	1,001,500,000	701,500,000	−718,500,000	−300,000,000
Total	2,000,500,000	1,730,653,000	1,218,815,000	−781,685,000	−511,838,000

[1] To be derived by transfer from funds available to the Office of the Secretary of Defense for advanced research projects.

General statement

The committee is concerned with the practices of the military services and the Department of Defense in requesting funds for projects which, while desirable, are certainly not essential to the military requirements of this country. The fiscal year 1959 program as submitted to the Congress is characterized by far too many such projects. The gravity of the present world situation which could result in a change in the direction of the spending of military appropriations has forced the committee to eliminate many of these items which are not clearly essential under present circumstances.

The importance of the military construction program to the defense posture of this Nation is all too often overlooked by the military planners. This is especially true in connection with new weapons systems and technical equipment being added to the arsenals of our military services. All too frequently planning for the implementation of these systems provides for the construction of facilities as an afterthought and with little of the concentrated planning which is devoted to weapons systems and technical equipment. As a consequence, the construction of the facilities for the actual use of these systems has lagged or been so inadequate as to require, in many instances, either a crash construction program or the submission to Congress of requests for funds based on little, if any, definitized planning and in all too many instances merely a dream in some planner's mind.

Such procedures are not acceptable. As will be pointed out elsewhere in this report, the committee has deleted the request for funds for certain so-called advanced weapons systems simply because the services concerned with their construction have little, if any, idea of the cost, plans, or the types of facilities to be constructed.

Blank check type appropriations based on such estimates are always unnecessarily costly and wasteful.

Programing and planning of weapons systems and advance technical equipment must have as an integral part of their makeup, adequate and realistic programing for necessary facilities and construction features.

The Secretary of Defense will be expected to take positive steps in this respect and report to the committee, prior to the submission of the fiscal year 1960 military construction program, the specific actions and the results achieved in this regard.

The lateness of the submission of the budget estimates for the military construction authorization and funding programs for fiscal year 1959 prevented the committee from withholding action on this bill until the authorization bill had been enacted into law. It should be pointed out that no item has been included in this bill that is not authorized by law or contained in the military construction authorization bill (H. R. 13015) as passed by the House of Representatives.

Utilization of existing facilities

The changing nature of the military posture of this country has necessitated some realinement of facilities in use by the military services. This has resulted in the curtailment and closing of many military installations, including some of a permanent nature. Proper planning and supervision would have prevented much of this cost and dislocation. To insure the maximum of efficiency and economy in the military-construction program consideration must be given to the adequate use of facilities no longer required for their original mission. It is obvious that such consideration has not been given in formulating the fiscal year 1959 military-construction program. The committee was disturbed to discover that there are still instances wherein one military department is forced to acquire new real estate in lieu of utilizing existing real property held by another service for uncertain mobilization and reserve training requirements. It is also apparent that adequate provisions for the close control and analysis required of this problem are either not provided or not properly functioning in the Department of Defense. All too frequently the sole responsibility for the utilization of existing facilities is left up to the military services who are loath to release any facilities and equally reluctant to use facilities other than their own. The actual responsibility rests solely with the Secretary of Defense, and cannot be passed off to the military services. To insure that a thorough review will be made of these facilities in connection with the implementation of the fiscal year 1959 program and with the programs in future years, the committee calls on the Secretary of Defense to pool under his cognizance all such facilities and properties so as to have them immediately available for use or transfer to meet the needs of any of the military services in a manner to provide for the maximum utilization of existing facilities. To implement this, the committee calls on the Department of Defense to require a full report from all services on all permanent and semipermanent facilities and all installations not fully utilized on an active basis.

The Secretary of Defense is directed to file a report with the committee not later than January 15, 1959, of the action he has taken in this regard. It will be expected that the submission of the 1960 military construction appropriation request will be accompanied by a list of all permanent and semipermanent type facilities and installations not in active use and the proposed disposition of them in fiscal year 1960.

Future submissions

It is completely unrealistic to expect the Congress to examine this program in the manner it desires, if the executive branch persists in transmitting estimates late in the Congressional session. It is possible to submit a $40 billion defense budget to Congress in January, but one for $1.7 billion must wait until June. While the committee has acted on the program for fiscal year 1959 it will expect the fiscal year 1960 program to be submitted much earlier in the session.

Reprograming

One of the plagues of the military construction program is constant reprograming, supposedly due to changing military needs. While the committee realizes that emergency situations as well as new weapon systems and technical equipment necessitate some changes, they could be held to the minimum if the programs of the military services were firm and adequately planned when presented to the Congress for initial funding approval. All too frequently the committee has been requested to approve a reprograming of funds from a project justified to the committee with a high priority to one of a much lesser priority. This practice must stop.

Minor construction

Funds are made available to the respective military services in lump sums for minor construction projects with minor construction being defined as projects costing not less than $25,000 nor more than $200,000. An analysis of the construction accomplished under this program in fiscal year 1958 disclosed items which more properly should be submitted in the regular military construction program and approved by the Congress. For example, items similar to some presented to the Congress for specific funding approval in the fiscal year 1959 program were constructed under the minor construction program in fiscal year 1958. The committee fails to see the justification for such procedures and will expect the services and the Department of Defense to cease such practices in allotting funds for this program in fiscal year 1959. The committee directs that the maximum limitation of $200,000 per completed project be reduced to $175,000.

Family housing

The family housing program of the Department of Defense in the past several years has been characterized by a series of stop and go actions which has resulted in a housing program over which there is some control by numerous agencies of the Government and overall control and responsibility by none. The committee concurs in the action of the House Armed Services Committee in requiring that family housing of all types will be carried as individual line items in military construction programs and will expect the Department of Defense to see that the military services include such line item submissions in their appropriations request in fiscal year 1960 and subsequent years as in the manner done by the Department of the Army this year. The entire situation is a bit incongruous. For example, in the past several years, we have seen emphasis in the housing program move from appropriated fund construction to so-called Wherry housing, which did not prove fancy enough for the military services, then to title VIII, better known as Capehart housing, which at best, is costly and almost impossible to control under present circumstances. In the fiscal year 1959 construction program, we see the return to appropriated fund housing in instances where the services were unable to secure the large quarters they desired for certain officer personnel under the Capehart housing program.

Little consideration is apparently being given to the obligations the Federal Government is assuming under the Capehart housing program.

The Department of Defense all too frequently adopts the attitude that these obligations are going to be paid off automatically with future years rental allowances of the occupants at no cost to the Government, so it is a perfect program. They seem oblivious to the fact that the rapidly changing concepts of the military posture of this country could easily result in these housing projects becoming empty in future years with the Federal Treasury holding the responsibility for paying off the mortgages. Certainly, if the ability of the military services to utilize existing facilities instead of new ones is not corrected, this problem will quickly be realized.

It is time we stop and take a good look at the housing programs and requirements of the military services. As stated above, action has been taken this year by this committee and the House Armed Services Committee, but much remains to be done, particularly in the Department of Defense. The Department will be expected to make a close examination of the housing programs of the military services, submitting a report to the committee not later than January 15, 1959, which will include the status of the Federal liability under existing housing programs as well as the requirements of the services, the basis for these requirements, existing assets, and the program for meeting these requirements.

Reserve components

Funds for construction for the Reserve components have been approved in the amounts requested and include $8 million for the Navy Reserve forces, $9,600,000 for the Air National Guard and $4,550,000 for the Air Force Reserves. No funds were requested or approved for Army National Guard or Army Reserve forces since funds remaining from prior years appropriations are sufficient to meet the fiscal year 1959 programs for the Army Reserve components. A tabulation of the Reserve facilities approved for the Army National Guard, Naval

Reserves, and the Air Force Reserve components will be found in a table at the end of this report.

The approved Army Reserve program will be found beginning on page 1168 of the Committee hearings.

OFFICE OF THE SECRETARY OF DEFENSE

Advanced Research Projects Agency

The committee has approved the budget request of $50 million for construction for the Advanced Research Projects Agency, to be derived by transfer from funds available to the Office of the Secretary of Defense for advanced research projects. These funds are being approved with the specific understanding that the committee will be notified of the selection of sites, use of existing facilities, the method of contracting, and other pertinent information prior to construction. The committee is appreciative of the desire of the Director to cooperate in this manner, as expressed in the committee hearings, and stands ready to cooperate fully with him in carrying out the construction program of the Agency.

INTERSERVICE ACTIVITIES

Loran stations

The committee has approved the budget estimate of $20 million for the construction of additional loran stations by the Coast Guard. These stations have proven themselves invaluable in the navigation of vessels at sea and the funds approved by the committee will allow for construction of additional essential facilities.

DEPARTMENT OF THE ARMY

Military construction, Army

The committee recommends an appropriation of $214,564,000 for the military construction program of the Army in fiscal year 1959, a reduction of $126,336,000 in the budget estimate and $95,436,000 below the appropriation for the current year. This amount combined with unobligated balances carried forward from fiscal year 1958 will provide funds for the fiscal year 1959 construction program and a realistic carryover of funds into fiscal year 1960. The reduction based on an increase utilization of prior years appropriations and the resultant reduction in the proposed carryover into fiscal year 1960 as well as specific adjustments and deletions in the funding program are explained in subsequent paragraphs.

The funding program approved by the committee totals $306,547,000, a reduction of $80,075,000 in the request of $386,622,000. The following list shows by major category the action taken; a detailed tabulation by States and installations will be found in tables at the end of this report:

Activity	Funding request	Approved by committee
Continental United States:		
Ordnance	$32,856,000	$22,349,000
Quartermaster	4,630,000	952,000
Chemical	3,502,000	3,462,000
Signal	3,815,000	1,033,000
Army Security Agency	132,000	
Engineers	3,984,000	780,000
Transportation	3,634,000	184,000
Medical	3,104,000	
First Army	3,920,000	171,000
Second Army	5,337,000	1,543,000
Third Army	14,229,000	6,312,000
Fourth Army	24,997,000	14,525,000
Fifth Army	5,344,000	2,813,000
Sixth Army	11,112,000	4,794,000
United States Military Academy	5,992,000	4,572,000
Military District of Washington	3,861,000	3,861,000
Armed Forces special weapons project	273,000	273,000
General Conus	6,311,000	6,311,000
Total, continental United States	137,033,000	73,935,000
Overseas areas:		
Alaska	$984,000	$461,000
Pacific	7,163,000	1,704,000
Caribbean	1,060,000	1,060,000
France	4,468,000	4,063,000
Germany	10,692,000	10,692,000
Italy	3,619,000	3,619,000
Korea	8,047,000	8,047,000
Army Security Agency	2,635,000	2,635,000
Signal	6,265,000	1,630,000
General overseas—Joint Task Force 7	860,000	860,000
General continental United States and overseas	203,796,000	197,841,000
Total, overseas	249,589,000	232,612,000
Grand total, Army	386,622,000	306,547,000

Continental United States

Ordnance Corps: The committee has approved $22,349,000 for Ordnance Corps facilities, a reduction of $10,507,000 in the budget estimates of $32,856,000.

In making this reduction the committee has denied the request for three enlisted men's barracks and supporting facilities at the Aberdeen Proving Ground estimated to cost $2,697,000. This action is in accordance with the general feeling of the committee that the replacement of facilities should be limited to only those most urgently needed. The ammunition cleaning and painting building and facilities at the Blue Grass Ordnance Depot for which $509,000 was requested has been denied as the urgency for this project is not such as to warrant construction at this time as evidenced by the low priority assigned to it by the Army. Funds have been denied for the command headquarters building, (ordnance tank-automotive command) at the Detroit Arsenal. Further studies should be made toward relocating either part or all of this activity in existing and less costly facilities. The request for funds to replace facilities at the White Sands Missile Range has been denied as follows: Dental clinic, $265,000; bachelor officers quarters, $484,000, and commissary, $254,000. The committee does not feel that there is sufficient need for the replacement of these facilities at this time.

The requests for a bomb and shell reconditioning building with auxiliary facilities and ammunition demolition protective structures at the Wingate Ordnance Depot have been denied inasmuch as the present facilities have served the purpose since World War II and replacement is not urgent enough to warrant placing them in a high priority at this time.

Quartermaster Corps: The committee has approved $952,000 for Quartermaster Corps facilities, a reduction of $3,678,000 in the budget estimates of $4,630,000. Approval has not been granted for $3,410,000 to build a quartermaster academic building at Fort Lee. The proposed building is the first of four planned for the quartermaster school at an estimated total cost of $13,946,000. In view of this large proposed expenditure and the inactivation of other installations and activities the Army is directed to restudy the use of inactive facilities. The request for a bachelor officers quarters estimated to cost $268,000 has been denied. It is felt the need can be met through the use of existing facilities and providing necessary transportation at a lesser cost.

Chemical Corps: The committee recommends an appropriation of $3,462,000 for Chemical Corps facilities, a reduction of $40,000 in the budget estimates of $3,502,000. The request for a warehouse at Fort Detrick estimated to cost $300,000 has been reduced to $260,000, as the unit cost of $7 per square foot appears to be excessive for a building containing 40,132 square feet. It was testified that warehousing is authorized at $6 per square foot for general-purpose warehousing with a minimum size of 200 by 200 feet.

Signal Corps: Approval has been granted by the committee for $1,033,000 for Signal Corps facilities, a reduction of $2,782,000 in the budget estimates of $3,815,000. The request for three enlisted men's barracks and supporting facilities at Fort Huachuca at a cost of $2,782,000 has been denied. In addition to the general policy of the committee on the replacement of facilities, it is understood the existing structures are in such condition to warrant maintaining them for National Guard training and mobilization purposes.

Army Security Agency: The committee has denied the request of $132,000 for a Post Engineer Composite Building at Vint Hill Farms Station as it is not of an urgent enough nature to justify construction at this time. This represented the total request of the Army Security Agency.

Corps of Engineers: The committee recommends an appropriation of $780,000, a reduction of $3,204,000 in the budget request of $3,984,000. The request of $1,913,000 for a new Cartographic Engineering Building at the Army Map Service has not been allowed at this time as the estimate is based only on preliminary planning without the benefit of designs. The wisdom of this action is borne out by the large increase in the original cost estimate of the Cold Regions Engineering Laboratory made on a similar basis. An appropriation of $2,496,000 was made for that project last year and there is an additional request of $1,291,000 in this program. The request for the laboratory is also denied as the committee is not convinced as to the accuracy of the cost estimates or the desirability of the location and directs that further study of available facilities be made.

Transportation Corps: For Transportation Corps facilities the committee recommends an appropriation of $184,000, a reduction of $3,450,000 in the budget estimates of $3,634,000. The reductions made are for facilities at Fort Eustis as follows: Training Command Headquarters Building, $744,000; three enlisted men's barracks, $1,960,000; battalion mess building, $335,000; battalion administration and supply building, $241,000; and heating plant, $170,000. This action is consistent with the committee's policy to replace only those facilities most urgently needed and it is felt that existing facilities can continue to be utilized at least for the present.

Medical Corps: The committee has not allowed the budget estimate of $3,104,000 for medical facilities. This included an enlisted men's barracks without mess, $733,000, and an administration and supply building, $129,000, at the Fitzsimons Army Hospital. This action is consistent with the policy of the committee on the replacement of facilities as it is felt the requirement can be met more economically through the use of existing facilities of which several are in such condition as to warrant retention for mobilization purposes. The request of $2,242,000 for the Army Medical Research Institute has been denied. There is serious question as to the military aspects of some of the studies and investigations either underway or proposed for this institute which appear to duplicate other research activities of the Government. The committee insists that a restudy be made of the scope and cost of this facility as well as the possible use of existing facilities presently available to the services.

First Army: The committee recommends an appropriation of $171,000 for facilities in the First Army, a reduction of $3,749,000 in the budget request of $3,920,000.

Consistent with policy on the nonessential replacement of facilities, the committee has denied the two enlisted men's barracks and supporting facilities totaling $2,241,000 at

Fort Dix. Funds have also been denied for the enlisted men's barracks and bachelor officer's quarters for the medical detachment at this location.

Second Army: The committee recommends $1,543,000 for facilities in this area, a reduction of $3,794,000 in the budget estimate of $5,337,000. The entire request for Carlisle barracks has been denied. With the disposition of hospitals and other facilities at this time it is not felt there is ample justification for construction of a hospital costing $1,920,000. Funds have not been allowed for the construction of family quarters for senior officers estimated at $1,080,000. It was testified that this housing will be for students at the Army War College who are assigned for only 10 months. The committee is of the opinion that the tour of duty is not of sufficient length and of the character to justify the construction of quarters costing $22,000 each exclusive of land. Inasmuch as the land acquisition item of $354,000 is related to the projects denied it is likewise not allowed; however, the Army should proceed to dispose of farm No. 1. The request for five battalion classroom buildings and a battalion headquarters building totaling $388,000 at Fort Knox has been denied as they would be replacing facilities in such condition as to be used for other purposes. The requests for an additional $4,000 for a medical detachment enlisted men's barracks and an additional $48,000 for a bachelor officers quarters at Fort Meade has been denied as the cost of transporting the personnel is not sufficient to warrant the expenditure of funds.

Third Army: The committee recommends an appropriation of $6,312,000 for facilities in the Third Army, a reduction of $7,917,000 in the budget estimates of $14,229,000. Several adjustments have been made in the program at Fort Benning. The request of $605,000 for 25 family housing quarters has been denied as there are many items of a more urgent nature in the program. The request for medical detachment enlisted men's barracks and bachelors officer's quarters has been denied as the cost of transporting personnel is far less than the cost of new buildings. Inasmuch as there is a theater not too far from the one proposed, the request for $389,000 for this purpose is denied.

Consistent with previous action on the replacement of facilities and due to the low priority assigned to the dental clinic at Fort Campbell the committee has disallowed the request of $502,000. As stated earlier, the committee does not feel there is adequate justification for the construction of new hospitals at this time for the replacement of existing usable facilities which would continue to be maintained on a standby basis, and has denied the request of $3,331,000 for a hospital at Fort McClellan.

The committee has approved the funds requested for implementation of the Army aviation program at Fort Rucker, Ala., including a student dormitory for those engaged in flight training. The $1,846,000 requested for enlisted men's barracks and supporting facilities has been denied however and the committee will expect the existing facilities to continue in use.

Fourth Army: The committee has approved $14,525,000 of the request of $24,997,000 for installations in the Fourth Army. The reduction of $10,472,000 achieved by the committee includes the deletion of an academic building and hard stand for the Department of Motors at Fort Sill, Okla. This Department is presently housed in adequate quarters and the committee can see no need for their replacement at the present time. At Fort Bliss, Tex., the committee has deleted funds requested for 13 guided missile guidance laboratory buildings and 2 administration and classroom buildings. The design for these buildings has not been started and there are existing facilities available at this base for administrative and classroom purposes. The committee will offer no objection to the resubmittal of the laboratory buildings after design has been completed and realistic cost estimates are available. The funds approved by the committee will provide essential facilities for the expanded missile training required for the Army guided missile program at Fort Bliss and for essential operational buildings at Fort Hood and Fort Sill.

Fifth Army: The committee has approved $2,813,000 of the $5,344,000 requested for installations in the Fifth Army. The reduction of $2,531,000 has been achieved by refusing the request for the replacement of facilities where the existing ones can continue in use without harming the operational mission of the installation. In this category the request for battalion classroom buildings and a regimental headquarters building at Fort Carson, Colo., has been deleted as has the request for a new consolidated mess at Fort Benjamin Harrison, Ind., and the request for enlisted men's barracks at Fort Leavenworth, Kans. In addition to this reduction the committee has deleted the request for 33 units of family quarters to be constructed with appropriated funds at Fort Benjamin Harrison.

Sixth Army: The request for the installations in the Sixth Army area was $11,112,000. The committee has approved $4,794,000, a reduction of $6,318,000.

The items approved provide for essential operational and certain community facilities at Sixth Army installations and the deletions except in one instance are based on previously mentioned policies of the committee with reference to the continued use of existing facilities. They include the denial of post engineer maintenance shops at Fort Lewis, Wash., and 2 enlisted men's barracks with supporting facilities at Fort Ord, Calif. Funds were requested for the construction of facilities at Camp Desert Rock, Nev., in the amount of $2,892,000. This is the installation used during the testing of nuclear weapons at the Nevada Proving Grounds. Testimony was received by the committee that the installation is in use at most only 2 months during the year. Therefore the committee can see no reason for the construction of additional facilities at this installation. It has, however, approved the request of $273,000 for essential improvements to the water supply system.

United States Military Academy: The request for the United States Military Academy is $5,992,000 consisting chiefly of provisions for new cadet barracks at a cost of $4,954,000. The committee feels that these cadet barracks costs and plans are excessive in relation to the need for this additional dormitory space and has reduced the amount requested to $3,954,000. Funds requested for the modernization of Camp Buckner, N. Y., which is used only for summer training of the cadets, have been denied. The committee desires that a restudy be made of the need for the new facilities.

Military District of Washington: The funds reqested for a new academic building for the Industrial College of the Armed Forces in the amount of $3,861,000 have been approved. The existing facility is inadequate, inefficient, and uneconomical to maintain, and should be replaced as soon as possible. These funds are made available with the understanding that this will provide for construction of the entire building, and the committee does not expect to receive requests for additional funds for this construction in the future.

Armed Forces special weapons project: The funds requested in the amount of $273,000 for the Armed Forces special weapons project have been approved. These funds will provide essential facilities at several locations throughout the United States.

Tactical support facilities: The funds requested for guided missiles maintenance shops at various locations within the continental United States have been approved in the amount of $6,311,000.

Overseas Areas

Alaska: The committee has approved $461,000 of the $984,000 requested for installations in Alaska. The reduction is achieved by the deletion of $523,000 for an addition to a warehouse at Fort Richardson. The committee sees no justifiable need for the construction of additional warehouse space in Alaska at the present time.

Pacific: The committee has approved $1,704,000 of the $7,163,000 requested for installations within the Pacific Command. The request of $2,795,000 for the first increment of warehouses and engineer maintenance shop facilities at Fort Shafter, Hawaii, estimated to eventually cost $20 million, is denied. The committee is not convinced that the Department of Defense has made a thorough study of the existing facilities available to the military in this area. Funds requested for the construction of 64 family quarters with appropriated funds at Fort Shafter have been denied. The request of $240,000 for an LST facility at Kawaihae Harbor, Hawaii, has been reduced to $154,000, based on testimony that if the Army acts expeditiously in letting the contract while a contractor is doing civil functions work in the harbor for the Corps of Engineers the facility can be built for this amount.

Caribbean: The funds requested in the amount of $1,060,000 for additions to the sewage disposal system in the Panama Canal Zone have been approved.

France: The committee has approved the request of $4,063,000 for maintenance and storage facilities at various locations in France, however it has denied the request of $405,000 for a classified facility at the European Command headquarters in the belief that existing space can be converted to meet this need without such a large expenditure.

Germany: Funds requested in the amount of $10,692,000 for classified projects within the Republic of Germany have been approved.

Italy: Funds requested for storage, maintenance, and aviation facilities and classified projects in Italy in the amount of $3,619,000 have been approved.

Korea: The committee has approved the request of $8,047,000 for Army facilities in Korea which includes provision for certain classified activities and badly needed improvements to existing troop facilities in this area.

Army Security Agency: The funds requested in the amount of $2,635,000 for essential operational and community facilities at several overseas locations of the Army Security Agency have been approved.

Signal Corps: The funds requested for classified Signal Corps overseas facilities in the amount of $1,630,000 have been approved by the committee as requested. The request of $4,635,000 for an Army command and administration network station has been denied. No designs have been prepared for these facilities and the negotiations for the base rights are not completed. The committee is not convinced that use is being made of existing facilities available to the military services in Europe and will expect the Department of Defense to restudy the project with the idea of using existing facilities where available.

General overseas—joint task force 7: Funds requested for facilities for the Eniwetok Proving Grounds, Marshall Islands, have been approved in the requested amount of $860,000.

Surface-to-air missile tactical facilities: $140,646,000 was requested for land acquisition, structures, and facilities for surface-to-air missile tactical facilities in the continental United States and overseas. The committee has approved $135,646,000 for this purpose. These funds should be adequate to support this program in an efficient and economical manner in the coming fiscal year, particularly if the military services will give

sufficient attention to the placing of these activities on existing Government-owned land and installations so that costly land acquisition and construction of support facilities will not be required.

Research and development test facilities: The funds requested in the amount of $29,195,000 in support of a classified Army project have been approved.

General support programs: The Committee has provided $33 million for these programs, a reduction of $955,000 in the budget request. Activities in this category include planning, minor construction, access roads, support of title VIII housing, the rehabilitation of substandard housing, and support of surplus commodity housing. The reduction should be applied to the minor construction program.

DEPARTMENT OF THE NAVY

Military construction, Navy

The Committee recommends an appropriation of $274,751,000 for military construction, Navy, a reduction of $85,502,000 in the budget estimate of $360,253,000 and $9,751,000 above the funds appropriated for fiscal year 1958.

The reductions made by the Committee are based on a greater utilization of carryover funds from prior years appropriations and a consequent reduction in the proposed carryover of funds into the fiscal year 1960 as well as the reductions achieved in the funding program which as will be set forth in later paragraphs. Funds recommended by the Committee when coupled with unobligated balances carried forward from fiscal year 1958 will provide sufficient funds for the fiscal year 1959 construction program and a realistic carryover into fiscal year 1960.

The military construction program, exclusive of reserve components, presented to the Committee by the Navy for funding approval totals $411,691,000. The Committee has approved a funding program of $353,369,000 as set forth in the following tabulation:

Activity	Funding request	Approved by committee
Shipyard facilities	$29,599,000	$29,599,000
Fleet facilities	9,683,000	2,633,000
Aviation facilities	158,019,000	135,981,000
Supply facilities	5,544,000	3,667,000
Marine Corps facilities	14,124,000	9,324,000
Ordnance facilities	21,088,000	19,636,000
Service school facilities	27,017,000	14,807,000
Medical facilities	8,503,000	715,000
Communication facilities	40,572,000	40,572,000
Office of Naval Research facilities	63,692,000	63,692,000
Yards and docks facilities	33,850,000	32,743,000
Total	411,691,000	353,369,000

A detailed tabulation of the committee action by States and by stations will be found in the tables at the end of this report.

Shipyard facilities: The projects approved include the first increment for carrier repair facilities at the Naval Shipyard, Bremerton, Wash., for the *Forrestal*-type carriers; replacement of two piers at the Naval Submarine Base, New London, Conn., required for servicing modern, deeper-draft nuclear-powered submarines; and dredging at the Naval Shipyard, San Francisco, Calif., to permit the home porting for the first time of a *Forrestal*-type carrier at this west coast base.

The budget request of $500,000 for subsidence remedial measures at the Naval Shipyard, Long Beach, Calif., has been approved. The committee does not feel that it is justified in approving at this time the $5,500,000 requested by local interests in the area and contained in the military construction authorization bill for 1959 (H. R. 13105), recently passed by the House of Representatives. When the Secretary of the Navy has determined that sufficient action has been taken by the local authorities to arrest further subsidence at the shipyard, the committee will be receptive to considering requests for such additional funds as may be required for further remedial work.

Fleet-base facilities: The committee recommends $2,633,000 for these facilities, a reduction of $7,050,000 in the budget estimates of $9,683,000. Reductions of $3,311,000 have been made at the Naval Station, Newport, R. I., based on a continued use of existing facilities at this location rather than new construction at the present time. It is expected that the Navy will use funds appropriated for minor construction or maintenance and operation functions to convert existing facilities at Newport for service-club activities.

The request of $2,546,000 for dredging the base approaches at the Naval Base, Norfolk, Va., is denied. Before proceeding with this project the Navy should make a more detailed study of the home porting of major naval forces on the east coast directed toward achieving a more effectual dispersal.

The authorization for the classified project Operation Flagplot was not approved in H. R. 13015 as passed by the House of Representatives and accordingly the requested funds have not been included in this bill.

Aviation facilities: The committee recommends $135,981,000 for aviation facilities, a reduction of $22,038,000 from the $158,019,000 requested. This represents a major portion of the military construction program of the Navy and includes many projects of considerable size, such as the continued development of 3 naval air stations, including 1 for basic training at Meridian, Miss., 1 for fleet support at Lemoore, Calif., and 1 in support of the jet-propelled P6M seaplane at the Naval Seaplane Facility, Harvey Point, N. C. It also provides an increment in the support of carriers and their destroyer escorts at the Naval Auxiliary Air Station, Mayport, Fla. The committee has also approved funds in support of the Pacific Missile Range at Point Mugu, Calif., which is to be used by all military services in the development and testing of long-range guided missiles, and for additional facilities for Marine Corps air wings and projects at overseas stations in the Atlantic and Pacific areas.

The reductions recommended by the committee include denial of a request for a swimming pool at the Naval Auxiliary Air Station, Meridian, Miss., and for a hangar at the same location and at Harvey Point, N. C. The Navy is presently studying the feasibility of a new design for hangar construction at a unit cost considerably lower than that requested for this facility. Pending the development of these plans, the committee fails to see the need for appropriations for these items. The request of $165,000 for the parachute shop at the Naval Auxiliary Air Station, New Iberia, La., has been reduced to $140,000, due to the decreased scope of this facility.

The P6M seaplane, which is scheduled to be based at Harvey Point, is still in the development phase. The committee feels that construction at Harvey Point should be slowed down until the operational capability of the P6M has been proven to a larger degree. It has reduced the request of $11,215,000 by $1,500,000 in addition to the above-mentioned reduction for the hangar construction.

The amount of $2 million has been deleted from the request of $19,901,000 for the Naval Air Station, Lemoore, Calif. This reduction can be achieved without the deletion of any line items by taking advantage of the large amount of funds available for construction at this installation.

Funds have been requested by both the Marine Corps and the Army for aircraft parking apron and taxiway facilities for helicopters. The Marine Corps desired the use of portland-cement-type concrete, while the Army requested the use of flexible-type pavement. As of the time of the committee action on this bill, the Office of the Secretary of Defense has been unable to reconcile these two views. Accordingly, the committee has provided the minimum funds necessary for the construction of this pavement and will expect the Office of the Secretary of Defense to promptly reconcile this difference and proceed with the construction. This has resulted in a reduction of $104,000 in the request for the Marine Corps Air Facility, New River, N. C., and $289,000 at the Marine Corps Air Facility, Santa Ana, Calif.

The committee fails to see the need for the land acquisition proposed for the Naval Air Development Center, Johnsville, Pa., particularly in the view of the high cost of the land and the limited flight operations at this installation, and has denied the request.

At the Naval Air Missile Test Center, Point Mugu, Calif., the committee has eliminated the request of $817,000 for barracks, mess hall, and bachelor officers' quarters facilities at Cooke Air Force Base. The Navy is negotiating with the Air Force at the present time for use of these facilities, however, final approval has not been obtained. It will be expected that the Department of Defense and the Navy will examine thoroughly the need for additional facilities in this area and in any additional appropriation requests assure the committee that there are no existing facilities which can fill the required mission.

In connection with the Naval Air Facility, John H. Towers Field, Maryland, the committee has deleted the request for a runway proposed to be located at the Naval Air Station, Patuxent River, Md., in the amount of $4,307,000. The committee fails to see the need for an expensive runway of this type merely for proficiency flying purposes and bounce landings. The committee is not certain of the need for the transfer of all of the Air Force and Navy flight operations from the Bolling-Anacostia fields to Andrews Air Force Base. It will be expected that the Secretary of Defense, together with other Government agencies concerned, will restudy this matter thoroughly, filing a report thereon with the committee not later than January 15, 1959. Meanwhile, the committee offers no objection to the departments proceeding with the construction of facilities at Andrews Air Force Base and John H. Towers Field as approved in the accompanying bill.

The request of $3,660,000 for family housing at the Naval Station, Adak, Alaska, has been eliminated. The committee believes that it will be more advantageous for the Navy to adopt a policy in this area of providing the minimum amount of housing, which has already been constructed, and to require personnel to serve at this location without dependents.

The $29,000 requested for the Naval Air Station, Cubi Point, Philippine Islands, has been eliminated pending the completion of the base rights negotiations for this aircraft bombardment and mining range.

Supply facilities: The committee has approved $3,667,000, a reduction of $1,877,000 in the budget request of $5,544,000. It fails to see the need for the rehabilitation and improvement of steam facilities at the Naval Supply Depot, Newport, R. I., to the extent requested, and accordingly has approved only $333,000, which is for the replacement of the boiler plants.

Marine Corps facilities: The committee recommends $9,324,000 for Marine Corps facilities, a reduction of $4,800,000 in the budget request of $14,124,000. The reduction achieved by the committee is based on the elimination of the requests for replacement barracks at Parris Island, S. C., in the amount of $1,501,000 and at Camp Pendleton, Calif., for $2,258,000, as well as for a field house at San Diego, Calif., estimated at $1,041,000. Existing facilities can continue to be used at these locations.

Ordnance facilities: In approving $19,636,000 for ordnance facilities, a reduction of

$1,452,000 in the budget estimate of $21,088,000, the committee has eliminated the funds requested for the transfer of a burner laboratory building from the Applied Physics Laboratory location in Silver Spring, Md., to a location in Howard County, Md. This project should be thoroughly restudied with the idea of using existing facilities in the metropolitan Washington area, giving particular consideration to those available at the Naval Gun Factory.

The funds recommended by the committee include continued support for the fleet ballistic missile program (POLARIS) and guided missile and antisubmarine warfare support facilities on the east and west coasts of this country.

Service school facilities: The Navy requested $27,017,000 for service school facilities. The committee recommends $14,807,000, a reduction of $12,210,000 in this estimate. The committee has eliminated $4,643,000 for a new academic and administration building requested to initiate a program for the replacement of the facilities at the Armed Forces Staff College, Norfolk, Va. If new facilities are needed for this college they should be obtained by use of the inactive facilities and installations within the Defense Department.

The committee has eliminated the request of $1,368,000 for a nuclear power school at the Naval Training Center, Great Lakes, Ill. A further study of the location of this school should be made based on the use of existing inactive facilities such as the Naval Training Center, Bainbridge, Md.

The amount of $4,199,000 was requested for the first increment in the construction of a communication school at the Naval Training Center, San Diego, Calif. The committee is not satisfied that the Navy has thoroughly explored the feasibility of transferring this school to another location where existing facilities can be utilized at a reduction in construction costs and has denied the request for these funds.

Funds were requested in the amount of $14,200,000 for a dormitory at the Naval Academy. This construction appears to be too costly particularly with the inclusion of classroom and office space at a cost of $4,857,000. Accordingly only $12,200,000 has been approved and the Navy is directed to complete the second increment of this construction within this amount.

The funds approved will provide for additional construction at the guided missile school, Dam Neck, Va., as well as items of a classified nature at the Naval Submarine Base, New London, Conn., and construction at other service school facilities.

Medical facilities: The committee has eliminated the request of $7,788,000 for the replacement of hospital facilities at the Naval Medical Center, Bethesda, Md. The scope and planning of this project is being held up within the executive branch. The committee refuses to appropriate funds for a project of this type until the final scope and cost estimates based thereon have been made.

The request of $715,000 for a radiation exposure evaluation building at this same location is approved.

Communication facilities: The committee has approved the request of $40,572,000 for communication facilities which includes the continued development of the Naval Radio Station, Washington County, Maine.

Naval research facilities: The committee has approved the request of $63,692,000 for Office of Naval Research facilities consisting of the Naval Radio facility, Sugar Grove, W. Va., and an addition to the nuclear research building at the Naval Research Laboratory, Washington, D. C.

Yards and docks facilities: The committee has approved $32,743,000 for these facilities, a reduction of $1,107,000 in the estimates of $33,850,000. One million dollars of this reduction has been made in the request for the replacement of damaged facilities and minor construction. The request for an access road to the Applied Physics Laboratory, Howard County, Md., has been denied. The projects approved in the amounts requested include planning and design for future years programs, Capehart housing support, correction of inadequate family housing, and essential power and water facilities at the public works centers at Norfolk, Va., and Guantanamo Bay, Cuba.

DEPARTMENT OF THE AIR FORCE

Military construction, Air Force

The committee has approved $687,350,000 for military construction, Air Force, a reduction of $300 million in the budget estimates of $987,350,000, and $732,650,000 below the funds appropriated for fiscal year 1958, including $520 million appropriated in the Supplemental Defense Department Appropriation Act, 1958. These funds, when coupled with unobligated balances existing at the end of fiscal year 1958, will provide ample funds for the fiscal year 1959 program and a realistic carryover into fiscal year 1960.

The military construction program presented to the committee by the Air Force for funding approval, exclusive of reserve components, totals $1,144,311,000. The committee has approved a funding program of $908,153,000 as set forth in the following tabulation:

Activity	Funding request	Approved by committee
Planning	$25,000,000	$25,000,000
Continental United States:		
Air Defense Command	77,963,000	65,268,000
Air Force Academy	4,372,000	3,372,000
Air Materiel Command	49,107,000	37,311,000
Air Research and Development Command	27,781,000	26,664,000
Air Training Command	29,516,000	17,547,000
Continental Air Command	13,566,000	12,196,000
Headquarters Command	18,937,000	8,548,000
Military Air Transport Service	10,884,000	10,634,000
Strategic Air Command	179,426,000	158,477,000
Tactical Air Command	23,722,000	17,868,000
Aircraft control and warning stations	164,021,000	150,068,000
AFOAT-ZI	563,000	563,000
Various ZI	272,500,000	182,500,000
Total, continental United States	897,358,000	716,016,000
Overseas:		
Alaskan Air Command	27,926,000	26,781,000
Air Materiel Command	696,000	696,000
Caribbean Air Command	1,540,000	1,540,000
Military Air Transport Service	15,185,000	12,433,000
Pacific Air Command	25,598,000	20,111,000
Strategic Air Command	58,305,000	24,560,000
AFE-France	4,954,000	4,565,000
AFE-Germany	8,154,000	8,154,000
AFE-Middle East	20,709,000	13,750,000
AFE-United Kingdom	2,335,000	2,335,000
Aircraft control and warning stations	31,142,000	29,003,000
AFOAT-1	209,000	209,000
Minor construction	18,000,000	16,000,000
Total, overseas	214,753,000	160,137,000
Support activities:		
Access roads	5,000,000	5,000,000
Land acquisition	200,000	200,000
Surplus commodity housing	4,000,000	4,000,000
Rehabilitation of substandard housing	6,000,000	6,000,000
Title VIII housing support	17,000,000	16,800,000
Total, support activities	32,200,000	32,000,000
Grand total	1,144,311,000	908,153,000

A discussion of the committee action in each of these commands follows. A detailed tabulation by stations will be found at the end of this report.

Continental United States

Air Defense Command: The amount of $65,268,000 has been approved for the Air Defense Command, a reduction of $12,695,000 in the budget request of $77,963,000. The committee has been disturbed for some time about the effect of the increasing emphasis on missiles in air defense on the continued use of the manned aircraft. This changing emphasis on weapons systems accentuates the need for a very thorough analysis of the military construction programs in this field. The committee does not believe that this analysis has been properly effectuated in the Air Force particularly at those locations which are scheduled for both manned ADC aircraft and BOMARC missiles. Accordingly, the funds requested in this bill for ADC facilities located on bases where BOMARC installations are scheduled have been denied. These include Duluth Air Force Base, Minn.; Ethan Allan Air Force Base, Vt.; Kinross Air Force Base, Mich.; Niagara Falls Air Force Base, N. Y.; and Truax Air Force Base, Wis.

Funds were requested for the construction of commissaries at Kingsley Field, Oreg., and Richards-Gebaur Air Force Base, Kans. The committee has eliminated these two items in the belief that civilian facilities are located close enough to these air bases to supply needs over and above those being supplied by existing commissaries.

The hospitals requested for Grand Forks Air Force Base, N. Dak., and Selfridge Air Force Base, Mich., have been deleted. The committee desires that a restudy be made at Grand Forks with detailed consideration given to the use of civilian facilities and the high estimated cost of this hospital. There is some doubt as to whether the Air Force has the legal authority to proceed with the construction of the hospital at Selfridge Air Force Base in the manner contemplated in the estimates. In the absence of a clear-cut authorization for this construction, the committee has denied the request for funds.

The funds requested in the amount of $943,000 for barracks and officers' quarters at the Sioux City Air Force Base, Iowa, have been eliminated. Present facilities can remain in use.

Included within the total approved by the committee are funds to provide facilities in support of the Strategic Air Command's bomber and tanker squadrons and other support facilities for the air defense command.

Air Materiel Command: The committee has approved $37,311,000 for the Air Materiel Command, a reduction of $11,796,000 in the budget estimates of $49,107,000. The funds approved will provide facilities in support of the basic air materiel mission which is one of procurement and logistic support and also for the support of Strategic Air Command missions at certain Air Materiel Command bases.

The committee has deleted the funds requested for warehouse facilities at the Memphis General Depot, Tenn. This mission can be carried on at almost any location within the continental United States where there are facilities available. The Air Force will be expected to locate this unit at one of the many inactive facilities available throughout the military at the present time. The committee sees no justification for the construction of two dispensaries at Olmstead Air Force Base, Pa., and has deleted the request. If this requirement continues any additional request for funds should be based on the use of only one dispensary. Funds requested for the armament and electronic depot at Tinker Air Force Base, Okla., in the amount of $1,063,000 have been eliminated. The construction of this costly facility does not appear to be warranted at the present time.

At Wright-Patterson Air Force Base, Ohio, the committee has eliminated the request of

$209,000 for a parachute shop and $509,000 for warehouse facilities in the belief that existing facilities at this installation should be sufficient to meet the needs of all units stationed at this base. The request of $500,000 for a body fluids laboratory at this installation is denied. A more detailed study should be made of existing facilities within the Federal Government as well as civilian facilities prior to the construction of this laboratory. The Committee has eliminated the request of $7,400,000 for an academic training facility at Wright-Patterson. The committee fails to see why the Air Force cannot take advantage of inactive installations available to the military department for this mission and directs that a restudy be made of the need for these training facilities at this location.

Air Research and Development Command: The committee has allowed $26,664,000 of the request of $27,781,000 for the Air Research and Development Command, a reduction of $1,117,000. The funds recommended provide support of the command as it carries on the scientific technical and development work required for the accomplishment of the Air Force mission. Funds are also included in this command for a Strategic Air Command mission at a Research and Development Command installation and for certain other miscellaneous activities.

The committee has eliminated a request for installation engineer shops at Holloman Air Force Base, N. Mex., in the amount of $268,000 and at Kirtland Air Force Base, N. Mex., in the amount of $344,000 in the belief that these functions can be carried on in existing facilities at these installations.

The request of $505,000 for barracks at the Indian Springs Air Force Base, Nev., has been eliminated as adequate facilities are available for base personnel at this installation and the committee fails to see the need for the construction of permanent and expensive barracks for transient personnel.

Air Training Command: Funds were requested in the amount of $29,516,000 for the Air Training Command. The committee has allowed $17,547,000, a reduction of $11,969,000. These funds will provide for the implementation of the basic training mission of this command and for certain Strategic Air Command and Air Defense Command missions at facilities of the training command.

The committee has eliminated the request of $5 million for Lowry Air Force Base, Colo., since no decision has been made as to the location of the site for the facilities requested.

The request for commissaries at McConnell Air Force Base, Kans., in the amount of $316,000 and at Nellis Air Force Base, Nev., in the amount of $313,000 have been eliminated. The committee also desires that the Air Force restudy the need for the large amount of operational apron requested at McConnell Air Force Base at a cost of $1,856,000. The need for a new parrallel runway requested in the amount of $3,500,000 at James Connally Air Force Base is questionable and has been deleted. The Air Force should make a thorough study of the requirement for this runway including the use of existing facilities available for the accomplishment of this particular mission. At Sheppard Air Force Base, Tex., funds have been denied for officers' quarters and a service club. The existing facilities can be continued in use.

Continental Air Command: The committee has approved $12,196,000 for the Continental Air Command, a reduction of $1,370,000 in the estimates of $13,566,000. The amount included by the committee provides for facilities for the School of Aviation Medicine, and certain operational facilities for the Strategic Air Command and the Continental Air Command. The committee has deleted the $1,370,000 requested for an airmen's dormitory and dining hall at Brooks Air Force Base, Tex., in the belief that the present facilities are adequate.

Headquarters Command: The budget estimate for the Headquarters Command requested $18,937,000 to provide facilities at Andrews Air Force Base, primarily to allow the movement of proficiency flying activities from Bolling Air Force Base to this location. Committee comments on this move have already been made on page 16 of the report. The request is approved except for $10,389,000 for a new parallel runway. The committee does not feel that the air movements estimated for the future at this installation, including 50,000 movements now being executed annually at Friendship Airport, are firm enough to warrant the construction of a parallel runway at this time.

Military Air Transport Service: The amount of $10,884,000 was requested for MATS. The committee has approved $10,634,000, a reduction of $250,000 in these estimates. These funds provide for the continuation of the facilities programed in support of the Military Air Transport Service and for certain Air Defense and Strategic Air Command missions located on MATS bases. The request for an aircraft maintenance shop for Navy transport squadrons at McGuire Air Force Base has been denied in the belief that existing facilities which have been in use for some time are sufficient.

Strategic Air Command: The committee recommends $158,477,000 for the Strategic Air Command, a reduction of $20,949,000 in the estimates of $179,426,000. Basically the amounts approved by the committee are in support of the program to provide alert capabilities and dispersal facilities for the Strategic Air Command as well as facilities required for the support of the basic mission of SAC throughout the entire command.

Funds were requested for commissaries at Ellsworth Air Force Base, S. Dak.; Castle Air Force Base, Calif.; and Westover Air Force Base, Mass. The committee has eliminated these commissaries in the belief that present facilities coupled with civilian stores in nearby towns are sufficient to meet the needs of the personnel at these installations. At Biggs Air Force Base, Tex., and Castle Air Force Base, Calif., the committee has eliminated the request for airmen's dormitories and the Air Force will be expected to continue the utilization of existing facilities. At Castle Air Force Base, the committee has also eliminated the request of $1,222,000 for bachelor officer quarters, pending the authorization and acquisiton of land required for this facility. At Forbes Air Force Base, Kans., the $619,000 requested for an officers' open mess has been denied and existing facilities should be continued in use.

The committee fails to see the need for an officers' swimming pool at Hunter Air Force Base, Ga., and has eliminated the $160,000 requested. At Schilling Air Force Base, Kans., the existing theater appears to be adequate to meet the needs of this installation at the present time, and the request of $340,000 for a new theater is denied.

The committee has eliminated the request of $683,000 for additional water supply facilities at Pease Air Force Base, N. H. Legal action is being taken by several neighboring towns in this area to prevent the Air Force from utilizing the contemplated water supply. The committee does not feel that funds should be appropriated for this purpose until the legal right of the Air Force to use this water has been determined.

The committee is not convinced of the need for an additional runway at Lockbourne Air Force Base, Ohio, and accordingly has deleted the $11,115,000 requested. Funds were requested in the amount of $3,556,000 for a runway extension and related items at Offut Air Force Base, Nebr. This runway extension is certainly among the most costly ever proposed by the Air Force. Total cost of the extension without supporting facilities is $2,523,000. It will increase the length of the runway by only 1,000 feet, making the unit cost in excess of $2,500 per foot of runway extension. The committee feels that there are existing military installations which can meet the needs of the new mission proposed for this installation without this costly construction and the request is denied.

Tactical Air Command: The committee recommends $17,868,000 for the Tactical Air Command, a reduction of $5,854,000 in the budget estimates of $23,722,000. Generally speaking, these reductions have been achieved along the lines set forth earlier in the reports. At Cannon Air Force Base, N. Mex., funds requested for a commissary, post exchange and NCO Club have been eliminated. At Myrtle Beach Air Force Base, S. C., $292,000 requested for officer and NCO clubs has been denied; and at Turner Air Force Base, Ga., funds requested for a dormitory, dining hall, and an NCO open mess have been deleted, as has the dining hall requested at Sewart Air Force Base, Tenn. Existing facilities appear to be ample to meet these requirements at the present time. The funds requested for Langley Air Force Base, Va., in the amount of $1,983,000 have been deferred pending the analysis of the effect of the BOMARC missile on the activities of this installation.

Aircraft Control and Warning System: The committee recommends $150,068,000 for these facilities, a reduction of $13,953,000 in the request of $164,021,000. The reduction includes $6,767,000 for Webb Air Force Base, Tex., which was not contained in the authorizing legislation as passed by the House of Representatives and $505,000 for family housing at Sundance, Wyo.

Funds were requested in the amount of $2,116,000 for a facility in the vicinity of Hastings, Nebr. The site for this station has not been selected and the committee questions the need for several of the facilities requested, such as family housing. The request has been denied and it is expected the Air Force will restudy this estimate pending the selection of a specific site. Funds were requested for a joint missile defense center in Philadelphia, Pa. Testimony before the committee disclosed that the Air Force is presently attempting to negotiate for the use of existing military facilities in this same general area, which would have the effect of reducing the estimates presented to the committee. The request of $4,565,000 is denied and the Air Force and the Department of Defense will be expected to push vigorously for the use of existing facilities.

Ballistic, defense, and strategic missiles: The committee has approved $182.5 million for these missile systems, a reduction of $90 million in the request of $272.5 million. Testimony was received by the committee that the architect-engineering work for certain portions of the TITAN ballistic missile operational facilities has just started and will not be complete until February or April of 1959, and that the site locations for other missile bases are not firm. Accordingly the request for ballistic missile facilities has been reduced in the amount of $90 million. If additional funds are required, the committee will expect the Department to request them when plans are in a more definitive state and the cost factors are realistic. Funds have been approved as requested for defense missiles in the amount of $77 million and for strategic missiles in the amount of $29.6 million.

In these highly essential programs we see an outstanding example of the inability of

the Defense Department to require the services to use existing facilities which are located in a very strategic position for a missile site. The Air Force requested the use of an existing Army facility for a missile site. This request was denied by the Department of the Army. The denial was based on the use of this station for so-called mobilization requirements and Reserve training purposes. The Office of the Secretary of Defense took no steps to insist on the use of at least a portion of this facility in lieu of the use of less desirable areas. This action appears to the committee to be totally unjustified and it is expected that the area will be studied once more for a missile site and steps taken to provide the necesary land in this large and little used installation to meet the requirements of the Air Force in this respect.

Overseas Commands

Alaskan Air Command: The committee has approved $26,781,000 for the Alaskan Air Command, a reduction of $1,145,000 in the request of $27,926,000. This reduction has been made by the denial of the request for a field house at Ladd Air Force Base, Alaska. The existing recreational facilities at this installation appear to be adequate at the present time.

Air Materiel Command: The committee has approved the request of $696,000 for the Nouasseur Air Base in French Morroco.

Caribbean Air Command: The request of $1,540,000 for strengthening the primary runway at Howard Air Force Base, Canal Zone has been approved.

Military Air Transport Service: The committee has approved $12,433,000 for the overseas MATS installations, a reduction of $2,752,000 in the budget estimates of $15,185,000. The reductions recommended by the committee include the deletion of $2 million requested for additional barracks at Lajes Field, Azores. Existing facilities appear to be adequate to meet the needs at this installation. Funds requested in the amount of $752,000 at Kindley Air Force Base, Bermuda, for the replacement of an auto maintenance shop have been denied and it is expected that existing facilities will be continued in use at this installation.

Pacific Air Command: The budget request for this command is $25,538,000. The committee recommends $20,111,000, a reduction of $5,487,000. Existing officers' quarters at Hickam Air Force Base, T. H., should continue to be used and the request of $400,000 for this facility is denied. There appears to be no immediate need for the construction of a cold-storage facility at Yokota Air Base, Japan, requested in the amount of $187,000.

The committee has denied the request of $4,900,000 for a new hospital at Clark Air Force Base, Republic of the Philippines. This installation was supposed to serve the military forces of this country in the Southern Pacific area including those in the Republic of the Philippines not served by existing military medical facilities. It appears to the committee that the Air Force has failed to take into account the capabilities existing at civilian and governmental hospitals in this area, particularly in the modern veterans hospital in Manila. It will be expected that the Defense Department will restudy the scope and cost of this hospital including negotiations with responsible officials for the use of available space in the veterans hospital at Manila if adequate facilities and medical care can be made available.

Strategic Air Command: The amount of $24,560,000 has been approved for the Strategic Air Command, a reduction of $33,745,000 in the budget request of $58,305,000 for SAC bases in overseas areas. The committee has mentioned in connection with other installations its attitude toward the policy of constructing family housing and dependents facilities overseas in critical spots or in high-cost construction areas. It has denied the request for family housing, schools and related additional electric power facilities requested for Ernest Harmon Air Force Base, Newfoundland, and Goose Air Force Base, Labrador, in the amount of $29,404,000.

The committee believes that the existing facilities at Andersen Air Force Base, Guam, are adequate to meet the needs for which funds for the maintenance shop, $305,000, service club $975,000, officers club, $1,001,000, gymnasium $512,000 and ADC alert hanger, $1,100,000, were requested. The request for a gymnasium at Torrejon Air Force Base, Spain, has been denied.

Europe: The request for an officers' club in the amount of $185,000 at Phalsbourg, France, and an NCO Club, $204,000 at Toul Rosieres Air Base in France has been denied. Additional funds requested for Air Force facilities in France and in Germany have been approved in the amounts requested.

Middle East: Funds requested for NCO and officers' clubs at Andravida Air Base, Greece, have been deleted as have the requests for family housing, dependents' facilities and additional NCO and officers' clubs at certain classified locations in the Middle East.

United Kingdom: The request of $2,335,000 for Air Force facilities in the United Kingdom is approved.

Aircraft Control and Warning Systems: The committee has deleted the request for family housing at 3 of these sites in the amount of $2,139,000 while approving the remainder of the total request of $31,142,000.

Classified facilities: The request for $209,000 for certain classified facilities in overseas areas is approved.

General support programs: Funds were requested in the amount of $50,200,000 for various miscellaneous support activities in continental United States and overseas such as minor construction, access roads, land acquisition, support of surplus commodity housing, rehabilitation of substandard housing and title VIII housing support. The committee has approved $48 million of this request, a reduction of $2,200,000. Funds requested for minor construction have been reduced by $2 million and the request for $200,000 for the purchase of land at Truax Air Force Base, Wisconsin, for title VIII housing is denied. The land contemplated for use appears to be entirely too valuable for a housing site and the Air Force is instructed to restudy this location.

Air Force Reserve components

The committee has approved the budget estimate of $9,600,000 for the Air National Guard and has also approved the funding program requested in the amount of $11,693,000.

The committee has also approved the funding program and budget estimates requested in the amount of $4,550,000 for the Air Force Reserve program. These funds have been combined with those approved for the Air National Guard into one appropriation item for construction for the Reserve components of the Air Force. This is similar to the appropriation structure for Naval and Army Reserve components. A detailed list of the stations involved in these programs will be found at the end of the report.

Air Force Academy

The surveys investigations staff of the committee was requested to make a study of the policies and practices relating to the construction of the Air Force Academy at Colorado Springs, Colo. Their report will be found starting on page 95 of the committee hearings. The committee examined Department of the Air Force witnesses on matters discussed in this report, beginning on page 983 of the Air Force hearings. Formal comments of the Department on the report, primarily dealing with items not discussed in the hearings, will be found on page 1230 of the above-mentioned hearings.

The findings of the committee can best be summarized by the statement that the Air Force Academy is an outstanding example of costly and inadequate planning, loose fiscal procedures, and a disregard for justifications submitted to the Congress in support of the construction program at the Academy as to constitute a breach of faith at least with the Committee on Appropriations.

Numerous buildings at the Academy were increased in scope and cost without prior Congressional approval. For example, the size of the Academic Building was increased by 114,896 square feet at an additional cost of $5,690,000, without the approval of the Congress being sought, until after the contract was awarded and the additional funds obligated. As a matter of fact, according to the testimony of Air Force witnesses, the Air Force apparently had no idea of presenting these increased costs to the committee even at that time except upon the insistence of a member of the Appropriations Committee that the line items be examined in detail as to original and present scope. The following excerpt from page 1048 of the committee hearings is printed below:

"Mr. SHEPPARD. When did you present to the Congress the revised cost estimate?

"Colonel NOONAN. Last year before the House Appropriations Committee we went over each one of these line items with the committee.

"Mr. SHEPPARD. Insert the proper time and date, please.

"(The information follows:)

"'The information referred to above was presented to your committee during the afternoon session of July 10, 1957. This testimony appears on pages 448 to 465 and 518 of the hearings before the subcommittee of the Committee on Appropriations, House of Representatives.'

"Mr. SHEPPARD. It was after the contract was let, was it not?

"Colonel NOONAN. Yes, sir; at that time the contract had been let.

"Mr. SHEPPARD. Under circumstances of that character, if you can tell me—if it is under somebody else's jurisdiction, you can tell me that—what particular advantage would there be in presenting something to the Congress after the contract had been let?

"Colonel NOONAN. The way it came about was Mr. Scrivner last year in going through the line items decided that he wanted to go into exactly what each line item was as it was originally in the scope and now as it stood. Mr. Scrivner asked that we do that.

"As a result I think we had 4 or 5 pages with Mr. Scrivner going through each line item and presenting it to him.

"Mr. SHEPPARD. If there had not been the inquiry by Mr. Scrivner, you would have not considered it necessary to present it; is that right?

"Colonel NOONAN. That is a reasonable assumption.

"Mr. SHEPPARD. I think your answer is proper in view of the fact it did not come out until after the contract was signed."

A large part of the funds justified to Congress and approved for the construction of family quarters was used for other purposes without prior Congressional approval.

The authority of the Air Force Academy Construction Agency is set forth in Air Force Headquarters Office instruction No. 86-3 which states the Director of the Air Force Academy Construction Agency—"in

compliance with guidance obtained from Assistant Chief of Staff (Installations) approved site plans, sketch drawings, definitive and final contract drawings, and definitive and final contract specifications."

Other testimony discloses that actually very minor consideration was given to the design directives formulated by the Construction Agency. In response to a question as to the consideration given design directives formulated by the Agency before final plans and specifications were approved in his office, Mr. John M. Ferry, the Special Assistant to the Secretary of the Air Force for Installations stated that they gave—"very minor consideration to the design directive. We are cognizant of it but the review of the plans was not necessarily guided thereby."

Shown below is a tabulation prepared by the Air Force which demonstrates that in almost every instance of major construction at the Academy, the approved designs were increased in scope and cost over the concepts contained in the design directives.

Comparison of original estimated cost and scope with actual cost and scope

Designation	Based on design directive		Based on architectural and engineering design concept		Based on approved design		Actually constructed		Steel included	Foundations included
	Scope	Cost	Scope	Cost	Scope	Cost	Scope	Cost		
	Square feet		*Square feet*		*Square feet*		*Square feet*			
Cadet quarters	831,550	$15,121,000	----------	[1] $17,421,147	912,400	$15,921,428	912,400	$15,971,834	($586,002)	($196,550)
Academic building	849,659	14,322,000	----------	None	964,555	22,490,025	934,555	22,111,432	(2,231,720)	(276,305)
Cadet dining hall	115,174	2,618,000	115,000	[2] 3,313,110	130,709	4,028,639	130,709	4,079,411	(584,319)	----------
Academy administration, Superintendent, and staff building	69,200	1,430,000	96,873	[2] 2,458,280	101,670	2,938,181	101,670	3,033,840	(226,500)	----------
Cadet physical education	253,750	5,444,000	253,750	[2] 5,809,980	297,193	7,668,531	297,193	7,534,414	(481,500)	----------
Planetarium	3,600	136,000	4,250	151,200	3,573	168,980	3,573	170,095	----------	----------
Hospital	118,000	3,613,000	133,000	3,900,000	125,577	3,526,650	(3)	(3)	----------	----------
Cadet social center	(4)	2,265,000	116,659	[2] 3,836,150	134,475	4,303,941	134,475	4,643,590	(384,941)	----------
Academy chapel	[5] 1,500	3,000,000	[5] 1,562	2,849,000	[5] 1,500	(6)	(3)	(3)	----------	----------
Aerothermo laboratory	19,800	466,000	19,555	931,480	26,000	1,505,000	26,000	1,506,168	----------	----------

[1] Structural steel and foundations not included.
[2] Structural steel not included.
[3] Not under contract.
[4] Lump sum.
[5] Seats.
[6] Not received.

An example of the type of planning prevalent in this construction relates to the Academic Building. Plans recommended by the architect-engineers and approved by reviewing authorities in the Department of the Air Force called for blackboards from floor to ceiling on all four walls of the classrooms. Fortunately, this fact was noted in the field after the contract had been awarded, and the Construction Agency was able to have the blackboards reduced to a more conventional size on 3 of the 4 walls. The committee cannot help but feel that this is a typical example of the lack of realistic planning which has characterized this construction program.

It will also be noted in the testimony (p. 1080) that construction contracts involving sizable sums were increased by change orders up to 170 percent of the amount of the original contract.

Numerous and costly change orders accentuate the inadequate planning procedures followed by those responsible for the construction of the Academy. Had realistic plans been available at the time of the award of original contracts, undoubtedly much better competitive bidding could have been attained at considerable savings to the Federal taxpayer.

The committee invites attention to the record of the hearings, particularly to page 1027 which contains a letter from the Comptroller General of the United States. He states that many of the items purchased for the Academy and charged to appropriation accounts other than military construction were properly chargeable to the military construction account. Apparently this is a method employed by the Air Force to conceal the true construction cost of the Academy.

Unfortunately, most of these construction funds have been appropriated and obligated. The committee has, however, taken steps to control the remaining cost of the Academy in a manner which it hopes will put a stop to this costly planning, design, and construction.

In approving funds for the fiscal year 1959 program, the committee has placed two limitations in the bill. The first of these, section 613, provides that no part of the funds in this bill shall be used for the construction of a hospital in excess of $3,600,000. This is the current working estimate of the cost of this hospital. Section 611 provides that no part of the funds in this bill shall be used for the planning, design, or construction of facilities for an Air Force Academy, the total cost of which will be in excess of $139,797,000. This is the total amount authorized in the military construction authorization bill, 1959 (H. R. 13015), recently passed by the House of Representatives.

Included in the accompanying bill is $3,372,000 for the Air Force Academy, a reduction of $1 million in the budget estimates of $4,372,000. This provides funds required for construction of the hospital, certain erosion control measures, which are a constant and costly problem in this area, and the paving of roads which, for some reason, the Air Force neglected to fund in prior years.

One of the major problems raised in the minds of the committee by the practices employed in the construction of the Academy is the growing concern that these procedures are typical of the entire Air Force construction program. The committee trusts that the Air Force will allay its concern in this regard by a sound and economical implementation of the fiscal year 1959 program and by the presentation of programs in 1960 and subsequent years based on sound realistic plans and cost estimates.

Mr. JONAS. Mr. Chairman, I yield myself 10 minutes, and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. JONAS. Mr. Chairman, speaking for myself and on behalf of the other members of the committee, I should like to thank the chairman of the subcommittee for his kind and complimentary remarks. I am sure I speak the views of all of us when I say that we worked as a team in the committee, and it was a pleasure to work under the leadership of the gentleman from California. We all appreciate his uniform courtesy and consideration extended throughout the hearings.

This has been a hard-working committee. The record of our hearings fills 2 volumes, containing 2,431 pages. It covers the entire military construction program of our Government at home and abroad.

I am not going into a detailed discussion of the money items in the bill because the chairman of the subcommittee covered that adequately and thoroughly in his remarks. I would, however, like to say that it would be impossible for any committee of this body in considering such a vast program, which involves construction, as I have said on a worldwide basis, to avoid making some errors of judgment.

We do not profess to be perfect, nor did we have a crystal ball by which we might foretell the future. We listened to a great deal of testimony, and examined in detail a mass of documents and data in support of the justifications contained, as I have already indicated, in a record of 2,431 pages. We spent many long hours considering this material and marked up the bill in accordance with the unanimous judgment of all five members of the subcommittee. If errors or mistakes have been made, they were of judgment and not intent.

In considering which proposed program to approve, the committee did so in the light of the world situation as it exists today. We were not inadvertent to the possibility that before this calendar year ends there may have to be a change in the direction of military spending. We realize that many of the projects for which money was requested were part of a long-range master plan designed to bring about ideal conditions and provide the ultimate in equipment and facilities at every military installation. We concluded that many of these projects should be deferred for awhile until we see what the future holds.

I think the committee would unanimously agree that many of these facilities are desirable and ultimately should be constructed, but for the reasons stated by the chairman in his comments

earlier and previously also mentioned by me, the committee felt those we eliminated or deferred are not vitally essential today and should be postponed for further consideration next year.

The committee is gravely concerned over the closing or curtailment of many existing military installations, including some that were intended to be of a permanent nature, and concurrent proposals to spend large sums of money to build duplicating facilities in other locations. We recognize that the rapid development of new weapons systems requires the dispersal of some military installations, but we believe that a great deal of money can be saved if the Department of Defense will exercise closer supervision over, and control of, the military services. Instances were cited in which the sole responsibility for utilization of existing facilities was left up to the service which was reluctant to release any part of those facilities for use by another service. Other instances were cited in which existing facilities are not being utilized to the fullest extent possible by a particular service which has control over them, and at the same time that service was seeking funds to duplicate new facilities elsewhere.

At the suggestion of the gentleman from Mississippi [Mr. WHITTEN], and the gentleman from Wisconsin [Mr. LAIRD], the committee is calling upon the Secretary of Defense to pool all such facilities and properties under his cognizance so that all proposals by either service for the construction of new facilities may be screened in his office against existing facilities to the end that there will be a maximum utilization of existing facilities.

A clear case in point is the situation at the Bainbridge Naval Training Station. Testimony was adduced before the committee indicating that in 1950 something like $30 million were spent to reactivate Bainbridge and that facilities were constructed or remodeled to support nearly 30,000 men. At the insistence of the Navy, the local community increased its bonded indebtedness from $300,000 to nearly $8 million in order to provide schools, streets and other facilities to support such a large military establishment located nearby.

After the community had bonded itself heavily to provide supporting civilian facilities, and after nearly 700 Wherry housing units had been constructed—300 now vacant—the Navy decided to move its recruit training program elsewhere, notwithstanding the fact that adequate facilities existed at Bainbridge, including a 1,300-bed capacity hospital (which incidentally is closed down now to a 50-bed rating), cold storage facilities, classrooms, mess halls, barracks, recreation facilities including movies, bowling alleys, swimming pools, outdoor amphitheater, and a large athletic field equipped for night use.

Mr. MILLER of Maryland. Mr. Chairman, will the gentleman yield?

Mr. JONAS. I yield.

Mr. MILLER of Maryland. I want to compliment the committee on the very realistic approach to this problem. The gentleman mentioned Bainbridge. I happen to be quite familiar with that center, as it is in my district. I want to compliment the committee on its thought that existing facilities should be made use of in these days when we have budgetary limitation. There are so many places like Bainbridge, where excellent training-school facilities are not in use. At this moment there are 6 swimming pools, a beautiful athletic field, 10 or 12 warehouses, 4 big drill halls, numerous mess halls, barracks, schoolrooms and recreation buildings, a bakery, a laundry plant, a location capable of supporting 30,000 people, recently closed up. There is a cold storage plant, on which was spent half a million dollars this last year, standing nearly empty. There are facilities for a whole community, with ideal training surroundings, standing there idle. This Congress is being asked to appropriate millions for new schools and new buildings in other locations. I think this is not the time for such action, and I want to compliment the gentleman on the position he has taken.

Mr. JONAS. I will say to the gentleman from Maryland, who has displayed such an interest in this situation and who came before the committee and testified, that that is just exactly one of the reasons why the committee denied funds for the construction of new facilities at a number of places. I simply mentioned Bainbridge, because it illustrates the problem that is involved. We think that if the Secretary of Defense would set up a system by which he could screen all of these facilities and see that use is made of them by one or other of the services, we can save the taxpayers a great deal of money in eliminating requests for duplicating facilities.

Mr. MILLER of Maryland. In that connection, at Bainbridge there are hundreds of empty housing facilities privately owned; I think the last figure is 340 Wherry units vacant, after having just been built. This change has a very demoralizing effect on a local community. The adjoining town has only 1,500 population, and to take 20,000 people away from it overnight disrupts local economy.

The CHAIRMAN. The time of the gentleman has expired.

Mr. JONAS. Mr. Chairman, I yield myself 5 additional minutes.

Now, Mr. Chairman, I wish to call attention to the testimony appearing on pages 1168 and 1169 of the hearings—second volume containing the testimony concerning the Air Force and the overall program. This testimony pertains to the participation of small business in the military construction program.

Frequently it has been charged that the Defense Department is not interested in small business and seeks to divert Government procurement and contracts into the hands of various big business enterprises. All of you who are interested in small business will be pleased to note from the testimony in the pages cited that the great majority of contracts awarded for military construction go to small-business concerns.

I asked the Comptroller of the Department of Defense, Assistant Secretary Adm. Wilfred J. McNeil, to prepare and submit for the record a table showing small-business participation in the military construction program during the current fiscal year.

He did so and it appears on page 1169 of the hearings. Under leave obtained before we came into the Committee of the Whole, I include this table as a part of my remarks:

Small-business participation in military construction contracts awarded in continental United States and Territories during the first 11 months of fiscal year 1958

[Based on contract awards of $10,000 or more]

	Army, Corps of Engineers	Navy, Bureau of Yards and Docks
1. All contract actions:		
(a) Total value	$521,870,000	$224,280,000
(b) Number	2,128	1,732
(c) Average value per contract	$245,240	$129,492
2. Contracts to small business:		
(a) Total value	$339,215,000	$207,617,000
(b) Number	1,660	1,654
3. Contracts to large business:		
(a) Total value	$182,655,000	$16,663,000
(b) Number	468	78
4. Percentage of total to small business:		
(a) Contract value	65	93
(b) Number of contracts	78	95

You will observe from the foregoing table that, with respect to Army Corps of Engineers projects, small-business concerns received 78 percent of all contracts awarded during the first 11 months of fiscal year 1958, and 65 percent of those contracts dollarwise.

With respect to contracts awarded by the Navy Bureau of Yards and Docks during that same period, small-business concerns received 95 percent of all contracts and 93 percent dollarwise.

I am sure you all are as pleased as I was to note this high participation by small business in these military construction contracts.

As the chairman also pointed out, the committee was concerned over apparent failure of the Department of Defense to work out a system for joint use of armories. I can understand why a reserve unit would want to have its own armory even though there is another armory in the same community constructed for the reserve unit of another service. But we cannot always have everything as we would like to have it. I also understand there are problems involved in connection with the joint use of armories, particularly where National Guard armories are involved, because in the case of National Guard armories usually the community participates in the cost, and, of course, the States pay part of the construction cost and select the location. But those problems do not appear to be insurmountable. We shall continue to insist that the facilities be used jointly whenever that is possible.

You will be pleased to learn that there are no funds in this bill for duplicate armory facilities. Any duplications which exist were caused by prior appropriations.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. JONAS. I yield to the gentleman from Kansas.

Mr. AVERY. I would like to join with my other colleagues in congratulating the committee on the bill they brought out, but there are some questions in my mind on certain decisions that were made.

The gentleman from California made reference a number of times to such items as officers' clubs and housing in the Middle East as representatives deleted from the bill. Those are very obvious items, but there are others where I question whether the committee has taken action in the national interest. I am particularly concerned about the Fifth Army. The gentleman will recall that when we passed this authorization bill some days ago some comment was made on the floor relative to the items that were included for the Fifth Army. The statement was made by the chairman of the Armed Services Committee that they regarded the operation of the Fifth Army as very efficient, so that their requirements were very modest, and that they were to be congratulated for their fine performance. That is all very well, but the authorization was extremely moderate, $5 million, as I recall, or slightly in excess. Now I notice the Appropriations Committee has recommended about half of that modest authorization.

Mr. JONAS. I may say to the gentleman from Kansas that we did not mark up this bill on the basis of how much money was given the First Army, the Second Army, the Third, Fourth, or Fifth Army; we tried to use the same rules in the consideration of all programs. If the tabulation indicates that one Army has received less money in comparison with some other Army, that is purely coincidental.

Mr. AVERY. I thank the gentleman from North Carolina.

Mr. SHEPPARD. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. CANNON], chairman of the committee.

Mr. CANNON. Mr. Chairman, from the adoption of the Constitution of the United States, the House of Representatives has exercised joint and equal jurisdiction in the administration of the affairs of the Government. As a matter of fact, it has the initiative and has always taken the lead in the most important character of legislation to be handled by either House.

Under the Constitution, the House of Representatives alone may initiate revenue legislation and appropriations legislation. In the original draft of the Constitution, the right of appropriation was placed exclusively in the House and the Senate was given no jurisdiction over appropriations. But as related in the Madison papers, at the urgent suggestion of Madison, who later became President of the United States, they extended the right to participate in the appropriation process to the other body for the reason, as Madison quaintly expresses it in his account of the proceedings of the convention, they thought that the House would be too impulsive, too prone to extravagance. So, they placed the right of participating in the appropriation process in the other body solely for the purpose of holding down the House on appropriations by retrenching expenditure and reducing the amounts which the House had exuberantly voted. In other words, the right to participate in making appropriations was given to the Senate only at the last minute in order to hold down expenditures and exercise economy in Government.

Mr. Chairman, through the years that have followed the Senate has in practically every Congress made some attempt to encroach upon the exclusive right of the House to initiate appropriations, and repeatedly the House have had to send back to the Senate bills messaged over to us originating an appropriation.

For 169 years the House has jealously guarded and maintained its exclusive right to initiate appropriations. But, again, in this session, as usual, the Senate has figured out a new device to get around this exclusive prerogative of the House. The Senate has now adopted a plan which is technically known as the public debt transaction under which funds are released from the United States Treasury through the issuance of securities which, in effect, are nothing more nor less than an appropriation.

For example, in this session, when the Committee on Appropriations of the House denied certain legislation, notably that providing free money for minerals, the proponents have then gone over to the Senate and secured an appropriation in another bill which they originally messaged over to the House and which is now pending. So successful has this device been that numerous bills have come over to us in the last few weeks appropriating billions of dollars out of the United States Trasury without ever being submitted to the Appropriations Committee of either House and under which, without hearing, justifications, or further action by the Congress, the money comes out of the Treasury and is expended in grants in which annual inquiries by the House and Senate committees are avoided.

These men who want special favors, particularly from the Treasury, do not want to come to the House, or they come to the House only incidentally. They go to the Senate, because they know where they can get a bill providing money out of the Treasury without complying with the constitutional routine of the House. The result is that within the last several years the Senate has become the dominant body of the Congress.

The same transition is apparent here as that to be observed in the English Parliament through the years. In England the House of Lords was originally the dominant body and the House of Commons officiated almost by sufferance. But, as the nobility, engaged in more diverting activities, neglected their prerogative, the House of Commons, through its nearness to the people and through its control of the purse strings, so absorbed the power of the bicameral legislative body that the House of Lords has become hardly more than an appendage.

The same process is in effect over here, but in reverse. Over here the House of Lords is becoming the dominant body to which the lobbyists and those desiring special favors, which they know they would not secure from us, are short circuiting the House and the body which in the great days of Speaker Reed, Speaker Cannon, and Speaker Clark was commonly referred to as the Millionnaire's Club is taking over. The House of Representatives which is traditionally closer to the people and for that reason was placed in constitutional control of the purse strings is being further relegated to a secondary position by this grotesque device of the public debt transaction.

The question of committee jurisdiction is wholly secondary. The evil occurs when the Senate is allowed to transmit to the House an appropriation bill, a bill in which they originate appropriations. We can take the bill and amend it and to some extent remedy its defects, but the evil has already been committed, and the thing which we must insist upon is that the Senate shall not, in violation of the Constitution, transmit to the House a bill originating an appropriation.

And hardly less important, appropriations originating in this illegitimate manner is not subject to review as it is when it originates as a regular appropriation in the House. Over here the appropriation must be made annually, and in that annual review, in those annual hearings, they must give an accounting. But, under this gimmick, under the public debt transaction device agencies are not required to come in for an annual appropriation. They just go ahead year after year taking the money out of the Treasury without any accounting, and the result is that we are on the way to spending billions of dollars. In the constitutional process serious consideration by the House would reveal the true merits of the proposition and annually reevaluate these merits. We must insist on return to the old law under which the House alone originates appropriations.

Mr. Chairman, the situation is unthinkable and untenable. It requires immediate and imperative attention. It is to be hoped that the Rules Committee alert to the need will promptly bring in a rule to define once and for all the terms, the misinterpretation of which have made this debacle possible.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. JONAS. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, I have become increasingly disturbed over these tremendous bills that are being enacted into law. Some of them already have been enacted and others are on the carpet. At the present time there is an application before the Committee on Rules for a rule to consider a bill on community facilities. That bill carries a direct borrowing authority from the Treasury of $2.4 billion and has a wide-open clause that would permit them to go beyond any limit, without any limit, and without any further consideration by the Congress; absolutely unlimited, into any number of billions of dollars.

The House of Representatives under the Constitution was given the authority

to originate appropriations. But as that power became obnoxious to those who did not feel that they could make a case by proceeding in the regular way and showing what they needed to the Committee on Appropriations, an attempt has been made to substitute for appropriations of all sorts, borrowing authority. I do not know how far this community facilities business would go, if what is in it now were to stay. Frankly, I am afraid of it. I think it is tremendously dangerous for the Congress to tackle appropriating any money in such critical times as these for any purpose that is not absolutely necessary for the country.

We all know, those of us who go back home occasionally, that a local community can go to the local bank and get money cheaper than they could get it in this way; perhaps not on a 50-year basis, but certainly on a 10- or a 20-year basis, because those local bonds are exempt from income tax, both State and Federal, and 2½ percent is just as good to the local banks as 6 percent would be where they had to pay 52 percent Federal income tax on it and a State income tax in addition. Enormous numbers of people would buy them for the purpose of obtaining that same privilege.

That is just one bill. There is another one for what they call depressed areas, including the revolving fund, $400 million, and operated in the same way by this device by which they go to the Treasury directly.

Then there is the minerals subsidy bill which has come over here from the other body.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. HORAN. That bill came over from the other body with that direct-borrowing clause in it; and it is my understanding that the House Committee on Interior and Insular Affairs yesterday knocked out that clause.

Mr. TABER. That is a little sign that they are getting religion.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Missouri.

Mr. CANNON. But even at that, the most obvious defect has not been remedied. It is true that when the bill came over we remedied some of these defects by amendment, but the real violation of the constitutional prerogatives of the House was given no attention. The House should insist on a strict interpretation and a strict administration of its right to initiate appropriations.

Mr. TABER. On top of that, there is in the offing what they call a housing bill and that has, as I understand it, $2,350 million. In this unlimited thing, in this community-facilities deal, you can put down any figure you have a mind to, $50 billion or $100 billion. All it will do is encourage free spending on the part of the localities. All it will do is get them in debt for 50 years, and you know they never can pay it.

This is the situation we are facing here in the Congress. The House of Representatives was given the power to originate appropriation bills. That carries with it the responsibility to see that those things are needed and ought to be provided. For my own part, I fear for what is going to happen to the United States. We have had a rising tide of inflation; we have had an increase in salaries and wages in public and private capacities all over the world. The trouble with that situation is that, as a result of it, if we are not careful and if we in the Congress do not meet our responsibilities, we will get an inflation which will rise so rapidly that we will not be able to control it. You know what uncontrolled inflation means. It means the loss of our liberties and the setting up of a dictator who will be called upon to meet that situation.

It is a pretty rough situation that we are facing if we do not meet our responsibility and see that we are not appropriating more money and providing more money than we should.

Mr. CANNON. And along with this rising tide of expenditure there is a decrease in national revenues amounting to billions of dollars, a decrease which it is predicted will continue in the next year. So it is rather illogical for us to be increasing expenditures at a time when our revenues are decreasing.

Mr. TABER. That is entirely correct. I hope this Congress is going to meet its responsibility. There was one move over in the other body yesterday that sounded intelligent. They put off the markup of the military appropriation bill until they could have an investigation by six Members as to whether or not those things were needed. That kind of action is needed. The people of the United States are not going to consider that we have met our responsibilities unless we face the music and do what we ought to do in this situation.

Mr. SHEPPARD. Mr. Chairman, I yield 2 minutes to the gentleman from Alabama [Mr. ROBERTS].

Mr. ROBERTS. Mr. Chairman, I was very much distressed to learn that the House Appropriations Committee, in its action on the military construction appropriations bill, H. R. 13489, disallowed a request of $3,331,000 for a new hospital at Fort McClellan, Anniston, Ala.

This facility has been recommended by the Army and Department of Defense and it was included in the bill, H. R. 13015, authorizing the construction for the military departments and Reserve components, which passed the House earlier this month.

While I understand the need for limiting budgetary expenditures at this time, I also am of the very strong conviction that to defer this project any longer would be penny wise and pound foolish.

The present hospital at Fort McClellan is highly unsatisfactory. It is of the cantonment type, built in 1941, consisting of some 46 buildings. Every attempt has been made to consolidate, but the physical size of the supporting facilities makes it impossible to utilize personnel; and the maintenance costs are extremely high.

All the buildings at Fort McClellan are fireproof, sanitary, and well-arranged, except the hospital. The hospital is poorly arranged, inefficient, difficult to maintain, and it is far from being fireproof. The great distances between the wards present a serious accident and health hazard.

Over a period of years since the hospital was built, Fort McClellan has been undergoing constant expansion. Today the WAC Training Center, the Chemical Corps Training Center, and the 3460th AUS is stationed at this installation. The present actual strength of Fort McClellan is 3,716; however, the total personnel served by the hospital is 5,900. This includes Reserve and National Guard personnel, retired personnel, dependents, and other Army, Navy, and Air Force personnel in the area. Just today I read in the Anniston Star that 9,500 officers and men of the 51st National Guard Division are at Fort McClellan for 2 weeks of training.

There is a desperate need for a new and modern-type hospital at this fort to adequately serve those who have use of this facility. The hospital authorized by the House would contain 125 beds with possible expansion to 200 beds, with full equipment and fireproofing.

A permanent hospital is required to replace the present mobilization-type hospital which does not afford the required fire safety, privacy, or security the patients need, and which is costing money through inefficient use of medical activities and personnel.

I urge that the appropriation for this new facility at Fort McClellan be reinstated in the bill under consideration.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I yield to my colleague from Florida.

Mr. SIKES. I feel that the gentleman's concern over the elimination of the hospital at Fort McClellan is a proper one. He knows the need intimately and he has worked long and hard to improve the facilities there. I think I will not violate any confidences if I tell the gentleman that the committee deliberated a long time over this particular item. The committee felt this undoubtedly is a borderline case, and if there were any hospital facilities to be built at bases which now have usable hospitals, this undoubtedly would have been among them. Nevertheless, the committee in an effort to follow a procedural policy laid down to build only training facilities except in areas where there are no housekeeping or support facilities felt it had to follow the same policy at Fort McClellan, and while we recognize that you do have a serious problem in the hospital situation at McClellan, the committee felt that possibly for another year this construction can be deferred while we take another look. In the meantime we can take advantage of the opportunity to save a little money and to devote our attention to training facilities. But, the committee does recognize an early need for a hospital at McClellan. We were simply adhering to our adopted policy of eliminating supporting and housekeeping facilities wherever they are not now essential.

Mr. ROBERTS. I thank the gentleman from Florida.

Mr. SHEPPARD. Mr. Chairman, I yield 20 minutes to the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, I think the bill before us more than anything I have seen in recent years represents one of the most forward steps in providing for the future safety of our country. First, I want to say it is a pleasure for me once again to serve under the chairmanship of the gentleman from California [Mr. SHEPPARD]. It was my privilege to serve under his chairmanship on the Subcommittee on Naval Affairs Appropriations during World War II. I know and can prove he did a marvelous job. It is a pleasure to work with the gentleman from Florida [Mr. SIKES], one of the ablest Members here; and I have been highly pleased to work with the two outstanding gentlemen on the other side of the aisle, Mr. JONAS and Mr. LAIRD, able, courageous, real Americans. Without exception each of those gentlemen has looked objectively at our overall problems and has applied diligent energy and effort to the requests before us. I think collectively we have brought out a bill that not only has reduced the outlay of money for this year but, if adopted, it means a return to what I consider a sound basis for dealing with our military affairs. May I point out to you the basis upon which these requests for further military construction are submitted to the Committee on Appropriations each year.

In 1946 the military services conceived the idea of getting together an overall plan to provide things just as they would like to have them for themselves at each of the bases in the United States. In 1954, the Congress approved tentatively this overall plan for desires, which, when finally implemented, would give the services just exactly what they wanted at all permanent bases in the United States. Since that time your annual authorization bill, to a large degree, and your appropriation for military construction, to a large degree, have been the implementation of providing just what was desired, as against what was necessary to provide for adequate defense.

I would like to point out the basis or the order of the submission for every item in this bill in this order, and I read from the justification sheet. I will not use the name of this base because it is offered as typical of all. I only use it by way of illustration.

This statement submitted by the service shows first the estimated total cost that the Government will have when it finally fixes at Base X the various officers clubs, swimming pools, beautiful PX's, picture shows in a permanent building, as follows: $58 million. Then they say how much of that money they have already got, which is $8 million. Then they say, "Funded construction—under 1954 plan—not yet constructed, $21 million." Balance required to carry out this super duper plan which they got Congress to approve in 1954, $28 million.

In the list on this sheet that is submitted to our subcommittee, the request for the next fiscal year is $17 million. And then they tell us what they are going to ask for in the future; and that is $10 million more.

So these requests submitted by the Legislative Committee, the annual authorization, and the annual appropriation, to a large degree, I repeat, has been the annual increment toward completing that plan. Notwithstanding the deficit that we are running, expected to be $10 billion this year, notwithstanding the gravity of the situation in the Far East at the moment, notwithstanding the national debt, these items have been presented upon a basis of getting what you can now as an increment toward eventually completing this overall plan, just like the military would like to have it.

I oppose any such means of operation under all the conditions that we have. I think it is time that we returned to dealing with these requests on the basis of "Are they necessary?"

Let me present to you evidence of what this leads to, outside of cost to the Treasury, this kind of thing of putting permanent facilities into these bases on the basis of eventually having them as desired. We asked the Department to list in the record the amount of money that had been spent for permanent facilities in the last 3 or 4 years at bases they are now closing. You will find the information on pages 61, 62, and 63 of the hearings. It amounts to about $16 million, where we already had usable facilities; satisfactory facilities, in my opinion. Yet just before they closed these bases this Congress has appropriated, on the request of the military services, and they have spent, $16 million for permanent facilities, now gone by the boards.

Now that information was supplied on request by the services, and that does not include hundreds of millions of dollars expended on what they call temporary facilities, which would frequently last 20 or 25 years. You can rest assured that figure would run much higher.

Let me point out the waste that results from the ridiculous course of providing permanent facilities at every base.

On page 9, the Assistant Secretary of Defense testified that at the present time the military establishment had determined that 469 installations, or portions thereof, consisting of 1,841,076 acres of land representing an investment of $700,910,000 had been determined to be excess to the needs of the Defense Department. Now, whatever investment we have put in those areas in the way of permanent facilities you can see has now become a waste item, certainly not an investment that is deemed necessary.

I quote further from his testimony:

> Altogether the property so determined and that which currently is being examined within the Department of Defense, consists of 6,077,501 acres of land on 717 separate installations, which represents an acquisition cost of $1,756,932,000.

Mr. Chairman, that represents at best a changing defense-needs picture because of guided missiles, super-airplanes, etc., a drifting away from the old conventional type of warfare; at best it represents a changing picture. At worst, it represents a whole lot of wasteful spending without giving full thought to what the needs of the future may be.

I am proud to have suggested to the committee that part of the report that appears on pages 3 and 4, where we call on the Defense Department to make these services list with them every facility that is not in full use, in expectation that our committee next year will make this Defense Department assume its jurisdiction and responsibility and justify every facility that is not fully used in any bill in which they are asking for new facilities. That has not been done here before.

This problem has lasted a long time, and may I digress for the moment to say that we just adopted the conference report on reorganization of the Defense Department. I do not profess to be an outstanding military expert here, or to know all about military legislation, but I have worked hard and diligently on the Defense Appropriation Committee. I served on the committee during World War II; and, so help me, I do not believe there is a situation, attempted to be covered in either the Senate bill, the Presidential request, the House bill, or the conference report that could not have been met if our Defense Department had been willing to assume its responsibility under existing law.

Now, this committee comes here with a sound bill, supported by a sound report, which from my standpoint, culminates a long-time effort to get people to see what I thought I saw and with which I have had experience, which leads me to the belief I express here now: We must put defense expenditures on the basis of need and not on the implementation of the 1954 plan to arbitrarily invest billions of dollars in PX's, permanent movie houses, swimming pools, which do not contribute a whole lot to the effectiveness of the Army, on bases which may be abandoned in the changing scene. They will lead to a country club atmosphere but at present, will contribute little to the readiness of troops in warfare.

Now, where did this conviction on my part come about? In 1944 the Navy Department came before the committee of which I was a member and the gentleman from California [Mr. SHEPPARD] was chairman, and asked us, as they do now under an authorization, for hundreds of millions of dollars for new construction. At that time the press carried stories of the Army moving out of various bases in the United States, similar to what we read about now and similar to what the Assistant Secretary of Defense has testified to at present.

In questioning the Navy Department as to why they had not used the abandoned Army airfields instead of building new ones, they said they did not know of any the Army had abandoned. We asked the Navy if they had a joint committee on use of facilities. The Navy said that they had. At the lunch hour Admiral McCain, then head of the Naval Bureau of Aeronautics—returned to the committee with a statement of the Army that they had abandoned no airfields.

I went to the phone at the insistence of the committee and called Assistant Secretary Patterson and I told him about this letter. I said they have a letter

saying the Army has abandoned no airfields. Secretary Patterson said—and I shall use his exact words—"The hell we have not." We then got the Army witnesses before our Navy committee.

It developed that, inadvertently, we had used the word "abandoned." The Army, as long as they had caretakers, considered the bases occupied by the Army. I demanded then that the hundreds of millions of dollars requested be held up and that Army witnesses be brought before our Committee on Naval Appropriations. As a result, Under Secretary of War Lovett, a fine public servant who faced the facts, came before our committee. Mind you now, the Navy was then requesting in the name of national defense hundreds of millions of dollars for new construction. When Mr. Lovett came before our committee—pages 1146 through 1148, naval appropriation hearings, fiscal 1945—he stated that this committee on interchange of facilities had not functioned and the type of liaison which they had was for the Navy to send a liaison officer over to discuss the possibility of a specific field and that a certain number of fields under what is called Army cognizance had been utilized by the Navy. He further testified as follows:

More recently in the month of March, I assume as a result of these hearings, a formal letter was written to the Air Force dated March 18, 1944.

This was the letter to which the Army replied they had abandoned no fields.

In connection with this request from our Subcommittee on Naval Appropriations to the Navy to secure from the Army a statement as to what Army airfields had been abandoned, Mr. Lovett testified that—

The official Army statement that they had abandoned no fields used the word "abandoned" in a technical sense, and the statement which Admiral McCain had presented to our committee, addressed to the Navy from the Army, advising that they had abandoned no fields, while technically correct, did not mean that the Army had not vacated quite a large number of fields, since from the Army viewpoint as long as the Army had caretakers at a large number of fields the fields were not technically abandoned.

Is that not ridiculous?

Mr. Lovett then testified:

Then a second meeting of this group on the 20th of March 1944 made it clear in the light of a communication from Mr. Whitten that there was involved a question of Air Force facilities which might be used by the Navy if they met their particular requirements and if the Army would release them for full use.

Continuing Mr. Lovett said:

The following day, March 21, on the receipt of Mr. Whitten's inquiry which put us on notice as to the basic problem as well as the difficulty caused the Navy by the necessary strings we had hoped to keep on these fields until they got out of the planning stage, we arranged a meeting among those respective officers and rather quickly by telephone to the commands and other Army units that had a prior right of user under our regulations to clear a large proportion of these fields. Therefore, on the 23d of March, these meetings having been held virtually daily, we provided the Navy with a list of fields in three categories. In the first category—that is, those facilities which can be made available unconditionally—the total is 46. In the second category—that is, those facilities for which joint use can be arranged promptly—the total is eight. In the third category we would put fields on which the right of reentry must be retained; at present the total is one.

I then asked the following question:

And you and your Department will be glad at any time to meet with the Navy in regard to any facilities which they may need and work out with them whether or not you possibly can make them available?

Mr. Lovett's reply was:

Yes, sir; provided we are dealing with surplus fields and not with one of our active units.

Mr. Lovett as Assistant Secretary of War stated that at that time when the Navy was within an inch of securing hundreds of millions of dollars for new facilities, the only knowledge the Army Department had as to what the Navy needed in such facilities was contained in my letter to the Army in which I stated the Navy was requesting the sum of $225 million for such construction—aviation alone. Mr. Lovett stated that there was a full coordination of military effort between the War Department and the Navy Department through the Joint Chiefs of Staff as far as fighting the war was concerned. But he stated that though the committee had been set up since the beginning of the war, the first meeting, the first coordination and interchange of facilities dated from my inquiry of March 18, 1944. All of this is contained in testimony appearing in the records of the hearings before the Subcommittee on Naval Appropriations, pages 1146 through 1148.

Mr. Chairman, as a result of this information, our Committee on Appropriations withheld practically all the funds for naval expansion of air facilities and directed the Navy Department to use, instead, and they did use, many of these Army facilities. When the Navy Department came before our Subcommittee on Appropriations in 1945 for the next year's appropriations, fiscal 1946, Secretary of Defense Forrestal stated that our action the year before had done a great deal of good. Assistant Secretary of the Navy, Mr. Gates, testified that as a result of our action this joint committee on facilities met weekly for many months until the liaison became so firmly established that it was agreed biweekly meetings would serve the purpose. Adm. Ben Moreell, Chief of the Bureau of Yards and Dockets, testified that as a result of this committee action the Navy had used 134 facilities which had been transferred to it by the Army instead of building new ones, and that the value of these facilities was $250 million. This information is contained in the hearings for fiscal year 1946, pages 17 through 22. Later an additional $100 million in such facilities were used.

Mr. Chairman, I realize that for me to repeat this matter now might seem to be for the purpose of pointing out how my individual efforts contributed toward bringing about savings, but my purpose in reciting these facts to the House at this time is because here is a concrete example of where except for personal knowledge of an abandoned, which the Army called vacated, airfield in my area the Navy would have spent $350 million which was saved. In our efforts to save that money it developed that the top military people in wartime had a committee on joint use of facilities which had not met for nearly 3 years of the war, and it developed that the Department of the Army was so technical that they would sign a statement for the Navy's use in getting money for new facilities that the Army had abandoned no fields, because they had caretakers in charge of such field, indicating none were available for Navy use, when it was clearly apparent that we were seeking available fields which the Army called vacated.

Mr. Chairman, I have sat on this new Subcommittee on Military Construction this year and there is little, if anything, in these two volumes of record that will show that the Defense Department has learned a thing since 1944. This committee, and the report, has called on the Defense Department to exercise its responsibility and make these services quit holding strings on bases and facilities they are not using. Frankly, they frequently hold those strings just long enough for somebody to get a new facility, then they surrender them, as we note in Assistant Secretary Bryant's testimony.

Various Members of Congress have problems with the desire of local people to have money spent in their respective districts. But I am talking about your interest in the common welfare which should lead you to follow this committee, not only this year, but as we go down the years ahead. If we look at the practical side, so far as the disturbance that might come to Members of Congress, you will have much more disturbance when they start closing facilities in your districts than you will have because of your inability to get new ones before they turn the old ones loose. Read again the statement of the Assistant Secretary of Defense, Mr. Bryant. Just think of it, 717 facilities either closed or in the process of being closed, 6 million-plus acres of land no longer needed, yet we go merrily on passing an annual authorization bill and an annual appropriation bill to implement the 1946 billionaire plan which was implemented by tentative approval by the Congress in 1954.

Here is what they tell us:

Our plan eventually calls for this money. Up to now each year, cumulatively, you have given us this much. This year we ask for this amount; and we are serving notice now, in the future we will ask you for this much more.

Conditions of our Nation are too serious to follow any such course as that; conditions internationally are too serious to follow any such course as that.

What have we done in this bill? We have tried to provide funds for those things that are necessary to go along as well as we have been going along in the past, plus funds for new missile and other programs necessary in this changing-needs picture.

We have eliminated those things which were requested merely to imple-

ment the 1954 plan, so the services can have things like they want them. Our course is sound. It is not only sound in this bill, but it is a course that we should follow in the years ahead; and if we do, we will have a defense force that is putting its efforts not in permanent-type facilities at a base that you can see from their own records is not really permanent as such things go, and we will save our striking power for the places where it counts. It is high time we begin to do that. And I am willing to challenge anybody within the sound of my voice, anybody on the Armed Services Committee or anybody who has a project in his district or anywhere else, on the soundness of the course that we have set out on in this bill.

Mr. BROWN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Missouri.

Mr. BROWN of Missouri. The gentleman is making an excellent statement and displaying his usual good judgment in this matter. I commend the committee for cutting these funds, because the American people are willing to spend billions of dollars for defense but not one dime for nonsense.

I would like to state for the RECORD at this point that at Fort Crowder, Mo., the Army set out on a building program, and before they could even get the permanent buildings and the housing finished and all the bills paid, they vacated or abandoned the fort. I think it was ridiculous then, and it is even more ridiculous now that the Army is carrying on functions in other buildings that are not new, while those new buildings and that new housing depreciates in Fort Crowder. That is sheer nonsense. That is not defense. I congratulate the gentleman.

Mr. WHITTEN. I thank the gentleman. They spent several million dollars there just before closure.

May I point out that this situation at Bainbridge, Md., where the Navy built and caused to be built everything essential to a major base and then left such facilities vacant while others were built is unthinkable. How could anybody with common sense or responsibility to the American people be caught in any such fix as that?

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from California.

Mr. TEAGUE of California. I, too, congratulate the gentleman. I would like to make this point for the RECORD. There is an item in here, apparently, of $144,000 to acquire a tract of land up in Baywood Park, Calif., which is in my District. The Army proposes to acquire this land not because it feels it needs it but because it has taken the position that it is contaminated due to landing operations during World War II and it would not be safe to turn over to the public. It is being reexamined at my request. It is a very valuable piece of land potentially for subdivision purposes, and I am highly hopeful that it may be found, after reexamination by the Corps of Engineers, that it is not necessary to acquire the land.

Mr. WHITTEN. May I say to the gentleman I am glad they are reexamining their decision. And, may I say again, our yardstick, our rule of thumb, was to go along with those things that are necessary, whatever may make it necessary, as against those things merely highly desirable under the 1954 plan.

Going back to what the gentleman from Missouri alluded to, going back to our experience in Navy days in World War II, in a county now in my District but which was not at that time, they built an air unit which is no longer in use. But, they abandoned that field before it got started and they awarded a contract to tear down the housing on that facility. The company which got the contract to take this housing down had to delay his start until the fellow who had the contract to build it completed his contract so that he could get his money.

My friends, this military activity is chock full of that kind of business. If you want to read an enlightening story on how you can trust the Defense Department to handle your money, read the hearings pertaining to the Air Force Academy. Money secured for housing was spent to increase the size of everything else; a hand-picked architect-engineer with five contracts selected by Assistant Secretary of War Talbot, who brought this project into his office here, bypassed the Corps of Engineers on land acquisition, accepted the highest of three appraisals by local appraisers.

Little, if any, of the Academy equipment is standard; and they had the audacity to say that it is cheaper to buy specially designed equipment than it is to buy standard equipment. They insisted on it. The project has grown like Topsy and without prior Congressional approval of expansion. They paid no attention to the legislative committee or to the acts of Congress which put a limitation on the amount they can spend. They spread this Academy all over hell's half-acre where it will increase greatly the expense of the heating, maintenance, transportation, and everything else. We have some spoiled folks in our military, notwithstanding the fact we have a lot of fine people. For instance, the superintendent of the Academy will not approve the building of a residence for himself because he says the Government cannot build an adequate house, adequate for him, for $90,000. It is not enough, and apparently until he gets more funds he is not going along.

Mr. SHEPPARD. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from California.

Mr. SHEPPARD. While the gentleman was very much interested in that aspect of our hearings, along with others, is it not interesting to know that that is the gentleman who has been passing upon the expenditures out there, to a greater degree, than almost anybody else in the Air Force?

Mr. WHITTEN. It certainly is. However, the Defense Department largely ignored its responsibility. And I say again that this committee—and I compliment every member of it—dug into it, but somehow, with these closed hearings that the rules of the Committee on Appropriations require, little attention is paid by the public or the press to these matters. If the American public were to know what is in these hearings, the American public would see that you correct it. And they would take the heat off individual Members about getting something else done in their districts, if they could just read what is in the hearings. But under our procedure there is no way of getting it to the general public. One of the private consultants to the Air Force on planning this project testified that no mention was ever made to him as to monetary limits, that so far as he was advised, the Federal Treasury was available. That seems to have been the general idea.

Mr. LAIRD. Will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Wisconsin.

Mr. LAIRD. Mr. Chairman, I agree with what the gentleman has said regarding waste and extravagance in the Air Force. But I should like to call his attention to the fact that the figure to which he referred is $75,000 instead of $90,000.

Mr. WHITTEN. May I say that that was the answer given by the Air Force. However, our information, from our own investigations, is that it was $90,000. The Air Force people in an attempt to explain it away did say that in their opinion the figure was $75,000. I do not know which one is correct, $75,000 or $90,000, but the principle is the same.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. GROSS. Where is the superintendent living at the present time?

Mr. WHITTEN. I really do not know.

Mr. GROSS. Are we paying the bills at some hotel somewhere?

Mr. WHITTEN. Naturally, he gets quarters allowance, which is available to him, and he can stay where he wishes. But, apparently, anybody out there who did not find things as they wanted, directed money from some other source to be spent on his purpose—using some other source of funds within the Air Force. And, may I say, at my request, the Comptroller General was asked about the use of millions of dollars appropriated for other purposes, on construction of this Academy. The Comptroller General replied that such use was not authorized by law. You will find his report in the record.

Mr. GROSS. Mr. Chairman, will the gentleman yield further?

Mr. WHITTEN. I yield.

Mr. GROSS. If we have to spend $90,000 for a home for a superintendent of an academy, if the superintendent will not settle for anything less than that, I suggest that we buy him a good tent and invite him to live in the tent for a while.

Mr. WHITTEN. May I say to the gentleman, before we become too critical of the superintendent, that we set that pattern. We did not appropriate the money, but 2 years ago the Department of Defense requested, and the President and the Bureau of the Budget approved

$300,000 for a home for the Chairman of the Joint Chiefs of Staff here in Washington. Having set that pattern for him, the gentleman can understand that the Superintendent of the Air Force Academy would naturally want to keep within speaking distance of the Joneses.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. SIKES. In answer to the inquiry of the gentleman from Iowa [Mr. GROSS] a few moments ago, I would like to point out that the Air Force Academy actually is not in its permanent quarters yet. The Air Force Academy does not open until September. Presently it is housed at Air Force Base, on a temporary basis, and presumably the superintendent is living on that base or has rented quarters in Colorado Springs.

Mr. WHITTEN. Here is a wrinkle that they gave us on some $7 million which they justified to Congress for housing for professors and others; some 400-odd units. Because they wanted to enlarge various other things, they used the money for other purposes; without coming to the Committee on Appropriations they signed contracts for Capehart housing, committing the Federal Government for 25 years to meet huge annual payments. I listened to my chairman, the gentleman from Missouri [Mr. CANNON] and to the ranking minority member, the gentleman from New York [Mr. TABER] talk about what is happening in the way of bypassing the appropriation process, and I agree with them thoroughly. But the same thing is happening in another way. It is happening at the present time in the military services, and it does not show up as an appropriation. The services go in and get an authorization for housing and sign contracts for 25 years' guaranty for this Capehart housing. That means paying 4¼ percent interest when the Government could get the money at about 3 percent. But out at the Air Force Academy they got $7 million for housing and turned around, used these funds for something else, and then signed contracts for Capehart housing, where we guarantee the payment over 25 years, which doesn't show in the total cost of the Air Force Academy.

Oh, it is a terrible picture. I wish to say again that I am gratified that in this bill we are at least making a start. We cannot be perfect, but we have set a sound guide rule. If it is necessary, O. K., but if requested to continue to implement the 1954 plan as we have been doing, let us wait. We cannot longer afford such luxury.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman spoke of a $300,000 house for the Chairman of the Joint Chiefs of Staff. The gentleman will recall I fought that every time it came up here. So far as I am concerned personally, I do not want to be charged with ever having voted for that thing.

Mr. WHITTEN. May I say to the gentleman from Iowa, and I say it in all seriousness, that I do not know any man who works harder or contributes more in trying to prevent that type of thing from going through Congress than he does. I wish more Members worked as hard and took the same view in checking these matters, all to the interest of the American people. We might not always agree on each item, but we need more Members like the able gentleman from Iowa, who will try to prevent these wasteful things going through Congress.

Mr. NEAL. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from West Virginia.

Mr. NEAL. I notice on page 39 of this report a total of $14 million for armories. In view of the fact that we are reducing the Reserve forces and the National Guard, is it proposed that these constructions be continued?

Mr. WHITTEN. It is my recollection that the departments recommended the reduction of those forces; but the Congress took issue with them, and the presentation to our committee is in line with the strength that they anticipate. However, I do not believe the Congress went along with plans to reduce the forces; so that would leave it where these funds would be essential, as I understand it.

Mr. Chairman, this is a start toward sound government. I trust we will have the support of the Congress in our efforts. It is not merely the half a billion dollars we save here, but if we can reestablish this sound principle, it will mean that much or more savings each year hereafter. We will be back on the track of providing adequate defense instead of defense public works to pump-prime the economy, resulting in the establishment of a military class with country club tastes.

Mr. JONAS. Mr. Chairman, I yield such time as he may desire to the gentleman from Wisconsin [Mr. LAIRD].

Mr. LAIRD. Mr. Chairman, in the bill which is before us today, the reduction of $500 million in the overall request of $1,730,000,000 made by the Department of Defense I do not think is the most important thing that has been accomplished in this legislation. I think the important thing from the long range point of view, is that the Army, the Navy, and the Air Force are placed in a position where they will have to submit real justifications in the future for construction requests and for the funding of various projects throughout the United States and throughout the world.

The changing nature of the military posture of this country has necessitated some realinement of facilities in use by the military services. This has resulted in the curtailment and closing of many military installations, including some of a permanent nature. Proper planning and supervision would have prevented much of this cost and dislocation. To insure the maximum of efficiency and economy in the military construction program consideration must be given to the adequate use of facilities no longer required for their original mission. It is obvious that such consideration has not been given in formulating the fiscal year 1959 military construction program. The committee was disturbed to discover that there are still instances wherein one military department is forced to acquire new real estate in lieu of utilizing existing real property held by another service for uncertain mobilization and reserve training requirements. It is also apparent that adequate provisions for the close control and analysis required of this problem are either not provided or not properly functioning in the Department of Defense. All too frequently the sole responsibility for the utilization of existing facilities is left up to the military services who are loath to release any facilities and equally reluctant to use facilities other than their own. The actual responsibility rests solely with the Secretary of Defense, and cannot be passed off to the military services. To insure that a thorough review will be made of these facilities in connection with the implementation of the fiscal year 1959 program and with the programs in future years, the committee calls on the Secretary of Defense to pool under his cognizance all such facilities and properties so as to have them immediately available for use or transfer to meet the needs of any of the military services in a manner to provide for the maximum utilization of existing facilities. To implement this, the committee calls on the Department of Defense to require a full report from all services on all permanent and semipermanent facilities and all installations not fully utilized on an active basis.

The Secretary of Defense is directed to file a report with the committee not later than January 15, 1959 of the action he has taken in this regard. It will be expected that the submission of the 1960 military construction appropriation request will be accompanied by a list of all permanent and semi-permanent type facilities and installations not in active use and the proposed disposition of them in fiscal year 1960.

The utilization pool which has been established through this bill report is a pool which will be handled by the Department of Defense. Certification as to the necessity for any new facility will be made after going over all items which are not fully utilized by the three services. I think it is perhaps one of the finest accomplishments that has taken place in any Defense Department appropriation bill in the 6 years I have been a Member of Congress.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I yield to the gentleman from Florida.

Mr. SIKES. I am sure my friend will also want to point out the fact that our subcommittee, operating for the first year as a subcommittee, has had only about 2 months in which to develop the facts that are needed in connection with this bill. The bill came to us late. We have had it only a couple of months. This is the first year this committee has operated. In view of those facts, I feel that substantial progress has been made by the committee for a much better operation in the future by the Department of Defense and by the subcommittee.

Mr. LAIRD. I certainly concur in the sentiments expressed by my friend, the gentleman from Florida.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I yield.

Mr. JENSEN. In the absence of our colleague, the gentleman from Iowa [Mr. HOEVEN] who represents the Sioux City, Iowa, district, he being occupied elsewhere and not being able to be here just at this moment, I would like to ask the gentleman to explain why the amount of $945,000 for barracks and also for the Sioux City Air Force Base, Iowa, has been eliminated. Will the chairman of the committee or someone else explain that? It is referred to on page 20 of the report.

Mr. LAIRD. I think the gentleman is referring to the Air Defense Command facilities.

Mr. JENSEN. That is right. The Sioux City Air Force Base. I want the gentleman to understand, of course, that I am not complaining.

Mr. LAIRD. May I state to the gentleman that the chairman of our committee at the start of the presentation today outlined a broad policy which we used in making the various reductions which we made in this bill. It was the feeling of the committee that the facilities which are presently available at the Sioux City Base in Iowa could remain in use. These facilities were in a condition where they could be used. Funds were denied for replacement items throughout this bill where a facility was of the mobilization type or was in such condition that they could be continued to be utilized by the respective services whether it was the Air Force, Navy, or the Army.

Mr. JENSEN. Then it is understood that the facilities at this Air Force Base at Sioux City, Iowa, are adequate?

Mr. SIKES. If I may add to what has already been said, the billets that would be replaced by new quarters are billets that are now in use and they would go into the mobilization reserve for use in case there should be an expansion of the Armed Forces. They are not billets in such poor condition that they would have to be torn down after the new buildings are constructed. Therefore, they enter into the category of those buildings that the committee felt could be deferred until we could take a longer look at the problem.

Mr. LAIRD. We did replace, I would like to say, substandard facilities at these various bases, but we did not replace mobilization type facilities.

Mr. JENSEN. I see. As I understand it, the facilities in this category that were requested have been deleted from the bill? That is, generally speaking?

Mr. SIKES. That is right.

Mr. JENSEN. I want to compliment the committee on the fine job they have done in reducing this budget request to the degree that they have. It shows that the committee has been on the job and they have reduced this bill wherever they felt it was necessary to reduce it in line with good business practice.

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I yield.

Mr. TEAGUE of California. As the gentleman from Wisconsin knows, the Federal Government has a huge investment in two important Navy installations in my District in Port Hueneme and Point Mugu.

Mr. LAIRD. I am very familiar with that having talked with the gentleman on several occasions with reference to these particular installations.

Mr. TEAGUE of California. I am sure the gentleman also recalls that you had testimony before your committee as to the very serious beach erosion problem that threatens that investment. Am I correct in my understanding that even though this subject is not covered by a line item, there is an item in this bill of roughly $1,425,000 to commence work on the curing of this most serious beach erosion problem?

Mr. LAIRD. The gentleman is correct and this will be used in conjunction with the civil functions appropriation earlier approved by the Congress. That project will go forward in fiscal year 1959.

Mr. TEAGUE of California. I thank the gentleman. I wish to commend the committee for their wisdom in realizing that this is most needed and worthwhile work at this time.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I yield.

Mr. MASON. I want to say that the work of this subcommittee and what it promises for the future is, to me, the most encouraging thing that has happened in a long time.

Mr. LAIRD. I thank the gentleman for his comment.

I yield to the gentleman from North Carolina.

Mr. JONAS. Mr. Chairman, I would like to have the record show that the gentleman from Wisconsin [Mr. LAIRD], deserves a great deal of credit for the committee's action in deciding to force the setting up of this pool of military installations.

Mr. LAIRD. I thank the gentleman.

The CHAIRMAN. The gentleman from Wisconsin [Mr. LAIRD], has consumed 8 minutes.

Mr. JONAS. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Chairman, as the ranking minority member of the Committee on Armed Services, I have given very special consideration to the measure before us to appropriate funds for military construction for fiscal year 1959.

The committee report, submitted by the distinguished gentleman from California [Mr. SHEPPARD], itself reveals that the committee has given close scrutiny of the projects proposed by the military departments. The thoroughness of the committee's study of each of the projects is evident from the detail embodied in the report of the committee.

We are all aware of the impact huge defense expenditures have upon our national economy. We are all aware of our budgetary situation, with a deficit in the past fiscal year and still larger a deficit in prospect for the next fiscal year. The committee has taken cognizance of this and has sought to eliminate any unnecessary expenditures. For that the committee is to be commended.

However, certain of the reductions made by the committee disturb me, both as to the items involved and as to their magnitude, particularly in view of the grave world situation.

In this period of guided-missile developments, this age of sputniks, Explorers, and Vanguards, the reduction of $90 million in the Air Force request for ballistic-missile efforts appears to me to be somewhat out of line, particularly in the light of the increasing evidence of Russian aggression and infiltration.

The committee report indicates that this $90 million is being withheld because the design for certain portions of the new Titan ballistic missile has just been started and will not be completed until early next year. I feel that on such an important program as this the funds should be reinstated to preclude any delay. We must make certain there is no unavoidable delay and the Air Force should be directed to take such steps as necessary to insure that the operational schedules are met.

I am also disturbed by the magnitude of other reductions. Not too long ago our Committee on Armed Services held hearings on the Military Construction Authorization bill. During these hearings most of these same projects were discussed in detail by the various services. They emphasized that the projects comprising the bill our committee reported were only the highest priority of a much larger requirement. What was recommended was on a highly selective basis and constituted only those items or projects entitled to the highest priority.

Any one project standing by itself may not appear indispensable, but in any program it is important that balance be maintained. I am not opposed to the present bill. I do not plan to offer any amendments. But I do express the hope that if further substantiating data is supplied as to the essentiality of additional funds for certain projects and the restoration of the funds reinstated by the other body that our conferees will be receptive to their retention in the final version.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. JONAS. Mr. Chairman, I yield 4 minutes to the gentleman from Ohio [Mr. SCHENCK].

Mr. SCHENCK. Mr. Chairman, it is always a pleasant privilege when one has an opportunity to commend the committees of the Congress and their hard-working, conscientious members who so unselfishly devote their best efforts in behalf of our entire Nation. Few have any concept of the hours, almost without number during weeks and months of time, and the hard work that go into the preparation of measures before they can be properly considered here on the floor of the House. While each and every member of each and every committee deserves a special and personal accolade, I am glad now for this opportunity to pay my personal tribute and express my appreciation to the members of two of our great committees of the House, the Committee on Armed Services and the Committee on Appropriations.

The Committee on Armed Services has had great experience and has deep understanding and knowledge of the operations, needs, purposes, and facilities of all our armed services. The members are constantly adding to their knowledge of these very important and complicated matters by continuous study. Recently, following extensive hearings during which a great deal of expert testimony was received and carefully evaluated, the committee developed and recommended legislation authorizing the provision and construction of military facilities for the use of our armed services throughout the world. This legislation was thoroughly considered, debated, and approved in both the House and Senate. The final version was then signed into law by the President.

The various subcommittees of the important Committee on Appropriations then undertook the great task of checking into each of these authorized projects in a very sincere effort to recommend the appropriate and justified amounts to develop and construct the properly authorized projects. Members of these subcommittees are experts because they have had years of experience in and with the various branches of our armed services. Even a cursory review of the two thick volumes of printed hearings will show the great care with which this task was performed.

I always regret, Mr. Chairman, when I find myself in disagreement with members of either of these important committees. Yet, Mr. Chairman, I feel I would not be fulfilling my obligation and my full duty to the Air Force and aiding in its responsibility to our entire Nation if I did not call the attention of the committee and the Congress to a situation which, I sincerely believe, merits serious reconsideration.

There are those, Mr. Chairman, who will try to say that I am being selfish in this matter because Wright-Patterson Air Force Base is located partly within the Congressional District I have the great honor to represent and partly within the District so ably represented by my colleague, the distinguished gentleman from Ohio [Mr. BROWN]. While I cannot and do not deny that I feel justifiably proud to have Wright-Patterson Air Force Base in our area, selfish interest can never justify special consideration. The work and duties performed at Wright-Patterson Air Force Base, Mr. Chairman, are of deep and special concern to every citizen of this great Nation and it is on that basis alone that matters in connection with the work and operations of Wright-Patterson Air Force Base deserve and need our full consideration.

With the attention of the world focused on scientific progress and our future national security resting on the technical education of our armed services we must have available the very best training facilities.

I fully appreciate the position of the committee and commend it for wanting to save money, but I would like to point out several factors which may answer its objections as stated in the report. Only at Wright-Patterson Air Force Base do we have that combination of research, development, and procurement functions that are now available to the present Air Force Institute of Technology. This was specifically mentioned in the report of the Board of Visitors in 1956. A number of studies have already been made of the location and necessity for the Institute and all recommend the present site and stress the increasing need. In the face of world events and considering our desperate need for trained men in the scientific, technical, and procurement fields, it would appear that the least we could do would be to allow the cost of one bomber to maintain and encourage the Air Force Institute of Technology at Wright-Patterson Air Force Base. As you all know, this is not a new project but one which has been in existence for years. It is not a problem of establishing a new facility but merely gives proper recognition and new buildings to a training institute on which our new missile program must necessarily depend.

It is a well established and recognized fact, Mr. Chairman, that our highly specialized business and technical operations of today require a much greater personnel proficiency and technical knowledge than was required even in the recent past. Technological and scientific developments are occurring so fast that there is great difficulty in even recognizing the new problems they present. Business, industrial, and professional organizations know the absolute need for constantly better trained people. Hence, Mr. Chairman, every really successful operation—and I do not mean to confine the term "successful" only to the concept of financial success, but on the contrary apply it to the overall concept of doing a job and performing a service—conducts a continuing and inclusive program of in-service training.

It is a well recognized and accepted educational principle, Mr. Chairman, that we learn best and most rapidly when we can witness at close range the need for and the use to which we can apply our skills. Abstract knowledge and theory are also important and such facts and factors must be learned. But the application of what we have learned to the task at hand fixes these facts and this knowledge in our minds, thus increasing our effectiveness.

The work of the Air Materiel Command, Mr. Chairman, is of inestimable importance to our United States Air Force and to our entire Nation. Its duties and functions are very technical and require many kinds of specialized knowledge. Some of the most outstanding and necessary research and development work in the entire United States Air Force is also being done at Wright-Patterson Air Force Base under the Wright Air Development Command. A few miles away at Gentile Air Force Depot much of the supply and logistic work in the electronic field is performed for the entire United States Air Force.

It is axiomatic and can be shown by undisputable facts, Mr. Chairman, that the one best location for the Air Force Institute of Technology is at Wright-Patterson Air Force Base and it should have proper facilities. This determination is entirely based upon what is in the best interest of our Nation and the United States Air Force.

If any proof of this is necessary, Mr. Chairman, permit me to refer you to pages 360 and 361 and 362 of the hearings on this bill. The distinguished gentleman from California [Mr. SHEPPARD], chairman of this subcommittee was interrogating the witness, General Harrison. General Harrison in response to the question of why it is necesary to locate the Air Force Institute of Technology at Wright-Patterson Air Force Base instead of some other location replied by quoting Dr. Louis Riddenaurer, dean of the graduate school, University of Illinois, who was investigating research and development facilities in the Air Force and I quote his answer:

> The question may be asked: Why need the Air Force have its own Graduate School of Engineering? Why not depend upon civilian institutions already in existence for the advance study in research of interest to the personnel of the Air Force? These questions have two answers. First of all, the Air Force is concerned with the engineering of weapons which often have no civilian counterpart, study of terminal ballistics, radiological warfare, and many other matters which are not the proper business of civilian institutions. Second, the Air Force has at Wright Patterson Field and will have at the Wright Air Development Center facilities for specialized research which are unmatched in civilian institutions and cannot be duplicated without large and unjustifiable expenses.

At my request the Air Force, through Lt. Col. Edgar J. Masters, Chief of the College and Scientific Section, has prepared a statement on the history and program of the Air Force Institute of Technology. I should like to include it at this point.

HISTORY

The history of the Air Force Institute of Technology, which was established in 1919, parallels the history of the Air Force itself, providing engineering education for Air Force officers for nearly 40 years.

Shortly after Pearl Harbor, the school was forced to suspend classes. The Institute was inactive from 1942 to 1944. In 1944, it was reopened to conduct a series of accelerated 3- and 6-month engineering courses to meet emergency needs.

At the close of hostilities, several studies were conducted on the subject of technical or engineering education for officers. One of these studies was made by a committee of civilian scientists appointed by Dr. Theodore Von Karmen of the California Institute of Technology who was then serving as Chairman of the Air Force Scientific Advisory Board. The committee that made this study was headed by Dr. John R. Markham, a professor of aeronautical engineering at the Massachusetts Institute of Technology. Definite recommendations regarding the future of the Air Force Engineering School were developed by this group. This committee recommended the school offer two programs: One in engineering and one in business administration and logistics. The courses were to be at college level and they were to be

tailored to meet Air Force needs. The Army Air Forces Institute of Technology was officially opened by General Twining, then Commanding General, Air Materiel Command, in September 1946. In April 1950, command jurisdiction was transferred from Air Materiel Command to the Air University.

The Institute conducts educational programs to meet the needs of the Air Force for officers professionally qualified in engineering, scientific, managerial, language, medical, and other fields. The programs are available to career officers, who upon completion of their studies are placed in assignments requiring the education or training they have received.

The Institute, through its School of Engineering, School of Business, and Installations School, conducts resident programs at Wright-Patterson Air Force Base. These resident programs are conducted because they enable the Air Force to:

First. Present applied education directly related to problems encountered by the Air Force using agencies to which the graduates will be assigned; that is, the Air Research and Development Command, the Air Materiel Command, and the Strategic Air Command, among others.

Second. Incorporate materials and construct the curricula so that they are; immediately responsive to the changing needs of the Air Force.

Third. Utilize the facilities and laboratory personnel of the Wright Development Center, and the resources available at Headquarters, Air Material Command.

Fourth. Provide class groupings of mature officers with a core of common experience.

The value of the resident programs was recognized by the 83d Congress which authorized the Institute to grant degrees upon accreditation by a recognized accrediting association. On October 19, of 1955, after a review of the Institute's faculty, curricula and physical facilities, the Engineers' Council for Professional Development accredited the Institute's engineering courses for 3 years. Another milestone was reached in the Institute's development when on May 1, 1958, the American Association of Collegiate Schools of Business accredited the Institute's School of Business. Approval by these accrediting bodies provides national recognition for the school and the right to award degrees.

Whenever civilian universities can best provide the education required by the Air Force, the educational programs are established at civilian schools. As early as 1949, the Air Force was advised of the necessity to develop a strong resident program at the Institute.

At that time Dr. Ridenour made the statement I have already quoted pointing out the need for this graduate school and the unique facilities for specialized research already available at W. A. D. C.

The various Air University Boards of Visitors, appointed each year by the Chief of Staff, have consistently commented on the importance of the resident program and have advised the Air Force of the need to develop and strengthen the Institute's resident schools. The following educators are representive of board membership:

Dr. John A. Hannah, Michigan State University; Dr. A. A. Potter, Purdue University; Dr. Harold L. Hazen, Massachusetts Institute of Technology; Dr. Frederick Hovde, Purdue University; and Dr. J. R. Killian, Massachusetts Institute of Technology. The following comment from the report of the 12th Board of Visitors in 1956 is representative of the position taken by these boards over the years regarding the need for the Institute's resident program:

> The board, at the risk of carrying coals to Newcastle, wishes to focus attention on the exceptional value of the Institute of Technology to the Air Force in these critical times.
>
> Situated within the same air base complex as the Wright Air Development Center and the Air Materiel Command, the Institute is strategically located and programed to render a service which would not be duplicated in like degree elsewhere.
>
> On the one hand the laboratories, wind tunnels, test paraphernalia, management data, engineering equipment and kindred resources of the Wright Air Development Center and the Air Materiel Command form a ready source of educational tools to the faculty and student body of the Institute. Specialists from these services lecture continuously in Institute classrooms. As a consequence the student body receives not only high standards of technological and business education but education geared to the specific and often unique requirements of the Air Force.
>
> Conversely, Wright Air Development Center and Air Materiel Command made daily practical use of the Institute. Faculty and graduate students develop research theses for the commands. The faculty is in constant consultation with Wright Development Center on a wide variety of subjects.

INSTITUTE CONSTRUCTION PROGRAM

Present facilities consists of two cinderblock buildings and one converted warehouse belonging to the Wright Air Development Center which is anxious to reoccupy their facilities to accommodate their presently planned activity. The space, accoustics, lighting, and ventilation in these facilities are inadequate and substandard for any professional education activity.

Request for the Institute construction program was first made by the Air University in fiscal year 1955. This original item was for phase I of the proposed academic facility which consisted of three phases. Phase I was for a part of the academic facility costing $4.1 million but the project was deferred by Headquarters, United States Air Force, because of higher priority projects.

Submission was again made for phase I in fiscal year 1956 and Congress authorized this facility by Public Law 161, 84th Congress, and appropriated funds for its construction by Public Law 219, 84th Congress. Congressional approval was for $4,155,000. However, the Office of the Secretary of Defense did not approve apportionment of these building funds for the Institute.

The cost of the Institute construction program in its entirety is estimated to be $10,025 million. The current request for funds is for $7.4 million covering the cost of site preparation, two classroom buildings, and a laboratory. Other buildings to support the Institute of Technology have been deferred until later construction programs.

I have referred to the position taken by the various boards of visitors regarding the value of this program to the Air Force. The following comments by the 13th Board of Visitors, which was headed by Dr. John A. Hannah of Michigan State University, are typical of the position taken by the Board during the past years regarding physical facilities:

> The various Air Force Institute of Technology programs have improved markedly year by year and now constitute a major, high quality, educational resource of inestimable value to the Air Force, the Department of Defense, and the Nation. There is no question but the Air Force Institute of Technology should be continued on a permanent basis, and that its area of usefulness should be expanded to meet new educational needs as they develop. No permanent organization can be expected to reach its full potential and maturity if it is forced to operate year after year, as a tenant-at-will, in temporary quarters. Offices, classrooms, and housing of teaching equipment are conspicuously inadequate and detrimental to faculty effectiveness and the learning process.
>
> The Board recommends and urges that the Air Force Institute of Technology building plan move forward without further delay into the funding and construction stages. Further delay will inevitably lead to a serious drop in faculty morale, strength, quality, and effectiveness, and in a resultant decline in student interest and accomplishment. Descent into mediocrity, once begun, can be reversed only at great cost in time, effort, and money.

On June 20 of this year Mr. H. Guyford Stever, chairman of the ad hoc committee on research and development reported to Dr. James H. Doolittle, Chairman of Scientific Advisory Board of the United States Air Force. I call attention to two important concepts outlined in the letter submitting this report and quote Mr. Stever:

> (a) In all of its activities the Air Force will continue to experience at a growing rate the impact of advancing technology. The research and development phases will enlarge and become of greater importance. Though in the past the Air Force has introduced major changes to adjust to this increasing role of research and development, it has not yet kept pace with the need.
>
> (b) In order to handle its increasing technological problems, the Air Force will need a higher percentage of better trained, more capable technical personnel—officers, civilians, and airmen.

Along with other committee recommendations is one which states:

> The Air Force should raise the technical qualifications of its research and development personnel by increasing opportunities for higher education in technical fields.

The changing nature of the Air Force is especially noted.

The United States Air Force is now faced with dividing its efforts amongst the continuing needs for manned aircraft, the growing needs for missiles, and the emerging, though not clearly defined, needs for space technology. Guided missiles and electronics already amount to approximately one-half of the total United States Air Force research and development and materiel budget. The United States Air Force must face the problems inherent in this rapid trend

toward an increasingly complex technological Air Force without having the strength in depth of scientific and technical personnel that is required to discharge its responsibilities. Over the past 8 years the increase in the technical education and training of company grade Air Force officers has been somewhat impressive but still inadequate. In the field and general officer grades, only about one-third have technical degrees, rather less than in sister military services, and the percentage has been sliding slowly downward over the past 8 years.

The United States Air Force must come to understand that its ability to do its job depends to an ever greater degree on having a far greater proportion of its personnel trained in science and technology; otherwise, it will fail first to carry out its expanding research and development responsibilities, and eventually, to operate effectively its increasingly complex weapons.

Just last week, Mr. Chairman, the Subcommittee on Investigations of the House Committee on Armed Services held a hearing. This subcommittee under the very capable chairmanship of the distinguished gentleman from Louisiana [Mr. HÉBERT], was hearing testimony on the training of technical personnel handling the huge Air Force procurement program. Col. James J. Treacy, Chief of Procurement Policy Division in the Office of Deputy Chief of Staff for Materiel at United States Air Force Headquarters here, testified as to the need and operation of the technical courses of the Air Force Institute of Technology. I ask unanimous consent, Mr. Chairman, that the pertinent parts of the statement of Colonel Treacy be included in my remarks at this point.

PROCUREMENT TRAINING

In order to maintain and improve a procurement organization such as ours it is necessary to recruit, develop and retain qualified personnel in this field. This has been a problem for a long time. We are concerned about it and we are doing something about it.

It is not possible to recruit, from civilian sources or other military career fields personnel possessing the high degree of knowledge and skill required for the conduct of the Air Force procurement program, consequently we devote considerable effort to establishing and conducting adequate training programs.

The Air Force is interested in joint-service common training to the extent considered practicable.

At the present time we are participating in the quarterly joint service seminar on procurement training with the Army and Navy and are considering the matters of consolidation of courses and exchange of students. We have offered certain quotas in our courses to the other services. The Air Force has participated in the Judge Advocate General's procurement law course—and the contract termination course given at the JAG Law School at Charlottesville, Va.

The training program is categorized in three segments: (a) basic, (b) technical, and (c) general.

The basic course provides initial indoctrination into the procurement field of officers, civilians, and airmen. The technical phase covers university training, resident Air Force Institute of Technology, and training with industry. These latter three are participated in by other career fields and not classified exclusively as procurement training. Quotas from the procurement career field, however, are assigned.

TECHNICAL COURSES

The Air Force provides for maintaining operator level proficiency by conducting courses in the various technical segments of the procurement specialty. These courses, attended by military officers and civilians, are designed on a progressive basis. They are complementary to the individual career development program. The Air Force has discussed these courses with the other services at the seminar to which I referred earlier and has, where applicable, offered a number of quotas to the other services.

In fiscal year 1957 and 1958 these technical courses with the exception of the advanced pricing course conducted by Harbridge House, Inc., were conducted by the producers within Air Materiel Command. These courses were conducted in various parts of the country. It was found that this procedure imposed too great a burden on the operating personnel. As a result, it was decided to transfer the management and administration of these courses to the Air Force Institute of Technology at Wright-Patterson Air Force Base, Ohio. This is scheduled for September 1958.

The advantages to be gained by this move are:

(a) It places all the training courses under a recognized educational institution.

(b) It gives the personnel involved that much more time to devote to their operational duties.

(c) It consolidates the training effort at the Air Force Institute of Technology—physically located at Wright-Patterson Air Force Base.

(d) By working through Air Force Institute of Technology the services of guest lecturers and other highly qualified professional men may be called upon from time to time as the courses demand.

For fiscal year 1959 more courses have been added. Other services have been invited to participate.

The faculty of the Air Force Institute of Technology is well qualified to manage and administer the program. Inasmuch as these courses are being transferred from AMC to the Institute of Technology the actual faculty is presently being selected by the Institute on the basis of both educational and technical experience and ability.

In addition to this formal technical training, there is an initial indoctrination training program for newly hired college graduates of GS-5 level. This program familiarizes newly assigned procurement technicians in procurement practices and enters the trainee into a regular on-the-job training program. After completion of the on-the-job training he enters into the formal technical training sequence.

You will note, Mr. Chairman, that Colonel Treacy stated many of these technical courses have been conducted in various parts of the country but that this has been found to be impracticable and inefficient and that it has been decided to transfer the management and administration of these courses to the Air Force Institute of Technology at Wright-Patterson Air Force Base by next September. Colonel Treacy also indicated that Army and Navy officers will be invited to attend the Air Force Institute of Technology so that they may work and study side by side with United States Air Force personnel on these procurement problems. Students located at Air Force Institute of Technology at Wright-Patterson Air Force Base, can actually call on technicians on the job at the field to show how work is done. Colonel Treacy said that the Air Force is exerting continuing efforts to reduce to an absolute minimum any differences among the procurement instructions of the three services.

This, Mr. Chairman, is surely a most worthy objective and an accomplishment that has had the enthusiastic endorsement of the Congress for many years. This is but another reason, Mr. Chairman, why I feel so strongly that the Air Force Institute of Technology should be located on Wright-Patterson Air Force Base and that proper facilities should be provided.

At the proper time, Mr. Chairman, it is my intention to offer an amendment to this bill to include the necessary funds for these much-needed and completely justified Air Force Institute of Technology facilities. It is my sincere hope, Mr. Chairman, that in view of these comments and particularly the statements of Colonel Treacy indicating joint use by the three services to encourage more uniformity in procurement procedures, members of this subcommittee will accept my amendment and that it will be approved by the House.

Mr. JONAS. Mr. Chairman, I yield 4 minutes to the gentleman from Michigan [Mr. KNOX].

Mr. KNOX. Mr. Chairman, I requested this time in order to try to clear up a part of the report that accompanies the appropriation bill. On page 20, four lines from the top of the page "the committee does not believe that this analysis has been properly effectuated in the Air Force, particularly at those locations which are scheduled for both manned ADC aircraft and Bomarc missiles." This includes the Kinross Air Force Base which is the primary base for the protection of the Sault locks. In the authorization bill there were funds recommended for the Bomarc or missile installation at Kinross Air Force Base.

The report goes on to say:

Accordingly, the funds requested in this bill for ADC facilities located on bases where Bomarc installations are scheduled have been denied.

The Kinross Air Force Base has been an ADC base with a fighter squadron for some 6 or 7 years. If funds are to be denied for ADC I am wondering as to what will happen to the squadron that is now based at Kinross because the funds are denied.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. KNOX. I yield to the gentleman from Wisconsin.

Mr. LAIRD. The gentleman is correct that funds were denied in the amount of $514,000 at the Kinross Air Force Base; but the facts are that there will be Bomarc activity at this particular base and our committee felt that the effect of defense missiles such as the Bomarc and the continued use of main fighter-interceptor aircraft was certainly of an unknown quantity at the present time. It was felt that until there was a real determination made by the Department of Defense as to the intermingling of the Bomarc with the fighter-interceptors, we should not go forward with the ex-

pansion of this particular base for fighter-interceptors. This will not affect the fighter-interceptors at this base at the present time. It merely denies expansion of the interceptor support facilities at this base this year.

Mr. KNOX. Are funds provided for the Bomarc missile installation?

Mr. LAIRD. The complete amount of money requested for the Bomarc missile installation at this base was allowed.

Mr. JONAS. The amount involved is $9,434,000 which is in this bill for Kinross.

Mr. KNOX. I understand that and I am not complaining at all, but I wanted information as to whether or not the committee was denying funds for the continuation of the fighter squadron at Kinross and was going to allow funds for the Bomarc missile.

Mr. LAIRD. Funds are allowed for the Bomarc missile installation, but certain expansion funds to expand the facilities for fighter-interceptors are denied until the whole policy can be resolved.

Mr. KNOX. It will continue on the same basis as present until such time as the Air Force makes a determination?

Mr. LAIRD. The gentleman is correct. The Bomarc installation can go forward under the direction of the Department of Defense.

Mr. SHEPPARD. Mr. Chairman, I yield 3 minutes to the gentleman from South Carolina [Mr. RIVERS].

Mr. RIVERS. Mr. Chairman, being a member of the Committee on Armed Services, and having just completed many weeks of hearings on the Public Works bill in which there were many items which is the subject of this legislation, I naturally have some concern about the action of this distinguished Committee on Appropriations for having deleted some of the projects which caused us many, many weeks of deliberation.

Then I was a member of the committee which recently reported to the House, and the House passed, a pay bill designed to retain trained personnel in the military.

I cannot help but share the same concern expressed by my colleagues. It appears that projects to provide housing and messing for the troops, medical services for the military, and other personnel facilities, have been reduced heavily.

You are all aware that one of the biggest problems faced by the services is the retention of their trained personnel. The recent revision in the military pay structure will be a big factor in the solution to this problem. However, the conditions under which the personnel must work, eat, sleep, and find their recreation is a factor of great importance in the ultimate solution of the retention problem. Adequate dormitories, dining halls, officers' quarters, hospitals, recreation facilities and the like are essential to create the atmosphere which will favorably influence the retention of personnel in the services.

I agree with the action of the committee in their careful examination of the replacement projects requested. However, I think we are all aware of the grossly substandard and expensive to maintain facilities existing on so many of our military bases. It is only sound business to replace these types of facilities as rapidly as possible in order to effect the large savings possible in maintenance and operations costs. I recognize that we cannot do all of this in one year, but I do feel that it is important to replace a portion of these type of facilities each year until we can achieve a desired and economical standard.

Since I have not had the opportunity to examine the projects in this category which have been deleted, I will not oppose the bill as reported by the Appropriations Committee. However, I trust that the conferees on this bill will consider the importance of facilities for personnel if any misunderstanding which led to the deletion is clarified or additional information has been made available to substantiate the need.

Mr. Chairman, I know it was with good reason that the committee has deleted certain of the requests by the military for the things which I have enumerated. May I respectfully ask the chairman of the committee this question? If at a future date the military makes a case for the reinstitution of the projects which they require, will the committee consider the replacement of these projects? As I say, I know it is with good reason that this action was taken, and I would like to inquire of the chairman if a plan was presented to the committee adequate to carry out the program I submitted.

Mr. SHEPPARD. The answer to the gentleman's question is "Yes," decidedly. We will be happy to reconsider it at the proper time. I know that in connection with the authorizing legislation you were confronted with serious problems, but certain events have developed subsequent to your hearings, and under the policy established by the committee, if later consideration is deemed advisable, we will be very happy to take it up and evaluate it and do what should be done.

Mr. RIVERS. I thank the gentleman.

Mr. JONAS. Mr. Chairman, I yield 4 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I wish many more Members had been present earlier in the general debate to have heard the chairman of the Committee on Appropriations, the gentleman from Missouri [Mr. CANNON], and the ranking minority member, the gentleman from New York [Mr. TABER], sound the warning that the other body is invading the appropriations field of the House of Representatives. I regret that the gentleman from Missouri [Mr. CANNON], is not now on the floor in order that I might take this opportunity to urge him, personally, to tell the Members of the House when bills come from the other body containing appropriations. I am sure that if he will do that, the Members of the House, being zealous of their prerogatives and their constitutional duties, will aid and assist him in taking care of such bills by putting them on the shelf.

Now, I want to commend the chairman of the subcommittee, the gentleman from California [Mr. SHEPPARD], the ranking minority member, the gentleman from North Carolina [Mr. JONAS], and every member of the subcommittee for not only having reduced this bill by more than half a billion dollars, but for the statements of future policy contained in the report, which I think ought to again be called to the attention of those present on the floor who, perhaps, were not here earlier, beginning on page 3 and running over to part of page 6, and again on page 26.

This subcommittee has sounded the clear warning that in the future there must be complete justification for all of the expenditures proposed in the military construction program.

The committee has done a splendid job and I want to commend them for it. I should also like at this time to commend the gentleman from Mississippi [Mr. WHITTEN] for one of the finest presentations I have heard on the floor of the House in this session of Congress, particularly dealing with sheer waste of the taxpayers' money. I know that the gentleman from Mississippi, as a member of this subcommittee, will continue next year to see to it to the best of his ability that these requests for spending are thoroughly screened and justified.

Mr. Chairman, I should like to ask the chairman of the subcommittee if there is any money in any form in this pending bill for the relocation of the San Jacinto Ordnance Depot at Pointe Aux Pins at a cost of some $44 million.

Mr. SHEPPARD. The answer is "No," there is nothing whatever in here for that.

Mr. GROSS. I hope that when representation is made to the gentleman's committee for money for that purpose, the committee will see to it that the request is absolutely and completely justified.

Mr. SHEPPARD. May I say to the gentleman, in response to his suggestion, that this committee is going to scrutinize every presentation and look at it in the same perspective as we have all items in this bill. We shall do that with respect to every item, irrespective of its geographical location.

Mr. GROSS. I will say to the gentleman that to me the proposed moving of that Army ordnance depot from Texas to Alabama represents one of the most unconscionable raids upon the Treasury that I have ever seen.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. JONAS. Mr. Chairman, I yield 4 minutes to the gentleman from Wyoming [Mr. THOMSON].

Mr. THOMSON of Wyoming. Mr. Chairman, I did not take this time to be critical of the committee. I, too, would like to commend them for the fine job they have done and for their efforts in this very difficult problem which they have had to consider in a minimum amount of time.

Also I agree with a great deal of that which has been said concerning this bill. It should be considered on the basis of what is needed for the security and defense of this country and nothing else. I was particularly impressed with the remarks made concerning the use of existing facilities. I think we must recognize, though, that in providing for the

security and defense of this country, we cannot always use existing facilities because of changes in the nature of warfare. In that connection, the Aircraft Control and Warning System in the Air Defense Command is something that is new and different and calls for different requirements. Installations must be located where they will accomplish the mission. An unused installation in Missouri or in Maryland cannot be used to fill a gap in the warning system in the West.

The committee has recognized that by allowing funds for the installation of the remainder of this network that is presently programed.

I would like to express my concern over the extent of the reduction made in requested funds for the construction of appropriated family housing for the military departments. I was particularly disturbed to note that the proposal for appropriated family housing for the Air Force had been denied. Within the continental United States and in three instances outside the continental United States the reductions applied to the Aircraft Warning System. The other requests were for housing at four key sites in remote areas outside the continental United States.

These aircraft control and warning sites were selected in those places because they fit into the warning system and not because of any other consideration. I am particularly familiar with the Sundance situation. Sites like the one at Sundance are vital segments of our radar warning system and were only selected after studies of alternate locations by the Air Force proved that, as in the case of Sundance, the site selected was superior from the standpoint of radar ground environmental equipment requirements and was necessary for complete coverage by our radar warning system.

This warning program is basic to our security, and we should be particularly aware of it at this time.

These sites will be manned by highly trained specialists. The personnel assigned to this duty, because of their special skills and training, are on almost continuous assignment to sites at remote locations. I feel that we have an obligation to provide these people with housing facilities which will permit them to enjoy a reasonably normal family life, just as you and I. More important, though, is the importance to our national defense. I need not emphasize the importance of adequate family housing to the welfare and retention of skilled career military personnel, the great majority of whom are married. This subject has been covered thoroughly in our previous discussions on military retention and also during consideration of military-pay legislation.

I would like to point out that, in the case of Sundance, only 27 units of family housing were to be built. These were to be separate units of the duplex common-wall variety. They are designed for occupancy by officer and enlisted personnel in an approximate ratio of 6 officers and 21 enlisted men in a 27-unit project. I might add that the use of Capehart housing has not been found feasible for small projects such as this one. The financing peculiarities of this type of housing, as well as other administrative considerations, make Capehart housing for small projects of this order infeasible, as well as for those outside the continental limits. The ordinary small builder would be quite beyond his legal capability in attempting to deal with Capehart procedures in the construction of 27 units.

I am confident that the committee does not intend to delay this vital segment of our defense. I think this shotgun approach in denying all of these funds is dangerous. I appreciate the time limitation placed on this subcommittee and the magnitude of the field it must cover. The testimony on this subject is limited. The Air Force will have the opportunity to present further testimony before the committee of the other body. Because of my personal familiarity with the Sundance area and the location of this site, I know this housing is necessary. From investigation, I know the facility is essential to the security and defense of the Nation. It has already been delayed too long. When the testimony is presented before the committee of the other body to establish this I am confident that the situation will be corrected and will be supported by the House conferees.

Mr. SHEPPARD. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. BARRETT].

Mr. BARRETT. Mr. Chairman, I ask unanimous consent to speak out of order, and to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BARRETT. Mr. Chairman, the health and welfare of our schoolchildren is of great concern to us as parents and as Members of Congress because we know they will be our leaders of tomorrow and will play a vital part in the building of a peaceful and free world. Therefore, it is important that we develop programs in our schools today that will contribute both to sound minds and sound bodies. One such program of great interest to me, which has been of special benefit to students in Philadelphia and in every city in the United States, is the national school lunch program, which is facing its most serious crisis since its beginning in 1946.

Today in our city of Philadelphia we have 83 schools participating in the national school-lunch program. Forty-four of these are junior and senior high schools and 39 are elementary schools. The average daily attendance is 100,230 children. Of this number, 11,300 buy their lunch at school for a nominal charge and are assured a wholesome, well-balanced meal. Because of the recession and the inability of their parents to pay for their lunches, 605 students receive complimentary meals daily under this program.

Mr. Chairman, when the welfare and well-being of our children is at stake, I firmly believe the Congress should authorize an increased appropriation in order that the national school-lunch program can function without being concerned where every penny is spent. In addition to a larger grant, I believe the commodity distribution program under the Department of Agriculture should be greatly liberalized so a wider variety of foods can be made available to the school cafeterias.

I haxe examined many daily lunch menus in various schools and believe it or not, I never knew hamburger could be served in so many different ways. What our children need in their daily meals is chicken, turkey, ham and fish, plus a greater selection of fresh vegetables and lots of milk.

According to a recent report from the Department of Agriculture, those children who get lunch under the school lunch program—compared with those who do not—make more rapid gains in weight and height; have better attendance records; improve in scholastic standing; have better deportment and a higher resistance to colds and other illnesses.

It has always been one of the concerns of the Congress to safeguard those things the American people hold dear. A Nation of healthy children is one of our most essential resources. In this, the most abundant country in the world, we must not fail to adequately supply our students and scholars with a most essential commodity—food for strong bodies and minds.

Mr. JONAS. Mr. Chairman, I yield the remaining time to the gentleman from Colorado [Mr. CHENOWETH].

Mr. CHENOWETH. Mr. Chairman, I join my colleagues in commending the committee on a splendid job. The chairman of the committee knows of my personal affection for him. I have complete confidence in each member of the committee, and I realize the tremendous amount of work involved in these hearings and the preparation of this report.

I am concerned, however, over the comments which are made in the report on the Air Academy at Colorado Springs. I am very proud to have the Air Academy located in my District. Colorado is very proud to have the Air Academy. We want to do all we can to see that the Academy is made the outstanding institution which Congress intended it to be.

There are charges in the committee report of waste and extravagance on the part of those who are in charge of the construction of the Academy. I have great personal confidence in those who have had supervision of this construction program. I refer to Mr. John Ferry and his associate, Colonel Noonan, and Colonel Stoltz, who has been the director of the Air Force Academy Construction Agency at Colorado Springs. I have received very little complaint about Colonel Stoltz. A few contractors thought he was a little too rigid and strict in some of his interpretations, but on the whole there has been general satisfaction with his work.

I had the great honor of being the Chairman of the first Board of Visitors to the Air Academy. The second Chairman was our distinguished colleague, the gentleman from Kansas [Mr. SCRIVNER]. The present Chairman of the

Board of Visitors is General Spaatz. Perhaps some of this criticism may have been caused by the action of the Board of Visitors and the recommendations contained in our report last year, when we expressed concern over the progress being made on the construction at the Academy. We were very disturbed over the delays and whether or not it would be possible for the Academy to move to the permanent site in September of this year as planned. We were rather critical in our report to the President. I am sure many Members of the House have read that report. We urged that every possible effort be made to have the buildings ready so that the Academy could move to the permanent site in September as planned. As a result of our efforts the construction schedule was expedited, and the Board has been very pleased over the result. The Academy will move from the temporary site at Lowry Air Force Base in Denver to the permanent site in Colorado Springs next month and will start the next academic year at the permanent site in September. As a matter of fact, the moving program has already started, and will be completed late in August.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. CHENOWETH. I yield.

Mr. JONAS. I think the record ought to show in the course of the remarks of the gentleman from Colorado that the statement of the Secretary of the Air Force in answer to the charges or allegations made in the staff report are contained in the hearings beginning on page 1230. For the information of the Members who would like to read the statement of the Secretary.

Mr. CHENOWETH. I appreciate that information from the gentleman from North Carolina. I have confidence in the Secretary, Mr. Douglas, and I know he is anxious to save money wherever possible.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. CHENOWETH. I yield.

Mr. LAIRD. I would also like to point out to the gentleman that on page 1027 of the hearing records there is a ruling of the Comptroller General on the illegal or improper expenditure of funds and charges to the various accounts which are referred to in the report on the Air Force Academy.

Mr. CHENOWETH. I thank the gentleman. I think those in charge of the construction of the permanent buildings are doing everything they can to complete construction at the earliest possible date. I suspect, perhaps, in their zeal and desire to make these buildings available, they have made some mistakes, and perhaps have used poor judgment in some of their decisions. However, they were making a sincere and honest effort to have these buildings ready on time. I am not in accord with everything that has been done at the Academy, but I believe on the whole a good job has been done. I think those in charge of the construction program have rendered an outstanding service and we will be proud of their accomplishments. It is obvious that the Air Force Academy is going to be one of the important points of interest in this country and will attract visitors not alone from every part of the United States but from all over the world.

We are going to have an Air Academy that we can be proud of. The members who have visited the Academy have been very much impressed with what they saw. I hope that the members of the committee will be able to visit the Academy at an early date and see for themselves what has been achieved. The gentleman from Iowa raised some question as to where the Superintendent of the Academy is now living. He is living in a very modest home at Lowry Air Force Base along with the other officers. I have been in his home, and I am sure the gentleman from Iowa, if he could see it, would have no criticism to offer.

In closing, I wish to state that I have greatly enjoyed my association with those who have been connected with the Air Academy. General Harmon, an inspiring leader of men, was the first Superintendent of the Academy, and did a wonderful job in getting the Academy started. He was followed by General Briggs, who has continued the good work. On the different visits of the Board of Visitors I have been very favorably impressed with the spirit and attitude of the cadets.

There have been some difficult problems to solve both in the administration of the Academy and in the construction program. It is natural that mistakes would be made. It is quite an undertaking to construct an Academy of this size. I do not want to see money wasted and I am anxious to save wherever possible. I personally feel that some of the criticism of the committee can be traced to the demand of the Board of Visitors that the construction timetable be stepped up in order to meet September 1958 deadline.

We are going to have a wonderful Air Academy at Colorado Springs. It will be a facility completely in harmony with the wishes of Congress. I urge every member to visit the Academy at the first opportunity.

Mr. SHEPPARD. Mr. Chairman, I yield the balance of the time remaining to the gentleman from Florida [Mr. SIKES].

Mr. FLYNT. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield.

Mr. FLYNT. Mr. Chairman, in my review of the report on this bill, I have noted that a large amount of family housing in overseas areas has been stricken from the bill. It must be conceded that costs of construction in some of these remote areas is quite high; but we also must consider that if military personnel do not take their families to these remote areas, their tour of duty there is very perceptibly shortened. It must be understood that a short tour of duty at a remote site is not conducive to efficient operations. Naturally, from reading the report, I have not been able to delve into the reasons justifying the reductions that the committee has made and will have to go along with the committee and not oppose the bill as presented, but must retain some reservations and would hope that if these items that the committee has taken out are felt to be important to the services and are reinstated by the other body, that our conferees will be receptive to their reinstatement in the conference.

Mr. SIKES. Mr. Chairman, in the short time remaining I would like to summarize just what the committee has done. May I point out first it is anticipated that the Federal deficit for the budget year in which we are now operating will be about $10 billion. Because of the threat of recession, now fortunately easing, the committee has dealt more liberally with appropriations than has been the case in previous years. In the field of defense, however, necessary expenditures are so very large that this subcommittee has felt a serious obligation to reduce expenditures wherever it is possible to do so. As a result, we recommend to you a reduction of a half billion dollars below the budget level. I doubt that the sum of the savings in all the appropriation bills previously passed for fiscal 1959 will equal the half billion dollar reduction in the bill now before you. This is a serious effort to save money and I believe it has been accomplished without lasting damage to the Defense Establishment. The committee felt that its first obligation is for training facilities for our military forces. This, of course, is essential. Those facilities we did not eliminate. But there were facilities which the committee felt can be deferred, and I include in this housekeeping and support facilities, and even housing. I recognize the fact that present facilities at many of our bases may not be all we want, but I want to point out that the facilities that we have eliminated are in those areas where troops can continue to operate satisfactorily for as much as another year or even longer. The troops are warm in those facilities. They are dry. They are well fed. Most of those facilities can continue to be used for the time being without ill effects.

This will permit the Defense Department to take a closer look at their actual requirements in the light of the changing defense picture which may be entirely different before the facilities carried in this bill can be completed; will permit the Defense Department to consider more seriously and carefully the use of existing unused facilities; and will permit this subcommittee to get a broader and a closer look at the defense requirements for future years.

I repeat, this is the first year of operation of the subcommittee. It is unfortunate that we did not have an opportunity to get into this field earlier for I feel that we could have accomplished much. The bill which has been submitted to you came to us only a couple of months ago. Obviously, we need more time to do the thorough job we want to do. We do feel, however, that this is a good beginning—the best that is possible under the circumstances.

The CHAIRMAN. The time of the gentleman from Florida has expired.

All time has expired.

The Clerk will read.

The Clerk read as follows:

TITLE III

Department of the Army

Military Construction, Army

For acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, and facilities for the Army as authorized by section 102 of the act of September 28, 1951 (Public Law 155), by section 102 of the act of July 14, 1952 (Public Law 534), the act of September 1, 1954 (Public Law 765), the act of July 15, 1955 (Public Law 161), the act of August 3, 1956 (Public Law 968), the act of August 30, 1957 (Public Law 85-241), and such additional projects as may be authorized by law during the second session of the 85th Congress, without regard to section 4774 (d) of title 10, United States Code, and section 3734, Revised Statutes, as amended, to remain available until expended, $214,564,000.

Mr. SCRIVNER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to join those who have paid tribute to the diligence and effort which this subcommittee has exerted in these hearings and in its report. They are not to be envied. It was a relief to me this year not to be called upon to sit upon this particular subcommittee as I have done for so many years previously. We have some new faces and new views along with those who have been on the subcommittees for so many years.

Inasmuch as my name has been mentioned and inasmuch as it appeared several times in the report, in view of some of the hearings that took place last year, I felt that I should take this brief moment to recall some history.

It is not pleasant to say, "I told you so." But you will recall when the original authorization for the Air Force Academy was before us I objected to it at that time. The reason was simple. I felt in this day and age with fine universities and colleges, which did not exist when West Point and Annapolis were founded, that we should obtain Air Force officers from the Air Force ROTC schools and save this added expense. Then and since I have told you that the $125 million was the asking price; that before we were through you would pay more than $300 million for this installation. The figures which you have heard today, all of which have not been appropriated nor have they been authorized, shows you that eventually this installation will cost right at $300 million when everything is added that is wanted and suggested. That is not all. Because with this new Academy for the Air Force there will come to you repeated requests from the Army and the Navy to modernize their ancient Academies, to bring them up to equal the Air Force Academy. You will have no ground upon which you can very well deny those requests, for you cannot and should not play favorites between the services.

Mr. CHENOWETH. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from Colorado.

Mr. CHENOWETH. Is it not possible that the pressure for early use of the Academy account for some of the changes made? I understand that the $300 million figure covers all of the furnishings and equipment of the Academy?

Mr. SCRIVNER. Certainly furnishing and equipment are part of the figure.

Mr. CHENOWETH. I still think the figures of the gentleman are too high.

Mr. SCRIVNER. Those figures are reflected in the hearings and last fall those presented by the Superintendent ran over $250 million. It is one thing if you want to spend $175 million just for the shells of buildings and not have any equipment in it. But to be an operating academy it must be fully and properly equipped. That is just commonsense. Be that as it may, I trust that if in the future any such project as this is contemplated, either military or civilian, that this process will not be followed. Hereafter, we should insist on having complete detailed plans and specifications and realistic pricing, before we even make a single dollar available. This has been too costly a lesson not to profit from it.

One of the reasons for incomplete plans, constantly revised plans, as the gentleman from Colorado pointed out, may well be because there was so much haste. There was undue haste. I can recall that it was first proposed to have cadets in the new Academy by September of 1957. I stated to the Secretary that was fantastically impossible and suggested that they should not even contemplate having students in the Air Force Academy for the first year until the fall of 1958, when the Academy could be well along toward completion. These men could have then moved into a new institution instead of starting out at Lowry Field which is makeshift at best. Then last fall in a special meeting of the Board of Visitors, we went down to Colorado Springs. On seeing the construction situation, there and then we were disturbed. When we saw the construction situation we did not think there would be much possibility of bringing the students into the Academy the first of September this year. We urged more speed—and stated that a 1958 opening was a must. Again, as the gentleman from Colorado [Mr. CHENOWETH] said, there was some pressure put on that might have caused some additional cost. But I doubt that it added a great deal. At least that was never given as a reason for any increase as far as I can recall.

The Board of Visitors are of the firm belief that even when the students do move in there will be quite a few difficulties in their work because construction will not have been completed. There will be noise. There will be confusion for at least another year.

Last year, during the hearings on this bill, starting on page 136 of Air Force, I did express a great deal of dissatisfaction with the situation that had been presented to us. In the beginning days of the Academy we had been told that a certain portion of the construction would cost so much. When we came to the 1958 hearings the figures we were then looking at did not correspond to the ones we had been first given. There were revisions all along the line. So we did go into a great many of these different projects last year to see what the Air Force asked us for initially and then what it was finally costing. We found that many times the increased cost was due not solely to increased costs of labor and materials, but because the plans had been changed, the plans had been modified, revamped, revised, re-revised, and then revised again. Always the cost grew and grew, as the plans grew and grew. In other words, it grew as it went along instead of having completed designs and specifications. Never, as far as I can remember, were the figures revised downward.

In closing, Mr. Chairman, I trust this bill as reported by this subcommittee will receive unanimous support.

Mr. WITHROW. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I want to take this opportunity to commend the committee on the very fine job they have done and the great amount of money they have saved the taxpayers, and for several rare essential things they have recognized. I have in mind this, and I want to ask some questions of the committee. I read from page 24 of the report, on the military construction measure now under consideration:

> In these highly essential programs we see an outstanding example of the inability of the Defense Department to require the services to use existing facilities which are located in a very strategic position for a missile site. The Air Force requested the use of an existing Army facility for a missile site. This request was denied by the Department of the Army. The denial was based on the use of this station for so-called mobilization requirements and Reserve training purposes. The Office of the Secretary of Defense took no steps to insist on the use of at least a portion of this facility in lieu of the use of less desirable areas. This action appears to the committee to be totally unjustified, and it is expected that the area will be studied once more for a missile site and steps taken to provide the necessary land in this large and little used installation to meet the requirements of the Air Force in this respect.

My question is this: There is no doubt in my mind what facility they mean. I would like to have some member of the committee say as to whether they mean Camp McCoy in Wisconsin.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. WITHROW. I yield to the gentleman from Wisconsin.

Mr. LAIRD. I direct the gentleman's attention to page 1164 of our hearings where we had a discussion regarding certain Army facilities in Wisconsin:

> NEW FACILITIES REQUESTED WHILE PRESENT FACILITIES ARE NOT USED
>
> Mr. LAIRD. I appreciate what you say, Mr. McNeil, but I think there has been a certain lack of cooperation between the services in locating some of these bases. We have a base located in Wisconsin which is an Army base. It is a big area, with training space and everything else.
>
> The Air Force made a survey of the United States. They found that it would be the most adaptable site for ICBM installations. There is a hospital there that is a permanent installation, permanent barracks, dining facilities, a dental lab and a dental office with 16 offices all equipped. It is a beautiful installation.
>
> The Air Force requests that they be allowed to use part of that property to install

an ICBM site. They go to the Army and the Army refuses. They say "We have to keep that base on a ready basis."

You know, and I know, that it is not going to be used as a permanent Army base at any time in the near future.

Mr. SIKES. Even so, this guided-missile facility would only require a small amount of the facilities.

Mr. LAIRD. A very small amount for the site itself, but these other facilities could be used by the personnel. We are going ahead and building new facilities for personnel, at sites that are not as desirable. I can't understand that, Secretary McNeil.

Mr. SIKES. Let me add just a word.

Mr. MCNEIL. I have been making notes while you have been talking, because I want to look into that. I want to know the answer to that.

Mr. LAIRD. It was referred to by the Secretary of Defense.

Mr. SIKES. I think this committee generally is concerned by many evidences that existing facilities are not used. There has been quite a bit in the papers lately about the Indian Head powder plant. I do not know too much about that one, but we have turned up many instances in this committee where facilities are being closed by one service and another service is building similar new facilities.

In many instances I cannot see a justification. I know a service cannot always use a surplus facility of another. It doesn't always fit their requirements, but in many cases they would fit, and the services seem almost completely to disregard the possibility of saving some money by using facilities that are no longer required by another service.

Mr. MCNEIL. I agree with you, Mr. SIKES.

USE OF SURPLUS FACILITIES BY ANOTHER SERVICE

Colonel HARRISON. May I address myself to the question of Mr. LAIRD?

When that first came up I checked through both the Departments of the Army and the Air Force. It was personally discussed between the Secretary of the Air Force and the Secretary of the Army, and it had never been referred to the Secretary of Defense for decision. In other words, the Secretary of the Air Force apparently was satisfied with the Army's statement as to the nonavailability of the base and did not refer it to the Secretary of Defense for reconsideration.

Mr. LAIRD. They testified here they went to the highest level to try to get the base.

Colonel HARRISON. I know that those words were used. Immediately upon the use of those words, I checked back with the Air Force and they said that was an error in making allusion to the fact it was the Secretary of Defense who made the final decision. They meant the Secretaries of their respective services.

Mr. WHITTEN. Taking your statement at full value, it does show that there is no affirmative effort from the Secretary's office to prevent this happening. In other words, you are left free to deal with each other, and unless somebody takes it to the Secretary, you have the Secretary of Defense approving new bases all the time without exercising any responsibility in preventing this thing happening, if your statement is correct, and I presume it is.

Mr. MCNEIL. Well, if I may speak to that, I mentioned a minute ago I agreed with Mr. SIKES. Carrying that on, the instance brought up by Mr. LAIRD is an instance I said I did not know about, but it is still not too late to do something about perhaps, and I have made notes to find out what the score is. There are a number of instances where initiative is taken. A good example is in California, Camp Cooke.

The Army didn't want to give up Camp Cooke in any way, shape, or form. Yet Camp Cooke is now occupied by both Air Force and Navy, the northern two-thirds by Air Force and the southern third by Navy. There is a case where Army opposed releasing that facility in any way, shape, or form, but it was done.

I could list a number of cases where positive action was done along the line. Is it perfect? Is it complete? It is not. It should be.

I would like to go one step further, if I may. I believe I should make this next comment off the record, if I may.

The gentleman will see that the Army base is there clearly identified as Camp McCoy. There is no other army base in Wisconsin that is on a so-called standby basis.

If the gentleman will turn to page 718 of the hearings where I was questioning the Air Force about land acquisition:

LAND ACQUISITION

Mr. LAIRD. How much is in here for land acquisition for ICBM launching sites?

Colonel LEONHARD. There is none, I believe.

We have some carryover funds from last year which we hope will be adequate to purchase the land for this purpose.

Mr. LAIRD. So the money that was provided in the 1958 supplemental is going to be used to acquire this land?

Colonel LEONHARD. That is our planning at this time.

Mr. LAIRD. Are most of these ICBM sites going to be located across the northern tier of the United States?

Colonel LEONHARD. Off the record.

(Discussion off the record.)

Mr. LAIRD. Now, I understand that you have surveyed———for a possible ICBM launching site; is that correct?

Colonel LEONHARD. Yes, sir. We were very much enthused about the prospects of this site at one time.

General RENTZ. That was one of the first sites surveyed, and one of the first sites selected for this mission.

Mr. LAIRD. The facilities there are excellent, of course, from the standpoint of hospitals and everything else.

Colonel LEONHARD. We made a complete survey of the base, and the communities.

Mr. LAIRD. Why would the Army not let you use that site?

Colonel LEONHARD. If you get it from me, it is somewhat hearsay, but they had a mobilization requirement stated for it.

Perhaps Mr. Ferry could further elaborate upon it.

General RENTZ. I can answer that, sir. The Army reply, sir, was that they could not see their way clear to allow us the utilization of the site as it was utilized at that time. Do you remember anything else on that, Mr. Ferry?

Mr. FERRY. Nothing except the fact that it was reviewed at the highest level between the Secretary of the Army and the Secretary of the Air Force.

Mr. LAIRD. It seems to me that the Secretary of Defense was not very aggressive in pursuing this thing. There are thousands of acres of land where the Government and the taxpayers have put in millions of dollars in building hospitals that are boarded up and not being used———those facilities of the Army.

It would seem to me if you are going to have personnel stationed at a site like this, it would seem that you should go some place where you have a vacant facility.

Colonel LEONHARD. You have operating personnel plus base support personnel.

Mr. LAIRD. You are going to be back in here asking for hospital facilities and for other things in relation to some of these locations that you are using because you are putting them on bases that are presently activated, and where we have requests in here for increasing the facilities and in the Army, too—in the Army justification.

Colonel LEONHARD. Yes, sir.

Mr. LAIRD. I would like to see supplied for the record a statement from the Defense Department on this.

(A classified discussion was held off the record and additional classified information was provided the committee.)

Mr. LAIRD. And it seems to me that the Army, owning thousands of acres of land there, certainly could have allowed partial use of that particular area which is not used at all now.

Mr. SIKES. I think the gentleman is pursuing a very important matter. Certainly, it would not appear that this installation would interfere materially with the training activities of the Army.

Mr. LAIRD. I would not think so.

Off the record.

(Discussion off the record.)

(Classified information on this matter was furnished the committee.)

I believe that he will agree that our committee has given a very clear direction to the Air Force that before they proceed with any future ICBM base that they use these present McCoy facilities which were given top priority by the Air Force but which the Army denied them the use of this last year.

I believe this is another point that very clearly indicates that present facilities can be used at a tremendous savings to the taxpayers. I am sure that the Air Force will go forward and use this particular facility by direction of the Department of Defense with its large acreage, with its modern hospital, with facilities that cannot be matched and which have cost the American taxpayer a great deal to construct and would cost more to reconstruct at another location.

Mr. WITHROW. I thank the gentleman. I believe the committee has acted with great wisdom in making this directive.

Mr. LAIRD. The committee knew of the interest of the gentleman from Wisconsin in seeing that these facilities were fully utilized. This is in line with the committee policy of saving the taxpayers' money by maximum use of existing facilities.

Mr. WITHROW. I might say briefly for the benefit of the House and for others not on the committee that the Air Force selected, after making a survey throughout the United States, Camp McCoy as a missile site. Then the Army was reluctant to give up a portion of the land. It is well to bear in mind that there are 38,000 acres at Camp McCoy, that they have a 1,500-bed hospital, that they have facilities to house 40,000 soldiers there and to train them. But now they have abandoned this facility and are using the camp for the summer training of reserves. There is plenty of land available and it is ideal.

A missile site would utilize only a small portion of Camp McCoy and would not in any way restrict or interfere with the summer-training program now going on annually at the camp.

Mr. BONNER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I certainly do not take the floor to criticize this Committee on Appropriations in any respect. I have had my problems along with others with

respect to the closing of military installations. It has put a few gray hairs on my head.

Now, sometime recently the Navy inaugurated a program of a new seaplane called the Skymaster, officially known as the P6M. I endeavored to get the Navy to use two installations that had been closed in eastern North Carolina. They pointed out that this was a tremendous jet plane that needed 5 to 10 miles of water runway in an isolated location. So they selected this location. The planes are ordered and on delivery. There are three of those planes down on the Patuxent River right now. The base is under construction.

I want to speak and direct my remarks to the subject of which comes first, "the chicken or the egg?" Are we going to await the delivery of all planes before building the base? The base that they are building down at Harvey Point, N. C., must necessarily be completed, if it is going to be the home base and the port of these planes. The base is contemplated to be completed in 1960. The planes will be delivered by that time. The committee has stricken out the hangar for those planes and has stricken out a million and a half dollars for this base so as to slow the construction down. Well, now, if Glenn Martin is delivering the planes, and 3 of them now have a 50-hour record, then where are the planes going to be based if the base is not prepared in time for the planes?

Now, I do not think there are many places that would like to have these planes. In training they rattle the windowpanes and they will do this, that, and the other in the community, disturbing the peace. So they selected this isolated area. The reason they could not use an existing base, which they clearly demonstrated, was on account of a highway bridge and a railroad bridge, the base between the two, and the runway on the water was not sufficient. In the other instance there was too much water traffic.

But the committee in this case said:

> The Navy is presently studying the feasibility of a new design for hangar construction at a unit cost considerably lower than that requested for this facility.

Well, of course, I commend the Navy for seeking to reduce cost.

> Pending the development of these plans the committee fails to see the need for appropriations for theses items.

Well, I can understand that. I called the Navy and the Navy tells me that since their appearance they have worked out the amount of the cost of the construction of this hangar so as to only use part of the plane in the hangar.

As I say, back to the point of cutting back $150 million to reduce the availability of the planes, when they become available, this will set back the construction of this facility 1 year. So, I am not criticizing and I am not offering an amendment here, but I do think the facts that have been developed, so the Navy tells me since this matter was testified to before the Committee on Appropriations, justifies this committee in accepting the reinstatement of this item when the bill gets to the Senate. Certainly, if we have the planes on hand and there is no base that they can be operated from—and I am reliably informed that there is no base that they can be operated from—then certainly this construction should go forth. I appreciate the fact that the committee will oppose all amendments, and therefore I am not going to offer an amendment to restore the matter, but I hope the committee will look with favor on the matter when it gets to the Senate, because, as I am informed, these are the facts. The construction should go far so as to meet the delivery date of planes in 1960.

Mr. JONAS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I appreciate the comments of my colleague from North Carolina [Mr. BONNER] and assure him that the committee will take them under careful consideration. I would like to assure him also that the committee does not propose to stop construction at Harvey Point. Actually we have included in this bill $4,885,000 for construction work there. The reason we cut out the hangar item was stated in the report. The information before the committee indicated that the Navy is presently studying the feasibility of a new design for hangar construction and pending the completion of that study we felt this construction should be held in abeyance.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. JONAS. I yield to my colleague.

Mr. BONNER. Mr. Chairman, I thoroughly agree with this committee and with all committees of the House who wish to cut out unnecessary expenditures. But when they say in the report that they want to slow down the construction when these planes are coming off the line and there is no place for them to be based other than in that location, so I am informed, it does not seem to me to be wise to slow down the construction. As I understand, this is a very, very vital plane for our far-flung defense and antisubmarine warfare.

Mr. JONAS. As I have just stated, the committee does not propose to stop construction at Harvey Point but decided to defer the construction of the hangar until the design study is completed. The only other reduction at Harvey Point was the elimination of $1,500,000 from the request of $11,215,000 until the operational capability of the P6M has been more definitely established. In the meantime construction will proceed and we have provided approximately $5 million for that purpose in this bill.

Mr. BONNER. Mr. Chairman, if the gentleman will yield to me further, I merely take this time to say this. If the facts that have developed since the time of the gentleman's committee hearings are brought out in the other body to support the position that I took, I hope the committee will look sympathetically on restoring this item in conference with the Senate—for I believe the Senate will restore some which I think is of great interest and which is absolutely necessary; that is, for this construction program to go forward. The base must be in operation by 1960, or where will these vital and necessary planes be based?

Mr. JONAS. While I cannot speak for the subcommittee, I think I can assure my fellow North Carolinian that we shall give it very serious consideration.

Mr. BONNER. And I am certain that the gentleman from California [Mr. SHEPPARD] if he is convinced, will do likewise.

Mr. DEVEREUX. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this opportunity to commend the very important Committee on Appropriations for the action they have taken throughout this entire bill and particularly on the reduction of funds requested by the Navy for school facilities. The reason I take that position is that I know something about some of the facilities that we have in the State of Maryland, although they may not be in my own District. I refer to the facilities we have at Bainbridge, in the District of my colleague who represents the First Congressional District.

The reason I am so familiar with it is because I have been there on my Congressional duties and I might say many, many years ago, too many years ago, I went to school there, before it was taken over by the Navy.

At the Bainbridge Training Center, we do have many school facilities ready and available for use by the Navy. In spite of this the Navy turned around and asked for money for a nuclear power school at the Naval Training Center, Great Lakes. The Navy asked for $1,368,000 to put in facilities for this school.

Also there are other crowded schools that could be moved to Bainbridge and the facilities there could be used.

In addition I should like to point out, for example, though it may not reflect exactly on the Navy's housekeeping, if you will, or their financial responsibility, but in 1953 there were 740 units of Wherry housing built at Bainbridge in support of this installation. Presently there are 340 vacant units there because of the action taken by the Navy in closing up the recruit-training program at that installation. The nonuse of those houses built under the Wherry housing program may not reflect on the Navy, but it certainly will reflect on the overall picture as far as our Federal Government is concerned. In my judgment, if we had not put Wherry housing, but had put up public quarters as such, then I believe myself the Navy would not have moved those units away. They would have utilized these public quarters.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. DEVEREUX. I yield to the gentleman from North Carolina.

Mr. JONAS. I call the gentleman's attention to the comment of the committee on page 17 of the report, where, under "Service School Facilities" he will find the committee cut out $12,210,000 in the estimate for service-school facilities, and pointed out that existing facilities such as the one described by the gentleman should be considered.

Mr. DEVEREUX. That is the reason I took this opportunity to commend the committee.

Mr. MILLER of Maryland. Mr. Chairman, will the gentleman yield?

Mr. DEVEREUX. I yield.

Mr. MILLER of Maryland. In connection with facilities, I might call the gentleman's attention to the fact that one particular school was built at Bainbridge by the county in which over half a million dollars of Federal funds were invested for the use of the personnel there. It has very little use for others at that location. The county has $150,000 in it, too. Not only public facilities, but private facilities have been supplied there. They are just standing vacant while elsewhere are service people who have not adequate quarters and their families are not properly taken care of. This excellent plant and adjoining housing should be utilized before huge sums are spent in building at new locations.

Mr. DEVEREUX. I thank the gentleman. I had an opportunity to read the gentleman's testimony when he appeared before the Appropriations Committee. I think it is well worthwhile for each and every one of us to realize what has been done and what can be done to any community. This community was encouraged to build facilities and provide for a school, roads, sewers, water, and all of that, in support of the installation, and had been promised by the Navy that this installation would be maintained at a certain strength. Then without an aye, yes, or no, the Navy decided they would move activities. Most important, the recruit training section was moved out to the Great Lakes and to San Diego.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. DEVEREUX. I yield to the gentleman from Wisconsin.

Mr. LAIRD. The gentleman from Maryland [Mr. MILLER] made a very fine presentation before our committee. It so impressed us that we took action along the line set forth in the committee report. I do recommend that everyone read over the statement made before the committee. It was most effective and very impressive.

Mr. DEVEREUX. I might further point out that we were assured at one time that the schools other than recruit training would remain at Bainbridge. However, since that time the Navy has moved the dental technicians' school, the gunner's mate school, the quartermaster school, and the teleman school.

Mr. ROGERS of Colorado. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the committee report in connection with the bill H. R. 13489 contains these words in the second paragraph on page 21 regarding the Air Training Command:

> The committee has eliminated the request of $5 million for Lowry Air Force Base, Colo., since no decision has been made as to the location of the site for the facilities requested.

It is my understanding that the Air Force represented to the Armed Services Committee that the authorization worded "Lowry Air Force Base, Denver, Colo., or alternate." I ask the chairman of the committee this question. If the Air Force and the Joint Chiefs of Staff should make firm their location of a site for these requested facilities prior to the time that the other body may act upon it, what would be the attitude and disposition on the part of the committee in this regard.

Mr. SHEPPARD. Insofar as the chairman is concerned and the chairman can commit only himself and cannot commit the full membership of the committee, I will say this—if subsequent to our hearings, there is material presented to the other body which, in turn, the other body can submit to the conferees, then the replacement of these cuts will be given every consideration, but at this time the chairman is not going to precommit himself to anything that may take place in the other body. I have found from my past experience that that is a bad practice.

Mr. ROGERS of Colorado. I thank the gentleman.

There is one other question I would like to raise in connection with the report and the colloquy that went on a moment ago between the gentlemen from Wisconsin. It relates to the statement appearing on page 24 of the report where it is indicated that the Titan ballistic operation facility has just started and will not be complete until February or April of 1959, and site locations for other missile bases are not firm. Do I understand it is the policy of the committee, if the Air Force should have land or facilities that can be used for the missile site, that the committee is going to insist that the Air Force use those facilities before they are given permission to acquire additional land for missile sites?

Mr. SHEPPARD. The gentleman's assumption is absolutely correct.

Mr. ROGERS of Colorado. I thank the gentleman.

Mr. KNOX. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to inquire of the committee with reference to the item of Air Force reserve components fund plan. In the authorization bill, the authorization was for $171,000 for the Alpena County Airport which is an operation of the reserves from several States. It operates for practically the entire summer period. The authorization of $171,000 was for operation and training facilities and hospital and medical facilities. I note from the bill that the amount has been cut back to $50,000. May I inquire as to what was eliminated, which had been provided for in the authorization bill?

Mr. SHEPPARD. There was no record of what was provided in the authorization bill at the time our committee was in session.

Mr. KNOX. I am sorry. Will the gentleman repeat his answer?

Mr. SHEPPARD. We do not know what was specifically provided in the bill so I cannot answer the gentleman's question at this time.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. KNOX. I yield.

Mr. LAIRD. I might say to the gentleman that as far as the authorization bill which passed the Congress is concerned and which specified certain reserve units and guard units, none of those were included in the funding program for 1959. The funding program which you see before you is the funding program which was submitted to the Congress based upon the approvals received by the Department of Defense and the Bureau of the Budget. None of the new authorizations were requested in the funding program for 1959.

Mr. KNOX. I thank the gentleman for the information.

There is one other question I should like to ask the committee and that is relative to the $514,000 that was reduced from the Kinross Air Force Base as far as the ADC is concerned. What facilities that had been authorized and requested by the Air Force have been eliminated?

Mr. LAIRD. I can give those to the gentleman. As you know, earlier when I discussed this with the gentleman, the requests that were denied were in the amount of $504,000 out of a total program of $9,948,000.

Mr. KNOX. I understand that, but what I am interested in is to know just what was reduced.

Mr. LAIRD. As I told the gentleman earlier, the facilities which were reduced had to do directly with the expansion of the fighter intercepter operations at that base. The facilities which were provided in the bill were facilities which are necessary to maintain the base at the present capacity.

Mr. SHEPPARD. Will the gentleman yield?

Mr. KNOX. I yield.

Mr. SHEPPARD. You are asking for specifics?

Mr. KNOX. Yes.

Mr. SHEPPARD. I can give you that. One was auto maintenance. Another was auto storage, heated; one was shop refuel, vehicles. And the other was engineering storage. Those are the specific items to which the gentleman is presently addressing himself.

Mr. KNOX. I thank the gentleman for giving me the information.

Mr. HARDY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to make a few inquiries in connection with the deletion of the funds for the Armed Services Staff College at Norfolk. I do not take issue with the fundamental premise of the committee with respect to deletion of this item. I have always felt it was the highly desirable and proper thing to do to utilize existing facilities for whatever function might be required in the military. I subscribe to the idea that there is need for better utilization of existing facilities. I take no issue with the committee in that regard. I have worked in that direction for many years myself. In this case, however, I want to read what the committee has to say in the report. The report states:

> The committee has eliminated $4,643,000 for a new academic and administration building requested to initiate a program for the replacement of the facilities at the Armed Forces Staff College, Norfolk, Va. If new facilities are needed for this college

they should be obtained by use of the inactive facilities and installations within the Defense Department.

There are two parts to that last comment, "If the facilities are needed." It is located in some old World War II barracks buildings on property belonging to the Navy. It is on property that belongs to the Navy, so there would be no question of acquisition of additional real property. The buildings are totally inadequate and need to be replaced.

I have been concerned about the situation with respect to this college almost since its inception. A few years ago I had an opportunity to go into the matter rather carefully with General Schlater. I know for a number of years he had been engaged in an intensive study to determine the feasibility of locating the school somewhere else, or of initiating a building program.

I have read the hearings on this particular item and I confess to a feeling of inadequacy of the presentation which was made. I do know, having comparatively recently been into this subject with the present commandant of the staff college, Admiral Wellborn—I do know that there has been very recent consideration given to attempting to utilize existing facilities elsewhere.

I also know that as a result of studies made in that connection it has been determined that the use of existing facilities would, in the long run, entail additional costs. The question of costs involves more than just the mere building of new facilities. I would hope that the gentlemen of the committee recognize with me that the cost of renovations and adaptations sometimes becomes virtually prohibitive, and it is often cheaper to start from scratch than to try to remodel an old building for new purposes.

So I trust that the committee will keep that in mind, and keep in mind the total cost involved, including projected operating costs when further consideration is given to this subject. That is the purpose of the committee, is it not? To take into account all those costs rather than just the cost to put up a new building?

Mr. SHEPPARD. It is the purpose of the committee to take into account all those particular considerations. Let me say to my friend, for whom I have a deep and warm affection, do not misinterpret the last sentence because the last sentence does not confine this evaluation to the mere location at the moment. It is based upon testimony regarding all these different factors.

The situation the gentleman speaks of is one where you have a diminishing return. All I can say to the gentleman is that when they make up their minds with some degree of firmness, you can rest assured the committee will give them every consideration.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. HARDY. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. HARDY. I certainly cannot disagree with the gentleman's philosophy that there should be a making up of minds. But I do contend that there must be consideration given to all of the cost factors involved, including operational costs; and consideration must be given to the question of support facilities available in the Norfolk area, as they may or may not be in some other area. If, after full hearings and for compelling reasons, it is decided to require the use of some other facilities, I shall have to yield, but if all these things are not taken into consideration, I am going to be pressing you for funds for the construction of adequate permanent facilities at Norfolk.

Mr. SHEPPARD. Full consideration will be given in any case.

Mr. BOYLE. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I take this time to inquire about an item on page 34 of the committee report appearing in the last line and designated "Wisconsin: Air Force: Richard Bong Air Force Base, $18,522,000."

I would respectfully and dutifully inquire of the chairman of the subcommittee to favor me with the actual mileage between that proposed installation and the International O'Hare civilian airfield in the city of Chicago.

Mr. SHEPPARD. In the first place, this is not a proposed installation; this one is in existence, and there is a rather heavy capital investment in it. What was the mileage question? I did not catch that.

Mr. BOYLE. Does the chairman ask me to renew my question? My question was simple.

Mr. SHEPPARD. As to the mileage.

Mr. BOYLE. What is the actual mileage between the proposed Bong airfield and the O'Hare international civilian airport?

Mr. SHEPPARD. Reflected on page 552 of the hearings is the following answer as it was supplied to the committee:

Of course, in this instance, we are 35 or 40 miles from either Milwaukee or from Chicago.

Mr. BOYLE. Of course, the gentlemen of the committee are appreciative of the fact the answer is not responsive to my question. Is there anyone on that subcommittee who can tell me for the purpose of the record the actual mileage that exists between those two airports?

Mr. LAIRD. I think the gentleman is talking about air mileage?

Mr. BOYLE. That is right.

Mr. LAIRD. The actual mileage, I believe, between the two airports is 40 miles. I happened to be one of the critics of this particular installation originally going into this particular area because of the civilian traffic that is involved. However, I think the gentleman realizes that the Congress last year appropriated $37 million or in the neighborhood of $37 million to start this particular base. Sixteen million dollars have already been obligated for moving roads down there. They have gone ahead and located the base in an area where I do not think it should have been located.

Mr. BOYLE. Does the gentleman think they should continue to compound their mistakes by building that installation so close to this international airport at O'Hare Field?

Mr. SHEPPARD. We have been assured by the CAA that this particular operation conforms with the criteria as the criteria was adjusted for the purpose of adaptation to this particular matter.

Mr. BOYLE. By the gentleman's remarks he affirmatively has indicated for the purpose of the RECORD that the CAA has already insisted that you change your runways because of the close proximity to this international airfield?

Mr. SHEPPARD. That is right. There is no question about that.

Mr. BOYLE. Would it help the gentleman's judgment if I told him that actually nothing has been done in connection with this airport other than the acquisition of the property and probably the application of some bulldozers that are trying to make this area level?

Mr. SHEPPARD. No. We have a statement here that the obligations as of the 30th of June 1958, amounted to $16,915,643, which is a lot of money.

Mr. BOYLE. Does the gentleman know from his study of this project how much this total package is going to cost?

Mr. SHEPPARD. About $68 million. While we are on that subject, may I say something else to the gentleman.

Mr. BOYLE. I am not interested in that. I want the gentleman to use his own time to make his own observations on this project. I take this time merely to tell the House that it seems to me to be the highest type of folly to have the O'Hare International Airfield that is recognized probably as 6 or 7 times larger than any other commercial airfield in the whole United States buttoned in by a military airfield less than 40 air miles away.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(By unanimous consent (at the request of Mr. BOYLE) he was allowed to proceed for 2 additional minutes.)

Mr. BOYLE. Mr. Chairman, I bring to the attention of the House the fact I have a little summer cottage near Kansasville, Wis. That almost points up the fact my knowledge of the location. I went by last week; I have gone by there periodically for 14 years. Maybe it would be to my own self interest to get a great airfield that close to my property. In light of the chairman's intimate knowledge about that we have airplanes capable of 1,300 miles an hour and there are plans for jets to do 4,000 an hour. Now how in the name of heaven, can you in all of your somberness go ahead and throw money into a project that is obsolete and superannuated before it leaves the drafting board? It is not an excuse to call my attention to the fact we made the mistake when we went ahead, authorized and appropriated some money last year. As far as the project is concerned, it is at least 2 years from completion and already it is outmoded. Take a solid look at this installation, resell the land and

continue to take greater precautions in the light of the recent midair collisions by military and civilian air transports.

Within the last few months more has been done to promote air safety than at any time since the dawn of aviation, and let us move farther in that direction in the interest of public safety and national defense.

Mr. SHEPPARD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to say to my colleague who has just advised the committee of his thinking upon this particular subject, it is most regrettable. I cannot speak for my colleagues, but I feel most apologetic and feel embarrassed by the gentleman's comments as he saw fit to present them. The reason I make that statement is that our committee has always been wholly susceptible to any information we could get at any time and from any Member of the House. The gentleman was scheduled to appear before our committee and make his presentation. We would have been most happy to have had the advice that he has presented at this time, because then we could have utilized it to the degree we could evaluate it for the benefit of marking up the bill. For some reason, the gentleman did not appear. I presume he was engaged elsewhere, and I am very regretful that the information he has so definitely expressed on behalf of the committee's ineptness in handling this portion of the bill was not given us at the time so that we could have given the matter our attention.

Mr. JONAS. Mr. Chairman, I move to strike out the last word.

I would like to say, Mr. Chairman, that we went into this matter as carefully as possible and listened to the testimony of the people in charge. We also heard testimony from the CAA officials. It was represented to us that this base is vital for the defense of Chicago; that to the south, to the east, and to the west of Chicago facilities are not available and that this location was picked with the knowledge that it was not ideal but that it was the best one that was available.

Mr. BOYLE. Mr. Chairman, will the gentleman yield?

Mr. JONAS. I yield to the gentleman from Illinois.

Mr. BOYLE. Would you know by consulting the record in what year that general observation or judgment was made?

Mr. JONAS. I do not recall the year. I do recall that we examined the Department witnesses very closely about it. We had a lengthy hearing. We were concerned. We went into it thoroughly, and in view of all the circumstances we felt that since $16 million had already been obligated there, we should not stop the construction of the base.

Mr. BOYLE. Mr. Chairman, will the gentleman yield further?

Mr. JONAS. Yes.

Mr. BOYLE. My purpose, of course, was not to criticize anybody. My aim was merely to call the attention of the House to the fact that in this fast-moving military era, with jet propulsion and with sophisticated missiles and solid propellants and solid fuels, military vehicles are moving fast. The judgment when made and it was made in sincerity—was predicted on solid military knowledge, but we have a great deal more knowledge today, including jet planes that go 1,300 and 1,400 miles an hour.

Mr. JONAS. I understand, but that decision was made again this very year, in fact just a few weeks ago in the 1958 authorization bill and the item was rejustified before our committee a few weeks ago.

Mr. BOYLE. Flight plans and runways had to be revamped, just recently to accommodate the newest considerations of air safety.

Mr. JONAS. I recommend the gentleman read the hearings on page 595. I believe he will be convinced if he had heard the testimony, that more difficulties would have been encountered in every other direction out of Chicago than is the case with respect to this location.

Mr. WHITTEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to say, if I may, to the gentleman from Illinois [Mr. BOYLE] that it is my considered opinion that there is nobody on this committee who did not have the worry that the gentleman has. In fact, it is my observation that everybody here felt that this was uncalled for and it should not be on the face of it. However, we did investigate it as fully as we knew how. We did take it up with the CAA and everybody agreed that if it had to be in close proximity to Chicago this was the only place where it could be; that is, if you accept the premise that it has to be that close to Chicago.

May I say, speaking for myself only—and I am not expert in this field—that I highly question the policy of the Air Force and the Air Defense Command of seriously involving commercial transportation, as this does, even if less than it would any other spot, that to save 30 seconds or a minute's time, that that much time in the defense of any area would add enough to create the risk as they are doing. That question is not settled in my mind. I do not speak for my colleagues, but I do know that we started off with the same feeling the gentleman has. We exhausted every recourse that we could to find out if another place would be better.

The CAA agreed that any other place would not be as good if you accepted the premise that it had to be that close to Chicago, and CAA was in no better position to veto the military than we were.

Mr. BOYLE. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. BOYLE. Twenty miles a minute is a lot of speed and that fact should be sufficient change in circumstance to warrant a revaluation of the project.

Mr. WHITTEN. That is the reason I questioned their premise that it had to be that close by.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentlewoman.

Mrs. CHURCH. I thank the gentleman for yielding. I should like to express myself as holding equal concern with the gentleman from Illinois [Mr. BOYLE] concerning the possible danger to commercial flying and to residents in the whole Chicago area from operation of the new Bong Airport. The new O'Hare Airport is in my district in large part, and I should like to ask the gentleman, whether in his considered opinion, a reevaluation of the safety features has been made this year?

Mr. WHITTEN. It has been made and, may I say, we discussed this matter with a representative of the Civil Aeronautics Authority and he said that he, too, had to accept the military's statement that they had to be that close by. He assured us, if that be true, that this was the best available place. But he, like us, is not in a position to argue with the military as to how close they ought to be.

Mrs. CHURCH. At the time that Bong Air Force Base came into being it was decided not to take the Air Reserve out of O'Hare. Has a decision been since made to remove the Air Reserve as well as the Air Force units to Bong Base?

The entire problem arising from the proximity of military air bases to great metropolitan areas, as well as to commercial airports, is one that must be faced by the Pentagon and the Congress, realistically and promptly.

Mr. WHITTEN. It is my information since the gentlewoman's question was asked, that that question is under study at the present time.

Mr. LAIRD. Mr. Charman, I move to strike out the last word.

Mr. Chairman, I would like to state why I got into the Bong Air Force matter over a year ago. It seems to me that here is an example where the Air Force bulled its way through the CAA, went ahead and got into this construction program in a very improper location. I called this to the attention of the CAA and also the Airways Modernization Board months ago. The Air Force was given the authorization in 1956 to construct an air base in Wisconsin, and then bulled their way through into the construction of this particular base.

Mr. BOYLE. Mr. Chairman, will the gentleman yield to me?

Mr. LAIRD. I think we have already covered this matter.

Mr. BOYLE. I would merely like to say that I did not take the floor to be unfriendly to the Air Force. I do not subscribe to the theory that they bulled their way into it.

Mr. LAIRD. I think the gentleman is not fully familiar with the situation. If he had become familiar with it over the last year he would have seen that the Air Force had bulled its way through on this particular project. The Air Force insisted on this site. It is unfortunate that this base was ever authorized at this location. Although it is difficult to place my judgment on military matters against that of the Air Force, I believe in this case my judgment will prove superior. The answer as to whom is right will be very clear in the next 10 years.

Mr. McINTOSH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to ask a question of the committee with reference to pages 300 and 301 of the hearings, which cover the Air Force testimony with regard to the proposed hospital at Selfridge Field.

As the committee is aware, this hospital at one of our major Air Force installations has 12 temporary wooden buildings serving as a hospital now. A new hospital was authorized in 1956, but subsequent to that time, due to site conditions, plans were changed, adding some footage. Before your committee the question came up as to the sufficiency of the authorization. The last entry on page 301 refers to the Air Force submitting further information to your committee as to the necessity for further authorization. Has further information been received?

Mr. SHEPPARD. That has not been received up to now. When it is, the committee will take it into consideration.

Mr. McINTOSH. Has the committee made any determination as to the need for the facility?

Mr. SHEPPARD. No, we have not, and we will not until such time as it is clarified. The reason is that the committee sent down a letter in January to all military forces not to present any project if that had not been completely clarified with all legal and legislative clearances and requirements. When these projects come up and do not have such clearances, we shunt them aside. When they come up and are clarified both legally and otherwise, then we consider them on their merits.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, may I express my deep appreciation that there are in this bill two items for military installations in my district, one at Fort Devens and the other at Hanscom Airfield in Bedford, Mass. I am intensely interested in them. I have already felt that the United States must always be strong—and I am grateful for the defense contribution to our protection.

I should like to bring one matter to the attention of the House. Last Friday when I was in Massachusetts speaking there, everybody that I saw in Quincy, in Lowell, and elsewhere in Massachusetts was very anxious to have the money restored to the appropriation bill that was for the airplane carrier, recommended by the National Defense Department, which the Committee on Armed Services removed. I think the Senate body is marking up that bill today. I hope they will put the $35 million for the carrier into that bill. With the situation as it is in the Near East, and the fact that seven-tenths of the earths surface is water, it is most essential we have another carrier on its way. What we would do without the carriers in this situation in the Near East I do not know. They are extremely valuable. The people expressed great approval of the President's action in sending Marines, and Navy ships, and carriers to that area. That show of fine strength has had fine effect. We hope the carriers will go forward in being built. They are mobile bases. The planes can go anywhere and strike everywhere.

The Clerk read as follows:

TITLE V

Department of the Air Force

Military Construction, Air Force

For acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, and facilities for the Air Force as authorized by chapter 133 of title 10, United States Code, by section 302 of the act of July 14, 1952 (Public Law 534), the act of April 1, 1954 (Public Law 325), the act of September 1, 1954 (Public Law 765), the act of July 15, 1955 (Public Law 161), the act of August 3, 1956 (Public Law 968), the act of August 30, 1957 (Public Law 85–241), the act of February 12, 1958 (Public Law 85–325), and such additional projects as may be authorized by law during the second session of the 85th Congress, without regard to section 9774 (d) of title 10, United States Code, and section 3734, Revised Statutes, as amended, to remain available until expended, $687,350,000.

Mr. SCHENCK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Page 5, line 8, strike out "$687,350,000" and insert "$694,750,000."

Mr. SCHENCK. Mr. Chairman, on page 21 of the committee report I read, and I quote:

The committee has eliminated the request of $7,400,000 for an academic training facility at Wright-Patterson. The committee fails to see why the Air Force cannot take advantage of inactive installations available to the military department for this mission and directs that a restudy be made of the need for training facilities at this location.

Mr. Chairman, the Air Force Institute of Technology is not new. It began in 1919 and has been in existence ever since that time. It was officially opened by General Twining in 1946. The command jurisdiction was given to the Air University in 1950. Many studies have been made by many outstanding educators of great repute working on various boards including such men as Dr. Theodore Von Karmen, of the California Institute of Technology; Dr. John Markham, of Massachusetts Institute of Technology; Dr. Ridenour, dean of the University of Illinois Graduate School; Dr. Harold Hazen, Massachusetts Institute of Technology; Dr. Porter, of Purdue; Dr. Killian, of M. I. T., and many others. All of these educational authorities have inspected the Air Force Institute of Technology from time to time and have gone over its functions and objectives in very well drawn and detailed annual reports. This matter of the proper location referred to by this Subcommittee on Appropriations has been a matter of full and complete study over a period of many years. While I subscribe to the statements made by our colleagues of the committee and the policy of the committee that we should use existing facilities to the very greatest possible economic advantage and that we should make every effort to obtain the greatest possible efficiency in each and every operation of our Federal Government. I also subscribe to the theory that there are certain locations where certain specific jobs can be accomplished better and more fully and more effectively than any other place. That situation and principle, Mr. Chairman, is true in this instance. These boards in their annual reviews and reports have unanimously recommended that the Air Force Institute of Technology should be located at Wright-Patterson Air Force Base and that adequate physical facilities should be provided for its use. At Wright-Patterson Air Force Base, Mr. Chairman, there are many pieces and kinds of scientific equipment and facilities already in existence that have been constructed and which have cost millions of dollars. These include all sorts of wind tunnels, testing equipment, engineering equipment scientific equipment and so on. Wright Air Development Command is also located on Wright Patterson Air Force Base and includes in its personnel some of the very best and most highly trained technical engineers in the entire Air Force. These include scientists, engineers, and electronical experts in many specialized categories. There are also highly trained men in the many complicated matters of procurement, in these days when procurement is quite complicated. So there is no other location in the United States where the Air Force Institute of Technology can function as well as it can in this particular place. To duplicate these facilities in another location would require millions and millions of dollars. More recently in other testimony before another committee as I indicated in my presentation in general debate, the Air Force has indicated that the representatives of officers and civilians of the Army, Air Force, and Navy have combined in the use of this Air Institute of Technology and it has, therefore, become possible to do a combined job at great savings to the taxpayers.

(By unanimous consent, Mr. SCHENCK was granted 2 additional minutes.)

Mr. SCHENCK. Mr. Chairman, this combined use will result in greater efficiency, in the saving of money, in the proper education and training of our Armed Forces personnel in all branches to handle the new, highly technical airplane and guided missiles and other weapons systems. So it would seem to me that it is actually a matter of economy to construct the proper facility for the Air Force Institute of Technology at Wright-Patterson Air Force Base, where it can be done efficiently, and where it can have the most important effect on our entire system. It is my hope that the committee will accept this amendment in the light of this additional information and that the House will approve it.

The CHAIRMAN. The time of the gentleman has expired again.

Mr. SIKES. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I dislike very much to find myself opposing an amendment offered by my distinguished friend from Ohio [Mr. SCHENCK]. Nevertheless, I must submit the committee's reasoning for leaving out these items. I feel that the Committee of the Whole should support the Committee on Appropriations.

This is an item for $7,400,000 for an academy facility. It involves classrooms

and laboratory items, which of course would serve an important purpose. But those are not operational training facilities, and those are the type of facilities that this bill generally has been limited to.

May I point out in addition, the Committee on Appropriations is not convinced that a proper survey has been made of the almost two billion dollars worth of inactive defense installations to determine if somewhere in that list there are not facilities that could be used to fill this training mission need.

This project is low on the Air Force priority list for construction. That is a very important thing to consider. It is not one of the major items in Air Force thinking, and certainly it can be deferred until a realistic restudy is made of the entire picture.

At the moment this mission, while it is a valuable one, is being carried out in supposedly adequate fashion in five buildings that are located at Wright-Patterson. Those buildings which presently do the work for which the new building is desired, are not to be demolished. They will be returned to the base for other use or they will be used in the mobilization reserve. They are not going to be destroyed. That means they are capable of several additional years of service for some useful purpose. Of course that means they could be used for their present function. If they now are adequate, they will be adequate while a requested study is being made, which the committee has requested for all facilities, to determine how real is the need for this new facility.

Mr. SCHENCK. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Ohio.

Mr. SCHENCK. I thank my distinguished friend from Florida. May I point out that this is an operational, educational program to train men not only in procurement procedures, but also in the operation of new weapons systems. The school is presently housed, as the gentleman has just said, in buildings of the Wright-Patterson Air Force Base, which are warehouse type buildings entirely inadequate, which do not lend themselves to classroom work and therefore it cannot be effectively done.

Mr. SIKES. However, I think the gentleman will agree with me that quite effective work is being done in those buildings now. Therefore it would seem that the Air Force could continue the use of those buildings for this purpose until we and the Air Force can look into the matter further.

The committee feels disturbed about the buildup of facilities in the Wright-Patterson area, because this is a badly crowded defense and manufacturing area. This base has already cost more than $210 million in construction funds alone. It is located in a major industrial and population center. As we add to the base it becomes more and more a prime target for enemy bomber or nuclear missile attack. Adding to this base adds to the vulnerability of the entire area.

This amendment if adopted would replace in the area one of the facilities that can be deferred, would set aside the committee's policy and its effort toward economy, and would invite, Mr. Chairman, amendments to put back in the bill everything the committee deferred out in an effort to save money and to secure a more realistic appraisal of actual need.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SCHENCK. Mr. Chairman, I ask unanimous consent that the gentleman from Florida [Mr. SIKES] may proceed for an additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SCHENCK. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to my good friend and let me say I respect his diligence for his district.

Mr. SCHENCK. May I ask my good friend from Florida the basis for his statement: No. 1, that the field is in an overcrowded, congested area; No. 2, that the construction of these facilities will not add to the population or personnel, or number at the field, and will not add any strategic vulnerability, but will add only proper educational facilities with which to do a much better job.

Mr. SIKES. This is one of the biggest bases in the Air Force. The base does not now require the new facility for which the gentleman is speaking. If a new facility is started the buildings replaced could be used for other purposes and the chances are this would add to the impacted nature of the area. Again let me state this is not an operational training facility and for that reason was eliminated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The question was taken; and on a division (demanded by Mr. SCHENCK) there were—ayes 12, noes 50.

So the amendment was rejected.

Mr. PRICE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to join with others who have complimented the committee on the fine work it has done in working out this bill. I can recognize the desire on the part of the committee and on the part of the membership of the House to do what is necessary in the Military Establishment, at the same time keeping in mind the matter of economy. However, I cannot in good conscience permit the debate to be concluded here this afternoon without expressing at least my personal concern over one phase of the action of the committee, particularly insofar as it relates to the Air Force.

Mr. Chairman, I have noted that the committee has denied funds at several installations for various facilities that are normally considered necessary to operations. For instance, I have noticed one or two complete runways that have been taken out and certain shops that have been eliminated. I also note that the committee has restricted further construction on certain air defense bases where it is anticipated that the BOMARC defense missile may supersede the use of manned aircraft.

I cannot quarrel with the committee's action on any specific item since I have not had the opportunity to research the specific requirements for each of those items. However, the nature of the items deleted is such that I feel we should be completely assured that such deletions will not impair the full effectiveness of our military forces.

We must anticipate that there will be a period of overlap when we must build for both manned aircraft and missiles that may replace them in the future. In addition, we must also consider that it will be a long time before we can depend entirely upon missiles and that for many years to come we will have a combination of manned aircraft and missiles in both our defensive and offensive forces, which do not duplicate each other but complement each other, each having specific roles in the overall conduct of operations.

In this period of rapidly developing new weapon systems, I believe we should be very careful in second guessing the military departments in the programing for these weapons.

I could not let the opportunity go by here this afternoon without expressing my personal concern about this matter, recognizing as I do, the careful consideration that the committee must have given to the subject. I think we should be mindful that there must be a period of overlap. I think we should recognize the importance of being certain that we not be caught short in any phase of our military defense.

Mr. BOYLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BOYLE: On page 5, line 8, after the amount, insert the following: "No part of the funds contained in this act shall be used for the construction of the Richard J. Bong Air Force Base, Wis."

Mr. BOYLE. Mr. Chairman, in support of my amendment I would like to incorporate by reference those fine remarks made by my colleague, the gentleman from Illinois [Mr. PRICE]. Everything he has said on the floor in the last 5 minutes applies with equal force and effect to a thoughtful consideration of my amendment.

For those who were not here earlier when I took the floor, permit me to review some physical facts regarding the existence of O'Hare International Airport in the north side of Chicago. It has been described as probably 6 or 7 times as large as any municipal airport in the whole United States. In the vicinity there is the Billy Mitchell Airfield in Milwaukee, Wis., and, further south in the city of Chicago is located the Midway Airport, which is without question the most widely used and heavily traveled airport in the whole United States.

Give or take just a couple of air miles, Midway is some 46 or 47 air miles away from this proposed Bong air installation. Billy Mitchell Airfield in Milwaukee is some 43 air miles away, and O'Hare Field is some 40 miles away. Look at these airports in the light of the request for

$18 million before you today, and transmit the question of who did or did not in their enthusiasm get the Bong Airfield located in Kansasville, Wis., just forty-some miles away. from all these active commercial airfields.

In the light of all technical improvements in airspeeds, in the light of the testimony before the Subcommittee on Defense, of which I am a member, indicates that there are presently in operation, jets capable of 1,300 miles an hour; and there are on the drafting boards plans for jets that will go in excess of 4,000 miles an hour, I ask you to reevaluate the position of this airbase in relation to those three highly used airbases of Billy Mitchell Field, O'Hare Field, and Midway Airport. Of course I do not come here as a military expert, but as a friend of the Air Force and the Defense Department, I feel my amendment will help meet the challenge of tomorrow. If we are going to live up to the responsibility the people back home have entrusted to us, we must take a good, solid look at this situation. If the base was going to become operative 4 hours from now, militarily there might be a lot of justification for it. We have acquired the land. It can be resold with a minimum of loss and conceivably at a profit.

Mr. TEWES. Mr. Chairman, will the gentleman yield?

Mr. BOYLE. I yield to the gentleman from Wisconsin.

Mr. TEWES. The problem here is this, however. South of Chicago is Midway. North and west of Chicago is O'Hare. Due north of Chicago is Milwaukee. East is the lake. The Air Force says that it needs this base for the defense of Chicago. The problem facing the committee—and it seems to me the problem facing the gentleman; and I fly frequently between Milwaukee and Chicago and I am not looking for air congestion, as the gentleman knows—the problem is, where would he put this airbase?

Mr. BOYLE. I have no right to say where the Bong Air Field should be relocated. Three or four years ago, when this project was on the drafting board planes were geared to four or five hundred miles an hour. At the time the project was totally justified, but in the light of the progress subsequently made we ought to reevaluate this installation. The CAA recently reviewed this situation and they agreed unequivocally with my position. Since they have no right to interfere with what has been labeled a military judgment they were powerless to take any affirmative action. I am offering this to the Members of the House and respectfully urge that no further funds be spent until this whole problem has been restudied.

Mr. SHEPPARD. Mr. Chairman, I rise in opposition to the amendment.

I respect the right of the gentleman to offer his amendment based on his own conclusions. However, I think it is incumbent upon the committee to call attention of the House to some facts.

We did not make this selection geographically. We did not say where this particular operation was to be established. That was done by the Air Force, the CAA, and the Airport Selection Committee. Those are the agencies of the Federal Government set up to determine controversial issues of this character.

In order to get a better understanding, to the degree we could, we called in a representative of the CAA and talked with him on this issue. He told us what the changes had been and that they were being concurred in by the Air Force to meet the traffic patterns that pertain in the area.

Mr. Chairman, what I am endeavoring to say to the House is that your committee was confronted with an already-established project; appropriationwise $23,228,000, and in present obligations, if you please, $16,915,643.

This is one of the key installations in SAC dispersal and alert plans. Denial of these funds would mean a direct cut in the operational ability of SAC. This is based on today's judgment as that judgment was presented to us by the military.

In our policy of handling this particular legislation we are presenting to the membership of this House what we think is necessary. We did our utmost to avoid getting into a field that might impair, retard, or in any way destroy the effectiveness of our military defense in this country. We made our cuts in fields where that could not happen.

In our opinion, in this instance, there was nothing the committee could do other than accept the presentation made to us and appropriate the funds because of capital investment already made and conditions presently prevailing, consequently, I ask the membership to reject the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. BOYLE].

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk concluded the reading of the bill.

Mr. EDMONDSON. Mr. Chairman, I want to compliment the committee upon the bill now before the Committee of the Whole, and particularly appreciate the recognition afforded one of the Nation's outstanding Air Reserve training centers, at Davis Field in Muskogee.

The $325,000 provided in this measure will build a much needed base warehouse and maintenance shop, and substantially help in our effort to create at Davis Field the most effective and modern Air Reserve training program in the United States.

We believe great strides have already been made in this direction, and the fame of Muskogee as a city of hospitality for the Air Force and a center of public support for Air Force activities is one in which the people take great pride.

The land readily available for runway extension, the favorable flying weather and topography of the surrounding country, and the strong public support of the Air Force are all factors that point to a bright future for Davis Field as an Air Force activity.

I am glad to support this bill and feel sure it will be passed by an overwhelming vote.

Mr. SHEPPARD. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House, with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KILDAY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 13489) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1959, and for other purposes, had directed him to report the bill back to the House, with the recommendation that the bill do pass.

Mr. SHEPPARD. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. SHEPPARD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed and to include therein extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

LEGISLATIVE APPROPRIATION BILL, 1959

Mr. NORRELL. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report on the bill (H. R. 13066) making appropriations for the legislative branch for the fiscal year ending June 30, 1959, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries may sit during general debate while the House is in session the remainder of the day.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ADDITION TO THE UNITED STATES CAPITOL GROUNDS

Mr. BOLLING, from the Committee on Rules, reported the following priv-

ileged resolution (H. Res. 645, Rept. No. 2268), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 495) to authorize the acquisition of the remaining property in square 725 in the District of Columbia for the purpose of extension of the site of the additional office building for the United States Senate or for the purpose of addition to the United States Capitol Grounds. After general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

WHOLESALE TERMINAL MARKET FACILITIES

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 485 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4504) to encourage the improvement and development of marketing facilities for handling perishable agricultural commodities. After general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. DELANEY. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN] and I yield myself such time as I may consume.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 141]

Baker	Celler	Engle
Barden	Christopher	Feighan
Bass, Tenn.	Collier	Ford
Belcher	Dies	Friedel
Boggs	Diggs	Gordon
Brooks, La.	Dowdy	Gwinn
Buckley	Durham	Hays, Ark.
Burdick	Eberharter	Hébert
Hoeven	Morrison	Sieminski
Holifield	Moulder	Smith, Kans.
James	O'Hara, Minn.	Spence
Jenkins	Poage	Talle
Jones, Mo.	Powell	Teague, Tex.
Kearns	Prouty	Thompson, La.
Latham	Radwan	Trimble
Loser	Robeson, Va.	Wainwright
Machrowicz	Sadlak	Watts
Michel	St. George	
Morris	Shuford	

The SPEAKER. On this rollcall 360 Members answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

Mr. DELANEY. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, House Resolution 485 makes in order the consideration of H. R. 4504, the wholesale terminal market facilities bill. The resolution provides for an open rule and 2 hours of general debate.

The bill proposes that the Federal Government assist municipalities, instrumentalities of States or municipalities, public corporations and boards, and private enterprise in the construction and development of modern public wholesale markets for the handling of perishable agricultural commodities by authorizing the Government to insure mortgages by private financial institutions for up to 85 percent of the cost of new or improved facilities.

The creation of a contingency fund of $25 million is authorized for a reserve for the mortgage insurance authorized under the bill. However, the committee report points out that it is not expected that it will be necessary to spend these funds so established since only self-liquidating marketing facilities will receive the benefits of the bill, and the interest charges are expected to provide revenue to take care of any possible defaults.

A borrower requesting mortgage insurance is required to invest at least 15 percent of the total cost of the market facility, or $45,000 whichever is the greater. In addition, the bill lists in detail the eligibility requirements which must be met by the borrower before a loan may be insured.

It is believed that improved market facilities will be of great benefit to consumers, farmers and small-business men, both wholesalers and retailers.

I urge the adoption of House Resolution 485 so the House may proceed to the consideration of H. R. 4504.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, I hope that the membership will pardon me for calling this bill a scheme, but that is what it is; just a downright fly-by-night scheme.

Now, the best evidence of that is that this bill was reported on April 2, 1957. Still, over a year after it was reported by the Committee on Agriculture, we have it here now and kicking around with it. During this session of the Congress we have had many idle days. There were days when we adjourned at 1 o'clock, 1:30, so I say the fact that it has been kicking around here for over a year probably is the best evidence that it is a fly-by-night scheme.

We have in the past had identical bills brought up that have been defeated. We had this sort of thing back in 1951 when some people tried to put over this ill-conceived plan, or whatever you call it, and we voted it down.

Now, what is the purpose of this bill? It is contended that the purpose is to facilitate, encourage, and assist municipalities and political subdivisions of States, public agencies, and instrumentalities of one or more States or municipalities, public corporations and boards, and private enterprise in financing and refinancing the creation, improvement, and development of modern and efficient public wholesale markets for the handling of perishable agricultural commodities.

Now, what do they say is the reason they need this? They say that efforts in the past have failed to bring about a satisfactory solution to the problem; that this situation has been due largely to the inability of farmers, dealers, brokers, commission merchants, and others, individually or collectively, to obtain through regular financial channels the relatively large amounts of capital necessary for the construction of these market houses.

Mr. Speaker, I have not received one letter from any farmer who favors the passage of this bill. And I doubt that anyone in the House has received very many letters favoring the bill. Neither have I received any letters from any dealers or brokers or commission merchants favoring this bill. And I can assure you, Mr. Chairman, if they favored the passage of this bill they would be writing to me, I am certain, I would have heard from Chicago. I have not received a letter from a farmer or a broker or a commission merchant or anyone else favoring this bill while, on the other hand, Mr. Speaker, I have received many letters opposing it, particularly from organized agriculture and others interested in a sound financing policy, not only in this field but in other fields.

Briefly, this bill authorizes a $25 million appropriation to be known as the marketing facilities mortgage insurance fund. What do they need the $25 million for? They say for operating expenses and for acquiring property in cities to put up this Government-financed operation where private enterprise should operate. In addition to the $25 million for operating expenses and acquiring property, it also provides that the Government insure the mortgagor up to $100 million for 40 years.

In other words, we are getting into a field now where the Government is to go in and loan money for 40 years. That, to me, is also a reason why this should be defeated.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. GROSS. At any interest rate to be fixed by the Secretary of Agriculture; is that correct?

Mr. ALLEN of Illinois. That is correct. Mr. Speaker, I not only hope, but I feel certain, after you listen to those have heard the evidence in this matter, that you will vote down the rule. I

might say that I intend to ask for a vote against the rule, and I might say we should have such a vote because in addition to this being an unmeritorious bill, if we defeat the rule, we will not have any legislation before us on tomorrow.

Mr. DELANEY. Mr. Speaker, I yield 5 minutes to the chairman of the Committee on Agriculture, the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Speaker, the gentleman who has just addressed the House is somewhat inconsistent in complaining that this bill has not been brought before the House more promptly. And then in his last sentence he said that the rule should be defeated because the Members of the House would like to be on a holiday tomorrow. Tomorrow is a working day, and I think that this bill is worthy of consideration of every Member of this House.

This bill is not presented here as a farm bill. It is a bill primarily to help consumers, to reduce the cost of foods. It is not presented here as something new. It is presented here as something that is very, very old. Since time immemorial consumers have been fighting high food costs. In fact, our committee has been dealing with the problems here involved for many long years, and we know that this is one way to bring down food prices.

In 1917 the President of the United States directed the Federal Trade Commission to make an investigation of the wholesale marketing of food in the United States. In its report, dated June 3, 1919, the FTC said that unnecessary handling costs, waste, and inefficiency in the wholesale receiving centers or terminal markets in urban areas was one of the most important factors adding unnecessarily to the cost of food in the United States.

In its report the Commission said, and I am quoting:

> The wholesale market districts of large cities are without a doubt the factor most responsible for the excess expense of marketing perishable foods up to the time they come into the hands of the retailers and are the cause, directly or indirectly, of much of the loss, waste, and excess cost disclosed in the report.
>
> The present market districts of such cities as New York, Chicago, Boston, etc., as well as those of other markets, are utterly inadequate. They are not strategically or logically located. None of them has direct rail connection nor are they arranged for the direct unloading of shipments by water. * * * The majority of the markets are crowded into old, congested districts which perhaps were adequate 30 to 60 years ago, but which have received little intelligent attention for a generation or more.

In 1921 this same matter was again brought under investigation by the Joint Commission of Agricultural Inquiry established by the 67th Congress. The findings of this Commission were substantially the same as those of the FTC which have just been quoted.

In 1936 Congress directed a re-study of this same situation by the Federal Trade Commission and its findings at this time were substantially the same as those it had reported in 1919.

In the 79th Congress, the Committee on Agriculture of the House was authorized by a special resolution to make further investigations into this same subject. Its findings were substantially the same as those of the Federal Trade Commission in 1919 and 1936 and of the Special Congressional Committee of Agricultural Inquiry in 1921. The finding was that obsolete, inefficient, wasteful terminal market facilities in the large consuming centers are adding substantially to the price of food and are costing both producers and consumers millions of dollars a year. I was a member of that special subcommittee and since 1945 I have been working constantly to try to improve these deplorable market conditions.

As a result of the studies of this special subcommittee of the Committee on Agriculture, the Department of Agriculture was authorized and directed, in the Agricultural Marketing Act of 1946, to assist cities, States, and local organizations in developing plans for more efficient facilities for the wholesale handling of perishable food products.

The proper planning of an efficient terminal market facility for a metropolitan area is a highly technical and highly specialized undertaking. It requires skills and experience which are possessed by very few persons in the United States. It was our hope and belief that by making this type of technical skill and assistance available to States and municipalities through the Department of Agriculture, we would achieve a major solution to this problem.

In the years that this very effective office of the Department of Agriculture has been in operation, it has made—at the request in every instance of local authorities—scores of studies of local wholesale market conditions and detailed recommendations as to the location, size, and specifications for a modern and efficient wholesale market.

A number of cities have been able to follow through on the Department of Agriculture's recommendations and there are now in existence or under construction in various parts of the country some fine new terminal market facilities for perishable agricultural commodities. In those areas consumers are already receiving the benefit of improved products and lower prices brought about by these facilities.

I regret to have to report to the House, however, that in very many cities—chiefly in the larger cities and metropolitan areas throughout the country—there has not been one iota of progress in this field. It is astounding to realize that today in New York, Philadelphia, and many other of our larger cities, the wholesale markets are in exactly the same conditions as described by the Federal Trade Commission in its report of almost 40 years ago.

Now what does this mean in terms of unnecessary costs—in terms of cold dollars and cents? Our Domestic Marketing Subcommittee under the gentleman from Alabama, GEORGE GRANT, gave us an answer to this question 4 or 5 years ago after making an on-the-spot study of wholesale market conditions in several large cities.

In two of the cities the Grant subcommittee visited, modern wholesale warehouses had just been put into operation by large food chains. In those same cities the public market facilities were out of date and inefficient—the kind we are trying to see replaced. In those two cities the Grant subcommittee found that it was costing the chainstores only an average of $9 per carload to unload fruits, vegetables, and other perishable commodities from railroad cars into their warehouses. In these same cities, it found that the cost of moving the same kind of commodities from railroad cars into the warehouses of wholesalers on the produce market was from $75 to $115 a carload. Compared to the cost of only $9 a carload in the efficient new warehouses, this meant that those who received their perishable foodstuffs through the old wholesale market were paying an unnecessary cost of $66 to $106 a carload for these products.

Parenthetically, it should be noted that the continued existence of these costly and inefficient wholesale market facilities gives the chainstores a tremendous advantage over the small independent grocer in handling perishable foods. The corner grocer must buy his fruits, vegetables, and other perishable products from the wholesalers in the terminal market area. If the physical handling charges alone amount to $100 a carload more than chainstores have to pay for the same operation, this must be reflected in the price he pays and he must, therefore, operate at a serious disadvantage.

In its detailed studies of marketing costs which have been made by the experts of the Department of Agriculture, in connection with planning new wholesale markets for metropolitan areas, these experts calculate the direct cash saving which would result from development and operation of the market facilities they propose. Here are some of the typical figures:

These are the annual savings in physical handling costs alone which would result from the construction of the kind of markets provided in this bill in these cities:

	Per year
New York City	$9,000,000
Philadelphia	6,000,000
Boston	4,000,000
San Francisco	2,000,000
San Juan, P. R.	2,000,000
Grand Rapids, Mich.	1,500,000
Milwaukee	400,000
Atlanta	400,000
Columbus, Ohio	250,000
New Orleans	250,000
New Haven	125,000
Roanoke	100,000
Little Rock	65,000

Let me emphasize that these figures are very conservative estimates of the actual savings. They represent the direct, identifiable, monetary savings to the market operators which would result from the construction and operation of new and modern wholesale market facilities as recommended by the Department of Agriculture. They represent, chiefly, savings in physical handling costs. They do not include savings which would accrue to the city as the result of less traffic congestion in busy parts of

the city, the need for fewer policemen to control traffic and vandalism in that area, the need for less street cleaning and sanitation service in the congested wholesale area, and the increase in taxes which would result from the low-valuation buildings which are typical of such an area being replaced by the much more valuable office buildings and apartments which would doubtless take their place. The figures do not include the savings which would result to the consumer; savings accruing from the higher quality and better condition of the fruits and vegetables the consumer buys nor savings resulting from better keeping qualities and less wastage in the home refrigerator.

Now to hear it suggested that the House of Representatives should refuse even to consider this bill seems to me to be ridiculous and absurd.

This bill has been reported by the Committee on Agriculture with the votes of Republicans and Democrats alike.

In the 81st Congress the bill passed without a word of objection. In the 82d Congress it was recommitted to the Committee on Agriculture because there was a shortage of strategic building materials at that time. The man who made the motion to recommit was Mr. August H. Andresen, of Minnesota, who at the time of making the motion said that it was a good bill, that he was for the bill, and that the bill should be enacted, but he was opposed to its enactment at a time when we were in desperate need for strategic materials.

Why is the bill here? Both great political parties have through the years taken interest in the wide spread between the producer and the consumer. We have been talking about it for 40 years.

Now, let me answer the question that I know is occurring to many Members: Why, if the construction of one of these new market facilities will result in such great savings and benefit to the community, is it necessary to have a bill as H. R. 4504 providing for Federal insurance of loans to build such facilities?

Let me say that we on the Agriculture Committee only know part of the answer to that question ourselves. Why is it that conditions which are costing consumers millions of dollar a year in unnecessary food prices are still continuing exactly as they were 40 years ago, even though those conditions have been described and pointed out in detail time after time? It seems unbelievable, but the very fact that these markets exist today in substantially the same condition they were in 1917 indicates that something in addition to what we have already done needs to be done to improve this situation. We do know some of the reasons why new and better markets have not been built. All of them are important reasons for this bill.

The first and by far the most important reason is that the vested interests who own the buildings or facilities where wholesale markets are now established in the large cities are so powerful locally that they are able to block the development of new and more efficient markets. They can do this in many ways. By blocking bond issues to finance the construction of a new market. By preventing the acquisition of land on which the new market is to be constructed. By preventing the financing of new markets through local banks and other lending institutions. By threatening their tenants with immediate ouster and therefore economic death if they cooperate together to build a new market, or even if they agree to lease space in such a market, when it is built by the city or some other agency.

This is not an imaginary situation. It is the nasty situation which exists in many metropolitan areas today and is the real reason why the consumers in those areas are continuing to pay unnecessarily high prices for their food when substantial savings could be made by the construction of new markets. The dirty fact is that the profits from some of these ratholes which are now called wholesale markets are so fantastically high that the owners will fight to the last ditch to retain these conditions and in many instances they are powerful enough to prevent a new market from being built.

We believe that this bill will go far to break the stranglehold that these vested interests have over our city consumers.

It will give the sponsors of new market facilities an alternative source of financing to which they can turn if financing on the basis of strictly private loans is unavailable or is blocked by the local vested interests.

It will permit many banks and other lending institutions who recognize new market facilities as excellent investments for their money to make loans to finance their construction. Such loans must, naturally, be long-term investments. In the larger cities they must be for very substantial amounts of money. This is the kind of loan which many financial institutions would like to take on but which they are prevented from making because of State and Federal banking laws and regulations. If that loan can be insured by the Federal Government, however, it comes under a different investment classification, under different rules and regulations, and will, we believe permit this private capital to be used for these facilities.

Another most important factor is that if the bank knows that Federal loan insurance will be available only if the facility is constructed according to the standards set by the Department of Agriculture and stipulated in this bill, it will have a definite set of specifications which it can analyze and approve, and on the basis of which it can make an advance commitment as to financing which otherwise would be impossible.

An advance commitment is particularly essential to the construction of these new markets because the situation in many cities is such that an independent wholesaler now operating as a tenant in one of the privately owned ratholes which pass as wholesale markets does not dare to make an agreement to occupy space in a new market until he has absolute assurance that that new market is going to be constructed and that the space will be available to him at a stipulated price.

Another important consideration is that this bill will establish a set of standards by which wholesale terminal markets may be judged. In order to be eligible for mortgage insurance, the new facilities will have to be built to the specifications drawn up by experts of the Department of Agriculture and will have to meet the many qualifications and requirements established in this bill itself. This will provide, for the first time, a tangible set of standards against which not only financial institutions but city and State governments and taxpayers themselves, may measure the facility which is proposed for their area.

If you could visit Washington Street market, as the members of our committee have visited it, if you could see the filth, the dirty ratholes, that the produce of this country is forced through, you would be amazed and shocked.

Mr. DORN of New York. Mr. Speaker, will the gentleman yield to me? He speaks of the Washington Street market in New York, and I am from New York City.

Mr. COOLEY. I know where the gentleman is from.

If you could read the article in the last edition of Redbook, by Bill Davidson, you would be shocked at the facts about the fruits and vegetables you eat. This is not the first article that has appeared in a national magazine concerning the problems we are discussing here.

I say that the New York Washington Street market, the Dock Street market in Philadelphia, and all of these big terminal markets are impressed with public interest, because the public transacts business in these areas, and in these areas and in these markets the prices of food commodities throughout America are fixed and determined. So I say that it is of great public interest not only to the farmers but to the consumers and to the public generally to make our markets more modern and more up to date.

Mr. DORN of New York. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. DORN of New York. I wonder if the gentleman could tell me, and I am asking because I am sincerely interested, whether the markets in New York City have requested this legislation and, if so, who; whether the mayor of the city of New York has requested this legislation, and under what letter. I am asking the gentleman to tell us something about it. The gentleman says that New York City is interested. No one from my own city of New York has ever contacted me.

Mr. COOLEY. Perhaps they have not communicated with the gentleman, but I do know as far back as 1945 we held hearings in New York City and the marketing authority of that time appeared before the committee. The mayor of the town was interested in building a better facility.

Mr. DORN of New York I cannot go back to 1945. I am talking about 1958.

Mr. COOLEY. I am talking about the present time, too.

Mr. DORN of New York. In all sincerity I would like to know.

Mr. COOLEY. I am trying to tell the gentleman.

Mr. DORN of New York. The gentleman is talking about New York City and what New York City needs. What I want to know is whether or not the mayor of the city of New York or some responsible authorities in New York City have requested this legislation.

Mr. COOLEY. The Committee on Agriculture does not sit by and wait for some mayor or some local government authority to ask us to pass some legislation. The gentleman knows that. Nevertheless, there appears in the printed hearings on this bill an enthusiastic letter of endorsement from the Commissioner of Markets of New York. The letter refers to an identical bill by the gentlemar from New York [Mr. ANFUSO]:

THE COMMISSIONER,
DEPARTMENT OF MARKETS,
New York, N. Y., April 9, 1957.

Hon. VICTOR L. ANFUSO,
Member of Congress,
Washington, D. C.

DEAR CONGRESSMAN: I have read with enthusiasm the proposals contained in H. R. 4250, as I note that this amendment encompasses a purpose which has been for many years a favorite goal of Mayor Robert F. Wagner and his administration.

The necessity for stimulating both Government and industry toward the creation of new, improved marketing facilities, as well as the modernization of existing markets is well recognized. In New York City we have been dealing with this problem for decades. It occupies a prominent position on the agenda of this city's administration. The welfare of our 14 million consumers, their health, their comfort and their purses, rests largely on conditions surrounding our wholesale food terminals.

It is for these reasons that I heartily support the aims of H. R. 4250, and offer you my congratulations for having introduced a most vital and necessary piece of legislation at this time.

Sincerely,

ANTHONY MASCIARELLI.

If you have been to the old Washington Street market and you are willing to tolerate the conditions that exist there, you are at perfect liberty to vote as you please on this bill. I want to get this over with and behind me. I worked on this problem for 10 or 12 years. Here is a list of the people who appeared before the committee. Not one witness opposed this bill. I challenge the gentleman from New York to name one witness who comes from New York or anywhere else who appeared before this committee to oppose this bill.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. Have you been before the committee?

Mr. CURTIS of Missouri. No, but I have the hearings here and most of the witnesses who appeared before the committee were against it.

Mr. COOLEY. The gentleman is entirely wrong. The only people who appeared in opposition to this bill, according to my recollection, were the people in the cold-storage business.

Mr. CURTIS of Missouri. No; the Vegetable Growers' Association were against it.

Mr. COOLEY. The gentleman is not correct. They strongly endorsed the objectives of the bill but suggested certain amendments. If you want to know what the bill does and if you want to vote intelligently on this, read, if you will, the declaration of policy on pages 1, 2, and 3, and the general purpose of the bill, and you will see what it is all about. Let me emphasize one point. We are talking about the consumers being burdened with high prices. The difference between the situation in 1952 and 1957 is this: In 1957 the farmers of America produced 11 percent more food and received $600 million less money and, yet, the consuming public paid $6 billion more for their food in 1957 than the public did in 1952. If you want to do something about it, here is your chance.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. GROSS. Is the gentleman contending that in New York the farmer is going to sell directly to the consumer—that is, directly from the farmer to the consumer?

Mr. COOLEY. No, sir; not directly. If the gentleman would just visualize the greatest market in the world—the Washington Street market. There are more fruits and vegetables going through that market than any market on earth. The market is located in a congested and old part of the city of New York. The food goes into the city on barges, and the handling charges are enormous. In a new marketing facility, a train could go to the back door and a truck could come to the front door, and the loading and unloading of the produce would be expedited and the costs would be minimized.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. McCORMACK. I understand a statement was made by a previous speaker, although I did not hear the remarks, that if this rule is defeated, there is no legislative business for tomorrow. Of course, I am not entering into that controversy except to advice the membership that following this bill, we have three more bills on the program which will have to come up. If this rule is adopted, and if the greater part of tomorrow is taken up on this bill, then these other bills can go over until next week. If the pending rule is adopted and this bill is disposed of on tomorrow in time to take up the other rules, I will ask the House to take them up. In other words, we do have business ahead of us tomorrow.

Mr. COOLEY. It is not contemplated that the Government is going out and loan the money. The money will be provided by private industry to public marketing authorities over long terms at a reasonable interest rate, to be fixed by the Secretary, depending upon the circumstances at the time the loan is made, for the building of marketing facilities, which must be modern and must meet the requirements of the marketing experts of the Department, and the loan will be amortized for 40 years and will be retired by the payment of rents derived from the property.

The SPEAKER. The time of the gentleman from North Carolina [Mr. COOLEY] has again expired.

Mr. ANFUSO. Mr. Speaker, I rise in support of the bill, H. R. 4504, introduced by the distinguished chairman of my committee, the gentleman from North Carolina, the Honorable HAROLD D. COOLEY. In fact, I am the author of a similar bill (H. R. 4250) which seeks to achieve the same purposes.

The bill under consideration seeks to promote and encourage the construction of modern marketing facilities for the handling of perishable food products in our urban areas. Specifically, the bill aims to help these urban areas to improve and modernize their market facilities through a program of insured loans, which are to be administered by the Secretary of Agriculture. In this way, it will be possible to eliminate much of the waste and the unnecessary costs involved in the handling of perishable commodities, such as fruits, vegetables, dairy products, poultry and eggs, meats, and other products.

In many of our larger cities the wholesale handling of such foods is conducted in crowded, unsanitary and antiquated places which have been located in the same section of the city for many decades, without having undergone any improvement or modernization of the marketing facilities. In New York City, for example, where millions of the Nation's consumers live, we have a totally outmoded market located in downtown Manhattan, in cramped and unsanitary quarters and not easily accessible because of traffic difficulties in that part of the city.

Last October the Subcommittee on Consumers Study of the House Agriculture Committee, of which I have the honor to be the chairman, held hearings in New York City on food marketing costs. We took time out to visit this wholesale marketing area and to observe its facilities and the conditions under which the food is handled. The members of my subcommittee will bear me out on this, I am sure, when I say that after seeing those conditions in New York we came away with the feeling that marketing conditions in this great metropolitan center of 8 million consumers are simply horrible, a most deplorable mess.

There is no doubt that the consumers are paying a great deal more for their food because of the many unnecessary steps taken before the products become available to them. There are large handling costs, large distribution costs, large transportation costs, and large costs for waste due to crowded and exposed conditions—all of which add to the high prices for these basic food products. Let me illustrate this with one example. During our visit to the wholesale market in downtown New York, we found out that in a short space of 5 blocks from the terminal to the market a truck is unloaded and reloaded 2 or 3 times. We were told that the estimated expense of these extra unloadings and reloadings comes to about $250,000 per day—which is an expense of something in the neighborhood of $90 million in that one mar-

ket alone. If, through modernization of marketing facilities, we could eliminate or drastically reduce that expense, you can see for yourself what a tremendous saving it would be to the consumers.

Studies by the Department of Agriculture show that out of every dollar spent by the consumer for fresh fruits and vegetables, 38 cents goes to the farmer and the remainder of 62 cents is spent for handling and distribution charges. In the case of dairy products, about 54 cents of the consumer dollar goes for handling costs. This is true also in the case of other commodities.

These marketing costs are sufficiently large that modernization of marketing facilities can account for sizable savings to consumers. Surveys made in New York City show that about half of the consumer's dollar for food products goes to pay the cost of bringing these products from the city limits to the housewife's kitchen. The other half goes to the farmer who produces them, and also for transportation and other handling charges to bring the food to the city limits.

The same situation is true also in other cities which are dependent on distant sources for their food supply. With such antiquated and inefficient distribution facilities, the margin between what the farmer gets and what the consumer pays for food may be even greater than the figures indicate. It is high time that the distribution of our food products be done in an efficient manner. Experience has shown that modern wholesale food markets are a paying proposition and a safe investment financially.

The construction of such marketing facilities, naturally, involve substantial costs which many municipalities cannot afford. For this reason, the bill prescribes a program of mortgage loans whereby the Secretary of Agriculture would be authorized to use a $25 million revolving fund to insure first mortgages on new terminal market facilities up to 85 percent of the total cost of the market. These loans could be made either to municipalities, to public corporations, or to private enterprises.

Mr. Chairman, here is a specific instance where we can help bring down the cost of living for the consumer. Here is where we can help set up our food marketing and food handling on a more sanitary and more efficient basis. I urge all of my colleagues on both sides of the aisle to suppport this very important measure, in the interests of economy and in the interests of the health of our people.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Speaker, it is seldom I take the floor to oppose a rule. In fact, I seldom oppose a rule. Under the circumstances, it seems to me that the rule on this particular matter should not be granted. This is not up-to-date legislation. The last hearing held by the committee was March 21 and 22, 1957. This has had a long history. In the 82d Congress it was defeated, not solely on the ground of shortage of building materials but because after debate the Congress determined there was not adequate need for this. Furthermore, it was putting the Government into one more field of business which it had not been in.

In answer to the gentleman from North Carolina [Mr. COOLEY] about no one appearing against it, the hearings are highly inadequate. The Department of Agriculture was not even asked to appear and testify before the Committee on this matter. As a matter of fact, the Department of Agriculture is opposed to this bill.

Furthermore, the people who would be most directly affected, the Vegetable Growers Association, appeared with their executive secretary, Mr. Joseph Shelly, and he opposed the bill. The American Farm Bureau did not appear, but there is a statement here which is a weak one. It is shown on pages 28 and 29, but the American Farm Bureau goes on to say:

> We would urge that this be amended so that the mortgage period would be reduced to 30 years or some other shorter period of time.

And then they go on with other suggestions as to why the bill in this form is unacceptable. Here it is an 80 percent guaranteed mortgage over a 40-year period. Nothing has been done by the committee to make this into a workable bill. This is the same bill that was reported out last year. There was debate started on the floor, and after the debate had proceeded a while and it became very apparent that it was controversial and there was insufficient evidence, the committee rose, and we heard nothing further about it. Now it has been on the calendar 3 or 4 times and each time when a quorum call was requested it was taken off the calendar and now we get it at this late date.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield.

Mr. COOLEY. Did I understand the gentleman to say the American Farm Bureau was against this bill?

Mr. CURTIS of Missouri. I did not.

Mr. COOLEY. I hope you did not, because the only reference they made was with reference to the term of the loans.

Mr. CURTIS of Missouri. I made this statement, that the Farm Bureau did not appear before the committee.

On pages 28 and 29 anyone who wants to read the statement of the Farm Bureau will find that it is a very weak endorsement. Then I went on to say this, and then they concluded by saying that they certainly urged that this bill be amended so it was not a 40-year period but a 30-year or shorter period, and gave their reasons why. Then I pointed out that the committee knew all these things, did not consider that proposition, but brought in this bill without whipping it into shape.

Mr. COOLEY. If the gentleman should offer an amendment to reduce it to a 30-year period I would have no objection to it.

Mr. CURTIS of Missouri. I am arguing this matter now on the rule as to whether or not it has been properly prepared, whether adequate hearings have been held, whether the matter has been given ample consideration. Speaking from the record, it shows that the last hearings were held in March of 1957 and that only 6 witnesses appeared, and of those 6 four were opposed to it, two were for it. One of those for it was the gentleman's own constituent from North Carolina.

The Department of Agriculture was not called for their views on it. They are opposed to it.

Therefore I say under those circumstances that the bill is not ready for consideration by the House and certainly it should vote down the rule.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman.

Mr. COOLEY. The gentleman was correct in saying that Mr. Benson was opposed to the bill, but he is in favor and has always been in favor of the objectives of the bill, and he believes that private business should build the market.

Mr. CURTIS of Missouri. May I say to the gentleman from North Carolina that there is not a person in this room who is not in favor of having adequate, healthful market facilities.

Mr. COOLEY. This is the way to provide them.

Mr. CURTIS of Missouri. I disagree with the gentleman as to this method. The best method is to have the State require clean, healthful marketing facilities. Like most communities they could pass proper sanitary laws and enforce them. Let the people responsible for the establishment of such facilities go ahead.

The chairman of the Committee on Agriculture has always contended that the middleman was making too much off the farmer. This happens to be the area of the middleman. This is the area where the middleman should provide these facilities; and one way to make sure that he does that is for local communities and States to ride herd on them and see that they spend adequate sums to provide these facilities. This is not a farm bill, as the gentleman has said.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield.

Mr. COOLEY. It is the middleman who is now providing these disgraceful market facilities that we find all over the country.

Mr. CURTIS of Missouri. But I say the way to get at the situation is to have the States and local communities pass laws and ordinances requiring that they furnish them.

Mr. COOLEY. How can you make them do it?

Mr. CURTIS of Missouri. Just as was done in St. Louis, Mo., where it has proved most effective. I have no doubt that under the laws of New York the situation can be controlled in New York City, just as it can in most cities of this country.

I know of no one who came here in favor of it except some people in Philadelphia. I do not know whether they are still for it or not.

Mr. COOLEY. If the gentleman will look at the hearings again——

Mr. CURTIS of Missouri. I have gone all through the hearings.

Mr. COOLEY. We have held hearings on this subject way back through the years. Why should we hear witnesses over and over again on the same subject, a subject with which we are familiar?

Mr. CURTIS of Missouri. Because this is a dynamic economy and changes are always taking place.

Mr. COOLEY. There has been no change in this situation.

Mr. CURTIS of Missouri. As a matter of fact the Department of Agriculture has made the point that there has been much progress in the matter of market facilities.

If the committee will go back and make a study of all phases of the situation and bring the hearings up to date then the subject may be ready for consideration on the floor of the House, but I doubt the wisdom under present circumstances when we are inadequately informed of bringing this bill up for consideration. Let us vote down the rule. Let us have some hearings that will bring us up to date.

Mr. DELANEY. Mr. Speaker, I yield 5 minutes to the gentleman from Florida [Mr. MATTHEWS].

Mr. MATTHEWS. Mr. Speaker, several days ago, sensing that the House probably would not give us a rule on the omnibus agricultural bill, I made what I thought was a rather impassioned plea for the rule, but shortly after that the rule was decisively defeated. I have been assured by my colleagues that my talk was rather coherent and that perhaps my talk was not responsible for that defeat.

I must in all candor say this afternoon that I am faced with a humiliating experience in light of the debate that has preceded me by those who have opposed this rule. I think that all members of the Committee on Agriculture, whether you are on this side or that side, would sense a little of that humiliation, because I have been told that we ought to go back and bring in a bill that corrected certain errors. I have had suggested to me that some of my colleagues—and I admire them very much—know more about this after looking at the bill for a few minutes than some of us who have been looking at it for 2 or 3 years.

Since I have been a member of the Committee on Agriculture, for at least 3 years, we have at different times been talking about this proposed legislation. So I want to plead with the House to at least give us a rule and let this matter be debated.

Why is it, Mr. Speaker, it is becoming increasingly difficult to just get a rule for the consideration of a problem that is vital to the farmers of America? I am not charging anyone with being an enemy of the farmer, but it just does not seem to make sense to me that we will not even grant a rule to consider this very important matter. You still have time to read the report made by the committee.

Mr. Speaker, this bill is supposed to be a bill that will help the consumers of America as well as the farmers of America. This bill is supposed to be a sound bill. Perhaps if it were called the wholesale housing bill it might pass, because it is based on the same principles that the housing legislation of America has been based upon. Surely a House that is willing to underwrite billions and billions and billions of dollars for housing—and I voted for those bills—ought to be willing to consider a problem that guarantees just a small fraction of that amount for guaranteed loans, for good business loans, to help the marketing facilities in the great cities of America.

Mr. Speaker, this bill is supposed to help the consumers of America. Can we not give the consumers of America just 2 or 3 hours? The majority of the committee feels it will save the consumers about $100 million a year. That may not be much money to some, but down in the Eighth District of Florida it represents quite a sizable saving.

This bill is supposed to help us market perishable vegetables a little bit better. You have heard me speak here about the problems we have in my district. You have the same problems. My father has produced watermelons and they cannot give them away. Your consumers in the big cities do not get advantage of the so-called law of supply and demand. One reason they do not is because we do not have adequate wholesale marketing facilities.

This bill will help the producers of perishables. This bill will help, I think, the little independent businessman. In the big cities at the present time he does not have the marketing facilities that the great chainstores have, and I am not arguing against the great, magnificent, chainstores of the Nation. But why not help independent business? We passed several lately that helped them. This bill is designed to help the little independent store owners get their produce at better marketing facilities.

Mr. Speaker, I do not know how many people have risen and demanded this bill. The sad thing is that in America many times there are needy things to be done, there are great programs and important measures which need to be adopted, but no one rises up in demand for them. But I think there is enough solid substance in this proposal that certainly this House ought to be willing to debate it for an hour or two.

Mr. MARSHALL. Mr. Speaker, will the gentleman yield?

Mr. MATTHEWS. I yield to the gentleman from Minnesota.

Mr. MARSHALL. I am sure the gentleman, like I have, has heard a lot of comment lately about the spread of cost between the producer and the consumer. Here is certainly one area that contributes to a wide spread of cost between a consumer and a producer, because somebody along the line has got to pay for the additional cost of these absurd marketing conditions, inefficient marketing conditions, and somebody surely must have to stand the loss for all of the spoiled vegetables and fruits and so on that go through these markets. Now, I would like to say to the gentleman that we do not produce in my district for the commercial market any vegetables and fruits, but I have been on the market in New York; I have observed the market in Philadelphia, and I want to say, seeing the conditions up there, I do not know how in the world anybody can afford to produce oranges and fruit and put them on the New York market because of the terrific waste that exists in that market. And, I have sort of a phobia. I have visited a lot of markets in the Western Hemisphere, and I have seen markets in South America, and I have seen far better, more efficient markets in South and Central America than I have seen in my own country in some of these places where we market our fruits and vegetables. I commend the committee for doing something about it.

Mr. MATTHEWS. I commend the gentleman for his contribution.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. BROWNSON].

Mr. BROWNSON. Mr. Speaker, this is a sentimental moment with me. The first speech I ever made in this House of Representatives and the first speech on the floor by the gentleman from Missouri [Mr. CURTIS] was on this same identical bill back on September 25, 1951. Here it is again. Why, this alley cat has more lives than any pedigreed feline that I ever saw in my life. This is about the fifth time the House has considered it in 10 years. I shall vote against this rule, although it is probably the second rule that I found it necessary to vote against in this Congress. Every time we turn around we are either threatened with it or find it on the floor again. I have a few penetrating questions to ask each one of you before you vote on this rule.

In the first place, has anybody in your district actually written you and asked for support of this legislation? $25 million is a lot of money to authorize without even 2 post cards to back up our actions.

In the second place, can it be possible that New York, Boston, Philadelphia, Cleveland, Baltimore, Chicago, Washington, and Detroit, the great cities of the United States are so devoid of capital that they cannot possibly build and finance an adequate wholesale terminal marketing facility for perishables as a commercial enterprise for their own cities? Must they come down here, hat in hand, to the Federal Government, which is infinitely more in debt than any one of them, begging for Federal guaranties in order to provide a facility to merchandise food for their own people? Is it possible that law enforcement has so fallen down in these major cities that they condone the rat-infested chambers of horrors we have heard discussed in shocked tones today? Do their city administrations allow perishable foods to be trucked, stored, and handled unhealthily in a manner which is considered illegal in any well-run city in the United States? Will building a new marketing facility remedy this disregard for law?

I would like to read a sentence from the opening statement of this bill.

Wherever I read "marketing of food" you can substitute "marketing of paint," which happens to be my business, marketing of quinine, or marketing of furniture or marketing of clothing as distribution of any essential of our everyday life. They have just as much right to such a Federal-aid program as does the marketing of perishable foods. Make such a substitution and see how far this Congress is asked to go in assuming Messianic authority.

It is found and declared that the marketing of perishable agricultural commodities affects the public welfare and is a matter of grave national concern.

I can name at least 30 commodities that would fit into that same category. If this is to be our new Federal policy, where do we stop?

May I quote further:

That vast quantities of fruits, vegetables, and other perishable agricultural commodities shipped from various producing areas located throughout the United States and foreign countries pass through and are handled in public marketing facilities located in large consuming areas which are in most instances inadequate and obsolete; that the handling of perishable agricultural commodities in such facilities is attendant with many uneconomic practices, greatly increasing costs and causing undue losses, excessive waste, spoilage, and deterioration, which result in producers receiving prices far below the reasonable value of their products, in unduly and arbitrarily enhancing costs of operations in such markets, and increasing the price of food to consumers; that the prices of all perishable farm commodities are directly affected by the prices made on these public markets and are adversely affected by the unduly burdensome costs resulting from obsolescent and inadequate facilities; that obsolete and antiquated facilities create such an undue restraint and unjust burden on interstate commerce as to make it imperative that appropriate measures be taken to free such commerce from such burdens and restraints and to protect producers and consumers against oppressive costs resulting from the use of such facilities; that modern facilities would make possible the saving of millions of dollars annually by removing the cause of many of the unnecessary costs and burdens; that, in spite of the great need for improved facilities, efforts in the past have failed to bring about a satisfactory solution to the problem; that this failure has been due largely to the inability of farmers, dealers, brokers, commission merchants, and others, individually or collectively, to obtain through regular financial channels the relatively large amounts of capital necessary for the construction of modern facilities.

If you carry the chairman's argument far enough in analogy, the Federal Government ought to take over and subsidize the Waldorf-Astoria Hotel, because right now it has residing in it people from all of the 48 States and from very nearly every foreign country in the world. In other words, because a facility is used by all the people they say it must be federalized. Following the manner of this reasoning, there could be no stopping the octopus of Federal Government from taking a paternalistic interest in everything in our distribution system. This is obviously not what the Congress should do at this time of national insolvency and international unrest.

Much has been made of the fact that this bill has been brought up previously. It certainly has. It has been brought up ever since 1949 that I know of. It has been brought up 4 or 5 times. In 1949, the chairman, the gentleman from North Carolina [Mr. COOLEY], informs us it was passed by unanimous consent in the House.

During the debate on September 25, 1951, I was reminded, as I spoke on this bill, by the distinguished chairman of the Committee on Agriculture, that this bill had passed by unanimous consent in 1949, much as he reminded us earlier today. I had to advise the distinguished chairman, then, that the Representative of my district in 1949 was the man whom I defeated in 1950, possibly because he was wont to vote sloppily on legislation such as this. So I think a sound position of opposition to the rule on a worn and unnecessary bill like this has a certain amount of political appeal, as we try to reserve to the Federal Government those functions which localities and private businessmen cannot do for themselves. Let us stand up and be counted, today, in an effort to encourage the localities to solve their own problems, rather than to come down here, hat in hand, for a piece of loan guaranty legislation which it has been alleged, without proof, will help the consumer; which it has been alleged, without proof, will help the farmer. The absence of great enthusiasm by the farmers' groups is most noticeable. It has also been alleged this bill will help small-business men. No letters to document the small-business men's position have poured into my office and I find scant testimony in the hearings.

I think we have more important legislation waiting, in the closing days of this session. This is a good time to vote against a rule on a bill no one really wants very badly and get on with some of the pressing business for which the country looks to the Congress for guidance. This is no time to jam the calendar with costly giveaway and big-government expansion.

Mr. NEAL. Mr. Speaker, will the gentleman yield?

Mr. BROWNSON. I yield to the distinguished gentleman from West Virginia.

Mr. NEAL. One of the proponents of this bill made the statement that it will help the independent grocers. Is it not true that in almost all the cities of the United States today the great chain food distributors have facilities through which they can buy and distribute through their own organization without even going through the city markets? And would they not be very much less in demand at this time by reason of the fact that the chain stores do have those means of distribution?

Mr. BROWNSON. The gentleman is right. The growth of chain facilities has alleviated the demand on the large wholesale markets. Independent retailers are now banding together to perform the same type of service for themselves in many areas.

The situation in the Middle West has improved constantly since 1949 when this bill was born. This legislation does not recognize that progress. Problems have been solved by investment of local capital within the individual municipalities, building under the free enterprise system the facilities that are required tailored to community needs without Federal interference. These facilities are adequate, efficient, and sanitary because they are constantly policed and supervised by State and local departments of health. On that basis, is it not possible that the need for this type of legislation vanishes rapidly as we progress, on the local level, in the solution of problems of a local nature?

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. BROWNSON. I am glad to yield to the distinguished gentleman from Indiana, former majority and assistant minority leader.

Mr. HALLECK. Mr. Speaker, I just want to commend the gentleman for what I think is a very fair and effective presentation in opposition to this rule, and to say that as far as I am concerned I am going to oppose the adoption of the rule. I have thought all along that this legislation was unnecessary. I know the Department is against it, but at this particular time it seems to me that there is a very important reason to be against the adoption of this rule and against this legislation.

The gentleman from North Carolina spoke very eloquently of the market in New York City. I agree with the gentleman that maybe those are matters that ought to be settled in New York City, or in any other city where they have the same problem, without coming to Washington. I have in my hand an editorial from one of the daily papers in my district. It is not the biggest newspaper in the world, but one of the best, the Warsaw, Ind., Times-Union. The heading is: And the Taxpayers Suffer.

It reads:

Daily newspaper headlines in the waning of the current Congress tell us of the imposing workload facing our Senators and Representatives.

Next August 15 is about the length of time even optimistic Congressmen believe it will take to dispose of heavy pending legislation.

Already over-burdened by heavy debts and heavy levies, the United States taxpayer is asked during this Congress to come up with even more, many such proposals ranging from questionable to unnecessarily wasteful.

Then it lists a great series of bills, about which I know, many of which are still pending in the Committee on Rules, the total cost of which would run into billions and billions of dollars.

Then this editorial winds up this way:

And to take care of all of these contemplated additional expenditures, there is a measure pending to add another $10 billion hike to our national debt ceiling already lifted $5 billion earlier this year.

And then:

Congress. Go home.

Let me hasten to say that I do not want to stay home permanently. And I do not think the editorial writer had that in mind, because the paper has always supported me. But I think the editor's position is well taken and that the time has come when it might be very well for this Congress to be going home. After all, this measure was reported a year ago

last April, and if it had merit, it should have been considered a long time ago. We are in the closing weeks, we hope, of this session. As I say, there are measures all around the place that will cost billons and billions of dollars. For my part, the condition in the world being what it is, I want to aline myself with those who believe that we have to spend a lot of money for the necessary things, but this is certainly one time when we certainly ought to call a halt to these continuing extravagant expenditures putting the Federal Government into more operations that can and should be handled at the State and local level.

Mr. BROWNSON. I thank the gentleman for his support and his sound statement. All of us from Indiana, especially on this side, are proud of the dean of our delegation and the principles for which he stands. Again I urge this rule be defeated in order to kill, once again, this unnecessary legislation.

Mr. DELANEY. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. SANTANGELO].

Mr. SANTANGELO. Mr. Speaker, I am not a member of the committee which has brought out this bill. I happen to be a member of the House Appropriations Subcommittee on Agriculture. I direct my remarks to the people from the cities. We have seen one of the most deplorable conditions with respect to the farmer that has ever happened in our country. While the price to the consumer has risen, has soared, and the housewife is clamoring because the dollar does not get around to buy the food, the farmer's take of the consumer dollar has fallen down to 40 percent of the consumer dollar. The big spread has been with the distribution.

The high cost of marketing facilities is a cause of the high cost to the consumer. Here we have an opportunity to permit the cities and these companies to build and be financed so that we can reduce the cost to the consumer; and we hesitate. Never before has there been an opportunity to reduce the cost to the consumer by providing facilities which would reduce the price of the marketing facilities.

I live in the city of New York and have gone through the Washington Street Market and other markets. You should see the deplorable conditions, where you cannot even go through with your car, or even walk. You should see the type of trucks dropping your foodstuffs, and realize the cost of the labor it takes to move the produce into the storage houses and get it out again, with costs rising in the marketing facilities. Yet you hesitate.

I hear these cries about this being a scheme. This is an attempt to protect the consumer. It is the first clear call to reduce the price to the consumer, a call to reduce the marketing facilities cost.

If anybody from the cities does not vote for this rule he is being derelict to the rights and the protection of the consumers in the big cities such as New York.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, I opposed a similar bill previously, and at that time, as today, heard the gentleman from North Carolina [Mr. COOLEY] talk about the ratholes in the New York market. I believe it was some 7 years ago that I first heard the gentleman from North Carolina asking that ratholes in the New York market be filled by the taxpayers of all the country. It seems strange to me that the people of New York City would tolerate a situation of that kind for years, or any longer than it would take them to get together and correct the situation themselves. Why come down here, hat in hand, asking that the taxpayers all over the country fill up the ratholes for them?

Mr. SANTANGELO. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from New York.

Mr. SANTANGELO. The gentleman may not realize that the city of New York is hogtied and tied, because it has New York State restrictions on its borrowing power. It cannot raise the funds to do the job which it should have done many years ago. Private enterprise with the help of the Federal Government can.

Mr. GROSS. Why do you not go to your State legislature, if that is what is necessary, and increase the amount of money you can borrow?

Mr. SANTANGELO. Because it is Republican controlled, and they will not give the city of New York a chance to get themselves out of it.

Mr. GROSS. I do not care who controls the New York Legislature. This is a situation you can and should solve on your own.

I should like to address a question to the gentleman from North Carolina. I understand that in Raleigh, N. C., you built your own market.

Mr. COOLEY. That is right. We have a modern market in Raleigh, N. C., which was built by local financing. It is operating efficiently, and the people are receiving the benefits of it.

Mr. GROSS. That is just fine. Do you not think that would be a good example for the people in the metropolitan areas of the rest of the country to follow?

Mr. COOLEY. I would like to see the same thing everywhere, but I know in a large metropolitan area like New York City, Boston, or Baltimore, they are not going to do it, or at least they have not done it.

Mr. GROSS. Are we supposed to ram it down their throats?

Mr. COOLEY. No; there is nothing being rammed down their throats. We are hoping to make this program available which will save millions upon millions of dollars for the consumers and the producers too.

Mr. GROSS. You are getting along fine down in Raleigh; are you not?

Mr. COOLEY. Yes, sir; that is right.

Mr. GROSS. You have your brand-new market there and you do not need help from anybody and you would not qualify for any of this $100 million if you had the opportunity; would you?

Mr. COOLEY. I am not sure whether they would or not. The point is this. I pointed out a moment ago that all of the big chainstores have already built their marketing facilities. They are modern and up-to-date. They have minimized the cost of handling the food. As was pointed out by the gentleman from Florida [Mr. MATTHEWS] the little merchant cannot compete with the big chainstores. That is the situation you are putting them in and keeping them in. If you want to turn everything over to the big chainstores—just go ahead and do it.

Mr. GROSS. Let me ask the gentleman another question about your market down there. You deal directly from farmer to the consumer in the Raleigh market; is that right?

Mr. COOLEY. That is right. And, of course, you include the merchants too when you say dealing from farmer to consumer.

Mr. GROSS. Yet, testimony before your committee shows that the wholesale people handle 75 to 80 percent of the volume that comes into the Raleigh market.

Mr. COOLEY. That is right.

Mr. GROSS. And still you maintain that the market there is between the farmers and consumers?

Mr. COOLEY. The farmer sells in the market where he can deal directly, but nearly all of the business is done by the wholesale merchants in these modern stalls.

Mr. GROSS. We are all for the small, independent merchants and consumers but you know just as well as I do that we can spend up to $100 million, as this bill provides, and it will not reduce the price of a dozen eggs in New York by 1 penny.

Mr. COOLEY. The gentleman just does not believe what the Bureau of Markets of the United States Department of Agriculture tells us. If the gentleman would inquire, I think they could satisfy any inquiry that he might want to make of them.

Mr. GROSS. How much has the price of a dozen eggs or a quart of milk been lowered by your market in Raleigh?

Mr. COOLEY. I do not have any idea. I do not have those figures at all. I know the Bureau of Markets is authorized by the Congress to make surveys and they have made estimates as to the savings involved in this program and the savings do not only affect the city of New York and do not only affect New York State, but this will affect several States around New York and the producers of 46 States who trade there.

Mr. GROSS. Mr. Speaker, I am opposed to loading upon all the taxpayers the potential cost of building market facilities over the country.

Mr. COOLEY. It is not contemplated that it will cost anything, may I say to my friend.

Mr. GROSS. Oh, that is what you say.

Mr. COOLEY. It is not contemplated that it will cost anything eventually to the Federal Government.

Mr. GROSS. Mr. Speaker, I hope that the rule is defeated.

The SPEAKER. The time of the gentleman has expired.

Mr. ROONEY. Mr. Speaker, will the gentleman yield for a question?

Is it not a fact in answer to the statement of the distinguished gentleman from Iowa [Mr. GROSS] that under the terms of this bill, all this money for the erection of these facilities will be repaid and eventually it will not cost the taxpayers a nickel; is that not correct?

Mr. COOLEY. That is right.

Mr. GROSS. If the gentleman will yield, if these market facilities are so self-liquidating; if the loans are so good, why cannot they be floated through the private banks in New York, Philadelphia or anywhere else?

Mr. COOLEY. May I point out to the gentleman that the same argument could be made against the Federal Housing Administration or against the Rural Electrification Administration or the Rural Telephone Administration or the veterans' programs and all of these Federal programs. This is nothing new. The principle involved here is not new. The program is not new. Mr. Speaker, I hope the rule will be adopted so that we can discuss the merits of the bill.

Mr. DELANEY. Mr. Speaker, I yield 1 minute to the distinguished gentlewoman from New York [Mrs. KELLY].

Mrs. KELLY of New York. Mr. Speaker, I would like to point out for the information of the Members that the Washington Street market is privately owned. I have just spoken to some of the officials of the city of New York and I would like to make this statement. If the city of New York has to build its own facilities, it would do so with its own money and it would be self-supporting. New York City does not borrow money from the Federal Government. The city of New York lends money to the Federal Government.

Mr. DELLAY. Mr. Speaker, in these days when heavy demands are being made on our Federal Government and particularly our Treasury, I would be reluctant to speak in behalf of legislation that would involve a grant of Federal funds. So I would like to emphasize that H. R. 4504 involves no grant of Federal funds whatever. It is a loan authorization bill providing insurance to private lending institutions for the improvement and development of wholesale marketing facilities.

H. R. 4504 is an effort to correct a long-standing inefficiency and waste in the cost of handling perishable foods between the farmer and the consumer. For at least half a century there have been widespread complaints about the antiquated wholesale food markets in our large cities. As far back as 1917 the problem was considered so serious that the President of the United States directed that an investigation be made. The report of that investigation stated that:

> The wholesale market districts of large cities are without doubt the factor most responsible for the excess expense of marketing perishable foods up to the time they come into the hands of retailers.

For more than a generation, the marketing of perishable foods has been the subject of other special investigations and studies by the Federal Government, by the various States, and by universities and private research institutions.

Despite all these investigations the conditions in many of our large city markets are unchanged. The facilities being used half a century ago in such cities as Boston, New York, Baltimore, New Orleans, Pittsburgh, Detroit, and San Francisco are still being used. With the passage of time the conditions have grown worse. The wholesale markets in these cities are hemmed in in the downtown sections of the city. They lack rail facilities to the warehouses which necessitates high cartage bills between railroads and the wholesale house. Traffic congestion staggers the imagination, adding to the cost of food handling and interfering with the flow of vehicles through the downtown business areas. Buildings are too small. Products are piled high on sidewalks. Refrigerated rooms are often lacking. Modern handling equipment cannot be used. Costs go up, the vitamin content of the foods goes down, and the toll of deterioration and spoilage is great.

This situation is harmful to many groups. The consumer must pay higher prices for lower quality products. The retailer has difficulty in obtaining his supplies quickly and efficiently. Small-business men who must do business in these old market districts are at a serious competitive disadvantage with the chain organization which owns its retail outlets and hence can locate its warehouse outside the market district. The old market areas are usually a blighted section of the city interfering with the handling of traffic and creating problems for the police, health, and fire departments.

The improvement of wholesale marketing facilities to provide a more stable agricultural economy is particularly urgent at present and I am sure that feeling is shared by our colleagues who represent and are deeply concerned with the problems of agriculture under present conditions. The savings to the consumer through drastic reduction in spoilage and elimination of unnecessary handling costs is also a matter of equal importance. As one who represents a portion of a large metropolitan area, I am sure I voice the sentiments of my fellow colleagues not only of our collective area, but of the other large metropolitan areas of our country in stating that in these days of slightly reduced weekly pay checks and inflated prices nothing can be more welcome than a program which will reduce the price of any necessary and basic commodity.

H. R. 4504 would encourage the correction of these conditions to the benefit of consumers, small-business men, and farmers. It would accomplish this by offering mortgage insurance, like the FHA, for up to 85 percent of the cost of building new markets when the new markets meet the requirements of the act. To qualify it must be shown that they would reduce food-handling costs, leases must be signed by financially responsible firms for all facilities constructed, all railroads and trucks must have access to the new facilities, and the design of the facilities must meet certain requirements. In other words, to qualify a proposal must be a sound business proposition and reduce food costs to the public. To get the insurance a premium of one-half of 1 percent of the amount of the obligation on the insured mortgage would have to be paid each year. I reiterate there would be no Government subsidy. There would be no Government competition with the financial institutions, because private lending agencies would put up the money. The use of the act would be voluntary. No city by this act would be compelled to do anything. It merely offers help to any place that wants it and which will develop a sound plan.

In speaking in support of H. R. 4504 I salute the chairman and the members of the Committee on Agriculture for introducing a measure wherein private enterprise and capital must be basically responsible for the success of any action that can be taken. When this bill becomes law, the action taken by the Federal Government is completely protected and any funds advanced by the Federal Government are returned to the Treasury and with interest.

Mr. DELANEY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and on a division (demanded by Mr. COOLEY), there were—ayes 54; noes 108.

Mr. COOLEY. Mr. Speaker, I demand the yeas and nays.

The SPEAKER (after counting). Thirty-two Members have risen; not a sufficient number.

The yeas and nays were refused.

Mr. JENNINGS. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and I make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present. The Doorkeeper will close the doors. The Sergeant at Arms will notify absent Members. The Clerk will call the roll.

The question was taken; and there were—yeas 164, nays 211, not voting 55, as follows:

[Roll No. 142]

YEAS—164

Abbitt	Chenoweth	Harris
Abernethy	Christopher	Healey
Addonizio	Coad	Hemphill
Albert	Coffin	Herlong
Alexander	Colmer	Hill
Anderson, Mont.	Cooley	Holifield
	Davis, Ga.	Holtzman
Andrews	Dawson, Ill.	Huddleston
Ashmore	Delaney	Hull
Aspinall	Dellay	Jarman
Bailey	Denton	Jennings
Baldwin	Dollinger	Johnson
Barden	Dorn, S. C.	Jones, Ala.
Baring	Doyle	Karsten
Beckworth	Durham	Kee
Bennett, Fla.	Edmondson	Keogh
Bentley	Elliott	King
Blatnik	Everett	Kitchin
Blitch	Faberstein	Knutson
Boiling	Fascell	Kruger
Bonner	Fisher	Laird
Boykin	Flynt	Landrum
Boyle	Forrester	Lankford
Breeding	Fountain	Lennon
Brooks, Tex.	Frazier	Libonati
Brown, Ga.	Gathings	McCarthy
Brown, Mo.	Grant	McCormack
Burleson	Gray	McFall
Byrd	Griffin	McGovern
Cannon	Hagen	McIntire
Carnahan	Haley	McMillan
Chelf	Hardy	Mack, Ill.

Madden	Price	Staggers
Magnuson	Quie	Steed
Mahon	Rains	Teague, Calif.
Marshall	Reuss	Teague, Tex.
Matthews	Rhodes, Pa.	Teller
Metcalf	Riley	Tewes
Mills	Rivers	Thomas
Mitchell	Roberts	Thompson, N. J.
Montoya	Rodino	Thompson, Tex.
Morgan	Rogers, Colo.	Thornberry
Moss	Rogers, Fla.	Udall
Multer	Rogers, Tex.	Ullman
Natcher	Rooney	Westland
Norrell	Roosevelt	Wharton
O'Hara, Ill.	Santangelo	Whitener
O'Konski	Saund	Whitten
Passman	Scott, N. C.	Wier
Patman	Selden	Williams, Miss.
Perkins	Shelley	Willis
Pilcher	Sikes	Winstead
Polk	Smith, Miss.	Yates
Porter	Smith, Va.	Zabiocki
Preston	Spence	Zelenko

NAYS—211

Adair	Forand	Morano
Alger	Frelinghuysen	Mumma
Allen, Calif.	Fulton	Murray
Allen, Ill.	Garmatz	Neal
Andersen, H. Carl	Gary	Nicholson
Arends	Gavin	Nimtz
Ashley	George	Nix
Auchincloss	Glenn	Norblad
Avery	Granahan	O'Brien, Ill.
Ayres	Green, Oreg.	O'Brien, N. Y.
Baker	Green, Pa.	O'Hara, Minn.
Barrett	Griffiths	O'Neill
Bass, N. H.	Gross	Osmers
Bates	Gubser	Ostertag
Baumhart	Hale	Patterson
Beamer	Halleck	Pelly
Becker	Harden	Pfost
Bennett, Mich	Harrison, Nebr.	Philbin
Berry	Harrison, Va.	Pillion
Betts	Harvey	Poff
Boland	Haskell	Powell
Bolton	Hays, Ohio	Rabaut
Bosch	Henderson	Ray
Bow	Heselton	Reece, Tenn.
Bray	Hess	Reed
Broomfield	Hiestand	Rees, Kans.
Brown, Ohio	Hillings	Rhodes, Ariz.
Brownson	Hoffman	Riehlman
Broyhill	Holland	Robison, N. Y.
Budge	Holmes	Robsion, Ky.
Bush	Holt	Rogers, Mass.
Byrne, Ill.	Horan	Rutherford
Byrne, Pa.	Hosmer	Saylor
Byrnes, Wis.	Hyde	Schenck
Canfield	Ikard	Scherer
Carrigg	Jackson	Schwengel
Cederberg	Jensen	Scott, Pa.
Celler	Johansen	Scrivner
Chamberlain	Judd	Scudder
Chiperfield	Kean	Seely-Brown
Church	Keating	Sheehan
Clark	Kelly, N. Y.	Siler
Clevenger	Kilburn	Simpson, Ill.
Corbett	Kilday	Simpson, Pa.
Coudert	Kilgore	Smith, Calif.
Cramer	Kirwan	Springer
Cretella	Kluczynski	Stauffer
Cunningham, Iowa	Knox	Sullivan
	Lafore	Taber
Cunningham, Nebr.	Lane	Taylor
	LeCompte	Thomson, Wyo.
Curtin	Lesinski	Tollefson
Curtis, Mass.	Lipscomb	Tuck
Curtis, Mo.	Loser	Utt
Dague	McCulloch	Vanik
Dawson, Utah	McDonough	Van Pelt
Dennison	McGregor	Van Zandt
Dent	McIntosh	Vorys
Derounian	McVey	Vursell
Devereux	Macdonald	Walter
Dingell	Mack, Wash.	Weaver
Dixon	Mailliard	Widnall
Donohue	Martin	Wigglesworth
Dooley	Mason	Wilson, Calif.
Dorn, N. Y.	May	Wilson, Ind.
Dwyer	Meader	Withrow
Evins	Merrow	Wolverton
Fallon	Miller, Calif.	Wright
Fenton	Miller, Md.	Young
Fino	Miller, Nebr.	Younger
Fogarty	Minshall	
	Moore	

NOT VOTING—55

Anfuso	Collier	Feighan
Bass, Tenn.	Davis, Tenn.	Flood
Belcher	Dies	Ford
Boggs	Diggs	Friedel
Brooks, La.	Dowdy	Gordon
Buckley	Eberharter	Gregory
Burdick	Engle	Gwinn
Hays, Ark.	Miller, N. Y.	Sieminski
Hébert	Morris	Sisk
Hoeven	Morrison	Smith, Kans.
James	Moulder	Talle
Jenkins	Poage	Thompson, La.
Jonas	Prouty	Trimble
Jones, Mo.	Radwan	Vinson
Kearney	Robeson, Va.	Wainwright
Kearns	Sadlak	Watts
Latham	St. George	Williams, N. Y.
Machrowicz	Sheppard	
Michel	Shuford	

So the resolution was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Anfuso for, with Mr. Hoeven against.

Mr. Hébert for, with Mr. Miller of New York against.

Mr. Flood for, with Mr. Kearns against.

Mr. Buckley for, with Mr. Prouty against.

Mr. Hays of Arkansas, for, with Mr. Friedel against.

Mr. Trimble for, with Mr. Machrowicz against.

Mr. Collier for, with Mr. Gwinn against.

Mr. Ford for, with Mr. James against.

Mr. Thompson of Louisiana, for, with Mr. Jenkins against.

Mr. Morrison for, with Mr. Smith of Kansas against.

Mr. Boggs for, with Mrs. St. George against.

Mr. Dowdy for, with Mr. Williams of New York against.

Mr. Engle for, with Mr. Sadlak against.

Mr. Sheppard for, with Mr. Radwan against.

Mr. Watts for, with Mr. Talle against.

Mr. Vinson for, with Mr. Kearney against.

Mr. Poage for, with Mr. Diggs against.

Mr. Moulder for, with Mr. Gordon against.

Until further notice:

Mr. Sieminski with Mr. Belcher.

Mr. Brooks of Louisiana, with Mr. Burdick.

Mr. Morris with Mr. Wainwright.

Mr. Shuford with Mr. Michel.

Mr. Sisk with Mr. Latham.

Mrs. GRANAHAN, Mr. MILLER of California, Mr. POWELL, and Mr. REES of Kansas changed their vote from "yea" to "nay."

Mr. HOLTZMAN and Mr. O'KONSKI changed their vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may extend their remarks in the RECORD in connection with the bill, H. R. 4504.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

INDIANS OF LOWER BRULE SIOUX RESERVATION, S. DAK.

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 640 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 12663) to provide for additional payment to the Indians of the Lower Brule Sioux Reservation, S. Dak., whose lands have been acquired for the Fort Randall Dam and Reservoir project, and for other purposes. After general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN] and now yield myself such time as I may consume.

Mr. Speaker, House Resolution 640 makes in order the consideration of H. R. 12663. The resolution provides for an open rule and 1 hour of general debate on the bill.

In 1952 the Fort Randall Dam gates were closed and approximately 8,000 acres of the reservation land of the Lower Brule Sioux Tribe which had been acquired by condemnation were inundated. The amount payable for these lands has not been judicially determined and payment has not been made for incidental claims.

H. R. 12663 authorizes the Secretary of the Army to pay the tribe and individual Indian owners in settlement of all claims approximately $904,600. This represents the difference between the amount of $1,175,231 agreed upon by the Indians and the Government and $270,610 which has already been deposited in court in condemnation proceedings. The sum of $85,242 which represents increased land values between the date of taking and the present is to be allocated to the former owners on a prorated basis.

Final settlement with the Brule Sioux Tribe is long overdue and I urge the adoption of House Resolution 640.

Mr. ALLEN of Illinois. Mr. Speaker, I have no requests for time.

Mr. BOLLING. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

TRANSPORTATION ACT OF 1958

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have until midnight tonight to file a conference report on the bill (S. 3778) to amend the Interstate Commerce Act, as amended, so as to strengthen and improve the national transportation system, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

PERSONAL ANNOUNCEMENT

Mr. FULTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FULTON. Mr. Speaker, while I was absent on Monday, June 30, if I had been present I would have voted "yea" on Rollcall 112, which went through 327 to 1, in passing the extension of the Federal milk program for children.

PAYMENTS TO INDIANS OF CROW CREEK SIOUX RESERVATION, S. DAK.

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 641) providing for the consideration of H. R. 12670, a bill to provide for additional payments to the Indians of the Crow Creek Sioux Reservation, S. Dak., whose lands have been acquired for the Fort Randall Dam and Reservoir project, and for other purposes, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 12670) to provide for additional payments to the Indians of the Crow Creek Sioux Reservation, S. Dak., whose lands have been acquired for the Fort Randall Dam and Reservoir project, and for other purposes. After general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority members of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BOLLING. Mr. Speaker, House Resolution 641 makes in order the consideration of H. R. 12670. The resolution provides for an open rule and 1 hour of general debate on the bill.

This bill, H. R. 12670, is similar to H. R. 12663. It authorizes the payment of all claims, rights, and demands arising from the construction of the same dam and reservoir—Fort Randall—to another Indian tribe, the Crow Creek Sioux Tribe, which shares the Missouri River bed with the Lower Brule Sioux Tribe. The amount authorized is $1,619,907, which is the difference between the amount agreed upon to settle the claims, $2,019,209, and the amount already paid into court for the approximately 9,500 acres taken in condemnation proceedings. This payment will be deposited in the Treasury to the credit of the tribe. One hundred and twenty-six thousand dollars, which represents the increased land values between the date of taking and the present, is to be allocated to the former owners on a prorated basis.

I urge the adoption of House Resolution 641.

Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Speaker, I have no requests for time.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

OAHE DAM ON THE MISSOURI RIVER AND REHABILITATION OF STANDING ROCK SIOUX RESERVATION IN SOUTH DAKOTA

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 639) providing for the consideration of H. R. 12662, a bill to provide for the acquisition of lands by the United States required for the reservoir created by the construction of Oahe Dam on the Missouri River and for rehabilitation of Indians of the Standing Rock Reservation in South Dakota, and for other purposes, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 12662) to provide for the acquisition of lands by the United States required for the reservoir created by the construction of Oahe Dam on the Missouri River and for rehabilitation of the Indians of the Standing Rock Sioux Reservation in South Dakota and North Dakota, and for other purposes. After general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BOLLING. Mr. Speaker, House Resolution 639 makes in order the consideration of H. R. 12662. The resolution provides for an open rule and 1 hour of general debate on the bill.

The bill provides for the taking of about 55,993 acres of land on the Standing Rock Sioux Reservation in South and North Dakota for the reservoir to be created by the construction of the Oahe Dam on the Missouri River which is now nearly completed. The United States District Court has held that there must be Congressional approval before the Department of the Army takes this land. The United States will pay $1,952,040 out of funds appropriated for the Oahe Dam for this land and, in addition, will pay $3,937,832 in settlement of all claims, rights, and demands of the tribe arising from the taking of the land.

Further, the bill authorizes an appropriation of $8,500,000 to be deposited in the Treasury of the United States to the credit of the Indian tribe to draw interest on the principal at the rate of 4 percent. These funds will be used for the relocation and rehabilitation of the tribe.

I urge the adoption of House Resolution 639.

Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Speaker, I have no requests for time.

Mr. BOLLING. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PAYMENTS TO INDIANS OF CROW CREEK SIOUX RESERVATION, S. DAK.

Mr. HALEY. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 12670) to provide for additional payments to the Indians of the Crow Creek Sioux Reservation, S. Dak., whose lands have been acquired for the Fort Randall Dam and Reservation project, and for other purposes, and that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Army is authorized and directed to pay to the Crow Creek Sioux Tribe and the individual Indian owners, out of funds made available for the Fort Randall Dam and Reservoir project, in settlement of all claims, rights, and demands of said tribe and its members arising out of the construction of the Fort Randall Dam and Reservoir project, an amount equal to the difference between $2,019,219.94 and the sum paid for the taking of lands in condemnation proceedings entitled "United States of America, plaintiff, against 9,148.69 acres of land, etc., and Crow Creek Tribe of Sioux Indians, et al., defendants," civil numbered 184, and "United States of America, plaintiff, against 365.62 acres of land, etc., and State of South Dakota, et al., defendants," civil numbered 844 filed in the United States District Court for the District of South Dakota.

SEC. 2. The payments authorized by section 1 of this act shall be deposited to the credit of the Crow Creek Sioux Tribe in the Treasury of the United States to draw interest on the principal at the rate of 4 percent per annum until expended. The sum of $126,000 shall be allocated to the former owners on a prorated basis in accordance with the tract and ownership schedules set forth in the condemnation proceedings referred to in section 1, after consultation with the Missouri River Basin investigation staff and the tribal council to correct known errors. The amounts allocated to the lands owned by individual Indians shall be credited to their respective individual Indian money accounts. No part of the compensation for the property taken by the condemnation proceedings referred to in section 1, whether paid in the proceedings or under this act,

shall be subject to any lien, debt, or claim of any nature whatsoever against the tribe or individual Indians except delinquent debts owed by the tribe to the United States or owed by individual Indians to the tribe or to the United States. The cost of moving dwellings and other buildings owned by the Indians from the Fort Randall Dam and Reservoir project area shall be paid out of the part of the payment authorized under section 1 and payable to the tribe.

SEC. 3. The Secretary of the Army shall revest or cause to be revested in the former owners all of the right, title, and interest of the United States in minerals acquired through the condemnation proceedings referred to in section 1 of this act; but the exploration, exploitation, and development of the minerals, including oil and gas, shall be subject to all reasonable regulations which may be imposed by the Secretary of the Army for the protection of the Fort Randall Dam and Reservoir project.

SEC. 4. Individual Indians and the tribe are authorized without charge to retain timber and improvements previously removed by them from the lands acquired in the condemnation proceedings referred to in section 1 hereof; and former owners shall also have the right, without charge, prior to September 30, 1958, to cut and remove any remaining timber and salvage any remaining improvements on the respective lands acquired from them in said condemnation proceedings; but, if said rights are waived or not exercised by September 30, 1958, the tribe, through the tribal council, may prior to January 1, 1959, exercise the rights: *Provided*, That the salvage previously accomplished or permitted by this section shall not be construed to be double compensation.

SEC. 5. After the Randall Dam gates are closed and the waters of the Missouri River impounded, the said Indian tribe and the members thereof shall be given exclusive permission, without cost, to graze stock on the land between the water level of the reservoir and the exterior boundary of the taking area. The said tribal council and the members of said Indian tribe shall be permitted to have, without cost, access to the shoreline of the reservoir including permission to hunt and fish in and on the aforesaid shoreline and reservoir, subject, however, to regulations governing the corresponding use by other citizens of the United States.

SEC. 6. For the purposes of (1) providing substitute land for individual Indians whose land is within the taking area, (2) consolidating landholdings, and (3) eliminating fractionated heirship interests within the reservation, the Secretary of the Interior is authorized to purchase, with funds made available by such individual Indians or by the tribe, land or interests in land, and to sell tribal land upon request of the tribe, but no service charge shall be made by the United States. The land selected by and purchased for individual Indians may be either inside or outside the boundaries of the reservation as diminished. Title to any land or interest in land acquired within the boundaries of the reservation shall be taken in the name of the United States in trust for the tribe or the individual Indian for whom the land is acquired, and title to any land or interests in land acquired outside the boundaries of the reservation shall be taken in the name of the individual for whom it is acquired. Trust titles shall be subject to the laws and regulations applicable to other trust titles within the reservation.

For the purposes of this section, the Secretary of the Interior is also authorized to partition or sell individually owned land in which all interests are in a trust or restricted status upon request of the owners of a 51 percent interest in the land. Any such sale shall be by competitive bid, except that with the concurrence of the owners of a 51 percent interest in the land, any owner of an interest in the land, or the tribe, if the land is within the reservation, shall have the right to purchase the land within a reasonable time fixed by the Secretary prior to a competitive sale at not less than its appraised value. If more than one preference right is exercised, the sale shall be by competitive bid limited to the tribe and to the persons entitled to a preference. The Secretary of the Interior may represent for the purpose of this paragraph any Indian owner who is a minor, or who is non compos mentis and, after giving reasonable notice of the proposed sale by publication, may represent an Indian owner who cannot be located, and he may execute any title documents necessary to convey a marketable and recordable title.

Nothing in this section shall be construed to diminish the authority to acquire, sell, or exchange land that is contained in other provisions of law.

SEC. 7. No part of any expenditure made by the United States under any or all of the provisions of this act shall be charged as an offset or counterclaim against any tribal claim which has arisen under any treaty law, or Executive order of the United States prior to the effective date of taking of said land as provided for in section 1 hereof and the payment of Sioux benefits as provided for in section 17 of the said act of March 2, 1889 (25 Stat. 888), as amended, shall be continued under the provisions of section 14 of the Indian Reorganization Act of June 18, 1934 (48 Stat. 984), on the basis now in operation without regard to the loss of tribal land within the taking area under the provisions of this act.

SEC. 8. The Secretary of the Treasury, upon certification by the Secretary of the Interior, shall reimburse the tribe for fees and expenses incurred in connection with the taking of tribal and individual Indian lands for the Randall project: *Provided*, That such reimbursable fees and expenses do not exceed in the aggregate $100,000, of which not more than $50,000 shall be reimbursable as attorney fees.

SEC. 9. There is hereby authorized to be appropriated such sums as may be necessary for the purposes of this act.

SEC. 10. All funds paid to the tribe and individual Indians, either pursuant to this act or pursuant to the condemnation action referred to in section 1 of this act shall be exempt from all forms of State and Federal taxation.

SEC. 11. Any individual member of the Crow Creek Sioux Tribe shall have the right to reject the sum tendered to him as his share of the $126,000 in accordance with the proration under section 2 of this act by filing within 1 year a notice of rejection with the Chief of Engineers, United States Army, Washington, District of Columbia. If the court, in the condemnation proceedings referred to in section 1, in determining the just compensation to which the individual is entitled, fixes an amount in excess of the amount theretofore tendered to him, the Secretary of the Army shall deposit the difference in court. No court costs shall be charged against an individual but all other costs and expenses, including counsel fees, shall be at the contesting individual's expense.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. McGOVERN. Mr. Speaker, the legislation now before the House—H. R. 12670—which I have introduced, provides for additional payments to Indians of the Crow Creek Sioux Reservation in South Dakota whose lands have been acquired for the Fort Randall Dam and Reservoir.

This legislation would direct the Secretary of the Army to pay the sum of $1,619,607 to the Crow Creek Sioux Tribe in settlement of all claims of the tribe stemming from the building of Fort Randall Dam and Reservoir. A total of $399,313 has already been deposited to the credit of the tribe in court condemnation proceedings. If this bill is approved, the Indians will thus have been paid a total of $2,019,220.

It is most urgent that we settle this obligation to the Crow Creek Tribe in this session of the Congress since the tribe has been waiting patiently for 6 years for compensation to which they are entitled. The Fort Randall Dam gates were closed on July 21, 1952, and the tribal land has been inundated since that time. Nine thousand five hundred and fourteen acres of Indian land were acquired for the project by condemnation.

H. R. 12670 has been approved by the Department of the Army, the Interior Department, and the Crow Creek Sioux Tribal Council.

BACKGROUND

There are approximately 840 permanent residents on the Crow Creek Reservation and 1,475 enrolled tribal members.

The Indian families depend for their income upon farming, the sale of livestock, State and Federal welfare assistance, Government employment, land sales and leases and short term labor.

When the Fort Randall Dam was put in operation it became necessary to move 84 families. The 9,514 acres of Indian land that was flooded comprised the following:

	Acres
Cropland	447
Meadow and pasture	2,191
Sheltered pasture	4,569
Grazing	1,933
Other	374

These flooded lands include a considerable part of the woodland which give weather protection to livestock and furnishes badly needed fuel and lumber for the residents.

HISTORY OF LEGISLATION

H. R. 12670 falls within the scope of the Federal Flood Control Act of 1944 which authorized the construction of Fort Randall Dam and Reservoir as part of the Missouri River Basin development program. Appraisals prepared by the Missouri River Basin investigation staff, an ad hoc agency of the Indian Bureau, established the figure $399,312.94 as the basis for negotiations between the Departments of the Army and Interior and the Tribe relating to the acquisition of tribal lands. When the negotiations failed, the respective Departments asked the Attorney General to proceed with condemnation proceedings. A total of $399,312.94 has been deposited with the

court as estimated just compensation but no final determination has been made as to the full amount which the Government should pay.

H. R. 12670 provides that the difference between $2,019,219.94, the full compensation to which the tribe is entitled, and the sum already paid—$399,312.94—be deposited in the Treasury to the credit of the Crow Creek Tribe. The sum of $126,000 representing increased values of land taken is to be credited to former owners on a prorated basis.

DETAILS OF COMPENSATION

The Departments of the Army and Interior as well as the Crow Creek Tribe have agreed on the figure $2,019,219.94 as the full amount to be paid for all claims involved in the Fort Randall project. A breakdown of this damage claim includes the following:

Intangible damages:	
Missouri River Basin investigation estimate of indirect damages, loss of timber, wildlife, natural products, restoration of living facilities, recovery of earning capacity	$983,433.00
Loss of agency headquarters and relocation of headquarters	500,000.00
Total	1,463,433.00
Tangible damages:	
Army Engineers estimate of value of land (original estimate, $399,312.94, plus increased land values since 1953, $126,000	525,312.94
One-half of the value of the Missouri River bed between Crow Creek and lower Brule Tribes at $6 per acre	30,474.00
Total	555,786.94
Total of intangible and tangible damages	2,019,219.94

To quote from the excellent report on H. R. 12370 prepared by the able staff of the Committee on Interior and Insular Affairs:

The first of these items is for loss of subsistence and livelihood and related claims stemming from the taking of the bottom and timber lands. The members of the tribe were forced to move from the taking area which contained fertile alluvial soil, sheltered valleys, timber, wildlife, wild products, and a water supply. They were forced to relocate on land ill suited for homes, ranches, and farms. It has been necessary to build artificial livestock shelters, since the river bluffs which formerly provided protection have been lost. Many families have had to dig artesian wells 1,000 to 1,300 feet deep on the uplands to replace shallow surface wells on the bottom lands. Losses to the Indians from the reduction in the annual harvest of timber, cordwood, wildlife, and natural products have been considered and agreed upon by appraisers. In recognition of these and other intangible losses, the sum of $963,433 has been agreed upon.

The inundation necessitated the relocation of the agency headquarters, formerly centrally located, at Fort Pierre, 30 miles from the west end of the reservation and 91 miles from the east end. Likewise the hospital facilities were transferred to Chamberlain, 10 miles south of the reservation. Not only is the reservation now without the services of readily available Bureau of Indian Affairs and United States Public Health Service personnel, but the two new locations are far distant from each other. It is no longer possible to transact agency and public health business on the same day or in the same city. While the relocation of these facilities has been economical to the Federal Government, it has worked a serious hardship on the Indians. The sum of $500,000 is recommended for this item.

The Crow Creek and Lower Brule Reservations include approximately 10,158 acres in the bed of the Missouri River valued by the tribes at $6 per acre. The committee deemed it in the overall interest that this acreage be removed from tribal ownership to prevent jurisdictional disputes and conflicts which would arise from exercise of treaty rights. Accordingly, the bill provides for payment to the tribe of one-half the total value placed by it on the river bed lands, or $30,474.

The MRBI estimate of fair market value of the land taken for the dam in 1952 was $399,312.94. The committee members felt that, in view of the general increase in land values in South Dakota since the date of taking, an approximate increase of 31.5 percent would be justified. Thus the sum of $399,312.94 was increased by $126,000 to $555,786.94.

Mr. Speaker, I believe that our Indian friends are fully entitled to the modest damage claims outlined above. I urgently hope that the Congress will move with all possible speed to enact this proposed legislation into law.

ADDITIONAL PAYMENTS TO INDIANS OF LOWER BRULE SIOUX RESERVATION, S. DAK.

Mr. HALEY. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 12663) to provide for additional payments to the Indians of the Lower Brule Sioux Reservation, S. Dak., whose lands have been acquired for the Fort Randall Dam and Reservoir project, and for other purposes, and that the bill be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Army is authorized and directed to pay to the Lower Brule Sioux Tribe and the individual Indian owners, out of funds made available for the Fort Randall Dam and Reservoir project, in settlement of all claims, rights, and demands of said tribe and its members arising out of the construction of the Fort Randall Dam and Reservoir project, an amount equal to the difference between $1,175,231 and the sum paid for the taking of lands in condemnation proceedings entitled "United States of America, Plaintiff against 7,996.62 acres of land, etc. and Lower Brule Tribe of Sioux Indians et al., Defendants", civil No. 186, filed in the United States District Court for the District of South Dakota.

SEC. 2. The payments authorized by section 1 of this act shall be deposited to the credit of the Lower Brule Sioux Tribe in the Treasury of the United States to draw interest on the principal at the rate of 4 percent per annum until expended. The sum of $85,242.35 shall be allocated to the former owners on a prorated basis in accordance with the tract and ownership schedules set forth in the condemnation proceedings referred to in section 1, after consultation with the Missouri River Basin investigation staff and the tribal council to correct known errors. The amounts allocated to the lands owned by individual Indians shall be credited to their respective individual Indian money accounts. No part of the compensation for the property taken by the condemnation proceedings referred to in section 1, whether paid in the proceedings or under this act, shall be subject to any lien, debt, or claim of any nature whatsoever against the tribe or individual Indians except delinquent debts owed by the tribe to the United States or owed by individual Indians to the tribe or to the United States. The cost of moving dwellings and other buildings owned by the Indians from the Fort Randall Dam and Reservoir project area shall be paid out of the part of the payment authorized under section 1 and payable to the tribe.

SEC. 3. The Secretary of the Army shall revest or cause to be revested in the former owners all of the right, title, and interest of the United States in minerals acquired through the condemnation proceedings referred to in section 1 of this act; but the exploration, exploitation, and development of the minerals, including oil and gas, shall be subject to all reasonable regulations which may be imposed by the Secretary of the Army for the protection of the Fort Randall Dam and Reservoir project.

SEC. 4. Individual Indians and the tribe are authorized without charge to retain timber and improvements previously removed by them from the lands acquired in the condemnation proceedings referred to in section 1 hereof; and former owners shall also have the right, without charge, prior to September 30, 1958, to cut and remove any remaining timber and salvage any remaining improvements on the respective lands acquired from them in said condemnation proceedings; but, if said rights are waived or not exercised by September 30, 1958, the tribe, through the tribal council, may, prior to January 1, 1959, exercise the rights: *Provided*, That the salvage previously accomplished or permitted by this section shall not be construed to be double compensation.

SEC. 5. After the Randall Dam gates are closed and the waters of the Missouri River impounded, the said Indian tribe and the members thereof shall be given exclusive permission, without cost, to graze stock on the land between the water level of the reservoir and the exterior boundary of the taking area. The said tribal council and the members of said Indian tribe shall be permitted to have, without cost, access to the shoreline of the reservoir including permission to hunt and fish in and on the aforesaid shoreline and reservoir, subject, however, to regulations governing the corresponding use by other citizens of the United States.

SEC. 6. For the purposes of (1) providing substitute land for individual Indians whose land is within the taking area, (2) consolidating land holdings, and (3) eliminating fractionated heirship interests within the reservation, the Secretary of the Interior is authorized to purchase, with funds made available by such individual Indians or by the tribe, land or interests in land, and to sell tribal land upon request of the tribe, but no service charge shall be made by the United States. The land selected by and purchased for individual Indians may be either inside or outside the boundaries of the reservation as diminished. Title to any land or interests in land acquired within the boundaries of the reservation shall be taken in the name of the United States in trust for the tribe or the individual Indian for

whom the land is acquired, and title to any land or interests in land acquired outside the boundaries of the reservation shall be taken in the name of the individual for whom it is acquired. Trust titles shall be subject to the laws and regulations applicable to other trust titles within the reservation.

For the purposes of this section, the Secretary of the Interior is also authorized to partition or sell individually owned land in which all interests are in a trust or restricted status upon request of the owners of a 51 percent interest in the land. Any such sale shall be by competitive bid except that with the concurrence of the owners of a 51 percent interest in the land, any owner of an interest in the land, or the tribe, if the land is within the reservation, shall have the right to purchase the land within a reasonable time fixed by the Secretary prior to a competitive sale at not less than its appraised value. If more than one preference right is exercised, the sale shall be by competitive bid limited to the tribe and to the persons entitled to a preference. The Secretary of the Interior may represent for the purpose of this paragraph any Indian owner who is a minor, or who is non compos mentis and, after giving reasonable notice of the proposed sale by publication, may represent an Indian owner who cannot be located, and he may execute any title documents necessary to convey a marketable and recordable title.

Nothing in this section shall be construed to diminish the authority to acquire, sell, or exchange land that is contained in other provisions of law.

SEC. 7. No part of any expenditure made by the United States under any or all of the provisions of this act shall be charged as an offset or counterclaim against any tribal claim which has arisen under any treaty law, or Executive order of the United States prior to the effective date of taking of said land as provided for in section 1 hereof and the payment of Sioux benefits as provided for in section 17 of the said act of March 2, 1889 (25 Stat. 888), as amended, shall be continued under the provisions of section 14 of the Indian Reorganization Act of June 18, 1934 (48 Stat. 984), on the basis now in operation without regard to the loss of tribal land within the taking area under the provisions of this act.

SEC. 8. The Secretary of the Treasury, upon certification by the Secretary of the Interior, shall reimburse the tribe for fees and expenses incurred in connection with the taking of tribal and individual Indian lands for the Randall project: *Provided*, That such reimbursable fees and expenses do not exceed in the aggregate $100,000, of which not more than $50,000 shall be reimbursable as attorney fees.

SEC. 9. There is hereby authorized to be appropriated such sums as may be necessary for the purposes of this act.

SEC. 10. All funds paid to the tribe and individual Indians, either pursuant to this act or pursuant to the condemnation action referred to in section 1 of this act, shall be exempt from all forms of State and Federal taxation.

SEC. 11. Any individual member of the Lower Brule Sioux Tribe shall have the right to reject the sum tendered to him as his share of the $85,242.35 in accordance with the proration under section 2 of this act by filing within 1 year a notice of rejection with the Chief of Engineers, United States Army, Washington, D. C. If the court, in the condemnation proceedings referred to in section 1, in determining the just compensation to which the individual is entitled, fixes an amount in excess of the amount theretofore tendered to him, the Secretary of the Army shall deposit the difference in court. No court costs shall be charged against an individual but all other costs and expenses, including counsel fees, shall be at the contesting individual's expense.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. BERRY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. BERRY. Mr. Speaker, H. R. 12663 provides for the settlement between the United States Government and the Lower Brule Sioux Tribe of Indians for the taking of approximately 8,000 acres of rich river bottom land to be used by the Corps of Engineers as a reservoir back of the Fort Randall Dam on the Missouri River in South Dakota.

It should be pointed out, Mr. Speaker, that the Fort Randall Dam was closed approximately 4 years ago and much of this land has already been inundated.

The Corps of Engineers started condemnation proceedings on this land prior to the time the land was flooded and made a deposit in the Federal court of $270,610.75, which amount the tribe accepted under stipulation in the court that such a deposit was to apply on final payment for the land values only.

Since that time the Corps of Engineers has increased their offer of settlement to bring the total land price to $355,853.

In addition to the payment for the land, the bill provides for payment of $638,904 for intangible damages, which includes the loss of the tribal rights, the loss of timber, wild fruits, vegetables, the use of these bottom lands, and so forth. Also included in the intanglible damages is the sum of $30,474, the same being one-half of $60,948 paid for the 10,158 acres of the bed of the river, one-half of which belongs to Lower Brule and one-half of which belongs to the Crow Creek Sioux Tribe. In addition to this amount the Committee included in the intangible damages the sum of $150,000 for their loss resulting from the removal of the Lower Brule Agency facilities from Fort Thompson to Pierre, S. Dak., some 40 to 50 miles distant.

The purpose of this bill is not only to provide money damages for the loss suffered by this tribe for the taking of this large acreage of land from the Lower Brule Indians, but also to authorize the Corps of Engineers to receive title in the name of the Federal Government to the 8,000 acres of tribal and alloted lands and the 5,079 acres of land embraced in the bed of the Missouri River.

This bill is vitally needed at this time because of the fact that these lands have already been flooded, they have already been taken by the Government, probably without full authority. This bill provides such authority.

ACQUISITION OF LAND FOR CONSTRUCTION OF OAHE DAM AND REHABILITATION OF STANDING ROCK SIOUX INDIANS, SOUTH DAKOTA AND NORTH DAKOTA

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 12662) to provide for the acquisition of lands by the United States required for the reservoir created by the construction of Oahe Dam on the Missouri River and for rehabilitation of the Indians of the Standing Rock Sioux Reservation in South Dakota and North Dakota, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That in furtherance of the Oahe Dam and Reservoir project as authorized by the act of December 22, 1944 (58 Stat. 887, 891)—

(a) title to the entire interest, excluding the interest in oil, gas, and all other minerals of any nature whatsoever, in approximately 55,993.82 acres of land within the taking area described in this act on the Standing Rock Reservation in South Dakota and North Dakota, in which Indians have a trust or restricted interest, and title to any interest Indians may have in the bed of the Missouri River so far as it is within the boundaries of the Standing Rock Reservation, are hereby taken by the United States for the Oahe project on the Missouri River and in consideration thereof the United States will pay to the Standing Rock Sioux Tribe and the individual Indian owners out of funds available for the Oahe Dam and Reservoir project:

(1) a sum aggregating $1,952,040, to be disbursed in accordance with schedules prepared by the Missouri River Basin project investigation staff; and

(2) the amount of $3,937,832, which shall be in settlement of all claims, rights, and demands of the tribe and individual Indians arising out of the taking under this act, to be disbursed in accordance with the provisions of section 2 hereof;

(b) upon a determination by the Secretary of the Army, filed among the appropriate land records of the Department of the Interior within 2 years from the date of enactment of this act, that any of the lands described in this act are not required for Oahe project purposes, title to such land shall be revested in the former owner; and

(c) if the Secretary of the Army determines that additional Indian lands, tribal or individual, within the Standing Rock Reservation are required for project purposes, he may acquire such lands by purchase with the approval of the Secretary of the Interior, or by condemnation.

SEC. 2. The payments authorized by this act, less the amount heretofore deposited by the United States in the case entitled *United States of America, Plaintiff*, v. *2,005.32 Acres of Land, etc., and Sioux Indians of Standing Rock Reservation et al., Defendants*, civil No. 722, filed in the United States District Court for the District of South Dakota, shall be deposited to the credit of the Standing Rock Sioux Tribe in the Treasury of the United States to draw interest on the principal at the rate of 4 percent per annum until expended. The sum of $1,952,040 shall be allocated in accordance with the tract and ownership

schedules to be prepared by the Missouri River Basin investigation staff after consultation with the tribal council to correct known errors. The amounts allocated to the lands owned by individual Indians shall be credited to their respective individual Indian money accounts. No part of the compensation for the property taken by this act shall be subject to any lien, debt, or claim of any nature whatsoever against the tribe or individual Indians except delinquent debts owed by the tribe to the United States or owed by individual Indians to the tribe or to the United States. One-half of the amount paid pursuant to subsection 1 (a) (2) of this act shall be consolidated with the rehabilitation appropriation authorized by section 5 of this act and shall be expended in accordance with the provisions of section 5: *Provided*, That a sum not to exceed $726,546 shall be available from said remaining one-half to pay expenses, costs, losses, and damages of members of the tribe as a direct result of moving themselves and their possessions on account of the taking under section 1 of this act. No part of such amounts shall be used for per capita payments.

SEC. 3. The Secretary of the Army, out of funds appropriated for the construction of the Oahe project other than those authorized by this act, shall relocate and reestablish such Indian cemeteries, tribal monuments, and shrines within the area taken under this act as the Standing Rock Tribal Council shall select and designate, with the approval of the Secretary of the Interior.

SEC. 4. The Secretary of the Army is authorized and directed, out of funds appropriated for the Oahe project, to protect, replace, relocate, or reconstruct any existing essential agency facilities on the Standing Rock Sioux Reservation, including schools, hospitals, service buildings, agents' and employees' quarters, roads, bridges, and incidental matters or facilities in connection therewith, which the Secretary of the Interior determines will be impaired by the construction of the Oahe project.

SEC. 5. There is authorized to be appropriated the further sum of $8,500,000, which shall be deposited in the Treasury of the United States to the credit of the Standing Rock Sioux Tribe to draw interest on the principal at the rate of 4 percent per annum until expended for the purpose of developing individual and family plans, relocating, reestablishing, and providing other assistance designed to help improve the economic and social conditions of all recognized members of the Standing Rock Sioux Tribe regardless of residence on the reservation: *Provided*, That such fund may be expended in accordance with plans and programs approved both by the tribal council and the Secretary of the Interior: *And provided further*, That no part of such funds shall be used for per capita payments, or for the purchase of land by the tribe except for the purpose of resale to individual Indians in furtherance of the rehabilitation program authorized by this section.

SEC. 6. All minerals, including oil and gas, within the area taken by this act shall be and hereby are reserved to the tribe or individual Indian owners as their interests may appear, but the exploration, exploitation, and development of the minerals, including oil and gas, shall be subject to all reasonable regulations which may be imposed by the Secretary of the Army for the protection of the Oahe project.

SEC. 7. Members of the tribe now residing within the taking area of the project shall have the right without charge to remain on and use the lands taken by this act until required to vacate in accordance with the provisions of this act.

SEC. 8. Up to 60 days before the individual landowners are required to vacate the land in accordance with the provisions of this act, they shall have the right without charge to cut and remove all timber from their respective lands and to salvage the improvements on their respective lands but, if said rights are waived or not exercised within the time limit herein specified, the tribe, through the tribal council, may exercise the rights: *Provided*, That the salvage permitted by this section shall not be construed to be compensation.

SEC. 9. (a) Except as provided in subsection (b), the schedule under which the tribe and the members thereof shall vacate the taking area shall be as follows:

(1) Little Eagle and Wakpala districts, within 8 months from the date of this act;

(2) Kenel district, within 12 months from such date;

(3) Agency district, within 18 months from such date; and

(4) Cannonball district, within 24 months from such date.

(b) The Chief of Engineers, subject to approval by the Secretary of the Interior, may make such changes in the schedule provided in subsection (a) of this section as he deems necessary, except that, in any event, all lands within the taking area shall be vacated within 2 years after that date on which the Missouri River is diverted through the tunnels at the Oahe Dam or such prior date as the Chief of Engineers may fix, with the approval of the Secretary of the Interior.

SEC. 10. After the Oahe Dam gates are closed and the waters of the Missouri River impounded, the said Indian tribe and the members thereof shall be given exclusive permission, without cost, to graze stock on the land between the water level of the reservoir and the exterior boundary of the taking area. The said tribal council and the members of said Indian tribe shall be permitted to have, without cost, access to the shorelines of the reservoir, including permission to hunt and fish in and on the aforesaid shoreline and reservoir, subject, however, to regulations governing the corresponding use by other citizens of the United States.

SEC. 11. For the purposes of (1) providing substitute land for individual Indians whose land is within the taking area, (2) consolidating land holdings, and (3) eliminating fractionated heirship interests within the reservation, the Secretary of the Interior is authorized to purchase, with funds made available by such individual Indians or by the tribe, land or interests in land, and to sell tribal land upon request of the tribe, but no service charge shall be made by the United States. The land selected by and purchased for individual Indians may be either inside or outside the boundaries of the Standing Rock Sioux Reservation as diminished. Title to any land or interests in land acquired within the boundaries of the reservation shall be taken in the name of the United States in trust for the tribe or the individual Indian for whom the land is acquired, and title to any land or interests in land acquired outside the boundaries of the reservation shall be taken in the name of the individual for whom it is acquired. Trust title shall be subject to the laws and regulations applicable to other trust titles within the reservation.

For the purposes of this section, the Secretary of the Interior is also authorized to partition or sell individually owned land in which all interests are in a trust or restricted status upon request of the owners of not less than a 25-percent interest in the land. Any such sale shall be by competitive bid, except that with the concurrence of the owners of not less than a 25-percent interest in the land, any owner of an interest in the land, or the tribe, if the land is within the Standing Rock Sioux Reservation, shall have the right to purchase the land within a reasonable time fixed by the Secretary prior to a competitive sale at not less than its appraised value. If more than one preference right is exercised, the sale shall be by competitive bid, limited to the tribe and to the persons entitled to a preference. The Secretary of the Interior may represent for the purpose of this paragraph any Indian owner who is a minor, or who is non compos mentis, or under any other legal disability, and, after giving reasonable notice of the proposed sale by publication, may represent an Indian owner who cannot be located, and he may execute any title documents necessary to convey a marketable and recordable title.

Nothing in this section shall be construed to diminish the authority to acquire, sell, or exchange land that is contained in other provisions of law.

SEC. 12. No part of any expenditure made by the United States under any or all of the provisions of this agreement and the subsequent acts of ratification shall be charged as an offset or counterclaim against any tribal claim which has arisen under any treaty, law, or Executive order of the United States prior to the effective date of taking of said land as provided for in section 1 hereof and the payment of Sioux benefits as provided for in section 17 of the said act of March 2, 1889 (25 Stat. 888), as amended, shall be continued under the provision of section 14 of the Indian Reorganization Act of June 18, 1934 (48 Stat. 984), on the basis now in operation without regard to the loss of tribal land within the taking area under the provisions of this agreement.

SEC. 13. The Secretary of the Treasury, upon certification by the Secretary of the Interior, shall reimburse the Standing Rock Sioux Tribe for fees and expenses incurred in connection with the taking of Indian lands within the Standing Rock Sioux Reservation for the Oahe project: *Provided*, That such reimbursable fees and expenses do not exceed in the aggregate $135,000: *Provided further*, That attorney fees shall be paid under the terms of a contract approved by the Secretary of the Interior.

SEC. 14. Any individual member of the Standing Rock Sioux Tribe shall have the right to reject the sum tendered to him as payment in accordance with the schedules to be prepared by the Missouri River Basin investigation staff by filing within 1 year from the date of this act a notice of rejection with the Chief of Engineers, United States Army, Washington, D. C. If the land of any Indian rejecting payment is included in condemnation proceedings heretofore instituted, the court in those proceedings shall proceed to determine the just compensation to which the individual is entitled and, if the land is not included in such condemnation proceedings, jurisdiction is hereby conferred upon the United States District Court for the District of South Dakota, or the United States District Court for the District of North Dakota, as the case may be, to determine just compensation in accordance with procedures applicable to the determination of just compensation in condemnation proceedings.

No court costs shall be charged against an individual but all other costs and expenses, including counsel fees, shall be at the contesting individual's expense. If the amount fixed by the court exceeds the amount theretofore tendered to the individual, the Secretary of the Army shall deposit the difference in court; if the amount fixed by the court is less than the amount theretofore tendered to the individual, the difference shall be credited to the United States.

SEC. 15. There is hereby authorized to be appropriated such amounts as may be necessary for the purposes of this act.

SEC. 16. Subject to the provisions of section 1 of this act, the taking area referred to in this act and the land for which the compensation of $1,952,040 has been allowed under this act, containing approximately 55,993.82 acres, is the land defined in report numbered 134, Missouri River Basin investigation project, and delimited on a map entitled "Map Showing Tribal and Individual Indian Restricted and Trust Land of the Standing Rock Sioux Reservation Acquired by the United States for the Oahe Project and Forming the Basis for the Agreed Sale Price of $1,952,040 Under an Agreement Dated March 24, 1958, Between the United States and the Standing Rock Sioux Tribe" on file in the Bureau of Indian Affairs.

SEC. 17. All funds authorized by this act paid to the tribe and individual Indians shall be exempt from all forms of State and Federal taxation.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. BERRY. Mr Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. BERRY. Mr. Speaker, these three bills, H. R. 12662, H. R. 12663, and H. R. 12670, provide for the settlement by the United States Government with three Indian tribes in South Dakota and North Dakota for the taking of their prime river-bottom land for the construction and operation of power and flood-control dams on the Missouri River in South Dakota.

The three tribes are the Standing Rock of South and North Dakota and the Lower Brule and the Crow Creek, both of South Dakota. The lands of the last two tribes have already been inundated by the reservoir back of the Fort Randall Dam. The land of the Standing Rock Tribe will be flooded by Oahe Dam.

The United States Government has spent about $750 million on the construction of the Oahe Dam. The dam has been substantially completed and is scheduled to drop its gates next month and begin to impound water. However, under a decision of the United States District Court for South Dakota, the land of the Standing Rock Sioux Tribe cannot be flooded and cannot be purchased from the tribe, or cannot be condemned by the Corps of Engineers without prior authority therefor from Congress. The Corps of Engineers, the court held, does not have that authority under existing law. The prime purpose of this bill is to supply the Congressional authority that the court found was lacking in the Flood Control Act of 1944 so that the three-quarter-billion-dollar dam may go into operation and serve its purposes.

As a part of the grant of authority to take the land for the Oahe Dam, this bill provides for settlement with the Indians. At the same time, the next two bills confirm the unlawful action of the Corps of Engineers in flooding the land of the Crow Creek and Lower Brule Tribes and makes appropriate compensation to them.

The history of this matter is briefly this: In the Flood Control Act of 1944, Congress provided for the construction of a series of large earthen dams to be constructed on the main stem of the Missouri River in Montana and North and South Dakota, the purpose of which was to control the flow of the Missouri River, and primarily, to provide flood control for the lower reaches of the Missouri River. Power is constructed as a by-product of these mammoth dams, and some reclamation and recreation is also provided under the plans of development in the upper reaches of the Missouri River.

The problem with which Congress is confronted in this bill, and the 2 bills which are to follow, arises from the fact that 2 of these mammoth reservoirs cover a large acreage of tribal and allotted land on 3 reservations. As I have indicated, two of them lie entirely in South Dakota and the Standing Rock lies in both North and South Dakota. The Court has held that under time-honored treaties with these Indian people, only Congress can authorize the taking of these lands. It held that only Congress can authorize just compensation, not only for the taking of their lands, but for destroying their way of life and disrupting their economy. Their mode of living and livelihood has always been primarily dependent upon these river bottoms, this timber, these wild fruits and vegetables, these products of nature, and the wild game which is in abundance in these timbered areas, nearly all of which is now being destroyed forever by virtue of these mammoth lakes created by these great earthen dams.

According to the studies of the Indian Bureau and of the committee which had charge of these bills, as pointed out in the report of the Interior Committee, 90 percent of the Indian people have, down through the years, lived within 6 miles of these river bottoms. They have used these timbers for the construction of their housing, they have used them for the construction of their fences, their livestock have wintered through the Dakota blizzards in these timbers, these bottoms have been the source of their hay supply, these bottoms have been the source of much of their own personal food supply through wild game, wild fruits and vegetables. These river bottoms, this timber, and this supply of food and sustenance is now being taken away from them forever. The heart land of their reservation will be destroyed, and they are being forced back on the windswept prairies, in order to provide flood control, navigation, irrigation, and power for their white neighbors in this vast Missouri River empire.

Following the passage of the Flood Control Act of 1944, the 81st Congress passed Public Law 870 which authorized negotiations for the purchase of tribal and allotted lands on four large Indian reservations along the Missouri River bottoms. To effectively negotiate between the Secretary of the Interior, the Corps of Engineers, and the Indian tribes, the Secretary of the Interior established the Missouri River Basin Investigation Commission to make an appraisal of the damages and the losses which the Indians on these reservations would suffer, by virtue of these large land and property takings. The Commission made an intensive person-by-person survey of living and economic conditions on the reservations. Its factual reports were the basis for the Interior Committee's action.

Settlement was made with the Indians on the Fort Berthold Reservation in North Dakota prior to the closure of the Garrison Dam in that State. Settlement was made in 1954 with the Cheyenne River Indian Reservation which, like the Standing Rock Indian Reservation, is losing large acreages by virtue of the reservoir behind the Oahe Dam located near Pierre, S. Dak. However, settlement was not made with the Standing Rock people at that time, nor has settlement been effected since that time.

I should say here that settlement was also made with the Indians on the Yankton and Rosebud Reservations, which were affected by the Fort Randall Dam, through condemnation proceedings by the Corps of Engineers. This was done by virtue of the fact that there was no tribal land included in the taking area on these two reservations, and Congress subsequently passed an act providing settlement with these Indians for their intangible damages in the amount of $106,500 to 16 families who were dislocated on these reservations. No settlement, however, has been made with the Indians on the lower Brule and Crow Creek Reservations also affected by the reservoir behind the Fort Randall Dam, although that dam has been closed, their Agency has been moved, and their lands are now flooded.

The Corps of Engineers did attempt, through condemnation proceedings, to make a partial deposit in Federal court, for the benefit of individual allottees, but no settlement has been made with them for their tribal damages, or for any of the intangible damages which arise by virtue of their treaty rights and their peculiar posi'ion because of their historic living conditions and habits.

The Federal Government, through the Corps of Engineers, has spent nearly three quarters of a billion dollars on the construction of the Oahe Dam. Closure ceremonies for that dam are planned for August 3, 1958, yet no settlement has been made with the Standing Rock Indian Reservation for the approximate 56,000 acres of land on this reservation needed for the reservoir and for the removal of 190 Indian families from these river bottoms. Without this legislation settlement cannot be made.

The great urgency for immediate settlement and immediate passage of this bill arises by virtue of this recent Federal district court decision, a copy of which is set out in full in the last few pages of the committee report available to all of you Members.

In that case the court held that the Corps of Engineers is without authority

to acquire by condemnation any tribally owned lands on the Standing Rock Indian Reservation under the language of the Flood Control Act of 1944. The court dismissed a petition in condemnation brought by the Corps of Engineers against a piece of tribal land, the corps was seeking to condemn for use by them under this Oahe Dam development program.

In other words, under the court decision the Corps of Engineers cannot successfully operate Oahe Dam unless this bill becomes law and the Standing Rock land is acquired. I should add that the tribe has an injunction suit pending, which is being held in abeyance pending passage of this bill, which provides a legal settlement for this taking, and payment of damages through the passage of this act by Congress.

PURPOSE OF THE BILL

The objective of H. R. 12662 is to provide compensation and damages for the loss, which will be suffered by the tribe and its people and to provide funds to absorb the shock on the entire tribe from the taking of these lands. The action of the Government, through the Corps of Engineers, in seeking to breach its treaty promise, focuses the spotlight on the poverty and degradation to which the Standing Rock Sioux people have fallen while under Federal control.

I call your attention to pages 6 and 7 of the committee report which graphically points out with facts and figures, the fact that these people on the Standing Rock Reservation have the lowest standard of income, and the lowest standard of living of any peoples in the United States. The bill not only provides actual settlement for damages, but also provides a measure of humanity and decency, and a means for building a stronger economy so that these people may equip themselves to raise their own standards of living and find their place in the world. It will relieve some of the hardships and distress which inevitably will result from the impact upon all of the people on the reservation when 190 families are moved from this taking area, into the diminished area of the reservation outside of the taking line.

The moving of 190 Indian families from their native habitat, along these river bottoms, and crowding them back onto the diminished prairie areas will have a serious impact upon the entire 600 families living outside the taking area.

HISTORY

This bill or similar legislation has been before the Congress for the past 8 years. This particular legislation has three times been passed by the Indian Affairs Subcommittee of the House. It has twice been passed by the full Interior Committee of the House.

In the 83d Congress the Indian Affairs Subcommittee passed the bill to the full Interior Committee; however, the full committee decided not to act in that session on the Standing Rock bill, but rather to push through the Cheyenne River Indian settlement at that session of Congress and to delay the Standing Rock settlement until the next Congress. Following the pattern established in the Cheyenne River settlement, the full committee in the 84th Congress reported a bill amost identical to this present bill with the exception of the amount of land value, but the bill was never reported to the floor because of the contention by certain Members of Congress, that it was not the province of the Congress and not the province of the committee to sit as a condemnation jury on the land values. H. R. 12662 meets that objection by specifying that the direct damages for all land and improvements shall be in a sum agreed upon by the Corps of Engineers, the Secretary of the Interior, and the Standing Rock Sioux Tribe.

The Corps of Engineers and the authorized representatives of the tribe have reached a settlement in the amount of $1,952,040, representing just compensation for their restricted Indian interests in the land, tribal and individual, within the taking area, except for gas, oil, and mineral rights. The agreement is, of course, subject to enactment of legislation following the pattern of the Cheyenne River Act permitting individual owners to reject the final figure offered for their individual interests and to have the value issue adjudicated if they so desire.

Second. The bill further provides for indirect or intangible damages, resulting from the taking of this area, in the amount of $3,805,832. This figure represents a compromise arrived at by the Indian Affairs Subcommittee between the Indians' request for $7½ million, and MRBIC computation of damages in the amount of $3,904,559, and the recommendation of the Secretary of the Interior in the amount of $3,167,513. It represents a figure which the committee arrived at, in an attempt to measure the disruption of the Indian economy and way of life and the reduction in subsistence, in terms of the permanent loss of timber, wildlife, and natural products. It also includes removal costs for the families directly affected, etc.

In addition to this sum of $3,805,832, the committee added the additional sum of $132,000 which represents payment to the Indian tribe for their tribal interest in the bed of the river comprising approximately 22,000 acres at a value of $6 per acre, making a total of the intangible damages of $3,937,832.

One-half of this payment for indirect and intangible damages has been earmarked for rehabilitation purposes. From the other one-half, the sum of $726,546 or so much thereof as may be needed will be reserved for the costs, losses, and like incidents involved in the moving of the 190 families and their possessions up out of the taking area and the relocating of them in other areas of the reservation.

Third. The bill provides an additional sum of $8½ million to be used to improve the economic and social conditions of all members of the Standing Rock Tribe whether they reside in the taking area or outside the taking area, which money shall be used by the Department to provide rehabilitation, and readjustment to all members, because when the 190 families are moved back into the diminished reservation area, adjustment of these additional families into this section, can only result in the disruption of the livelihood and economy of all Indian families living on the reservation area.

It is to provide additional land, additional housing facilities, education, trades training, rehabilitation and relocation that the committee has provided this $8½ million for rehabilitation purposes.

This follows very closely the program established in the Cheyenne River settlement in the 83d Congress.

CONCLUSION

In conclusion, Mr. Chairman, let me first reemphasize the absolute need for immediate settlement by Congress of this damage claim so that the orderly construction and operation of the Oahe Dam may proceed as planned and programed. The Court has held that the Corps of Engineers may not flood this land without authority from Congress. The bill provides that authority.

Secondly, let me emphasize that this settlement follows very closely the settlement made by this Congress with the Cheyenne River Tribe in the 83d Congress and, in amount, is comparative with the settlement made by Congress on the Fort Berthhold Reservation above the Garrison Dam in North Dakota, and in indirect damages the payment to the Yankton and Rosebud tribes.

Thirdly, I would call your attention to the serious disruption of tribal life and opportunity which will result from the taking of these valuable reservation assets.

Fourth, I would point out that the tribe, and the Department of the Interior have very carefully and fully planned for the improvement of the economic and social conditions through rehabilitation on the reservation, for agricultural and industrial development on the reservation, for education and trades training, which will prepare some of these people for industrial and professional work, and assist them in relocating themselves on and off the reservation where the individual can provide for his own opportunity.

ONE HUNDRED AND FIFTIETH ANNIVERSARY OF THE BIRTH OF ABRAHAM LINCOLN

Mr. SCHWENGEL. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution (H. J. Res. 648) to commemorate the 150th anniversary of the birth of Abraham Lincoln.

The Clerk read the joint resolution, as follows:

Whereas Thursday, February 12, 1959, will mark the 150th anniversary of the birth of Abraham Lincoln, 16th President of the United States; and

Whereas Mr. Lincoln is our best example of that personal fulfillment which American institutions permit and encourage; and

Whereas his memory endures in the hearts and minds and strivings of his own people in every generation; and

Whereas his actions, words, and deeds and their meaning bring hope, fortitude, and renewed conviction to the freedom-loving people who are in mental and physical agony all over the world; and

Whereas he declared: "I wish all men to be free"; and

Whereas a century ago he said: "Our reliance is in the love of liberty which God has planted in our bosoms. Our defense is in the preservation of the spirit which prizes liberty as the heritage of all men, in all lands, everywhere"; and

Whereas he wrote: "As I would not be a slave, so I would not be a master. This expresses my idea of democracy. Whatever differs from this, to the extent of the differences, is no democracy"; and

Whereas he once admonished us: "The dogmas of the quiet past are inadequate to the story present. The occasion is piled high with difficulty, and we must rise with the occasion. As our case is new, so we must think anew, and act anew"; and

Whereas he calls upon us: "Let every American, every lover of liberty, every well wisher to his posterity, swear by the blood of the Revolution, never to violate in the least particular, the laws of the country; and never to tolerate their violation by others. As the patriots of 1776 did to the support of the Declaration of Independence, so to the support of the Constitution and laws, let every American pledge his life, his property, and his sacred honor; let every man remember that to violate the law, is to trample on the blood of his father, and to tear the charter of his own and his children's liberty. Let reverence for the laws be breathed by every American mother, to the lisping babe, that prattles on her lap; let it be taught in schools, in seminaries, and in colleges; let it be written in primers, spelling books, and in almanacs; let it be preached from the pulpit, proclaimed in legislative halls, and enforced in courts of justice. And, in short, let it become the political religion of the Nation; and let the old and the young, the rich and the poor, the grave and the gay, of all sexes and tongues, and colors and conditions, sacrifice unceasingly upon its altars."; and

Whereas "it is for us the living * * * to be dedicated here" to the principles of those who, like Mr. Lincoln, "gave the last full measure of devotion"; and

Whereas he was himself once a Member of this honorable body; and

Whereas on Monday, February 12, 1866, in the presence of the President of the United States, the members of his Cabinet, the Chief Justice and Associate Justices of the Supreme Court, the diplomatic corps, officers of the Army and Navy, assistant heads of departments, the governors of States and Territories, and others in authority, the two Houses of Congress convened in joint session to hear "an address upon the life and character of Abraham Lincoln, late President of the United States," pronounced by an eminent historian, the Honorable George Bancroft: Now, therefore, be it

Resolved, etc., That on Thursday, February 12 next, the sesquicentennial of the birth of Abraham Lincoln shall be commemorated by a joint session of the Congress, and to that end the President of the Senate will appoint 4 Members of the Senate and the Speaker of the House will appoint 4 Members of the House of Representatives jointly to constitute a Committee on Arrangements.

The Committee on Arrangements shall plan the proceedings, issue appropriate invitations, and select a distinguished Lincoln scholar to deliver the memorial address; and be it further

Resolved, That the President of the United States, the Vice President of the United States, the Chief Justice and Associate Justices of the Supreme Court, the diplomatic corps, assistant heads of departments, and the members of the Lincoln Sesquicentennial Commission be invited to join in this commemoration.

The SPEAKER. Is there objection to the request of the gentleman from Iowa [Mr. SCHWENGEL]?

There was no objection.

The House joint resolution was agreed to.

A motion to reconsider was laid on the table.

ONE HUNDRED AND SEVENTIETH ANNIVERSARY OF THE OHIO NATIONAL GUARD

Mr. BOW. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BOW. Mr. Speaker, tomorrow will be the 170th anniversary of the Ohio National Guard.

Since its organization as a citizen militia at Marietta, July 25, 1778, men of the Ohio National Guard have been in the frontlines of every American war, defending their homes and their country.

As a war correspondent in 1945, I accompanied Ohio Guardsmen, federalized as the famous 37th Buckeye Division, in the historic campaign of the liberation of the Philippines.

By that time these Ohio men, and their comrades who had joined the division from other States, were seasoned veterans of jungle warfare.

Here I would like to say a word of tribute to Maj. Gen. Robert S. Beightler who commanded the 37th from the day he was appointed by the Governor of Ohio, before the war, until the day the division was inactivated. The Ohio Guard was federalized in 1940. These men were the first in and the last out of service in World War II. And General Beightler remained in command throughout, perhaps longer than any other general has remained in command of a single division during time of war. He was an outstanding general and a great patriot.

The record of the 37th at Guadalcanal, New Georgio, Bougainville, Manila, and the Cayugan Valley during more than 3 years of overseas combat service has never been excelled by any fighting force.

Similarly, in World War I, Ohio guardsmen in the 37th Division proved their courage in the most bitter combat of that war in the Meuse-Argonne and Ypres-Lys sectors.

The record of Ohio guardsmen defending their homeland through 170 years demonstrates the wisdom of those framers of the Constitution who provided for a citizen militia.

Those who are trying to whittle down the National Guard today should read that record.

Since the days of the Indian wars, Ohio men have volunteered their services in the guard. Today 18,000 Ohio men stand ready to carry on that great tradition in any new emergency that may arise.

I am proud to have served with them in the Philippines. I count it a high point in my life.

I am proud to pay tribute today to the volunteers of the Ohio National Guard, past and present.

Mr. Speaker, under unanimous consent, I ask leave to include with my remarks the letters addressed to guardsmen by Hon. C. William O'Neill, Governor of Ohio and the commander in chief, and Maj. Gen. Leo C. Kreber, the adjutant general of Ohio.

The letters follow:

STATE OF OHIO,
OFFICE OF THE GOVERNOR,
Columbus.

To the Members of the Ohio National Guard:

On July 25, 1958, the Ohio National Guard celebrates the completion of 170 years of service to the community, the State, and the Nation.

In the course of this period, the Ohio National Guard has ranged through feast and famine from its small beginning as a militia force in the infant city of Marietta to over 18,000 well-trained officers and men today. Its basic weapons have varied from the flintlock to the present complicated weapons system built around missiles and atomic explosives.

In spite of fluctuations in size, organization and equipment, enemy and terrain, man-made and natural disasters, there is a common threat which runs through the history of the Ohio National Guard—devotion to duty, State, and country. In every emergency, regardless of the form in which presented, the Ohio National Guard has produced leaders capable of meeting the challenge to our way of life.

Our Ohio National Guard justifies itself not by the record of the past, but by its performance in the present and its potentiality in the future. It is an indispensable member of the national defense team, contributing its visible ready strength in being to the security of our homeland. Within our Ohio National Guard, every individual makes a vital contribution to our overall security; in combat units and technical units, in ground forces and in air forces, all combine their respective skills and specialities to give our Ohio National Guard the indispensable flexibility and versatility required by both its State and Federal missions.

On behalf of all the citizens of Ohio, I extend congratulations to each of you.

C. WILLIAM O'NEILL,
Commander in Chief.

STATE OF OHIO,
ADJUTANT GENERAL'S DEPARTMENT,
Columbus, Ohio.

To the Members of the Ohio National Guard:

To all the men and women in our Ohio National Guard, I extend congratulations on the 170th anniversary of our establishment.

In an address to the first Congress, George Washington illustrated the basic principle of civilian service when he said, "Every citizen who enjoys the protection of a free government owes not only a portion of his property but even of his personal services to the defense of it."

This principle of service has been carried out by hundreds upon hundreds of thousands of Ohioans since that memorable July 25, 1788, when the militia of the Northwest Territory was established. As a result of this principle, in every major war our Nation has fought, the final responsibility for victory has rested inevitably upon the citizen soldier, army and air.

Recognizing and accepting your responsibilities of citizenship, you are developing new skills and mastering new equipment which, together with your valor and devotion, provide a major element of the defense of our State and our Nation.

It is an honor and a privilege to belong to the Ohio National Guard and to partake of its heritage of service. I have every confidence that you will meet the challenges of the future in the outstanding manner which is the proud tradition of our Ohio National Guard.

LEO M. KREBER,
Major General, the Adjutant General.

LEGISLATIVE PROGRAM FOR TOMORROW

Mr. MARTIN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute to ascertain the program for tomorrow.

The SPEAKER. Is there objection?

There was no objection.

Mr. McCORMACK. The only legislative business that may be brought up tomorrow is the legislative appropriation bill conference report. Aside from that, we have completed the legislative business for this week. The Prime Minister of Ghana will be received tomorrow as the guest of the House. Then there will be no further business, with the possible exception of the legislative appropriation bill conference report. We will then adjourn over until Monday.

I will announce the program for next week on tomorrow. Tuesday, of course, is suspension day, and there will be 10 or 12 bills, all of which will be cleared with the gentleman from Massachusetts [Mr. MARTIN]. If there are any rollcall votes on Monday and Tuesday, outside of a rollcall vote on a rule, and I know of none, they will go over until Wednesday because there is a primary in Arkansas on Tuesday.

Mr. GROSS. Will the gentleman yield?

Mr. MARTIN. I yield.

Mr. GROSS. Will the bills to be called under suspension be announced tomorrow?

Mr. McCORMACK. Oh, yes. Of course, if there are some that are taken up with the Speaker over the weekend and cleared, they will be announced on Monday.

Mr. GROSS. But we will have ample notice about the bills that are to be taken up?

Mr. McCORMACK. Oh, yes. I intend to announce all that I know of on tomorrow. But I wanted to make this reservation, that if there are others that later develop over the weekend, they will be announced on Monday.

Mr. MARTIN. I assure the gentleman I will notify him.

AMENDING DISTRICT OF COLUMBIA TEACHERS' SALARY ACT

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 13132) to amend the District of Columbia Teachers' Salary Act of 1955, with a Senate amendment thereto, disagree with the amendment of the Senate, and request a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. MITCHELL, ABERNETHY, SMITH of Virginia, MILLER of Nebraska, and HYDE.

PERMISSION TO FILE REPORT

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs may have until midnight tonight to file a report on the bill S. 3817.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

U. S. S. "FARRAGUT IV"

The SPEAKER. Under the previous order of the House the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 10 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, last Friday, July 18, at the Fore River Shipyard of the Bethlehem Steel Co., in Quincy, Mass., the fourth ship of the United States Navy to bear the distinguished name of Farragut was christened and launched at 1 p. m. All three preceding ships bearing the name of Farragut were constructed by shipyards of the Bethlehem Steel Co.

A blue sky and bright sunshine provided a perfect day for this historic and dramatic event. With many in attendance, the movement of enormous cranes, and all the hustle and activity of a great shipyard taking place, the setting was perfect and the moment exciting.

The sponsor for the U. S. S. *Farragut IV* was Mrs. Harry D. Felt, the lovely wife of Admiral Felt, the able Vice Chief of Naval Operations and newly assigned Commander in Chief of the Pacific. No ship could have a more charming and attractive sponsor than Mrs. Felt. She successfully christened the ship, the U. S. S. *Farragut*, breaking over the bow's edge the customary bottle of champagne. As the ship was christened it moved down the ways and into the water for the first time.

Admiral Felt was scheduled to be present representing the United States Navy; however, the pressing crisis of these days prevented him from leaving Washington. His place was taken by Rear Adm. Carl S. Espe, commandant, First Naval District.

The Bethlehem Steel Co.'s Fore River shipyard at Quincy, Mass., is one of the finest in the world. Under its extremely able management, many great ships of the United States Navy have been constructed. Many more will be constructed. Here in this great shipyard there is employed a labor force possessing all of the skills and trades required in shipbuilding. But most important is that all employed at this great shipyard are efficient, dependable workers, proud of their ability to fashion a great ship that will operate in the defense of our country. They are loyal Americans and know the importance of their work.

Under the guiding genius of Mr. D. D. Strohmeier, vice president, and Mr. S. Wakeman, general manager, the Fore River shipyard today is unlimited in its capabilities. It represents one of the great defense assets, not only of the Nation, but of the Free World. With such able management and such an excellent high-quality labor force, the Fore River shipyard of the Bethlehem Steel Co. in Quincy, Mass., can be completely depended upon by America to construct ships for the United States Navy perfect in all of their requirements and qualifications. Our country can depend on them. I look forward anxiously to the assignment of construction of one or more of the great aircraft carriers to this shipyard—the future atomic carriers. No finer, no more perfect job of construction could be done than at this great shipyard of Bethlehem.

At these colorful ceremonies of the launching of the U. S. S. *Farragut*, Chaplain R. E. Bishop, captain, United States Navy, delivered the blessing for the ship.

On this memorable occasion, I was invited by the United States Navy to be the principal speaker. Following is the address of Hon. EDITH NOURSE ROGERS, Member of Congress, representing the Fifth District of Massachusetts, on the occasion of the launching of the U. S. S. *Farragut* at the Fore River shipyard of the Bethlehem Steel Co., Quincy, Mass.:

Rear Admiral Espe, United States Navy; Mrs. Felt, the sponsor; Mr. Wakeman, employees, and guests of the Quincy shipbuilding division of the Bethlehem Steel Co. Historic—historic and memorable is this occasion. Historic, because another great ship bearing the heroic and distinguished name of Farragut is about to join the United States Navy. Memorable, because during these precious moments a new ship is born for the defense of America and life is breathed into it with all of its magnificent qualities of strength, dependability, and courage.

Graceful in appearance, possessing speed and power, this is indeed a new type of ship for the United States Navy. It is designated as a frigate. It is larger than a destroyer and smaller than a cruiser. Some might prefer to call it a destroyer leader. Possessing new types of weapons, its capabilities include the use of missiles. If ever forced to use its power it will be the tiger of the sea.

As this ship comes to life we feel emotions of pride and appreciation. As Americans our hearts beat with pride and our spines tingle with the knowledge that this fine new naval ship born in freedom belongs to us. As we see her now we think of the countless persons who had a part in fashioning and molding her into life. We know they are proud of their work. By their confidence we know they believe in her.

As we see this powerful new ship we can easily comprehend there is so much that

stirs our appreciation. We are appreciative of those who comprehended her need. We are appreciative of those members of our Government who provided the authority and money for her construction. Our appreciation extends to those who designed her, to those who honorably, loyally, and proudly labored to put ideas and materials together to construct her into a living unit. To all of these people—management, labor, science, engineering, and most of all to the cooperation of everyone involved—as Americans we extend our appreciation.

This new ship of the United States Navy has a glorious and heroic heritage. In the history of the Navy this ship will be the fourth to bear the honored and distinguished name of Adm. David Glasgow Farragut. The first naval ship to bear the proud name of Farragut was born to the fleet on July 16, 1898. The second naval ship named for Admiral Farragut was a destroyer built by the Bethlehem Shipbuilding Corp., of San Francisco, and born to the fleet on November 21, 1918. The third ship to bear the glorious name of Farragut was the first of the two-stack destroyers, and was constructed right here in Quincy, Mass., in the Fore River Shipyard of the Bethlehem Shipbuilding Corp. Sponsored by Mrs. James Roosevelt, daughter-in-law of the President of the United States, this distinguished ship was born to the fleet on June 18, 1934.

These three ships, and particularly the third one, wrote glorious records into the distinguished naval history of the United States.

Berthed in a nest of destroyers at Pearl Harbor on December 7, 1941, when Japanese dive bombers roared in the most famous dawn of infamy in the history of the world, the courageous U. S. S. *Farragut*, the third, opened fire and successfully maneuvered and fought her way down the channel and into the open sea. From that thrilling dawn until the day she was decommissioned and stricken from the Navy list at the Brooklyn Naval Shipyard on January 28, 1947, the U. S. S. *Farragut*, the third, earned fourteen battle stars and other awards. Her record was heroic and glorious. It is a record that thrills the hearts and souls of the American people.

With the distinguished records of these previous ships bearing the name of Farragut and with the heroic record of its immediate predecessor this new ship to bear the name of Farragut has a mold of character and a standard of courage to pilot it throughout its life. Regardless of its assignment I know it will face up courageously and heroically to every challenge. Just as the American people expect everyone to do his duty in time of crisis, we are confident the new ship *Farragut* will do its duty and will measure up to all that is required.

As we look across the horizons of the world and realize the huge conflicting international forces and tensions, we know that the great power of the United States Navy controlling the seven seas is the bulwark preventing an enemy attack. Possessing this power to destroy any area in the world, it would be national suicide for any enemy to strike an initial blow directly at the United States, for in doing so it would be destroyed by the mighty forces of the United States Navy. This devastating power of the Navy is the greatest insurance for peace in the possession of the people of America.

Other countries, including our enemies, may possess the intercontinental ballistic missile. They may possess all types of missiles and all kinds of bombs. They may be able to fire these weapons into strategic targets within the continental United States, but, if any enemy decides to do this, that enemy must reckon with the most powerful, devastating striking force in the world, the United States Navy. This United States Navy controls the oceans of the world, constituting seven-tenths of the surface of this earth. Possessing this mighty, crushing power, America and the free way of life will never be defeated. Any enemy so stupid to strike the Free World will be crushed into dust.

As this great ship *Farragut* becomes alive today and joins the fleet of the United States Navy, I send this warning to Russia and the entire Communist world: Do not ever raise your sword to smite the United States of America for if you do your land will be devastated and destroyed. All life will end, nothing will survive. Your nation and your country will cease to exist. To fail to heed this warning is national suicide.

In the Middle East, America is committed to prevent Communist aggression and maintain the peace. This is a commitment of honor. Communist Russia has ordered the United States to withdraw our Marines. For Messrs. Khrushchev, Gromyko, Sobolov, and Company, the Russian leaders, the reply of America is crystal clear. America has made its decision and from that decision America will not retreat.

As this new ship the *Farragut* becomes alive today it prompts a warning also to the people of the United States of America. It is this: Regardless of propaganda, regardless of all you hear about pushbutton warfare, you must never permit your country and mine, our America, to lose control of the seas. To control the seas means that at all times America must possess the most powerful Navy in the world. This mighty Navy is our insurance, our guaranty of survival in this nuclear age.

America's mighty Navy cannot be constructed overnight or in a few months. Countless hours of study, planning and building are required. Months and years of loyal, dependable labor possessing every skill is necessary. A naval ship must be well constructed, and for a ship to be well constructed the construction cannot be hurried and those laboring to build it must have the time to do their job well and perfectly. It is therefore important for the American people to realize that if our country is to maintain its great naval power and control over the seas it must have a constantly progressing naval ship construction program in action.

This new ship to bear the heroic name of Admiral Farragut will add strength to the United States Navy. As the future merges into the present it will constantly write its record into the naval history of the United States. Like its predecessor I know this record will be great for no ship bearing the name of Farragut can fail to add luster and glory to this distinguished name, and to the United States Navy.

All of us here today and Americans all over our wonderful country hope and pray that the life of this new ship *Farragut* will be long and a distinguished one, but regardless of the length of its life, even though it be only one momentous hour, we know that hour will be magnificently glorious.

When the time should come, as it does to all ships, for this new ship *Farragut* to haul down its flag and be forever decommissioned, I know that those naval officers and sailors who have conned her action and trod her decks will be proud of her. The American people she has served will salute her and in their hearts and minds they will proclaim, "Well done good ship, well done."

THE MIDDLE EAST SITUATION

Mrs. ROGERS of Massachusetts. Mr. Speaker, a word about the Middle East. America is committed to prevent Communist aggression and to maintain the peace. Communist Russia has ordered the United States to withdraw our marines.

To Messrs. Khrushchev, Gromyko, Soboleff, and other Russian leaders, the reply of America is crystal clear: America has made its decision, and from that decision America will not retreat.

I may say that Russia will not dare to strike because if she does she will be brought to her knees and the country will be brought to disaster.

RETIREMENT, CLERICAL ASSISTANCE TO FORMER PRESIDENTS OF THE UNITED STATES

The SPEAKER pro tempore (Mr. BARDEN). Under previous order of the House, the gentleman from Missouri [Mr. CHRISTOPHER] is recognized for 30 minutes.

Mr. CHRISTOPHER. Mr. Speaker, I sought this time to briefly discuss two subjects. The first is the bill, S. 607, to provide retirement, clerical assistance, and free mailing privileges to former Presidents of the United States, and for other purposes.

At the present time in the United States we have only two living former Presidents both great and estimable men.

Herbert Hoover has been maligned from one end of this country to the other because of the great depression of the early thirties. That began in late 1929. Herbert Hoover, the man, was not responsible for the depression. Herbert Hoover was a victim of the basic philosophy of the party to which he belonged and he can in no way be personally blamed for that depression.

In President Truman, who came later, we found a fearless leader who encouraged the disheartened, incited the indolent, cheered the timid and the despondent, forced the reluctant and apathetic to aid him, and halted not for menace or opposition.

President Truman traveled the road of leadership heavily ladened by a burden of responsibility which he never laid aside for a single moment. A man possessed of a hard drive, continual work, the courage to make decisions and to stand by them; most fully understood the nature of things, so that his plans were not doomed to ultimate failure; who possessed an active, far-ranging imagination which could see many possibilities; who had a fine sense of values so that among these possibilities he might choose the most excellent; who had a sense of order; to give form, design, and program to the values and purposes he had selected; who had practical sense and judgment, and so used the most feasible means of accomplishing the ends which would benefit the world; and who had the energy and enthusiasm to carry his plans persistently forward. In fact, a man who left new guideposts in the never-ending search for high and nobler living, not only in our own Nation, but in the family of nations of the modern world.

He had to make the decision on whether or not to drop the first atomic bomb. He had to choose between dropping that first atomic bomb and having the American boys dig the Japs out of the caves and foxholes in their home islands.

It has been estimated by military experts that to have dug these Japs out of their home islands would have probably cost a million lives, the flower of our manhood. That was not an easy choice to make, but Harry Truman made it, and he made it fearlessly. I have always held him in great esteem for the choice he made, one of the hardest choices that was ever made by any President of the United States.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. CHRISTOPHER. I will be glad to yield to the distinguished majority leader.

Mr. McCORMACK. In support of what the gentleman from Missouri has said about the million casualties and the occupation of the main Japanese Islands, the late President Franklin D. Roosevelt, when I was with him one day, told me that the Joint Chiefs of Staff had submitted three plans of action after the Philippine campaign, and they estimated that there would be a million casualties, killed and wounded. So, when the gentleman makes the statement about a million American casualties, killed and wounded, the gentleman is absolutely correct, because I can quote that statement as coming from the lips of the late Franklin D. Roosevelt.

Mr. CHRISTOPHER. I thank the gentleman from Massachusetts.

In certain countries of the world they assassinate their presidents. We seldom do that in this country, although it has occurred. But, we work them to death and malign them to death. We kill them more slowly and perhaps more cruelly than if we did assassinate them. There is no harder job on the face of the earth than being President of the United States and, I sometimes think, no more thankless job than being President of the United States. I know that neither one of these living former Presidents at the present time is asking for a pension or wants a pension, but it is the least that a grateful nation can do to offer it to them, and I am in favor of doing that.

Mr. McCORMACK. Mr. Speaker, will gentleman yield further?

Mr. CHRISTOPHER. I will be glad to.

Mr. McCORMACK. I am in complete agreement with what my friend from Missouri says. It is not a question of either one of the two individuals wanting it personally, but a recognition of the importance of the office, and the further fact that history shows that our Presidents in the past, after their retirement from the White House, have lived under trying, if not terrible, economic conditions. The passage of that bill would be a very wise investment for the American people to make. I am very glad that my friend is making the remarks that he is, because he represents the District in which former President Truman lives. And there is no better advocate for the legislation or no one in a better position to discuss the importance of the legislation than my dear friend from Missouri [Mr. CHRISTOPHER].

Might I also say that the people of the gentleman's District are justified in feeling proud of the outstanding service rendered by the gentleman from Missouri [Mr. CHRISTOPHER]. If each and every one of them could see him now in the well of this House, with his disability but with his virile mind, making the speech that he is now making, each and every one of them would show their pride and joy and happiness by voting for him. The gentleman from Missouri, in my opinion, is one of the great progressives in all my public life; a man who is looking forward all the time, fighting for the passage of progressive legislation that will benefit the sick, the afflicted, the underprivileged, the underdog, so to speak, fighting for the passage of legislation that will not only preserve but strengthen the family life of America. When any legislator does that, it shows he is dedicated to the highest and noblest type of public service that can be humanly approximated.

Mr. Speaker, I am very happy to express myself as I have about my friend from Missouri, because I know of no Member with whom I have served whose nobility of character, whose sterling outlook, and whose fine vision, as well as political courage, have inspired me more than the gentleman from Missouri [Mr. CHRISTOPHER]. Our associations have been very long and most friendly. I sincerely hope that our associations in this Chamber will continue during the next Congress and for such time as I might serve in this body. I hope the gentleman from Missouri will serve not only during that period of time, but longer.

Mr. Speaker, the gentleman from Missouri is not only a great legislator, but a great American. He is truly a people's Congressman.

Mr. CHRISTOPHER. I thank the gentleman from Massachusetts for his kind words.

Mr. AVERY. Mr. Speaker, will the gentleman yield?

Mr. CHRISTOPHER. Certainly.

Mr. AVERY. Mr. Speaker, I should like to associate myself, in part at least, with the gentleman from Massachusetts [Mr. McCORMACK] in the remarks he made to the gentleman in the well of the House [Mr. CHRISTOPHER]. Before he commenced his remarks I told him that I did not suppose I would find myself in agreement with all he was going to say, but I would at least in part.

I must say at the outset that I cannot find myself in agreement with him on this particular piece of legislation, but I do find myself in agreement, as I say in part, with the remarks of the gentleman from Massachusetts on the courage of the gentleman from Missouri, which he has displayed in being present at all times when it has been possible for him to be present on the floor of the House, and expressing a vote to represent the constituents of his District as he feels they should be represented on the floor. I admire him for the sacrifice he has made to be present in view of his recent misfortune.

Although I am not always in agreement with the gentleman from Missouri, I do have respect for his viewpoint. I might add further that in my experience as a member of Congress I continue to be more gratified every day. Every day I hear and learn things that I did not expect to hear as a Member of Congress. Certainly I did not ever expect to hear a Member say, especially a Member subscribing to the political philosophy of my friend from Missouri, as he said, that Herbert Hoover cannot be held responsible for the depression that occurred during his term as president.

I want to commend the gentleman for making that observation and certainly associate myself with him in that remark.

Mr. CHRISTOPHER. Mr. Speaker, I will say to the gentleman from Kansas in regard to that statement that any thinking man would know that if Herbert Hoover had known what to do to prevent that depression, or had known what to do with it when it came, he most certainly would have done it, because Herbert Hoover is a proud man. He did not want to see the economy of this country sink to the depths to which it did sink under his administration. No one hated it more, I am sure, than did Herbert Hoover himself. But he had been raised in a school of thought that taught that if you made the rich richer, they would in the generosity of their hearts take care of the people lower down. It is the old trickle-down theory. It would not work for Hoover and ruined his administration. It still would not work today. If you are going to cure the ills of the workingman, the farmer, the underdog, as my colleague from Massachusetts referred to him, you have got to begin at the grassroots; you cannot begin at the top.

So I absolve Herbert Hoover, the man, from all responsibility for that depression that I lived through, I still do not know how.

Mr. AVERY. Mr. Speaker, I wonder if my friend from Missouri would yield to me for just one further observation?

Mr. CHRISTOPHER. Yes.

Mr. AVERY. I thank the gentleman for his further comments on the situation that existed back in the thirties. I might add also that I am sure President Hoover would have done everything that was known to any economist or any responsible person to relieve that unfortunate situation that then existed. I might observe further that, had he had a little more help from Congress in the last 2 years of his administration, much more might have been done to relieve that situation.

Mr. CHRISTOPHER. I quite often think of that when I vote for the recommendations of our present President. I am trying to cooperate with everything that he proposes that I think is for the good of my country, and I believe my voting record will substantiate that statement.

Mr. Speaker, I should like to discuss REA for a few moments. I have dug into the statistics of electric current in the United States, and I find that every bit of current generated in the United States is approximately 685 billion kilowatt-hours. Those figures are for 1956, the latest for which I can obtain them. Private utilities generated 67 percent of that total. Industry generated for its own use 12 percent. The Federal hydroelectric projects generated 15 percent. Public non-Federal, such as they have in the State of Nebraska, generated 5.4 percent, and the REA cooperatives, which includes the generation and transmission lines and co-ops, generated one-half of 1 percent.

Electric taxes paid by REA cooperative systems in 1956 amounted to $13,111,000. Municipalities paid $30 million in 1956 taxes. Federal projects paid $4,171,000. That is exclusive of places like Bonneville and TVA; it is the smaller dams and plants.

REA borrowers are paid up ahead of schedule. In January 1958 REA was $117,483,000 ahead of its repayment schedule. Taxpayers had losses since the beginning of the REA program of $46,900 to borrowers foreclosed.

In public power, TVA is $68 million in excess of schedule as of January 1, 1958. Northwest projects as of June 30, 1957 were $77 million ahead of their repayment schedule. I do not think there is a corporation of any description in the United States that has a better solvency record than public power and REA.

I am amazed that the farmers of the United States believe that because they have REA and have relatively cheap electric power there is no question but what they will always have it. REA has some of the bitterest enemies in Washington that I have ever encountered, and they have plenty of money and do not seem ever to sleep. I have a paper in my hand here which is published in Los Angeles. It is published by the butane, propane gas people. In this issue they come out and say exactly what they think. Here is the headline. It says: "Wipe Out the REA."

The headline on the second page says: "The Rural Electrification Administration Must Be Abolished."

Then, further on in the same paper it says, and I quote:

> So the job of "doing something about the REA" is a formidable one. But, there are certain things that can be accomplished now and on which progress of a sort is being made. First, there is a definite movement under way to make the borrowers pay more interest, tied to the cost of money to the Treasury.
>
> Second, there is the possibility that the administrative costs of the REA might be made recoverable as a part of the loan interest. Third, there is a move afoot to discredit the NRECA which is dedicated to promoting public power and which uses its fund dues levied against the co-ops which, of course, the co-ops obtained indirectly from the Government.

If they did obtain the money from the Government, they are repaying that money according to schedule and with interest, and it is their money to use because they borrow it and pay interest on it.

Now that is not all the trouble that the REA is encountering and is liable to continue to encounter as it goes along. The REA should have a lot of friends because the REA users have spent, since the inception of the program, $10 billion for wire, switches, electrical appliances, deep freezes, refrigerators, milk coolers, deep well pumps, water systems, milking machines, and so on. They have spent $10 billion for these things and their needs are expanding. Industry and labor made those things that the REA users have purchased. REA has made prosperity for the city people who manufacture the things that they use.

Ninety percent of the farms in the United States are electrified. It has been said they pay no taxes, but I have refuted that. The cost ratio of current at the dams has been pushed up by the Department of the Interior and they are seeking to push it still further up. Dixon-Yates was instituted as the entering wedge that would destroy the Tennessee Valley Authority, but thanks to a democratically controlled Congress for the last 4 years and thanks to that old fighting mayor of Memphis, Tenn., who has now passed on to his reward in the next world, and I hope it will be a happy one—thanks to him—Dixon-Yates was laid in the discard.

Mr. Speaker, here is one point that I want to make at this time. The Department of Agriculture said 50 percent of the farm homes in the United States at the present time do not have hot and cold running water. What a tremendous backlog of business for industry and labor. To build the necessary equipment to put hot and cold water in every home. In cities and towns a bathroom is considered an absolute necessity, but think of the fact that 50 percent of the farm homes in the United States do not have a bathroom, because you cannot have a bathroom without hot and cold running water. The Department of Agriculture says only 50 percent of the farm homes are so equipped.

I want to say that the name of that fighting mayor of Memphis was Frank Toby. God rest his soul and give him the reward that he so richly deserves.

Now, we have an REA bill coming up, that I hope reaches the floor of this House and that it is passed promptly. That bill is written by Senator HUMPHREY, and it is S. 2990. The gentleman from Illinois [Mr. PRICE], introduced an identical bill March 28, 1958, H. R. 11762. The language that I like about this bill follows. It is a bill to amend Reorganization Plan No. 2 of 1953, and it reads:

> *Be it enacted, etc.*, That section 1 of Reorganization Plan No. 2 of 1953, shall not hereafter apply to the Rural Electrification Administration, and there are hereby transferred to the Administrator of the Rural Electrification Administration all functions which were transferred from the Administrator to the Secretary of Agriculture by such reorganization plan.

It is my honest opinion if you go out into the farming section and try to find a farmer who would be willing to turn the REA co-ops over to Ezra Taft Benson you would look a long time before you would find such a farmer, be he Republican or Democrat.

There was a master plan cooked up for the destruction of REA. Let me state briefly some of the segments of that plan. First, repeated efforts have been made to increase the cost of financing for rural electricity, to turn the REA over to the tender mercies of the Wall Street bankers, where no doubt they would be required to pay 6 percent interest for their money.

I have to hurry along and be brief with this. The second feature of that master plan was to jack up the wholesale costs wherever it was possible. New feasibility figures for the Department of the Interior to cover the hydroelectric dams was just one of the things that was used to do that. That has been more observable in my District of the United States than anywhere else, the District served by the Southwestern Power Administration, where the rates at the dams have been jacked up in the last few years 27½ percent.

The third step was to stifle development of the wholesale power sources of the United States. That was well shown up in the Hells Canyon fight that we had in the Interior Committee. One engineer for the Idaho Power Co.—incidentally there is less than 13 percent of the stock of that company owned by the people who live in Idaho; but one of their engineers came in and said that the high Hells Canyon Dam should not be built because it would take 10 years of the normal flow of the Snake River to fill the basin full.

The next day another engineer came in representing the same Idaho Power Co., and I asked him this question. I said, "Would the high Hells Canyon Dam not help in flood control on the lower Columbia River?"

He said, "How could it?' He said, "10 million acre-feet of water passes the dam site every year on the average. That is the 10-year average. Ten million acre-feet a year passes that dam site. If a high Hells Canyon Dam was constructed it would impound 4 million acre-feet of water." One engineer said it would take 10 years to fill the pond, and the next day another engineer for the same company said that the flow past the dam site was 10 million acre-feet a year. Both of those fellows could not be right. One of them is bound to be wrong.

Fourth, the rural electrification bill of rights to their share of Federal hydroelectric power has been under constant attack.

Fifth, President Eisenhower and Secretary Benson have personally urged Congress to squeeze down on REA loans, to jack up interest rates, and cut the Wall Street bankers in on the REA loan business.

Farmers should be informed of these things that are going on, and it is my

intention and I consider it my duty to do that.

Here is a little excerpt I want to take from a paper published in New York City. We have an association in the United States known as the NTEA, the National Tax Equality Association.

They flood our desks here in Congress with their literature and send us little tickets showing how they think we should vote, but I warn my colleagues against things of that description. A Congressman soon learns to spot inspired letters of this sort. NTEA's campaign, nevertheless, is a reminder that co-op members need to do some letter writing of their own. The best defense against this type of propaganda is well-informed co-op members who maintain good relations with their Congressmen.

And I would advise REA users to stay in good relations with their Congressmen. A member asked me, "What can we as individual farmers that use REA electricity, what can we do?" I said, "Congress publishes a record known as the CONGRESSIONAL RECORD, and in that RECORD is recorded every rollcall vote on the floor of this House." I said, "Know your Congressman and know how he votes. If he is your friend keep him in Congress; if he is your enemy, take him out." And I believe that is sound advice.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. JUDD (at the request of Mr. MARTIN), on July 25, for official visit to Puerto Rico.

To Mr. JACKSON, for 5 days beginning Monday, July 28, on account of official business—House Committee on Un-American Activities.

To Mr. KEATING, from July 25 to August 2, both inclusive, on account of official business out of Washington in attendance at sessions of the Interparliamentary Union.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. COLLIER for 15 minutes, on July 29, at the request of Mr. AVERY.

Mr. ZELENKO (at the request of Mr. BOYLE), for 1 hour, July 30.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. JONAS, the remarks he will make in Committee today and to include a table.

Mr. MCINTIRE (at the request of Mr. AVERY).

Mr. PATTERSON and to include extraneous matter.

Mr. PELLY and to include extraneous matter.

Mr. PORTER.

Mr. BRAY (at the request of Mr. AVERY) and to include extraneous matter.

(At the request of Mr. BOYLE, and to include extraneous matter, the following:)

Mr. RHODES of Pennsylvania.

Mr. CELLER in two instances.

Mr. FOGARTY.

Mr. ZELENKO.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1864. An act to authorize an increase in the membership of the Board of Appeals to the Patent Office; to provide increased salaries for certain officers and employees of the Patent Office; and for other purposes; to the Committee on the Judiciary.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 7153. An act giving the consent of Congress to a compact between the State of Oregon and the State of Washington establishing a boundary between those States;

H. R. 7729. An act for the relief of August Widmer;

H. R. 13088. An act to fix and regulate the salaries of officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia, of the United States Park Police, and the White House Police, and for other purposes; and

H. J. Res. 589. Joint resolution for the relief of certain aliens.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 2447. An act to authorize and direct the Secretary of the Interior to undertake continuing studies of the effects of insecticides, herbicides, fungicides, and other pesticides, upon fish and wildlife for the purpose of preventing losses of those invaluable natural resources following application of these materials and to provide basic data on the various chemical controls so that forests, croplands, wetlands, rangelands and other lands can be sprayed with minimum losses of fish and wildlife; and

S. 2617. An act to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, as amended.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills and a joint resolution of the House of the following titles:

On July 23, 1958:

H. R. 13121. An act to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

On July 24, 1958:

H. R. 7153. An act giving the consent of Congress to a compact between the State of Oregon and the State of Washington, establishing a boundary between those States;

H. R. 7729. An act for the relief of August Widmer;

H. R. 13088. An act to fix and regulate the salaries of officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia, of the United States Park Police, and of the White House Police, and for other purposes; and

H. J. Res. 589. For the relief of certain aliens.

ADJOURNMENT

Mr. BOYLE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 41 minutes p. m.) the House adjourned until tomorrow, Friday, July 25, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2160. A letter from the Comptroller General of the United States, transmitting a summary report on examination of Department of the Army contracts and subcontracts with Birdsboro Armorcast, Inc., Birdsboro, Pa., pursuant to the Budget and Accounting Act, 1921 (31 U. S. C. 53), the Accounting and Auditing Act of 1950 (31 U. S. C. 67), and the authority of the Comptroller General to examine contractors' records, as set forth in title 10, United States Code, section 2313 (b); to the Committee on Government Operations.

2161. A letter from the Administrative Assistant Attorney General, transmitting a report in connection with the restoration of balances withdrawn from appropriation and fund accounts pursuant to the act of July 25, 1957 (31 U. S. C. 701–708), pursuant to Bureau of the Budget Circular No. A–23; to the Committee on Government Operations.

2162. A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, transmitting plans for works of improvement for the Adobe Creek watershed, Buena Vista Creek watershed, and Central Sonoma watershed, California, upper Nanticoke River watershed, Delaware, Donaldson Creek watershed, Kentucky, Mud Creek watershed, Nebraska, Peavine Mountain watershed, Nevada, Indian Creek watershed, Tennessee and Mississippi, and Coon Creek watershed, Wisconsin, pursuant to section 5 of the Watershed Protection and Flood Prevention Act, as amended (16 U. S. C. 1005), and Executive Order No. 10654 of January 20, 1956; to the Committee on Agriculture.

2163. A letter from the Comptroller General of the United States, transmitting a draft of proposed legislation entitled "A bill to eliminate all responsibility of the Government for fixing dates on which the period of limitation for filing suits against Miller Act payment bonds commences to run"; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ROGERS of Texas: Committee on Interior and Insular Affairs. S. 3199. An act

to amend section 2324 of the Revised Statutes, as amended, to change the period for doing annual assessment work on unpatented mineral claims so that it will run from September 1 of one year to September 1 of the succeeding year, and to make such change effective with respect to the assessment work year commencing in 1959, and to provide for the suspension of such annual assessment work for the year ending July 1, 1958; with amendments (Rept. No. 2262). Referred to the Committee of the Whole House on the State of the Union.

Mr. ASPINALL: Committee on Interior and Insular Affairs. S. 3469. An act to authorize the Secretary of the Interior to amend the repayment contract with the Arch Hurley Conservancy District, Tucumcari project, New Mexico; without amendment (Rept. No. 2263). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. S. 1798. An act to amend section 4426 of the Revised Statutes, as amended, with respect to certain small vessels operated by cooperatives or associations in transporting merchandise of members on a nonprofit basis to or from places within the inland waters of southeastern Alaska and Prince Rupert, British Columbia, or to or from places within said inland waters and places within the inland waters of the State of Washington; with an amendment (Rept. No. 2264). Referred to the House Calendar.

Mr. LESINSKI: Committee on Post Office and Civil Service. H. R. 10495. A bill to amend that part of the act of June 9, 1896 (29 Stat. 313), relating to the establishment of postal stations and branch post offices, so as to permit them to be established within 10 miles of the boundary of the adjoining city; without amendment (Rept. No. 2265). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORRESTER: Committee on the Judiciary. House Joint Resolution 557. Joint resolution to amend the act of September 7, 1957 (71 Stat. 626), providing for the establishment of a Civil War Centennial Commission; with amendment (Rept. No. 2266). Referred to the Committee of the Whole House on the State of the Union.

Mr. BUCKLEY: Committee on Public Works. House Joint Resolution 654. Joint resolution requiring the Secretary of Commerce to submit certain recommendations for legislation to equitably reimburse States for certain highways on the National System of Interstate and Defense Highways; with amendment (Rept. No. 2267). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOLLING: Committee on Rules. House Resolution 645. Resolution for consideration of S. 495, an act to authorize the acquisition of the remaining property in square 725 in the District of Columbia for the purpose of extension of the site of the additional office building for the United States Senate or for the purpose of addition to the United States Capitol Grounds; without amendment (Rept. 2268). Referred to the House Calendar.

Mrs. GRANAHAN: Committee on Post Office and Civil Service. H. R. 1166. A bill to clarify the application of section 507 of the Classification Act of 1949 with respect to the preservation of the rates of basic compensation of certain officers or employees in cases involving downgrading actions; with amendment (Rept. No. 2269). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H. R. 9833. A bill to amend section 27 of the Merchant Marine Act of 1920; with amendment (Rept. No. 2270). Referred to the House Calendar.

Mrs. PFOST: Committee on Interior and Insular Affairs. S. 3569. An act to authorize the Secretary of the Interior to exchange certain Federal lands for certain lands owned by the State of Utah; without amendment (Rept. No. 2271). Referred to the Committee of the Whole House on the State of the Union.

Mr. DURHAM: Joint Committee on Atomic Energy. H. R. 13482. A bill to amend the Atomic Energy Act of 1954, as amended; without amendment (Rept. No. 2272). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'BRIEN of New York: Committee on Interior and Insular Affairs. H. R. 12569. A bill to amend section 31 of the Organic Act of Guam, and for other purposes; with amendment (Rept. No. 2273). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARRIS: Committee of conference. S. 3778. An act to amend the Interstate Commerce Act, as amended, so as to strengthen and improve the national transportation system, and for other purposes (Rept. No. 2274). Ordered to be printed.

Mr. NORRELL: Committee of conference. H. R. 13066. A bill making appropriations for the legislative branch for the fiscal year ending June 30, 1959, and for other purposes (Rept. No. 2275). Ordered to be printed.

Mr. ROGERS of Texas: Committee on Interior and Insular Affairs. S. 3817. An act to provide a program for the discovery of the mineral reserves of the United States, its Territories, and possessions by encouraging exploration for minerals, and for other purposes; with amendment (Rept. No. 2276). Referred to the Committee of the Whole House on the State of the Union.

Mr. KEOGH: Committee on Ways and Means. H. R. 10. A bill to encourage the establishment of voluntary pension plans by self-employed individuals; with amendment (Rept. No. 2277). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARTLETT:

H. R. 13522. A bill to provide for the arrangement of the stars on the union of the flag of the United States after the admission of new States into the Union; to the Committee on the Judiciary.

By Mr. CHENOWETH:

H. R. 13523. A bill to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Fryingpan-Arkansas project, Colorado; to the Committee on Interior and Insular Affairs.

By Mr. McCARTHY:

H. R. 13524. A bill to provide for holding a White House Conference on Aging to be called by the President of the United States before December 31, 1958, to be planned and conducted by the Special Staff on Aging of the United States Department of Health, Education, and Welfare with the assistance and cooperation of other agencies of that Department and of other departments and agencies represented on the Federal Council on Aging; to assist the several States in conducting similar conferences on aging prior to the White House Conference on Aging; and for related purposes; to the Committee on Education and Labor.

By Mr. DAWSON of Illinois (by request):

H. R. 13525. A bill to amend the Federal Property and Administrative Services Act of 1949 to extend the authority of the Administrator of General Services to pay direct expenses in connection with the utilization of excess property, and for other purposes; to the Committee on Government Operations.

By Mr. DOLLINGER:

H. R. 13526. A bill to amend the Federal Alcohol Administration Act with respect to the labeling and advertising of alcoholic beverages; to the Committee on Ways and Means.

By Mr. LESINSKI:

H. R. 13527. A bill to establish a board of directors to manage the St. Lawrence Seaway Development Corporation, and for other purposes; to the Committee on Public Works.

By Mr. MACDONALD:

H. R. 13528. A bill to supplement the Fish and Wildlife Act of 1956, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. PORTER:

H. R. 13529. A bill to increase the public use and benefit from Oregon Caves National Monument, Oreg., by revising the boundaries thereof, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ROOSEVELT:

H. R. 13530. A bill to amend section 11 of the Clayton Act to provide for the more expeditious enforcement of cease and desist orders issued thereunder, and for other purposes; to the Committee on the Judiciary.

By Mr. TEAGUE of Texas:

H. R. 13531. A bill to amend the act of June 29, 1938, as amended, to increase the insurance coverage required to be carried by cabs for hire in the District of Columbia for the protection of passengers and others, and for other purposes; to the Committee on the District of Columbia.

By Mr. ADAIR:

H. R. 13532. A bill to amend section 335 (f) of the Agricultural Adjustment Act of 1938, as amended, relating to wheat fed or used for seed or food on the farm; to the Committee on Agriculture.

By Mr. NIMTZ:

H. R. 13533. A bill to amend section 203 of the Social Security Act to increase the amount of earnings individuals are permitted to earn without suffering deductions from their benefits; to the Committee on Ways and Means.

By Mr. MATTHEWS:

H. R. 13534. A bill to provide for the issuance of a postage stamp in commemoration of the Hungarian freedom fighters and their recent revolution; to the Committee on Post Office and Civil Service.

By Mr. WIDNALL:

H. R. 13535. A bill to amend the Internal Revenue Code of 1954 to allow an individual to deduct, for income-tax purposes, the expenses incurred by him in traveling to and from work on public conveyances; to the Committee on Ways and Means.

By Mr. ANDERSON of Montana:

H. R. 13536. A bill to permit Indians who are holders of beneficial interests under patents of allotted and restricted lands to secure refunds of income taxes paid to the United States on income from such lands which has been held exempt from Federal income tax; to the Committee on Ways and Means.

By Mr. FOGARTY:

H. J. Res. 663. Joint resolution requesting the President to proclaim the period from November 16 to November 28, 1958, inclusive, as National Retarded Children's Week; to the Committee on the Judiciary.

By Mr. MAY:

H. J. Res. 664. Joint resolution requesting the President to proclaim the period from November 16 to November 28, 1958, inclusive, as National Retarded Children's Week; to the Committee on the Judiciary.

By Mr. SANTANGELO:

H. Con. Res. 367. Concurrent resolution establishing a Joint Committee on Intelligence Matters; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AUCHINCLOSS:

H. R. 13537. A bill for the relief of Viktors Neimanis; to the Committee on the Judiciary.

By Mr. BENTLEY:

H. R. 13538. A bill for the relief of Kenko Hayashi; to the Committee on the Judiciary.

By Mr. FASCELL:

H. R. 13539. A bill for the relief of Universal Trades, Inc.; to the Committee on the Judiciary.

By Mr. McFALL:

H. R. 13540. A bill for the relief of Clemente S. Silvestre, and his wife, Rosalina Tolentino (Gerardo) Silvestre; to the Committee on the Judiciary.

By Mr. ROBERTS:

H. R. 13541. A bill for the relief of Lee Dock On, his wife, and two minor daughters; to the Committee on the Judiciary.

By Mr. WESTLAND:

H. R. 13542. A bill to provide for the conveyance of certain real property of the United States situated in the State of Washington to Ruth A. Brown, Deer Harbor, Wash.; to the Committee on Merchant Marine and Fisheries.

EXTENSIONS OF REMARKS

Clarifying Law on United States Flag

EXTENSION OF REMARKS
OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1958

Mr. CELLER. Mr. Speaker, on Monday, July 28, 1958, I introduced a bill, H. R. 13552, to clarify the law relating to the design and dimensions of the United States flag.

There is no Federal statute which fixes the proportionate dimensions of the flag, including the size and arrangement of the stars in the union of the flag. I have been advised that these matters have been regulated by custom. However, a study of past actions on the design of the flag each time a new State was admitted to the Union, discloses no established procedure. For example, in 1912 when Arizona and New Mexico were admitted, a joint board of Army and Navy officers recommended a plan of the union of the flag and thereafter President Taft, by executive order, approved its action. However, when Oklahoma was admitted in 1907, the arrangement of the stars in the flag was decided without Presidential Executive order. The Navy simply wrote the War Department, suggesting that officers meet to recommend a design. When these Departments approved a design, other agencies adopted it.

Prior to these last two changes in the flag, the military services arranged the stars without executive order or legislation, but followed, generally, the basic law of 1818 which required the addition of a star on the 4th of July next succeeding the admission of a new State. In 1947, when title 4 of the United States Code was enacted into positive law, the 1818 law—Third United States Statutes at Large, page 415—which was reenacted as sections 1791 and 1792 of the Revised Statutes of the United States, was repealed—act of July 30, 1947, section 2; Sixty-first United States Statutes at Large, page 646.

The 1947 act, however, contains a possible ambiguity. Section 1 expressly provides that there "shall be 48 stars" in the union of the flag. Section 2 of that act, though, provides that on the admission of a new State "one star shall be added" to the union of the flag. We have, then, an apparent conflict, one section limiting the number of stars to 48 and another section providing for additional stars on the admission of new States.

While I think these sections can be reconciled, I nonetheless feel that the law should be clarified. Certainly it will be necessary to amend the law after Alaska is admitted into the Union, in order that the provision providing for 48 States can be changed to 49 States.

Furthermore, there should be a Federal statute setting forth standards to guide those who are given the responsibility for rearranging the component parts of the flag. Today there is no set precedent for them to follow. My bill would place this important duty under the direction of the President of the United States.

There is an act authorizing the Army to design flags and other insignia for the military departments only and to advise other agencies on matters of heraldry—Public Law 85-263; title 10, United States Code, section 4595. However, this act gives no express authority for the Army to design or rearrange the flag of the United States—see Senate report 1115, 85th Congress.

My bill contains flexible provisions and is so drawn that it will require no change if and when additional States are admitted to the Union. At the same time, it establishes clear standards for the guidance of those who will be charged with the responsibility of providing additional stars as new States are admitted.

A bill providing for the design of the flag of the United States

Be it enacted, etc., That sections 1 and 2 of title 4, United States Code, are amended to read as follows:

"§ 1. Flag; design.

"The flag of the United States shall have 13 horizontal stripes of the same width, alternate red and white, with a union consisting of as many white stars on a field of blue as there are States in the Union.

"§ 2. Same; additional stars; dimensions.

"(a) Whenever a new State is admitted to the Union, the President shall cause a plan to be made setting forth the positions of the stars in the union of the flag. He shall also cause to be fixed the proportionate dimensions of the constituent parts of the flag.

"(b) The addition of each new star to the union of the flag shall take effect on the fourth day of July next succeeding the admission of a new State.

"(c) All flags of the United States on hand on the 4th day of July next succeeding the admission of a new State may be continued in use until unserviceable, but all flags manufactured for use after that date should conform to the design and specifications adopted pursuant to this section."

SEC. 2. Items 1 and 2 of the chapter analysis of chapter 1 of title 4 are amended to read as follows:

"Flag; design.

"Same; additional stars; dimensions."

Archbishop Michael

EXTENSION OF REMARKS
OF

Hon. EVERETT McKINLEY DIRKSEN

OF ILLINOIS

IN THE SENATE OF THE UNITED STATES

Thursday, July 24, 1958

Mr. DIRKSEN. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement on the death of Archbishop Michael, the head of the Greek Orthodox Diocese in North and South America.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR DIRKSEN

The religious world mourns the death of Archbishop Michael the head of the Greek Orthodox Diocese in North and South America. Archbishop Michael was one of six presidents of the World Council of Churches. He was elected to that post at its convention in my home State in Evanston, Ill, several years ago, and had rendered much prestige and service to that post prior to his death.

Those of us who were present at the second inauguration of President Eisenhower were greatly impressed with this great spiritual media of orthodox faith who rendered one of the four prayers at the President's second inauguration. He was the first of the Greek Orthodox faith to be invited to render a prayer at a Presidential inauguration. Archbishop Michael was elected archbishop of the Greek Orthodox Diocese of North and South America in October of 1949 and he has created a most impressive record during the period he has served in this hemisphere.

The Greek Orthodox Church has made tremendous strides during that period and it has gained in prestige to the point that it is now well recognized as one of the four major religious faiths in this country. Archbishop Michael was the spiritual leader of over 1 million Americans of Greek descent and a spokesman for over 5 million communicants of the Eastern Orthodox Churches in the Western Hemisphere.

In 1954, he enrolled President Eisenhower in the Grand Order of the Holy Sepulchre in recognition of the President's efforts toward world freedom, justice, and peace.

Archbishop Michael was regarded as one of the most learned clergymen in the Greek Orthodox Church. In addition to Greek, he was fluent in English, French, and Russian. He wrote several books on the administration and teachings of the Greek Church.

His passing deprives the world of a great churchman and a great humanitarian. I know that my colleagues on the Hill join me in expressing our deepest sympathies to the millions of Greek Orthodox communicants in this country.

Lincoln High School Band Rates Praise

EXTENSION OF REMARKS
OF
HON. WILLIAM G. BRAY
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 24, 1958

Mr. BRAY. Mr. Speaker, the Lincoln High School Band of Vincennes, Ind., is a very outstanding organization. This is not just my opinion; it has been confirmed in the State band contests for the last 8 years, in which the Lincoln band has been among the first division class A leaders in each instance. Two years ago it was chosen as one of two bands to appear before the National Musical Education Association. It is a band with an impressive tradition, a tradition which is being carried on this year.

On August 23, the Lincoln High School Band will be the featured band at the Chicagoland Musical Festival, demonstrating their marching and playing ability at (in) (on) Soldiers Field, Chicago. This is an honor richly deserved for this fine organization. But even this is not what truly distinguishes this group in my mind.

It costs money to send a band on special trips. The Vincennes community has responded to the needs of the band on several occasions. For this Chicago trip, the band members decided they would not ask the people of Vincennes for additional money, but each would pledge to earn at least $15 to turn over to the general expense fund. As a consequence they offered their services for car washing, lawn-mowing, cleaning and other chores and raised the money on their own.

To me, this kind of spirit and self-reliance are what we most want to see in our young people. It demonstrates the kind of qualities that go into producing the finest American citizens. These boys and girls know how to work together to achieve the things they want, and this ability is not limited to their musical performance. I know Indiana will have good reason to be proud of them when they appear in Chicago.

Squaw Mountain and Fire Control

EXTENSION OF REMARKS
OF
HON. CLIFFORD G. McINTIRE
OF MAINE
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 24, 1958

Mr. McINTIRE. Mr. Speaker, on July 26, commemoration exercises will be conducted at Greenville, Maine, for the Squaw Mountain Lookout, the first forest fire tower ever erected in the United States.

This will be a signal event, for it honors the institution of a planned defense against the all-consuming fires that once rampaged, unchecked, through our timberlands and threatened to destroy our forests.

Because of the important part forest fire control plays in our national complex, I insert in the RECORD the following report on Squaw Mountain Lookout and its relationship to the development of our Nation's forest fire fighting system:

At the turn of the century, America had no forest fire detection and suppression system as we know it today. Forest fires burned across the country, destroying huge acreages of timberland annually. Few and untrained hands were lifted against the insidious enemy and little, if any, thought was given to detecting fires while they were still small.

Stimulated into action by the severe fires of 1903, several Maine timberland owners, operators, and other interested people began to give their attention to the recurring problem. Names such as Elmer Crowley, William Shaw, W. J. Lannigan, and Payson Viles cross history at this point.

Crowley and Shaw, both associated with the M. G. Shaw Lumber Co., then operating in the vicinity of Greenville, conceived the idea of a permanent lookout on Squaw Mountain. The idea was encouraged by Lannigan and Viles and in 1905 the project was underwritten by the M. G. Shaw Lumber Co.

The lookout was placed in operation on June 10, 1905, with William Hilton of Greenville, now vice president of the Great Northern Paper Co., Bangor, as the first observer, or watchman as he was called at that time.

The first entry in the log kept by Mr. Hilton reads:

Commenced work Saturday, June 10, 1905; clear, south wind.

Hilton served as observer from 1905 through 1908. During the first year he lived at the M. G. Shaw logging camp, making the trip up and down the mountain each day.

The value of Squaw Mountain Lookout was demonstrated many times in 1905. Other lookouts followed in quick succession, and in 1909 all lookout stations in the unorganized towns and plantations were absorbed into the Maine Forestry District upon its creation by the legislature.

Yes, the whole concept of fire control started in Maine, right there at Squaw Mountain. And from the humble beginning, the combined State foresters of this country have built the largest forest fire protection force in the world. Three thousand three hundred fire towers now keep vigil over the non-Federal forest land of America. In 1911, 6 years after Squaw Mountain tower was erected, the Weeks law was enacted by Congress to provide Federal participation in forest fire control. At that time only 61 million acres of State and privately owned forest land out of a national total of 427 millions acres were under organized protection. By 1925 protection had expanded to include 178 million acres in 29 States. Last year more than 395 million acres were being protected.

The year 1925 saw 135,000 acres of our Nation's timberland burned, or 13 percent of every million protected, and the size of the average fire was 280 acres. Last year only twenty-eight-hundredths percent of the protected area was burned and the size of the average fire had diminished to a little over 17 acres.

Total United States expenditure for State and private forest fire control amounted to $3,604,000 for 1925. Last year expenditures reached $45 million, of which $35 million were State and private funds and $10 million were Federal.

In the early years forest fires were controlled by the States mainly by manpower and hand tools; there was little so-called heavy equipment available. During the last 10 to 15 years tremendous strides have been made not only in efficiency of equipment but also in the number of such facilities used among the various States. Tanker trucks and power pumps, for example, increased in use nationally from 2,170 in 1945 to almost 3,800 in 1957. Only 4 airplanes were a part of State facilities in 1945 compared to 135 in 1957. Over the same period the number of fireline plows swelled from 326 to 1,694 and radios more than tripled in number from 3,356 to 12,452.

Throughout these fifty-odd years Maine has been a leader among other States, both in expanded protection program and increased efficiency. From that early beginning on Squaw Mountain, Maine now has 113 lookout towers. In addition, there are 160 trucks, 238 power pumps, 2 airplanes, 301 radios, and 2,550 miles of telephone line. Much of this equipment was acquired after the catastrophic fire year of 1947. Today Maine protects 100 percent of its 17 million acres of forest land. Last year only eighteen-hundredths percent of these lands was burned compared to the national total of twenty-eight-hundredths percent, although 726 fires occurred, and the fire season was severe.

This is a record of which Maine citizens may justly be proud. There is also another reason for them to feel particularly proud, for history records that this country's first fire control tower was erected on Squaw Mountain, at Greenville, Maine.

H. R. 13478, a Predator Fish Control Bill, Is Urgent Legislation

EXTENSION OF REMARKS
OF
HON. THOMAS M. PELLY
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 24, 1958

Mr. PELLY. Mr. Speaker, each Member of this House has enough problems effecting his own district and constituents, I am sure, without looking for more. Notwithstanding, I am going to discuss momentarily a serious situation in connection with coastal fisheries, in particular those in the Puget Sound and Pacific Northwest waters. However, I am hopeful of especially sympathetic understanding from those colleagues who come from agricultural areas.

Mr. Speaker, when a pest in the nature of a harmful weed or disease spreads through farming countryside, an individual farmer on his own is helpless. Infections like this are public problems and can only be controlled by group measures. Thus we have Federal programs under direction of the Department of Agriculture.

Federal participation is even more essential in the fishing industry since the sea and waters from which the fishery harvest is obtained is all publicly owned. Conservation and control of fishery resources must be a Government function.

In this connection, I recently introduced H. R. 13478 which offers the only practical means of controlling a predator which has been increasing in numbers during recent years in west coast waters and in New England waters, too, I am informed. This predator is a serious source of depletion of our fishery resources. I refer to the dogfish shark which causes great loss of valuable fish and damages the fishermen's gear as well, and like a weed or insect on the land must be controlled.

My bill provides for the payment of bounties on dogfish sharks to encourage the farmers of the sea themselves to reduce the depredations of this predator species of fish.

And, as I have indicated, I seek support for enactment of my bill into law and plead for understanding and support from not only the Members from coastal States familiar with fishing problems but also from those Members who appreciate similar blights in relation to crops and products of the soil.

Because the fishermen of Puget Sound and my State of Washington are suffering on account of the dogfish shark I have been in touch with the Bureau of Commercial Fisheries and the following excerpt from correspondence with this Bureau speaks for itself:

> Those advocating the control of the dogfish shark point not only to their predatory nature, but also to the nuisance aspects where they interfere with the commercial fishing operations. Frequently such large numbers of dogfish are present that the fishing gear is ineffective in capturing desirable species. Control of the dogfish shark would probably be feasible only through their capture by commercial fishing gear. It is hoped that additional technological study will develop new uses for dogfish shark as an animal food which will make it profitable to fish commercially for this species.
>
> During World War II, and the years immediately following, the dogfish was fished extensively for the vitamin A content of its liver. Total catches for Washington and Oregon reached a peak of about 23,000 tons in 1944, but dropped abruptly after 1949 when vitamin A was synthesized. The technological staff of the Bureau has proposed a research program to study the feasibility of utilizing dogfish in pet foods, fish meal, and as food for furred animals. This study would include as well a fundamental investigation of the chemical composition and properties of dogfish designed to yield data of maximum value in promoting the commercial utilization of this species. It is the Bureau's view that the Federal Government can contribute most to the solution of the dogfish problem through the initiation of a comprehensive technological study of this nature.

Owing to the seriousness of the dogfish problem and its effect on conservation of salmon and other fish resources—as that quotation reveals—the Bureau of Commercial Fisheries has instituted preliminary planning for a research study as to the feasibility of the use of these fish by processors in some way such as in animal food.

I have suggested for such a study the use of the staff and facilities of the College of Fisheries of the University of Washington, but implementation of any research of that kind must be delayed until at least fiscal 1960 because funds are not available. Meanwhile the situation is urgent and, therefore, legislation such as H. R. 13478 is needed. I would hope this would be a stopgap yet practical means of controlling the dogfish population.

Let me point out that several studies as to the diet of the dogfish from the stomach analyses show that about two-thirds of the food of this predator is fish of all types and one-sixth is shellfish. Thus the dogfish destroy a vast quantity of marketable fish—a truly fantastic quantity of protein food that should be conserved for orderly harvesting.

Also as I said earlier trawlers and salmon gillnetters suffer an economic loss to their gear in the amount of untold thousands of dollars yearly due to the involuntary capture of nets full of these dogfish.

The Director of the Bureau, Donald McKernan, recently wrote a letter in which he said:

> You are quite right in assuming that they—dogfish—can be best taken by the commercial fishermen. In fact, I doubt that there is any other way in which they could be taken successfully.

This legislation is needed now and I hope Members will support it at the appropriate time. Meanwhile in the Senate a similar measure introduced by the senior Senator from my State of Washington [Mr. MAGNUSON] is being considered. The time for adjournment is short but I hope there is still time to bring relief to the fishing industry.

National Retarded Children's Week

EXTENSION OF REMARKS
OF
HON. JOHN E. FOGARTY
OF RHODE ISLAND
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 24, 1958

Mr. FOGARTY. Mr. Speaker, I have today introduced, with the gentleman from Connecticut, Congressman MAY, a joint resolution requesting the President to proclaim the period from November 16 to November 28, 1958, inclusive, as National Retarded Children's Week. Its purpose is to urge the people of the entire Nation to give their heartfelt support to the appeal for understanding of the National Association for Retarded Children, and its more than 600 member units in every State of the Union, including, of course, my own State of Rhode Island.

We are living in an age of medical miracles. Many devastating diseases have been, to a great degree, eliminated or controlled by the medical discoveries of the last three decades. Many people are now living who—had it not been for the antibiotics, for the sulfa drugs, for insulin, for new vaccines, for a variety of new operative techniques—would have been dead of heart disease, diabetes, malaria, polio, pneumonia, and a host of other diseases.

This age of medical miracles, however, is just beginning. The strides which have been taken are great ones; those which are yet to be taken are greater still. On every hand, mysteries confront us, the mysteries of cancer, for example, the mysteries of the many cardiovascular diseases, of the arthritic diseases, of mental illness, of a variety of neurological diseases, and many, many more. The list of medical problems awaiting solution is a long one. Prominent on this list is mental retardation.

Mental retardation is not a single disease entity. Its origins are many and diverse, its manifestations are varied, its implications manifold. It does not matter, however, from what point of view we regard mental retardation. From any point of view, it is a pressing and serious national health problem.

It is serious because of its size. About 1½ million children of school age are retarded, and about 3 million of the remainder of our population.

It is serious because of the kinds of disability suffered by its victims, and the

problems and heartaches faced by their families.

It is serious in its economic implications for our Federal, State, and local education, health, and welfare services.

Like many of the other health problems we face today, mental retardation is beginning to show that it, too, is vulnerable to the probing attacks of medical research. Scientists are discovering how the various kinds of retardation differ from one another, and they are learning something about causes, prevention, and therapy. Investigators have discovered, for example, that errors of body metabolism are responsible for at least two types of mental retardation, and they are working on preventive and therapeutic diets to remedy the fault. Some kinds of retardation are now known to be caused by certain infectious diseases in the pregnant mother; preventive public-health measures can be and are being taken here. Birth injuries are responsible for still other kinds of retardation; ever-improving prenatal and perinatal care and obstetrical techniques can help cut down the number of these injuries. And there are still other kinds of mental retardation whose causes are beginning to be understood and against which preventive action is being taken.

There are, of course, many forms of mental retardation whose causes are still a mystery, and for which there are as yet no corrective therapies. Prospects for progress, however, are excellent. For one thing, it has been discovered that, regardless of cause of retardation, a great proportion of retarded children can derive substantial benefits from educational experiences directed specifically toward developing the aptitudes and skills they possess. Just a few years ago, most of those who were mildly to moderately retarded faced the prospect of an empty, unproductive, and unsatisfying life in a society which wrote them off as hopelessly limited and beyond help. Today, because of the efforts of dedicated and patient teachers, many of those who are only moderately retarded have high hope for socially useful and personally rewarding lives.

All over the Nation we can see the results of the combined efforts of private citizens and volunteer groups and the Federal, State, and local levels of government. Private groups stimulate action; they press for better educational opportunities for retarded children and for improved training and rehabilitation facilities; they urge the passage of legislation designed to aid in the fight against retardation; they serve to inform and educate the general public. Government does its part by conducting and supporting research, by aiding in the creation of educational and medical facilities for the retarded, by helping train personnel to work with the retarded, and by assisting in the development of new and improved teaching and rehabilitation methods. At the Federal level, for example, the National Institute of Mental Health is both conducting and supporting a variety of research projects on many aspects of mental retardation and is supporting the training of professionals to work with the retarded. The National Institute of Neurological Diseases and Blindness is conducting a broadly based study of the perinatal conditions so clearly related to mental retardation, cerebral palsy, and other disorders. The Children's Bureau, the Office of Education, and the Office of Vocational Rehabilitation are also contributing mightily to the fight against mental retardation by supporting medical, educational, and rehabilitation facilities for the retarded all over the country.

Much is being done to reduce the problem of mental retardation. But much more remains to be done. And while the research and teaching contributions of the professionals in the field are vital, they must be built on a firm base of public awareness and support. Without it, future achievements will be limited indeed. It is to broaden and strengthen the base of public support, therefore, that I offer a joint resolution for a National Retarded Children's Week.

We have all seen many times what splendid contributions an enlightened citizenry can make to the battles being fought against disease, ignorance, poverty, and other kinds of human distress. The contribution can be especially great for mental retardation, because the way in which a community handles the problem is a direct reflection of the views and attitudes of its citizens. In an informed community, we are likely to see adequate educational facilities for the retarded, good coordination of medical and rehabilitation services, and a progressive and supportive public attitude. In an uninformed community, we are likely to see the old ignorance and hopelessness.

To awaken the American people to the problem of mental retardation, then, and to inform them of our progress in solving it, on behalf of the National Association for Retarded Children and its many State and local chapters all over the Nation, on behalf of the parents and families of our Nation's 1½ million retarded children, and on behalf of the children themselves, who cannot speak for themselves, I offer this resolution for the establishment of National Retarded Children's Week.

Tenth Anniversary of Congregation Beth Hillel of Washington Heights

EXTENSION OF REMARKS
OF
HON. HERBERT ZELENKO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 24, 1958

Mr. ZELENKO. Mr. Speaker, under leave to extend my remarks and with the unanimous consent of the House, I am pleased to set forth an historical summary of the Congregation Beth Hillel of Washington Heights in my Congressional District.

Congregation Beth Hillel was founded in 1940 through the initiative and energetic efforts of Samson Schmidt, who, an American by birth, had returned to this country in 1932 after having lived in Munich for several decades. During the following years he kept in touch with the ever-increasing number of his coreligionists from Munich who were seeking a haven from Nazi persecution in New York City. Being aware of these Jewish immigrants' need for a congregational bond, Samson Schmidt began to pursue the possibilities of establishing a replica of their former congregation. This plan took on concrete form when in 1940 their longtime rabbi, Dr. Leo Baerwald, arrived in New York and expressed his readiness to assume once again the responsibility of serving as spiritual leader to his reborn congregation. By that time the number of Jewish immigrants from Munich living in Washington Heights had increased to several hundred. Due to the tireless efforts on the part of Samson Schmidt and Rabbi Baerwald, in collaboration with other dedicated men and women, the new congregation Beth Hillel was founded in 1940. Its first president was Dr. Herman Schuelein, whose well-known name and highly esteemed personality added to the prestige of the young congregation.

During the high holy days of that year, inaugural services were held at the former Paramount Building in Washington Heights. From the outset the large attendance, even at the regular Sabbath services, augmented by numerous nonmembers living in the neighborhood, bespoke the great need for such a congregation in that area.

According to the classifications customary in the United States, Beth Hillel may be considered a conservative congregation. Services were conducted in the order of the old Munich prayerbook, retaining also the familiar cantorial melodies. Due to this familiarity the congregation, from the very beginning, felt at home in the services held in their new country. During the early years, in the interest of the older generation, sermons were delivered exclusively in German. This was not only a linguistic expedient, but it also strengthened the common ground of thinking and raising questions. However, in recent years, especially under the leadership of Rabbi Dr. Hugo Stransky, who took over in 1955 from Rabbi Dr. Baerwald, for the sake of the younger generation, and as their elders have become more familiar with the language of their new country, sermons have been given alternately in German and English. English has also been the language of teaching in the religious school from its inception as well as of all cultural and social activities sponsored by the youth group and by the younger members of the sisterhood.

In 1941, the newly founded Congregation Beth Hillel was greatly strengthened by its merger with a kindred group from Nuremberg. Under the leadership of

their former rabbi, Dr. Isak Heilbronn, whose untimely death occurred in 1943, and the trustee, Richard Jung, a number of Jewish immigrants from Nuremberg had at first joined an existing American congregation in Washington Heights. Finding that this solution did not meet their need for spiritual and cultural cohesiveness amidst the many difficult adjustments necessitated in the new country, the members of the former Nuremberg congregation then decided to join their brethren from Munich so as to be able to worship once again in their familiar tradition.

The expanded Beth Hillel flourished under the joint spiritual leadership of Rabbis Baerwald and Heilbronn and to Richard Jung's dedicated collaboration on its board of directors. By the end of the forties the family membership had increased to about 2,000 souls, for whom the old Paramount Hall now proved wholly inadequate, even including other rooms in the same building where subsidiary services were conducted during the holy days. The growing religious school also pointed up the need for larger, more appropriate quarters. In September 1948, on its 8th anniversary, Beth Hillel was able to inaugurate its own building at 571 West 182d Street, originally built by the Government for post office purposes. Thanks to the generosity of the congregation it was possible to purchase this building and to commission the architect, Fritz Nathan, to rebuild it as a synagogue and Jewish center.

Since that time Beth Hillel of Washington Heights has been growing further; not only in membership, which now amounts to about 750 families, but also in its cultural, educational, and social programs. An active sisterhood, parents' association and youth group, a dedicated Chevra Kadisha, a substantial and informative bulletin; these are some of the aspects of congregational life which strengthen the bond among its members, under the administrative guidance of a board of trustees of 24. The presidents of the synagogue were Dr. Hermann Schuelein, Richard Jung (who died in 1957), Louis Bauernfreund, and Dr. Leopold Landenberger, and at present Dr. Paul Simon.

When Rabbi Baerwald retired in 1955, he continued to take a lively interest in the affairs of Beth Hillel. Under the leadership of the succeeding Rabbi, Dr. Hugo Stransky, the congregation has continued to grow in vigor, incorporating in its program many features adopted from its American counterparts and involving the younger members for more active participation. Dr. Stransky has had a most distinguished record as a religious and civic leader. He is a native of Prague, Czechoslovakia, where he served for 9 years as rabbi. During World War II he was a rabbi and Army chaplain in England; from 1947 to 1951 chief minister of Melbourne Hebrew Congregation, Melbourne, Australia; and from 1952 to 1955, principal rabbi in New Zealand.

American Federation of Musicians Honor Oregon

EXTENSION OF REMARKS

OF

HON. CHARLES O. PORTER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1958

Mr. PORTER. Mr. Speaker, July 23, 1958, was an eventful day for the State of Oregon and Oregonians in Washington, D. C., and elsewhere.

Last evening the American Federation of Musicians saluted the State, its society and friends in the Capital, distinguished Oregonians in government and Mr. Herman D. Kenin, newly elected president of the International Musicians Union. Herman Kenin, a man of warmth, humor, and vigor, is outstanding in the musical field. He comes from Portland, Oreg., and only last month was elected to head the 264,000-member AFM.

In a splendid evening of live music under the stars, the 55-member Watergate Summer Symphony Orchestra treated audience members to lively renditions of hit melodies from Broadway musicals, after the crowd of several thousand was welcomed by Senator WAYNE MORSE, distinguished dean of Oregon's Congressional delegation.

The multistarred concert featured a stirring initial symphonic performance of the official Oregon State song, Oregon, My Oregon. The version was arranged and conducted by Mr. Toby Tyler. The lyrics were sung by personable Gene Archer.

It was a proud night for Oregonians and AFM members, climaxed by a national introduction of President Kenin and the State song over the Mutual Broadcasting System's vast network. The symphonic version of Oregon, My Oregon will be heard often in my State during the centennial celebration next year.

Under leave to extend my remarks, I include the radio script from the Watergate broadcast, the program for the evening, and articles and editorial comment relative to the Oregon State song:

ANNOUNCER. Good evening, ladies and gentlemen, this is Ken French speaking for the Mutual Broadcasting System from the famous Watergate on the historic Potomac River in the Nation's Capital where tonight we are about to bring you a portion of the concert by the Watergate Summer Symphony Orchestra being presented by the American Federation of Musicians. The orchestra conducted by Dr. Henry Goldstein comprises members of the Washington, D. C., Local, No. 161, of the American Federation of Musicians and tonight's concert salutes the State of Oregon, the Oregon Congressional delegation and Mr. Herman D. Kenin.

Dr. Goldstein is now making his entrance to the conductor's podium and we start this portion of the concert with the Watergate Summer Symphony Orchestra playing selections from the Broadway musical success, My Fair Lady.

Orchestra: My Fair Lady.

ANNOUNCER. As a feature of this Oregon celebration tonight on the banks of Washington's broad Potomac, it is my pleasure now to present a distinguished adopted son of Oregon. Himself an accomplished musician, a former practicing attorney, and for the past 14 years an international officer of the Musicians Union, he is enthusiastically welcomed here tonight by one of the largest and most distinguished gatherings of Oregonians ever assembled in the Nation's Capital. Ladies and gentlemen, I am pleased to introduce the newly elected president of the American Federation of Musicians, Mr. Herman D. Kenin.

Mr. KENIN. Thank you Mr. French. This is indeed the happiest homecoming a man could ever hope to enjoy away from home. Incidentally, yours is my first public introduction since I assumed the leadership of the American Federation of Musicians early last month. I can only hope that succeeding introductions of me in my sometimes controversial official capacity will be half so kindly. Circumstances have decreed that I must reside far from my beloved Oregon, but the memories of this cordial and gracious reception will soften any pangs of homesickness. It is a privilege to participate in any history-making first occasion, and especially in a coming-out party for our Oregon State song. My chief satisfaction, however, is that tonight history will be made by live musicians playing lively music from an orchestration arranged by Mr. Toby Tyler a long time member of our local musicians union. Ours tonight is the rare opportunity to remind tens of thousands of listeners that the music which is our American heritage can be created and kept alive only by live musicians. What the music machine gives us is but the parroting of the live musicians artistry. Yet, sadly, those machine-made sounds are threatening to mute forever the creative voice of a basic American art. But I won't intrude further a sad note upon so happy an occasion. Rather, I would remind my listeners, and particularly my fellow Oregonians, that we are indebted for this history-making event to the fact that the State of Oregon numbers among its distinguished Congressional delegates a private investigator of the persevering school of the late Sherlock Holmes. I refer, of course, to Representative CHARLES O. PORTER, who does not confine his investigative prowess wholly to the domestic scene, but sometimes practices his talents abroad, to the discomfiture of dictatorships, and to his everlasting credit. Yet, I predict history will record that one of his finest hours as a private eye was achieved in ferreting out of dusty archives the all-but-forgotten State song of Oregon. When Congressman PORTER told me of his recent achievement in perpetuating American music through the rediscovery of this age-yellowed sheet music, originally written for piano in 1920 by Henry Murtagh, I promised him we would prepare an arrangement of it for symphonic production and rededicate it to a great State that soon will celebrate its centennial. The song, Oregon, My Oregon may not find a place on the Hit Parade because Mr. Tyler's arrangement is not at all reminiscent of Rock 'n Roll or even Dixieland music, but I am confident its rediscoverer will add to his renown as a Member of Congress who can produce the music as well as the words. Thus, it gives me much pleasure to introduce to you the Honorable CHARLES O. PORTER, Member of Congress from Oregon. Mr. PORTER.

Mr. PORTER. Thank you my friend, Herman Kenin. It is a tribute to your untiring work on behalf of the American Federation of Musicians that you have been elected to succeed Mr. Petrillo. I believe that as the leader and spokesman for a great labor union, you will do much to sustain the cause of

"live" music. Tonight we have heard fine examples of the talent of American Federation of Musicians members. And, we will soon hear a symphonic version of the Oregon State song which that leading newspaper columnist George Dixon commented on. George called the words sheer horror. Humor is humor, but this is going too far: Here are the words of Oregon, My Oregon.

"Land of the Empire Builders,
Land of the Golden West;
Conquered and held by freemen,
Fairest and the best.
Onward and upward ever,
Forward and on, and on;
Hail to thee, Land of Heroes, My Oregon."

Sheer horror, ladies and gentlemen? I think not. What do these words tell us? Land of the empire builders—builders of an empire based on hard work, courage, and tolerance of the other fellow's views; land of the golden west—golden refers to sunsets and how we feel, not to material wealth; conquered and held by freemen—we shall ever be in debt to the free men and women who bravely pioneered our land; fairest and the best—no question about this; onward and upward ever, forward and on, and on—there is still pioneering to be done in our great State—hard but satisfying work for all of us; hail to thee, land of heroes, my Oregon—heroes indeed—all those who seek to be worthy of this many blessed portion of our great Nation. Sheer horror, these words? No, indeed, but fitting words for stirring music. It is now my privilege and pleasure to present to you the Watergate Summer Symphony Orchestra conducted by Mr. Toby Tyler, featuring Mr. Gene Archer and their rendition of Mr. Tyler's arrangement of Oregon, My Oregon.

(Orchestra: Oregon, My Oregon.)

ANNOUNCER. The Mutual Broadcasting System has brought you a portion of the concert by the Watergate Summer Symphony Orchestra presented by the American Federation of Musicians. This program came to you from the famous Watergate on the historic Potomac River in the Nation's Capital, and saluted the State of Oregon, and the Oregon Congressional delegation. Heard on tonight's program were Congressman CHARLES O. PORTER, of Oregon, and Herman D. Kenin, newly elected president of the American Federation of Musicians. The orchestra was conducted by Dr. Henry Goldstein and Mr. Toby Tyler. The vocalist was Gene Archer. This broadcast was produced and directed by Phil Lampkin, director of music for the Mutual Broadcasting System. This is Ken French speaking.

THE AMERICAN FEDERATION OF MUSICIANS IN COOPERATION WITH THE NATIONAL CAPITAL PARKS, PRESENTS THE WATERGATE SUMMER SYMPHONY IN HIT MELODIES FROM BROADWAY MUSICALS AND FEATURING THE FIRST SYMPHONIC PERFORMANCE OF OREGON, MY OREGON, OFFICIAL OREGON STATE SONG

(This added concert of Washington's Summer Jubilee Festival Salutes the Oregon State Society, Distinguished Oregonians in Government, and Mr. Herman D. Kenin, newly-elected president of the American Federation of Musicians, also of Oregon)

PROGRAM NOTES

Tonight's concert is the first of six Watergate concerts to be offered each Wednesday evening through August, featuring members of the D. C. Federation of Musicians in symphonic, jazz, and country and western music.

The succeeding five concerts are made possible by the Music Performance Trust Funds through a grant by the recording industries, and in cooperation with the D. C. Federation of Musicians.

A 25-minute segment of tonight's concert will be broadcast live coast-to-coast over the Mutual Broadcasting System, commencing at 9:35 o'clock. Ten minutes before broadcast time the program director will instruct you in the audience participation for this broadcast.

Reserved seats for Oregon State Society members have been provided tonight because they are present especially to hear played for the first time anywhere a symphonic arrangement of their official State song, Oregon, My Oregon. The song was rediscovered recently by Oregon Representative CHARLES O. PORTER. President Kenin of the American Federation of Musicians, himself an Oregonian, promptly asked the D. C. musicians union to prepare a symphonic arrangement of the State song.

Thus, Oregon Night at the Watergate salutes the hundreds of members of the Oregon State Society in the Nation's Capital, many distinguished Oregonians in governmental service here and an adopted son of Oregon, Mr. Kenin, who only last month was elected president of the 264,000-member American Federation of Musicians.

PROGRAM, WEDNESDAY, JULY 22, 1958, 8:30 P. M., DR. HENRY GOLDSTEIN, CONDUCTOR, WATERGATE SUMMER SYMPHONY ORCHESTRA

The National Anthem.

I Love Washington (Edward R. Carr), conducted by Eddie Pierce, sung by Gene Archer.

Selections, The King and I (Richard Rodgers).

Piano duo, medley (Vincent Youmans), Mel Clement and Helen Myers, pianists.

Selections, Show Boat (Jerome Kern).

Intermission.

Coast-to-coast broadcast (Mutual Broadcasting System).

Selections, My Fair Lady (Frederick Loewe).

State song, Oregon, My Oregon. Music by Henry B. Murtagh, words by J. A. Buchanan, sung by Gene Archer, arranged and conducted by Toby Tyler.

Piano duo, Medley (Cole Porter).

Symphonic scenario, South Pacific (Richard Rodgers).

[From the Eugene (Oreg.) Register-Guard of February 18, 1958]

MUSICAL CRISIS SOLVED FOR CENTENNIAL

(By A. Robert Smith)

WASHINGTON.—For many years, an indignity has been imposed upon those displaced Oregonians who, by the chance of politics or the lure of money and fame, have made their home in the Nation's Capital.

When they attended those familiar social functions—say a big political banquet—along with natives of the other States, one point of discomfort to loyal Oregonians inevitably arrived.

It would come when the orchestra began honoring the various States. When the band struck up The Eyes of Texas Are Upon You, the Texans in the house would act like loyal Texans always act. The Californians would go wild over California, Here I Come.

As the musicians delighted one State group after another with their official State songs, the Oregonians finally had to face the music—the band never knew Oregon, My Oregon.

Fresh from the grassroots of Oregon, Congressman CHARLES O. PORTER noticed this soon after he arrived here early last year while attending a Democratic dinner. Much to his chagrin, he reported:

DUM, DUM, DUM

"When Oregon was saluted, the orchestra played one of those nameless somewhat tuneless, mixtures of notes.

"Always, at the functions I've attended, the orchestra or pianist or chorus fills in with 'dum, dum, dum'. The dums signify nothing other than an awkward musical bridge."

Because he liked the song, which the State went to much trouble to select, and to correct this slight against Oregon, PORTER dug into the matter.

The Society of Oregon Composers held a contest in 1920 to pick a State song. From 50 entries, it selected Oregon, My Oregon. The lyrics were written by a municipal judge who liked to write poetry, J. A. Buchanan, who died at Astoria in 1936. Composer was Harry Murtaugh, who played the piano during silent movies, but left Portland years ago and has not been heard from since World War II when he passed through town with a war bond selling group. The State legislature in 1927 made it official under the title, "Land of the Empire Builders."

NEVER COPYRIGHTED

PORTER learned from the Copyright Office, Library of Congress, that no copyright had ever been issued for the song under any title. The Portland music publisher, Irving E. Sklare, obligingly sent him 50 copies of the song, which the Congressman distributed to the Washington, D. C., Federation of Musicians, with this comment:

"Frankly, I flinch when a musical bridge fills the spot where a few healthy strains of Oregon, My Oregon would warm the loyal hearts of Oregonians attending the function."

The local musicians are especially anxious to prevent Congressional flinching in the music field these days, what with a bill now pending to reduce the tax on all places that feature live music—a tax which the musicians claim has thrown many of them out of business because many cabarets avoid the tax by replacing the band with a jukebox.

STARTED REHEARSALS

All the local band leaders were promptly supplied with Oregon, My Oregon, and the union promised PORTER they would soon be able to swing right into it on request.

Moreover, the United States Navy Band agreed to make an arrangement of the song and be ready to perform for Oregonians by June 1. The Navy may even record it, though this can't be sold commercially.

And Dean Theodore Kratt of the University of Oregon School of Music has indicated to PORTER he could have a choral arrangement made as a student project. A. Verne Wilson, supervisor of music, Portland Public Schools, said he would take it from there and have a high-school choir record the song.

Oregon, My Oregon is in for a needed revival, just in time for the big centennial that is coming up next year.

[From the Milwaukie (Oreg.) Review of February 20, 1958]

SINGING FOR OREGON

Thirty-one years ago the legislature made it official, Oregon's State song was to be Land of the Empire Builders, or more simply, Oregon, my Oregon.

It is a lilting tune, easy to sing and understand—but now in 1958, only a few Oregonians know the words and sing out when it is played for group singing. We'd better brush up on it this year to get ready for next year's centennial.

We are grateful to CHARLES PORTER, the zestful young Congressman from the southwest Oregon district, for his initiative in popularizing the song with bands and orchestras in the National Capital. Now let's do as well, or better, here at home by singing it in our schools, grange, clubs, and community meetings until we know it.

To refresh your recollection, here are the words of our song. It's a good song, as good

as the famous State songs of Texas, California, or Indiana and almost as taking as Oklahoma's or Maine's:

"Land of the Empire Builders,
Land of the Golden West;
Conquered and held by freemen,
Fairest and the best.
Onward and upward ever,
Forward and on, and on;
Hail to thee, Land of Heroes, My Oregon.

Land of the rose and sunshine,
Land of the summer's breeze;
Laden with health and vigor,
Fresh from Western seas.
Blest by the blood of martyrs,
Land of the setting sun;
Hail to thee, Land of Promise, My Oregon."

[From the Eugene (Oreg.) Register-Guard of February 21, 1958]

STATE SONG

A. Robert Smith, our Washington correspondent, reports that Congressman CHARLES O. PORTER has decided to do something about the ignorance, in Washington, D. C., of Oregon's official song, known variously as Oregon, My Oregon and Land of the Empire Builders.

That's fine. We hope the song becomes known across the land, but we also suggest it is not exactly a familiar song right here in Oregon. When we read Bob Smith's piece, we tried out a few bars on our monotone and found that, to save us, we couldn't get beyond "Land of the golden west." (That shows how long it's been since were were in the seventh grade.)

Since this is Oregon's 100th year of statehood, it behooves us to learn as much about Oregon as we can. Earlier we suggested boning up on Oregon history and literature and spending the summer on "See Oregon first" vacations. Now we suggest that Oregon residents brush up on their State song. It can be found, words and music, on page 123 of the current Oregon Blue Book.

Oregon, My Oregon is no Maryland, My Maryland, or California Here I Come, but as State songs go it's far from bad.

[From the Medford (Oreg.) Mail Tribune of June 8, 1958]

STATE SONG PROGRESSING

Oregon, My Oregon, also known as Land of the Empire Builders, the Oregon State song, is making heartening progress.

We lamented here a few months ago that no one seems to know it very well—if at all—and that it was being neglected. And it's a good tune.

Since then, we understand that at least one young men's service club in town has started singing it at the beginning of its meetings. And, according to evidence from some school-age youngsters we know, it is a part of their music repertory.

Now we are informed that it's beginning to get through in official circles in Washington.

Congressman CHARLES O. PORTER earlier this year got in touch with the District of Columbia Federation of Musicians, and suggested that Oregon's song be played at functions where the various States are saluted by their official songs. In the past, Oregon's tribute has been sort of an undistinguished musical bridge which meant nothing.

As a result, the District's orchestra leaders were tipped off to this unsatisfactory situation, and at one recent function, the State's song was given a lively and well-rendered version, PORTER reports.

Which is all to the good.

In Defense of Americans for Democratic Action

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1958

Mr. CELLER. Mr. Speaker, the RECORD shows that on Monday, July 21, 1958, the gentleman from New York [Mr. DEROUNIAN] addressed the House on the subject of Americans for Democratic Action. I have great respect for the gentleman with whom I have served for a number of years, but that respect does not blind me to the shortcomings of his remarks to which I must take exception. I offer these remarks in kindliness, yet with conviction. Among other people connected with ADA, he took issue with the policies and proposals advocated by ADA to bring a speedy end to the recession into which the Republican administration has plunged this country. While I do not necessarily agree with all of the recommendations in this program, I have the greatest respect for such people as Mrs. Eleanor Roosevelt, David Dubinsky, James B. Carey, India Edwards, Thomas K. Finletter, and Robert R. Nathan, who are among the signers of this resolution. I know these dedicated citizens and I have worked with them and others, including former Senator Herbert H. Lehman, on legislation for the good of this country. I especially remember how they have given of their time and their energies in the fight for legislation to protect civil liberties and civil rights and for economic and social security. I have found them to be zealously devoted to the cause of democracy in our country and I am proud to have had the privilege of working with them.

The gentleman from New York has allowed himself to imagine that, as he said:

ADA'ers are morbidly fascinated by the U. S. S. R. and anything accomplished by the Communists is acclaimed by the ADA as superior to anything accomplished by the United States of America. They are saying, right now, that the Russian economy is superior to ours.

Mr. Speaker, this is exactly the opposite of what ADA is saying. For a long time Mr. Robert R. Nathan, who is the national chairman of ADA, and other leaders of the organization have been trying to arouse the people of the United States and the Congress of the United States to the great threat posed to the United States by the rapidly increasing rate of production in the Soviet Union and in their increased emphasis on infiltration of neutral countries through technical and economic aid. Second only to our system of personal freedom and individual liberty, the American economy is our most important asset in the long-drawn international competition with communism. The ADA does this Nation a service in calling attention to the need to keep the American economy vigorous and growing in order to provide the vital means of meeting that competition. If the gentleman from New York [Mr. DEROUNIAN] considers this activity as pro-Communist, then he must also consider it pro-Communist when the Columbia Broadcasting System devotes an hour of its program time, as it did a week ago, to probing in depth the increasing threat of Communist technical and economic assistance, under the title of "The Ruble War." It is a credit to the understanding of the leaders of the ADA and their devotion to the cause of democracy that in these activities they have placed such great emphasis on measures like mutual security and reciprocal trade designed to strengthen the position of the United States and of the Free World. ADA's 11-year history of anticommunism, nationally and internationally, is a matter of record—from their support of the Truman Doctrine and the Marshall plan to their support of NATO and mutual security.

It will be a sad day for the United States when recognition and awareness of the widening and deepening Soviet economic offensive and the peril it poses for the Free World brings down cries of pro-Communist on those who recognize this and are aware of it. Surely nothing would help the Communists more than smothering this kind of awareness and discussion in the United States. In fact, anyone who closes his eyes and his mind to this Soviet threat is unwittingly helping the Communists. I believe that ADA and others deserve a vote of thanks for the work they have done in bringing these developments and their implications to the attention of the American public.

My esteemed colleague is absolutely right when he says that ADA is devoted to a program of full and steady employment and production and an expanded program of social security. I wonder if he wishes us to infer from his comment that he does not believe in these programs. I am sure he can find many Members of the House who would be pleased to debate with him the importance of such programs.

But the gentleman from New York is misinformed when he says that ADA has recommended economic aid to Communist China or its admission to the U. N. What ADA has recommended is that this Government initiate negotiations looking toward diplomatic recognition of the Chinese Communist government not, as the ADA says, "as a gesture of moral approval—which the Chinese Communists obviously do not merit—but as a means of establishing the normal channels of communication between the two nations." There can be wide differences of opinion on this question and these differences can be the subject of reasonable debate among reasonable men. The ADA's position was taken because they felt that such a policy would be in the best interests of this country and for no other reason. I am sure that my colleague from New York agrees that this should be the governing criterion in any such question of foreign policy.

If he would take the trouble to examine the record, I think the gentleman from New York would find that the ADA is precisely what it says it is:

A nationwide, independent anti-Communist political organization dedicated to a program for making liberalism a more effective force in the United States.

I might say that if the gentleman from New York and the Republican Party would stop wasting their time berating the ADA and spend more time on the great issues confronting this country, they would do their country and their party a service.

Frankly, most of the projects and tenets of the ADA I personally espouse and am pleased to make this public acknowledgement thereof. It may be that some of its principles and actions I may not approve, but by and large it is a stimulating, wholesome organization and the gentleman from New York [Mr. DEROUNIAN] does not do himself proud, indeed, in attacking it.

Supplemental Appropriation Bill, 1959—Emergency Funds for Schools of Public Health Training Programs

EXTENSION OF REMARKS
OF
HON. GEORGE M. RHODES
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 24, 1958

Mr. RHODES of Pennsylvania. Mr. Speaker, a few minutes before House passage of the 1959 supplemental appropriation bill last Tuesday, I received word that the President had signed H. R. 11414, an act amending the Public Health Service Act, authorizing the Surgeon General to make certain grants-in-aid for provision in public or nonprofit accredited schools of public health of training and services in the fields of public health and in the administration of State and local public health programs.

Members will recall that this emergency legislation was unanimously passed by the House on May 5, 1958. It authorizes the Surgeon General to allocate $1 million in grants to enable the 11 schools of public health to train badly-needed specialists for Federal, State, and local public health agencies. These schools are located at the universities of Michigan, Minnesota, California, North Carolina, Puerto Rico, Johns Hopkins, Tulane, Harvard, Yale, Pittsburgh, and Columbia.

As was pointed out in the committee report and in the House debate, these private and State-supported institutions are now incurring an annual deficit of over $3 million in subsidizing the training of public health personnel for the public service throughout the Nation. This bill had wide bipartisan support in both the House and Senate. It is a 2-year emergency program, effective with the fiscal year which began on July 1, 1958.

Mr. Speaker, the timing of the action on this bill unfortunately prevented the inclusion of necessary funds in H. R. 11645, the Labor-Health, Education, and Welfare appropriation measure. H. R. 11414 was unanimously passed by the other body in the identical form of the House version on July 10, 1958, but by then the appropriation bill was in conference.

Presidential approval of the bill came too late for either committee or floor consideration of a request for the inclusion of the necessary funds in the supplemental appropriation bill acted on by the House on Tuesday. It will therefore be necessary to request the Appropriations Committee of the other body to add an additional $1 million to H. R. 13450 and take it to conference, so that the emergency public health training program provided for in H. R. 11414 may be initiated during the present fiscal year. Unless funds are included in this bill, 1 year's operation of the 2-year emergency program will be lost.

Mr. Speaker, I would like the RECORD to show that this action is necessary because there was no opportunity for the House Appropriations Committee to consider this item. If funds are subsequently added to H. R. 13450 by the other body, Members and the House conferees may therefore be fully informed as to the reasons for such action.

I have discussed this matter with the gentleman from Rhode Island [Mr. FOGARTY], the distinguished chairman of the Labor-Health, Education, Welfare Appropriations Subcommittee. He has written me as follows:

I am glad that you have brought this matter to my attention. I strongly support the objectives of H. R. 11414 and agree that the necessary funds for this important emergency public health training program must be included in H. R. 13450. It is unfortunate that the timing has made it impossible for the request for the funds to be considered by our committee and trust that they will be added by the Senate and taken to conference.

The Crucial Near and Far East—An Appraisal

EXTENSION OF REMARKS
OF
HON. JAMES T. PATTERSON
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 24, 1958

Mr. PATTERSON. Mr. Speaker and my distinguished colleagues, once again the ruthless leaders of the Kremlin have sponsored a holocaust in international affairs that has thrown the entire world into a state of profound fear. In my judgment the President of the United States has acted wisely and forthrightly in calling the Soviet bluff by his speedy action in dispatching United States Marines to Lebanon in response to the urgent request of President Chamoun.

I would like to briefly outline several reasons why the Near East and the Far East are explosive areas at the present moment, and why the Kremlin is conducting a relentless crusade to spread international communism into those areas.

Now, Mr. Speaker, the Near East crisis has been far more serious than the average American, Briton, Frenchman, or even Russian would like to admit. In the Near East, oil has telescoped a thousand years into 20, and the entire area—from the Arabian Sea to the Black Sea—from the Caspian Sea to the Red Sea—has become the most explosive powder keg in the entire Eastern Hemisphere. However, the overshadowing factor of oil is not the only reason for this.

For generations, czarist Russia and more recently, Soviet Russia, have trained their sights on two principal objectives that nature itself has denied the Soviet Union. One objective is an ice-free port south of the Soviet Union; the other is adequate supplies of oil for industrial and military purposes. A glance at the world map will indicate that Russia's only suitable outlet to the Mediterranean Sea is through the Bosporous-Dardanelle Straits which are controlled by Turkey. Passage through that outlet is as expensive as the Turkish Government wishes to make it, and shipping through the straits can also be subject to censorship and restrictions by the Turkish Government. Thus Turkey has been an important target of the Communist world revolution, and its importance ranks with that of the Near East and its oil.

Now Mr. Speaker, it has been said that the Near East is the lifeline of the British and French Empires, and there is much truth in that observation. Throughout the years, Great Britain and the United States have applied their capital and engineering talents toward developing Near East oil. The Arab States lacked both the engineering ability and the necessary capital for such development. The result has been huge outlays of British and American funds in the form of foreign investments. This has assured Western Europe of adequate sources of oil and, in turn, has greatly enhanced the standard of living throughout the entire Arab world, just as the standard of living has been raised immensely in Venezuela because of American investments in oil in that South American country.

So important has the Near East become to British economy, that loss of the area to the Soviet bloc would very likely destroy the British Empire and the French Empire as well. This is one reason that the Kremlin has infiltrated the Arab world with Soviet agents since the end of World War II. These Soviet agitators have proved effective as was demonstrated by the recent revolt in Iraq which touched off the present crisis.

In its far-reaching goal of completely engulfing the Near East into the Soviet bloc, the Kremlin has used Egyptian President Nasser as a stooge. Nasser's

goal is to form a so-called United Arab Republic and this strange alliance, as has been proven, would eventually become completely subservient to the Kremlin, even though Nasser refuses to admit this. If this goal could be achieved, the entire Arab world would then be under Soviet domination, just as the satellite states of East and Central Europe are today. It was for this reason, among others, that President Eisenhower responded to the Lebanese President's urgent plea for American troops to preserve Lebanon's independence. There can be no doubt that, without American assistance, Lebanon and perhaps Jordan and others would have soon met the same fate as Iraq, and the Kremlin would have made another gigantic step in its ultimate goal of Near East domination.

In the relentless struggle between Western and Soviet ideologies—particularly since the end of World War II—the United States has exerted every possible effort to preserve world peace and avoid the use of war as an instrument of policy in settling international disputes. At the same time we have worked unceasingly for the independence and national self-determination of all members of the United Nations. The friendly hand of America has been extended in all directions in the hope that military conflict with the Soviet Union could be avoided.

But it was because we believe in the integirty of free men and nations, in world peace, and because we are dedicated to the Charter of the U. N. which supposedly seeks to assure men and nations of those rights which are cardinal in the vast whirlpool of international affairs.

At the same time we earnestly hoped and even prayed that Kremlin leaders would cooperate with the Western World and join us in a sincere and genuine crusade that would assure the world of everlasting tranquillity and international economic stability. Instead, the Kremlin forced its domination over nine East European nations, communized the Chinese Mainland, and sponsored a war in Korea. In addition, Moscow has conducted a ceaseless campaign designed to impose communism in every quarter of the Free World, thus undermining Western nations with the ultimate goal of dominating the entire earth.

And then, finally in July 1958 came the Kremlin-inspired all-out attempt to engulf the Near East into an orbit alien to the Western World and its security. At the same time, the Western World recognized the urgent necessity for taking instant action that would check this Soviet infiltration in the Near East. In a sense, the time arrived to call the Soviet bluff, and that was precisely what President Eisenhower did when he dispatched American troops to Lebanon.

The President's action immediately placed the Kremlin in the most embarrassing position that it has been in since the end of World War II, and here are several reasons why:

First. Moscow leaders, to whom Arab Nationalists such as Nasser have looked for guidance, are faced with the ugly problem of saving face in the present crisis. The so-called United Arab Republic must naturally expect Soviet military intervention if the situation grows much worse—for example, if an effort is made to liberate Iraq from the revolutionary junta which recently seized control of the country. Yet, Moscow knows that Soviet military intervention in the Near East could very well touch off world war III. In addition, geographic factors make it impossible for Soviet forces to enter the Near East without crossing a country that is friendly to the West. Soviet intervention, therefore, would constitute an invasion and thus a direct act of aggression.

Second. Soviet Russia does not want to engage in world war III at this time, because she is not ready industrially or militarily for an all-out conflict with the West. One reason for this is that 40 percent of total Soviet production comes from the satellite and Baltic States, and in those captive nations the Kremlin has not yet achieved the proper stability that is desired, as was evidenced by the Hungarian Revolution in 1956 and the Poznan revolts in Poland. Moreover, if Russia should now engage in all-out war, there is a strong possibility that full-scale revolts against the Kremlin would occur in every captive nation under Soviet domain, and these would obviously cause Moscow to lose 40 percent of her total industrial production.

Third. President Eisenhower's action in dispatching troops to Lebanon could well prove to be a great and unprecedented source of encouragement and confidence to people behind the Iron Curtain, and Moscow knows that this could have far-reaching implications in the satellite states where there is great unrest and indignation among the populations over the miserable conditions imposed by Communist regimes. Competent experts have thought all along that a concrete show of force by the United States and Britain against Soviet infiltration in the Eastern Hemisphere could very well touch off revolts behind the Iron Curtain of a magnitude equal to the Hungarian revolution. The perpetual unrest in the satellite and Baltic States is a source of constant worry to the Kremlin during normal times, and is naturally intensified during the current crisis.

Thus Mr. Speaker, the President's action in dispatching troops into Lebanon could very well prove to be the very factor that saved the Middle East from Soviet domination. Moreover, it might well turn the tide of world opinion against the international Communist movement, and halt its rapid progress in the Eastern Hemisphere. Under any circumstances, it now appears that the Kremlin will suffer a tremendous loss of prestige both in the Arab world and within the Soviet Union proper and satellite lands.

And now Mr. Speaker, turning to the Far East, let me warn of the dangers of complacency at this time, and also of Soviet designs in the Far East.

While world diplomatic attention is sharply focused on the Middle East, astute Western statesmen should not take their eyes off the Far East, particularly the Korean and Formosan areas. The Kremlin is noted for its ability to divert world diplomatic attention from one area and then strike at another area that is not under observation. This happened in 1949 when Soviet leaders managed to focus diplomatic attention on the notorious Berlin blockade, and in what the Western World thought was a major engagement in the cold war. While this was happening, the Kremlin struck in another highly strategic area. The area was Red China—the result was that some 400 million Chinese fell under Communist domination.

Another example occurred in 1947–48, when diplomatic attention was keenly focused on China while General Wedemeyer was there conducting a hectic inspection tour. High-pressure Soviet propaganda placed the country in the center of world diplomatic attention. Precisely at that moment the Kremlin struck in another area that was concealed from the attention of the Free World. The area was Czechoslovakia which was added to the Soviet domain in early 1948 an another satellite.

Thus the Western World should keep the Far East under close observation and pay careful attention to each Communist maneuver in that area. For example, North Korea has increased its army by 100,000 men during the past several years, and has built up its air force to tremendous proportions—all in violation, of course, of the so-called armistice agreement signed between the U. N. forces and the Reds in 1953.

Mr. Speaker, the Far East, particularly Korea and Formosa, are of utmost importance to the Kremlin in its far-reaching goal of world domination. From a geographic standpoint, Korea points like a dagger toward the heart of the Japanese Islands, and Japan is presently a target of Red China. Thus full control of the Korean Peninsula and adjacent islands would place the Reds in the best possible position for a military assault on the Japanese Islands. That was one underlying reason why the Korean war was fought.

Geographically, the Japanese Islands and Formosa form important links in a somewhat circular chain that extends from the Philippine Islands on up to the Kamchatka Peninsula. This chain is what strategists call America's Southwest Pacific Defense Screen. Since 1949 the Reds have been trying to break this screen, and thus make the North American Continent vulnerable to a military assault that would emanate from Far East origin. Contained also in the Pacific Defense Screen are the Pescadores Islands, the Ryukyu Islands, and even the Marianna and Caroline Islands. These islands are what is known as stepping stones throughout the Southwest Pacific. Their importance was well demonstrated during World War II. The Kuril Islands, which should also be a part of this screen are, unfortunately, under Soviet domination.

Formosa itself is perhaps the most strategic link in our Pacific defense screen. Red forces could use Formosa as a jumping off point in either of two directions—toward the Philippines or the Ryukyu Islands. Occupation of the Philippines by Red forces would place in mortal danger all of Indonesia, including New Guinea, Sumatra, Borneo, and this in turn would pose a serious threat to the security of Australia. Or from Formosa, the Reds could use the adjacent islands groups as stepping stones to the Japanese Islands, perhaps with a coordinated attack from South Korea. For these and other reasons, Korea and Formosa are both extremely vital to the United States in our outer Pacific defense screen.

Thus the tremendous military buildup in North Korea and in Red China is an alarming signal and the West should watch this very carefully. The far-reaching and long-range strategy involved is actually nothing new.

For example, during World War II Hitler alined himself with the Japanese warlords and took Western Europe while the Japanese occupied practically all of the Far East and southeast Asia. The long-range goal was total domination of the entire Eastern Hemisphere with dictatorial control from Berlin. The same pattern has been and is being followed by Soviet leaders in Moscow. However, the idea of making China the "villian of the Far East" is nothing new and was not copied after Hitler's strategy of making Japan the dominating force in Southeast Asia during World War II.

For example, Mr. Speaker, as early as 1923 Moscow had opened schools of revolution for the "Toilers from the East" for the express purpose of eventually Sovietizing China and other Far East areas. And true enough, the very Communist leaders of Red China that are in power at this moment were trained in Moscow as early as 1923.

This is not unusual, however. For the most prominent Communist leaders of every country on earth received revolutionary training in Moscow at some time or another, including Earl Browder and William Z. Foster, who have spent years and years undermining the United States Government. So far as China was concerned, the rewards to Moscow were immeasurable—in 1949 the Moscow-trained students seized control of China and imposed the yoke of international communism on 400 million more victims.

Thus it was that at an early date the Kremlin designated China as the "revolutionary key to Asia"—a key that would some day unlock vast areas of the Far East and southeast Asia that are rich in raw materials and strategic geographical advantages.

Included in these areas and slated for doom, of course, is the Malayan Peninsula—the world's only commercial source of natural rubber, and the world's largest source of the element tin. Indonesia with its multitude of important islands contains many important natural resources over which Moscow some day hopes to gain control. Immediately after the end of World War II, vast amounts of Communist propaganda began circulating in the Philippine Islands, indicating the Kremlin's interest in that strategic Pacific outpost. At the present moment there is great unrest throughout all of Indonesia, which is well known to be Communist-inspired, and which is creating upheaval in the comparatively young Government of President Sukarno. In Bangkok, Thailand there is presently an enormous number of Soviet personnel, far in excess of legitimate diplomatic needs.

Because of these and other reasons, then, Red China with its growing military strength is posing an ever-greater threat to the Western World, particularly to the United States. It is from Red China that vast hordes poured into North Korea during the recent war in that country. It is Red China that has been constantly harassing the Island of Formosa and adjacent areas including Quemoy and Matsu. And it is Red China that intends to some day break the Southwest Pacific defense screen of the United States. There can be no question about this, whatsoever.

Therefore, the United States must remain militarily strong in the Far East. We must continue to assist Japan, militarily. Because Japan, with its tremendous population—approximately 100 million—can play an important role in combating the ever-growing menace of direct and indirect aggression of Red China in the Far East.